May 7, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (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, Chief Financial Officer, Head of Corporate Management Group
Telephone: +81-3-6711-5200
Scheduled date to hold ordinary general meeting of shareholders: June 26, 2025
Scheduled date to commence dividend payments: June 27, 2025
Scheduled date to file annual securities report: June 19, 2025
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, 2025 (April 1, 2024–March 31, 2025)

(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, 2025	56,610	10.2	12,326	13.2	12,335	16.6	9,317	24.0
March 31, 2024	51,384	(0.7)	10,892	0.5	10,581	(3.0)	7,515	9.1

Note: Comprehensive income Fiscal year ended March 31, 2025: ¥9,971 million [22.0 %]
Fiscal year ended March 31, 2024: ¥8,170 million [23.5 %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	131.43	—	15.8	16.6	21.8
March 31, 2024	98.73	—	13.2	14.3	21.2

Reference: Share of profit (loss) of entities accounted for using the equity method
Fiscal year ended March 31, 2025: ¥— million
Fiscal year ended March 31, 2024: ¥— 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, 2025	75,123	59,914	79.8	854.74
March 31, 2024	73,509	58,102	79.0	775.43

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)
As of March 31, 2025: ¥59,914 million
As of March 31, 2024: ¥58,102 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, 2025	9,113	(1,801)	(9,040)	11,014
March 31, 2024	6,918	(4,056)	(8,553)	12,669

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, 2024	—	0.00	—	42.00	42.00	3,154	42.5	5.6
Fiscal year ended March 31, 2025	—	0.00	—	53.00	53.00	3,722	40.3	6.5
Fiscal year ending March 31, 2026 (forecast)	—	0.00	—	54.00	54.00		40.5	

3. Consolidated earnings forecast for the fiscal year ending March 31, 2026 (April 1, 2025–March 31, 2026)

(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	29,300	4.7	6,300	0.6	6,300	2.1	4,500	1.5	64.17
Full year	59,300	4.8	12,900	4.7	13,000	5.4	9,350	0.3	133.30

* 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: Yes
(ii) Changes in accounting policies due to reasons other than (i): None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

Note: For details, please refer to "3. Consolidated Financial Statements and Major Notes, (5) Notes to consolidated financial statements, *Changes in accounting policies*" on page 16 of the attached materials.

(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, 2025	75,758,470 shares
As of March 31, 2024	75,758,470 shares

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

As of March 31, 2025	5,661,667 shares
As of March 31, 2024	829,200 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	70,890,925 shares
Fiscal year ended March 31, 2024	76,122,372 shares

Note: 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 shares issued (common stock)".

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024–March 31, 2025)

(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, 2025	56,610	10.2	12,234	12.5	12,226	15.8	9,278	27.1
March 31, 2024	51,384	(0.6)	10,876	2.4	10,553	(1.2)	7,302	12.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	130.88	—
March 31, 2024	95.93	—

(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, 2025	74,197	58,743	79.2	838.03
March 31, 2024	73,360	57,621	78.5	769.02

Reference: Equity (Shareholders' equity + Valuation and translation adjustments)
As of March 31, 2025: ¥58,743 million
As of March 31, 2024: ¥57,621 million

2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2026 (April 1, 2025–March 31, 2026)

(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	29,300	4.7	6,300	2.1	6,300	3.8	4,500	2.5	64.17
Full year	59,300	4.8	13,000	6.3	13,100	7.1	9,450	1.9	134.72

* 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

(1) Operating results

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

(Business Environment)

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.

(Status of Business)

For the fiscal year ended March 31, 2025, we achieved significant growth in both sales and profit. Net sales increased by 10.2%, gross profit rose by 10.3%, operating profit grew by 13.2%, and net income attributable to the owners of the parent expanded by 24.0% year-over-year. Selling prices fell for a wide range of items due to the revision of reimbursement prices in June 2024. However, progress on the continuously introducing competitive products in our core business and expanding new therapeutic areas in high growth businesses, key initiatives in the medium-term management plan (from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2028), was stronger than expected. As a result, net sales and profit metrics reached record highs on a full-year base, achieving double-digit sales and profit growth.

