



MEMBERSHIP

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To whom it may concern,

Company: Japan Lifeline Co., Ltd.
 Representative: Keisuke Suzuki, President and CEO
 (Code: 7575 TSE Prime Market)
 Contact person: Takeyoshi Egawa, Vice President
 Business Administration Department
 (TEL. +81-3-6711-5200)

Japan Lifeline Revises Earnings Forecast and Dividend Forecast

Japan Lifeline Co., Ltd. (“Japan Lifeline” or “the Company”) has scrutinized its recent business trend and revised its earnings forecast and dividend forecast for the fiscal year ending March 31, 2024, which the Company announced on May 10, 2023, as follows.

1. Revision of earnings forecast

A) Consolidated earnings forecast

Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

	Net Sales	Operating Profit	Ordinary Profit	Quarterly Net Profit Attributable to Owners of Parent	Net Profit Per Share
Previous Forecast (A) (Announced on May 10, 2023)	Millions of yen 48,807	Millions of yen 9,763	Millions of yen 9,531	Millions of yen 6,854	Yen 89.13
Revised Forecast (B)	50,680	10,945	10,844	7,902	103.81
Change (B-A)	1,872	1,181	1,312	1,047	—
Change%	3.8	12.1	13.8	15.3	—
(Ref.) Previous year's result (FYE March 2023)	51,570	10,837	10,905	6,891	88.22

B) Non-consolidated earnings forecast

Non-consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

	Net Sales	Operating Profit	Ordinary Profit	Net Profit	Net Profit Per Share
Previous Forecast (A) (Announced on May 10, 2023)	Millions of yen 48,807	Millions of yen 9,807	Millions of yen 9,571	Millions of yen 6,894	Yen 89.66
Revised Forecast (B)	50,680	10,890	10,782	7,640	100.38
Change (B-A)	1,872	1,083	1,210	746	—
Change%	3.8	11.0	12.6	10.8	—
(Ref.) Previous year's result (FYE March 2023)	51,710	10,618	10,682	6,488	83.06

2. Reason for Revision of Earnings Forecast

During the first half of the fiscal year ending March 31, 2024 (from April 1, 2023, to September 30, 2023), the Company's business environment improved more than it had expected as the impact of the new coronavirus started to fade. As a result, sales of EP/ablation and neurovascular products went better than expected, and the total sales exceeded its initial forecast (announced on May 10, 2023) by 5.2%. In addition, due to changes in the cutover timing of the new core system and other factors, the selling and general administrative expenses were 1.7% lower than its initial forecast. This led the operating profit to exceed its initial forecast by 21.8%, the ordinary profit by 25.0%, and the quarterly net profit attributable to the owners of parent by 24.7%.

After carefully examining the performance for the second half of the fiscal year (from October 1, 2023, to March 31, 2024), the Company expects sales to remain strong, mainly in EP/ablation and Cardiovascular products. Furthermore, the sale of a new product (VASCADE MVP, a hemostasis device for the femoral vein) that it did not initially plan to launch in this current fiscal year will start from the third quarter. Therefore, the Company expects the annual sales to exceed its initial forecast by 3.8%. Also, as the execution of expenses delayed in the first half will progress in the second half, it expects the selling and general administrative expenses for the full-year to be almost the same as its initial forecast. Based on these factors, the Company has revised its full-year earnings forecast upwards for sales and each stage of profit.

Please note that the above earnings forecast is based on information available as of the announcement date. Actual performance may vary from the forecasted figures due to various factors in the future.

3. Revision of Dividend Forecast

	Dividend Per Share		
	End of Second Quarter	Year-End	Total
Previous Forecast (Announced on May 10, 2023)		Yen 38.00	Yen 38.00
Revised Forecast		Yen 42.00	Yen 42.00
Actual Results	Yen 0.00		
(Ref.) Previous Year's Result (FYE March 2023)	Yen 0.00	Yen 38.00	Yen 38.00

4. Reason for Revision of Dividend Forecast

The Company announced on May 10, 2023, that it would significantly increase shareholder returns as part of its efforts to strengthen management with a focus on capital efficiency. This is part of the Company's medium-term management plan for the five years from the fiscal year ending March 2024 to the fiscal year ending March 2028. The Company's basic return policy is through dividends, and it has set a base dividend of 40% payout ratio or a 5% Dividend on Equity (DOE).

Based on this policy, the Company has reviewed its dividend forecast in line with the revision of its earnings forecast. As a result, the Company has revised the per-share dividend of 38 yen announced on May 10, 2023, to 42 yen per share (with a payout ratio of 40.5%).