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(Securities Code: 4543)

June 5, 2023

(Electronic provision of information starts on: June 1, 2023)

To Our Shareholders:

Shinjiro Sato
President and CEO
TERUMO CORPORATION
44-1, Hatagaya 2-chome, Shibuya-ku,
Tokyo, Japan

**NOTICE OF CONVOCATION OF
THE 108TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to notify you that the 108th Annual General Meeting of Shareholders (this “Meeting”) of Terumo Corporation (the “Company”) will be held as described below.

In convening this Meeting, the Company has taken electronic provision measures, which provide information contained in the Reference Documents for the General Meeting of Shareholders and other material (matters subject to electronic provision measures) in electronic format, and has posted this information on Internet websites on the Internet. Please access either of the following websites to review the information. Meanwhile, for this Meeting, the Company will send paper copies of the Reference Documents and related material to all shareholders same as before regardless of whether or not they made a request for the delivery of paper documents.

- The Company website:
https://www.terumo.com/investors/stocks/shareholders_meeting
- Tokyo Stock Exchange website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>
Please access the website above, enter the Company’s name or securities code and click “Search,” select “Basic information” and go to “Documents for public inspection/PR information.”
- Website for general shareholders meeting materials (in Japanese):
<https://s.srdb.jp/4543/>

If you are unable to attend the Meeting, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the Annual General Meeting of Shareholders provided electronically and exercise your voting rights by 5:45 p.m. on Monday, June 26, 2023.

Any changes regarding the operation of the Meeting will be posted on the Company’s website.

Exercise of voting rights via the Internet

Please access the website for exercising voting rights designated by the Company, and follow the on-screen guidance. Please vote for or against each of the proposals by the voting deadline indicated above.

Voting website: <https://evote.tr.mufig.jp/>

Exercise of voting rights by mail

Please indicate whether you are for or against each of the proposals on the enclosed Voting Rights Exercise Form and send back the completed form to us.

- 1. Date and Time:** Tuesday, June 27, 2023, at 2:00 p.m. (The reception desk opens at 1:00 p.m.)
 - 2. Place:** Fuji Banquet Room, 2nd floor, Meiji Kinenkan
2-2-23 Moto-Akasaka, Minato-ku, Tokyo
 - 3. Meeting Agenda:**
Matters to be reported:
 1. Business Report, Consolidated Financial Statements, and Audit Report concerning Consolidated Financial Statements by the Accounting Auditor and the Audit/Supervisory Committee for the 108th Term (from April 1, 2022, to March 31, 2023)
 2. Non-consolidated Financial Statements for the 108th Term (from April 1, 2022, to March 31, 2023)
Matters to be resolved:
Proposal 1: Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of 8 Directors (Excluding Directors Who Serve as Audit/Supervisory Committee Members)
Proposal 4: Election of 3 Directors Who Serve as Audit/Supervisory Committee Members
Proposal 5: Election of 1 Substitute Director Who Serves as an Audit/Supervisory Committee Member
 - 4. Exercise of voting rights:** If you exercise your voting rights both in writing on the Voting Rights Exercise Form and via the Internet, only the exercise of voting rights via the Internet will be valid. In addition, if you exercise your voting rights multiple times via the Internet, only the last vote will be valid. In the event that your approval or disapproval of any proposal is not indicated on the Voting Rights Exercise Form, it shall be considered as an indication of approval.
- The following matters are not included in the paper copy delivered to shareholders who requested it in accordance with the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation. Accordingly, the paper copy is part of the documents audited by the Audit/Supervisory Committee and the Accounting Auditor in preparing their Audit Reports.
 1. Matters concerning Stock Acquisition Rights Issued by the Company
 2. Systems to Ensure the Appropriateness of Operations
 3. Status of Operation of Systems to Ensure the Appropriateness of Operations
 4. Basic Policies regarding the Company's Control
 5. Consolidated Statements of Changes in Equity
 6. Notes to Consolidated Financial Statements
 7. Non-consolidated Statements of Changes in Equity
 8. Notes to Non-consolidated Financial Statements
 - When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please note that no one other than the shareholders with voting rights, such as an agent or an accompanying person, is permitted to enter the venue even if such a person brings a Voting Rights Exercise Form with him/her.
 - Any revisions to the matters subject to electronic provision measures will be posted on the websites above.
 - Please note that Directors of the Company and staff at the venue will be in light clothing at the meeting.

The Company's website: https://www.terumo.com/investors/stocks/shareholders_meeting

Reference Documents for the Annual General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as follows:

Matters concerning year-end dividends

The Company considers the distribution of an appropriate amount of profit to shareholders to be one of the principal responsibilities of management and pays dividends in accordance with a policy of stably and steadily increasing dividends.

Accordingly, it is proposed that a year-end dividend of 21 yen per share be paid out. As a result, the annual dividends for the year, including the interim dividend of 19 yen, will amount to 40 yen per share, an increase of 6 yen from the previous fiscal year.

(1) Type of dividend property
Cash

(2) Allocation of dividend property and total amount thereof
21 yen per share of common stock of the Company
Total amount of dividends: 15,636,760,293 yen

(3) Effective date of dividends from surplus
Wednesday, June 28, 2023

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for proposal

According to the “Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts” that came into force on June 16, 2021, it is permitted for a listed company to hold a general meeting of shareholders without a designated location (a so-called virtual-only general meeting of shareholders).

The Company proposes to newly establish Paragraph 2 under the current Article 13 of the Articles of Incorporation, in order to hold a general meeting of shareholders without a designated location when the Board of Directors decides that it is not appropriate to hold a general meeting of shareholders with a designated location in light of the interests of all shareholders, due to factors such as the spread of infectious diseases or occurrences of natural disasters, and other similar circumstances.

The method of holding general meetings of shareholders will be carefully decided by the Board of Directors each time a general meeting of shareholders is held, giving highest priority to shareholders’ rights and taking into consideration the status of infectious diseases or natural disasters, and other similar circumstances.

Furthermore, regarding these partial amendments to the Articles of Incorporation, the Company has obtained confirmation from the Minister of Economy, Trade and Industry and from the Minister of Justice that the Company meets the requirements of the Ordinances of the Ministry of Economy, Trade and Industry and the Ministry of Justice.

2. Details of amendments

The details of the amendments are as follows:

(The amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
CHAPTER III GENERAL MEETINGS OF SHAREHOLDERS (Convocation) Article 13. (Provision omitted) (Newly established)	CHAPTER III GENERAL MEETINGS OF SHAREHOLDERS (Convocation) Article 13. (Unchanged) 2. <u>The Company may hold a general meeting of shareholders without a designated location when the Board of Directors decides that it is not appropriate to hold a general meeting of shareholders with a designated location in light of the interests of shareholders, due to factors such as the spread of infectious diseases or occurrences of natural disasters, and other similar circumstances.</u>

Proposal 3: Election of 8 Directors (Excluding Directors Who Serve as Audit/Supervisory Committee Members)

The terms of office of all of the 8 directors (excluding directors who serve as Audit/Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. The election of 8 directors (excluding directors who serve as Audit/Supervisory Committee Members) is proposed.

The opinion of the Audit/Supervisory Committee on the selection of directors is outlined below.

Regarding selection of directors who are not Audit/Supervisory Committee Members, the Nomination Committee deliberated on whether each candidate is suitable for the position of director based on attributes, such as knowledge, experience, achievements, and capability, and two outside directors who serve as Audit/Supervisory Committee Members participated in the deliberation. Based on the results of deliberation by the Nomination Committee, the Audit/Supervisory Committee discussed and concluded that each of the candidates is suitable for the position of director.

The candidates for directors (excluding directors who serve as Audit/Supervisory Committee Members) are as indicated below.

No.	Name	Attribute	Current positions and responsibilities at the Company	Number of years in office	Ratio of attendance at the Board of Directors' meetings
1	Toshiaki Takagi	Reappointed	Chairman of the Board	13	12/12
2	Shinjiro Sato	Reappointed	President and CEO	9	12/12
3	Shoji Hatano	Reappointed	Director and Group Senior Managing Executive Officer/ Responsible for Corporate Affairs, Legal and Compliance Division (CLO Office, Legal Dept., Compliance Dept., and Promotional Activities Control Dept.), IT Planning Dept., Intellectual Property Dept., Terumo Medical Pranex, and Terumo Call Center	7	12/12
4	Kazunori Hirose	Reappointed	Director and Group Managing Executive Officer/ Chief Manufacturing Officer (CMO)/ Responsible for Quality, Post-Market Surveillance and Vigilance Division (Quality Assurance Dept. and Post-Market Surveillance and Vigilance Dept.), Regulatory Affairs and Clinical Development Division (Regulatory Affairs and Clinical Development Dept.), and Operations Division (Production Dept., Supply Chain Management Dept., Procurement Dept., and Environmental Management Dept.)	1	9/9

No.	Name	Attribute	Current positions and responsibilities at the Company	Number of years in office	Ratio of attendance at the Board of Directors' meetings
5	Norimasa Kunimoto	Newly appointed	Group Managing Executive Officer/ Responsible for Corporate Value Promotion Division (Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., and Design Planning Dept.), Human Resources Division (DE&I Promotion Dept., Human Resources Dpt., Global Human Resources Dept., and Human Resources Development Dept.), and Japan Sales Dept.	—	—
6	Yukiko Kuroda	Reappointed Outside Independent	Outside Director	5	12/12
7	Hidenori Nishi	Reappointed Outside Independent	Outside Director	3	12/12
8	Keiya Ozawa	Reappointed Outside Independent	Outside Director	2	12/12

Notes:

- 1 The number of shares of the Company held by each candidate for director shown on the following pages includes shares held through the Terumo Director Shareholding Association. The number of shares of the Company held indicated is as of March 31, 2023.
- 2 The number of years in office denotes the number of years since each candidate assumed the office of Director of the Company until the conclusion of this Annual General Meeting of Shareholders.
- 3 Ms. Yukiko Kuroda, Mr. Hidenori Nishi, and Mr. Keiya Ozawa are candidates for outside directors.
- 4 The Company appointed Ms. Yukiko Kuroda, Mr. Hidenori Nishi, and Mr. Keiya Ozawa as independent directors/auditors as defined by the Tokyo Stock Exchange and submitted notifications of their appointment to the Exchange. If their reelection is approved, the Company intends to continue their appointment as independent directors/auditors.
- 5 In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Ms. Yukiko Kuroda, Mr. Hidenori Nishi, and Mr. Keiya Ozawa to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the aforementioned law. If their reelection is approved, the Company intends to renew the liability limitation contracts with them. The maximum amount of liability under the contracts shall be the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.
- 6 The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers any damages that may result from Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. (However, those that fall under the disclaimer stipulated in the insurance contract are excluded.) The insurance premiums are fully borne by the Company. If the election of each candidate is approved as proposed, each of them will be insured under aforementioned insurance contract.
- 7 No special interest exists between the Company and any of the candidates for director.
- 8 “Ratio of attendance at the Board of Directors’ meetings” above for Mr. Kazunori Hirose refers to the meetings he attended after he assumed office on June 22, 2022.
- 9 The Company has made a certain amount of scholarship donations to Jichi Medical University, where Mr. Keiya Ozawa works as a professor emeritus and visiting professor, but this bears no relevance to his responsibilities at the university. He does not participate directly in the operations of the university; therefore, we have determined that he is able to execute his professional duties properly as an outside director with independence.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Toshiaki Takagi (March 24, 1958)	April 1981 Joined the Company April 2004 Factory Manager of Ashitaka Factory April 2008 Factory Manager of Ashitaka Factory and Suruga Factory June 2008 Executive Officer June 2009 General Manager of R&D Headquarters June 2010 Director and Senior Executive Officer June 2013 Responsible for Quality Assurance Dept., Post-Market Surveillance and Vigilance Dept., and Environmental Management Dept. April 2015 Responsible for Terumo Call Center July 2015 Chief Quality Officer (CQO) April 2016 Director and Managing Executive Officer April 2017 Responsible for Production Dept. and Procurement Dept. April 2018 Director and Senior Managing Executive Officer Responsible for Intellectual Property Dept. and Terumo Medical Pranex April 2020 Responsible for Regulatory Affairs, Promotional Activities Control Dept., Clinical Development Dept., Supply Chain Management Dept., CIO Office, and IT Planning Dept. April 2021 Responsible for R&D Promotion Dept. April 2022 Chairman of the Board (present) ■ Reasons for selection of the candidate for director Mr. Toshiaki Takagi previously served in positions including Chief Quality Officer (CQO) and was responsible for Production Dept. of the Company. Since 2022, he has been serving as Chairman of the Board of the Company and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, he is appropriately overseeing the Company's management by convening and conducting meetings of the Board of Directors as the chairperson thereof and is contributing to the enhancement of the Terumo brand through external activities. Through these roles, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.	50,069

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Shinjiro Sato (July 19, 1960)	April 1984 Joined Toa Nenryo Kogyo K.K. (currently ENEOS Corporation) February 1999 Joined Arthur Andersen Business Consulting (currently PwC Japan Group) June 2004 Joined the Company June 2010 Executive Officer, General Manager of Strategic Planning Dept. October 2011 Group President of Cardiac and Vascular Business Group June 2012 Senior Executive Officer June 2014 Director and Senior Executive Officer April 2015 Director and Managing Executive Officer April 2017 President and CEO (present) ■ Reasons for selection of the candidate for director Mr. Shinjiro Sato previously served in positions including General Manager of Strategic Planning Dept. and as President of Cardiac and Vascular Company. Since 2017 he has been serving as President and CEO of the Company and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, he is promoting the Company's management and business operations and is leading improvement of the Terumo Group's performance worldwide. Through fair and precise management oversight as a director, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.	73,725

