

# Consolidated Financial Results for the Year Ended March 31, 2024 [Japan GAAP]

May 1, 2024

Company name : Japan Lifeline Co., Ltd.  
 Code No. : 7575  
 Stock Exchange Listing : The Prime Market of the Tokyo Stock Exchange  
 URL : <https://www.japanlifeline.com/>  
 Representative : Keisuke Suzuki, President and CEO  
 Contact person : Takeyoshi Egawa, Vice President, Business Administration Department  
 TEL : +81-3-6711-5200

Date of general shareholders' meeting: : June 26, 2024  
 Dividend payable date : June 27, 2024  
 Scheduled date for filing the Annual Securities Report : June 19, 2024  
 Supplementary documents to the financial results for the period : Available  
 Presentation on the annual financial results : Available (for institutional investors and analysts)

(Amounts are rounded down to million yen)

## 1. Consolidated Financial Results for the Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

### (1) Consolidated operating results (% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	51,384	(0.7)	10,892	0.5	10,581	(3.0)	7,515	9.1
Year ended March 31, 2023	51,750	0.5	10,837	8.7	10,905	9.0	6,891	(7.9)

(Note) Comprehensive income: Year ended March 31, 2024 : 8,170 million yen; 23.5 %  
 Year ended March 31, 2023 : 6,617 million yen; (13.5) %

	Earnings per share	Diluted earnings per share	Return on Equity	Return on Assets	Operating Profit Margin
	Yen	Yen	%	%	%
Year ended March 31, 2024	98.73	-	13.2	14.3	21.2
Year ended March 31, 2023	88.22	-	12.4	14.8	20.9

(Reference) Equity method investment gain or loss: Year ended March 31, 2024 : - million yen  
 Year ended March 31, 2023 : - million yen

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	73,509	58,102	79.0	775.43
As of March 31, 2023	74,641	56,195	75.3	721.20

(Reference) Shareholders' equity : Year ended March 31, 2024 : 58,102 million yen  
 Year ended March 31, 2023 : 56,195 million yen

(3) Consolidated cash flows

	From Operating Activities	From Investing Activities	From Financial Activities	Cash and Cash Equivalents at End of Fiscal Year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	6,918	(4,056)	(8,553)	12,669
Year ended March 31, 2023	11,201	(2,461)	(6,476)	18,357

2. Dividends

	Cash dividends per share					Total Dividends for the Year (annual)	Payout Ratio (consolidated)	Ratio of Dividends to Shareholder's Equity (consolidated)
	1Q End	2Q End	3Q End	Year-End	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	-	0.00	-	38.00	38.00	2,965	43.1	5.4
Year ended March 31, 2024	-	0.00	-	42.00	42.00	3,154	42.5	5.6
Year ending March 31, 2025 (forecast)	-	0.00	-	46.00	46.00		40.5	

(Note) Revisions to cash dividends forecast most recently announced : None

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% represents change from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter-end (Cumulative)	26,600	5.8	5,300	(3.2)	5,200	(7.5)	3,800	(5.8)	53.66
Year ending March 31, 2025	54,000	5.1	11,200	2.8	11,000	4.0	8,000	6.4	113.58

\* Notes

(1) Changes in significant subsidiaries during the period (change in specified subsidiaries resulting in scope of consolidation): None

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

- (i) Changes in accounting policies due to the revision of accounting standards : None
- (ii) Changes in accounting policies other than (i) : Yes
- (iii) Changes in accounting estimates : Yes
- (iv) Restatement : None

(Notes) For details, please refer to "3. Consolidated Financial Statements and Primary Notes (5) Notes to Consolidated Financial Statements Changes in Accounting Policies".

(3) Number of issued shares outstanding (common stock)

(i) Number of issued shares at the end of the period (including treasury stock):

Year ended March 31, 2024 : 75,758,470 Shares  
Year ended March 31, 2023 : 82,919,976 Shares

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

Year ended March 31, 2024 : 829,200 shares  
Year ended March 31, 2023 : 4,999,561 shares

(iii) Average number of issued shares outstanding during the period, after deducting shares held as treasury stock:

Year ended March 31, 2024 : 76,122,372 shares  
Year ended March 31, 2023 : 78,116,512 shares

(Notes) The Company has adopted a BIP (Board Incentive Plan) trust, assuming the number of shares held by the trust are included in

the number of treasury stock of “(3) Number of issued shares outstanding (common stock)”.

