

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



May 7, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: Japan Lifeline Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7575
 URL: <https://www.japanlifeline.com/>
 Representative: Keisuke Suzuki, President and CEO
 Inquiries: Takeyoshi Egawa, Director and Chief Financial Officer
 Telephone: +81-3-6711-5200

Scheduled date to hold ordinary general meeting of shareholders: June 26, 2026

Scheduled date to commence dividend payments: June 29, 2026

Scheduled date to file annual securities report: June 19, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	59,187	4.6	12,606	2.3	12,588	2.1	9,350	0.4
March 31, 2025	56,610	10.2	12,326	13.2	12,335	16.6	9,317	24.0

Note: Comprehensive income Fiscal year ended March 31, 2026: ¥9,552 million [(4.2)%]

Fiscal year ended March 31, 2025: ¥9,971 million [22.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	133.30	133.28	14.9	16.2	21.3
March 31, 2025	131.43	—	15.8	16.6	21.8

Reference: Share of profit (loss) of entities accounted for using the equity method

Fiscal year ended March 31, 2026: ¥— million

Fiscal year ended March 31, 2025: ¥— million

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	80,211	65,897	82.1	938.65
March 31, 2025	75,123	59,914	79.8	854.74

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)

As of March 31, 2026: ¥65,850 million

As of March 31, 2025: ¥59,914 million

(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, 2026	8,172	(2,048)	(4,581)	12,494
March 31, 2025	9,113	(1,801)	(9,040)	11,014

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (Consolidated)	Dividends on equity (Consolidated)
	Q1-end	Q2-end	Q3-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	0.00	—	53.00	53.00	3,722	40.3	6.5
Fiscal year ended March 31, 2026	—	0.00	—	54.00	54.00	3,792	40.5	6.0
Fiscal year ending March 31, 2027 (forecast)	—	0.00	—	56.00	56.00		49.1	

3. Consolidated earnings forecast for the fiscal year ending March 31, 2027 (April 1, 2026–March 31, 2027) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	30,700	4.8	4,500	(32.0)	4,600	(30.6)	3,500	(26.7)	49.88
Full year	63,200	6.8	10,700	(15.1)	10,800	(14.2)	8,000	(14.4)	114.02

* Notes

(1) Changes in significant subsidiaries (changes in specified subsidiaries resulting in 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 pronouncements: None
- (ii) Changes in accounting policies due to reasons other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of shares issued (common stock)

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

As of March 31, 2026	71,300,000 shares
As of March 31, 2025	75,758,470 shares

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

As of March 31, 2026	1,145,522 shares
As of March 31, 2025	5,661,667 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	70,142,413 shares
Fiscal year ended March 31, 2025	70,890,925 shares

Note: The Company has adopted a Board Incentive Plan (BIP) trust, and the Company's shares held by the trust are included in the treasury stock deducted in the calculation of the number of shares of treasury stock at the end of the period and the average number of shares outstanding during the period.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	59,187	4.6	12,669	3.5	12,635	3.3	9,434	1.7
March 31, 2025	56,610	10.2	12,234	12.5	12,226	15.8	9,278	27.1

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	134.51	134.48
March 31, 2025	130.88	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	79,070	64,699	81.8	921.57
March 31, 2025	74,197	58,743	79.2	838.03

Reference: Equity (Shareholders' equity + Valuation and translation adjustments)

As of March 31, 2026: ¥64,652 million

As of March 31, 2025: ¥58,743 million

2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	30,700	4.8	4,900	(25.9)	5,000	(24.3)	3,800	(20.4)	54.16
Full year	63,200	6.8	11,100	(12.4)	11,200	(11.4)	8,300	(12.0)	118.30

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

* Proper use of earnings forecast, and other special matters

The forward-looking statements including earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions that are deemed to be reasonable. Accordingly, the Company does not guarantee the achievement of the forecast, and actual results may differ significantly from the forecast due to various factors. For the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to “1. Overview of Financial Performance, (4) Outlook” on page 7 of the attached materials.

