

Therapeutic Solutions Division



Providing customer-oriented products and solutions to enhance the value of minimally invasive treatment

We aim to create a business model for single-use devices such as endotherapy devices that are purchased and consumed for each procedure.

Tomohisa Sakurai (left) / Nacho Abia (right)
Corporate Officers
Co-heads of Therapeutic Solutions Division

<ul style="list-style-type: none"> Capabilities to develop therapeutic devices those meets the needs of healthcare professionals Offering "See and Treat" solutions, and leveraging our strong endoscopic imaging position Realization of new procedures development and necessary devices development through strong collaboration with HCPs in GI field Utilization of global manufacturing bases 	<p>S</p> <p>Strengths</p>	<ul style="list-style-type: none"> Position as follower after European and U.S. companies Limited systems for acquiring clinical evidence on medical and economic benefits Lacking lineup of single-use products 	<p>W</p> <p>Weaknesses</p>
<ul style="list-style-type: none"> Increased demand for minimally invasive therapy methods to help reduce healthcare expenses and improve patient quality of life Rise in illness case numbers due to aging populations Our global organization managed from the U.S. to operate business efficiently and improve the decision making speed Our possibilities to enhance product portfolio through external partnerships and M&A 	<p>O</p> <p>Opportunities</p>	<ul style="list-style-type: none"> Strengthening medical equipment regulations worldwide Downward pressure on selling prices due to increased influence of GPOs and IDNs Entry into market by low-cost manufacturers 	<p>T</p> <p>Threats</p>

Operating Environment / Risks and Opportunities

Operating Environment

- Rising case numbers due to aging populations and higher cancer prevention awareness
- Ongoing increase in need for endoscopic therapies
- Maturity to progress in European, Japanese, and Chinese markets while the United States is the largest market

Strengths

- Realization of product development that meets the needs of healthcare professionals with an emphasis on the customer's perspective
- Technology superior to that of the competition (NBI, TURis, etc.), with particular advantage in gastroenterology, urology, and respiratory departments

Focuses for Business Growth

- Globally managed from the U.S. to strengthen our ability to compete, grow, and lead in our largest market
- Enhance and develop the Business Development function to complete and grow the product portfolio through external partnerships, licensing, and M&A
- Establish best in class regulatory affairs and clinical affairs and pursue a real value proposition based approach for each product and procedure

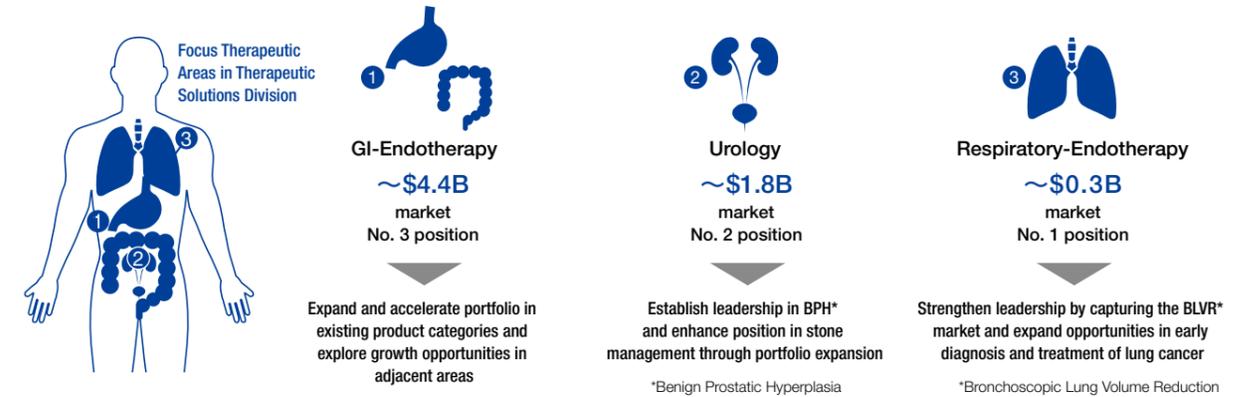
Opportunities

- Rising demand for increasing clinical and economic efficacy
- Growing demand for minimally invasive therapy due to increased detection of early stage diseases through early diagnosis
- Expansion of minimally invasive therapy markets in emerging countries
- Greater emphasis on cost performance stemming from growing pressure to limit healthcare costs
- Focus on centralized purchasing through GPOs and IDNs
- Entry into market by low-cost manufacturers

Risks

Business Strategies

To Accelerate Growth in Therapeutic Solutions Division and Enhance Our Value in Minimally Invasive Therapy, We will Focus on Category Leadership across Three Therapeutic Areas



Target and Measures (FY2021-FY2023)

GI-Endotherapy	<ul style="list-style-type: none"> Expand clinically differentiated product offerings across all key categories, including ERCP, GI stent, and hemostasis devices through both internal initiatives and M&A
Urology	<ul style="list-style-type: none"> Expand presence of our BPH offerings in the urology suite and office Enhance product portfolio in stone management with launch of new fiber laser technology and other endo-urology devices
Respiratory-Endotherapy	<ul style="list-style-type: none"> Drive growth through adoption of intrabronchial valve system Expand EBUS indications and advance strong pipeline of EBUS needles
Other Therapeutic Areas	<ul style="list-style-type: none"> Expand energy solutions offering with launch of advanced energy device, introducing next-gen innovation in precision resection and reliable vessel sealing
Commercial Excellence	<ul style="list-style-type: none"> Strengthen sales and market development teams across therapeutic areas Invest in additional clinical data and reimbursement efforts

~8% Revenue Growth CAGR

Fiscal 2020 Forecast

(FY)	2019	2020 (Forecast)
Revenue	¥215.5 billion	¥217.0 billion
Operating Profit	¥22.2 billion	¥30.0 billion
Operating Margin	10.3%	13.8%

