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(Securities Code: 4543)

June 4, 2024

(Electronic provision of information starts on: May 31, 2024)

**To Our Shareholders:**

Toshiaki Takagi  
Chairman of the Board  
TERUMO CORPORATION  
44-1, Hatagaya 2-chome, Shibuya-ku, Tokyo,  
Japan

**NOTICE OF CONVOCAION OF  
THE 109TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to notify you that the 109th Annual General Meeting of Shareholders (this “Meeting”) of Terumo Corporation (the “Company”) will be held as described below.

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

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

If you are unable to attend the Meeting, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for the Annual General Meeting of Shareholders provided electronically and exercise your voting rights by 5:45 p.m. on Tuesday, June 25, 2024.

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

**Exercise of voting rights via the Internet**

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

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

**Exercise of voting rights by mail**

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

**1. Date and Time:** Wednesday, June 26, 2024, 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 109th Term (from April 1, 2023, to March 31, 2024)
  2. Non-consolidated Financial Statements for the 109th Term (from April 1, 2023, to March 31, 2024)

**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 2 Substitute Directors Who Serve as Audit/Supervisory Committee Members

**4. Exercise of voting rights:** If you exercise your voting rights both in writing on the Voting Rights Exercise Form and via the Internet, only the exercise of voting rights via the Internet will be valid. In addition, if you exercise your voting rights multiple times via the Internet, only the last vote will be valid. In the event that your approval or disapproval of any proposal is not indicated on the Voting Rights Exercise Form, it shall be considered as an indication of approval.

● The following matters are not included in the paper copy delivered to shareholders who requested it in accordance with the provisions of laws and regulations and Article 15 of the Company's Articles of Incorporation. Accordingly, the paper copy is part of the documents audited by the Audit/Supervisory Committee and the Accounting Auditor in preparing their Audit Reports.

1. Matters concerning Stock Acquisition Rights Issued by the Company
2. Corporate Governance
3. Systems to Ensure the Appropriateness of Operations
4. Status of Operation of Systems to Ensure the Appropriateness of Operations
5. Basic Policies Regarding the Company's Control
6. Consolidated Statements of Changes in Equity
7. Notes to Consolidated Financial Statements
8. Non-consolidated Statements of Changes in Equity
9. Notes to Non-consolidated Financial Statements

● When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please note that no one other than the shareholders with voting rights, such as an agent or an accompanying person, is permitted to enter the venue even if such a person brings a Voting Rights Exercise Form with him/her.

● Any revisions to the matters subject to electronic provision measures will be posted on the websites above.

● Please note that Directors of the Company and staff at the venue will be in light clothing at the meeting.

The Company's website: [https://www.terumo.com/investors/stocks/shareholders\\_meeting](https://www.terumo.com/investors/stocks/shareholders_meeting)

# Reference Documents for the Annual General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as follows:

#### Matters concerning year-end dividends

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

Accordingly, it is proposed that a year-end dividend of 22 yen per share be paid out. As a result, the annual dividends for the year, including the interim dividend of 22 yen, will amount to 44 yen per share, an increase of 4 yen from the previous fiscal year.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

22 yen per share of common stock of the Company

Total amount of dividends: 16,332,435,636 yen

(3) Effective date of dividends from surplus

Thursday, June 27, 2024

Note: The Company conducted a two-for-one stock split for its common stock, effective April 1, 2024. With the dividend record date set as March 31, 2024, the above year-end dividend will be paid based on the shares before the stock split (March 31, 2024).

**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	Toshiaki Takagi	Reappointed	Chairman of the Board	14	12/12
2	Hikaru Samejima	Newly appointed	CEO	—	—
3	Toshihiko Osada	Newly appointed	Group Senior Managing Executive Officer/ In charge of Innovation; R&D Division (CTO Office, Innovation Center, Technology Coordination Office, and R&D Administration Dept.), DX Promotion Dept., Intellectual Property Dept., Clinical Development Dept., and Terumo Medical Pranex	—	—
4	Kazunori Hirose	Reappointed	Director and Group Managing Executive Officer/ In charge of Global Supply Chain, Quality and EHS; Quality, Post-Market Surveillance and Vigilance Division (Quality Assurance Dept. and Post-Market Surveillance and Vigilance Dept.), Operations Division (Production Dept., Supply Chain Management Dept., and Procurement Dept.), EHS Office., and Regulatory Affairs Dept.	2	12/12

No.	Name	Attribute	Current positions and responsibilities at the Company	Number of years in office	Ratio of attendance at the Board of Directors' meetings
5	Norimasa Kunimoto	Reappointed	Director and Group Managing Executive Officer/ In charge of Corporate Value Promotion; Corporate Affairs Dept., Legal and Compliance Division (CLO Office, Legal Dept., and Compliance Dept.), Corporate Communication Division (Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., and Design Planning Dept.), Japan Sales Dept., and Terumo Call Center	1	9/9
6	Hidenori Nishi	Reappointed Outside Independent	Outside Director	4	12/12
7	Keiya Ozawa	Reappointed Outside Independent	Outside Director	3	12/12
8	Mari Kogiso	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. As the Company conducted a two-for-one stock split for its common stock, effective April 1, 2024, this states the number of shares after the stock split.
- 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. Hidenori Nishi, Mr. Keiya Ozawa, and Ms. Mari Kogiso are candidates for outside directors.
- 4 The Company appointed Mr. Hidenori Nishi, and Mr. Keiya Ozawa as independent directors/auditors as defined by the Tokyo Stock Exchange and submitted notifications of their appointment to the Exchange. If their reelection is approved, the Company intends to continue their appointment as independent directors/auditors. Furthermore, with regards to Ms. Mari Kogiso, if her election is approved under this proposal, she 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 Mr. Hidenori Nishi, and Mr. Keiya Ozawa to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the aforementioned law. If their reelection is approved, the Company intends to renew the liability limitation contracts with them. Furthermore, with regards to Ms. Mari Kogiso, if her election is approved under this proposal, the Company intends to enter into such a contract with her. The maximum amount of liability under the contracts shall be the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.
- 6 The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers any damages that may result from Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. (However, those that fall under the disclaimer stipulated in the insurance contract are excluded.) The insurance premiums are fully borne by the Company. If the election of each candidate is approved as proposed, each of them will be insured under aforementioned insurance contract.
- 7 No special interest exists between the Company and any of the candidates for director.
- 8 “Ratio of attendance at the Board of Directors’ meetings” above for Mr. Norimasa Kunimoto refers to the meetings he attended after he assumed office on June 27, 2023.

- 9 The Company has made a certain amount of scholarship donations to Jichi Medical University, where Mr. Keiya Ozawa works as a professor emeritus and visiting professor, but this bears no relevance to his responsibilities at the university. He does not participate directly in the operations of the university; therefore, we have determined that he is able to execute his professional duties properly as an outside director with independence.
- 10 Ms. Mari Kogiso serves as an Independent Audit & Supervisory Board Member of Mitsubishi Corporation, but when the entity transitions to a Company with an Audit and Supervisory Committee upon an approval at the entity's Ordinary General Meeting of Shareholders to be held in June 2024, she will assume the office as an Independent Director of the entity.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Toshiaki Takagi (March 24, 1958)	<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&amp;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., 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. and Procurement Dept.</p> <p>April 2018      Director and Senior Managing Executive Officer Responsible for Intellectual Property Dept. and Terumo Medical Pranex</p> <p>April 2020      Responsible for Regulatory Affairs, Promotional Activities Control Dept., Clinical Development Dept., Supply Chain Management Dept., CIO Office, and IT Planning Dept.</p> <p>April 2021      Responsible for R&amp;D Promotion Dept.</p> <p>April 2022      Chairman of the Board (present)</p> <p>■ Reasons for selection of the candidate for director Mr. Toshiaki Takagi previously served in positions including Chief Quality Officer (CQO) and was responsible for Production Dept. of the Company. Since April 2022, he has been serving as Chairman of the Board of the Company and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, he is appropriately overseeing the Company's management by convening and conducting meetings of the Board of Directors as the chairperson thereof and is contributing to the enhancement of the Terumo brand through external activities. Through these roles, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.</p>	120,929

