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June 25, 2025

To Shareholders:

Company name Kitazato Corporation
Representative Futoshi Inoue President, CEO
(Code number: 368A, TSE Prime Market)
Inquiries Masanobu Suzuki Director, General
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Notice on the Company's Financial Information, etc. in Line with Its Listing on the TSE Prime Market

Today, on June 25, 2025, the Company was listed on the Prime Market of the Tokyo Stock Exchange. We look forward to your continued support and guidance moving forward. The Group's consolidated financial results forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026) are as below. Our recent financial information, etc., can be found in the attached documents.

[Consolidated]

(Millions of yen, %)

Financial period Items	Fiscal year ending March 31, 2026 (forecast)			Fiscal year ended March 31, 2025 (results)			Fiscal year ended March 31, 2024 (results)	
		Percentage of net sales	Year-on- year percentage change		Percent -age of net sales	Year-on- year percentage change		Percentage of net sales
Net sales	10,602	100.0	2.9	10,302	100.0	2.2	10,080	100.0
Operating profit	5,374	50.7	(7.1)	5,782	56.1	(2.2)	5,912	58.7
Ordinary profit	5,267	49.7	(8.7)	5,767	56.0	(3.8)	5,995	59.5
Profit attributable to owners of parent	3,498	33.0	(7.7)	3,788	36.8	(4.6)	3,972	39.4
Basic earnings per share	87.46 yen			94.72 yen			99.32 yen	
Dividend per share	41.00 yen			41.00 yen			8,000,000.00 yen (40.00 yen)	

- (Notes) 1. Basic earnings per share for the fiscal year ended March 31, 2024 (results) and March 31, 2025 (results) have been calculated based on the average number of shares outstanding during the period. Basic earnings per share for the fiscal year ending March 31, 2026 (forecast) have been calculated based on the planned average number of issued shares during the period.
2. The Company conducted a 200,000-for-1 stock split of its common shares on February 8, 2025. Basic earnings per share have been calculated based on the assumption that the above stock split was conducted at the beginning of the fiscal year ended March 31, 2024. For reference, annual dividends per share based on the assumption that the above stock split was conducted at the beginning of the fiscal year ended March 31, 2024, have been included in brackets.
3. For the fiscal year ended March 31, 2025 (results), we plan to pay a dividend of 41 yen per share. Moreover, while for the year ending March 31, 2026 (forecasts), we also plan to pay a dividend of 41 yen per share, final decisions will be made based on performance trends and changes in the management

environment, etc., and as such actual dividend payments may change depending on unexpected external factors such as rapid changes in the global economy and natural disasters.

4. The consolidated financial statements for the year ended March 31, 2025, which were approved at the Board of Directors' meeting held on May 14, 2025, were prepared based on the Regulation on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976). However, audits of the consolidated financial statements under the provision of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act have not been completed, and we have not received an audit report.

[Assumptions for the Company's Financial Results Forecasts for the Fiscal Year Ended March 31, 2026]

1. Groupwide forecasts

The Group's corporate philosophy is "Happiness, for the Next Generations," and based on this philosophy we develop and manufacture products for infertility treatment and deliver proprietary products across global markets. Specializing in reproductive engineering technologies in artificial insemination, in vitro fertilization, cell cryopreservation, and regenerative medicine, we supply products that respond to market needs.

In the fiscal year ended March 31, 2025, the Japanese economy saw gradual improvement in the employment and income environment, and gradual recovery in the personal consumption despite the impacts of rising prices. However, the outlook remains uncertain due to concerns regarding soaring resource prices caused by international instability and fluctuations in financial and capital markets. In the infertility treatment field, the rise in demand for infertility treatment brought on by global lifestyle changes, declining birthrates and shrinking population is driving overall market growth. In addition, we believe that the increase in social understanding and recognition of assisted reproductive technology, and improvements in the government's support policies and compensation programs, are important factors in driving market growth.

