

May 8, 2014

Company name: Terumo Corporation
Representative: Yutaro Shintaku,
President and Representative Director
Code No.: 4543, TSE Section 1
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Corporate Communication Dept.
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Notice Concerning the Renewal of a Policy for Large-scale Acquisitions of Terumo Shares
(Takeover Defense Measures)

In the Board of Directors held on April 30, 2008, Terumo Corporation decided upon the Company's basic policy regarding those who control decisions on the Company's financial and business policies. Giving consideration to this policy, the Company also decided upon introduction of policy for large-scale acquisitions of the Company's shares (hereinafter referred to as the "Previous Plan") as a means to prevent decisions on the Company's financial and business policies from being controlled by an inappropriate party. The Previous Plan was approved by shareholders in the 93rd Annual General Meeting of Shareholders held on June 27, 2008.

In the Board of Directors held on May 11, 2011, the Company reaffirmed that it would maintain the basic policy and decided to renew the Previous Plan with necessary changes. This was approved by shareholders at the 96th Annual General Meeting of Shareholders held on June 29, 2011 (the plan approved on this date is hereinafter referred to as the "Current Plan").

The effective period of the Current Plan is until the conclusion of the Annual General Meeting of Shareholders in June 2014. Based on consideration of recent trends in debate on takeover defense measures since the Current Plan was implemented, the Company reaffirmed that the basic policy should be maintained at the Board of Directors held on May 8, 2014, and passed a resolution to make revisions to the Current Plan (the revised plan is hereinafter referred to as the "Plan").

This English translation has been prepared for general reference purposes. The Company is not responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text of the press release dated as of May 8, 2014.

1. Management and Performance of the Company

(1) Measures to improve the corporate value of the Company and the shared interests of shareholders

(i) Corporate Mission and basic stance of management

Since Terumo was founded in 1921, the Company has maintained a basic corporate stance to improve its corporate value and the shared interests of shareholders. The Company made strides in the advancement and safety of medical treatment as a company that leads the Japanese medical device industry under the banner of the Company's corporate mission "Contributing to Society through Healthcare." At present, the Company supplies high-quality medical devices to over 160 countries worldwide.

(ii) Specific efforts

For 40 years after Terumo was founded, the Company grew as a specialized manufacturer of glass thermometers. In the 1960s, the Company expanded its scope of business, providing medical institutions with a wide range of advanced products such as the first disposable syringes produced in Japan, blood bags, intravenous solutions in soft plastic bags, artificial organs and interventional catheters. In the late 1990s, the Company leveraged methods such as M&A to become more

globalized and actively supplement its technologies. Such growth resulted in net sales more than doubling from 215.2 billion yen in fiscal 2003 to 467.4 billion yen in fiscal 2013.

However, the medical device industry is experiencing a period of drastic market and environmental changes globally. In developed countries, market growth has slowed and healthcare costs are being more tightly controlled. In developing countries, healthcare demand is expanding but price pressures are also worsening. While such market changes often appear to be unfavorable, Terumo also has high expectations for areas in which it does business. For example, the minimization of invasiveness in vascular intervention using catheters has rapidly led to broader use not only with the heart, but the entire body including the brain and lower extremities. Also, in blood management, demand is increasing for apheresis treatment of immunological and other illnesses in addition to transfusion therapies. Further, the hospital sector has seen increased demand for needles with safety measures to prevent medical mishaps and infections, and reduce pain. The Company believes that these new market needs present growth opportunities. Toward realizing its mission of "Contributing to Society through Healthcare," the Company will continue to grow sustainably and profitably while innovating to develop products that meet the needs of the healthcare field, and aiming to be a global presence.

(2) The Company's social mission

As a leading medical device company, Terumo has contributed to society through healthcare by building relationships of trust with medical front-line over many years. The Company's corporate mission has been "Contributing to Society through Healthcare" since it was founded, and the Company has a strong commitment to fulfilling its social responsibilities. In actual medical front-line, the supply of products cannot be impeded for even one day. Terumo believes that it is the Company's social responsibility to provide a stable supply of advanced products in high quality and aggressively challenge to resolve social issues surrounding healthcare. Based on this approach, the Company will continue to play a vital role in the world's medical care delivery system by supplying products and ensuring their quality.

The possibility of severe effects on the lives and health of the people in society occurring if any problems arise in the supply or quality of the Company's products due to an inappropriate takeover cannot be denied. Stable management that maintains and improves trust the Company has obtained from society, medical front-line over the years while avoiding such situation also improves the Company's corporate value and the shared interests of shareholders.