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Hikaru Samejima (May 27, 1964) <Newly appointed>	<p>April 1988      Joined Toa Nenryo Kogyo K.K. (currently ENEOS Corporation)</p> <p>February 2001      Joined Citibank, N.A.</p> <p>January 2002      Joined the Company</p> <p>June 2007      President, Terumo Interventional Systems (Global), Cardiac and Vascular Group</p> <p>April 2014      Executive Officer, Division President, Interventional Systems Division, Cardiac &amp; Vascular Company</p> <p>April 2016      Senior Executive Officer</p> <p>April 2017      President, Cardiac and Vascular Company</p> <p>April 2018      Managing Executive Officer</p> <p>April 2020      President, General Hospital Company (currently Medical Care Solutions Company)</p> <p>April 2022      Group Senior Managing Executive Officer</p> <p>April 2024      CEO (present)</p> <p>■ Reasons for selection of the candidate for director Mr. Hikaru Samejima previously served in positions including President of Cardiac and Vascular Company and President of Medical Care Solutions Company. Since April 2024, he has been serving as CEO of the Company and has contributed to enhancement of corporate value. Based on his wide range of experience in business operations and his wealth of business experience and knowledge, he is leading overall global management and business operations of the Company. Furthermore, 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 election for the position of director.</p>	39,328



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	Toshihiko Osada (January 28, 1967) <Newly appointed>	<p>April 1989      Joined the Company</p> <p>January 2016    General Manager of Strategic Planning Dept.</p> <p>April 2016      Executive Officer</p> <p>April 2018      Senior Executive Officer</p> <p>April 2020      Managing Executive Officer, President of Cardiac and Vascular Company, and Division President of Interventional Systems Division</p> <p>April 2022      Group Senior Managing Executive Officer (present)</p> <p>April 2024      In charge of Innovation; R&amp;D Division (CTO Office, Innovation Center, Technology Coordination Office, and R&amp;D Administration Dept.), DX Promotion Dept., Intellectual Property Dept., Clinical Development Dept., and Terumo Medical Pranex (present)</p> <p>■ Reasons for selection of the candidate for director Mr. Toshihiko Osada previously served in positions including General Manager of Strategic Planning Dept. and President of Cardiac and Vascular Company. Since April 2022, he has been serving as Group Senior Managing Executive Officer of the Company, and since April 2024, having been responsible for Innovation, has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, he is further promoting business operations through the facilitation of innovation 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 election for the position of director.</p>	33,976

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	Kazunori Hirose (January 11, 1964)	<p>April 1986      Joined the Company</p> <p>January 2013    Factory Manager of Kofu Higashi Factory</p> <p>April 2014      Vice President, Operations Division, General Hospital Products Business, General Hospital Company</p> <p>April 2016      Executive Officer</p> <p>April 2017      General Manager of Operations Division, General Hospital Company</p> <p>April 2018      General Manager of S&amp;OP Promotion Dept., General Hospital Company</p> <p>January 2019    General Manager of Production Dept.</p> <p>April 2019      Senior Executive Officer, Chief Manufacturing Officer (CMO), and Responsible for Supply Chain Management Dept.</p> <p>April 2020      Responsible for Procurement Dept.</p> <p>April 2022      Group Managing Executive Officer, Quality, Post-Market Surveillance and Vigilance Division (Quality Assurance Dept. and Post-Market Surveillance and Vigilance Dept.), Regulatory Affairs and Clinical Development Division (Regulatory Affairs and Clinical Development Dept.), Operations Division (Production Dept., Supply Chain Management Dept., Procurement Dept., and Environmental Management Dept.), and Intellectual Property Dept.</p> <p>June 2022      Director and Group Managing Executive Officer (present)</p> <p>April 2024      In charge of Global Supply Chain, Quality and EHS; Quality, Post-Market Surveillance and Vigilance Division (Quality Assurance Dept., and Post-Market Surveillance and Vigilance Dept.), Operations Division (Production Dept., Supply Chain Management Dept., and Procurement Dept.), EHS Office., and Regulatory Affairs Dept. (present)</p> <p>■ Reasons for selection of the candidate for director Mr. Kazunori Hirose previously served in positions including Chief Manufacturing Officer (CMO) and General Manager of Production Dept. Since June 2022, he has been serving as Director and Group Managing Executive Officer and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, in business operations he is contributing to enhancement of the global production and quality assurance system. Through fair and precise management oversight as a director, he is expected to continue to lead further development of the Terumo Group. Therefore, the Company proposes his reelection for the position of director.</p>	33,457

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	Norimasa Kunimoto (July 4, 1963)	<p>April 1987      Joined the Company</p> <p>October 2011    General Manager of Secretarial Office</p> <p>April 2018      Executive Officer General Manager of Secretarial Office</p> <p>July 2018       Executive Officer Regional Representative, Eastern Europe, Russia, Middle East and Africa</p> <p>April 2022      Group Executive Officer Regional Representative, Europe, Middle East and Africa</p> <p>April 2023      Group Managing Executive Officer Corporate Value Promotion Division (Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., and Design Planning Dept.), Human Resources Division (DE&amp;I Promotion Dept., Human Resources Dept., Global Human Resources Dept., and Human Resources Development Dept.), and Japan Sales Dept.</p> <p>June 2023      Director and Group Managing Executive Officer (present)</p> <p>April 2024      In charge of Corporate Value Promotion; Corporate Affairs Dept., Legal and Compliance Division (CLO Office, Legal Dept., and Compliance Dept.), Corporate Communication Division (Corporate Communication Dept., Investor Relations Dept., Strategic Branding Dept., Corporate Sustainability Dept., and Design Planning Dept.), Japan Sales Dept., and Terumo Call Center (present)</p>	38,505
<p>■ Reasons for selection of the candidate for director</p> <p>Mr. Norimasa Kunimoto previously served in positions including General Manager of Secretarial Office and Regional Representative, Europe, Middle East and Africa. Since June 2023, he has been serving as Director and Group Managing Executive Officer and has contributed to enhancement of corporate value. Based on his wealth of business experience and knowledge, he is contributing to enhancing governance on a global basis and further promoting business operations. Through fair and precise management oversight as a director, he is expected to lead further development of the Terumo Group. Therefore, the Company proposes his 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
6	<p>Hidenori Nishi (January 6, 1951)</p> <p>&lt;Candidate for outside/independent director&gt;</p>	<p>April 1975      Joined Kagome Co., Ltd.</p> <p>June 2000      Director, Kagome Co., Ltd.</p> <p>June 2005      Director &amp; Managing Executive Officer, Kagome Co., Ltd.</p> <p>June 2008      Director &amp; Senior Managing Executive Officer, Kagome Co., Ltd.</p> <p>April 2009      President &amp; Representative Director, Kagome Co., Ltd.</p> <p>January 2014    Chairman of the Board of Directors &amp; Representative Director, Kagome Co., Ltd.</p> <p>June 2014      Outside Director, NAGASE &amp; 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 in deliberation of related matters to corporate governance from an independent standpoint will be expected.</p>	4,216