**(Reference)**

**1. Non-consolidated Results for the Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)**

**(1) Non-consolidated operating results** (% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	51,384	(0.6)	10,876	2.4	10,553	(1.2)	7,302	12.5
Year ended March 31, 2023	51,710	0.6	10,618	6.8	10,682	4.7	6,488	(15.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2024	95.93		-	
Year ended March 31, 2023	83.06		-	

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	73,360	57,621	78.5	769.02
As of March 31, 2023	74,740	56,305	75.3	722.61

(Reference) Shareholders' equity : Year ended March 31, 2024 : 57,621 million yen  
Year ended March 31, 2023 : 56,305 million yen

**2. Forecast of Consolidated Financial Results for the Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)**

(% represents change from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter-end (Cumulative)	26,600	5.8	5,275	(3.3)	5,175	(7.6)	3,775	(5.9)	53.30
Year ending March 31, 2025	54,000	5.1	11,150	2.5	10,950	3.8	7,950	8.9	112.87

**\*This Summary Report is out of scope for quarterly review by the external auditors.**

**\*Explanation for the appropriate use of forecast of the consolidated financial results and other special notes.**

Any forward-looking statements in the summary report, such as results forecasts, are based on the information currently available to the Company and certain assumptions that the Company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to “1. Qualitative Information (4) Explanation of Consolidated Financial Guidance”.

## 1. Qualitative Information

### (1) Explanation of Business Results

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

Japan Lifeline operates in the medical device sector, primarily focusing on cardiac devices for general hospitals in Japan. As Japan's population ages, the demand for medical care is rising, a trend expected to persist. However, the medical care supply is under strain, raising concerns about the sustainability of various medical services. To address this, the government is promoting working-style reform for doctors to reduce the chronic long working hours faced by medical professionals.

In this competitive environment, it's crucial for us not only to offer effective medical devices but also to help solve broader healthcare sustainability issues. We have been tackling these challenges by leveraging its dual role as both manufacturer and distributor to build a flexible and robust product portfolio.

In May 2023, we unveiled a five-year mid-term plan outlining our growth strategy. This fiscal year, the first of the plan, we concentrated on expanding into new therapeutic areas, continuously introducing competitive products, and enhancing management with a focus on capital efficiency.

Regarding expansion into new therapeutic areas, we launched new products such as aspiration catheters for neurovascular applications and increased our market share in bile-duct tube stents in the gastrointestinal field.

In terms of introducing competitive products, we significantly enhanced our lineup with atrial cardioversion catheters and open stent grafts, keeping pace with competitors. We also introduced a new hemostatic device for femoral veins, aimed at improving patient quality of life after surgery and reducing medical staff workload.

For enhancing management efficiency, we revised the performance-linked stock compensation for directors and introduced a new performance-linked bonus system for employees. We also boosted sales efficiency through digital marketing and enhanced shareholder value through share buybacks.

Additionally, our performance benefited from the reclassification of the new coronavirus infection to seasonal influenza status under the Infectious Diseases Control Law, which relaxed restrictions on sales activities. There was also an 8–9% increase in ablation procedures for atrial fibrillation compared to the previous period.

Despite significant yen depreciation during the review period, the impact on our performance was minimal. This is because about 70% of our third-party product purchases are priced in yen, and we use the moving-average method for cost of sales, which smooths out the impact of temporary cost increases over time.

(Business Performance)

The earnings for the current consolidated fiscal year are as follows.

Unit: Millions of yen

Summary of Profit & Loss Statement	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Increase/ (Decrease)	Increase/ (Decrease)%
	Amount	Vs Sales Ratio%	Amount	Vs Sales Ratio%		
① Net Sales	51,750	100.0	51,384	100.0	(365)	(0.7)
② Gross Profit	29,895	57.8	30,986	60.3	1,091	3.7
③ Operating Profit	10,837	20.9	10,892	21.2	55	0.5
④ Ordinary Profit	10,905	21.1	10,581	20.6	(324)	(3.0)
⑤ Profit Attributable to Owners of Parent	6,891	13.3	7,515	14.6	623	9.1

① Net Sales

Net sales were 51,384 million yen, a slight decrease of 0.7% from the previous year. For more details, please refer to the "Sales by Product" section later in this report.

② Gross Profit

Gross profit was 30,986 million yen, up 3.7% from the previous year. This increase was primarily due to higher sales of our in-house products, driven by an increase in ablation procedures for atrial fibrillation. This growth offset a decline in sales of RF Needle due to changes in the commercial flow. The in-house sales ratio rose by 3.9 percentage points to 58.8%, and inventory losses and write-downs decreased by 116 million yen compared to the previous period. Consequently, the gross profit margin improved to 60.3%, an increase of 2.5 percentage points year-on-year

③ Operating Profit

Operating profit was 10,892 million yen, a slight increase of 0.5% from the previous year, reaching a record high. The operating profit margin was 21.2%, up 0.3 percentage points from the previous period. Selling, general, and administrative expenses rose by 1,036 million yen due to:

- Higher sales-related expenses from increased sales activities,
- Increased IT-related expenses for core system renewal,
- Higher provisions for employee bonuses linked to financial performance,
- An allowance for doubtful accounts set aside in the fourth quarter due to concerns about collecting certain receivables from a business partner.

