

Value creation process

We contribute to society by providing valued products and services in the healthcare market and by responding to the needs of patients and healthcare professionals.

Group Mission **Contributing to Society through Healthcare**

Core Values/Terumo Group Code of Conduct

Healthcare paradigm shift that Terumo is focusing on

- | | | |
|--|---|---|
| <p>Changing disease patterns</p> <ul style="list-style-type: none"> ■ Coexisting with the rapidly increasing chronic diseases due to the global improvement in living standards and the super-aging population in developed countries ■ Overcoming the deterioration of organs and bodily functions associated with aging | <p>Changing timescale</p> <ul style="list-style-type: none"> ■ Improving quality of life (QOL) over the long term ■ Spread of monitoring for disease prevention and prognosis status ■ Personalized disease management for each patient (Patient Journey) | <p>Changes in technology</p> <ul style="list-style-type: none"> ■ Increasing adoption of biopharmaceuticals, regenerative medicine, and cell and gene therapies ■ Broad adoption of personalized medicine through the evolution of genomic medicine and AI |
|--|---|---|

Social value creation

■ Cardiac and Vascular Company

- Contributing to early discharge and the reduction of complications in response to the increasing need for medical cost-effectiveness
- Full-scale expansion of the therapeutic product pipeline in growth markets

■ Medical Care Solutions Company

- Providing patient-focused value that covers every aspect of care, not only in hospitals but also in the home
- Accelerating global expansion as the domestic market reaches maturity
- Providing solutions for pharmaceutical companies to maximize the value provided by their drugs
- Responding to market competition from low-priced products with proposals that provide value through new solutions

■ Blood and Cell Technologies Company

- Responding to changes in the market, such as the commercialization of cellular therapy products and an unstable blood supply, by building a presence in cell therapy processes and by providing innovative systems and services
- Responding to competitors' actions, such as the optimization of their portfolios, by promoting a shift away from selling products toward selling solutions, developing high-value-added services, and diversifying our portfolio

■ R&D / M&A

- Accelerating innovation by strategically and consistently combining short-, medium-, and long-term internal R&D with M&A and startup investments

■ Digital transformation

- Providing comprehensive care and solutions to support the patient journey

■ Corporate

- Implementation of a group-wide project to improve profitability (aiming to increase profitability by at least two percentage points by FY2026)
- Achieving optimal performance in the key areas of production, procurement, logistics, and management on a global basis
- Optimizing global production

Foundation supporting social value creation

■ People strategy

- Achieving transformation and change
Developing global leaders, strengthening organization effectiveness and efficiency, and targeting critical skills development
- Enhancing Associate Experience
Fostering a growth mindset, cultivating a DE&I culture, nurturing associate well-being, and recognizing associates for the value they create

■ Total quality (ensuring quality, safety, and stable supply)

- Ensuring the quality, safety, and stable supply of products and services
- Sustainable supply chain management
- Promoting safety measures for the working environment

■ Reducing the burden on the environment

- Initiatives to realize carbon neutrality
- Effective use of resources

■ Human rights

- Promoting safety measures for the working environment
- Established Terumo Group Human Rights Policy
- Became a signatory to the United Nations Global Compact

Governance and Compliance

- Group Mission and Core Values forming foundations of governance
- Enhancing global management structure (implementation of a Group Executive Officer system)
- Group-wide code of conduct and continuous compliance education

Corporate activities

Terumo's strengths

Capital Invested

Financial capital

- Stable financial situation

Credit rating AA-
(Provided by Rating and Investment Information, Inc.)

