

Quality and safety of products and services

Basic approach

At the Terumo Group, we strive to enhance product quality and achieve continuous improvement in quality systems and processes to promise safety and reliability to medical settings. High product quality is one of the hallmarks of the Terumo Group, and we work to improve quality in every process from product design to manufacturing, distribution, storage, and post-marketing, as well as in the product life cycle from the initiation to the cessation of a product's sale. We do this by identifying and acting on even the smallest matters that could improve safety and reliability, by concentrating on improving the quality and speed of individual processes, and by pursuing the 3Gs principle that places great importance on *Gemba* (field/floor), *Genbutsu* (actual product), and *Genjitsu* (reality). In addition, we seek to ensure that our products are used in a safe and appropriate manner by providing training opportunities for healthcare professionals, practicing proper information disclosure, and actively communicating with customers.

Quality management

Quality management governance structure

At the Terumo Group, we have developed a quality management governance structure headed by the Chief Quality Officer (CQO). As the head of group-wide quality divisions, the CQO is responsible for overseeing efforts to strengthen the group's quality governance and improve the quality of products. With the CQO exercising oversight, we have established a system of quality assurance. In addition, we promote compliance with Japanese and worldwide regulations, and provide product quality improvement guidance to production sites. Furthermore, global meetings are convened regularly by the CQO, and these meetings are attended by associates responsible for quality at individual production sites. These meetings provide opportunities to share and disseminate the group's quality vision, policy, and objectives build consensus with regard to quality issues, formulate improvement measures, and exchange information on recent trends in the regulations and standards of various countries. We also strive to prevent quality issues by implementing a plan-do-check-act (PDCA) cycle that entails gathering quality-related information from across the group, analyzing quality risk, conducting assessments, pursuing improvements, and sharing

quality information.

We developed a Global Quality Policy and are promoting the Policy to continuously manufacture high-quality, safe, and reliable products at all production sites of the Terumo Group. The Policy details the ten practices (procedures and items) pertaining to the quality management system that every associate across the group should adhere to. Furthermore, we are working on the sharing of QMS improvement tools created based on quality data and information analysis of external and internal quality trends, as well as the development of preventive activities tailored to the specific characteristics of each production site, to prevent the recurrence of similar quality problems and achieve a high level of manufacturing and quality management. We also define "Kin-Shitsu" (homogeneous) as the product quality the Terumo Group should aim for, and have established KPIs for quality at each of our production sites to realize "Kin-Shitsu" products. In our mid-to long-term growth strategy, the Terumo Group aims to gain patient trust and customer satisfaction by continuously supplying "KinShitsu" products to the global market.

To supply products to the global market, it is essential for us to continuously maintain a quality system that adapts and conforms to the requirements of each country's regulations and standards. With this in mind, we are building a system that enables efficient and effective company-wide cooperation and swift response to comply with regulations in Japan and overseas by systematizing the roles of quality departments and of each production site of the Terumo Group. By doing so, we aim to comply with Japanese domestic laws and regulations when we sell products manufactured at each production site to the Japanese market and comply with new regulations outside of Japan as soon as they come into effect to sell products to the global market.

Meanwhile, global regulatory requirements are becoming more stringent in the pharmaceutical industry with regard to data integrity (DI) in relation to evidence of the quality, safety, and efficacy of pharmaceuticals. The Terumo Group has therefore been implementing measures to ensure data integrity in the manufacturing of pharmaceuticals. We are also working to implement and build data integrity into the process for the production of medical devices similar to that required for pharmaceuticals.

At Terumo, we have initiated a company-wide project to implement a "quality assurance system to maintain product homogeneity" to counter threats such as cyberattacks. We have established a Product Security Incident Response Team (PSIRT) system for this project. Under the PSIRT system, we are working to incorporate measures into product design and realize commercialization, respond to incidents as they occur, and collect relevant information on vulnerabilities to assess their impact and develop appropriate countermeasures.

Quality management system compliant with international regulations and standards

Since establishing a quality management system in response to European Medical Device Directives in 1995, we have been striving to blend our quality management system that conforms to international standards into an existing quality assurance system based on the pharmaceutical Good Manufacturing Practice (GMP) standard. Following the acquisition of manufacturing and sales approval for regenerative medicine products in Japan, we put in place the related quality assurance systems in fiscal 2016. Today, we continue efforts to ensure that our quality management system is compliant with global requirements. As part of these efforts, all medical device production sites have acquired certification under ISO 13485, the international quality assurance standard for medical devices.

We also keep up to date and ensure conformity with developments regarding Japan's PMD Act (the Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics) and regulatory trends and requirements for medical devices and pharmaceutical products outside of Japan, including U.S. Food and Drug Administration (FDA) regulations, which have been strengthened in recent years; the Medical Device Single Audit Program,* which has been enacted in response to global harmonization trends; and emerging country regulations, which are rapidly being tightened.

In Europe, on May 25, 2017, the institution of the Medical Device Regulation (MDR) made regulatory requirements in this region much stricter. In response to this change, a company-wide project team was formed to coordinate efforts to achieve compliance in

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relevant divisions. Terumo was thereby able to receive third-party certification indicating its conformity with the MDR in May 2020. We are currently switching to products that conform to the MDR as needed. In addition, as with medical devices, we worked to make our products conform to the In Vitro Diagnostic Regulations (IVDR), a statutory requirement. Through these efforts, Terumo obtained external certification for IVDR in June 2022.

In the United Kingdom, conformity with the UK Medical Device Regulations (UK MDR) 2002 was required following the country's withdrawal from the European Union. Accordingly, Terumo obtained external certification indicating its conformity with the United Kingdom Conformity Assessed (UKCA) in April 2023.

In Japan, the Terumo Group has achieved compliance with the revised version of Japan's PMD Act, which came into effect on August 1, 2021, and with the Japanese Guideline for Good Distribution Practice (GDP) for Medicinal Products, which was issued on December 28, 2018.

In the U.S., PART 820—QUALITY MANAGEMENT SYSTEM REGULATION (QMSR) was issued in February 2024. Terumo manufacturing sites which release products to the U.S. have already started to update each QMS to comply with the QMSR by its enforcement date of February 2, 2026.

Furthermore, continuous training on our quality management system has been instituted at all relevant divisions to share information on the regulations and standards of countries where Terumo operates and to improve quality awareness.

* The Medical Device Single Audit Program is a program through which audits are conducted all at once (collectively) based on common standards pertaining to the relevant medical device regulations in each country. Participating countries include the U.S., Canada, Brazil, Australia, and Japan.

Quality Policy

The Terumo Group company executives have established the Quality Policy in accordance with their individual levels of responsibility. This policy guides efforts to develop, operate, and maintain the effectiveness of quality management systems. Each division also sets quality objectives based on the Quality Policy. The policies devised by senior management are incorporated into the objectives of individual divisions and associates. The customer perspective, which appears at the top of Terumo's Quality Policy, forms the basis of the group's quality assurance.

Quality Policy

In order to deliver safety and reliability to all medical fields, we are committed to

- Pursue Kin-Shitsu quality products and services that are valuable to our customers,
- Identify and promptly respond to changes in laws and regulations as well as market trends in each country,
- Continuously monitor and improve our quality management system.

Improving effectiveness of quality management system through internal and external audits

Terumo conducts internal audits to objectively evaluate whether its quality management system is being appropriately implemented and followed. The audits are conducted by associates who have been trained and have received internal certification authorizing them to perform internal audits. In addition, we undergo several external audits conducted by government authorities, notified bodies, and other organizations each year to verify our compliance with Japan's PMD Act, regulations of countries where we sell our products, and the requirements of corporate customers. We continuously improve our quality management system based on the results of these internal and external audits.

Appropriate collection and disclosure of information on safety, quality, and efficacy

Terumo has established frameworks for collecting information on safety, quality, and efficacy from customers and reporting this information to the relevant government authorities based on the laws and regulations of each country where we operate. We also analyze information from customers and share the findings with relevant divisions for use in improving quality and in developing new products.

Medical representatives (MRs)

- Medical representatives (MRs), who are responsible for providing information to medical institutions, encourage customers to properly use medical devices and pharmaceuticals. MRs also collect accurate information from medical institutions and swiftly provide information to institutions to ensure the safety, quality and efficacy of our products.

Terumo Call Center

- As Terumo handles a wide range of products—from those designed for medical institutions to those for home medical care—the Terumo Call Center consists of experts in every required field to ensure that all inquiries are addressed promptly and appropriately. The Terumo Call Center in Japan receives around 170,000 telephone and email inquiries per year from ordinary consumers, medical institutions, and distributors. We respond to emergency calls, such as those pertaining to peritoneal dialysis or diabetes-related products, 24 hours a day, 365 days a year.
- To improve the quality of service at our call center, its staff are trained regularly on product knowledge and communication skills and are tested twice a year to ensure that they are properly equipped to respond to inquiries and provide satisfaction to customers. We also renewed call response systems and introduced artificial intelligence-powered voice recognition and document summarization systems. With the system, we are working to improve the quality of responses and reduce the time required for responses and record keeping.

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Post-Market Surveillance and Vigilance Department

- The Post-Market Surveillance and Vigilance Department collects and evaluates information on the safety, quality, efficacy, and proper use of post-market products, and issues reports on these matters to government authorities in accordance with relevant laws and regulations.
- We are committed to prompt and detailed communication to ensure the proper use of our products, including the provision of necessary information through Information on Precautions, etc., our corporate website, and participation in industry organizations. Also, MRs visit medical institutions to provide information. Furthermore, we use the accumulated information to develop, refine, and improve products and support medical safety training at medical institutions (T-PAS*).
- We conduct vigilance training via e-learning for all associates in Japan to give them a more in-depth understanding of Good Vigilance Practice (GVP).
- Terumo is also moving forward with the development of safety management systems and the reinforcement of monitoring of information collection activities overseas.

* For information on T-PAS, please refer to "Support for training at medical institutions to improve medical safety" at the bottom right of this page.

Training of healthcare professionals

Terumo believes that medical devices can be effective only if they are used correctly. Accordingly, we have long endeavored to enhance the quality and safety of medical care by actively creating training opportunities for healthcare professionals to learn how to use medical devices properly and how to apply treatment procedures. The information collected from the medical field through these activities is utilized in the development of new products and in the refinement and improvement of existing products.

Terumo Medical Pranex

Terumo Medical Pranex was established in Shonan Center, Terumo's R&D base in Kanagawa Prefecture, as a facility dedicated to developing and disseminating healthcare technologies. It is a vast facility with a total area of 14,000m², consisting of Pranex West, which opened in 2002, and Pranex East, which was added in 2007.

Terumo Medical Pranex faithfully reproduces a hospital environment such as medical wards, operating rooms, and catheterization laboratories, and it also has an exhibition room that introduces Terumo's history and technology. In this way, this facility allows visitors to better understand Terumo from various points of view.

Initially launched as a training center to help healthcare professionals learn how to use Terumo products properly, Terumo Medical Pranex has continuously expanded its facilities and equipment to make it more beneficial to everyone involved in healthcare. We offer a wide variety of programs, from training in treatment techniques for physicians to multidisciplinary simulation trainings. We also focus on the development of original simulation models and programs for training leaders in the medical field, and we provide them to overseas associations. Sincerely addressing the needs of the medical field, Terumo Medical Pranex has hosted over 200,000 visitors since its opening in 2002.

We aim to have visitors gain an in-depth understanding of Terumo through their experience at Terumo Medical Pranex. In addition, we strive to offer visitors a space where they can experience our contribution to society through healthcare. This is achieved by providing training for healthcare professionals in Japan and overseas based on our extensive experience and knowledge accumulated over many years.



Training being performed at Terumo Medical Pranex



Education and Training

<https://www.terumo.com/about/education-and-training>

Support for training at medical institutions to improve medical safety


To prevent accidents during the use of syringes, IV solution sets, and other medical devices, Terumo conducts safety training based on requests by medical institutions. These training sessions, known as T-PAS,* emphasize critical points in the use of individual devices among those described in Information on Precautions, etc., and enable healthcare professionals to learn through hands-on training scenarios. The value of this program is illustrated by the feedback of healthcare professionals who have participated, which indicates that T-PAS training provides a tangible sense of the situations that can lead to accidents and demonstrates why the understanding of device use must be based on more than just assumptions or casual advice from others. In addition, Terumo has designed and offers a practical training program boasting high levels of learning retention in order to promote proper product use. This program includes DVDs documenting medical accidents as well as hands-on activities recreating device failures.

* T-PAS stands for Terumo Proactive Action for Safety and is based on Terumo's own assessments of accident prevention needs.

Procurement

Basic approach

Terumo has established the Terumo Group Procurement Policy in fiscal 2019, which outlines the basic approach of Terumo's procurement activities based on the Terumo Group Code of Conduct. The Terumo Group Procurement Policy comprises six items: Quality and Safety; Stable Procurement; Promotion of Compliance; Fair Procurement; Consideration for Human Rights and the Environment; and Mutual Prosperity based on Reliability with Suppliers. Terumo asks all suppliers who do business with Terumo to conduct their business activities following the "Supplier Guidelines" established in line with the Terumo Group Procurement Policy.



