



# Investors Guide

December 2022 Edition

**Japan Lifeline Co., Ltd.**

TSE Prime Market /Ticker Symbol 7575

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1. Who We Are
2. Our Business Model
3. Short-term Business Outlook
4. Medium-term Business Outlook
5. Sustainability-related
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Contributing to the realization of  
a healthy society through the latest  
optimal medical device technologies

Consolidated Net Sales  
(FYE March 2022)

**¥51.5bln**

Operating Profit Margin  
(FYE March 2022)

**19.4%**

In-house Products  
Sales Ratio  
(FYE March 2022)

**52.4%**

Growth Rate<sup>\*1</sup> of  
AF Ablation Cases

**CAGR 10%**

Sales Offices in Japan  
(At the end of FYE March 2022)

**48 offices**

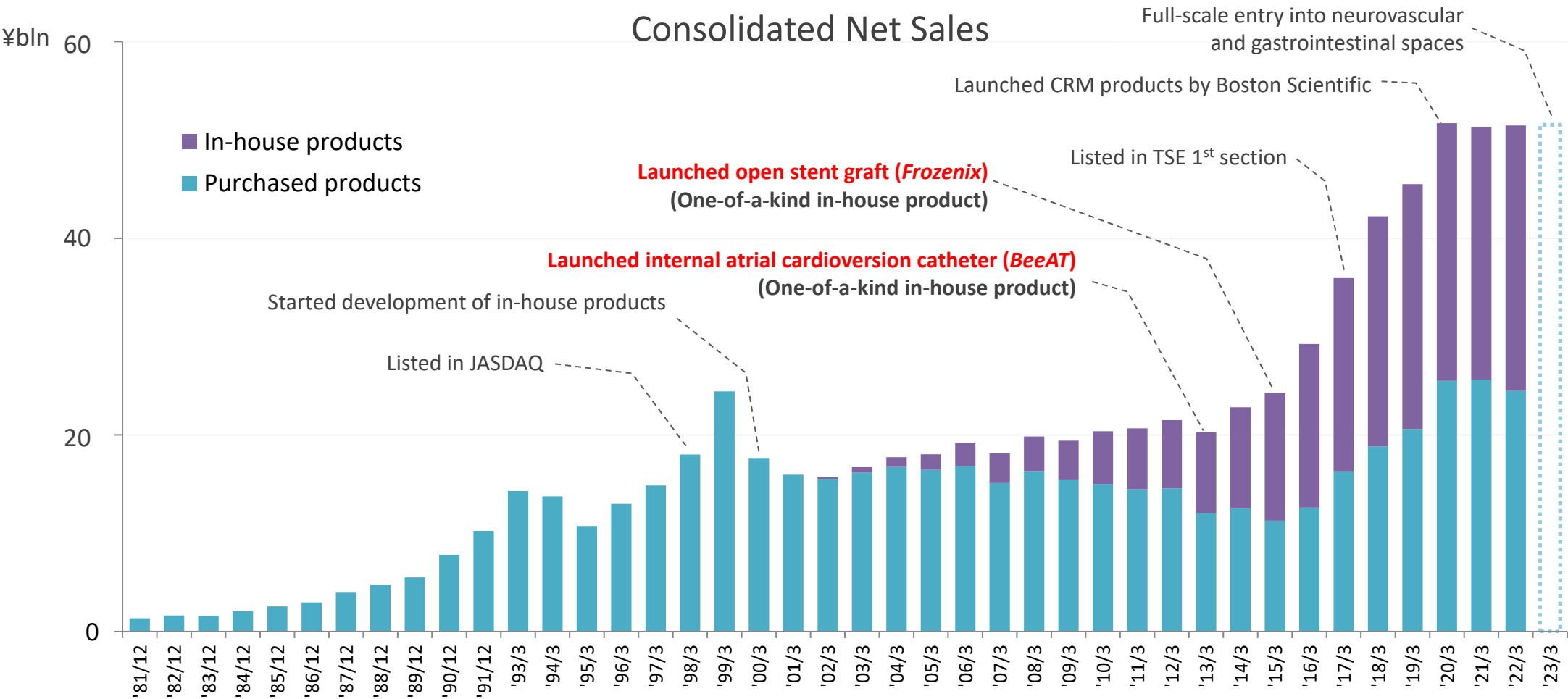
Number of Employees  
(At the end of FYE March 2022)

**1,205**

<sup>\*1</sup> Our estimate of the growth rate of the number of ablation cases for atrial fibrillation from 2017 to 2021

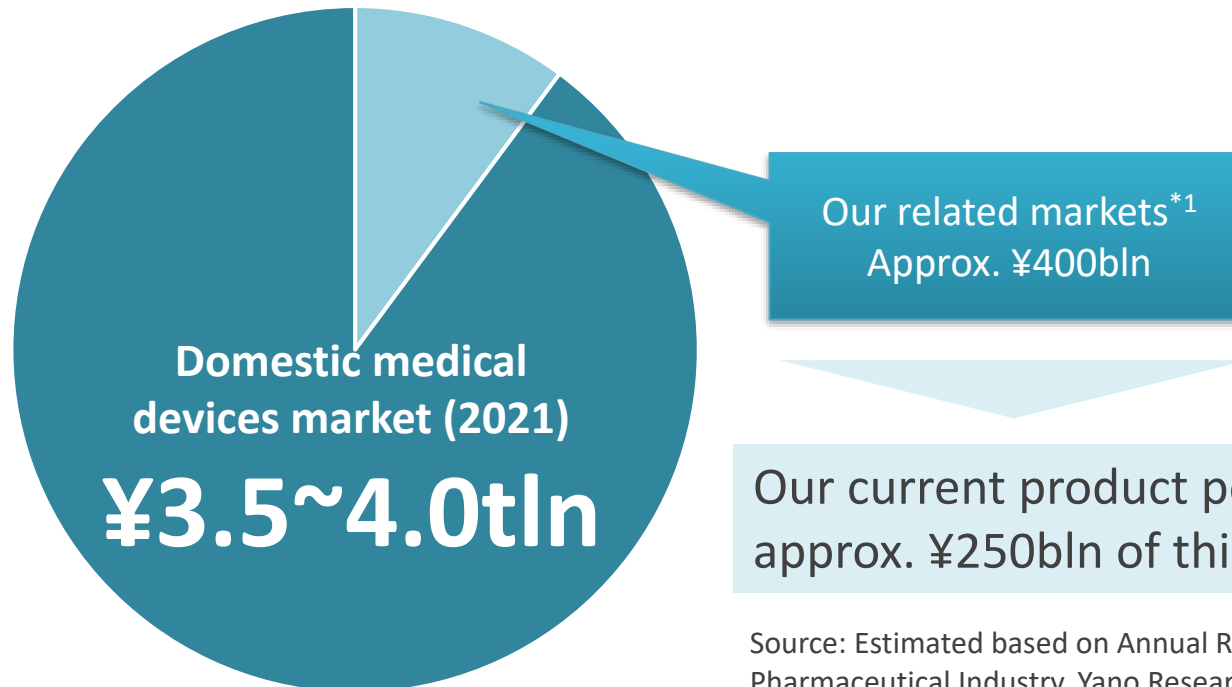
# Our Track Record

- ✓ Achieved **net sales CAGR +8% (OP CAGR +24%)** over the past 10 years thanks to multiple one-of-a-kind in-house products



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- ✓ The domestic medical device market expected to **grow stably at CAGR 3~4%**



Our current product portfolio covers approx. ¥250bln of this market.

Source: Estimated based on Annual Report of Statistics on Production by Pharmaceutical Industry, Yano Research Institute Ltd., and R&D

**External Environment**

Social Security Expenses Reform

Technology Innovation  
AI/Robotics/Health Tech

Super-aging Society

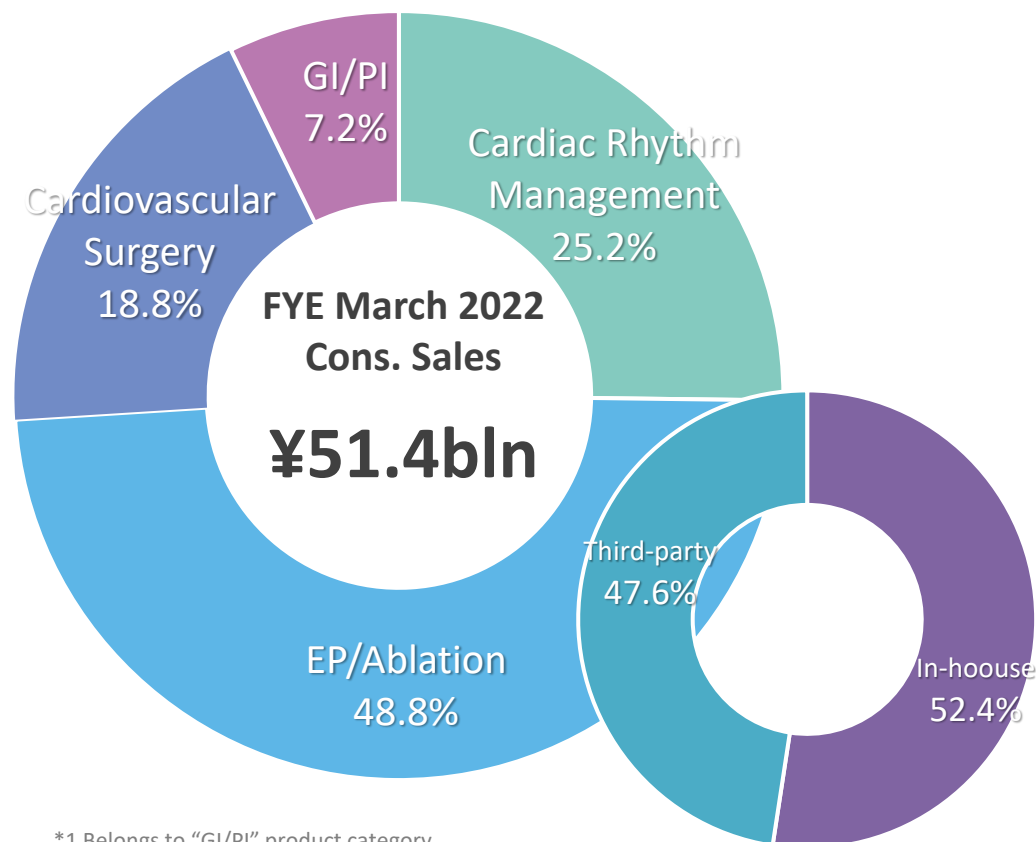
Work Style Reform at Medical Sites

New Coronavirus

\*1 Catheters, Tubes, and Interventional Radiology Markets



- ✓ Our primary therapeutic area is **cardiovascular**, breaking down into **four product categories**
- ✓ We will strengthen and expand our therapeutic areas as we enter **gastrointestinal<sup>\*1</sup>** and **neurovascular<sup>\*2</sup>** space in full-scale from **FYE March 2023**



Cardiac Rhythm Management	<ul style="list-style-type: none"> <li>✓ Implantable medical devices that treat arrhythmias</li> <li>✓ In-house ratio: 0% (Long-term exclusive distribution agreement with BSJ<sup>*3</sup>)</li> </ul>
EP/Ablation	<ul style="list-style-type: none"> <li>✓ Disposable thin tube-like medical devices (catheters) that give diagnosis/treatment on arrhythmias</li> <li>✓ In-house ratio: 80%</li> </ul>
Cardiovascular Surgery	<ul style="list-style-type: none"> <li>✓ Artificial organs (blood vessels etc.) that are replaced with damaged part to treat aortic aneurysm</li> <li>✓ In-house ratio: 60%</li> <li>✓ <b>New entry into neurovascular space</b> (third-party)</li> </ul>
GI/PI <sup>*4</sup>	<ul style="list-style-type: none"> <li>✓ Medical devices that treat digestive diseases</li> <li>✓ In-house ratio: 40%<sup>*5</sup></li> <li>✓ <b>New entry into biliary-pancreatic space</b> (in-house)</li> </ul>

<sup>\*1</sup> Belongs to "GI/PI" product category

<sup>\*2</sup> Belongs to "Cardiovascular Surgery" product category



<sup>\*3</sup> Boston Scientific Japan, a Japanese subsidiary of the Boston Scientific Corporation (USA)

<sup>\*4</sup> PI = Percutaneous Intervention. Minimally invasive treatment of ischemic heart disease, such as myocardial infarction, using catheters. PI products include guidewire, balloon catheter, drug-eluting stent etc.

<sup>\*5</sup> PI includes many third-party products, so the in-house ratio for GI/PI is 40%. Please note that In-house ratio of GI is nearly 100%. PI tends to shrink in the future.

# Our Products – Cardiac Rhythm Management





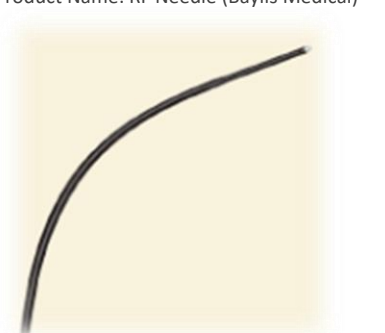
✓ Implantable medical devices that treat arrhythmias

Pacemaker-related		ICD-related	
<b>Pacemaker</b> Product Name : Accolade (Boston Scientific)	<b>CRT-P</b> Product Name: Visionist X4 (Boston Scientific)	<b>T-ICD</b> Product Name: Resonate (Boston Scientific)	<b>S-ICD</b> Product Name: Emblem MRI (Boston Scientific)
			
To treat arrhythmia (slower-than-normal heartbeat), the pacemaker gives electric stimulation (pacing) to the heart to maintain the normal rhythm.	To treat severe heart failure, it provides electrical stimulation to both the left and right ventricles of the heart, fixing heart rhythm to restore its pumping function	To treat a fatal arrhythmia (faster-than-normal heartbeat) such as ventricular fibrillation, it gives electric shock to the heart to stop it.	Unlike T-ICD, whose lead is implanted into the heart via a vein, S-ICD and its lead are implanted subcutaneously (without touching the heart), helping to reduce serious complication risks.
Reimbursement Price* <sup>1</sup> Single Chamber    ¥454,000 Dual Chamber      ¥593,000	Reimbursement Price ¥1,290,000	Reimbursement Price Single Chamber    ¥2,730,000 Dual Chamber      ¥2,820,000	Reimbursement Price ¥3,120,000

\*1 Reimbursement prices shown are as of Apr 2022






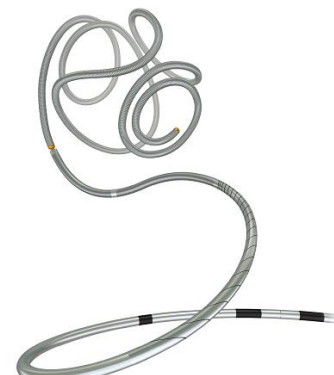
# Our Products – EP/Ablation

- ✓ Disposable catheters used for diagnosis/treatment on arrhythmias

EP Catheter		Ablation Catheter		Others
<b>EP Catheter</b> Product Name: EP Star, Libero, Snake, Esophastar (in-house)  <p>Used to diagnose arrhythmias and decide appropriate treatment strategy. Electrodes at the tip can measure the potential in the heart and induce arrhythmia to identify the root cause.</p> <p>Reimbursement Price*1</p> <p>Standard type (3~5 electrodes)      ¥46,800                      With temp. monitoring sensor      ¥85,400  <i>(Esophastar)</i></p>	<b>Internal Atrial Cardioversion Catheter</b> Product Name : BeeAT (in-house)  <p>Used to stop atrial fibrillation with a small output of electric shock from inside the heart during an operation. It also has a diagnostic function as an EP catheter.</p> <p>Reimbursement Price</p> <p>¥214,000</p>	<b>Ablation Catheter</b> Product Name: Ablaze (in-house)  <p>Used to treat tachycardia by burning off (ablation) with a high-frequency current the abnormal electrical pathways that are the root cause of the disease</p> <p>Reimbursement Price</p> <p>Standard type    ¥117,000</p>	<b>Endoscopic Laser Ablation Catheter</b> Product Name: HeartLight X3 (CardioFocus)  <p>Used to treat tachycardia with a laser emitted from inside the balloon. An endoscope inside the catheter helps physicians to carry out precise procedures.</p> <p>Reimbursement Price</p> <p>¥505,000</p>	<b>Radiofrequency Transseptal Needle</b> Product Name: RF Needle (Baylis Medical)  <p>Used to make a hole in the wall between the left and right atria (atrial septum) by using radiofrequency waves to allow a catheter to pass through during ablation treatment.</p> <p>Reimbursement Price</p> <p>¥54,100</p>

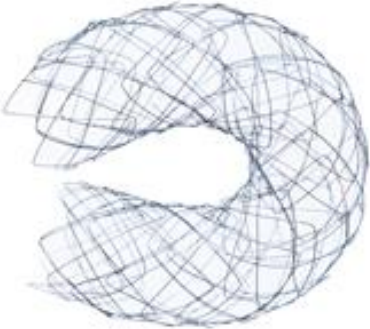


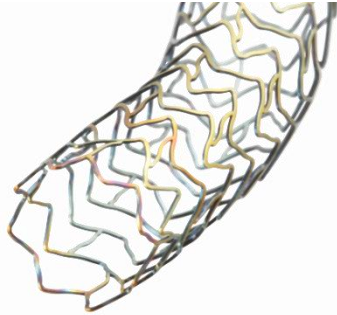
\*1 Reimbursement prices shown are as of Apr 2022

- ✓ Artificial organs (blood vessels etc.) that are replaced with damaged part to treat aortic aneurysm

