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(Securities Code: 4543)
June 1, 2021

To Our Shareholders:

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

**NOTICE OF CONVOCAION OF
THE 106TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially notified of the 106th Annual General Meeting of Shareholders of Terumo Corporation (the “Company”) to be held as described below.

In light of measures to prevent the spread of the novel coronavirus (COVID-19) infection and your risk of infection, we kindly ask our shareholders to refrain from attending this General Meeting of Shareholders on the day of the meeting and exercise voting rights in advance in writing (by mail) or electronically (via the Internet), if possible. Regarding the exercise of voting rights at this General Meeting of Shareholders, please review the attached Reference Documents for the Annual General Meeting of Shareholders and exercise your voting rights by 5:45 p.m. on Monday, June 21, 2021.

Any changes regarding the operation of the General Meeting of Shareholders will be posted on the Company's website. In addition, on the day of the meeting, as way of infection prevention measures, seats will be placed to ensure as much space as possible in between shareholders. As such, the number of seats available may be reduced and admission may be refused. We thank you in advance for your understanding.

Exercise of voting rights electronically (via the Internet)

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

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

Exercise of voting rights in writing (by mail)

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

Disclosure on the Internet

The following are posted on the Company's website in accordance with law and Article 15 of the Company's Articles of Incorporation and thus are not included in the documents attached to this notice of convocation. The following are subject to audits by the Accounting Auditor or the Audit/Supervisory Committee.

- 1) Matters concerning Stock Acquisition Rights Issued by the Company
- 2) Basic Policies regarding the Company's Control
- 3) Consolidated Statements of Changes in Equity
- 4) Notes to Consolidated Financial Statements
- 5) Non-consolidated Statements of Changes in Equity
- 6) Notes to Non-consolidated Financial Statements

1. Date and Time: Tuesday, June 22, 2021, at 2:00 p.m. (The reception desk opens at 1:00 p.m.)

2. Place: Fuji Banquet Room, 2nd floor, Meiji Kinenkan
2-2-23 Moto-Akasaka, Minato-ku, Tokyo

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements, and Audit Report concerning Consolidated Financial Statements by the Accounting Auditor and the Audit/Supervisory Committee for the 106th Term (from April 1, 2020, to March 31, 2021)
 2. Non-consolidated Financial Statements for the 106th Term (from April 1, 2020, to March 31, 2021)

Matters to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of 8 Directors (Excluding Directors Who Serve as Audit/Supervisory Committee Members)
Proposal 3: Election of 3 Directors Who Serve as Audit/Supervisory Committee Members
Proposal 4: Election of 1 Substitute Director Who Serves as an Audit/Supervisory Committee Member

4. Exercise of voting rights: If you exercise your voting rights both in writing on the Voting Rights Exercise Form and via the Internet, only the exercise of voting rights via the Internet will be valid. In addition, if you exercise your voting rights multiple times via the Internet, only the last vote will be valid.

- In light of measures to prevent the spread of the infection and your risk of infection, we kindly ask our shareholders to refrain from attending this General Meeting of Shareholders on the day of the meeting, if possible. At the venue, as way of infection prevention measures, seats will be placed to ensure as much space as possible between shareholders. As such, the number of seats available may be reduced and admission may be refused. Prevention measures against the spread of infection at the venue are posted on the Company's website in Japanese. Shareholders will not be admitted if they do not cooperate with this request.
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please note that no one other than the shareholders with voting rights, such as an agent or an accompanying person, is permitted to enter the venue even if such a person brings a Voting Rights Exercise Form with him/her.
- If any revisions are made to the Reference Documents for the Annual General Meeting of Shareholders, Business Report, Non-consolidated Financial Reports, or Consolidated Financial Reports, they will be posted on the Company's website in Japanese.
- Please note that we will be in light clothing at the meeting.

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

Reference Documents for

the Annual General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as follows:

Matters concerning year-end dividends

The Company considers the distribution of an appropriate amount of profit to shareholders to be one of the principal responsibilities of management and pays dividends in accordance with a policy of stably and steadily increasing dividends with a target payout ratio of 30% over the medium- to long-term.

Accordingly, it is proposed that a year-end dividend of 15 yen per share be paid out as described below. As a result, the annual dividends for the year, including the interim dividend of 14 yen, will amount to 29 yen per share, an increase of 1 yen from the previous year. (*)

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
15 yen per share of common stock of the Company
Total amount of dividends: 11,340,194,895 yen
- (3) Effective date of dividends from surplus
Wednesday, June 23, 2021

Proposal 2: Election of 8 Directors (Excluding Directors Who Serve as Audit/Supervisory Committee Members)

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

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

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

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

No.	Name	Attribute	Current positions and responsibilities at the Company	Number of years in office	Ratio of attendance at the Board of Directors' meetings
1	Takayoshi Mimura	Reappointed	Chairman of the Board	18	13/13
2	Shinjiro Sato	Reappointed	President and CEO	7	13/13
3	Toshiaki Takagi	Reappointed	Director and Senior Managing Executive Officer/Responsible for Quality Assurance Dept., Post-Market Surveillance and Vigilance Dept., Regulatory Affairs, Promotional Activities Control Dept., Clinical Development Dept., Production Dept., Supply Chain Management Dept., Terumo Medical Pranex, Intellectual Property Dept., and R&D Promotion Dept.	11	13/13
4	Shoji Hatano	Reappointed	Director and Managing Executive Officer/Responsible for Corporate Affairs, Legal and Compliance Dept., Japan Sales Dept., Terumo Call Center, Procurement Dept., Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., Design Planning Dept., and Environmental Management Dept.	5	13/13
5	Kyo Nishikawa	Reappointed	Director and Managing Executive Officer/Chief Human Resources Officer (CHRO)/Responsible for Human Resources Dept., IT Planning Dept., India and Asia Pacific Region, Global Human Resources Dept., Human Resources Development Dept., and Diversity Promotion Dept.	2	13/13
6	Yukiko Kuroda	Reappointed Outside Independent	Outside Director	3	13/13
7	Hidenori Nishi	Reappointed Outside Independent	Outside Director	1	9/9

No.	Name	Attribute	Current positions and responsibilities at the Company	Number of years in office	Ratio of attendance at the Board of Directors' meetings
8	Keiya Ozawa	Newly appointed Outside Independent	—	—	—

Notes:

- 1 The number of shares of the Company held by each candidate for director shown on the following pages includes shares held through the Terumo Director Shareholding Association. The number of shares of the Company held indicated is as of April 30, 2021.
- 2 The number of years in office denotes the number of years since each candidate assumed the office of Director of the Company until the conclusion of this Annual General Meeting of Shareholders.
- 3 Ms. Yukiko Kuroda, Mr. Hidenori Nishi, and Mr. Keiya Ozawa are candidates for outside directors.
- 4 The Company appointed Ms. Yukiko Kuroda and Mr. Hidenori Nishi as independent directors/auditors as defined by the Tokyo Stock Exchange and submitted notifications of their appointment to the Exchange. If their reelection is approved, the Company intends to continue their appointment as independent directors/auditors. Furthermore, with regards to Mr. Keiya Ozawa, if his election is approved as proposed, he will be registered as an independent director/auditor with the Exchange.
- 5 In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Ms. Yukiko Kuroda and Mr. Hidenori Nishi to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the aforementioned law. If their reelection is approved, the Company intends to renew the liability limitation contracts with them. The maximum amount of liability under the contracts shall be the amount prescribed in Article 425, Paragraph 1 of the Companies Act. Furthermore, with regards to Mr. Keiya Ozawa, if his election is approved as proposed, the Company intends to enter into the liability limitation contract with him.
- 6 The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers any damages that may result from Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. (However, those that fall under the disclaimer stipulated in the insurance contract are excluded.) The insurance premiums are fully borne by the Company. If the election of each candidate is approved as proposed, the Company intends to enter into aforementioned insurance contract insuring each of them.
- 7 No material conflict of interest exists between the Company and any of the candidates for director.
- 8 “Ratio of attendance at the Board of Directors’ meetings” above for Mr. Hidenori Nishi refers to the meetings he attended after he assumed office on June 25, 2020.
- 9 Ms. Yukiko Kuroda is an Outside Director of Mitsui Chemicals, Inc. but she is scheduled to retire at the conclusion of the company’s Annual General Meeting of Shareholders, which will be held in late June 2021.
- 10 The Company has made a certain amount of scholarship donations to Jichi Medical University, where Mr. Keiya Ozawa works as a professor emeritus and visiting professor, but this bears no relevance to his responsibilities at the university.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Takayoshi Mimura (June 18, 1953)	<p>April 1977 Joined the Company</p> <p>June 2002 Executive Officer</p> <p>June 2003 Director and Executive Officer</p> <p>June 2004 Director and Senior Executive Officer</p> <p>June 2007 Director and Managing Executive Officer</p> <p>April 2008 Group President of General Hospital Business Group Responsible for Domestic Sales Dept.</p> <p>June 2009 Regional Representative, China and Asia</p> <p>April 2010 Regional Representative, China</p> <p>June 2010 Director and Senior Managing Executive Officer</p> <p>August 2011 President and CEO, Terumo (China) Holding Co., Ltd.</p> <p>December 2011 Regional Representative, China</p> <p>April 2014 Responsible for Terumo Call Center</p> <p>April 2017 Chairman of the Board (present)</p> <p>■ Reasons for selection of the candidate for director Mr. Takayoshi Mimura previously served in positions including Group President of General Hospital Business Group and Regional Representative, China. Since 2017 he has been serving as Chairman of the Board of the Company and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, he is appropriately overseeing the Company's management by convening and conducting meetings of the Board of Directors as the chairperson thereof and is contributing to the enhancement of the Terumo brand through external activities. Through these roles, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.</p>	60,892
2	Shinjiro Sato (July 19, 1960)	<p>April 1984 Joined Toa Nenryo Kogyo K.K. (currently ENEOS Corporation)</p> <p>February 1999 Joined Arthur Andersen Business Consulting (currently PwC Japan Group)</p> <p>June 2004 Joined the Company</p> <p>June 2010 Executive Officer, General Manager of Strategic Planning Dept.</p> <p>October 2011 Group President of Cardiac and Vascular Business Group</p> <p>June 2012 Senior Executive Officer</p> <p>June 2014 Director and Senior Executive Officer</p> <p>April 2015 Director and Managing Executive Officer</p> <p>April 2017 President and CEO (present)</p> <p>■ Reasons for selection of the candidate for director Mr. Shinjiro Sato previously served in positions including General Manager of Strategic Planning Dept. and as President of Cardiac and Vascular Company. Since 2017 he has been serving as President and CEO of the Company and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, he is promoting the Company's management and business operations and is leading improvement of the Terumo Group's performance worldwide. Through fair and precise management oversight as a director, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.</p>	50,579

