



*** SAKURA Rules ***
(Code of Conduct for the Terumo Group)

Terumo Corporation

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Chapter 1. Introduction

1. Objectives

The Code of Conduct for the Terumo Group set forth below (the “**SAKURA Rules**”) establish the basic standards of conduct for Associates of the Terumo Group in order to ensure compliance with the laws, regulations and social ethics as the Terumo Group conducts its business activities.

2. Definitions

In these SAKURA Rules, the following definitions apply.

- (1) “**Affiliate Companies**” means those companies that Terumo owns and controls directly or indirectly around the world.
- (2) “**Associates**” means officers (members of the board of directors (including Audit/Supervisory Committee Members), executive officers, advisors) and all employees (including full and part-timers, contract workers, temporary employees), who accept the corporate mission and social obligations and contribute to the development of the Terumo Group.
- (3) “**Compliance Officer**” means a person who plays proactive roles, such as to assess compliance risks concerning the observation of laws, the SAKURA Rules and the Internal Rules, to make plans for the internal control within the organization, and to lead in the compliance with ethics and laws.
- (4) “**Internal Rules**” means these SAKURA Rules, internal rules as may be notified and circulated among Associates from time to time by Terumo or the Affiliated Companies and their accompanying manuals.
- (5) “**Manager**” means Associates who are charged with responsibility of supervising and directing other Associates and ranked as Associate Leader 6 or above at Terumo, and at Affiliate Companies, those whose rank or responsibility are comparable to those of Associate Leader 6 or above at Terumo.
- (6) “**Terumo**” means Terumo Corporation.
- (7) “**Terumo Group**” means Terumo and the Affiliate Companies.

3. Scope of Application of the SAKURA Rules

The SAKURA Rules apply to all Associates.

- (1) Each Affiliate Company must appoint a Compliance Officer and work to engrain the SAKURA Rules within the Affiliate Company.
- (2) Each Affiliate Company may create rules to supplement the SAKURA Rules, without diluting the spirit of the SAKURA Rules, in light of the laws, business customs, labor customs, and values of the respective countries or regions where it operates as well as the types of products and services it offers. In such cases, however, approval from the Terumo Internal Control Committee and resolution of the board of directors of the Affiliate Company must be obtained beforehand.
- (3) Any Associate who acts in violation of the SAKURA Rules shall be subjected to disciplinary measures in accordance with the provisions of the work rules of the relevant Affiliate Company, which may include suspension or termination.

4. Inquiries regarding the SAKURA Rules

If any Associate faces a difficult or challenging decision or situation, such as one that raises potential legal or ethical issues, the Associate should consult with his/her Manager or other appropriate department.

Chapter 2. Basic Stance on Conduct

1. Basic Stance on Associate's Conduct

Each Associate must conduct business activities honestly, act in a manner that demonstrates responsibility for environmental conservation and seek to become a model citizen within the corporate group. To this end, each Associate must act on its own initiative to effect change and address problems and continuously strive to create new values through his or her own rich ideas and creativity. Each Associate must:

- (1) respect each individual, seek mutual understanding of different cultures, and not to discriminate against or in favor of anyone based on race, nationality, sex, religion or any physical disability, etc.;
- (2) obey the laws, regulations and Internal Rules applicable to his or her work;
- (3) concentrate on his or her duties and maintain good working environment and order at the workplace;
- (4) strive to use of one's abilities to the fullest, have pride and confidence in one's work and resolve to see works through until the end;
- (5) report and discuss suggestions and questionable conduct or issues candidly;
- (6) handle all business dealings in an equitable manner and exercise sound business judgment; and
- (7) understand the Internal Rules then in effect.

2. Basic Stance on Manager's Conduct

In addition to each Associate's responsibility, Managers are responsible for creating and maintaining a work environment where Associates feel safe and realize their abilities to the fullest. Moreover, Managers have a duty to support and educate Associates and constantly encourage them to act as good corporate citizens.

