

Adapting to a New Healthcare Era: Disease-oriented Approaches

Terumo Corporation

President and CEO

Shinjiro Sato

November 7, 2019

Key Initiatives towards Sustainable Growth

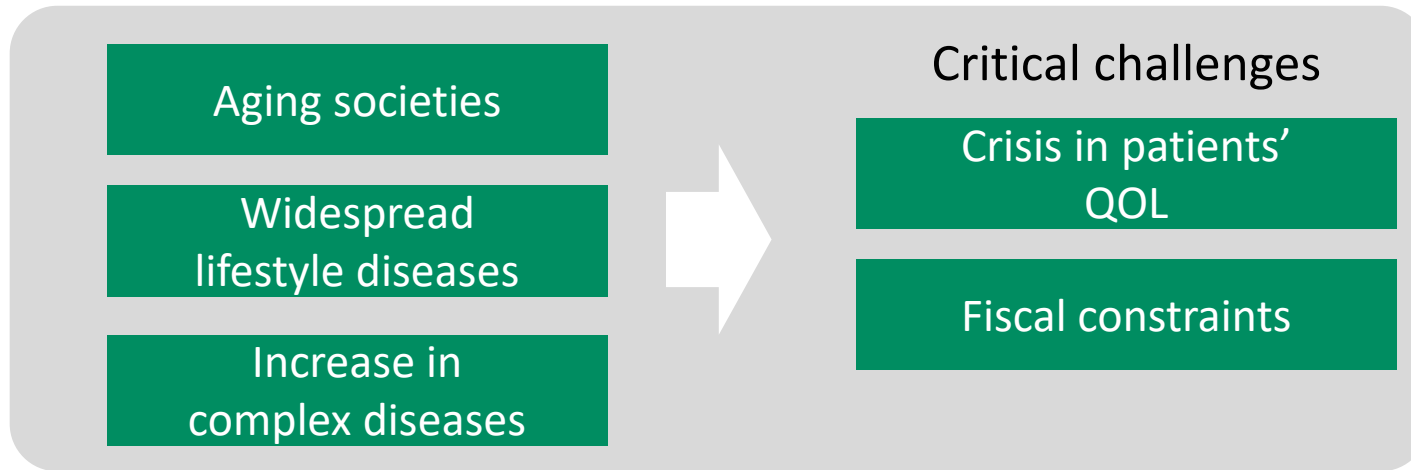
Strengthen Global Operations

Accelerate Strategic Development

Leverage Group's Comprehensive Strength

Ref: "Initiatives towards Sustainable Growth" November 9, 2017

Paradigm Shift in Healthcare



Medical care system needs a change to resolve the challenges.
Technological advancements (e.g. digitalization) will enable and accelerate the change

Up to now

Going forward

Where medical care happens

Hospital, clinics

+ Home and community care facilities

Medical care objectives

Acute

+ Management from health to long-term diseases

Basis for pricing

Input

+ Outcome

What is “Disease-oriented Approach” for Terumo?

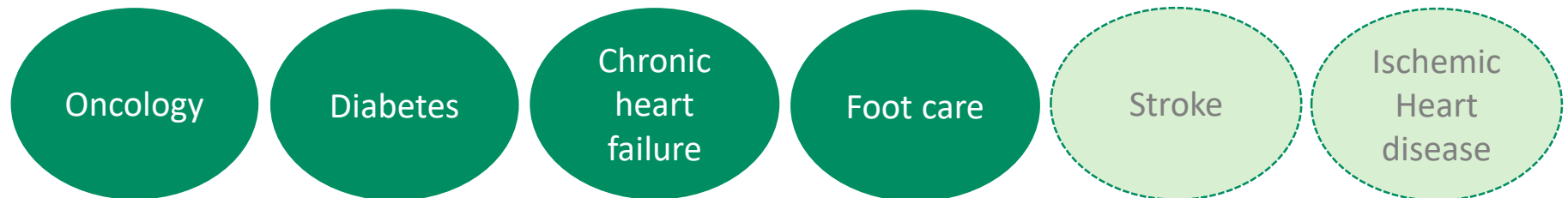
1. Find the challenges in the entire pathway from prevention to prognosis, not just in pinpoint such as diagnosis or therapy