Our core business of EP/Ablation saw approximately 10% increase in atrial fibrillation ablation cases. Under this background, sales of the core product intracardiac defibrillation catheter rose 8.7% year-over-year as impact was felt from the competition with new competitors in this field. The adoption of our hemostatic devices for femoral vein, products positioned as mid-term growth drivers that were launched about a year ago, expanded to around half of all ablation facilities in Japan, establishing an extremely good start for the product. In Cardiovascular, we aimed to enhance our product lineup of our core product Frozen Elephant Trunk. While maintaining our companies' controlling market share, we captured growth of this market.

In "Expanding new therapeutic areas," the commercialization of new products, including those related to the Neurovascular and Gastrointestinal fields, have been proceeding generally according to plans and each product has contributed to profits more than previously expected. As a result, sales for Neurovascular rose 101.9% year-over-year while sales for Gastrointestinal (excluding the terminated coronary intervention business) rose 45.3% year-over-year.

Selling, general and administrative expenses increased by 1,769 million yen year-over-year. The major reasons for this increase were higher personnel expenses and research and development expenses related to PFA (Pulsed Field Ablation), a new technology for arrhythmias. In the fiscal year under review, transitory costs also increased for provision of allowance for doubtful accounts booked in Q1. The increase in these expenses was offset by increased profits from strong sales. Operating profit for the fiscal year under review increased 1,434 million yen, or 21.8%, year-over-year.

Regarding changes to the external environment, while foreign currency exchange rates remain volatile, we have seen a minimal impact on our business performance. This is because our third-party product purchases made in yen accounted for approximately 75% of all transactions. Additionally, we use the moving-average method for cost of sales, which smooths out the impact of temporary cost increases over time.

Following the second year of the medium-term management plan, we performed a review of the progress on the key initiatives and the future business outlook. As a result, the Company revised the quantitative targets for the final year of the plan (fiscal year ending March 31, 2028) upward as follows. For details, please refer to the "Japan Lifeline Revises Upward Medium-Term Targets" in the press release published May 7, 2025.

Quantitative Target	Fiscal year ending March 31, 2028 Previous target	Fiscal year ending March 31, 2028 New target	Revision details
Net sales	63.0 billion yen	70.0 billion yen	+7.0 billion yen
New business area net sales	8.0 billion yen	11.0 billion yen	+3.0 billion yen
Operating margin	Standard of 20% each year	Standard of 20% each year	No change
ROIC	12%	13%	+100 bps
EPS	120 yen	145 yen	+25 yen

(Business Performance)

The earnings for the current fiscal year are as follows.

(Millions of yen)

Product Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Increase/ (Decrease)	Increase/ (Decrease)%
	Amount	Vs Sales Ratio%	Amount	Vs Sales Ratio%		
(i) Net Sales	51,384	100.0	56,610	100.0	5,225	10.2
(ii) Gross Profit	30,986	60.3	34,191	60.4	3,204	10.3
(iii) Operating Profit	10,892	21.2	12,326	21.8	1,434	13.2
(iv) Ordinary Profit	10,581	20.6	12,335	21.8	1,754	16.6
(v) Net Income Attributable to Owners of the Parent	7,515	14.6	9,317	16.5	1,801	24.0

(i) Net Sales

Net sales were 56,610 million yen, an increase of 10.2% from the previous year. For more details, please refer to the "Sales by Product" section later in this report.

(ii) Gross Profit

Gross profit was 34,191 million yen, up 10.3% from the previous year. Corresponding with the revisions to the reimbursement prices, sales prices fell for many items. However, the core business and new areas of high growth businesses performed well in general, offsetting this impact as sales volume increased.

The gross margin reached 60.4%, an improvement of 10 bps. The proprietary sales mix was 57.4%, a decrease of 140 bps, due to the growth in sales of third-party products such as Neurovascular-related items and hemostatic devices for femoral vein in EP/Ablation. On the other hand, the impact of worsening margins was absorbed by reduced production costs and reduced inventory losses and write-downs.

