

# Consolidated Financial Results for the Nine months Ended December 31, 2022 [Japan GAAP]

February 1, 2023

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 : Kenji Yamada, Senior Vice President Corporate Administration Headquarters  
 TEL : +81-3-6711-5200

Scheduled date to file the Quarterly Securities Report : February 14, 2023  
 Scheduled date to commence dividend payment : -  
 Supplementary documents to the financial results for the period : Available  
 Presentation on quarterly results : Not available

(Amounts are rounded down to million yen)

## 1. Consolidated Financial Results for the Nine months Ended December 31, 2022 (April 1, 2022 to December 31, 2022)

### (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	%
Nine months ended December 31, 2022	38,498	(1.3)	7,931	5.7	7,891	5.1	4,571	(17.2)
Nine months ended December 31, 2021	39,009	1.8	7,504	(0.1)	7,509	3.6	5,522	-

(Note) Comprehensive income: Nine months ended December 31, 2022 : 4,595 million yen; (19.1) %  
 Nine months ended December 31, 2021 : 5,680 million yen; - %

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	58.47		-	
Nine months ended December 31, 2021	68.69		-	

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	70,865	54,173	76.4
As of March 31, 2022	73,197	54,567	74.5

(Reference) Shareholders' equity: As of December 31, 2022 : 54,173 million yen  
 As of March 31, 2022 : 54,567 million yen

## 2. Dividends

	Cash dividends per share				
	1Q End	2Q End	3Q End	Year-End	Total
Year ended March 31, 2022	Yen -	Yen 0.00	Yen -	Yen 38.00	Yen 38.00
Year ending March 31, 2023	-	0.00	-		
Year ending March 31, 2023 (forecast)				38.00	38.00

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

### 3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% 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
Year ending March 31, 2023	51,090	(0.7)	10,241	2.7	10,224	2.2	6,128	(18.1)	78.45

(Note) Revisions to the forecast of consolidated financial results most recently announced : Yes  
Regarding the revision to the consolidated earnings forecast, please refer to the press release “Japan Lifeline Revises Consolidated Earnings Forecast” disclosed on February 1, 2023.

#### \* Notes

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

(2) Application of specific accounting treatments for the preparation of the consolidated quarterly financial statement: None

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

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

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

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

Nine months ended December 31, 2022 : 82,919,976 shares  
Year ended March 31, 2022 : 85,419,976 shares

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

Nine months ended December 31, 2022 : 4,999,561 shares  
Year ended March 31, 2022 : 5,500,841 shares

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

Nine months ended December 31, 2022 : 78,181,877 shares  
Nine months ended December 31, 2021 : 80,408,397 shares

(Notes) 1 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 “(4) Number of issued shares outstanding (common stock)”.

2 The Company has adopted the trust-type employee stock ownership incentive plan (E-Ship), which was terminated on July 29, 2021. The Company's shares held by the trust were treated as treasury stock in “(4) Number of issued shares outstanding (common stock)”.

**\*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 (3) Explanation of Consolidated Financial Guidance”.

## 1. Qualitative Information

### (1) Explanation of Business Results

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

#### (Business Environment)

During the nine months ended December 31, 2022, unit sales prices fell for many items compared to the prior year period due to the revision of insurance reimbursement prices in April 2022. In particular, the reduction in reimbursement prices for some of the Cardiac Rhythm Management and EP/ablation products was significant and had a negative impact on net sales and gross profit.

The situation of new coronavirus infection has been repeating the infection cycles. During every cycle of expansion, our business performance tended to slow down as the number of cases decreased. The third quarter of the current consolidated fiscal year was a period of expansion. Since October 2022, infection with Omicron variants has spread rapidly. In the medical field, there were many infections among healthcare workers, which put the healthcare system under pressure and affected the number of cases related to our business.

In addition, in the medical industry, the reform of the way physicians work has been a hot issue recently. The government has been promoting efforts to correct the long working hours of physicians. Some large hospitals have already started to address this issue even before the laws and regulations come into effect in April 2024. To reduce the working hours of physicians, hospitals are now limiting overtime and Saturday cases, which has had a certain impact on the number of cases related to our business.

Against this backdrop, we estimate that the number of ablation cases for atrial fibrillation (AF), which has a particularly large impact on our earnings, increased by 2-3% during the third quarter (October to December) compared to the prior year period, when the number of cases was on a recovery trend during the quiet period of infection. On the other hand, in the third quarter cumulative period (April-December), we estimated an increase of about 7% compared to the prior year period as we just forecast in the initial plan.

