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

June 24, 2026

For Immediate Release

Company name: Kitazato Corporation
Representative: Futoshi Inoue President, CEO
(Code number: 368A, Prime Market of Tokyo Stock Exchange)
Contact: Masanobu Suzuki
Director, General Manager of Corporate Planning Department
(Tel. +81-545-65-7122)

Notice Regarding the Formulation of the Medium-term Management Plan

The Company has newly formulated a three-year Medium-term Management Plan commencing in the fiscal year ending March 31, 2027, and hereby announces the details as follows.

1. Medium-term Management Plan

Based on the business environment surrounding the Group, the Company has formulated a new three-year Medium-term Management Plan commencing in the fiscal year ending March 31, 2027.

2. Attached Materials

Please refer to the attached materials for details of the Medium-term Management Plan.

* This policy is intended to provide a medium- to long-term guideline for shareholder returns and does not constitute any change to the dividend forecast currently disclosed.

Medium-Term Management Plan

KITAZATO®

Company Overview

Company Overview

A medical device manufacturer specializing in fertility treatment, including IVF, ICSI, and frozen embryo transfer procedures.

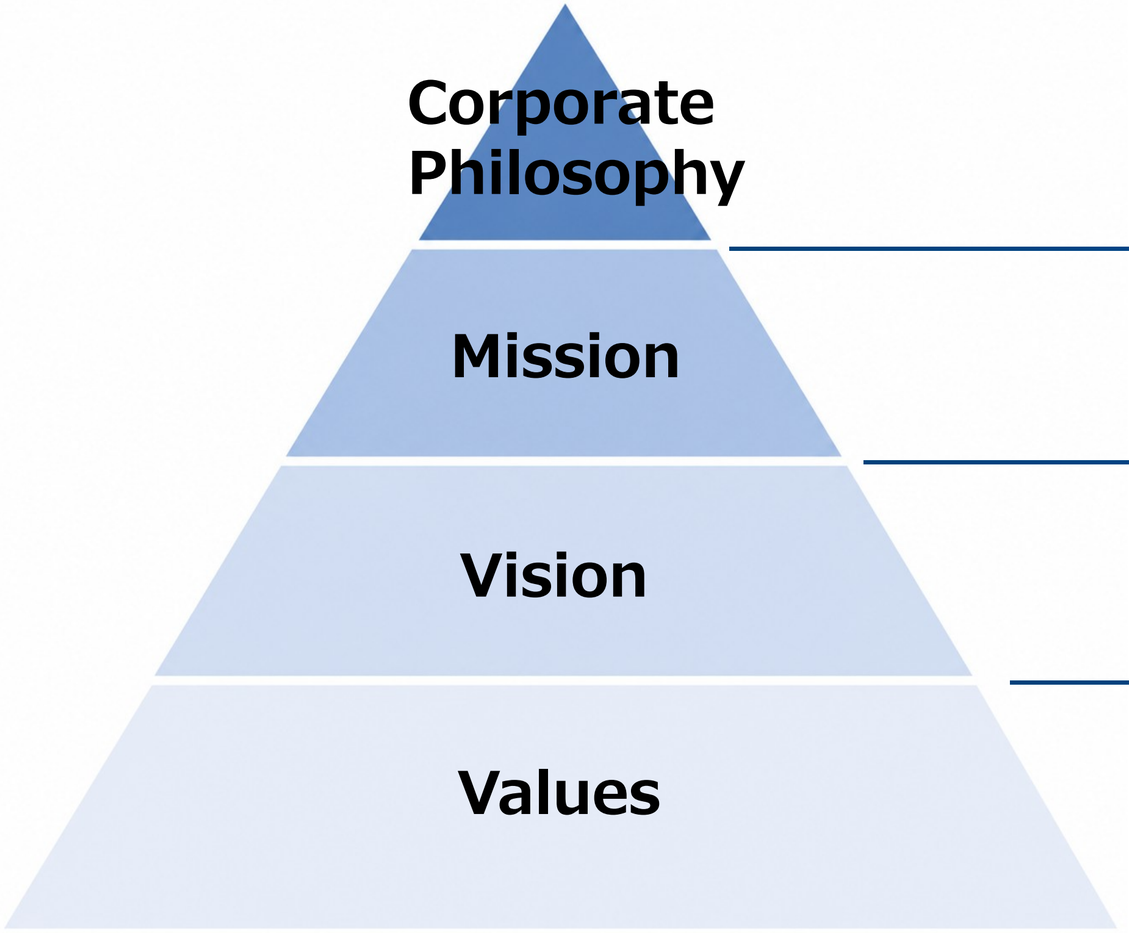
Kitazato Corporation

Date of Establishment	April 3, 2007
Representative	Futoshi Inoue, Representative Director
Capital	JPY 10 million (as of March 31, 2026)
Headquarters	100-10 Yanagishima, Fuji, Shizuoka, Japan
Locations	Tokyo Office (Shibadaimon, Minato-ku), the United States and Europe
Number of Employees	198 employees (as of March 31, 2026), consisting of 75 full-time employees and 123 temporary employees (contract employees, dispatched workers and part-time staff)
Business Activities	Development, manufacturing and sales of products related to fertility treatment, including consumables such as oocyte retrieval needles, catheters and media
Certifications and Regulatory Approvals	ISO 9001, ISO 13485, ISO 14001, ISO 27001, FDA, CE, CFDA, PMDA, etc.

