

Last Update: June 29, 2026

Terumo Corporation

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<https://www.terumo.co.jp/> (<https://www.terumo.com/>)

The status of corporate governance at Terumo Corporation is as detailed below.

I. Basic Stance on Corporate Governance, Capital Structure, Company Profile, and Other Basic Information

1. Basic Stance

- 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.
- Terumo has established "Our Promise", which indicates the direction we will be pursuing to realize our Group Mission.
Our Promise:
"Everything starts from our unwavering commitment to patients.
Listening sincerely to their needs and understanding deeply their hopes and aspirations, we boldly pursue innovative ways to help enhance the lives of patients around the world."
- Terumo has also set out its Core Values, which represent the values and beliefs on which all Terumo associates worldwide should base their actions, which are as follows:
Respect – Appreciative of others
Integrity – Guided by our mission
Care – Empathetic to patients
Quality – Committed to excellence
Creativity – Striving for innovation
- Terumo has established these guidelines based on its Group Mission, Our Promise, and the Core Values. These guidelines 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.

* Terumo uses the term "associates" to refer to our employees, emphasizing the idea of employees as partners with whom we work together.

A diagram of Terumo's corporate governance structure is attached below.

[Reasons why each general provision of the Corporate Governance Code is not implemented]

Terumo implements each of the basic principles set forth in the Corporate Governance Code.

[Disclosure under each general provision of the Corporate Governance Code] Update

Terumo has formulated the TERUMO Corporate Governance Guidelines to achieve sustainable growth and high corporate value over the long-term, based on its Group Mission, Our Promise, and the Core Values. It is posted on the company website.
<https://www.terumo.com/about/governance/index.html>

The following subset of items requiring disclosure under the Corporate Governance Code are disclosed in the TERUMO Corporate Governance Guidelines.

- Principle 1-4: Corporate Governance Guidelines "3. Securing Shareholders' Rights and Equality (4) Holding of Shares in Other Companies for Strategic Purposes"
- Principle 1-7: Corporate Governance Guidelines "3. Securing Shareholders' Rights and Equality (6) Related Party Transactions"
- Principle 2-6: Corporate Governance Guidelines "3. Securing Shareholders' Rights and Equality (5) Function as Asset Owner of Corporate Pension Fund"
- Principle 3-1(ii): Corporate Governance Guidelines "1. General Provisions" and Overall Policy
- Principle 3-1(iii): Corporate Governance Guidelines "2. Corporate Governance Structure (11) Policy on determination of individual remuneration for executive directors, group executive officers and executive officers"
- Principle 3-1(iv): Corporate Governance Guidelines "2. Corporate Governance Structure (9) Selection/dismissal of Directors"
- Supplementary Principle 4-1-1: Corporate Governance Guidelines "2. Corporate Governance Structure (2) Board of Directors"
- Principle 4-9: Corporate Governance Guidelines "2. Corporate Governance Structure (9) Selection/dismissal of Directors" and Appendix 2
- Supplementary Principle 4-10-1: Corporate Governance Guidelines "2. Corporate Governance Structure (4) Nomination Committee (5) Remuneration Committee (6) Corporate Governance Committee"
- Supplementary Principle 4-11-1: Corporate Governance Guidelines "2. Corporate Governance Structure (2) Board of Directors" and "(9) Selection/dismissal of Directors"
- Supplementary Principle 4-11-2: Corporate Governance Guidelines "2. Corporate Governance Structure (9) Selection/Dismissal of Directors"
- Supplementary Principle 4-11-3: Corporate Governance Guidelines "2. Corporate Governance Structure (13) Board Evaluation"
- Supplementary Principle 4-14-2: Corporate Governance Guidelines "2. Corporate Governance Structure (12) Training Policy"
- Principle 5-1: Corporate Governance Guidelines "5. Appropriate Disclosure" and Appendix 3

■ Principle 1-4: Holding of Shares in Other Companies for Strategic Purposes

(1) Policy for 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.

(2) Verification for holding of shares in other companies for strategic purposes

The Board of Directors verifies the economic, strategic and other rationales for each such holding using a medium- to long-term perspective on an annual basis and then reduce its holding of such shares accordingly. Terumo discloses holding securities as specified equity securities in the Annual

Securities Report unless selling them. Terumo has continued to reduce its holding of such shares and aggregate market value held at the end of March 2026 was 26373 million yen. Terumo currently has collaborative relationships with the companies issuing shares that it holds for strategic purposes, and has judged the holding of these shares to be fully justified.

(3) Proxy voting principle for holding of shares in other companies for strategic purposes

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

■ **Supplementary Principle 2-4-1: “Ensuring diversity in the promotion of core human resources”**

<Concept of ensuring diversity>

Terumo Group promotes the recruitment and development of associates with diverse backgrounds based on our Core Values and the Terumo Group Code of Conduct. Under the 5-year Growth Strategy (GS26), we position “realizing transformation” and “realizing global management” as the pillars of our people strategy, in response to the rapidly changing business environment and the expansion of our global business. Based on this strategy, we are enhancing organizational capabilities that support sustainable business growth through the development of leaders with diverse backgrounds and the enhancement of our human resources foundations. In addition, through fostering a “Growth Mindset,” which emphasizes that each associate can grow through continuously taking on new challenges, and cultivating a culture that values DE&I, we strive to enhance decision-making by leveraging diverse perspectives and to strengthen the overall competitiveness of the organization

(1) Appointment of Women to Managerial Positions

Women’s empowerment is recognized as one of the key management priorities for achieving sustainable growth. The Terumo Group discloses and monitors the ratio of female managers across the Group. In Japan in particular, we have established numerical targets and are promoting the development of an environment in which women can fully demonstrate their capabilities, thereby enhancing the quality of organizational decision-making.

(2) Appointment of Foreign Nationals to Managerial Positions

Terumo promotes the diversification of our leadership to advance global management and enhance competitiveness by enabling decision-making based on a deep understanding of regional and market characteristics. The Terumo Group discloses and monitors the ratio of non-Japanese leaders in group managing executive officers, group executive officers and global key positions. (key positions for realizing the global management strategy).

(3) Appointment of mid-career hires to managerial positions

Terumo appoints individuals with the necessary expertise and capabilities to managerial positions regardless of whether they are new graduates or mid-career hires, based on the principle of placing the right person in the right position, in order to support the acquisition of new expertise and the promotion of business transformation. As a result, the number of mid-career hires appointed to managerial positions in Japan has been steadily increasing.

<Voluntary and measurable goals for ensuring diversity>

[Terumo Corporation Non-consolidated]

Terumo Corporation has set 13% female managers ratio as target to achieve by March 31, 2027 in the 5-year Growth Strategy (GS26).

<Status of diversity>

(1) Promotion of female managers

[Terumo Group]

Ratio of female manager: 31.6% * As of March 31, 2026

[Terumo Corporation Non-consolidated]

Ratio of female manager: 13.2% * As of March 31, 2026

**The measurable goal of female manager ratio for Terumo Group is not set as the situation at each Group company differs depending on the situation of each region and country. We will continue to monitor the status.

(Terumo Corporation Non-consolidated, Status of main initiatives)

- Reporting and discussing DE&I initiatives and the progress including the promotion of women’s participation and advancement in the workplace at the board of directors meeting every year
- To have diverse leaders at decision-making levels, building female talent pool through initiatives such as including female candidates into the succession plan of senior managerial positions mandatory
- Planning and executing development program for potential female leaders

*Among the initiatives above, major ones are described in Terumo Report posted on our website.

<https://www.terumo.com/investors/library/annual-reports>

(2) Promotion of non-Japanese managers

[Terumo Group]

Ratio of non-Japanese group managing executive officers and group executive officers at Terumo Group: 30.4% *As of April 1, 2026

Ratio of non-Japanese in global key position: 67.0% * As of April 1, 2026

**The measurable goal of ratio of non-Japanese manager for Terumo Group is not set as the ratio of manager differs by each Group company depending on the situation of each region and country.

(3) Promotion of mid-career hires to managers

[Terumo Group]

Ratio of mid-career hires of group managing executive officers and group executive officers: 47.8% *As of March 31, 2026

[Terumo Corporation Non-consolidated]

Ratio of mid-career hires of managers: 23.3% * As of March 31, 2026

**The measurable goal of ratio of mid-career hires manager for Terumo Group is not set because it is a common practice to have majority of workforce through mid-career hires outside of Japan.

<Policy of developing human resources and building internal environment to ensure diversity, status>

Since the establishment of the Global DE&I Council in 2021, Terumo has developed Group-wide Philosophy, Guiding Principle and Guidelines, and has promoted initiatives to ensure diversity and foster an inclusive work environment. The Global DE&I Council, which consists of diverse associates in terms of gender, nationality (cultural background), job families, and levels, has been responsible for sharing cross-Group challenges and promoting awareness. In 2025, in order to more clearly link DE&I with business strategy, Terumo established a Global DE&I Strategy Board composed of executive management and business leaders from Group companies. Global DE&I Strategy Board is responsible for formulating DE&I strategies and monitoring the effectiveness of related initiatives, while working in coordination with the Global DE&I Council. Through this structure, Terumo aims to enhance both the strategic alignment and execution of DE&I initiatives across the Terumo Group.

[The Four Focus Areas and its Major Initiatives]

● Goal setting/HR process

DE&I KPI setting and management by group managing executive officers with ongoing management and review through HR processes

● Inclusive Leadership

Promotion of Inclusive Leadership through leadership development and evaluation

● Sense of Belonging and Organizational cohesion

Enhancing collaboration among Associate Resource Groups (ARGs) across businesses and regions to strengthen a sense of unity across the organization

● Awareness and Communication

Strengthening internal and external communication to foster understanding of and engagement with DE&I.

■ Principle 3-1: “Substantial Disclosure of Information”

(i) In addition to posting the company’s goals (Group mission), management strategy, and management plans in the Corporate Policy and Top Management Message on the company website, Terumo strives to share information widely with all of its shareholders and investors through disclosure in its Terumo Report, financial results presentations, and other investor relations activities.