As for the foreign exchange market situation, the Japanese yen fluctuated wildly against the U.S. dollar. But there was no significant impact on profit and loss. This is because we purchase over 70% of amount in yen. In addition, we use the moving average method to calculate cost of sales. Even if there is a temporary increase in purchase costs for some purchased products or parts, the impact will level out over a long period of time.

#### (Business Performance)

The earnings for the cumulative third quarter of the current fiscal year are as follows.

Unit: Millions of yen

Summary of Profit & Loss Statement	Nine Months Ended December 31, 2021		Nine Months Ended December 31, 2022		Increase/ (Decrease)	Increase/ (Decrease)%
	Amount	Vs Sales Ratio%	Amount	Vs Sales Ratio%		
① Net Sales	39,009	100.0	38,498	100.0	(511)	(1.3%)
② Gross Profit	21,756	55.8	22,140	57.5	383	1.8%
③ Operating Profit	7,504	19.2	7,931	20.6	426	5.7%
④ Ordinary Profit	7,509	19.3	7,891	20.5	381	5.1%
⑤ Quarterly Net Profit Attributable to Owners of Parent	5,522	14.2	4,571	11.9	(951)	(17.2%)

① Net sales

Net sales decreased by 511 million yen year-on-year to 38,498 million yen. Details are shown in the “Sales by Product” section below.

② Gross profit

Gross profit increased 383 million yen year-on-year to 22,140 million yen. Gross profit margin was 57.5%, 1.7 pts higher than the prior year period. The primary reason for this was a 1,223 million yen year-on-year decrease in loss on disposal and write-down of inventories, including product and merchandise inventories and raw materials. Another reason was that in-house product sales ratio increased by 2.5 pts to 54.4% compared to the prior year period. These positive factors absorbed the negative effects of the worsened gross profit margin due to insurance reimbursement price revisions and weak sales.

③ Operating Profit

Operating profit increased 426 million yen year-on-year to 7,931 million yen. The operating profit margin was 20.6%, 1.4 pts higher than in the prior year period. As mentioned above, gross profit margin increased and selling, general and administrative expenses decreased. Selling, general and administrative expenses decreased due to a one-time clinical trial expense of 290 million yen that took place in the prior year period. It was enough to absorb the increase in expenses this fiscal year such as R&D expenses, travel expenses and advertising expenses associated with the introduction of new products.

④ Ordinary Profit

Ordinary profit increased 381 million yen year-on-year to 7,891 million yen. Non-operating income was 178 million yen, including interest and dividend income. Non-operating expense was 218 million yen, including provision of allowance for doubtful accounts related to long-term loans granted for business partners and financial charges related to the acquisition of treasury shares.

⑤ Quarterly Net Profit Attributable to Owners of the Parent

Quarterly net profit attributable to owners of the parent decreased 951 million yen year-on-year to 4,571 million yen. In the third quarter of the current fiscal year, we have recorded an extraordinary loss of 1,190 million yen for loss on valuation of investment securities due to a capital raise and accompanying dilution of the ownership in the investee, one of our product suppliers. We have held the investment securities for policy holding purposes.

(Sales by Product)

Unit: Millions of yen

Product Category	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2022	Increase/ (Decrease)	Increase/ (Decrease)%
Cardiac Rhythm Management	9,972	9,380	(592)	(5.9%)
EP/Ablation	19,029	19,474	444	2.3%
Cardiovascular Surgery	7,160	7,782	622	8.7%
Gastrointestinal/PI	2,846	1,860	(986)	(34.6%)
Total	39,009	38,498	(511)	(1.3%)

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

Cardiac Rhythm Management	Pacemaker, T-ICD (Transvascular Implantable Cardioverter Defibrillator), S-ICD (Subcutaneous Implantable Cardioverter Defibrillator), CRT-P (Cardiac Resynchronization Therapy Pacemaker), CRT-D (Cardiac Resynchronization Therapy Defibrillator), AED (Automated External Defibrillator), Hypoglossal nerve stimulator
EP/Ablation	Electrophysiology catheter, Ablation catheter, Endoscopic laser ablation catheter, Internal cardioversion catheter, Esophageal temperature monitoring catheter, Radiofrequency transseptal needle
Cardiovascular Surgery	Vascular graft, Open stent graft, Stent graft, Embolic coil
Gastrointestinal/PI	Colonic stent, Gastro-duodenal stent, Radiofrequency ablation needle for liver cancer treatment, Cholangioscope system, Biliary duct tube stent, Biliary duct dilation balloon, Balloon catheter, Guidewire, Atrial septum defect closure, Drug-eluting stent, Guidewire with sensor for fractional flow reserve

① Cardiac Rhythm Management

We have continued to face difficult conditions in our pacemaker-related business, affected by competitors' new products and low-pricing strategies. Sales volume of pacemakers decreased compared to the prior year period. Net sales decreased greatly, due to a drop in unit sales prices after insurance reimbursement revisions.

