

**Celebrating our 100th founding anniversary:
5-Year Growth Strategy with a 10-Year Vision**

03 | General Hospital Company

Hikaru Samejima, President

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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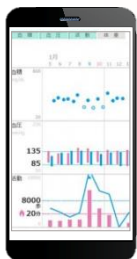
Vision for our 5-Year Growth Strategy



We provide patient centered solutions that integrate our unique technologies, contributing to the advancement of high quality, innovative medical care.

Our Core Competencies

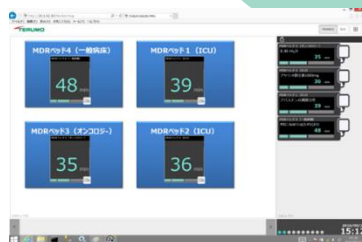
Diabetes (insulin delivery) solutions
(DM & consumer health care)



Drug delivery solutions for pharmaceutical companies
(Alliance)



IV drug delivery solutions
(General hospital products)



Peritoneal dialysis solutions
(Pharmaceutical)



**Medical
safety,
efficiency**

**Drug delivery technologies
drug, device, ME, digital, cannula**

Looking Back on Current Mid- to Long-term Growth Strategy

Summary of current mid- to long-term growth strategy

Achievements

- Enhanced product portfolio by focusing on the diabetes treatment field
- Acquired big projects from pharmaceutical companies

Areas identified for further improvement:

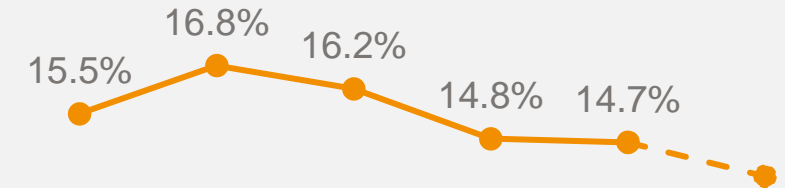
- Handling price pressures from drug and reimbursement price reductions, group purchasing, etc.
- Expanding business more globally
- Building a more optimal operational structure



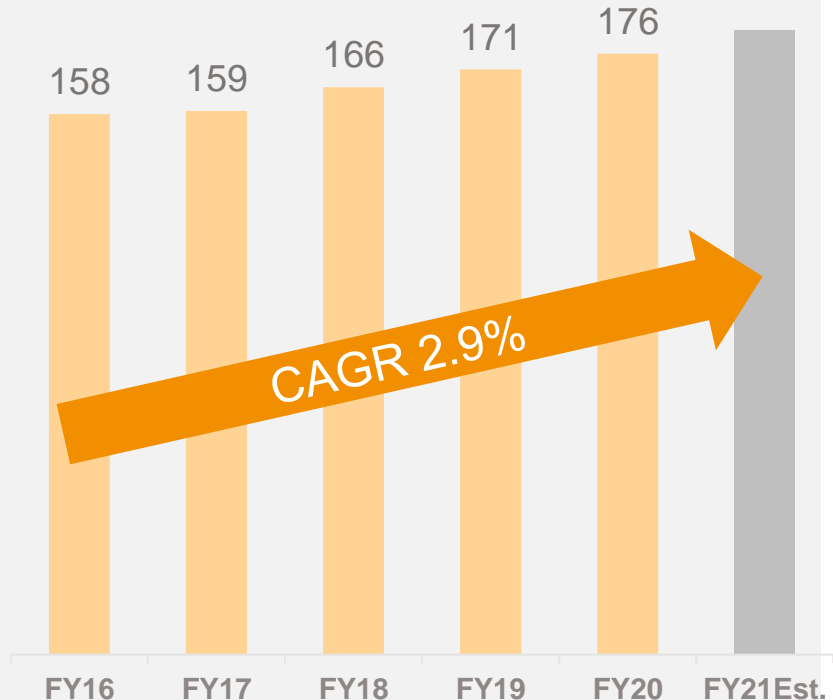
GS26 Direction

- Shift DM and Alliance (pharmaceutical solutions) businesses to growth pillars
- Develop solutions by leveraging digital technologies, shifting to new business models, and transforming Japan sales style
- Acquire a bridgehead for global business
- Optimize global operations

