

CSV and ESG Themes of the GS26

At Terumo, we position the creation of social value (CSV) through contributing to Advancing Healthcare and Enhancing Patients' Quality of Life, which is Terumo's purpose, as the most important theme of our sustainability management. Furthermore, we have set our sustainability priorities related to ESG as the foundation to support the promotion of CSV and are working towards achieving them while promoting CSV. (For more information on the sustainability priorities for the Terumo Group, please refer to p. 35.)

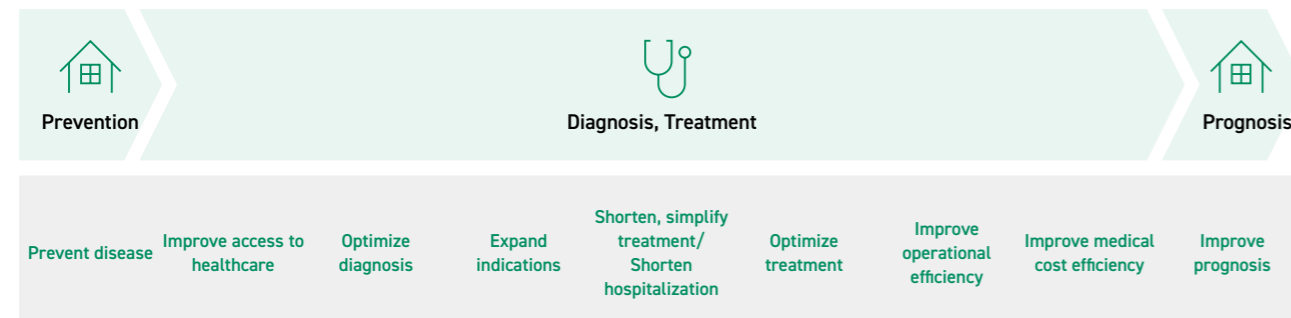
Under our five-year growth strategy GS26 starting from fiscal 2022, we have set specific initiatives to be monitored and key performance indicators (KPIs) for CSV and ESG based on the above-mentioned sustainability priorities. Regarding the CSV themes, we will provide valuable solutions to medical settings and patients by leveraging our broad range of products and technologies to create social and economic value in the patient journey, from prevention to diagnosis, treatment, and prognosis. As for the ESG themes, we are working on efforts that support CSV, such as ensuring the quality, safety, and stable supply of our products and services, creating an organization where diverse associates can make the most of their full potential, and promote social initiatives to meet societal demands, such as achieving carbon neutrality.

Progress on these initiatives and the KPIs will be monitored by the Sustainability Committee and reported regularly to the Executive Management Meeting and the Board of Directors. In addition, we have introduced Future Corporate Value Targets since fiscal 2023, based on the CSV and ESG themes of GS26, as performance evaluation indicators for executive directors, group executive officers, and executive officers. By appropriately reflecting their contribution to these initiatives in their performance evaluation and compensation, we will enhance our corporate value by practicing sustainability management.

CSV Themes of the GS26

At the Terumo Group, each of the three Companies has identified its own CSV themes and is working on them by leveraging its distinctive products and technologies, as well as the experience and knowledge gained from solving medical issues. By providing unique solutions that leverage each company's strengths in the patient journey from prevention to diagnosis, treatment, and prognosis, we will contribute to creating healthcare value in broad areas, such as reducing treatment and hospitalization time, improving operational efficiency in the medical settings, and improving medical cost efficiency.

Key Medical Value Offered by Terumo Group



Cardiac and Vascular Company

We are committed to promoting the broader adoption of radial access procedures (Transradial intervention: TRI), where a catheter is inserted through a blood vessel in the wrist (radial artery) for vascular interventional therapy. In comparison to the transfemoral intervention (TFI), in which a catheter is inserted through the femoral artery in the groin, the radial access procedures have the following advantages: shorter hemostasis time, lower risk of complications, and allowing patients to walk immediately following the procedures. These benefits contribute to improving patients' quality of life. In addition, the radial access procedures contribute to reducing healthcare costs* by enabling early recovery of patients and same-day discharge after the treatment. To leverage these benefits, we also strive to expand the use of radial access procedures from treating coronary artery disease to peripheral arterial disease, interventional oncology, and neurovascular disease. To this end, we are working to expand our product portfolio and offer medical training tailored to each treatment area.

We are also working to develop products and solutions to enable personalized therapies, which provide optimal medical care based on each patient's specific characteristics and risks.

* According to the results of the research below, the TRI is estimated to cost \$916 less per case than the TFI. Amit P Amin et al. JACC Cardiovascular Interventions, Amin AP, et al. J Am Coll Cardiol Interv. 2017 Feb, 10 (4)

CSV themes	<ol style="list-style-type: none"> 1. Further adoption of radial access procedures 2. Training 3. Promotion of personalized therapies
Monitoring items and KPIs	<ol style="list-style-type: none"> 1. Ratio of radial approach (FY2026) <ul style="list-style-type: none"> • Coronary artery: 75% or higher • Peripheral artery: 20% or higher • Interventional oncology: 15% or higher • Neurovascular: 15% or higher 2. Total number of medical professionals participated in training (TIS Division) 3. Drive personalized therapies by promoting stent grafts, radioactive microspheres, HeartSheet autologous skeletal myoblast sheets, and intrasaccular devices to be used for more treatments
Initiatives and results for FY2022	<ol style="list-style-type: none"> 1. Advanced initiatives to introduce devices for radial access procedures and promoted collaboration with the TIS division by the Neurovascular division (Ratio of radial access procedures in fiscal 2022: 73% for coronary, 6% for peripheral, 9% for interventional oncology, and 5% for neurovascular) 2. The proportion of face-to-face training, which had declined during the COVID-19 pandemic, increased to between 80% and 90% in each region. The number of training sessions also increased by more than 30% compared to the previous year. However, the number of participants decreased by just over 20% due to the increased proportion of face-to-face training. (The total number of participants in fiscal 2022 was about 62,000.) 3. Completed the case registration of HeartSheet required for the manufacture and sales approval application in Japan