Sales of ICD-related products increased compared to the prior year period due to an increase in the market share of T-ICDs as we gained replacement cases. We also did well in CRT-D sales. Sales of S-ICDs, a one-of-a-kind product, picked up in the third quarter and remained steady. We will continue to promote the benefits of S-ICDs in reducing the risk of serious complications to ramp up sales.

As a result, net sales from Cardiac Rhythm Management were 9,380 million yen (down 5.9% y/y).

## ② EP/Ablation

In EP catheters, sales of in-house products related to ablation cases, such as BeeAT (intracardiac cardioversion catheter), EP Star (electrophysiology catheter), and Esophastar (esophageal temperature monitoring catheter), were strong due to the increase in the number of AF cases. Sales of EP catheters also increased compared to the prior year period due to a sales volume increase despite the revision of insurance reimbursement prices.

Sales of ablation catheter decreased compared to the prior year period due to weak sales of the HeartLight X3 (endoscopic laser ablation catheter). We stopped the sale of this product in July and August 2022 due to a delay in product supply from the manufacturer because the key raw material was lacking. This situation eased in September, but supply concerns have arisen again since October and onward due to another raw material shortages. In response to this situation, we have taken measures such as limiting sales to existing customers. As a result, we fell short of our new accounts target.

As for others, sales of RF Needle (radiofrequency transseptal needle), decreased in sales volume and unit sales price year-on-year, affected by competing products. On the other hand, the in-house product Leftee (steerable sheath) has sold well beyond the plan as doctors highly evaluated its high operability.

As a result, net sales from EP/ablation were 19,474 million yen (up 2.3% y/y)

## ③ Cardiovascular Surgery

Sales of in-house artificial blood vessels remained strong. Sales of Frozenix (open stent graft), a one-of-a-kind product, were strong as well on the back of an increase in emergency cases. Sales of AFX2 (abdominal stent graft), a purchased product, also increased, thanks to favorable results of clinical studies conducted at a university hospital in Japan. In addition, sales of Alto, a new abdominal stent graft launched in the previous fiscal year, exceeded the plan due to steady progress in post-marketing surveillance (PMS).

As for other products, sales of Avenir (embolic coil) launched in the previous fiscal year, were strong, higher than planned. We initially sold Avenir only for use in the abdominal cases, but since April 2022, we also launched it for use in the neurovascular cases. Since then, the number of hospitals newly adopting the product has been increasing. Furthermore, in August 2022, we have reached a 10-year exclusive distribution agreement with Wallaby Medical (Hong Kong) for 11 neurovascular treatment devices. We are expecting to launch these new products as soon as ready from the next fiscal year ending March 31, 2024 and onward. We will focus more on the neurovascular space where we can expect a 4-5% market growth annually.

As a result, net sales from Cardiovascular Surgery were 7,782 million yen (up 8.7% y/y).

## ④ Gastrointestinal/PI

Sales of existing products such as colonic stent, gastro-duodenal stent, and radiofrequency ablation needle for the treatment of liver cancer increased compared to the prior year period. In November 2022, we have launched a series of new in-house products such as a cholangioscope system and peripheral treatment tools, as a new entry into the biliary-pancreas area. However, we have found that some of the products require improvement, and we are working to resolve issues. The bile duct tube stent, which we launched in August 2022, continued to perform well.

The percutaneous intervention (PI)-related business environment is extremely severe, as the pace of recovery in the number of cases remains slow and insurance reimbursement prices have kept decreasing significantly with each revision. Under such circumstances, we have reached an accelerated termination of the exclusive distribution agreement for the Orsiro (drug-eluting coronary stent) in June 2022. After the termination, we have continued to sell the product in stock at a limited number of facilities, but sales saw a large decrease compared to the prior year period.

As a result of the above, net sales from Gastrointestinal/PI were 1,860 million yen (down 34.6% y/y).

## (2) Financial Position

### (Overview of the Consolidated Balance Sheets)

#### ① Assets

The balance of Current assets was 43,243 million yen, a decrease of 1,910 million yen from the end of the previous period. This was mainly due to an increase of 924 million yen in Notes and accounts receivable - trade, decreases of 1,281 million yen in Cash and deposits and 1,107 million yen in Inventories.