Contents of Attached Materials

1. Overview of Financial Performance	2
(1) Operating results	2
(2) Financial position.....	6
(3) Cash flows	6
(4) Outlook	7
2. Basic Policy on the Selection of Accounting Standards	8
3. Consolidated Financial Statements and Major Notes	9
(1) Consolidated balance sheets.....	9
(2) Consolidated statements of income and consolidated statements of comprehensive income.....	11
(3) Consolidated statements of changes in equity.....	13
(4) Consolidated statements of cash flows.....	15
(5) Notes to consolidated financial statements	16
<i>Going concern assumption</i>	16
<i>Segment information, etc.</i>	16
<i>Per share information</i>	16
<i>Significant Subsequent events</i>	16
4. Other.....	17
(1) Status of production, orders received and sales.....	17
(2) Changes in board members	17

1. Overview of Financial Performance

(1) Operating results

Forward-looking statements below are based on our judgment at the end of the current fiscal year.

Business environment

Japan Lifeline is engaged mainly in the manufacture and sales of highly controlled medical devices, primarily focusing on cardiac devices, for general hospitals in Japan.

The business environment surrounding Japan's medical devices industry is characterized by the three main dynamics of 1) expanding structural demand driven by increase in the elderly population, 2) strained medical care delivery system, and 3) changes in the macroeconomy such as weak yen and inflation, and they are having an increasingly significant impact on the performance of individual companies. In this environment, medical trends in the market have been constantly changing and the demand for efficient and relevant solutions to various challenges faced by medical professionals have been increasing more than ever.

First, on the demand side, the market continues to expand against the backdrop of the increase in the elderly population. In particular, the number of atrial fibrillation cases in the cardiovascular field has continued to increase at a strong pace since the mid-2010s. Further, with the number of people aged 75 and older increasing significantly from 2025, the shift from surgeries to less physically taxing endovascular therapy (minimally invasive treatment) is also expected to gather pace. As minimally invasive treatment will gradually lower the age of eligible patients, it will lead to expansion of the medical device market, and provide a tailwind for the industry. We expect such structural expansion in demand to form a base that supports market growth in the future.

Secondly, chronic shortage of resources at medical institutions, which are on the supply side of medical care, has become a serious issue. Given the shortened working hours and staff shortage following workstyle reform of doctors, there is strong demand for medical devices that support streamlining of medical care including simplification of procedures and shortening of treatment time in a clinical environment. This is not just about the pursuit of therapeutic effects but signals that we are now moving into an era where products that succeed will be the ones contributing toward sustaining the medical care delivery system.

Thirdly, in terms of macroeconomy, the weakening of the yen and the worldwide inflation could also have an impact on our profit structure. Even as manufacturing expenses including raw material costs, logistics costs, and labor costs as well as selling, general and administrative expenses are increasing, it is difficult for us to pass on the rise in such costs immediately to the selling prices as the official prices of medical devices are set by the government under Japan's universal healthcare system. For that reason, we need to continuously monitor inflation as a risk that could put pressure on our profits.

In light of the above recognition of the environment, our important management challenges include diversifying domestic risk by expanding the business globally and implementing appropriate growth strategies to address the changes in the medical care trends. As for globalization, our urgent tasks are optimizing domestic products for the overseas market and establishing global quality standards. In terms of addressing the changes in the medical care trends, R&D related to pulsed field ablation (PFA) for arrhythmia treatment and the acquisition of pipeline assets such as stent graft and transcatheter aortic valve implantation (TAVI) for endovascular therapy are examples of our efforts to capture the opportunity. We aim to achieve both sustainable growth and profitability in this rapidly changing business environment through early incorporation of market needs into our product lineup, leveraging the unique hybrid business model combining our dual roles of manufacturer and distributor.

Status of business

For the fiscal year ended March 31, 2026, we saw year-over-year increases across key financial metrics. Net sales increased by 4.6%, gross profit rose by 2.9%, operating profit grew by 2.3%, and net income attributable to owners of the parent expanded by 0.4%. In the third year of the medium-term management plan (a five-year period from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2028), we steadily worked on the following five key initiatives of “Continuous Introduction of Competitive Products,” “Expansion into New Therapeutic Areas,” “Expansion of Global Sales,” “Promotion of the OEM Business,” and “Strengthening Management with a Focus on Capital Efficiency.” As a result, net sales and profits at all levels were largely in line with the initial guidance, with all of them record highs.