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	Toshiaki Takagi (March 24, 1958)	<p>April 1981 Joined the Company</p> <p>April 2004 Factory Manager of Ashitaka Factory</p> <p>April 2008 Factory Manager of Ashitaka Factory and Suruga Factory</p> <p>June 2008 Executive Officer</p> <p>June 2009 General Manager of R&D Headquarters</p> <p>June 2010 Director and Senior Executive Officer</p> <p>June 2013 Responsible for Quality Assurance Dept., Post-Market Surveillance and Vigilance Dept., (present) and Environmental Management Dept.</p> <p>April 2015 Responsible for Terumo Call Center</p> <p>July 2015 Chief Quality Officer (CQO)</p> <p>April 2016 Director and Managing Executive Officer</p> <p>April 2017 Responsible for Production Dept. (present) and Procurement Dept.</p> <p>April 2018 Director and Senior Managing Executive Officer (present) Responsible for Intellectual Property Dept. and Terumo Medical Pranex (present)</p> <p>April 2020 Responsible for Regulatory Affairs, Promotional Activities Control Dept., Clinical Development Dept., Supply Chain Management Dept. (present), CIO Office, and IT Planning Dept.</p> <p>April 2021 Responsible for R&D Promotion Dept. (present)</p>	35,438
<p>■ Reasons for selection of the candidate for director</p> <p>Mr. Toshiaki Takagi previously served in positions including Factory Manager, General Manager of R&D Headquarters, and Chief Quality Officer (CQO) of the Company. Since 2018, he has been serving as Director and Senior Managing Executive Officer of the Company and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, in business operations he is contributing to enhancement of the global production and quality assurance system. Through fair and precise management oversight as a director, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	Shoji Hatano (July 27, 1959)	<p>April 1983 Joined the Company</p> <p>June 2009 Executive Officer General Manager of Secretarial Office, General Manager of Corporate Communication Dept.</p> <p>October 2011 General Manager of Strategic Planning Dept.</p> <p>June 2012 Senior Executive Officer General Manager of Strategic Planning Dept., responsible for Corporate Communication Dept. and Design Planning Dept.</p> <p>April 2015 Managing Executive Officer</p> <p>July 2015 Vice President, General Hospital Company (concurrent position)</p> <p>January 2016 Senior Vice President, General Hospital Company</p> <p>April 2016 President, General Hospital Company</p> <p>June 2016 Director and Managing Executive Officer (present)</p> <p>January 2017 Division President, Hospital Systems Division, General Hospital Company</p> <p>April 2020 Responsible for Corporate Affairs Dept., Legal and Compliance Department, Japanese Sales Management Dept. (currently, Japan Sales Dept.), Terumo Call Center, Procurement Dept., Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., Design Planning Dept., and Environmental Management Dept. (present)</p> <p>■ Reasons for selection of the candidate for director Mr. Shoji Hatano previously served in positions including General Manager of Corporate Communication Dept., Strategic Planning Dept. and President of General Hospital Company of the Company. Since 2016 he has been serving as Director and Managing Executive Officer of the Company and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, in business operations he is promoting initiatives such as further enhancement of the global management foundation and raising corporate value. Through fair and precise management oversight as a director, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.</p>	18,907

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	Kyo Nishikawa (June 1, 1959)	<p>April 1982 Joined The Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>April 2002 Human Resource Division, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>April 2008 General Manager, Hong Kong Branch</p> <p>April 2010 Executive Officer</p> <p>June 2010 Executive Officer of the Company</p> <p> General Manager, International Business Division</p> <p>March 2012 Regional Representative, Eastern Europe, Russia, Middle East and Africa</p> <p> Managing Director and BOD Chairman, Terumo Europe N.V.</p> <p>April 2018 Senior Executive Officer</p> <p> Chief Human Resources Officer (CHRO)</p> <p> Responsible for Human Resources Dept., and Human Resources Development Dept. (present)</p> <p>June 2019 Director and Senior Executive Officer</p> <p>April 2020 Responsible for India and Asia Pacific Region, Global Human Resources Dept., and Diversity Promotion Dept. (present)</p> <p>April 2021 Director and Managing Executive Officer</p> <p> Responsible for IT Planning Dept. (present)</p> <p>■ Reasons for selection of the candidate for director Mr. Kyo Nishikawa previously served in positions including General Manager, International Business Division and Regional Representative, Eastern Europe, Russia, Middle East and Africa of the Company. Since 2021, he has been serving as Director and Managing Executive Officer and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge and as the Chief Human Resources Officer (CHRO), in business operations he is further promoting the global human resources strategy. Through fair and precise management oversight as a director, he is expected to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.</p>	13,052

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
6	<p>Yukiko Kuroda (September 24, 1963)</p> <p><Candidate for outside/independent director></p>	<p>April 1986 Joined Sony Corporation (currently Sony Group Corporation)</p> <p>January 1991 President, People Focus Consulting</p> <p>June 2010 Outside Audit & Supervisory Board Member, Astellas Pharma Inc.</p> <p>March 2011 Outside Director, CAC Co., Ltd. (currently CAC Holdings Corporation)</p> <p>April 2012 Founder and Director, People Focus Consulting (present)</p> <p>June 2013 External Director, Marubeni Corporation</p> <p>June 2015 Outside Director, Mitsui Chemicals, Inc. (present)</p> <p>June 2018 Outside Director of the Company (present)</p> <p> Outside Director, Seven Bank, Ltd. (present)</p> <p>■ Reasons for selection of the candidate for outside director and an overview of expected duties, etc. Ms. Yukiko Kuroda has a wealth of experience as a corporate manager and insight cultivated through long years of consulting experience for human resources and organizations on a global basis. The Company proposes her election for the position of outside director because the Company wishes her to utilize her experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Ms. Kuroda will duly execute her duties as an outside director. If her election is approved, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation of deliberation of related matters to corporate governance from an independent standpoint will be expected.</p>	457
7	<p>Hidenori Nishi (January 6, 1951)</p> <p><Candidate for outside/independent director></p>	<p>April 1975 Joined Kagome Co., Ltd.</p> <p>June 2000 Director, Kagome Co., Ltd.</p> <p>June 2005 Director & Managing Executive Officer, Kagome Co., Ltd.</p> <p>June 2008 Director & Senior Managing Executive Officer, Kagome Co., Ltd.</p> <p>April 2009 President & Representative Director, Kagome Co., Ltd.</p> <p>January 2014 Chairman of the Board of Directors & Representative Director, Kagome Co., Ltd.</p> <p>June 2014 Outside Director, NAGASE & CO., LTD.</p> <p>March 2016 Chairman of the Board of Directors, Kagome Co., Ltd.</p> <p>June 2019 Outside Director, FUJI OIL HOLDINGS INC. (present)</p> <p>June 2020 Outside Director of the Company (present)</p> <p>■ Reasons for selection of the candidate for outside director and an overview of expected duties, etc. Mr. Hidenori Nishi has a wealth of experience as a corporate manager and insight cultivated through long years of marketing and overseas business experience. The Company proposes his election for the position of outside director because the Company wishes him to continue to utilize his experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Mr. Nishi will duly execute his duties as an outside director. If his election is approved, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation of deliberation of related matters to corporate governance from an independent standpoint will be expected.</p>	480

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
8	<p>Keiya Ozawa (February 23, 1953)</p> <p><Newly appointed> <Candidate for outside/independent director></p>	<p>March 1977 Graduated from School of Medicine, Faculty of Medicine, The University of Tokyo</p> <p>March 1985 Studied at the National Institutes of Health (NIH), the United States (Fogarty Fellow: until 1987)</p> <p>September 1990 Associate Professor, The Institute of Medical Science, The University of Tokyo</p> <p>November 1994 Professor, Blood Medical Research Division, Jichi Medical University</p> <p>February 1998 Senior Professor, Division of Hematology, Jichi Medical University</p> <p>April 1998 Professor, Division of Genetic Therapeutics, Center for Molecular Medicine, Jichi Medical University</p> <p>December 2012 Chairperson, Hematopoietic Stem Cell Transplantation Committee, Diseases Control Working Group (present)</p> <p>April 2014 Hospital Director, IMSUT Hospital, Director, Center for Gene and Cell Therapy, and Professor, Division of Gene Therapy Development, Advanced Clinical Research Center, The Institute of Medical Science, The University of Tokyo</p> <p>Visiting Professor, Division of Immuno-Gene & Cell Therapy, Jichi Medical University (present)</p> <p>April 2018 Professor Emeritus and Visiting Professor, Jichi Medical University (present)</p> <p>Senior Advisor, Genetic Therapeutics Center (present)</p> <p>Program Supervisor, Japan Agency for Medical Research and Development (present)</p> <p>June 2018 Program Officer, Japan Agency for Medical Research and Development (present)</p>	—
		<p>■ Reasons for selection of the candidate for outside director, and an overview of expected duties, etc.</p> <p>Mr. Keiya Ozawa has expertise on gene therapy, cell therapy and research achievements in hematology. He also has abundant experience which was cultivated by being involved in the business execution of the organization as Hospital Director of IMSUT Hospital and Director of Center for Gene and Cell Therapy, The Institute of Medical Science, The University of Tokyo. The Company proposes his election for the position of outside director because the Company wishes him to utilize his experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Mr. Ozawa will duly execute his duties as an outside director. If his election is approved, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation of deliberation of related matters to corporate governance from an independent standpoint will be expected.</p>	

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

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

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

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

No.	Name	Attribute	Current positions and responsibilities at the Company	Number of years in office	Ratio of attendance at the Board of Directors' meetings	Ratio of attendance at the Audit/Supervisory Committee's meetings
1	Takanori Shibazaki	Newly appointed	Senior Executive Officer	—	—	—
2	Masaichi Nakamura	Reappointed Outside Independent	—	2	13/13	11/12
3	Soichiro Uno	Reappointed Outside	—	2	13/13	12/12

Notes:

- 1 The number of shares of the Company held by each candidate for director shown on the following pages includes shares held through the Terumo Director Shareholding Association. The number of shares of the Company held indicated is as of April 30, 2021.
- 2 The number of years in office denotes the number of years since each candidate assumed the office of Director of the Company until the conclusion of this Annual General Meeting of Shareholders.
- 3 Mr. Masaichi Nakamura and Mr. Soichiro Uno are candidates for outside directors.
- 4 The Company appointed Mr. Masaichi Nakamura as independent director/auditor as defined by the Tokyo Stock Exchange and submitted notification of his appointment to the Exchange. If his reelection is approved, the Company intends to continue his appointment as independent director/auditor.
- 5 Mr. Soichiro Uno satisfies the criteria for serving as an independent director/auditor as defined by the Tokyo Stock Exchange. However, he will not be appointed as such due to an internal rule of the firm where he serves.
- 6 In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into contracts with Mr. Masaichi Nakamura and Mr. Soichiro Uno to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the aforementioned law. If their reelection is approved, the Company intends to renew the liability limitation contracts with them. The maximum amount of liability under the contracts shall be the amount prescribed in Article 425, Paragraph 1 of the Companies Act.
- 7 If the election of Mr. Takanori Shibazaki is approved, the Company intends to enter into a contract with him to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the aforementioned act. The maximum amount of liability under the contract shall be the amount prescribed in Article 425, Paragraph 1 of the Companies Act.
- 8 The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers any damages that may result from Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. (However, those that fall under the disclaimer stipulated in the insurance contract are excluded.) The insurance premiums are fully borne by the Company.
If the election of each candidate is approved as proposed, the Company intends to enter into aforementioned insurance contract insuring each of them.
- 9 At Sumitomo Heavy Industries, Ltd. and its group companies, where Mr. Masaichi Nakamura is the External Corporate Auditor, inappropriate behavior in quality control has been discovered to have occurred since September 2018. As an External Corporate Auditor, he is constantly focusing on improving the internal control system and strengthening compliance. After the case was discovered, he held a hearing on the cause and impact of the incident at the Board of Directors. He is still performing extensive duties to prevent recurrence, such as receiving reports on the validity of improvement proposals.
- 10 At SCSK Corporation, where Mr. Masaichi Nakamura is the Director (Audit and Supervisory Committee Member), a case of unauthorized acquisition and misuse of customer information by a former employee of the

company was discovered (announced March 2021). As Director (Audit and Supervisory Committee Member), he has been making recommendations at the Board of Directors regarding thorough compliance, including compliance with information security rules. Even after the discovery, he gave advice on how to deal with the incident, including measures to prevent recurrence, and continues to perform his duties appropriately, such as paying close attention to the implementation status and requesting reports as appropriate.