The Terumo Group Procurement Policy and the Supplier Guidelines
<https://www.terumo.com/about/procurement>

Supply chain management

Promotion system

At Terumo, we recognize that collaborating with our suppliers worldwide and fulfilling our social responsibility through our supply chain is an important part of procurement. The Supplier Guidelines, consisting of seven chapters, form the basis for coordination with suppliers. Based on the Guidelines, Terumo Corporation and its group companies in Japan, the U.S., Europe, and Asia are promoting business with the suppliers. Specifically, we are working to include the first two chapters, "1. Quality, Safety" and "2. Stable Supply," in our contracts with suppliers. We also ask suppliers to familiarize themselves with the other five chapters, "3. Promotion of Compliance," "4. Fair Dealings," "5. Consideration for Human Rights for Labor," "6. Consideration for the Environment," and "7. Management Systems," and we request that direct material suppliers in particular sign an acknowledgment in relation to these chapters. As of the end of fiscal 2023, we have obtained signed acknowledgments from the top 80% of direct material suppliers worldwide (1,670 companies) that are considered high-risk in terms of direct material purchasing amount. We have also been continuing our efforts to require new suppliers to sign an acknowledgment as a condition of doing business with us.

Besides getting suppliers to sign an acknowledgment in relation to the Supplier Guidelines, we are also implementing, in stages, a Self-Assessment Questionnaire (SAQ) aimed at clarifying the current state of suppliers' ethical business practices, human rights, environmental initiatives, and management systems. A survey has been conducted targeting approximately 150 suppliers*1 with manufacturing sites located in countries that are deemed to have high potential risk of human rights, corruption, or environmental issues based on external assessment indicators.*2 As of the end of fiscal 2023, completed questionnaires were returned by 149 companies and we conducted the side investigation on the remaining one company. Based on these results, we have not identified any critical deviations from the requirements specified in the Supplier Guidelines or any concerns regarding the potential for such deviations. For those suppliers whose management systems in regard to human rights, labor, and environmental legislation were deemed not to be fully adequate, although there are no apparent concerns regarding critical deviations, we requested them to make improvements based on the relevant international standards, local laws, and Terumo's Supplier Guidelines. We also provided feedback on items where it was recommended that the suppliers in question implement self-directed improvements where necessary. In addition, we have made it mandatory to implement the SAQ from manufacturing sites in Asia, including Japan, for new direct material suppliers, and we are gradually rolling it out globally.

Currently, in order to more efficiently understand and manage the status of our entire group's supply chain, we are considering the introduction of a system that can automatically determine various risks, conduct investigations, and provide improvement guidance. In the future, we will establish a monitoring system to prevent major incidents and set up a system that can manage all direct material suppliers, including low-risk suppliers.

In the procurement of materials, we manage suppliers at our production sites based on the Quality Management System. We also conduct regular audits of suppliers that could directly affect the quality of our products in line with the risks associated with those suppliers. Through these efforts, we strive to ensure the quality and safety of our products.

*1 We are reviewing the number of target companies based on the status of transactions and other factors.

*2 The following indicators are used as reference when assessing risk by country.
 Human rights risks: Global Rights Index of the International Trade Union Confederations (ITUC)
 Corruption risks: Corruption Perceptions Index of Transparency International
 Environmental and governance risks: Equator Principles

Evaluation items and main contents of the self-assessment questionnaire

Evaluation items	Main contents	Number of questions
Ethics	Anti-corruption measures	2
Respect for human rights	Prohibition of child labor, forced labor, discrimination, and harassment, labor management	12
Environmental protection	Greenhouse gas reduction, effective use of resources, waste management, hazardous substance management	8
Health and safety	Activities to prevent work-related accidents, workplace health management, evacuation drills	11
Management system	Compliance with laws and regulations, BCP, document management	5
Conflict minerals*	Status of avoiding conflict minerals*	2*
Total		40

* Scope: tin, tantalum, tungsten, gold, and cobalt
 (For the content of the questions, please refer to "Measures for addressing Conflict Minerals" on P. 54.)

Procurement systems for ensuring stable supply of products

Terumo has formulated a Business Continuity Management (BCM) policy for procurement, and is proceeding with steps to secure a stable supply of products. Under the basic philosophy of maintaining a stable supply of our products to meet healthcare needs continuously, we are building a supply chain that will ensure the reliable delivery of our products to medical institutions and patients by promoting stockpiling of parts and materials and purchasing from multiple suppliers. By doing so, we will respond to global issues that may disrupt the supply chain, such as natural disasters, pandemics, and geopolitical risks.

Procurement

EHS* initiatives related to procurement

Terumo strives to mitigate EHS-related risks in the supply chain by requesting the suppliers to sign acknowledgments of Supplier Guidelines and complete questionnaires. In addition, in fiscal 2023, we conducted interviews with the top CO₂-emitting suppliers to effectively calculate their emissions. We will continue our efforts to reduce emissions while communicating with our suppliers. With regard to raw materials transportation, we are making efforts to cut procurement-related CO₂ emissions and reduce the burden on the environment through measures such as consolidation of truck deliveries (by means of joint delivery) and reducing the number of journeys made.

* Environment, Health and Safety

Measures for addressing Conflict Minerals

One of the items contained in the Supplier Guidelines is "5. Consideration for Human Rights for Labor." To ensure that Terumo does not become complicit in human rights violations or environmental destruction, the guidelines stipulate that requests be made to suppliers not to procure or use raw materials, components, or products containing illegally mined tin, tantalum, tungsten, or gold. In addition, as needed, we ask that suppliers inform us of whether or not said materials contain any of the aforementioned conflict minerals.

Procurement-related compliance

When doing business with suppliers, Terumo considers it vitally important to comply with relevant laws and regulations, and to conduct transparent transactions based on fair and equitable relationships. To ensure thorough implementation of purchasing-related compliance, Terumo Corporation in Japan has established its procurement policy and the related bylaws to ensure compliance in procurement. In addition, we undertake fair dealings with suppliers by signing agreements regarding exclusion of antisocial forces (i.e. organized crime groups), and obtaining suppliers' signatures in acknowledgment of Terumo's Supplier Guidelines before selecting suppliers, establishing rules for third-party checks on subcontracting transactions. We also work together with our group companies to ensure that appropriate regulations and processes are in place for the Terumo Group as a whole.

Supplier diversity

The Terumo Group believes that the group and the communities in which it operates benefit from procurement practices that capitalize on the unique skills, knowledge, creativity, and talent offered by a diverse supplier base. The Terumo Group Procurement Policy states that all suppliers will be equally and fairly considered for future business opportunities, and that no suppliers will be favored or refused the right to transact business with the group for illegitimate reasons. Ultimately, Terumo seeks the most capable suppliers in terms of quality, service, cost, value, and technology.

Terumo Americas Holding Inc. (TAH) is working to create opportunities for diverse suppliers by making efforts to identify businesses owned by minorities, women, LGBT individuals, veterans, service-disabled veterans, and people with disabilities, as well as business located in historically disadvantaged areas or HUBZones, and other small businesses.

The Terumo Group is dedicated to partnering with suppliers that enhance its organization's value by offering diverse solutions as it continues to uphold the principles of its Group Mission—"Contributing to Society through Healthcare."

Human resources

Basic approach

The Terumo Group refers to all of its employees as “associates” to reflect the fact that they are viewed as valued colleagues. The growth of Terumo comes through the diverse associates around the globe who have joined Terumo to work, learn, and grow vigorously in a way that suits each of them. With the rapid pace of change in the environment in which we operate our business and in which our associates work, it is becoming ever more vitally important to synchronize our people strategy with our management strategy. By implementing our global people strategy and supporting our associates to perform at their best, we are driving the development of global management for the company. We will realize the enhancement of corporate value by strengthening associates’ identification with our Group Mission of “Contributing to Society through Healthcare,” and fostering a shared sense of Terumo’s purpose.

People strategy

Basic approach

As healthcare and society as a whole is changing rapidly, we recognize that the development of our talents is imperative to the implementation of Terumo Group growth strategies. To that end, we are implementing the people strategy to enable our associates to continue growing with the company.

Specifically, we are focusing on leveraging and developing diverse leaders who will support our global business and strategic workforce planning to build new capabilities for the organization as a whole with an eye on future management strategies. In addition, we are building an environment in which associates are able to fully exercise their ability through encouraging each associate to adopt a “Growth Mindset” to continue to take on new challenges and learn, also working to ingrain a culture of diversity, equity, and inclusion in the organization. Furthermore, we define the attraction and value of working at the Terumo Group as “Advancing healthcare with heart” and have begun to share this concept internally and externally. We are also focusing on promoting effective collaboration beyond the boundaries of specific businesses, functions, and regions to realize a better Associate Experience.

To support the group-wide implementation of these strategies,

we collaborate with HR members of the group companies in Japan and overseas to share the issues and practices at each company under the Chief Human Resources Officer (CHRO). In addition, we have HR teams comprising expert members of each area from various regions and organizations to design and implement common HR programs.

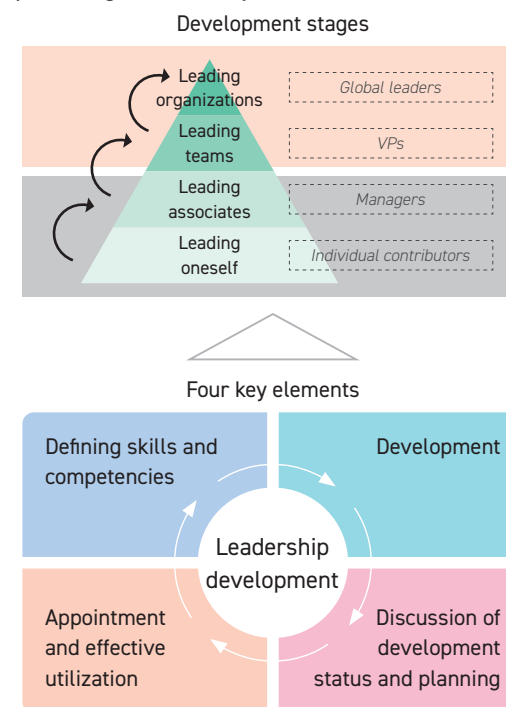


Development of global leaders

Basic approach

With operations in more than 160 countries and regions worldwide, the Terumo Group is promoting the development of talents capable of excelling on the global stage. As a common global development framework, we have designed measures with four consistent elements to create a continuous pipeline connecting each stage of leadership development.

Development stages and four key elements



Global leadership program

We offer global leadership programs tailored to different development stages. In fiscal 2019, we defined the skills and competencies required for future leaders to tackle Terumo Group's business challenges and launched a global leadership development program. This one-year training program brings together selected associates from around the world who are candidates for future management positions at Terumo Group to collaborate and take on the challenges of creating new value for Terumo. In addition, we have expanded the scope of this group-wide leadership program. Starting in fiscal 2021, we included high-potential associates with two to seven years of professional experience, and from fiscal 2023, managers as well.

Succession planning

Profile of Terumo Group's key talent is shared among senior management for discussions on the development, deployment, and effective utilization of those talents across the group to expand the pipeline of global leaders and strengthen the organization. We are also undertaking succession planning of business leaders such as potential successors of CEO positions at the subsidiary entities that can lead sustainable business growth incorporating external objective assessment based on a common global framework.

Terumo ONE Connect

Assignments from Japan to overseas group companies or between overseas group companies across regions and organizations also play an important role in creating opportunities for the development of the associates. Starting in fiscal 2024, we have piloted the introduction of "Terumo ONE Connect," a global online platform that uses AI to match associates' skills and experiences with career opportunities. Through this platform, we will further expand global job postings and opportunities for participation in global projects, promoting the success of our diverse talents.

Talent development (Terumo Corporation)

Talent development/Training program

We believe the growth of our business is realized through the growth of our individual associates, and we manage our human resources policies with the fundamental intent of supporting the ongoing growth of diverse talents. Talent development starts with

practical skills acquired through on-the-job training (OJT) and a variety of training programs designed to supplement OJT. We believe that the most effective learning comes from individual motivation and the feeling of the necessity to learn; associates with this motivation can nominate themselves to participate in various voluntary and selective training programs.