Our core businesses EP/Ablation and Cardiovascular performed well in terms of sales, which went up by 4.5% and 3.7% year-over-year, respectively, driven by the growth in core product groups. Specifically, in EP/Ablation, intracardiac defibrillation catheters and hemostatic devices for femoral vein drove the sales growth against the backdrop of an increase in procedures. In Cardiovascular, sales of our proprietary products, the Frozen Elephant Trunk (FET) and vascular grafts, grew. In addition, new therapeutic areas within high-growth businesses saw sales increase by 44.5% in Neurovascular and 17.4%*1 in Gastrointestinal, representing double-digit growth. However, Cardiac Rhythm Management, positioned as a stable business, posted a 1.6% decrease in sales.

Selling, general and administrative expenses increased by 703 million yen year-over-year due to factors including higher personnel and research and development expenses for medium- to long-term growth. This resulted in a year-over-year increase of 280 million yen in operating profit, with the operating margin of 21.3%.

While an excessive depreciation of the yen is likely to have a negative impact on our business performance in the long term, we recognize that its impact on our earnings is relatively small in the short term. This is because our purchases of products from third parties made in yen accounted for approximately 70% of all transactions. Additionally, we use the moving-average method for cost of sales. These structures spread the impact of any temporary increases in procurement costs over time.

*1 Sales of Gastrointestinal included those from the terminated coronary intervention business; without this business, sales would have increased 23.5% year-over-year.

Business Performance

The earnings for the current fiscal year are as follows.

(Millions of yen, unless otherwise noted)

Product Category	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		YoY increase/ (decrease)	YoY % increase/ (decrease)
	Amount	% of net sales	Amount	% of net sales		
(i) Net sales	56,610	100.0	59,187	100.0	2,577	4.6
(ii) Gross profit	34,191	60.4	35,174	59.4	983	2.9
(iii) Operating profit	12,326	21.8	12,606	21.3	280	2.3
(iv) Ordinary profit	12,335	21.8	12,588	21.3	253	2.1
(v) Net income attributable to owners of the parent	9,317	16.5	9,350	15.8	32	0.4

(i) Net sales

Net sales were 59,187 million yen, an increase of 4.6% year-over-year. For more details, please refer to the “Sales by product” section later in this report.

(ii) Gross profit

Gross profit was 35,174 million yen, up 2.9% year-over-year. In terms of product mix, while the growth rate of proprietary products was low due to the spread of PFA in the EP/Ablation business, the growth rate of purchased products was high. As a result, the proprietary product sales ratio came to 56.0%, a decrease of 140 bps year-over-year, and gross margin fell to 59.4%, a decrease of 100 bps year-over-year. Lower selling prices due to revisions to reimbursement prices, changes to distribution channels, etc. for some products also had an impact. However, profits rose as sales volume increased significantly.

(iii) Operating profit

We reported operating profit of 12,606 million yen, an increase of 2.3% year-over-year, and operating margin of 21.3% (a decrease of 50 bps year-over-year). Selling, general, and administrative expenses increased by 703 million yen. The main reasons for the increase/decrease are as follows:

(Reasons for increase)

- Higher personnel expenses from salary increases
- An increase in research and development expenses related to the development of PFA systems and other projects
- An increase in sales-related expenses due to higher business activity

(Reason for decrease)

- Recognition of reversal of allowance for doubtful accounts due to the partial collection of bad debts (provision of allowance for doubtful accounts from suspended customer transactions was recorded in the previous fiscal year)

(iv) Ordinary profit

Ordinary profit was 12,588 million yen, up 2.1% year-over-year. Non-operating income totaled 392 million yen, including interest income and gain on sale of scraps. Non-operating expenses of 410 million yen were recognized, mainly consisting of loss on valuation of inventories and related items, in connection with the discontinuation of some products that have become less competitive in the market (cholangioscope systems and endoscopic laser ablation catheters).

(v) Net income attributable to owners of the parent

Net income attributable to owners of the parent was 9,350 million yen, marking a 0.4% increase year-over-year. Extraordinary losses were 229 million yen, including expenses related to head office relocation. As for tax expenses, the income tax burden was 24.5% after receiving a tax credit.

Sales by product

(Millions of yen, unless otherwise noted)

Product Category	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	YoY increase/ (decrease)	YoY % increase/ (decrease)
Cardiac Rhythm Management	13,267	13,057	(210)	(1.6)
EP/Ablation	27,845	29,109	1,264	4.5
Cardiovascular	12,206	12,657	451	3.7
Neurovascular	1,842	2,661	819	44.5
Gastrointestinal	1,448	1,701	252	17.4
Total	56,610	59,187	2,577	4.6

*Note: The main products classified in each product category are as follows.