11 No material conflict of interest exists between the Company and any of the candidates for director.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Takanori Shibazaki (December 25, 1961) <Newly appointed>	<p>April 1986 Joined the Company</p> <p>July 2005 Factory Manager of the First Factory, Terumo Medical Products (Hangzhou) Co., Ltd.</p> <p>September 2007 Deputy General Manager of Strategic Planning Dept.</p> <p>October 2008 President and CEO, Terumo Medical Products (Hangzhou) Co., Ltd.</p> <p>April 2014 Executive Officer</p> <p>July 2014 General Manager of Supply Chain Management Dept.</p> <p>April 2016 President and CEO, Terumo (China) Holding Co., Ltd.</p> <p>April 2017 Senior Executive Officer, Regional Representative, China</p> <p>June 2021 The Audit/Supervisory Committee Office (present)</p> <p>■ Reasons for selection of the candidate for director who serves as Audit/Supervisory Committee Member Mr. Takanori Shibazaki has served as General Manager of Supply Chain Management Dept., of the Company, President and CEO, Terumo (China) Holding Co., Ltd. Etc. and since 2017, Senior Executive Officer and Regional Representative, China, and contributes to the improvement of corporate value. Based on abundant work experience and knowledge as director who serves as Audit/Supervisory Committee Member, auditing and supervising global group management fairly and accurately, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his election for the position of director who serves as Audit/Supervisory Committee Member of the Company.</p>	15,626
2	Masaichi Nakamura (January 9, 1957) <Candidate for outside/independent director>	<p>October 1983 Joined Tetsuzo Ota & Co.</p> <p>May 1999 Partner of Showa Ota & Co.</p> <p>August 2008 Executive Director of Ernst & Young ShinNihon LLC</p> <p>July 2014 Representative Partner and Vice President of Ernst & Young ShinNihon LLC</p> <p>September 2016 Representative of Masaichi Nakamura CPA Office (present)</p> <p>June 2017 External Corporate Auditor, Sumitomo Heavy Industries, Ltd. (present)</p> <p> Outside Director (Audit and Supervisory Committee Member), SCSK Corporation (present)</p> <p>June 2019 Outside Director (Audit/Supervisory Committee Member) of the Company (present)</p> <p>■ Reasons for selection of the candidate for outside director who serves as an Audit/Supervisory Committee Member, and an overview of expected duties, etc. Mr. Masaichi Nakamura has expertise and a wealth of experience as a certified public accountant. The Company proposes his reelection for the position of outside director because the Company wishes him to continue to utilize his experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Mr. Nakamura will duly execute his duties as an outside director who serves as an Audit/Supervisory Committee Member. If his election is approved, as a member of each of the Nomination Committee, Remuneration Committee, and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation of deliberation of related matters to corporate governance from an independent standpoint will be expected.</p>	570

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	<p data-bbox="188 573 400 633">Soichiro Uno (January 14, 1963)</p> <p data-bbox="188 667 400 750"><Candidate for outside/independent director></p>	<p data-bbox="432 322 1278 376">April 1988 Joined Nagashima & Ohno (currently Nagashima, Ohno & Tsunematsu), admitted to the bar in Japan</p> <p data-bbox="432 383 1225 409">November 1993 Passed the bar exam in the State of New York, USA</p> <p data-bbox="432 416 1206 443">January 2000 Partner, Nagashima Ohno & Tsunematsu (present)</p> <p data-bbox="432 450 1241 504">June 2004 Audit & Supervisory Board Member, Softbank Corp. (currently Softbank Group Corp.) (present)</p> <p data-bbox="432 510 1241 564">June 2018 Director (Audit & Supervisory Committee Member), Dream Incubator Inc. (present)</p> <p data-bbox="432 571 1299 624">June 2019 Outside Director (Audit/Supervisory Committee Member) of the Company (present)</p> <p data-bbox="432 631 1471 1005"> ■ Reasons for selection of the candidate for outside director who serves as an Audit/Supervisory Committee Member and an overview of expected duties, etc. Mr. Soichiro Uno has expertise and a wealth of experience as a lawyer in Japan and overseas. The Company proposes his reelection for the position of outside director because the Company wishes him to continue to utilize his experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Mr. Uno will duly execute his duties as an outside director who serves as an Audit/Supervisory Committee Member. If his election is approved, as a member of each of member of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation of deliberation of related matters to corporate governance from an independent standpoint will be expected. </p>	—

Proposal 4: Election of 1 Substitute Director Who Serves as an Audit/Supervisory Committee Member

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

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

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

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

Notes:

- 1 Mr. Koichi Sakaguchi is a candidate for substitute outside director.
- 2 If Mr. Koichi Sakaguchi assumes the office of an outside director who serves as an Audit/Supervisory Committee Member, the Company intends to appoint him as an independent director/auditor as defined by the Tokyo Stock Exchange and submit notification of his appointment to the Exchange.
- 3 If Mr. Sakaguchi assumes the office of an outside director who serves as an Audit/Supervisory Committee Member, the Company intends to conclude a contract with him to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of said Act. The maximum amount of liability under the contracts shall be the amount prescribed in Article 425, Paragraph 1 of the Companies Act.
- 4 The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers any damages that may result from Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. (However, those that fall under the disclaimer stipulated in the insurance contract are excluded.) The insurance premiums are fully borne by the Company.
If the election of Mr. Koichi Sakaguchi is approved as proposed, the Company intends to enter into aforementioned insurance contract insuring him.
- 5 No material conflict of interest exists between the Company and Mr. Koichi Sakaguchi.

Business Report

(From April 1, 2020, to March 31, 2021)

1. Overview of the Group

(1) Business Progress and Results

Revenue for the year under review was 613.8 billion yen, a decrease of 2.4% year on year. Although the revenue was reflecting increasing demand for infection control products in Japan and driven by the Alliance business and the Blood and Cell Technologies Company, which performed well globally, there was an impact of reduced demand in the cardiac and vascular area due to the spread of COVID-19 infections worldwide. In Japan, sales exceeded 200 billion yen, the highest to date. Operating profit decreased 11.1% year on year to 98.4 billion yen due to a decrease in gross profit, despite suppression in selling, general and administrative expenses. Profit for the year attributable to owners of the parent decreased 9.3% year on year to 77.3 billion yen. Overall, while hit by the COVID-19 pandemic, by managing the business under the crisis management system, Terumo Group as a whole was able to minimize the impact on business performance and supply.

Due to the novel coronavirus infection, some of the 32 production sites around the world were affected by city lockdowns, but we continued to operate as a whole and implemented measures to minimize the impact. Based on our corporate philosophy, core values, and BCP policy, we have been conducting business activities with three basic policies against the novel coronavirus infectious disease; "Secure associates health and safety," "Stable supply to sustain healthcare," and "Proactive contribution to infection prevention and treatment". Also, in addition to growing global medical expenditure suppression policies and with the aging society, social demands for improving QOL are increasing. The environment surrounding medical care continues to change at an accelerating rate. In such an environment, in order to complete the current medium- to long-term growth strategy, we have positioned 2020 as a "year to drive change and revitalization" and from a future-oriented perspective, we have been working to "Evolve business models," in addition to "Accelerate global growth," "Enhance product pipeline," and "Strengthen and optimize operations," as the key elements.

With regards to "Accelerate global growth", the access area, which is the foundation of the Cardiac and Vascular Company, has been further strengthened. In addition to conventional ischemic heart disease, in systemic vascular treatment including cerebrovascular disease, we are striving to popularize catheter treatment that approaches the lesion from the blood vessel of the wrist (TRI), which is our specialty. TRI enables early postoperative walking, so as the length of hospital stay is expected to be shortened, interest has increased as an effective means of shortening the length of hospital stay with treatment during the COVID-19 crisis. In the advanced technology area, regarding the Neurovascular business, aspiration catheter "SOFIA" for ischemic stroke treatment and sales of flow diverters for the treatment of cerebral aneurysms performed well. In addition, in the Vascular Graft business, we made a new entry into the abdominal aortic stent graft market in the United States. In the TIS (Intervention) business we acquired Quirem Medical, which develops and produces radiation beads for the treatment of liver cancer that is difficult to remove surgically in Europe, and expanded product portfolio globally and providing both platform and advanced solutions. Trima Accel, the component collection system in the Blood and Cell Technologies Company, was actively used mainly in the United States and Europe, because a treatment method that utilizes "convalescent plasma" prepared from the blood of recovered patients gained attention while effective treatments for novel coronavirus infections have not yet been established.

A description by business of "Enhance product pipeline" can be found on page 24 in "Research and Development". Especially in the domestic market, we will further accelerate growth by enhancing our strategy related to regulatory affairs and our product portfolio.

In "Strengthen and optimize operations", we have been promoting collaboration across businesses and companies by strengthening our competitiveness by company-wide optimization. Although the overseas production ratio has already exceeded 50%, we are accelerating shifts to overseas while maintaining and

strengthening our competitiveness. In the TIS business, we have constructed new buildings in the Vietnam factory and Essen Technology (a wholly owned subsidiary in China) and strengthened our production system to meet the demand of emerging countries mainly in Asia including China and India, which are expected to grow rapidly in the future. Angiographic guidewires are being produced at multiple sites, as we have heavy supply responsibility globally, and the highly growing Neurovascular business is increasing production capacity of its Costa Rica factory. Furthermore, to add a production facility for pre-filled syringes at Terumo Yamaguchi D&D Corp., we made an investment of approximately 15.0 billion yen. As a result of this, the production capacity of Terumo Yamaguchi D&D Corp. will be 3.5 times higher than when the factory started operation in 2016. In terms of regulatory affairs, the Medical Device Regulation (EU-MDR) was newly implemented in Europe, and we obtained certifications for four products including NANOPASS, the disposable needle for pen-injector. This was not only the first certificate under EU-MDR to be obtained for Terumo, but also the first certification grant in the world for TÜV Rheinland LGA Products GmbH, a Germany-based EU notified body under EU-MDR.