Main content of the talent development/Training program (Terumo Corporation)

Level-based training	Training for new associates, follow-up training for second and third-year associates, training for associates appointed to new positions (mid-level associates and managers), career design training, and communication training
Support for self-development	Business <i>Dojo</i> , management school support, online business training, English conversation classes, internal recruitment of project members, and lectures for associates
Development of management leaders	Individual training for executive officer candidates, development training for next generation leaders, program for supporting associates to study for MBAs (for associates in their second year with the company up to 39 years of age), acquisition support for MBAs (for associates who have been with the company for at least two years), fast-track development program for next generation associates, and global talent development (including overseas training)
Development of R&D talent	<ul style="list-style-type: none"> Advanced Terumo Medical Academy (ATOM) Management of Technology (MOT) and Biomedical, and R&D-related cross-industry exchange and training, etc.
Development of Monozukuri associates	" <i>Ikuseijuku</i> " a training program to help associates learn the principles of <i>Gemba</i> (field/floor), <i>Genbutsu</i> (actual product), and <i>Genjitsu</i> (reality)

Level-based training

Terumo supports the ongoing growth of its associates through training designed to help them acquire the skills necessary at various levels—including new associates, associates who have been with the company for two to three years, mid-level associates, and managers in various roles. To accompany the adoption of a new HR policy in 2022, we have renewed the training program for managers so that it reflects the new policy. We are also conducting career design seminars for associates from diverse backgrounds on an ongoing basis to encourage them to further drive their own career development.

Support for self-development

A diverse range of learning opportunities are provided for all associates with a passion for growth, whether they are new to the organization or veterans. The available programs cover a wide range of subjects such as basic business skills and English, to ensure that associates can find a program that suits their interests and needs. Associates are expected to put their own hand up to the program they wish to enroll in.

Development of management leaders

We implement selective development programs targeting different levels, including emerging talents in their first five years of employment, mid-level employees, managers, and potential future leaders. The purpose is to systematically cultivate candidates for management and leadership positions within the company. In addition to company-led selection, we also encourage self-nomination, which helps in discovering new potential leaders.

Our program design encompasses various aspects such as business perspectives, management assessments, business literacy, liberal arts, and more, to support the growth of individuals who possess the ambition to take on future leadership roles. Furthermore, to foster management talent for the future of our company, we have established a support policy for those associates who wish to obtain qualifications such as an MBA both domestically and overseas. This policy allows for a leave of absence for the necessary period of study, and the utilization of previously expired paid leave. When approved by the company, individuals can borrow funds from the company without interest to cover tuition fees and living expenses. Additionally, under certain conditions, the company also provides partial support for enrollment fees and tuition fees.

We place emphasis not only on acquiring knowledge and skills but also on the experience of engaging with diverse colleagues from around the world and striving for excellence within different cultural contexts.

Development of R&D talent

We conduct research and development on an ongoing basis with the aim of contributing to the advancement of healthcare through innovation created by merging the knowledge and technologies in specialized fields that associates have acquired at educational institutions. Moreover, associates are given access to the Advanced Terumo Medical Academy (ATOM) program after joining the company so that they can quickly acquire the medical insight required as Terumo engineers. In this program, associates study basic knowledge of medicine via Terumo's original e-learning program; receive lectures from doctors, nurses, pharmacists, and other medical professionals active in clinical settings; and take part in a training curriculum. In addition, we utilize online communication tools to promote networking among engineers and facilitate inhouse development, and perform medical device surveys through means that go beyond the standard connections between business sites. We have also been implementing a wide range of related initiatives for many years now, including incorporating training on the Biodesign Program, a medical device development approach originating from the United States, providing education on new development approaches, and arranging observation tours of medical settings.

All training programs are carefully planned based on the concept of instructional design to set the necessary goals for associates engaged in research and development and to ensure that the learning content necessary to achieve the goals is acquired effectively and efficiently while stimulating trainees' interest. Terumo is well aware of the importance of flexible thinking, broad insight, and interpersonal networks. For this reason, we actively support those associates seeking to undergo external training through short- or medium-term programs of their own accord. External training provides opportunities to acquire insight and technologies not available within the company through instruction from external instructors and also helps associates form interpersonal networks. The types of external training available to associates include the Management of Technology program, basic medical curriculum, and other curricula as well as inter-industry personnel exchanges.

Development of *Monozukuri* associates

We are working to improve the training environment and develop the trainers to enhance the manufacturing *monozukuri* (product creation) capabilities at its production sites. As one of our efforts, we provide intensive training for new associates assigned to production, engineering, or product development positions every year to pass on to next generation associates the skills and experience of long-cultivated veterans and the spirit of *monozukuri* and the skills required for modern production. Associates who work at production sites create training curricula in line with *Gemba* (field/floor), *Genbutsu* (actual product), and *Genjitsu* (reality) to continuously enhance the training content to make it valuable as opportunities to learn the common skills to be deployed at factories, the *Gemba* (field/floor) for *monozukuri*. Based on the curricula, associates, including Terumo Expert System (TES) associates — veteran associates rehired after retirement age—call upon their years of *Gemba* experience to act as trainers to train specific content and support next generation associates in acquiring skills.

The new HR policy (Terumo Corporation)

To further enhance the capabilities of our associates, we introduced a job-based human resources (HR) policy for managerial positions in April 2022, and for non-managerial positions in April 2024.

To become a company that can provide solutions to new medical issues on a global scale, we must create an environment where associates who lead and support our strategies can fully demonstrate their diverse abilities, and each associate must also achieve personal growth. Based on this idea, the new HR policy upholds three concepts: self-owned career development, fitting the right talent in the right position, and providing support for growth. Associates are encouraged to design their own career paths without the company's direction and take the initiative to challenge themselves with new opportunities through friendly competition. Additionally, the most suitable associate will be appointed to positions designed based on our business strategy, regardless of age. The company will support associates' growth strategically and more robustly than before.

Through these three concepts, we will continue to strive for growth both at the individual level for our associates and for the company as a whole.

Performance feedback and career-planning meetings

Supervisors conduct biannual meetings with associates to provide feedback on performance evaluations, highlight areas for improvement, and outline expected future actions to foster awareness and growth.

In addition, annual career interviews provide an opportunity for associates to deeply reflect on their future careers, including career plans and specific work objectives, and to engage in serious discussions with their supervisors. Information from these interviews is managed as data and used as foundational information for personnel transfers and other career support provided to each individual.

One-on-one meeting

In fiscal 2022, Terumo introduced one-on-one meetings in addition to performance feedback and career planning sessions. These monthly meetings, lasting approximately 30 minutes to an hour, enhance communication between supervisors and associates. During these sessions, associates share their work experiences, while supervisors address current challenges and concerns related to career development. Furthermore, the meetings regularly and frequently review work objectives and expected roles, and identify any issues. This approach aims to foster and support the growth of associates.

"Career Challenge" in-house job posting program

Since 1997, Terumo has implemented an internal job posting system where associates can apply for positions in various departments and roles, winning jobs through their own efforts. This system provides motivated associates with opportunities to challenge themselves, gain experience, and grow, regardless of age or gender.

In fiscal 2022, the program was renamed "Career Challenge," and its content was significantly revamped. This included opening managerial positions for application and removing the previous requirement for years of experience in the current role. We aim to promote "career autonomy," encouraging each associate to proactively think about their career, challenge themselves with career advancement opportunities based on their own will and abilities, and engage in friendly competition. By doing so, we provide more active opportunities for associates to achieve career growth.

Target critical skills development

Basic approach

At Terumo Group, we are engaged in strategic workforce planning to identify the capabilities (roles, skills, competencies) necessary to achieve our medium- to long-term plans, and to create and implement recruitment and development plans accordingly. Since fiscal 2021, we have been identifying and specifying the capabilities and key skills that need to be strengthened across the group, and each business, function, and region also formulates and reviews strategic workforce plans annually.

Definition of digital talent

We are working on development and acquisition of digital talent as a key capability that needs to be strengthened across the group. Since fiscal 2022, we have defined the roles of digital talent across the group, to identify and monitor the number and location of these talents. Using the data collected through this process, we are sharing digital talent issues with global business leaders and working to strengthen digital talent communities, provide knowledge and skills training at each group company, and improve our recruitment processes.

Development of digital talent (Terumo Corporation)

Since 2020, we have launched the “Terumo DX College” to enhance the digital literacy of associates and support motivated associates in acquiring digital knowledge (from 2022). Additionally, starting in 2023, we have been conducting specialized and practical training courses to improve the skills of experts who aim to solve business and operational challenges with digital skills, based on the needs of the entire company or individual businesses. We are not only creating new value but also working to further develop Terumo’s existing strengths and create an environment that connects to new strengths.

Growth Mindset

Basic approach

The Terumo Group places great importance on the growth of each of its associates. In order for Terumo to continue to be a company able to take on new medical issues and provide more innovative solutions in the rapidly changing medical world, it is important to foster an organizational culture where associates are constantly taking on new challenges and growing. We have therefore introduced “Growth Mindset” to the entire Terumo Group. Growth Mindset is a concept that our abilities are not fixed with qualities we are born with, but rather, we can improve these abilities through efforts and experiences. Creating change in each associate’s awareness and behavior will bring evolution to the company. To promote Growth Mindset, the top management team and business leaders are taking the lead in creating an environment in which associates can incorporate the three key habits of Growth Mindset (experiment, value progress, and learn from others) into their daily work.

Measures to implement Growth Mindset (Terumo Corporation)

All associates have completed an e-learning course assessing their level of Growth Mindset. Additionally, through workshops, we discussed tips for implementing Growth Mindset at the organizational level and enhancing team building. Furthermore, we are organizing internal events to share best practice cases where Growth Mindset leads to a positive impact on business. Moving forward, we will continue to implement ongoing efforts to leverage a Growth Mindset in our business practices.

Diversity, equity, and inclusion (DE&I)

Basic approach

Terumo Group operates in more than 160 countries and regions worldwide, with approximately 77%* of its revenue coming from overseas. We have 30,000 associates working at Terumo Group, and 75%* of them are based outside of Japan. It is essential for Terumo’s sustainable growth that our diverse associates respect and value each other’s differences and realize their full potential.

In March 2022, we established a global “DE&I Philosophy” to further cultivate a culture of diversity, equity, and inclusion (DE&I) within Terumo Group. In addition, we defined a “DE&I Guiding Principle” as standards for our behavior and decisions related to DE&I. The DE&I Philosophy and the DE&I Guiding Principle are aligned with Terumo’s Core Values and the Terumo Group Code of Conduct, clearly stating our commitment to fostering a globally diverse, equitable, and inclusive culture and embedding it in our daily business activities. The five-year growth strategy “GS26”, which started in April 2022, aims to promote the active participation of diverse talents to achieve global management. Moving forward, we will continue to create new value through the practice of DE&I, contributing to the advancement of healthcare and the enhancement of patients’ quality of life.

* Calculated based on revenue for the fiscal year ended March 31, 2024, and the number of Terumo Group associates as of March 31, 2024.



DE&I Philosophy and Guiding Principle

<https://www.terumo.com/about/regulation/diversity-equity-inclusion>



The concept of the expression
The overlapping colors of the DEI letters in this logo symbolize our associates. This design demonstrates our commitment to respecting individual differences and providing resources tailored to each associate, empowering everyone to fully realize their potential, supporting "TERUMO," and fostering continuous growth. (The logo is for internal use only)

Promotion measures

In 2021, we established the Global DEI Council, composed of associates with diverse backgrounds in terms of gender, nationality, job roles, and positions. Through active discussions within the council, we formulated the common DEI Philosophy and Guiding Principle for the Terumo Group. Furthermore, in 2023, we revamped the four focus areas to promote DEI, tailoring our initiatives to the characteristics of each region. Additionally, the status of DEI promotion plans and initiatives, including women's empowerment, is regularly reported and discussed at the board of directors' meetings, where we also receive advice based on various insights from external directors.

The four focus areas and its major initiatives

1. Goal setting and HR process: DEI goals/KPIs set and managed by executive officers
2. Inclusive leadership: Advancing the implementation of inclusive leadership training
3. A sense of belonging and togetherness: Promoting collaboration between Associate Resource Groups across businesses and geographies
4. Awareness and communication: Strengthen both internal and external communication regarding DEI

TOPICS

Initiatives to promote communication "Terumo DEI Week"

At Terumo Group, we hold "Terumo DEI Week" every March to promote a better understanding of DEI, foster mutual respect among associates, and create an inclusive work environment where associates are empowered to bring their authentic selves to work. During this period, we hold DEI-related events, including video messages from the management team and panel discussions, at Terumo and our global group companies.



