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To whom it may concern,

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Notice of Revisions to Earnings Forecasts

Japan Lifeline Co., Ltd. ("JLL") announced today that it has made the following revisions to its earnings forecasts announced on April 26, 2019, based on the recent performance trends.

1. Revisions to Forecasts

Modification of forecast figures for the fiscal year March 2020 (April 1, 2019 to March 31, 2020)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Earnings Per Share
Previously announced forecast (A)	Millions of yen 54,059	Millions of yen 10,465	Millions of yen 11,167	Millions of yen 7,747	Yen 96.35
Current revised forecast (B)	52,450	10,562	10,784	7,675	95.66
Change (B-A)	(1,609)	96	(382)	(72)	
Rate of changes %	(3.0)	0.9	(3.4)	(0.9)	
(Reference) Results for the previous fiscal year (FYE Mar. 2019)	45,525	10,526	10,808	7,723	96.05

(Reference) Modification of non-consolidated forecast figures for the fiscal year March 2020 (April 1, 2019 to March 31, 2020)

	Net Sales	Ordinary Profit	Profit attributable to owners of parent	Earnings Per Share
Previously announced forecast (A)	Millions of yen 54,019	Millions of yen 11,253	Millions of yen 7,833	Yen 97.42
Current revised forecast (B)	52,385	10,841	7,731	96.36
Change (B-A)	(1,633)	(412)	(102)	
Rate of changes %	(3.0)	(3.7)	(1.3)	
(Reference) Results for the previous fiscal year (FYE Mar. 2019)	45,482	10,876	7,803	97.04

Reasons for the revision

Consolidated Earnings Forecast

Modifications on the consolidated earnings forecasts have been made to net sales and profits at each stage, based on the revisions to the non-consolidated earnings forecasts described below.

Non-consolidated Forecast

During the first half of the fiscal year under review, Cardiac Rhythm Management (CRM) recorded robust sales due to the contribution of BSC*[1]-manufactured S-ICD, while EP/ablation and Transvascular Intervention sales were below forecast due to the impact of competitive products. Meanwhile, selling, general and administrative (SG&A) expenses, which had been expected to increase, fell below initial expectations in terms of expenses, such as personnel expenses, advertising expenses, and R&D expenses.

From the third quarter onward, since CRM-related products in the Cardiac Rhythm Management have been completely replaced by BSC products in September 2019, and sales are expected to exceed the initial plan. In the EP/Ablation, however, sales are expected to fall short of the forecast due to the increasingly competitive environment for EP catheters and esophageal temperature monitoring catheters due to the entry of competitors and also due to the fact that it is taking more time than expected to develop new facilities for endoscopic laser ablation catheters. In Transvascular Intervention, although JLL has secured a certain market share for drug-eluting coronary stents, sales are expected to fall short of the initial plan. As a result of the above, strong sales of Cardiac Rhythm Management will not be able to absorb the decreases in EP/Ablation and Transvascular Intervention, and therefore the company anticipates a slight decrease in the total sales.

As for SG&A expenses, sales support funds for BSJ*[2], which are included in the initial plan, are expected to be disbursed as planned. In addition, advertising expenses, research and development expenses, etc. that were not executed in the first half of the current fiscal year are also expected to be disbursed from the third quarter onward. However, SG&A expenses are expected to fall short of the initial plan due to the fact that some expenses, such as personnel expenses, which had not been executed by the end of the second quarter, are expected to fall short of the initial full-year plan, and some regulatory-related expenses, etc., are expected to be disbursed from the next fiscal year onward.

As a result, the Company has revised its full-year forecasts announced on April 26, 2019.

(NOTE) The above forecasts are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Actual results may differ from the forecasts due to various factors.

*[1]BSC: Boston Scientific Corporation
*[2]BSJ: Boston Scientific Japan K.K.

END