Manufactured capital

■ Global production network 30 sites
(Japan: 8 / Outside Japan: 22)

■ Overseas production ratio 62.4%

■ Capital expenditure ¥78.4 billion

- Collaboration on production among the companies and businesses within the Terumo Group

Intellectual capital

■ R&D expenses/Ratio to revenue ¥69.1 billion/7.5%

- Global R&D network
- Provision of various types of training for healthcare professionals in multiple regions, including at Terumo Medical Pranex in Japan

■ Patents held Approx. 8,800 (incl. patents held by overseas subsidiaries)

Social and relationship capital

- Trust and brand that Terumo has built over the past 100 years with Japanese healthcare professionals and patients
- Open innovation initiatives
- Communication with stakeholders

Human capital

■ The number of associates (Terumo Group) 30,591

■ Ratio of non-Japanese in Group Executive Officers 33.3%*

■ Ratio of non-Japanese in global key positions 61.5%*

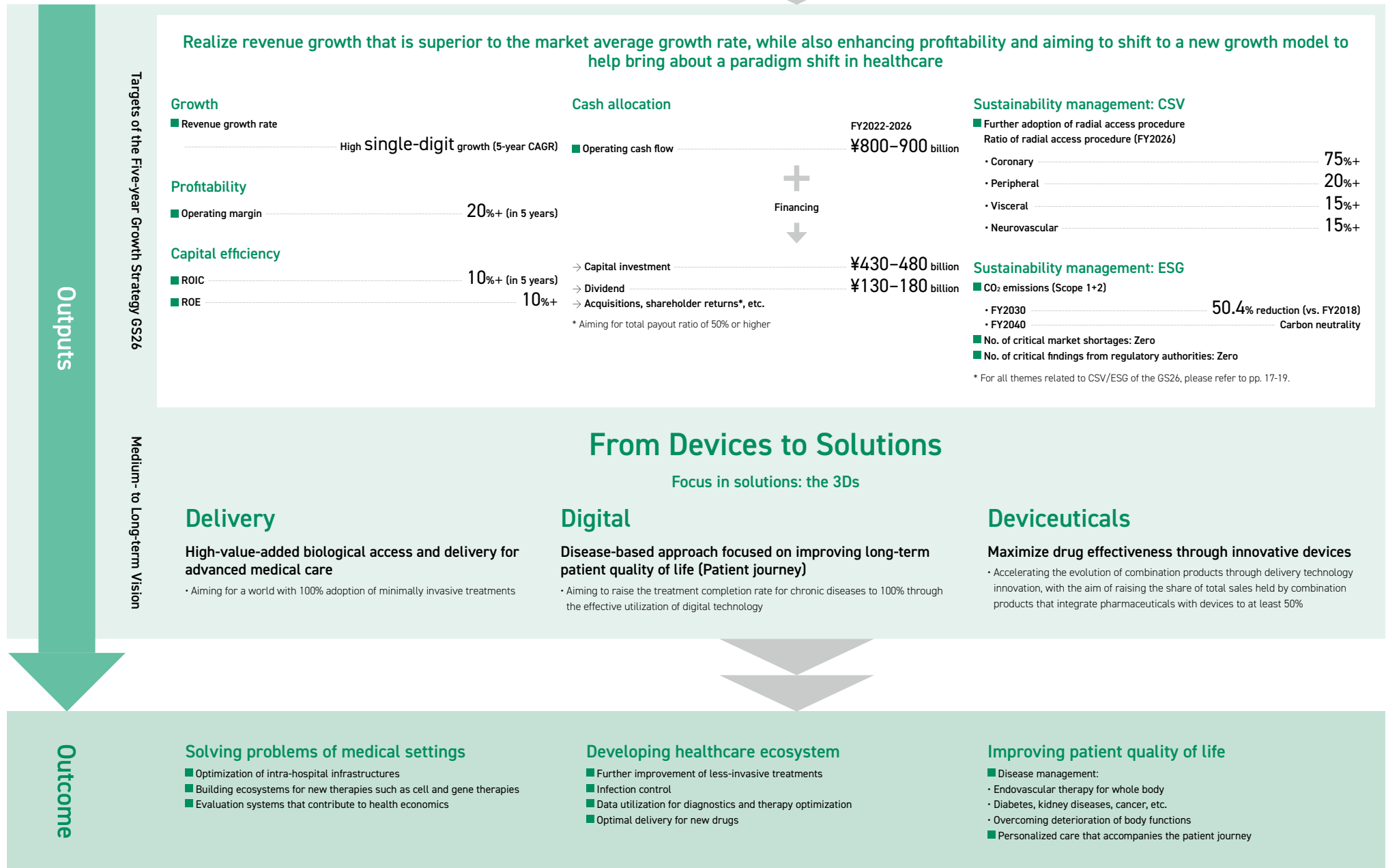
* As of April 1, 2024

■ Ratio of female managers (Terumo Group) 31.3%

■ Ratio of female managers (Terumo Corporation) 10.4%

- Appointment of a CXO to strengthen global management infrastructure

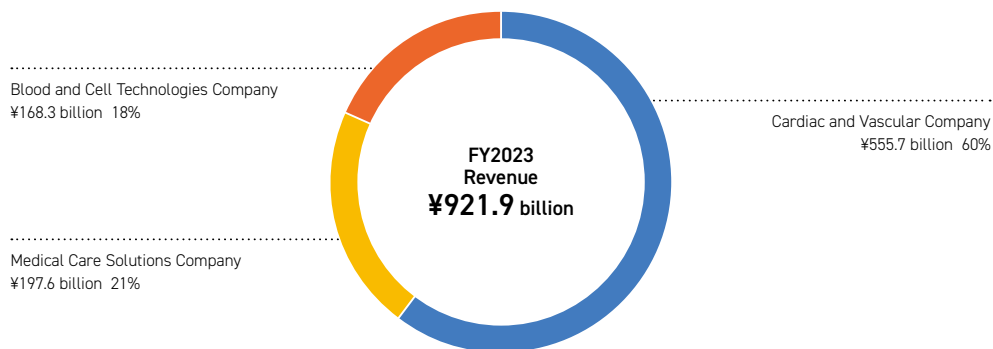
* Unless otherwise noted, the figures on this page are for FY2023 or as of the end of FY2023.