Under these circumstances, the Group's net sales in the fiscal year ended March 31, 2025 amounted to ¥10,302 million (up 2.2% year on year). In terms of profit, due to the impact of an increase in the cost of sales ratio caused by changes in the combination of production volume and sales volume, as well as an increase in personnel expenses in line with the reinforcement of our management structure, an increase in remuneration payments, and the recording of listing preparation expenses, gross profit, operating profit, ordinary profit, and profit attributable to owners of parent amounted to ¥6,974 million (down 0.9% year on year), ¥5,782 million (down 2.2% year on year), ¥5,767 million (down 3.8% year on year), and ¥3,788 million (down 4.6% year on year), respectively.

In this business environment, our policy moving forward is to launch OEM products to enhance our product lineup and release new products to secure our competitive advantage. Moreover, we will proactively invest in human resources and management operations to reinforce our governance and internal control systems. In the fiscal year ending March 31, 2026 we forecast net sales of ¥10,602 million (up 2.9% year on year), operating profit of ¥5,374 million (down 7.1% year on year), ordinary profit of ¥5,267 million (down 8.7% year on year), and profit attributable to owners of parent of ¥3,498 million (down 7.7% year on year).

2. Assumptions for the financial results forecasts

Segment information has been omitted as the Group operates only a single segment in the medical devices business.

(1) Net sales

The Group's medical devices for infertility treatment comprise the following four product categories: Media, which includes reagents for the cultivation of oocytes/fertilized eggs and cryopreservation; CryoDevices, which include containers used for the cryopreservation of oocytes, fertilized eggs, and ovarian tissues; medical devices, which include catheters used for the collection, insemination, and transfer of oocytes and sperm; and MicroTools, which include pipettes used for microinsemination.

(i) Net sales by product category

In the Media category, in the year ending March 31, 2026, we anticipate net sales of ¥3,731 million (up 3.4% year on year) through the roll out of products including the new Ultra-Fast, which boasts greater usage efficiency.

In the CryoDevices category, although we expect some positive impacts from the launch of new products, in the year ending March 31, 2026, we forecast net sales of ¥3,131 million (down 1.1% year on year) due to rebound effects from special demand in China in the previous fiscal year.

In the medical devices category, in line with product registrations in Europe, the US, and India, and the launch of new products, in the year ending March 31, 2026, we anticipate net sales of ¥2,377 million (up 2.3% year on year).

In the MicroTools category, we expect net sales of ¥1,147 million (up 13.6% year on year) in the year ending March 31, 2026, due to product registrations in Europe and the US.

(ii) Net sales by region

In Japan, in the year ending March 31, 2026, we forecast net sales of ¥3,690 million (up 5.5% year on year) as we recapture our share of the market through stronger sales capabilities and new product launches, as well as market growth.

In Europe, in the year ending March 31, 2026, we expect net sales of ¥3,645 million (up 5.7% year on year) as we work to enhance our range of CE-certified products and due to the expected increase in number of registered products in European countries.

In the US, we anticipate net sales of ¥1,179 million (up 15.3% year on year) in the year ending March 31,

2026, due to sales expansion, including in Canada, and the increase in number of registered products such as ET catheters in the medical devices category and new products in the MicroTools and other categories. In China, in the year ending March 31, 2026, we expect net sales of ¥659 million (down 24.1% year on year) due to reduced impacts from strategic spot sales by retailers in the previous fiscal year, together with favorable treatment for domestically produced products. In India, we expect net sales of ¥525 million (up 12.3% year on year) in line with our launch of new products and efforts to create stronger collaborative relationships with retailers.

As a result of the above, in the fiscal year ending March 31, 2026, we expect total net sales of ¥10,602 million (up 2.9% year on year).

[Consolidated]

(Net sales by product category)

(Millions of Yen, %)

Financial period Product categories	Fiscal year ending March 31, 2026 (forecast)			Fiscal year ended March 31, 2025 (results)			Fiscal year ended March 31, 2024 (results)	
		Percent age of net sales	Year-on-year percent age change		Percent age of net sales	Year-on-year percent age change		Percentage of net sales
Media	3,731	35.2	3.4	3,607	35.0	1.1	3,566	35.4
CryoDevices	3,131	29.5	(1.1)	3,165	30.7	10.0	2,878	28.6
Medical devices	2,377	22.4	2.3	2,324	22.6	(7.0)	2,499	24.8
MicroTools	1,147	10.8	13.6	1,009	9.8	5.3	958	9.5
Other	216	2.0	10.8	194	1.9	9.8	177	1.8
Total	10,602	100.0	2.9	10,302	100.0	2.2	10,080	100.0