Subsidiaries

Kitazato Bioscience Co., Ltd.	Established on December 22, 2008	Manufacturing and sales of components for medical devices
Kitazato Biolaboratory Co., Ltd.	Established on February 24, 2016	Genetic Diagnostics Test Service
Kitazato Healthcare Co., Ltd.	Established on June 8, 2011	Sales of medical devices for the elderly
Kitazato CryoBank Co., Ltd.	Established on March 18, 2022	Provision of contract management services for biological cells
Kitazato America, Inc.	Established on June 9, 2023	Sales of products in the United States
Kitazato Europe	Scheduled to be established in 2026	Sales of products in Europe

Corporate Philosophy, Mission, Vision and Values



Happiness, for the Next Generations

We sincerely address the challenges faced by people seeking fertility treatment and healthcare professionals. Through the provision of reliable technologies, we support as many hopes as possible, contribute to addressing the social challenge of declining birth rates, and create social value for a sustainable future.

We aspire to create a society in which people requiring fertility treatment can pursue their desired path while minimizing physical and emotional burdens. Looking ahead, we strive to realize a world where as many people as possible no longer have to struggle with fertility treatment.

We support as many hopes as possible, contribute to creating a social environment in which children can grow up healthy and thrive, and continue challenging ourselves to realize happiness for future generations and a sustainable society.

Evolution of Fertility Treatment Technologies and Our Journey

Advances in IVF technologies have improved treatment outcomes and led to the development of various assisted reproductive technologies (ART). While hormone therapy and artificial insemination were once the primary fertility treatment options, a broader range of treatments is now available, contributing to improved clinical outcomes.

History of Fertility Treatment

1978

Birth of the world's first IVF baby (United Kingdom)

1992

First successful ICSI procedure (Belgium)

1996

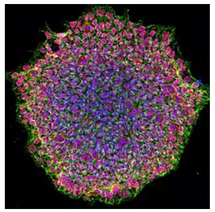
Birth of Dolly, the cloned sheep through nuclear transfer (Scotland)

1999

Successful oocyte vitrification (Kuleshova et al.)

2006

Successful generation of iPS cells (Prof. Shinya Yamanaka)



April 2022

Public health insurance coverage for fertility treatment introduced in Japan

Source:Wikimedia Commons（Public Domain／CC0）

Source:Wikimedia Commons「Cryopreservation USDA Gene Bank.jpg」／USDA Gene Bank／CC0 Public Domain

Source:National Institutes of Health（NIH）／Public Domain

History of Our Product Development and Commercialization

Cryotop

Repro Plate

Cryotop Safety Kit

2013

Ova Cryo Kit
Ova Thawing Kit
Launch of ovarian tissue cryopreservation kit

2015

Cryotop-CL
Launch of closed-system oocyte vitrification device

2016

Hypure Oil
Launch of culture oil

IVA Cannula
Launch of endoscopic cannula

2018

Vitrification/ Thawing media
Development of serum-free cryopreservation media for oocytes and embryos

2019

Carvy Cannula
Launch of endometrial sampling device

2022

EC-PRO ETCatheter
Development of a highly visible embryo transfer catheter

KITAZATO

Our Business Scope: Comprehensive Support for Fertility Treatment Consumables and Media

We develop and manufacture products used throughout the fertility treatment process, including intrauterine insemination (IUI), IVF, and embryo transfer, and supply them to healthcare providers worldwide.
In particular, in the cryopreservation field, where we possess significant expertise, cryopreservation media and storage devices are key products driving market growth.

Fertility Treatment Process

Technical Complexity

Low ⟷ High

General Fertility Treatment — Advanced Fertility Treatment

- Fertility Assessment
- Timed Intercourse
- Intrauterine Insemination (IUI)
- In Vitro Fertilization (IVF)
- Intracytoplasmic Sperm Injection (ICSI)

Areas of Focus

Intrauterine Insemination (IUI)	Oocyte Retrieval	In Vitro Fertilization (IVF)	Embryo Culture	Cryopreservation	Embryo Transfer
IUI Catheter (Medical Device)	Oocyte Retrieval Needle (Medical Device)	IVF Culture Media	Culture Media	Oocyte / Embryo Vitrification and Warming Media Kits	Embryo Transfer Catheter (Medical Device)
Sperm Preparation Products	Oocyte Retrieval Media	ICSI Products	Plastic Products for Cell Culture	Oocyte / Embryo Cryopreservation Devices	Embryo Transfer Media

KITAZATO

Creating Social Value Based on Our Corporate Philosophy: “Kitazato Smile Activities”

「Happiness, for the Next Generations」

We are committed to contributing to a sustainable society together with local communities.

Supporting Future Generations

Supporting Children's Growth

We provide support through charitable donations with the aim of creating communities where children can grow up healthy and live with peace of mind.
■ Donations to children's community support initiatives in Shizuoka Prefecture
■ Donations to 12 children's welfare institutions

Scholarship Program

We provide scholarship programs to support students and young professionals pursuing studies at overseas universities and medical institutions, with the goal of developing the next generation of reproductive medicine professionals.

