

# Growth Strategy in Japan

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Terumo Corporation

President and CEO

Shinjiro Sato

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# Mid- to Long-term Growth Strategy Progressing Steadily

## Win in Selected Markets

Select growing segments and segments where Terumo owns a competitive advantage  
Interventional systems, neurovascular, alliance, therapeutic apheresis



- ✓ Launched Ultimaster Tansei in JP,EU, and Aisa
- ✓ Made an agreement on acquisition of Chinese DES company
- ✓ The WEB aneurysm embolization system supported by FDA committee
- ✓ Expanded investment in Terumo Yamaguchi D&D

## Offer Comprehensive Value in Japan

Leverage the leading position and pursue growth opportunities



- ✓ **Progress of Growth strategy in Japanese market**

## Accelerate Innovation

Contribute to future of healthcare with significant social impact  
Advance core technologies and gain new technologies



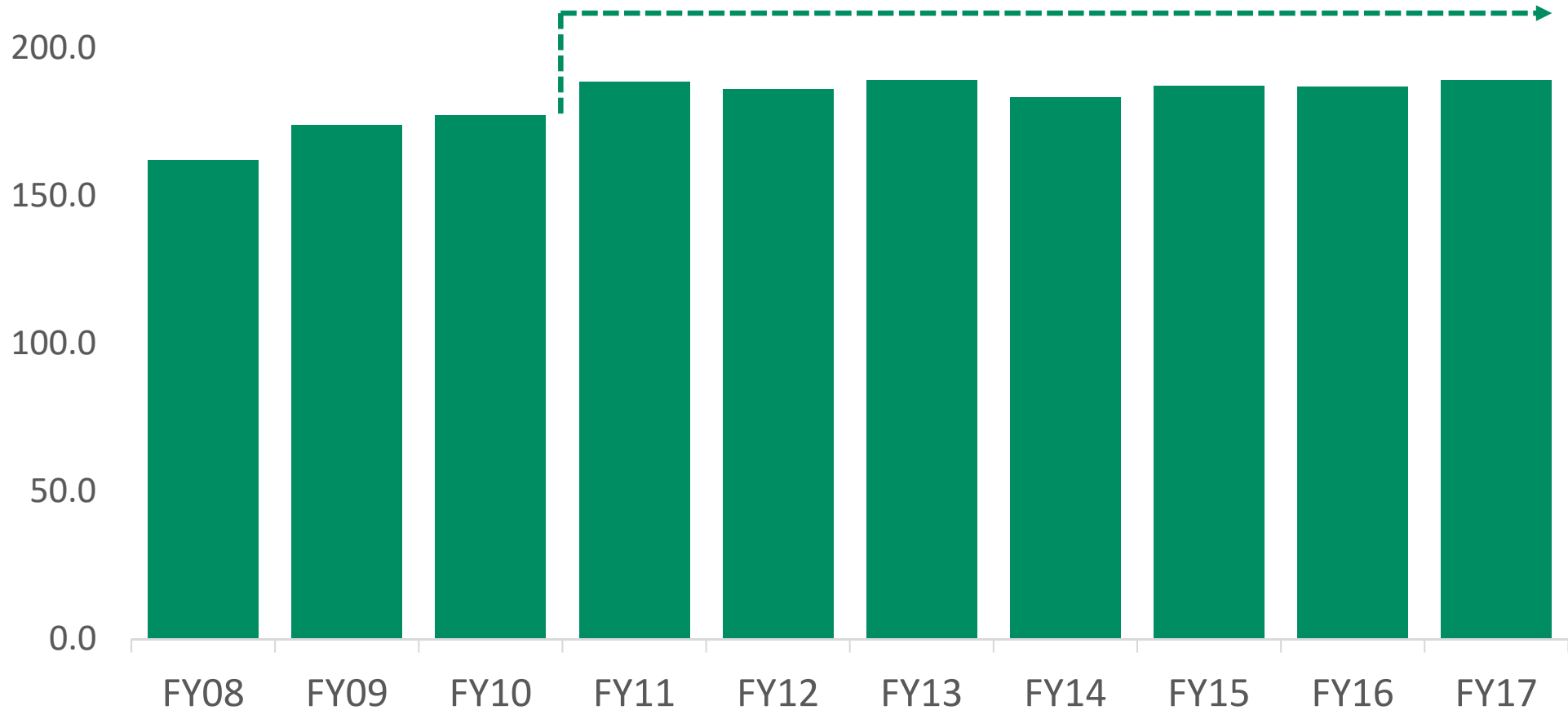
- ✓ Inaugurated WW Inovation Center in California, US
- ✓ Expanded early-stage R&D base at West Coast, US
- ✓ R&D for WEB, Kanshas and AdSpray
- ✓ Commenced R&D for remote monitoring systems specified for chronic heart failure