Adjusted operating profit %



Revenue (B JPY)



Key Shifts in Market

Market Dynamics

Strategic implications

Change in care paradigm



Shift value proposition to the whole care which covers hospitals and home by focusing on **patient-centric care**

Maturation of Japan market



Accelerate **global expansion** to the US, China, other markets

Biopharmaceutical market growth and changes in the drug modality



Provide pharmaceutical companies with **solutions** to maximize drug value through drug and devices



Build a **lean** operational structure

Price competition



Shift from selling tangible products to **proposing solutions**

Progress of digitalization



Develop new business solutions by utilizing **data**

5-Year Growth Strategy: General Hospital Company

Hospital Care Solutions

Propose solutions to solve **hospital management and front-line issues by improving infection rate, equipment efficiency**, etc.

Life Care Solutions

Propose **patient-centric and personalized solutions for chronic diseases** in outpatient and home care by combining vital monitoring and treatment

Pharmaceutical Solutions

Offer **pharmaceutical companies** solutions that **combine CDMO and new type of devices which enhance drug efficiency**

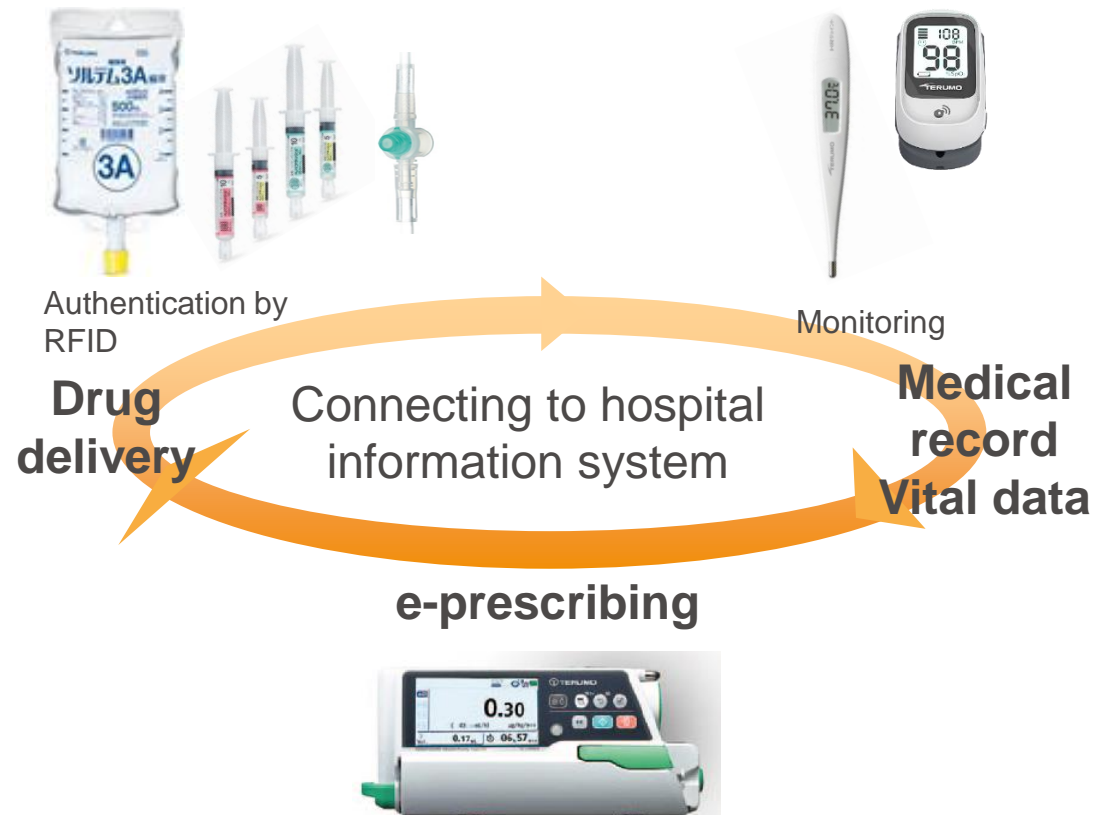
Global business Solutions

Go global with **unique products** and services through **our own sales network or B2B**