④ Ordinary Profit

Ordinary profit was 10,581 million yen, down 3.0% from the previous year. Non-operating income included 390 million yen from interest, dividends, and foreign exchange gains. Non-operating expenses were 701 million yen including a loss from revaluation of investment securities in a domestic venture company, as the project-related to our business no longer showed potential for commercialization, and financial fees related to the buyback of treasury shares.

⑤ Profit Attributable to Owners of Parent

Profit attributable to the owners of the parent was 7,515 million yen, marking a 9.1% increase from the previous year. This rise contrasts with the previous fiscal year, during which the company incurred a loss on the valuation of investment securities. This loss was due to the dilution of the company's equity interest in a third-party product supplier, following a capital increase that occurred with a revision of the supplier's business plan.

(Sales by Product)

Unit: Millions of yen

Product Category	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Increase/ (Decrease)	Increase/ (Decrease)%
Cardiac Rhythm Management	12,403	13,501	1,098	8.9
EP/Ablation	26,292	24,249	(2,043)	(7.8)
Cardiovascular	11,006	12,319	1,313	11.9
Gastrointestinal	2,048	1,314	(733)	(35.8)
Total	51,750	51,384	(365)	(0.7)

(Note) The main products classified in each product category are as follows.

Effective from the current fiscal year, the Company has changed the names of product categories, so that "Cardiovascular" corresponds to the former "Cardiovascular Surgery", and "Gastrointestinal" corresponds to the former "Gastrointestinal/PI". In addition, the product category of Atrial septum defect closure has been changed from the former "Gastrointestinal/PI" to "Cardiovascular". Consequently, for the year-on-year comparisons, the figures for the same period of the previous fiscal year are reorganized into the changed product categories for comparative analysis.

Cardiac Rhythm Management	Pacemaker, T-ICD (Transvenous 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)
EP/Ablation	Electrophysiology catheter, Ablation catheter, Endoscopic laser ablation catheter, Internal cardioversion catheter, Esophageal temperature monitoring catheter, Steerable sheath, Hemostatic device for femoral vein
Cardiovascular	Vascular graft, Open stent graft, Stent graft, Embolic coil, Aspiration catheter, Atrial septum defect closing device
Gastrointestinal	Bile-duct tube stent, Bile-duct dilation balloon, Cholangioscope system, Colonic stent, Gastro-duodenal stent, Radiofrequency ablation needle for liver cancer treatment

① Cardiac Rhythm Management

Sales in Cardiac Rhythm Management reached a record high of 13,501 million yen, an increase of 8.9% from the previous year. Sales were strong for pacemaker-related products in the third quarter, following a voluntary recall of discontinued models and an increase in replacements of main units. ICD-related products saw double-digit growth, driven by focused efforts to expand sales of the S-ICD, the only one of its kind on the market, and an increase in the number of facilities adopting it.

② EP/Ablation

Sales in EP/Ablation totaled 24,249 million yen, down 7.8% from the previous year. Despite strong performance from EP catheters, including atrial cardioversion catheters and other in-house products, which benefited from an 8—9% increase in atrial fibrillation ablation cases, sales were negatively impacted by changes in the commercial distribution of the "RF Needle," a key product. However, newly launched hemostatic devices for femoral veins received high praise in the medical field and had a successful start.

③ Cardiovascular

Cardiovascular sales reached a record high of 12,319 million yen, up 11.9% from the previous year. Sales were strong for both third-party abdominal stent grafts and in-house open stent grafts. Despite new competitors entering the market in the third quarter, efforts to strengthen the product lineup and expand into new markets led to increased sales of open stent grafts. Additionally, the launch of several new neurovascular products, including aspiration catheters and additional models of embolic coils, contributed to strong sales as the number of depository facilities expanded.

④ Gastrointestinal

Gastrointestinal product sales amounted to 1,314 million yen, a decrease of 35.8% from the previous year. The in-house bile-duct tube stent performed well and significantly increased its market share in its second year. Other existing in-house products, such as colonic stents and RF needles for liver cancer treatment, also performed well. However, sales of coronary intervention-related products were gradually reduced this fiscal year to terminate the business, leading to a significant decline in total sales.

## (2) Overview of the Financial Position

### ① Assets

The balance of Current assets was 42,871 million yen, a decrease of 4,259 million yen from the end of the previous period. This was mainly due to an increase of 2,011 million yen in Inventories and a decrease of 5,688 million yen in Cash and deposits, primarily due to payments for income taxes, dividends payments and purchases of treasury stock.