2. Deliver the best value from diversified solutions, without being restricted by product-oriented approach



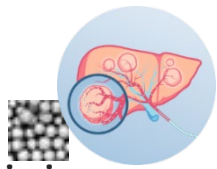
3. Targeting disease with significant social impact because of the aging of society



Deliver Diversified and Cross-divisional Solutions

- Product lineup to improve total QOL from treatment to recovery
- Current business scale: **Over 40 B JPY**

Treatment



Minimize surgery burden

Embolization, drug/bio absorbable/radioactive beads



Select optimal treatment

Spectra Optia



Safely administer anticancer drugs

Chemosafe

Treatment aid



Reduce postoperative complications

AdSpray



Reduce postoperative pain

Acelio, Fentanyl



Receive outpatient treatment

CV port

Care



Reduce cancer-related pain

Methapain



Get solid nourishment

UpLead, UpLead Mini

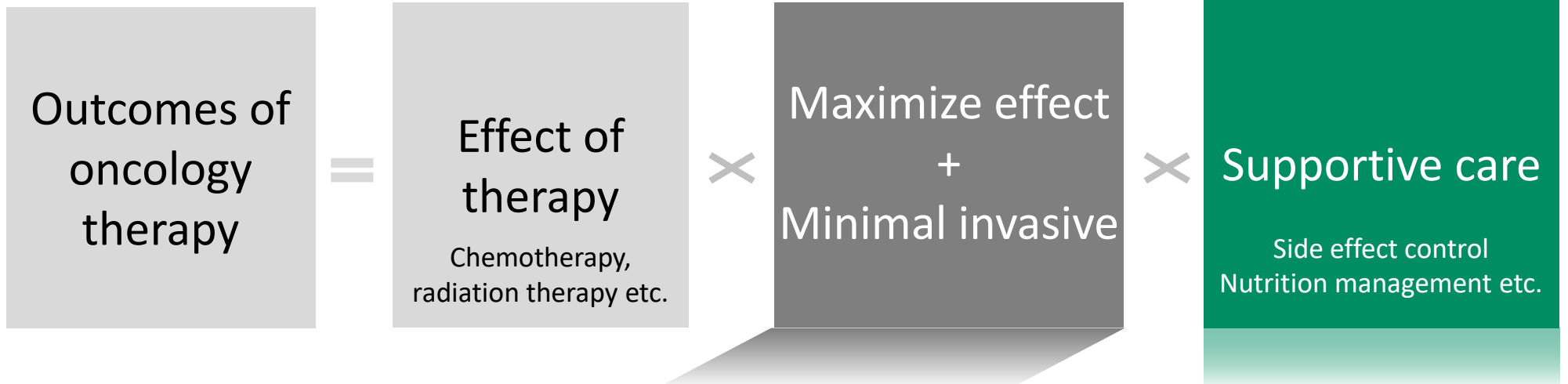


Reduce swelling

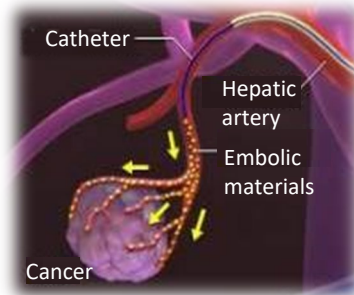
Jobst

Unique Solutions to Maximize Therapy Outcomes

- Minimize treatment burden by less invasive localized access → Interventional oncology
- The importance of supportive care is increasing → Anticancer drug administration, pain management, adhesion barrier etc.



Localized access by catheters (Interventional oncology)