(Net sales by region)

(Millions of Yen, %)

Financial period Regions	Fiscal year ending March 31, 2026 (forecast)			Fiscal year ended March 31, 2025 (results)			Fiscal year ended March 31, 2024 (results)	
		Percent age of net sales	Year-on-year percent age change		Percent age of net sales	Year-on-year percent age change		Percentage of net sales
Japan	3,690	34.8	5.5	3,496	33.9	(4.4)	3,658	36.3
Europe	3,645	34.4	5.7	3,448	33.5	12.0	3,078	30.5
U.S.A.	1,179	11.1	15.3	1,022	9.9	7.6	950	9.4
China	659	6.2	(24.1)	868	8.4	(5.9)	922	9.2
India	525	5.0	12.3	467	4.5	(9.7)	517	5.1
Other	903	8.5	(9.5)	998	9.7	4.7	953	9.5
Total	10,602	100.0	2.9	10,302	100.0	2.2	10,080	100.0

(2) Cost of sales, gross profit

The Company's cost of sales mainly comprises material expenses, labor expenses, and outsourcing expenses. We calculate labor expenses by considering the rate of increase in salary for the relevant fiscal year based on total personnel expenses (salaries, bonuses, statutory welfare expenses, employee benefits, etc.) from previous years for existing employees. Moreover, we also take into account total personnel expenses for new graduates and mid-career hires based on the personnel plan for the relevant fiscal year.

For material and outsourcing expenses, we forecast expenses using expected production volume for each product type based on the composition of actual manufacturing costs.

As a result of the above, we expect cost of sales in the fiscal year ending March 31, 2026, to be ¥3,785 million (up 13.8% year on year) due to changes in our sales mix in line with region-focused product launches and an increase in depreciation from the operation of automated production equipment at our new factory, despite an expected increase in income from market growth and successful sales measures. Gross profit is expected to be ¥6,817 million (down 2.2% year on year).

(3) Selling, general and administrative expenses, operating profit

The Company's selling, general and administrative expenses mainly comprise personnel expenses and other expenses.

We calculate personnel expenses by considering the rate of increase in salary for the relevant fiscal year based on total personnel expenses (salaries, bonuses, statutory welfare expenses, employee benefits, etc.) from previous years for existing employees, mainly the Company's officers and employees belonging to our sales and management departments. Moreover, we also take into account total personnel expenses for new graduates and mid-career hires based on the personnel plan for the relevant fiscal year.

Other expenses comprise remuneration payments, advertising expenses, travel expenses, and depreciation, etc. Remuneration payments comprise remuneration for auditors and lawyers, and outsourcing expenses for product certification applications. Advertising and travel expenses are calculated based on sales activity plans. Depreciation is calculated in consideration of existing non-current assets and new investment plans. As a result of the above, in the fiscal year ending March 31, 2026, we expect selling, general and administrative expenses of ¥1,442 million (up 21.1% year on year) due to an increase in total personnel expenses (salaries, bonuses, statutory welfare expenses, employee benefits, etc.) in line with the strengthening of our sales and management department structures, as well as an increase in expenses for sales measures, including for academic conferences. We forecast operating profit of ¥5,374 million (down 7.1% year on year).

(4) Ordinary profit

In the year ending March 31, 2026, we expect ¥100 million in non-operating expenses, mainly listing-related expenses.

As a result of the above, in the fiscal year ending March 31, 2026, we expect ordinary profit of ¥5,267 million (down 8.7% year on year).

(5) Profit attributable to owners of parent

In the year ending March 31, 2026, we do not expect any extraordinary income. Moreover, income taxes, income taxes – deferred, and profit attributable to owners of parent have been calculated based on taxable income in line with our profit plan.

As a result of the above, in the fiscal year ending March 31, 2026, we expect profit attributable to owners of parent of ¥3,498 million (down 7.7% year on year).