The balance of Fixed assets was 30,638 million yen, an increase of 3,127 million yen from the end of the previous period. This was mainly due to increases of 2,102 million yen in Investment securities and 982 million yen in Property, plant and equipment.

As a result, the balance of total assets was 73,509 million yen, a decrease of 1,132 million yen from the end of previous period.

### ② Liabilities

The balance of Current liabilities was 14,175 million yen, a decrease of 206 million yen from the end of the previous period. This was mainly due to increases in Notes and accounts payable - trade of 824 million yen, Accounts payable - other of 527 million yen and a decrease in Short-term borrowings of 1,500 million yen.

The balance of Long-term liabilities was 1,231 million yen, a decrease of 2,832 million yen from the end of the previous period. This was mainly due to decreases in Retirement benefit liability of 2,289 million yen and Long-term borrowings of 416 million yen.

As a result, the balance of total liabilities was 15,406 million yen, a decrease of 3,038 million yen from the end of the previous period.

### ③ Net assets

The balance of Net assets was 58,102 million yen, an increase of 1,906 million yen from the end of the previous period. This was mainly due to an increase of 4,550 million yen in Retained earnings reflecting Profit attributable to owners of parent of 7,515 million yen and dividend payments of 2,965 million yen, and acquisition and cancellation of treasury stock decreased Capital surplus by 4,908 million yen and Treasury stock by 1,609 million yen.

## (3) Overview of the Cash Flows

The balance of Cash and Cash equivalents amounted to 12,669 million yen, a decrease of 5,688 million yen from the end of the previous fiscal year. Cash flows of the fiscal year ending March 31, 2024 by activities were as follows.

### ① Cash flows from operating activities

Net cash provided by operating activities was 6,918 million yen (Net cash provided by operating activities was 11,201 million yen for the previous fiscal year.). The main factors are Profit before income taxes of 10,575 million yen, Depreciation of 1,471 million yen as factors that increase cash flows, despite Income tax paid of 2,916 million yen, Increases in inventories of 2,011 million yen and Decrease in Retirement benefit liability of 1,886 million yen, which decreases cash flows.

### ② Cash flows from investing activities

Net cash used in investing activities was 4,056 million yen (Net cash used in investing activities was 2,461 million yen for the previous fiscal year.), mainly reflecting Purchase of investment securities of 2,263 million yen and Purchase of property, plant and equipment of 2,123 million yen.

### ③ Cash flows from financing activities

Net cash used in financing activities was 8,553 million yen (Net cash used in financing activities was 6,476 million yen for the previous fiscal year.), mainly due to Purchase of treasury stock of 3,319 million yen, Dividends paid of 2,965 million yen, and Repayments of short-term borrowings of 1,500 million yen.

(4) Explanation of Consolidated Financial Guidance

Consolidated Financial Earnings Guidance for the Fiscal Year Ending March 31, 2024

Unit: Millions of yen

Summary of Profit & Loss Statement	[Actual] Fiscal year ended March 31, 2024		[Guidance] Fiscal year ended March 31, 2025		Increase/ (Decrease)	Increase/ (Decrease)%
	Amount	Vs Sales Ratio%	Amount	Vs Sales Ratio%		
① Net Sales	51,384	100.0	54,000	100.0	2,615	5.1
② Gross Profit	30,986	60.3	32,300	59.8	1,313	4.2
③ Operating Profit	10,892	21.2	11,200	20.7	307	2.8
④ Ordinary Profit	10,581	20.6	11,000	20.4	418	4.0
⑤ Profit Attributable to Owners of Parent	7,515	14.6	8,000	14.8	484	6.4

For the fiscal year ending March 31, 2025, we anticipate a strong growth of approximately 8% in the number of ablation procedures for atrial fibrillation, despite the implementation of initiatives aimed at working-style reform for doctors. However, a scheduled revision in reimbursement prices in June 2024 is expected to lower the prices for many of our products.

Based on these assumptions, we project net sales to reach 54,000 million yen, marking a 5.1% increase from the current fiscal year. We expect higher sales in the EP/Ablation, particularly from our in-house products like atrial cardioversion catheters and newly launched hemostatic devices for femoral veins. In the Cardiovascular, we anticipate increased revenue from open stent grafts. In addition, we expect a strong sales growth in the Neurovascular and the Gastrointestinal, driven by a reinforced product portfolio. Conversely, in the Cardiac Rhythm Management, we foresee a revenue decline due to the significant impact of the reimbursement price revision.