- Group Mission and Core Values: <https://www.terumo.com/about/group-identity>
- Top Management Message: <https://www.terumo.com/investors/management/message/index.html>

(v) Explanation with respect to the individual appointment and nominations of directors.

Reasons for selection of individual directors are described in the Notice of Convocation of the 111th Annual General Meeting of Shareholders.

https://www.terumo.com/investors/stocks/shareholders_meeting/index.html

■ Supplementary Principle 3-1-3: “Disclosures related to sustainability, etc.”

<Disclosures related to sustainability>

Terumo defines the Group Mission of “Contributing to Society through Healthcare” as the goal of our sustainability initiatives. To achieve this goal, we developed the Terumo Group Sustainability Policy and revised the sustainability priorities in December 2021. Under the 5-year Growth Strategy (GS26) starting in fiscal year 2022, Terumo is actively promoting sustainability management and strengthening its initiatives related to ESG and Creating Social Value (CSV) as a means of increasing corporate value. Effective April 2023, Terumo has established the Sustainability Committee under the Executive Management Meeting, which is responsible for implementing management strategies for the Terumo Group. Chaired by the Chief Executive Officer, the Sustainability Committee is responsible for monitoring the status of CSV and ESG initiatives as well as reporting them regularly to the Executive Management Meeting and the Board of Directors. The Committee will also investigate external sustainability trends and reflect them in the Group’s policies and plans.

Terumo’s key sustainability initiatives are disclosed on the company’s website and in the Terumo Report.

Terumo recognizes that there is a high degree of interconnectedness between strategies to respond to climate change and efforts to conserve and restore nature (including those relating to biodiversity, ecosystems, and ecosystem services), and that it is important for Terumo to have an integrated, coordinated response to the related risks and opportunities. Based on this recognition, Terumo discloses its response to risks and opportunities related to climate change and nature in the Terumo Report, in line with the TCFD and TNFD frameworks.

<Disclosures related to investments in human capital and intellectual properties>

• Investments in human capital

Please refer to “■ Supplementary Principle 2-4-1: “Ensuring diversity in the promotion of core human resources” and Terumo report.

• Investments in intellectual properties

Looking to the future of healthcare, to create technologies, products, and services with even higher added value that contribute to resolving medical challenges with significant social impact, the Terumo Group is strengthening in-house development capabilities by evolving its core technologies and making optimal use of its technologies and infrastructure through in-house collaborations that transcend business boundaries. In conjunction with these efforts, by anticipating technological trends, we are promoting external collaboration to develop solutions of value. Further, we establish priorities for allocating resources based on R&D and business strategies to create intellectual property that will help strengthen the Terumo Group’s competitiveness.

We are committed to sharing details on our investments in technology and intellectual property broadly with our shareholders and investors, including on our website under the “Technology” section.

Please refer to our website, Terumo report for more detailed disclosures related to investments in human capital and intellectual properties.

- The Company’s sustainability website: <https://www.terumo.com/sustainability/> (Sustainability top page)
<https://www.terumo.com/sustainability/management/> (Sustainability policy and priorities)
- Terumo Report: <https://www.terumo.com/investors/library/annual-reports/>
- Technology: <https://www.terumo.com/technology/>

■ Principle 4-11: “Prerequisites for Ensuring Effectiveness of the Board of Directors”

[Implementation and Process of Evaluating the Effectiveness of the Board of Directors]

Since fiscal year 2015, Terumo has conducted annual evaluation of the effectiveness of the Board of Directors with the aim of improving governance. In evaluating effectiveness, we have conducted anonymous survey of all directors. Additionally, in fiscal year 2025, we conducted interviews with all directors and some executive officers. To ensure candid feedback and maintain objectivity, the survey, interviews with directors and executive officers, and the analysis thereof are conducted by a third-party organization, Board Advisors Co., Ltd.

The analysis results are discussed by the Corporate Governance Committee, majority members of which are composed of independent directors.

Based on these discussions, key issues and future initiatives are reported and proposed to the Board of Directors. These are then incorporated into the themes for the next year’s Board of Directors and various committees, thereby reflecting them in the operation.

[Implementation Process]

- 1) Selection and Planning: The Corporate Governance Committee selects the third-party consulting firm and deliberates on the methods and processes for conducting the effectiveness evaluation, then reports to the Board of Directors.
- 2) Survey and Interviews: The third-party consulting firm conducts anonymous survey among all directors. Based on the survey results, interviews are conducted with all directors and some executive officers.
- 3) Analysis and Reporting: The third-party consulting firm reports and discusses the analysis and evaluation results with the Corporate Governance Committee.
- 4) Reporting and Proposals: Key issues and future initiatives are confirmed and reported to the Board of Directors, with proposals for incorporation into future operations.

[Implementation Methods]

• Survey

Participants: All directors

Response Format: Multiple-choice and open-ended questions

Main Items: Overall evaluation, Actions to key issues from the previous year, Composition of the Board of Directors, Importance and sufficiency of discussions, Meeting management, Matters related to each advisory committee, Dialogue with shareholders, Contribution as director and Next-generation management, etc.

• Interviews

Participants: All directors and some executive officers

[Summary of Evaluation Results for Fiscal Year 2025]

• Governance has been positioned as one of the key management agendas for enhancing corporate value. Both the supervisory and executive sides have approached this with high commitment, and its effectiveness is generally ensured.

A governance approach that emphasizes open dialogue based on a relationship of trust between oversight and execution, and that actively engages in the practice and enhancement of governance, constitutes a key strength underpinning the effectiveness of the company’s Board of Directors.

- 1) Proactive and open stance of management toward the Board of Directors

Management provides the Board of Directors with timely and comprehensive information and creates opportunities to seek feedback, including comments and suggestions from independent directors. The feedback obtained through such processes is taken seriously and reflected in management practices.

- 2) Board culture that enables free and open discussion
Under the facilitation of the Chairperson, a board culture has been fostered in which discussions are focused on key issues and conducted in a free and open manner, while maintaining an appropriate degree of distance between oversight and execution.
- 3) High level of commitment to governance by Audit and Supervisory Committee members
Both independent members of the Audit and Supervisory Committee, who provide rigorous oversight from an external perspective, and internal member, who possess a deep understanding of operational realities and enhance the effectiveness of on-site audits, demonstrate a high level of commitment to governance and contribute to improving the effectiveness of the Board of Directors.

[Evaluation Results (Key Issues, etc.)]

- Oversight and management structure
As in the previous fiscal year, it is necessary to continue discussions on key issues relating to the oversight and management structure, including:
 - The composition and roles of the Board of Directors, particularly the need to further increase the number of members with management experience and to consider the appointment of independent directors of foreign nationality
 - The appropriate structure of the Board Chair position, including whether it should be held by an internal or external director
 - The appropriateness of transitioning to a company with a Nominating Committee, etc. structure
- Expansion of discussions on particularly important agenda items in considering the next mid- to long-term strategy
In reviewing the next mid- to long-term strategy, it is necessary to expand discussions on especially important agenda items, including:
 - Review of the business portfolio aligned with the overall strategy
 - Strengthening and allocation of management resources, including capital policy and human capital
 - Governance of globally expanding operations, such as enhancing the transparency of business activities and clarifying organizational structures and authorities

Including these issues, we will take measures to address the recognized issues within the activities of the Board of Directors and committees in fiscal year 2026. Additionally, we will continue to consider and implement measures to improve the governance of the Board of Directors.

Furthermore, with respect to the items identified in the FY2024 Board Effectiveness Evaluation as issues requiring continued consideration, the Company's actions taken in FY2025 and the corresponding assessment by an independent third-party organization are outlined below.

	Issues Identified from the 2024 Evaluation Results	Actions in Fiscal Year 2025	Evaluation by the Third-Party consulting firm
1.	Expansion of discussions on key agenda items that contribute to mid- to long-term growth <ul style="list-style-type: none"> • Examination of the appropriate structure of the global governance framework • Strengthening discussions on the review of the business portfolio 	The following discussions have been continuously conducted at meetings of the Board of Directors: <ul style="list-style-type: none"> • Global governance and internal controls • The next mid- to long-term strategy and discussions on the review of the business portfolio 	<ul style="list-style-type: none"> • With respect to the increasingly important governance and oversight of global business operations, further clarification and strengthening of policies are required. • In conjunction with the next mid- to long-term strategy, discussions on the business portfolio have been conducted by management, and the overall direction has been shared with the Board of Directors.
2.	While discussions have been conducted regarding the appropriate form of the oversight function amid changes in the approach and operations of management under the new executive structure, consensus has not yet been fully reached on the following key issues in particular: <ol style="list-style-type: none"> 1. Requirements for independent directors with a view to board succession 2. Board composition, including an increase in the proportion of independent directors 3. Further delegation of authority to management and the criteria for matters to be submitted to the Board of Directors 4. The appropriateness of changes to the organizational structure 5. The appropriate role and structure of the Chair of the Board <p>In working toward the desirable state of the oversight function, comprehensive and integrated discussions are required, rather than ad hoc responses to individual issues.</p>	Centered on the Corporate Governance Committee, multiple rounds of exchanges of views and discussions were held between management and independent directors to address the issues identified based on the FY2024 evaluation results.	<ul style="list-style-type: none"> • At the Corporate Governance Committee, open discussions have been held on multiple occasions. • However, consensus has not yet been reached on the key issues, and continued, focused deliberations are required.

■ Supplementary Principle 4-11(1): "Stance on Diversity of Board of Directors"

When selecting candidates for the Board of Directors, we take into account the ideal composition of the Board and ensures that the knowledge and experience of each director collectively cover a broad range of elements necessary for management oversight and decision-making. Consideration is also given to diversity, including differences in background, areas of expertise, and gender.

(Corporate Governance Guidelines "2. Corporate Governance Structure (9) Selection/dismissal of Directors")

In addition, the Corporate Governance Committee and other committees have continued to discuss the appropriate size of the Board of Directors, it has been judged that the size of the Board of Directors is appropriate with the current situation.

