

# Diabetes Management (DM Business) Strategic Direction

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# Safe Harbor for Forward-Looking Statements and Use of Document

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 or 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.

Information about products (including products currently in development) which is included in this material is not intended to constitute an advertisement or medical advice.

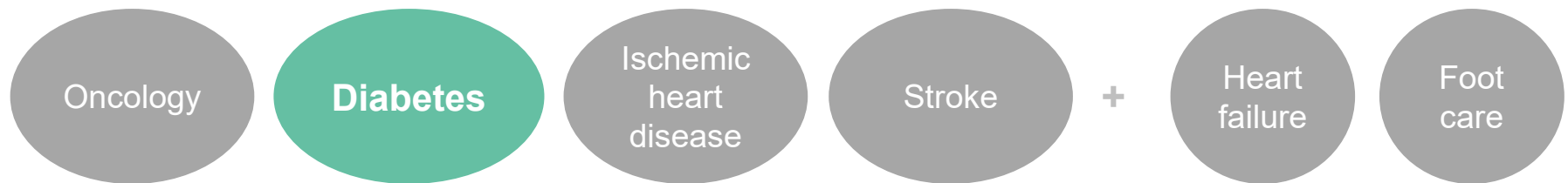
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# Disease-oriented approach fighting four major diseases that affect society

- Target disease with significant social impact because of the aging of society



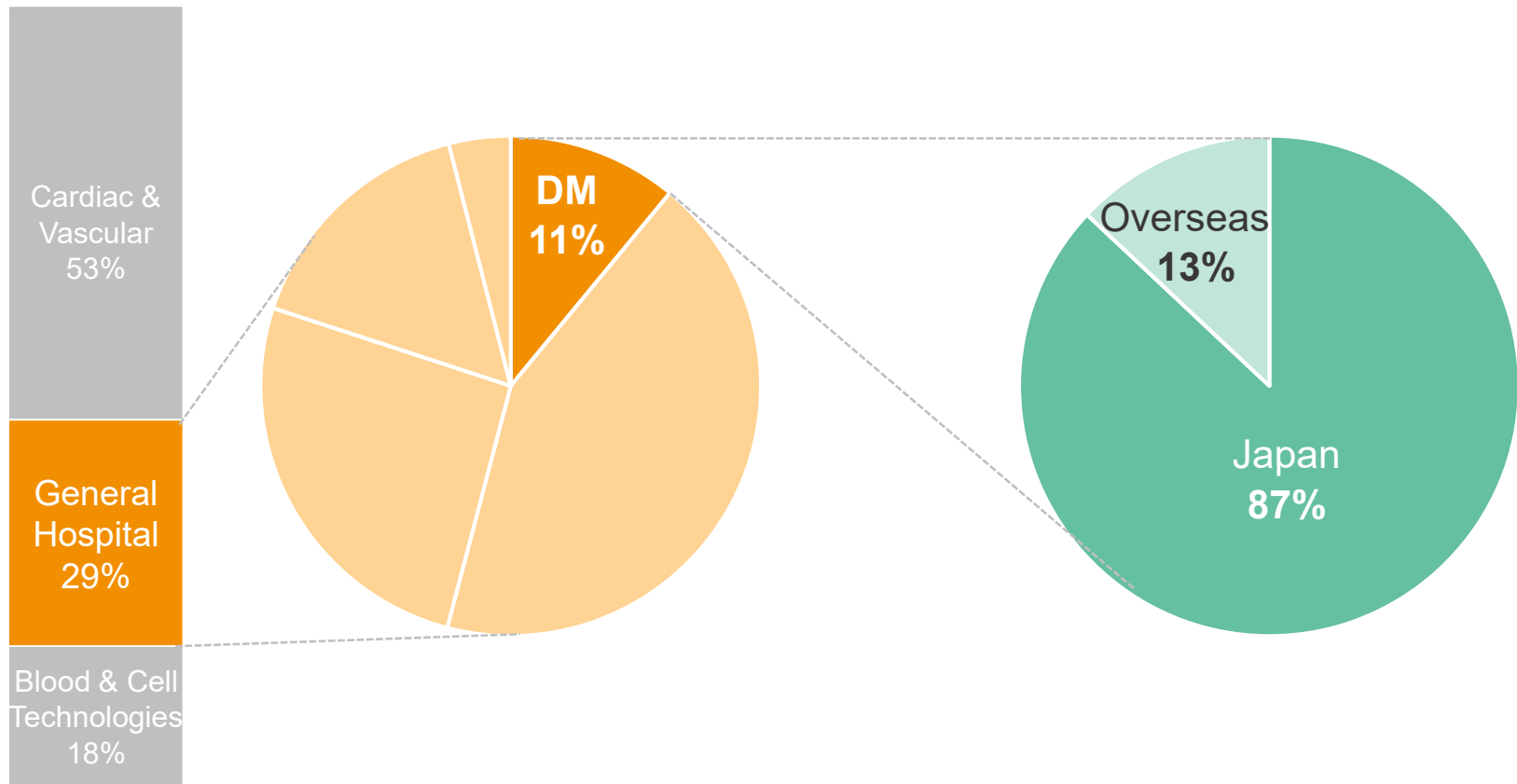
- Overall solutions that cover from prevention to prognosis, not just specific diagnosis or treatment