The balance of Fixed assets was 27,622 million yen, a decrease of 421 million yen from the end of the previous period. This was mainly due to an increase of 759 million yen in Intangible assets and a decrease of 1,308 million yen in Investment securities.

As a result, the balance of total assets was 70,865 million yen, a decrease of 2,331 million yen from the end of previous period.

#### ② Liabilities

The balance of Current liabilities was 12,498 million yen, a decrease of 1,712 million yen from the end of the previous period. This was mainly due to decreases in Income taxes payable of 1,014 million yen, Short-term borrowings of 300 million yen and Current portion of long-term borrowings of 422 million yen.

The balance of Long-term liabilities was 4,193 million yen, a decrease of 225 million yen from the end of the previous period. This was mainly due to an increase of 245 million yen in Retirement benefits liability and a decrease of 451 million yen in Long-term borrowings.

As a result, the balance of total liabilities was 16,692 million yen, a decrease of 1,937 million yen from the end of the previous period.

#### ③ Net assets

The balance of Net assets was 54,173 million yen, a decrease of 394 million yen from the end of the previous period. This was mainly due to an increase of 1,530 million yen in Retained earnings reflecting Profit attributable to owners of parent of 4,571 million yen and dividend payments of 3,041 million yen, and acquisition and cancellation of treasury stock decreased Capital surplus by 1,079 million yen and increased Treasury stock by 868 million yen.

### (3) Explanation of Consolidated Financial Guidance

We have decided to revise our consolidated earnings forecast for the fiscal year ending March 31, 2023, which was announced on May 11, 2022, as follows.

	Net Sales	Operating Profit	Ordinary Profit	Net Profit Attributable to Owners of Parent	Net Profit Per Share
Previous Forecast (A) (Announced on May 11, 2022)	Millions of yen 51,527	Millions of yen 10,011	Millions of yen 10,003	Millions of yen 7,274	Yen 93.06
New Forecast (B)	51,090	10,241	10,224	6,128	78.45
Change (B-A)	(436)	229	221	(1,145)	—
Change%	(0.8%)	2.3%	2.2%	(15.8%)	—

We have revised net sales downward as it factors in the latest situation of the new coronavirus infection and sales trends. On the other hand, we have revised operating profit and ordinary profit upward, because selling, general and administrative expenses are likely to fall short of the plan after efforts to reduce expenses. We have revised net profit attributable to owners of the parent downward due to the extraordinary loss recorded in the third quarter of the current fiscal year. We recorded an extraordinary loss of 1,190 million yen for loss on valuation of investment securities due to a capital raise and accompanying dilution of the ownership in the investee, one of our product suppliers. We have held the investment securities for policy holding purposes.



## 2.Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	16,058	14,776
Notes and accounts receivable - trade	12,437	13,362
Inventories	14,850	13,742
Other	1,807	1,361
<b>Total current assets</b>	<b>45,153</b>	<b>43,243</b>
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	7,413	7,346
Other, net	5,497	5,503
<b>Total property, plant and equipment</b>	<b>12,911</b>	<b>12,849</b>
Intangible assets	1,470	2,230
Investments and other assets		
Investment securities	6,850	5,541
Long-term loans receivable	1,954	2,552
Other	6,183	5,843
Allowance for doubtful accounts	(1,325)	(1,395)
<b>Total investments and other assets</b>	<b>13,662</b>	<b>12,542</b>
<b>Total fixed assets</b>	<b>28,044</b>	<b>27,622</b>
<b>Total assets</b>	<b>73,197</b>	<b>70,865</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,287	3,128
Short-term borrowings	5,300	5,000
Current portion of long-term borrowings	1,090	668
Accounts payable - other	801	844
Income taxes payable	1,497	482
Provision for bonuses	1,367	854
Provision for bonuses for directors	14	17
Other	852	1,503
<b>Total current liabilities</b>	<b>14,211</b>	<b>12,498</b>
Long-term liabilities		
Long-term borrowings	1,104	653
Provision for director's stock based compensation	99	127
Retirement benefits liability	2,011	2,256
Other	1,204	1,156
<b>Total long-term liabilities</b>	<b>4,418</b>	<b>4,193</b>
<b>Total liabilities</b>	<b>18,629</b>	<b>16,692</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,115	2,115
Capital surplus	14,853	13,774
Retained earnings	38,890	40,420
Treasury stock	(1,496)	(2,365)
<b>Total shareholders' equity</b>	<b>54,362</b>	<b>53,944</b>
Accumulated other comprehensive income		
Net unrealized holding gains or losses on securities	(6)	(312)
Foreign currency translation adjustment	237	616
Remeasurements of defined benefit plans	(26)	(75)
<b>Total accumulated other comprehensive income</b>	<b>205</b>	<b>228</b>
<b>Total net assets</b>	<b>54,567</b>	<b>54,173</b>
<b>Total liabilities and net assets</b>	<b>73,197</b>	<b>70,865</b>