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
7	Keiya Ozawa (February 23, 1953)  <Candidate for outside/independent director>	<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>April 2014        Hospital Director, IMSUT Hospital, Director, Center for Gene and Cell Therapy, and Professor, Division of Gene Therapy Development, Advanced Clinical Research Center, The Institute of Medical Science, The University of Tokyo Visiting Professor, Division of Immuno-Gene &amp; Cell Therapy (Takara Bio), Jichi Medical University</p> <p>April 2018        Professor Emeritus and Visiting Professor, Jichi Medical University (present) 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>October 2018     Senior Advisor, Genetic Therapeutics Center, Jichi Medical University (present)</p> <p>June 2021        Outside Director of the Company (present)</p> <p>April 2023        Visiting Professor, Division of Gene &amp; Cell Therapy for Intractable Diseases, Jichi Medical University (present)</p> <p>■ Reasons for selection of the candidate for outside director and an overview of expected duties, etc. Mr. Keiya Ozawa has expertise on gene therapy, cell therapy and research achievements in hematology. He also has abundant experience which was cultivated by being involved in the business execution of the organization as Hospital Director of IMSUT Hospital and Director of Center for Gene and Cell Therapy, The Institute of Medical Science, The University of Tokyo. The Company proposes his election for the position of outside director because the Company wishes him to continue to utilize his experience and insight in the management and supervision of the Company. For these reasons, the Company deems that Mr. Ozawa will duly execute his duties as an outside director. If his election is approved, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation in deliberation of related matters to corporate governance from an independent standpoint will be expected.</p>	1,524

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 data-bbox="223 689 395 784">Mari Kogiso (November 15, 1966)</p> <p data-bbox="194 817 424 940">&lt;Newly appointed&gt; &lt;Candidate for outside/independent director&gt;</p>	<p data-bbox="443 331 1284 878"> April 1990      Joined Long-term Credit Bank of Japan  June 1998      Joined World Bank  June 2003      Representative, Asia, Multilateral Investment Guarantee Agency, World Bank Group  October 2012    Founder and CEO, i-Incubate Corporation  October 2014    Representative, Dalberg Japan  January 2016    Head of International Business Planning, Sasakawa Peace Foundation  July 2017      General Manager, Gender Investment and Innovation Division, Sasakawa Peace Foundation  June 2019      General Manager, CEO Office, FAST RETAILING CO., LTD.  January 2021    CEO, SDG Impact Japan Inc. (present)  June 2022      Independent Audit &amp; Supervisory Board Member, Mitsubishi Corporation (present) </p> <p data-bbox="443 891 1460 1294"> ■ Reasons for selection of the candidate for outside director and an overview of expected duties, etc.  Ms. Mari Kogiso has a wealth of experience as a corporate manager and insight cultivated through long years of experience in financial industry on a global basis as well as experience of leading initiatives on DE&amp;I and ESG, etc. 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. Kogiso will duly execute her duties as an outside director. If her election is approved, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, selection of exclusive candidates for the Company, decisions on the executive remuneration, and participation in deliberation of related matters to corporate governance from an independent standpoint will be expected. </p>	0

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

		Internal Directors						Independent Directors				
		Takagi	Samejima	Osada	Hirose	Kunimoto	Shibazaki	Nishi	Ozawa	Kogiso	Nakamura	Uno
[Director experience value]	Healthcare industry experience	●	●	●	●	●	●		●			
	Financial experience/knowledge		●							●	●	
	Sales marketing experience		●	●		●		●		●		
	Technology/development/regulatory affairs	●		●	●				●			
	Business responsibility experience	●	●	●		●	●	●		●		
	Experience as CEO of a listed company		●					●				
	Government/industry response	●					●	●	●	●		
	Risk management	●	●	●	●	●	●	●	●	●	●	●
	New business development experience		●	●				●		●		
	Experience outside Japan		●	●	●	●	●	●	●	●		●
	Environment, Safety and Quality	●	●	●	●	●				●		
Director experience	Status of posts at other companies							●		●	●	●
	Timing of appointment as director	06/2010	-	-	06/2022	06/2023	06/2021	06/2020	06/2021	-	06/2019	06/2019
Diversity	Age	66	60	57	60	60	62	73	71	57	67	61
	Sex	Male	Male	Male	Male	Male	Male	Male	Male	Female	Male	Male

**Proposal 3: Election of 2 Substitute Directors Who Serve as Audit/Supervisory Committee Members**

In order to ensure that the number of incumbent directors who serve as Audit/Supervisory Committee Members does not fall short of that required by laws and regulations, the Company requests the approval of shareholders for the election of 2 substitute directors who serve as Audit/Supervisory Committee Members.

Among two, the election of substitute directors is proposed as follows: Mr. Koichi Sakaguchi as a substitute for Mr. Soichiro Uno, a director who serves as an Audit & Supervisory Committee Member, and Mr. Hiroaki Kosugi as a substitute for Mr. Takanori Shibazaki and Mr. Masaichi Nakamura, directors who serve as Audit/Supervisory Committee Members.

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

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

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	Koichi Sakaguchi (September 10, 1950)  <Candidate for substitute outside director who serves as an Audit/Supervisory Committee Member>	<p>April 1979 Admitted to the bar in Japan Joined Tamiya &amp; Tsutsumi Law Office</p> <p>April 1985 Established Sakaguchi &amp; Takanaka Law Office (changed its name to Legal Plaza Law Office in April 1998)</p> <p>September 2000 Judge, Tokyo District Court</p> <p>April 2006 Judge (Department Manager), Mito District Court</p> <p>August 2012 Judge (General Manager), Kawagoe Branch, Saitama District/Family Court (Chief Judge)</p> <p>September 2013 Director, Akita District/Family Court</p> <p>November 2015 Registered as attorney-at-law Joined KATO Sogo Law Office (currently Ginga Law Office) (present)</p> <p>June 2016 External Corporate Auditor, Morinaga &amp; 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>	0

Notes:

- 1 Mr. Koichi Sakaguchi is a candidate for substitute outside director.
- 2 If Mr. Koichi Sakaguchi assumes the office of an outside director who serves as an Audit/Supervisory Committee Member, the Company intends to appoint him as an independent director/auditor as defined by the Tokyo Stock Exchange and submit notification of his appointment to the Exchange.
- 3 If Mr. Koichi Sakaguchi assumes the office of an outside director who serves as an Audit/Supervisory Committee Member, the Company intends to conclude a contract with him to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427,



Paragraph 1 of said Act. The maximum amount of liability under the contracts shall be the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.

- 4 The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers any damages that may result from Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. (However, those that fall under the disclaimer stipulated in the insurance contract are excluded.) The insurance premiums are fully borne by the Company. If Mr. Koichi Sakaguchi assumes the office of an outside director who serves as an Audit/Supervisory Committee Member, he will be insured under aforementioned insurance contract.
- 5 Mr. Koichi Sakaguchi serves as an External Corporate Auditor of Morinaga & Co., Ltd., but he is scheduled to retire at the conclusion of the entity's annual general meeting of shareholders, which will be held in June 2024.
- 6 No special interest exists between the Company and Mr. Koichi Sakaguchi.