We estimate a gross profit of 32,300 million yen, up 4.2% from the current fiscal year. Despite a steady increase in sales of in-house products, the gross profit margin is expected to slightly decrease to 59.8% (down 0.5 percentage points) and the in-house sales ratio to 57.9% (down 0.9 percentage points), influenced by the substantial sales contributions from third-party products like hemostatic devices and neurovascular products.

Operating profit is expected to be 11,200 million yen, a 2.8% increase from the current fiscal year. However, we project an increase in selling, general, and administrative expenses by 1,005 million yen, leading to a slight decrease in the operating profit margin to 20.7% (down 0.5 percentage points). The rise in the expenses is attributed to:

- Higher R&D and clinical trial costs for new products,
- Increased IT-related and depreciation expenses due to core system renewal,
- Elevated sales-related expenses from intensified sales activities,
- Rising logistics costs due to higher service prices.

Profit attributable to owners of the parent is projected at 8,000 million yen, up 6.4% from the current period. We do not expect any transactions with a large impact as non-operating income/loss or extraordinary income/loss. The forecast includes potential tax credits from performance-linked financial bonuses for employees and base salary increases scheduled for April 2024. The projected net profit per share is 113.58 yen.

Please note, this forecast may change based on various factors.



## 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 Primary Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	18,357	12,669
Notes and accounts receivable - trade	13,223	13,283
Inventories	13,142	15,154
Other	2,406	1,763
<b>Total current assets</b>	<b>47,130</b>	<b>42,871</b>
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	7,102	7,086
Machinery, equipment and vehicles, net	628	879
Land	3,214	3,514
Leased assets, net	768	589
Construction in progress	46	303
Other, net	690	1,062
<b>Total property, plant and equipment</b>	<b>12,452</b>	<b>13,434</b>
Intangible assets		
Other	2,414	2,292
<b>Total intangible assets</b>	<b>2,414</b>	<b>2,292</b>
Investments and other assets		
Investment securities	5,498	7,601
Long-term loans receivable	2,547	2,719
Long-term prepaid expenses	2,202	2,132
Deferred tax assets	2,979	2,733
Retirement benefit asset	—	69
Other	813	1,208
Allowance for doubtful accounts	(1,397)	(1,555)
<b>Total investments and other assets</b>	<b>12,643</b>	<b>14,910</b>
<b>Total fixed assets</b>	<b>27,510</b>	<b>30,638</b>
<b>Total assets</b>	<b>74,641</b>	<b>73,509</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,429	4,254
Short-term borrowings	5,000	3,500
Current portion of long-term borrowings	568	416
Accounts payable - other	651	1,178
Income taxes payable	1,585	1,750
Provision for bonuses	1,510	1,794
Provision for bonuses for directors	32	80
Other	1,604	1,200
<b>Total current liabilities</b>	<b>14,381</b>	<b>14,175</b>
Long-term liabilities		
Long-term borrowings	536	120
Lease liabilities	581	453
Long-term accounts payable - other	175	172
Provision for director's stock based compensation	141	163
Retirement benefit liability	2,289	—
Other	339	321
<b>Total long-term liabilities</b>	<b>4,063</b>	<b>1,231</b>
<b>Total liabilities</b>	<b>18,445</b>	<b>15,406</b>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	2,115	2,115
Capital surplus	13,774	8,866
Retained earnings	42,741	47,291
Treasury stock	(2,365)	(756)
Total shareholders' equity	56,265	57,516
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	(312)	(34)
Foreign currency translation adjustment	299	348
Remeasurements of defined benefit plans	(56)	271
Total accumulated other comprehensive income	(69)	585
Total net assets	56,195	58,102
Total liabilities and net assets	74,641	73,509

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	51,750	51,384
Cost of sales	21,855	20,397
Gross profit	29,895	30,986
Selling, general and administrative expenses		
Promotion expenses	97	107
Advertising expenses	398	567
Remuneration for directors	462	473
Salaries and allowances	5,899	5,756
Retirement benefit expenses	439	407
Provision for bonuses	1,260	1,480
Provision for bonuses for directors	32	78
Provision for directors' stock based compensation	42	43
Legal welfare expenses	1,077	1,111
Travel and transportation expenses	820	1,028
Supplies expenses	85	99
Rent expenses on real estate	759	766
Depreciation	592	609
Research and development expenses	2,316	2,358
Provision of allowance for doubtful accounts	—	145
Other	4,773	5,059
Total selling, general and administrative expenses	19,057	20,094
Operating profit	10,837	10,892
Non-operating income		
Interest income	105	156
Dividend income	76	52
Foreign exchange gains	18	61
Gain on sale of businesses	—	42
Gain on sale of scraps	33	—
Other	59	77
Total non-operating income	293	390
Non-operating expenses		
Interest expenses	34	26
Loss on valuation of investment securities	11	503
Provision of allowance for doubtful accounts	71	12
Commission expenses	53	86
Other	53	73
Total non-operating expenses	224	701
Ordinary profit	10,905	10,581
Extraordinary income		
Gain on sale of fixed assets	4	7
Gain on sale of investment securities	—	6
Gain on liquidation of subsidiaries	96	—
Total extraordinary income	100	13
Extraordinary losses		
Loss on retirement of fixed assets	9	19
Loss on sale of investment securities	17	—
Loss on valuation of investment securities	1,190	—
Total extraordinary losses	1,217	19
Profit before income taxes	9,789	10,575

