May 22, 2019

To whom it may concern,

Company: Japan Lifeline Co., Ltd.
Representative: Keisuke Suzuki, President and CEO
(Code: 7575 TSE 1st Section)
Contact person: Shogo Takahashi, Executive Vice President,
Corporate Administration Department
(TEL. +81-3-6711-5200)

Announcement on Update to Medium-Term Business Plan

Japan Lifeline Co., Ltd. announced today that at the Board of Directors' meeting held on May 22, 2019, the company formulated its five-year medium-term business plan ending March 31, 2024 as described below. Please refer to the attached briefing material for more details.

1. Targeted period
   From Fiscal Year ending March 2020 to Fiscal Year ending March 2024 (Five-Year)

2. Method of formulation and premises
   The company's medium-term business plan is designed to respond swiftly to changes in the business environment and achieve stable growth from a medium-to long-term perspective. To this end, the company has adopted a method of annually rolling and updating of the five-year period of the business plan, with the ongoing fiscal year set as the first year and without fixing any particular planning period.

   The medium-term business plan is formulated based on the status of sales contracts, development, clinical trials, etc. at the time of formulation. Products for which no sales contract has been concluded or products for which the time of launch has not been specified are not included in the planned values. In addition, revisions to the reimbursement price during the planning period are estimated and incorporated into the plan.

3. Basic policy for the medium-term business plan
   (1) Further expansion of in-house products
   (2) Securing third-party products in the future product pipeline
   (3) Reinforcement of R&D and production capability
   (4) Expansion to new therapeutic fields other than cardiovascular
   (5) Overseas expansion

4. Financial goals (Fiscal Year ending March 31, 2024)
   Consolidated sales: 89.4 billion yen
   Operating margin: 23%

END

Japan Lifeline

Mid-Term Business Plan

May 22, 2019

Japan Lifeline Co., Ltd.

Japan Lifeline

- **Forecast of FY3/2020**
- **Today's Press Releases**

Executive Vice President Corporate Administration Department

Shogo Takahashi

Forecast of Consolidated Financials for FY3/20

Japan Lifeline

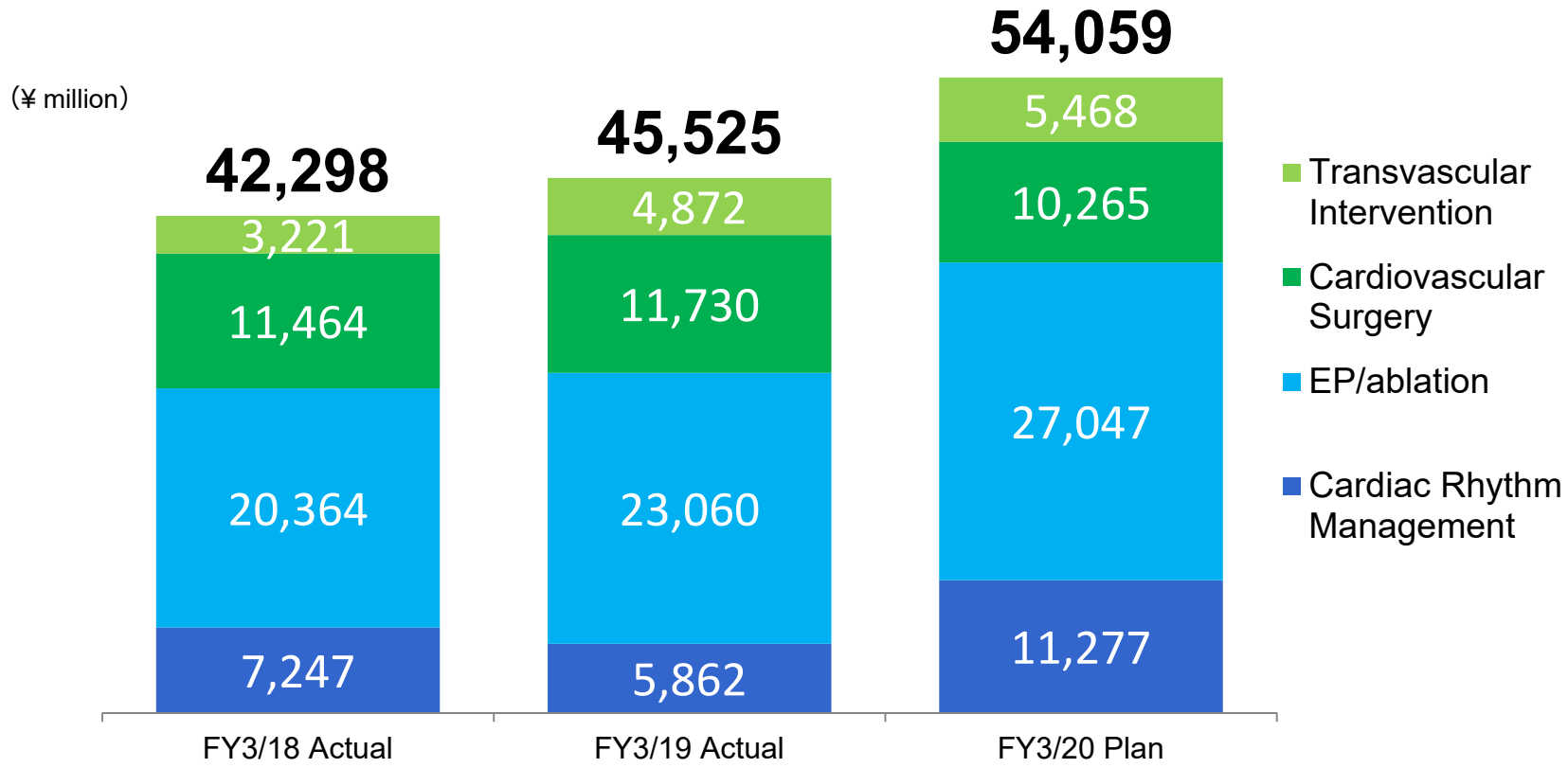
Despite large increases in revenue, lower profitability is temporarily expected during the supplier transition period to BSX[1]