Women's Empowerment and Health

Promotion of Women's Empowerment

We are committed to creating a workplace where women can fully utilize their abilities and continue to thrive professionally.
In recognition of these efforts, we have received the highest three-star “Eruboshi” certification from Japan's Ministry of Health, Labour and Welfare.

Pink Ribbon Activities

As an official supporter of J.POSH, a certified nonprofit organization promoting Japan's Pink Ribbon Campaign, we support awareness activities that emphasize the importance of early detection and treatment of breast cancer.

Community and Environment

Community Engagement

As the naming rights partner of Fuji City General Gymnasium (“Kitazato Arena Fuji”), we support sports, cultural, and community activities that enhance public services and contribute to local community development.

Environmental Conservation Activities

In addition to cleanup activities around our headquarters and manufacturing facilities, we continuously conduct the “Kitazato Beach Clean Project” to help protect marine environments.
Through waste collection and recycling initiatives, we work to reduce our environmental impact.

Contributing to Social Challenges Through Fertility Treatment

「Happiness, for the Next Generations」

We contribute to improving healthcare so that patients can undergo fertility treatment with confidence and to creating a social environment where children can grow up healthy and thrive.

Our Initiatives in Clinical Practice

Research and Development to Improve Pregnancy Outcomes	Reducing Treatment Costs Through Affordable Media and Consumables	Technical Training and Scientific Support for Healthcare Professionals	Promoting Patient Understanding of Fertility Treatment	Supporting Healthcare Collaboration from Fertility Treatment to Obstetrics and Pediatrics

Public Policy and Social Initiatives

Enhanced Financial Support Programs	Expansion of Childcare and Educational Services	Support for Balancing Work and Childcare	Development of Housing and Community Infrastructure	Marriage Support and Public Awareness Initiatives

Contributing to addressing social challenges such as declining birth rates and population decline through fertility treatment

Toward a Society Where People Can Confidently Have and Raise Children

Long-Term Vision

Kitazato Challenge 2036

Overview of the Long-Term Vision

Kitazato Challenge 2036

Expanding New Businesses and M&A While Leveraging the Core Business, with a Target of ¥83.0 Billion in Revenue by FY2036

The 10-year period from FY2027 to FY2036 will be executed in three stages.

FY2027 — **FY2029** — **FY2032** — **FY2036**

Stage 1 (3 Years): "Challenge"

Over Tokyo Tower 333 Plan

FY2027 – FY2029

Key Themes

- Deepening Existing Businesses
- Launching New Businesses
- Exploring and Executing Small-Scale M&A
- Building the Foundation for the Next Growth Phase

Revenue Target JPY33.3Billion

Stage 2 (3 Years): "Advance"

Over Sky Tree 634 Plan

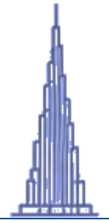
FY2030 – FY2032

Key Themes

- Expansion of New Businesses
- Full-Scale M&A Execution
- Expansion of Sales Networks and Geographic Coverage
- Accelerating Growth

Revenue Target JPY63.4Billion

Stage 3 (4 Years): "Transformation" Over Burj Khalifa Plan



FY2033 – FY2036

Key Themes

- Evolution of the Business Portfolio
- Maximizing Synergies
- Diversifying Earnings Foundations
- Achieving Transformational Growth

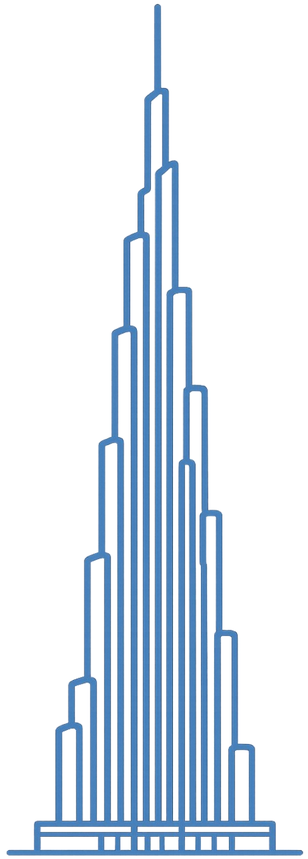
Revenue Target JPY83.0Billion

Planning and Execution Through Backcasting from the Final Goal

Overview of the Long-Term Vision

Kitazato Challenge 2036 Strategic Framework

Starting from our existing businesses, initiatives will be developed through three strategic layers: Strengthen the Core, Expand Value Creation, and Enhance Execution Capability.