Vascular Graft			Others														
<div><h3>Vascular Graft</h3><p>Product Name: J Graft (in-house)</p><div><p>J Graft</p></div></div> <div><p>Used to treat aortic aneurysm by replacing the damaged blood vessel with it in open chest surgery</p><p>Reimbursement Price*<sup>1</sup></p><table><tr><td>No branched (straight)</td><td>¥117,000</td></tr><tr><td>1-branched</td><td>¥179,000</td></tr><tr><td>2-or-more branched (incl. 4-branched)</td><td>¥245,000</td></tr></table></div>	No branched (straight)	¥117,000	1-branched	¥179,000	2-or-more branched (incl. 4-branched)	¥245,000	<div><h3>(Abdominal) Stent Graft</h3><p>Product Name: AFX2, Alto (Endologix)</p></div> <div><p>Used to treat aortic aneurysm with catheter-based treatment. The device is delivered through a catheter to the lesion and then fixed with the stent.</p><p>Reimbursement Price</p><table><tr><td>Standard type (AFX2)</td><td>¥1,320,000</td></tr><tr><td>Polymer filled type (Alto)</td><td>¥1,430,000</td></tr></table></div>	Standard type (AFX2)	¥1,320,000	Polymer filled type (Alto)	¥1,430,000	<div><h3>Open Stent Graft</h3><p>Product Name: Frozenix (in-house)</p><div><p>J Graft</p></div></div> <div><p>Inserted into the aorta and fixed to the blood vessel with the expanding force of the stent. With this product, cases that previously required two surgical procedures can be done in one session.</p><p>Reimbursement Price</p><table><tr><td></td><td>¥1,110,000</td></tr></table></div>		¥1,110,000	<div><h3>Embolic Coil</h3><p>Product Name: Avenir (Wallaby Medical)</p></div> <div><p>Implanted in a cerebral aneurysm to block the inflow of blood and prevent the aneurysm from rupturing (subarachnoid hemorrhage).</p><p>Reimbursement Price</p><table><tr><td>Wire-type</td><td>¥95,600</td></tr></table></div>	Wire-type	¥95,600
No branched (straight)	¥117,000																
1-branched	¥179,000																
2-or-more branched (incl. 4-branched)	¥245,000																
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Polymer filled type (Alto)	¥1,430,000																
	¥1,110,000																
Wire-type	¥95,600																

\*1 Reimbursement prices shown are as of Apr 2022

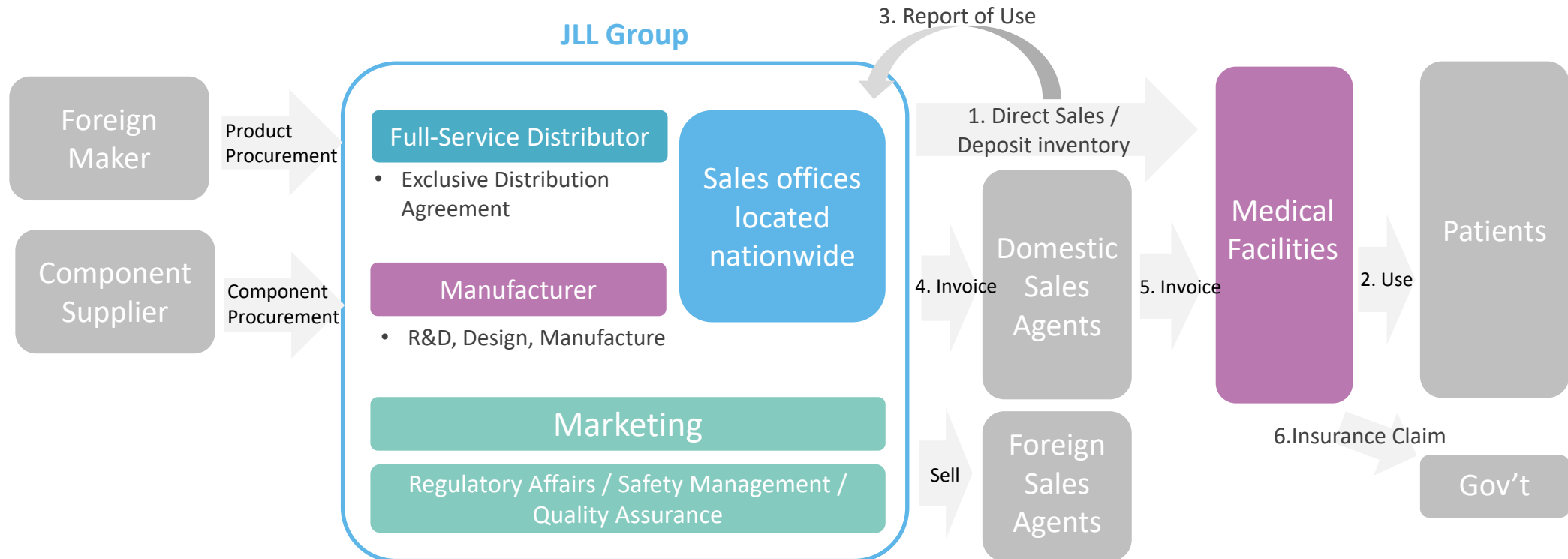
- ✓ GI Medical devices that treat digestive diseases that derive from digestive organs
- ✓ PI Medical devices that treat coronary artery-related diseases

GI (gastrointestinal)			PI (Percutaneous Intervention)
<b>Colonic Stent</b> Product Name: Jentily (in-house)  Used to push open a colon occlusion caused by tumor. A thin guidewire is passed through occlusion and then the stent is deployed along with it. Reimbursement Price* <sup>1</sup> ¥216,000	<b>RF Needle for Liver Cancer Treatment</b> Product Name : arfa (in-house)  A needle-shaped electrode is percutaneously inserted into the diseased tissue of the liver cancer, and treat (burn off) it with radiofrequency heat under ultrasound or CT observation Reimbursement Price The product itself has no price, but is comprehensively evaluated as an integral part of the specific procedure fee. (A2 Category)	<b>Cholangioscope System</b> Product Name: DRES (in-house)  A thin endoscope inserted into the bile duct via a duodenoscope for observation / treatment of bile stones and etc. in ERCP* <sup>2</sup> procedures Reimbursement Price The product itself has no price, but and is evaluated as an addition to the procedure fee (A2 Category)	<b>Drug-eluting Coronary Stent</b> Product Name: Orsiro (Biotronik)  Used to treat myocardial infarction by implanting it in the clogged coronary artery. Applied drug oozes as time passes, helping to prevent a recurrence. Reimbursement Price ¥136,000

\*1 Reimbursement prices shown are as of Apr 2022

\*2 Endoscopic Retrograde Cholangiopancreatography

- ✓ Hybrid business model of full-service distributor and manufacturer
- ✓ **Nationwide sales force** and **the regulatory affairs function** necessary to distribute medical devices
- ✓ Sales representatives **in close touch with the end-user medical facilities (doctors)**
- ✓ **Deposit inventory** with sterilization (expiration) date at medical facilities.\*<sup>1</sup> Sales recognized as used in operations

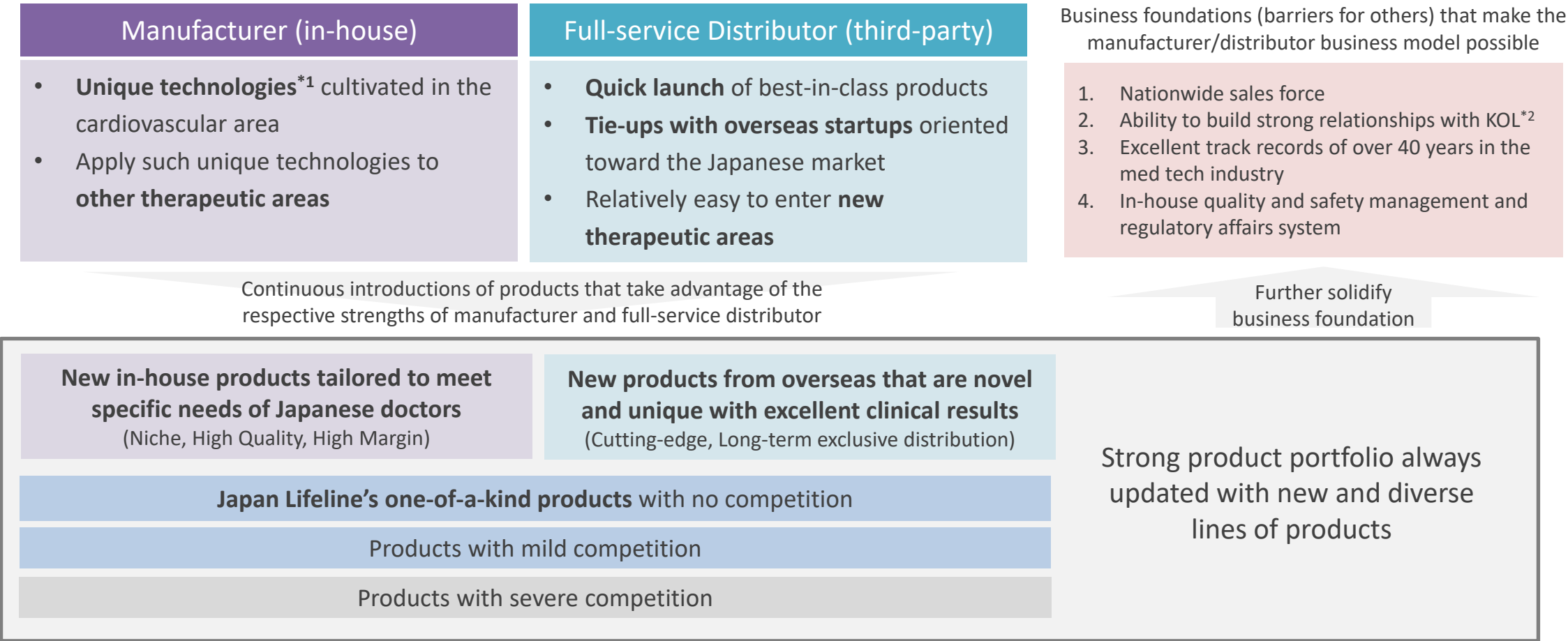


\*<sup>1</sup> Depository sales are our primary form of sales. Medical institutions and distributors may also purchase our products. As for exports, foreign distributors also purchase our inventory.



# How Our Business Model Makes a Difference

- ✓ Our “two-way” business model is **highly flexible to the rapidly changing business environment**
- ✓ We can **continuously update our product portfolio in a flexible and timely manner**



\*1 High-performance catheter shaft technology, ablation technology, stent-weaving technology etc.

\*2 Key Opinion Leader

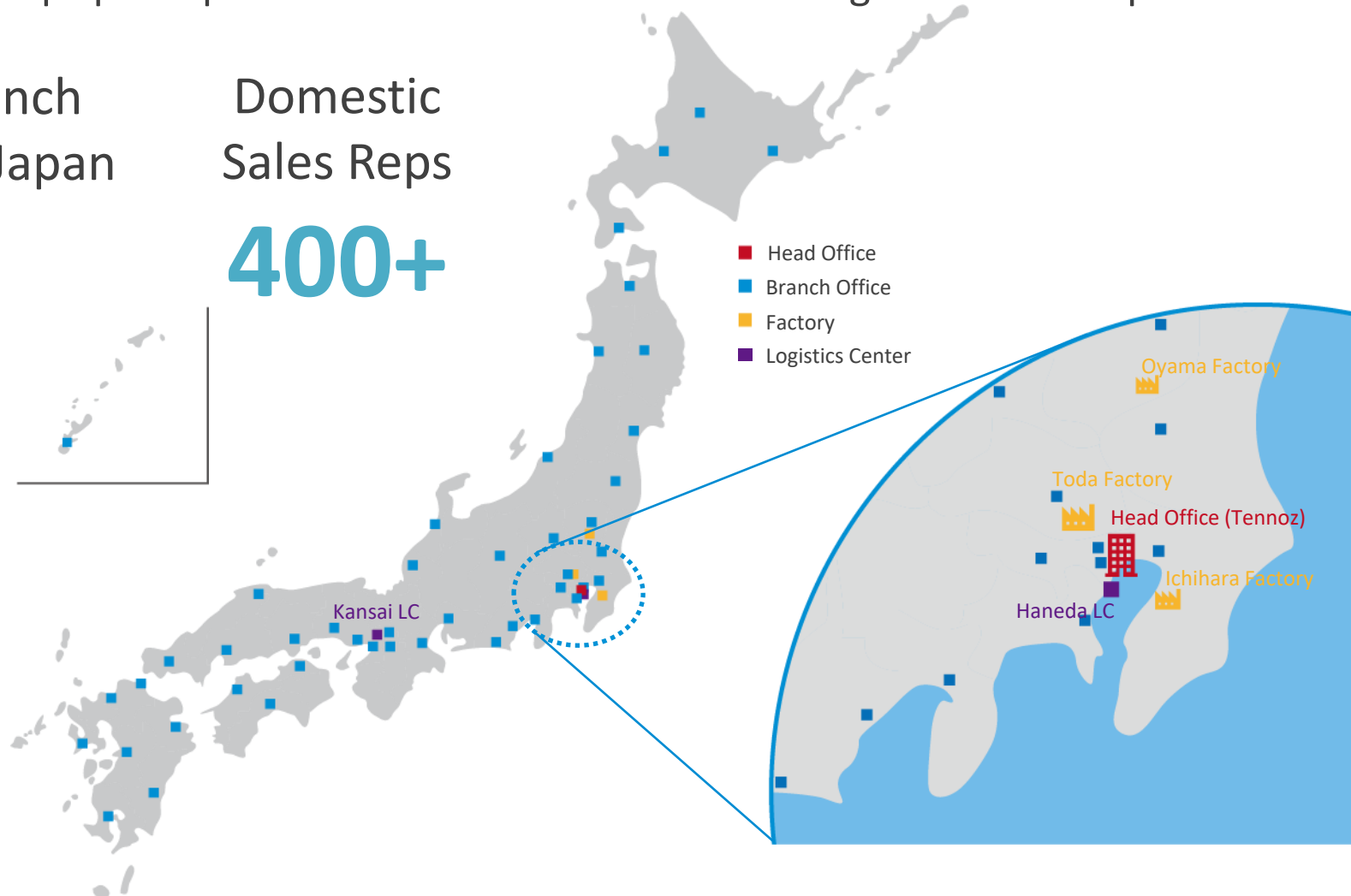
- ✓ Domestic 48 sales offices cover major medical facilities nationwide
- ✓ Local sales reps pick up unmet needs in the clinical settings for the next product ideas

Sales Branch  
Offices in Japan

48

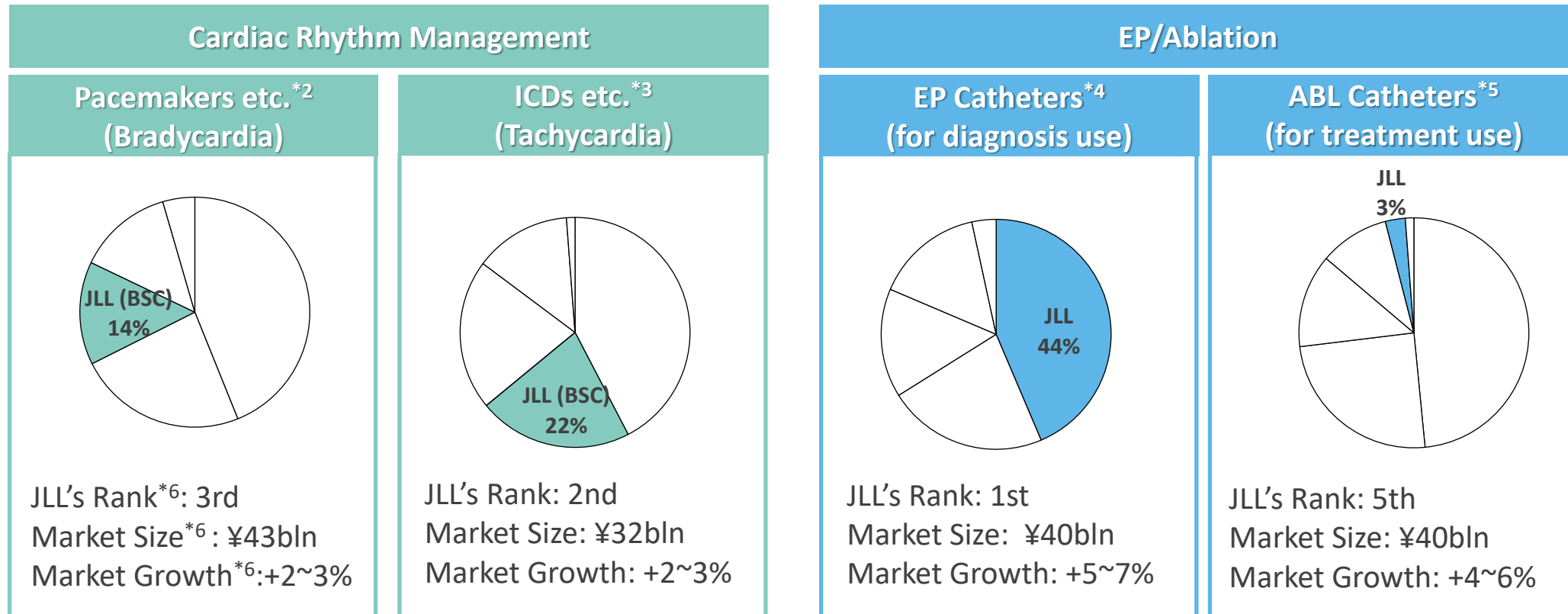
Domestic  
Sales Reps

400+





- ✓ CRM: Aim to gain the solid No.2 position with **the exclusive distribution of BSC\*1's all CRM products**
- ✓ EP/Ablation: JLL is **No.1 in EP catheters** thanks to its one-of-a-kind product amid the overwhelming presence of foreign companies



\*1 Boston Scientific Corporation (USA)