The knowledge, experience, and abilities that the Board of Directors (internal and independent directors) are supposed to have are confirmed by making a skill matrix in the process of evaluating the effectiveness of the Board of Directors conducted every year. The skill matrix has been published in Terumo Reports since 2021. In 2023, it is disclosed in the Terumo Report Governance page.

- Notice of Convocation of Annual General Meeting of Shareholders: https://www.terumo.com/investors/stocks/shareholders_meeting/index.html
- Terumo Report: <https://www.terumo.com/investors/library/annual-reports>

■ Principle 5-2: “Establishing and Disclosing Business Strategies and Business Plans”

From the earliest days of the modernization of Japanese medicine right through to today, we have tackled social issues according to the demands of each era. Today, the environment surrounding healthcare is undergoing major changes, including policies placing increasing downward pressure of healthcare expenditure around the world and growing societal demands to improve patients' quality of life as our societies age. The COVID-19 pandemic has further accelerated such changes. In order for us to remain a company required by society, it is essential that we provide patient-centric solutions to the new healthcare challenges arising amidst the constant change of the 21st century, and that we further the evolution of healthcare.

In light of the above, discussion and review shall be based on the following perspectives, and will form the basic policy of the business portfolio review:

The group operates nine businesses across three companies, working to solve problems in medical settings by providing products and services to treat a wide range of diseases. Drawing on the stable business foundation created by our wide range of business areas and the diversity of our technologies, we will tirelessly pursue opportunities to create new businesses in order to achieve market-beating growth while maintaining and improving profitability.

To optimize the structure of our existing businesses, we will be examining the performance of each business unit over the past several years in terms of both growth and earnings, making necessary adjustments with consideration for mid- to long-term measures based on product life-cycle analysis, and taking into account the potential for company-wide synergies and brand creation arising from business diversity as well as social needs.

At the same time, with a view to the creation of new business considering possibilities involving both organic and inorganic growth, we will examine the potential for market expansion from a variety of angles, including disease, region, customer and technology, and assess their strategic suitability from the standpoint of our existing business capabilities and management resources; i.e., the pros and cons of their implementation will be determined on the basis of whether the company's strengths can be leveraged to do so.

Aiming to achieve sustainable and profitable growth, and while maintaining the autonomy of each company and business, in order to meet market expectations for the group as a whole, we will continue to optimize our business portfolio by increasing discipline and control from a corporate perspective.

[Response Towards Implementing Management Conscious of Capital Cost and Stock Prices]

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	June 29, 2026

Supplementary Explanation Update

We seek growth investment opportunities that exceed capital cost, and our basic policy commits to striving to raise corporate value. In our 5-year Growth Strategy (GS26) that began in fiscal year 2022, we have set a capital efficiency goal of 10% or higher ROIC (ROE of 10% or higher). To achieve this goal, we are working to improve both our profit generation capability and the effective utilization of invested capital.

In order to enhance our profit generation capability, accelerate growth investment such as reinforcement of production capability and M&A, while steadily implementing sales growth strategies and improving product mix in each business. In addition, we are working to promote profitability/efficiency improvement measures through consolidation across the Group, in areas such as production, procurement, logistics, and support functions. In case external financing is necessary for growth investment, we will work to improve medium- to long-term capital efficiency by utilizing interest-bearing debt within an appropriate financial leverage range, taking financial discipline into consideration.

We will reduce invested capital through appropriate control of working capital, primarily its inventories. In making individual investment decisions, based on the validity of management and business strategies, the net present value (NPV) is calculated using a hurdle rate that adds uncertainty risk appropriate to the investment to the region-specific weighted average cost of capital (WACC). The economic viability of the investment is confirmed by comparing the hurdle rate with the internal rate of return (IRR), and investments with a high likelihood of generating returns are carefully selected and executed.

Regarding the distribution of profits to shareholders, in addition to stable dividend increases, we will implement our basic policy of also considering share repurchases at a total payout ratio level of 50%, while comprehensively taking into account growth investments and financial discipline.

2. Capital Structure

Percentage of shares held by foreign nationals	30% or more
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[Major Shareholders] [Update](#)

Name or Title	Number of Shares Held	Percentage of Total Shares Issued
The Master Trust Bank of Japan, Ltd. (Trust Account)	328,609,800	22.28
Custody Bank of Japan, Ltd. (Trust Account)	140,223,300	9.51
The Dai-ichi Life Insurance Company, Limited	51,827,800	3.51
STATE STREET BANK AND TRUST COMPANY 505223	45,819,700	3.11
Meiji Yasuda Life Insurance Company	44,494,600	3.02
STATE STREET BANK AND TRUST COMPANY 505103	29,466,216	2.00
TERUMO LIFE SCIENCE FOUNDATION	29,440,888	2.00
STATE STREET BANK AND TRUST COMPANY 505001	27,404,561	1.86
HSBC HONG KONG -TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	23,430,391	1.59
THE CHASE MANHATTAN BANK, N. A. LONDONSECS LENDING OMNIBUS ACCOUNT	22,563,636	1.53

Controlling shareholders (excluding the parent company)	————
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Parent company	None
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Supplementary Explanation [Update](#)

The above mentioned status of major shareholders states the situation as of March 31, 2026.
The percentage of Total Shares Issued is calculated by deducting 5,476,639 shares of treasury stock.

3. Company Profile

Stock exchange and market segment	Tokyo Stock Exchange, Prime Market
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Fiscal year-end	March
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Industry type	Precision instruments
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No. of employees as of the end of the previous fiscal year (consolidated basis)	1,000 employees or more
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Revenue in the previous fiscal year (consolidated basis)	¥1 trillion or more
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No. of consolidated companies in the previous fiscal year	100 to less than 300
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[Update](#)

4. Guidelines on Measures to Protect Minority Shareholders When Engaging in Transactions, etc. with Controlling Shareholders

5. Other Special Circumstances that could have a Material Impact on Corporate Governance

II. Status of the Business Administration Organization and Corporate Governance Structure in Relation to Decision-Making, Execution, and Supervision

1. Matters Concerning Institutional Structure, Organizational Operation, etc.

Organizational Form	Company with Audit and Supervisory Committee
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[Directors]

Maximum number of directors in the Articles of Incorporation	20
Term of directors in the Articles of Incorporation	1 year
Chairman of the Board	Chairman of the Board
No. of directors	10
Appointment of outside directors	Appointed
No. of outside directors	5
No. of outside directors who are designated as independent directors	5

Relationship to Company (1) [Update](#)

Name	Attribute	Relationship to company*											
		a	b	c	d	e	f	g	h	i	j	k	
Keiya Ozawa	Academic												
Mari Kogiso	From another company												
Hitoshi Nara	From another company												
Soichiro Uno	Attorney												
Keiko Hayashi	CPA												

* Options for relationship to company

* Enter a blank circle (○) for each of the options that currently and mostly recently apply to the individual, and enter a blank triangle (△) for each option that was applicable in the past.

* Enter a black circle (●) for each of the options that currently and mostly recently apply to a close relative, and enter a black triangle (▲) for each option that was applicable in the past.

- Executive of Terumo Corporation or its subsidiaries
- Executive of the parent company of Terumo Corporation or a non-executive director
- Executive of a fellow subsidiary company of Terumo Corporation
- A party whose major client or supplier is Terumo Corporation or an executive thereof
- Major client of Terumo Corporation or an executive thereof
- Consultant, accountant or legal professional who receives a large amount of monetary consideration or other tangible goods from Terumo Corporation besides executive remuneration.
- Major shareholder of Terumo Corporation (or an executive of the major shareholder if the shareholder is a legal entity)
- Executive of a client or supplier company of Terumo Corporation (which does not correspond to any of d, e, or f) (the director himself/herself only)
- Executive of a company which engages in mutual appointment of Independent Directors/Audit & Supervisory Board Members with Terumo Corporation (the director himself/herself only)
- Executive of a company or organization that receives a donation from Terumo Corporation (the director himself/herself only)
- Others.

Name	Audit and Supervisory Committee Member	Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Keiya Ozawa		○	Mr. Ozawa serves as Professor Emeritus, Visiting Professor of Jichi Medical University and Senior Adviser, Center for Gene Therapy Research (CGTR), Jichi Medical University. He serves concurrently as Program Supervisor and Program Officer, Japan Agency for Medical Research and Development (AMED), Director, Foundation for Medical Science Research Promotion (MSRP)	<p>< Reasons for Appointment > Mr. Ozawa has expert knowledge which includes a track record of research in gene therapy, cell therapy and hematology, has served as Director of IMSUT (The Institute of Medical Science, The University of Tokyo) Hospital and Director of Center for Gene & Cell Therapy (CGCT), and has cultivated extensive experience through the performance of his duties in these organizations. He has been appointed as an independent director to utilize this experience in the supervision of management at Terumo Corporation.</p> <p>< Reasons for Designation as an Independent Director > Mr. Ozawa meets all requirements for designation as an independent director under the rules of the Tokyo Stock Exchange. He has been judged to pose no risk of giving rise to a conflict of interest with general shareholders and has therefore been designated as an independent director.</p>
Mari Kogiso		○	Ms. Kogiso serves as Founder and CEO, SDG Impact Japan Inc. She serves concurrently as Outside Director of Rakuten Bank, Ltd.	<p>< Reasons for Appointment > Ms. Kogiso has extensive experience as a manager, many years of global experience in financial business and has taken the lead of DE&I and ESG action. She has been appointed as an independent director to utilize this experience in the supervision of management at Terumo Corporation.</p> <p>< Reasons for Designation as an Independent Director > Ms. Kogiso meets all requirements for designation as an independent director under the rules of the Tokyo Stock Exchange. She has been judged to pose no risk of giving rise to a conflict of interest with general shareholders and has therefore been designated as an independent director.</p>
Hitoshi Nara		○	Mr. Nara is Director, Executive Chairperson, Representative Executive Officer of Yokogawa Electric Corporation.	<p>< Reasons for Appointment > Mr. Nara has extensive experience as a business executive and has led business operations both in Japan and overseas over many years. He has also played a leading role in driving global business growth and organizational management, while promoting the transformation of business models toward solution-oriented offerings. He has been appointed as an independent director to utilize the insight he has cultivated from these experiences in the supervision of management at Terumo Corporation.</p> <p>< Reasons for Designation as an Independent Director > Mr. Nara meets all requirements for designation as an independent director under the rules of the Tokyo Stock Exchange. He has been judged to pose no risk of giving rise to a conflict of interest with general shareholders and has therefore been designated as an independent director.</p>