In “Evolve business models”, the Company acquired all assets of Health Outcomes Sciences, Inc., a digital healthcare company in the United States in the area of cardiac and vascular. This company develops and sells the “ePRISM” platform for clinical decision support, which specializes in helping healthcare professionals decide on personalized treatment strategies. In addition to the products, training and management consulting we have promoted so far, we aim to contribute to solving a wider range of medical issues by digital solution. For the Hospital Systems business, we have started multiple alliances in the area of diabetes. With MICIN INC., in Japan, started joint development of a digital therapeutics system aimed at supporting diabetes treatment based on information such as blood glucose level, diet, exercise, and medication of each patient. With Diabeloop SA. in France, we will jointly develop a continuous glucose monitoring device (CGM) and insulin pump combined with an Automated Insulin Delivery (AID) system. With Glooko, Inc., in the United States, starting with Europe, we have commenced a partnership to promote the digitization of diabetes treatment by linking the daily blood glucose data and insulin dosage of patients from Terumo’s products to the company’s data management platform. In the Blood and Cell Technologies Company, we have started a public-private partnership in Africa to enable the use of safe blood. Blood is most often used in Africa to treat pregnancy-related complications and severe childhood anemia that is caused by a variety of contributors including malaria and sickle cell disease.

Assets and Income

(Millions of yen, unless otherwise stated)

	103rd term Fiscal 2017 From April 1, 2017 to March 31, 2018	104th term Fiscal 2018 From April 1, 2018 to March 31, 2019	105th term Fiscal 2019 From April 1, 2019 to March 31, 2020	106th term Fiscal 2020 From April 1, 2020 to March 31, 2021
Revenue	587,775	599,481	628,897	613,842
Operating profit	108,552	106,637	110,611	98,386
Profit before tax	106,630	102,709	106,466	97,060
Profit for the year	91,201	79,287	85,037	77,200
Profit for the year attributable to owners of the parent	91,295	79,470	85,211	77,268
Basic earnings per share (yen)	129.56	108.70	113.96	102.33
Total equity	550,435	698,113	754,883	856,662
Total assets	1,081,045	1,120,790	1,241,355	1,351,192
ROE (Return on equity attributable to owners of the parent) (%)	17.5	12.7	11.7	9.6
ROA (Return on assets) (%)	8.7	7.2	7.2	6.0

(Reference) Adjusted operating profit 105th term 124,998 million yen 106th term 115,927 million yen

Notes:

- 1 The Company has adopted IFRS from the 103rd term.
- 2 Basic earnings per share is calculated based on the average number of shares outstanding during the period less treasury stock.
- 3 The Company conducted a two-for-one stock split for its common stock, effective April 1, 2019. "Basic earnings per share" was calculated on the assumption that the stock split had been carried out at the beginning of the 103rd term.
- 4 ROE is calculated as follows.
Profit for the year attributable to owners of the parent ÷ equity attributable to owners of the parent (term average) x 100
- 5 ROA is calculated as follows.
Profit for the year attributable to owners of the parent ÷ total assets (term average)
- 6 Provisional accounting treatment concerning business combination was finalized during the 104th term, and the finalized treatment was reflected in relevant figures of the 103rd term based on IFRS.

Sales by Geographic Segment

(Millions of yen)

Item	105th term Fiscal 2019 From April 1, 2019 to March 31, 2020		106th term Fiscal 2020 From April 1, 2020 to March 31, 2021		Change (%)
	Amount	Ratio (%)	Amount	Ratio (%)	
Japan	196,339	31.2	201,758	32.9	2.8
Europe	121,128	19.3	120,389	19.6	(0.6)
Americas	191,388	30.4	180,798	29.5	(5.5)
Asia & Others	120,040	19.1	110,896	18.1	(7.6)
Total	628,897	100.0	613,842	100.0	(2.4)

Cardiac and Vascular Company

In Japan, sales were driven by extracorporeal membrane oxygenation system “ECMO system” in the Cardiovascular business along with flow diverter in the Neurovascular business, but revenue declined slightly because of the impacts of the COVID-19 pandemic on other businesses. Overseas, the same impacts were significant on the TIS (Intervention) business and the Cardiovascular business especially in Europe.

As a result, revenue in the Cardiac and Vascular Company totaled 328.5 billion yen, a decrease of 6.3% year on year.

Main products

Sub-segments	Main products
Interventional Systems (TIS)	Angiographic guidewires, Angiographic catheters, Introducer sheaths, Vascular closure devices, PTCA balloon catheters, Coronary stents, Self-expanding peripheral stents, IVUS, Imaging catheters and others
Neurovascular	Coils and stents for treating cerebral aneurysm, Aspiration catheters and clot retrievers for treating ischemic stroke and others
Cardiovascular	Oxygenators, Cardio-pulmonary bypass systems and others
Vascular Graft	Artificial vascular grafts, Stent grafts

General Hospital Company

The COVID-19 pandemic impacted many products, mainly in Japan and Asia. But in Japan, sales were driven by infection control products and thermometers in the Hospital Systems business. Globally, infusion and syringe pumps and the B2B business with pharmaceutical companies in the Alliance business grew.

As a result, revenue in the General Hospital Company was 175.5 billion yen, an increase of 2.7% year on year.

Main products

Item	Main products
Hospital Systems	Infusion pumps, Syringe pumps, Solution sets, Syringes, I.V. solutions, Pain management products, Nutritious food, Adhesion barriers, Blood glucose monitoring systems, Blood pressure monitors, Digital thermometers and others
Alliance	Contract manufacturing of prefilled syringes, Devices to pharmaceutical companies for use in drug kits (Prefillable syringes, Needles for pharmaceutical packaging business) and others

Blood and Cell Technologies Company

In Japan, sales of blood center products declined slightly due to the slowdown in demand for blood preparations caused by the impacts of the COVID-19 pandemic. Overseas, therapeutic apheresis systems and cell processing products saw a slowdown in demand for the same reasons, while there was an increase in collection demand for convalescent plasma therapy which gained attention as a treatment method of COVID-19 patients. The sales were also driven by new software for blood component collection systems.

As a result, revenue in the Blood and Cell Technologies Company increased 2.2% year on year to 109.5 billion yen.

Main products

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

Research and Development

Cardiac and Vascular Company

Regarding the TIS business, we have started clinical research in Europe to evaluate the safety and efficacy of Renzan, the stent for treating peripheral artery disease. In addition to high flexibility of the two-layer braided structure which enables placement along winding blood vessels, we have developed a well-balanced stent that strongly expands the blood vessel during dilation and suppresses stress on the blood vessel after placement.

Regarding the Neurovascular business, in Japan we released FRED flow diverter in April 2020, CASPER Rx carotid stent in September, and in December, the Woven EndoBridge device for cerebral aneurysm treatments. Following the successful launch in the United States, we aim to expand sales by taking advantage of our wide product lineup in Japan too.

Regarding the Vascular Graft business, Thoraflex Hybrid, the hybrid graft received a Breakthrough Device Designation in the United States. This designation is given to breakthrough products that meet certain requirements, such as the severity of the target disease. While the current treatment requires two procedures with a surgical graft and implantation of a stent graft, it can be achieved in one procedure with this product, expecting lower risk of patient mortality in the urgent treatment of aortic aneurysm. Taking this opportunity, we aim to obtain marketing approval in the United States as soon as possible.

General Hospital Company

Regarding the Hospital Systems business, we developed FN syringe for drug administration, a syringe with low dead volume of drug remains in the tip of the cylinder, lengthened its needle from the conventional 13 mm to 16 mm, and acquired manufacturing and marketing approval in March 2021. We plan to produce 20 million units in Fiscal 2021. In the area of diabetes, MEDISAFE WITH insulin patch pump received CE Marking in November 2020. Following the release in Japan, we will also expand to Europe and aim to realize treatment that can match with the patients' lifestyle. Regarding infection control products, thermometers that measure under armpits developed with a focus on ease of disinfection were released in May 2020, and a skin infrared thermometer which can measure the body surface temperature of foreheads without direct contact was released in March 2021. Both aim to meet the needs of screening and preventing the spread of infectious disease and to be sold to medical institutions in Japan.

Regarding the Alliance business, a biosimilar, which will be manufactured on contract in Terumo Yamaguchi D&D Corp., obtained GMP (Good Manufacturing Practice) certification in Japan in June 2020 and in July in the United States. The objective of GMP certification is Adalimumab BS Subcutaneous Injection [FKB] that obtained manufacturing and marketing approval in both countries by Fujifilm Kyowa Kirin Biologics Co., Ltd. It is used to treat autoimmune diseases such as rheumatoid arthritis and is loaded in the plastic syringe PLA-JEX developed by Terumo. We will continue to expand contract development and manufacturing organization (CDMO) business to meet the needs of pharmaceutical companies, working to deliver better medical care.

Blood and Cell Technologies Company

Spectra Optia, the centrifugal apheresis system has received Emergency Use Authorization in the United States for patients with COVID-19 infections. With infections such as influenza and COVID-19, cytokine secreted to eliminate the virus cause an excessive immune response called a cytokine storm and is known to lead to acute respiratory failure. Combined with Marker Therapeutics AG's D2000 Adsorption Cartridge and reducing cytokine levels in plasma, it is expected to suppress cytokine storms and rectify respiratory failure.

Furthermore, SmartPrep, an autologous cell separation and adjustment system used for cell therapy was released in Japan in November 2020. With a system that separates and concentrates blood components collected from patients, it is possible to separate blood components and concentrate bone marrow fluid with one centrifugal system by using two types of kits properly based on the purpose of treatment.

Other

The Corporate R&D Center has been promoting group-wide collaboration across companies and businesses from a medium- to long-term perspective to create innovation toward the solution of healthcare challenges with a significant social impact. In addition to the formulation of internally developed strategic portfolios and the deepening and expanding application of core technologies that become source of our competitive advantage, the Company is promoting external investment and open innovation initiatives (collaboration with external parties)

to acquire essential technologies. As part of these initiatives, in order to be involved in Chinese novel technologies in early stage, the Company joined in a Chinese fund operated by CD Capital, a venture capital firm in China in September 2020. The Company aims to expand its Chinese domestic product portfolio and to develop new business model, taking in technologies of medical devices and digital health which fit Chinese medical needs. Venture investing in the medtech field can complement internal R&D and business development, and is one of the strategies that leads to acquisition of new technologies and businesses. Terumo has utilized this strategy previously, as a Limited Partner of a fund in the U.S. since 2013, and has reviewed more than 2,000 start-ups over the last 6 years. Taking advantage of the experience cultivated there, in addition to investing in the fund, Terumo also directly invested in multiple start-ups.