\*2 Include CRT-P and brady lead

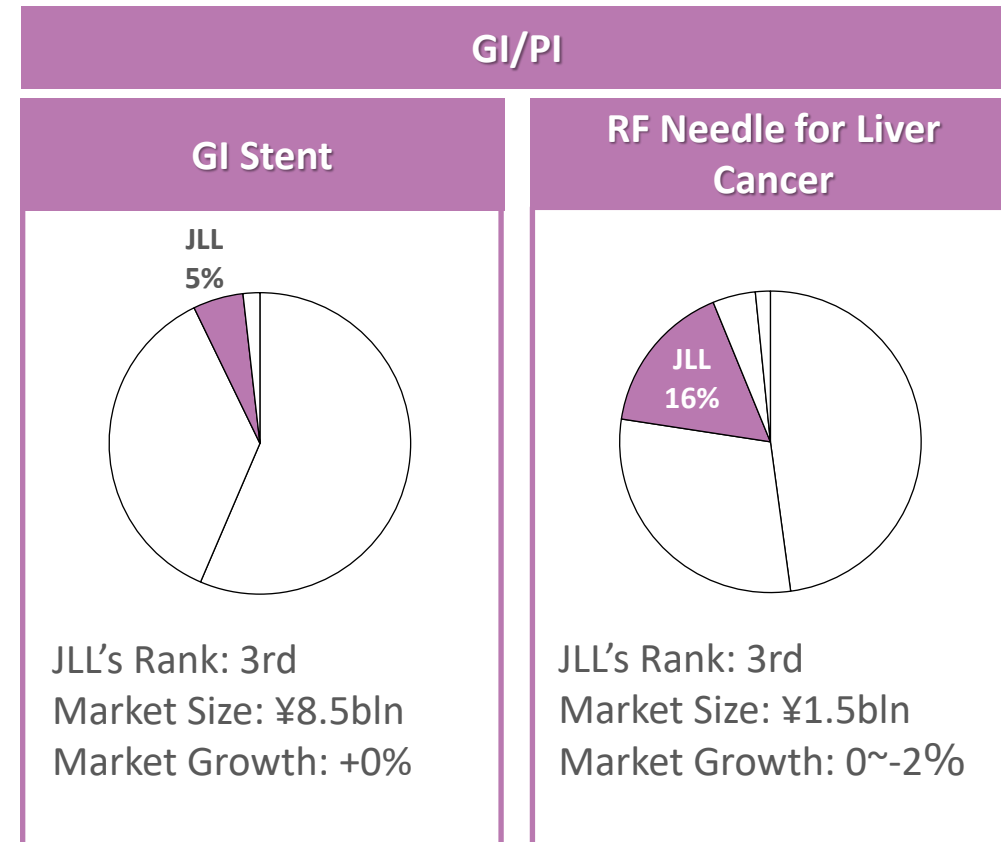
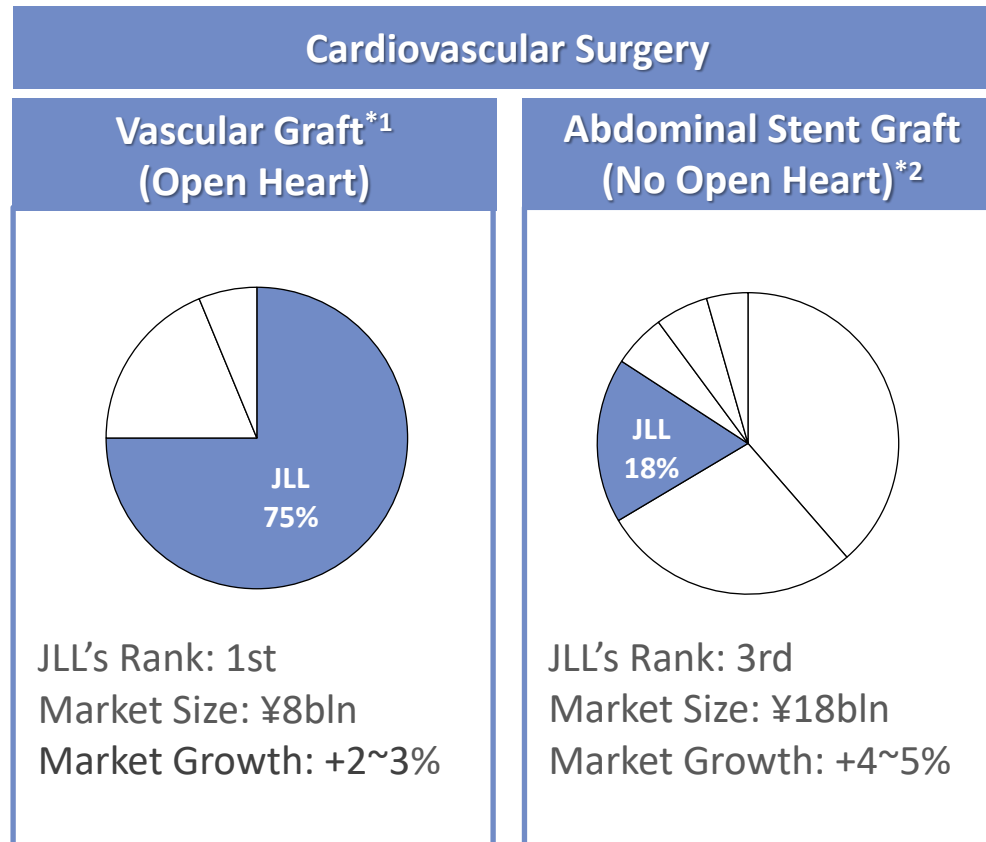
\*3 Include S-ICD, CRT-D, and tachy lead

\*4 Include internal atrial cardioversion catheter (JLL's exclusive in-house product) and esophageal temperature monitoring catheter

\*5 Include balloon ablation (cryo balloon, laser balloon etc.)

\*6 Our estimates based on R&D and internal surveys. Our rankings and market size are forecasts for 2022. Market growth rate is also our projection over the next 2-3 years.

- ✓ CVS: **Top market share for vascular graft** thanks to the broad product lineup including one-of-a-kind products that are highly evaluated in the market.
- ✓ GI/PI: PI share remains low, likely to shrink in the future. GI share is yet low as well, but we will launch in-house products for biliary-pancreatic space in FY3/2023, ramping up our presence in the GI area more



\*1 Include open stent graft (JLL's exclusive in-house product)

✓ The main risks associated with our businesses are as follows

		Countermeasures against risks
Competition arises in one-of-a-kind products	<ul style="list-style-type: none"> <li>✓ Highly profitable, <b>one-of-a-kind products make a large contribution to business performance</b>, accounting for about 40% of net sales.*<sup>1</sup>(FY3/2022)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Ensure technical superiority (IP, know-how)</li> <li>✓ Introduce new products</li> </ul>
Our product suppliers get acquired	<ul style="list-style-type: none"> <li>✓ <b>Exclusive distribution rights may be lost</b> if overseas startups that provide us with products are acquired</li> </ul>	<ul style="list-style-type: none"> <li>✓ Hedge risk through COC clauses*<sup>2</sup></li> </ul>
Reimbursement prices go down	<ul style="list-style-type: none"> <li>✓ Revisions take place <b>once every two years</b>. The more market competition, the larger the drop tends to be.</li> <li>✓ April 2022 revision impacted us with <b>4% loss on consolidated net sales</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Continue to introduce new products</li> </ul>
Growing trend of AF* <sup>3</sup> cases slows down	<ul style="list-style-type: none"> <li>✓ Our core EP/ablation business <b>strongly correlates with increase/decrease in the number of AF cases</b></li> <li>✓ COVID-19 is a short-term negative factor in terms of number of cases</li> </ul>	<ul style="list-style-type: none"> <li>✓ Cultivate new business areas like GI to lower dependence on certain businesses.</li> </ul>

\*1 The three covered products are internal atrial cardioversion catheter *BeeAT*, open stent graft *Frozenix*, and S-ICD *EMBLEM™ MRI S-ICD System*





\*2 Change of Control clause. Provisions that allow for some restrictions to be placed on the contract or for the contract to be terminated by the other party in the event of a change in control during the term of the contract, such as a takeover.

\*3 Atrial Fibrillation

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# Financial Highlights for FYE March 2022

P/L Highlights	Net sales		Operating profit		Net profit	
		YoY		YoY		YoY
	51,469 Millions of yen	+358 Up 0.4%	9,973 Millions of yen	(393) Down 3.8%	7,484 Millions of yen	+5,483 Up 274.1%
<ul style="list-style-type: none"> <li>✓ Net Sales : Almost same as prev. yr due to coronavirus infection spread and intensified competitive environment</li> <li>✓ Operating profit : Decreased due to increase in R&amp;D expense, clinical trial expense, and sales-related expenses</li> <li>✓ Net profit : Significantly increased mainly due to previous year's extraordinary loss</li> </ul>						

Sales Highlights by Product	Cardiac Rhythm Management Down 2.0% Y/Y		EP/Ablation Up 5.2% Y/Y	
	 (–) Intensified competition (–) Sluggish S-ICD sales		 (+) Increase of AF cases (–) RF Needle competitor's entry	
	Cardiovascular Surgery Down 3.1% Y/Y		Gastrointestinal/PI Down 11.2% Y/Y	
	 (–) Divestiture of blood purification business		 (–) Weak recovery of PCI cases (–) Discontinued products in prev. yr	

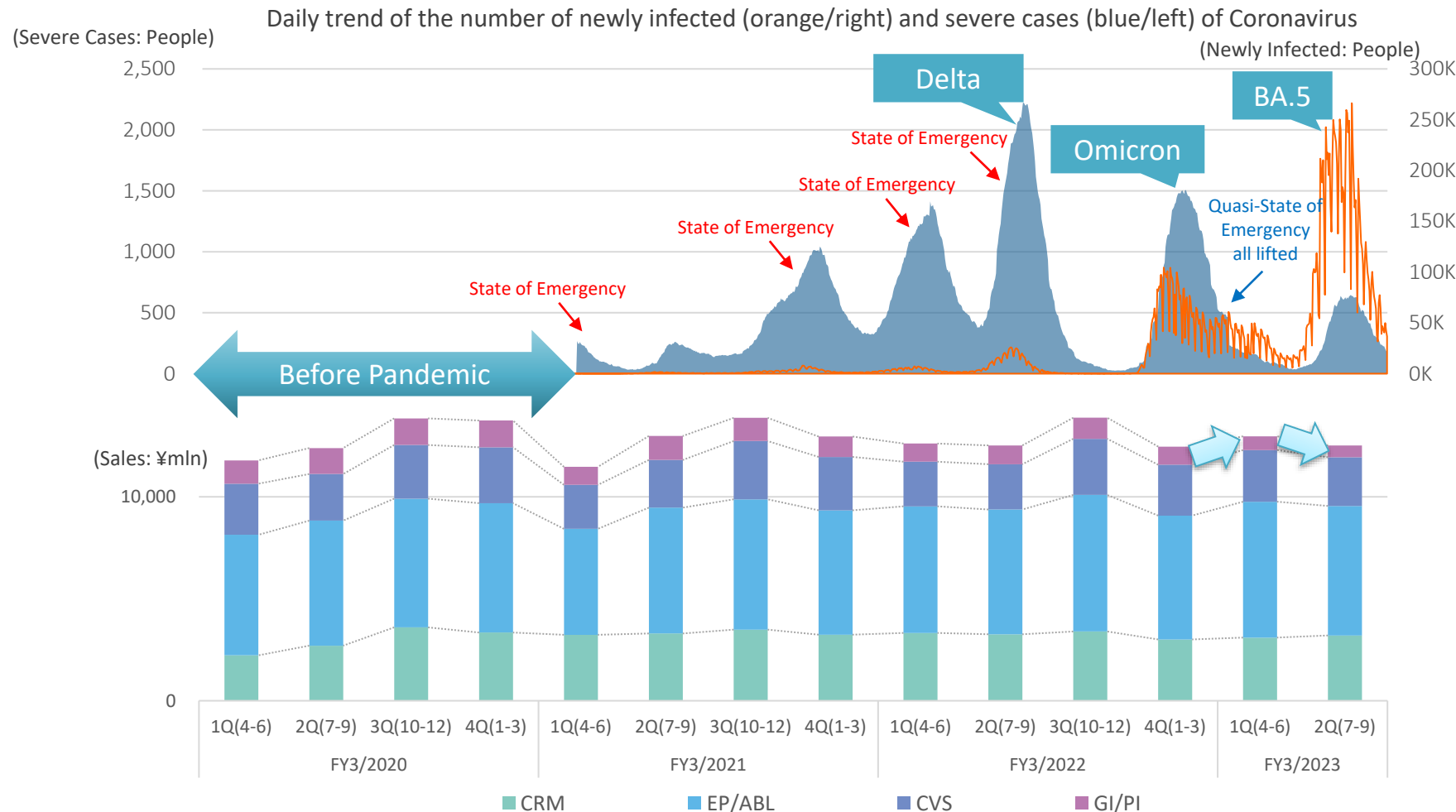
# Financial Guidance for FYE March 2023

P/L Highlights	Net sales		Operating profit		Net profit	
		YoY		YoY		YoY
	51,527 Millions of yen	+58 Up 0.1%	10,011 Millions of yen	+37 Up 0.4%	7,274 Millions of yen	(210) Down 2.8%
<ul style="list-style-type: none"> <li>✓ Net Sales : Flat from the prev. yr. Impact of increase in number of cases offsetting that of reimbursement revision.</li> <li>✓ Operating profit : Increase in line with improved GPM due to growth of in-house products partly absorbing sales related expense increase.</li> <li>✓ Net profit : Down due to decrease in valuation allowance for deferred tax assets in prev. yr.</li> </ul>						

Sales Highlights By Product	Cardiac Rhythm Management Down 3.3% Y/Y		EP/Ablation Up 6.0% Y/Y	
	 (–) Intensified competition (–) Reimbursement prices down		 (+) Increase in sales of HeartLight X3 (–) RF Needle competitor's entry	
	Cardiovascular Surgery Up 3.8% Y/Y		Gastrointestinal/PI Down 36.9% Y/Y	
	 (+) Stable growth of in-house products (+) Entry into the neurovascular space		 (–) Coronary stent to be discontinued (+) Launch of biliary-pancreatic products	

✓ Coronavirus infection situation has a **strong correlation with our financial results**

⇒ Number of cases decrease as the infection situation gets worse, putting burdens on the medical facilities.



## Impact of Coronavirus

- ✓ Decrease in number of cases due to deferred cases (incl. pacemaker implantation, ablation, etc.)
- ✓ Suspended operations due to cluster infection at medical facilities
- ✓ Worsening operating room turnover rate (to secure extra capacity)
- ✓ Stricter hospital regulations on sales reps to attend cases (limited sales opportunities)
- ✓ Patients refrain from seeing the doctor for fear that they might get infected at hospitals
- ✓ Delay in product launch schedule as foreign instructors unable to visit Japan

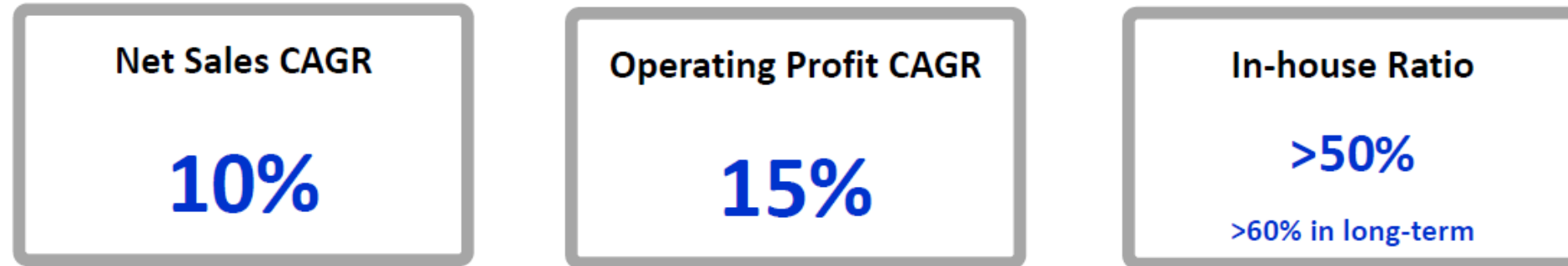
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## ■ Medium-Term Policy

Achieve performance targets for the five years through FYE March 2025 and complete priority measures with an eye to growth beyond that time.

## ■ KPIs



## ■ Priority Measures

1. Strengthen business platform of the current specialty to realize a stable growth
2. Execute cost control and remodel workflows to improve profitability
3. Extend to GI area and take steps for the next stage of growth

- ✓ Current plan deviates significantly from the actual situation in terms of assumptions, including the impact of coronavirus infection etc.
- ✓ While key distribution agreements for *Orsiro* and *RF Needle* are terminated, new businesses in the space of neurovascular and biliary-pancreatic are about to start.
- ✓ Company plans **to release a new mid-term plan in May 2023** to reflect all the latest updates

## Current Mid-Term Plan

FYE March 2021~2025

Announced in Nov 2020

Revise

## New Mid-Term Plan

To be released in May 2023

- ✓ Entered into a 10-year exclusive distribution agreement for 11 neurovascular treatment devices.

Neurovascular Intervention Space	
Launch	Dec. 2021 Embolic Coil (Launched) FYE March 2024~2028
Category	CVS third-party products (Wallaby Medical/phenox)
Products	11 Neurovascular Treatment Products (10 yr Exclusive Distribution Agreement)
Target Cases/Diseases	Neurovascular Cases 30K cases/year* <sup>1</sup> <ul style="list-style-type: none"><li>• Acute Ischemic Stroke</li><li>• Cerebral Aneurysm</li></ul>
Market Size	¥25bln Growth Rate: 4~5%/year



- Specialized in neurovascular treatment devices
- Embolic coils, aspiration catheters
- Sales track record in more than 30 countries

Apr 2022  
Acquisition

phenox



Long-Term  
Distribution  
Agreement

**Agreement covers all neurovascular products of these two companies with excellent global sales track records**

- Specialized in neurovascular treatment devices
- A broad product lineup including highly innovative flow diverters
- Sales track record in more than 45 countries

 **Japan Lifeline**

\*1 Total number of cases of acute ischemic stroke and cerebral aneurysm. Excluding stenting for carotid artery stenosis, etc.