Soichiro Uno	○	○	Mr. Uno serves as a Partner in the Nagashima Ohno & Tsunematsu Law Firm.	<p>< Reasons for Appointment > Mr. Uno possesses specialized knowledge and extensive experience as an attorney in Japan and overseas. He has been appointed as an Audit and Supervisory Committee member to audit and supervise the management of Terumo Corporation from the independent perspective.</p> <p><Reasons for Designation as an Independent Director> Mr. Uno meets all requirements for designation as an independent director under the rules of the Tokyo Stock Exchange. He has been judged to pose no risk of giving rise to a conflict of interest with general shareholders and has therefore been designated as an independent director.</p>
Keiko Hayashi	○	○	Ms. Hayashi serves as a Representative of Keiko Hayashi Certified Public Accountant Office, Supervisory Officer of Japan Building Fund, Inc., and Professor Faculty of Commerce Graduate School of Accountancy, Waseda University and Director Serving as Board-Audit Committee Member, Independent Director of JAFCO Group Co., Ltd.	<p>< Reasons for Appointment > Ms. Hayashi has extensive knowledge of finance and accounting as a Certified Public Accountant, as well as her leadership in promoting Diversity, Equity & Inclusion (DE&I) initiatives at an audit firm. She has been appointed as an Audit and Supervisory Committee member to audit and supervise the management of Terumo Corporation from the independent perspective.</p> <p><Reasons for Designation as an Independent Director> Ms. Hayashi meets all requirements for designation as an independent director under the rules of the Tokyo Stock Exchange. She has been judged to pose no risk of giving rise to a conflict of interest with general shareholders and has therefore been designated as an independent director.</p>

[Audit and Supervisory Committee]

Committee Member Composition and Committee Chair Profile

	Total Committee Members (No.)	Full-time Members (No.)	Internal Directors (No.)	Independent Directors (No.)	Committee Chair (Chairman)
Audit and Supervisory Committee	3	1	1	2	Independent director
Employees who assist with the duties of the Audit and Supervisory Committee	Appointed				

Matters Concerning Independence of such Employees from Executive Directors

In the Internal Control System Design Basic Policy approved by the Board of Directors (please see "IV. Matters Concerning the System of Internal Controls, 1. Basic Stance on Internal Control Systems and Status of Establishment"), The Audit and Supervisory Committee Office, consisting of dedicated employees (hereafter "dedicated employees") shall be established as an organization to assist the Audit and Supervisory Committee. Matters related to independence of dedicated employees from directors who are not Audit and Supervisory Committee members are set forth in the Internal Control System Design Basic Policy as follows.

- Selection, performance evaluation, salary, placement, and discipline of dedicated employees shall require the prior approval of the Audit and Supervisory Committee. In the selection of dedicated employees, candidates' experience, knowledge, and behavior, etc. shall be carefully considered in light of the important role they will play as participants in audit and supervisory functions.

Cooperation Among the Audit and Supervisory Committee, Accounting Auditors, and the Internal Audit Department

Update

<Cooperation between the Audit and Supervisory Committee and Accounting Auditors>

The Audit and Supervisory Committee:

- Receives briefings in regards to an annual audit plan including audit procedures and audit team structure from the accounting auditors, and check the validity of the audit plan
- Receives auditing reports and results of internal control audits from the accounting auditors through quarterly update
- Discusses the candidates for the Key Audit Matters, and other subjects on an as-needed basis with the accounting auditors
- Determines reappointment of the accounting auditors based on comprehensive evaluation of their eligibility, independence, audit quality control status, job performance, and audit fee every fiscal year

<Cooperation between the Audit and Supervisory Committee and the Internal Audit Department>

The Audit and Supervisory Committee:

- Holds regular meetings with the Internal Audit Department and receives briefings on an overview of the internal audit plan and the results of internal

audits

- Receives reports from the responsible department on the status of development and operation, as well as the evaluation results, of internal control over financial reporting (J-SOX)
- Engages in discussions and exchanges of views and information based on these reports
- Issues instructions as necessary based on the discussions

[Discretionary Committees]

Discretionary committees corresponding to a nominating committee and a remuneration committee	Established
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Status of Establishment of Discretionary Committees, Committee Member Composition, and Committee Chair (Chairman) Profile

	Committee Name	Total Committee Members (No.)	Full-time Committee Members (No.)	Internal Directors (No.)	Independent Directors (No.)	External Experts (No.)	Others (No.)	Committee Chair (Chairman)
Discretionary committee corresponding to a nominating committee	Nomination Committee	7	0	2	5	0	0	Independent director
Discretionary committee corresponding to a remuneration committee	Remuneration Committee	7	0	2	5	0	0	Independent director

Supplementary Explanation Update

[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 Chief Executive Officer 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.

(3) Activities in fiscal year 2025

During the fiscal year 2025, the Committee primarily engaged in ongoing deliberations regarding executive appointments, including the selection of Directors and Executive Officers, and provided reports and recommendations to the Board of Directors.

The committee held 5 meetings in fiscal year 2025. Each committee member attended the committee as follows:

Title	Name	Attendance Rate	Description
Independent Director	Hidenori Nishi	100% (5/5)	Chairperson
Independent Director	Keiyo Ozawa	100% (5/5)	
Independent Director	Mari Kogiso	100% (5/5)	
Independent Director who serves as an Audit and Supervisory Committee member	Masaichi Nakamura	100% (1/1)	
Independent Director who serves as an Audit and Supervisory Committee member	Soichiro Uno	100% (5/5)	
Independent Director who serves as an Audit and Supervisory Committee member	Keiko Hayashi	100%(4/4)	
Chairman of the Board	Toshiaki Takagi	100% (5/5)	
Chief Executive Officer	Hikaru Samejima	100% (5/5)	

Note: With respect to attendance at meetings of the Nomination Committee, the figures for Ms. Keiko Hayashi cover only those meetings held after her appointment at the Annual General Meeting of Shareholders held on June 24, 2025, while those for Mr. Masaichi Nakamura cover only those meetings held prior to his retirement at the same Annual General Meeting of Shareholders.

[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 other independent directors elected by a majority vote of the Committee members shall act in the chair's place.

(3) Activities in fiscal year 2025

During the fiscal year 2025, the Committee primarily engaged in continuing discussions on the direction of the mid to long-term executive compensation framework, examined improvements to the operation of the "Future Corporate Value Targets" as a non-financial performance evaluation system, and deliberated on matters related to the compensation of directors, executive officers, and officers (including policies for determining the amounts of compensation or the methods for calculating such amounts), and reported to and advised the Board of Directors. The committee held 6 meetings in fiscal year 2025. Each committee member attended the committee as follows:

Title	Name	Attendance Rate	Description
Independent Director	Keiya Ozawa	100% (6/6)	Chairperson
Independent Director	Hidenori Nishi	100% (6/6)	
Independent Director	Mari Kogiso	100% (6/6)	
Independent Director who serves as an Audit and Supervisory Committee member	Masaichi Nakamura	100% (3/3)	
Independent Director who serves as an Audit and Supervisory Committee member	Soichiro Uno	100% (6/6)	
Independent Director who serves as an Audit and Supervisory Committee member	Keiko Hayashi	100% (3/3)	
Chairman of the Board	Toshiaki Takagi	100% (6/6)	
Chief Executive Officer	Hikaru Samejima	100% (6/6)	

Note: With respect to attendance at meetings of the Remuneration Committee, the figures for Ms. Keiko Hayashi cover only those meetings held after her appointment at the Annual General Meeting of Shareholders held on June 24, 2025, while those for Mr. Masaichi Nakamura cover only those meetings held prior to his retirement at the same Annual General Meeting of Shareholders.

[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.

(3) Activities in fiscal year 2025

During the fiscal year 2025, the Committee primarily conducted multifaceted deliberations, with a view to the Company's mid to long-term growth strategy, on the role of the Board of Directors, key topics to be addressed by the Board, the future composition of the Board, and the appropriate governance structure, and reported to and advised the Board of Directors.

The committee held 7 meetings in fiscal year 2025. Each committee member attended the committee as follows:

Title	Name	Attendance Rate	Description
Independent Director	Mari Kogiso	100% (7/7)	Chairperson
Independent Director	Hidenori Nishi	100% (7/7)	
Independent Director	Keiya Ozawa	100% (7/7)	
Independent Director who serves as an Audit and Supervisory Committee member	Masaichi Nakamura	100% (1/1)	
Independent Director who serves as an Audit and Supervisory Committee member	Soichiro Uno	100% (7/7)	
Independent Director who serves as an Audit and Supervisory Committee member	Keiko Hayashi	100% (6/6)	
Chairman of the Board	Toshiaki Takagi	100% (7/7)	
Chief Executive Officer	Hikaru Samejima	100% (7/7)	

Note: With respect to attendance at meetings of the Corporate Governance Committee, the figures for Ms. Keiko Hayashi cover only those meetings held after her appointment at the Annual General Meeting of Shareholders held on June 24, 2025, while those for Mr. Masaichi Nakamura cover only those meetings held prior to his retirement at the same Annual General Meeting of Shareholders.

[Independent Directors]

Number of Independent Directors

[Update](#)

5

Other Matters Concerning Independent Directors

Based on the Corporate Governance Guideline established by the Board of Directors, the board may have up to 15 directors, excluding members of the Audit and Supervisory Committee. The Audit and Supervisory Committee members may number up to five, over half of whom must be independent directors, and at least one-third of the Board of Directors should be independent directors. Independent directors must meet the

requirement in the Director Independence Standards established by Terumo. "A Notification of Independent Director Appointment" has been submitted to the Tokyo Stock Exchange for all independent directors.