Online seminars by Anne Chow (formerly CEO of AT&T) (Simultaneous participation at 10 locations globally)

DE&I promotion (Terumo Corporation)

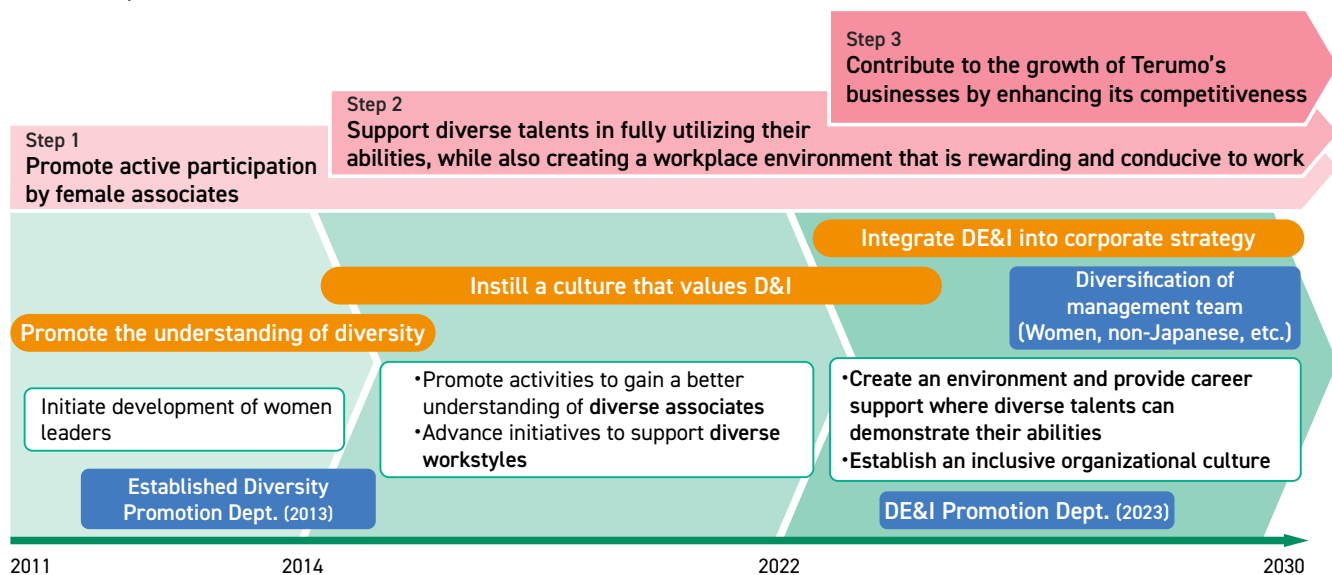
Terumo Corporation has been implementing initiatives to foster an inclusive corporate culture by promoting the understanding of DE&I.

Major initiatives implemented so far

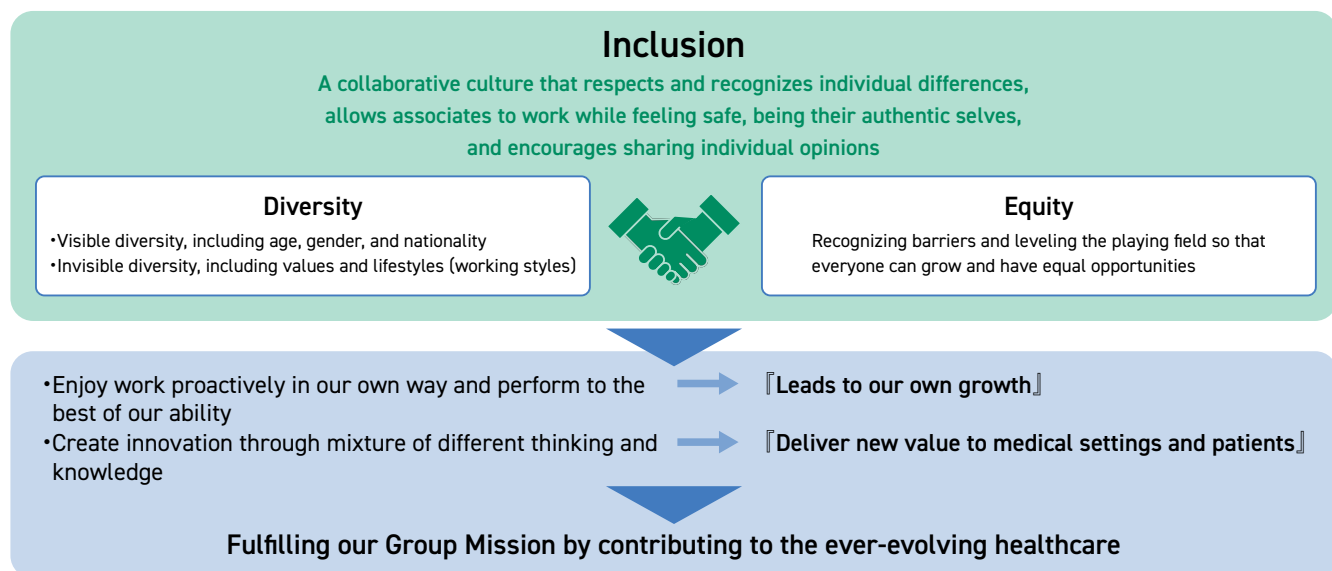
- Posted the targets and plans for DE&I initiatives on the company's intranet site
- Held lectures and workshops by independent directors and external lecturers for top management, heads of departments, factories, and sales managers
- Posted commitments declared by executives to promote diversity within their departments on the company's intranet
- Held diversity management training session for managers (with content including management approaches that can effectively draw out the skills of diverse associates, including women and non-Japanese individuals, and how to interact with subordinates from diverse backgrounds)
- Conducted level-based trainings on the skills needed to be able to effectively manage diverse talents and work styles, on unconscious bias, and on methods for appropriate performance evaluation
- Implemented e-learning for all Terumo associates, including seconded personnel (e-learning topics include basic knowledge about DE&I, unconscious bias, psychological safety, etc.)
- Disseminated information about DE&I through Terumo's social media accounts

Human resources

Initiatives to promote DE&I at Terumo



Terumo's vision for DE&I



Promotion of active participation by female associates

At Terumo, in order to continue growing in a diverse global society, the top management team is committed to promoting women's empowerment as part of achieving DE&I.

The ratio of female managers in the Terumo Group globally is 31.3%, compared with 10.4% in Japan (as of March 31, 2024). To ensure continued value creation in the future, it is critical to have a diverse pool of decision makers, including women in management positions. To achieve this goal, we have set a target of 13% women in managerial positions in Japan by the end of fiscal 2026. We are working toward this goal by creating an environment led by the top management team that enables women to maximize their potential. We are also making it mandatory to include female candidates in succession plans for key management positions and systematically dispatch them to women's leadership programs at external training institutions to develop women leaders and candidates. In mid-career hiring, we are promoting recruitment of female talent as candidates for future management positions, as well as for specialist positions such as lawyers, and for managers and manager candidates. In addition to these efforts, we are actively supporting the creation of a network where associates can share issues and information about career and life events with other associates.

Number and ratio of female managers (Terumo Corporation)

	FY2021	FY2022	FY2023
Number	73	90	100
Ratio (%)	8.4	9.6	10.4

TOPICS

Women's talent development program

Module 1: Women's Leadership Development Program (for female associates)

While replacing members every year, we will develop women leaders by enabling them to develop their own personal leadership styles that make their work rewarding.

Module 2: Women's community building program (consisting of two parts: webinars and networking)

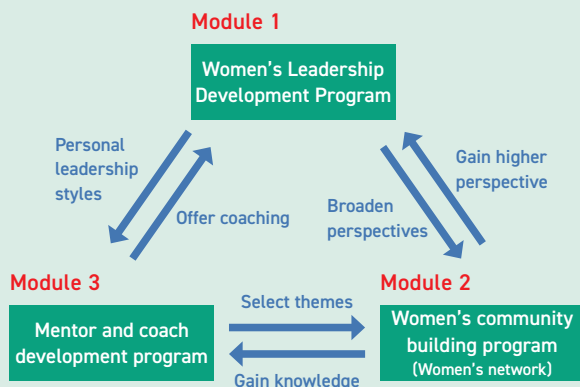
Part 1: Panel discussion with unique women leaders (internal and external) as speakers, for all associates

Part 2: Building a network of female associates

Module 3: Mentor and coach development program (Target: associates in managerial positions)

Participants receive mentoring and coaching by professional coaches and learn through practice to become inclusive leaders themselves, as well as mentors for female associates participating in Module 1.

Overview of women's talent development program (FY2024–FY2026)



Major initiatives implemented so far

- Introduced DE&I-related criteria as one of the individual's qualities to be evaluated for executive officer appointments
- Included female candidates in the succession plan for key executive positions as a requirement
- Made it mandatory to set the development plan for subordinates as one's own objectives
- Implemented initiatives for improving diversity management skills in managers that have responsibility for developing women leaders
- Developed women leaders and candidates for executive positions by sending female associates to women's leadership programs offered by external training institutions
- Developed a system to ensure that absence from work due to life events does not affect subsequent career development, promotions, and appointments.
- Established a consultation desk for balancing work and private life
- Built a network for identifying issues and exchanging opinions on career and life events
- Introduced a babysitter subsidy policy and overseas transfer spousal leave policy
- Enhanced the program to subsidize the cost of a return trip home for associates on solo assignments in Japan
- Introduced prenatal preparatory classes for parents-to-be

Promotion of active participation by International Associates

At Terumo, we are engaged in recruiting overseas talents regardless of nationality and promoting the recruitment of global talents by accepting overseas university students and international students in Japan as interns.

As our business is becoming more globalized, we are also working to create an environment where every associate—regardless of nationality or language—can work more comfortably. As part of this effort, we use the term International Associates (“IA”) to refer to associates who are not native to Japanese culture or language, and we are conducting cross-cultural communication training for managers who have IA under their supervision. We have also established an Associate Resource Group (ARG) for IA to create an environment where IA can work in Japan easily and can freely

seek advice. In addition to these efforts, we have also established internal infrastructure, such as providing internal announcements via e-mail and office bulletin boards in English.

Support for contributions by senior associates

At Terumo Corporation, we have introduced TES, or the Terumo Expert System, in fiscal 1998 as a way to rehire retirees with outstanding skills and expertise. Many associates have been brought back through TES and continue to make the most of the expertise they developed over many years. These Terumo Experts work not only in highly specialized areas but also in a wide variety of other areas where they contribute to the company by drawing on their wealth of experience to provide guidance and advice to younger associates.

In April 2023, we made changes to the TES to introduce a compensation structure that is based on roles and performance. We also introduced flexible work arrangements that allow diverse work styles such as allowing side jobs and 3-4 work days per week.

Furthermore, we have introduced a career advisor program to offer additional support for the contributions of senior associates. Through this program, advisors with management experience within the Terumo Group meet individually with all rehired associates to identify any issues they might face early on and offer various advice.

Employment of individuals with disabilities

Terumo promotes the employment of individuals with disabilities to enable them to lead rewarding lives as independent members of society by providing job opportunities that match each individual's skills and aptitudes. In fiscal 2018, we introduced a new program in which associates with certifiable disabilities can receive 12 days of special paid leave a year. This program aims to provide them with peace of mind when taking days off for hospital visits, hospitalization, or simply resting when in poor health, supporting the development of workplace environments where associates with disabilities feel more comfortable working and can better exercise their talents. We will continue to promote initiatives that enable each associate with disabilities to maximize their abilities and make efforts to expand employment.

Inclusion of sexual and gender minorities

To create a workplace environment wherein associates with different backgrounds respect each other and can work to the fullest of their ability, Terumo is engaged in various initiatives from the perspective of sexual and gender minorities, such as members of the LGBT community.

In January 2017, we clearly outlined the prohibition of harassment based on sexual orientation or gender identity in Terumo's work regulations. Additionally, in the revised "Terumo Group Code of Conduct" of April 2019, we also included a statement to create and maintain a workplace where individuals are not unfairly treated based on their sexual orientation or gender identity.

Topics pertaining to the prevention of harassment based on sexual orientation and gender identity were incorporated into the harassment training provided to all associates. We are also striving to enhance associates' understanding of LGBT issues through measures such as the installation of unisex restrooms, and the holding of LGBT sensitivity training sessions by external lecturers.

Wellbeing

Basic approach

For our associates to fully utilize their abilities and thrive in the workplace, it is essential that they maintain both physical and mental health. Additionally, their experience at Terumo should be enriching, and they should feel a sense of purpose and job satisfaction. At the Terumo Group, we refer to this state of being as "wellbeing." To enhance wellbeing, we are implementing various initiatives across the entire group, in every region, country, and company.

Promotion of associate health improvement

Terumo recognizes that healthy associates are crucial to sustainable growth. As a company tasked with contributing to the development of healthcare, we are committed to ensuring that our associates remain healthy and providing them with an environment that allows them to feel energized in their work.

Message from senior management

Hikaru Samejima
Chief Executive Officer

Since its establishment in 1921, Terumo has been addressing various medical challenges together with its associates (employees) under the Group Mission of "Contributing to Society through Healthcare." To continue contributing to the ever-evolving medical settings, it is essential to further strengthen the capabilities of our associates, and at the core of this is "health."