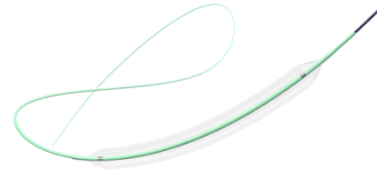
- ✓ Broadly divided into acute ischemic stroke, cerebral aneurysm, and carotid artery stenosis
- ✓ Total market estimated to be approx. ¥29bln in 2022 with **CAGR +4-5% growth** in the future

## Acute Ischemic Stroke

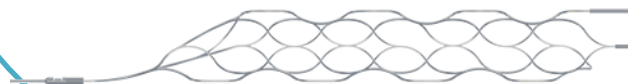
Market Size      ¥11bln  
Growth Rate Est.    CAGR+6%\*1



Aspiration Catheter



PTA Balloon Catheter



Stent Retriever



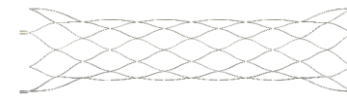
Microcatheter

Balloon Guiding Catheter

Guiding Sheath

## Cerebral Aneurysm

Market Size      ¥14bln  
Growth Rate Est.    CAGR+3%



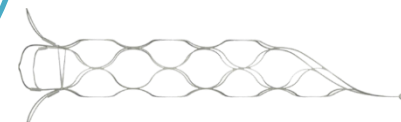
Stent Assist Device



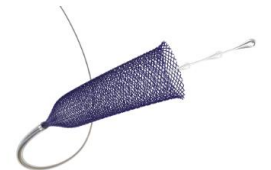
Vasospasm Treatment Device



Embolic Coil



Stent Assist Device for Bifurcation Aneurysm



Flow Diverter

## Carotid Artery Stenosis

Market Size      ¥0.4bln  
Growth Rate Est.    CAGR+2%

No JLL Products

Items written in red are scheduled to be released by the end of next fiscal year (FYE Mar 2024)

\*Embolic coil has been launched in Dec 2021

\*1 Market size and growth rate are estimated based on R&D2022 and in-house research.

# Pipeline for Neurovascular Products

- ✓ Expect to have the best lineup in the industry within five years, even though a latecomer

	Acute Ischemic Stroke						Cerebral Aneurysm				
Product	Aspiration Catheter	Stent Retriever	Balloon Guiding Catheter	Microcatheter	Guiding Sheath	PTA Balloon Catheter	Embolism Coil	Stent Assist Device	Flow Diverter	Stent Assist Device for Bifurcation Aneurysm	Vasospasm Treatment Device
<b>Japan Lifeline</b>	○ To be launched in FY3/24	○ To be launched in FY3/24	○ To be launched in FY3/24	○ To be launched in FY3/24	○ To be launched in FY3/25 or later	○ To be launched in FY3/25 or later	○ Launched (Dec 21)* <sup>1</sup>	○ To be launched in FY3/27 or later	○ To be launched in FY3/28 or later	○ To be launched in FY3/27 or later	○ To be launched in FY3/27 or later
Foreign A	○	○	○	○		○	○	○	○		
Domestic B	○	○		○			○	○	○	○	
Foreign C		○		○			○	○		○	
Foreign D	○	○	○	○			○		○		
Domestic E				○			○				
Domestic F							○				
Domestic G	○						○				

\*1 Sales were limited for abdominal cases only at the launch phase; sales started for neurovascular cases as well since April 2022.

# New Business – 2 Biliary-Pancreatic Endoscopy

- ✓ Full-scale entry into the growing biliary-pancreatic endoscopy market with a series of differentiated in-house products

Biliary Pancreatic Endoscopy Space	
Launch	Nov. 2022
Category	GI/PI In-house Products
Products	Nine biliary-pancreatic products including cholangioscopes and treatment tools
Target Cases/Diseases	ERCP* <sup>1</sup> 260K cases/year <ul style="list-style-type: none"><li>• Bile Duct Stones</li><li>• Biliary Cancer</li><li>• Pancreatic Cancer etc.</li></ul>
Market Size	¥29bln Growth Rate: 1~2%/year



View of the exhibition booth of Cholangioscope *DRES* at JDDW in Oct 2022. JDDW is one of the largest gastroenterology-related conferences in Japan

\*1 Endoscopic Retrograde Cholangiopancreatography

- ✓ Broadly divided into gastrointestinal tract, liver, and bile and pancreas
- ✓ Total market estimated to be approx. ¥58bln in 2022 with **CAGR +3-4%** stable growth in the future

## Gastrointestinal Tract

Market Size      ¥27bln  
Growth Rate Est.    CAGR +4%\*1



## Liver

Market Size      ¥2bln  
Growth Rate Est.    CAGR (2-3%)



## Bile and Pancreas

Market Size      ¥29bln  
Growth Rate Est.    CAGR +3%

### Cholangioscope



### Treatment Tools



\*1 Market size and growth rate are estimated based on R&D2022 and in-house research.



# What is a cholangioscope?

- ✓ A very small endoscope inserted inside a duodenoscope for direct observation of lesions in the bile and pancreatic ducts
- ✓ Can give treatment along with the checkup as treatment tools are mounted inside the scope

## How a cholangioscope is used...

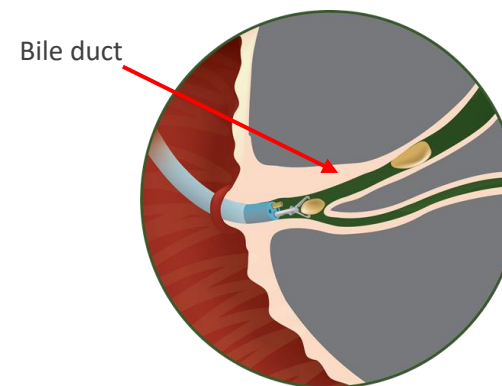
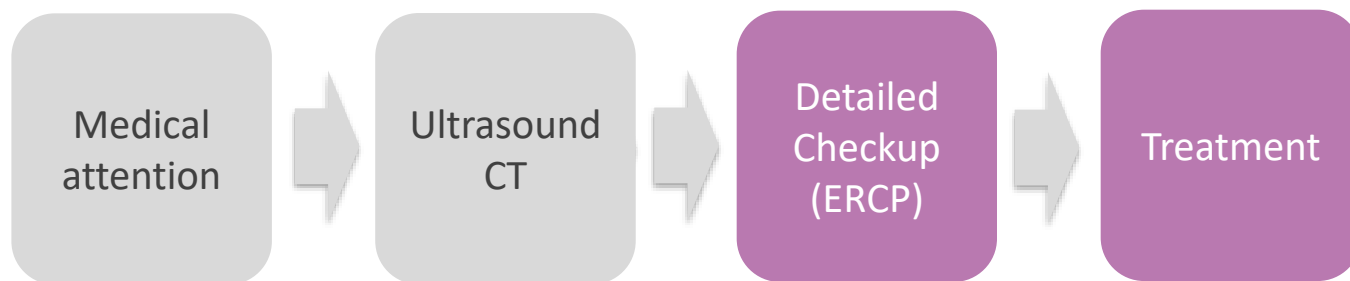
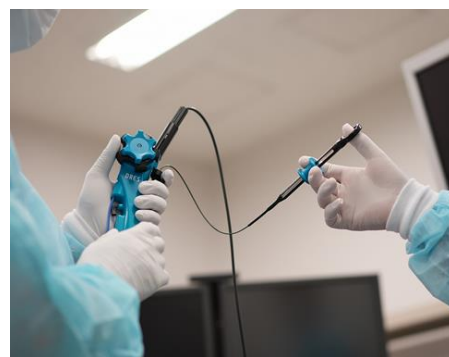


Image of how the cholangioscope being inserted into the bile duct

### Preparations before operation



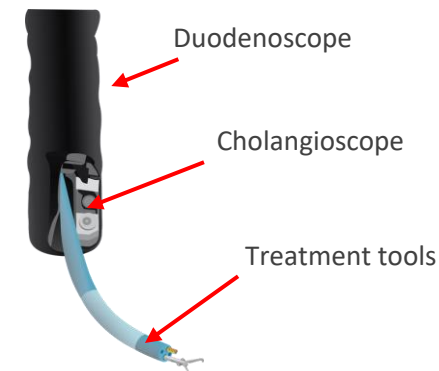
1. Insert a cholangioscope into a duodenoscope



2. Insert a small endoscope into the cholangioscope



3. Insert treatment tools into the cholangioscope





# Features of In-house Cholangioscope *DRES*

## Unmet needs at the medical sites #1

- Cholangioscope needs to be set up with **a larger treatment tool** to perform more reliable examinations/procedures...

### Solution

## Realized a large-diameter channel with high-quality catheter making technology

- ✓ Applied the multi-lumen shaft structure used in our proprietary internal atrial cardioversion catheter *BeeAT*
- ✓ Expand options for treatment tools

## Unmet needs at the medical sites #2

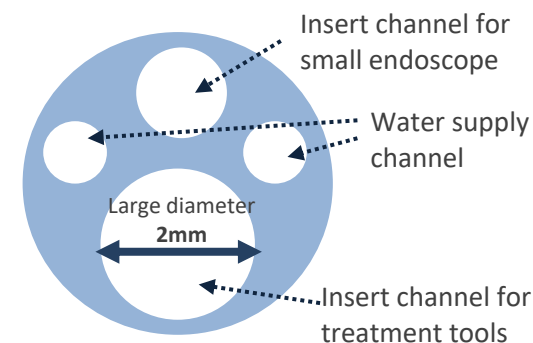
- Cholangioscopes are **extremely expensive** and hospitals bear the cost out of pocket. Never feel easy to use them even if they want to...

### Solution

## Enabled small endoscopes to be reused

- ✓ Competitor's product is a single-use sheath and small endoscope in one piece
- ✓ *DRES* is a **non-integrated type**, allowing the expensive small endoscope to be used 10 times, **significantly reducing the cost burden on medical facilities.**

The cholangioscope created from proprietary technology and unique design concept will solve medical issues related to ERCP



Cholangioscope *DRES*  
Cross-section image

**DRES**  
*Cholangioscopy System*

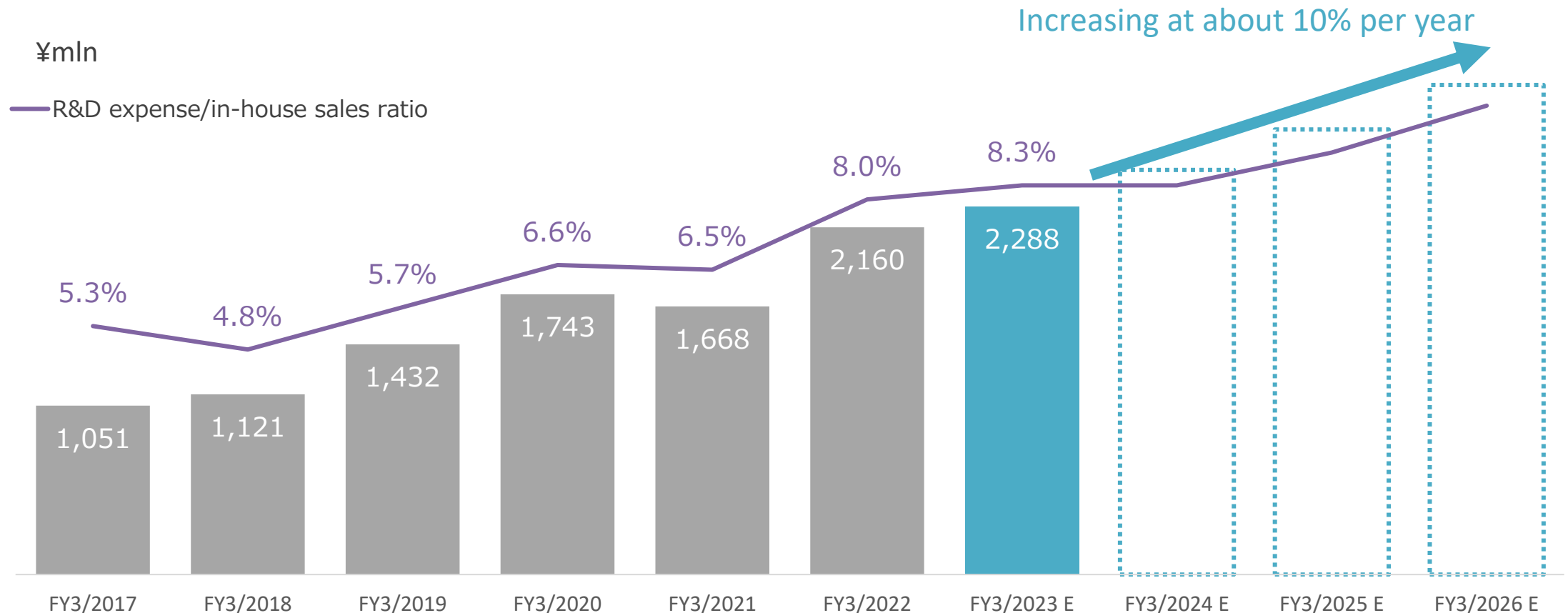


# Product lineup of *DRES* - Cholangioscope and Treatment Tools

- ✓ A cholangioscope *DRES* is capable of “dressing up” its scope and treatment tools depending on physicians needs
- ✓ Scheduled to launch a sum of nine products; further product development projects ongoing

	Cholangioscope				Treatment tools				
	DRES Slim Scope (Fix Model)	DRES Scope (Steerable Model)	DRES Console	DRES CMOS Camera (Small Endoscope)	DRES ERCP Cannula	DRES Stone Basket	DRES Forceps	RIGEL Bile Duct Dilation Balloon	REGULUS Tube Stent for Bile Duct
Product Image									
Use	A cholangioscope with an unbendable shaft, used mainly for examination	A cholangioscope with a bendable shaft, used mainly for treatment	Main unit that connects to the cholangioscope and outputs images on monitor	Inserted into the DRES to directly observe inside bile-duct	Inserted into the DRES and inject contrast medium to make contrast images	Inserted into the DRES and used to collect stones	Inserted into the DRES to collect biopsy	Used to dilate narrow paths of duodenal papillae and bile duct for treatment purposes	Used to widen bile ducts narrowed by stones or tumors
Launch Schedule	Launched in Nov 2022	Launched in Nov 2022	Launched in Nov 2022	Launched in Nov 2022	Launched in Nov 2022	To be launched in 4Q FY3/23	Launched in Nov 2022	Launched in Nov 2022	Launched in Aug 2022

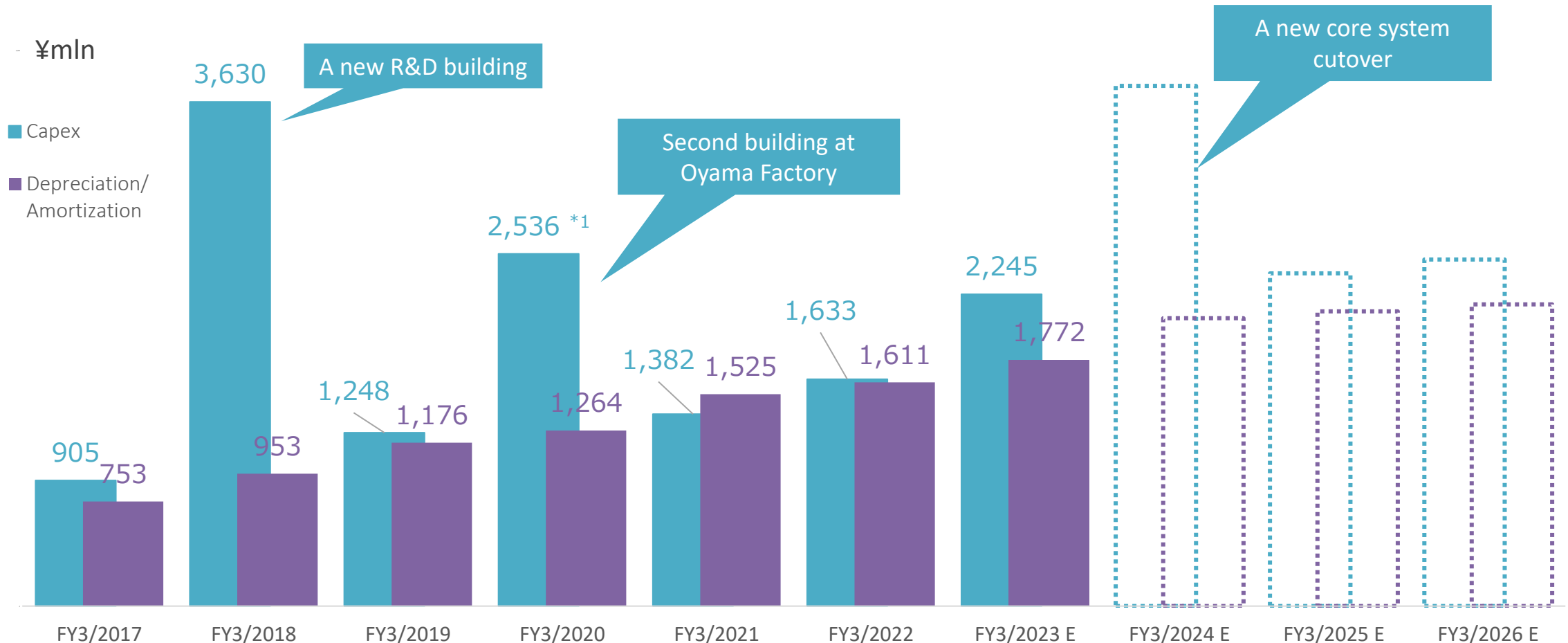
- ✓ Promote R&D of next-generation products in GI and pulsed electric field ablation<sup>\*1</sup> etc.
- ✓ R&D expenses are expected to **increase at approx. 10% per year** for the time being



<sup>\*1</sup> While current ablation technologies use thermal energy such as radiofrequency, cryo/laser, etc., pulsed electric field uses non-thermal energy that can selectively ablate only the myocardium. Pulsed electric field has been attracting attention in recent years as a next-generation ablation technology that reduces damage (complications) to neighboring organs.