[Notes on Financial Results Forecasts]

The financial results forecasts and other forward-looking statements contained in these documents are based on information currently available to the Company and certain assumptions that the Company has deemed reasonable. Actual financial results may differ due to various factors.

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June 25, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)



Company name: Kitazato Corporation
 Listing: Tokyo Stock Exchange
 Securities code: —
 URL: <https://www.kitazato.co.jp/>
 Representative: Futoshi Inoue, President, CEO
 Inquiries: Masanobu Suzuki, Director, General Manager of Corporate Planning Department
 Telephone: +81-545-65-7122
 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled date to file annual securities report: June 30, 2025
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	10,302	2.2	5,782	(2.2)	5,767	(3.8)	3,788	(4.6)
March 31, 2024	10,080	7.8	5,912	15.3	5,995	17.2	3,972	17.9

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥3,788 million [(4.6)%]
 For the fiscal year ended March 31, 2024: ¥3,972 million [17.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	94.72	—	22.1	30.7	56.1
March 31, 2024	99.32	—	26.4	35.9	58.7

Note: The Company conducted a 200,000-for-1 stock split of its common shares on February 8, 2025. Basic earnings per share have been calculated based on the assumption that the above stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	19,748	18,249	92.4	456.24
March 31, 2024	17,857	16,060	89.9	401.51

Reference: Equity

As of March 31, 2025: ¥18,249 million
 As of March 31, 2024: ¥16,060 million

Note: The Company conducted a 200,000-for-1 stock split of its common shares on February 8, 2025. Net assets per share have been calculated based on the assumption that the above stock split was conducted at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	3,526	(880)	(1,658)	11,460
March 31, 2024	4,500	(89)	(2,072)	10,474

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	—	—	8,000,000.00	8,000,000.00	1,600	40.3	10.6
Fiscal year ended March 31, 2025	—	—	—	41.00	41.00	1,640	43.3	9.6
Fiscal year ending March 31, 2026 (Forecast)	—	—	—	41.00	41.00		46.9	

Note: The Company conducted a 200,000-for-1 stock split of its common shares on February 8, 2025. Dividends for the fiscal year ended March 31, 2024 are the actual amount prior to the above stock split.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,602	2.9	5,374	(7.1)	5,267	(8.7)	3,498	(7.7)	87.46

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please see page 11 of the Attachments: “3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements (Changes in accounting policies).”

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	40,000,000 shares
As of March 31, 2024	40,000,000 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	– shares
As of March 31, 2024	– shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	40,000,000 shares
Fiscal year ended March 31, 2024	40,000,000 shares

Note: The Company conducted a 200,000-for-1 stock split of its common shares on February 8, 2025. “Total number of issued shares at the end of the period,” “Number of treasury shares at the end of the period” and “Average number of shares outstanding during the period” have been calculated based on the assumption that the above stock split was conducted at the beginning of the previous fiscal year.

[Reference] Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	10,127	1.7	5,576	(2.9)	5,589	(4.6)	3,667	(5.2)
March 31, 2024	9,955	7.4	5,745	17.2	5,857	19.4	3,869	19.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	91.69	—
March 31, 2024	96.73	—

Note: The Company conducted a 200,000-for-1 stock split of its common shares on February 8, 2025. Basic earnings per share have been calculated based on the assumption that the above stock split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	19,096	17,658	92.5	441.47
March 31, 2024	17,380	15,591	89.7	389.79

Reference: Equity

As of March 31, 2025: ¥17,658 million

As of March 31, 2024: ¥15,591 million

Note: The Company conducted a 200,000-for-1 stock split of its common shares on February 8, 2025. Net assets per share have been calculated based on the assumption that the above stock split was conducted at the beginning of the previous fiscal year.

2. Non-consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,412	2.8	5,132	(8.2)	3,409	(7.0)	85.23

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts and other special matters

(Notes on forward-looking statements)

The financial results forecasts and other forward-looking statements contained in these documents are based on information currently available to the Company and certain assumptions that the Company has deemed reasonable. The information is not intended as a guarantee that the Company will achieve these targets. Actual financial results may differ significantly due to various factors.

