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November 12, 2026

Company name: TAUNS Laboratories, Inc.
Representative: Masaki Nonaka, President and CEO
(Code no.: 197A, Standard Market, Tokyo Stock Exchange)
Contact person: Tomohiko Morita, Managing Executive Officer, General Manager, Administration Division
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Notice Concerning the Execution of a Capital and Business Alliance Agreement with Kurabo Industries Ltd., the Secondary Offering of Shares, and Changes in the Largest Principal Shareholder, Principal Shareholder, and Other Affiliated Company

The Company hereby announces that, at a meeting of its Board of Directors held today, it resolved to enter into an agreement regarding a capital and business alliance (the "Capital and Business Alliance") with Kurabo Industries Ltd. (Tokyo Stock Exchange Prime Market: 3106; "Kurabo"), and executed such agreement on the same date, as set forth below.

In connection with the execution of the agreement regarding the Capital and Business Alliance, the Company has been informed by Trustar Capital Japan Partners III, L.P., the Company's largest principal shareholder, Masaki Nonaka, a major shareholder of the Company, and TCJP III Co-Investment, L.P. (collectively, the "Selling Shareholders"), that they intend to transfer a portion of the Company's common shares held by them to Kurabo through an off-market negotiated transaction (the "Share Transfer"). The Share Transfer constitutes a secondary offering of the Company's common shares. In addition, the Share Transfer is expected to result in changes to the Company's largest principal shareholder and principal shareholders, as well as a change in its other affiliated company. Accordingly, the Company hereby announces the matters described below.

I. Capital and Business Alliance

1. Purpose and reason for the Capital and Business Alliance

The Company's medium-term management plan sets forth the vision of "Solving social issues with diagnostic technology, data, and AI." Under this vision, the Company is pursuing initiatives to expand its testing platform and enter the chronic disease field. These efforts are driven by the growing importance of diagnostic technologies amid increasing healthcare demand resulting from an aging population, while shortages of healthcare resources continue to become more severe.

Meanwhile, Kurabo (including its group companies) has positioned the life science & technology business as one of its priority businesses in its medium-term management plan Accelerate ’27 and it is carrying out initiatives to develop new business areas and strengthen the business foundation.

The environment surrounding the in vitro diagnostics industry is undergoing technological innovation and significant change against the backdrop of growing demand for not only infectious disease testing but also early diagnosis, preventive medical care and personalized medicine. Based on the recognition that it is important to strategically cooperate by mutually leveraging each other’s strengths in addition to the respective initiatives of each company to achieve sustainable growth in such an environment, the Company and Kurabo have concluded that, by mutually utilizing the technologies, research and development capabilities, manufacturing know-how, sales networks and human resources possessed by both companies, together they will be able to enhance the competitiveness of both companies and expand the business areas through generating new products and services, strengthening production systems and expanding sales opportunities.

2. Details of the Capital and Business Alliance

(1) Details of the business alliance

The details of the business alliance as agreed to by the Company and Kurabo are as follows. Both companies will continue to examine and determine the details going forward.

(i) Joint research and development of life science-related products

(ii) Development of new products and services through the mutual utilization of technologies, facilities, and other resources held by both parties

(iii) Mutual cooperation in sales activities, including market development and the creation of business opportunities in Japan and overseas

(iv) Strengthening of each party's business foundation through personnel exchanges and the implementation of other collaborative initiatives

(v) Other matters separately agreed upon in writing by the two companies

(2) Details of the capital alliance

Under the Share Transfer Agreement to be entered into with the Selling Shareholders, Kurabo Industries Ltd. is expected to acquire 21,600,000 shares of the Company's common stock (representing 20.27% of the total voting rights as of June 30, 2026) through an off-market negotiated transaction. For details of the Share Transfer, please refer to "II. Secondary Offering of Shares" below.

(3) Agreements relating to governance and other matters under the capital and business alliance agreement

The Company and Kurabo have agreed to the following matters in connection with the Capital and Business Alliance. These provisions shall become effective upon completion of the Share Transfer.