# Capex & Depreciation/Amortization Expenses

- ✓ Expecting capex to shoot up in FY3/2024 along with a cutover of the new core system (SAP)
- ✓ After FYE Mar 2025, capex to grow gradually as we invest in business streamlining



<sup>\*1</sup> The figure does not include approx. ¥2.0bln in capital expenditures (plant construction costs) at JLL Malaysia, which was a non-consolidated subsidiary at the time. (JLL Malaysia has been consolidated since Apr 2020)

- ✓ Consider dividends and share buy-back options based on the following shareholder return policy

## Shareholder Return Policy

- ✓ Provide stable shareholder returns based on future capital needs, including capex and R&D investment necessary for medium- to long-term growth

## Dividends

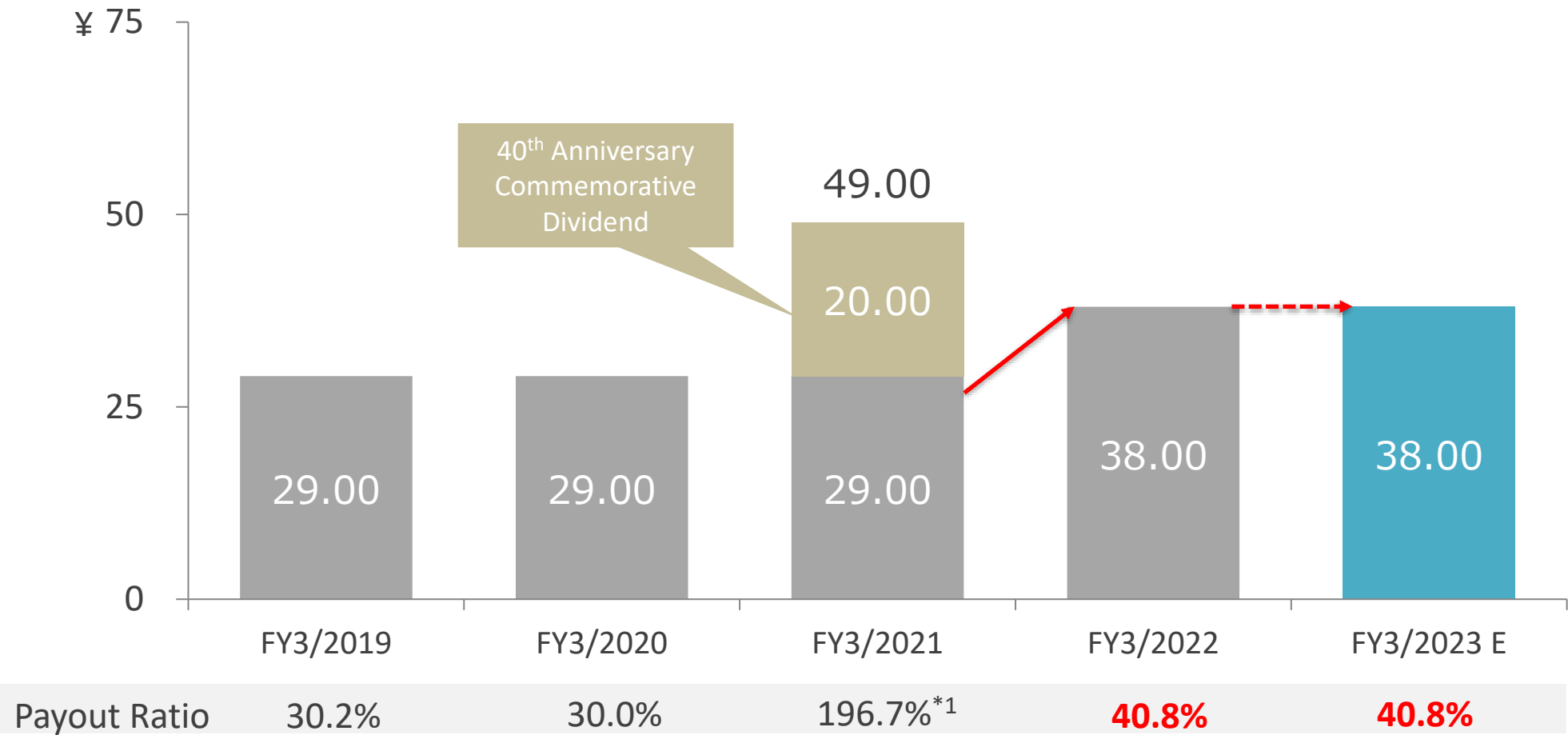
- ✓ Define stable dividends as a primary method for return  
(Latest payout ratio: 40%)

## Share buy-back

- ✓ Execute share buy-back when appropriate, considering the demand for funds and the level of the stock price. (Latest execution: Feb-Jul 2022; purchased 2.5mln shares (3.1% of outstanding shares) for ¥2.5bln and cancelled)

# Shareholder Return Dividends Forecast

✓ Raised the ordinary **dividend payout ratio to 40%** in FY3/22 and to maintain that level in FY3/23

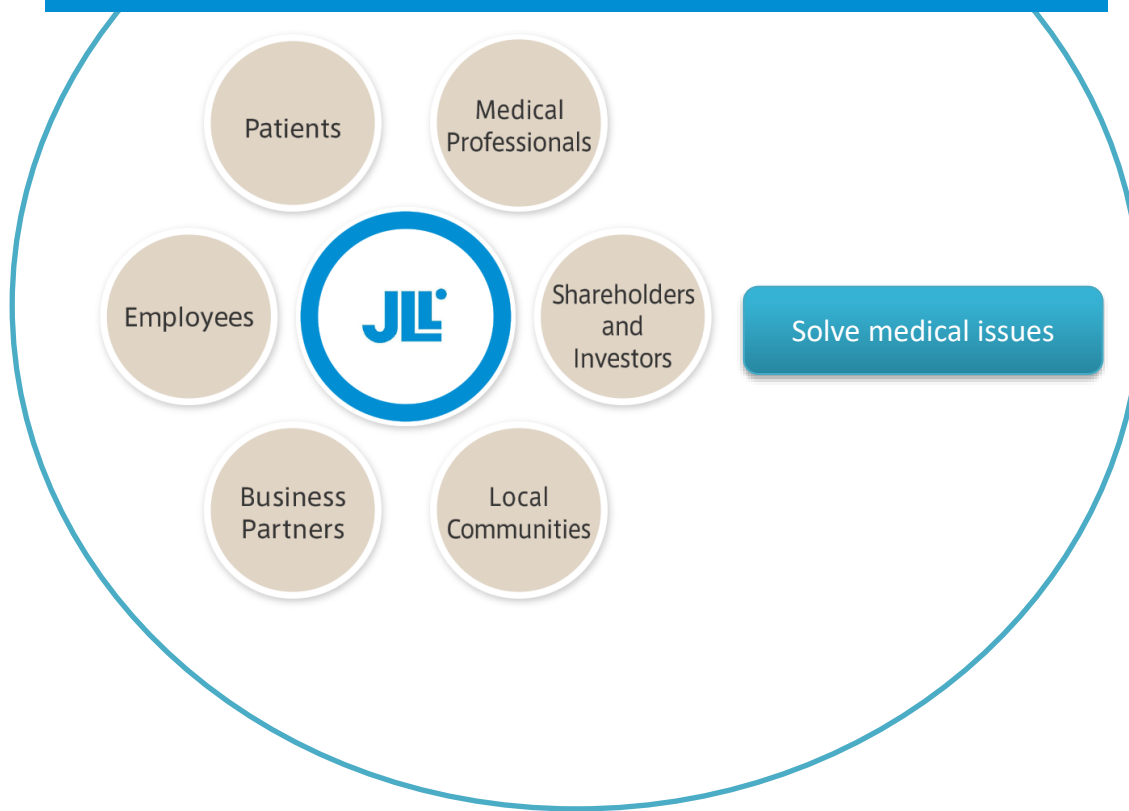


\*1 The figure is an outlier due to a large extraordinary loss (¥5,982mIn).

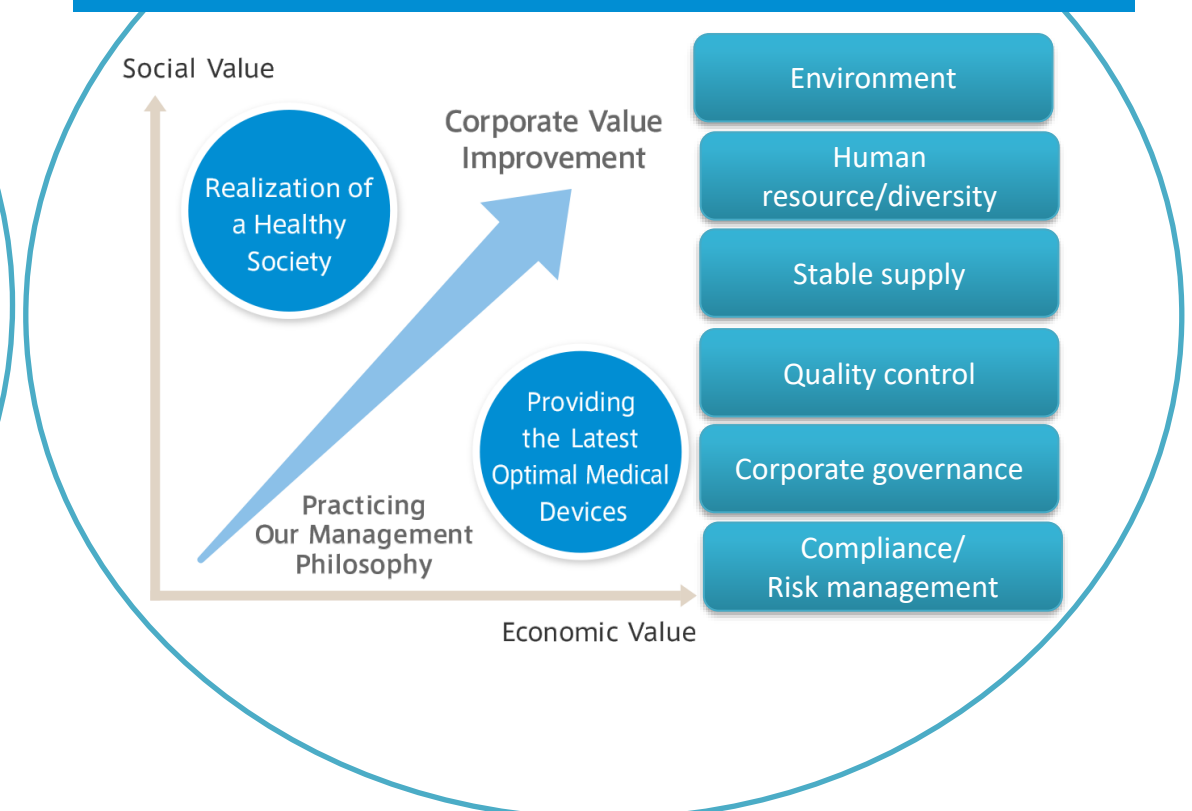
1. Who We Are
2. Our Business Model
3. Short-term Business Outlook
4. Medium-term Business Outlook
- 5. Sustainability-related**
6. Supplementary Information

- ✓ Tackle important issues that can sustainably create corporate value

Practice our management philosophy “Contributing to the realization of a healthy society through the latest optimal medical device technologies”












Define requirements for the company to be sustainable as a social entity and steadily address individual issues





- ✓ Set specific KPIs for each important issue, promote initiatives, and manage progress

Materiality	Major Themes	KPI	SDGs
<u>Solve medical issues through innovative medical devices</u>	Improve technology for in-house products	<ul style="list-style-type: none"> <li>R&amp;D expenses</li> <li>Number of patent applications</li> </ul>	 
	Introduce medical devices with high clinical value	<ul style="list-style-type: none"> <li>Introduction of one-of-a-kind products</li> <li>Application and Expansion of proprietary technologies to other fields</li> </ul>	
<u>Reduce environmental impact</u>	Use resources efficiently	<ul style="list-style-type: none"> <li>Establishment of an environmental policy and promotion system</li> </ul>	 
	Reduce greenhouse gases	<ul style="list-style-type: none"> <li>CO2 emissions</li> </ul>	
	Reduce waste / Process waste properly	<ul style="list-style-type: none"> <li>Industrial waste recycling rate</li> </ul>	
<u>Create a workplace where employees can work with comfort</u>	Create a comfortable work environment	<ul style="list-style-type: none"> <li>Assessment on the current status and implementation of measures to improve work-life balance</li> </ul>	 
	Respect human diversity	<ul style="list-style-type: none"> <li>Ratio of female managers</li> </ul>	
	Respect human rights	<ul style="list-style-type: none"> <li>Reinforcement on efforts to reduce human rights risks</li> </ul>	

Materiality	Major Themes	KPI	SDGs
<u>Develop human resources and provide opportunities for them to play an active role</u>	Support employees to achieve specialized skills and personal goals	<ul style="list-style-type: none"> <li>Formulation of human resources policy and establishment of human resources development promotion system</li> <li>Improvement of employee satisfaction</li> </ul>	
	Strengthen education and training	<ul style="list-style-type: none"> <li>Education and training expenses per employee</li> </ul>	
<u>Secure product quality and stable supply</u>	Strengthen the quality control system	<ul style="list-style-type: none"> <li>Compliance with global regulatory requirements (Acquire MDSAP certificate)</li> </ul>	
	Secure stable supply of products	<ul style="list-style-type: none"> <li>Percentage of supplier risk assessment surveys conducted</li> <li>Promotion of production line duplication</li> </ul>	
<u>Promote compliance</u>	Ensure fairness and transparency in corporate activities	<ul style="list-style-type: none"> <li>Reinforcement on compliance education</li> <li>Promotion of efforts to improve understanding of the whistleblower system</li> </ul>	

1. Who We Are
2. Our Business Model
3. Short-term Business Outlook
4. Medium-term Business Outlook
5. Sustainability-related
- 6. Supplementary Information**

Supplementary Information Index

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2. Technical Terms
3. Explanations on Heart Diseases
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  2. What is Arrhythmia?
  3. Treatment of Arrhythmia – Cardiac Rhythm Management
  4. Treatment of Arrhythmia – EP/Ablation
  5. What is Atrial Fibrillation?
  6. Ablation Treatment of Atrial Fibrillation
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5. Our Research/development/manufacturing system
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<b>Q: What are your unique strengths?</b>	A: Our strength lies in our business model, in which we are both a “full-service distributor” that can bring cutting-edge medical devices from overseas in a speedy manner, and a “manufacturer” that develops products based on our proprietary technologies, such as high-performance catheters. This way, <b>we can strengthen our product portfolio in a mutually complementary manner.</b> To support this business model, we have specialized teams in regulatory affairs, safety management, and quality assurance, as well as sales covering the entire country. ( <a href="#">see also page15</a> )
<b>Q: How do you think imported products and manufactured products should be separated? Don't they butt heads?</b>	A: Many of the products we purchase are “cutting-edge and novel” from overseas start-ups, while our own products are "niche and high quality" that meet the detailed needs of Japanese physicians. Therefore, they basically do not overlap, but are complementary to each other. <b>Our basic business policy is to quickly introduce the latest and optimal medical devices to the medical field, regardless of whether it is our own or a third-party's product, as we believe that this is our unique contribution to medical care.</b> ( <a href="#">see also page15</a> )
<b>Q: What is your strategy for future growth?</b>	A: Since the foundation of the company, we have dedicated ourselves to the cardiovascular therapy as a specialist. However, in recent years, competition among companies has been intense, and market prices have fallen significantly in some areas. While focusing on our own products related to EP/ABL and CVS, we intend to <b>expand our proprietary technologies to other therapeutic areas</b> and divert our resources on a new area such as GI as well. As a full-service distributor, we also intend to expand our business on multiple fronts by entering the neurovascular intervention and the sleep disorder therapy, etc.

<b>Q: What is your overseas sales strategy?</b>	A: Currently, we have sold our products in Korea, Taiwan, North America, and Europe, but overseas sales still account for only about 1% of our total sales. Many of our own products are high quality products developed for the domestic market, and cost is often a bottleneck in overseas expansion. (In many cases, delivery prices are lower overseas than in Japan.) <b>We will continue to address this issue as a key challenge through cost reductions efforts at overseas plants and development of low-cost versions of products that are tailored to overseas markets and needs.</b>
<b>Q: How could the internal atrial cardioversion catheter (<i>BeeAT</i>) have been the one-of-a-kind in the market for so long? Why not expand this overseas?</b>	<b>This is because the technique of "stopping atrial fibrillation with cardioversion (electric shock) if it occurs during ablation procedure" is unique in Japan.</b> This is not the standard in Europe and the United States, and there is little demand for catheters with cardioversion function overseas. In addition, most of the competitors for EP catheters in Japan are huge foreign companies, and these companies have no incentive to develop their own products that can be used only in the Japanese market. <i>BeeAT</i> has been one-of-a-kind since its launch in 2012 with no other companies entering the market.
<b>Q: What is your basic policy on M&amp;A?</b>	We consider M&A as one of our growth strategy options, and we will actively pursue M&A opportunities, if any, <b>for companies with superior technologies that have a high affinity with our proprietary technologies for further product development, or companies with products that can generate strong synergies in terms of sales.</b>

<b>Q: Why is the inventory turnover ratio so low?</b>	Medical devices are generally sold on deposit, whereby the company's inventory is <b>deposited</b> with the hospital and sales are recognized at the time of surgical use. It is necessary to keep a wide range of products in stock at each hospital for emergency cases. In addition, since the products we handle are life matter to patients, <b>we fulfill our responsibility as a supplier by always maintaining a certain number of products in stock</b> to prepare for emergency situations such as natural disasters. As a result, our inventory burden might be heavier than that of other industries average, and our inventory turnover ratio tends to be somewhat low.
<b>Q: How do changes in FX rates impact your business performance?</b>	<b>FX rates changes do not have a significant impact on our overall profit and loss in general</b> , as approx. 70% of our merchandise purchase contracts are denominated in yen. In addition, since we recognize inventory unit price using the moving-average method, any increase in purchase prices or import costs of product components due to foreign exchange fluctuations will be equalized over time.