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	Hiroaki Kosugi (November 14, 1961)  <Candidate for substitute outside director who serves as an Audit/Supervisory Committee Member>	<p>October 1984    Joined Tetsuzo Ota &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>April 1989     Seconded to EW (currently EY), Vancouver (Canada)</p> <p>October 1992    Assigned to auditing department after return to Japan</p> <p>May 2000        Appointed as a Partner of Ernst &amp; Young ShinNihon LLC</p> <p>July 2010        EY Japan Oil &amp; Gas Sector Leader, Ernst &amp; Young ShinNihon LLC (present)</p> <p>July 2014        Executive Board Member and General Manager of Financial Management Division, Ernst &amp; Young ShinNihon LLC</p> <p>February 2016   Assigned to Fourth Division, Ernst &amp; Young ShinNihon LLC (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. Hiroaki Kosugi for the position of substitute outside director who serves as an Audit/Supervisory Committee Member as the Company wishes him to utilize the expertise he has gained, in the course of his lengthy career as a certified public accountant, in the management and supervision of the Company. For these reasons, the Company deems that Mr. Kosugi will duly execute his duties as an outside director who serves as an Audit/Supervisory Committee Member.</p>	0

Notes:

- 1 Mr. Hiroaki Kosugi is a candidate for substitute outside director.
- 2 If the appointment of Mr. Hiroaki Kosugi is approved under this proposal, he will assume the office of a substitute director who serves as an Audit/Supervisory Committee Member as of July 1, 2024 after the resignation from the accounting firm in accordance with the rule of the firm that he currently serves.
- 3 If Mr. Hiroaki Kosugi 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.
- 4 If Mr. Hiroaki Kosugi assumes the office of an outside director who serves as an Audit/Supervisory Committee Member, the Company intends to conclude a contract with him to apply the statutory limit with respect to liability under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of said Act. The maximum amount of liability under the contracts shall be the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.
- 5 The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insurance covers any damages that may result from Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. (However, those that fall under the disclaimer stipulated in the insurance contract are excluded.) The insurance premiums are fully borne by the Company. If Mr. Hiroaki Kosugi assumes the office of an outside director who serves as an Audit/Supervisory Committee Member, he will be insured under aforementioned insurance contract.
- 6 No special interest exists between the Company and Mr. Hiroaki Kosugi.

## **Business Report**

(From April 1, 2023, to March 31, 2024)

### **1. Overview of the Group**

#### **(1) Business Progress and Results**

During the fiscal year ended March 31, 2024, despite some lingering instability in the supply chain remained, the impact of the pandemic ended in medical settings and growth of our main businesses accelerated, especially overseas. As a result, revenue for the year under review increased by 12.4% year on year to 921.9 billion yen, partly because the impacts of yen weakness in foreign exchange rates served as a tailwind. Operating profit increased by 19.4% year on year to 140.1 billion yen, thanks to the measures taken to improve profit such as increases in product prices and the transfer of production to Costa Rica, which were conducted in order to recover from the impact of the worsening macro environment in Fiscal 2022. Profit for the year attributable to owners of the parent increased by 19.1% year on year to 106.4 billion yen.

Sales growth expected in the 5-Year Growth Strategy “GS26” is steadily being realized. Cardiac and Vascular Company expanded sales in therapeutic products and vascular access products, as the number of cases of intravascular treatment increased globally. In the therapeutic products field, sales of vascular graft products were strong especially for Relay®Pro Thoracic Stent-Graft device and Thoraflex Hybrid, a single use, hybrid medical device combining a polyester graft with a self-expanding stent graft, both of them were launched in the U.S. in Fiscal 2022. The strong sales is partly because there is an increasing trend of surgery with stent graft for reasons such as reduction of patients’ burden and early their discharge from hospitals. In vascular access products, for which Terumo has a high global market share, sales increased. This was because the use of interventional systems is expanding across the vascular system as a more patient-friendly treatment that improves QOL, and among interventional systems, the use of minimally invasive, radial techniques (catheterization with access through the arteries of the wrist (radial artery)) is expanding. Medical Care Solutions Company improved the profitability of general-purpose medical equipment by revising selling prices for the second consecutive year since Fiscal 2022 and improving its portfolio. In the Pharmaceutical Solutions business, which works to resolve challenges faced by pharmaceutical companies, sales of existing products were strong, including G-Lasta® Subcutaneous Injection 3.6 mg BodyPod launched in Fiscal 2022 by Kyowa Kirin Co., Ltd. Blood and Cell Technologies Company accelerated the introduction of Rika at the plasma collection center of CSL Plasma LLC in this fiscal year. Rika was developed to help to reduce the burden on both the donor and healthcare professionals responsible for blood collection. As introduction of Rika increase, the efficiency of the entire source plasma collection process will be improved.

The Company has also made efforts on improvements in profitability and investments to increase production capacity. In improving profitability, we are working in four areas: production, procurement, supply chain, and back office divisions. In particular, in production, the Company has been working to reduce costs by transferring production to Costa Rica, Central America. Costa Rica is a country which has developed as a focal point for the medical equipment industry, and is also an environmentally advanced nation which supplies 95% of its electric power with renewable energy including hydraulic power. The country is also close to the U.S., the largest medical equipment market, and is expected to become the Company’s key location to provide stable supply, which are essential to sustainable growth. In the back office division area, the Company established Global Business Services (GBS) as a new division, aiming to control operational costs by reviewing and improving business processes in each region and function. In enhancing production capacity, we begun construction of new buildings in the Kofu Factory and Puerto Rico Factory sites, securing production capacity that can respond to expanding global demand and are prepared for further expansion of production capacity in the future. Terumo Yamaguchi Factory completed the expansion of its production capacity for contract development and manufacturing (CDMO) and began

production operations at the expanded facilities. Through these investments, the Company has achieved a production system that supports the sustainable growth of its business.

## ■ Assets and Income

(Millions of yen, unless otherwise stated)

	106th term Fiscal 2020 From April 1, 2020 to March 31, 2021	107th term Fiscal 2021 From April 1, 2021 to March 31, 2022	108th term Fiscal 2022 From April 1, 2022 to March 31, 2023	109th term Fiscal 2023 From April 1, 2023 to March 31, 2024
Revenue	613,842	703,303	820,209	921,863
Operating profit	98,386	115,960	117,332	140,096
Profit before tax	97,060	114,501	116,137	140,829
Profit for the year	77,200	88,813	89,325	106,374
Profit for the year attributable to owners of the parent	77,268	88,813	89,325	106,374
Basic earnings per share (yen)	51.16	58.72	59.50	71.50
Total equity	856,662	1,012,313	1,111,063	1,327,090
Total assets	1,351,192	1,473,693	1,602,225	1,831,402
ROE (Return on equity attributable to owners of the parent) (%)	9.6	9.5	8.4	8.7
ROIC (Return on invested capital) (%)	7.2	7.4	6.8	7.1

(Reference) Adjusted operating profit      108th term    138,025 million yen      109th term    156,785 million yen

Notes:

- Basic earnings per share is calculated based on the average number of shares outstanding during the period less treasury stock.
- The Company conducted a 2-for-1 share split of its common shares effective April 1, 2024. Basic earnings per share is calculated assuming the share split was conducted at the beginning of the 106th term.
- ROE is calculated as follows.  
Profit for the year attributable to owners of the parent / equity attributable to owners of the parent (simple average balance between the beginning and ending dates of the fiscal year)
- ROIC is calculated as follows.  
Net operating profit after tax / (interest-bearing debt + total equity) (simple average balance between the beginning and ending dates of the fiscal year)

## Sales by Geographic Segment

(Millions of yen)

Item	108th term Fiscal 2022 From April 1, 2022 to March 31, 2023		109th term Fiscal 2023 From April 1, 2023 to March 31, 2024		Change (%)
	Amount	Ratio (%)	Amount	Ratio (%)	
Americas	286,580	34.9	327,982	35.6	14.4
Japan	207,385	25.3	211,121	22.9	1.8
Europe	160,017	19.5	191,498	20.8	19.7
China	71,946	8.8	79,412	8.6	10.4
Asia & Others	94,279	11.5	111,847	12.1	18.6
Total	820,209	100.0	921,863	100.0	12.4

## Cardiac and Vascular Company

Overseas, all divisions, especially Interventional Systems (TIS) and Vascular Graft divisions, achieved double-digit growth, resulting in a 17.1% increase in revenue from the previous year. In Japan, revenue increased by 3.4% from the previous year as the number of cases of intravascular treatment recovered.

