Japan Lifeline

...for patient comfort.

FY2026
Medium-Term Strategy Update
(FY2024–FY2028)

Date of Release: May 7, 2026

Japan Lifeline Co., Ltd.

TSE Prime Market Ticker 7575

Business Environment

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- ✓ Global inflationary pressures are posing a risk of margin compression
- ✓ Rising demand from aging population vs. supply-side sustainability risks
- ✓ Evolving treatment trends: converting innovation into business opportunities

Category	Impact	Business Environment	Key Initiatives
Economy	Headwind	(−) Structural yen depreciation & inflation driven by macroeconomic factors **eroding margins** due to limited pricing power	• Raising wages while boosting efficiency • Advance global strategy (diversify domestic-only risk)
Society	Tailwind	(+) Underlying increase in elderly population	
		(±) Ongoing **shift** from surgery **to endovascular** treatments	• Strengthen endovascular product portfolio
		(−) **Strain on the medical supply system**	• Seek medical efficiency products
Technology	Balanced	(+) Advancements in regenerative medicine	• Collaboration with Heartseed
		(−) Shift toward PFA therapies: **impacting legacy product sales**	• Develop proprietary PFA-related products
Politics	Manageable	(+) **Smaller decline** in reimbursement price revision (Jun. 2026)	• Avoid price competition, improve products

Progress of Growth Strategy

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✓ Progress: Generally on track; with selective delays in SHD and GI

Business		Current Strategy	Progress (As of Mar. 2026)	Status*2
Existing TAs	EP/ABL	• Maintain niche-leading position	• Maintaining **95% share** in defibrillation catheters • Penetration of hemostatic device exceeded expectations	● **Exceeded**
		• Product improvements and pipeline development for PFA	• Launched **proprietary transseptal RF wire** (Mar. 2026) • Continuing to explore M&A opportunities	● On Plan
	CV	• Maintain niche-leading position	• Frozen Elephant Trunk maintaining **90% share**	● On Plan
		• Pursue "Total Portfolio Strategy"	• Preparing to introduce thoracic stent graft (procured)	● On Plan
New TAs	GI	• Launch unique proprietary products in biliary-pancreatic field leveraging in-house catheter technology	• Biliary stenting on track; withdrew from cholangioscopy amid intense competition from new Chinese entrants • Overall business missed initial sales targets	● Lagging
	NV	• Expand total portfolio in neurovascular treatment with procured products	• Launched products expanding steadily • **Flow diverter trial enrollment completed** (Mar. 2026)	● On Plan
	SHD*1	• Enter transcatheter heart valve treatment (TAVI) with procured products	• Reassessing the regulatory strategy; **significant launch delay expected**	● **Delayed**
Global		• Phase 1: Middle East & Asia	• Steadily developing countries & distributors	● On Plan
		• Phase 2: Preparation for US approval	• Building global QMS to meet FDA standards	● On Plan
OEM		• Apply in-house R&D/mfg to OEM	• Alliance with Heartseed (regenerative medicine) underway • **OEM mfg transfer** to Malaysia factory underway	● On Plan

*1 Structural heart disease *2 Status: ● Exceeded (Ahead of plan) | ● On Plan (As expected) | ● Lagging (Below plan) | ● Delayed (Major delay)

Progress/Outlook of Financial KPIs (Sales & OP)

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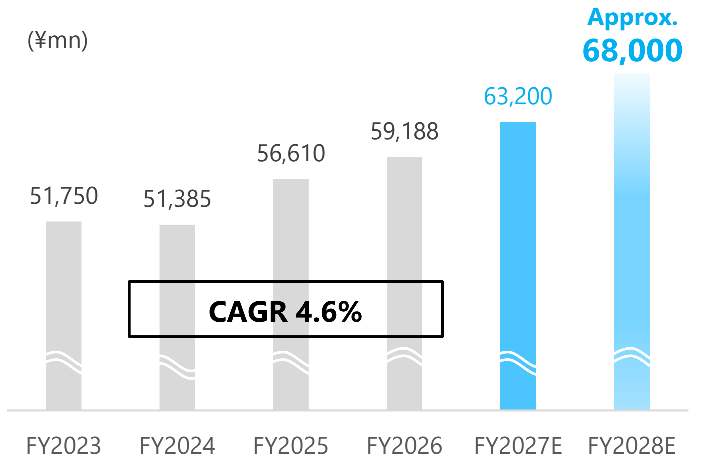
✓ Sales mostly on track. OP expected to bottom out in FY2027 and turn upward