(iii) Operating Profit

We reported operating profit of 12,326 million yen, an increase of 13.2%, and operating margin of 21.8% (+60 bps year-over-year). Selling, general, and administrative expenses increased by 1,769 million yen. The main reasons for the increase are as follows:

• An increase in research and development expenses related to the development of PFA systems
• Higher personnel costs from salary increases
• Increased sales-related expenses such as travel and transportation expenses and advertising expenses
• An increase in IT-related costs and depreciation expenses related to the new core systems
• An increase in provision of allowance for doubtful accounts due to the suspension of bill transactions with a business partner

(iv) Ordinary Profit

Ordinary profit was 12,335 million yen, up 16.6% from the previous year. Non-operating income totaled 336 million yen, including interest income and dividend income. Non-operating expenses of 327 million yen included share buyback-related commission expenses and loss on valuation of investment securities.

(v) Net Income Attributable to Owners of the Parent

Net income attributable to owners of the parent was 9,317 million yen, marking a 24.0% increase from the previous year. Extraordinary losses were 362 million yen. The major factor was a loss on retirement of non-current assets related to the endoscopic laser balloon console that occurred in Q4 of the fiscal year under review. Regarding tax expenses, temporary differences related to loss on valuation of investment securities were likely to be eliminated within the expected period. As a result, tax expenses decreased as the Company booked 351 million yen in deferred tax assets and the amount of tax deductions increased.

(Sales by Product)

(Millions of yen)

Product Category	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Increase/ (Decrease)	Increase/ (Decrease)%
Cardiac Rhythm Management	13,501	13,267	(233)	(1.7)
EP/Ablation	24,249	27,845	3,595	14.8
Cardiovascular	11,406	12,206	799	7.0
Neurovascular	912	1,842	929	101.9
Gastrointestinal	1,314	1,448	134	10.2
Total	51,384	56,610	5,225	10.2

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

Effective from the current fiscal year, we have reclassified the “Neurovascular” category, which were previously included under the “Cardiovascular” category, into a new and independent category. 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. In addition, the product previously listed as “Open stent graft” in the Cardiovascular category has been renamed to “Frozen Elephant Trunk.”

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)
EP/Ablation	Electrophysiology catheter, ablation catheter, endoscopic laser ablation catheter, intracardiac defibrillation catheter, esophageal temperature monitoring catheter, steerable sheath, hemostatic device for femoral vein
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, cholangioscope system, 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, 2024		Fiscal year ended March 31, 2025	
	Net Sales	Ratio (%)	Net Sales	Ratio (%)
DVx Inc.	5,242	10.2	5,471	9.7

(i) Cardiac Rhythm Management

Net sales in Cardiac Rhythm Management category reached 13,267 million yen, a decrease of 1.7%. This category was more greatly impacted by lower selling prices caused by the revision of insurance reimbursement prices compared with other categories. Pacemaker sales weakened particularly as leadless competitors gained share in new implants. However, core product S-ICD net sales remained strong with double digit growth, supported by physician training programs and targeted sales initiatives.

(ii) EP/Ablation

Net sales in EP/Ablation category reached a new full-year record of 27,845 million yen, an increase of 14.8%. Under a backdrop of a 10% rise in atrial fibrillation ablation procedures, sales for core product intracardiac defibrillation catheter increased 8.7% year-over-year despite competition from other companies. Hemostatic devices for femoral vein, which were introduced to the market the previous fiscal year, were adopted in around 400 facilities, comprising around half of all ablation facilities across Japan, showing strong progress. On the other hand, the penetration of new therapies that use PFA have accelerated from Q3 of the current fiscal year. Items that are not required in PFA therapy, such as esophageal temperature monitoring catheters and some EP catheters saw weak sales.

(iii) Cardiovascular

Net sales in the Cardiovascular category reached a full-year record 12,206 million yen, an increase of 7.0%. For the core product Frozen Elephant Trunk (FET), the Company focuses on sales of products for integrated vascular grafts, which have become a trend in the market. We also enhanced the size lineup that had been unsatisfactory. As a result, we maintained at least a 90% market share despite the competition with other companies and sales of FET increased by 9.6% year-over-year. Other products such as vascular grafts, abdominal stent grafts, and atrial septum defect closure devices also demonstrated solid performance.

(iv) Neurovascular

Net sales in Neurovascular category reached 1,842 million yen, a significant increase of 101.9%. For embolic coils and aspiration catheters, we have continued to enhance appeal to customers by expanding the product lineup consistently, making further strides in market penetration. The Q2 launch of stent retrievers generated a synergy on the sales side as they are used along with aspiration catheters, contributing to sales and profits.