(¥ million)	FY3/18 Result	FY3/19 Result	FY3/20 Plan	YoY
Net Sales	42,298	45,525	54,059	+18.7%
Gross Profit	26,576	27,822	30,600	+10.0%
Gross Profit%	62.8%	61.1%	56.6%	(4.5pts)
Operating Profit	10,671	10,526	10,465	(0.6%)
Operating Profit%	25.2%	23.1%	19.4%	(3.7pts)
Net Profit Attributable to Owners of Parent	7,478	7,723	7,747	+0.3%
%	17.7%	17.0%	14.3%	(2.7pts)

Note1: BSX = Boston Scientific

Sales Highlight by Product Category for FY3/20 (plan)

- **Double revenue in CRM due to the change to BSX[1] products**
- **Anticipate stable growth in EP/ABL**

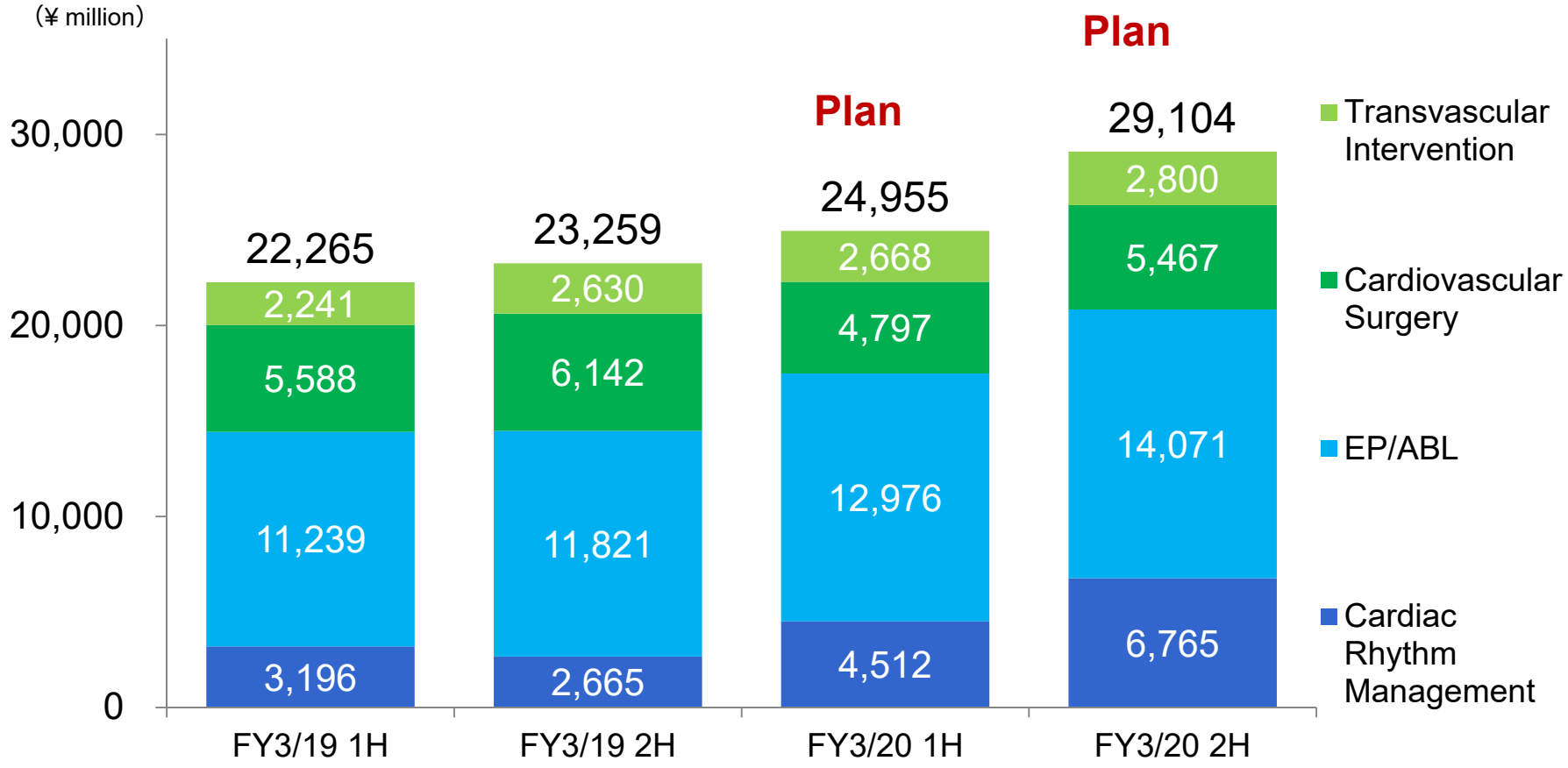


Note: 1 Boston Scientific Corporation

Sales by Product Category (semi-annual) FY3/19 – FY3/20

Japan Lifeline

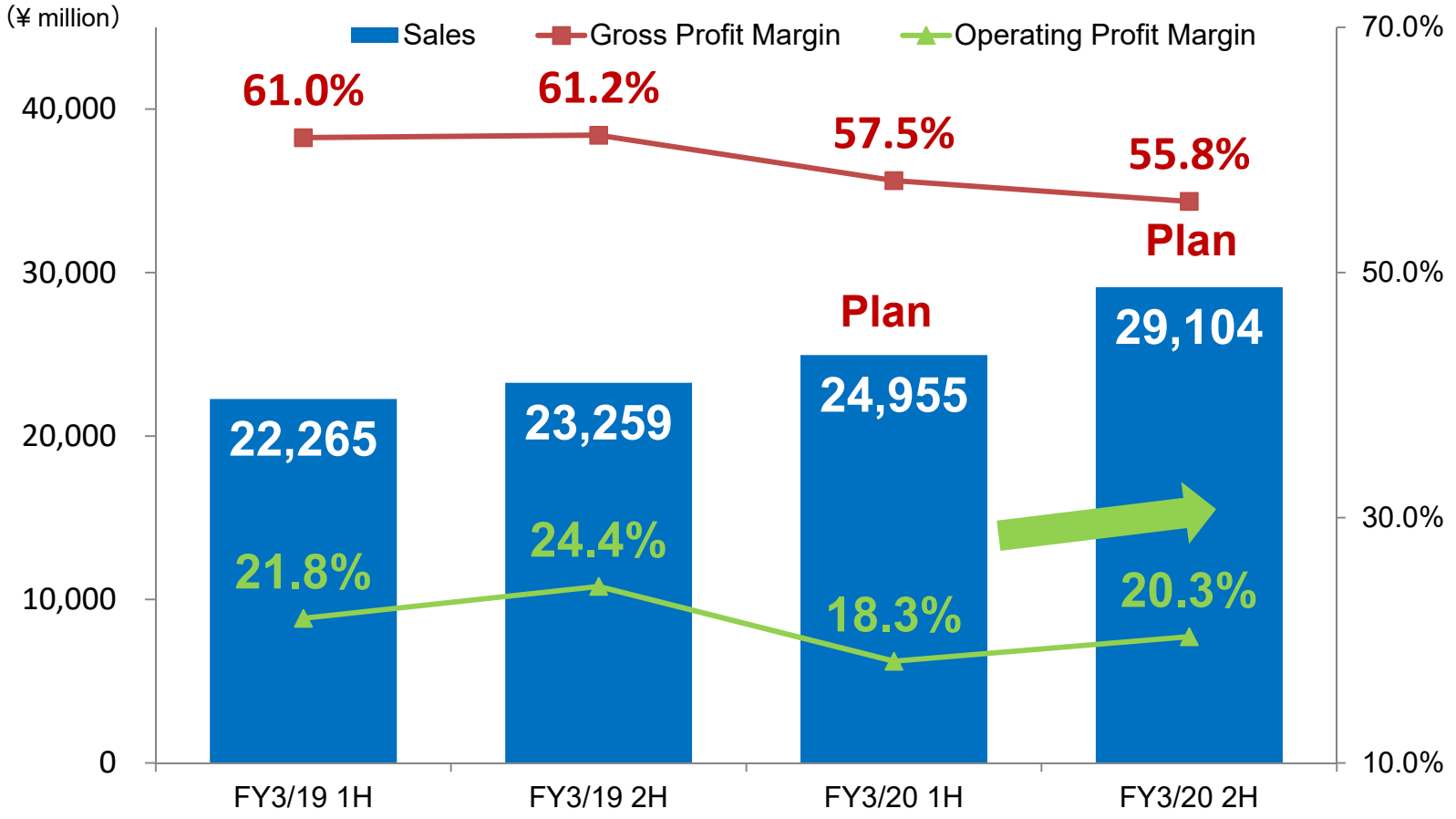
- **Full-release of BSX products for CRM from Sep. 2019**
- **End of some products for Cardiovascular Surgery（Thoracic stent graft in Mar. 2019, artificial valve in May 2019）**



Sales & Margin (semi-annual) FY3/19 - FY3/20

Japan Lifeline

- GP is likely to decline due to the growth in third-party products
- OP is anticipated to improve, absorbing scheduled NHI revisions in Oct. & increase in SG&A



Profitability to improve from FY3/19 2H

Second Share Acquisition Rights (Exercised)

Date of issuance	**Dec. 21, 2017[1]**
Total Number of share acquisition rights	**30,000 units (6 million shares[2] appropriated from treasury shares)**
Date of completion of exercise	**Jan. 26, 2018**
Amount of funds raised	**13,856 million yen (92% of the ending price at the previous date of exercise including a premium of 40 million yen)**
Purpose of funds	**Exclusive distribution agreement for BSX products, Loans for suppliers, initial inventory for new products, construction of factories (Malaysia & 2nd building for Oyama Factory)**

Achieved a certain level of fundraising for further growth strategy

Note: 1. Nov. 30, 2017 “Announcement on the Second and Third Share Acquisition Rights by Third Party Allotment (With Exercising Price Amendment)
2. Two-for-one stock split on Jan 1, 2018