Net Sales

Target for FY2028: ¥70bn
Currently tracking slightly below plan



Review

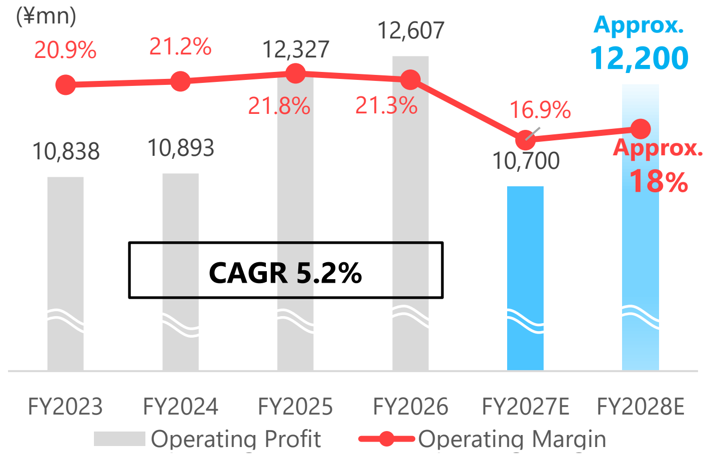
- Achieved solid growth with 4.6% CAGR up to Year 3 of Mid-Term Plan
- Driven by EP/Ablation and Neurovascular

Outlook

- Expect 6.8% YoY sales growth in FY2027
- **FY2028 ¥70bn target remains intact despite TAVI-related launch delays**; **partially offset by projected growth in proprietary RF wire sales in EP/Ablation**

Operating Profit

Target for FY2028: Approx. 20%
Currently tracking below plan



Review

- Achieved 5.2% CAGR up to Year 3 of Mid-Term Plan
  --> Gross margin improved due to growth of highly profitable proprietary products

Outlook

- FY2027: Margin compression due to growth investments, non-recurring HQ relocation costs, and persistent inflation
- FY2028: Earnings recovery driven by **top-line growth and normalization of cost structure** (post-relocation).

Progress/Outlook of Financial KPIs (EPS & ROIC)

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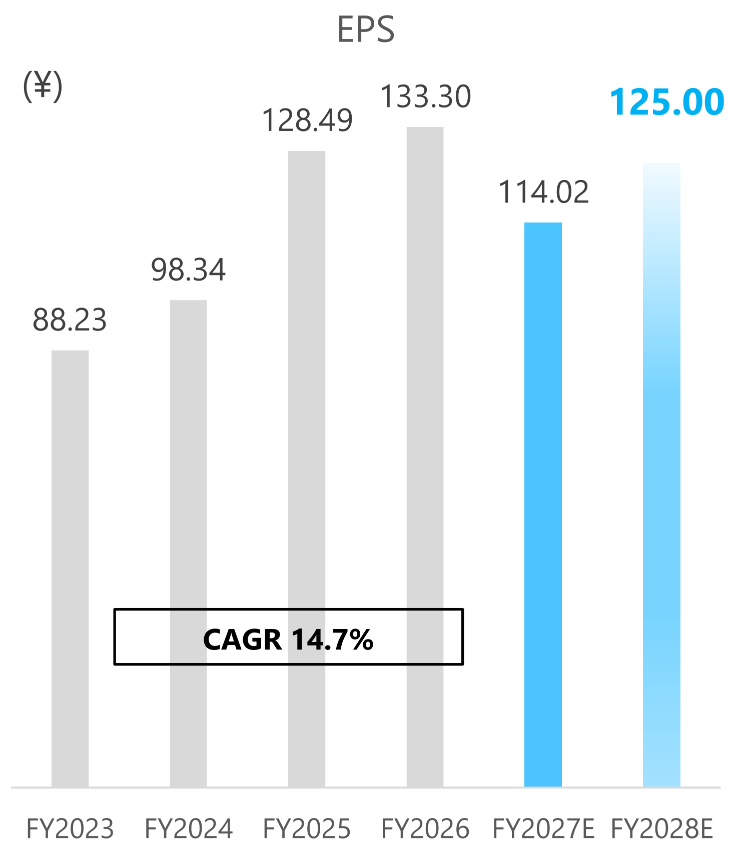
✓ EPS and ROIC tracking below FY2028 targets due to margin compression