As a result, Cardiac and Vascular Company revenue increased by 15.6 % over the previous fiscal year to 555.7 billion yen.

### Main products

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

## Medical Care Solutions Company

In the Company's primary market of Japan, although there was a decrease in revenue from sales of nutrition in Hospital Care Solutions division transferred in Fiscal 2022, sales were strong in infusion-related products and in Pharmaceutical Solutions division, which pursues alliance business with pharmaceutical companies, resulting in a 0.8% increase in revenue over the previous fiscal year. Overseas, revenue increased by 9.7% from the previous fiscal year due to the impact of foreign exchange rates.

As a result, Medical Care Solutions Company revenue increased by 3.0% over the previous fiscal year to 197.6 billion yen.

### Main products

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

## Blood and Cell Technologies Company

Overseas, business for blood centers performed well in Americas, Asia and other regions, increasing revenue by 14.7% over the previous fiscal year. In Japan, revenue increased by 6.9% as revenue from sales of blood component collection-related products increased.

As a result, Blood and Cell Technologies Company revenue increased by 14.0% over the previous fiscal year to 168.3 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, Source plasma collection systems and others



## ■ Research and Development Results

### Cardiac and Vascular Company

In the TIS business, Ultimaster Nagomi, drug-eluting coronary stent, received CE marking certification indicating that it complies with the safety requirements of the European Union (EU) and was launched in the European market. In Europe, a Post-Market Clinical Follow-Up study of Ultimaster Nagomi was initiated. The study is being conducted in cooperation with 60 medical facilities in the EU and 3,000 patients are expected to participate; the Ultimaster Nagomi is used to treat complex coronary artery lesions such as multivessel diseases and chronic total occlusions to evaluate the results of the treatment.

The Neurovascular business presented follow-up data from WEB-IT, a 5-year clinical trial of Woven EndoBridge, an intrasaccular device for cerebral aneurysms. Woven EndoBridge is the most studied intrasaccular device for cerebral aneurysms with seven Good Clinical Practice (GCP) studies and over 200 peer-reviewed articles. Woven EndoBridge is now available in two new sizes, enabling treatment of brain aneurysms of various sizes and shapes. This innovative device was unveiled at SNIS 2023 in San Diego by MicroVention, headquarters of the Neurovascular business.

Regarding the Vascular Graft business, the Relay<sup>®</sup>Pro Thoracic Stent-Graft device has received approval from the U.S. Food and Drug Administration (FDA) for indication for aortic dissection. This allows Relay<sup>®</sup>Pro to be used in the treatment of aortic dissection in addition to the previously approved treatment of aortic aneurysms in the U.S.

### Medical Care Solutions Company

Regarding the Hospital Care Solutions business, the Company has formed a capital and business alliance with MEDCOM, Inc. (renamed from Frontier Field, Inc. on April 1, 2024). MEDCOM, Inc. provides smartphone services to medical institutions and develops and provides applications that promote work style reform in the medical field. Through this capital and business alliance, the Company will jointly work with MEDCOM, Inc. on developing solutions and proposing them to medical institutions to support reforms in the way healthcare professionals work and the promotion of interprofessional collaboration. Specifically, by linking application data with data from Terumo's infusion pumps and syringe pumps, HR Joint<sup>™</sup> series of communications-equipped vital sign measurement devices, peritoneal dialysis-related equipment, and other sources, we are creating an environment where real-time patient information can be accessed at any time through the platform so that healthcare professionals can constantly monitor patients beyond the constraints of location and time. This will support the efforts of medical institutions in pursuit of patient-centered medical care.

The Life Care Solutions business has upgraded its blood glucose management application, Medisafe Data Share for Home, to work with Health Connect, Google's Android application for managing health and fitness information. With this upgrade, data such as body weight and step count registered in other applications that support Health Connect can now be automatically reflected in Medisafe Data Share, allowing users to check data in a single view. Easy recording of lifestyle data will help health care providers examine more extensive information and suggest appropriate treatment plans based on that information. More specifically, patients' daily step counts recorded by their smartphones or wearable devices are automatically recorded in Medisafe Data Share, allowing physicians to give appropriate advice based on the amount of exercise patients are taking.

### Blood and Cell Technologies Company

Reveos, automated blood processing system, received approval from the U.S. Food and Drug Administration (FDA). Reveos is a system used in 52 countries around the world to produce blood products including platelet products from donor blood (whole blood) collected in whole blood collection. This system improves the efficiency of the blood formulation process and contributes to increasing productivity at blood centers by fully automating the entire process from centrifuging whole blood, separating it into its components such as platelets, plasma, and red blood cells, to filling it into dedicated blood bags. Following this FDA approval, Terumo plans to expand sales of Reveos to blood centers in the U.S. as the first automated blood product system for whole blood in the U.S.

In addition, the Company announced the start of research to establish automation of iPS cell expansion and differentiation in collaboration with the CiRA Foundation. Using Terumo BCT's Quantum Flex, cell expansion

system, we aim to establish appropriate automated expansion processes for future iPS cell-based therapies. The expansion of iPS cells is carried out manually by experts in accordance with complex procedures, and the enormous time and expense involved in producing iPS cells for clinical use has been an issue. In this joint research, the Company aims to use Quantum Flex for cell expansion to achieve consistent, large-scale production of iPS cells as well as to establish automated cell expansion and its process in a closed environment with reduced risk of contamination.

## **R&D Division**

The R&D Division has been working to explore med- to long term themes that will contribute to the Group's growth, while at the same time deepening core technologies that will also contribute to the of relatively short-term products and services development. As a result of those efforts, several new promising themes were created from the viewpoint of consistency with management strategies and growth potential. The Company will continue to renew themes while developing these promising themes globally in the most appropriate locations and structures with an eye toward exit strategies. We have also developed a system to provide a wide range of core technologies to our global business entities. The Company will continue to pursue to build a deep technology system in which device technologies that solve healthcare challenges and manufacturing and material technologies that embody these technologies are intertwined to differentiate ourselves.

The Company has established a U.S. site for digital transformation (DX) to shift the DX Promotion Department's activities to the U.S., the most advanced market, to explore digital health startups and seek investment and acquisition opportunities. In addition, the Company is now able to know all the themes related to the digital solutions business in the Group and monitor the number of such themes as KPIs. To support those initiatives, the Company is also working to strengthen its capabilities. In particular, we are now ready to integrate our digital human resources, which were dispersed within our headquarters.

## **(2) Issues to be Addressed**

In Fiscal 2024, medical demand continued its upward trend, and revenue is expected to grow especially in Europe and North America. While the macro-economic environment is heading in a positive direction in some areas, such as energy-related costs for electricity and gas, the risk of high raw material prices and supply chain disruptions is expected to persist. In this environment, the financial results forecast factors in various initiatives appropriate to the market environment, such as productivity improvements at manufacturing sites and cost reduction measures. In fields where high growth is expected, we will intensively invest in CAPEX centered on increases in production capacity. In addition, we will create and expand businesses that devise and offer new value and solutions while addressing the issues and needs of healthcare, including shortages of healthcare workers and the need to promote greater operational efficiencies in hospitals.