Third Share Acquisition Rights
(Determined to be acquired & cancelled) [1]

Date of issuance	**Dec. 21, 2017**
Total number of share acquisition rights	**10,000 units (2million shares to be appropriated from treasury shares)**
Date of completion of exercise	**Not exercised (issued but in a state of suspension designation)**
Amount of funds raised	**None (each share acquisition right shall be exercised at 92% of the ending price on the previous day of exercise + a premium of 13 million yen)**
Trigger to lift suspension disignation	**Disclosure of the actual or projected consolidated net sales for a fiscal year of 55 billion yen or more**

Raised enough funds by Second Round
Acquire & Cancel Third Round

Note: 1. May 22, 2019 “Notice of Acquisition and Cancellation of Third Series Share Acquisition Rights (With Exercise Price Amendment)”

Cancellation of Treasury Shares

Japan Lifeline

Determined to cancel treasury shares

Type of shares to be cancelled	Common shares
Total number of shares to be cancelled	5 million shares (5.53% of the shares outstanding before cancellation)
Scheduled date of cancellation	May 31, 2019

Reference:

Number of treasury shares held as of Mar. 31, 2019	10,005,712 shares
Total number of the shares outstanding after cancellation	85,419,976 shares

Japan Lifeline

Mid-Term Business Plan

FY3/20 – FY3/24

President and CEO

Keisuke Suzuki

Basis for Growth

Japan Lifeline

Manufacturer function

Develop in-house products by reflecting needs in clinical settings

Trading company function

Seek for cutting-edge products & distributorship overseas

Early introduction of medical devices backed by competitive regulatory approval strategy

Vast sales network all over Japan

Will expand business scale and increase profitability to achieve high growth

Japan Lifeline

Our basic policy shall:

- Scale up in-house products
- Secure pipeline of third-party products
- Strengthen R&D & production capacity
- Expand business to new field other than cardiovascular
- Seek overseas expansion

Our Mid-term Business plan:

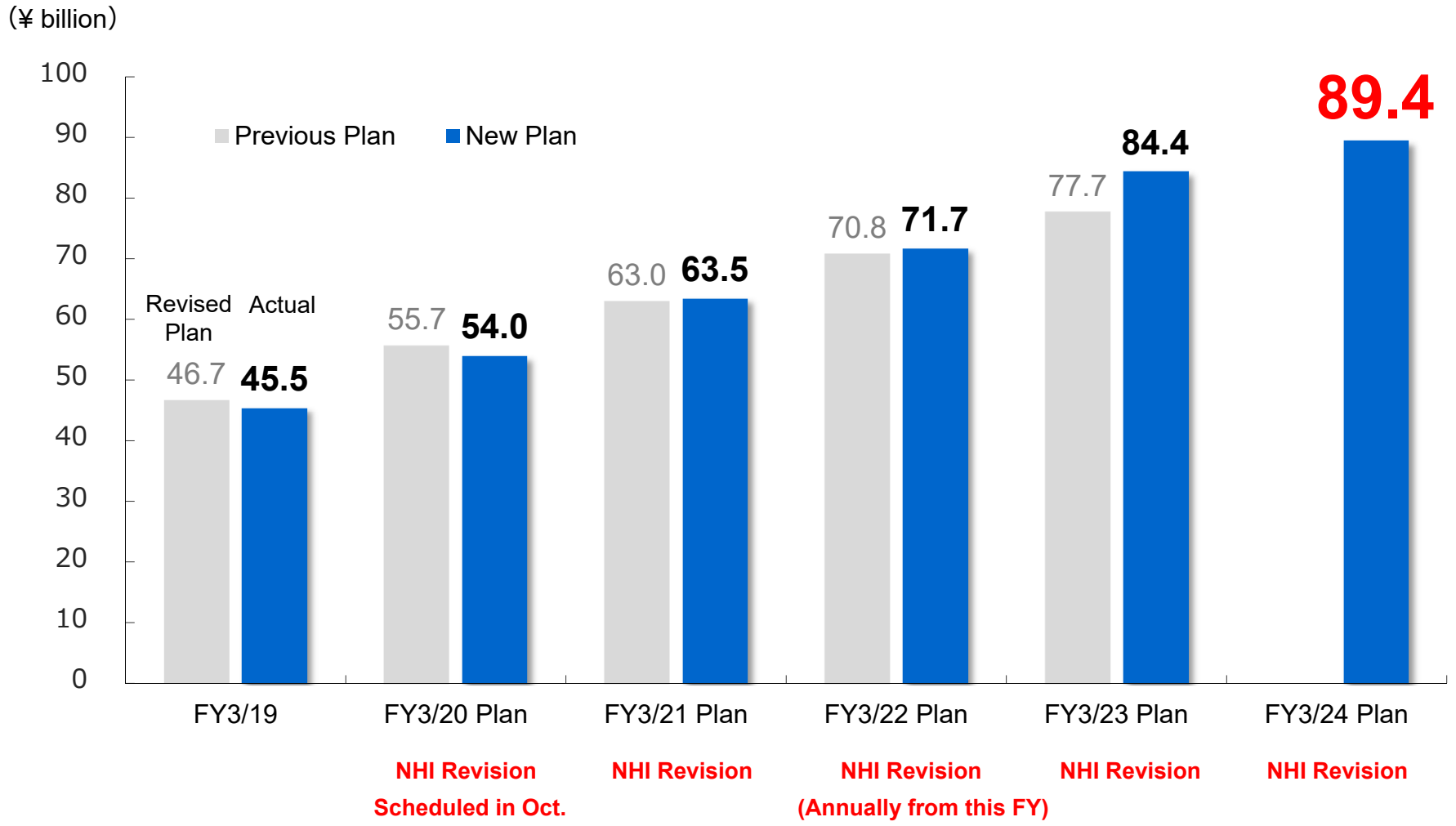
- Is updated every year by rolling over
- Includes products for which the time of launch has been specified only
- Factors in status of distribution contracts, latest development & results of clinical study
- Factors in NHI price revisions
  - Expect revisions in Oct. 2019 with the implementation of the consumption tax hike
  - Expect revisions in April of each year of 2020, 2021[1], 2022 & 2023.

(Note: 1. From 2021, revisions would take place annually in our assumptions)

Manage to adjust to ever-changing business circumstances

Mid-Term Plan – Financial Goals

Japan Lifeline



Future plans do not include products whose launch timings are not identified

Mid-Term Plan – Financial Goals

Japan Lifeline

Previous Plan

Announced on May 29, 2018

FY3/2023

Consolidated Sales

¥77.7B

OP Margin

25%

New Plan

Announced on May 22, 2019

FY3/2024

Consolidated Sales

¥89.4B

OP Margin

23%

Current Status by Business Category

Japan Lifeline

Cardiac Rhythm Management

- Preparing for the smooth transfer to BSX products, confirming solid business structure for mid-to long term growth
- Accelerated sale of S-ICD, aiming a good start in full-launch in Sep.

EP/ablation

- Expect a stable expansion of in-house products with ever-increasing AF cases
- Expect contribution of the next generations of laser ablation system

Cardiovascular Surgery

- End artificial valve business in May 2019 & concentrate resources on vascular graft-related
- Enrich product portfolio in aorta therapeutic area