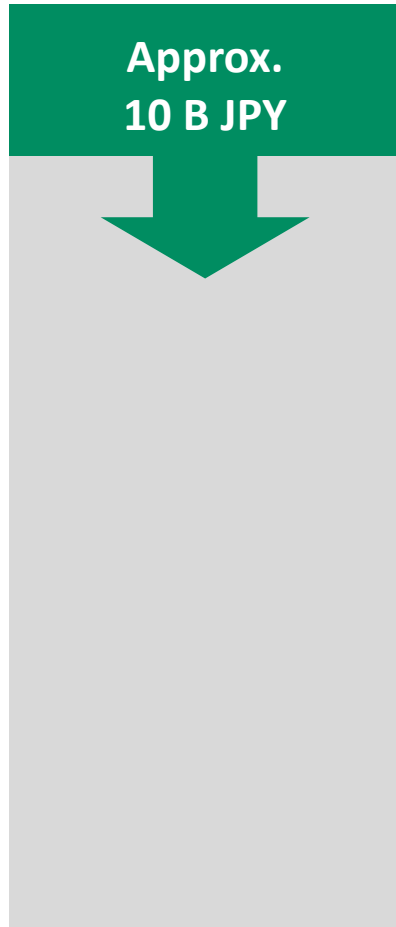
Products across companies



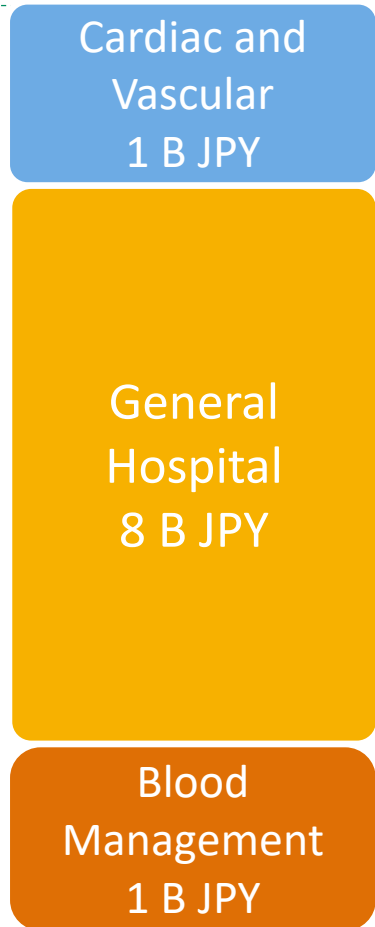
Already Being a Main Player for Supportive Care in JP

Meet broader needs in supportive care by diversified product portfolio and further enhance our presence

Japan supportive care market



Terumo business scale



CV port



Pain management



Chemosafe



Compression therapy



UpLead



AdSpray



Spectra Optia



Increasing needs for minimally invasive, localized chemotherapy and radiation therapy

Maximize effect by
localized administration

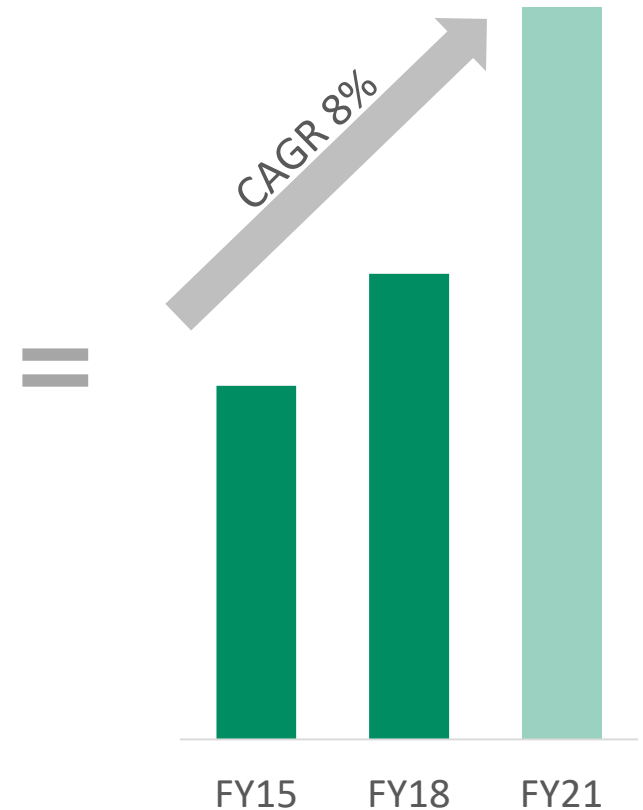
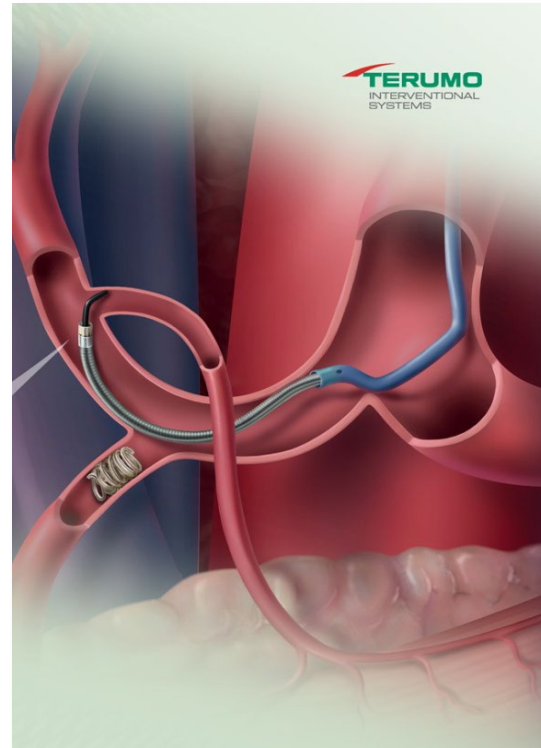
Advanced
(Therapeutic)