The DX Promotion Department established in April 2021 will design a digital transformation (DX) strategy for the entire Terumo Group. It aims to drive DX for business creation that will heighten value proposition to customers and expedite DX for operation to increase efficiency and level-up the company's value chain such as production and logistics. Over the years, with IT utilization in individual products such as a drug administration system linked with hospital IT systems and a platform to support heart disease treatments, Terumo also advanced digitalization in its operations such as the global integration of ERP systems.

Through transformation in both business creation and operations from a group-wide perspective, we aim to create values for further growth, not only by products that support treatment in the acute phase, but also by optimized supply chain, promotion methods utilizing digital technologies, and providing solutions that support the patient journey, from prevention to post-treatment care, tread by patients.

(2) Issues to be Addressed

In fiscal 2021, it is expected that businesses will be continuously affected by the spread of COVID-19 infections. Since it is difficult to accurately predict the affected area, period, etc., earnings forecast will be formulated with a range of revenue and profit. For the expected impact by company, regarding the Cardiac and Vascular Company, we anticipate a temporary decrease in demand due to postponement of elective cases. Furthermore, the level of reduction and the period required for recovery will vary depending on the business area and region, and it is necessary for us to pay close attention. On the other hand, regarding the General Hospital Company and the Blood and Cell Technologies Company, there are many products related to medical infrastructure and products for chronic diseases and the COVID-19 impact is expected to be limited. We will continue to strive to respond flexibly and swiftly to ever-changing conditions while maintaining sound profitability and liquidity of funds. We will also continue to make active contributions to medical institutions and healthcare professionals facing COVID-19 infections.

Medtech market in Japan is expected to continue growing owing to the growing population of the elderly and a resulting increase in chronic disease. Meanwhile, amid mounting financial pressure from ballooning healthcare expenditure, the emphasis in healthcare is increasingly shifting to value and efficiency. Overseas, as a result of industry consolidation through acquisitions, etc., mega-competitors are emerging and a trend toward concentration and oligopoly is imminent. In view of such business environments, the Group has been proceeding with its 5-year Mid- to Long-term Growth Strategy starting from fiscal 2017 announced in December 2016. With the mid- to long-term vision “Being a Global Corporation with Unique Excellence,” Terumo strives to earn the trust of medical settings globally as a top brand, and to secure that trust with the total quality of products, services, and supply.

We have set forth three basic strategies, i.e. “Win in selected strategic markets,” “Offer comprehensive value in Japan,” and “Accelerate innovation.” In the global market, Terumo will focus on growing segments and segments where Terumo has a competitive advantage, such as intervention, neurovascular, alliances, and therapeutic apheresis, and in Japan, the Company will focus on providing products and services as a leading medical device manufacturer that contributes to the enhancement of patients’ quality of life and improve efficiency of healthcare. Terumo will reinforce internal development capabilities to support future growth while promoting collaboration with external parties, and in doing so it will strive to create innovation with value and contribute to solving healthcare challenges with significant social impact.

The Cardiac and Vascular Company aims to be recognized as a top brand in the cardiac and vascular business field by people engaged in the medical profession across the world. In order to achieve this goal, we will continue to provide high-quality new products to medical settings and proceed with providing solutions including enhancement of medical economics in hospitals and supporting personalized healthcare, aiming for growth beyond the scope of individual product base. Specifically, through strategic alliances with and acquisitions of digital health companies, we will consider using the data to help doctors decide on treatment policies tailored to each individual patient. In addition, we aim to make comprehensive medical contributions, including before and after treatment, such as solutions to improve postoperative recovery.

The General Hospital Company will further expand the measures against infections that we have been working on for many years. With regards to challenges in implementing infection control in hospitals, we aim to contribute to safety and security in the medical field by making comprehensive proposals that go beyond providing products. Furthermore, we will improve the quality and efficiency of medical practices by digitalization in the drug administration and in the area of diabetes management, we aim to optimize treatment by linking data and devices.

As the medical field expands from acute care hospitals to chronic care hospitals and patients' homes, we aim to provide optimal value tailored to each patient's situation, such as supportive care in the oncology area.

The Blood and Cell Technologies Company will promote expansion into new therapeutic areas, creating innovation, and diversification. As an example, many of our blood component collection devices have been used in the process of treatment with convalescent plasma for novel coronavirus infections. To pursue further possibilities of therapeutic apheresis such as this, collaboration with cell therapy developers and academic research institutes will be carried out. Furthermore, in cooperation with governments and non-governmental organizations (NGOs), we aim for sustainable growth by pursuing innovations that are accessible even in emerging countries, through actions such as contributing to the development of medical infrastructure in African countries using data and evidence.

For fiscal 2021, impacts from the COVID-19 infections remain worldwide, starting within a situation where the future is uncertain. However, with each of our three companies proceeding with activities to achieve their respective visions based on the corporate-wide growth strategy, Terumo will realize sustainable and profitable growth over the medium to long term.

Forecast of Consolidated Results

(Millions of yen)

	Fiscal year ended March 31, 2021 Results	Fiscal year ending March 31, 2022 Forecast	Change	Change (%)
Revenue	613,842	670,000 ~680,000	56,157 ~66,157	9.1 ~10.8
Adjusted operating profit	115,927	124,000 ~130,000	8,072 ~14,072	7.0 ~12.1
Adjusted operating profit ratio	18.9%	18.5% ~19.1%	-	-
Operating profit	98,386	107,000 ~113,000	8,613 ~14,613	8.8 ~14.9
Operating profit ratio	16.0%	16.0% ~16.6%	-	-
Profit for the year attributable to owners of the parent	77,268	82,000 ~86,500	4,731 ~9,231	6.1 ~11.9

Actual rate for fiscal year ended March 31, 2021: USD 1 = JPY 106, EUR 1 = JPY 124

Assumed rate for fiscal year ending March 31, 2022: USD 1 = JPY 107, EUR 1 = JPY 128

Note: The information disclosed by the Company contains forecasts of financial performance and other forward-looking statements.

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

(3) Principal Business

The Group manufactures and sells medical products and equipment, including pharmaceuticals, regenerative medicine, various disposable medical devices, and medical systems. Principal products are listed on Pages 21-23.

(4) Capital Investment

Capital investment in the fiscal year ended March 31, 2021, amounted to 77.2 billion yen on a construction basis. Principal items are as follows:

- 1) Main facilities construction completed
Terumo Vietnam Co., Ltd.: a new building (3rd Building)
- 2) Main facilities under construction
Terumo BCT, Inc.: Production equipment related to raw material plasma collection, etc.

(5) Financing

In the fiscal year ended March 31, 2021, we raised 70.0 billion yen in June 2020 to secure growth investment funds and in case the impact of the spread of COVID-19 infections is prolonged.

(6) Principal Lenders (as of March 31, 2021)

Lender	Outstanding borrowings (Billions of yen)
Mizuho Bank, Ltd.	87.9
MUFG Bank, Ltd.	72.3
Syndicated loan*	60.0

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

(7) Employees (as of March 31, 2021)

1) The Group

Number of employees*	Increase from the previous fiscal year-end
26,482	44

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

2) The Company

Number of employees ¹	Increase from the previous fiscal year-end	Average age ²	Average service years ²
5,247	160	40.5	17.2

Notes:

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

(8) Principal Offices, Factories and Significant Subsidiaries (as of March 31, 2021)**1) Terumo Corporation**

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

2) Significant Subsidiaries

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

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

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

Not applicable.

2. Overview of the Company

(1) Status of Shares (as of March 31, 2021)

1) Number of Shares Authorized	3,038,000,000 shares
2) Number of Shares Issued	759,521,040 shares
3) Number of Shareholders	59,313
4) Major Shareholders (10 largest shareholders)	

Shareholder name	Number of shares held	Percentage of shares held
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	128,820	17.0
Custody Bank of Japan, Ltd. (Trust Account)	68,426	9.1
The Dai-ichi Life Insurance Company, Limited	37,067	4.9
Meiji Yasuda Life Insurance Company	24,422	3.2
STATE STREET BANK AND TRUST COMPANY 505223	16,912	2.2
Mizuho Bank, Ltd.	15,736	2.1
TERUMO LIFE SCIENCE FOUNDATION	14,720	2.0
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	12,237	1.6
STATE STREET BANK AND TRUST COMPANY 505001	11,760	1.6
Tokio Marine & Nichido Fire Insurance Co., Ltd.	11,579	1.5

Notes:

- Treasury stock (3,508,047 shares) is excluded from the calculation of the percentage of shares held.
- Of the number of shares held by The Dai-ichi Life Insurance Company, Limited, 6,000 thousand shares are shares concerning retirement benefit trust contributed by The Dai-ichi Life Insurance Company. (The shareholder of record is "Custody Bank of Japan, Ltd. as trustee for The Dai-ichi Life Insurance Company Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd." The Dai-ichi Life Insurance Company, Limited is authorized to give directions concerning exercise of the voting rights for these shares.)
- Of the number of shares held by Mizuho Bank, Ltd., 13,036 thousand shares are shares concerning retirement benefit trust contributed by Mizuho Bank. (The shareholder of record is "Custody Bank of Japan, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd." Mizuho Bank, Ltd. is authorized to give directions concerning exercise of the voting rights for these shares.)

5) Status of shares granted to officers of the Company in consideration of the performance of duties during the fiscal year ended March 31, 2021

Details of the stock remuneration granted during the fiscal year ended March 31, 2021 are as follows.

Category	Number of shares	Number of eligible beneficiaries
Directors (excluding Directors who serve as Audit/Supervisory Committee Members and Outside Directors)	28,475 shares	5
Outside Directors (excluding Directors who serve as Audit/Supervisory Committee Members)	-	-
Directors who serve as Audit/Supervisory Committee Members	-	-

(2) Matters concerning Stock Acquisition Rights Issued by the Company

*As mentioned on Page 1 on the Convocation Notice, the full text of this item is posted on the Company's website.