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	Shoji Hatano (July 27, 1959)	April 1983 Joined the Company June 2009 Executive Officer General Manager of Secretarial Office, General Manager of Corporate Communication Dept. October 2011 General Manager of Strategic Planning Dept. June 2012 Senior Executive Officer General Manager of Strategic Planning Dept., responsible for Corporate Communication Dept. and Design Planning Dept. April 2015 Managing Executive Officer April 2016 President, General Hospital Company (currently Medical Care Solutions Company) June 2016 Director and Managing Executive Officer April 2020 Responsible for Corporate Affairs Dept. (present), Legal and Compliance Department, Japanese Sales Management Dept. (currently, Japan Sales Dept.), Terumo Call Center (present), Procurement Dept., Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., Design Planning Dept., and Environmental Management Dept. April 2022 Director and Group Senior Managing Executive Officer (present), Corporate Value Promotion Division, and Japan Sales Dept. April 2023 Legal and Compliance Division (CLO Office, Legal Dept., Compliance Dept., and Promotional Activities Control Dept.), IT Planning Dept., Intellectual Property Dept., and Terumo Medical Pranex (present) ■ Reasons for selection of the candidate for director Mr. Shoji Hatano previously served in positions including General Manager of Corporate Communication Dept., Strategic Planning Dept. and President of General Hospital Company (currently Medical Care Solutions Company) of the Company. Since 2022, he has been serving as Director and Group Senior Managing Executive Officer of the Company and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, in business operations he is promoting initiatives such as further enhancement of the global management foundation and raising corporate value. Through fair and precise management oversight as a director, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.	26,138

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	Kazunori Hirose (January 11, 1964)	April 1986 Joined the Company January 2013 Factory Manager of Kofu Higashi Factory April 2014 Vice President, Operations Division, General Hospital Products Business, General Hospital Company April 2016 Executive Officer April 2017 General Manager of Operations Division, General Hospital Company April 2018 General Manager of S&OP Promotion Dept., General Hospital Company January 2019 General Manager of Production Dept. April 2019 Senior Executive Officer, Chief Manufacturing Officer (CMO) (present), and Responsible for Supply Chain Management Dept. April 2020 Responsible for Procurement Dept. April 2022 Group Managing Executive Officer, Quality, Post- Market Surveillance and Vigilance Division (Quality Assurance Dept. and Post-Market Surveillance and Vigilance Dept.), Regulatory Affairs and Clinical Development Division (Regulatory Affairs and Clinical Development Dept.), Operations Division (Production Dept., Supply Chain Management Dept., Procurement Dept., and Environmental Management Dept.) (present), and Intellectual Property Dept. June 2022 Director and Group Managing Executive Officer (present) ■ Reasons for selection of the candidate for director Mr. Kazunori Hirose previously served in positions including Chief Manufacturing Officer (CMO) and General Manager of Production Dept. Since 2022, he has been serving as Director and Group Managing Executive Officer and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, in business operations he is contributing to enhancement of the global production and quality assurance system. Through fair and precise management oversight as a director, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.	13,371

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	Norimasa Kunimoto (July 4, 1963) <Newly appointed>	April 1987 Joined the Company October 2011 General Manager of Secretarial Office April 2018 Executive Officer General Manager of Secretarial Office July 2018 Executive Officer Regional Representative, Eastern Europe, Russia, Middle East and Africa April 2022 Group Executive Officer Regional Representative, Europe, Middle East and Africa April 2023 Group Managing Executive Officer Corporate Value Promotion Division (Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., and Design Planning Dept.), Human Resources Division (DE&I Promotion Dept., Human Resources Dpt., Global Human Resources Dept., and Human Resources Development Dept.), and Japan Sales Dept. (present)	15,581
■ Reasons for selection of the candidate for director Mr. Norimasa Kunimoto previously served in positions including General Manager of Secretarial Office and Regional Representative, Europe, Middle East and Africa. Since 2023, he has been serving as Group Managing Executive Officer and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, he is contributing to enhancing governance on a global basis and further promoting business operations. Through fair and precise management oversight as a director, he is expected to lead further development of the Terumo Group. Therefore, the Company proposes his election for the position of director.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
6	Yukiko Kuroda (September 24, 1963) <Candidate for outside/independent director>	April 1986 Joined Sony Corporation (currently Sony Group Corporation) January 1991 President, People Focus Consulting June 2010 Outside Audit & Supervisory Board Member, Astellas Pharma Inc. March 2011 Outside Director, CAC Co., Ltd. (currently CAC Holdings Corporation) April 2012 Founder and Director, People Focus Consulting (present) June 2013 External Director, Marubeni Corporation June 2015 Outside Director, Mitsui Chemicals, Inc. June 2018 Outside Director of the Company (present) Outside Director, Seven Bank, Ltd. (present) June 2022 Independent Director, OBAYASHI CORPORATION (present) August 2022 Outside Director, Oracle Corporation Japan (present) ■ Reasons for selection of the candidate for outside director and an overview of expected duties, etc. Ms. Yukiko Kuroda has a wealth of experience as a corporate manager and insight cultivated through long years of consulting experience for human resources and organizations on a global basis. The Company proposes her election for the position of outside director because the Company wishes her to utilize her experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Ms. Kuroda will duly execute her duties as an outside director. If her election is approved, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation in deliberation of related matters to corporate governance from an independent standpoint will be expected.	733

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
7	Hidenori Nishi (January 6, 1951) <Candidate for outside/independent director>	April 1975 Joined Kagome Co., Ltd. June 2000 Director, Kagome Co., Ltd. June 2005 Director & Managing Executive Officer, Kagome Co., Ltd. June 2008 Director & Senior Managing Executive Officer, Kagome Co., Ltd. April 2009 President & Representative Director, Kagome Co., Ltd. January 2014 Chairman of the Board of Directors & Representative Director, Kagome Co., Ltd. June 2014 Outside Director, NAGASE & CO., LTD. March 2016 Chairman of the Board of Directors, Kagome Co., Ltd. June 2019 Outside Director, FUJI OIL HOLDINGS INC. (present) June 2020 Outside Director of the Company (present) ■ Reasons for selection of the candidate for outside director and an overview of expected duties, etc. Mr. Hidenori Nishi has a wealth of experience as a corporate manager and insight cultivated through long years of marketing and overseas business experience. The Company proposes his election for the position of outside director because the Company wishes him to continue to utilize his experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Mr. Nishi will duly execute his duties as an outside director. If his election is approved, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation in deliberation of related matters to corporate governance from an independent standpoint will be expected.	1,567

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
8	Keiya Ozawa (February 23, 1953) <Candidate for outside/independent director>	March 1977 Graduated from School of Medicine, Faculty of Medicine, The University of Tokyo March 1985 Studied at the National Institutes of Health (NIH), the United States (Fogarty Fellow: until 1987) September 1990 Associate Professor, The Institute of Medical Science, The University of Tokyo November 1994 Professor, Blood Medical Research Division, Jichi Medical University February 1998 Senior Professor, Division of Hematology, Jichi Medical University April 1998 Professor, Division of Genetic Therapeutics, Center for Molecular Medicine, Jichi Medical University April 2014 Hospital Director, IMSUT Hospital, Director, Center for Gene and Cell Therapy, and Professor, Division of Gene Therapy Development, Advanced Clinical Research Center, The Institute of Medical Science, The University of Tokyo Visiting Professor, Division of Immuno-Gene & Cell Therapy (Takara Bio), Jichi Medical University April 2018 Professor Emeritus and Visiting Professor, Jichi Medical University (present) Program Supervisor, Japan Agency for Medical Research and Development (present) June 2018 Program Officer, Japan Agency for Medical Research and Development (present) October 2018 Senior Advisor, Genetic Therapeutics Center, Jichi Medical University (present) June 2021 Outside Director of the Company (present) April 2023 Division of Gene & Cell Therapy for Intractable Diseases, Jichi Medical University (present) ■ Reasons for selection of the candidate for outside director, and an overview of expected duties, etc. Mr. Keiya Ozawa has expertise on gene therapy, cell therapy and research achievements in hematology. He also has abundant experience which was cultivated by being involved in the business execution of the organization as Hospital Director of IMSUT Hospital and Director of Center for Gene and Cell Therapy, The Institute of Medical Science, The University of Tokyo. The Company proposes his election for the position of outside director because the Company wishes him to continue to utilize his experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Mr. Ozawa will duly execute his duties as an outside director. If his election is approved, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation in deliberation of related matters to corporate governance from an independent standpoint will be expected.	493

Proposal 4: Election of 3 Directors Who Serve as Audit/Supervisory Committee Members

The terms of office of all of the 3 directors who serve as Audit/Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. The election of 3 directors who serve as Audit/Supervisory Committee Members is proposed.

The Audit/Supervisory Committee has already given consent to the submission of this proposal.

The candidates for directors who serve as Audit/Supervisory Committee Members are as indicated below.

No.	Name	Attribute	Current positions and responsibilities at the Company	Number of years in office	Ratio of attendance at the Board of Directors' meetings	Ratio of attendance at the Audit/Supervisory Committee's meetings
1	Takanori Shibazaki	Reappointed	Director (Full-time Audit/Supervisory Committee Member)	2	12/12	13/13
2	Masaichi Nakamura	Reappointed Outside Independent	Outside Director (Audit/Supervisory Committee Member)	4	12/12	13/13
3	Soichiro Uno	Reappointed Outside Independent	Outside Director (Audit/Supervisory Committee Member)	4	12/12	13/13

Notes:

1. The number of shares of the Company held by each candidate for director shown on the following pages includes shares held through the Terumo Director Shareholding Association. The number of shares of the Company held indicated is as of March 31, 2023.
2. The number of years in office denotes the number of years since each candidate assumed the office of Director of the Company until the conclusion of this Annual General Meeting of Shareholders.
3. Mr. Masaichi Nakamura and Mr. Soichiro Uno are candidates for outside directors.
4. The Company appointed Mr. Masaichi Nakamura as independent director/auditor as defined by the Tokyo Stock Exchange and submitted notification of his appointment to the Exchange. If his reelection is approved, the Company intends to continue his appointment as independent director/auditor. In addition, if Mr. Soichiro Uno is reelected, the Company intends to appoint him as independent director/auditor as defined by the Tokyo Stock Exchange and submit notification of his appointment to the Exchange.
5. In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Takanori Shibazaki, Mr. Masaichi Nakamura, and Mr. Soichiro Uno to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the aforementioned law. If their reelection is approved, the Company intends to renew the liability limitation contracts with them. The maximum amount of liability under the contracts shall be the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.
6. The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers any damages that may result from Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. (However, those that fall under the disclaimer stipulated in the insurance contract are excluded.) The insurance premiums are fully borne by the Company.
If the election of each candidate is approved as proposed, each of them will be named as the insured under the aforementioned insurance contract.
7. At Sumitomo Heavy Industries, Ltd. and its group companies, where Mr. Masaichi Nakamura is the External Corporate Auditor, inappropriate behavior in quality control has been discovered to have occurred since September 2018. As an External Corporate Auditor, he is constantly focusing on improving the internal control system and strengthening compliance. After the case was discovered, he held a hearing on the cause

and impact of the incident at the Board of Directors. He is still performing extensive duties to prevent recurrence, such as receiving reports on the validity of improvement proposals.

8. At SCSK Corporation, where Mr. Masaichi Nakamura is the Director (Audit and Supervisory Committee Member), a case of unauthorized acquisition and misuse of customer information by a former employee of the company was discovered (announced March 2021). As Director (Audit and Supervisory Committee Member), he has been making recommendations at the Board of Directors regarding thorough compliance, including compliance with information security rules. Even after the discovery, he gave advice on how to deal with the incident, including measures to prevent recurrence, and continues to perform his duties appropriately, such as paying close attention to the implementation status and requesting reports as appropriate.
9. Mr. Masaichi Nakamura serves as an Outside Director (Audit and Supervisory Committee Member) of SCSK Corporation, but he is scheduled to retire at the conclusion of the entity's annual general meeting of shareholders, which will be held in June 2023.
10. No special interest exists between the Company and any of the candidates for director.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Takanori Shibazaki (December 25, 1961)	April 1986 Joined the Company July 2005 Factory Manager of the First Factory, Terumo Medical Products (Hangzhou) Co., Ltd. September 2007 Deputy General Manager of Strategic Planning Dept. October 2008 President and CEO, Terumo Medical Products (Hangzhou) Co., Ltd. April 2014 Executive Officer July 2014 General Manager of Supply Chain Management Dept. April 2016 President and CEO, Terumo (China) Holding Co., Ltd. April 2017 Senior Executive Officer, Regional Representative, China June 2021 Director (Full-time Audit/Supervisory Committee Member) (present)	16,860
■ Reasons for selection of the candidate for director who serves as Audit/Supervisory Committee Member Mr. Takanori Shibazaki has served as General Manager of Supply Chain Management Dept., of the Company, President and CEO, Terumo (China) Holding Co., Ltd., Regional Representative, China, etc. and since 2021, Director who serves as an Audit/Supervisory Committee Member, and contributes to the improvement of corporate value. Based on abundant work experience and knowledge as director who serves as Audit/Supervisory Committee Member, auditing and supervising global group management fairly and accurately, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director who serves as Audit/Supervisory Committee Member of the Company.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Masaichi Nakamura (January 9, 1957) <Candidate for outside/independent director>	October 1983 Joined Tetsuzo Ota & Co. May 1999 Partner of Showa Ota & Co. August 2008 Executive Director of Ernst & Young ShinNihon LLC July 2014 Representative Partner and Vice President of Ernst & Young ShinNihon LLC September 2016 Representative of Masaichi Nakamura CPA Office (present) June 2017 External Corporate Auditor, Sumitomo Heavy Industries, Ltd. (present) Outside Director (Audit and Supervisory Committee Member), SCSK Corporation (present) June 2019 Outside Director (Audit/Supervisory Committee Member) of the Company (present) ■ Reasons for selection of the candidate for outside director who serves as an Audit/Supervisory Committee Member, and an overview of expected duties, etc. Mr. Masaichi Nakamura has expertise and a wealth of experience as a certified public accountant. The Company proposes his reelection for the position of outside director because the Company wishes him to continue to utilize his experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Mr. Nakamura will duly execute his duties as an outside director who serves as an Audit/Supervisory Committee Member. If his election is approved, as a member of each of the Nomination Committee, Remuneration Committee, and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation in deliberation of related matters to corporate governance from an independent standpoint will be expected.	1,831