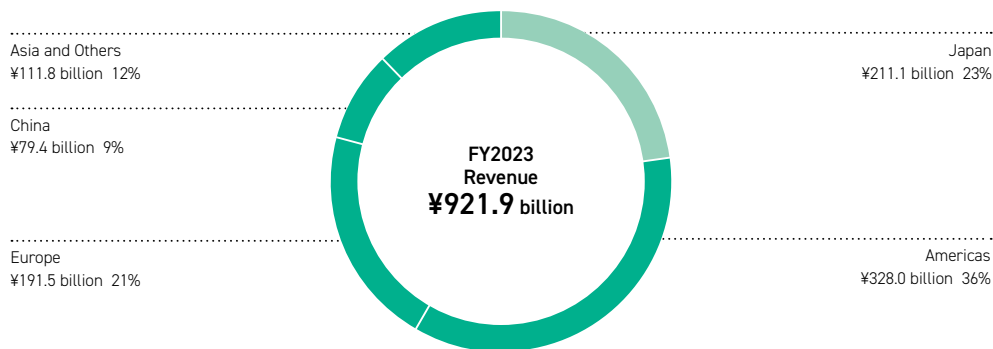
Terumo Group at a glance

Fiscal 2023 (Fiscal year ended March 31, 2024)

Revenue by company



Revenue by region



Note: Revenue composition ratios are rounded to the nearest whole number, and the total may not equal 100%.

Please visit the following pages for an overview of Terumo Corporation, including its businesses and history.

Who We Are (Company Overview) <https://www.terumo.com/about/who-we-are>

Business Overview <https://www.terumo.com/business>

History <https://www.terumo.com/about/history>

Revenue

¥921.9 billion

Operating profit/Operating margin

¥140.1 billion / 15.2%

Adjusted operating profit/ Adjusted operating margin

¥156.8 billion / 17.0%

ROIC

7.1%

ROE

8.7%

Free cash flow

¥64.9 billion

Number of countries and regions where Terumo Group's products are sold

160+

Number of products

50,000+

Number of consolidated subsidiaries

98

Number of R&D sites

22 (Japan 6 / Outside Japan 16)

R&D expenses/Ratio to revenue

¥69.1 billion / 7.5%

Patents held

Approx. 8,800

Number of production sites

30 (Japan 8 / Outside Japan 22)

Number of associates (employees)

Terumo Group	30,591
Terumo Corporation	5,554

Ratio of female managers

Terumo Group	31.3%
Terumo Corporation	10.4%