✓ Prioritizing **inventory optimization** to enhance capital efficiency

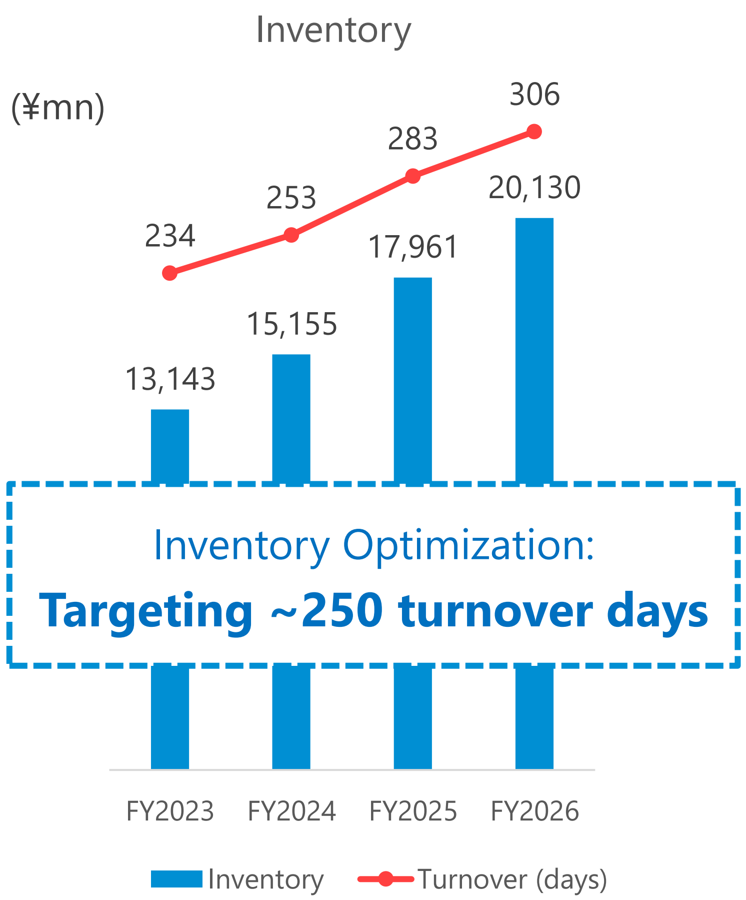


Target for FY2028: ¥145

Currently tracking below plan

Target for FY2028: 13%

Currently tracking below plan



Capital Allocation

Republished from FY2025 financial results presentation with updates on changes and progress

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✓ Prioritizing operating CF for growth; open to borrowing for strategic opportunities

Cash Allocation Policy (FY2026 - FY2028)

Cash In

Operating CF
~~Approx. ¥30bn~~
¥27.0bn
FY2026: ¥8.1bn

Strategic debt as required [Updated]

Cash Out

Shareholder Returns
~~¥12.0-15.0 billion~~
¥11.5–13.5bn
Total dividends for FY25-27 approx. ¥11.5bn*1

Base Dividend
Payout ratio 40% / DOE 5% (whichever is higher)

+

Additional
Dividends or share buybacks (depending on the situation)