Attendance of independent directors at Board of Directors meetings in the previous fiscal year was as follows:

Name	Attendance Rate
Hidenori Nishi	100% (15/15)
Keiya Ozawa	100% (15/15)
Mari Kogiso	100% (15/15)

Attendance of independent directors who serve as Audit and Supervisory Committee Members at Board of Directors meetings and Audit and Supervisory Committee meetings in the previous fiscal year was as follows:

Name	Attendance rate Board of Directors meeting	Attendance rate Audit and Supervisory Committee meeting
Masaichi Nakamura	100% (4/4)	100% (3/3)
Soichiro Uno	100% (15/15)	100% (14/14)
Keiko Hayashi	100%(11/11)	100%(11/11)

Note: With respect to attendance, the figures for Ms. Keiko Hayashi cover only those meetings held after her appointment at the Annual General Meeting of Shareholders held on June 24, 2025, while those for Mr. Masaichi Nakamura cover only those meetings held prior to his retirement at the same Annual General Meeting of Shareholders.

[Incentives]

Status of incentives provided to directors

Performance-linked system of remuneration introduced; stock option system introduced and others

Supplementary Explanation

[Update](#)

[Executive Compensation]

In this section on "Executive Compensation," the Company sets out not only policies regarding the remuneration of Directors, but also its approach to the remuneration of Group Executive Officers and Executive Officers who do not concurrently serve as Directors. While the Company endeavors to use titles that clearly specify each category of officers as much as possible, the term "executives" as used herein broadly includes, in addition to Directors, Group Executive Officers and Executive Officers who do not concurrently serve as Directors.

[Policy on Executive Compensation]

To provide sound motivation for executive directors, group executive officers and executive officers to enhance corporate value over the medium to long term while taking appropriate risks, their remuneration shall be determined with due consideration to an appropriate balance among fixed remuneration, performance-linked remuneration (bonuses) and restricted stock (stock options for overseas-resident officers). Remuneration of non-executive directors shall be composed only of fixed remuneration. In order to attract and retain the management talent necessary to drive the Company's sustainable growth and realize its mission, the level of remuneration shall be determined by benchmarking the upper-mid range for each executive's job grade and position, based on compensation databases from external consulting firm. For foreign executives, the compensation levels are set according to the same policy, based on market data from countries in which the executives reside.

[Performance-Linked Compensation (Bonuses)]

1) Purpose and Overview of Calculation Method for Payment Amounts

This compensation aims to strengthen motivation for sustainable growth and achieving annual performance targets. Performance evaluation indicators aligned with this purpose are adopted. These indicators include Company-wide financial performance (for all executives), financial performance of specific businesses or regions (for responsible executives), and future corporate value targets set individually by executives (non-financial performance for all executives). The payment amount is calculated by multiplying the standard amount for each position by the evaluation coefficient derived from these indicators.

2) Company-wide Financial Performance Indicators and Variability

The indicators for Company-wide financial performance include consolidated revenue, consolidated operating profit, ROIC, and ROE, aiming to be a globally recognized company with profitability and capital efficiency. The targets for these indicators are set at the beginning of the fiscal year, with the evaluation coefficient set at 100% upon achieving the planned values. To ensure healthy motivation for performance improvement, the evaluation coefficient varies between 0% and 150% based on the achievement rate.

3) Financial Performance of Responsible Businesses or Regions, Future Corporate Value Targets, and Variability

The financial performance indicators for the businesses or regions individually managed by executives are based on the idea that maximizing financial indicators in their respective areas will contribute to achieving overall financial performance and enhancing corporate value. These indicators include revenue, adjusted operating profit, and operating cash flow for the areas managed by each executive. Targets are set at the beginning of the fiscal year, with the evaluation coefficient set at 100% upon achieving the planned values. To ensure healthy motivation for performance improvement, the evaluation coefficient varies between 0% and 150% based on the achievement rate.

Additionally, to realize a sustainable society and Terumo's medium- to long-term growth, non-financial evaluation indicators called "Future Corporate Value Targets" are introduced, which are individually set by each executive. These targets are derived from the ESG indicators outlined in the 5-year Growth Strategy (GS26) starting from fiscal year 2022, broken down into annual goals. The evaluation coefficient ranges from 0% to 120% based on the achievement status at the end of the fiscal year. The evaluation involves not only the evaluators in the reporting line of each executive but also the executives responsible for each indicator, who assess the performance from a professional and comprehensive perspective. The final evaluation is determined by a committee composed of executives at the group managing executive officer level and above.

4) Proportion of Evaluation Indicators

The proportion of evaluation indicators for performance-linked compensation (bonuses) for executive directors is as follows. For group executive officers and executive officers other than executive directors, the evaluation is based on Company-wide financial performance and future corporate value targets, with weights assigned according to their roles. For those officers responsible for specific businesses or regions, the financial performance of their respective areas is also included.

• Chairman, CEO and Directors responsible for functional departments (group senior managing executive officers, group managing executive officers): Company-wide financial performance 80%, individual future corporate value targets 20%

[Restricted Stock]

Restricted stock is introduced to ensure that group executive officers and executive officers responsible for business execution share value with shareholders, fulfill their roles and responsibilities as executives, and enhance their motivation to contribute to stock price appreciation and corporate value enhancement. The transfer restriction period is set at 30 years (or until resignation from positions such as director, group executive officer, executive officer) to promote long-term value sharing with shareholders. Additionally, a clawback clause is established, requiring the return of all or part of the accumulated restricted stock without compensation in the event of misconduct or legal violations during the tenure.

Persons granted stock options

Internal directors, others

Supplementary Explanation

Stock compensation-type stock options are introduced with the same objectives as the restricted stock mentioned above. These options are targeted at executive directors and group executive officers and executive officers who do not concurrently serve as directors, and reside outside Japan. For those residing in Japan, restricted stock has been introduced since 2019, as mentioned above.

[Director Remuneration]

Disclosure of remuneration of individual directors

Individual remuneration is not disclosed.

Supplementary Explanation Update

Disclosure of remuneration of directors is provided for public viewing through annual securities report and business reports posted on the corporate website, and other means. The details of remuneration are as follows (The number of people is the total number).

(Unit Million JPY)

Title	Number of director	Total Remuneration	Detail		
			Base remuneration	Bonuses	Restricted Stock
Directors (excluding directors who serve as Audit and Supervisory Committee Members and independent directors)	5	490	229	143	117
Director who serves as Audit and Supervisory Committee Member (excluding independent directors)	1	49	49	-	-
Independent Directors	6	84	84	-	-

The total consolidated remuneration of Director Toshiaki Takagi and Hikaru Samejima is disclosed in the official annual securities report.

(Unit Million JPY)

Title	Name	Total Remuneration	Detail		
			Base remuneration	Bonuses	Restricted Stock
Chairman of the Board	Toshiaki Takagi	143	63	38	40
Chief Executive Officer	Hikaru Samejima	180	75	57	47

Policy on determining the amount of remuneration and the method of calculation

A policy has been established.

Disclosed Details of the Policy on Determining the Amount of Remuneration and the Method of Calculation

[Components of Compensation and Their Rationale]

1) Compensation Structure Ratio

The compensation for group executive officers and executive officers responsible for business execution is designed with the following target ratios: 50% fixed compensation, 30% standard amount of performance-linked compensation (bonuses), and 20% restricted stock. Additionally, the higher the position, starting with the President and CEO, the higher the proportion of performance-linked compensation (bonuses) and restricted stock in the total compensation.

2) Method of Determining Executive Compensation

The fixed compensation for independent directors (excluding audit and supervisory committee members), and the fixed compensation, standard amounts of performance-linked compensation (bonuses), and amounts of restricted stock for internal directors (excluding audit and supervisory committee members), group executive officers and executive officers are deliberated by the Compensation Committee. This committee, majority of which members consist of independent directors and is chaired by an independent director, serves as an advisory body to the Board of Directors. It considers trends over multiple years using the compensation database of external consulting firm. The Board of Directors makes decisions based on the committee's deliberations. The compensation for directors who are audit and supervisory committee members is determined through discussions among the audit and supervisory committee members, referencing trends in the compensation database of external consulting firm. The compensation for directors (excluding audit and supervisory committee members) is determined within the compensation limits resolved at the

following shareholders' meetings:

Fixed compensation, performance-linked compensation (bonuses), and stock compensation-type stock options: Up to 700 million yen per year (104th Annual General Meeting of Shareholders held on June 21, 2019, for eight directors, including three independent directors at the time of approval).

Restricted stock: Up to 200 million yen per year (104th Annual General Meeting of Shareholders held on June 21, 2019, for five directors, excluding independent directors at the time of approval).

The compensation for directors who are audit and supervisory committee members is determined within the compensation limits resolved at the following shareholders' meeting:

Compensation for directors who are audit and supervisory committee members: Up to 100 million yen per year (100th Annual General Meeting of Shareholders held on June 24, 2015, for three directors, including two independent directors at the time of approval).

[Support System for Independent Directors] Update

While independent directors are not allocated dedicated staff, the General Affairs and External Relations Department staff support external directors other than Audit and Supervisory Committee members, and Audit and Supervisory Committee Office staff support independent directors who serves as Audit and Supervisory Committee members.

2. Matters Concerning Decisions on Execution of Duties, Audits and Supervision, Nominations, Remuneration, and Other Functions (Overview of the Current Corporate Governance Structure) Update

<<Nature of Corporate Organization >>

Terumo adopted the organizational design of a "company with Audit and Supervisory Committee" in order to enhance the functions of audit and supervision over the Board of Directors and Directors, further strengthen its corporate governance framework, and to maximize its mid- to long-term corporate value.