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	Soichiro Uno (January 14, 1963) <Candidate for outside/independent director>	April 1988 Joined Nagashima & Ohno (currently Nagashima, Ohno & Tsunematsu), admitted to the bar in Japan November 1993 Passed the bar exam in the State of New York, USA January 1997 Partner, Nagashima & Ohno (currently Nagashima, Ohno & Tsunematsu) (present) June 2004 External Audit & Supervisory Board Member, Softbank Corp. (currently Softbank Group Corp.) (present) June 2018 Outside Director (Audit and Supervisory Committee Member), Dream Incubator Inc. (present) June 2019 Outside Director (Audit/Supervisory Committee Member) of the Company (present) ■ Reasons for selection of the candidate for outside director who serves as an Audit/Supervisory Committee Member, and an overview of expected duties, etc. Mr. Soichiro Uno has expertise and a wealth of experience as a lawyer in Japan and overseas. The Company proposes his reelection for the position of outside director because the Company wishes him to continue to utilize his experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Mr. Uno will duly execute his duties as an outside director who serves as an Audit/Supervisory Committee Member. If his election is approved, as a member of each of member of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation in deliberation of related matters to corporate governance from an independent standpoint will be expected.	0

(Reference) Skill Matrix of Directors after the General Meeting of Shareholders

		Internal Directors						Independent Directors				
		Takagi	Sato	Hatano	Hirose	Kunimoto	Shibazaki	Kuroda	Nishi	Ozawa	Nakamura	Uno
Director experience value	Healthcare industry experience	●	●	●	●	●	●			●		
	Financial experience/knowledge		●	●				●			●	
	Sales marketing experience		●	●		●		●	●			
	Technology/development/regulatory affairs	●			●					●		
	Business responsibility experience	●	●	●		●	●	●	●			
	Experience as CEO of a listed company		●						●			
	Government/industry response	●		●			●		●	●		
	Risk management	●	●		●	●	●		●	●	●	●
	New business development experience		●	●					●			
	Experience outside Japan		●	●	●	●	●	●	●	●		●
	Environment, Safety and Quality	●		●	●	●						
Director experience	Status of posts at other companies							●	●		●	●
	Timing of appointment as director	06/2010	06/2014	06/2016	06/2022	06/2023	06/2021	06/2018	06/2020	06/2021	06/2019	06/2019
Diversity	Age	65	62	63	59	59	61	59	72	70	66	60
	Sex	Male	Male	Male	Male	Male	Male	Female	Male	Male	Male	Male

Proposal 5: Election of 1 Substitute Director Who Serves as an Audit/Supervisory Committee Member

In order to ensure that the number of incumbent directors who serve as Audit/Supervisory Committee Member does not fall short of that required by laws and regulations, the Company requests the approval of shareholders for the election of 1 substitute director who serves as an Audit/Supervisory Committee Member.

The Audit/Supervisory Committee has already given consent to the submission of this proposal.

The candidate for substitute director who serves as an Audit/Supervisory Committee Member is as indicated below.

Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
Koichi Sakaguchi (September 10, 1950) <Candidate for substitute outside director who serves as an Audit/Supervisory Committee Member>	April 1979 Admitted to the bar in Japan Joined Tamiya & Tsutsumi Law Office April 1985 Established Sakaguchi & Takanaka Law Office (changed its name to Legal Plaza Law Office in April 1998) September 2000 Judge, Tokyo District Court April 2006 Judge (Department Manager), Mito District Court August 2012 Judge (General Manager), Kawagoe Branch, Saitama District/Family Court (Chief Judge) September 2013 Director, Akita District/Family Court November 2015 Registered as attorney-at-law Joined KATO Sogo Law Office (currently Ginga Law Office) (present) June 2016 External Corporate Auditor, Morinaga & Co., Ltd. (present) ■ Reasons for selection of the candidate for substitute outside director who serves as an Audit/Supervisory Committee Member and an overview of expected duties, etc. The Company proposes election of Mr. Koichi Sakaguchi for the position of substitute outside director who serves as an Audit/Supervisory Committee Member as the Company wishes him to utilize the legal knowledge he has gained, in the course of his lengthy career as a lawyer and a judge, in the management and supervision of the Company. For these reasons, the Company deems that Mr. Sakaguchi will duly execute his duties as an outside director who serves as an Audit/Supervisory Committee Member.	0

Notes:

- 1 Mr. Koichi Sakaguchi is a candidate for substitute outside director.
- 2 If Mr. Koichi Sakaguchi assumes the office of an outside director who serves as an Audit/Supervisory Committee Member, the Company intends to appoint him as an independent director/auditor as defined by the Tokyo Stock Exchange and submit notification of his appointment to the Exchange.
- 3 If Mr. Sakaguchi assumes the office of an outside director who serves as an Audit/Supervisory Committee Member, the Company intends to conclude a contract with him to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of said Act. The maximum amount of liability under the contracts shall be the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.
- 4 The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers any damages that may result from Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. (However, those that fall under the disclaimer stipulated in the

insurance contract are excluded.) The insurance premiums are fully borne by the Company. If Mr. Koichi Sakaguchi assumes the office of an outside director who serves as an Audit/Supervisory Committee Member, he will be insured under aforementioned insurance contract.

- 5 No special interest exists between the Company and Mr. Koichi Sakaguchi.

Business Report

(From April 1, 2022, to March 31, 2023)

1. Overview of the Group

(1) Business Progress and Results

During the fiscal year ended March 31, 2023, despite some lingering instability in the supply chain impacted by COVID-19, a steady recovery was seen in medical settings from the damage caused by the pandemic. Against this backdrop, our main businesses returned to a growth trajectory, and the impacts of yen weakness in foreign exchange rates served as a tailwind. As a result, revenue for the year under review increased by 16.6% year on year to 820.2 billion yen. Operating profit increased slightly by 1.2% year on year to 117.3 billion yen, affected by a deteriorating macroeconomic environment, despite hikes to selling prices and stricter measures to control costs. Profit for the year attributable to owners of the parent increased by 0.6% year on year to 89.3 billion yen.

Fiscal 2022 is the first year of the new 5-Year Growth Strategy “GS26.” The Company made a good start in its businesses and products, which are to be the future drivers for its growth. Cardiac and Vascular Company steadily expanded sales in the area of vascular access in its core TIS business. This was because the use of interventional systems is expanding across the vascular system as a more patient-friendly treatment that improves QOL. On the other hand, in the therapeutic device area, the Company successively launched Vascular Graft business products in the U.S.: Relay[®]Pro Thoracic Stent-Graft device and Thoraflex Hybrid, a single use medical device combining a polyester graft with a self-expanding stent graft. The sales of these products are expected to increase as it reduces burden on patients and enables their early discharge from hospitals after aortic surgery. Medical Care Solutions Company further expanded the Pharmaceutical Solutions business, which is expected to grow as a solution-type business catering to pharmaceutical companies. The new G-Lasta[®] Subcutaneous Injection 3.6 mg BodyPod, a drug-device combination product co-developed with Kyowa Kirin Co., Ltd., was launched and is marketed in Japan by Kyowa Kirin. The BodyPod was developed to help reduce the burden on patients undergoing chemotherapy. The injection device is activated and attached to the patient’s body at the hospital on the day of chemotherapy. Then, the drug is automatically administered approximately 27 hours later. While in principle, G-Lasta[®] is typically administered at hospitals at least one day after chemotherapy, the newly developed combination product allows patients to skip the additional outpatient visit required for the administration of G-Lasta[®]. Blood and Cell Technologies Company has started a new Plasma Innovation business in light of the expanding demand for plasma-derived therapies. Rika is a plasma collection system newly developed by the Company, which is expected to reduce the burden on both the donor and healthcare professionals involved in blood collection, and to improve the efficiency of the entire source plasma collection process.

This fiscal year, the Company has made efforts to raise the level of its global operations and promoting global human resource strategies as a means to support such growth on a company-wide basis.

The Company strives to raise the level of its global operation by implementing a global production strategy. The Company expanded its production capacity in Costa Rica, Central America. Costa Rica is a country which has developed as a focal point for the medical equipment industry, and is also an environmentally advanced nation which supplies 95% of its electric power with renewable energy including hydraulic power. The country is also close to the U.S., the largest medical equipment

market, and is expected to become the Company's key location to expand production capacity and provide stable supply, which are essential to sustainable growth, in line with GS26 strategies.

The Company addresses its human resource strategies on a global basis. Last fiscal year, Terumo established a global "DE&I Philosophy" to further cultivate the culture of Diversity, Equity, and Inclusion (DE&I) at the Terumo Group. Additionally, a "DE&I Guiding Principle" has also been defined to ingrain DE&I norms of behavior. In accordance with these values, the Company has rolled out a range of activities worldwide to make an organization where various associates can bring their authentic self to work with a sense of oneness. Furthermore, the Company recognizes that an excellent working environment is essential for our associates to be open to change and experience the new and different, which will in turn lead to impactful personal, team and even organizational development. To that end, the Company believes that development opportunities and focused learning habits will sharpen the performance and stimulate the Growth Mindset of associates, i.e. talent is scalable. Company-wide programs are underway to build on this concept.

■ Assets and Income

(Millions of yen, unless otherwise stated)

	105th term Fiscal 2019 From April 1, 2019 to March 31, 2020	106th term Fiscal 2020 From April 1, 2020 to March 31, 2021	107th term Fiscal 2021 From April 1, 2021 to March 31, 2022	108th term Fiscal 2022 From April 1, 2022 to March 31, 2023
Revenue	628,897	613,842	703,303	820,209
Operating profit	110,611	98,386	115,960	117,332
Profit before tax	106,466	97,060	114,501	116,137
Profit for the year	85,037	77,200	88,813	89,325
Profit for the year attributable to owners of the parent	85,211	77,268	88,813	89,325
Basic earnings per share (yen)	113.96	102.33	117.45	119.00
Total equity	754,883	856,662	1,012,313	1,111,063
Total assets	1,241,355	1,351,192	1,473,693	1,602,225
ROE (Return on equity attributable to owners of the parent) (%)	11.7	9.6	9.5	8.4
ROA (Return on assets) (%)	7.2	6.0	6.3	5.8

(Reference) Adjusted operating profit 107th term 134,441 million yen 108th term 138,025 million yen

Notes:

- 1 Basic earnings per share is calculated based on the average number of shares outstanding during the period less treasury stock.
- 2 ROE is calculated as follows.
Profit for the year attributable to owners of the parent / equity attributable to owners of the parent (simple average balance between the beginning and ending date of the fiscal year)
- 3 ROA is calculated as follows.
Profit for the year attributable to owners of the parent / total assets (simple average balance between the beginning and ending date of the fiscal year)

Sales by Geographic Segment

(Millions of yen)

Item	107th term Fiscal 2021 From April 1, 2021 to March 31, 2022		108th term Fiscal 2022 From April 1, 2022 to March 31, 2023		Change
	Amount	Ratio (%)	Amount	Ratio (%)	(%)
Japan	206,143	29.3	207,385	25.3	0.6
Europe	140,417	20.0	160,017	19.5	14.0
Americas	220,400	31.3	286,580	34.9	30.0
China	59,350	8.4	71,946	8.8	21.2
Asia & Others	76,991	10.9	94,279	11.5	22.5
Total	703,303	100.0	820,209	100.0	16.6

Cardiac and Vascular Company

Overseas, all divisions performed well due to a steady recovery in medical demand as the market returned to a growth trajectory. The revenue for Vascular Graft division was solid amid launches of several new products. In Japan, revenue increased amid growth in sales of new products such as drug-eluting coronary stent and thoracic stent graft, which offset weaker demand caused by the impacts of the resurgence of COVID-19 cases.

As a result, Cardiac and Vascular Company revenue increased by 21.0% over the previous fiscal year to 480.6 billion yen.

Main products

Sub-segments	Main products
Interventional Systems (TIS)	Angiographic guidewires, Angiographic catheters, Introducer sheaths, Vascular closure devices, PTCA balloon catheters, Coronary stents, Self-expanding peripheral stents, IVUS, Imaging catheters and others
Neurovascular	Coils, stents, and intrasaccular devices for treating brain aneurysm, Aspiration catheters and stent retrievers for treating ischemic stroke and others
Cardiovascular	Oxygenators, Heart lung machine and others
Vascular Graft	Artificial vascular grafts, Stent grafts

Medical Care Solutions Company

In the Company's primary market of Japan, sales of adhesion barrier products of Hospital Care Solutions division grew, offsetting impacts from the resurgence of COVID-19 cases. Additionally, sales of Pharmaceutical Solutions division, which pursues alliance business with pharmaceutical companies, trended strongly globally.

As a result, Medical Care Solutions Company revenue increased by 3.5% over the previous fiscal year to 191.7 billion yen.

Main products

Item	Main products
Hospital Care Solutions	Syringes, Infusion pumps, Syringe pumps, I.V. sets, I.V. solutions, Peritoneal dialysis, Pain management products, Nutrition, Adhesion barriers and others
Life Care Solutions	Blood glucose monitoring systems, Pen needle, Insulin patch pumps, Blood pressure monitors, Digital thermometers and others
Pharmaceutical Solutions	Contract manufacturing of prefilled syringes, Drug kit administration devices (Prefillable syringes, Needles) and others

Blood and Cell Technologies Company

Overseas, revenue increased substantially, driven by the recovery in blood transfusion demand in Asia and other regions as well as strong demand for blood component collection systems in North America. In Japan, revenue declined amid weaker demand for blood bags in terms of products for blood centers.