## 2. Technical Terms 1/2

Reimbursement Price	<p>The billing price of materials that can be billed as medical materials (specified insured medical materials) among the fees that medical institutions can charge to insurance organizations as medical fees under Japan's public medical insurance system. <b>Most of the products we handle are classified as Class III or IV "highly controlled medical devices" and are subject to reimbursement.</b> In general, the price of medical devices delivered from distributors to medical institutions is the reimbursement price multiplied by a certain premium rate, and the difference between the reimbursement price and the delivered price is the profit of the medical institution. <b>The government conducts a market survey of medical devices once every two years and revises the prices based on the survey.</b> (If the market price falls due to market competition, the reimbursement price is often revised downward as well.)</p>
Atrial Fibrillation	<p>A heart condition in which the chambers within the heart, called atria, quiver and spasm. Atrial fibrillation is considered a factor in the development of blood clots in the heart and <b>increases the risk of developing a fatal cardiogenic stroke.</b> The number of cases of ablation therapy for AF is highly correlated with the performance of our core business of EP/ABL. We monitor the number of AF cases as a key KPI and conducts in-house survey annually. Number of AF cases is estimated to be approx. 90K as of 2022. On the other hand, the potential patient population in Japan is extremely large, estimated to be approx. 1.8 million.</p>
Ablation	<p><b>One of the treatments to cure arrhythmia.</b> The abnormal electrical circuits in the heart that cause arrhythmias are burned off or cryo-coagulated (=ablation) using a catheter for myocardial ablation, thereby returning them to normal. <b>Atrial fibrillation is the most common target for ablation therapy,</b> accounting for about 80% of all cases.</p>

## 2. Technical Terms 2/2

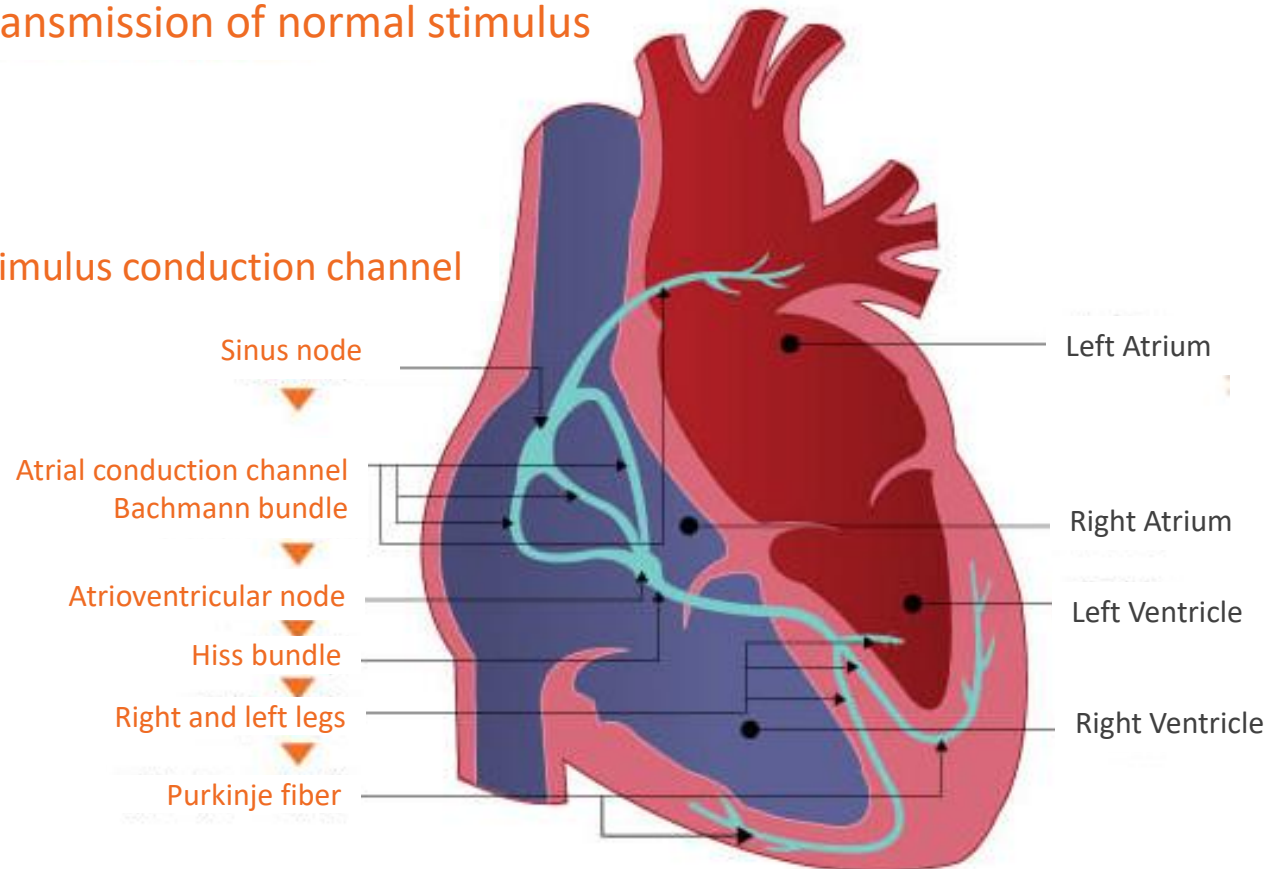
In-house sales ratio	In-house products as a percentage of sales. The gross profit margin of in-house products is approx. 60-70% (30-40% for third-party products). An increase in the ratio of in-house products leads to a better product mix, which is a factor that increases the gross profit margin.
One-of-a-kind products	Products/merchandise that we exclusively market and have a competitive advantage because there are no other similar products in the market. <b>Most of the cases, any one-of-a-kind product deserves to be granted for a sole reimbursement price/category for its unique function.</b> In-house products include the <i>BeeAT</i> internal atrial cardioversion catheter and the <i>Frozenix</i> open stent graft, while purchased products include the <i>EMBLEM™ MRI S-ICD System</i> , a fully subcutaneous implantable cardioverter defibrillator (S-ICD) manufactured by BSC.
Sterilization Period	Medical device manufacturers guarantee the sterility of medical devices by adhering to strict processes based on ministerial ordinances regarding QMS (Quality Management Standards). <b>Sterilization has an expiration date, and products after the expiration date cannot be used clinically. (to be disposed)</b>

# 3-1 How the heart works

The heart acts as a pump that carries blood throughout the body. Electrical impulses generated in the sinus node in the right atrium are transmitted to the myocardium, making it beat and pump blood.

## Transmission of normal stimulus

### Stimulus conduction channel



- Blood carries the oxygen and nutrients necessary for human activity, and the heart acts as a pump to carry that blood to all parts of the body.
- The normal adult heart contracts about 60 to 100 times per minute to pump blood. Contractions occur when electrical impulses generated in the sinus node in the upper right atrium of the heart are transmitted to the myocardium via the intra-atrial conduction pathways, atrioventricular node, his bundle, right and left legs, and Purkinje fibers.
- The atria and ventricles contract in turn at regular intervals to efficiently pump blood throughout the body.



## 3-2 What are arrhythmias?

Arrhythmia is a condition in which the heart's electrical impulses are not transmitted properly, causing the pump function not to work properly. There are two types of symptoms

Normal pulse rate for adults is 60-100 beats/min

- Less than 40 beats/min (slow) => **Brady**cardia
- More than 100 beats/min (fast) => **Tachy**cardia

Causes:

- Heart diseases such as myocardial infarction and cardiomyopathy
- High blood pressure and hyperlipidemia
- Mental stress
- Drinking alcohol and smoking
- Aging etc.

Symptoms

Pulsation



Shortness of breath



Chest pain



washed-out feeling



Giddiness



Faint



Pacemakers, ICDs, and CRT-Ds are implanted in the body to provide electrical stimulation (pacemaker function) and electric shocks (ICD and CRT-D function) when arrhythmias occur.

## Bradycardia

- Sinusoidal Failure Syndrome (SSS)
- Atrioventricular block (AVB)
- Bradycardic atrial fibrillation (AF) etc.



Pacemaker

## Tachycardia

- Atrial Fibrillation (AF)
- Atrial Flutter (AFL)
- Supraventricular Tachycardia (SVT)
- Ventricular Premature Contraction(VPC) etc.



Ablation

## Fatal Arrhythmias

- Ventricular Tachycardia (VT)
- Ventricular Fibrillation (VF)



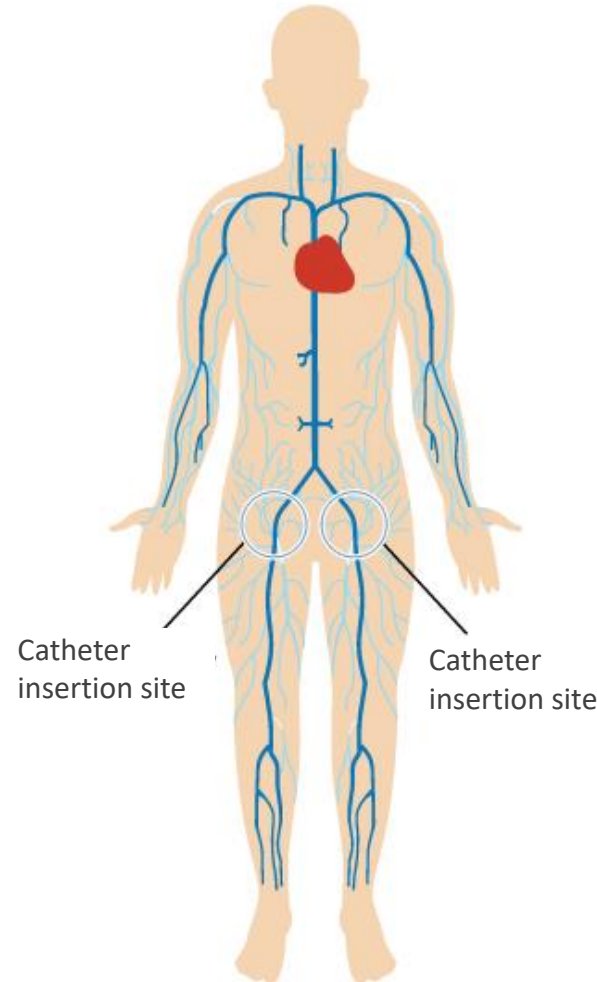
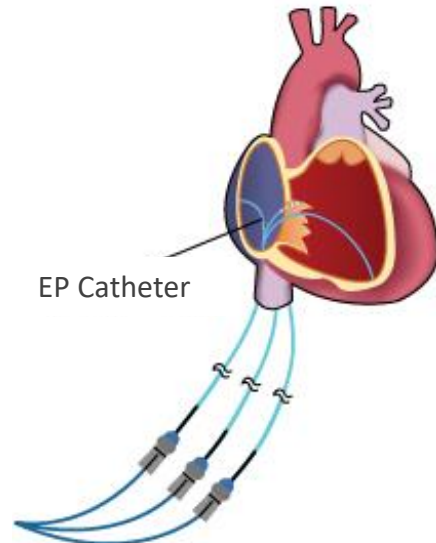
T-ICD

# 3-3 Treatment of Arrhythmias – EP/Ablation

EP (electrophysiology) catheters for diagnosis and ablation catheters for treatment

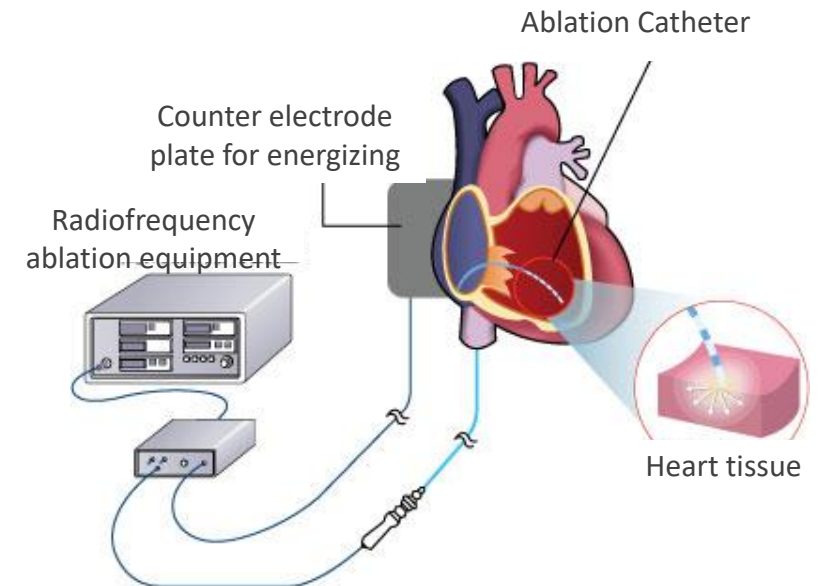
## EP Catheter (For diagnosis)

An electrophysiology catheter is inserted into the heart through a blood vessel to diagnose the presence of arrhythmias using an external electrical stimulator.

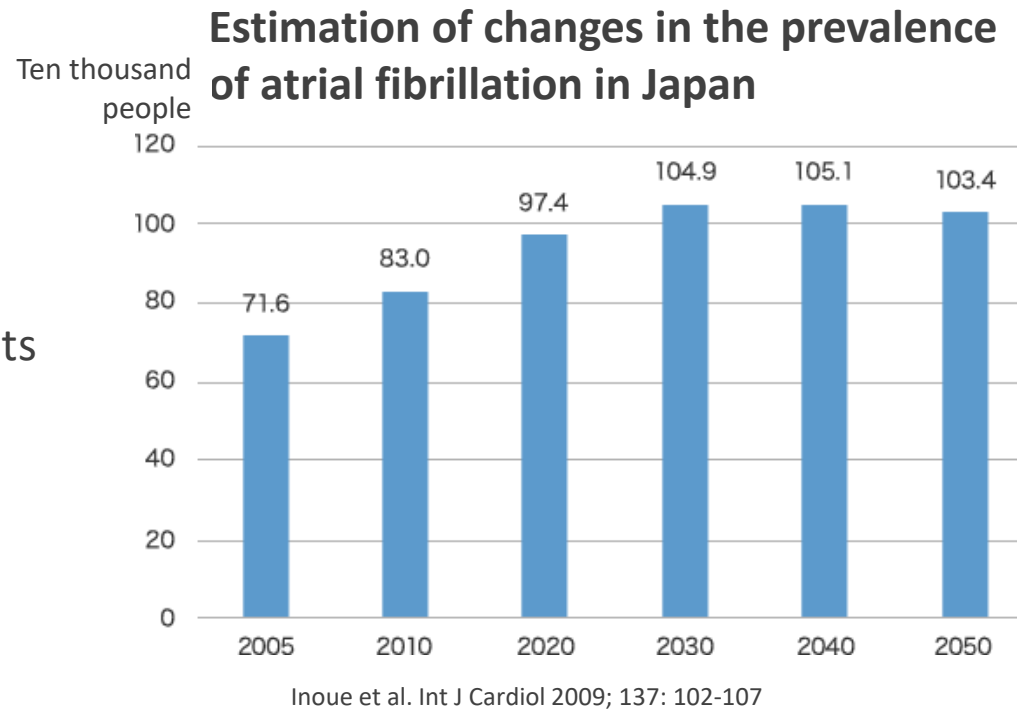
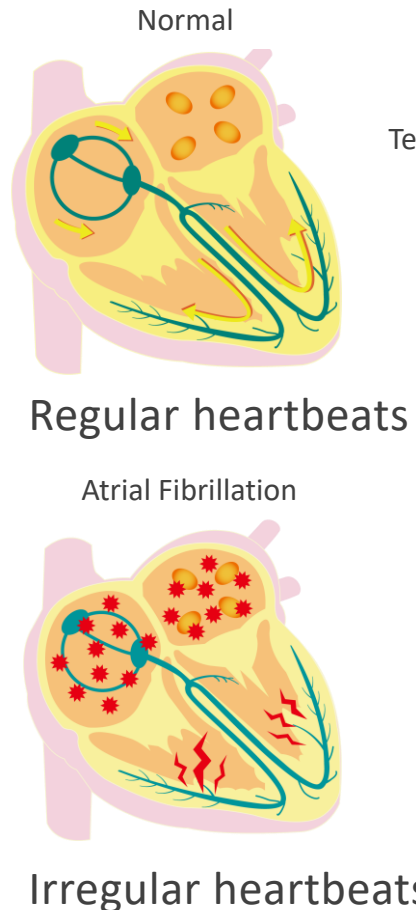


## Ablation Catheter (For treatment)

An ablation catheter burns off with radiofrequency waves abnormal electrical stimulation pathways in the heart that cause tachycardia



Atrial fibrillation (AF) is an arrhythmia that causes irregular and frequent electrical stimulation in the atria, resulting in a spasm-like state of the atria. As blood flow of AF patients tends to stagnate in the atria, there is a higher risk of blood clots that can eventually cause a stroke.



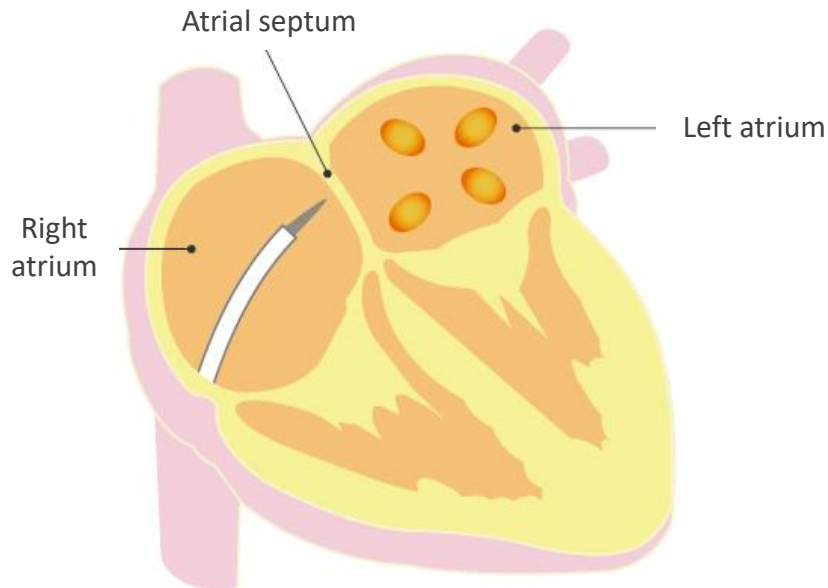
Estimate AF population to exceed one million by 2030.