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Fiscal Year Under Review

In the fiscal year under review, the Japanese economy saw a gradual improvements in the employment and income environment, and a gradual recovery in the personal consumption despite the impacts of rising prices. However, the outlook remains uncertain due to concerns regarding soaring resource prices caused by international instability and fluctuations in financial and capital markets.

In the infertility treatment field, the rise in demand for infertility treatment brought on by global lifestyle changes, declining birthrates and shrinking population is driving overall market growth. In addition, we believe that the increase in social understanding and recognition of assisted reproductive technology, and improvements in the government's support policies and compensation programs, are important factors in driving market growth.

In this business environment, the Kitazato Group develops and manufactures products for infertility treatment and delivers proprietary products across global markets. Specializing in reproductive engineering technologies in artificial insemination, in vitro fertilization, cell cryopreservation, and regenerative medicine, we supply products that respond to market needs.

The Group's consolidated financial results in the fiscal year under review is as below.

<Net sales>

The Group's net sales in the fiscal year under review amounted to ¥10,302 million (up 2.2% year on year).

In Japan, although we have been proceeding with efforts to increase sales, such as through the launch of new products of oocyte/embryo vitrification solution and the establishment of an online store to simplify the ordering process between the Company and its customers, net sales amounted to ¥3,496 million (down 4.4% year on year) as severe business conditions continued due to price wars with competitors.

Overseas, although sales of embryo transfer catheter in China were delayed due to the time taken to apply for the products' certification, net sales amounted to ¥6,805 million (up 6.0% year on year) thanks to the launch of new products, such as "RYDEN" embryo transfer catheter, and the new rollout of sperm processing reagents and intracytoplasmic sperm injection reagents in Europe, and an improved sales structure at our retailer in the U.S.A., which changed from California Cryobank LLC to Biomedical Supply US, Inc. in July 2023.

[Net sales by product category]

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change	Percentage change
Net sales	10,080	10,302	221	102.2%
Media	3,566	3,607	40	101.1%
CryoDevices	2,878	3,165	287	110.0%
Medical devices	2,499	2,324	(174)	93.0%
Micro Tools	958	1,009	51	105.3%
Other	177	194	17	109.8%

(Millions of Yen)

[Net sales by region]

(Millions of Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change	Percentage change
Net sales	10,080	10,302	221	102.2%
Japan	3,658	3,496	(161)	95.6%
Overseas	6,422	6,805	383	106.0%
Europe	3,078	3,448	369	112.0%
U.S.A.	950	1,022	72	107.6%
China	922	868	(54)	94.1%
India	517	467	(50)	90.3%
Other	953	998	45	104.7%

<Profit>

Gross profit amounted to ¥6,974 million (down 0.9% year on year) due to the impact of an increase in the cost of sales ratio caused by changes in the combination of production volume and sales volume.

Operating profit amounted to ¥5,782 million (down 2.2% year on year) due to an increase in personnel expenses in line with the reinforcement of our management structure and an increase in remuneration payments.

Ordinary profit amounted to ¥5,767 million (down 3.8% year on year) due to the recording of listing preparation expenses. Moreover, due to the recording of extraordinary losses caused by overseas remittance fraud in April and May 2024, profit attributable to owners of parent amounted to ¥3,788 million (down 4.6% year on year).

(2) Overview of Financial Position for the Fiscal Year Under Review

Total assets as of the end of the fiscal year under review amounted to ¥19,748 million, marking a ¥1,891 million increase over the end of the previous fiscal year. This was mainly due to an increase of ¥691 million in construction in progress due to the construction of a new company building, and an increase of ¥956 million in cash and deposits.

Total liabilities amounted to ¥1,499 million, marking a ¥297 million decrease compared to the end of the previous fiscal year. This was mainly due to a decrease of ¥322 million in income taxes payable.

Total net assets amounted to ¥18,249 million, marking a ¥2,188 million increase over the end of the previous fiscal year. This was due to an increase of ¥3,788 million from profit attributable to owners of parent, despite a ¥1,600 million decrease from dividend payments.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents (hereinafter “cash”) in the fiscal year under review increased by ¥986 million over the previous fiscal year to ¥11,460 million.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥3,526 million (an inflow of ¥4,500 million in the previous fiscal year). This was mainly due to an increase in trade receivables of ¥271 million and income taxes paid of ¥2,257 million, despite profit before income taxes of ¥5,741 million and a decrease in inventories of ¥173 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥880 million (an outflow of ¥89 million in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of ¥899 million.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥1,658 million (an outflow of ¥2,072 million in the previous fiscal year). This was mainly due to dividends paid of ¥1,600 million.