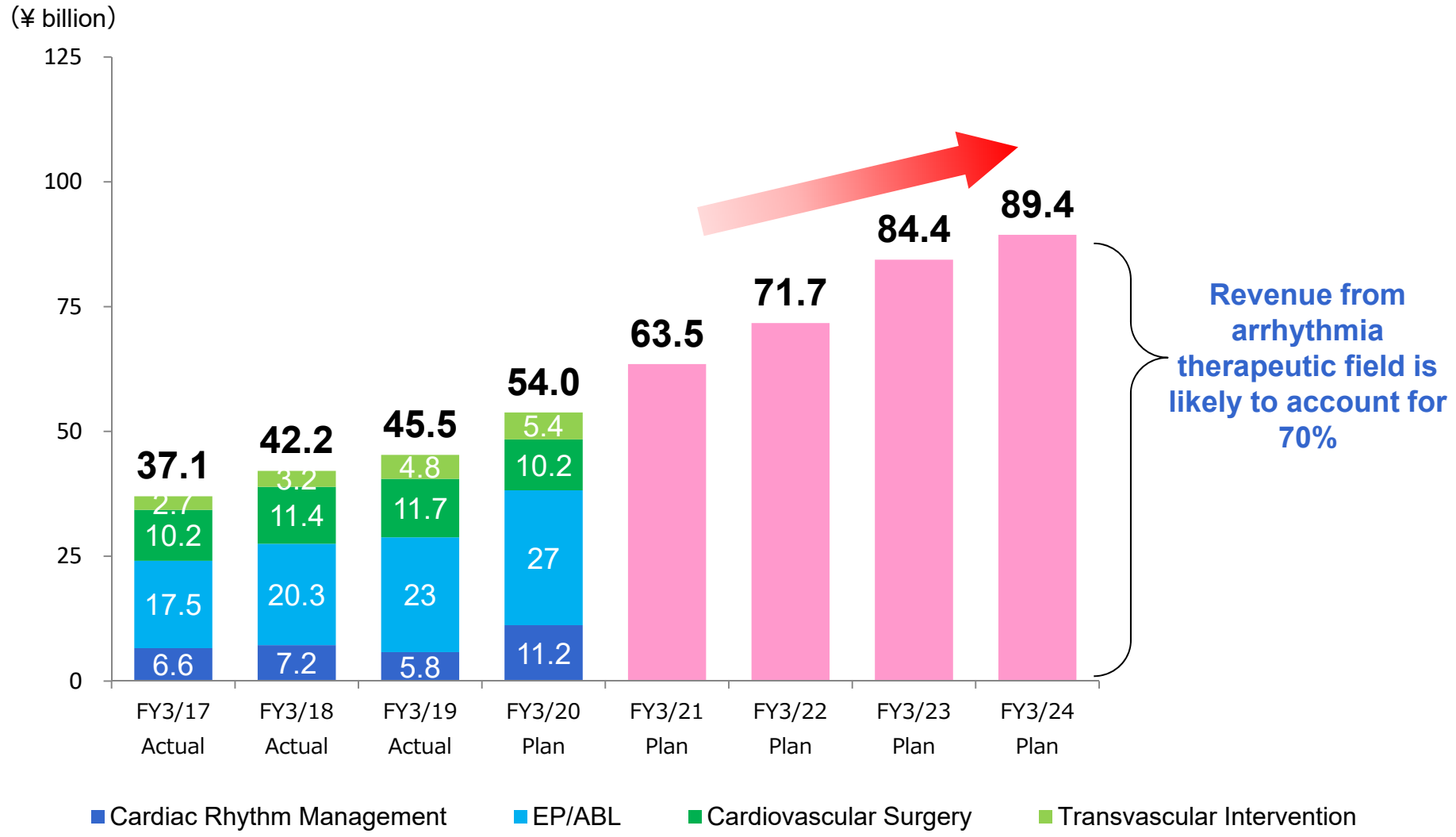
Transvascular Intervention

- DES gained a certain market share
- Expand to new therapeutic area (gastrointestinal & structural heart areas)

Mid-Term Plan – Sales Highlight

Japan Lifeline

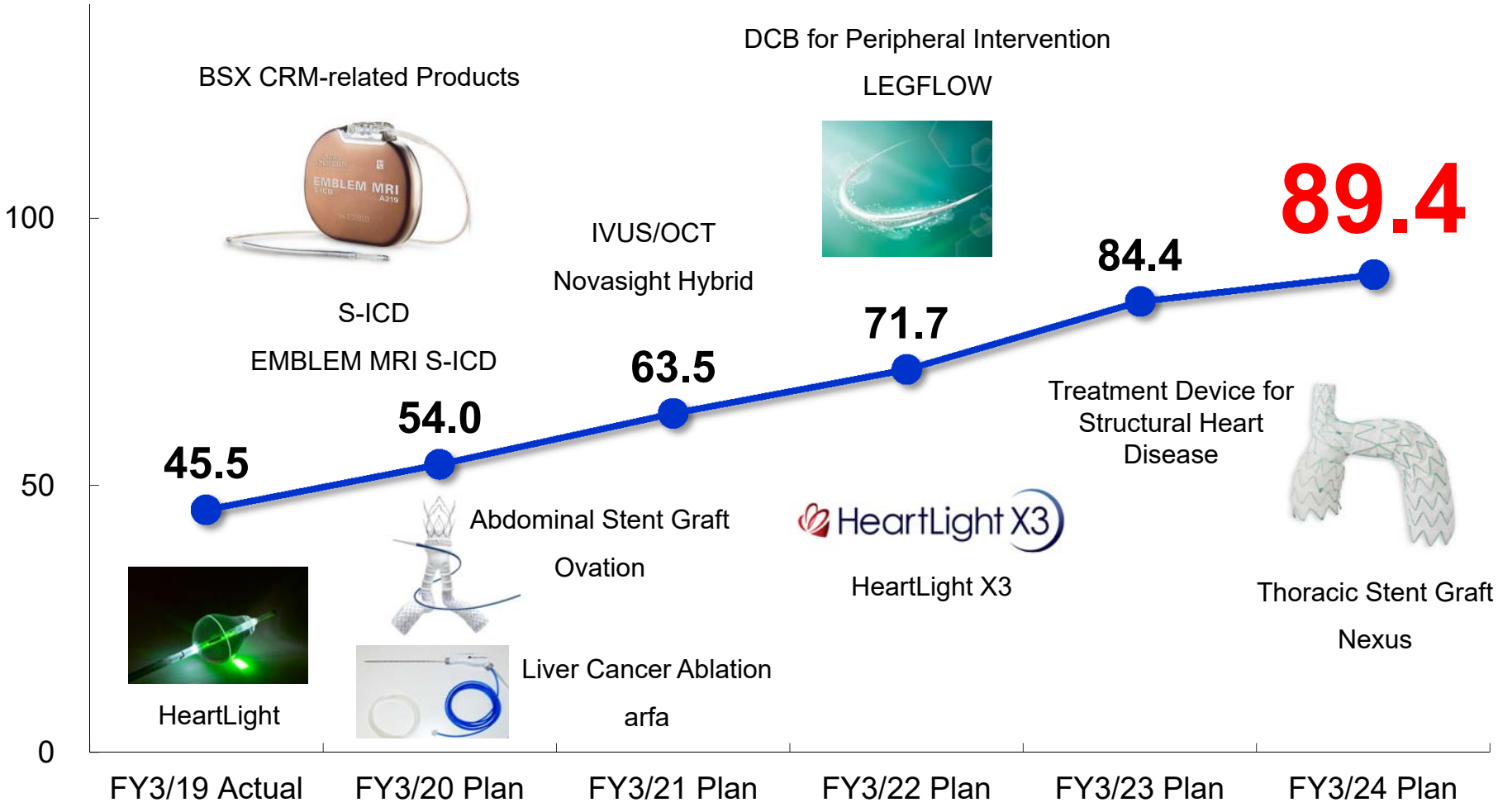
Arrhythmia therapeutic field will be the solid base for growth



Mid-Term Plan – Product Pipeline (partial)

Japan Lifeline

(¥ billion)



Not only the above shown, distribution & developing plans of multiple products are underway