CapEx
~~~¥6.0bn~~
~¥9.0bn
FY2026: ¥1.9bn

- Regular updates: ¥2.0bn+/year
- HQ relocation-related (FY2027: ¥2.5bn) [Updated]

Growth Investments
¥7.0-12.0bn
FY2026: ¥0.5bn

- M&A investment quota: **¥5.0–10.0bn**
  --> Excess cash*2 to be allocated to shareholder returns if no M&A opportunities arise [Updated]
- Investment quota for overseas startups: approx. ¥1.0bn
- Expansion of global mfg capacity: approx. ¥1.0bn

Growth Investments
(SG&A / Inventory)

- R&D investment: approx. 8-10% of proprietary product sales
  Initial inventory of new products [Updated]

*1 Dividend payments for each period are cash outflows in the following period *2 Excess cash is defined as cash on hand exceeding ¥10.0bn, with ~¥3.0bn retained as a buffer for M&A and operational needs. Amounts beyond this buffer will be actively considered for shareholder returns.
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Valuation Challenge

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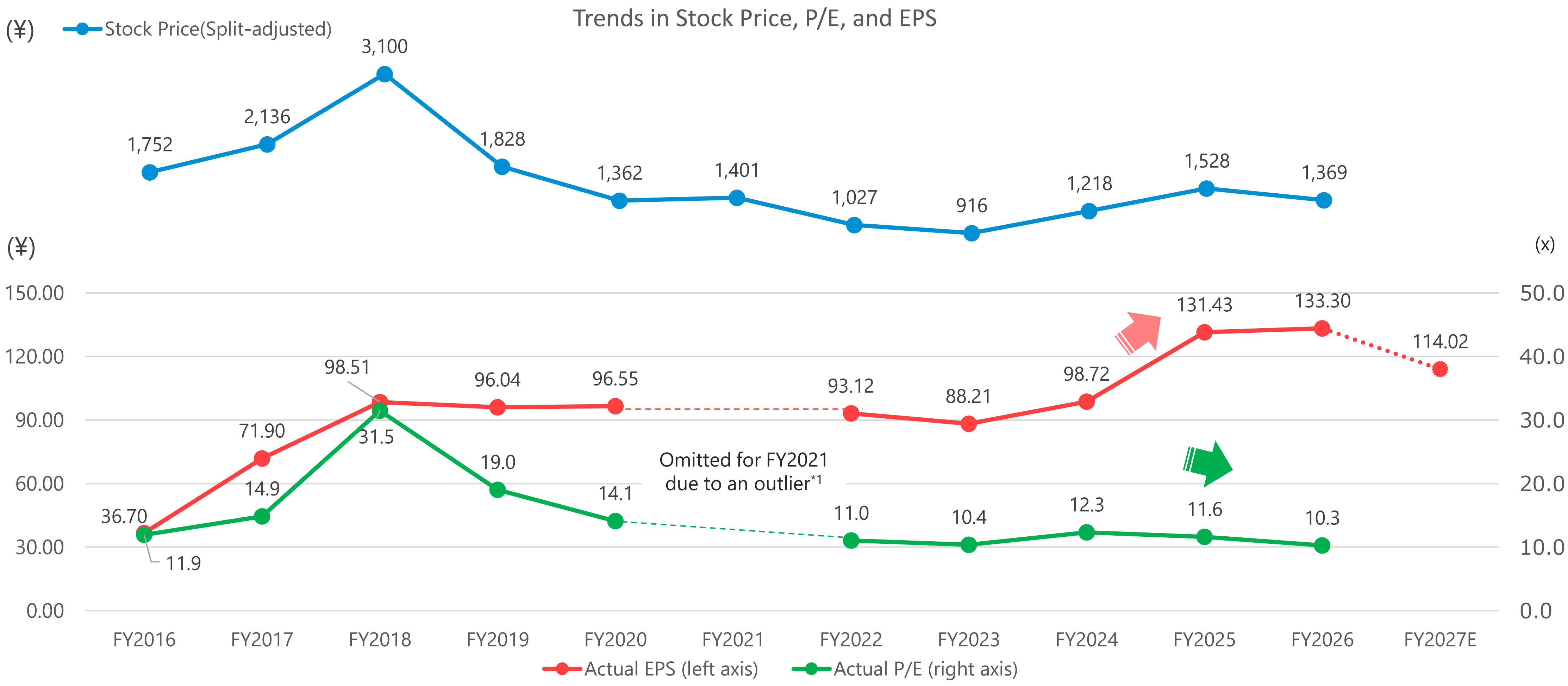
✓ P/E sustained in the low 10x range since FY2022. Our focus is to **catalyze mid-to-long-term growth expectations** and achieve a **re-rating** through our global transformation



*1 FY2021 P/E and EPS impacted by non-recurring extraordinary losses. (P/E: 56.2x, EPS: ¥24.90)

Driving Premium Valuation

Republished from FY2025 financial results presentation with some text and figures updated

Japan Lifeline

✓ Bridging the valuation gap to "**Global MedTech**" Standards

	Current (As of Mar. 31, 2026) Stock price ¥1,369	Medium Term Thru FY2028	Long-Term
Market Valuation	Market valuation does not yet reflect mid/long-term growth potential	Advancing toward global MedTech player position	**Global MedTech**
P/E	10x range	Targeting 15–18x	Targeting **>20x**
P/B	Approx. 1.5x	Targeting 2–3x	Targeting **>3x**

Average P/E 24.3x P/B 2.9x
(Peer group of 10 globalized domestic MedTechs, as of Apr. 2026) *1

To drive shareholder value…

- ✓ **Executing MLT strategy**
  - Sustainable EPS growth
- ✓ **Strengthening IR activities**
  - Achieving target P/E
  - Enhancing share liquidity

	2025	Target
Ave. daily trading volume	¥260mn	**>¥300mn**

- ✓ **Leveraging performance-based incentives & governance**

*1 10 companies: HOYA, Terumo, Fujifilm, Olympus, Sysmex, Shimadzu, Asahi Intecc, Nihon Kohden, Nipro, Mani

Disclaimer

Forecasts and forward-looking statements herein are based on currently available information and reasonable assumptions; they do not constitute a guarantee of future performance. In particular, predictions regarding new product introductions, clinical trials, regulatory approvals, and launch timing involve significant uncertainties. Actual results may differ materially due to factors such as market changes and regulatory trends. Information on unapproved products is included but not intended for promotional or medical advice purposes.

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