Strengthen the Core	**Deepening and Advancing Existing Businesses** Manufacturing and Sales of Fertility Treatment Products		
Expand Value Creation	**Expanding Overseas Customer Touchpoints** ・Establishing Local Distributors and Sales Entities in Key Markets ・Providing Support to Fertility Clinics Worldwide ・CryoBank Business	**Expansion into Adjacent Services** ・Diagnostic Testing Center Business ・Healthcare Business ・Regenerative Medicine Business	**Expansion into New Technologies and Products** ・Pharmaceutical Business ・In Vitro Diagnostics (IVD) Business ・AI Business
Enhance Execution Capability	**Acquisition of Manufacturing Capabilities Through M&A** ・Plastic Mold Manufacturing and Metal Processing Businesses ・Strengthening Supply Chain and In-House Manufacturing Capabilities	**Building Research and Human Capital Foundations** ・Establishment of an R&D Institute ・Establishment of a Fertility Technology Training Institute ・Establishment of a Human Capital Development Institute	

Kitazato Challenge 2036 Human Capital Plan

Building an Organization Where Every Individual Can Thrive and Continue Growing Together

Strengthening Execution Capabilities to Support Growth Investments, M&A, and Global Expansion

Leveraging Individual Strengths Through Placement and Development

・Promote optimal talent placement based on individual characteristics and strengths
・Support long-term career development through challenging opportunities and structured training programs

Work Environment Supporting Diverse Life Stages

・Provide flexible working arrangements that support childcare, caregiving, health needs, and fertility treatment
・Build an environment that enables employees to remain active and engaged throughout longer careers, including up to age 70

Developing Human Capital That Enhances Market Value

・Provide development opportunities that enhance business skills, autonomy, and professional expertise
・Develop talent capable of succeeding both inside and outside the organization while strengthening our employer brand

Building a Culture Centered on Dialogue

・Foster a psychologically safe workplace where employees can openly exchange ideas regardless of position or title
・Make open dialogue a source of organizational vitality and innovation

Enhancing Productivity Through DX and AI

・Improve operational efficiency and productivity through the use of digital technologies and AI
・Create an environment that enables employees to focus on value-added activities and accelerate both individual and organizational growth

Maximize employee engagement and organizational performance by understanding individual strengths and promoting optimal placement and development.

Medium-Term Business Plan

Stage 1: Challenge

KITAZATO®

10-Year Growth Story

From “Challenge” to “Advance” and “Transformation”
Three Years to Identify the Next Growth Drivers

Stage 1 (3 Years): “Challenge”

Over Tokyo Tower 333 Plan

FY2027 – FY2029

Key Themes

- Deepening Existing Businesses
- Launching New Businesses
- Exploring and Executing Small-Scale M&A
- Building the Foundation for the Next Growth Phase

Revenue Target JPY33.3Billion

Stage 2 (3 Years): “Advance”

Over Sky Tree 634 Plan

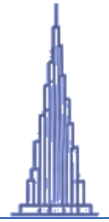
FY2030 – FY2032

Key Themes

- Expansion of New Businesses
- Full-Scale M&A Execution
- Expansion of Sales Networks and Geographic Coverage
- Accelerating Growth

Revenue Target JPY63.4Billion

Stage 3 (4 Years): “Transformation” Over Burj Khalifa Plan



FY2033 – FY2036

Key Themes

- Evolution of the Business Portfolio
- Maximizing Synergies
- Diversifying Earnings Foundations
- Achieving Transformational Growth

Revenue Target JPY83.0Billion

Stage 1: Positioning of the Current Medium-Term Management Plan

Target Revenue of ¥33.3 Billion by FY2029
While Maintaining Existing Earnings Foundations, Explore and Develop New Business Opportunities Worth ¥20.0 Billion

Revenue Target: ¥33.3 Billion

Existing Business Areas: ¥13.3 Billion

Strengthen Competitiveness

- Fertility Treatment Products
- Overseas Sales
- Product Mix Optimization

Generating Stable Earnings and Cash Flow

+

New Business Areas: ¥20.0 Billion

Identify Growth Opportunities

- Pharmaceuticals, IVD, and CryoBank
- Sales Network Expansion
- Clinic Partnerships

Next Growth Drivers

Changes in the Reproductive Medicine Environment

Driven by Growing Social Challenges, Reproductive Medicine Is Evolving into Essential Healthcare Infrastructure

Growing Social Challenges	■ Declining Birth Rates, Delayed Marriage, and Rising Maternal Age ■ Growing Interest in Fertility Preservation
Increasing Sophistication of Medical Needs	■ Expectations for Improved Treatment Outcomes ■ Growing Demand for High-Quality Treatment
Technological Innovation	■ Cell Culture Technologies ■ AI-Assisted Diagnosis and Automation
Increasing Operational Burden	■ Rising Labor Costs and Inflationary Pressures ■ Growing Need for Operational Efficiency

PEST Analysis (Macro Environmental Framework)

Identify regulatory, market, social, and technological trends to manage risks while steadily capturing growth opportunities.

Political & Regulatory Factors	▪ Pharmaceutical Regulations, Product Approvals, and Quality Management Systems in Each Country ▪ Reimbursement Systems, Pricing Regulations, and Local Product Preference Policies ▪ Strengthen Regulatory Capabilities in Key Markets
Economic Factors	▪ Rising Income Levels and Improved Access to Healthcare ▪ Fluctuations in Exchange Rates, Logistics Costs, Labor Costs, and Raw Material Prices ▪ Address Through Cost Reduction and Improved Local Sales Efficiency
Social & Demographic Factors	▪ Declining Birth Rates, Delayed Marriage, and Growing Demand for Fertility Preservation ▪ Physical, Emotional, and Financial Burdens on Patients ▪ Creating an Environment Where Patients Can Undergo Treatment with Confidence
Technological Factors	▪ Cryopreservation, Cell Culture, One-Step Media, and Micromanipulation Technologies ▪ AI-Assisted Diagnosis, Automation, and Cell Culture Technologies ▪ Evaluate Technologies Based on Regulatory Requirements, Intellectual Property, and Profitability

SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats)

Leverage our strengths to capture growth opportunities while addressing weaknesses and mitigating threats through investments, M&A, and talent development.