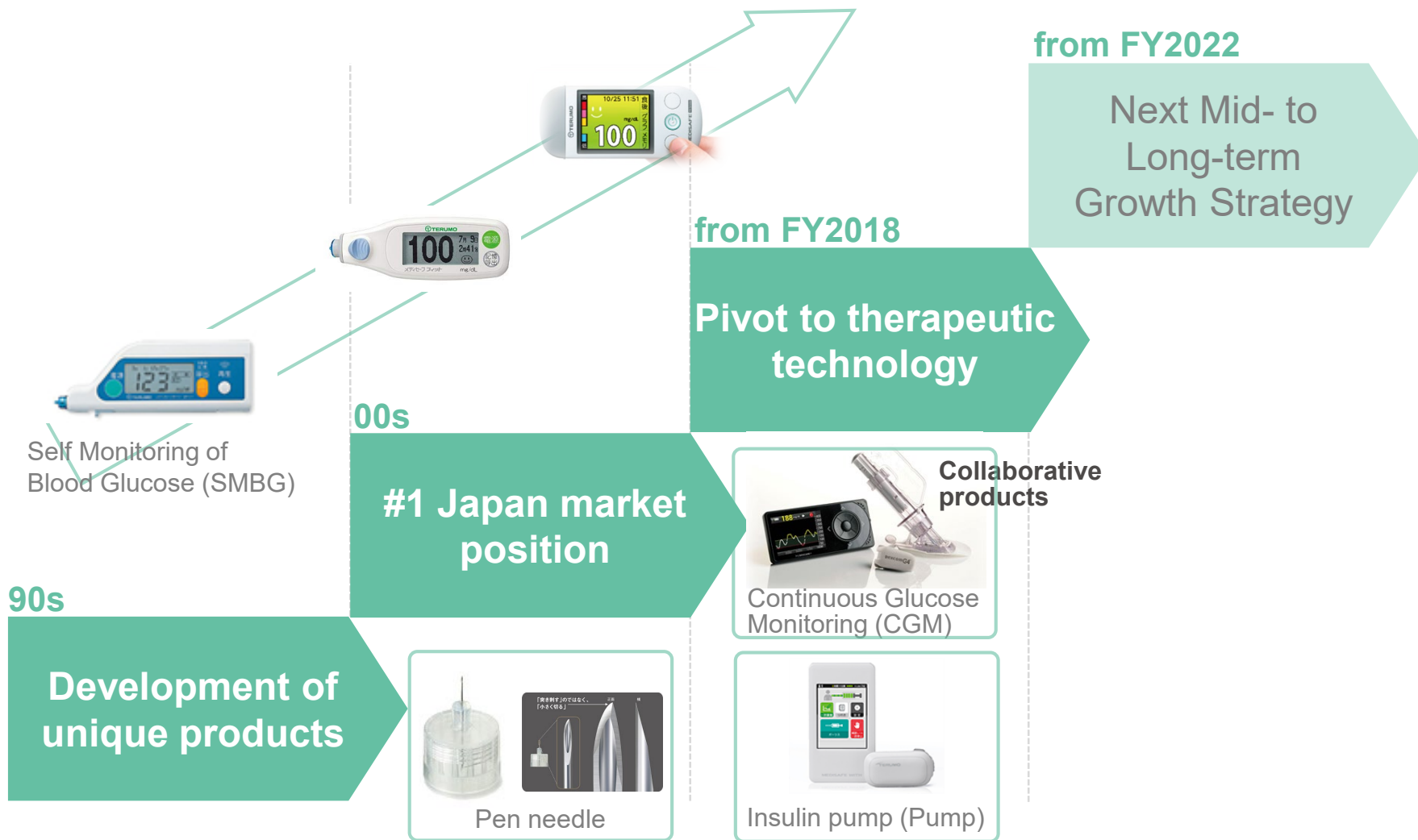
# DM business: Still small and Japan-focused