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

1. 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 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 Chief Executive Officer'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 chairperson shall serve as the chair, in principle; provided, however, that if no chairperson 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] Activities

- The Board of Directors held 15 meetings in fiscal year 2025. Each Director attended the meetings as follows:

Title	Name	Attendance Rate
Chairman of the Board	Toshiaki Takagi	100% (15/15)
Chief Executive Officer	Hikaru Samejima	100% (15/15)
Director and Group Senior Managing Executive Officer	Toshihiko Osada	100% (15/15)
Director and Group Managing Executive Officer	Norimasa Kunimoto	100% (15/15)
Director and Corporate Advisor	Kazunori Hirose	100% (4/4)
Independent Director	Hidenori Nishi	100% (15/15)
Independent Director	Keiya Ozawa	100% (15/15)
Independent Director	Mari Kogiso	100% (15/15)
Director (Full-time Audit and Supervisory Committee Member)	Takanori Shibazaki	100% (15/15)
Independent Director (Audit and Supervisory Committee Member)	Masaichi Nakamura	100% (4/4)
Independent Director (Audit and Supervisory Committee Member)	Soichiro Uno	100% (15/15)
Independent Director (Audit and Supervisory Committee Member)	Keiko Hayashi	100% (11/11)

Note: With respect to the attendance of meetings of the Board of Directors, the figures for Ms. Keiko Hayashi cover only those meetings held after her appointment at the Annual General Meeting of Shareholders convened on June 24, 2025, while those for Mr. Kazunori Hirose and Mr. Masaichi Nakamura cover only those meetings held prior to their retirement at the same Annual General Meeting of Shareholders.

- With regard to issues identified as highly important by the evaluation of board effectiveness in the last fiscal year, the Board of Directors sets such issues as themes to be discussed at the board. Main initiatives in FY2025 are described in Principle 4-11: "Prerequisites for Ensuring Effectiveness of the Board of Directors".

2. Advisory Committees to the Board (Nomination Committee, Remuneration Committee, Corporate Governance Committee) Please refer to II. 1 [Discretionary Committees]

3. 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 serve as group executive officer or executive officer, and persons designated by Chairperson (among executive officers and general managers from internal business divisions and corporate functions, as well as external experts and professionals).
 - Audit and Supervisory Committee members may attend and speak at the meetings of the Committee.
 - The chair shall be the Chief Executive Officer.

4. Risk Management Committee

[1] Roles

Positioned under the Executive Management Meeting, 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 serve as group executive officer or executive officer, and persons designated by Chairperson (among executive officers and general managers from internal business divisions and corporate functions, as well as external experts and professionals).
 - Audit and Supervisory Committee members may attend and speak at the meetings of the Committee.
 - The chair shall be the Chief Executive Officer.

<<Audits and Supervision by the Audit and Supervisory Committee >>

The Audit and Supervisory Committee shall audit and supervise the execution of duties of directors and executive officers to ensure legal, appropriate, and efficient business operation in the Terumo Group companies. The auditing and supervising include any of the following:

- Monitors decision-making processes, risk management system and internal control system by attending Board of Director meeting, Executive Management Meeting and other principal meetings and inspecting major decision records, important documents with supporting execution of operation, meeting minutes etc.
- For domestic and overseas subsidiaries and major business sites, conducts web-based interviews with executives and responsible personnel and performs on-site audit visits. Through these activities, confirms the status of management, risk recognition and responses, the development and operation of internal controls, and the status of asset management.
- Conducts monthly hearings with the Chairperson, President and CEO, Directors, CFO, and Presidents of each Company on business conditions, risk recognition and responses, and the status of development and operation of internal controls
- Regularly conducts hearings with executive officers and heads of headquarters departments on business conditions, risk recognition and responses, and the status of development and operation of internal controls
- Holds monthly meetings with the Internal Audit Department to receive reports on internal audit plans and results, and issues audit-related instructions as necessary; at these meetings, also receives reports from the responsible department on the evaluation of internal control over financial reporting and confirms the details together with the Internal Audit Department
- Invites relevant departments to meetings of the Audit and Supervisory Committee to conduct hearings on significant matters related to the status of internal control development and operation and the operation of the compliance framework, and provides instructions and advice as necessary
- Has periodic discussions with Representative Directors in order for sharing management issues, concerns and requests known through audit activities.
- Implements self-evaluation through questionnaire for efficiency of audit and supervisory committee and brings results to annual audit plan for next fiscal year.
- Conducted twelve meetings with the accounting auditor in order to hear audit results in the last fiscal year exchange opinions, discuss the Key Audit Matter or other subjects. Through these activities, evaluates the accounting auditor's independence, appropriateness, and quality.

<< Audits by the Internal Audit Department >>

The Internal Audit Department reports directly to the Chief Executive Officer and builds a global internal auditing system and is promoting strengthening of this system. The Department regularly conducts audits of the entire Group, including subsidiaries, from the perspective of operational effectiveness and efficiency, compliance, and security of the assets, and prepares reports on the analysis of findings and recommendations for improvement. The reports are reported to the head of the audited division, the Chief Executive Officer, the Audit and Supervisory Committee, and the relevant departments. The Internal Audit Department submits audit plans and summary reports to the Internal Control Committee and the Board of Directors. The Department also assesses the design and operational effectiveness of the internal controls to ensure the reliability of financial reporting based on the Financial Instruments and Exchange Act.

<<Accounting Audits >>

Name of the audit firm:

KPMG AZSA LLC

Number of years as continuing audit firm:

23 years

Names of CPAs who performed audit duties and the number of years as continuing auditor:

Hiroshi Tani, Designated Limited Liability Partner and Managing Partner, two years

Yuichi Watanabe, Designated Limited Liability Partner and Managing Partner, six years

Hirohisa Matsuo, Designated Limited Liability Partner and Managing Partner, four years

Composition of personnel assisting with audit duties:

CPAs: 25

Others: 89

3. Reasons for Choosing the Current Corporate Governance Structure

Terumo adopted the organizational design of a Company with an 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 maximize its mid- to long-term corporate value.

[1] Strengthen audit and supervisory functions

The members of the Audit and Supervisory Committee shall have voting rights in the 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 group executive officers and executive officers, Terumo will further expedite

its decision-making process and business development through a shift toward a monitoring-based approach for the Board.

III. Status of Implementation of Measures Concerning Shareholders and Other Interested Parties

1. Status of Initiatives to Make Shareholders Meetings More Stimulating and Ensure Smooth Exercise of Voting Rights Update

	Supplementary Explanation
Issuance of early notification of convocation of General Shareholders Meeting	In order to ensure that shareholders have sufficient time to review proposals for the general meeting of shareholders and can appropriately exercise their voting rights, we will strive to begin electronic provision measures for general meetings of shareholders, as stipulated by the Companies Act, as early as possible before the statutory deadline. Additionally, we will make efforts to send notices of convocation for general meetings of shareholders at an early stage.
Scheduling General Shareholders Meeting to avoid peak days	Peak days for shareholder meetings are avoided and meetings are held in the afternoon, rather than in the morning as many are, in order to enable participation by a greater number of shareholders.
Allowing electronic exercise of voting rights	Terumo has computerized the exercise of voting rights in order to make it more convenient for individual and institutional investors.
Participating in an electronic voting platform and taking other steps to improve the environment for exercise of voting rights by institutional investors	Terumo uses the electronic platform for exercising voting rights operated by Investor Communications Japan (ICJ, Inc.), in which the Tokyo Stock Exchange maintains an investment interest, as the method for exercising voting rights.
Provision of convocation notices in English	An English version of the convocation notice is posted on Terumo's website.
Other	We provide live distribution.

2. Status of Investor Relations Activities Update

	Supplementary Explanation	Personal Explanation by the Representative
Formulation and Publication of Disclosure Policies	Terumo has formulated an IR Policy and has posted this on the website.	
Regular Investor Briefings held for Individual Investors	Briefings to individual shareholders at which the Chief Executive Officer is present are held at each Osaka and Nagoya once a year.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	Call for financial results at which the Chief Executive Officer is present are held biannually. Chief Financial Officer (CFO) is also present quarterly. The calls are held in person or by remote participation via webcast. Their presentation materials, videos, and Q&A sessions are disclosed on the corporate website.	Held
Regular Investor Briefings held for Overseas Investors	Call for financial results held for analysts and institutional investors are conducted in a manner that enables participation by overseas investors. Simultaneous interpretation is provided to allow real-time viewing in English. English presentation materials are posted on the corporate website in advance of the calls to facilitate understanding of the content. In addition, presentation materials, videos, and Q&A sessions are also disclosed in English after the calls, providing information substantially equivalent to that disclosed in Japanese.	Held
Online Disclosure of IR Information	The company's IR Library page contains financial results accouchement materials, financial statements, timely disclosure information, medium to long-term strategies, consolidated financial statements, Terumo Report, and information related to corporate governance.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Investor relations activities are handled by the Investor Relations (IR) department within the Corporate Planning Dept., with dedicated personnel assigned. The IR responsibility framework is established under the executive officer in charge of the IR department, and IR activities are carried out in close coordination with senior management. The IR department serves as the contact point for investor inquiries. A dedicated inquiry form for stock and IR-related information is available on the corporate website, through which inquiries from shareholders and investors in Japan and overseas are handled.	
Other	Business related presentations are held as necessary.	