Strengths

- Specialized Technologies in the Fertility Treatment Field
- Collaborative Relationships with Healthcare Professionals
- Made-in-Japan Quality and Reliability
- Sound Financial Foundation

Weaknesses

- Expansion of Local Sales, Regulatory Affairs, and Quality Assurance Capabilities
- Recruitment and Development of Specialized Talent
- Dependence on External Partners for Critical Processes
- Enhancement of Global Management Systems

Opportunities

- Expanding Global Demand for Reproductive Medicine
- Growth of the Fertility Preservation Market
- Advances in AI and Automation Technologies
- Expansion into Pharmaceuticals, IVD, and CryoBank Businesses

Threats

- Regulatory Changes and Approval Delays in Various Countries
- Price Competition and the Emergence of Local Competitors
- Supply Chain and Quality Risks
- Market Consolidation Through Competitor M&A and Geopolitical Risks

4P Analysis (Marketing Mix Analysis)

Enhance Global Competitiveness Through an Integrated Strategy of Product, Price, Place, and Promotion.

Product	• Comprehensive Product Portfolio Supporting Advanced Fertility Treatments • Leverage Synergies with New Business Areas Including Diagnostics, AI, and CryoBank • Product Portfolio Protected by Intellectual Property Rights in Key Markets
Price	• Value Balanced Across Quality, Service, and Clinical Outcomes • Product Redesign, In-House Manufacturing, and Improved Production Efficiency • Targeting a 30–50% Reduction in Procurement Costs for Selected Processes
Place	• Strengthen Market Presence by Expanding Direct Local Customer Engagement Beyond Distributor-Based Sales • Focus on Key Markets: Europe, the United States, China, and India • Develop Distribution Channels to Support New Business Areas
Promotion	• Strengthen the Dissemination of Scientific and Clinical Information • Enhance Digital Communication • Enhance Brand Value

Building a Management Foundation Aligned with Market and Competitive Dynamics

Strengthen the financial and management foundation required to execute investments and support global business expansion through a financial and capital strategy that balances growth opportunities and risks.

Changes in the External Environment

Growing Social Challenges
- Declining Birth Rates and Delayed Marriage
- Growing Interest in Fertility Preservation

Increasing Sophistication of Medical Needs
- Expectations for Improved Treatment Outcomes
- Growing Demand for Safe and High-Quality Treatments

Technological Innovation
- AI-Assisted Diagnosis, Automation, and Cell Technologies
- Upgrading Existing Technologies

Increasing Complexity of Business Operations
- Regulatory Compliance, Product Approvals, Pricing Regulations, and Foreign Exchange Risks
- Local Competition and Market Consolidation Through Competitor M&A

Our Key Challenges

Deepening Existing Businesses
- Enhancement of Product Competitiveness and Quality
- In-House Manufacturing and Cost Reduction
- Strengthening Stable Earnings and Cash Generation

Exploring New Business Areas
- Pharmaceuticals and IVD
- CryoBank
- AI
- Clinical Service Platforms
- Validate Commercial Potential Through M&A, Strategic Alliances, and Joint Ventures

Strengthening Execution Capabilities
- Strengthen Sales Networks, Regulatory & Quality Functions, Talent, and PMI Capabilities
- Reinforce Global Management Infrastructure

Alignment with Financial and Capital Strategy

Reallocate Stable Cash Flows from Existing Businesses to Achieve the Long-Term Vision

Growth Investments

M&A,Manufacturing,Sales Expansion,Research & Development,New Business Development

Foundation Investments

Talent Development,Regulatory Affairs & Quality,IT,PMI,Governance

Shareholder Returns

Balancing Stable Dividends and Capital Efficiency

Investment Strategy

Allocate stable cash flows from existing businesses in a balanced manner among growth investments, foundation investments, and shareholder returns, while pursuing both investments in core businesses and exploration of new business opportunities.

Three-Year Strategic Investment Framework

Approximately ¥10–15 Billion

Growth Investments

Approximately ¥6–10 Billion

- M&A and In-House Manufacturing
- Overseas Sales Networks and Joint Venture Partnerships
- New Business Development and R&D

Foundation Investments

Approximately ¥1–5 Billion

- Talent Recruitment and Training
- Quality Assurance and Regulatory Affairs
- IT, PMI, and Governance

Investment Evaluation Criteria	Description
Synergy	Building a Fertility Ecosystem (described later)
Investment Payback Period	Generally Targeting 5–10 Years
Financial Discipline	Comprehensive Assessment Based on Equity Ratio, Financing Capacity, and Dividend Policy

Capital Allocation Policy

Prioritize growth investments in manufacturing, sales, R&D, and new businesses
Allocate cash toward investments supporting the long-term vision