(3) Company Directors

1) Directors (as of March 31, 2021)

Position at the Company	Name	Responsibilities and significant concurrent positions
Chairman of the Board	Takayoshi Mimura	
President and CEO	Shinjiro Sato	
Director and Senior Managing Executive Officer	Toshiaki Takagi	Responsible for Quality Assurance Dept., Post-Market Surveillance and Vigilance Dept., Regulatory Affairs, Promotional Activities Control Dept., Clinical Development Dept., Production Dept., Supply Chain Management Dept., IT Planning Dept., Terumo Medical Pranex, and Intellectual Property Dept.
Director and Managing Executive Officer	Shoji Hatano	Responsible for Corporate Affairs Dept., Legal and Compliance Dept., Japanese Sales Management Dept., Terumo Call Center, Procurement Dept., Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., Design Planning Dept., and Environmental Management Dept.
Director and Senior Executive Officer	Kyo Nishikawa	Chief Human Resources Officer (CHRO) Responsible for Human Resources Dept., India and Asia Pacific Region, Global Human Resources Dept., Human Resources Development Dept., and Diversity Promotion Dept.
Outside Director	Ryuzo Ueda	Visiting Professor, Professor Emeritus, Nagoya City University Professor, Dept. of Tumor Immunology, Aichi Medical University School of Medicine Director, Foundation for Promotion of Cancer Research External Director, Japanese Foundation for Cancer Research Board Chairman, Research Foundation for Oriental Medicine Designated Professor, Nagoya University Graduate School of Medicine
Outside Director	Yukiko Kuroda	Founder and Director, People Focus Consulting Outside Director, Mitsui Chemicals, Inc. Outside Director, Seven Bank, Ltd.
Outside Director	Hidenori Nishi	Outside Director, FUJI OIL HOLDINGS INC.
Director (Full-time Audit/Supervisory Committee Member)	Yoshihiro Kimura	
Outside Director (Audit/Supervisory Committee Member)	Masaichi Nakamura	Representative, Masaichi Nakamura CPA Office External Corporate Auditor, Sumitomo Heavy Industries, Ltd. Outside Director (Audit and Supervisory Committee Member), SCSK Corporation
Outside Director (Audit/Supervisory Committee Member)	Soichiro Uno	Partner, Nagashima Ohno & Tsunematsu Audit & Supervisory Board Member, Softbank Group Corp. Outside Director (Audit & Supervisory Committee Member), Dream Incubator Inc.

Notes:

- 1 No material conflict of interest exists between the Company and the aforementioned corporations where Outside Directors Dr. Ryuzo Ueda, Ms. Yukiko Kuroda, Mr. Hidenori Nishi, Mr. Masaichi Nakamura, and Mr. Soichiro Uno concurrently hold positions.

- 2 The Company has submitted notifications to the Tokyo Stock Exchange of the appointment of Outside Directors Dr. Ryuzo Ueda, Ms. Yukiko Kuroda, Mr. Hidenori Nishi and Mr. Masaichi Nakamura as independent directors/auditors as defined by the Tokyo Stock Exchange.
- 3 Outside Director Mr. Soichiro Uno satisfies the criteria for serving as an independent director/auditor as defined by the Tokyo Stock Exchange. However, in accordance with the rule of the firm that he serves, the Company has not submitted notification of the appointment of him as an independent director/auditor.
- 4 Director Mr. Yoshihiro Kimura has experienced accounting operations in the accounting-related divisions of the Company and has considerable financial and accounting knowledge.
- 5 Outside Director Mr. Masaichi Nakamura is a certified public accountant and has considerable financial and accounting knowledge.

2) Outline of the liability limitation contracts

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

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

To date, at the Board of Directors meetings, the Company has been resolving and deliberating on matters equivalent to the decision policy regarding the content of individual remuneration for directors, and stipulates them in the Terumo Corporate Governance Guidelines, which are disclosed externally (latest before update: June 25, 2020 version). The policy was updated at the Board of Directors meeting held on April 14, 2021. When making a resolution to the Board of Directors, we consult with the Remuneration Committee about the content of the resolution in advance and receive a report.

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

For the content of the decision policy regarding the content of individual remuneration for directors, please refer to “(11) Determination policy on individual remuneration for Directors” in “2. Corporate Governance Structure” described in Terumo Corporate Governance Guidelines on pages 41-42 on the Convocation Notice.

Notes:

Sales revenue, operating profit and EPS are used as company-wide factors used to calculate Performance-linked remuneration, etc. (bonus). Furthermore, regarding the performance factors for each director’s business operations, sales revenue and adjusted operating profit of the department(s) as well as goals that are set individually are used.

4) Remuneration to Directors

Category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)			Number of eligible directors (Persons)
		Basic remuneration	Performance-linked remuneration, etc. (bonuses)	Non-monetary remuneration, etc. (restricted stock)	
Directors (excluding Audit/Supervisory Committee Members) (of which outside officers)	477 (47)	273 (47)	91 (-)	112 (-)	9 (4)
Directors who serve as Audit/Supervisory Committee Members (of which outside officers)	73 (31)	73 (31)	-	-	3 (2)
Total (of which outside officers)	551 (78)	347 (78)	91 (-)	112 (-)	12 (6)

Notes:

- 1 The above includes one director (excluding Audit/Supervisory Committee Member) who retired at the conclusion of the 105th Annual General Meeting of Shareholders of the Company held on June 25, 2020.
- 2 The 104th Annual General Meeting of Shareholders of the Company held on June 21, 2019 resolved the executive remuneration of the Company as follows.
 - 1) Fixed remuneration, Performance-based bonuses and Stock options as stock-based remuneration
: Within 700 million yen per year
 - 2) Restricted Stock
: Within 200 million yen per year

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

The Company has appointed Mr. Yoshihiro Kimura as a full-time Audit/Supervisory Committee Member in order to strengthen audit and supervisory functions of the Audit/Supervisory Committee and to enable information gathering from directors (excluding Audit/Supervisory Committee Members), sharing of information at important internal meetings, and sufficient collaboration between the Audit/Supervisory Committee and the Internal Audit Office, the Legal and Compliance Department, and the Internal Control Department.

6) Outside Directors

Principal activities in the fiscal year ended March 31, 2021

Name	Position	Main activities and Outside Director and an overview of expected duties, etc.
Ryuzo Ueda	Outside Director	Attended 13 out of 13 meetings of the Board of Directors held in the fiscal year ended March 31, 2021; provided opinions, based mainly on his expert medical knowledge and experience in hospital management, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as the Chair of the Nomination Committee, and as a member of each of the Remuneration Committee and Corporate Governance Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters.
Yukiko Kuroda	Outside Director	Attended 13 out of 13 meetings of the Board of Directors held in the fiscal year ended March 31, 2021; provided opinions, based mainly on her wealth of experience in management and consulting on human resources and organizations, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as the Chair of the Remuneration Committee, the Chair of the Corporate Governance Committee, and a member of the Nomination Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters.

Name	Position	Main activities and Outside Director and an overview of expected duties, etc.
Hidenori Nishi	Outside Director	<p>Attended 9 out of 9 meetings of the Board of Directors held since taking office on June 25, 2020, in the fiscal year ended March 31, 2021; provided opinions, based mainly on his wealth of experience in management, overseas operations and marketing, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters.</p>
Masaichi Nakamura	Outside Director (Audit/Supervisory Committee Member)	<p>Attended 13 out of 13 meetings of the Board of Directors and 11 out of 12 meetings of the Audit/Supervisory Committee held in the fiscal year ended March 31, 2021; Regarding the Board of Directors, he provided opinions based mainly on his expert knowledge and deep insight as a certified public accountant and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters. Regarding the Audit/Supervisory Committee, based mainly on his wealth of experience and wide range of insights as a certified public accountant, he expresses his opinions from the perspective of ensuring the legality and validity of decision-making regarding the execution of our business as well as monitoring and supervising management.</p>

Name	Position	Main activities and Outside Director and an overview of expected duties, etc.
Soichiro Uno	Outside Director (Audit/Supervisory Committee Member)	Attended 13 out of 13 meetings of the Board of Directors and 12 out of 12 meetings of the Audit/Supervisory Committee held in the fiscal year ended March 31, 2021; Regarding the Board of Directors, he provided opinions, as necessary, based mainly on his expert knowledge and deep insight as a lawyer, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters. Regarding the Audit/Supervisory Committee, based mainly on his wealth of experience and wide range of insights as a lawyer, he expresses his opinions from the perspective of ensuring the legality and validity of decision-making regarding the execution of our business as well as monitoring and supervising management.

Attendance at committees

Name	Nomination Committee	Remuneration Committee	Corporate Governance Committee
Ryuzo Ueda Yukiko Kuroda Masaichi Nakamura Soichiro Uno	8/8	5/5	7/7
Hidenori Nishi	7/7	3/3	5/5

* Attendance at advisory committees above for Mr. Hidenori Nishi refers to the meetings he attended after he assumed office on June 25, 2020.

(4) Accounting Auditor

1) Accounting Auditor's Name

KPMG AZSA LLC

2) Remuneration etc.

The Company and its subsidiaries paid the remuneration etc. indicated below to the Accounting Auditor. Regarding the amount of remuneration etc. in i) in the following table, the Audit/Supervisory Committee evaluate the performance status of the accounting audit for the fiscal year ended March 31, 2020, and as a result of checking the audit plan for the fiscal year ended March 31, 2021 and appropriateness of the estimated amount of remuneration, remuneration etc. for the accounting auditor, we judged that it was a reasonable level to maintain and improve audit quality, and thus gave consent pursuant to Article 399, Paragraphs 1 and 3 of the Companies Act.

	Amount paid (millions of yen)
i) Remuneration etc. for the Accounting Auditor for the fiscal year ended March 31, 2021	123
ii) Monetary or property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	131

Notes:

- 1 Under the audit agreement between the Company and its Accounting Auditor, remuneration for audits based on the Companies Act and that for audits based on the Financial Instruments and Exchange Law are not strictly distinguished and they cannot be substantially distinguished. Consequently, the sum of the amounts of these remunerations is stated as the amount of remuneration etc. for the Accounting Auditor for the fiscal year ended March 31, 2021.
- 2 KPMG AZSA LLC is a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International") and all the Company's significant subsidiaries are audited by other member firms affiliated with KPMG International.

3) Non-audit Services

Not applicable.

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

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

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

(5) Corporate Governance

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

Terumo Corporate Governance Guidelines

1. General Provisions

(1) Basic Stance on Corporate Governance

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

(2) Establishment, Revision and Abolition of the Guidelines

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

2. Corporate Governance Structure

(1) Organizational Design

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

- [1] Strengthen audit and supervisory functions
The members of the Audit and Supervisory Committee shall have voting rights in meetings of the Board of Directors.
- [2] Enhance transparency and objectivity in management
By increasing the proportion of independent directors on the Board, transparency and objectivity in decision making will be enhanced at the Board level by reflecting opinions of the independent directors, which represent the perspective of shareholders and other stakeholders.
- [3] Expedite decision-making process
By promoting the appropriate delegation of the Board’s authority by way of the executive officer system, Terumo will further expedite its decision-making process and business development through a shift toward a monitoring-based approach for the Board.