A business with annual sales of approx. 20 B JPY, in General Hospital

Has been focused in the Japan market



# Leverage rich product lineup to deploy overall solutions in the new mid- to long-term growth strategy



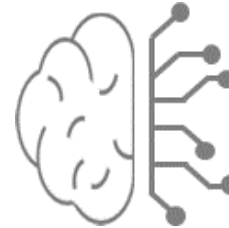
# Evolve DM success factors using digital and AI



Digital



Cloud



AI



## Previous success factor: Product capability

- Blood glucose measurement precision
- Continuous, real-time, precision blood glucose measurement
- Biocompatibility (needles, cannulae)

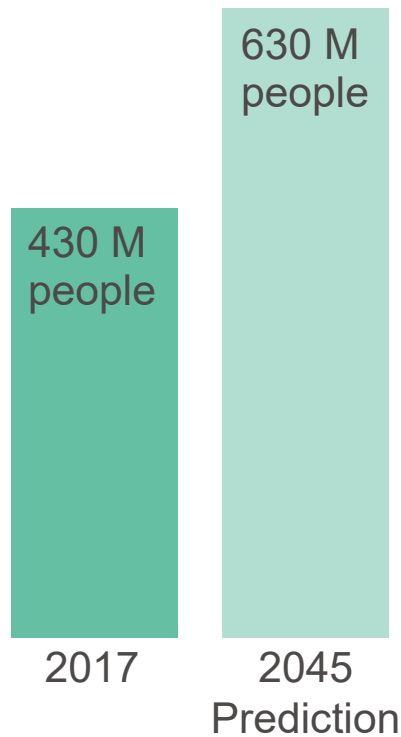


## New success factor: Solution value

- Accumulation and advanced utilization of extensive patient data
- Provide real-time, accurate management tools
- Improve outcomes and QOL

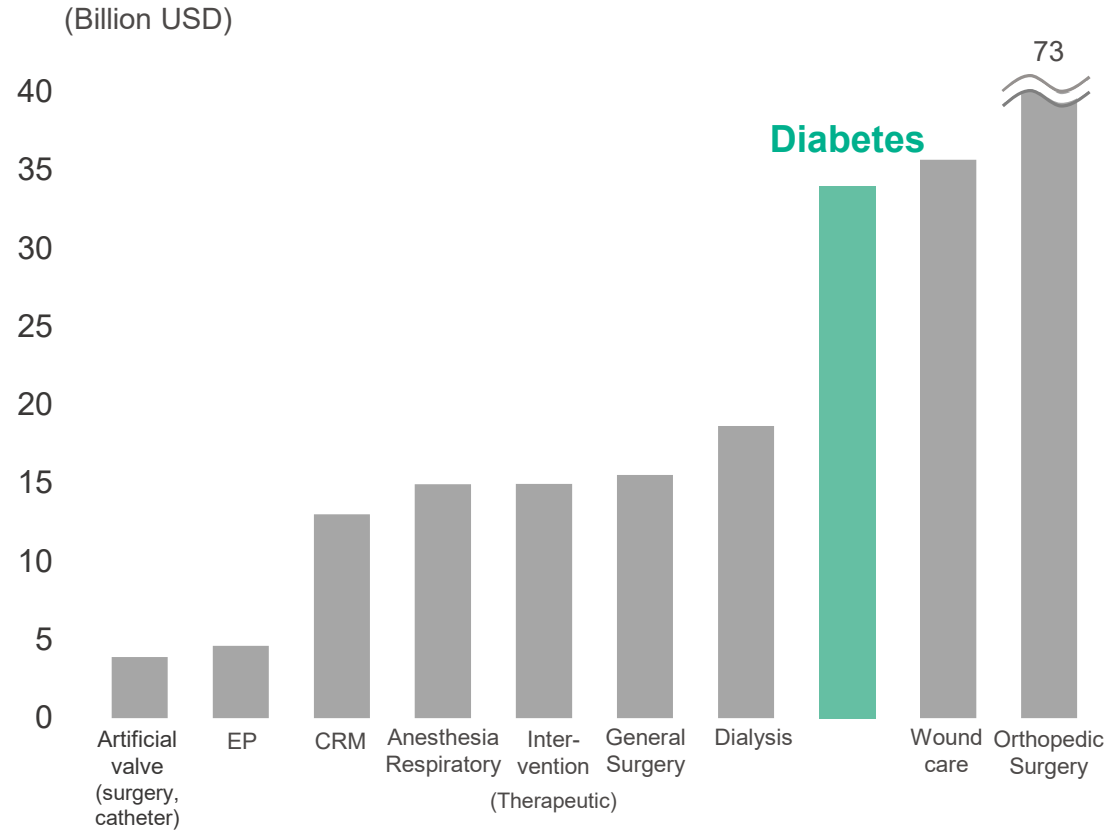
# DM market: Enormous medical device segment

