

May 22, 2019

To whom it may concern,

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**Notice of Acquisition and Cancellation of Third Share Acquisition Rights
(With Exercise Price Amendment)**

Japan Lifeline Co., Ltd. (“JLL”) announced today that at the meeting of the Board of Directors held on May 22, 2019, the company resolved to acquire all of its outstanding Third Share Acquisition Rights issued on December 21, 2017 and also to cancel all of the share acquisition rights immediately on the acquisition date, as described below.

1. Details of Third Share Acquisition Rights to be acquired and cancelled

(1) Name of Third Share Acquisition Rights to be acquired and cancelled	Japan Lifeline Co., Ltd. Third Share Acquisition Rights
(2) Number of Third Share Acquisition Rights to be acquired and cancelled	10,000 units
(3) Date of acquisition and cancellation	June 6, 2019
(4) Acquisition cost	13,520,000 yen (1,352 yen per unit of Third Share Acquisition Rights)
(5) Number of share acquisition rights remaining after cancellation	0 unit

2. Reasons for acquisition and cancellation of Third Share Acquisition Rights

JLL positions the strengthening of the functions of both trading company and manufacturer as the pillars of its medium-to long-term growth strategy. To raise funds for investments based on its strategy, the company issued share acquisition rights, which assumed the appropriation of treasury share held as of December 21, 2017. This share acquisition rights were divided into the Second and Third Series Share Acquisition Rights. As to the Second Share Acquisition Rights, 30,000 share acquisition rights (6 million shares issued) were exercised and the company completed the fundraising of 13,856 million yen on January 26, 2018. In addition, the Third Share Acquisition Rights were issued in a state of suspension designation, which would be lifted with a trigger being the disclosure of the actual or projected consolidated net sales for a fiscal year of 55 billion yen or more, and only after then the company would be able to raise funds.

With regards to the funds procured through the Second Share Acquisition Rights, the primary objective was to secure a pipeline of new products for the trading company function. The company expensed the upfront payment for the exclusive sales distribution agreement with Boston Scientific Japan for CRM (cardiac rhythm management) related products, and also expensed loans to support its suppliers for their product

development for the purpose of strengthening relationships with them.

Secondly, to strengthen the company's manufacturing functions, JLL has been promoting the construction projects; the company completed the new building for the Research Center, which is positioned as the hub base of R&D for the whole JLL-group. In addition, the construction of a factory in Malaysia is currently underway and this would be its first overseas factory from scratch to finish. The company has also decided to build the second building of the Oyama Factory to expand its core technologies and increase production volume in Japan.

Thirdly, to prepare for the commencement of sales of large-scale new products from the previous year, the company acquired initial inventory of drug-eluting coronary stents, as well as equipment such as consoles for use of endoscopic laser ablation catheters.

As mentioned above, the funds required for large-scale investments that are expected at the current stage have been largely satisfied through the procurement of funds through the Second Share Acquisition Rights. JLL believes that it has achieved to a certain extent the purpose of securing funds for medium-to long-term growth while strengthening its financial base. Taking into consideration these circumstances in a comprehensive manner, the company has decided to acquire and cancel all of the remaining share acquisition rights as of the acquisition date in accordance with the provisions of the outline of the share acquisition rights.

3. Future Outlook

The effect of the acquisition and cancellation of Third Acquisition Rights on the consolidated financial results for the current fiscal year is insignificant.

[Reference] Outline of Third Stock Acquisition Rights of JLL

Date of allocation	December 21, 2017
Allottee	Nomura Securities Co., Ltd.
Total number of share acquisition rights	10,000 units
Total amount paid up	13,520,000 yen (1,352 yen per unit of share acquisition rights)
Number of share acquisition rights exercised to date	0 units

END