CRM – Mid-Term Perspective & Challenges

Japan Lifeline

1. Aim to scale CRM business with BSX products
2. Boost revenue growth with S-ICD & other excellent tachy products
3. Achieve a significant market gain in the future
4. Expense of sales support payment for BSJ
5. All sales reps of BSJ are to transfer to JLL temporarily & eventually to become employees of JLL

CRM – New Products

Japan Lifeline

Change to globally highly recognized BSX products

– Highly recognized in global market in tachy therapeutic area

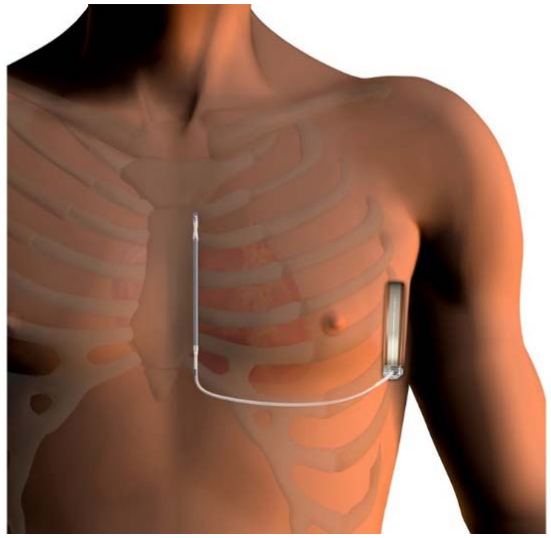
– Incorporate R&D resource of BSX into JLL's pipeline

– Departing from the traditional brady-centered product portfolio to realize brand-new business with an integrated strong product lineup of brady + tachy

Long-term partnership will enable us to achieve a major share in the market

Accelerated sale of S-ICD

- Unique in Japan market “EMBLEM MRI S-ICD”
- Different from conventional ICDs, S-ICDs are placed without contacting cardiovascular system therefore much less risk of complications related to leads
- Accumulate sales know-how from Apr. to prepare for the full launch starting in Sep. this year.



Exploit tachy therapeutic area with very unique product in Japan market

EP/ABL – Mid-Term Perspective & Challenges

Japan Lifeline

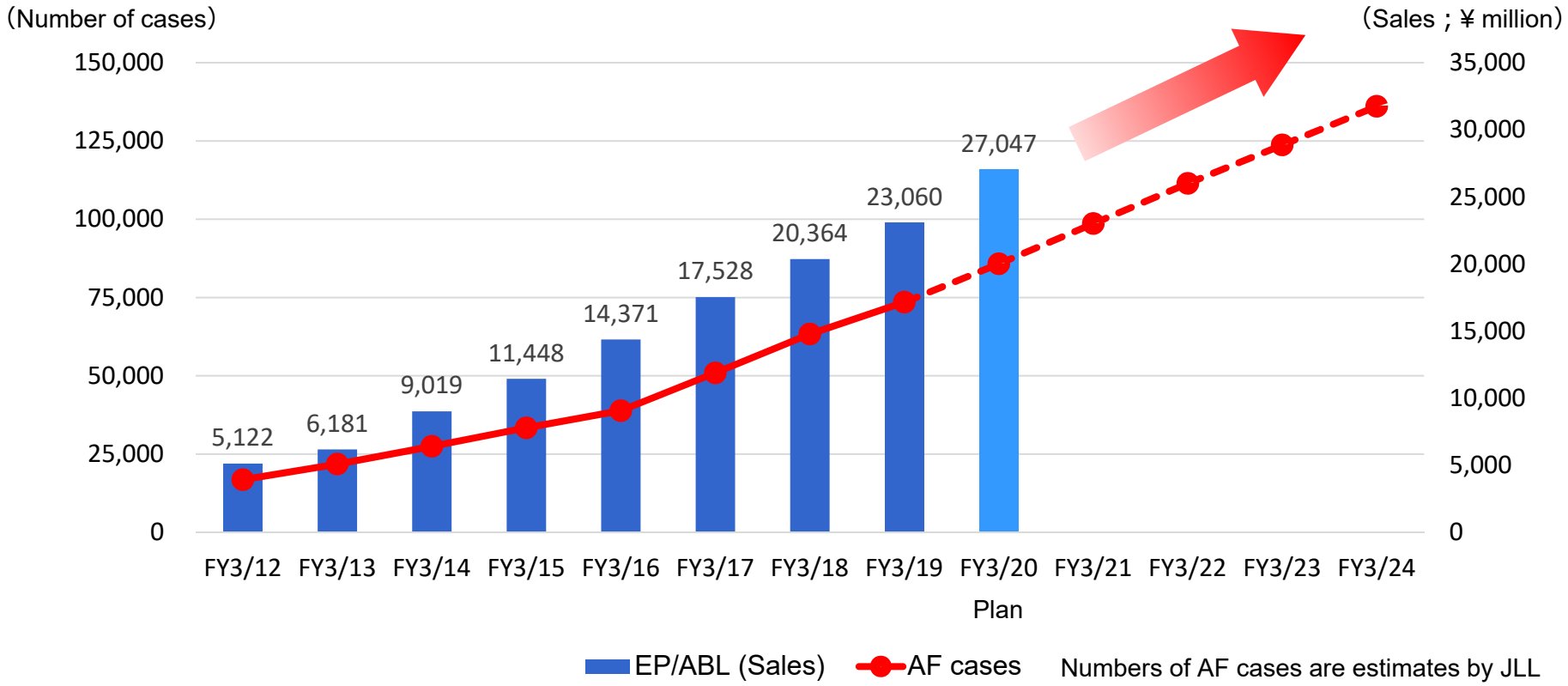
1. **Expect double-digit growth for AF[1] cases**
2. **Sales of one-of-a-kind products will accelerate with ever-increasing cases**
3. **Aim to penetrate endoscopic laser ablation catheters**
4. **Improve & expand existing in-house products**

Note: 1. Atrial Fibrillation

EP/ABL　Forecast of AF ablation cases

Japan Lifeline

- **Continuing double-digit growth for AF cases, exceeding >130 thousand cases in FY3/24**
- **Expect contribution of ablation-related products onward, as well as highly recognized EP products**