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Income taxes - current	2,899	3,082
Income taxes - deferred	(2)	(22)
Total income taxes	2,897	3,060
Profit	6,891	7,515
Profit attributable to owners of parent	6,891	7,515

## (Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	6,891	7,515
Other comprehensive income		
Net unrealized holding gains or losses on securities	(306)	278
Foreign currency translation adjustment	62	49
Retirement benefits liability adjustment	(30)	327
Total other comprehensive income	(274)	655
Comprehensive income	6,617	8,170
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,617	8,170

## (3) Consolidated Statements of Change in Net Assets

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	2,115	14,853	38,890	(1,496)	54,362
Changes during period					
Dividends of surplus			(3,041)		(3,041)
Purchase of treasury stock				(1,948)	(1,948)
Cancellation of treasury stock		(1,079)		1,079	—
Profit attributable to owners of parent			6,891		6,891
Net changes in items other than shareholders' equity					
Total changes during period	—	(1,079)	3,850	(868)	1,902
Balance at end of period	2,115	13,774	42,741	(2,365)	56,265

	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	(6)	237	(26)	205	54,567
Changes during period					
Dividends of surplus					(3,041)
Purchase of treasury stock					(1,948)
Cancellation of treasury stock					—
Profit attributable to owners of parent					6,891
Net changes in items other than shareholders' equity	(306)	62	(30)	(274)	(274)
Total changes during period	(306)	62	(30)	(274)	1,628
Balance at end of period	(312)	299	(56)	(69)	56,195

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	2,115	13,774	42,741	(2,365)	56,265
Changes during period					
Dividends of surplus			(2,965)		(2,965)
Purchase of treasury stock				(3,319)	(3,319)
Disposal of treasury stock		28		(7)	20
Cancellation of treasury stock		(4,936)		4,936	—
Profit attributable to owners of parent			7,515		7,515
Net changes in items other than shareholders' equity					
Total changes during period	—	(4,908)	4,550	1,609	1,251
Balance at end of period	2,115	8,866	47,291	(756)	57,516

	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	(312)	299	(56)	(69)	56,195
Changes during period					
Dividends of surplus					(2,965)
Purchase of treasury stock					(3,319)
Disposal of treasury stock					20
Cancellation of treasury stock					—
Profit attributable to owners of parent					7,515
Net changes in items other than shareholders' equity	278	49	327	655	655
Total changes during period	278	49	327	655	1,906
Balance at end of period	(34)	348	271	585	58,102



## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,789	10,575
Depreciation	1,566	1,471
Amortization of long-term prepaid expenses	318	318
Increase (decrease) in allowance for doubtful accounts	71	157
Increase (decrease) in provision for bonuses	143	284
Increase (decrease) in provision for bonuses for directors	17	47
Increase (decrease) in retirement benefit liability	216	(1,886)
Increase (decrease) in provision for directors' stock based compensation	42	22
Interest and dividend income	(181)	(208)
Interest expenses	34	26
Loss (gain) on sale and retirement of fixed assets	5	11
Loss (gain) on valuation of investment securities	1,202	503
Loss (gain) on sale of investment securities	17	(6)
Gain on liquidation of subsidiaries	(96)	—
Decrease (increase) in trade notes and accounts receivables	(779)	(437)
Decrease (increase) in inventories	1,720	(2,011)
Decrease (increase) in accounts receivable - other	(892)	540
Increase (decrease) in trade notes and accounts payables	138	824
Increase (decrease) in accrued consumption taxes	215	(494)
Increase (decrease) in accrued expenses	253	231
Other, net	226	(177)
Subtotal	14,028	9,794
Interest and dividends received	69	66
Interest paid	(35)	(26)
Income taxes paid	(2,861)	(2,916)
Net cash provided by (used in) operating activities	11,201	6,918
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(465)	(2,123)
Purchase of intangible assets	(1,264)	(217)
Proceeds from sale of fixed assets	23	22
Purchase of investment securities	(420)	(2,263)
Proceeds from sale of investment securities	153	65
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	28	459
Long-term loan advances	(530)	(5)
Proceeds from collection of long-term loans receivable	16	11
Other payments	(22)	(26)
Other proceeds	19	20
Net cash provided by (used in) investing activities	(2,461)	(4,056)
<b>Cash flows from financing activities</b>		
Repayments of short-term borrowings	(300)	(1,500)
Repayments of long-term borrowings	(1,076)	(568)
Purchase of treasury stock	(1,948)	(3,319)
Repayments of lease liabilities	(101)	(200)
Dividends paid	(3,050)	(2,965)
Net cash provided by (used in) financing activities	(6,476)	(8,553)
Effect of exchange rate change on cash and cash equivalents	35	4
Net increase (decrease) in cash and cash equivalents	2,298	(5,688)
Cash and cash equivalents at beginning of period	16,058	18,357
Cash and cash equivalents at end of period	18,357	12,669

