

November 2, 2018

To whom it may concern,

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Announcement on Conclusion of Exclusive Distribution Agreement for CRM Products

Japan Lifeline Co., Ltd. (“JLL”) announced today that it has entered into an exclusive distribution agreement with Boston Scientific Japan K.K. (“Boston Scientific Japan”) for sales of Cardiac Rhythm Management (CRM) products manufactured by Boston Scientific Corporation (U.S.) (“Boston Scientific”), based on a long-term cooperative relationship. The summary of the exclusive distribution agreement is as follows.

1. Background and Purpose of Conclusion of Exclusive Distribution Agreement

As announced in the "Announcement on Basic Agreement Regarding Sales Collaboration on CRM Products" dated August 30, this year, JLL has been discussing a sales collaboration for CRM products with Boston Scientific Japan.

Since JLL commenced its operations in 1981, it has been developing business bases throughout Japan and building close networks with healthcare professionals in Japan. By combining such sales capabilities of JLL with the outstanding products, in the bradycardia and tachycardia treatment field, manufactured by Boston Scientific, one of the largest medical device manufacturers in the world, JLL and Boston Scientific Japan will establish a strong partnership in the CRM business to spread valuable medical devices throughout Japan. Accelerating this partnership by further expanding the scale of both companies' business, JLL aims to achieve mid-to long-term growth.

Under this basic policy, JLL concluded that it was the one-brand system that would best realize the formulation and implementation of its consistent sales strategy, and thus it would maximize the value of the alliance between the two companies. Therefore, after this agreement comes into effect, the sales activities will be unified and JLL will become the exclusive distributor.

In conjunction with the unification of the sales activities by JLL, Boston Scientific Japan will provide sales support, marketing, and pharmaceutical-related operations in relation to the handling of CRM products in Japan. In particular, since the handling of products in the tachycardia treatment field requires a high level of expertise, JLL will receive continuous sales support from experienced personnel of Boston Scientific Japan, and thereby endeavor to build a robust sales system as soon as possible.

With regards to the contract period, JLL agreed to form a long-term contract period because it will help establish a stable support system for medical institutions, since CRM products are implantable medical devices and continuous follow-up to patients and healthcare professionals is essential.

2. Summary of the Exclusive Distribution Agreement

(1)Counterparty	Boston Scientific Japan K.K.
(2)Contract date	November 2, 2018
(3)Nature of contract	Exclusive Distribution in Japan
(4)Contract period	10 years from September 1, 2019 (automatic renewal every 2 years thereafter)
(5)Product	Boston Scientific Corporation CRM products
(6)Upfront payment	Pay 3 billion yen in consideration of the exclusive distribution rights
(7)Upfront payment due	Within fourteen business days from the date of the agreement

3. Future Outlook

This Exclusive Distribution Agreement is scheduled to come into effect on September 1, 2019. With the conclusion of this exclusive distribution agreement, JLL expects that it will be able to deliver superior medical devices not only in the field of bradycardia, but also in the field of tachycardia treatment, which has been a long-standing issue, and that this will lead to further expansion in the scale of sales. From a long-term perspective, JLL anticipates its CRM business to grow continuously by securing the strong product pipeline of Boston Scientific, which develops highly novel products in the global medical device market. JLL believes this will contribute to its mid-to long-term performance.

The effects by this exclusive distribution agreement on the financial results for the Fiscal Year Ending March, 2020 are currently being reviewed. JLL will make a prompt announcement as it identifies any matters that need to be made public.

About Boston Scientific

Boston Scientific was established in the United States in 1979 as a manufacturer of medical devices specialized for minimally invasive treatments (interventions). As one of the world's largest manufacturers of medical devices, the company continues to be a leader in medical technology. It currently boasts a range of more than 13,000 products, with a staff of approximately 29,000 people and 13 manufacturing facilities, and has established a strong market presence for itself in nearly 125 different countries. In Japan, which is the world's second largest market for medical devices, the company has a track record of supplying innovative medical devices covering cardiovascular diseases as well as arrhythmia and heart disease, peripheral vascular diseases, digestive disorders, urologic diseases, gynecological diseases, and pain control and the treatment of Parkinson's disease. The company is striving to enrich patients' quality of life and bring meaningful innovations to the medical field in Japan.

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