(4) Future Outlook

While in the immediate future we will focus on measures to expand our existing domains, we will also promote the following strategies to expand our businesses in peripheral domains over the medium to long term.

1) Existing domains

- Maintain and expand domestic market share
- Further develop overseas markets
- Improve product supply capabilities by expanding production, research, and development facilities

2) Peripheral domains

- Supplement equipment, material, and resin manufacturers
- Expand services for clinical examinations and cell storage
- Enter generic pharmaceuticals domain
- In vitro diagnostic agents
- Develop new products through research

In this business environment, in the fiscal year ending March 2026 we forecast net sales of ¥10,602 million (up 2.9% year on year), operating profit of ¥5,374 million (down 7.1% year on year), ordinary profit of ¥5,267 million (down 8.7% year on year), and profit attributable to owners of parent of ¥3,498 million (down 7.7% year on year).

2. Basic Policy on Selection of Accounting Standards

The Group adopts the Japanese GAAP to enable comparisons with other domestic companies in the same industry.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	10,504	11,460
Accounts receivable - trade	1,187	1,459
Merchandise and finished goods	342	388
Work in process	437	487
Raw materials and supplies	1,184	914
Other	54	124
Total current assets	13,711	14,835
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,042	2,110
Machinery, equipment and vehicles	230	252
Land	1,913	2,024
Construction in progress	20	711
Other	350	392
Accumulated depreciation	(793)	(939)
Total property, plant and equipment	3,764	4,552
Intangible assets		
Other	78	61
Total intangible assets	78	61
Investments and other assets		
Deferred tax assets	199	188
Other	103	111
Total investments and other assets	302	300
Total non-current assets	4,145	4,913
Total assets	17,857	19,748

Kitazato Corporation (368A) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	135	252
Income taxes payable	1,219	897
Provision for bonuses	51	59
Provision for product warranties	4	5
Other	264	204
Total current liabilities	1,675	1,419
Non-current liabilities		
Other	121	79
Total non-current liabilities	121	79
Total liabilities	1,796	1,499
Net assets		
Shareholders' equity		
Share capital	10	10
Retained earnings	16,050	18,239
Total shareholders' equity	16,060	18,249
Total net assets	16,060	18,249
Total liabilities and net assets	17,857	19,748

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	10,080	10,302
Cost of sales	3,040	3,327
Gross profit	7,040	6,974
Selling, general and administrative expenses	1,127	1,191
Operating profit	5,912	5,782
Non-operating income		
Interest income	0	5
Dividend income	0	0
Compensation income	—	3
Foreign exchange gains	49	—
Surrender value of insurance policies	68	0
Dividend income of insurance	—	2
Other	1	0
Total non-operating income	119	11
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	-	5
Listing expenses	32	17
Other	1	2
Total non-operating expenses	36	26
Ordinary profit	5,995	5,767
Extraordinary income		
Gain on sale of non-current assets	0	—
Total extraordinary income	0	—
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	0	0
Loss on remittance fraud	—	25
Total extraordinary losses	0	25
Profit before income taxes	5,995	5,741
Income taxes - current	2,071	1,942
Income taxes - deferred	(48)	10
Total income taxes	2,022	1,952
Profit	3,972	3,788
Profit attributable to owners of parent	3,972	3,788

Kitazato Corporation (368A) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	3,972	3,788
Comprehensive income	3,972	3,788
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,972	3,788

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity			Total net assets
	Share capital	Retained earnings	Total shareholders' equity	
Balance at beginning of period	10	14,077	14,087	14,087
Changes during period				
Dividends of surplus		(2,000)	(2,000)	(2,000)
Profit attributable to owners of parent		3,972	3,972	3,972
Total changes during period	—	1,972	1,972	1,972
Balance at end of period	10	16,050	16,060	16,060

