

1. Message from the Chairman and the President

Aiming to Provide People-Friendly Healthcare

A corporate philosophy that reflects our dedication to healthcare

Terumo was founded in 1921 by several medical scientists, led by Dr. Shibasaburo Kitasato, with the intention of domestically manufacturing the most reliable clinical thermometer possible. The driving force of the new company was the enthusiasm of this group of medical professionals, who wanted to promote the development of quality public healthcare and contribute to the health of every individual.

This drive lives on in our corporate philosophy, “Contributing to Society through Healthcare,” which has held up as our highest value since our inception.



Contributing to the evolution of healthcare by understanding the needs of the times

“Terumo’s unique technology makes medical treatment kinder and gentler.” This statement, which represents our corporate vision, has led us to develop products that reduce the pain, discomfort and psychological and physical harm patients sometimes suffer during tests and operations. These products include various disposable medical devices and equipment to prevent infection.

Public interest in health and healthcare is growing; issues surrounding the industry (rising costs, a shortage of doctors etc.) have been taking on a greater urgency as changes in the social environment, including an aging population and a slowing economy, take place.

Under these circumstances, we are committed to pursuing new value for healthcare as a company that possesses unique expertise in both medical devices and pharmaceuticals.

The evolution of medical devices and equipment is closely related to the evolution of medical treatment and has the power to bring about dramatic and disruptive changes in healthcare. Improving the effectiveness of treatments without placing additional burdens on patients has the potential to bring about many benefits, ranging from shorter treatment and recovery times and reduced costs to improved operational efficiencies and the consequential significant reduction in the risk of medical accidents. We also recognize support for practical technical training in medical techniques for healthcare professionals as the crucial elements in the provision of better healthcare.

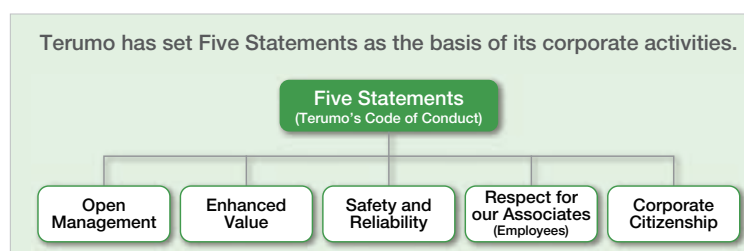


As a member of society

All companies, as members of a society, have a responsibility to take action to ensure the sustainability of that society. Efforts to reduce global environmental impacts, are one of key elements of this responsibility. At Terumo, we have made such efforts, including promoting energy conservation and the reduction of waste at our factories. We are introducing new environment-friendly development guidelines for 2009 with respect to our product development and will continue to work hard to overcome new challenges, always striving to live up to our goal of being a people- and environment-friendly company.

In short, we have identified our responsibilities as developing and providing a stable supply of superior products and proactively tackling the various social issues surrounding healthcare, consistent with our corporate philosophy.

A company that does not contribute to society has no reason to exist. Our purpose, which all Terumo associates are embrace to fulfill, is to improve the lives of people around the world through better healthcare.



2. Corporate Governance

Based on its corporate philosophy of contributing to society through healthcare, the Company strives to consistently enhance corporate value by providing much needed products and services to the medical world. At the same time, we have formulated the Terumo Corporate Practices Guidelines, which aims for open management and good corporate citizenship and ensures that we operate in a sound and transparent manner. In order to earn and maintain the trust of society, Terumo has established the following corporate governance structure.

CORPORATE GOVERNANCE

Directors, Board of Directors and Executive Officers

As of June 25, 2009, Terumo's Board of Directors comprised 14 members, three of whom are external appointments. In an effort to reinforce the Board's supervisory function and raise the quality of decision making, the roles of directors were reclassified into representative directors and directors whose sole responsibility is to determine management policies and provide oversight of the Company as a whole. Consistent with the removal of executive responsibilities from the Board of Directors, an executive officer system was adopted and subsequently improved. Under the current system, executive officers are fully accountable for the execution of business operations under their purview. Independent directors do not have their own staff; however, they are supported by the Secretarial Office and the Strategy Planning Department.

Compensation and Nominating Committee

The Compensation and Nominating Committee was established with the aim of enhancing the transparency and objectivity of management. The committee, which comprises independent directors, is tasked with recommending candidates for directorships, evaluating director performance and deliberating on compensation proposals.

