








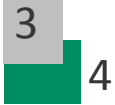




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Toshihiko Osada
General Manager,
Strategic Planning Department

Corporate
Strategy

Outlook: Medtech Industry

Global medtech market: Forecast to grow at a CAGR of 5-6% for the next 10 years, with market size of 60 trillion JPY

Environment changes	Market Size (Trillion Yen)	2016 2025	% to market at 2025	Expected Growth %
 <ul style="list-style-type: none"> Increase in demand, focus on efficiency 		40%	4.9%	
 <ul style="list-style-type: none"> Tighter regulation, intensified competition 		17%	4.7%	
 <ul style="list-style-type: none"> Aging population, fiscal constraints 		6%	3.2%	
 <ul style="list-style-type: none"> Healthcare as growth strategy for the economy 		8%	9.9%	
 <ul style="list-style-type: none"> Growth with tiers 		2%	9.1%	

Source: Espicom, IMF, Statistics of Production by Pharmaceutical Industry, Terumo analysis

Healthcare Reform

Environment Change



Healthcare Reform

Increased healthcare demand

- Aging society
- Chronic diseases

Financial pressure

- Control of healthcare expenditure, increased price pressure
- Emphasis on value and efficiency

Technological advancements

- Digital technology, new entrants from other industries
- Regenerative medicine and diagnostic technologies



Volume
to value

- Quantify value
- Improve efficiency in hospital management



Integrated
healthcare

- Align within and across hospitals
- Improve diagnostic and service efficacy

Turn to Industry Consolidation as a Growth Opportunity

Global Trend



Growth Opportunities

Concentrated, oligopolized
mega-markets

Mega-competitors focused on
therapeutic products bundling

Divestiture of business
through mega-mergers

**Greater opportunities in the
medium-scale segments**

**Provide comprehensive
treatment process solutions**

Potential M&A opportunities

Terumo Strategy: Win in Selected Strategic Markets

Offer specialized and superior products

Competitive Advantage

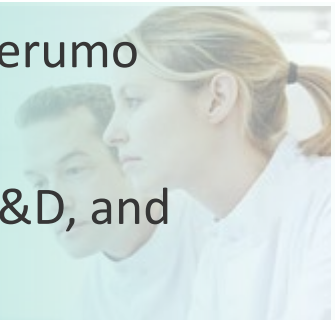
- Technologies to develop cutting-edge products
- Create and expand “Must Have”
 - Interventional access products and devices for pharma companies



Strategy

Select growing segments and segments where Terumo owns a competitive advantage

Concentrate on interventional, neurovascular, D&D, and therapeutic apheresis



Terumo Strategy: Offer Comprehensive Value in Japan

Deliver a diversified product portfolio

Competitive Advantage

- Collaborative effort of engineering, production and sales
- Wide range of access to Japan's healthcare needs
- Established distribution network



Strategy

Leverage leading position and pursue growth opportunities



Terumo Strategy: Accelerate Innovation

Collaborative effort between in-house engineering and open Innovation

Competitive Advantage

- Globally spread innovation centers
- Wide range of core technologies such as coating and microfabrication
- Shift to the new way of engineering (Biodesign, etc.)