(i) Kurabo's commitment to respect the Company's management independence

Except as otherwise provided in the Capital and Business Alliance Agreement, Kurabo shall continue to respect the Company's autonomy and independence in management from the effective date of the Agreement.

(ii) Nomination of director candidates

The Company shall submit to an extraordinary shareholders' meeting a proposal for the election of one director candidate nominated by Kurabo following prior consultation with the Company, subject to review by the Nomination and Compensation Advisory Committee, with the aim of completing such election no later than March 31, 2027. In addition, for so long as Kurabo holds 15% or more of the Company's voting rights, the Company shall, through the same procedure, submit a proposal for the election of such nominee at each annual shareholders' meeting held after the annual shareholders' meeting for the fiscal year ending June 30, 2027.

(iii) Prior consent and prior consultation on material matters

The Company shall obtain Kurabo's prior consent for certain issuances of shares or other securities that would result in Kurabo's voting rights ownership percentage falling below 15%, the disposition of certain material intellectual property rights relating to the Capital and Business Alliance, and any action initiated by the Company for the purpose of causing its shares to be delisted. In addition, the Company and Kurabo shall consult with each other in advance, to the extent permitted under applicable laws and regulations, regarding corporate reorganizations, issuances of shares or other securities that would reduce Kurabo's voting rights ownership percentage, capital expenditures, financing activities and asset transactions exceeding specified thresholds, material litigation, and other significant matters. Kurabo shall not unreasonably withhold, delay, or condition its consent. Furthermore, if such prior consultation cannot be concluded within a reasonable period of time, the Company may proceed with the relevant matter at its own discretion.

(iv) Additional Acquisition or Disposal of Shares

If Kurabo intends to acquire additional shares of the Company or dispose of any shares it holds, it shall consult with the Company in advance.

(v) Other Matters

The Company shall provide Kurabo with prior notice of, or subsequent reports regarding, certain important matters and shall also provide information concerning monthly business performance and other relevant information. In addition, the Company and Kurabo shall, as a general rule, consult with each other in advance regarding any alliance or collaboration with a third party that may adversely affect the implementation of the business alliance or the exercise of rights under the Capital and Business Alliance Agreement.

These arrangements are intended to establish a long-term cooperative relationship under the Capital and Business Alliance and to ensure the effectiveness of such relationship. In addition, the agreed terms have been structured with due consideration given to preserving the Company's autonomy and independence in management, and the parties contemplate reviewing such arrangements in response to future changes in circumstances. Accordingly, the Company believes that these arrangements will have only a limited impact on its corporate governance.

3. Overview of the Counterparty to the Capital and Business Alliance

(1) Name	Kurabo Industries Ltd.
(2) Address	7-1 Honmachi, Kurashiki, Okayama, Japan (Osaka Head Office: 2-4-31 Kyutaro-machi, Chuo-ku, Osaka, Japan)
(3) Title and name of representative	Shinji Nishigaki, President
(4) Business	Chemical products, textiles, environmental mechatronics, food and services, and real estate
(5) Share capital	JPY 22,040 million
(6) Date of establishment	March 9, 1888
(7) Major shareholders and	The Master Trust Bank of Japan, Ltd. (Trust Account) 10.28%

shareholding ratios (As of March 31, 2026)	Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.) AVI JAPAN OPPORTUNITY TRUST PLC (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department) The Chugoku Bank, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.) Mizuho Bank, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.) Sumitomo Mitsui Banking Corporation Custody Bank of Japan, Ltd. (Trust Account) TS TECH CO., LTD. Kuraray Co., Ltd. Kurabo Kyoeikai	5.68% 4.54% 4.49% 3.45% 3.45% 3.21% 1.90% 1.66% 1.66%
(8) Relationship with the Company	Capital relationship	None.
	Personnel relationship	None.
	Business relationship	None.
	Related party status	Not applicable.