(3) Strengthening of corporate governance

Terumo recognizes the enhancement of corporate governance as an important management issue and indispensable system for the purpose of continuously improving corporate value and profitability for shareholders and other stakeholders.

In order to clarify the responsibilities of directors and ensure the Company has the optimal management structure for agile responses to changes in the business environment, the term of directors has been made one year, and the Company is striving for fair and transparent management through the appointment of three independent directors (of a total of 11 directors) and two external corporate auditors (of a total of four auditors). Furthermore, with the objective of increasing transparency and objectivity of management, the Company has established a "Corporate Governance Committee" including independent directors to consider recommendations of director candidates, directors' performance, and proposals for compensation.

Half or more of the committee will be independent directors who fulfill Tokyo Stock Exchange requirements, and the committee chairperson will be an independent director.

Overview of the "Policy for Large-scale Acquisitions of Terumo Shares"

Item	Overview
Type of Plan	Advanced-warning Type
Objectives of the Plan	<p>To request acquirers to provide necessary information on large-scale acquisitions in advance and to secure the time required to consider and examine the information.</p> <p>*At present, the Board of Directors is not aware of any indications of specific large-scale acquisitions of the Company's shares.</p>
Conditions of Renewal	The Plan will be submitted for shareholder resolution at the 99th Annual General Meeting of Shareholders to be held on June 24, 2014.
Basic conditions of trigger	<ul style="list-style-type: none"> ◆ Cases in which the acquisition will result in owning 20% or more of the outstanding Terumo shares, and the acquirer does not comply with the large-scale acquisition rules set forth in the Plan ◆ Cases in which, although the large-scale acquisition rules have been complied with, it can be reasonably concluded that the Company's corporate value or the shared interests of shareholders will be significantly harmed due to actions such as greenmail or a coercive two-tier tender offer etc.
Overview of procedures based on large-scale acquisition rules	<ol style="list-style-type: none"> 1. Submission of a notice of intention to acquire Terumo shares by the large-scale acquirer 2. Request for the large-scale acquirer to provide information (Objective, method and details of the large-scale acquisition, etc.) 3. Evaluation, consideration, formation of opinions, drafting of alternate proposals and negotiations with the large-scale acquirer by the Board of Directors based on 1 and 2 4. The large-scale acquisition should only take place once the evaluation period by the Board of Directors described in 3 has passed <p>* See the flow chart in Attachment 1 for an overview of the process.</p>