- (1) Managers must confirm his/her direct reports' understanding of the SAKURA Rules at least once a year and work to deepen their understanding of the same.
- (2) Managers must help Associates foster their abilities and maintain an environment where Associates have extensive opportunities to engage in open and free communications and share information across reporting lines.
- (3) Managers must recognize that occurrence of labor accidents and/or work-related mental health issues may have severe adverse impact on our invaluable human resources. In order to avoid any such unfortunate incidents, Managers must maintain a safe, healthy and comfortable office environment, and continuously

seek to improve the same, by maintaining close communication with Associates in their department, practicing effective time management and paying due consideration to any physical and psychological health issues of Associates.

Chapter 3. Business Relationships

1. Provision of Security and Safety

As a company engaged in the healthcare products business, a core value is that we constantly improve our technology and quality in order to deliver *safety* and *reliability* to people around the world seeking health. In the Terumo Group, we regard the safety of our products and services to be our first priority in all of our business environments and will not spare any efforts in this regard.

- (1) In order to secure the safety and quality of our products and services, we will comply with the applicable laws, regulations and the Internal Rules at all stages of product life cycle including development, production and sales of our products.
- (2) We must ensure that information about our products is accurate, fair, and based on facts. In order that our customers can use our products safely and appropriately, we will also make legal and proper representation on our products in compliance with Pharmaceutical and Medical Device Act, Act against Unjustifiable Premiums and Misleading Presentations, other applicable laws, regulations, industrial codes and the Internal Rules and also provide necessary information about our products in a timely and adequate manner.
- (3) The promotional and advertising materials we use must be based on accurate and factual information and prepared in accordance with guidelines stipulated by the relevant regulatory bodies and government authorities. Such materials will obtain required approvals in accordance with the Internal Rules.
- (4) In response to reports of any non-conformity of our products or concerns from our customers, we will strive to solve and address those issues as early as possible, acting with sincerity, humility and speed.

2. Fair and Honest Transactions

While conducting Terumo's business activities, Associates must never abandon practices of fair dealing for the sake of sales or profits. Associates must secure fair and transparent deal, while ensuring equal opportunities, with all parties including suppliers, contractors, agents, distributors, customers, hospitals and other business partners, without whom we are unable to conduct our business.

- (1) In sales promotion activities, personal self-interests must not be given priority over the needs of the customers.
- (2) Receipt and offers of gifts, rewards or hospitality in business contexts must comply with all applicable laws, regulations and the Internal Rules.

- (3) Doctors and employees of national or public medical institutions are government officials or deemed as government officials. Whenever doing business with governmental organizations and their employees, utmost care must be taken to perform the work in a fair and transparent manner. We must not give or offer any remuneration, gift, service or other item of value to any government official or employee for the purpose of influencing a purchasing decision or getting any improper advantage including obtaining and retaining business.
- (4) We must recognize that laws are different from country to country and from region to region, and some acts that are legal in one country/region may be illegal in another country/region. Associates must obey not only the laws where the business partners are located but also the laws where the relevant Affiliate Companies are located and their products are distributed and purchased.
- (5) In business activities, Associates must pay attention to issues such as legal, compliance, occupational health and hygiene, and environmental standards not only of Terumo, but also of our business partner so that both parties can support each other to fulfill their social responsibilities.
- (6) As a general rule, all contracts with customers and business partners must be made in writing, and the original signed contracts must be obtained and retained in records by the responsible department(s).
- (7) Antitrust laws and related Internal Rules apply to handling and sharing of information concerning price determination, market data regarding Terumo products, products under development, major expenditures such as those on research and development, etc. Associates must refrain from engaging in any conduct that is unethical or violates or may give the appearance of violating any of these laws or rules.

Chapter 4. Company Information and Property

1. Company Information

All of the information owned by the Terumo Group is our property of high value. Therefore, all confidential information must be handled appropriately.

- (1) Confidential information includes information that is developed or obtained by the Terumo Group, that is not generally available or publicly known, whether developed internally or obtained from third parties for consideration. This information may be in the form of paper documents, electronic files, drawings, images, or information conveyed orally.
- (2) Associates must understand that unauthorized disclosure of confidential information may severely damage Terumo Group's interests and reputation. Therefore, Associates must ensure that all confidential information be kept confidential and must comply with the Internal Rules for prevention of such disclosure.
- (3) Associates must treat client information and personal information of Associates with utmost care. Such information must be used and managed strictly in accordance with the laws and the Internal Rules. Terumo's confidential information must be treated in the same way.
- (4) When requested by government entities to disclose company information, or when such disclosure is required by law or regulation, Associates must consult with the responsible department or person prior to such disclosure.
- (5) Before you disclose company information to media outlets or alike, Associates must consult with the responsible department or person.