(9) Operating results and financial position for the last three fiscal years

Fiscal year ended	March 31, 2024	March 31, 2025	March 31, 2026
Consolidated net assets	JPY 118,074 million	JPY 121,182 million	JPY 133,674 million
Consolidated total assets	JPY 192,789 million	JPY 190,529 million	JPY 201,844 million
Consolidated net assets per share	JPY 6,513.02	JPY 7,077.11	JPY 8,266.72
Consolidated net sales	JPY 151,314 million	JPY 150,660 million	JPY 143,758 million
Consolidated operating profit	JPY 9,186 million	JPY 10,311 million	JPY 9,182 million
Consolidated ordinary profit	JPY 10,191 million	JPY 11,784 million	JPY 11,071 million
Profit attributable to owners of parent	JPY 6,738 million	JPY 9,014 million	JPY 12,876 million
Consolidated earnings per share	JPY 362.50	JPY 516.19	JPY 781.89
Dividends per share	JPY 100.00	JPY 180.00	JPY 307.00

4. Schedule of the Capital and Business Alliance Agreement

Date of Board of Directors' resolution	November 12, 2026
Date of execution of the Capital and Business Alliance Agreement	November 12, 2026
Commencement date of the Capital and Business Alliance (completion date of the Share Transfer)	November 30, 2026 (scheduled)

5. Future Outlook

The Company believes that the Capital and Business Alliance will contribute to the enhancement of the business performance of both companies over the medium to long term. However, its impact on the Company's consolidated financial results for the fiscal year ending June 30, 2027 is expected to be immaterial. Should any matters requiring disclosure arise in the future, the Company will promptly announce them.

Ⅱ. Secondary Offering of Shares

1. Overview of the Secondary Offering

(1) Type and number of shares to be offered	21,600,000 shares of the Company's common stock
(2) Offering price	JPY 600 per share The offering price has been determined through consultation between the parties to the transaction.
(3) Total offering amount	JPY 12,960,000,000
(4) Selling shareholders and number of shares to be offered	Trustar Capital Japan Partners III, L.P.: 16,299,580 shares TCJP III Co-Investment, L.P.: 100,420 shares Masaki Nonaka: 5,200,000 shares
(5) Method of offering	Transfer by the Selling Shareholders to Kurabo through an off-market negotiated transaction
(6) Subscription period	November 12, 2026
(7) Settlement date	November 30, 2026 (scheduled)
(8) Subscription deposit	Not applicable.
(9) Subscription unit	Not applicable.
(10) Other matters	A securities notification pursuant to the Financial Instruments and Exchange Act has been submitted to the Tokai Local Finance Bureau in connection with the above.

2. Purpose of the Secondary Offering

The Secondary Offering is being conducted as a procedure required under applicable laws and regulations in connection with the execution of a share transfer agreement between Kurabo and the Selling Shareholders, under which Kurabo is expected to acquire a portion of the Company's common shares held by the Selling Shareholders through an off-market negotiated transaction.

Ⅲ. Changes in the Largest Shareholder, Principal Shareholder and Other Affiliated Company

1. Background to the Changes

As described in "(2) Details of the Capital Alliance" under "2. Details of the Capital and Business Alliance" in "I. Capital and Business Alliance" above, and in "II. Secondary Offering of Shares," upon completion of the Share Transfer, Trustar Capital Japan Partners III, L.P. will no longer qualify as the Company's largest principal shareholder, and Masaki Nonaka will newly qualify as the Company's largest principal shareholder.

Furthermore, Kurabo is expected to newly qualify as a principal shareholder and an affiliated company classified as an 'other affiliated company' of the Company as a result of the Share Transfer, through the acquisition of 16,299,580 shares of the Company's common stock from Trustar Capital Japan Partners III, L.P. (voting rights ownership ratio: 15.30%), 100,420 shares from TCJP III Co-Investment, L.P. (voting rights ownership ratio: 0.09%), and 5,200,000 shares from Masaki Nonaka (voting rights ownership ratio: 4.88%).

Note: For details of the voting rights ownership percentages, please refer to the note under "3. Number of Voting Rights (Number of Shares Held) and Percentage of Total Voting Rights Held by the Shareholder Before and After the Change" below.