EP/ABL – New Product HeartLight

JLL Japan Lifeline

Promote treatment device for further growth

– Endoscopic laser ablation catheters
– HeartLight
– Manufactured by Cardiofocus
– Launched in Jul. 2018
  - Capable of seeing inside pulmonary veins visually with equipped endoscope
  - Capable of adjusting output of laser
  - Conform to any patients' anatomy

- Ratio of maintaining regular sinus rhythm after 1 year exceeded >80%, expectations for long-term results are high

  Year1 82%　Year2 76%　Year3 76%　Year4 75%*

Provide optimal treatment for each case

※Europace doi:10.1093/europace/euu168 [Visually guided laser ablation: a single-centre long-term experience

EP/ABL – New Product HeartLight

Japan Lifeline

Work for early launch of next generations

- Endoscopic laser ablation catheters
- HeartLight X3
- Contiguous, gap-free energy delivery by motor control system
- Realizing both of adjustable laser output & significant reduction of procedure time
- 3 mins for each pulmonary vein isolation, shortening total procedure time to 60.8 mins
- Aim to launch in FY3/2022

Expand penetration of endoscopic laser ablation with highly competitive products of next generations

EP/ABL – New Products

Japan Lifeline

BeeAT For IVC[1] Approach

Catheter for Atrial Cardioversion System SHOCK AT

BeeAT

Via IVC approach

Fully launched in Feb. 2019

Steerable Sheath For Left-Handed

Guidee Leftee

To be launched in Jul. 2019

New Generator For BeeAT

SHOCK AT α

To be launched in Jan. 2020

Note: 1. Inferior Vena Cava

JLL as a domestic manufacturer can response to detailed needs in clinical practice

Cardiovascular Surgery
– Mid-Term Perspective & Challenges

Japan Lifeline

1. Artificial valve business will end at the end of May 2019

2. The launch of the abdominal stent graft Nellix is expected to be postponed

3. Expansion of JLL-made Open Stent Graft to other countries

4. Aim to introduce stent graft for repair of thoracic aorta at an early stage

Japan Lifeline

Launch of Nellix expected to be postponed

- In the U.S., postoperative outcomes of cases inside the IFU were good, but cases outside the IFU were not good
- Delayed sales temporarily on the voluntary judgment of the manufacturer
- U.S. study is ongoing, but the launch in Japan is expected to be delayed

Nellix is not incorporated in this mid-term plan, but we continue to prepare for introduction

Cardiovascular Surgery – Open Stent Graft

Open Stent Graft “J-Graft FROZENIX”

- Unique & JLL-made product
- Prevailed as less invasive treatment
- Cumulative case # in Japan over 10,000

Development of product with 4-branched graft

- No need to suture with 4-branched graft
- Help shorten procedure time

Open Stent Graft
“J-Graft FROZENIX”

Work toward overseas sales

- Taiwan: Focus on expanding facilities
- Europe: Continuously work on gaining CE mark

Many clinical results show a good clinical effect

Cardiovascular Surgery
– Launch Schedule of Thoracic Stent Graft

Japan Lifeline

Re-enter the thoracic stent graft market

- Branched Thoracic Stent Graft “NEXUS”
- Made by Endospan
- Simplification of procedure and reduction of the risk of complications expected
- CE mark approved on Feb. 2019
- Aim to launch in FY3/24

Branched Thoracic Stent Graft
“NEXUS”

Introduce attractive products based on extensive experience in aortic repair

Transvascular Intervention
– Mid-Term Perspective & Challenges

Japan Lifeline

1. **Expand sales for DES**
2. **Work for early launch of peripheral DCB[1]**
3. **Enter into imaging device area with IVUS[2]/OCT[3]**
4. **Concentrate on gastrointestinal therapeutic area as an expansion to new treatment area**
5. **Ramp up product lineup for structural heart disease area**

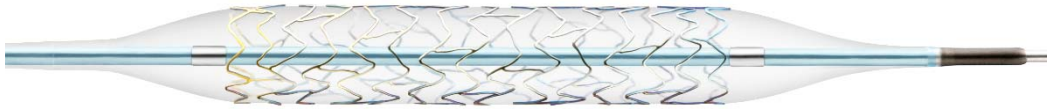
Note: 1. Drug Coating Balloon
2. IntraVascular UltraSound
3. Optical Coherence Tomography

Drug-eluting coronary stent

- Orsiro: 3rd generation of DES with bioabsorbable polymer
- Gained 7% of market share during the 1st year of sale

Started CASTLE[1] Study

- Compare Target Lesion Failure incidence rate after 12 months of treatment with competing products
- Frist case enrolled on May 17, 2019
- Expect to present results in TCT to be held in Oct. 2022.



Drug-eluting coronary stent Orsiro

Note:1. Randomized Comparison “All-Comers” Study of Ultra Thin-Strut and Thin Strut Drug-ELuting Stents

Work for smooth launch of peripheral DCB

- For peripheral (BTK[1])
- Drug-coating balloon catheters
- LEGFLOW manufactured by CARDIONOVUM
- Drug (paclitaxel) prevents restenosis
- Aim to launch in 1st half of FY3/2022

Peripheral DCB

LEGFLOW

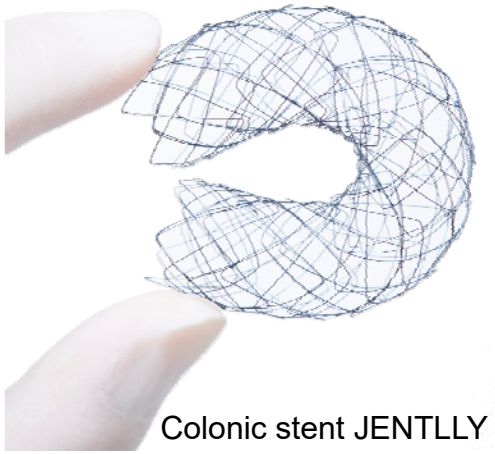
Note: 1. Below the Knee

Enter into imaging modalities

- IVUS/OCT hybrid system
- Novasight Hybrid
- Manufactured by Conavi Medical
- Both IVUS & OCT imaging are available with a single catheter
- Aim to launch in 1st half of FY3/2021

Expand to gastrointestinal area with colonic stent

- Colonic stent JENTLLY
- Launched in Jun. 2017, fully released in Jan. 2018
- Self-manufactured & no other Japanese makers in Japan market
- Leverages Open Stent technology
- Gastric & duodenal stents under R&D process