Platform
(Access)

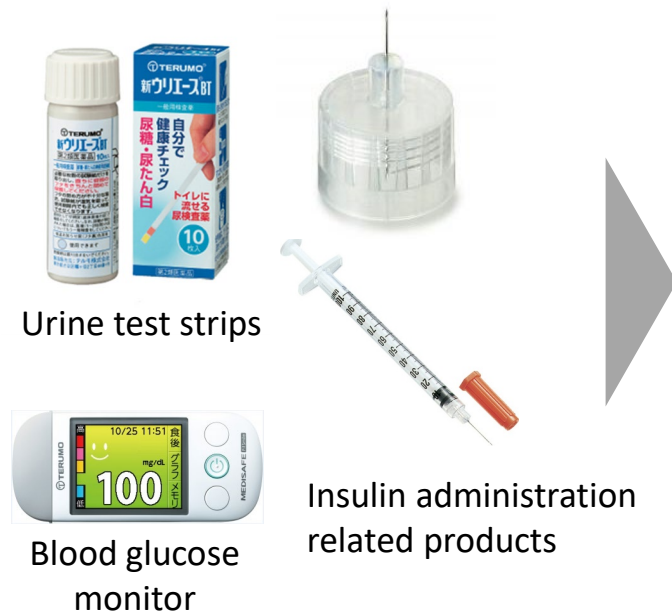


Minimize treatment
burden by TRI



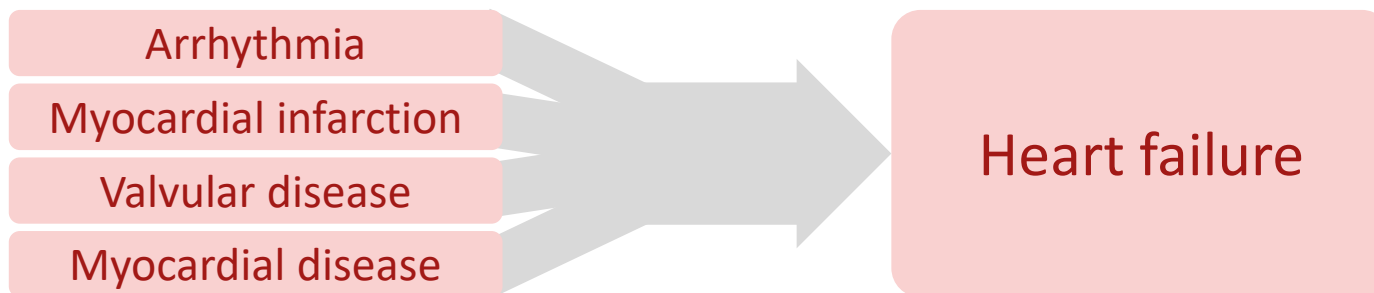
Add Advanced Products to Create Total Solutions

- Commit to the entire field by adding advanced technologies to existing **20 B JPY** business
- Leverage No. 1 monitor market share to expand business toward treatment, prognosis and data-management