At Terumo, we believe that our associates are the driving force behind sustainable growth, and we are promoting health management across the entire company. In a global environment where diverse talents thrive and work styles and individual careers are becoming increasingly diverse, we believe that each associate being physically and mentally healthy, working energetically in their own way, and feeling the value of working at the Terumo Group leads to increased corporate vitality and engagement. As a company involved in healthcare, we will continue to address various challenges from both management and associate perspectives, promote health management, and aim for evolution to bring further innovation to healthcare together with our associates.

Promotion of global wellbeing program

At Terumo Group, we are advancing global wellbeing program with the aim of ensuring that all associates work healthily and actively, and feel the value of working at Terumo Group. By learning from initiatives promoted by other group companies in each region and promoting them together, we are working with a sense of unity. In 2020, we prepared a shared global common tagline, "Your Health, Your Happiness, Our Priority," and an internal logo, and designated five shared themes that Terumo considers important. This tagline embodies the shared desire of associates and the entire Terumo Group to protect the health of all associates.

Shared themes	Concrete initiatives
 Exercise	Financial support for exercise; in-office gyms; walking, running, and other sports events; etc.
 Healthy diet	Provision of healthy meals, nutrition seminars, etc.
 Mental health	External consultation venues, stress relief and mindfulness programs, sleep workshops, support for addressing financial concerns, etc.
 Prevent & care illness	Health examinations, vaccinations, treatment support, leave for treatment purposes, etc.
 Family care	Wellbeing support for associates' families

Terumo Patient's Day

At the root of our associates' motivation to work with a sense of purpose is our Group Mission: "Contributing to Society through Healthcare." Since 2013, we have been hosting an in-house event called "Terumo Patient's Day" around the world, where we listen to patients' voices. This event provides opportunities for associates to reconnect with our mission, share the belief that all our work benefits patients and healthcare, and find motivation. During Terumo Patient's Day, associates hear moving accounts of patients' experiences in their struggle to overcome diseases. This enables associates to directly reflect on the connection between their everyday work and healthcare.

Engagement survey

At Terumo, we believe that fostering engagement—helping our associates feel fulfilled and experience growth in their daily work—leads to better performance and, ultimately, greater corporate value. With this in mind, we conduct a biennial survey to assess our associates’ engagement levels. (Note: Some entities conduct their own engagement surveys on a more frequent basis.)

The survey consists of 14 questions on common topics relevant to all global entities, such as inclusion, work-life balance, and growth opportunities. In the first quarter of fiscal 2024, the survey had a global response rate of 69% and 84% in Japan (Terumo Corporation).

The main trends in the results showed that globally, scores were high (positive) for questions like “I feel as if I belong at Terumo” and “My manager recognizes my team’s progress towards our goals.” Scores were lower for statements such as “I feel safe to fail when trying new approaches at work” and “It is easy to connect with other Terumo associates (across departments and Terumo entities) who possess specific skills or expertise, allowing us to meet, collaborate, or learn from each other.” Globally we plan to continue to foster a culture of learning and growth from failure as part of our group-wide initiative, Growth Mindset (see p. 58). Additionally, we will enhance collaboration across the Terumo Group through our online platform, Terumo ONE Connect (see p. 56), which aims to facilitate networking among associates.

In Japan (Terumo Corporation), in addition to the 14 common global questions, we conducted a survey with questions unique to Japan. These questions aim to visualize the state of the organization by examining various factors that are believed to affect engagement and wellbeing. The main trends in these results showed high scores for the statements “I am proud of the efforts our company is making to contribute to the world” and “Our company adheres to ethical management decisions and actions.” These scores on CSR and corporate ethics are consistently high each year, which we believe is a strength of Terumo Corporation. However, the score for “I am actively investing in myself to improve my skills and career prospects” was lower. Moving forward, we will work to create an environment where all associates can actively pursue their own growth.

We will continue to listen closely to our associates and stay connected with what happens in *Gemba*. We will use our associates’ feedback to take concrete actions to improve engagement.

Workstyle reform

Terumo considers the success of every associate as the driving force behind the company’s sustainable growth. To ensure that each associate can maximize their potential, we are promoting work style reforms. Focusing on work outcomes and aiming to improve productivity, we are working to enable flexible work styles that fit the nature of the work and our associates’ lifestyles.

Policies to facilitate flexible workstyles (Terumo Corporation)

Policy	Description
Staggered working hours	Adjustment of start and end of work day by up to two hours available according to daily work and schedule
Flexible working hours	Flexibility for each associate to set their own start and end times and working hours within the total number of hours set for each month
inter-work interval	A policy to prevent overwork that requires associates to take an interval of at least eight hours between the end of one workday and starting the next
Work-at-home Policy	Available to all associates working on remote assignments (no limit on frequency of use)
Satellite offices	Satellite offices established, mainly in the Tokyo metropolitan area, to support location-free work styles
Paid half-day Leave	Paid leave for taking a half day off in the morning or afternoon available
Hourly paid Leave	Paid leave available in hourly units
Refreshment Leave	Five days of refreshment leave (special paid leave) for associates who have been working for 10 or 20 years or who have retired and transitioned to the Terumo Expert System

Proper working hour management

At Terumo, we are focused on improving work efficiency by thoroughly managing daily working hours and creating a work environment where associates can fully concentrate during work hours and enjoy complete rest during their breaks.

Major initiatives implemented to enhance working efficiency and ensure appropriate working hours

- Use new technology to reduce production process manpower requirements
- Save labor through the adoption of automation technologies such as robotic process automation (RPA)
- Adjust operations and making them more efficient
- Establish a minimum of one “no overtime” day per week
- Send alerts when hours worked outside normal working hours reach a specified level
- Provide associates in managerial positions with periodic notifications and training
- Establish company holidays
- Promote the taking of paid vacation days

Ratio of paid vacation days taken (Terumo Corporation)

	FY2021	FY2022	FY2023
Ratio (%)	67.1	71.1	73.2

Support balancing work and family life

Terumo is fostering a workplace environment that enables associates to realize their maximum potential by supporting flexible work styles that accommodate childbirth, child-rearing, nursing care, and other life events.

Childcare and nursing care support policies (Terumo Corporation)

	Policy	Description
Childbirth	Maternity leave	• Up to six weeks' leave can be taken before childbirth, and up to eight weeks' leave after childbirth
	Parental leave for spouses	• Two days' leave can be taken within one month of the spouse giving birth
Childcare	Long-term childcare leave	• Leave available to be taken until the child reaches the age of 14 months (until the child reaches the age of three if there are special circumstances such as being unable to enter a nursery school) • Up to 30 days of expired paid leave can be used at the beginning of leave • Postnatal paternity leaves available to male associates within eight weeks of spouse giving birth, which allows them to work while on childcare leave
	Shortened working hours	• Working hours can be shortened by up to two hours per day until the child finishes elementary school (approximately age 12)
	Staggered working hours	• The start and end time of regular working days can be moved forward or backward by up to two hours until the child finishes elementary school (approximately age 12)
	Exemption from working outside normal working hours	• Until the child reaches the age of three: The associate concerned can submit an application to the company to be exempted from working outside normal working hours, and to be exempted from late-night working • Between the child's third birthday and starting elementary school (approximately age seven): The associate concerned can be exempted from working more than 24 hours a month or 150 hours a year outside normal working hours, and to be exempted from late-night working
	Work at home	• Available to remote workers with no limit on the frequency of use
	Authorization to use company vehicles to drop off or pick up children at childcare facilities	• Associates can use company vehicles to drop off or pick up children at childcare facilities when on their way to perform business activities or when on the way home

Nursing care	Long-term nursing care leave	• Leave can be taken up to three times for a cumulative total of up to three years for each family member requiring nursing care • Up to 30 days of expired paid leave can be used at the beginning of leave
	Shortened working hours	• Working hours can be shortened by up to two hours per day for a cumulative total of up to three years
	Staggered working hours	• The start and end time of daily working hours can be moved forward or backward by up to two hours for a cumulative total of up to three years
	Work at home	• Available to remote workers with no limit on the frequency of use
	Authorization to use company vehicles to drop off or pick up relatives at care facilities	• Associates can use company vehicles to drop off or pick up relatives at care facilities when on their way to perform business activities or when on the way home

Support for helping associates return to work after childbirth and childcare leave

In fiscal 2013, we began holding career-resumption seminars for female associates currently on childbirth or childcare leave, and for their supervisors. At these seminars, we invite female associates that have experience with adjusting to changes in the balance between work and child-rearing to offer their insights regarding this adjustment. These associates also outline key developments at the company that have taken place while the returning associates have been on leave and the preparations and attitude needed for a smooth return to work.

For supervisors, the seminars provide explanations of various policies that help associates balance work and family responsibilities, the necessity of individual meetings before and after returning from childcare leave, and the evaluation and promotion systems. This helps supervisors develop management skills that enable their team members to excel in diverse working styles and support their careers from a long-term perspective.

Career support for women working while raising children

It is important for companies to understand the underlying concerns of women who work while raising children. Based on this understanding, we create opportunities for women balancing work and parenting to exchange opinions on challenges and information related to their careers and life events. This includes building networks where they can discuss and share experiences, as well as organizing workshops tailored to specific job roles to help them reflect on their career paths.

We also share the firsthand feedback gathered from these activities with our top management team. By doing so, we aim to make the leaders aware of the realities of work-life balance and foster further insights and understandings. Additionally, the feedback obtained from associate surveys and consultation channels has led to the implementation of support systems such as babysitting assistance, spouse overseas transfer leave, and the expansion of home visit travel cost for associates living away from their families.

Encouraging male associates to take childcare leave

In fiscal 2023, the number of male associates taking childcare leave at Terumo has increased to 118, resulting in a take-up rate of 76.6%. Associates who have actually taken childcare leave have commented that they have been able to provide physical and mental support to their spouses, and that it has deepened family ties and unity. It is important for each associate taking male childcare leave to have the understanding and support of his supervisor and workplace in order to create an environment in which an associate can take leave for the required period of time. For this reason, we post the experiences of those who have taken male childcare leave on the intranet, and also hold roundtable discussions with other associates and their supervisors to identify issues and to develop improvements. We are promoting mutual understanding through participation in study sessions on childcare not only by the associates concerned but also by the entire workplace.

Number and ratio of male associates taking childcare leave (Terumo Corporation)

	FY2021	FY2022	FY2023
Number	84	104	118
Ratio (%)	54.9	68.8	76.6

Selected as a “Next Nadeshiko: Company Supporting Dual-careers and Co-parenting”

Terumo Corporation has been selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as one of the “Next Nadeshiko Companies Supporting Dual-careers and Co-parenting*1” for its outstanding efforts in supporting dual-careers and co-parenting.

*1 “Next Nadeshiko Companies Supporting Dual-careers and Co-parenting” is a program to select companies making particularly outstanding efforts in supporting a work-life balance that enables both parents to work and raise children together. This program was newly established in 2023 to operate alongside the “Nadeshiko Brands*2” selected by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE).

*2 Nadeshiko Brands: a program to select listed companies making outstanding efforts to promote women’s empowerment in the workplace.



Acquisition of Kurumin Certification under Japan’s Act on Advancement of Measures to Support Raising Next-Generation Children

In September 2024, Terumo Corporation received “Kurumin Certification*” as a “company actively engaged in childcare support.”

* Established under the Act on Advancement of Measures to Support Raising Next-Generation Children, Kurumin certification program enables companies that have established a General Employers Action Plan and have met certain standards to apply to the Ministry of Health, Labour and Welfare for certification as a company that supports the raising of children.



Participation in “IkuBoss* Alliance”

In June 2018, Terumo Corporation joined the “IkuBoss Alliance,” a business network operated by the nonprofit organization Fathering Japan. Through our participation in the IkuBoss Alliance, we aim to increase the number of “IkuBoss” supervisors in the company who specialize in creating workplace environments that are empowering and comfortable for all and in helping their teams fully exercise their skills.

* One who supports the work-life balance, careers, and lives of their subordinates and staff and seeks to create results for the organization while achieving a good work-life balance themselves.

Support for balancing work with nursing care

In preparation for the challenges of nursing care, which every associate may eventually face, Terumo has instituted a policy to support associates balancing work and nursing care responsibilities. We also provide information and consultation venues to assist associates in achieving such balance and have taken steps to promote their awareness of these support options.

Item	Details
Nursing care columns	Introduction and explanation of wide-ranging information in support of nursing care by a specialized lecturer through the intranet
Nursing care seminars	Nursing care seminars by specialized lecturers held for associates nationwide
Individual nursing care consultation events	Regular individual consultation events held by a specialized lecturer (family members may attend)
Nursing care handbooks	Preparation and distribution of handbooks under the guidance of a specialized lecturer to encourage associates to discuss nursing care with family members while they are still healthy

Rehiring of former associates through the career-return policy

Terumo has opened a pathway to rehire associates who have left because of marriage, childcare or nursing care responsibilities, or the relocation of their spouse. The Career-Return Policy expands the range of employment choices for associates who wish to resume their careers at Terumo in Japan. By helping associates resume their careers, we aim to leverage their diverse experiences and the values they have gained from them for Terumo.