Cardiac Rhythm Management	Pacemaker, T-ICD (Transvascular Implantable Cardioverter Defibrillator), S-ICD (Subcutaneous Implantable Cardioverter Defibrillator), CRT-P (Cardiac Resynchronization Therapy Pacemaker), CRT-D (Cardiac Resynchronization Therapy Defibrillator), AED (Automated External Defibrillator), lead management device
EP/Ablation	Electrophysiology catheter, ablation catheter, intracardiac defibrillation catheter, esophageal temperature monitoring catheter, steerable sheath, hemostatic device for femoral vein, radiofrequency transeptal wire
Cardiovascular	Vascular graft, Frozen Elephant Trunk, stent graft, atrial septum defect closure device
Neurovascular	Embolic coil, aspiration catheter, microcatheter, stent retriever
Gastrointestinal	Bile-duct tube stent, biliary dilation balloon, contrast catheter, double-lumen dilator, ERCP guide wire, colonic stent, gastro duodenal stent, RF needle for liver cancer treatment

<Net Sales by Customer>

(Millions of yen)

Customer Name	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
	Net Sales	Ratio (%)	Net Sales	Ratio (%)
DVx Inc.	5,471	9.7	5,571	9.4

(i) Cardiac Rhythm Management

Net sales in Cardiac Rhythm Management reached 13,057 million yen, a decrease of 1.6% year-over-year. Pacemaker sales were sluggish as competitors' leadless pacemakers gained market share. Although affected by competitors' new products, net sales of the core product S-ICD came to a level equivalent to the previous fiscal year on the back of the expansion in the new implant market. At the same time, the newly introduced lead management device also contributed to the earnings.

(ii) EP/Ablation

Net sales in EP/Ablation reached 29,109 million yen, an increase of 4.5% year-over-year. With the rapid spread of PFA, a new treatment for atrial fibrillation, sales of esophageal temperature monitoring catheters and some EP catheters remained weak. On the other hand, sales of core product intracardiac defibrillation catheter increased, driven by an almost 10% year-over-year rise in atrial fibrillation ablation procedures. Net sales of hemostatic devices for femoral vein also grew significantly thanks to increase in the number of facilities adopting the product in addition to introduction of new sizes. Further, the radiofrequency transseptal wire XEROstar, a proprietary product launched in the fourth quarter, had a very strong start.

(iii) Cardiovascular

Net sales in Cardiovascular reached 12,657 million yen, an increase of 3.7% year-over-year. The sales volume of the core product Frozen Elephant Trunk grew and the product maintained the high market share, although the market growth was not as strong as anticipated at the beginning of the fiscal year. The market share of vascular graft expanded at a steady pace as a scale-down of production lines at some companies served as a tailwind. The following products also contributed to the result: (1) the pressure-sensor-equipped guide wire for TAVI, launched in the second quarter, and (2) the delivery catheter system for regenerative medicine products.

(iv) Neurovascular

Net sales in Neurovascular reached 2,661 million yen, an increase of 44.5% year-over-year. Aspiration catheters significantly expanded their market presence, supported by the success in differentiation through marketing measures that advertised product features. Embolic coil sales also remained strong, with newly expanded sales channels in radiology and other departments, in addition to existing neurovascular and abdominal fields. Stent retrievers also contributed to revenue increase as the number of facilities adopting the products increased steadily.

(v) Gastrointestinal

Net sales in Gastrointestinal amounted to 1,701 million yen, an increase of 17.4% year-over-year. Excluding the coronary intervention business, which was terminated in the fiscal year ended March 31, 2024, adjusted net sales increased 23.5% to 1,661 million yen. Sales of the mainstay bile-duct tube stent were higher than expected as the product was well received by the market. Sales volumes of products such as ERCP guide wires and biliary dilation balloons also grew steadily.

(2) Financial position

(i) Assets

The balance of current assets was 49,046 million yen, an increase of 4,710 million yen from the end of the previous fiscal year. This was mainly due to increases of 2,168 million yen in inventories, 1,479 million yen in cash and deposits, and 720 million yen in notes and accounts receivable – trade.

The balance of fixed assets was 31,164 million yen, an increase of 378 million yen from the end of the previous fiscal year. This was mainly due to an increase of 626 million yen in property, plant and equipment, despite a 345 million yen decrease of intangible assets.