■ Patient population: Increasing; to be over 600 million



Reference: IDF Diabetes Atlas 2017, For patients aged 20-79 years

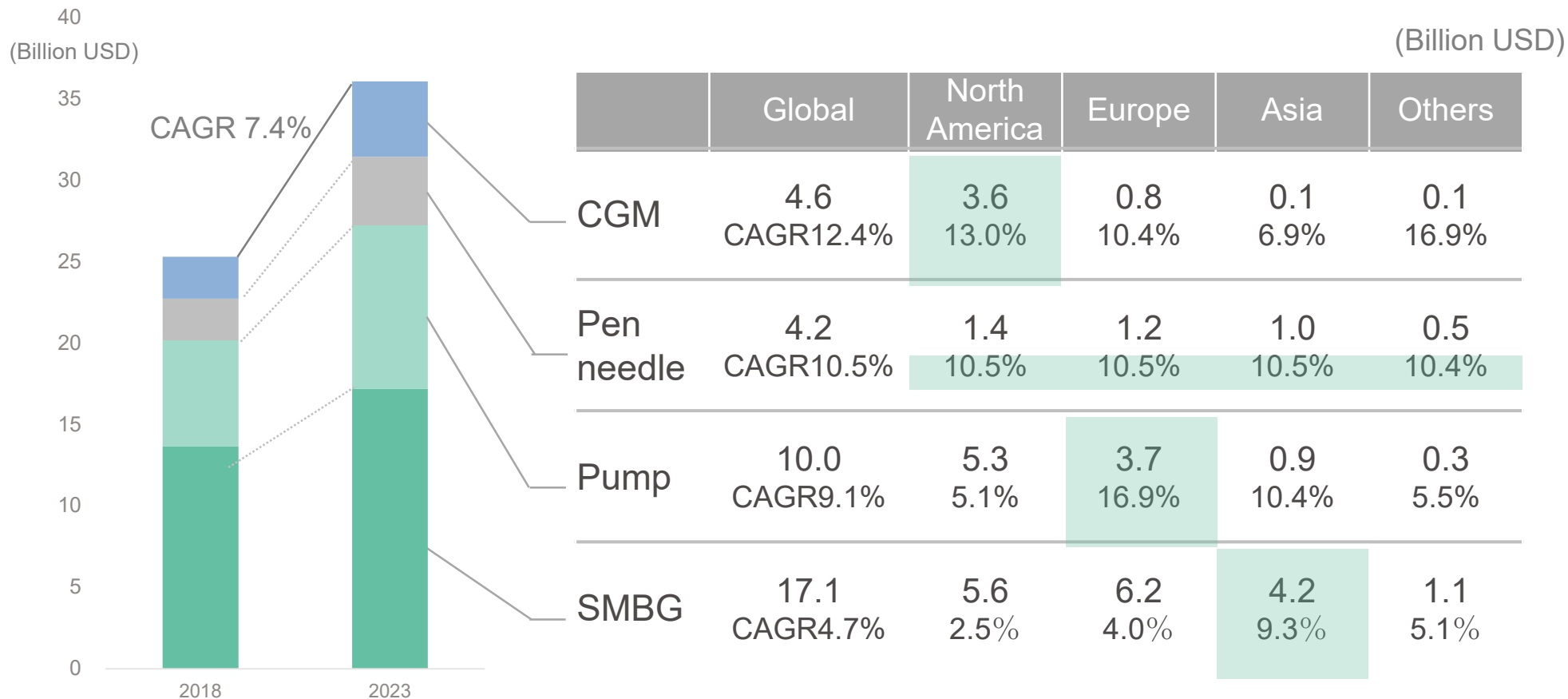
■ Scale of DM in medical device market



Reference: Terumo research, 2019

# DM market: 7%+ growth in primary products. Products have regional characteristics

■ Asia: SMBG; EU: pump; Global: pen needle; US: CGM



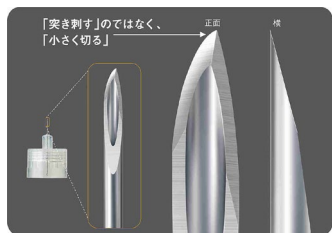
Reference: Frost & Sullivan 2019



