

May 10, 2017

Company name: Terumo Corporation
Representative: Shinjiro Sato, President and CEO
Code No. : 4543 TSE Section 1

Notice Concerning Non-Renewal of a Policy for Large-scale Acquisitions of Terumo Shares (Takeover Defense Measures)

Terumo Corporation hereby announces that its Board of Directors meeting held on May 10, 2017 has resolved not to renew the Company's policy for large-scale acquisitions of its shares (takeover defense measures).

At the Board of Directors meeting held on April 30, 2008, Terumo set out its basic policy regarding those who control decisions on its financial and business policies. In light of the basic policy, Terumo decided to implement the takeover defense measures as the means to prevent control over financial and business policies of the Company by a person or an entity that deemed inappropriate based on the approval by the shareholders at the 93rd Annual General Meeting of Shareholders held on June 27, 2008. The measures were subsequently approved by the shareholders at the Annual General Meetings of Shareholders held in 2011 and again in 2014 for the renewal of these policies, in addition to any necessary changes (The takeover defense measures approved at the Annual General Meeting of Shareholders held in 2014 shall be referred to below as the "Plan.>").

Since the Plan will expire at the conclusion of the 102nd Annual General Meeting of Shareholders to be held on June 27, 2017, Terumo put a great deal of careful consideration into whether or not to renew the Plan.

Meanwhile, Terumo produced record highs in FY2015 in terms of net sales, operating income, ordinary income, and net income. In three years starting in FY2014, our market capitalization has increased by a factor of 1.6.

Terumo is currently working to further improve the corporate value based on its Mid- to Long-term Growth Strategy for the next five years. Terumo is aiming to be recognized as a top brand in each market where it participates in, by enhancing the overall quality in the product, supply and service, and providing the value that medical settings around the world require. In doing so, Terumo is focusing its global efforts on sectors where markets are expanding and on areas where it can utilize its competitive edge. At the same time, Terumo is also pursuing growth opportunities on its home turf in Japan by utilizing advantages that include its wide-ranging lineup of products and access to Japan's healthcare needs, and established distribution networks. Additionally, Terumo is both

strengthening internal development and pushing forward in collaborative efforts with external parties in order to generate valuable innovations, aiming to offer solutions to issues in healthcare that have a significant impact on patients, their families, and on society as a whole. With these efforts, Terumo is striving to achieve faster revenue growth than market growth, faster profit growth^{*1} than revenue growth, and to maintain an adjusted ROE^{*2} of 10% or higher.

Under these circumstances, Terumo has thoroughly and carefully considered whether or not to renew the Plan, taking into account the present condition of large-volume acquisition regulations which have been put in place by the Financial Instruments and Exchange Act. Considering these factors, Terumo believes that working steadily on its Mid- to Long-term Growth Strategy and making further improvements to our corporate value will best serve the common interests of our shareholders. At the Board of Directors meeting held on May 10, 2017, Terumo therefore decided not to renew the Plan, which will expire at the conclusion of the 102nd Annual General Meeting of Shareholders to be held on June 27, 2017.

Even after the Plan is no longer applicable, Terumo will seek to provide our shareholders with sufficient amounts of the necessary information about any entity attempting to make large-scale acquisitions of the Company's shares, with the idea of securing the information and time that shareholders need to make the appropriate decisions in these cases. At the same time, Terumo will also take appropriate measures based on the Financial Instruments and Exchange Act, Companies Act, and other applicable laws and regulations, including the disclosure of opinions and other considerations coming from the Board of Directors.

*1 Growth rate of adjusted operating income (IFRS)

*2 ROE (return on equity) excluding foreign currency translation adjustment balance related to the assets from acquisition included in net assets

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