As a result, Blood and Cell Technologies Company revenue increased by 22.4% over the previous fiscal year to 147.6 billion yen.

Main products

Item	Main products
Blood and Cell Technologies	Blood bags, Component collection systems, Automated blood processing systems, Pathogen reduction systems, Centrifugal apheresis systems, Cell expansion systems and others

■ Research and Development Results

Cardiac and Vascular Company

Regarding the TIS business, the Company announced results of its clinical trials for two projects in the U.S. One is Radial to Peripheral (R2P) interventions in lower extremity endovascular interventions, and the other is Radial Access in Visceral Interventions (R.A.V.I.) in embolization procedures. The R2P clinical trial showed that radial artery access minimizes vascular complications and shortens length of hospital stays. The details of the results were presented at the Transcatheter Cardiovascular Therapeutics (TCT) conference, the annual scientific symposium of the Cardiovascular Research Foundation, held in the U.S. in September, 2022. Findings in the R.A.V.I. clinical trial showed that intra-vascular access via the radial artery can successfully be used as the primary strategy for the modern embolization practice, without femoral bailout, which has been the norm. The findings were presented in March 2023 at the Society of Interventional Radiology (SIR) 2023 Annual Scientific Meeting, one of the largest professional gathering of interventional radiologists in the U.S.

Regarding the Vascular Graft business, the indication for Relay[®]Pro Thoracic Stent-Graft device has been expanded. In addition to the traditional treatment of Thoracic Aortic Aneurysms, indication was expanded to pathologies of dissection in Japan and the U.S., and to trauma patients in the U.S. Relay[®]Pro is a low-profile device with a smaller diameter sheath that transports the stent-graft, and is particularly useful for patients with smaller access vessels.

Medical Care Solutions Company

Regarding the Hospital Care Solutions business, a new model of indwelling needle, Surflo Zero, was released in Japan. The Company seeks to improve the success rate of indwelling needle puncture by adopting a uniquely developed 3D needle which is designed so that the blood vessel will be easily captured at puncture, as well as by being equipped with OK FLASH, a system which improves visibility when capturing the blood vessel.

Regarding the Life Care Solutions business, the reimbursement coverage within the Japanese medical insurance system has expanded for the Dexcom G6 CGM System, a real-time glucose monitoring system. Patients using the newly added category of “C150” will be eligible to receive reimbursement using the Dexcom G6 CGM System in Japan. The “C150” category covers all people who undergo insulin self-injection at least once a day, regardless of the type of diabetes, to use the Dexcom G6 CGM System under the Japanese medical insurance program. The product is developed and manufactured by DexCom Inc. (United States), and Terumo holds the exclusive distribution agreement in Japan since their partnership in 2018.

Regarding the Pharmaceutical Solutions business, the Company launched in Japan G-Lasta[®] Subcutaneous Injection 3.6 mg BodyPod, a drug-device combination product co-developed with Kyowa Kirin Co., Ltd. It is an automated injection device that is activated and attached to the patient’s body at the hospital on the day of chemotherapy, automatically administering the drug afterwards. The newly developed combination product allows patients to skip the additional outpatient visit required for the administration of G-Lasta[®], and helps reduce the burden on patients and healthcare professionals.

Blood and Cell Technologies Company

A bioreactor Quantum Flex Cell Expansion System was released in the U.S. The System is a bioreactor that supports the stages from process development through commercial manufacturing in the field of cell and gene therapy. By using Quantum Flex, developers can complete initial process development on the same platform as that used for production, and can create the culture environment for the cells to multiply. Through early process development, it may lower the risk for unintended withdrawal from the process as well as the cost incurred for the late stage of the clinical trial.

The Company has completed collecting plasma from the first donor using the Rika Plasma Donation System at the plasma collection center of CSL Plasma LLC (United States) in Aurora, Colorado. Rika is a source plasma collection system which was cleared for use by the U.S. Food and Drug Administration (FDA) in March 2022. It was developed to accommodate the growing demand for plasma-derived

therapies. At present, Rika is available in a limited market release, but plans are underway for rollout at additional CSL Plasma centers in the U.S. Rika is part of an ecosystem that innovates plasma collection technology by process improvements to drive efficiency through integration with IT solutions including software that supports center operations.

R&D Division

The R&D Division, which promotes group-wide collaboration across companies and businesses, is working on external investment and open innovation initiatives (collaboration with external parties) to acquire essential technologies, in addition to the formulation of internally developed strategic portfolios and the deepening and expanding application of core technologies that will become the source of our competitive advantage. In Fiscal 2022, the Company introduced the Center of Excellence (CoE, a core division in continuous cross-organizational initiatives) for the technology axis, set forth in the 5-Year Growth Strategy “GS26.” By having the members of technical CoE cross-organizationally participate in various projects under each development theme, the Company seeks to accumulate and develop technique and knowhow of the entire Company and improve the development success rates and speed.

In addition, regarding digital transformation (DX), the DX Promotion Department established in April 2021 is promoting both “DX for business creation” and “DX for operation,” such as by collecting information related to DX carried out by each company and the Operations Division and by encouraging the cooperation of these divisions. In Fiscal 2022, the Company held a Global Leadership Meeting in which the Group Executive Officers from around the world meet under the theme “One Terumo DX.” The Company also started to hold quarterly DX direction meetings to set the direction of company-wide DX and promote company-wide coordination, thereby establishing the system to promote each project more strongly.

(2) Issues to be Addressed

In Fiscal 2023, medical demand is expected to return to a growth trajectory and, as such, we anticipate that revenue will grow not only in Europe and North America, but also China and Japan as well. The macro economic environment appears to be headed in a positive direction, but the situation is expected to remain challenging due to further increases in raw materials prices and energy related costs such as electricity and gas. In this environment, the financial results forecast factors in various initiatives including further revisions in pricing policy (price increases), cost effective operations, and implementation of cost reduction measures ahead of schedule. In fields that are expected to grow, we will proactively invest in CAPEX centered on increases in production capacity so as not to miss the opportunity for growth. In addition, we will create and expand businesses that devise and offer new value and solutions while addressing the issues and needs of healthcare, including shortages of healthcare workers and the need to promote greater operational efficiencies.

Despite the challenging environment for the corporate management, we will actively work to seize these opportunities and increase corporate value. The four measures we announced in the previous fiscal year are aggressive pursuit of M&A opportunities, acceleration of profit improvement, reinforcement of capital policy, and promotion of sustainability management. In terms of sustainability management, we established the Sustainability Committee in April 2023 to set specific KPIs for our ESG and CSV related action plans in our GS26, and to lead the execution of these action plans. We will introduce a system that links these specific KPIs to performance-based remuneration for the responsible directors, and work to further heighten its effectiveness.

■ Forecast of Consolidated Results

(Millions of yen)

	Fiscal year ended March 31, 2023 Results	Fiscal year ending March 31, 2024 Forecast	Change	Change(%)
Revenue	820,209	854,000	33,790	4.1
Adjusted operating profit	138,025	151,000	12,974	9.4
Adjusted operating profit ratio (%)	16.8	17.7	-	-
Operating profit	117,332	132,500	15,167	12.9
Operating profit ratio (%)	14.3	15.5	-	-
Profit for the year attributable to owners of the parent	89,325	101,000	11,674	13.1

Actual rate for fiscal year ended March 31, 2023: USD 1 = JPY 135, EUR 1 = JPY 141

Assumed rate for fiscal year ending March 31, 2024: USD 1 = JPY 130, EUR 1 = JPY 145

Note: The information disclosed by the Company contains forecasts of financial performance and other forward-looking statements. Such statements are based on information currently available to the Company and certain assumptions deemed reasonable and do not represent the Company's assurance as to their realization. It should be noted that actual results may differ from these forecasts due to various factors, which include, but are not limited to, changes in economic conditions surrounding the Company's business fields, foreign currency exchange rate fluctuations, and the state of competition.

(3) Principal Business

The Group manufactures and sells medical products and equipment, including pharmaceuticals, regenerative medicine, various disposable medical devices, and medical systems. Principal products are listed on Pages 27-29.

(4) Capital Investment

Capital investment in the fiscal year ended March 31, 2023, amounted to 75.8 billion yen on a construction basis. Principal items are as follows:

1) Main facilities construction completed

Terumo BCT, Inc.: Construction of factory related to raw material plasma collection completed

2) Main facilities under construction

Terumo Corporation: New building in the Kofu Factory site for strengthening production capacity for CDMO* and other businesses

Terumo BCT, Inc.: Production equipment related to raw material plasma collection, etc.

*CDMO stands for "Contract Development and Manufacturing Organization." Terumo's CDMO is a solution business that consistently supports the process from designing drug-filling devices to manufacturing them for commercial use through partnerships with pharmaceutical companies.

(5) Financing

Not applicable.

(6) Principal Lenders (as of March 31, 2023)

Lender	Outstanding borrowings (Billions of yen)
MUFG Bank, Ltd.	77.6
Mizuho Bank, Ltd.	76.4
Syndicated loan *	48.0

*The syndicated loan is managed by Mizuho Bank, Ltd., and MUFG Bank, Ltd.

(7) Employees (as of March 31, 2023)**1) The Group**

Number of employees*	Increase from the previous fiscal year-end
30,207	1,913

*The above number of employees represents the number of full-time employees and does not include the number of persons on loan from the Group to outside the Group, dispatched workers, etc.

2) The Company

Number of employees ¹	Increase from the previous fiscal year-end	Average age ²	Average service years ²
5,457	80	40.5	16.3

Notes:

- 1 The above number of employees represents the number of full-time employees and does not include the number of persons on loan from the Company to outside the Company, dispatched workers, etc.
- 2 In calculating the average age and the average service years, only the permanent employees of the Company were taken into account.

(8) Principal Offices, Factories and Significant Subsidiaries (as of March 31, 2023)**1) Terumo Corporation**

Head Office	44-1, 2-chome, Hatagaya, Shibuya-ku, Tokyo
Tokyo Office	Shinjuku-ku, Tokyo
R&D Center	Nakai-machi, Ashigarakami-gun, Kanagawa Prefecture
Factories	Fujinomiya Factory (Fujinomiya-shi, Shizuoka Prefecture) Ashitaka Factory (Fujinomiya-shi, Shizuoka Prefecture) Kofu Factory (Showa-cho, Nakakoma-gun, Yamanashi Prefecture) ME Center (Nagaizumi-cho, Suntou-gun, Shizuoka Prefecture)
Sales Offices in Japan	Branch Offices Sapporo, Tohoku, Niigata, Utsunomiya, Matsumoto, Saitama, Higashi-Kanto, Tokyo, Tama, Yokohama, Shizuoka, Nagoya, Kanazawa, Kyoto, Osaka, Kobe, Okayama, Hiroshima, Shikoku, Fukuoka, Kagoshima, Okinawa

2) Significant Subsidiaries

Company name	Location	Capital	The Company's percentage of equity participation (%)	Principal business
Terumo Europe N.V.	Belgium	EUR 295,600 thousand	100	Manufacturing and sales of products for Cardiac and Vascular Company and Medical Care Solutions Company
Terumo Americas Holding, Inc.	United States	USD 3,855,592 thousand	100	Supervision of subsidiaries in the Americas
Terumo Medical Corporation	United States	USD 272,016 thousand	100	Manufacturing and sales of products for Cardiac and Vascular Company and Medical Care Solutions Company
MicroVention, Inc.	United States	USD 589,598 thousand	100	Manufacturing and sales of products for Cardiac and Vascular Company
Terumo BCT Holding Corporation	United States	USD 1,352,360 thousand	100	Supervision of subsidiaries under Terumo BCT Group
Terumo BCT, Inc.	United States	USD 951,863 thousand	100	Manufacturing and sales of products for Blood and Cell Technologies Company
Terumo BCT Europe N.V.	Belgium	EUR 126,319 thousand	100	Manufacturing and sales of products for Blood and Cell Technologies Company
Terumo (China) Holding Co., Ltd.	China	CNY 1,820,493 thousand	100	Supervision of subsidiaries in China
Terumo Asia Holdings Pte. Ltd.	Singapore	SGD 30,127 thousand	100	Supervision of sales subsidiaries in Asia (other than China)

Note: The Company's percentage of equity participation includes indirect ownership by subsidiaries.

(9) Other Significant Matters concerning the Group's Current Situation

Not applicable.

2. Overview of the Company

(1) Status of Shares (as of March 31, 2023)

1) Number of Shares Authorized	3,038,000,000 shares
2) Number of Shares Issued	747,682,540 shares
3) Number of Shareholders	59,004
4) Major Shareholders (10 largest shareholders)	

Shareholder name	Number of shares held	Percentage of shares held
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	167,396	22.5
Custody Bank of Japan, Ltd. (Trust Account)	77,634	10.4
The Dai-ichi Life Insurance Company, Limited	31,889	4.3
Meiji Yasuda Life Insurance Company	24,422	3.3
TERUMO LIFE SCIENCE FOUNDATION	14,720	2.0
Mizuho Bank, Ltd.	12,859	1.7
STATE STREET BANK WEST CLIENT – TREATY 505234	11,477	1.5
STATE STREET BANK AND TRUST COMPANY 505223	10,721	1.4
National Mutual Insurance Federation of Agricultural Cooperatives	10,653	1.4
STATE STREET BANK AND TRUST COMPANY 505001	10,477	1.4

Notes:

- Treasury stock (3,074,907 shares) is excluded from the calculation of the percentage of shares held.
- Of the number of shares held by The Dai-ichi Life Insurance Company, Limited, 6,000 thousand shares are shares concerning retirement benefit trust contributed by The Dai-ichi Life Insurance Company. (The shareholder of record is “Custody Bank of Japan, Ltd. as trustee for The Dai-ichi Life Insurance Company Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.” The Dai-ichi Life Insurance Company, Limited is authorized to give directions concerning exercise of the voting rights for these shares.)
- Of the number of shares held by Mizuho Bank, Ltd., 10,159 thousand shares are shares concerning retirement benefit trust contributed by Mizuho Bank. (The shareholder of record is “Custody Bank of Japan, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.” Mizuho Bank, Ltd. is authorized to give directions concerning exercise of the voting rights for these shares.)