# Revenue Growth in Japan for The Past Ten Years

■ Nearly flat since FY2011

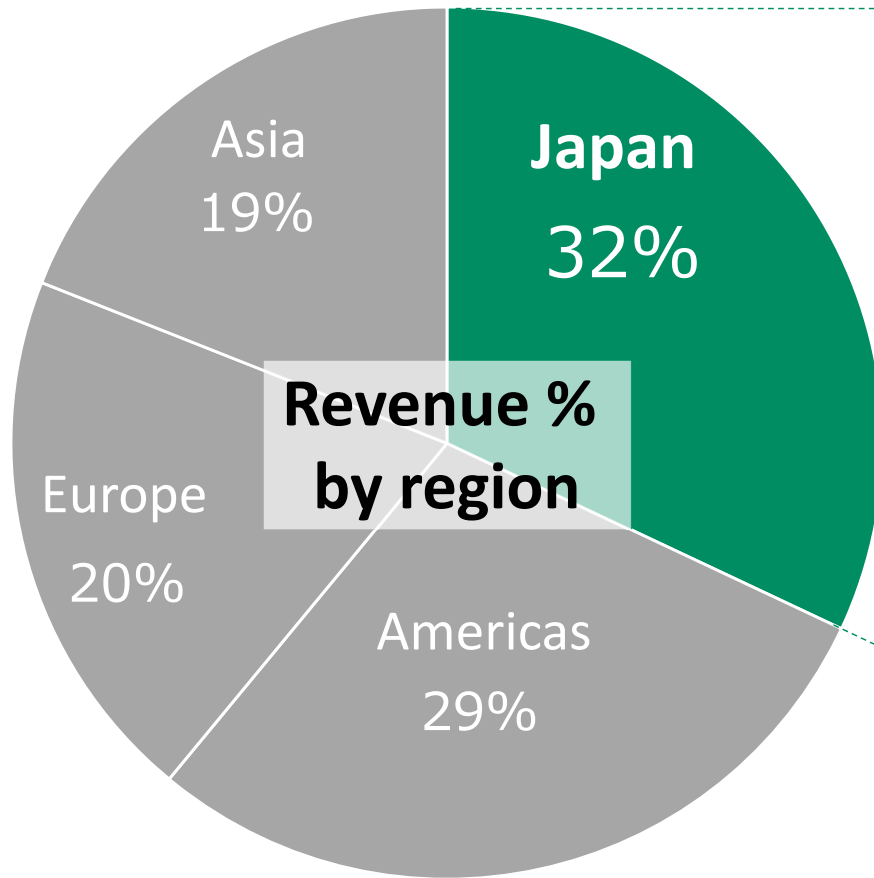
## Trend of Revenue in Japan (Terumo)

(billion yen)