Colonic stent JENTLLY

Leverage accumulated know-how in cardiovascular field for expansion into new therapeutic field

Leverage in-house technology for cancer treatment

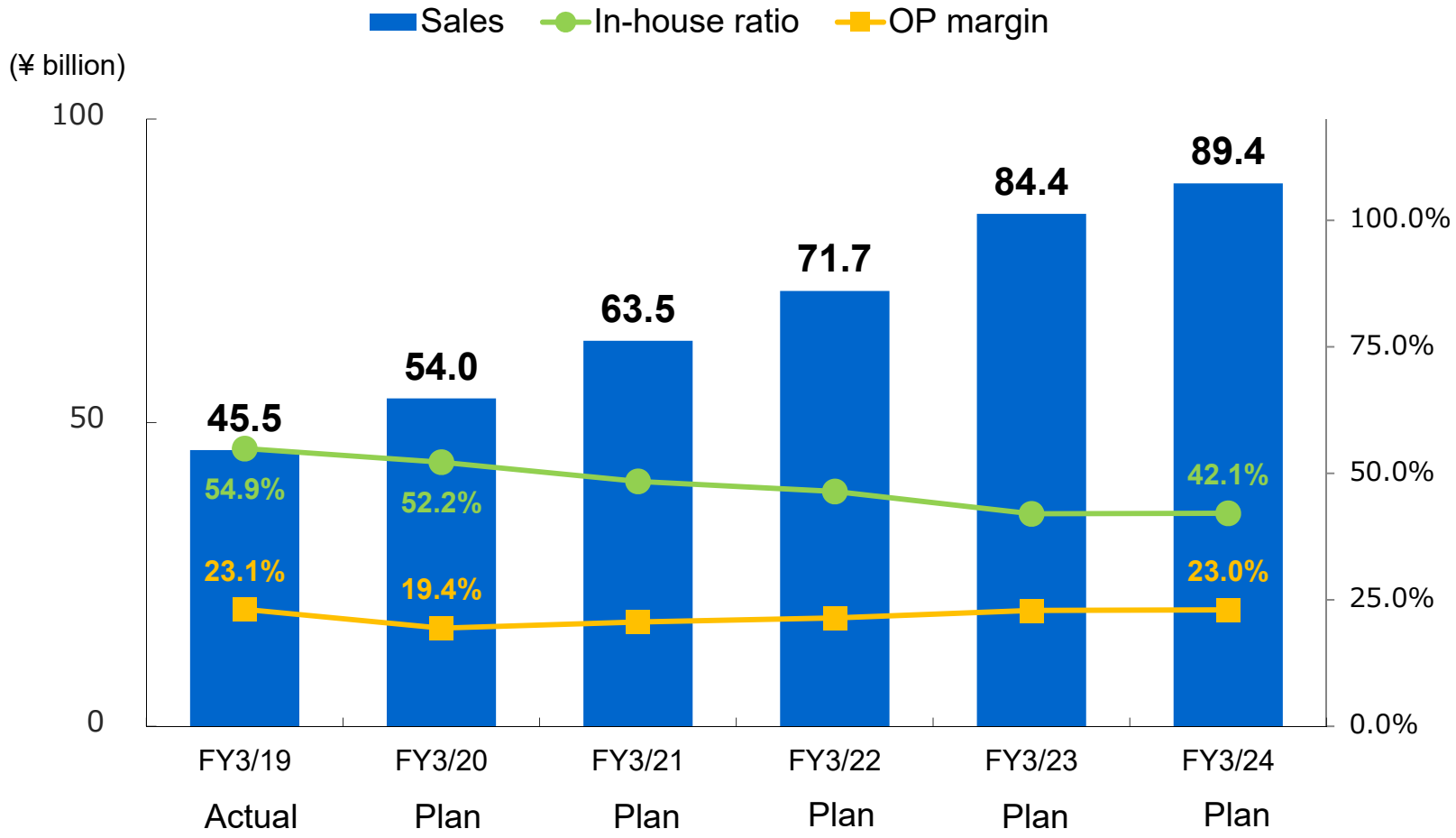
- Radio-frequency ablation system for liver cancer “arfa”
- Realize high usability with in-house technology of ablation
- Aim to launch in 3Q of FY3/20

arfa

Mid-Term Plan – In-house Products

Japan Lifeline

In-house Ratio is likely to decline due to increasing third-party products



Ramp up efforts for in-house products to further strengthen profitability

Mid-Term Plan – R&D & Production System

Japan Lifeline

R&D

Research Center
(Toda City, Saitama)

Core Factory

Toda Factory
(Toda City, Saitama)

Overseas Factory 1

Shenzhen Factory
(Shenzhen, China)

Subsidiary
SYNEXMED

VG[1] / OSG[2]

Ichihara Factory
(Ichihara City, Chiba)

Mass Production

Oyama Factory
(Oyama City, Tochigi)

2nd Building to start operation from Apr. 2020

Overseas Factory 2

Malaysia Factory
(Penang Province, Malaysia)

To start operation from Jan. 2020

Reinforce manufacturing functions for robust basis for in-house products

Mid-Term Plan – Capex

Japan Lifeline

Construction of Malaysia Factory

- Ramp up production capacity overseas
- Core factory of export in the future
- Mass & multiple lines of production
- Operation to start from Jan. 2020
- Invested approx. ¥2 billion (approx. ¥200 million for land)
- To be consolidated from FY3/21

Construction of 2nd building of Oyama Factory

- Promote domestic use of core technology
- Make use of already acquired industrial site
- Operations to start by Apr. 2020
- Invested approx. ¥2 billion

Partnership with BSJ will ensure Mid-to long-term growth in arrhythmia therapeutic area…

Accelerate even further growth by continuing efforts into in-house products

Precautions

Among the descriptions in this document, the matters that are not historic fact are the forecast concerning the future of our company and the future prospects based on forecasts. Particularly, the matters concerning clinical trials, regulatory approval and launch timing, which are involved in introduction of products, are our company's prediction obtained from past experiences and available information. Since the actual result may be different from the forecast described in this document, due to the influences of various risks and uncertain factors, please do not depend on these forecasts excessively.

Contact:

Japan Lifeline Co., Ltd.
Corporate Planning Section
TEL:03-6711-5214
E-Mail:ir@jll.co.jp
URL:http://www.jll.co.jp