5) Status of shares granted to officers of the Company in consideration of the performance of duties during the fiscal year ended March 31, 2023

Details of the stock remuneration granted during the fiscal year ended March 31, 2023 are as follows.

Category	Number of shares	Number of eligible beneficiaries
Directors (excluding Directors who serve as Audit/Supervisory Committee Members and Outside Directors)	31,322 shares	5
Outside Directors (excluding Directors who serve as Audit/Supervisory Committee Members)	—	—
Directors who serve as Audit/Supervisory Committee Members	—	—

(2) Company Directors

1) Directors (as of March 31, 2023)

Position at the Company	Name	Responsibilities and significant concurrent positions
Chairman of the Board	Toshiaki Takagi	
President and CEO	Shinjiro Sato	
Director and Group Senior Managing Executive Officer	Shoji Hatano	Responsible for Corporate Affairs Dept., Legal and Compliance Dept., Corporate Value Promotion Division (Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., and Design Planning Dept.), Japan Sales Division (Japan Sales Dept., Terumo Call Center, and Promotional Activities Control Dept.)
Director and Group Managing Executive Officer	Kyo Nishikawa	Chief Human Resources Officer (CHRO) Responsible for Human Resources Division (Diversity Promotion Dept., Human Resources Dept., Global Human Resources Dept., Human Resources Development Dept.), IT Planning Dept., India and Asia Pacific Region, and Terumo Medical Pranex
Director and Group Managing Executive Officer	Kazunori Hirose	Chief Manufacturing Officer (CMO) Responsible for Quality, Post-Market Surveillance and Vigilance Division (Quality Assurance Dept., Post-Market Surveillance and Vigilance Dept.), Regulatory Affairs and Clinical Development Division (Regulatory Affairs, Clinical Development Dept.), Operations Division (Production Dept., Supply Chain Management Dept., Procurement Dept., Environmental Management Dept.), and Intellectual Property Dept.
Outside Director	Yukiko Kuroda	Founder and Director, People Focus Consulting Outside Director, Seven Bank, Ltd. Independent Director, OBAYASHI CORPORATION Outside Director, Oracle Corporation Japan
Outside Director	Hidenori Nishi	Outside Director, FUJI OIL HOLDINGS INC.

Position at the Company	Name	Responsibilities and significant concurrent positions
Outside Director	Keiya Ozawa	Professor Emeritus and Visiting Professor, Jichi Medical University Senior Advisor, Genetic Therapeutics Center, Jichi Medical University Program Supervisor, Japan Agency for Medical Research and Development Program Officer, Japan Agency for Medical Research and Development
Director (Full-time Audit/Supervisory Committee Member)	Takanori Shibazaki	
Outside Director (Audit/Supervisory Committee Member)	Masaichi Nakamura	Representative, Masaichi Nakamura CPA Office External Corporate Auditor, Sumitomo Heavy Industries, Ltd. Outside Director (Audit and Supervisory Committee Member), SCSK Corporation
Outside Director (Audit/Supervisory Committee Member)	Soichiro Uno	Partner, Nagashima Ohno & Tsunematsu External Audit & Supervisory Board Member, Softbank Group Corp. Outside Director (Audit & Supervisory Committee Member), Dream Incubator Inc.

Notes:

- 1 No special interest exists between the Company and the aforementioned corporations where Outside Directors Ms. Yukiko Kuroda, Mr. Hidenori Nishi, Mr. Keiya Ozawa, Mr. Masaichi Nakamura, and Mr. Soichiro Uno concurrently hold positions.
- 2 The Company has submitted notifications to the Tokyo Stock Exchange of the appointment of Outside Directors Ms. Yukiko Kuroda, Mr. Hidenori Nishi, Mr. Keiya Ozawa, and Mr. Masaichi Nakamura as independent directors/auditors as defined by the Tokyo Stock Exchange.
- 3 Outside Director Mr. Soichiro Uno satisfies the criteria for serving as an independent director/auditor as defined by the Tokyo Stock Exchange. However, in accordance with the rule of the firm that he serves, the Company has not submitted notification of the appointment of him as an independent director/auditor.
- 4 Outside Director Mr. Masaichi Nakamura is a certified public accountant and has considerable financial and accounting knowledge.

2) Outline of the liability limitation contracts

The Company has concluded a liability limitation contract with its non-executive directors with regard to his/her liability under Article 423, Paragraph 1 of the Companies Act, in accordance with the provision of Article 427, Paragraph 1 of the aforementioned law. The maximum amount of liability under the contract shall be the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.

3) Outline of the content of directors and officers liability insurance contracts

The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure group executive officers and executive officers, etc., including directors of the Company. The insurance covers any damages that may result from the insured being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. (However, those that fall under the disclaimer stipulated in the insurance contract are excluded.) The insurance premiums are fully borne by the Company.

4) Policies for determining the content of Remuneration to Directors, etc.

To date, at the Board of Directors meetings, the Company has been resolving and deliberating on matters equivalent to the decision policy regarding the content of individual remuneration for directors, and stipulates them in the Terumo Corporate Governance Guidelines, which are disclosed externally.

In addition, the Board of Directors will discuss individual remuneration, etc. of directors for the current fiscal year. The method of determining the content of remuneration, etc. and the content of the determined remuneration, etc. are consistent with the decision policy, and it has been confirmed that the report from the Remuneration Committee is respected, and we judge that it is in line with the decision policy.

For the content of the decision policy regarding the content of individual remuneration for directors, please refer to “(11) Determination policy on individual remuneration for Directors” in “2. Corporate Governance Structure” described in Terumo Corporate Governance Guidelines on Page 43 on the Convocation Notice.

The process of determining performance-linked remuneration (bonuses) for Directors and performance evaluation factors for Fiscal 2022 are as follows.

Bonuses = standard bonus amount set for each position × (degree of accomplishment of company-wide factors × weight % + degree of accomplishment of targets for the individual × weight %)

Company-wide factors: consolidated revenue, consolidated operating profit, ROIC and ROE (evaluation coefficient to be adjusted within a range of 0% to 150% based on degree of accomplishment)

Target for the individual: major initiatives to be taken to achieve 5-Year Growth Strategy “GS26” and enhance the organization and human resources (evaluation coefficient to be adjusted within a range of 0% to 100% based on degree of accomplishment)

(Millions of yen)		
	Weight of Company-wide factor	Weight of target for the individual
Chairman/CEO	100%	0%
Directors responsible for functional departments (Senior managing executive officer/ managing executive officer)	80%	20%

	Beginning-of-period forecast	Performance
Revenue	775,000	820,200
Operating profit	132,000	117,300
ROIC	8.0%	6.8%
ROE	9.7%	8.4%

5) Remuneration to Directors

Category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)			Number of eligible directors (Persons)
		Basic remuneration	Performance-linked remuneration, etc. (bonuses)	Non-monetary remuneration, etc. (restricted stock)	
Directors (excluding Audit/Supervisory Committee Members) (of which outside officers)	556 (47)	292 (47)	140 (-)	124 (-)	9 (3)
Directors who serve as Audit/Supervisory Committee Members (of which outside officers)	73 (31)	73 (31)	-	-	3 (2)
Total (of which outside officers)	630 (78)	366 (78)	140 (-)	124 (-)	12 (5)

Notes:

- The above includes one director who retired at the conclusion of the 107th Annual General Meeting of Shareholders of the Company held on June 22, 2022.
- The remuneration for directors (excluding Audit/Supervisory Committee Members) of the Company was resolved at the following General Meetings of Shareholders as below.
 - Fixed remuneration, Performance-based bonuses and Stock options as stock-based remuneration:
Within 700 million yen per year (at the 104th Annual General Meeting of Shareholders held on June 21, 2019; applicable to eight directors, of whom three were outside directors, at the time of approval)
 - Restricted Stock:
Within 200 million yen per year (at the 104th Annual General Meeting of Shareholders held on June 21, 2019, applicable to five directors at the time of approval)
- The remuneration for directors who serve as Audit/Supervisory Committee Members of the Company was resolved at the following General Meeting of Shareholders as below.
The remuneration for directors who serve as Audit/Supervisory Committee Members:
Within 100 million yen per year (at the 100th Annual General Meeting of Shareholders held on June 24, 2015; applicable to three directors, of whom two were outside directors, at the time of approval)

6) Whether full-time Audit/Supervisory Committee Members are appointed or not and reasons therefor

The Company has appointed Mr. Takanori Shibazaki as a full-time Audit/Supervisory Committee Member in order to strengthen audit and supervisory functions of the Audit/Supervisory Committee and to enable information gathering from directors (excluding Audit/Supervisory Committee Members), sharing of information at important internal meetings, and sufficient collaboration between the Audit/Supervisory Committee and the Internal Control Division which plays an important role in internal control activities.

7) Outside Directors

Principal activities in the fiscal year ended March 31, 2023

Name	Position	Main activities and Outside Director and an overview of expected duties, etc.
Yukiko Kuroda	Outside Director	Attended 12 out of 12 meetings of the Board of Directors held in the fiscal year ended March 31, 2023; provided opinions, based mainly on her wealth of experience in management and consulting on human resources and organizations, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as the Chair of the Remuneration Committee, the Chair of the Corporate Governance Committee, and a member of the Nomination Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters.
Hidenori Nishi	Outside Director	Attended 12 out of 12 meetings of the Board of Directors held in the fiscal year ended March 31, 2023; provided opinions, based mainly on his wealth of experience in management, overseas operations and marketing, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as the Chair of the Nomination Committee and a member of each of the Remuneration Committee and Corporate Governance Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters.
Keiya Ozawa	Outside Director	Attended 12 out of 12 meetings of the Board of Directors held in the fiscal year ended March 31, 2023; provided opinions from the perspective of his expertise as a doctor and abundant experience cultivated by being involved in business execution as director of a center at a university hospital, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters.

Name	Position	Main activities and Outside Director and an overview of expected duties, etc.
Masaichi Nakamura	Outside Director (Audit/Supervisory Committee Member)	Attended 12 out of 12 meetings of the Board of Directors and 13 out of 13 meetings of the Audit/Supervisory Committee held in the fiscal year ended March 31, 2023; Regarding the Board of Directors, he provided opinions based mainly on his expert knowledge and deep insight as a certified public accountant and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters. Regarding the Audit/Supervisory Committee, based mainly on his wealth of experience and wide range of insights as a certified public accountant, he expresses his opinions from the perspective of ensuring the legality and validity of decision-making regarding the execution of our business as well as monitoring and supervising management.
Soichiro Uno	Outside Director (Audit/Supervisory Committee Member)	Attended 12 out of 12 meetings of the Board of Directors and 13 out of 13 meetings of the Audit/Supervisory Committee held in the fiscal year ended March 31, 2023; Regarding the Board of Directors, he provided opinions, as necessary, based mainly on his expert knowledge and deep insight as a lawyer, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters. Regarding the Audit/Supervisory Committee, based mainly on his wealth of experience and wide range of insights as a lawyer, he expresses his opinions from the perspective of ensuring the legality and validity of decision-making regarding the execution of our business as well as monitoring and supervising management.

Attendance at committees

Name	Nomination Committee	Remuneration Committee	Corporate Governance Committee
Yukiko Kuroda Hidenori Nishi Keiya Ozawa Masaichi Nakamura Soichiro Uno	5/5	6/6	5/5

(3) Accounting Auditor

1) Accounting Auditor's Name KPMG AZSA LLC

2) Remuneration etc.

The Company and its subsidiaries paid the remuneration etc. indicated below to the Accounting Auditor. Regarding the amount of remuneration etc. in i) in the following table, the Audit/Supervisory Committee evaluate the performance status of the accounting audit for the fiscal year ended March 31, 2022, and as a result of checking the audit plan for the fiscal year ended March 31, 2023 and appropriateness of the estimated amount of remuneration, remuneration etc. for the accounting auditor, we judged that it was a reasonable level to maintain and improve audit quality, and thus gave consent pursuant to Article 399, Paragraphs 1 and 3 of the Companies Act.

	Amount paid (millions of yen)
i) Remuneration etc. for the Accounting Auditor for the fiscal year ended March 31, 2023	133
ii) Monetary or property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	143

Notes:

- 1 Under the audit agreement between the Company and its Accounting Auditor, remuneration for audits based on the Companies Act and that for audits based on the Financial Instruments and Exchange Law are not strictly distinguished and they cannot be substantially distinguished. Consequently, the sum of the amounts of these remunerations is stated as the amount of remuneration etc. for the Accounting Auditor for the fiscal year ended March 31, 2023.
- 2 KPMG AZSA LLC is a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International") and all the Company's significant subsidiaries are audited by other member firms affiliated with KPMG International.

3) Non-audit Services Not applicable.

4) Policy regarding Determination of Dismissal or Non-reappointment of the Accounting Auditor

In the event that any of the items of Article 340, Paragraph 1, of the Companies Act is deemed to fit the Accounting Auditor, the Audit/Supervisory Committee may dismiss the Accounting Auditor, as necessary, provided all the Audit/Supervisory Committee Members consent to such dismissal.

Regarding reappointment of the Accounting Auditor, the Audit/Supervisory Committee performs comprehensive evaluation of the Accounting Auditor's eligibility, independence, the status of audit quality control, the status of performance of duties, etc. every year. If the Audit/Supervisory Committee judges that the Accounting Auditor should not be reappointed, the committee determines the content of a proposal concerning non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

(4) Corporate Governance

Aspiring to continue to be an enterprise earning the trust of society, the Company has established the “Terumo Corporate Governance Guidelines” stated below by the resolution of the Board of Directors.

