



**IMITSUI & CO.**

# Mitsui to acquire shares in Panasonic Healthcare Holdings

November 18, 2016

# Topics

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4. Strength of PHCHD
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MITSUI & CO.

# 1. Outline of Mitsui's investment

Purchase shares of Japanese healthcare device manufacturer  
Panasonic Healthcare Holdings Co., Ltd ("PHCHD")

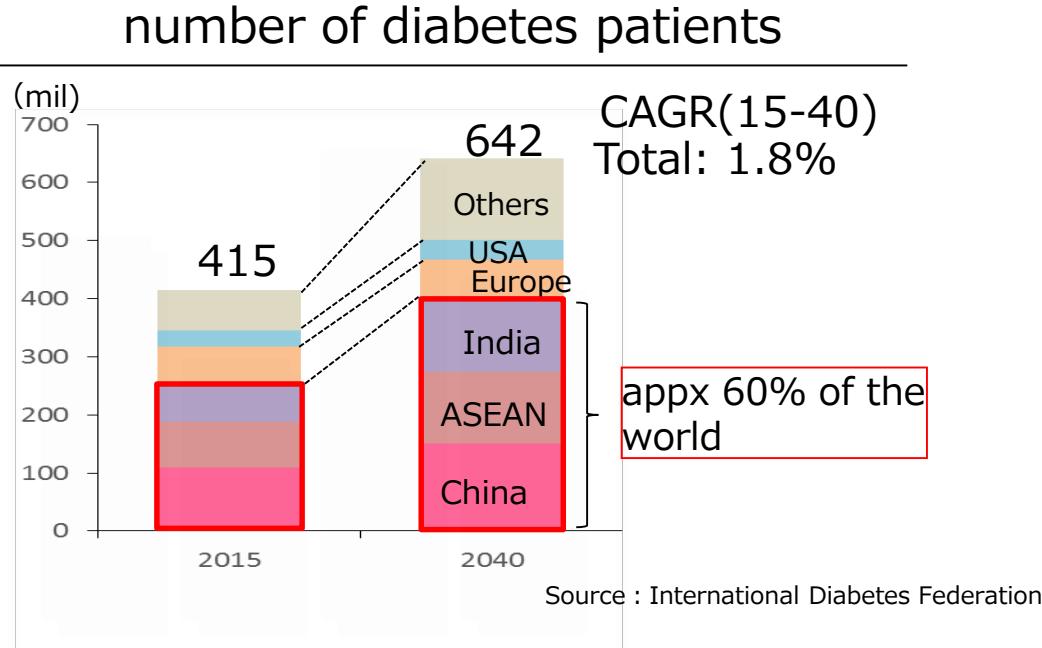
Mitsui's share	22%
Investment Amount	54.1 billion yen
Investment Timing	Within FY ending March 2017 (plan)

## < Strategic Rationale >

- Realizing PHCHD's growth potential in Asian market
- Strengthening Mitsui's profit base of Medical and Healthcare as its key focus
- Establishing an easy-to-use health care ecosystems for patients.

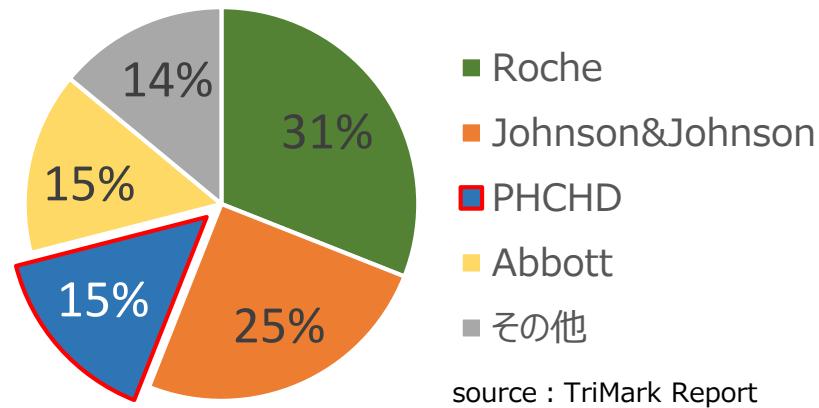


## 2. The market for blood glucose monitoring systems



- The lifestyle diseases is rapidly increasing
- The number of Asian patients is expected to rise to 60% of the world total.

## Global Market share of monitoring meters



- Top 4 has 86% market share
- The share is stable in the Western region



### 3. Profile of PHCHD

#### 〈PHCHD〉

Establishment	2014
Head office	Minato-ku, Tokyo
Representative	Hidehito Kotani (President)
Net sales (consolidated)	185.0 billion yen (FY2017 forecast)
Total asset (consolidated)	359.9 billion yen (as of March 31,2016)

#### 〈blood glucose monitoring meters and strips〉

- In Jan 2016, acquired the diabetes care business of Bayer Aktiengesellschaft
- By combining two competitive companies of manufacturing and sales of the products, PHCHD has become the global leader diabetes care business.



## 4. Strength of PHCHD

- Sales Network in 125 countries

The wider global sales network achieved by acquisition of diabetes care unit of Ascensia Diabetes Care (formerly known as Bayer Aktiengesellschaft)

- The most advance technology

High accuracy measurement and stable quality promoted by technological innovation capability

- Cost competitiveness supported by advanced development & manufacturing capabilities

Cost reduction achieved by automation of manufacturing line and competitive manufacturing cost with high yield rate



## 5. Mitsui contribution to potential synergies

### 〈Value up contribution〉

1. Support for promotion on the sales of PHCHD's blood glucose monitoring meters and strips mainly in Asian countries.
  - Utilizing the network of doctors and nurses belonging to the hospitals and clinics, which Mitsui has invested, such as IHH, Columbia Asia and DaVita Care.
  - Conducting the awareness building activities on diabetes and blood glucose monitoring, cooperating with the hospitals and clinics.
  - Expanding the sales channel, utilizing Mitsui's existing customers and our overseas branch's networks.



## 5. Mitsui contribution to potential synergies

〈Value up contribution〉

### 2. Total care program of diabetes

- The data integration of medical treatment and diagnosis provide integrated total care based on the stage of the patients.
- Strengthening the ability of medical institutions which Mitsui has an equity stake to attract patients.

### 3. New business creation by data management (long term)

- Establish data management function through the accumulation of data and analysis of big data
- New service provided for the stakeholders such as pharmaceutical and insurance companies



360° business innovation.