As a result, the balance of total assets was 80,211 million yen, an increase of 5,088 million yen from the end of previous fiscal year.

(ii) Liabilities

The balance of current liabilities was 13,597 million yen, a decrease of 736 million yen from the end of the previous fiscal year. This was primarily due to decreases of 600 million yen in short-term borrowings and 120 million yen in current portion of long-term borrowings.

The balance of long-term liabilities was 716 million yen, a decrease of 158 million yen from the end of the previous fiscal year. This was mainly due to decreases of 78 million yen in provision for director's stock based compensation and 47 million yen in lease liabilities.

As a result, the balance of total liabilities was 14,314 million yen, a decrease of 894 million yen from the end of the previous fiscal year.

(iii) Net assets

The balance of net assets was 65,897 million yen, an increase of 5,983 million yen from the end of the previous fiscal year. This was mainly due to an increase of 5,627 million yen in retained earnings reflecting net income attributable to owners of the parent of 9,350 million yen, despite dividend payments of 3,722 million yen.

(3) Cash flows

The balance of cash and cash equivalents amounted to 12,494 million yen, an increase of 1,479 million yen from the end of the previous fiscal year. Cash flows of the fiscal year ended March 31, 2026 by activities were as follows.

(i) Cash flows from operating activities

Net cash provided by operating activities was 8,172 million yen (net cash provided by operating activities was 9,113 million yen for the previous fiscal year). The main factors are net income before income taxes of 12,377 million yen, depreciation of 1,656 million yen as factors that increase cash flows, despite income tax paid of 3,276 million yen and increases in inventories of 2,164 million yen, which decreases cash flows.

(ii) Cash flows from investing activities

Net cash used in investing activities was 2,048 million yen (net cash used in investing activities was 1,801 million yen for the previous fiscal year). This is mainly due to outflows of 1,900 million yen from the purchase of property, plant and equipment, outflows of 557 million yen from the purchase of investment securities, and inflows of 765 million yen from proceeds from sale of investment securities.

(iii) Cash flows from financing activities

Net cash used in financing activities was 4,581 million yen (net cash used in financing activities was 9,040 million yen for the previous fiscal year). This is mainly due to outflows of 3,725 million yen from dividends paid, and outflows of 600 million yen from repayments of short-term borrowings.

(4) Outlook

Consolidated earnings forecast for the fiscal year ending March 31, 2027

(Millions of yen)

Product Category	[Actual] Fiscal year ended March 31, 2026		[Forecast] Fiscal year ending March 31, 2027		YoY increase/ (decrease)	YoY % increase/ (decrease)
	Amount	% of net sales	Amount	% of net sales		
Net sales	59,187	100.0	63,200	100.0	4,012	6.8
Gross profit	35,174	59.4	36,600	57.9	1,425	4.1
Operating profit	12,606	21.3	10,700	16.9	(1,906)	(15.1)
Ordinary profit	12,588	21.3	10,800	17.1	(1,788)	(14.2)
Net income attributable to owners of the parent	9,350	15.8	8,000	12.7	(1,350)	(14.4)

The Group will continue to work on the following five key initiatives outlined in the medium-term management plan—“Continuous Introduction of Competitive Products,” “Expansion into New Therapeutic Areas,” “Expansion of Global Sales,” “Promotion of the OEM Business,” and “Strengthening Management with a Focus on Capital Efficiency”—as part of its efforts to achieve medium- to long-term growth.

For the fiscal year ending March 31, 2027, we forecast a 6.8% increase in net sales, 4.1% increase in gross profit, 15.1% decrease in operating profit, and 14.4% decrease in net income attributable to owners of the parent.

About Net Sales Forecasts

For our core business of EP/Ablation, we forecast a 9.5% increase in sales under the expectation of an approximately 9% increase in atrial fibrillation ablation cases. We expect that in addition to conventional growth drivers such as intracardiac defibrillation catheter and hemostatic device for femoral veins, radiofrequency transseptal wire “XEROstar”, our proprietary product launched in March 2026, will drive growth. In Cardiovascular, sales are expected to rise 4.1% under a stable business environment.

For the high growth businesses of Neurovascular and Gastrointestinal, the Company expects continued double-digit growth, driven by expanding market share of mainstay products.

Net sales of Cardiac Rhythm Management, a stable business, are expected to generally stay even.