Allocation Area	Planned Investment	Primary Use	Expected Outcome
Growth Investments (including M&A)	JPY6–10 billion	Strengthening manufacturing and sales capabilities, R&D, and new business development	Key growth driver toward the JPY 33.3 billion revenue target
R&D, Human Capital & Management Infrastructure	JPY1–3 billion	Research institutes, training centers, talent acquisition, PMI, and IR activities	Enhance organizational capabilities and accelerate commercialization
Facilities, Systems & Quality Assurance	JPY1–2 billion	Manufacturing equipment, IT systems, quality management, quality assurance, and regulatory compliance	Establish a scalable operating platform for future expansion
Shareholder Returns	DOE 8.0%	Maintain stable dividends	Balance shareholder returns with growth investments

Financial Discipline

- Evaluate M&A and new business investments based on synergies, profitability, regulatory and quality risks, and PMI execution feasibility
- Prioritize investments with attractive return potential, including manufacturing insourcing and sales network expansion
- Adopt a phased investment approach for R&D and new business initiatives

Shareholder Return Policy (DOE 8.0%)

Balancing Growth Investments through M&A and Shareholder Returns
While taking into account the possibility of temporary margin dilution and increased interest-bearing debt resulting from M&A activities, the Company aims to balance growth investments and shareholder returns through a DOE target of 8.0%.

1. Assumptions for a Growth Investment Phase

Going forward, M&A will serve as a core component of our growth strategy, supporting the enhancement of sales capabilities, manufacturing capabilities, and expansion into new business areas.

As a result, the utilization of interest-bearing debt may increase, and the Company's capital structure is expected to evolve from its current form.

2. Managing Margin Dilution Risk

In the initial stages of M&A, profitability may temporarily decline due to PMI-related expenses, goodwill amortization or impairment risk, and the integration of businesses with different profitability profiles.

A dividend policy linked solely to annual earnings could result in unstable shareholder returns.

3. Rationale for Adopting a DOE Target of 8.0%

To emphasize returns on shareholders' equity, we have adopted a DOE target of 8.0%, enabling us to maintain stable and predictable dividends even during periods of significant growth investment.

As earnings grow, we will also consider additional dividend increases in a flexible and timely manner.

During Stage 1 ("Challenge"), we will balance growth investments and stable dividends while absorbing short-term fluctuations in earnings.

Human Capital Plan

Strengthen specialized talent required for business expansion and global growth
Building the foundation to support growth beyond Stage 2

Full-time Employees

Increase by 20–30% from the current level

Training Participation

300–500 training participations annually

Strategic Area	Key Talent to Strengthen	Objective
Global Business	Local regulatory, sales, KOL, and scientific affairs professionals	Deepen market penetration and strengthen brand presence in key countries
Regulatory Affairs & Quality Assurance	Certification, audit, quality management, and regulatory specialists	Establish the foundation required for global expansion
Research & Development	AI, iPS cells, cell technologies, and regenerative medicine specialists	Translate next-generation technologies into commercial opportunities
Corporate Management, PMI & IR	Finance, legal, HR, PMI, and investor relations professionals	Strengthen post-merger integration and investor communications

Role of Training Functions

- Integrate internal talent development and support for healthcare professionals through the Fertility Technology Training Institute and Human Capital Development Institute
- Link technical support, product education, brand penetration, and sales opportunity creation

Advancing Existing Products and Exploring Next-Generation Technologies

R&D collaborates closely with clinical, manufacturing, and commercial functions to accelerate commercialization

Advancement of Existing Products

- Culture media, cryopreservation media, and cryopreservation devices
- Oocyte retrieval needles, catheters, and ICSI pipettes
- Enhance quality, usability, and safety
- Reduce costs through manufacturing insourcing initiatives

Exploration of Next-Generation Technologies

- AI-assisted diagnostics, cell culture, iPS cells, and regenerative medicine
- In-vitro maturation of immature oocytes and germ cells
- Artificial womb technologies and fully automated embryo culture systems
- Position implantation enhancement technologies as medium- to long-term research themes

Key Initiatives	Three-Year Target	Strategic Purpose
重点研究テーマ	5–10 themes	Manage technology exploration and commercialization opportunities
特許出願	10 applications	Strengthen intellectual property and competitive advantage
共同研究	3–5 projects	Co-create with academic and medical institutions
事業化候補	10 candidates	Potential revenue drivers for Stage 2

Evaluate opportunities comprehensively based not only on technical feasibility, but also regulatory requirements, intellectual property, manufacturing readiness, clinical adoption, commercial potential, and profitability.

M&A Strategy: Five Investment Plans Creating an Ecosystem and Synergies

STAKEHOLDERS

- Patients and Their Families
- Medical Institutions and Fertility Clinics
- Universities and Research Institutions
- Local Communities and Employees
- Investors and Shareholders

OUR MISSION

Manufacturing and Sales of Medical Devices for Fertility Treatment

1. **MANUFACTURING ENHANCEMENT**
   Expand Manufacturing Capacity and Improve Production Efficiency
2. **SALES CAPABILITY ENHANCEMENT**
   Establish Overseas Subsidiaries (United States, Europe, China, India, etc.)
3. **R&D CAPABILITY ENHANCEMENT**
   Establish Research Institutes
4. **EXPANSION INTO NEW BUSINESSES**
   Pharmaceutical Business and Clinic Support Services
5. **STRENGTHENING INFORMATION DISSEMINATION**
   SNS and Digital Communications

PARTNERSHIPS

- Overseas Distributors and Joint Ventures (JVs)
- Material and Component Manufacturers
- Pharmaceutical and Medical Device Companies
- AI, IT, and Digital Technology Companies
- NGOs, International Organizations, and Government Agencies

Through the expansion of our business scale, we broaden access to fertility treatment and contribute to the health and future of people around the world.