Terumo Corporate Governance Guidelines

1. General Provisions

(1) Basic Stance on Corporate Governance

- Terumo’s Group mission is “Contributing to Society through Healthcare.” Guided by its mission, Terumo provides valuable products and services to achieve sustainable growth, maximize long-term corporate value and meet the expectations of its worldwide stakeholders, including its customers, shareholders, associates, business partners, and communities.
- To guide it in the accomplishment of its Group mission, Terumo has articulated the Core Values, which represent the values and beliefs on which all Terumo associates worldwide should base their actions, as follows:
 - Respect – Appreciative of others
 - Integrity – Guided by our mission
 - Care – Empathetic to patients
 - Quality – Committed to excellence
 - Creativity – Striving for innovation
- Based on its Group mission and the Core Values, Terumo has established these guidelines, which are intended to promote timely decision making while helping maintain transparency and objectivity in management.
- Terumo continuously strives to earn the understanding and trust of its internal and external stakeholders by exercising accountability toward its stakeholders and promoting dialog and other means of communication with its shareholders.
- Informed by Japan’s Corporate Governance Code, Terumo has developed a global platform for its activities as a good corporate citizen.
- Terumo strives diligently to foster a corporate culture of “a highly motivating and challenging workplace with open and candid communication,” because Terumo believes a culture of this nature is essential to effective corporate governance.

(2) Establishment, Revision and Abolition of the Guidelines

The Corporate Governance Committee shall be responsible for drafting and preparing the initial draft of the Guidelines and for proposing subsequent major revisions to or the abolition of the Guidelines. Adoption, major revision, and abolition of the Guidelines shall be decided by resolution of the Board of Directors.

2. Corporate Governance Structure

(1) Organizational Design

Terumo adopted the organizational design of a Company with Audit and Supervisory Committee, as described in the Companies Act of Japan, to achieve the following goals, further strengthen its corporate governance framework, and to enhance its medium- to long-term corporate value.

[1] Strengthen audit and supervisory functions

The members of the Audit and Supervisory Committee shall have voting rights in meetings of the Board of Directors.

[2] Enhance transparency and objectivity in management

By increasing the proportion of independent directors on the Board, transparency and objectivity in decision making will be enhanced at the Board level by reflecting opinions of the independent directors, which represent the perspective of shareholders and other stakeholders.

[3] Expedite decision-making process

By promoting the appropriate delegation of the Board's authority to directors, group executive officers and/or executive officers, Terumo will further expedite its decision-making process and business development through a shift toward a monitoring-based approach for the Board.

In addition, the Company has established the Nomination Committee, Remuneration Committee, Corporate Governance Committee, Internal Control Committee, and Risk Management Committee as discretionary bodies that serve to enhance the transparency and objectivity of management.

(2) Board of Directors

[1] Roles

- The Board shall strive for optimal decision-making regarding basic management policies with the goal of maximizing corporate value.
- To expedite decision making processes, the Board may delegate certain duties or responsibilities, which are executed based on basic management policies decided by the Board to directors, group executive officers and/or executive officers. The Board shall monitor the execution of any such duties or responsibilities so delegated.
- The Board shall oversee the nomination process of the president's successor as one of its important obligations for maintaining and improving corporate governance and sound management.

[2] Members

- The Board shall consist of no more than 15 persons, excluding the Audit and Supervisory Committee members.
- Terumo shall strive to have independent directors account for at least one-third of the Board membership.
- Considering that, from the standpoint of corporate governance, the execution of business operations, and supervisory oversight should be separated, the chairman shall serve as the chair, in principle; provided, however, that if no chairman has been appointed, the Nomination Committee shall propose a candidate for chair, considering the actual situation of possible candidates based on the above standpoint and the Board of Directors shall appoint such candidate as the chair for the Board of Directors meeting.

(3) Audit and Supervisory Committee

[1] Roles

The Audit and Supervisory Committee shall audit and supervise the execution of duties by directors and executive officers to ensure the appropriate, reasonable, and efficient operation of the Terumo Group. To fulfill its audit and supervisory duties, the Audit and Supervisory Committee may provide direct instructions to the Internal Control, Departments (several Departments having particular important functions with regard to the internal control activities). Such activities of the Committee shall include any of the following:

- Attend, provide objective and fair opinions and exercise voting rights at Board of Directors meetings
- Attend other important Terumo Group meetings and provide objective and fair opinions
- Prepare audit reports

- Establish and revise audit policies, methods for investigating and reviewing the Company's operations and assets, and other matters related to exercising the authority of the Audit/Supervisory Committee

[2] Members

- The Audit and Supervisory Committee shall consist of no more than five (5) directors.
- Terumo shall have independent directors represent a majority of Committee membership.
- The members of the Audit and Supervisory Committee shall elect one of the Committee members to serve as the chair of the Committee.

(4) Nomination Committee

[1] Roles

The Nomination Committee shall, as an advisory body to the Board of Directors, deliberate on the matters concerning successors to the president and chairman of Terumo Corporation, which is one of the most important corporate governance duties of the Board, as well as the matters concerning the appointment and dismissal of directors and group executive officers. The deliberations of the Committee shall be reported to the Board of Directors as appropriate.

[2] Members

- The Committee shall be comprised of members of the Board selected by the Board.
- Independent directors shall account for the majority of Committee members.
- The chair shall be elected from among Committee members who are independent directors by mutual vote of Committee members. However, if the chair is unable to act, one of the other independent directors elected by a majority vote of the Committee members shall act in the chair's place.

(5) Remuneration Committee

[1] Roles

The Remuneration Committee shall, as an advisory body to the Board of Directors, deliberate on the matters listed below and provide advice to the Board with the goals of maintaining and improving the Terumo Group's business integrity and corporate governance practices. The deliberations of the Committee shall be reported to the Board of Directors as appropriate. In this regard, however, matters related to the remuneration for Audit and Supervisory Board members shall not violate the provisions of Article 361 of the Companies Act.

- Matters concerning the remuneration for directors, group executive officers and executive officers (Policy for determining remuneration amount or calculation method thereof)
- Other matters which the Board of Directors requests the Committee to consider, or matters the Committee deems necessary to carry out the purposes of the Committee

[2] Members

- The Committee shall be comprised of members of the Board selected by the Board.
- Independent directors shall account for the majority of Committee members.
- At least one of the representative directors shall be a member of the Committee.
- The chair shall be elected from among Committee members who are independent directors by mutual vote of Committee members. However, if the chair is unable to act, one of the other independent directors elected by a majority vote of the Committee members shall act in the chair's place.

(6) Corporate Governance Committee

[1] Roles

The Corporate Governance Committee shall, as an advisory body to the Board of Directors, discuss the matters listed below and provide advice to the Board with the goals of maintaining and

improving the Terumo Group's business integrity and corporate governance practices. The deliberations of the Committee shall be reported to the Board of Directors as appropriate.

- Basic matters concerning Corporate Governance
- Important matters concerning the establishment, design, and operation of the corporate governance system
- Other important matters which are highly relevant to corporate governance such as an improvement of corporate system in the fields of the environment and society and efforts to enhance sustainability
- Other matters that the Board of Directors requests the Committee to consider, or matters the Committee deems necessary to carry out the purposes of the Committee

[2] Members

- The Committee shall be comprised of members of the Board selected by the Board.
- Independent directors shall account for the majority of Committee members.
- At least one of the representative directors shall be a member of the Committee.
- The chair shall be elected from among Committee members who are independent directors by mutual vote of Committee members. However, if the chair is unable to act, one of the other independent directors elected by a majority vote of the Committee members shall act in the chair's place.

(7) Internal Control Committee

[1] Roles

Positioned under the Board of Directors, the Internal Control Committee shall design and operate the Terumo Group's internal control systems in accordance with the Company's "Internal Control System Design Basic Policy."

[2] Members

- The Committee shall be comprised of directors who also serves as a group executive officer or executive officer, Chief Legal Officer, general manager of Internal Audit Department and Internal Control Department, and persons designated by Chairperson (general managers of Internal Control Departments and related departments, executive officers responsible for such departments, and expert/ intellectual of outside company etc.).
- Audit and Supervisory Committee members may attend and speak at the meetings of the Committee.
- The chair shall be the president and representative director.

(8) Risk Management Committee

[1] Roles

Positioned under the Board of Directors, the Risk Management Committee shall design and operate the Terumo Group's risk management system based on risk identification, assessment, analysis, and prioritization across the entire organization.

[2] Members

- The Committee shall be comprised of directors who also serves as a group executive officer or executive officer, Chief Legal Officer, general manager of Internal Audit Department and Internal Control Department, and persons designated by Chairperson (general managers of Internal Control Departments and related departments, executive officers responsible for such departments, and expert/ intellectual of outside company etc.).
- Audit and Supervisory Committee members may attend and speak at the meetings of the Committee.
- The chair shall be the president and representative director.

(9) Selection/Dismissal of Directors

[1] Selection Policy

In selecting candidates for directors, with the aim of creating an ideal Board of Directors, Terumo considers the diversity of the composition of the Board in order to give the Board relative base strength with broad experience and skills (industry experience, management capability, etc.), which are necessary for the Board to engage in good discussions and decision making.

Candidates for directors shall be selected in accordance with internal regulations, which stipulate the eligibility criteria, including the following:

[Internal directors]

- To have management judgement capacities and management oversight capacities from stakeholders' standpoint
- To have excellent personality, great insight, and high ethical standards
- To have attained sufficient business results or achievements

[Independent directors]

- To be able to contribute to the improvement of corporate governance and management of the Company, and to be able to offer his/her opinions without reserve
- To have extensive experiences in management, international business, the practice of medicine or other specific areas of expertise
- To consider the diversity of independent directors and their backgrounds as far as possible, and their expertise, gender and other characteristics as appropriate

[Independent directors who serve as Audit and Supervisory Committee members]

- To have experience of playing leading roles in the fields of law or accounting with at least one candidate coming from each such field

[2] Selection/Dismissal Procedure

The Nomination Committee shall discuss and propose potential candidates for directors and the appropriateness of each director's reappointment, and present the results of these discussions to the Board of Directors. This process is intended to eliminate arbitrariness and to ensure the sound selection of candidates. If any situation arises which causes a serious concern about the performance of a director's duties, the Committee may immediately propose to the Board of Directors that necessary steps should be taken even during one's term of office.

Independent directors shall be subject to the requirements of the Director Independence Standards. The Nomination Committee shall discuss and present the Director Independence Standards for review and approval by resolution of the Board of Directors.

Each director shall concurrently hold officer positions (director, auditor, etc.) with no more than three other listed companies as a condition to serving as a director of Terumo Corporation.

The reasons for selection and positions concurrently held by each candidate for director shall be disclosed in the Corporate Governance Report, Reference Materials for the General Meeting of Shareholders, or other documents as appropriate.

(10) Selection and Cultivation of Successors to the President

The Board of Directors has established the Nomination Committee as an organization overseeing the process of selecting and cultivating successors to the president in recognition of the fact that the selection of successors to the president is one of the most important duties for the Board of Directors, and the Committee's activities are monitored by the Board of Directors. The process of selection and cultivation of successors to the president is clearly stated in internal regulations.

With regard to selecting a successor to the president, the president shall propose a "Succession Plan" listing more than one candidate and a plan for their cultivation within a specified period of time. The Nomination Committee shall consider the successor candidates in accordance with the procedures stipulated in the internal regulations.

From the point of view of cultivating future successor candidates, the president shall also submit a “Next-Generation Executives’ Development Plan” naming several persons with the potential to become future executives to the Nomination Committee within a specified period of time, and shall thereafter continue to report on the status of these candidates’ cultivation to the Committee as appropriate.

(11) Determination policy on individual remuneration for Directors

[1] Basic policy and composition

To provide appropriate motivation to enhance corporate value over the medium- to long -term, the remuneration for executive directors shall be determined focusing on (a) appropriate risk-taking by the management and (b) the same profit awareness as shareholders.

To achieve the objective described in (a) above, we set an appropriate balance between fixed remuneration and performance-linked remuneration (bonuses).

To achieve the objective described in (b) above, restricted stocks have been adopted.

Remuneration of other non-executive directors shall be composed only of fixed remuneration.

[2] Remuneration Structure and Components

1) Target Proportions

Remuneration for executive directors shall consist of fixed remuneration, bonuses (standard amount), and restricted stock, the target percentages of which shall be 50%, 30%, and 20% of total combined remuneration, respectively. For higher ranked directors (CEO is the top), the ratios of bonuses and restricted stock to the total amount of remuneration are higher.

2) Remuneration Categories

- Fixed remuneration

To motivate directors to steadily perform their professional duties according to their responsibilities, monthly fixed remuneration is paid. The amount of fixed remuneration is determined according to each director’s role and position.

- Performance-linked remuneration (bonuses)

Annual bonuses are a form of remuneration aimed at motivating directors to achieve sustainable growth and annual performance; therefore, purpose-aligned evaluation factors are adopted. Evaluation factors consist of Companywide factors, the performance factors for each director’s business operations and indicators contributing to increasing mid- to long term corporate value (Future Corporate Value Targets). Annual bonuses are paid to executive directors on certain date and the amounts of bonuses are calculated by multiplying (a) the evaluation index determined based on above evaluation factors by (b) the standard bonus amount set for each position.

- Restricted stock

For executive directors to share benefits and risks of stock price movements with shareholders and further enhance their desire to contribute to rises in stock prices and the improvement of corporate value, restricted stock is adopted. Restricted stock is allotted to executive directors annually on certain date. Under the concept “sharing awareness of profits with shareholders over the long term,” directors may not transfer to a third-party or otherwise dispose of restricted stock allotted to them for 30 years (or until their retirement from the position of director if earlier). Furthermore, if directors commit fraud or violate laws during their term as director, all or part of their allotted stock will be acquired by the Company without consideration.

[3] Determining Procedure

The Remuneration Committee, as an advisory body to the Board of Directors, deliberates on the standard amount of fixed remuneration, bonuses and restricted stocks for directors (excluding Audit and Supervisory Committee members) by position and the basic design of the remuneration system

in light of information that includes information on comparable standards used at other companies provided by an outside research organization.

