

January 20, 2011

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## Notice of Basic Agreement with Boston Scientific Japan on Domestic Distribution Agreement for Pacemakers and Other Products

Fukuda Denshi hereby announces that it has reached a basic agreement with Boston Scientific Japan K.K. ("Boston Scientific Japan") on a domestic distribution agreement for pacemakers and other products.

1. Purpose of Domestic Distribution Agreement

Since its establishment Fukuda Denshi has had a philosophy of contributing to medical progress through the development of medical electronic equipment to fulfill our social mission. We have greatly contributed to the advancement of people's health through the production and sales of a wide range of medical equipment centering on cardiovascular and respiratory systems.

As a result of this distribution agreement Fukuda Denshi will have a stronger product lineup in the area of arrhythmia treatment. Utilizing our track record of handling pacemakers for 36 years, which dates back to September 1975, we will seek to further improve performance through synergies with the other products we handle.

Through Fukuda Denshi's sales network, Boston Scientific Japan will seek to increase market share in Japan for Boston Scientific Corporation ("Boston Scientific Corp.") products.

2. Outline of Domestic Distribution Agreement and Handling Start Date

Fukuda Denshi will purchase Boston Scientific Corp. pacemakers, implantable cardiac defibrillators (ICD), implantable cardiac defibrillators with biventricular pacing functionality (CRT-D) and other products through Boston Scientific Japan and sell them in Japan.

Fukuda Denshi will begin handling the products by the end of the current fiscal year (March 31, 2011).

3. Overview of Business Partner
Company name: Boston Scientific Japan K.K.
Main business: Import and sale of medical equipment, medical information provision services, etc.
Established: July 1993
Head office: Nikko Bldg., 1-14-11 Nishishinjuku, Shinjuku-ku, Tokyo
President: Maulik Nanavaty
Paid-in capital: ¥650 million
Relationship with Fukuda Denshi: No business, capital or personnel relationships as of the present.

## 4. Future Outlook

We will continue carefully handling information on patients who have implanted products at medical institutions through Fukuda Denshi and will bear responsibility for handling any reminders or problems, etc. that may arise with products in use, not only for Boston Scientific Corp. products that we will handle going forward but also for St. Jude products that we handle as of the present. We will also continue to provide follow-up support for patients.

Fukuda Denshi will continue to sell St. Jude products that we have in stock. (Please contact our customer representative for detailed information.)

As a manufacturer and distributor of medical equipment, we will continue to work to contribute to the field of medicine by providing equipment and devices, starting with high-quality Fukuda Denshi products made in Japan. As of the present the impact on financial performance in fiscal 2011 and thereafter is expected to be negligible.