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

(2) Board of Directors

- [1] Roles

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

[2] Members

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

(3) Audit and Supervisory Committee

[1] Roles

The Audit and Supervisory Committee shall audit and supervise the execution of duties by directors and executive officers to ensure the appropriate, reasonable, and efficient operation of the Terumo Group. To fulfill its audit and supervisory duties, the Audit and Supervisory Committee may provide direct instructions to the Internal Control, Internal Audit, and Legal and Compliance Departments. Such activities of the Committee shall include any of the following:

- Attend, provide objective and fair opinions and exercise voting rights at Board of Directors meetings
- Attend other important Terumo Group meetings and provide objective and fair opinions
- Prepare audit reports.
- Establish and revise audit policies, methods for investigating and reviewing the Company's operations and assets, and other matters related to exercising the authority of the Audit/Supervisory Committee

[2] Members

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

(4) Nomination Committee

[1] Roles

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

[2] Members

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

(5) Remuneration Committee

[1] Roles

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

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

[2] Members

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

(6) Corporate Governance Committee

[1] Roles

The Corporate Governance Committee shall, as an advisory body to the Board of Directors, discuss the matters listed below and provide advice to the Board with the goals of maintaining and improving the Terumo Group's business integrity and corporate governance practices. The deliberations of the Committee shall be reported to the Board of Directors as appropriate.

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

[2] Members

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

(7) Internal Control Committee

[1] Roles

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

[2] Members

- The Committee shall be comprised of Terumo Corporation's representative directors, directors ranked managing executive officer or above, expert panel chairpersons, Internal Control Department managers, and external legal counsels.
- Audit and Supervisory Committee members may attend and speak at the meetings of the Committee.
- The chair shall be the president and representative director.

(8) Risk Management Committee

[1] Roles

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

[2] Members

- The Committee shall be comprised of executive officers ranked managing executive officer or above, Internal Control Department managers, and designated person from the chair.
- Audit and Supervisory Committee members may attend and speak at the meetings of the Committee.
- The chair shall be the president and representative director.

(9) Selection/Dismissal of Directors

[1] Selection Policy

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

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

[Internal directors]

- To have management judgement capacities and management oversight capacities from stakeholders' standpoint

- To have excellent personality, great insight, and high ethical standards
- To have attained sufficient business results or achievements

[Independent directors]

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

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

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

[2] Selection/Dismissal Procedure

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

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

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

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

(10) Selection and Cultivation of Successors to the President

The Board of Directors has established the Nomination Committee as an organization overseeing the process of selecting and cultivating successors to the president in recognition of the fact that the selection of successors to the president is one of the most important duties for the Board of Directors, and the Committee's activities are monitored by the Board of Directors. The process of selection and cultivation of successors to the president is clearly stated in internal regulations. With regard to selecting a successor to the president, the president shall propose a "Succession Plan" listing more than one candidate and a plan for their cultivation within a specified period of time. The Nomination Committee shall consider the successor candidates in accordance with the procedures stipulated in the internal regulations.

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

(11) Determination policy on individual remuneration for Directors

[1] Basic policy and composition

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

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

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

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

[2] Remuneration Structure and Components

1) Target Proportions

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

2) Remuneration Categories

• Fixed remuneration

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

- Performance-linked remuneration (bonuses)
Annual bonuses are a form of remuneration aimed at motivating directors to achieve sustainable growth and annual performance; therefore, purpose-aligned evaluation factors are adopted. Evaluation factors consist of Companywide factors and the performance factors for each director’s business operations. Annual bonuses are paid to executive directors on certain date and the amounts of bonuses are calculated by multiplying (a) the evaluation index determined based on above evaluation factors by (b) the standard bonus amount set for each position.
- Restricted stock
For executive directors to share benefits and risks of stock price movements with shareholders and further enhance their desire to contribute to rises in stock prices and the improvement of corporate value, restricted stock is adopted. Restricted stock is allotted to executive directors annually on certain date. Under the concept “sharing awareness of profits with shareholders over the long term,” directors may not transfer to a third-party or otherwise dispose of restricted stock allotted to them for 30 years (or until their retirement from the position of director if earlier). Furthermore, if directors commit fraud or violate laws during their term as director, all or part of their allotted stock will be acquired by the Company without consideration.

[3] Determining Procedure

The Remuneration Committee, as an advisory body to the Board of Directors, deliberates on the standard amount of fixed remuneration, bonuses and restricted stocks for directors (excluding Audit and Supervisory Committee members) by position and the basic design of the remuneration system in light of information that includes information on comparable standards used at other companies provided by an outside research organization.

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

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

(12) Training Policy

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

- Internal directors
At the time of appointment, briefings by the head of the legal division shall be arranged to provide each director with the requisite knowledge of his or her obligations as a director. Opportunities for external training may also be recommended and provided if appropriate to assist the director with acquiring the requisite knowledge. After the appointment, relevant books and opportunities for participation in external training sessions shall be arranged as necessary to afford each director the opportunity to update his or her knowledge necessary for his or her service as a director.
- Independent directors
Briefings shall be arranged to afford each independent director the opportunity to obtain the information about Terumo’s business, organization, and operations necessary to fulfill his or her duties as a director. External training sessions and other sources of information shall be made available if additional knowledge is required or updating is necessary.

(13) Board Evaluation

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

3. Securing Shareholders’ Rights and Equality

(1) Securing Shareholders’ Rights

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

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

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

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

(2) General Meeting of Shareholders

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

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

(3) Basic Strategy for Capital Policy

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

Terumo seeks to raise its return on equity (ROE) and increase its earnings per share (EPS) by improving its asset efficiency through the enhancement of business operations and by optimizing its capital structure, while paying due attention to financial soundness of its balance sheet.

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

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

- Terumo may hold shares of other companies with a view to creating business opportunities and/or enhancing corporate value.
- The Board of Directors shall verify the economic, strategic, and other rationale for each such holding using a medium- to long-term perspective on an annual basis. Terumo shall disclose holding securities as specified equity securities in the Annual Securities Report unless selling them.
- Terumo shall exercise its voting rights taking into consideration the impact of its voting on the corporate value of Terumo and the company in which Terumo has invested.

(5) Function as Asset Owner of Corporate Pension Fund

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

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

(6) Related Party Transactions

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

- Transactions with a risk of conflict of interest
Any transaction between Terumo and one or more of its directors that may involve an actual or potential conflict of interest shall be reviewed and approved by the Board of Directors in accordance with the Companies Act. This procedure is detailed in the Board regulation. In addition, Terumo reviews on an annual basis if there exists any transaction between Terumo and one or more of its director or a party related to one or more directors (including an affiliate company of the director or the director's related party).
- Transactions with third parties
The Board of Directors established the Terumo Group Code of Conduct, which all Terumo Group associates are required to follow, The Code demands fairness and transparency in all transactions between Terumo and third parties, including customers, suppliers and shareholders. Violations of these principles should be addressed by Company management through the relevant lines of reporting. Terumo's whistleblower system shall be available to report violations that cannot be addressed through the relevant lines of reporting.

4. Collaboration with Stakeholders Other than Shareholders

(1) Code of Conduct

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

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

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

(2) Sustainability

Based on the Group mission and the Core Values, the Terumo Group determines priorities for sustainability that must be put into practice in the course of daily business activities, such as resolving healthcare challenges. The Group will strive for balance between realization of a sustainable society and the Terumo Group's sustainable growth by promoting these priorities, while communicating with patients, medical professionals, and other stakeholders.

With regard to development of products and services, Terumo formulates development guidelines with the goal of developing and delivering high-quality, market leading products and services in its quest to realize healthcare that is friendly to people. Terumo believes that delivery of such high-quality medical devices and services will lead to the advancement of healthcare and the enhancement of patients' quality of life. In these ways, Terumo will be able to contribute to the sustainability of society. Terumo also believes that delivery of such products and services will make Terumo more competitive and allow it to expand its revenue and profit, thereby contributing to Terumo's sustainable growth.

To contribute to building a sustainable society, a society on which Terumo's continuous growth relies, Terumo will also actively address challenges such as the protection of human rights, the protection of human safety and welfare, the eradication of corruption, the reduction of environmental impacts, and the conservation of biodiversity. In doing so, Terumo will act as a good corporate citizen and follow the appropriate international frameworks, including the United Nations Global Compact, and Guiding Principles on Business and Human Rights, ISO14001, and ISO45001, so that Terumo may live up to the trust and the expectations of regional societies and other stakeholders. In particular with regard to climate change risks, Terumo set a science-based greenhouse gas reduction target in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement. Terumo will continue making group-wide efforts to mitigate the global challenge of climate change risks.

Compliance is essential to the sustainability of Terumo's business. The Legal and Compliance Department shall manage the Terumo Group's global compliance system as a part of Terumo's overall internal control system. The Risk Management Committee shall direct Terumo's efforts to evaluate the potential risks regarding the sustainability of the Company's business, and the Board of Directors shall develop and operate a risk management system to address such risks.

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

At the Terumo Group, we strive to promote respect for each individual and each different culture. Associates are not allowed to discriminate on the basis of race, nationality, gender, religion, or disability, and violations of human rights of any kind are not permitted. Terumo believes that the diversity of its associates is a powerful engine that will drive its current and future growth. By striving to accept a wide range of differing values and promoting mutual recognition of diversity, Terumo aims to be a place where differing ideas and knowledge can intermingle and thereby generate new value. Having established its Diversity Promotion Department, Terumo works to develop its corporate environment, corporate culture, and awareness so that diverse

associates are able to demonstrate their full potential. Under the leadership of top management, Terumo actively promotes the appointment of female and international associates, including at the management level.

(4) Whistle-Blowing System (Compliance Hotline)

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

5. Appropriate Disclosure

(1) Disclosure Policy

Terumo is committed to disclosing information to its shareholders, investors, customers and others in accordance with the requirements set out in the Financial Instruments and Exchange Law and the Timely Disclosure Rules of the Tokyo Stock Exchange based on the principles of transparency, fairness, and consistency. Terumo also endeavors to disclose, in a timely and proactively manner, any appropriate information that may help foster a better understanding of the Company.