2. Company Property

Company property of the Terumo Group should only be used for business purposes, and they must not be used for any improper, illegal or private purposes.

- (1) Company property includes all property owned by the Terumo Group and utilized in its business activities. The property includes and is not limited to company vehicles, computers, mobile phones, and other assets provided to Associates.
- (2) Associates must comply with the Internal Rules regarding the handling of company property.
- (3) Associates must not use, misappropriate or sell any company property for their own benefit or benefit of any third party regardless of the value of such property.

- (4) Associates must take care in their handling of copyrighted materials and computer software and not engage in unauthorized copying of such materials, which may violate law and/or the intellectual property rights of third party owners.

3. Insider Information

Associates must comply with the laws and the Internal Rules regarding trading of stocks and uphold Terumo's credibility in the stock market(s) by not engaging in any insider trading activities.

- (1) Associates must keep secret any internal information such as information on business alliance, M&A, new product development, new product launches and other information that may have a material impact on management until the company officially publicizes such information. Until such time, Associates must treat such information as strictly confidential and must not disclose it to anyone (including family members) other than those authorized to access such information.
- (2) Associates must not trade in stocks, securities or alike instruments using any material non-public information about Terumo Group or any other listed company obtained during the course of their work.

4. Competitors' Information

Even though we need information on our competitors as part of our business, Associates must not acquire such information by any unfair or illegal means.

- (1) Associates must not encourage or force persons such as those who used to or currently work for one of the competitors, or clients or suppliers of competitors, to divulge any confidential information of the competitors.
- (2) When Associates are offered any information about other companies which the Terumo Group does not have the right to know, they must refuse receipt of such information.

5. Intellectual Property

We recognize that intellectual property rights such as patents, trademarks, and copyrights are extremely valuable strategic assets, and therefore, we must value them and seek to create, maintain and utilize them accordingly.

- (1) Associates must not use the intellectual property of the Terumo Group for private purposes unrelated to the company's business, and they must not disclose or allow use of such intellectual property by third parties.

- (2) When Associates disclose the intellectual property of the Terumo Group to a third party or receive their intellectual property, they must do so in accordance with the Internal Rules.
- (3) We take firm stance against any infringement by third parties of the intellectual property rights of the Terumo Group companies, and we will not infringe intellectual property rights of third parties.

6. Accounting

The accounting and related books and records must be accurate and be kept appropriately, and no alteration, falsified recordings, fabrication, inappropriate destruction or concealment of books and records are allowed. One must not, on one's own discretion, conceal matters that are disadvantageous or only report matters that are advantageous, in order to protect one's own interests.

- (1) Reports relating to work must be made speedily, accurately and sincerely.
- (2) Accounting records must be prepared and recorded accurately in compliance with the laws, regulations and the Internal Rules. Other records must be kept consistently and accurate and stored appropriately.
- (3) We will cooperate in good faith with audits on our accounting or business. We will make speedy and accurate reporting of our business and will not make factually-unsupportable reporting.

7. Document Management

Information concerning business activities must be recorded as accurate and appropriately detailed documents, reports or otherwise, and appropriately maintained and disposed. Associates are not allowed to make false statements or improperly change or destroy the information in the corporate documents of the Terumo Group.

- (1) In compliance with the laws and the Internal Rules, Associates must record and maintain company documents, and in the case of certain documents, maintain them for a pre-determined period of time.
- (2) Documents that need not be maintained must be destroyed in accordance with the Internal Rules.
- (3) During the pendency of the litigation or government investigation, or when there is a threat of such litigation or investigation, Associates must maintain relevant records until such time as the person responsible for legal affairs at Terumo or the Affiliate Company instructs Associates that such matter has closed. Associates must follow the instructions to preserve documents when instructed to do so by such person.

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Revision History

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