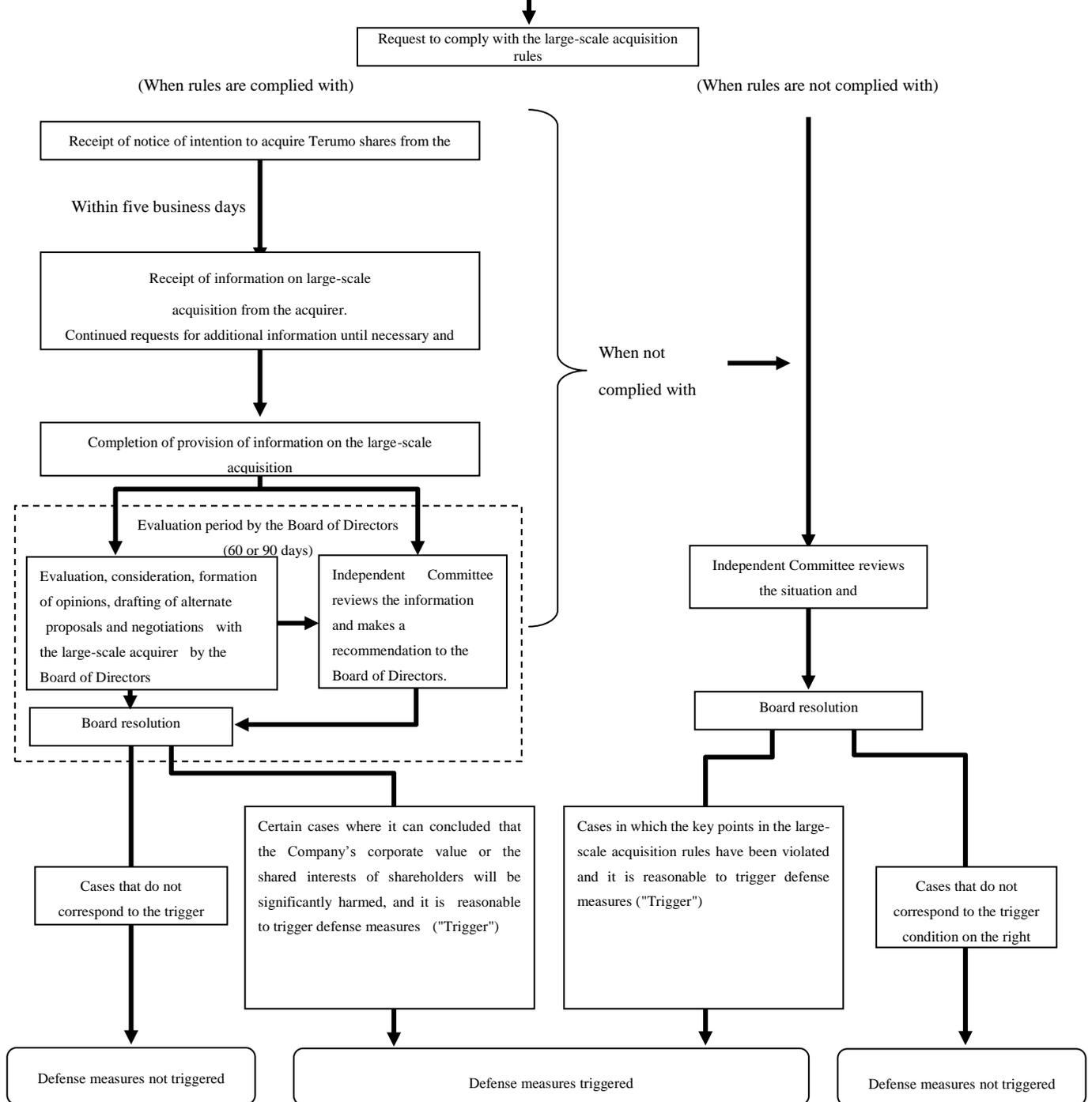
Item	Overview
Evaluation period by the Board of Directors	<ul style="list-style-type: none"> ◆ The evaluation period by the Board of Directors is 90 days (60 days in the case of a cash purchase) ◆ If there are unavoidable circumstances leading to a resolution for defense measures not being passed, the evaluation period may be extended by up to 30 days
Independent Committee	<ul style="list-style-type: none"> ◆ The Committee shall recommend whether to trigger the defense measures against large-scale acquisitions and other issues consulted by the Board of Directors during the evaluation period by the Board of Directors ◆ The Committee consists of three independent directors and two external corporate auditors that are completely independent of the Company ◆ No committee members have any special interests in or have any business relationships with the Company <p>*See Attachment 2 for details on the members of the Independent Committee at the time of the renewal of the Plan.</p>
Trigger procedures	The Board of Directors shall comply with the recommendation from the Independent Committee and finally pass a resolution on the implementation or non-implementation of the defense measures.
Specific details of the defense measures	Gratis allotment of stock acquisition rights is planned as one of the defense measures.
Sunset clause	Three years. A resolution of the Annual General Meeting of Shareholders is required for renewal.
Abolition of the Measure	<ul style="list-style-type: none"> ◆ The Plan can be abolished at any time by a resolution of the Board of Directors or the Annual General Meeting of Shareholders ◆ This is not a dead-hand pill that cannot be prevented even if a majority of the members of the Board of Directors is replaced; nor is it a slow-hand pill that takes time to prevent triggering

Item	Overview
Disclosure of information on trigger conditions, procedures, etc.	The Company plans to perform sufficient disclosure at the appropriate time through press releases, proposal and reference documents for the Annual General Meeting of Shareholders and in the Annual General Meeting of Shareholders.

(Attachment 1)

**Based on "Policy for Large-scale Acquisitions of Terumo Shares"
Flow Chart of Trigger of Large-scale Acquisition Rules**

Appearance of [Large-scale Acquirer] (large-scale acquisition)



(Attachment 2)

Names and Profiles of Members of the Independent Committee

The five people below are planned to be the members of the Independent Committee when the Plan is renewed.

Tadao Kakizoe

[Profile]

July 1975 Joined National Cancer Center (hereinafter referred to as NCC)

July 1992 Director, NCC Hospital

April 2002 President, NCC

March 2007 President, Japan Cancer Society (present)

April 2007 President Emeritus, NCC

Project Professor, Graduate School of St. Luke's College of Nursing

June 2009 Independent Director of the Company (present)

June 2011 Independent Director, Nippon Television Network Corporation (present)

* Tadao Kakizoe is an independent director as stipulated in Article 2.15 of the Companies Act.