About Profit Forecasts

The Company forecasts a gross margin of 57.9% (a decrease of 150 bps year-over-year). While the proprietary sales mix is expected to rise to 57.9% (an increase of 190 bps year-over-year), which will contribute to gross margin improvement, we expect a decline in selling prices due to revisions to reimbursement prices, as well as higher manufacturing costs resulting from increases in raw material costs and labor costs.

The Company forecasts an operating margin of 16.9% (a decrease of 440 bps year-over-year). This is due to the deterioration in the gross margin mentioned above, as well as a 14.3% increase in selling, general and administrative expenses from the previous fiscal year. The increase in expenses includes, among recurring expense items, price increases for various services, including IT systems, in an inflationary environment, as well as strategic wage increases to secure excellent talent. For expenses aimed at medium- to long-term growth, we have factored in the acceleration of strategic R&D investment related to PFA and overseas market development. The Company expects to incur a one-time expense from head office relocation aimed at improving operational efficiency and productivity through enhancement of cross-organizational collaboration.

The Company forecasts that the ratio of net income attributable to owners of the parent to net sales to be 12.7% (a decrease of 310 bps year-over-year).

Based on the above assumptions, the projected basic earnings per share for the fiscal year ending March 31, 2027 is forecast to be 114.02 yen (-17.41 yen year-over-year).

2. Basic Policy on the Selection of Accounting Standards

The JLL Group apply the Japanese accounting standards (generally accepted accounting principles of Japan). With regard to future application of International Financial Reporting Standards (IFRS), we will respond appropriately, taking into account circumstances in Japan and abroad.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	11,014	12,494
Notes and accounts receivable - trade	13,830	14,550
Inventories	17,961	20,129
Others	1,529	1,871
Total current assets	44,336	49,046
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	6,995	6,823
Machinery, equipment and vehicles, net	959	921
Land	3,795	3,795
Leased assets, net	348	213
Construction in progress	7	1,124
Other, net	1,180	1,032
Total property, plant and equipment	13,285	13,911
Intangible assets		
Other	1,910	1,564
Total intangible assets	1,910	1,564
Investments and other assets		
Investment securities	7,374	7,350
Long-term loans receivable	2,691	2,793
Long-term prepaid expenses	2,222	1,763
Deferred tax assets	2,977	3,288
Retirement benefit asset	405	162
Other	1,672	1,886
Allowance for doubtful accounts	(1,753)	(1,557)
Total investments and other assets	15,590	15,688
Total fixed assets	30,786	31,164
Total assets	75,123	80,211
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,358	4,432
Short-term borrowings	3,500	2,900
Current portion of long-term borrowings	120	–
Accounts payable - other	947	1,128
Income taxes payable	1,703	1,694
Provision for bonuses	1,946	1,870
Provision for bonuses for directors	79	30
Other	1,678	1,541
Total current liabilities	14,334	13,597
Long-term liabilities		
Lease liabilities	213	166
Long-term accounts payable - other	172	137
Provision for director's stock based compensation	164	85
Other	323	326
Total long-term liabilities	874	716
Total liabilities	15,208	14,314

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Net assets		
Shareholders' equity		
Share capital	2,115	2,115
Capital surplus	8,888	4,418
Retained earnings	53,455	59,083
Treasury stock	(5,784)	(1,208)
Total shareholders' equity	58,675	64,409
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	(32)	58
Foreign currency translation adjustment	788	1,138
Remeasurements of defined benefit plans	483	243
Total accumulated other comprehensive income	1,239	1,441
Share acquisition rights	–	47
Total net assets	59,914	65,897
Total liabilities and net assets	75,123	80,211