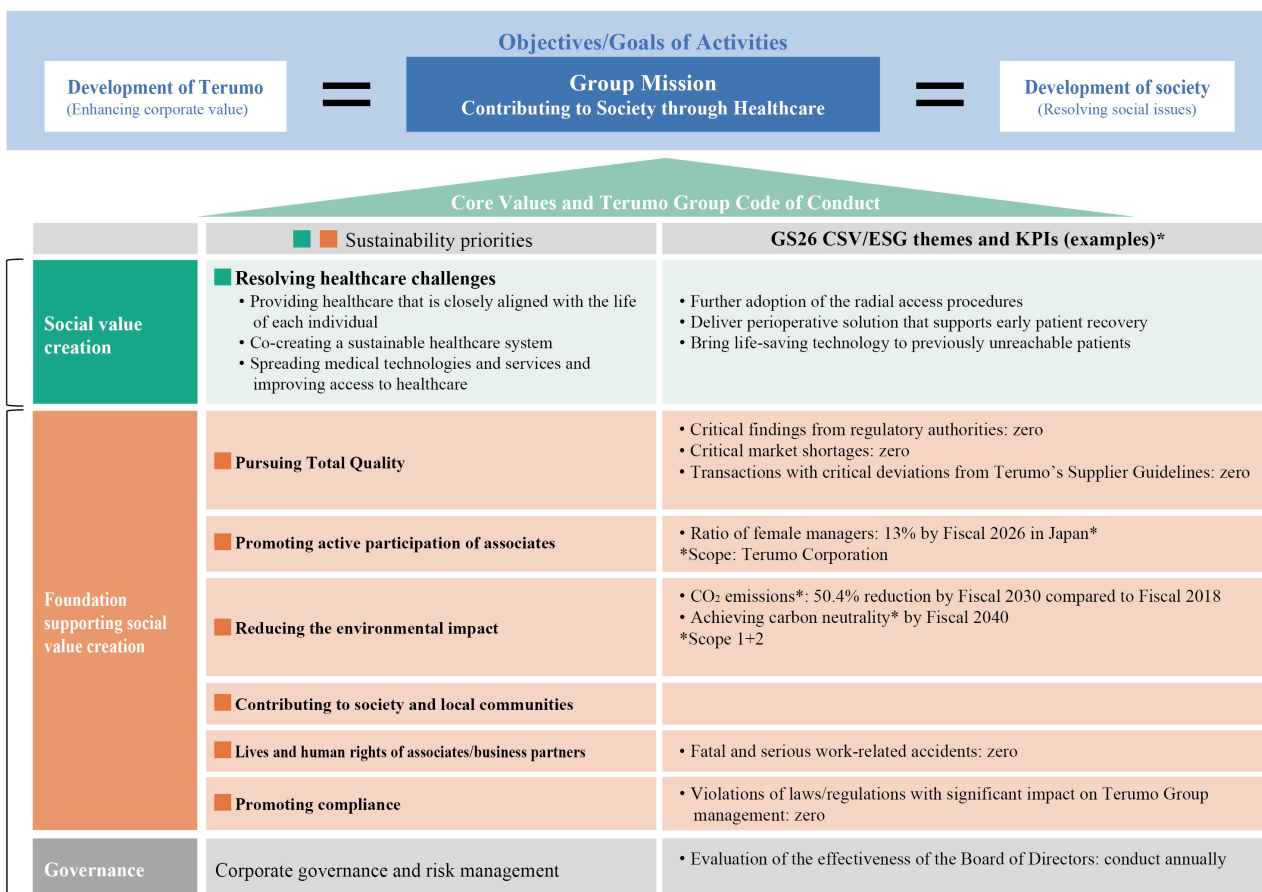
The Company will promote sustainability management throughout the Company based on the specific CSV/ESG activity themes and KPIs set forth 5-Year Growth Strategy “GS26.” The progress will be monitored by the Sustainability Committee and regularly reported to the Executive Management Meeting and the Board of Directors Meeting.

(Reference) Terumo’s Sustainability Management

At Terumo, we position the creation of social value (CSV) through contributing to Advancing Healthcare and Enhancing Patients’ Quality of Life, which is Terumo’s purpose, as the most important theme of our sustainability management. Furthermore, we have set our sustainability priorities related to ESG as the foundation to support the promotion of CSV and are working towards achieving them while promoting CSV. In addition to resolving healthcare challenges, we will also work to solve social and environmental challenges surrounding healthcare and contribute to the realization of a sustainable and healthy society.

**Sustainability Management Practice in the 5-Year Growth Strategy “GS26”**

Under our five-year growth strategy GS26 started from Fiscal 2022, we have set specific initiatives and key performance indicators (KPIs) for CSV and ESG and are promoting them throughout the company. The progress is monitored by the Sustainability Committee and reported regularly to the Executive Management Meeting and the Board of Directors. Furthermore, we introduced in Fiscal 2023 Future Corporate Value Targets as performance evaluation factors for executive directors, group executive officers, and executive officers to appropriately reflect their contribution to these initiatives in their performance evaluation and compensation. We will continue to enhance our long-term corporate value by practicing sustainability management.



\*Note: The listed CSV/ESG themes and KPIs are only partial and not exhaustive.

## ■ Forecast of Consolidated Results

(Millions of yen)

	Fiscal year ended March 31, 2024 Results	Fiscal year ending March 31, 2025 Forecast	Change	Change(%)
Revenue	921,863	980,000	58,136	6.3
Adjusted operating profit	156,785	185,000	28,214	18.0
Adjusted operating profit ratio (%)	17.0	18.9	–	–
Operating profit	140,096	165,000	24,903	17.8
Operating profit ratio (%)	15.2	16.8	–	–
Profit for the year attributable to owners of the parent	106,374	122,000	15,625	14.7

Actual rate for fiscal year ended March 31, 2024: USD 1 = JPY 145, EUR 1 = JPY 157

Assumed rate for fiscal year ending March 31, 2025: USD 1 = JPY 145, EUR 1 = JPY 155

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. Main products are listed on pages 22–24.

### (4) Capital Investment

Capital investment in the fiscal year ended March 31, 2024, amounted to 78.4 billion yen on a construction basis. Principal items are as follows:

1) Main facilities construction completed

Terumo Yamaguchi Corporation: Addition of production equipment for CDMO\*

2) Main facilities under construction

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

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

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

### (5) Financing

Not applicable.

### (6) Principal Lenders (as of March 31, 2024)

Lender	Outstanding borrowings (Billions of yen)
MUFG Bank, Ltd.	81.9
Mizuho Bank, Ltd.	81.9
Syndicated loan*	48.0

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

**(7) Employees (as of March 31, 2024)****1) The Group**

Number of employees*	Increase from the previous fiscal year-end
30,591	384

\*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 <sup>1</sup>	Increase from the previous fiscal year-end	Average age <sup>2</sup>	Average service years <sup>2</sup>
5,554	97	40.3	15.9

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, 2024)****1) Terumo Corporation**

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

## 2) Significant Subsidiaries

Company name	Location	Capital	The Company's percentage of equity participation (%)	Principal business
Terumo Europe N.V.	Belgium	EUR 295,600 thousand	100	Manufacturing and sales of products for Cardiac and Vascular Company and Medical Care Solutions Company
Terumo Americas Holding, Inc.	United States	USD 3,855,592 thousand	100	Supervision of subsidiaries in the Americas
Terumo Medical Corporation	United States	USD 272,016 thousand	100	Manufacturing and sales of products for Cardiac and Vascular Company and Medical Care Solutions Company
MicroVention, Inc.	United States	USD 589,598 thousand	100	Manufacturing and sales of products for Cardiac and Vascular Company
Terumo BCT Holding Corporation	United States	USD 1,352,360 thousand	100	Supervision of subsidiaries under Terumo BCT Group
Terumo BCT, Inc.	United States	USD 951,863 thousand	100	Manufacturing and sales of products for Blood and Cell Technologies Company
Terumo BCT Europe N.V.	Belgium	EUR 126,319 thousand	100	Manufacturing and sales of products for Blood and Cell Technologies Company
Terumo (China) Holding Co., Ltd.	China	CNY 1,820,493 thousand	100	Supervision of subsidiaries in China
Terumo Medical (Shanghai) Co., Ltd.	China	USD 1,000 thousand	100	Manufacturing and sales of products for Cardiac and Vascular Company and Medical Care Solutions Company
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, 2024)

1) **Number of Shares Authorized** 3,038,000,000 shares

\*Article 6 of the Articles of Incorporation of the Company was changed on April 1, 2024, bringing the total number of shares authorized to 5,900,000,000 shares.