(2) Dialogue Policy

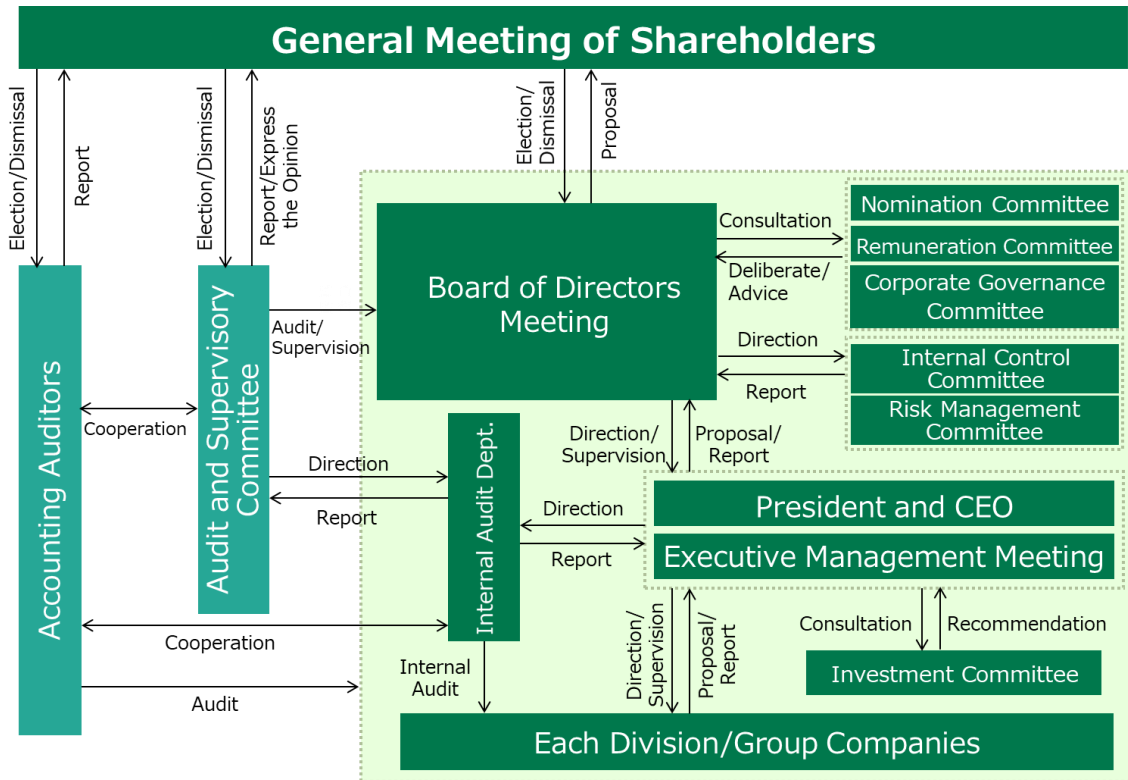
Terumo will strive to engage in constructive dialogue with its shareholders and other investors. Terumo will further enhance its transparency and work to develop and maintain the trust of its stakeholders through information disclosure and dialogue. Terumo's policy on disclosure and dialogue with shareholders and other investors is included in the IR Policy found on the Company's website.

End

[Appendix 1]

<Corporate Governance Structure>

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



[Appendix 2]

Director Independence Standards

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

(1) Terumo Group officials

[1] Executive directors, executive officers, Audit and Supervisory Committee members, auditors, and other employees (collectively referred to as the "executive directors, etc." hereinafter) of the Company or any of its direct or indirect subsidiaries (collectively referred to as the "Group" hereinafter).

[2] Persons who have executive directors, etc. of the Terumo Group at any point in the past ten (10) years.

(2) Shareholders

[1] Holders of large numbers of shares of Terumo stock (owning ten percent (10%) or more of voting rights; the same shall apply hereinafter.)

[2] When the shareholder referenced in [1] above is a corporate or institutional shareholder, the executive directors, etc. of said company, its parent company, and key subsidiaries (collectively referred to as the "company, etc." hereinafter.)

[3] Executive directors, etc. of the companies or other legal entities in which Terumo Corporation or one of its subsidiaries is currently a major shareholder

(3) Business partners

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

[1] A company, etc. to which the Terumo Group is the major client (two percent (2%) or more of the annual consolidated revenue of the company, etc. is attributable to the Terumo Group)

[2] A major client of the Terumo Group (two percent (2%) or more of the annual consolidated revenue of the Terumo Group is attributable to the client)

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

(4) Parties related to personnel exchange

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

[Appendix 2]

(5) Major lenders

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

(6) Outside experts, etc.

A person to whom any of the following apply:

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

(7) Relatives

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

(8) Past implications

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

(9) Others

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

Terumo IR Policy

1. Basic Policy

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

2. Information Disclosure Method

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

3. Forward-Looking Statements

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

4. Policy for Dialogue with Shareholders and Other Investors

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

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

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

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

[Appendix 3]

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

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

[4] Measures for appropriate and effective feedback

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

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

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

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

(6) Systems to Ensure the Appropriateness of Operations

The Company has established the “Internal Control System Design Basic Policy” stated below by the resolution of the Board of Directors.

Internal Control System Design Basic Policy

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, 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 President and Representative Director. 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 President and Representative Director 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, Market Product Strategy Meeting, and other specialized bodies composed of the directors and executive officers 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 report directly to the President and Representative Director, and conduct and report regarding audits according to the direction of the President. Simultaneously, a system shall be built for reporting to the Board of Directors and Selected Audit and Supervisory Committee members.

- 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 or Risk Management 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, and 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, 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 Employees, 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.

(7) 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 this fiscal year 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 “Code of Conduct for the Terumo Group”. At quarterly meetings of the Internal Control Committee, 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 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 consisting a legal adviser and an outside receptionist, and receive reports widely. Audit and Supervisory Committee member was also as a window 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 Policy” 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 online.

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 (13 times), the Executive Management Meeting (22 times), and the Market Product Strategy Meeting (6 times). The Company make decisions rapidly based on the "Group Policy on Corporate Authorization System".

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

The reporting system has been established in accordance with the "Group Company 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 from directors. Audit and Supervisory Committee Members share the reports made pursuant to the "Group Policy on Reports by Directors, 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 "Code of Conduct for the Terumo Group".

(8) Basic Policies regarding the Company's Control

* As stated on Page 1 of this notice of convocation, the Company's Basic Policies regarding the Company's Control are posted on the Company's website.

Remarks

Amounts and numbers of shares stated in this business report are rounded down to the nearest unit, while basic earnings per share, amounts indicated in billions of yen, and percentage figures are rounded to the nearest unit.

Consolidated Financial Statements

Consolidated Statement of Financial Position

Fiscal Year 2020 (As of March 31, 2021)

(Millions of yen)

Account item	Amount	Account item	Amount
ASSETS		LIABILITIES	
Current assets		Current liabilities	
Cash and cash equivalents	200,770	Trade and other payables	83,528
Trade and other receivables	128,770	Bonds and borrowings	42,072
Other current financial assets	1,116	Other current financial liabilities	7,784
Inventories	175,576	Current tax liabilities	14,311
Income taxes receivable	510	Provisions	374
Other current assets	17,222	Other current liabilities	63,295
Total current assets	523,966	Total current liabilities	211,366
Non-current assets		Non-current liabilities	
Property, plant and equipment	299,679	Bonds and borrowings	218,497
Goodwill and intangible assets	471,834	Other non-current financial liabilities	32,122
Investments accounted for using the equity method	3,644	Deferred tax liabilities	15,962
Other non-current financial assets	19,449	Defined benefit liabilities	6,639
Deferred tax assets	23,729	Provisions	96
Other non-current assets	8,887	Other non-current liabilities	9,845
Total non-current assets	827,225	Total non-current liabilities	283,163
		Total liabilities	494,530
		EQUITY	
		Share capital	38,716
		Capital surplus	51,829
		Treasury shares	(6,838)
		Retained earnings	775,078
		Other components of equity	(2,123)
		Total equity attributable to owners of the parent	856,662
		Total equity	856,662
Total assets	1,351,192	Total liabilities and equity	1,351,192

Consolidated Statement of Profit or Loss

Fiscal Year 2020 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

Account item	Amount
Revenue	613,842
Cost of sales	287,219
Gross profit	326,623
Selling, general and administrative expenses	228,566
Other income	3,814
Other expenses	3,485
Operating profit	98,386
Finance income	1,727
Finance costs	2,337
Share of profit (loss) of investments accounted for using the equity method	(716)
Profit before tax	97,060
Income tax expenses	19,859
Profit for the year	77,200
Attributable to:	
Owners of the parent	77,268
Non-controlling interests	(67)
Total profit for the year	77,200

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

Fiscal Year 2020 (As of March 31, 2021)

(Millions of yen)

Account item	Amount	Account item	Amount
(Assets)		(Liabilities)	
Current assets	341,903	Current liabilities	316,498
Cash and deposits	107,412	Notes payable-trade	923
Notes receivable-trade	118	Accounts payable-trade	40,419
Accounts receivable-trade	99,858	Electronically recorded obligations-operating	11,055
Merchandise and finished goods	47,164	Short-term loans payable	183,125
Work in process	6,562	Current portion of long-term loans payable	29,640
Raw materials and supplies	14,805	Current portion of bonds	10,000
Prepaid expenses	3,066	Current portion of convertible bonds with share subscription rights	460
Short-term loans receivable	53,481	Lease obligations	108
Other	9,992	Accounts payable-other	15,463
Allowance for doubtful accounts	(559)	Accrued expenses	3,270
		Income taxes payable	8,886
		Deposits received	213
		Provision for bonuses	5,810
		Provision for directors' bonuses	94
		Notes and accounts payable-facilities	6,442
		Other	584
Noncurrent assets	920,720	Noncurrent liabilities	220,956
Property, plant and equipment	99,552	Bonds payable	30,000
Buildings	36,667	Long-term loans payable	189,858
Structures	1,547	Lease obligations	154
Machinery and equipment	20,372	Long-term guarantee deposited	432
Vehicles	70	Provision for directors' retirement benefits	3
Tools, furniture and fixtures	9,206	Other	507
Land	18,398		
Lease assets	263	Total liabilities	537,455
Construction in progress	13,026		
Intangible assets	24,345	(Net assets)	
Leasehold right	768	Shareholders' equity	722,072
Software	23,159	Capital stock	38,716
Goodwill	23	Capital surplus	52,103
Customer relationships	53	Legal capital surplus	52,103
Other	340	Retained earnings	638,090
Investments and other assets	796,823	Legal retained earnings	3,297
Investment securities	7,757	Other retained earnings	634,793
Stocks of subsidiaries and affiliates	675,179	Reserve for reduction entry	491
Investments in capital of subsidiaries and affiliates	21,675	General reserve	82,900
Long-term loans receivable from subsidiaries and affiliates	68,614	Retained earnings brought forward	551,401
Long-term prepaid expenses	3,282	Treasury shares	(6,838)
Deferred tax assets	11,983	Valuation and translation adjustments	2,385
Other	8,329	Valuation difference on available-for-sale securities	2,385
		Subscription rights to shares	710
		Total net assets	725,169
Total assets	1,262,624	Total liabilities and net assets	1,262,624

Non-consolidated Statements of Income

Fiscal Year 2020 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

Account item	Amount	
Net sales		316,413
Cost of sales		182,845
Gross profit		133,567
Selling, general and administrative expenses		81,636
Operating income		51,930
Non-operating income		14,978
Interest income	1,273	
Dividends income	10,547	
Royalty income	2,201	
Foreign exchange gains	451	
Other	503	
Non-operating expenses		1,648
Interest expenses	1,120	
Sales discounts	481	
Other	46	
Ordinary income		65,260
Extraordinary income		2,217
Gain on sales of noncurrent assets	17	
Gain on sales of investment securities	2,199	
Extraordinary loss		1,680
Loss on disposal of noncurrent assets	278	
Loss on valuation of investment securities	283	
Loss on valuation of stocks of subsidiaries and associates	1,118	
Income before income taxes		65,797
Income taxes		13,781
Income taxes-current	14,321	
Income taxes-deferred	(539)	
Profit		52,016