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	56,610	59,187
Cost of sales	22,419	24,013
Gross profit	34,191	35,174
Selling, general and administrative expenses		
Advertising expenses	688	660
Remuneration for directors	525	486
Salaries and allowances	5,979	6,552
Retirement benefit expenses	267	222
Provision for bonuses	1,613	1,512
Provision for bonuses for directors	64	38
Provision for directors' stock based compensation	57	73
Legal welfare expenses	1,142	1,190
Travel and transportation expenses	1,181	1,386
Supplies expenses	86	136
Rent expenses on real estate	725	768
Depreciation	770	693
Research and development expenses	2,851	3,103
Provision of allowance for doubtful accounts	193	(218)
Other	5,714	5,960
Total selling, general and administrative expenses	21,864	22,567
Operating profit	12,326	12,606
Non-operating income		
Interest income	196	165
Dividend income	57	55
Gain on valuation of investment securities	—	53
Foreign exchange gains	0	11
Gain on sale of scraps	32	70
Other	48	36
Total non-operating income	336	392
Non-operating expenses		
Interest expenses	36	34
Loss on valuation of investment securities	135	—
Provision of allowance for doubtful accounts	7	22
Commission expenses	96	15
Loss on valuation of inventories	—	286
Other	51	51
Total non-operating expenses	327	410
Ordinary profit	12,335	12,588
Extraordinary income		
Gain on sale of fixed assets	14	0
Gain on sale of investment securities	37	18
Total extraordinary income	52	18
Extraordinary losses		
Loss on sale of fixed assets	3	16
Loss on retirement of fixed assets	359	85
Loss on sale of investment securities	—	18
Head office relocation expenses	—	108
Total extraordinary losses	362	229
Profit before income taxes	12,024	12,377
Income taxes - current	3,022	3,267
Income taxes - deferred	(315)	(240)
Total income taxes	2,707	3,027
Net income	9,317	9,350
Net income attributable to owners of the parent	9,317	9,350

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income	9,317	9,350
Other comprehensive income		
Net unrealized holding gains or losses on securities	2	90
Foreign currency translation adjustment	439	350
Retirement benefits liability adjustment	211	(239)
Total other comprehensive income	653	201
Comprehensive income	9,971	9,552
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	9,971	9,552

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	2,115	8,866	47,291	(756)	57,516
Changes during period					
Dividends of surplus			(3,154)		(3,154)
Purchase of treasury stock				(5,225)	(5,225)
Disposal of treasury stock		22		197	220
Net income attributable to owners of the parent			9,317		9,317
Net changes in items other than shareholders' equity					
Total changes during period	—	22	6,163	(5,027)	1,158
Balance at end of period	2,115	8,888	53,455	(5,784)	58,675

	Accumulated other comprehensive income				Total net assets
	Net unrealized holding gains or losses on securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(34)	348	271	585	58,102
Changes during period					
Dividends of surplus					(3,154)
Purchase of treasury stock					(5,225)
Disposal of treasury stock					220
Net income attributable to owners of the parent					9,317
Net changes in items other than shareholders' equity	2	439	211	653	653
Total changes during period	2	439	211	653	1,812
Balance at end of period	(32)	788	483	1,239	59,914

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	2,115	8,888	53,455	(5,784)	58,675
Changes during period					
Dividends of surplus			(3,722)		(3,722)
Disposal of treasury stock		0		106	106
Cancellation of treasury stock		(4,469)		4,469	—
Net income attributable to owners of the parent			9,350		9,350
Net changes in items other than shareholders' equity					
Total changes during period	—	(4,469)	5,627	4,576	5,733
Balance at end of period	2,115	4,418	59,083	(1,208)	64,409

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Net unrealized holding gains or losses on securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(32)	788	483	1,239	—	59,914
Changes during period						
Dividends of surplus						(3,722)
Disposal of treasury stock						106
Cancellation of treasury stock						—
Net income attributable to owners of the parent						9,350
Net changes in items other than shareholders' equity	90	350	(239)	201	47	249
Total changes during period	90	350	(239)	201	47	5,983
Balance at end of period	58	1,138	243	1,441	47	65,897