Growth Opportunities through Business Solutions in Hospital Business

Drug delivery solutions

Develop safe and efficient drug delivery solutions



Infection control solutions

Analyze infection related data and propose solutions that improve infection rates and hospital operations efficiency



DM: Accelerate Personalization with Solution Offerings that Leverage Outside Collaboration

● Glooko (US)

Collaboration

Information Management System
for measurement data of SMBG,
pump, etc.

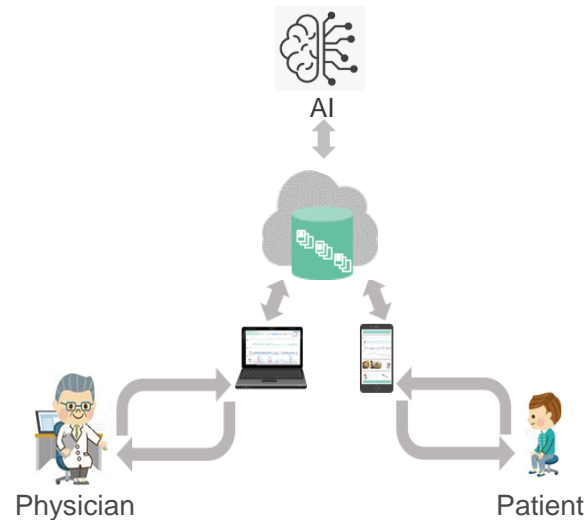


glooko

● MICIN (Japan)

Joint development

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

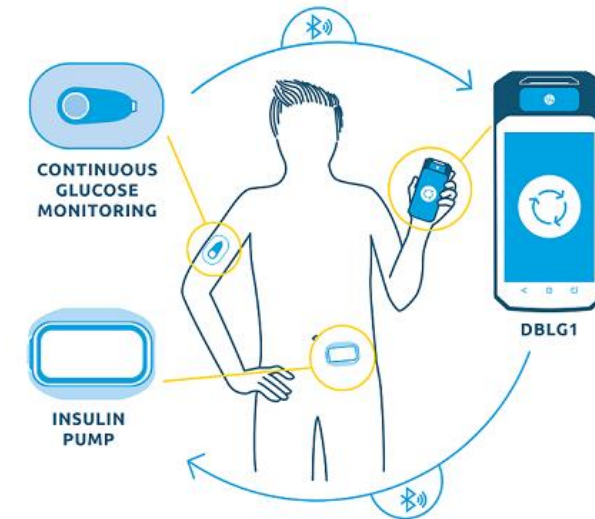


MICIN

● Diabeloop (France)