Independent directors shall account for the majority of Remuneration Committee members and the chair shall be elected from among the Committee members who are independent directors.

- Fixed remuneration: Within the remuneration limit approved at the General Meeting of Shareholders, remuneration for directors, excluding members of the Audit and Supervisory Committee, shall be decided by resolution of the Board of Directors, and remuneration for Audit and Supervisory Committee members shall be decided through discussions among the Audit and Supervisory Committee members.
- Bonuses, restricted stock: Amounts of bonuses and restricted stock are decided by resolution of the Board of Directors, within the director remuneration limit mentioned above, after taking business results, the business environment, and other factors for each year into consideration.

(12) Training Policy

Terumo Corporation shall provide each director with opportunities to obtain relevant training such that each may fully assume their duties and acquire the knowledge required for fulfilling their roles, legal obligations, and duties as a director.

- Internal directors

At the time of appointment, briefings by the head of the Legal and Compliance Division shall be arranged to provide each director with the requisite knowledge of his or her obligations as a director. Opportunities for external training may also be recommended and provided if appropriate to assist the director with acquiring the requisite knowledge. After the appointment, relevant books and opportunities for participation in external training sessions shall be arranged as necessary to afford each director the opportunity to update his or her knowledge necessary for his or her service as a director.

- Independent directors

Briefings shall be arranged to afford each independent director the opportunity to obtain the information about Terumo's business, organization, and operations necessary to fulfill his or her duties as a director. External training sessions and other sources of information shall be made available if additional knowledge is required or updating is necessary.

(13) Board Evaluation

For the purpose of further improving effectiveness of the Board, the Board of Directors shall conduct the self-evaluation of board effectiveness every year by survey sheets and other means with the involvement of outside experts and disclose a summary of the results.

3. Securing Shareholders' Rights and Equality

(1) Securing Shareholders' Rights

In the light of the importance of the shareholders' rights, Terumo shall not take any action intended to jeopardize the exercise of shareholders' rights.

- Terumo will strive to ensure that shareholders are allowed to exercise their minority rights under the Companies Act in an efficient manner. This shall include their (a) rights to review the shareholder register and the minutes of the Board of Directors meetings; (b) rights to propose at the General Meeting of Shareholders; and (c) rights to demand an injunction or file a derivative action against directors' illegal conduct. Terumo shall include the procedures for exercising such rights in its Stock Holding Rules.
- The Board of Directors shall review the agenda of the General Meeting of Shareholders after the conclusion of such meeting. When a considerable number of votes were cast against an

agenda item, even if it was finally approved, the Board of Directors shall analyze the reasons for the opposition and why so many opposing votes were cast. The Board shall discuss how to react, including how Terumo may engage in a dialogue with the shareholders. If a dialogue with shareholders occurs, the details of the dialogue shall be reported to the Board of Directors.

- The Board of Directors may make a decision about a capital policy, which may cause a change of control or significant dilution of the value of shares owned by the current shareholders, only after careful analysis of its necessity and rationale. The Board's analysis shall be based on the understanding that such policy could harm the interests of the current shareholders. The Board shall promptly disclose any such decision it makes and explain clearly to the shareholders and other investors. The disclosure shall include an appropriate explanation of the action and the reasons for it. The Board shall consider the matter from the viewpoint of the Company's stakeholders and, to the extent possible, place the highest weight on the opinions and views of the independent directors.

(2) General Meeting of Shareholders

Terumo recognizes that the General Meeting of Shareholders is the Company's highest decision-making forum and affords an opportunity to have a constructive dialogue with its shareholders. Accordingly, Terumo shall provide its shareholders with an adequate environment, from the viewpoint of the shareholders, to facilitate the exercise of their rights at the General Meeting of Shareholders.

- The date of the General Meeting of Shareholders should be established on a day, that is not a peak day and morning hours should be avoided so that as many shareholders as possible may attend the meeting.
- A notice of the meeting shall be disseminated approximately three (3) weeks prior to the date of a General Meeting of Shareholders. Contents of a notice of the meeting shall be published on the TD net and the Company's website after the Board of Directors has established the date of the meeting and before the notice of the meeting is disseminated. Any other information which may be reasonably necessary to assist the shareholders in the exercise of their voting and other rights at the meeting shall be properly provided.
- Terumo shall strive to provide an environment that facilitates the exercise of voting rights, which shall include an electronic voting platform for the electronic exercise of the voting rights. In addition, Terumo shall provide an English-language translation of the notice of the meeting to ensure equality of access to information about the meeting among Japanese shareholders and international shareholders alike.

(3) Basic Strategy for Capital Policy

Terumo strives to enhance corporate value by pursuing investment opportunities aimed at delivering return in excess of capital cost.

Terumo seeks to improve its asset efficiency through the enhancement of business operations and optimize its capital structure taking financial soundness into consideration, and in addition to revenue growth and profit margin improvement, we aim to improve its return on invested capital (ROIC) and return on shareholders' equity (ROE).

Terumo strives for the stable and sustainable improvement of returns for its shareholders.

(4) Holding of Shares in Other Companies for Strategic Purposes

- Terumo may hold shares of other companies with a view to creating business opportunities and/or enhancing corporate value.
- The Board of Directors shall verify the economic, strategic, and other rationale for each such holding using a medium- to long-term perspective on an annual basis. Terumo shall

disclose holding securities as specified equity securities in the Annual Securities Report unless selling them.

- Terumo shall exercise its voting rights taking into consideration the impact of its voting on the corporate value of Terumo and the company in which Terumo has invested.

(5) Function as Asset Owner of Corporate Pension Fund

Fund management of Terumo's corporate pension is carried out by Terumo Corporation Pension Fund, a separate corporation.

Terumo consistently assigns personnel from accounting, finance, and human resources departments with specialized expertise in asset management to Terumo Corporation Pension Fund to increase its asset management capabilities and ensure it can deliver its expected function as an asset manager. Moreover, the formulation of investment policies and operational results are monitored through discussion by the Asset Management Committee to enhance asset management activities and guarantee the soundness of these activities.

Terumo also has a system that enables senior managers of majority labor unions to participate in decision-making processes regarding investment policies, etc., from the viewpoint of protecting beneficiaries. We eliminate arbitrariness and manage conflicts of interest between the beneficiaries of the corporate pension and the Company by delegating the selection of individual investees and exercise of our voting rights to individual investment agencies.

(6) Related Party Transactions

To not damage the interests of Terumo and its common shareholders, nor to raise such concern regarding transactions between Terumo and its directors or the third parties they represent, Terumo shall establish a framework as follows.

- Transactions with a risk of conflict of interest

Any transaction between Terumo and one or more of its directors that may involve an actual or potential conflict of interest shall be reviewed and approved by the Board of Directors in accordance with the Companies Act. This procedure is detailed in the Board regulation. In addition, Terumo reviews on an annual basis if there exists any transaction between Terumo and one or more of its director or a party related to one or more directors (including an affiliate company of the director or the director's related party).

- Transactions with third parties

The Board of Directors established the Terumo Group Code of Conduct, which all Terumo Group associates are required to follow. The Code demands fairness and transparency in all transactions between Terumo and third parties, including customers, suppliers and shareholders. Violations of these principles should be addressed by Company management through the relevant lines of reporting. Terumo's whistleblower system shall be available to report violations that cannot be addressed through the relevant lines of reporting.

4. Collaboration with Stakeholders Other than Shareholders

(1) Code of Conduct

Terumo has established and implemented the "Terumo Group Code of Conduct" by resolution of the Board of Directors. The Code of Conduct includes fundamental principles that articulate Terumo's corporate values, including appropriate collaboration with stakeholders, respect for their values and sound business ethics.

The Legal and Compliance Division shall perform systematic follow-up to embed the Code of Conduct within the Terumo Group and help all associates throughout the world comply with the Code.

The Board of Directors shall require that the Code of Conduct be reviewed and revised as necessary to ensure that it remains up to date and applicable to the current environment. Any revisions shall be reviewed and approved by resolution of the Board of Directors.

(2) Sustainability

The Terumo Group aims to achieve both a sustainable society and the Group's sustainable growth. Considering the importance of sustainability, Terumo has established and implemented the "Terumo Group Sustainability Policy" by resolution of the Board of Directors.

The Sustainability Committee, as a subcommittee of the Executive Management Meeting, formulates policies and plans for Terumo's sustainability management, monitors the status of activities, and reports to the Executive Management Meeting and the Board of Directors. The committee also investigates external sustainability trends, reports and makes recommendations to the Executive Management Meeting and the Board of Directors, and reflects the findings in the policies and plans for Terumo's sustainability management.

(3) Entrenchment of Diversity as a Part of the Corporate Culture

At the Terumo Group, we strive to promote respect for each individual and each different culture. We do not discriminate on the basis of race, nationality, gender, religion, or disability, and respect human rights. Terumo believes that the diversity of its associates is a powerful engine that will drive its current and future growth. By striving to accept a wide range of differing values and promoting mutual recognition of diversity, Terumo aims to be a place where differing ideas and knowledge can intermingle and thereby generate new value. Having established its DE&I Promotion Department, Terumo works to develop its corporate environment, corporate culture, and awareness so that diverse associates are able to demonstrate their full potential. Under the leadership of top management, Terumo actively promotes the appointment of diverse associates such as female and international associates, including at the management level.

(4) Whistle-Blowing System (Compliance Hotline)

Terumo has established a program designed to encourage its associates to raise issues and report concerns about potential violations of laws, regulations and the Terumo Group Code of Conduct. The program features a compliance hotline and other methods of communication and dialogue designed for the early detection and appropriate resolution of the issues raised. Terumo Group associates and external legal professionals with appropriate expertise shall be appointed to monitor and coordinate activities intended to address any items disclosed by a whistle-blower. Terumo shall take appropriate measures to ensure the anonymity of whistle-blowers and shall follow a no-retaliation policy with respect to whistle-blowers. Reports of whistle-blowing activities shall be submitted to the Internal Control Committee, the Board of Directors, and the Audit/Supervisory Committee on a regular basis or as needed. Issues raised through whistle-blowers that could have broad applicability within the Terumo Group shall be shared with other relevant locations, departments, and/or business units, as the case may be. Terumo will strive to implement appropriate measures to prevent the recurrence of the violations and to enhance the awareness of compliance matters within the Terumo Group. Terumo endeavors to expand the whistle-blowing system and its operation because it considers such a system to be an important tool for reducing violations of law and policy, thereby contributing to Terumo's sustainable growth.

5. Appropriate Disclosure

(1) Disclosure Policy

Terumo is committed to disclosing information to its shareholders, investors, customers and others in accordance with the requirements set out in the Financial Instruments and Exchange Law and the

Timely Disclosure Rules of the Tokyo Stock Exchange based on the principles of transparency, fairness, and consistency. Terumo also endeavors to disclose, in a timely and proactively manner, any appropriate information that may help foster a better understanding of the Company.

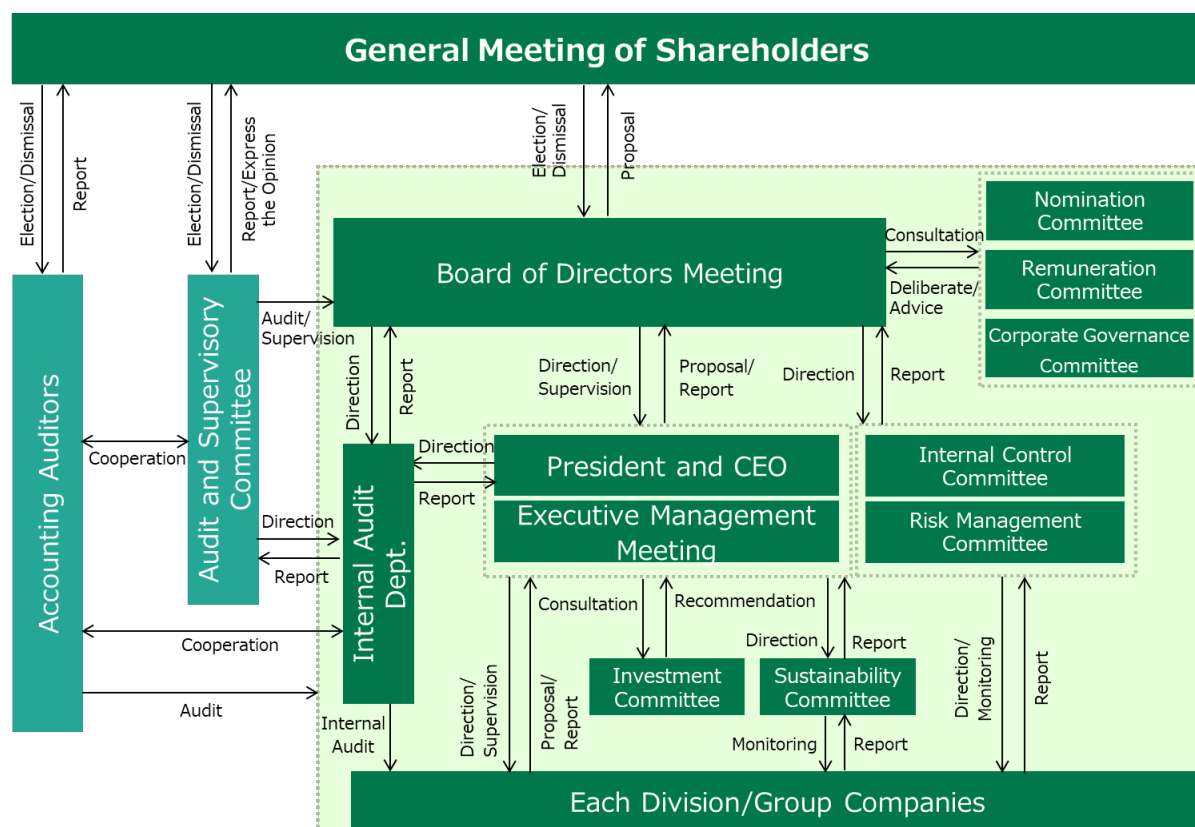
(2) Dialogue Policy

Terumo will strive to engage in constructive dialogue with its shareholders and other investors. Terumo will further enhance its transparency and work to develop and maintain the trust of its stakeholders through information disclosure and dialogue.