(v) Gastrointestinal

Gastrointestinal product net sales amounted to 1,448 million yen, an increase of 10.2% from the previous year. Excluding the terminated coronary intervention business, adjusted net sales increased 45.3% to 1,345 million yen. In the key area of biliary & pancreatic, the mainstay product bile-duct tube stent saw increased market share as we also launched proprietary products with unique characteristics, such as biliary dilation balloon, contrast catheter, and double-lumen dilator. Also, in order to improve efficiency of sales resources, the Company decided to contract out the sales of the RF needle for liver cancer treatment, a non-core product of the liver area, to another company. As a result, the one-time delivery of inventory was in Q4 of the fiscal year under review, and the product saw significantly higher sales year-over-year.

(2) Financial position

(i) Assets

The balance of current assets was 44,336 million yen, an increase of 1,465 million yen from the end of the previous fiscal year. This was mainly due to an increase of 2,806 million yen in inventories, despite a decrease of 1,654 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 30,786 million yen, an increase of 148 million yen from the end of the previous fiscal year. This was mainly due to increases of 336 million yen in retirement benefit assets, despite a 226 million yen decrease of investment securities.

As a result, the balance of total assets was 75,123 million yen, an increase of 1,614 million yen from the end of previous fiscal year.

(ii) Liabilities

The balance of current liabilities was 14,334 million yen, an increase of 158 million yen from the end of the previous fiscal year. This is primarily due to a 494 million yen increase in accrued consumption taxes included in “Other” and a 151 million yen increase in provisions for bonuses, despite a decrease of 296 million yen in the current portion of long-term borrowings and 230 million yen in accounts payable - other.

The balance of long-term liabilities was 874 million yen, a decrease of 356 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 239 million yen in lease liabilities.

As a result, the balance of total liabilities was 15,208 million yen, a decrease of 197 million yen from the end of the previous fiscal year.

(iii) Net assets

The balance of net assets was 59,914 million yen, an increase of 1,812 million yen from the end of the previous fiscal year. This was mainly due to an increase of 6,163 million yen in retained earnings reflecting net income attributable to owners of the parent of 9,317 million yen and increased treasury stock by 5,027 million yen, despite dividend payments of 3,154 million yen.

(3) Cash flows

The balance of cash and cash equivalents amounted to 11,014 million yen, a decrease of 1,654 million yen from the end of the previous fiscal year. Cash flows of the fiscal year ended March 31, 2025 by activities were as follows.

(i) Cash flows from operating activities

Net cash provided by operating activities was 9,113 million yen (net cash provided by operating activities was 6,918 million yen for the previous fiscal year). The main factors are net income before income taxes of 12,024 million yen, depreciation of 1,779 million yen as factors that increase cash flows, despite income tax paid of 3,069 million yen and increases in inventories of 2,801 million yen, which decreases cash flows.

(ii) Cash flows from investing activities

Net cash used in investing activities was 1,801 million yen (net cash used in investing activities was 4,056 million yen for the previous fiscal year). This is mainly due to outflows of 1,550 million yen from the purchase of property, plant and equipment, outflows of 892 million yen from the purchase of investment securities, outflows of 386 million yen from purchase of long-term prepaid expenses, and inflows of 1,040 million yen from proceeds from sale of investment securities.

(iii) Cash flows from financing activities

Net cash used in financing activities was 9,040 million yen (net cash used in financing activities was 8,553 million yen for the previous fiscal year). This is mainly due to outflows of 5,225 million yen from the purchase of treasury stock, outflows of 3,154 million yen from dividends paid, and outflows of 416 million yen from repayments of long-term borrowings.

(4) Outlook

Consolidated earnings forecast for the fiscal year ending March 31, 2026

(Millions of yen)

Product Category	[Actual] Fiscal year ended March 31, 2025		[Forecast] Fiscal year ending March 31, 2026		Increase/ (Decrease)	Increase/ (Decrease)%
	Amount	Vs Sales Ratio%	Amount	Vs Sales Ratio%		
(i) Net Sales	56,610	100.0	59,300	100.0	2,689	4.8
(ii) Gross Profit	34,191	60.4	35,400	59.7	1,208	3.5
(iii) Operating Profit	12,326	21.8	12,900	21.8	573	4.7
(iv) Ordinary Profit	12,335	21.8	13,000	21.9	664	5.4
(v) Net Income Attributable to Owners of the Parent	9,317	16.5	9,350	15.8	32	0.3