Global expansion of advanced fertility treatment ▶ Supporting more pregnancies and births ▶ Creating life and opportunities for future generations ▶ Advancing medical technologies and solving social challenges ▶ Realizing a sustainable society (Contributing to the world)

M&A EXECUTION TARGETS

Approximately One Transaction per Year

Target Deal Size:

JPY 1–3 Billion

per Transaction

KITAZATO

1. Manufacturing Enhancement (M&A Strategy)

Integrate manufacturing capabilities into the Group to simultaneously improve prototyping, mass production, quality, and cost competitiveness.Support the profitability of existing businesses while building the foundation for executing new business initiatives.

Objectives

- Enhance product development speed and quality
- Reduce reliance on outsourcing and improve profitability
- Strengthen safe and reliable manufacturing based on Japanese quality standards

Target Areas

- Metal Processing Business
- Plastic Mold and Injection Molding Business
- Cell Culture Business
- Media, Consumables and Related Manufacturers

Expected Outcomes

- Faster prototyping and mass production
- Capability to respond to new materials and disposable product trends
- 30–50% reduction in procurement costs for targeted processes
- Contribute to quality improvement and higher pregnancy success rates

Key Targets	3-year target
M&A and Strategic Capital Alliances	1–3 transactions
Investment Size per Transaction	JPY 1–3 Billion
Cost Reduction	30–50% reduction in targeted process costs
Investment Payback Period	5–10 Years

2. Sales Expansion (M&A Strategy)

Strengthen local sales networks and brand presence as twin growth drivers to accelerate product adoption across global markets.The platform can also be leveraged for the expansion of new businesses, including pharmaceuticals and IVD products.

Objectives

- Establish locally rooted sales platforms worldwide
- Secure commercial channels capable of supporting both existing products and new businesses
- Enhance brand awareness, credibility, and adoption

Priority Regions

- United States
- Europe
- China
- India and Other Growth Markets

Strategic Initiatives

- Local distributors and sales offices
- Joint venture sales partners
- Partnerships with leading fertility clinics
- Key Opinion Leader (KOL) network
- Technical training, seminars, and scientific congress activities
- Influencer engagement
- Digital and web-based communications

Key Targets	3-year target
Revenue opportunities generated through sales expansion	JPY 5–10 billion
Strategic-country sales partners	Increase by 20–30%
Overseas sales ratio	Approximately 70%
Brand-building initiatives	Continued expansion of scientific congresses, seminars, and KOL engagement

3. R&D Capability Enhancement (M&A Strategy)

Create the next generation of growth drivers through research institutes, collaborative research, and talent development.

Objectives

- Develop technologies addressing difficult and complex infertility cases
- Build a meaningful and valuable patent portfolio
- Link research outcomes with manufacturing, clinical practice, and commercialization

Key Research Areas

- AI-assisted diagnosis and embryo assessment
- iPS cells, cell technologies, and regenerative medicine
- In-vitro maturation of immature oocytes and germ cells
- Fully automated embryo culture systems

Strategic Initiatives

- Establish an R&D Research Institute
- Conduct collaborative research with academic institutions
- Develop researchers and technical specialists
- Strengthen clinical collaboration through research institute partnerships

Key Targets	3-year target
Strategic research themes	5–10 projects
Patent applications	10 applications
Collaborative research projects	3–5 projects
Commercialization candidates	10 candidates

4. New Business Expansion (M&A Strategy)

Expand beyond the core business into Pharmaceuticals, IVD, CryoBank, and Clinical Platforms by leveraging existing strengths.

Pharmaceutical Business	IVD Business	CryoBank Business	Clinic Partnerships & Commercial Platforms
Develop integrated solutions combining pharmaceuticals and medical devices	Address the diagnostic needs of existing customers	Transform existing technologies into service-based businesses	Secure commercial channels and market access for existing businesses

Stage 1: Evaluate and validate commercialization opportunities

Establish the foundation for full-scale expansion in Stage 2 and beyond

5. Strengthening Corporate Communications (M&A Strategy)

Strengthen the Company's ability to communicate its business value to capital markets, healthcare professionals, and society, thereby enhancing corporate value through efficient and effective engagement.

Objectives

- Communicate investment plans, technology development, and business progress
- Build trust with shareholders and investors
- Enhance capabilities for recruitment, partnerships, and M&A execution

Strategic Initiatives

- Position IR and PR as integral components of management strategy
- Leverage integrated digital content platforms
- Link communications with scientific congresses, seminars, and technical training activities

Expected Outcomes

- Strengthen two-way engagement with investors
- Reduce valuation gaps in the capital markets
- Improve understanding of the Company's business value

Key Initiatives	Guideline
Institutional investor engagement	Continuously expand engagement activities
Financial results, medium-term plan, and R&D disclosures	Provide regular updates
Retail investor engagement	Utilize videos, websites, and investor presentations
English-language disclosures	Expand communications for international investors

Key KPIs Through FY2029

Establish the foundation in Stage 1 ("Challenge") to accelerate growth in Stage 2 ("Advance").