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity			Total net assets
	Share capital	Retained earnings	Total shareholders' equity	
Balance at beginning of period	10	16,050	16,060	16,060
Changes during period				
Dividends of surplus		(1,600)	(1,600)	(1,600)
Profit attributable to owners of parent		3,788	3,788	3,788
Total changes during period	—	2,188	2,188	2,188
Balance at end of period	10	18,239	18,249	18,249

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	5,995	5,741
Depreciation	177	175
Increase (decrease) in provision for bonuses	(2)	8
Increase (decrease) in provision for product warranties	(2)	1
Interest and dividend income	(0)	(5)
Interest expenses	1	1
Foreign exchange losses (gains)	(35)	2
Listing expenses	32	17
Loss (gain) on sale and retirement of non-current assets	(0)	0
Loss on remittance fraud	—	25
Decrease (increase) in trade receivables	320	(271)
Decrease (increase) in inventories	(262)	173
Increase (decrease) in trade payables	(32)	116
Other	49	(181)
Subtotal	6,241	5,806
Interest and dividends received	0	5
Interest paid	(1)	(1)
Payments for loss on remittance fraud	—	(25)
Income taxes paid	(1,738)	(2,257)
Net cash provided by (used in) operating activities	4,500	3,526
Cash flows from investing activities		
Purchase of property, plant and equipment	(76)	(899)
Proceeds from sale of property, plant and equipment	0	—
Purchase of intangible assets	(9)	(4)
Proceeds from withdrawal of time deposits	—	30
Other	(3)	(5)
Net cash provided by (used in) investing activities	(89)	(880)
Cash flows from financing activities		
Dividends paid	(2,000)	(1,600)
Repayments of lease liabilities	(38)	(44)
Payments of listing expenses	(33)	(14)
Other	—	0
Net cash provided by (used in) financing activities	(2,072)	(1,658)
Effect of exchange rate change on cash and cash equivalents	35	(2)
Net increase (decrease) in cash and cash equivalents	2,375	986
Cash and cash equivalents at beginning of period	8,099	10,474
Cash and cash equivalents at end of period	10,474	11,460

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter “Revised Accounting Standard 2022”), etc. from the beginning of the fiscal year under review.

The revisions regarding the categories for recording current income taxes (taxation on other comprehensive income) are in line with the transitional provisions prescribed in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional provisions prescribed in the proviso to Paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter “Revised Guidance 2022”). This has no impact on the consolidated financial statements.

Moreover, for revisions regarding the treatment of consolidated financial statements when deferring gains/losses from the sale of shares, etc. of subsidiaries among consolidated companies for tax purposes, we have applied the Revised Guidance 2022 from the beginning of the fiscal year under review. These revisions on accounting policies are applied retrospectively, and the retrospective application is reflected in the consolidated financial statements for the previous fiscal year. This has no impact on the consolidated financial statements for the previous fiscal year.

(Changes in presentation)

(Consolidated balance sheet)

From the fiscal year under review “Construction in progress,” which was included in “Other” under “Property, plant, and equipment” in the previous fiscal year, has been stated separately due to the increase in significance of its amount. To reflect this change in presentation, we have reclassified the consolidated financial statements from the previous fiscal year.

As a result, ¥370 million presented in “Other” under “Property, plant, and equipment” in the consolidated balance sheet for the previous fiscal year, has been reclassified as “Construction in progress” of ¥20 million and “Other” of ¥350 million.

(Segment information)

Segment information has been omitted as the Group operates only a single segment in the medical devices business.

Kitazato Corporation (368A) Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	401.51 yen	456.24 yen
Basic earnings per share	99.32 yen	94.72 yen

Notes: 1. Diluted earnings per share have been omitted as there are no diluted shares.

2. The Company conducted a 200,000-for-1 stock split of its common shares on February 8, 2025. Net assets per share and basic earnings per share have been calculated based on the assumption that the above stock split was conducted at the beginning of the previous fiscal year.

3. Basic earnings per share have been calculated based on the following.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	3,972	3,788
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent related to common shares (Millions of yen)	3,972	3,788
Average number of common shares outstanding during the period (Shares)	40,000,000	40,000,000

(Significant subsequent events)

Not applicable.