The business environment of the Company Group in the fiscal year ending March 31, 2026 is generally expected to be favorable. Demand for medical services and the number of procedures are expected to continue to increase. Based on these assumptions, for the fiscal year ending March 31, 2026, we forecast a 4.8% increase in net sales, 3.5% increase in gross profit, 4.7% increase in operating profit, and 0.3% increase in net income attributable to owners of the parent. Furthermore, the US Trump administration has installed unprecedented tariffs on various countries. Because we have little export exposure to the US, the direct impact of these tariffs on results are expected to be almost nothing. However, the situation surrounding tariffs are fluid, so we will continue to look out for any direct or indirect impact on the Company.

About Net Sales Forecasts by Product Category

For our core business of EP/Ablation, we forecast a 4.7% increase in sales under the expectation of an approximately 10% increase in atrial fibrillation ablation. We expect that core products such as intracardiac defibrillation catheter and hemostatic device for femoral veins will drive growth. On the other hand, atrial fibrillation therapies are swiftly moving from the past methods using radio frequency thermal energy to those using pulsed fields. Under this trend, the unnecessary esophageal temperature monitoring catheters are expected to see an approximately 30% reduction in sales.

In Cardiovascular, sales are expected to rise 3.7%. Under the assumption that the market for Frozen Elephant Trunk will grow 5-9%, the Company will expand sales of integrated vascular grafts, which have a high unit price, while maintaining its market share.

For high growth businesses of Neurovascular and Gastrointestinal, the Company expects sales to increase by 20% and 40%, respectively. In both product categories, the Company aims for further enhancement of the product portfolio, realization of synergies between products, and expanded market share.

Net sales of Cardiac Rhythm Management are expected to generally stay even. While pacemakers are expected to see lower sales, the Company expects contributions from a lead management system that will be newly implemented into the market.

About Profit Margin Forecasts

The Company forecasts a gross margin of 59.7% (-70 bps year-over-year). While the proprietary sales mix is expected to rise to 58.1% (+70 bps year-over-year), we expect there to be impact from the termination of the sales support for RF needle (December 2025) and increased cost of sales corresponding with production adjustments of some products.

The Company forecasts an operating margin of 21.8% (±0.0 bps year-over-year). The increase of selling, general and administrative expenses is expected to be limited to just 2.9% higher than the previous year, so the Company forecasts operating margin to be even. While there will be increased personnel expenses from salary increases and research and development expenses, the Company expects to limit expenses because there will be no temporary costs such as provision of allowance for doubtful accounts booked in the previous fiscal year.

The Company forecasts that the ratio of net income attributable to owners of the parent to net sales to be 15.8% (-70 bps year-over-year). Because tax expenses will increase as the Company booked deferred tax assets for temporary reasons during the previous fiscal year, the Company expects the income tax burden to be 27.5% (+500 bps year-over-year).

The projected basic earnings per share for the fiscal year ending March 31, 2026 is forecast to be 133.30 yen (+1.87 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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	12,669	11,014
Notes and accounts receivable - trade	13,283	13,830
Inventories	15,154	17,961
Others	1,763	1,529
Total current assets	42,871	44,336
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	7,086	6,995
Machinery, equipment and vehicles, net	879	959
Land	3,514	3,795
Leased assets, net	589	348
Construction in progress	303	7
Other, net	1,062	1,180
Total property, plant and equipment	13,434	13,285
Intangible assets		
Other	2,292	1,910
Total intangible assets	2,292	1,910
Investments and other assets		
Investment securities	7,601	7,374
Long-term loans receivable	2,719	2,691
Long-term prepaid expenses	2,132	2,222
Deferred tax assets	2,733	2,977
Retirement benefit asset	69	405
Other	1,208	1,672
Allowance for doubtful accounts	(1,555)	(1,753)
Total investments and other assets	14,910	15,590
Total fixed assets	30,638	30,786
Total assets	73,509	75,123
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,254	4,358
Short-term borrowings	3,500	3,500
Current portion of long-term borrowings	416	120
Accounts payable - other	1,178	947
Income taxes payable	1,750	1,703
Provision for bonuses	1,794	1,946
Provision for bonuses for directors	80	79
Other	1,200	1,678
Total current liabilities	14,175	14,334
Long-term liabilities		
Long-term borrowings	120	—
Lease liabilities	453	213
Long-term accounts payable - other	172	172
Provision for director’s stock based compensation	163	164
Other	321	323
Total long-term liabilities	1,231	874
Total liabilities	15,406	15,208