Strategy

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



Mid- to Long-term Growth Strategy

Win in Selected Strategic Market

Select growing segments and segments where Terumo owns a competitive advantage

Offer Comprehensive Value in Japan

Leverage the leading position and pursue growth opportunities

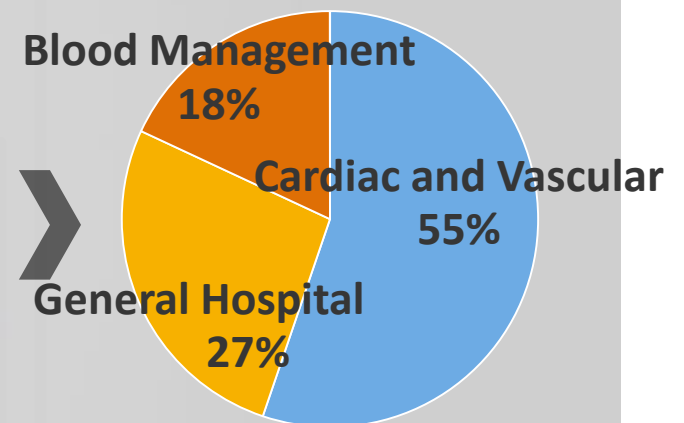
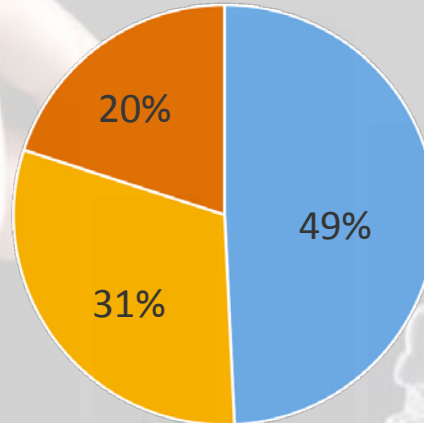
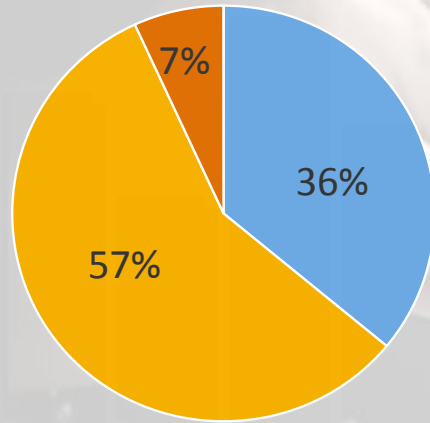
Accelerate Innovation

Contribute to future of healthcare with significant social impact

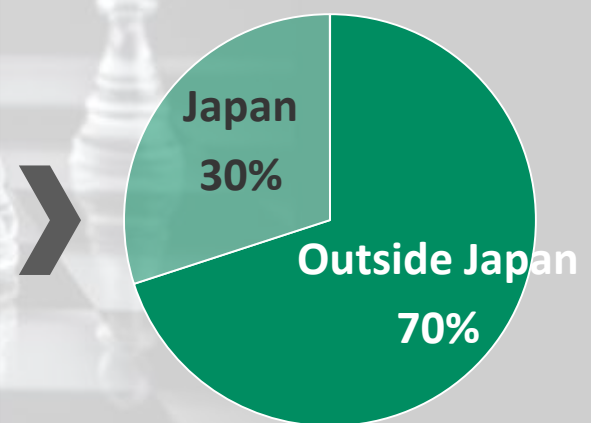
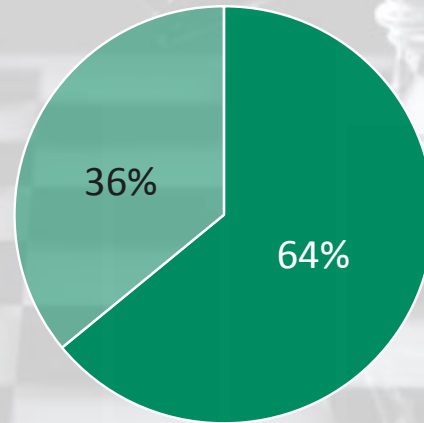
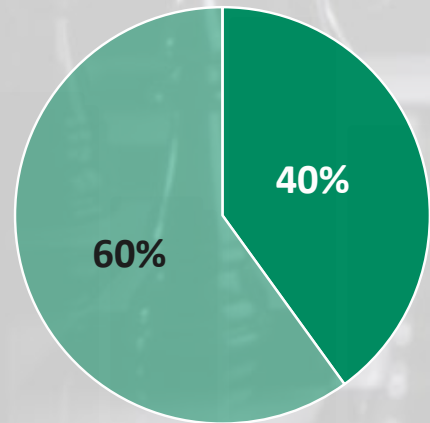
Growth by Transforming Portfolio and Globalizing