Medical Care Solutions Company

We are committed to creating unique solutions that provide more quality time in every phase of healthcare, as our brand promise. By leveraging our experience and capabilities accumulated over many years of addressing issues in medical settings, we will offer solutions that enhance operational efficiency and safety in hospitals, reduce the length of hospital stays and visits for patients, and alleviate the burden and improve the safety of treatment at home. In doing so, we strive to ensure that the time spent on healthcare is as short and high-quality as possible.

CSV themes	<ol style="list-style-type: none"> 1. Perioperative solution 2. Outpatient chemotherapy solution 3. Renal care solution
Monitoring items and KPIs	<ol style="list-style-type: none"> 1. Deliver the solution to 1,000 medical institutions in Japan and overseas 2. Introduce the solution to 20% of the designated cancer hospitals in Japan 3. Introduce the solution to 20,000 patients in Japan and overseas
Initiatives and results for FY2022	<ol style="list-style-type: none"> 1. Completed the introduction of the smart pump system overseas (in Thailand, Italy, and Mexico) 2. Initiated full-scale promotion of the outpatient chemotherapy system throughout Japan 3. Made steady progress in the development of a new peritoneal dialysis monitoring system and the clinical trial for a new peritoneal dialysis solution

Blood and Cell Technologies Company

In blood transfusions and blood and cell therapies, we strive to expand therapeutic applications and geographical areas in which our products and solutions are used, thereby increasing the treatment options available and bringing needed therapies to previously unreachable patients. We are also focused on enabling more efficient healthcare delivery with our revolutionary system to automate the entire process of whole blood collection and component preparation.

CSV themes	<ol style="list-style-type: none"> 1. Expand the impact of innovation by increasing the number of patients treated 2. Bring lifesaving technology to previously unreachable patients 3. Enhance efficiencies in the infrastructure of healthcare delivery
Monitoring items and KPIs	<ol style="list-style-type: none"> 1. Status of reimbursement obtained and disposable unit sales of major product platforms*: Double-digit annual growth of disposable unit sales *Whole blood bags and disposable sets for Reveos, TACSI, Trima Accel, Spectra Optia, Finia, and Quantum 2. Sales amount in China and Africa: Increased sales amount 3. Total number of whole blood automation devices installed: Increased the total number of devices installed
Initiatives and results for FY2022	<ol style="list-style-type: none"> 1. Status of reimbursement obtained and disposable unit sales of major product platforms Achieved 16% sales growth for disposable unit sales, an indicator of patients treated using major product platforms Two reimbursement wins in South Korea and the UK for red blood cell exchange 2. Sales amount in China and Africa China: 7% sales growth despite extensive lockdowns due to COVID-19 Received Spectra Optia approval, which will enable more patients to receive increased therapeutic applications Africa: 18% sales growth Introduced whole blood automation in Zambia and apheresis collections in Tanzania 3. Whole blood automation 32% sales growth

ESG Themes of the GS26

Theme	KPI	FY2022 results	
Achieve carbon neutrality	CO ₂ emissions (Scope 1 and 2, compared to FY2018)	Reduce by 50.4% (FY2030) Achieve carbon neutrality (FY2040)	Reduced by 21.7%
	Ratio of renewable energy use to total electricity use	50% (FY2030)	32.1%
Effective use of resources	Water use (Per unit of revenue, compared to FY2018)	Reduce by 20% (FY2030)	Reduced by 30.5%
	Recycling rate	90% (FY2030)	90.4%
Ensure the quality, safety, and stable supply of products and services	Number of critical findings from regulatory authorities	Zero	1* ²
Sustainable supply chain management	Critical market shortages	Zero	Zero
	Transactions with critical deviations from Terumo's Supplier Guidelines	Zero	Zero
Promote safety measures for the work environment	Number of fatal and serious work-related accidents	Zero	Fatalities: zero Serious accident: 2* ³
Improve the Associate Experience	Investment in training per associate* ⁴	—	¥71,933 (Scope: Terumo Corporation)
Cultivate an organization that leverages diverse human resources to create value	Ratio of non-Japanese in group executive officers (GEO) and global key positions (GKP)	—	GEO: 33.3% GKP: 54.0%
	Ratio of female managers (Scope: Terumo Corporation)	13% (FY2026)	9.6%
Effectiveness of the Board of Directors	Evaluation of the effectiveness of the Board of Directors	Conduct annually	Conducted* ⁵
Promote compliance	Violations of laws and regulations with significant impact on Terumo Group management	Zero	Zero

*1 Scope: Terumo Group (excluding items with notes)
 *2 The U.S. FDA issued a warning letter to MicroVenton's factory in Costa Rica on September 30, 2022.
 *3 Zero in Japan and two overseas
 *4 The KPI will be changed from the investment in training per employee to the results of the Associate Experience Survey. The survey results will be disclosed starting from FY2024.
 *5 For details on the evaluation of the board effectiveness, please refer to the "Evaluation of the Effectiveness of the Board of Directors" on pp. 82-83.