3. Status of Efforts to Ensure Respect for Stakeholder Perspectives

	Supplementary Explanation
<p>Rules on respecting stakeholder perspectives established through internal rules, etc.</p>	<p>At Terumo, we have established and made public our internal regulation, the “Terumo Corporate Governance Guidelines”, which stipulates that we conduct management with a focus on stakeholders. https://www.terumo.com/about/governance</p> <p>●Overview Based on our group's common identities, including the “Group Mission”, “Our Promise”, “Core Values”, and the “Terumo Group Code of Conduct”, 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 through initiatives aimed at collaboration with stakeholders as outlined below.</p> <ul style="list-style-type: none"> • Achieving promote timely decision making while helping maintain transparency and objectivity in management • Securing shareholders' rights and equality • Establishing and implementing the “Terumo Group Code of Conduct”, which includes fundamental principles that articulate Terumo’s corporate values, including appropriate collaboration with stakeholders, respect for their values and sound business ethics • Establishing and implementing the “Terumo Group Sustainability Policy”, which aims to achieve both a sustainable society and the Group’s sustainable growth • Fostering a corporate culture that striving to promote respect for each individual and each different culture and doing not discriminate on the basis of race, nationality, gender, religion, or disability, and respect human rights • Appropriate Disclosure to stakeholders
<p>Implementation of environmental conservation, CSR, and other activities</p>	<p>Terumo has established the EHS Management Department, which is continually working to reduce the environmental burden associated with its business activities. Furthermore, the Corporate Sustainability Office in the Accounting & Tax Department promotes overall efforts to contribute to the sustainable development of the environment, society, and the Terumo Group, including resolving healthcare challenges based on the Group Mission. Among these efforts, the main activities are described in the Terumo Report. For details, please refer to the Terumo Report.</p> <p>Terumo Report: https://www.terumo.com/investors/library/annual-reports</p>
<p>Formulation of a policy on the provision of information to stakeholders</p>	<p>Terumo has formulated an IR Policy stating its position on timely disclosure of information. This is posted on the corporate website.</p>

IV. Matters Concerning the System of Internal Controls

1. Basic Stance on Internal Control Systems and Status of Establishment Update

The Board of Directors has passed a resolution of revision on the following "Internal Control System Design Basic Policy" based on the Companies Act, and is working to establish a system of internal controls for the Terumo Group.

1. System to ensure that the duties of Directors and Employees are performed in compliance with laws and ordinances and the Articles of Incorporation

- 1) Set forth in the "Terumo Group Code of Conduct" that correct behavior, requiring compliance to laws and ordinances, industry codes, internal rules, and acting according to a high sense of ethics, is indispensable for the practice of the Group Mission; and build a system to perform continuous training and education of Directors, Group Executive Officers, Executive Officers and Employees of Terumo Corporation (hereafter "the Company"), and all other equivalent personnel in the group (hereafter "Group Employees") regarding this Code of Conduct.
- 2) Establish the "Group Internal Control System Policy", and as the entity responsible for enacting the group Internal Control System, establish the Internal Control Committee, which is chaired by the Chief Executive Officer. That committee shall build a system to deliberate and make decisions regarding important policies related to compliance, and regularly report the status of these activities to the Board of Directors and Audit and Supervisory Committee or Audit and Supervisory Committee members selected by the Audit and Supervisory Committee (hereafter "Selected Audit and Supervisory Committee members").
- 3) In accordance with the provisions of the Financial Instruments and Exchange Act, build a system to ensure the reliability of financial reporting.
- 4) Based on the "Group Internal Control System Policy" and build a system to, in the event that significant compliance violations, etc. occur, create a response team under the direction of the Internal Control Committee Chair, which, in addition to responding and resolving the occurrence, shall report or make proposals to the Internal Control Committee regarding the cause and recurrence prevention measures.

2. System for retention and management of information related to Director performance of duties

- 1) Establish the "Group Document Management Policy" and build a system to record and retain, as documents or electronic media, information related to Director performance of duties, according to document type and importance.
- 2) Establish the "Document Management Standard Manual: Handling Manual for minutes of important meetings," and build a system to retain the minutes of important official meeting bodies of the Company.
- 3) The Directors and Audit and Supervisory Committee or Selected Audit and Supervisory Committee members (hereafter "Audit and Supervisory Committee etc."), shall build a system in which this documentation can be viewed at any time.

3. Risk management regulations and other systems

- 1) Establish the "Group Risk Management Policy," and, as the entity responsible for enacting the Group-wide risk management system, establish a Risk Management Committee, chaired by the Chief Executive Officer to build a system to report regularly regarding the status of these activities to the Board of Directors and Selected Audit and Supervisory Committee members.
- 2) Build a system for the departments from which business, quality, product safety, disasters, and environment etc.-related risk originate to perform proactive management; and for departments with expertise regarding those risk categories to support and control these risk management activities, taking into account the prioritization of risks which have critical impact on corporate management.

4. System for ensuring efficient Director performance of duties

- 1) Toward achievement of the Mid- to Long-term Growth Strategy and annual plans approved by the Board of Directors, the Executive Management Meeting composed of the Directors and Group Executive Officers, the Sustainability Committee to monitor the progress of initiatives on important sustainability action themes, the Solution Review Meeting to improve the quality of strategies on important themes, etc., shall be enacted to build a system in which support, leadership, and oversight is provided to business departments for prompt, appropriate, and efficient performance of duties.
- 2) Establish the "Group Policy on Corporate Authorization System" to build a system to promptly and efficiently perform corporate decision-making.
- 3) Establish the "Group Department Job Description Policy" and other several regulations to provide for the policies of organizational operations and roles of departments performing duties.

5. System for ensuring appropriate work within a group composed of the Company and its subsidiaries

- 1) Establish the "Group Companies Management Policy" and other several regulations, to build a system that brings about consistency in the entire group regarding business strategy, allocation of resources, coordination of business fields, risk management, and compliance, while providing support for each group company to voluntarily promote healthy management as a member of the Terumo Group.
- 2) Build a system for risk management at each group company, based on the "Group Risk Management Policy".
- 3) Based on the "Group Policy on Corporate Authorization System," build a system in which decision-making is performed at each group company by the approving entity appropriate to the importance of the matter, and which requires that matters of particular importance are approved by the Company or discussed in the Executive Management Meeting or Board of Directors meeting of the Company.
- 4) Establish the "Terumo Group Code of Conduct" as the common group code of conduct, and build a system to disseminate and perform continuous training regarding it to each group company.
- 5) Establish the "Group Policy of Group Policy Management" to build a system for each relevant department to institute group policy regarding important group-wide themes, and disseminate them to each group company.
- 6) Support, promote, and monitor the status of enactment of compliance systems throughout the entire group.
- 7) Build an internal reporting system for when Group Employees become aware of compliance violations etc., in which Employees can make reports outside their usual line of authority and are assured that they will not be treated disadvantageously.

6. Internal audit system

- 1) The Internal Audit Department shall conduct audits under the direction of the Chief Executive Officer, the Board of Directors, and the Audit and Supervisory Committee, and report to each of them.
- 2) Build a group internal audit system in which the internal audit departments of each region and important subsidiary, and the Internal Audit Department of the headquarters, coordinate.
- 3) Build a system to audit the operational status and effectiveness of the provisions of preceding items 1 through 5, report and make suggestions regarding the results thereof and issues for improvement to the Internal Control Committee, and also confirm the completion of improvements regarding these issues.

7. Items regarding Employees who assist the duties of the Audit and Supervisory Committee

The Audit and Supervisory Committee Office, consisting of dedicated Employees (hereafter "Dedicated Employees") shall be established as an organization to assist the Audit and Supervisory Committee.

8. Items related to independence of Dedicated Employees belonging to the Audit and Supervisory Committee Office from Directors who are not Audit and Supervisory Committee members

Selection, performance evaluation, salary, placement, and discipline of Dedicated Employees shall require the prior consent of the Audit and Supervisory Committee. In the selection of Dedicated Employees, candidates' experience, knowledge, behavior, etc. shall be carefully considered in light of the important role they will play as participants in audit and supervisory functions.

9. Items for ensuring the effectiveness of direction given from the Audit and Supervisory Committee to Dedicated Employees

Dedicated Employees shall perform their duties according to the direction and mandates of the Audit and Supervisory Committee etc. and shall not receive direction or mandates from Directors who are not Audit and Supervisory Committee members, or any other Group Employees.

10. System for Group Employees and those receiving reports from such Employees (hereafter jointly referred to as "Reporting Personnel," to report to the Audit and Supervisory Committee

- 1) In addition to legal items, Reporting Personnel shall make timely and appropriate reports to the Audit and Supervisory Committee, etc. according to the "Group Policy on Reports by Directors, Group Executive Officers, Executive Officers and Employees to Audit and Supervisory Committee".
- 2) The Audit and Supervisory Committee etc. shall regularly receive reports on the operation status of, and content of incidents reported under, the internal reporting system established at each group company, and shall give direction and advice as appropriate.

11. System for ensuring that Reporting Personnel are not treated disadvantageously by reason of making reports

- 1) In the event that a report has been made by a Group Employee, whether directly or indirectly, to the Audit and Supervisory Committee etc., any human resources-related or other type of disadvantageous treatment by reason of the person having made a report shall be prohibited, and this prohibition shall be thoroughly disseminated to all Group Employees.
- 2) The Audit and Supervisory Committee or its members may require from Directors disclosure and explanation of the reasons regarding the placement, performance evaluation, or discipline, etc. of a reporting person.

12. Items regarding policy for prepayment or reimbursement procedures for expenses related to performing Audit and Supervisory Committee duties, and processing of expenses or liabilities relating to performance of other duties

- 1) The Audit and Supervisory Committee etc. may invoice the Company for expenses related to performance of their duties, as established by laws and ordinances.
- 2) The Audit and Supervisory Committee etc. may obtain the services of external experts when such are deemed necessary to the performance of their duties. Further, the expenses associated with obtaining these services shall be applicable under 1) above.

13. System for ensuring that other audits of the Audit and Supervisory Committee are performed effectively

- 1) The Representative Director shall regularly hold meetings to exchange opinions with Audit and Supervisory Committee.
- 2) Selected Audit and Supervisory Committee members may attend important meetings such as Executive Management Meeting.
- 3) In addition to regular reporting meetings with internal audit departments and with external auditors, the Audit and Supervisory Committee etc. shall hold meetings as necessary with these departments or bodies.

Status of Operation of Systems to Ensure the Appropriateness of Operations

The overview of the status of operation of systems to ensure the appropriateness of operations during fiscal year 2025 is stated below.