Business Sales Breakdown

Plan FX rate: USD=105 JPY, EUR=115 JPY



Regional Sales Breakdown



FY05

FY15

FY21

Achieve Profitable and Sustainable Growth

Management Indicators for the next 5 years

Plan FX rate: USD=105 JPY, EUR=115 JPY

Growth

Faster revenue growth than market growth



High single-digit Growth

Profitability

Faster profit* growth than revenue growth



Double-digit Growth

Adjusted EPS 270 – 300 Yen by FY21**

Efficiency

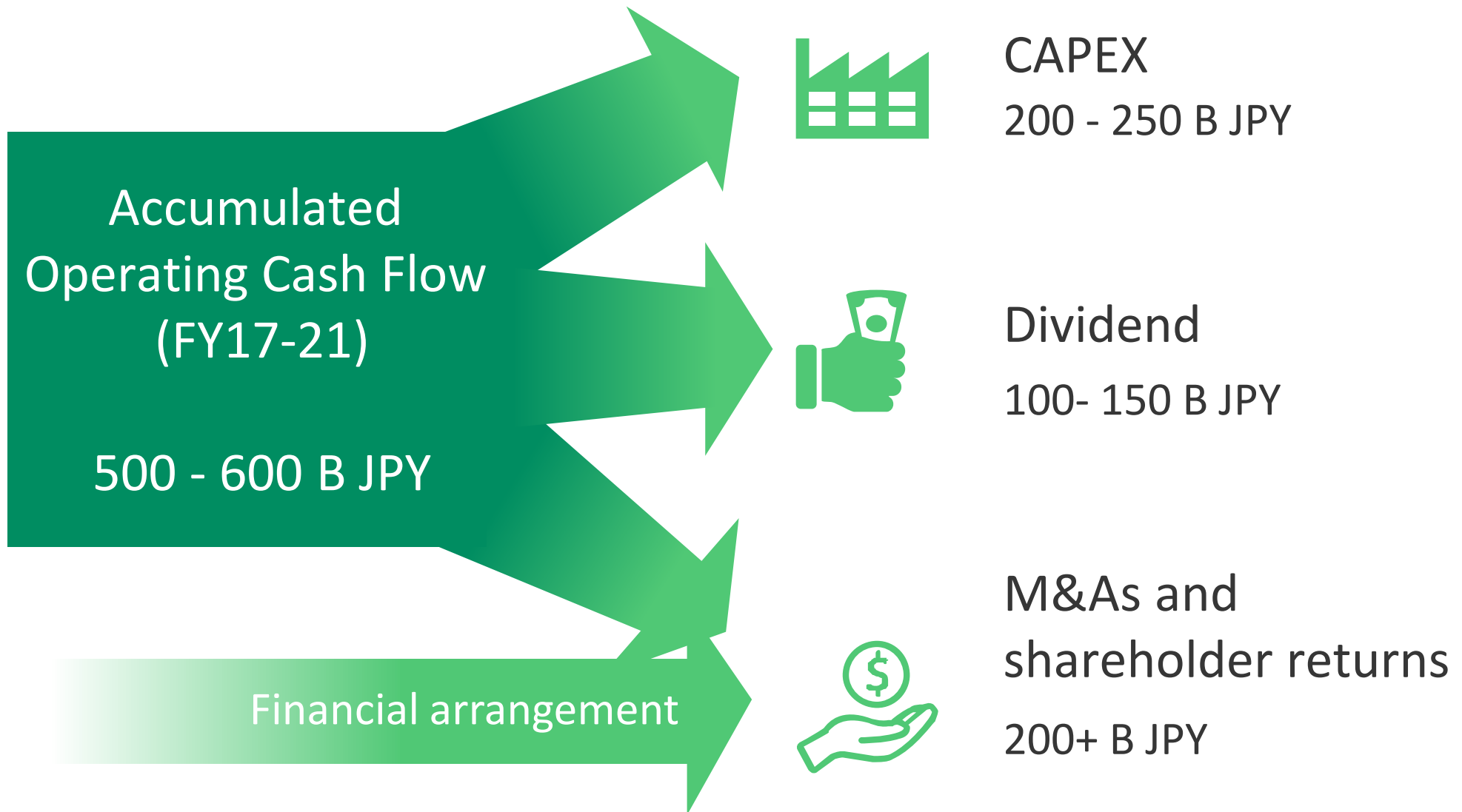
Maintain ROE 10%+***

*Adjusted operating income (IFRS)

**Adjusted items: Intangible asset derived from acquisition, one time acquisition expense, impairment, gain/ loss from sales of stocks and others

*** Excluding foreign currency translation adjustment balance related to the assets from acquisition included in net assets.

Cash Allocation



Accumulated
Operating Cash Flow
(FY17-21)

500 - 600 B JPY

Financial arrangement



CAPEX
200 - 250 B JPY



Dividend
100- 150 B JPY



M&As and
shareholder returns
200+ B JPY



Disclaimer

The information that Terumo discloses and 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 actual results include, but are not limited to, changes in economic conditions surrounding Terumo, fluctuations of foreign exchange rates, and state of the competition.

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