Joint development

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



diabeloop

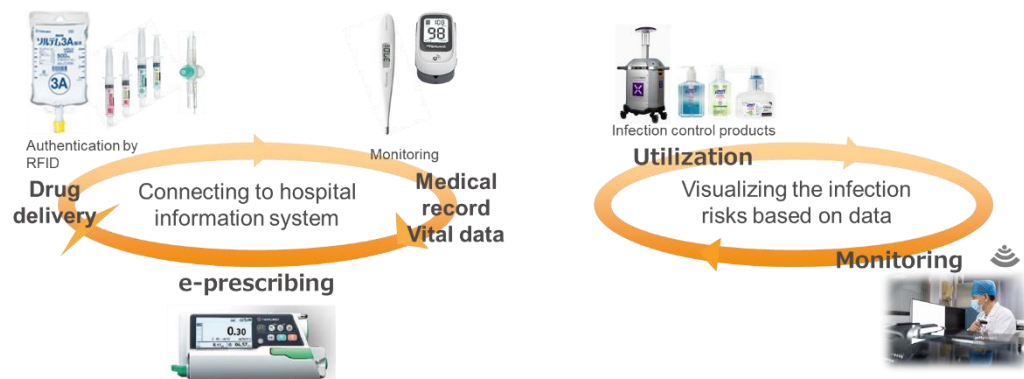
Our DX Strategy

Create new value through collaboration across divisions, diseases, and products



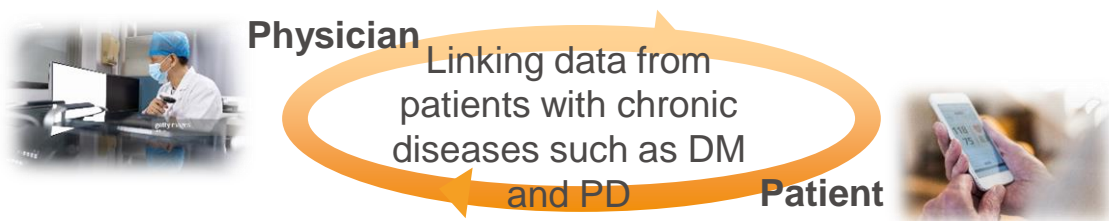
DX in hospitals

Develop safe and efficient drug delivery solutions



DX in prognostic / chronic fields

Increase product value and develop new markets in chronic disease and post-care area



Examples:

- Improve efficiency and ensure safety of drug administration and status management processes
- Data-driven optimization of dosing

Examples :

- Visualize data through a common database
- Realize digital therapeutics (DTx)

Business Expansion to Pharmaceutical Companies

As is

Develop solutions that improve
drug safety and efficiency



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Develop solutions that
improve drug effectiveness



Beyond GS26

Develop innovative that
maximize drug effectiveness

Devices

PLAJEX etc.



Filling technology



Consulting



Patch pump

Improve patient QOL
through continuous
administration



Intradermal administration devices

Enhance drug effectiveness



**Drug delivery solutions for
central nervous system,
cardiovascular and oncology**



Global expansion

Develop markets selectively in areas where we can leverage the strengths of each business

Hospital Care

Solutions

Southeast Asia

Accelerate development of infusion systems (pumps, data integration, infusion sets)

North America

Strengthen sales of vascular access devices (B2B)

Life Care

Solutions

Europe

Consider expansion of insulin pumps, starting from Italy

China

Expand by taking advantage of changes in a sizable market

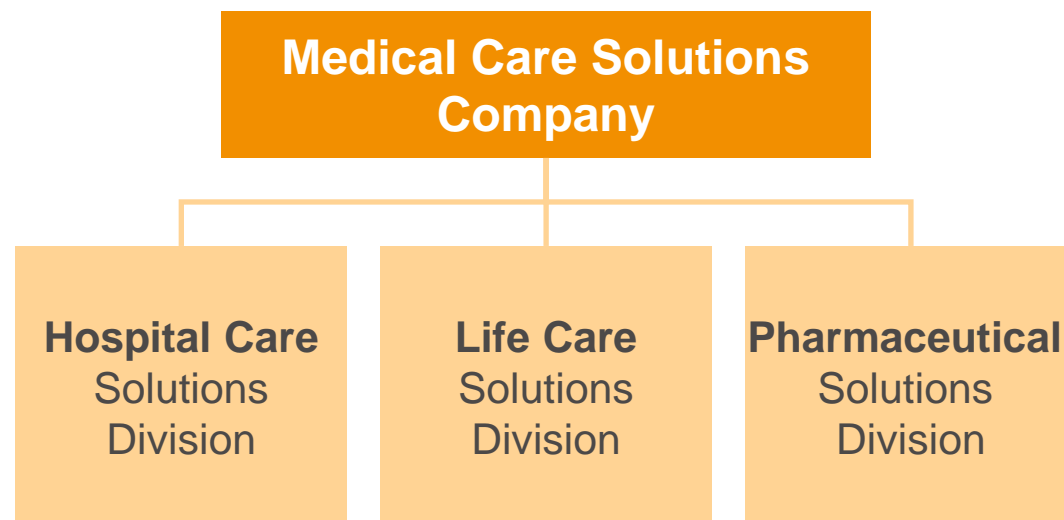
Pharmaceutical

Solutions

Global pharmaceuticals

Strengthen global expansion of CDMO: start and expand commercial deployment of PLA-JEX by focusing on niche segments