1. System to ensure that the duties by Directors and Employees are performed in compliance with laws and ordinances and the Articles of Incorporation

The Company carried out training and education of Group Employees regarding the "Terumo Group Code of Conduct". At quarterly meetings of the Internal Control Committee (4 times), important policies related to compliance were deliberated. The Company also carried out training and education of Group Employees to achieve thorough understanding regarding the important regulation and standard such as "Group Anti-Corruption and Anti-Bribery Policy". In addition, the Company used e-learning to thoroughly disseminate the established and revised regulations. In order to enhance a system to ensure the reliability of financial reporting, self-assessment is conducted by the relevant departments. The whistle-blowing system was established as an inside window and an outside window comprising a legal adviser and an outside receptionist, and receive reports widely. Audit and Supervisory Committee members also serve as the contact for the Director's compliance matters.

2. System for retention and management of information related to Director performance of duties

Based on "Group Document Management Policy," the Company is striving to communicate the rules for document storage throughout the Group. Based on "Document Management Standard Manual: Handling Manual for minutes of important meetings", the Company is retaining and managing minutes of important meetings appropriately.

3. Risk Management Regulations and system

Based on the "Group Risk Management Regulation" and "Group Risk Management Guideline", the company plans for efficiency and standardization of risk evaluation and correspondence. The Risk Management Committee (2 times) discussed risk mitigation and reduction. Risk management training of the workshop form which had improvement of the risk sensitivity of the associate for its object is being performed.

4. System for ensuring efficient Director performance of duties

The Company ensures efficient performance of duties by Directors through meetings of the Board of Directors (15 times), the Executive Management Meeting (26 times), the Sustainability Committee (2 times), and the Solution Review Meeting (6 times). The Company makes decisions rapidly based on the "Group Policy on Corporate Authorization System".

5. System for ensuring appropriate work within a group composed of the Company and its subsidiaries

The reporting system has been established in accordance with the "Group Companies Management Policy" and "Group Department Job Description Policy". The status of operation is monitored. Based on "Group Policy of Group Policy Management", the Company reviews and maintains observance matters applying to the group.

6. System to assist the Company's Audit and Supervisory Committee with its duties and matters concerning reporting

The Company has put in place a system to assist the Audit and Supervisory Committee with its duties, including the establishment of the Audit and Supervisory Committee Office, which is independent of Directors. Audit and Supervisory Committee Members share the reports made pursuant to the "Group Policy on Reports by Directors, Group Executive Officers, Executive Officers and Employees to Audit and Supervisory Committee," the "Audit and Supervisory Committee Regulations," and the whistle-blowing system. The Company has thoroughly communicated to all Group Employees that any person who makes internal reports shall not receive any detrimental treatment through the training and education on the "Terumo Group Code of Conduct".

2. Basic Stance on Combating Anti-Social Forces and Status of Establishing a System for That

1) Basic Stance on Combating Anti-Social Forces

Avoiding relationships with anti-social forces is one of Terumo's corporate responsibilities. We, therefore, vehemently refuse to become involved in any relationship with anti-social forces and engage in no transactions with companies, other organizations, or individuals with ties to anti-social forces.

Furthermore, we work with law enforcement authorities and other agencies to combat anti-social forces.

2) Status of Efforts to Combat Anti-Social Forces

- The Corporate Affairs Office, General Affairs and External Relations Department coordinates responses to inappropriate demands by anti-social forces, and the prevention of such inappropriate demands has been made the specific responsibility of a designated associate within the Corporate Affairs Office, General Affairs and External Relations Department.
- We have established a system for cooperating with law enforcement authorities, Tokubouren (NPO assisting companies in combating corporate blackmailers), legal advisers, and others, and acting on their advice and guidance.
- We have established a system for properly sharing information on anti-social forces with the groups mentioned above, and centrally managing it in the Corporate Affairs Office, General Affairs and External Relations Department.
- We have prepared the Manual for Combating Anti-Social Forces and are promoting thorough understanding of its contents among everyone working at Terumo.
- We provide executives and associates with relevant information in a timely manner, conduct training, and take the steps, as well, to promote awareness of the importance of combating anti-social forces.

V. Other

1. Adoption of Takeover Defense Measures

Adoption of takeover defense measures

Not Adopted

Supplementary Explanation

1. Basic policy regarding persons who control decisions on the Company's financial and business policies

The Company does not reject the notion that the transfer of managerial control may vitalize business and the economy. However, in the event of any attempt to make a large-scale purchase of shares, in principle it should be left to the judgment of the Company's shareholders whether such a purchase is to be accepted. At the same time, the Company acknowledges that the prudent judgment of shareholders is essential for determining the impact of such large-scale purchase of shares and related proposals that have a bearing on corporate value and shareholders' common interests, considering the business, business plans, past investment behavior, and other information concerning the purchaser. Accordingly, the Company considers that necessary and sufficient information, opinions, proposals, etc. should be provided to the Company's shareholders by both the large-scale purchaser and the Company's Board of Directors, as well as necessary and sufficient time to review such information.

In accordance with this basic policy, the Board of Directors of the Company intends to implement allowable measures under the Financial Instruments and Exchange Law, the Japanese Companies Act, other regulations, and the articles of incorporation, such as requesting to provide necessary and sufficient information, timely disclosure, and others, in order to secure the Company's corporate value and shareholders' common interests.

2. Other Matters Concerning the Corporate Governance Structure Update

Outline of the system for timely disclosure:

The internal system for ensuring timely disclosure of corporate information about Terumo is as follows:

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.

2. System for Timely Disclosure

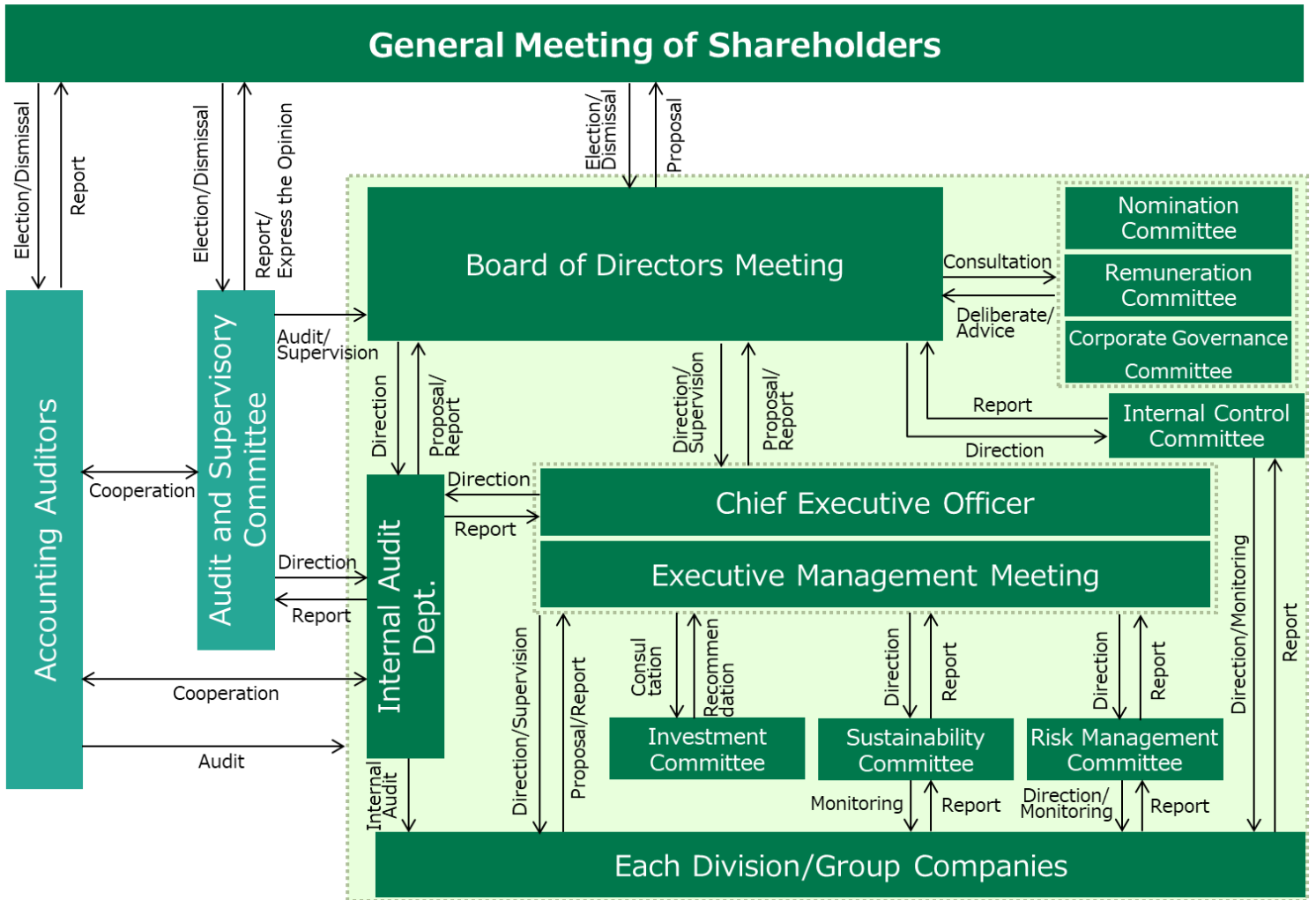
Terumo shall strive to develop and enhance its in-house systems for providing prompt, accurate and fair disclosure of information. In particular, the Disclosure Subcommittee, acting under the supervision of the Internal Control Committee, will endeavor to provide consistent and uniform disclosure of any corporate information with 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 consider matters of disclosure. The Disclosure Subcommittee shall be comprised of the department heads (including their designees) of the Corporate Planning Dept., the Corporate Communication Dept., the Strategic Planning Dept., the General Affairs and External Relations Dept., the Risk Management Dept., and the Legal & Compliance Dept. The IR department serves as secretariat of the Disclosure Subcommittee and gives training for the associates in the departments related to disclosure. A diagram of Terumo's structure for timely disclosure is shown as an attachment.

3. Information Disclosure Method

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

■ A diagram of Terumo's corporate governance structure is shown below.

- ◆ 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.



■ A diagram of Terumo's structure for timely disclosure is shown below.

<Diagram of Terumo's structure for timely disclosure>