# World-leading product lineup through internal R&D and collaboration

## Pen needle

- Unique technology



ナノパスニードルⅡ  
**NANOPASS**®

## CGM

- #1 global technology and reliability



**dexcomG6**

## Pump

- Tubeless and precision administration, better QOL



**MEDISAFE WITH™**

# Insulin pump: Achieves same precision as tube products

## MEDISAFE WITH™



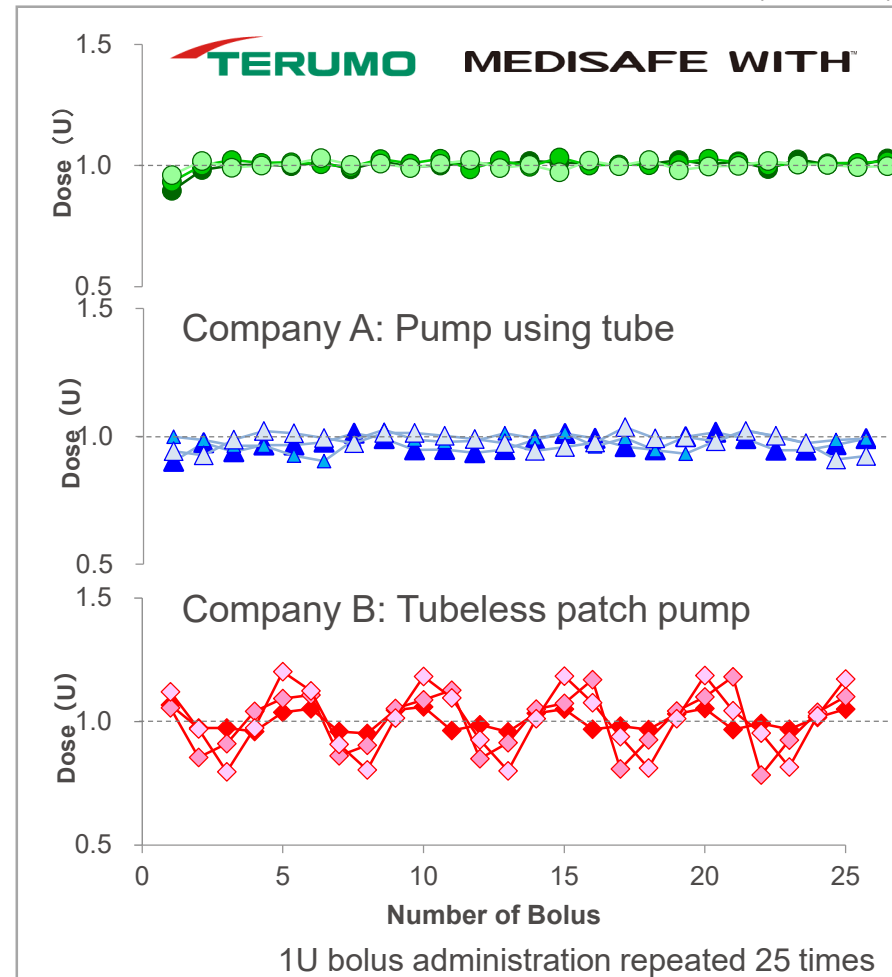
Uses unique high-precision administration technology

(JDST Vol. 15, Presented at ATTD conference)