From General Hospital to Medical Care Solutions Company



Formerly known as

- GHP Group
- Pharma Group
- DM•HC Group
- Alliance Division



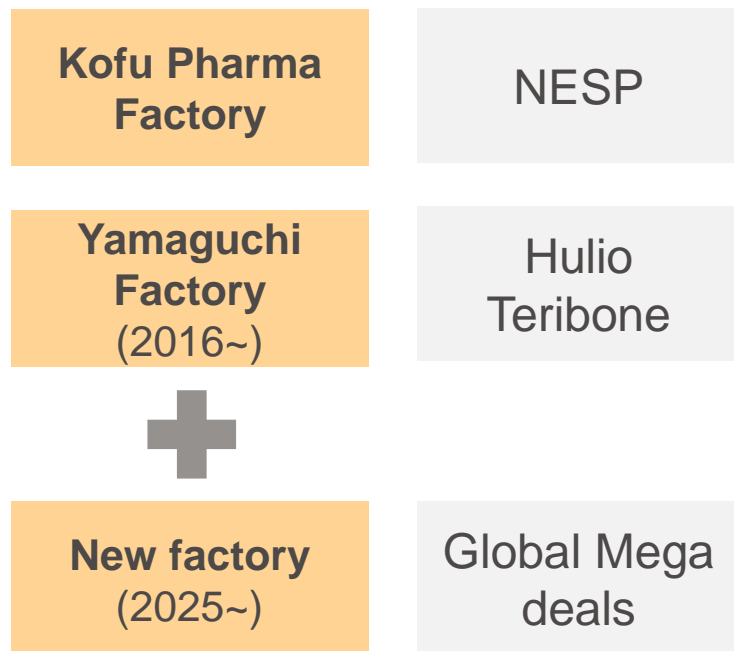
Quality time for better care

Operation strategy

Accelerate capacity expansion to handle contracted deals

Pharmaceutical Solutions

Main factory and products



Investment results and plan

80 B JPY

60

40

20

0

FY07~11

FY12~16

FY17~21

FY22~26

Basis

- Deal with economic security policies and enhance Japan production of syringe and infusion products
- Transform global optimal operation

Product pipeline

Short-to mid-term pipeline (FY22~24)

Mid- to long-term pipeline (FY25~)

Hospital Care Solutions

- New PIVC
- Next-generation Smart Pump
- Expansion of CSTD lineup
- New automatic peritoneal dialysis machine

- New dialysis
- Oncology supportive care products
- Pharmaceutical nutrients

Life Care Solutions

- CGM-linked insulin patch pump
- New type of BGM
- Full model-changed thermometer

- Next-generation CGM
- Digital therapeutics

Pharmaceutical Solutions

- CDMO: Four new products
 - Continuous drug delivery by a patch pump (with Kyowa Kirin)