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

(Consolidated Statements of Income)

For the Nine Months Ended December 31, 2021 and 2022

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	39,009	38,498
Cost of sales	17,253	16,358
Gross profit	21,756	22,140
Selling, general and administrative expenses	14,252	14,209
Operating profit	7,504	7,931
Non-operating income		
Interest income	41	79
Dividend income	22	50
Foreign exchange gains	—	16
Gain on sale of businesses	116	—
Other	60	31
Total non-operating income	240	178
Non-operating expenses		
Interest expenses	64	26
Foreign exchange losses	2	—
Provision of allowance for doubtful accounts	6	69
Loss on valuation of investment securities	102	4
Commission expenses	24	49
Other	34	68
Total non-operating expenses	235	218
Ordinary profit	7,509	7,891
Extraordinary income		
Gain on sale of fixed assets	2	2
Gain on sale of investment securities	12	—
Total extraordinary income	15	2
Extraordinary losses		
Loss on retirement of fixed assets	2	6
Loss on sale of fixed assets	5	—
Loss on sale of investment securities	—	3
Loss on valuation of investment securities	—	1,190
Total extraordinary losses	8	1,200
Profit before income taxes	7,517	6,693
Income taxes – current	2,105	1,858
Income taxes – deferred	(111)	263
Total income taxes	1,994	2,121
Profit	5,522	4,571
Profit attributable to owners of parent	5,522	4,571

(Consolidated Statements of Comprehensive Income)

For the Nine Months Ended December 31, 2021 and 2022

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	5,522	4,571
Other comprehensive income		
Net unrealized holding gains or losses on securities	13	(306)
Foreign currency translation adjustment	128	379
Retirement benefits liability adjustments	15	(49)
Total other comprehensive income	157	23
Comprehensive income	5,680	4,595
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,680	4,595

### (3) Notes to Consolidated Financial Statements

(Notes Regarding Going-Concern Assumptions)

None

(Notes on Significant Changes in Shareholders' Equity)

Pursuant to a resolution at a meeting of the Board of Directors held on February 25, 2022, the Company purchased treasury stock and the acquired shares were canceled.

(Purchase of treasury stock)

1. Details of the resolution regarding the acquisition of own shares at the Board of Directors meeting held on February 25, 2022

- ① Class of shares to be acquired  
Common shares of the Company
- ② Total amount of shares to be acquired  
2,500,000 shares (maximum)
- ③ Total amount of shares acquisition costs  
3,500,000,000 yen (maximum)
- ④ Acquisition period  
February 28, 2022 to August 31, 2022
- ⑤ Acquisition method  
Market purchase on the Tokyo Stock Exchange

2. Cumulative total of own shares acquired for the Nine months ended December 31, 2022

- ① Total number of shares acquired  
1,998,700 shares
- ② Total amount of shares acquisition costs  
1,948 million yen

(Cancellation of treasury stock)

- ① Class of shares to be cancelled  
Common shares of the Company
- ② Total number of shares to be cancelled  
2,500,000 shares
- ③ Cancellation date  
July 15, 2022
- ④ Total number of shares outstanding after cancellation (excluding treasury shares)  
77,920,415 shares

(Note) The Company has introduced a BIP (Board Incentive Plan) trust, and the Company shares held by the trust are treated as own shares.

(Changes in Accounting Policies)

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31; June 17, 2021) is being applied from the beginning of the first quarter of the current fiscal year, and as per the transitional measures stipulated in paragraph 27-2 of Implementation Guidance on Accounting Standard for Fair Value Measurement, the new accounting policies stipulated in Implementation Guidance on Accounting Standard for Fair Value Measurement are being applied in to the future. There is no effect on the quarterly consolidated financial statement.

### 3. Others

#### Current Status of Production, Orders and Sales

##### (1) Production

(Millions of yen)

Product Category	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2022	Increase/ (Decrease) %
Cardiac Rhythm Management	11	13	18.1%
EP/Ablation	3,388	4,012	18.4%
Cardiovascular Surgery	1,126	1,003	(10.9%)
Gastrointestinal/PI	338	275	(18.7%)
Total	4,865	5,304	9.0%

(Note) Figures are based on Manufacturing cost.

##### (2) Orders received

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

##### (3) Sales Results

Please refer to “1. Qualitative Information, (1) Explanation of Operating Results”.