2) **Number of Shares Issued** 745,348,640 shares

\*The Company conducted a 2-for-1 share split of its common shares effective April 1, 2024. As a result, the total number of shares issued increased to 1,490,697,280 shares.

3) **Number of Shareholders** 45,195

4) **Major Shareholders (10 largest shareholders)**

Shareholder name	Number of shares held	Percentage of shareholding
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	153,483	20.7
Custody Bank of Japan, Ltd. (Trust Account)	67,140	9.0
The Dai-ichi Life Insurance Company, Limited	30,163	4.1
Meiji Yasuda Life Insurance Company	24,422	3.3
TERUMO LIFE SCIENCE FOUNDATION	14,720	2.0
STATE STREET BANK WEST CLIENT – TREATY 505234	12,887	1.7
SSBTC CLIENT OMNIBUS ACCOUNT	12,176	1.6
STATE STREET BANK AND TRUST COMPANY 505223	12,024	1.6
Mizuho Bank, Ltd.	11,436	1.5
GOVERNMENT OF NORWAY	10,803	1.5

Notes:

- Treasury stock (2,965,202 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., 8,736 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, 2024**

Details of the stock remuneration granted during the fiscal year ended March 31, 2024 are as follows.

Category	Number of shares	Number of eligible beneficiaries
Directors (excluding Directors who serve as Audit/Supervisory Committee Members and Outside Directors)	29,023 shares	5
Outside Directors (excluding Directors who serve as Audit/Supervisory Committee Members)	–	–
Directors who serve as Audit/Supervisory Committee Members	–	–

**(2) Company Directors**

**1) Directors** (as of March 31, 2024)

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



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

Notes:

- 1 No special interest exists between the Company and the aforementioned corporations where Outside Directors Ms. Yukiko Kuroda, Mr. Hidenori Nishi, Mr. Keiya Ozawa, Mr. Masaichi Nakamura, and Mr. Soichiro Uno concurrently hold positions.
- 2 The Company has submitted notifications to the Tokyo Stock Exchange of the appointment of Outside Directors Ms. Yukiko Kuroda, Mr. Hidenori Nishi, Mr. Keiya Ozawa, Mr. Masaichi Nakamura, and Mr. Soichiro Uno as independent directors/auditors as defined by the Tokyo Stock Exchange.
- 3 Outside Director Mr. Masaichi Nakamura is a certified public accountant and has considerable financial and accounting knowledge.

## 2) Outline of the liability limitation contracts

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

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

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

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

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

In addition, the Board of Directors will discuss individual remuneration, etc. of directors for the current fiscal year. The method of determining the content of remuneration, etc. and the content of the determined

remuneration, etc. are consistent with the decision policy, and it has been confirmed that the report from the Remuneration Committee is respected, and we judge that it is in line with the decision policy.

The details of the decision policy and composition regarding the content of individual remuneration for directors are as follows.

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.

The process of determining performance-linked remuneration (bonuses) for Directors and performance evaluation factors for Fiscal 2023 are as follows.

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

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

Target for the individual: major initiatives to be taken to achieve 5-Year Growth Strategy “GS26” and factors that contribute to improving medium- to long-term corporate value (Future Corporate Value Targets) (evaluation coefficient to be adjusted within a range of 0% to 120% based on degree of accomplishment)

Reasons for selecting factors for company-wide performance and individual targets: The above factors are used to balance the contribution to short-term performance in the statement of profit or loss with the contribution to capital efficiency and medium- to long-term improvement in corporate value.

(Millions of yen)

	Weight of Company-wide factor	Weight of target for the individual
Chairman/CEO and Directors responsible for functional departments (Group senior managing executive officer/Group managing executive officer)	80%	20%
	Beginning-of-period forecast	Performance
Revenue	854,000	921,900
Operating profit	132,500	140,100
ROIC	7.0%	7.1%
ROE	8.5%	8.7%

## 5) Remuneration to Directors

Category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)			Number of eligible directors (Persons)
		Basic remuneration	Performance-linked remuneration, etc. (bonuses)	Non-monetary remuneration, etc. (restricted stock)	
Directors (excluding Audit/Supervisory Committee Members) (of which outside officers)	581 (49)	293 (49)	163 (-)	124 (-)	9 (3)
Directors who serve as Audit/Supervisory Committee Members (of which outside officers)	75 (33)	75 (33)	-	-	3 (2)
Total (of which outside officers)	657 (82)	368 (82)	163 (-)	124 (-)	12 (5)

### Notes:

- 1 The above includes one director who retired at the conclusion of the 108th Annual General Meeting of Shareholders of the Company held on June 27, 2023.
- 2 The remuneration for directors (excluding Audit/Supervisory Committee Members) of the Company was resolved at the following General Meetings of Shareholders as below.
  - 1) Fixed remuneration, Performance-based bonuses and Stock options as stock-based remuneration:  
Within 700 million yen per year (at the 104th Annual General Meeting of Shareholders held on June 21, 2019; applicable to eight directors, of whom three were outside directors, at the time of approval)
  - 2) Restricted Stock:  
Within 200 million yen per year (at the 104th Annual General Meeting of Shareholders held on June 21, 2019, applicable to five directors excluding outside directors at the time of approval)
- 3 The remuneration for directors who serve as Audit/Supervisory Committee Members of the Company was resolved at the following General Meeting of Shareholders as below.  
The remuneration for directors who serve as Audit/Supervisory Committee Members:  
Within 100 million yen per year (at the 100th Annual General Meeting of Shareholders held on June 24, 2015; applicable to three directors, of whom two were outside directors, at the time of approval)

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

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

## 7) Outside Directors

Principal activities in the fiscal year ended March 31, 2024

Name	Position	Main activities and Outside Director and an overview of expected duties, etc.
Yukiko Kuroda	Outside Director	Attended 12 out of 12 meetings of the Board of Directors held in the fiscal year ended March 31, 2024; provided opinions, based mainly on her wealth of experience in management and consulting on human resources and organizations, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as the Chair of the Remuneration Committee, the Chair of the Corporate Governance Committee, and a member of the Nomination Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters.
Hidenori Nishi	Outside Director	Attended 12 out of 12 meetings of the Board of Directors held in the fiscal year ended March 31, 2024; provided opinions, based mainly on his wealth of experience in management, overseas operations and marketing, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as the Chair of the Nomination Committee and a member of each of the Remuneration Committee and Corporate Governance Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters.
Keiya Ozawa	Outside Director	Attended 12 out of 12 meetings of the Board of Directors held in the fiscal year ended March 31, 2024; provided opinions from the perspective of his expertise as a doctor and abundant experience cultivated by being involved in business execution as director of a center at a university hospital, and performed appropriate duties in fair and precise management oversight and decision-making on the Board of Directors. Furthermore, as a member of each of the Nomination Committee, Remuneration Committee and Corporate Governance Committee, from an objective and neutral standpoint, attended as follows; selection of candidates for directors of the Company, meetings for decisions such as executive remuneration, and contributed to the supervisory function in the process of deliberating corporate governance-related matters.