- A type of arrhythmia in which a chamber in the heart called an atrium spasms in small increments and fails to function properly.
- When atrial fibrillation occurs, blood retention facilitates the formation of blood clots. These clots can travel through the bloodstream and block blood vessels in other organs, causing arterial embolisms, such as cerebral infarction.
- Treatment of atrial fibrillation includes surgical treatment, drug treatment, and percutaneous ablation (myocardial ablation) using a catheter.

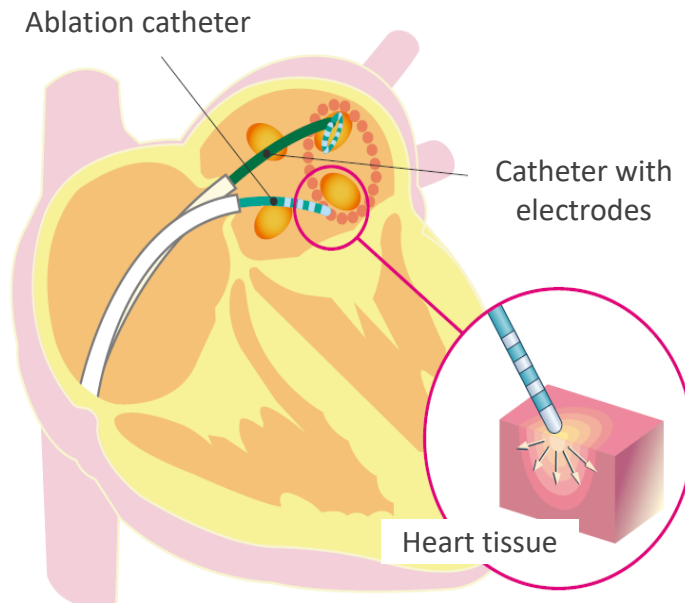
# 3-6 Ablation Therapy on Atrial Fibrillation

Ablation catheter burns off the area around the pulmonary vein (left atrium) that causes atrial fibrillation and cures the arrhythmia

The electrical stimuli that cause atrial fibrillation originates primarily from the pulmonary veins



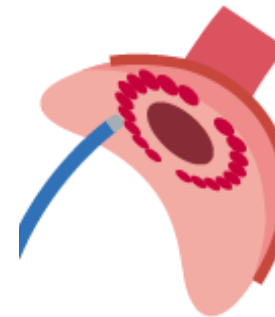
Burn off the area around the pulmonary vein, thereby blocking the transmission of abnormal electrical stimulation



Two types of therapy are available in Japan

## Catheter Ablation

The tip of the catheter is heated with radiofrequency and burn off the heart tissue point by point in a circumferential way



## Balloon Ablation

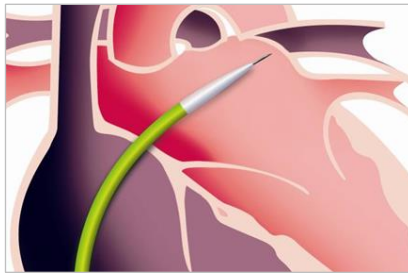
A catheter with a balloon attached to its tip is used to burn off or cryo-coagulate the heart tissue by holding the inflated balloon in close contact with the myocardium.



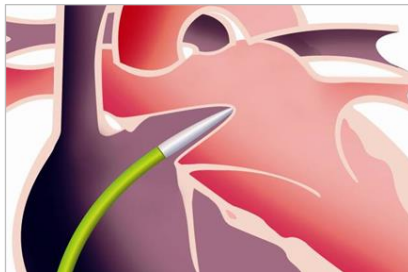


To perform an ablation procedure in the left atrium, catheter's access route must be secured at first. (a very small hole in the atrial septum is made) The use of radiofrequency instead of a conventional metal needle (mechanical needle) increases the safety of the procedure

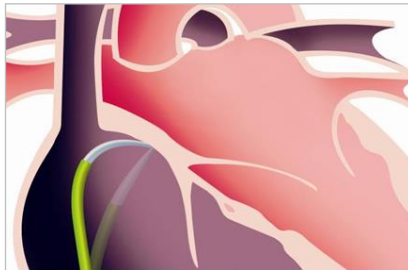
## Procedure with a mechanical needle



Risk of accidental  
puncture due to  
excessive pushing



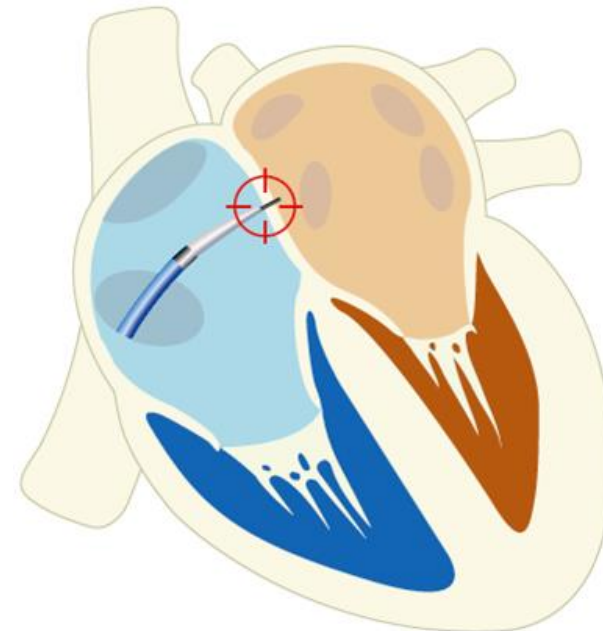
Difficult case #1  
Elastic septum



Difficult case #2  
Thick septum

## Procedure with RF Needle

No pushing force required  
low risk of accidental puncture

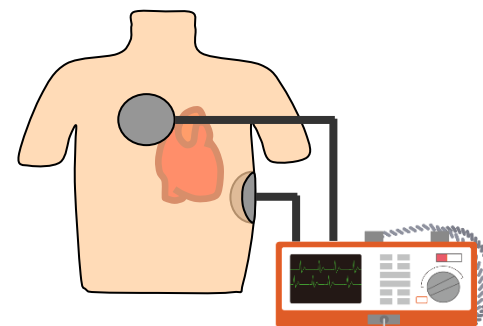


# 3-8 Ablation Procedure – 2 Cardioversion\*1

Internal cardioversion with *BeeAT* catheter is performed from inside the heart for atrial fibrillation that occurs during ablation therapy. Compared to the conventional external defibrillation, internal cardioversion method uses less energy and imposes minimum burden on the patient.

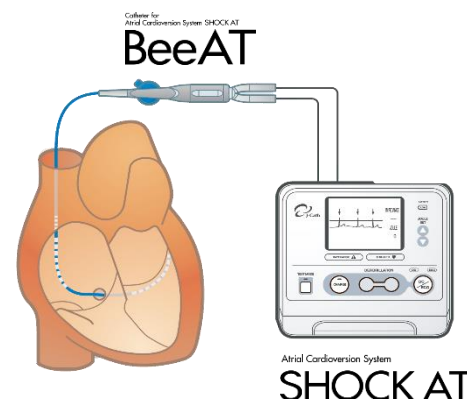
## External Defibrillation

A defibrillation patch (positive/negative poles) is placed across the heart, and direct current is applied from an external defibrillator.



## Internal Cardioversion

Direct current is applied from positive and negative catheter electrodes placed across the heart (left atrium)

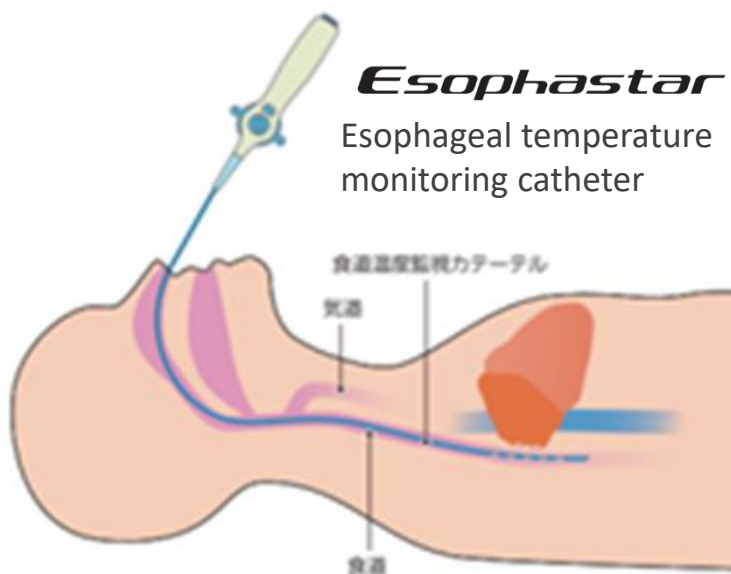


\*1 Precisely, cardioversion and defibrillation are two different terms. Cardioversion is a medical procedure that uses quick, low-energy shocks to restore a regular heart rhythm whereas defibrillation is a very strong electric shock to treat fatal arrhythmias (tachycardia) when the heart stops or quivers uselessly.

# 3-9 Ablation Procedure – 3 Esophageal Monitoring

The left atrium, targeted for ablation therapy for atrial fibrillation, is close to the esophagus exposed to possible burn risk. Monitoring the temperature of the esophagus enhances the safety of ablation therapy.

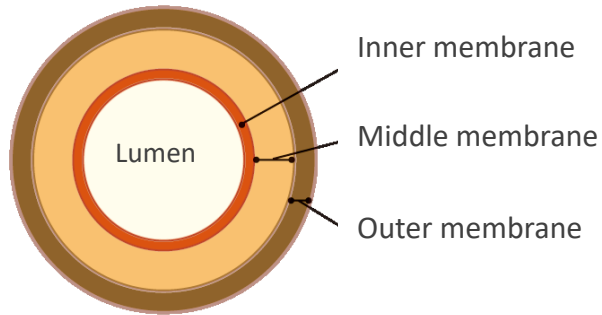
Insert catheter through nose into esophagus to monitor temperature rise in esophagus



- Perform ablation while monitoring esophageal temperature to avoid esophageal injury
- If esophageal temperature rises too high, procedure must be suspended at once



Aortic aneurysm is a disease in which the aorta, the largest blood vessel through which blood is pumped from the heart to the rest of the body, becomes brittle due to arteriosclerosis, etc., and swells and forms an aneurysm due to high pressure.



Images of blood vessel wall



1. Genuine type



2. Pseudo type



3. Dissecting type

## Three types of aortic aneurysm

1. **Genuine:** An aneurysmal bulge formed with the three-layered structure of the vessel wall preserved.
2. **Pseudo:** An aneurysmal bulge formed by a leaking flow of blood from inside with a part of the wall of a blood vessel damaged through all three layers (inner, middle, and outer membrane)
3. **Dissecting:** An aneurysm bulge formed when leaking blood from a fissure in the inner membrane flows into the gap between the inner and middle membrane, widening the gap further.

Remove the aortic aneurysm in open chest surgery and replace it with an artificial blood vessel

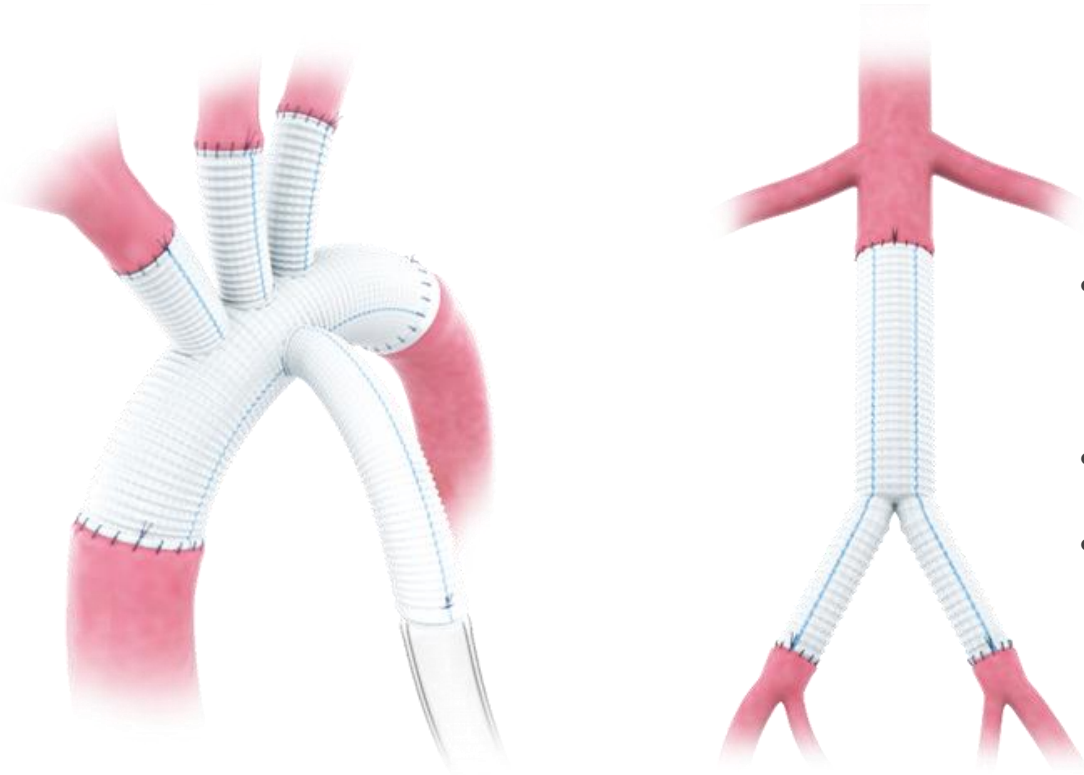
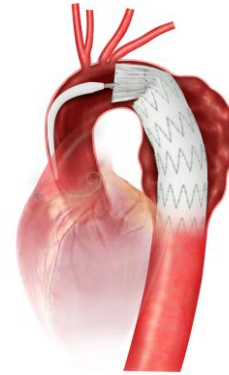
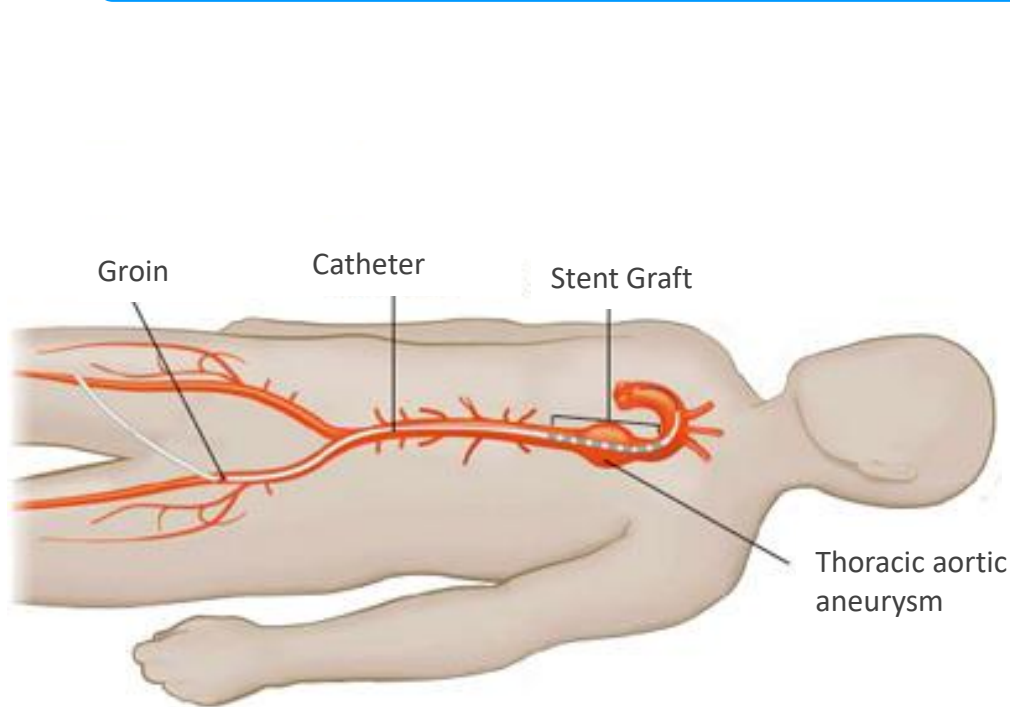


Image of vascular graft (artificial blood vessel)  
replacement

- Performed under general anesthesia by open chest or abdominal surgery
- Can be performed regardless of the shape of the aneurysm
- Highly effective and the first choice for treatment today

# 3-12 Treatment of Aortic Aneurysm – Stent Graft

Insert a stent graft from a blood vessel at the groin to the treatment site using a catheter, and then expanding force of the stent covers the aneurysm in the chest or abdomen from the inside of the blood vessel.



TEVAR (Thoracic Endovascular Aortic Repair)



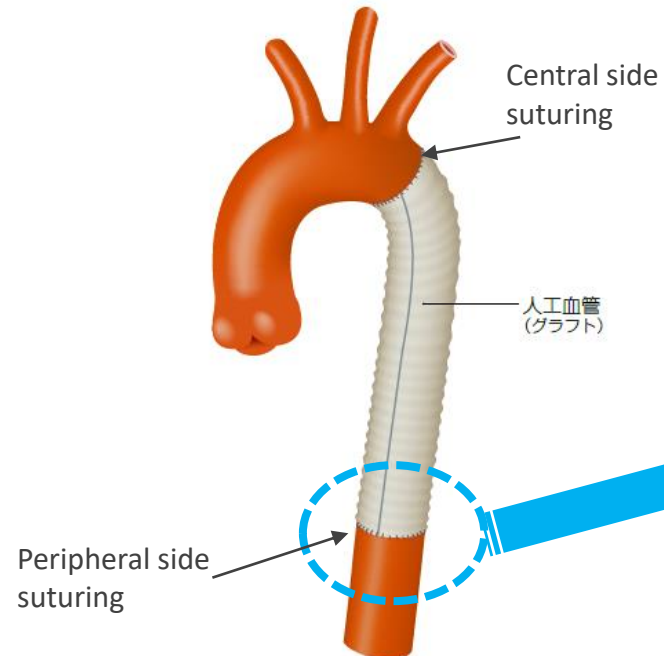
EVAR (Endovascular Aortic Repair)

- Patients who could not be treated due to the high risk of open chest or abdominal surgery (such as elderly patients) can now be treated.
- Catheter-based treatment allows for extremely minimally invasive treatment.