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	12,024	12,377
Depreciation	1,779	1,656
Amortization of long-term prepaid expenses	318	315
Increase (decrease) in allowance for doubtful accounts	198	(195)
Increase (decrease) in provision for bonuses	151	(75)
Increase (decrease) in provision for bonuses for directors	(0)	(49)
Increase (decrease) in retirement benefit liability	(31)	(97)
Increase (decrease) in provision for directors' stock based compensation	1	(78)
Interest and dividend income	(254)	(220)
Interest expenses	36	34
Loss (gain) on sale and retirement of fixed assets	348	102
Loss (gain) on valuation of investment securities	135	(53)
Loss (gain) on sale of investment securities	(37)	(0)
Decrease (increase) in trade notes and accounts receivables	(538)	(714)
Decrease (increase) in inventories	(2,801)	(2,164)
Decrease (increase) in accounts receivable - other	(94)	(214)
Increase (decrease) in trade notes and accounts payables	103	73
Increase (decrease) in accrued consumption taxes	494	(93)
Increase (decrease) in accrued expenses	(4)	159
Other, net	237	651
Subtotal	12,066	11,413
Interest and dividends received	154	69
Interest paid	(36)	(34)
Income taxes paid	(3,069)	(3,276)
Net cash provided by (used in) operating activities	9,113	8,172
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,550)	(1,900)
Purchase of intangible assets	(49)	(74)
Proceeds from sale of fixed assets	22	0
Purchase of investment securities	(892)	(557)
Proceeds from sale of investment securities	1,040	765
Long-term loan advances	(5)	(9)
Proceeds from collection of long-term loans receivable	15	10
Purchase of long-term prepaid expenses	(386)	—
Other payments	(5)	(409)
Other proceeds	9	126
Net cash provided by (used in) investing activities	(1,801)	(2,048)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	—	(600)
Repayments of long-term borrowings	(416)	(120)
Purchase of treasury stock	(5,225)	—
Repayments of lease liabilities	(245)	(136)
Dividends paid	(3,154)	(3,725)
Net cash provided by (used in) financing activities	(9,040)	(4,581)
Effect of exchange rate change on cash and cash equivalents	74	(62)
Net increase (decrease) in cash and cash equivalents	(1,654)	1,479
Cash and cash equivalents at beginning of period	12,669	11,014
Cash and cash equivalents at end of period	11,014	12,494

(5) Notes to consolidated financial statements

Going concern assumption

None

Segment information, etc.

Overview of Reporting Segments

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

The business of the Company and its consolidated subsidiaries is the manufacture and sale of medical device, and its main customers are located in Japan. There are no reportable segments for which separate financial information is available among the constituent units of the Company and its consolidated subsidiaries, that should be subject to periodical reviews by the Board of Directors in order to determine allocation of management resources and evaluate business performance.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

The business of the Company and its consolidated subsidiaries is the manufacture and sale of medical device, and its main customers are located in Japan. There are no reportable segments for which separate financial information is available among the constituent units of the Company and its consolidated subsidiaries, that should be subject to periodical reviews by the Board of Directors in order to determine allocation of management resources and evaluate business performance.

Per share information

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share (Yen)	854.74	938.65
Earnings per share (Yen)	131.43	133.30
Diluted earnings per share (Yen)	—	133.28

Notes: 1. Diluted earnings per share for the previous fiscal year has not been presented since there are no potential shares.

2. The shares of the Company held by the BIP (Board Incentive Plan) trust, which are recorded in Treasury stock, are included in the treasury stock which is deducted from the number of shares when calculating net assets per share, earning per share, and diluted earnings per share. The number of treasury stock deducted in the calculation of net assets per share was 137,691 shares as of the end of previous fiscal year, and 75,724 shares as of the end of this fiscal year. The average number of treasury stock deducted in the calculation of earnings per share was 144,844 shares in previous fiscal year, and 89,610 shares in this fiscal year.

3. The basis for calculating earnings per share and diluted earnings per share is as follows.

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
(1) Earnings per share		
Net income attributable to owners of the parent (Millions of yen)	9,317	9,350
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income attributable to owners of the parent regarding common stock (Millions of yen)	9,317	9,350
Average number of common stock during the period (Thousand shares)	70,890	70,142
(2) Diluted earnings per share		
Adjustment to net income attributable to owners of the parent (Millions of yen)	—	—
Increase in the number of common stock (Thousand shares)	—	12
Overview of potential shares that were not included in the calculation of diluted earnings per share because they had no dilutive effect and that showed significant changes from the end of the previous fiscal year	—	—

Significant subsequent events

None

4. Other

(1) Status of production, orders received and sales

(i) Production

The production results for the current fiscal year by product category are as follows. There have been no significant changes.

(Millions of yen)

Product Category	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Increase/ (Decrease)%
Cardiac Rhythm Management	19	12	(36.2)
EP/Ablation	6,654	6,581	(1.1)
Cardiovascular	1,646	1,643	(0.2)
Gastrointestinal	745	764	2.5
Total	9,065	9,000	(0.7)

(Note) 1. Figures are based on manufacturing cost.

2. Since there was no production in the “Neurovascular” in either the previous or current fiscal year, it has been omitted.

(ii) Orders received

Since the order backlog does not occur, this information is omitted.

(iii) Sales results

Please refer to “1. Overview of Financial Performance (1) Operating results” on page 2 of the attached materials.

(2) Changes in board members

None