



## **Terumo Signs to Acquire Vascular Closure Business and Other Assets of St. Jude Medical and Abbott**

Enhancing Company Offerings in the Interventional Access Device Business

TOKYO, JAPAN – Dec. 7, 2016 -- Terumo Corporation (TSE: 4543) announced today that it has reached an agreement with Abbott and St. Jude Medical, Inc. to acquire certain products owned by both for a total of US\$1.12 billion.

Based on an agreement in principle previously announced by Terumo, Abbott and St. Jude Medical on October 18, 2016, Terumo will acquire St. Jude Medical's Angio-Seal™ and FemoSeal™ vascular closure product lines and Abbott's Vado™ Steerable Sheath. The total annual sales of the businesses to be acquired is approximately US\$268 million.

Terumo supplies a range of interventional access devices, including introducer sheaths and guide wires, and has a broad global customer base. "The acquisition, which brings us leading vascular closure devices, will enable Terumo to provide customers with a comprehensive product offering in minimally invasive entry site management and lesion access," said Yutaro Shintaku, President and CEO of Terumo Corporation. "We expect that the acquisition will enhance our presence in the United States, which is the largest market for medical devices."

By building on Terumo's existing infrastructure and competencies, the acquisition will enable Terumo to maximize the value of the acquired businesses and contribute to supporting safe and efficient interventional procedures.

The acquisition remains subject to antitrust regulatory approvals and successful completion of Abbott's proposed acquisition of St. Jude Medical.

### **1. Overview of the Acquisition**

\*No change from the previous press release on October 18, 2016 on the businesses to be acquired and the purchase price

#### (1) Businesses to be acquired

Assets and liabilities related to St. Jude Medical's Angio-Seal™ and FemoSeal™ vascular closure products

Stock of Kalila Medical, Inc. (an affiliate company of Abbott) manufacturing Abbott's Vado™ Steerable Sheath

(2) Total sales: Approximately US\$268 million (FYE 2015/12)

\*Ordinary income and amount of assets and liabilities of the businesses to be acquired are not available.

(3) Purchase price, payment and financing

Purchase price: US\$1.12 billion

Payment: Cash

Financing: Cash reserves and debt

(4) Accounting treatment

The acquisition corresponds to an acquisition under “the Accounting Standard for Business Combinations” (The Accounting Standards Board of Japan Statement No. 21; September 13, 2013), and it is anticipated that positive goodwill will be recorded. The amount of goodwill is being examined.

(5) Impact on business performance

The impact of the acquisition on Terumo’s business performance is being examined.

## 2. Timeline

(1)	Approval date by the Board meeting	Dec. 7, 2016
(2)	Date of signing	Dec. 7, 2016
(3)	Anticipated timing of closing	Not yet determined

## 3. Overview of Counterparties

(1)	Company name	Abbott Laboratories
(2)	Address	Abbott Park, Illinois, U.S.A.
(3)	Name and title of representative	Miles D. White, Chairman of the Board and Chief Executive Officer
(4)	Description of the business	Manufacture and sale of nutrition, pharmaceuticals, diagnostic products and medical devices
(5)	Capital fund	US\$ 12,939* million (as of September 30, 2016) * excludes impact of Treasury stock
(6)	Year of establishment	1888
(7)	Consolidated net assets	US\$ 20,896 million (as of September 30, 2016)
(8)	Consolidated total assets	US\$ 39,497 million (as of September 30, 2016)

(9)	Major shareholders and ownership	BlackRock, Inc. (6.5%) The Vanguard Group, Inc. (6.3%)	
(10)	Relations between Terumo and Abbott	Capital	None
		Personnel	None
		Business	Terumo distributed some Abbott's products in Japan and terminated the distribution agreement in September 2016. None as of Dec. 7, 2016.

(1)	Company name	St. Jude Medical, Inc.	
(2)	Address	St. Paul, Minnesota, U.S.A.	
(3)	Name and title of representative	Michael T. Rousseau, President and Chief Executive Officer	
(4)	Description of the business	Manufacture and sale of cardiovascular devices	
(5)	Capital fund	US\$ 29 million (as of October 1, 2016)	
(6)	Year of establishment	1976	
(7)	Consolidated net assets	US\$ 4,486 million (as of October 1, 2016)	
(8)	Consolidated total assets	US\$ 12,541 million (as of October 1, 2016)	
(9)	Major shareholders and ownership	Capital Research Group Investors (9.3%) Massachusetts Financial Services Company (7.8%)	
(10)	Relations between Terumo and St. Jude Medical	Capital	None
		Personnel	None
		Business	None

#### 4. Overview of Kalila Medical, Inc.

(1)	Name	Kalila Medical, Inc.	
(2)	Address	Campbell, California, U.S.A.	
(3)	Name and title of representative	Michael Dineen, Global Franchise Director, Abbott Electrophysiology, Inc.	
(4)	Description of the business	Manufacture of cardiovascular introducer kits	
(5)	Capital fund	Undisclosed due to the confidential disclosure agreement	
(6)	Year of establishment	2010	
(7)	Major shareholders and ownership	Abbott Laboratories (100%)	
(8)	Ownership change	Ownership before the acquisition: Terumo Americas Holding, Inc. 0%	

	Ownership after the acquisition: Terumo Americas Holding, Inc. 100%
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\*Kalila Medical, Inc.'s business performance and amount of assets and liabilities are undisclosed due to the confidential disclosure agreement.

### **About Terumo Corporation**

Tokyo-based Terumo Corporation is one of the world's leading medical device manufacturers with over US\$5 billion in sales and operations in more than 160 nations. Founded in 1921, the company develops, manufactures and distributes world-class medical devices including products for use in cardiothoracic surgery, interventional procedures and transfusion medicine; the company also manufactures a broad array of syringe and hypodermic needle products for hospital and physician office use. Terumo contributes to society by providing valued products and services to the health care market and by responding to the needs of health care providers and the people they serve. Terumo Corporation's shares are listed on the first section of the Tokyo Stock Exchange (No. 4543, Reuters symbol <4543.T>, or Bloomberg 4543: JP) and is a component of the Nikkei 225, Japan's leading stock index.

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