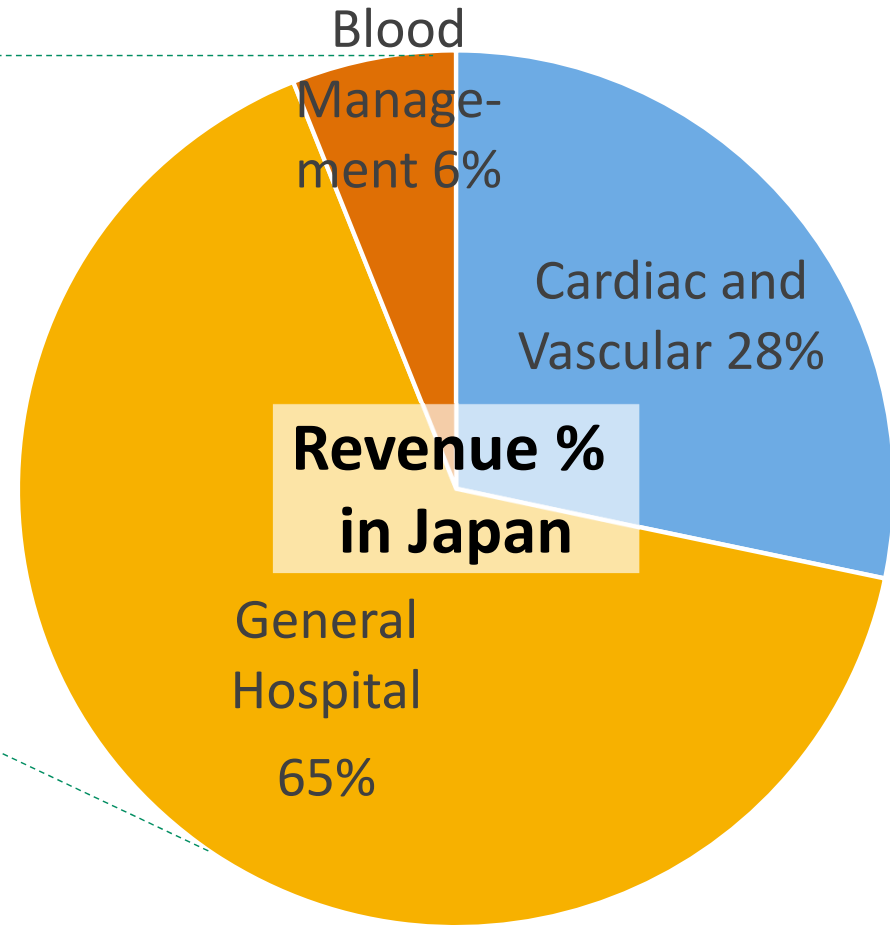


# Japan Is The Biggest Market for Terumo Where Its Business Is General Hospital Centric

FY17 Revenue by region

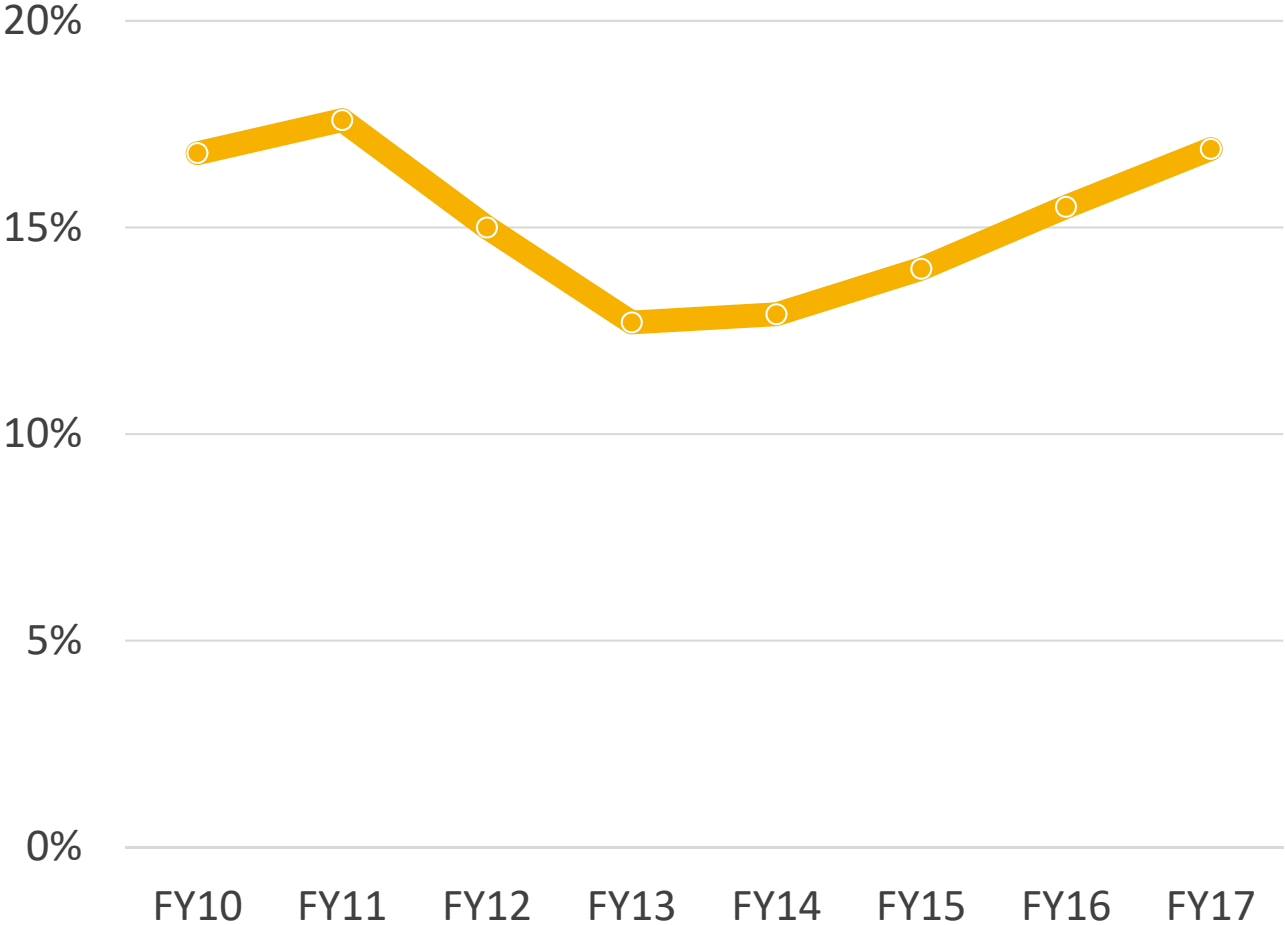


FY17 Revenue by business



# Profitability of General Hospital Has Recovered

## Adjusted operating margin for General Hospital Company



Great timing for the company to refocus on its growth in JP