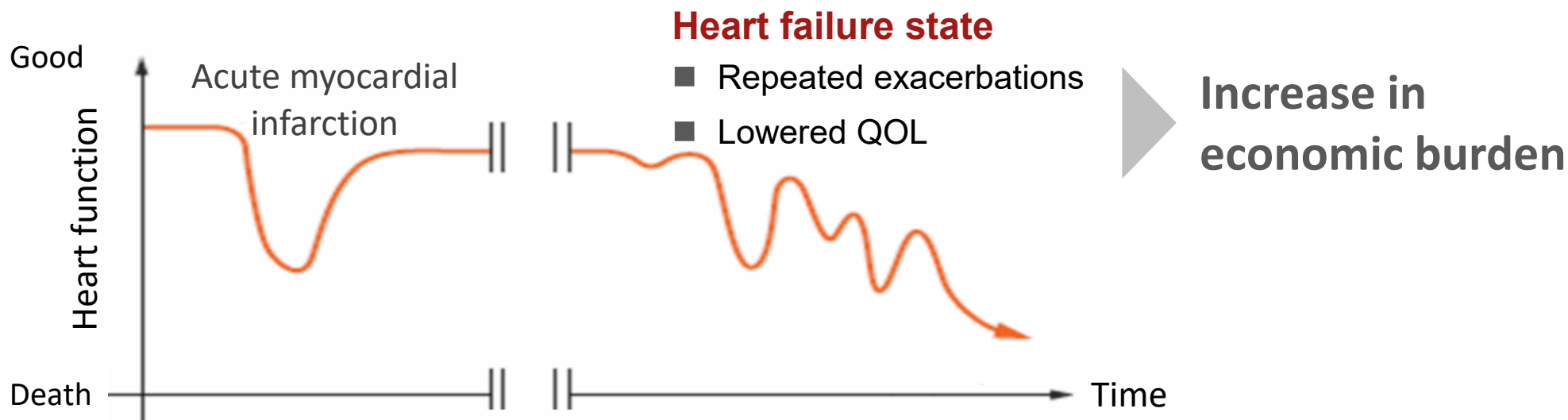


CHF is An Urgent Social Challenge

- Chronic heart failure is a terminal heart disease



- Patients suffer from repeated exacerbation



“Heart failure pandemic” with malfunction of healthcare system led by more patients, larger healthcare expenditures, lack of hospital beds, might occur

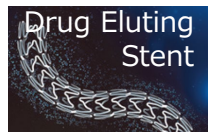
Unique Portfolio Comprehensively Covers Heart Disease

Take care of the entire patient journey across heart disease by adding monitoring and data linkage to the business area of PCI, CABG and skeletal myoblast sheets etc.