2. Overview of the Shareholder Subject to the Changes

(1) Overview of the Shareholder who will Newly Qualify as the Largest Shareholder and Principal Shareholder

(1) Name	Masaki Nonaka
(2) Address	Numazu-shi, Shizuoka, Japan
(3) Relationship with the Company	President and Representative Director of the Company

(2) Overview of the Shareholder who will Cease to Qualify as the Largest Shareholder and Principal Shareholder

(1) Name	Trustar Capital Japan Partners III, L.P.	
(2) Address	190 Elgin Avenue, George Town, Grand Cayman, Cayman Islands	
(3) Business activities	Investment business in the Japanese market	
(4) Legal basis for establishment, etc.	Limited partnership established under the Exempted Limited Partnership Act of the Cayman Islands	
(5) Overview of the general partner	Name	CJP III GP Ltd.
	Address	190 Elgin Avenue, George Town, Grand Cayman, Cayman Islands
	Title and name of representative	Director HUI Ching Ching Vicki
	Business activities	Management and operation of Trustar Capital Japan Partners III, L.P.
	Share capital	JPY 1,000
(6) Overview of the domestic representative	Name	Daiwa Securities Co. Ltd.
	Address	1-9-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
	Title and name of representative	Representative Director and President: Akihiko Ogino
	Business activities	Financial instruments business
	Share capital	JPY 100 billion
(7) Relationship with the Company	Capital relationship between the Company and the shareholder	Trustar Capital Japan Partners III, L.P. directly owns 39.14% of the Company's issued shares (voting rights ownership ratio), as of June 30, 2026.
	Relationship between the Company and the general partner	One director has been seconded to the Company from Trustar Capital Partners Japan Limited, a group company of the Trustar Capital Group to which CJP III GP Ltd. belongs.
	Relationship between the Company and the domestic representative	Not applicable.

(3) Overview of the Shareholder who will Newly Qualify as a Principal Shareholder and Other Affiliated Company

(1) Name	Kurashiki Boseki Co., Ltd.

For details regarding Kurabo, including its location, please refer to “I. Capital and Business Alliance - 3. Overview of the Counterparty to the Capital and Business Alliance” above.

3. Number of Voting Rights (Number of Shares Held) and Percentage of Total Voting Rights Held by the Shareholder Before and After the Change

(1) Masaki Nonaka

	Status	Number of Voting Rights (Number of Shares Held)	Percentage of Total Voting Rights	Ranking Among Major Shareholders
Before the Change (as of June 30, 2026)	Principal Shareholder	312,322 voting rights (31,232,217 shares)	29.31%	2nd
After the Change (Planned)	Largest Principal Shareholder	260,322 voting rights (26,032,217 shares)	24.43%	1st

(2) Trustar Capital Japan Partners III, L.P.

	Status	Number of Voting Rights (Number of Shares Held)	Percentage of Total Voting Rights	Ranking Among Major Shareholders
Before the Change (as of June 30, 2026)	Largest Principal Shareholder	417,078 voting rights (41,707,856 shares)	39.14%	1st
After the Change (Planned)	Principal Shareholder	254,082 voting rights (25,408,276 shares)	23.85%	2nd

(3) Kurabo

	Status	Number of Voting Rights (Number of Shares Held)	Percentage of Total Voting Rights	Ranking Among Major Shareholders
Before the Change (as of June 30, 2026)	—	0 voting rights (0 shares)	0.00%	-
After the Change (Planned)	Principal Shareholder and Other Affiliated Company	216,000 voting rights (21,600,000 shares)	20.27%	3rd

Notes:1. The percentage of total voting rights has been calculated based on the total number of voting rights held by all shareholders, which was 1,065,481 as of June 30, 2026. In calculating this percentage, 143,586 shares without voting rights (shares constituting less than one trading unit) were excluded from the total number of issued shares of 106,691,686 as of the same date.

2. The ranking among major shareholders after the Change is based on the Company's estimate using the shareholder register as of June 30, 2026.

3. Percentages of total voting rights have been rounded to two decimal places.

4. Scheduled Date of the Change

November 30, 2026 (planned)

5. Whether There will be Any Change in a Non-listed Parent Company Subject to Disclosure

Not applicable.

6. Future Outlook

The Change is not expected to have any impact on the Company's consolidated financial results.