# Deploy Large-scale Products in Each Business Arena

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- Utilize all assets incl. products, sales infrastructure, and corporate functions

Lead the industry with differentiated products

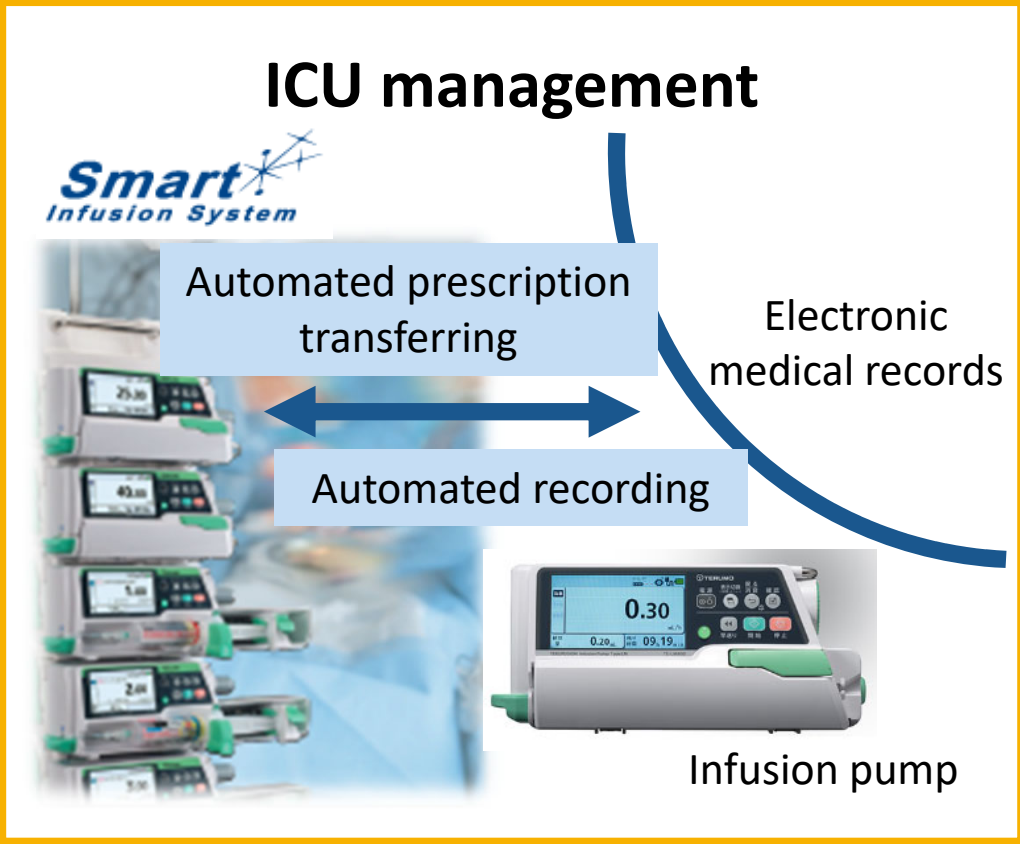
Provide solutions to new needs at the medical front