(5) Notes to Consolidated Financial Statements  
(Notes Regarding Going-Concern Assumptions)

None

(Changes in Accounting Policies)

(Changes in Accounting Policies that are difficult to distinguish from changes in accounting estimates)

(Changes in depreciation method for property, plant, and equipment)

From the subject fiscal year (April 1, 2023 to March 31, 2024) the Company adopted the straight-line method for calculating the depreciation of Property, plant, and equipment (excluding leased assets). Previously, the Company used the declining balance method (However, buildings (excluding Facilities attached to buildings) acquired after April 1, 1998, and buildings and structures acquired after April 1, 2016 are depreciated using the straight-line method), and the overseas consolidated subsidiary has mainly adopted the straight-line method.

With the termination of the intervention business, our business structure and manufacturing system changed significantly, and the formulation of the new mid-term plan based on these changes led us to reconsider the depreciation method with consideration of the actual use of fixed assets.

As a result, it was judged that changing to the straight-line method of calculating depreciation would more appropriately reflect the consumption pattern of the Property, plant, and equipment, as it is not expected to suddenly decrease in value and will be used in a long-term and stable manner.

Therefore, operating income increased by 175 million yen, ordinary income and income before income taxes increased by 172 million yen, compared to the existing methods.

(Segment Information, etc.)

[Segment Information]

Overview of Reporting Segments

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2024 (from April 1, 2023 to March 31, 2024)

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.

[Reference Information]

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Information for each product or service

(Millions of yen)

Product Category	Sales to external customers
Cardiac Rhythm Management	12,403
EP/Ablation	26,292
Cardiovascular	11,006
Gastrointestinal	2,048
Total	51,750

(Note) Effective from the current fiscal year, the Company has changed the names of product categories, so that "Cardiovascular" corresponds to the former "Cardiovascular Surgery", and "Gastrointestinal" corresponds to the former "Gastrointestinal/PI". In addition, the product category of Atrial septum defect closure has been changed from the former "Gastrointestinal/PI" to "Cardiovascular". Consequently, for this "Information for each product or service", the figures are reorganized into the changed product categories for comparative analysis.

2. Information for each region

(1) Net sales

The description is omitted, because the sales to external customers in Japan exceeded 90% of the consolidated net sales.

(2) Property, plant and equipment

(Millions of yen)

Japan	Malaysia	Total
10,446	2,005	12,452

3. Information for each of main customers

(Millions of yen)

Customer name	Net Sales
DVx Inc.	5,984

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

1. Information for each product or service

(Millions of yen)

Product Category	Sales to external customers
Cardiac Rhythm Management	13,501
EP/Ablation	24,249
Cardiovascular	12,319
Gastrointestinal	1,314
Total	51,384

(Note) Effective from the current fiscal year, the Company has changed the names of product categories, so that "Cardiovascular" corresponds to the former "Cardiovascular Surgery", and "Gastrointestinal" corresponds to the former "Gastrointestinal/PI". In addition, the product category of Atrial septum defect closure has been changed from the former "Gastrointestinal/PI" to "Cardiovascular".

2. Information for each region

(1) Net sales

The description is omitted, because the sales to external customers in Japan exceeded 90% of the consolidated net sales.

(2) Property, plant and equipment

(Millions of yen)

Japan	Malaysia	Total
11,459	1,975	13,434

3. Information for each of main customers

(Millions of yen)

Customer name	Net Sales
DVx Inc.	5,242

[Information on impairment losses on fixed assets for each reportable segment]

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Not applicable.

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

Not applicable.

[Information on amortization and unamortized balance of goodwill for each reportable segment]

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Not applicable.

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

Not applicable.

[Information about gain on bargain purchase for each reportable segment]

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Not applicable.

