Growth Strategy in Japan

Terumo Corporation
President and CEO
Shinjiro Sato

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Mid- to Long-term Growth Strategy Progressing Steadily

<table>
<thead>
<tr>
<th>Win in Selected Markets</th>
<th>Select growing segments and segments where Terumo owns a competitive advantage Interventional systems, neurovascular, alliance, therapeutic apheresis</th>
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<tbody>
<tr>
<td>Offer Comprehensive Value in Japan</td>
<td>Leverage the leading position and pursue growth opportunities</td>
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<tr>
<td>Accelerate Innovation</td>
<td>Contribute to future of healthcare with significant social impact Advance core technologies and gain new technologies</td>
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- 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

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

FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17
Japan is the biggest market for Terumo where its business is general hospital centric.

**FY17 Revenue by region**
- Japan: 32%
- Americas: 29%
- Europe: 20%
- Asia: 19%

**Revenue % by region**

**FY17 Revenue by business**
- General Hospital: 65%
- Cardiac and Vascular: 28%
- Blood Management: 6%

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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

- 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

**ICU management**
- Automated prescription transferring
- Electronic medical records
- Automated recording

**Anesthesia management**
- Syringe pump

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

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Entry into Therapeutic Arena of Diabetes Management

- 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**

- Japan's first small-sized lightweight patch pump
Provide Pharmaceutical Solutions

**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

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Expand Therapeutic Devices for Intervention

Therapeutic devices for coronary intervention

- Drug-eluting stent
- PTCA balloon

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

Therapeutic devices for neurovascular intervention

Full lineup and entry into the rapidly growing ischemic stroke market

Solution to new needs
Lever OJP M&A and R&D
External techs and B2B
Seek for Less Invasive Treatment in the Area of Surgery

Oxygenator

CAPIOX NX

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

Stent graft for thoracic aortic aneurysm

RELAY®
Precise deployment w/ superior conformity to curved aorta
Expand from Blood Center Business to Therapeutic Apheresis and Cell Therapy

**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

Differentiated products
Solution to new needs
Lever OJP M&A and R&D
External techs and B2B
To Fully Utilize Overall Distinctive Strength in Japan

- 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.)
Among the information that Terumo discloses, the forward-looking statements including financial projections are based upon our assumptions using information available to us at the time and are not intended to be guarantees of future events or performance. Accordingly, it should be noted that actual results may differ from those forecasts on projections due to various factors. Factors affecting to actual results include, but are not limited to, changes in economic conditions surrounding Terumo, fluctuations of foreign exchange rates, and state of competition.

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