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders’ equity		
Share capital	2,115	2,115
Capital surplus	8,866	8,888
Retained earnings	47,291	53,455
Treasury stock	(756)	(5,784)
Total shareholders’ equity	57,516	58,675
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	(34)	(32)
Foreign currency translation adjustment	348	788
Remeasurements of defined benefit plans	271	483
Total accumulated other comprehensive income	585	1,239
Total net assets	58,102	59,914
Total liabilities and net assets	73,509	75,123

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

(Consolidated statements of income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	51,384	56,610
Cost of sales	20,397	22,419
Gross profit	30,986	34,191
Selling, general and administrative expenses		
Advertising expenses	567	688
Remuneration for directors	473	525
Salaries and allowances	5,756	5,979
Retirement benefit expenses	407	267
Provision for bonuses	1,480	1,613
Provision for bonuses for directors	78	64
Provision for directors’ stock based compensation	43	57
Legal welfare expenses	1,111	1,142
Travel and transportation expenses	1,028	1,181
Supplies expenses	99	86
Rent expenses on real estate	766	725
Depreciation	609	770
Research and development expenses	2,366	2,851
Provision of allowance for doubtful accounts	145	193
Other	5,159	5,714
Total selling, general and administrative expenses	20,094	21,864
Operating profit	10,892	12,326
Non-operating income		
Interest income	156	196
Dividend income	52	57
Foreign exchange gains	61	0
Gain on sale of businesses	42	—
Gain on sale of scraps	—	32
Other	77	48
Total non-operating income	390	336
Non-operating expenses		
Interest expenses	26	36
Loss on valuation of investment securities	503	135
Provision of allowance for doubtful accounts	12	7
Commission expenses	86	96
Other	73	51
Total non-operating expenses	701	327
Ordinary profit	10,581	12,335
Extraordinary income		
Gain on sale of fixed assets	7	14
Gain on sale of investment securities	6	37
Total extraordinary income	13	52
Extraordinary losses		
Loss on sale of fixed assets	—	3
Loss on retirement of fixed assets	19	359
Total extraordinary losses	19	362
Profit before income taxes	10,575	12,024
Income taxes - current	3,082	3,022
Income taxes - deferred	(22)	(315)
Total income taxes	3,060	2,707
Net income	7,515	9,317
Net income attributable to owners of the parent	7,515	9,317

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net income	7,515	9,317
Other comprehensive income		
Net unrealized holding gains or losses on securities	278	2
Foreign currency translation adjustment	49	439
Retirement benefits liability adjustment	327	211
Total other comprehensive income	655	653
Comprehensive income	8,170	9,971
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	8,170	9,971

(3) Consolidated statements of changes in equity

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	—
Net income attributable to owners of the 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					—
Net income attributable to owners of the 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

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
Cancellation of treasury stock					—
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
Cancellation of treasury stock					—
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