Tubeless to improve patient QOL

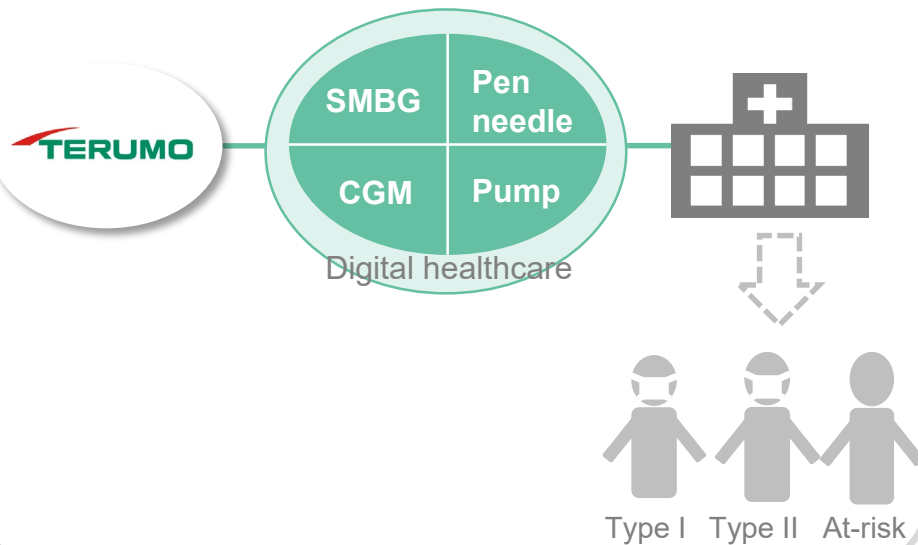
## Insulin administration precision comparison (1U=10μL)



# Global deployment addressing regional characteristics

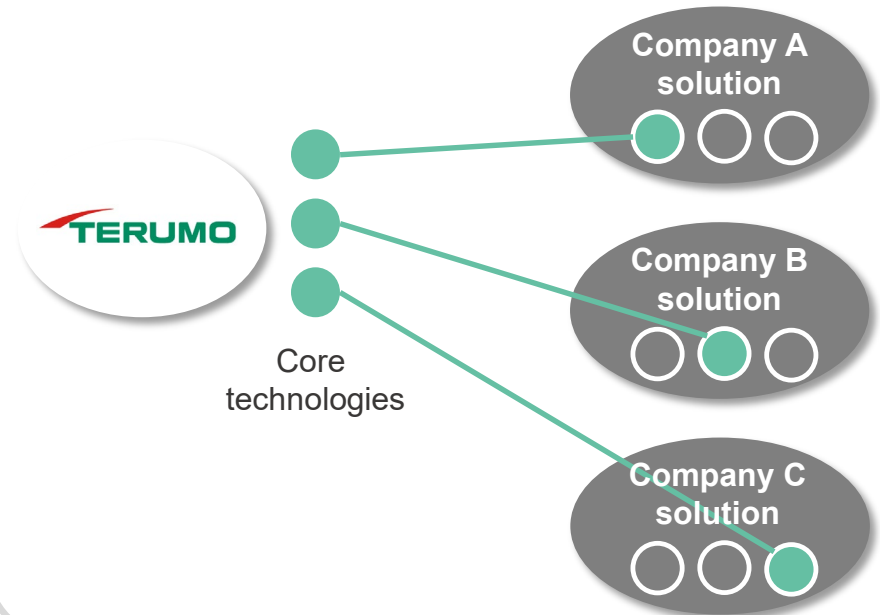
## Japan: Full lineup

Leverage Terumo's **solid hospital base** to provide **solutions for every type of patient**



## Outside Japan: Specialized

Add Terumo core technologies to overseas firms' DM solutions in **B2B-based** expansion



# Accelerate personalization with solution offerings from outside collaboration

## ■ Glooko (US) collaboration

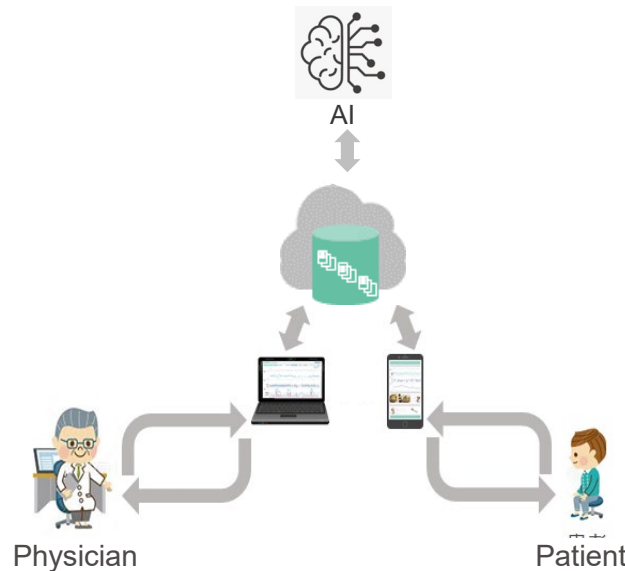
Information Management System for SMBG, pump, etc measurement data