# 3-13 Treatment of Aortic Aneurysm – Open Sent Graft

Open stent graft provides minimally invasive treatment as the procedure requires suturing on only one side (no need of suturing on the other side) and requires only one operation.

Vascular graft case



Open stent graft case



Peripheral side is fixed by stent's expanding force  
=> No need of suturing

**No left open chest surgery is required/ only one surgery is necessary**

# 4. Fact Sheet 1/4

## 1. Consolidated Profit and Loss Statement

Amounts less than the indicated unit are rounded down.

		FYE March 2018	FYE March 2019	FYE March 2020	FYE March 2021	FYE March 2022					FYE March 2023							
		FY2017	FY2018	FY2019	FY2020	FY2021					FY2022							
		Full YR	Full YR	Full YR	Full YR	1Q	2Q	3Q	4Q	Full YR	1Q	2Q	YoY %		2Q-YTD	YoY %		2Q-YTD
		A	A	A	A	A	A	A	A	A	A	A			A			E*1
Net Sales	¥mln	42,298	45,525	51,761	51,286	12,612	12,518	13,879	12,459	51,469	12,969	12,519	1	0.0	25,489	358	1.4	24,861
Cost of Goods Sold	¥mln	15,722	17,703	22,570	22,622	5,331	5,505	6,415	5,380	22,634	5,510	5,432	-73	-1.3	10,942	105	1.0	10,549
Gross Profit	¥mln	26,576	27,822	29,191	28,664	7,280	7,012	7,463	7,078	28,835	7,458	7,087	75	1.1	14,546	253	1.8	14,312
Gross Margin	%	62.8	61.1	56.4	55.9	57.7	56.0	53.8	56.8	56.0	57.5	56.6	—	—	57.1	—	—	57.6
SG&A Expenses	¥mln	15,904	17,295	18,756	18,296	4,960	4,650	4,641	4,608	18,861	4,751	4,675	25	0.5	9,426	-184	-1.9	9,909
Operating Profit	¥mln	10,671	10,526	10,434	10,367	2,319	2,362	2,822	2,469	9,973	2,707	2,412	49	2.1	5,119	437	9.4	4,403
Operating Margin	%	25.2	23.1	20.2	20.2	18.4	18.9	20.3	19.8	19.4	20.9	19.3	—	—	20.1	—	—	17.7
Non-Operating Income	¥mln	259	571	891	1,031	160	73	6	75	316	72	122	48	66.6	194	-39	-16.7	46
Non-Operating Expenses	¥mln	200	289	900	879	62	41	132	49	285	105	96	55	134.3	201	98	95.2	57
Ordinary Profit	¥mln	10,730	10,808	10,425	10,519	2,417	2,394	2,697	2,495	10,005	2,674	2,438	43	1.8	5,113	300	6.2	4,392
Ordinary Margin	%	25.4	23.7	20.1	20.5	19.2	19.1	19.4	20.0	19.4	20.6	19.5	—	—	20.1	—	—	17.7
Extraordinary Profit	¥mln	1	5	3	3	1	0	14	29	44	1	0	0	66042.0	2	0	70.0	—
Extraordinary Loss	¥mln	116	12	4	5,982	0	1	6	0	8	5	0	-0	-53.1	6	-4	200.4	6
Net Profit Before Tax	¥mln	10,615	10,801	10,425	4,540	2,418	2,393	2,705	2,523	10,041	2,670	2,438	45	1.9	5,109	297	6.2	4,386
Tax Expenses	¥mln	3,137	3,077	2,676	2,540	715	504	774	562	2,556	724	682	178	35.4	1,406	187	15.3	1,192
Net Profit	¥mln	7,478	7,723	7,748	2,000	1,702	1,889	1,931	1,961	7,484	1,946	1,756	-133	-7.1	3,702	110	3.1	3,193
Net Profit %	%	17.7	17.0	15.0	3.9	13.5	15.1	13.9	15.7	14.5	15.0	14.0	—	—	14.5	—	—	12.8
In-house Sales Ratio	%	55.4	54.9	50.7	49.9	51.4	51.3	52.8	54.0	52.4	54.6	53.2	—	—	53.9	—	—	—
R&D Expenses	¥mln	1,121	1,431	1,743	1,667	425	547	534	652	2,159	547	583	36	6.7	1,131	158	16.3	—
Capital Expenditure	¥mln	3,630	1,248	2,536	1,382	—	—	—	—	1,633	—	—	—	—	—	—	—	—
Depreciation Expenses	¥mln	953	1,176	1,264	1,525	355	374	431	450	1,611	373	351	-23	-6.2	724	-4	-0.6	—

\*1 Disclosed on May 11, 2022



# 4. Fact Sheet 2/4

## 2. Consolidated Balance Sheet

Amounts less than the indicated unit are rounded down.

		FYE March 2018	FYE March 2019	FYE March 2020	FYE March 2021	FYE March 2022					FYE March 2023					
		FY2017	FY2018	FY2019	FY2020	FY2021					FY2022					
		Full YR	Full YR	Full YR	Full YR	1Q	2Q	3Q	4Q	Full YR	1Q	2Q	vs FY2021 End		2Q-YTD	Full YR
		A	A	A	A	A	A	A	A	A	A	A	%		E	E
Current Assets	¥mln	40,821	41,665	44,077	44,522	41,137	43,325	42,156	45,153	45,153	40,481	41,918	-3,234 -7.2		-	-
Tangible Fixed Assets	¥mln	9,914	9,920	11,341	13,111	13,273	13,301	13,062	12,911	12,911	12,935	12,978	66 0.5		-	-
Intangible Fixed Assets	¥mln	576	558	493	505	562	1,366	1,423	1,470	1,470	1,723	2,102	631 43.0		-	-
Investments and Others	¥mln	9,668	15,638	19,089	14,822	14,678	14,547	14,080	13,662	13,662	13,789	14,375	712 5.2		-	-
Fixed Assets	¥mln	20,159	26,117	30,923	28,439	28,514	29,215	28,566	28,044	28,044	28,449	29,455	1,410 5.0		-	-
Total Assets	¥mln	60,980	67,783	75,000	72,962	69,651	72,540	70,722	73,197	73,197	68,930	71,373	-1,823 -2.5		-	-
Current Liabilities	¥mln	15,452	14,580	16,093	16,467	15,273	16,294	12,929	14,211	14,211	12,970	13,570	-640 -4.5		-	-
Long-term Liabilities	¥mln	4,438	6,709	7,500	5,190	5,050	4,930	4,659	4,418	4,418	4,301	4,214	-204 -4.6		-	-
Total Liabilities	¥mln	19,890	21,289	23,594	21,657	20,324	21,224	17,588	18,629	18,629	17,272	17,785	-844 -4.5		-	-
Shareholder's Equity	¥mln	41,088	46,496	51,618	51,267	49,080	51,008	52,940	54,362	54,362	51,361	53,075	-1,287 -2.4		-	-
Accumulated other comprehensiv	¥mln	-11	-16	-211	37	247	307	194	205	205	297	512	307 149.9		-	-
Share Warrant	¥mln	13	13	-	-	-	-	-	-	-	-	-	-		-	-
Net Assets	¥mln	41,090	46,493	51,406	51,304	49,327	51,316	53,134	54,567	54,567	51,658	53,588	-979 -1.8		-	-
Total Liabilities and Net Assets	¥mln	60,980	67,783	75,000	72,962	69,651	72,540	70,722	73,197	73,197	68,930	71,373	-1,823 -2.5		-	-
Cash and Deposits	¥mln	6,732	8,018	9,555	13,708	10,556	12,946	11,624	16,058	16,058	11,229	14,126	-1,932 -12.0		-	-
Accounts Receivables	¥mln	12,331	12,178	13,762	13,145	12,790	12,509	13,964	12,437	12,437	13,132	12,649	211 1.7		-	-
Inventory	¥mln	13,579	17,071	18,187	15,987	16,117	16,197	15,166	14,850	14,850	14,201	13,713	-1,136 -7.7		-	-
Accounts Payables	¥mln	2,278	3,087	4,081	2,872	3,360	3,962	2,908	3,287	3,287	3,203	3,093	-193 -5.9		-	-
Retained Earnings	¥mln	25,091	30,499	35,912	35,352	33,108	34,998	36,929	38,890	38,890	37,795	39,551	661 1.7		-	-
Interest-Bearing Debt	¥mln	9,396	9,987	11,538	10,396	10,285	9,969	8,614	8,352	8,352	7,679	7,331	-1,020 -12.2		-	-
Net Debt	¥mln	2,663	1,968	1,983	-3,311	-271	-2,976	-3,010	-7,705	-7,705	-3,550	-6,794	911 -11.8		-	-
Invested Capital*1	¥mln	50,484	56,484	63,156	61,663	59,366	60,978	61,554	62,714	62,714	59,041	60,407	-2,307 -3.7		-	-
Working Capital*2	¥mln	23,632	26,161	27,868	26,260	25,547	24,743	26,222	24,000	24,000	24,130	23,268	-731 -3.0		-	-

\*1 A sum of interest-bearing debt and shareholder's equity

\*2 Accounts receivables + Inventory - Accounts payables

# 4. Fact Sheet 3/4

## 3. Financial Indicators, etc.

Amounts less than the indicated unit are rounded down.

		FYE March 2018	FYE March 2019	FYE March 2020	FYE March 2021	FYE March 2022					FYE March 2023					
		FY2017	FY2018	FY2019	FY2020	FY2021					FY2022					
		Full YR	Full YR	Full YR	Full YR	1Q	2Q	3Q	4Q	Full YR	1Q	2Q <sup>*7</sup>		2Q-YTD		2Q-YTD
		A	A	A	A	A	A	A	A	A	A	A		A		E
Number of Shares Outstanding at Year-End (incl. treasury shares)	K	90,419	90,419	85,419	85,419	85,419	85,419	85,419	85,419	85,419	85,419	82,919		—		—
Number of Treasury Shares at Year-End <sup>*1</sup>	K	10,005	10,005	5,165	5,050	5,020	4,999	4,999	5,500	5,500	7,453	4,999		—		—
Average Number of Shares During the FY(excl. treasury shares) <sup>*2</sup>	K	75,914	80,414	80,251	80,322	80,384	80,402	80,408	80,367	80,367	78,704	77,920		—		—
EPS <sup>*3</sup>	¥	98.51	96.05	96.55	24.91	21.18	23.49	24.01	24.44	93.13	24.73	22.54		47.26		93.06
BPS	¥	510.81	578.01	640.54	638.36	613.53	638.10	660.71	682.79	682.79	662.57	687.73		—		—
DPS	¥	28.75	29.00	29.00	49.00	—	—	—	38.00	38.00	—	—		—		38.00
Payout Ratio	%	29.2	30.2	30.0	196.7	—	—	—	—	40.8	—	—		—		40.8
ROE	%	24.2	17.6	15.8	3.9	—	—	—	—	14.1	—	—		—		—
ROA	%	21.2	16.8	14.6	14.2	—	—	—	—	13.7	—	—		—		—
ROIC <sup>*4</sup>	%	14.7	12.9	11.5	11.7	—	—	—	—	11.0	—	—		—		—
Capital-to-Asset Ratio	%	67.4	68.6	68.5	70.3	70.8	70.7	75.1	74.5	74.5	74.9	75.1		—		—
Receivables Turnover Period	Day	100.7	98.3	91.5	95.8	—	—	—	—	90.7	—	—		—		—
Inventory Turnover Period	Day	276.9	316.0	285.1	275.7	—	—	—	—	248.6	—	—		—		—
Payables Turnover Period	Day	47.7	55.3	58.0	56.1	—	—	—	—	49.7	—	—		—		—
Cash Conversion Cycle	Day	329.8	358.9	318.6	315.4	—	—	—	—	289.7	—	—		—		—
Number of Employees (Consolidated)	Person	906	932	1,074	1,167	—	—	—	—	1,205	—	—		—		1,276

\*1 Company shares held by the BIP Trust for directors and Company shares held by the Trust for the Trust-type Employee Shareholding Incentive Plan (E-Ship) are included in treasury shares. (E-Ship terminated on July 29, 2021)

\*2 Values for each Q are for the cumulative period

\*3 EPS after taking into account the stock split. A 1:2 stock split was carried out in Jan. 2018. In light of this, EPS for FY3/2018 is calculated assuming that the stock split took place at the beginning of the previous fiscal year

\*4 Denominator profit is operating profit after tax. After-tax operating profit = operating profit × (1 - effective tax rate (30.62%))

\*7 Cancellation of treasury shares: May 2019 5 million shares, July 2022 2.5 million shares

# 4. Fact Sheet 4/4

## 4. Sales by Product

Amounts less than the indicated unit are rounded down.

		FYE March 2018 FY2017	FYE March 2019 FY2018	FYE March 2020 FY2019	FYE March 2021 FY2020	FYE March 2022 FY2021					FYE March 2023 FY2022							
		Full YR	Full YR	Full YR	Full YR	1Q	2Q	3Q	4Q	Full YR	1Q	2Q	YoY %		2Q-YTD	YoY %		2Q-YTD
		A	A	A	A	A	A	A	A	A	A	A			A			E
Pacemaker	¥mln	6,463	5,169	5,682	5,996	1,520	1,495	1,570	1,275	5,862	1,269	1,261	-233	-15.6	2,530	-485	-16.1	—
ICD	¥mln	584	496	5,960	7,001	1,706	1,687	1,739	1,651	6,785	1,742	1,853	165	9.8	3,595	201	5.9	—
Others	¥mln	200	196	223	250	92	74	85	77	329	83	84	10	13.8	167	1	0.7	—
Cardiac Rhythm Management TTL	¥mln	7,247	5,862	11,866	13,248	3,320	3,257	3,395	3,004	12,977	3,094	3,199	-57	-1.8	6,293	-283	-4.3	—
EP Catheter	¥mln	15,354	17,028	17,915	17,314	4,502	4,471	4,915	4,522	18,412	4,967	4,813	342	7.7	9,780	806	9.0	—
ABL Catheter	¥mln	1,161	1,369	1,421	1,047	273	283	375	299	1,232	321	174	-108	-38.4	496	-60	-10.9	—
Others	¥mln	3,848	4,662	5,358	5,501	1,435	1,366	1,406	1,247	5,455	1,374	1,360	-5	-0.4	2,735	-66	-2.4	—
EP/Ablation TTL	¥mln	20,364	23,060	24,696	23,863	6,211	6,120	6,697	6,070	25,099	6,662	6,349	228	3.7	13,012	679	5.5	—
Artificial Heart Valve	¥mln	1,742	1,448	259	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vascular Graft	¥mln	8,482	9,133	8,879	9,039	2,150	2,072	2,672	2,475	9,370	2,499	2,338	265	12.8	4,837	614	14.6	—
Blood Purification	¥mln	1,131	1,070	994	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Others	¥mln	106	77	32	929	39	146	78	21	286	36	48	-97	-66.7	85	-101	-54.3	—
Cardiovascular Surgery TTL	¥mln	11,464	11,730	10,166	9,969	2,190	2,219	2,751	2,497	9,657	2,535	2,387	168	7.6	4,922	513	11.6	—
Gastrointestinal	¥mln	28	107	132	247	87	99	124	136	448	134	150	51	51.2	285	98	52.3	—
PI	¥mln	3,193	4,765	4,900	3,957	802	820	911	750	3,285	541	433	-387	-47.2	974	-648	-40.0	—
Gastrointestinal/PI*1 TTL	¥mln	3,221	4,872	5,032	4,204	890	920	1,035	887	3,733	676	583	-336	-36.6	1,260	-550	-30.4	—
Consolidated Net Sales	¥mln	42,298	45,525	51,761	51,286	12,612	12,518	13,879	12,459	51,469	12,969	12,519	1	0.0	25,489	358	1.4	—

\*1 The name was changed from "Transvascular Intervention" to "Gastrointestinal/PI" since 1Q FYE March 2023



# 5. Our Research/development/manufacturing system

✓ Four domestic sites and two overseas sites

R&D

**R&D Department** (Toda, Saitama)

Medical Technology Park North Square



Since Apr. 2018

Mother Factory

**Toda Factory** (Toda, Saitama)

Medical Technology Park South Square



Since Jan. 2012

Mass Production/  
Sterilization

**Oyama Factory** (Oyama, Tochigi)



Since Oct. 2014

R&D, Production  
(vascular graft)

**Ichihara Factory** (Ichihara, Chiba)



Since Jan. 2011

Overseas Factory

**Shenzhen Factory**

JLL Shenzhen (Shenzhen, China)



Since Oct. 2010

Overseas Factory

**Malaysia Factory**

JLL Malaysia (Penang, Malaysia)



Since Jun. 2020

## 6. Corporate Info

Company Name	Japan Lifeline Co., Ltd.
Chief Representative	President and CEO Keisuke Suzuki
Headquarters	Tennoz Ocean Square, 2-2-20, Higashishinagawa, Shinagawa-ku, Tokyo Japan
Established	February 6, 1981
Exchange	Tokyo Stock Exchange, Prime Market
Security Code	7575
Business Lines	Manufacture, marketing and export of medical devices; import and distribution of medical devices
Paid-in Capital	¥2,115 million
Fiscal Year	March 31
Number of Employees	1,205 (consolidated), 981 (non-consolidated) as of Sep 30, 2022
Locations	48 sales offices , Haneda Logistics Center, Kansai Logistics Center, Research & Developmet Department , Toda Factory, Oyama Factory, Ichihara Factory, Tennoz Accademia (Education Center) as of Sep 30, 2022
Consolidated Subsidiaries	Synexmed (Hong Kong) Limited, JLL Shenzhen Co., Ltd., JLL Malaysia Sdn. Bhd.



## 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:**

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E-Mail:ir@jll.co.jp  
URL:<https://www.jll.co.jp>