He does not have any special interests in the Company.

Mari Matsunaga

[Profile]

April 1977 Joined Japan Recruit Center Co., Ltd. (present Recruit Holdings Co., Ltd.)

July 1986 Editor in chief of *Shushoku Journal* published by Recruit Holdings Co., Ltd.

July 1988 Editor in chief of *Travaille* published by Recruit Holdings Co., Ltd.

July 1997 Head of Planning Office for Gateway Business Dept., NTT DoCoMo, Inc.

April 2000 Representative, Mari Matsunaga Office, Inc. (present)

June 2002 Independent Director, BANDAI Co., Ltd.

June 2006 Independent Director, BRAINS Network Co., Ltd. (present)

June 2012 Independent Director, MS&AD Insurance Group Holdings, Inc. (present)

Independent Director of the Company (present)

* Mari Matsunaga is an independent director as stipulated in Article 2.15 of the Companies Act.

She does not have any special interests in the Company.

Ikuo Mori

[Profile]

April 1970 Joined Fuji Heavy Industries Ltd.

June 2002 Corporate Vice President, Chief General Manager of Europe Region, and Chief General Manager of Asia Pacific Region, Subaru Sales & Marketing Division

April 2005 Corporate Senior Vice President, Chief General Manager, Subaru Overseas Sales & Marketing Division

June 2006 Corporate Executive Vice President, Chief General Manager, Subaru Overseas Sales & Marketing Division

June 2006 President and Chief Executive Officer, Representative Director of the Board

June 2011 Chairman and Chief Executive Officer, Representative Director of the Board

June 2012 Senior Corporate Advisor

* Ikuo Mori is a candidate to become an independent director as stipulated in Article 2.15 of the Companies Act, and is scheduled to be appointed and begin service as an independent director at the 99th Annual General Meeting of Shareholders to be held on June 24, 2014.

He does not have any special interests in the Company.

Toshihiko Matsumiya

[Profile]

April 1971 Joined Pioneer Corporation

July 1972 Joined Ryutsu Giken K.K.

October 1979 Joined Deloitte Haskins & Sells (present Deloitte Touche Tohmatsu LLC)

March 1983 Registered as Certified Public Accountant

November 1987 Toronto, Canada Office, Deloitte Haskins & Sells

July 1991 Partner at Deloitte Haskins & Sells (present Deloitte Touche Tohmatsu LLC)

October 2011 Representative, Toshihiko Matsumiya Accounting Office

June 2012 External Corporate Auditor, Daiichi Jitsugyo Co., Ltd. (present)

External Corporate Auditor of the Company (present)

December 2012 External Corporate Auditor, Mitsubishi Research Institute, Inc. (present)

*Toshihiko Matsumiya is an external corporate auditor as stipulated in Article 2.16 of the Companies Act.

He does not have any special interests in the Company.

Masatake Yone

[Profile]

April 1981 Admitted to the bar in Japan

1985 Worked at Sullivan & Cromwell, LLP, New York

1986 Worked at Freshfields, Bruckhaus Deringer LLP, London

March 1987 Admitted to the bar in the State of New York

July 1987 Joined Mori Sogo Law Firm (present Mori Hamada & Matsumoto Law Firm)

January 1989 Partner in Mori Sogo Law Firm (present)

April 2000 Lecturer in the Graduate School of International Corporate Strategy, Hitotsubashi University

June 2007 External Corporate Auditor, THK Co., Ltd. (present)

March 2008 Independent Director, GCA Savvian Group Corporation (present GCA Savvian Corporation) (present)

April 2011 Vice President of Daini Tokyo Bar Association

June 2011 External Corporate Auditor, NAMCO BANDAI Games Inc. (present)

June 2013 External Corporate Auditor of the Company (present)

*Masatake Yone is an external corporate auditor as stipulated in Article 2.16 of the Companies Act.

He does not have any special interests in the Company.

Terumo has notified the Tokyo Stock Exchange of Tadao Kakizoe, Mari Matsunaga, and Toshihiko Matsumiya as independent directors/auditor. If Tadao Kakizoe, Mari Matsunaga are appointed at the 99th Annual General Meeting of Shareholders held on June 24, 2014, they are scheduled to continue serving as independent directors, and if the appointment of Ikuo Mori is approved at the same meeting, he is scheduled to become an independent director. Toshihiko Matsumiya continues serving as independent auditor. Masatake Yone fulfills the criteria established by the Tokyo Stock Exchange for independent auditor; however, notification has not been made due to the rules of his Law Firm.