**glooko**

## ■ MICIN (Japan) joint development

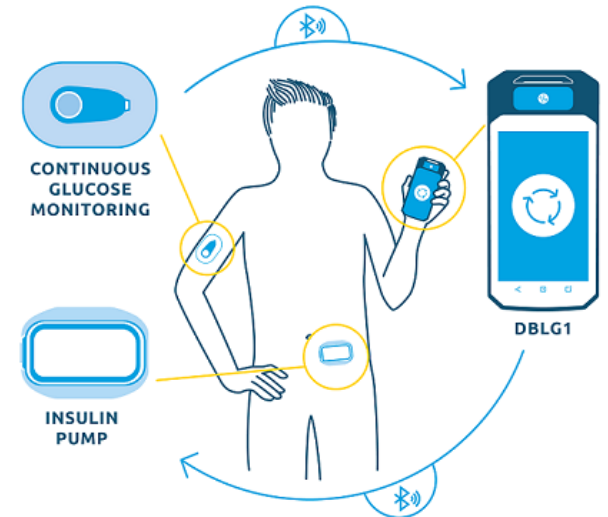
Digital Healthcare Support System based on BG, dietary, physical activity, medication, and other information



**MICIN**

## ■ Diabeloop (France) joint development

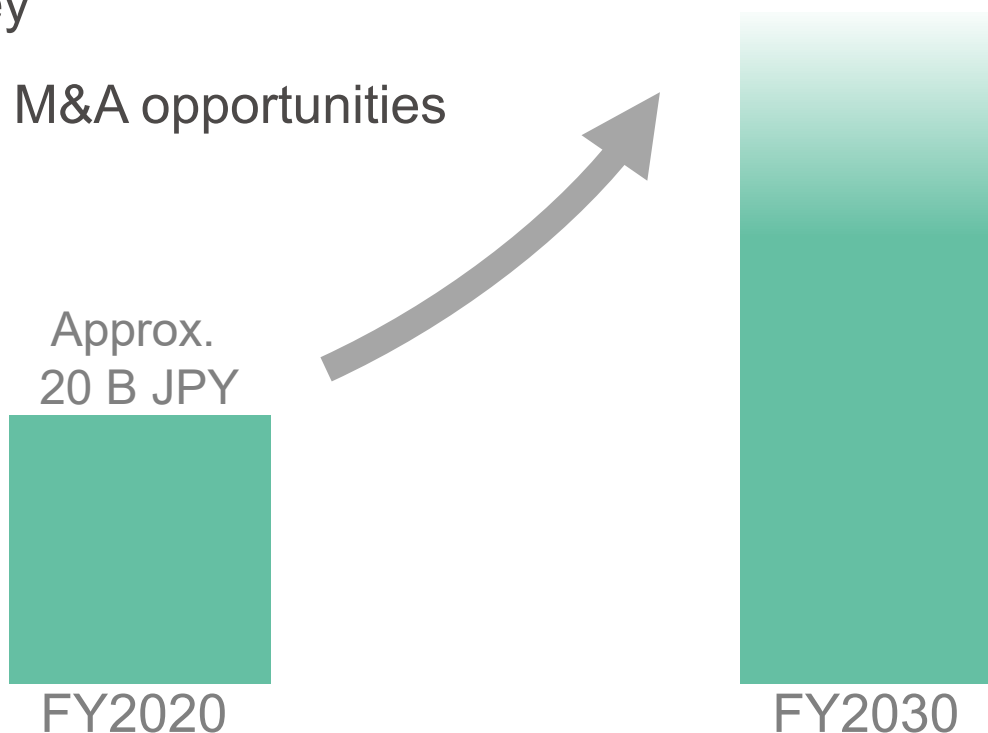
Automated Insulin Delivery System calculates appropriate dose and links CGM with pump



**diabeloop**

# Target sales revenue approaching 50 B JPY in 10 years

- Global strategic deployment addressing regional characteristics
- Secure collaboration opportunities that leverage unique core technologies and customer base
- Accelerate development of overall solutions to be a partner in the Patient Journey
- Open to future M&A opportunities





*S*tride Ahead  
100<sup>th</sup>