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	10,575	12,024
Depreciation	1,471	1,779
Amortization of long-term prepaid expenses	318	318
Increase (decrease) in allowance for doubtful accounts	157	198
Increase (decrease) in provision for bonuses	284	151
Increase (decrease) in provision for bonuses for directors	47	(0)
Increase (decrease) in retirement benefit liability	(1,886)	(31)
Increase (decrease) in provision for directors' stock based compensation	22	1
Interest and dividend income	(208)	(254)
Interest expenses	26	36
Loss (gain) on sale and retirement of fixed assets	11	348
Loss (gain) on valuation of investment securities	503	135
Loss (gain) on sale of investment securities	(6)	(37)
Decrease (increase) in trade notes and accounts receivables	(437)	(538)
Decrease (increase) in inventories	(2,011)	(2,801)
Decrease (increase) in accounts receivable - other	540	(94)
Increase (decrease) in trade notes and accounts payables	824	103
Increase (decrease) in accrued consumption taxes	(494)	494
Increase (decrease) in accrued expenses	231	(4)
Other, net	(177)	237
Subtotal	9,794	12,066
Interest and dividends received	66	154
Interest paid	(26)	(36)
Income taxes paid	(2,916)	(3,069)
Net cash provided by (used in) operating activities	6,918	9,113
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,123)	(1,550)
Purchase of intangible assets	(217)	(49)
Proceeds from sale of fixed assets	22	22
Purchase of investment securities	(2,263)	(892)
Proceeds from sale of investment securities	65	1,040
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	459	—
Long-term loan advances	(5)	(5)
Proceeds from collection of long-term loans receivable	11	15
Purchase of long-term prepaid expenses	—	(386)
Other payments	(26)	(5)
Other proceeds	20	9
Net cash provided by (used in) investing activities	(4,056)	(1,801)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(1,500)	—
Repayments of long-term borrowings	(568)	(416)
Purchase of treasury stock	(3,319)	(5,225)
Repayments of lease liabilities	(200)	(245)
Dividends paid	(2,965)	(3,154)
Net cash provided by (used in) financing activities	(8,553)	(9,040)
Effect of exchange rate change on cash and cash equivalents	4	74
Net increase (decrease) in cash and cash equivalents	(5,688)	(1,654)
Cash and cash equivalents at beginning of period	18,357	12,669
Cash and cash equivalents at end of period	12,669	11,014

(5) Notes to consolidated financial statements

Going concern assumption

None

Segment information, etc.

Overview of Reporting Segments

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.

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.

Changes in accounting policies

(Application of the Accounting Standard for Current Income Taxes)

The Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc. have been adopted from the beginning of the fiscal year ended March 31, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies was applied retrospectively. Hence, the consolidated financial statements for the prior fiscal year have been modified retrospectively. This change in accounting policies has no impact on the consolidated financial statements of the previous fiscal year.

Per share information

Item	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share (Yen)	775.43	854.74
Earnings per share (Yen)	98.73	131.43

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 169,612 shares as of the end of previous fiscal year, and 137,691 shares as of the end of this fiscal year. The average number of treasury stock deducted in the calculation of earnings per share was 148,626 shares in previous fiscal year, and 144,844 shares in this fiscal year.

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

Item	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owner of parent (Millions of yen)	7,515	9,317
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent regarding common stock (Millions of yen)	7,515	9,317
Average number of common stock during the period (Thousand shares)	76,122	70,890

Significant subsequent events

(Cancellation of treasury stock)

At the meeting of the Board of Directors held on May 7, 2025, the Company resolved to conduct cancellation of a number of its shares pursuant to the provisions of Article 178 of the Companies Act.

For more information, please refer to "Japan Lifeline Cancels its Treasury Shares" released on May 7,2025.

Summary of the cancellation

(1) Class of shares to be cancelled
Common stock of the Company

(2) Number of shares to be cancelled
4,458,470 shares (5.9% of the total number of shares issued)

(3) Scheduled date of cancellation
May 16, 2025

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, 2024	Fiscal year ended March 31, 2025	Increase/ (Decrease)%
Cardiac Rhythm Management	11	19	61.6
EP/Ablation	6,388	6,654	4.2
Cardiovascular	1,275	1,646	29.1
Gastrointestinal	570	745	30.8
Total	8,245	9,065	9.9

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

2. Effective from the current fiscal year, the “Neurovascular” has been added to the product categories. However, since there was no production in this category 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

(i) Newly Appointed Directors (Effective on June 26, 2025)

Representative Director, Vice President	Tatsuya Murase

(ii) Newly Appointed Outside Directors (Effective on June 26, 2025)

Director	Rie Nakagawa
Director (Audit and Supervisory Committee Member)	Tomonari Ota

(iii) Resigning Directors (Effective on June 26, 2025)

Representative Director, Vice President	Atsuhiro Suzuki	(Expected to assume Advisor role)
Director, Senior Operating Officer, Head of Regulatory Affairs Group	Tadashi Idei	(Expected to assume Advisor role)

(iv) Resigning Outside Directors (Effective on June 26, 2025)

Director	Fumihiro Sasaki
Director (Audit and Supervisory Committee Member)	Masahiko Nakamura
Director (Audit and Supervisory Committee Member)	Daizo Asari