Introduce successful outcomes of acquisition as well as overseas R&Ds to Japan

Make full use of external technologies and B2B channel

# Utilize Digital Health in Intensive Care

- Sell Japan's only prescription-linked pump
  - Promote further medical safety and workflow efficiency through automated setup for administration



# Entry into Therapeutic Arena of Diabetes Management

Differentiated products

Solution to new needs

Lever OJP M&A and R&D

External techs and B2B

- Own lineups of three types of devices, SMBG, CGM, and insulin pump

## Continuous Glucose Monitoring (CGM)



Blood glucose alert function gives optimized control for glucose levels

## Insulin pump



**MEDISAFE WITH™**

Japan's first small-sized lightweight patch pump



# Provide Pharmaceutical Solutions

Differentiated products

Solution to new needs

Lever OJP M&A and R&D

External techs and B2B

## Pain management



Enhance product lineup by adding Fentanyl injection



Acelio I.V. solution is the only such product in Japan

Offer multimodal analgesia with combinations of different mechanisms of action

## Drug and Device



Design and manufacturing optimized for biologics

# Expand Therapeutic Devices for Intervention

Differentiated products

Solution to new needs

Lever OJP M&A and R&D

External techs and B2B

## Therapeutic devices for coronary intervention



Drug-eluting stent

丹誠

流麗

PTCA balloon



Upgraded delivery performance  
Made it approachable to complex lesions  
Utilize synergy w/ imaging devices

## Therapeutic devices for neurovascular intervention



SOFIA® Flow Plus

FRED™  
Flow Re-Direction Endoluminal Device

CASPER™  
Carotid Artery Stent ..... Prevent Embolic Release

Full lineup and entry into the rapidly growing ischemic stroke market

# Seek for Less Invasive Treatment in the Area of Surgery

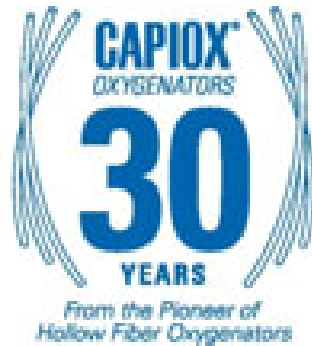
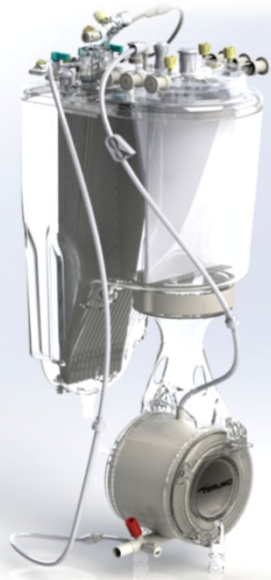
Differentiated products