Terumo's policy on disclosure and dialogue with shareholders and other investors is included in the IR Policy found on the Company's website.

<Corporate Governance Structure>

- ◆ Audit and Supervisory Committee members are directors and have voting rights in meetings of the Board of Directors.
The majority of Audit and Supervisory Committee is comprised of independent directors.
- ◆ The Audit and Supervisory Committee audits and supervises the directors and the Board of Directors.



Director Independence Standards

If any of the following criteria apply, a person shall not qualify as an independent director (an external director with no risk of conflicting interests with general shareholders) of Terumo Corporation and shall be excluded from the candidates for positions as such.

(1) Terumo Group officials

- [1] Executive directors, executive officers, Audit and Supervisory Committee members, auditors, and other employees (collectively referred to as the "executive directors, etc." hereinafter) of the Company or any of its direct or indirect subsidiaries (collectively referred to as the "Group" hereinafter).
- [2] Persons who have executive directors, etc. of the Terumo Group at any point in the past ten (10) years.

(2) Shareholders

- [1] Holders of large numbers of shares of Terumo stock (owning ten percent (10%) or more of voting rights; the same shall apply hereinafter.)
- [2] When the shareholder referenced in [1] above is a corporate or institutional shareholder, the executive directors, etc. of said company, its parent company, and key subsidiaries (collectively referred to as the "company, etc." hereinafter.)
- [3] Executive directors, etc. of the companies or other legal entities in which Terumo Corporation or one of its subsidiaries is currently a major shareholder

(3) Business partners

Executive directors, etc. of the companies, etc. to which any of the following criteria apply:

- [1] A company, etc. to which the Terumo Group is the major client (two percent (2%) or more of the annual consolidated revenue of the company, etc. is attributable to the Terumo Group)
- [2] A major client of the Terumo Group (two percent (2%) or more of the annual consolidated revenue of the Terumo Group is attributable to the client)
- [3] Organizations (for example, foundations, public interest associations, non-profit corporations, etc.) that received donations or subsidies from the Terumo Group exceed a certain amount (average of ¥10 million per year over the past three (3) business years or thirty percent (30%) of total annual expenses of said organization, whichever is larger in amount)

(4) Parties related to personnel exchange

Executive directors, etc. of the companies, etc. which have accepted directors (regardless of whether full-time or part-time) from the Terumo Group

(5) Major lenders

Executive directors, etc. of the companies, etc. that are financial institutions and lenders to the Terumo Group to which the balance of debts exceeds two percent (2%) of the Terumo Group's consolidated total assets.

(6) Outside experts, etc.

A person to whom any of the following apply:

- [1] Presently the accounting auditor, certified public accountant who is an accounting advisor, or partners or employees of the auditing firms for the Terumo Group
- [2] The Terumo Group's accounting auditor, certified public accountant who was an accounting advisor, or partners or employees of the auditing firms and were engaged in auditing the Terumo Group on-site
- [3] Lawyers, certified public accountants, tax accountants, or other consultants that are not otherwise covered under either [1] or [2] above and have received from the Terumo Group on average of ¥10 million or more in cash or other property benefits per year over the past three (3) business years in addition to the executive remuneration
- [4] Law firms, auditing firms, tax accountant corporations, consulting firms or other professional advisory firms that are not otherwise covered under either [1] or [2] above, and partners, associates, or employees of the firms for which the Terumo Group is their major client (i.e., where the average of two percent (2%) or more of the consolidated total sales in the past three (3) years are attributable to the Terumo Group)

(7) Relatives

Relatives (referred to as a spouse, relatives within second degree, or relatives living together) who apply to one of the criteria set forth in [1] - [6] above

(8) Past implications

A person covered under [2] above at any time during the past five (5) years or covered under any of [3] - [6] above in the past three (3) years

(9) Others

Any other person not otherwise covered under any of [1] - [8] above, who due to other circumstances, may have an actual conflict of interest

Terumo IR Policy

1. Basic Policy

To earn trust widely, Terumo is committed to disclosing information to shareholders, investors, and other stakeholders on the basis of transparency, fairness, and continuity. Terumo will strive to disclose information in compliance with the Financial Instruments and Exchange Act and the Timely Disclosure Rules adopted by the Tokyo Stock Exchange and to make timely and proactive efforts to disclose such information as Terumo considers useful for understanding the Company. Terumo will strive to engage in constructive dialogue with shareholders and other investors. Through information disclosure and dialogue with its shareholders and other investors, Terumo will further enhance its transparency as a company and strive to earn and maintain the trust of its stakeholders.

2. Information Disclosure Method

Terumo will use the Timely Disclosure Network System (TD net) of the Tokyo Stock Exchange, press releases, and postings on its website to disclose information in a manner designed to reach a wide range of stakeholders in a timely and appropriate manner.

3. Forward-Looking Statements

Among the information that Terumo discloses, forecasts of financial performance and future projections contain potential risks and uncertainty because they are forecasts based on projections made by Terumo using the limited information available at the time of disclosure. Accordingly, it should be noted that actual results may differ from such forecasts and projections due to a variety of factors. Factors affecting actual results may include, but are not limited to, changes in economic conditions pertaining to Terumo, fluctuations in foreign exchange rates, and the state of competition.

4. Policy for Dialogue with Shareholders and Other Investors

[1] Appointment of a member of management or a director to be responsible for supervising the overall dialogue with shareholders

By way of a resolution of the Board of Directors, Terumo shall appoint an officer who will be responsible for supervising and facilitating the overall dialogue with shareholders in order to maintain the consistency and uniformity of the information disclosed.

[2] Measures to ensure positive cooperation between internal departments with the aim of supporting the dialogue

Terumo shall strive to develop and enhance its in-house systems for the prompt, accurate, and fair disclosure of information. In particular, the Disclosure Subcommittee, acting under the supervision of the Internal Control Committee, will endeavor to provide consistent and uniform disclosure of any corporate information with a potentially significant impact on management. Such disclosure shall be made in strict compliance with all relevant laws and regulations. The Disclosure Subcommittee shall evaluate and examine matters of disclosure. The Disclosure Subcommittee shall be comprised of the department heads of the Investor Relations Department, the Corporate Communication Department, the Strategic Planning Department, the Secretarial Office, the

Internal Control Department, and the Legal Department. In addition, regular meetings will be held with business and disclosing divisions to enhance the contents and improve the accuracy of information disclosed.

[3] Enhancement of measures to promote opportunities for dialogue aside from individual meetings

To deepen understanding of Terumo, business strategy briefings and plant tours may be organized for institutional investors, and facility tours are organized for shareholders. Terumo will also participate in conferences for institutional investors held in Japan and other parts of the world as well as briefings for individual investors organized by securities companies to enhance dialogue. In addition, Terumo will make other materials, including its financial results briefings, available on its website to provide such information in a timely and appropriate manner to as many shareholders and other investors as possible.

[4] Measures for appropriate and effective feedback

Evaluations and opinions acquired through meetings with shareholders, other investors, and analysts are compiled periodically and shared with the management team. In addition, the president or officer supervising dialogue with the shareholders shall report to the Board of Directors on their visits to overseas institutional investors to ensure that the management team has the opportunity to gain an understanding of how the Company is evaluated in the capital markets.

[5] Measures to control insider information when engaging in dialogue

As a general rule, the president, the officer supervising dialogue, and the department head and staff of the disclosing division will conduct dialogue with investors. In case of a dialogue led by officers other than those listed in the preceding sentence, either the officer supervising dialogue or the department head or staff of the disclosing division will attend such meeting. By having multiple participants engage in the dialogue, the Company will work to prevent unauthorized or inappropriate disclosure of information.

Terumo observes a silent period to prevent the leakage of any material information about the Company's financial performance and to ensure fairness. In principle, the silent period shall begin four (4) weeks prior to the date of the expected announcement of the Company's financial performance and conclude on the date when both the final announcement of financial statements of a fiscal year or the quarterly announcements take place. During this period, Terumo refrains from commenting on its financial performance or answering questions in relation to such performance.

Remarks

Amounts and numbers of shares stated in this business report are rounded down to the nearest unit, while basic earnings per share, amounts indicated in billions of yen, and percentage figures are rounded to the nearest unit. Therefore, percentages may not sum to 100%.

Consolidated Financial Statements

Consolidated Statement of Financial Position

Fiscal Year 2022 (As of March 31, 2023)

(Millions of yen)

Account item	Amount	Account item	Amount
ASSETS		LIABILITIES	
Current assets		Current liabilities	
Cash and cash equivalents	187,322	Trade and other payables	97,736
Trade and other receivables	150,635	Bonds and borrowings	11,223
Other current financial assets	106	Other current financial liabilities	7,597
Inventories	249,618	Current tax liabilities	23,563
Income taxes receivable	2,920	Provisions	329
Other current assets	20,793	Other current liabilities	77,551
Total current assets	611,396	Total current liabilities	218,001
Non-current assets		Non-current liabilities	
Property, plant and equipment	370,869	Bonds and borrowings	220,714
Goodwill and intangible assets	538,210	Other non-current financial liabilities	29,639
Investments accounted for using the equity method	3,680	Deferred tax liabilities	8,870
Other non-current financial assets	34,421	Defined benefit liabilities	4,703
Deferred tax assets	20,458	Provisions	127
Other non-current assets	23,187	Other non-current liabilities	9,106
Total non-current assets	990,829	Total non-current liabilities	273,161
		Total liabilities	491,162
		EQUITY	
		Share capital	38,716
		Capital surplus	51,759
		Treasury shares	(11,539)
		Retained earnings	874,272
		Other components of equity	157,855
		Total equity attributable to owners of the parent	1,111,063
		Total equity	1,111,063
Total assets	1,602,225	Total liabilities and equity	1,602,225

Consolidated Statement of Profit or Loss

Fiscal Year 2022 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

Account item	Amount
Revenue	820,209
Cost of sales	402,839
Gross profit	417,369
Selling, general and administrative expenses	299,861
Other income	9,959
Other expenses	10,134
Operating profit	117,332
Finance income	2,649
Finance costs	4,016
Share of profit (loss) of investments accounted for using the equity method	171
Profit before tax	116,137
Income tax expenses	26,811
Profit for the year	89,325
Attributable to:	
Owners of the parent	89,325
Total profit for the year	89,325

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

Fiscal Year 2022 (As of March 31, 2023)

(Millions of yen)

Account item	Amount	Account item	Amount
(Assets)		(Liabilities)	
Current assets	375,812	Current liabilities	355,676
Cash and deposits	91,483	Notes payable-trade	624
Notes receivable-trade	85	Accounts payable-trade	51,225
Accounts receivable-trade	108,385	Electronically recorded obligations-operating	11,716
Merchandise and finished goods	50,166	Short-term loans payable	231,090
Work in process	13,101	Current portion of bonds payable	10,000
Raw materials and supplies	15,261	Lease obligations	98
Prepaid expenses	3,395	Accounts payable-other	18,314
Short-term loans receivable	74,455	Accrued expenses	4,948
Other	19,996	Income taxes payable	14,540
Allowance for doubtful accounts	(519)	Deposits received	310
Noncurrent assets	955,886	Provision for bonuses	5,646
Property, plant and equipment	100,696	Provision for directors' bonuses	132
Buildings	34,644	Notes and accounts payable-facilities	4,587
Structures	1,524	Other	2,442
Machinery and equipment	22,914	Noncurrent liabilities	210,398
Vehicles	84	Bonds payable	20,000
Tools, furniture and fixtures	8,267	Long-term loans payable	189,858
Land	18,664	Lease obligations	113
Lease assets	212	Long-term guarantee deposited	427
Construction in progress	14,383	Total liabilities	566,075
Intangible assets	27,856	(Net assets)	
Leasehold right	768	Shareholders' equity	763,551
Software	26,700	Capital stock	38,716
Goodwill	20	Capital surplus	52,103
Customer relationships	35	Legal capital surplus	52,103
Other	331	Retained earnings	684,271
Investments and other assets	827,333	Legal retained earnings	3,297
Investment securities	5,755	Other retained earnings	680,974
Stocks of subsidiaries and affiliates	674,710	Reserve for reduction entry	425
Investments in capital of subsidiaries and affiliates	21,675	General reserve	82,900
Long-term loans receivable from subsidiaries and affiliates	99,208	Retained earnings brought forward	597,648
Long-term prepaid expenses	3,505	Treasury shares	(11,539)
Deferred tax assets	10,250	Valuation and translation adjustments	1,409
Other	12,227	Valuation difference on available-for-sale securities	1,409
		Subscription rights to shares	662
		Total net assets	765,623
Total assets	1,331,699	Total liabilities and net assets	1,331,699

Non-consolidated Statements of Income

Fiscal Year 2022 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

Account item	Amount	
Net sales		375,006
Cost of sales		216,318
Gross profit		158,687
Selling, general and administrative expenses		90,895
Operating income		67,792
Non-operating income		30,031
Interest income	4,917	
Dividends income	19,866	
Royalty income	3,690	
Foreign exchange gains	342	
Other	1,215	
Non-operating expenses		6,771
Interest expenses	6,716	
Other	54	
Ordinary income		91,052
Extraordinary income		8,827
Gain on sales of noncurrent assets	184	
Gain on sales of investment securities	4,787	
Gain on business transfer and other	3,855	
Extraordinary loss		204
Loss on disposal of noncurrent assets	204	
Income before income taxes		99,674
Income taxes		20,696
Income taxes-current	20,544	
Income taxes-deferred	152	
Profit		78,978