KPI	Net Sales	CAGR	Operating Margin	Overseas Sales Ratio	ROE
	JPY 33.3 Billion	44.9%	Above 50%	70%	Above 20%

Stage	Period	Main Themes of the Event	Key Milestones
Stage 1: Challenge	FY2027–FY2029	・Identify manufacturing insourcing opportunities ・Execute priority-country sales strategies ・Prioritize strategic R&D themes ・Recruit key talent ・Build M&A execution capabilities	・Revenue of JPY 33.3 Billion ・1–3 M&A transactions or strategic partnerships ・More than 10 patent applications ・Overseas sales ratio of approximately 70%
Stage 2: Advance	FY2030–FY2032	・Commercialize new businesses ・Expand overseas operations ・Execute PMI (Post-Merger Integration) ・Scale adjacent growth businesses	・Revenue scale of JPY 63.4 Billion ・Continued growth in new business areas ・Realization of M&A synergies ・ROE above 20%
Stage 3: Improve	FY2033–FY2036	Integrate existing businesses, new businesses, manufacturing, sales, clinical platforms, and communications into a unified ecosystem	・Revenue scale of JPY 83.0 Billion ・Diversified business portfolio ・Maximization of corporate value

Existing Business Revenue Target: JPY 13.3 Billion

Drive growth through core product categories and international markets

FY2029 Revenue Target: JPY 13.3 Billion

CAGR: 7.0%

By Product Category

Unit: JPY Hundred Million

Category	FY2026 Actual	FY2029 Target	CAGR※
Media	40	**48**	6.2%
Cryodevice	30	**38**	7.5%
Medical Devices	25	**30**	6.2%
Micro Tools	10	**14**	9.9%
Others	2	**3**	6.5%
Total	**109**	**133**	**7.0%**

※ Average annual growth rate from FY2026 actual results to FY2029 targets.

By Region

Unit: JPY Hundred Million

地域	FY2026 Actual	FY2029 Target	CAGR※
Japan	36	**38**	1.7%
Overseas	72	**95**	9.4%
Europe	39	**53**	10.2%
USA	11	**15**	10.3%
China	6	**7**	5.9%
India	5	**7**	4.5%
Other Regions	9	**12**	10.9%
Total	**109**	**133**	**7.0%**

FY2029 Consolidated Balance Sheet (Illustrative)

Illustrative Group Balance Sheet Supporting Revenue of JPY 33.3 Billion Through the Integration of Acquired Businesses and New Ventures

Unit: JPY Hundred Million

Key Assumptions

- Maintain cash and cash equivalents of at least JPY 5.0 billion within current assets
- Fixed assets reflect existing facilities and planned growth investments
- Other assets include investments and other long-term assets
- Maintain a strong equity base while controlling leverage

Assets	Amount	Liabilities & Equity	Amount
Current Assets (including cash of JPY 5.0bn+)	90～110	Liabilities	40～50
Non-current Assets	230～250	Equity	300～340
Other Assets	20～30		
Total Assets	340～390	Total Liabilities & Equity	340～390

Maintain an equity ratio of over 90% while balancing growth investments with financial soundness.

The figures shown are internal planning estimates. Actual results may vary depending on acquisition prices, PMI execution, accounting treatment, dividend policy, and other factors.

What We Aim to Achieve in Stage 1: “Challenge”

Deepen Existing Businesses, Explore New Opportunities, and Build the Foundation for the 2036 Long-Term Vision

FY2029 Revenue Target

JPY 33.3 Billion

Existing Businesses: JPY 13.3 Billion + New Businesses: JPY 20.0 Billion

Deepening Existing Businesses

- Strengthen sales, manufacturing, and development of existing fertility treatment-related products
- Improve profitability through cost reduction, product mix optimization, and overseas sales expansion

Exploring New Opportunities

- Explore opportunities in pharmaceuticals, IVD, CryoBank, AI, and clinic partnerships
- Evaluate commercialization potential through M&A, partnerships, and joint ventures

Execution Foundation

- Integrate capital allocation, talent strategy, investment planning, and R&D planning
- Build a fertility-treatment ecosystem through the five strategic M&A initiatives

Financial Policy

- Maintain a sound financial position with an equity ratio of approximately 90% on a consolidated basis

Toward 2036

- Transition into Stage 2: “Advancement”
- Maximize business scale, profitability, and social value in Stage 3: “Optimization”

「Happiness, for the Next Generations」

Deliver Better Products, Technologies, and Services to People Around the World

Notes

Some of the information contained in this document includes statements regarding future performance.
These statements do not guarantee future performance and involve risks and uncertainties.
Please note that actual results may differ from these statements due to changes in the business environment and other factors.

This material is an English language translation of the materials originally written in Japanese. In case of discrepancies, the Japanese version is auth oritative and universally valid.

This policy is intended to indicate the Company's medium- to long-term approach to shareholder returns and does not constitute any change to the dividend forecast currently disclosed.

Contact Information

Kitazato Corporation

Corporate Planning Department

TEL +81-545-65-7122

URL https://www.kitazato.co.jp/en/ir/inquiry/

KITAZATO®

www.kitazato.co.jp