Leave policy when accompanying a spouse on overseas transfers

Spousal transfer leave, which allows associates to take a leave of absence for a certain period of time to accompany their spouse on an overseas transfer, was introduced in October 2023. As a result, we have been able to provide new options that support the continuity of careers for associates who face challenges in maintaining employment due to accompanying their spouses on overseas transfers.

Human resources

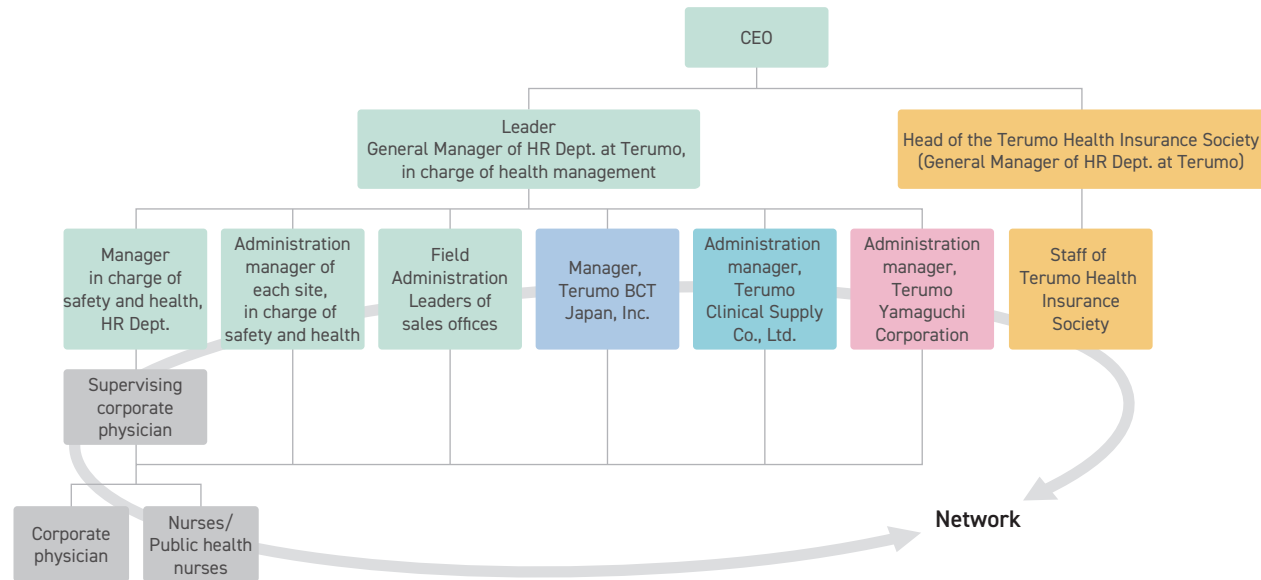
The “Kenko Keiei” System (Health and productivity management system)

To promote “Kenko Keiei,” we have formed a team, with members drawn from across Terumo Group companies in Japan, to work with the Terumo Health Insurance Society to undertake “collaboration of health”* initiatives. In addition, led by a supervising corporate

physician, corporate physicians, nurses, public health nurses, and other corporate health staff deployed to individual business locations share information on “Kenko Keiei” directions for the group companies in Japan and on common initiatives and best practices in order to facilitate the standardization of initiative levels.

* Initiatives undertaken through collaboration between company management and the Terumo Health Insurance Society

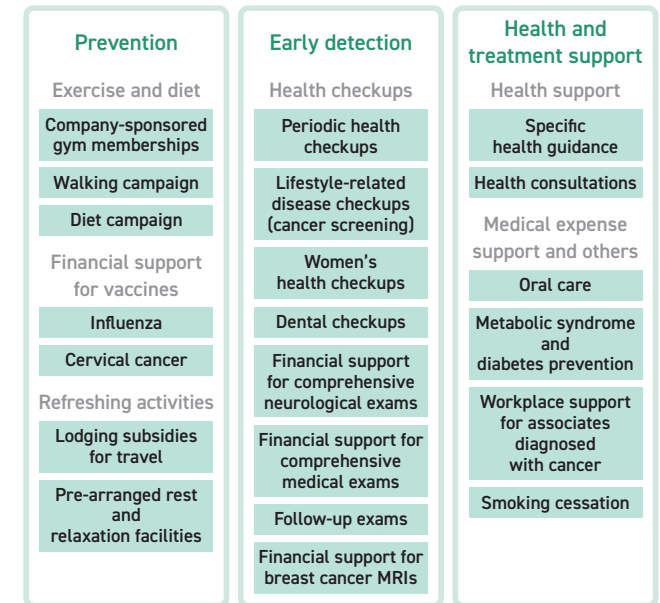
Terumo “Kenko Keiei” Promotion Team



Basic approach and major initiatives

At Terumo, we will analyze past diagnostic results and medical expense data to set policies and formulate annual action plans to be implemented at all group companies in Japan. Initiatives based on policies and plans are advanced, and their results are quantitatively and qualitatively verified on an annual basis. In addition, internal “Kenko Keiei” surveys are conducted to incorporate associate input and needs into a “Kenko Keiei” plan-do-check-act (PDCA) cycle. For example, the company, its health insurance society, and industrial health staff collaborate to provide associates with health checkup opportunities, hold seminars and health-oriented events, and offer financial assistance to promote prevention, early detection, and early treatment. In addition, health guidance is provided to individual associates and their families.

Efforts on prevention, early detection, and treatment support



1. Reduction of ratio of smokers and ratio of associates diagnosed with metabolic syndrome

We are working to prevent the onset of lifestyle-related diseases. To that end, we aim to reduce the ratio of smokers to less than 20%

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and the ratio of associates diagnosed with metabolic syndrome to less than 22%.

[Major Initiatives]

- Discouraging smoking: Prohibition on smoking at work, holding seminars on quitting smoking, distribution of tools to assist in quitting smoking, online smoking cessation program, financial support for receiving outpatient smoking cessation assistance or purchasing aids for quitting smoking, and prohibition on smoking on the premises of Terumo Corporation in Japan
- Prevention of metabolic syndrome: Special health guidance, and holding of special walking and dieting events

[Initiative Results]

- Discouraging smoking: The ratio of smokers was 21.8% in fiscal 2023. We will continue to implement activities in this area with the aim of reducing the ratio of smokers to less than 20%.
- Prevention of metabolic syndrome: By implementing measures that enable associates to improve their lifestyle habits while having fun, for example by providing diet programs based on the recording of data that make use of Terumo products, and through periodic events, we are able to strengthen the motivation of associates while enabling them to receive more effective advice from public health nurses.

2. Early diagnosis and treatment of cancer to enable associates to return to the workplace

We are focusing on examinations to diagnose and treat cancer early and on creating workplaces that enable associates who have been treated for cancer to return to work when they are ready and continue to work while they are being treated.

[Major Initiatives]

- Full compensation of fees by the Terumo Health Insurance Society for checkups for lifestyle-related diseases (cancer screening), making it easier to receive such checkups by enabling associates to have them during working hours together with regular checkups required by law, encouraging associates to have secondary examinations when the initial examinations indicate that more detailed examination is needed, and a policy to help associates to continue to work while undergoing cancer treatment

[Initiative Results]

- In fiscal 2023, all associates underwent regular checkups required

by law and more than 90% received secondary examinations when warranted.

3. Women's health

In response to the increase in female associates, we implement "Kenko Keiei" practices that meet needs specific to women.

[Major Initiatives]

- Various seminars ("Balancing careers with women's health issues", "The importance of breast and cervical cancer screening", etc.), financial support for receiving cervical cancer vaccines, and financial support for undergoing MRI breast cancer examinations*

* Having a high rate of lesion detection, MRI examinations are said to be effective for early detection of breast cancer in women with unusually dense breast tissue and in women considered at high risk for breast cancer due to family history or other factors.

4. Encouragement of self-help

Based on the belief that self-help initiatives are the most important element of managing associate health, we are disseminating information to encourage self-help efforts.

[Major Initiatives]

- Dedicated "Kenko Keiei" intranet site offering information on Terumo's "Kenko Keiei," messages from senior management, health improvement support, initiatives at business sites, and healthcare practices of associates
- Financial support for dental examinations and oral care to help raise awareness of dental diseases, which can contribute to lifestyle-related diseases
- Stretching workshops for improving sleep quality and preventing lower back pain and other training opportunities for addressing presenteeism issues

Major initiatives and achievements (FY2023)

Prevention	<ul style="list-style-type: none"> • Walking campaign participants: 2,689 (held in the spring of 2023) / 2,726 (held in the autumn of 2023) • Stress check take-up rate: 83% (identified as high stress: 12%)
Early detection	<ul style="list-style-type: none"> • Periodic health checkup rate: 100% • Secondary examination rate: 92%
Health and treatment support	Specific health guidance rate: 54.2% (FY2022)

For more information about these initiatives, please refer to "Human resources and labor data" on p. 103.

Workplace support for associates diagnosed with cancer

In recent years, with the advances and improvements in diagnostic techniques and treatment methods, there has been an increase in the number of cases where associates are able to continue working while undergoing treatment for cancer, instead of needing to take a long period off work. In January 2017, we established a workplace support policy for associates who have been diagnosed with cancer, to provide flexible support so that they can balance treatment and work responsibilities, and enable them to take advantage of opportunities for treatment with peace of mind.

Types of support

Use of expired paid leave	Expired paid leave may be used a day at a time
Unpaid leave	Associates may take as many days as needed, but no more than 30 consecutive days.
Unpaid working hour reductions	Working hours may be reduced by up to 2 hours per day
Staggered working hours	Adjustment of daily starting and finishing times by up to 2 hours.

Membership in KENKO Kigyo Kai

Terumo is a member of the KENKO Kigyo Kai, an organization of companies committed to the idea that employee health should be a top management priority. Under the leadership of their senior management, members of this organization embark on an ongoing process of taking steps to promote the health of their employees, reviewing measures and their results, sharing this information, and making improvements. Terumo embraces this approach to business management and contributes to efforts to promote its wider adoption.

External recognition

In recognition of the effectiveness of its "Kenko Keiei" initiatives, Terumo was selected for inclusion in the Health & Productivity Stock Selection eight times between fiscal 2014 and fiscal 2023. Terumo has also been included in the Excellent Enterprise of Health and Productivity Management—White 500 selection since fiscal 2016. Furthermore, Terumo received the Cancer Prevention Partner

Human resources

Award (Cancer Screening Category) in fiscal 2019 through the Ministry of Health, Labour and Welfare's Action Plan for Companies Promoting Cancer Prevention in recognition of its efforts to promote cancer screenings.

Major "Kenko Keiei" selections, certifications, and awards

- Health & Productivity Stock Selection (eight times between fiscal 2014 and fiscal 2023)
- Excellent Enterprise of Health and Productivity Management (six times between fiscal 2016 and fiscal 2023)
- Tokyo Sports Promotion Company (nine consecutive years since fiscal 2015 to fiscal 2023)
- Sports Yell Company (seven consecutive years since fiscal 2017 to fiscal 2023)
- Cancer Prevention Partner Award (Encouragement of Cancer Treatment While Working Category) (fiscal 2017) and Cancer Prevention Partner Award (Cancer Screening Category) (fiscal 2019), Action Plan for Companies Promoting Cancer Prevention, Ministry of Health, Labour and Welfare
- Award of Excellence, Awards for Companies Supporting Cancer Patients in Receiving Cancer Treatment While Working, Tokyo Metropolitan Government (fiscal 2017)
- Yamaguchi Prefecture Governor's Award for Excellent Enterprises in Health and Productivity Management, Terumo Yamaguchi Corp. (fiscal 2017)
- Sukoyaka Yamanashi 21 health Promotion Award, Terumo Corporation's Kofu Factory (fiscal 2018)

Management-worker dialogue

Terumo recognizes that a healthy management-worker relationship based on trust and mutual understanding is extremely important for it to grow and develop together with its associates. In Japan, all non-managerial associates are members of the workers' union (Terumo utilizes a union shop system). Input from the workers' union is treated as valuable feedback, and we resolve issues by taking actions that are acceptable to both management and associates. In Japan, we arrange forums for discussion with senior management as well as regular management-worker conferences, held once a month in principle. By facilitating

reciprocal communication through such forums, the relationship between management and the workers' union has been developed into one in which both sides work as partners to bring about mutual growth and development.

In addition, we hold timely discussions regarding work-style reforms, "Kenko Keiei" (health and productivity management), and other company-wide measures to support the endeavors of associates through a united management-worker effort. We also work to enable a free and vigorous exchange of views throughout the company through surveys and feedback via the workers' union.

Employee shareholding association

An employee shareholding association policy has been adopted for associates at Terumo Corporation and at its domestic subsidiaries. In encouraging associates to hold Terumo's shares, we are aiming to cultivate a stronger sense of associate participation in management. At the same time, the company provides associates with additional bonus payments based on how much they have invested in company stock, which helps associates to build up their financial assets.