Solution to new needs

Lever OJP M&A and R&D

External techs and B2B

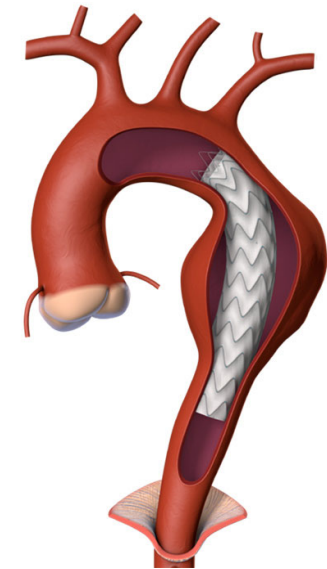
## Oxygenator



**CAPIOX NX**

**Reduced priming volume by 30%  
Adult oxygenator w/ world's lowest  
priming volume**

## Stent graft for thoracic aortic aneurysm



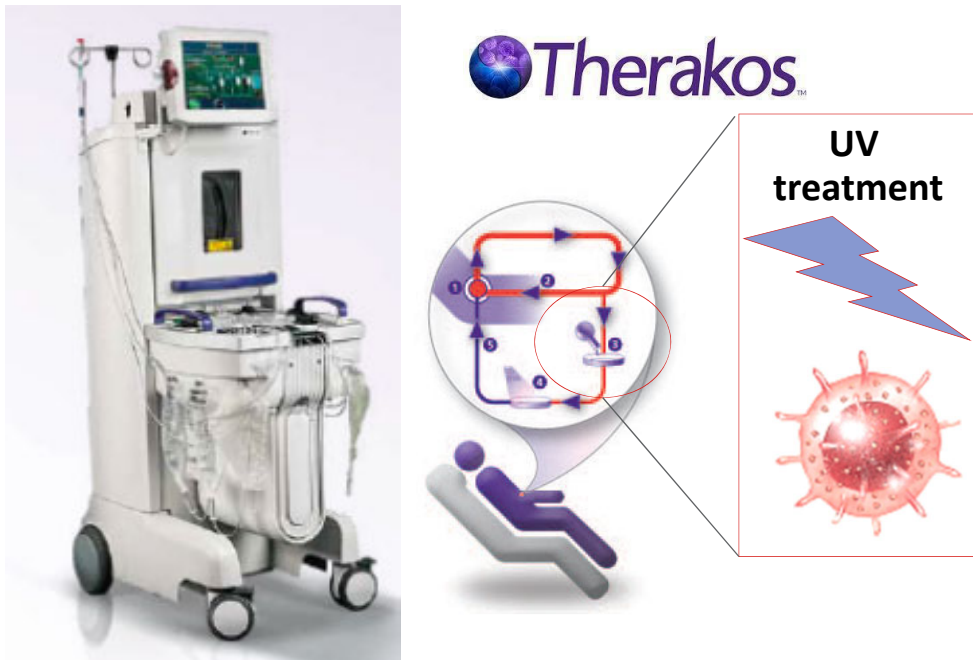
**RELAY<sup>®</sup>**

**Precise deployment w/ superior  
comformity to curved aorta**

# Expand from Blood Center Business to Therapeutic Apheresis and Cell Therapy

Differentiated products  
Solution to new needs  
Lever OJP M&A and R&D  
External techs and B2B

## Hematopoietic stem cell transplant



**Chronic GVHD\* side-effect solution**

**\*One of complications caused by organ transplant**

## Regenerative medicine systems



**Make the de facto standard of production technology in regenerative medicine and cell therapy**

# To Fully Utilize Overall Distinctive Strength in Japan

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- Strategically promote projects through “Scrum 2018”

1 Promote collaborative sales approaches across the businesses

2 Appeal for Terumo brand

3 Enhance corporate infrastructure (Regulatory affairs, etc.)



4 Commence disease-oriented approach (Cancer, Foot care, Chronic heart failure, etc.)

# IR Contact

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