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Valuing the voice of associates

Terumo grows through the growth of our diverse associates

I began my career in 1990 with a global manufacturing and service company originating in Japan, and have been in the HR field ever since, working in different markets and cultures, including Japan, the U.S., and Europe. I joined Terumo in 2019, and since then, I have been working on designing and implementing HR strategies for the group. I was appointed CHRO in April 2023.

We have incorporated people strategy in our five-year growth strategy, the "GS26," which started in fiscal 2022. It has two main pillars: Achieve Transformation and Realizing Global Management.

Achieve transformation

Since its foundation in 1921, Terumo has maintained delivering solutions to medical settings, providing products and services that would respond to time-to-time changing needs. Our mission is to always remain close to medical professionals and patients by bringing new solutions and improving patients' quality of life. Amidst the rapidly changing environment surrounding the healthcare industry, we have been working to transform ourselves under the vision of "From Devices to Solutions" set out in GS26, working to create innovative solutions beyond the boundary of being a medical device company. To achieve this, it is inevitable to acquire and foster talents with new skills that are of high strategic importance such as digital talents. We have therefore set a target of increasing the number of our digital talents by 2.5 times before the end of fiscal 2026. We started off by discussing what sort of digital skills are needed in Terumo, and how many digital talents we currently have in the group, and those analyses are leading to a concrete action plan. At Terumo Corporation (Japan), we have established a digital talent development program, the "DX college." The program creates opportunities for more associates to acquire basic digital skills, leading to more advanced training to create digital professionals.

While it is important to acquire core skills needed to realize

transformation, it is equally important to foster an organizational culture where all associates are constantly taking on new challenges and growing. We have 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. The top management team and leaders of each organization first learned this concept, and they themselves became the promoters, harnessing an environment where associates can practice the three key habits of Growth Mindset: experiment, value progress, and learn from others. The entire Terumo Group is working together to foster an organizational culture of taking on new challenges, learning from mistakes, and growing.

Realizing global management

Even though Terumo is a company that originated in Japan, we currently operate in over 160 countries and regions. We have over 30,000 associates working in the Terumo Group around the world, and only 20% of them are based in Japan. Out of our eight business units, four are based in Japan, but the other four are based outside of Japan. This global expansion and diversity of Terumo is a key factor when considering the second pillar of our people strategy: realizing global management.

The GS26 people strategy is strongly focusing on global leadership development. We have set a target of increasing the talent pool by 10 times before the end of fiscal 2026. In order to effectively deploy global leadership development, the top management team needs to fully understand each talent's skills and traits to consider their next steps. This is why we hold a "Global Talent Board" each year, where the CEO and top management team gather and spend one whole day carefully examining the profile and aspirations of talents one by one, discussing where they can further contribute to Terumo.

We have a suite of global talent development programs under the brand name of "Mirai," which is designed to develop skills needed to strongly lead the future Terumo, such as making tough decisions, leading a diverse group, and building pipelines across business functions and regions. Mirai has three levels: Mirai for executives, Mirai for enterprise leaders, and Mirai for emerging talents, targeting those associates with less than seven years of work experience. Perhaps what is unique to Terumo is that we offer a program to emerging talents so that they can feel a sense of belonging to a worldwide community from an early stage. We have also created an alumni community which is becoming a solid foundation of Terumo Group's organizational strength.

As Terumo Group consists of associates with different backgrounds, we need to create an organization where we respect the differences and value diversity. We are promoting Diversity Equity & Inclusion (DE&I) across the group. In 2024, all executive leaders have set specific DE&I goals in their annual objectives, actively leading their chosen initiative. Various Associate Resource Groups (ARG) are formed in various entities, where they gather voluntarily based on shared identities and views. We are working to create an inclusive culture through both top-down and bottom-up approaches.

Supporting the ownership of associates' careers

We encourage active collaboration across Terumo Group. We have launched "Terumo Connect," an AI-enabled online platform for our associates around the globe to maximize their potential by networking or finding interesting job posts or project opportunities within Terumo Group that are relevant for them. Associates can even apply to posts outside their own entities. We are still at a pilot stage, but we are looking to expand this to the entire group in the near future. I expect each associate to seriously consider their own career paths and actively seize the opportunity.

To further enhance our capability as a global company, it is important to strengthen the talent pool of our headquarters in Japan (Terumo Corporation). We have implemented a new HR policy, starting from managerial level in 2022, which expanded to non-managerial level in 2024. A job description that clearly

states required skills and experiences is posted, and associates can put their hands up regardless of their years of experience in the company. Despite the traditional practice in many Japanese companies, an associate's compensation is determined by the positions they newly acquire. This new HR policy is designed based on a dual career ladder of generalist and specialist to realize the best fit of our talents to our business requirements.

In my conversations with various Terumo associates, I realize that even though we all come from diverse backgrounds, it is clear that we all strongly believe in the company's mission "Contributing to Society through Healthcare" and take this to heart in everything that we do. In order to meet the needs of our diverse customers, it is equally important that we also have diversity and different views within Terumo. I will continue to sincerely listen to the voices of associates so that we can all grow together, which would certainly lead to the growth of the entire Terumo Group.