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

Not applicable.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share (Yen)	721.20	775.43
Earnings per share (Yen)	88.22	98.73

Notes : 1. Diluted earnings per share 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 and Earning per share. The number of treasury stock deducted in the calculation of Net assets per share was 109,600 shares as of the end of previous fiscal year, and 169,612 shares as of the end of this fiscal year. The average number of treasury stock deducted in the calculation of Earnings per share was 109,600 shares in previous fiscal year, and 148,626 shares in this fiscal year.

3. The basis for calculating Earning per share is as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to owner of parent (Millions of yen)	6,891	7,515
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent regarding common stock (Millions of yen)	6,891	7,515
Average number of common stock during the period (Thousand shares)	78,116	76,122

(Significant subsequent events)

(Japan Lifeline Announces the acquisition of Treasury Shares and Tender Offer of treasury shares)

Japan Lifeline Co., Ltd. ("the Company") announced that the Company resolved at a meeting of its Board of Directors held on May 1, 2024 to acquire treasury shares and to conduct a tender offer for its own shares (the "Tender Offer") as a specific method of treasury shares, based on the provision of Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended), as applied pursuant to the provision of Article 165, Paragraph 3 of the same act, and the Company's Articles of Incorporation.

1. Purpose of the Tender Offer

The Company's largest shareholder, MT Shokai Corporation ("MT Shokai"), which is engaged in the asset management business of the Company's founding family, informed us that it intended to sell shares which was part of the common shares held by MT Shokai.

As a result of our review, we have determined that the repurchase of our common shares as treasury shares will contribute to improving our net income per share (EPS), return on equity (ROE), and other capital efficiency, as well as to returning profits to our shareholders. Furthermore, after considering the specific method of acquiring treasury shares, we determined that the tender offer method, which provides shareholders other than MT Shokai with a certain period of consideration and ensures that they have an opportunity to tender their shares while observing market price trends, is the most appropriate from the perspective of equality among shareholders and the transparency of the transaction.

In determining the purchase price for the Tender Offer (the "Tender Offer Price"), the Company took into consideration the fact that the Company's common shares is listed on a financial instruments exchange and that acquisitions of treasury shares by listed companies are often conducted through market purchases through financial instruments exchanges, so market prices should be used as the basis. In addition, from the viewpoint of respecting the interests of shareholders who do not tender their shares in the Tender Offer and continue to hold the Company's common shares, The Company has determined that it is desirable to purchase the Company's common shares at a certain discount to the market price in order to minimize outflow of assets from outside the Company as much as possible.

2. Details of the Board of Directors' resolution regarding the acquisition of treasury shares

Type of Share Certificates, etc. : common shares  
Total Number of Shares : 5,500,100 shares (maximum)  
Total acquisition cost : 5,747,604,500 yen (maximum)  
Period of acquisition. : From May 2, 2024 to June 28, 2024  
Method of acquiring treasury shares : Tender offer method

3. Summary of the Tender Offer, etc.

Number of shares to be purchased : 5,500,000 shares  
Tender Offer Price : 1,045 yen per share of common shares  
Period of the Tender Offer, etc. : From May 2, 2024 to June 3, 2024  
Filing date of the  
Tender Offer Registration Statement : May 2, 2024  
Settlement start date : June 25, 2024

#### 4. Others

##### (1) Current Status of Production, Orders and Sales

###### ① Production

(Millions of yen)

Product Category	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Increase/ (Decrease) %
Cardiac Rhythm Management	17	11	(32.0%)
EP/Ablation	5,453	6,388	17.1%
Cardiovascular	1,116	1,275	14.2%
Gastrointestinal	789	570	(27.8%)
Total	7,376	8,245	11.8%

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

2. Effective from the current fiscal year, the Company has changed the names of product categories, so that "Cardiovascular" corresponds to the former "Cardiovascular Surgery", and "Gastrointestinal" corresponds to the former "Gastrointestinal/PI". In addition, the product category of Atrial septum defect closure has been changed from the former "Gastrointestinal/PI" to "Cardiovascular". Consequently, for the year-on-year comparisons, the figures for the same period of the previous fiscal year are reorganized into the changed product categories for comparative analysis.

###### ② Orders received

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

###### ⑥ Sales Results

Please refer to "1. Qualitative Information, (1) Explanation of Business Results".

##### (2) Changes in Board of Directors

###### ① Newly Appointed Directors (Effective on June 26, 2024)

Vice President,

Executive Manager of Arrhythmia Business Unit, Takashi Ito

Senior Manager of Arrhythmia Sales Department

###### ② Newly Appointed Outside Directors (Effective on June 26, 2024)

Outside Director

Naoko Kawahara

###### ③ Resigning Outside Directors (Effective on June 26, 2024)

Outside Director

Yusuke Naiki