Recognition (Praise and approval)

Basic approach

As part of our wellbeing initiatives, the Terumo Group believes that recognizing the value created by our associates is crucial. With this in mind, we aim to enhance external recognition and evaluation of the company. In addition, we are strengthening internal recognition efforts through a group-wide award program, unique award programs introduced by each business and function, and mutual recognition among team members.

Terumo Global Awards

The Terumo Global Awards is an annual award program open to all Terumo Group companies. This program is designed to recognize associates that have made large contributions to either the Terumo Group or society through business success or excellence in community outreach.

Terumo Fellows

Associates named as Terumo Fellows possess superior expertise and practical experience in the fields of technology, research, clinical development, and regulatory affairs and have made conspicuous contributions to medical settings throughout the World. A total of nine Fellows have been created since the program was established in 2016, and as of April 2024, four Fellows are currently serving.

Initiatives to promote recognition (Terumo Corporation)

Internal awards programs

Terumo has developed various internal award programs with the aim of heightening the motivation of its associates.

Gemba-no Hokori Awards

Terumo recognizes associates that work diligently in lesser acknowledged endeavors through the "Gemba-no Hokori" Awards (literally, the "Honor the Front Line" awards), which are presented each year.

Occupational safety and health

Basic approach

Ensuring occupational safety, promoting the health of employees, and reducing the environmental impact of business activities are important social responsibilities for companies and are crucial to sustainable growth. Acting in accordance with the Terumo Group Environment, Health and Safety (EHS) Policy, the Terumo Group advances initiatives for ensuring occupational safety and promoting the health of its employees throughout all of its business activities, strives to develop safe and comfortable work environments, and works to reduce the impact of its business activities on the environment.



Terumo Group EHS Policy (Please visit the Regulations and Standards section of Terumo's corporate website.)
<https://www.terumo.com/about/regulation>

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EHS management system

Based on the Terumo Group EHS Policy, we employ an EHS management system that is compliant with international environmental (ISO 14001: 2015) and occupational health and safety (ISO 45001: 2018) standards. (For more information about the EHS management system, please refer to "EHS Management" on p. 34.)

ISO 45001 (Occupational health and safety) certifications

Principal manufacturing sites in Japan, a certain number of manufacturing sites overseas, and the head office (EHS Office) have obtained third-party certifications of their compliance with the ISO 45001 international standards. The ratio of certifications obtained is 37% on a manufacturing site basis.

Company name	Site
Terumo Corporation	Head office (EHS Office)
	Fujinomiya Factory
	Kofu Factory
	Ashitaka Factory
Terumo Yamaguchi Corporation	-
Terumo Medical Corp.	Elkton Factory
Terumo Europe NV	Haasrode Factory
	Genk Warehouse
Terumo Vietnam Co., Ltd.	Terumo Vietnam Factory
Terumo BCT, Inc.	Terumo BCT Lakewood Factory
Terumo Penpol Pvt. Ltd.	Blood bag factory
Terumo BCT Vietnam Co., Ltd.	Terumo BCT Vietnam Factory

(As of April 30, 2024)

Initiatives to prevent work-related accidents

In Japan, we have clarified the roles and responsibilities to promote occupational health and safety at the company. Our Occupational Health and Safety Management Committee plays a central role in promoting the company's occupational health and safety. At our factories, in particular, subcommittees are established to address topics such as work safety, disaster response, occupational health, and traffic safety; facilities are inspected and problems remedied to prevent occupational accidents; and 5S (sort, set in order, shine, standardize, sustain) programs are conducted. Results of

improvement measures are shared with the official meetings, which then discuss further actions to take. EHS internal audits performed regularly also identify any potential occupational health and safety risks. Should areas requiring improvement be discovered, corrective measures will be implemented. In addition, individual business sites have established procedures to prevent and lessen the severity of any EHS accidents should they occur. They also regularly conduct emergency response training and review results, and are working to cultivate human talent with specialist expertise and skills in the area of labor safety. In fiscal 2023, 6,638 associates received basic EHS training (e-learning), including occupational health and safety content.

In addition to these measures, we have designated one day each year as safety pledge day (Safety Day) for all associates, including managers. On Safety Day, safety measures are implemented in an intensive manner at each workplace, with managers meeting together to discuss how to build a corporate culture that has safety as its foundation, and with the implementation of equipment inspections and traffic safety drills at each site. We also present awards for good examples of safety-related initiatives to foster a culture of safety at each business site.

We will continue to make efforts to achieve "zero work-related accidents." (For more information about the number of work-related accidents resulting in lost work days, please refer to "Human resources and labor data" on p. 103.)



Workshop for senior management on Safety Day

Human rights

Human rights initiatives

Basic approach

Since its founding in 1921, Terumo has carried out its corporate activities while respecting the human rights of patients, healthcare professionals, associates, and other stakeholders, in line with the Group Mission of “Contributing to Society through Healthcare.” In 2012, Terumo became a signatory to the United Nations Global Compact, reflecting Terumo’s agreement with the principles of the Compact, which seeks to encourage business enterprises to undertake initiatives that embody respect for human rights.

Our Core Values, constitute shared values linking Terumo associates throughout the world, include respect for others, acting with integrity, and empathy for patients. Awareness of the importance of respect for human rights is a common value for all associates. The Terumo Group Code of Conduct, our code of conduct for associates also states the importance of respect for human rights as every associate’s guide to day-to-day business activities. The Terumo Group Human Rights Policy was formulated to clarify the Terumo Group’s position on and responsibility toward human rights, and to express the group’s commitment to living up to the expectations of society with regard to human rights.

Terumo Group Human Rights Policy

The Terumo Group Human Rights Policy expresses Terumo’s support and respect for international human rights codes such as the International Bill of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, as well as for the Ten Principles of the UN Global Compact. As a company that provides products and services that are closely related to people’s lives and health, the Terumo Group Human Rights Policy defines priority themes related to human rights such as creating safe and worker-friendly environments, complying with fair labor practices, ensuring the quality and safety of products and services, and complying with ethical standards in research and development, in line with the UN Guiding Principles on Business and Human Rights (UNGPs).

When purchasing materials and services from outside sources, besides respecting human rights in accordance with the Terumo Group Procurement Policy and Supplier Guidelines, we also ask our suppliers to respect human rights.



Terumo Group Human Rights Policy
(Please visit the Regulations and Standards section of Terumo’s corporate website.)
<https://www.terumo.com/about/regulation>



The Terumo Group Procurement Policy and the Supplier Guidelines
<https://www.terumo.com/about/procurement>

Promotion system and major initiatives

To support the implementation of human rights due diligence (i.e., assessing, preventing, and reducing the adverse impacts on human rights that our business activities may have in society) in line with the Terumo Group Human Rights Policy, a working group was established comprising members from the corporate sustainability, human resources, legal and compliance, and procurement departments. This working group mainly undertakes the following initiatives and reports the progress on these initiatives to the executive officer in charge of sustainability.

Major initiatives

Category	Subjects
Compliance with labor-related laws, and prevention of harassment¹	• Conducting surveys administered to Terumo Group business sites in Japan and manufacturing sites overseas to verify the state of compliance and of measures implemented
Ensuring the quality and safety of products and services²	• Verifying compliance and the response to laws and regulations
Initiatives targeting suppliers³	• Asking suppliers to sign an acknowledgment of the items stipulated in the Supplier Guidelines, including “Consideration of Human Rights for Labor” • Conducting the self-assessment questionnaire (SAQ), including questions about the implementation of measures relating to human rights and labor concerning the manufacturing facilities of raw materials suppliers located in regions with high country risk

Category	Subjects
Compliance with ethical standards in research and development⁴	• Verifying the status of reviews conducted by the Terumo Research Ethical Committee • Verifying compliance and the response to laws and regulations relating to clinical trials
Bribery prevention and anti-corruption⁵	• Building compliance activity plans, including bribery prevention and anti-corruption, dealing with healthcare professionals in an ethical manner, and verifying the state of progress in plan implementation of each region and business

*1 For more information about harassment prevention initiatives, please refer to “Prevention of harassment” on p. 97.

*2 For more information about initiatives relating to ensuring the quality and safety of products and services, please refer to “Quality and safety of products and services” on pp. 50–52.

*3 For more information about initiatives targeting suppliers, please refer to “Procurement” on pp. 53–54.

*4 For more information about the main initiatives relating to compliance with ethical standards in research and development, please refer to “R&D ethics” on p. 99.

*5 For more information about the main initiatives relating to bribery prevention and anticorruption, please refer to “Anti-corruption” on p. 98.

Whistle-blowing system

Based on the Group Compliance Violations Reporting and Anti-Retaliation Policy, the Terumo Group has established and operates the Terumo Integrity Helpline, a group-wide whistleblowing system. Associates at all Terumo Group business sites can make reports or receive a consultation concerning violations of laws and regulations, the company’s internal policies and regulations, the Terumo Group Code of Conduct, and other serious misconduct. Reporting via the Helpline can be conducted anonymously. Reports can be submitted through the Helpline not only by Terumo Group associates, but also by the directors, officers, and employees of business partners that do business with any Terumo Group company. A link to the Helpline has been posted on the Terumo website.

(For more information about the whistle-blowing system, please refer to “Whistle-blowing system,” on p. 97.)

Contribution to society and local communities

Basic approach

While contributing to patients and healthcare professionals through its core business, the Terumo Group also engages in social contribution activities as a good corporate citizen based on its Group Mission of "Contributing to Society through Healthcare." We aim to help achieve a sustainable society by gaining a deeper understanding of the society, culture, and environment of each country and region and by pursuing activities that meet the expectations and demands of communities, mainly in our work to support the spread and development of healthcare.

Supporting the spread and development of healthcare

Addressing blood donation shortages—From the Heart

Blood is an essential medicine, crucial for treating trauma victims, patients with cancer and blood diseases, organ transplant recipients, and more. The demand for blood is constant in hospitals and emergency care facilities worldwide. Terumo Blood and Cell Technologies leads a unique blood donation awareness program, From the Heart, to combat blood shortages and raise awareness about the importance of a safe, accessible, and sustainable blood supply. In 2023 alone, we organized 430 blood drives with 3,230 associates participating as donors. The program extends beyond just our company, and we partner with local organizations, as well as other Terumo Group companies.



An associate participating in a blood drive held in collaboration with other local organizations

Supporting the Leukemia & Lymphoma Society

At Terumo Blood and Cell Technologies, our largest charitable partnership is our decade-long relationship with the Rocky Mountain Chapter of the Leukemia & Lymphoma Society (LLS), an organization that works alongside survivors and fighters of rare blood cancers and supports research efforts to find a cure.

Partnering with the LLS on its Light The Night fundraising is a real and tangible way that we carry out our mission of Contributing to Society through Healthcare. Over the years, our Light The Night campaign has become integral to our associate culture as we come together to support LLS. We have raised nearly \$2 million USD to support patient care, advocacy, and innovative research to find a cure for blood cancer.

Every year, we hold multiple fundraising activities for our associates and their families and friends to get together, have fun, support patients and survivors, and participate in the fight to find a cure. The campaign culminates with our associates forming the largest team at the Light The Night community walk in Denver's Washington Park to honor survivors and remember those we have lost.

Supporting The Action Center of Jefferson County

An estimated one in three Coloradans faces food insecurity. Many also face housing instability and hardship in finding employment and healthcare services. This problem has only been propelled by inflation and the increasing cost of life.

Every year, Terumo Blood and Cell Technologies has the opportunity to support The Action Center in its mission to provide an immediate and compassionate response to those experiencing hardship in our community.

Our work with The Action Center continues all year long, but every November, we have a tradition of supporting its Thanksgiving food distribution event in a variety of different ways — including funding, fundraising activities, food drives, and gathering our associates and their families and friends to volunteer to pack boxes, sort food, load cars, and help facilitate food distribution. Our associates also help pack backpacks of supplies with non-perishable food, gloves, and other necessities to help those experiencing homelessness during the winter months.

Comprehensive partnership agreement with the Japanese Red Cross Society

In June 2024, Terumo signed a comprehensive partnership agreement with the Japanese Red Cross Society. This agreement aims to promote social contribution activities through close mutual cooperation and collaboration between Terumo and the Japanese Red Cross Society to promote regional healthcare and social development and address social and healthcare issues. Through this comprehensive partnership agreement, we will continue to work together to promote social development and address these issues.

Contribution to society and local communities

Specific initiatives based on the comprehensive partnership agreement

1. Donations aimed at supporting disaster response, including disaster prevention and mitigation

Natural disasters have become more frequent in recent years, resulting in more significant damage and a broader impact. When a disaster strikes, medical institutions in the affected areas often suffer damage, making it challenging to provide necessary medical care. To address this issue, the Japanese Red Cross Society is training medical support teams to safeguard the lives and health of disaster-affected individuals. They are also developing personnel capable of conducting various relief activities tailored to the specific needs of disaster-affected regions. Terumo supports this initiative and will continue to donate to aid the Japanese Red Cross Society's disaster prevention and mitigation efforts.