Preliminary organic failure

Chronic heart failure exacerbation

Interventional approach



Guidewire

Closure Device

Surgical approach

Heart-Lung Machine

Oxygenator



Percutaneous Cardiopulmonary Support System

Early diagnosis



Monitor to detect exacerbations

Early treatment

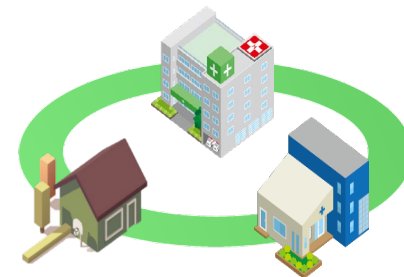
Skeletal myoblast cellular base



HeartSheet

iPS cell base

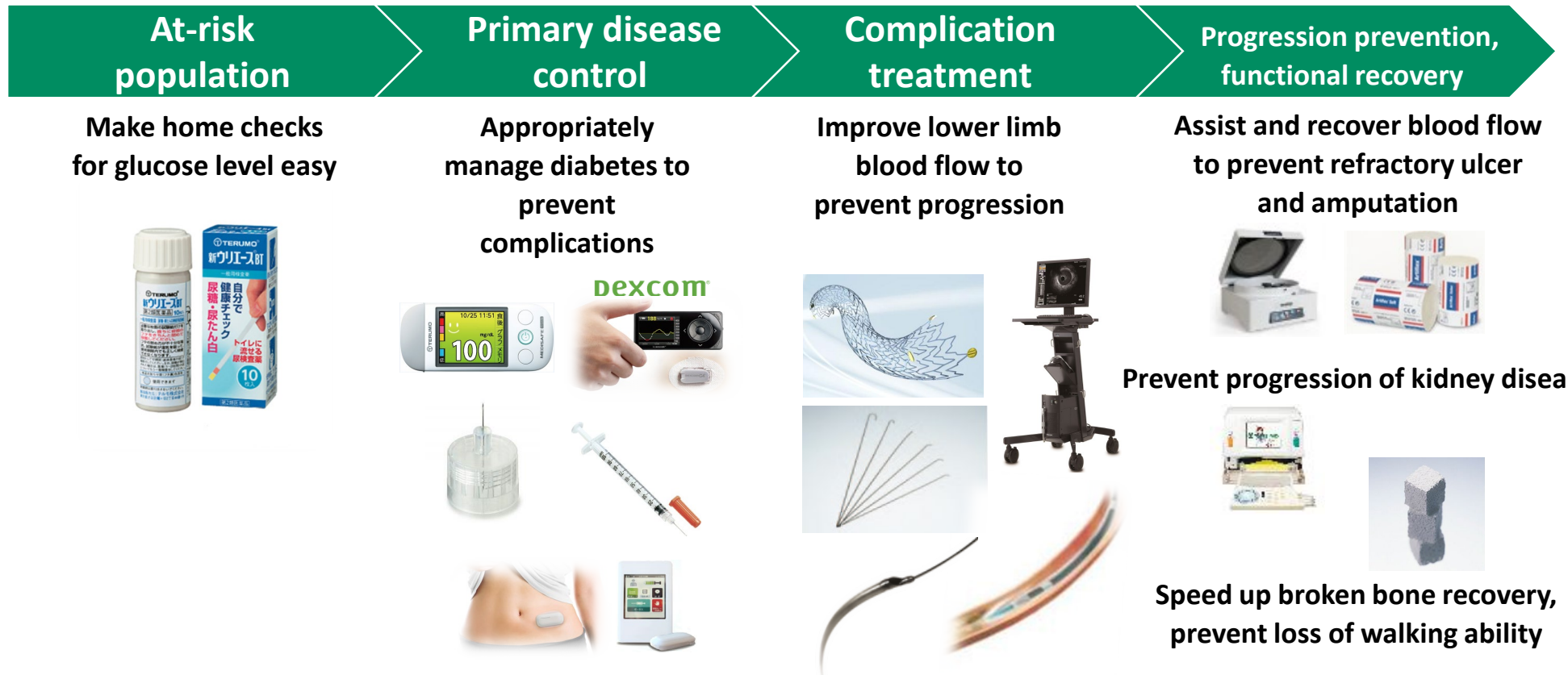
Business development of iPS cell-derived cardiomyocyte sheet through investing in Cuorips Inc.



Platform to enhance network

Broad Portfolio Covering from Prevention of Primary Disease to Progression Prevention

- Keep “walking with one’s feet” is a key to extend healthy lifespan
- Provide gateway functionality to devided medical network in addition to early diagnosis/treatment of blood flow
- Diverse product lines worth **50 B JPY** in revenue are heavily involved



Prevent progression of kidney disease

Speed up broken bone recovery, prevent loss of walking ability

Create Optimal Solutions Through Adding New Capabilities

Current basic capabilities



Broad range of technology



Provider access



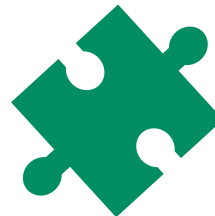
Education / training



Corporate culture



Domain expertise



Disease-oriented Approach

Insights, strategies

Required additional capabilities



Data



Analytics



Software



Networking

Conclusion

- In preparation for a new healthcare era, we urge ourselves to shift toward “disease-oriented” and “consumer/patient-oriented” strategy through strengthening our focus on disease, unfettered by “product-oriented” strategy
- This will result in unique Terumo solutions that fulfill the goals of “improving patient QOL” and “improving healthcare cost efficiency”, expanding our contribution in aging societies
- We will continue to enhance our digital capability through various means, including internal development and outside collaboration, so that we can provide solutions tailored to each individual in the near future

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The market share information in this presentation is partly derived from our own independent research.