Name	Position	Main activities and Outside Director and an overview of expected duties, etc.
Masaichi Nakamura	Outside Director (Audit/Supervisory Committee Member)	<p>Attended 12 out of 12 meetings of the Board of Directors and 14 out of 14 meetings of the Audit/Supervisory Committee held in the fiscal year ended March 31, 2024; 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>
Soichiro Uno	Outside Director (Audit/Supervisory Committee Member)	<p>Attended 12 out of 12 meetings of the Board of Directors and 14 out of 14 meetings of the Audit/Supervisory Committee held in the fiscal year ended March 31, 2024; 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.</p>

Attendance at committees

Name	Nomination Committee	Remuneration Committee	Corporate Governance Committee
Yukiko Kuroda Hidenori Nishi Keiya Ozawa Masaichi Nakamura Soichiro Uno	10/10	4/4	6/6

### (3) Accounting Auditor

1) **Accounting Auditor's Name**  
KPMG AZSA LLC

2) **Remuneration etc.**

The Company and its subsidiaries paid the remuneration etc. indicated below to the Accounting Auditor. Regarding the amount of remuneration etc. in i) in the following table, the Audit/Supervisory Committee evaluate the performance status of the accounting audit for the fiscal year ended March 31, 2023, and as a result of checking the audit plan for the fiscal year ended March 31, 2024 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, 2024	141
ii) Monetary or property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	152

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, 2024.
- 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.

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#### Remarks

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

# Consolidated Financial Statements

## Consolidated Statement of Financial Position

Fiscal Year 2023 (As of March 31, 2024)

(Millions of yen)

Account item	Amount	Account item	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and cash equivalents	204,883	Trade and other payables	93,770
Trade and other receivables	178,710	Bonds and borrowings	156,870
Other current financial assets	26,158	Other current financial liabilities	7,837
Inventories	286,599	Current tax liabilities	26,467
Income taxes receivable	1,337	Provisions	213
Other current assets	24,426	Other current liabilities	93,992
<b>Total current assets</b>	<b>722,116</b>	<b>Total current liabilities</b>	<b>379,152</b>
<b>Non-current assets</b>		<b>Non-current liabilities</b>	
Property, plant and equipment	415,845	Bonds and borrowings	74,978
Goodwill and intangible assets	588,225	Other non-current financial liabilities	30,824
Investments accounted for using the equity method	2,410	Deferred tax liabilities	3,025
Other non-current financial assets	36,368	Defined benefit liabilities	5,939
Deferred tax assets	19,977	Provisions	112
Other non-current assets	46,458	Other non-current liabilities	10,279
<b>Total non-current assets</b>	<b>1,109,286</b>	<b>Total non-current liabilities</b>	<b>125,159</b>
		<b>Total liabilities</b>	<b>504,311</b>
		<b>EQUITY</b>	
		Share capital	38,716
		Capital surplus	51,752
		Treasury shares	(12,436)
		Retained earnings	954,679
		Other components of equity	294,379
		Total equity attributable to owners of the parent	1,327,090
		<b>Total equity</b>	<b>1,327,090</b>
<b>Total assets</b>	<b>1,831,402</b>	<b>Total liabilities and equity</b>	<b>1,831,402</b>

## Consolidated Statement of Profit or Loss

Fiscal Year 2023 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	Amount
Revenue	921,863
Cost of sales	442,688
<b>Gross profit</b>	<b>479,174</b>
Selling, general and administrative expenses	344,979
Other income	10,304
Other expenses	4,404
<b>Operating profit</b>	<b>140,096</b>
Finance income	3,529
Finance costs	2,775
Share of profit (loss) of investments accounted for using the equity method	(20)
<b>Profit before tax</b>	<b>140,829</b>
Income tax expenses	34,455
<b>Profit for the year</b>	<b>106,374</b>
<b>Attributable to:</b>	
Owners of the parent	106,374
<b>Total profit for the year</b>	<b>106,374</b>



## Non-consolidated Financial Statements

### Non-consolidated Balance Sheet

Fiscal Year 2023 (As of March 31, 2024)

(Millions of yen)

Account item	Amount	Account item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>419,170</b>	<b>Current liabilities</b>	<b>548,114</b>
Cash and deposits	93,765	Notes payable-trade	213
Notes receivable-trade	96	Accounts payable-trade	57,323
Accounts receivable-trade	123,838	Electronically recorded obligations-operating	7,715
Merchandise and finished goods	56,494	Short-term loans payable	288,033
Work in process	14,433	Current portion of long-term loans payable	134,858
Raw materials and supplies	17,722	Lease obligations	66
Prepaid expenses	3,752	Accounts payable-other	21,476
Short-term loans receivable	87,330	Accrued expenses	5,951
Other	22,304	Income taxes payable	14,319
Allowance for doubtful accounts	(568)	Deposits received	493
<b>Noncurrent assets</b>	<b>1,018,299</b>	Provision for bonuses	6,550
Property, plant and equipment	108,888	Provision for directors' bonuses	140
Buildings	33,430	Notes and accounts payable-facilities	8,704
Structures	1,581	Other	2,267
Machinery and equipment	20,990	<b>Noncurrent liabilities</b>	<b>75,510</b>
Vehicles	83	Bonds payable	20,000
Tools, furniture and fixtures	7,783	Long-term loans payable	55,000
Land	18,664	Lease obligations	60
Lease assets	126	Long-term guarantee deposited	450
Construction in progress	26,227	<b>Total liabilities</b>	<b>623,625</b>
Intangible assets	29,520	<b>(Net assets)</b>	
Leasehold right	768	<b>Shareholders' equity</b>	<b>808,621</b>
Software	28,379	Capital stock	38,716
Goodwill	18	Capital surplus	52,103
Customer relationships	25	Legal capital surplus	52,103
Other	327	Retained earnings	730,238
Investments and other assets	879,889	Legal retained earnings	3,297
Investment securities	12,340	Other retained earnings	726,940
Stocks of subsidiaries and affiliates	686,151	Reserve for reduction entry	412
Investments in capital of subsidiaries and affiliates	21,675	General reserve	82,900
Long-term loans receivable from subsidiaries and affiliates	131,589	Retained earnings brought forward	643,628
Long-term prepaid expenses	3,877	Treasury shares	(12,436)
Deferred tax assets	9,088	<b>Valuation and translation adjustments</b>	<b>4,557</b>
Other	15,165	Valuation difference on available-for-sale securities	4,557
		<b>Subscription rights to shares</b>	<b>664</b>
		<b>Total net assets</b>	<b>813,843</b>
<b>Total assets</b>	<b>1,437,469</b>	<b>Total liabilities and net assets</b>	<b>1,437,469</b>

## Non-consolidated Statements of Income

Fiscal Year 2023 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	Amount	
<b>Net sales</b>		<b>399,773</b>
<b>Cost of sales</b>		<b>228,950</b>
<b>Gross profit</b>		<b>170,823</b>
<b>Selling, general and administrative expenses</b>		<b>93,820</b>
<b>Operating income</b>		<b>77,003</b>
<b>Non-operating income</b>		<b>48,938</b>
Interest income	10,754	
Dividends income	31,329	
Royalty income	3,920	
Foreign exchange gains	2,175	
Other	759	
<b>Non-operating expenses</b>		<b>15,203</b>
Interest expenses	15,194	
Other	8	
<b>Ordinary income</b>		<b>110,738</b>
<b>Extraordinary income</b>		<b>1,513</b>
Gain on sales of noncurrent assets	5	
Gain on sales of investment securities	3	
Gain on sales of shares of subsidiaries and affiliates	1,503	
<b>Extraordinary loss</b>		<b>250</b>
Loss on disposal of noncurrent assets	250	
<b>Income before income taxes</b>		<b>112,001</b>
<b>Income taxes</b>		<b>24,147</b>
Income taxes-current	24,374	
Income taxes-deferred	(227)	
<b>Profit</b>		<b>87,853</b>