2. Support to blood donation

In case of an emergency requiring blood donations, Terumo will provide information about blood donation to all associates and consider the time associates spend away from work for blood donation as working hours. In addition, as part of our efforts to promote blood donation and awareness among younger generations, we will hold lectures on blood donation and provide opportunities for new associates to experience blood donation during the onboarding training.

3. Other initiatives agreed upon by both parties to promote regional healthcare and social development and address issues

Terumo and the Japanese Red Cross Society will collaborate to implement new initiatives in areas other than disaster support and blood donation promotion to achieve the goals of this agreement and promote social contribution activities.

Promoting safe and reliable percutaneous coronary intervention (PCI) in Kenya through a public-private partnership project

In recent years, the high incidence of deaths caused by non-communicable diseases, particularly cardiovascular diseases, has become a significant concern in Kenya. Terumo has utilized its expertise in training for PCI to develop a project proposal aimed at promoting safe and secure Japanese-style PCI in Kenya. This proposal was submitted to the National Center for Global Health and Medicine of Japan (NCGM) and adopted as one of the Projects for Global Growth of Medical Technologies for fiscal 2023.* In this project, we partnered with Japanese physicians to provide PCI training to Kenyan physicians through various curriculums, including on-site training sessions in Japan and Kenya, and online training. We also focused on establishing a system that enables PCI training to be conducted independently in Kenya.

Building on our experiences from the first year, we submitted a proposal for the fiscal 2024 project to the NCGM, which included a review of the target trainees and training content, and it was adopted. We will continue to address healthcare challenges in Africa by promoting safe and secure PCI.

* Fiscal 2023 Projects for Global Growth in Medical Technologies are primarily led by the National Center for Global Health and Medicine in Japan, which is commissioned by the Ministry of Health, Labour and Welfare.

Main activities conducted in the project (FY2023)

- Training in Japan
 - Invited Kenyan physicians to Japan and conducted hands-on training at Terumo Medical Pranex
 - Observed PCI procedures in Japanese hospitals
- Training in Kenya
 - Performed PCI procedures by Kenyan physicians under the supervision of a Japanese physician
 - Conducted hands-on training for young physicians
- Online training
 - Conducted PCI case study discussions between Japanese and Kenyan physicians, accompanied by lectures from a Japanese physician



PCI training for Kenyan physicians

Contribution to society and local communities

Sponsorship for Nursing Day and Nursing Week activities

Terumo provided sponsorship for Nursing Day and Nursing Week activities implemented throughout Japan by the Japanese Nursing Association (JNA) and the Ministry of Health, Labour and Welfare (MHLW) from May 12 until May 18, 2024. Nursing Day and Nursing Week are being held to promote nursing as an attractive career to the younger generation, as well as their parents and teachers, with the aim of securing the nursing workforce in an aging society with a declining birth rate. Terumo has continued to provide sponsorship to this initiative since its inception and this year marked 34 consecutive years of support. Nursing Day and Nursing Week were instituted in 1990 by what was then the Ministry of Health and Welfare. Nursing Day is celebrated every year on May 12, which was the birthday of Florence Nightingale, the founder of modern nursing. The period of one week from Sunday to Saturday that includes May 12 is designated as Nursing Week.

Terumo supports the objectives of Nursing Day and Nursing Week activities and will contribute to society through healthcare by endorsing this initiative.



TERUMO LIFE SCIENCE FOUNDATION—Contributing to improvements in medicine and in the health of all people through the advancement of life science technologies

The TERUMO LIFE SCIENCE FOUNDATION was established through contributions by Terumo Corporation in 1987 with the aim of contributing to improvements in medicine and in the health of all people through the advancement of life science technologies. The foundation focuses its activities on three areas: subsidies for domestic and overseas research and development programs for creating technologies in the field of life science, awards for promising researchers who have made outstanding achievements in the field where medicine and engineering collaborate and integrate, and educational activities to share the appeal of life science with younger generations. Targets of subsidies include research and development projects for creating new value in medical settings in Japan and for improving healthcare and public hygiene in developing countries. In addition, subsidies are provided to fund social contribution activities and workshops for enhancing medicine and healthcare levels. In fiscal 2023, subsidies totaling around ¥350 million were provided to 181 projects.

Awards for researchers include the Tai Morishita Memorial Award in the hope that it will encourage more talented people to enter the field where medicine and engineering collaborate and integrate. (There were no eligible recipients for the award in fiscal 2023.) Educational activities include the operation of the Life Sciences DOKIDOKI Laboratory website, which is mainly intended for junior high and high school students. The site provides young users—leaders of the future—with the basic knowledge required to understand life sciences as well as information from the front lines of life science fields presented in an easy-to-understand format. In addition, a symposium was held in September 2023 to raise awareness of the importance of the collaboration and integration between medicine and engineering among junior high and high school students and their parents. The TERUMO LIFE SCIENCE FOUNDATION will continue such initiatives to contribute to advancements in healthcare and the improvement of people's health.



TERUMO LIFE SCIENCE FOUNDATION
<https://www.terumozaidan.or.jp/english/>

Human resources and labor data

Associate data

		Scope	FY2021	FY2022	FY2023
Number of associates by geographic area	Japan	Terumo Group	7,050	7,328	7,537
	Europe		2,345	2,408	2,473
	Americas		12,228	13,495	13,231
	Asia and others		6,671	6,976	7,350
	Total		28,294	30,207	30,591
Number of associates	Male	Terumo Corporation	4,403	4,426	4,453
	Female		974	1,031	1,101
	Total		5,377	5,457	5,554
Average age	Male	Terumo Corporation	41.64	43.30	41.13
	Female		37.12	37.00	36.70
	Total		40.85	40.50	40.26
Average years of service	Male	Terumo Corporation	18.0	17.7	17.1
	Female		12.1	11.4	11.2
	Total		16.9	16.3	15.9
Average salary (yen)		Terumo Corporation	7,365,222	7,650,863	7,554,701
Gender pay gap* (%)	All associates	Terumo Corporation	-	81.9	81.4
	Fulltime associates		-	82.5	81.8
	Part-time and fixed-term associates		-	86.0	82.9
Number of new graduate hires	Male	Terumo Corporation	134	143	150
	Female		45	60	90
	Total		179	203	240
Number of mid-career hires	Male	Terumo Corporation	63	95	100
	Female		25	43	46
	Total		88	138	146
	Mid-career hires as ratio of all regular, fulltime associates hired in that year (%)		33	40	38
Number of voluntary turnover (resigning due to personal reasons)	Male	Terumo Corporation	84	71	103
	Female		27	27	45
	Total		111	98	148
Turnover rate (%)	Male	Terumo Corporation	2.0	2.0	2.3
	Female		3.0	2.6	4.1
	Total		2.1	1.8	2.7

* The gender pay gap calculation includes associates seconded to other companies as part of their original company but excludes those seconded to overseas group companies.

DE&I

		Scope	FY2021	FY2022	FY2023
Number and ratio of female Group Executive Officers*1, *2	Total number of Group Executive Officers	Terumo Group	-	19	24
	Number of female Group Executive Officers		-	2	3
	Ratio of female Group Executive Officers (%)		-	10.5	12.5
Ratio of female associates in global key positions (%)*1		Terumo Group	-	16.1	20.1
Ratio of female associates in managerial positions (%)		Terumo Group	-	30.8	31.3
Ratio of female associates (%)		Terumo Group	-	46.8	46.3
Number and ratio of female associates in managerial positions	Total number of associates in managerial positions	Terumo Corporation	865	942	959
	Number of female managers		73	90	100
	Ratio of female managers in managerial positions (%)		8.4	9.6	10.4
Number and ratio of female general managers (or equivalent)	Total number of general managers (or equivalent)	Terumo Corporation	161	219	234
	Number of female general managers (or equivalent)		11	16	21
	Ratio of female general managers (or equivalent) (%)		6.8	7.3	9.0
Number and ratio of female managers (or equivalent)	Total number of managers (or equivalent)	Terumo Corporation	704	723	725
	Number of female managers (or equivalent)		62	74	79
	Ratio of female managers (or equivalent) (%)		8.8	10.2	10.9
Number and ratio of female associates newly appointed to managerial positions	Total number of associates newly appointed to managerial positions	Terumo Corporation	68	163	55
	Number of female associates newly appointed to managerial positions		8	26	8
	Ratio of female associates newly appointed to managerial positions (%)		11.8	16.0	14.5
Number and ratio of female chiefs	Total number of chiefs	Terumo Corporation	1,224	1,178	1,164
	Number of female chiefs		201	217	220
	Ratio of female chiefs (%)		16.4	18.4	18.9
Ratio of female associates (%)		Terumo Corporation	18.1	18.9	19.8
Ratio of non-Japanese in Group Executive Officers*2 (%)		Terumo Group	-	33.3	33.3*1
Ratio of non-Japanese in global key positions (%)*1		Terumo Group	-	54.0	61.5
Ratio of mid-career hires in Group Executive Officers*2 (%)		Terumo Group	-	50.0	52.6
Ratio of mid-career hires in managerial positions (%)		Terumo Corporation	-	21.5	23.0
Number and ratio of retirees rehired under TES*3	Number of retirees	Terumo Corporation	128	175	106
	Number of retirees rehired under TES		103	136	81
	Ratio of retirees rehired under TES (%)		80.5	77.7	76.4
Ratio of associates with disabilities (%)		Terumo Corporation	2.30	2.26	2.41

*1 The figures indicate the ratios as of April 1 of the subsequent fiscal year (e.g., the figures in the fiscal 2023 columns represent the ratios as of April 1, 2024).

*2 The term "Group Executive Officers" also includes Group Managing Executive Officers.

*3 TES: Terumo Expert Systeme (Reemployment system for retirees)

Work-life balance

		Scope	FY2021	FY2022	FY2023
Number of associates taking maternity and childcare leave	Associates taking maternity leave	Terumo Corporation	44	56	27
	Associates taking spousal childbirth leave		2	0	1
	Associates taking childcare leave (female)		102	95	31
	Associates taking childcare leave (male)		84	104	118
	Ratio of female associates returning to work after childcare leave (%)		100	100	100
	Ratio of male associates returning to work after childcare leave (%)		100	100	100
	Ratio of applicable male associates taking childcare leave (%)		54.9	68.8	76.6
	Average number of childcare leave days taken by applicable male associates		24.9	27.0	32.1
Number of associates taking nursing care leave	Associates taking long-term nursing care leave	Terumo Corporation	3	4	1
	Associates taking leave (nursing care/family illness)		14	20	13
Number of former associates rehired	Registered	Terumo Corporation	3	9	6
	Rehired		0	3	2
Ratio of paid vacation days taken (%)		Terumo Corporation	67.1	71.1	73.2
Average number of paid vacation days taken		Terumo Corporation	13.0	13.9	14.2
Average hours of overtime worked per month		Terumo Corporation	18.7	18.8	18.5

Occupational safety and health

		Scope	FY2021	FY2022	FY2023
Fatal and serious work-related accidents	Fatalities	Terumo Group	-	0	0
	Serious work-related accidents		-	2	2
Accidents resulting in lost work days		Terumo Corporation	0	2	3
Frequency rate		Terumo Corporation	0.00	0.19	0.27
Severity rate		Terumo Corporation	0.00	0.001	0.001

Promotion of “Kenko Keiei” (Health and productivity management)

1. Reduction of ratio of smokers and ratio of associates diagnosed with metabolic syndrome* Ratio of smokers and ratio of associates diagnosed with metabolic syndrome*

		Scope	FY2021	FY2022	FY2023
Smokers (%)	Terumo Corporation		22.6	23.3	21.8
Associates diagnosed with metabolic syndrome (%)			29.4	32.4	32.2

* The ratio of associates diagnosed with metabolic syndrome is calculated based on the number of associates whose body metrics have surpassed the threshold for being judged to have metabolic syndrome and those who are at risk of surpassing this threshold.

2. Early diagnosis and treatment of cancer to enable associates to return to the workplace Cancer screening rates

		Scope	FY2021	FY2022	FY2023
Stomach (%)	Terumo Corporation		97.0	95.0	95.8
Colon (%)			92.6	90.0	91.4
Upper abdomen (%)			96.8	93.6	95.4
Lung (sputum) (%)			43.1	40.7	46.6
PSA (%)			96.9	93.6	95.6
Breast (%)			67.0	63.3	70.2
Cervix (%)			64.6	62.9	62.1

3. Women's health Breast cancer and cervical cancer screening rates

		Scope	FY2021	FY2022	FY2023
Breast (%)	Terumo Corporation		67.0	63.3	70.2
Cervix (%)			64.6	62.9	62.1