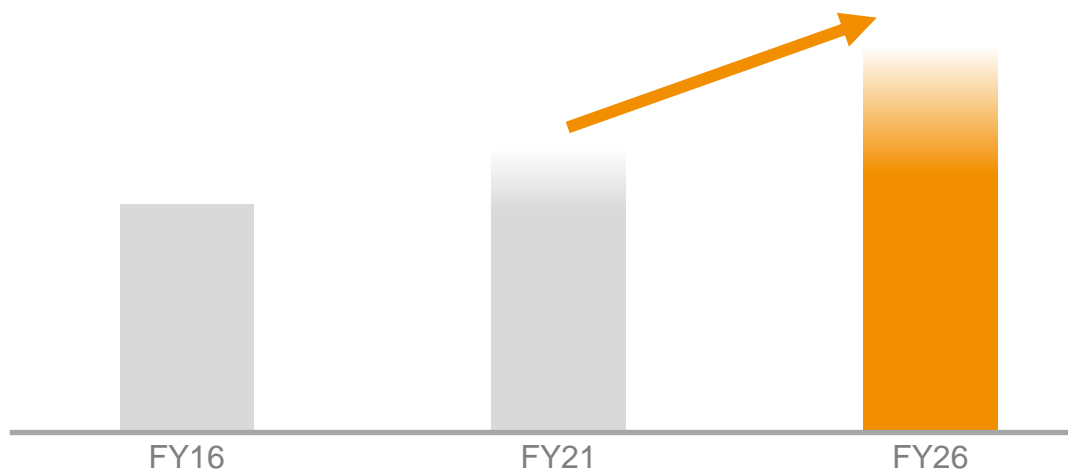
- CDMO: Two new products
 - Oncology, vaccine

CSTD: closed-system drug transfer device
BGM: Blood glucose monitoring
CGM: Continuous glucose monitoring

Revenue and Profit Overview

Revenue

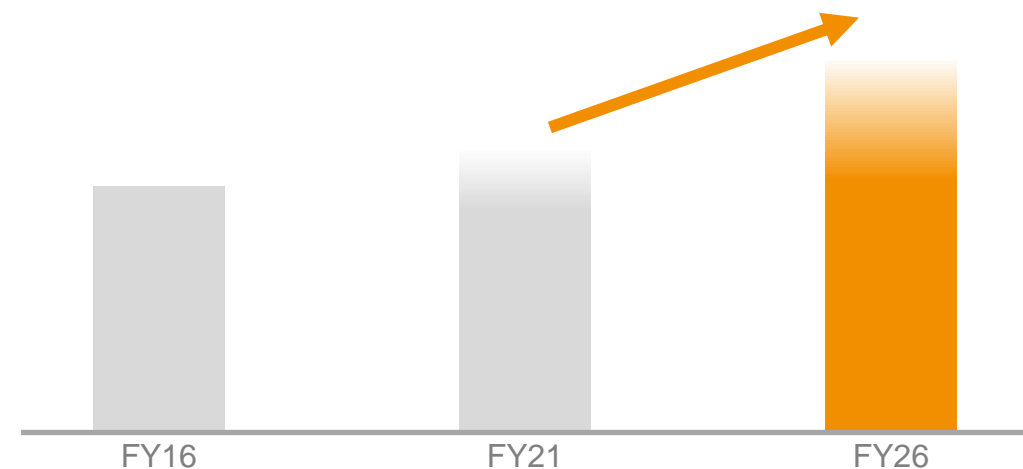
Mid single-digit growth



- Pharmaceutical Solutions: **+ 6~10 B JPY**
- Life Care Solutions: **+ 30~40 B JPY**

Adjusted Operating Profit

Exceeding revenue growth



- Expand Pharmaceutical Solutions business
 - ✓ Improve Pharmaceutical Solutions' gross margin through production increase
 - ✓ Improve TMCS's overall profitability by shifting portfolio mix

→ Adjusted operating profit %: **15%**

Toward the next decade

GS26

Create new value through digitalization

- Expand DM product portfolio and start to develop a DM ecosystem with partners
- Initiate solution business to hospitals that utilizes data

Expand Pharmaceutical solution business

- Expand CDMO pipeline
- Get CDMO business from global pharma firms and build clinical evidence of new devices such as intradermal needle

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- Develop lean operation system
 - Establish new Japan sales style

Beyond GS26

Accelerate digitalization and introduce new business model

- Monetize service business to hospitals
- Improve treatment through drug infusion optimization utilizing data
- Monetize from DM ecosystem
- Develop patient-centric solutions for multiple chronic diseases

Advance drug and device solutions to maximize drug values

- Develop new devices, initiate collaboration with pharma firms using those devices
-
- Optimize global operations



Stride Ahead
100th