Auditing by Corporate Auditors and Internal Audits

Terumo has established a Board of Corporate Auditors, comprising two internal corporate auditors and two external corporate auditors as of June 25, 2009. The primary responsibility of corporate auditors is to ensure the appropriateness of management decisions and includes oversight of the management function of the Board of Directors.

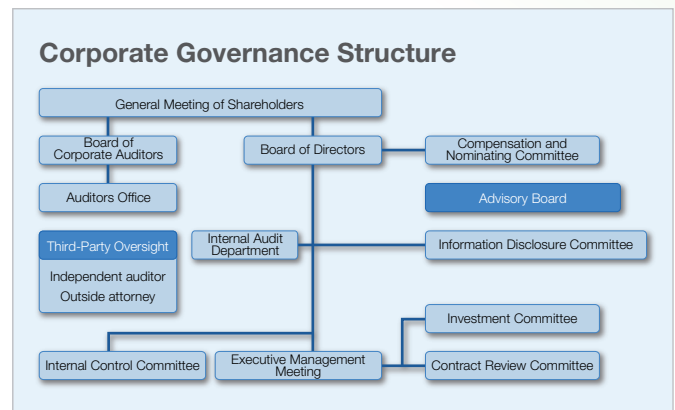
As a part of these endeavors, the Board of Corporate Auditors holds a monthly meeting with the Internal Audit Department, an in-house body comprising seven members. The purpose of these meetings is to receive internal audit reports and other related information and to generally promote increased collaboration on an ongoing basis. The Board of Corporate Auditors also meets approximately seven times each year with the independent auditor to exchange views

and information. The board requests reports on the external auditing process as necessary, ensuring the ongoing existence of a structure that ensures fair and transparent audits.

Internal Control System

Terumo maintains a number of in-house bodies that together create a strong internal control structure. The Internal Control Committee works to strengthen internal control measures in the Company, reporting directly to the Board of Directors.

At a Board of Directors meeting held on May 18, 2006, the Company resolved its basic internal control system policy based on the Companies Act of Japan. The policy was partially revised to reflect reinforced globalization measures, among other developments, at the Board of Directors meeting held on February 19, 2009. At the same time, the Board resolved to maintain the Code of Conduct of the Terumo Group as the standard for employee conduct while utilizing the Internal Control Committee to lead further enhancement of compliance structure, information storage and management, risk management, system for assuring operation efficiency, Group internal control system, and the structure for auditing by corporate auditors.



As of June 25, 2009

For detailed information about our corporate governance, please see our "Annual Report 2009," available on the Terumo Web site.

3. Compliance

Compliance

Updated on April 1, 2009

Compliance System

Terumo's corporate philosophy, "Contributing to Society through Health Care," is the goal not only of the company but of all Associates. We will continue to conduct honest and fair business practices based on strict legal compliance and corporate ethics and thereby maintain our position as an ethical health care company.

To promote these honest and fair business practices, we established the "Internal Control Committee" which deliberates and executes important group-wide issues from compliance perspectives. In addition, based on directions of the Internal Control Committee, each entity placed a "Compliance Officer" whose role is to facilitate compliance activities, and carries out such activities at each entity. Through these activities, the Internal Control Committee receives and deliberates important information to enhance group wide compliance activities.

Compliance with Code of Conduct of the Terumo Group (SAKURA Rules)

To go further toward meeting social expectations, in April 2008 we established the "Code of Conduct of the Terumo Group (SAKURA Rules)," which sets the standard for the conduct of daily business activities for all Associates within the Terumo Group, including overseas entities. A booklet of the SAKURA Rules is distributed to all Associates of the Terumo Group.

The SAKURA Rules, which is based on Terumo's corporate philosophy, states that "each Associate must conduct business activities honestly, take responsible action for environmental conservation and make consistent efforts to enable the company to become a role model reliable corporate citizen." We carry out study sessions on the SAKURA Rules that respond to each site and encourage Associates to recognize the importance of corporate ethics. We also clearly state and thereby promote the need to respect human rights and eliminate discrimination in our Rules of Conduct.

Corporate Ethics Hotline "ROBA NO MIMI"

In 2003, we created a Corporate Ethics Hotline "ROBA NO MIMI," operating under the mottos "all Associates improving the company together" and "creating a culture of openness." This ROBA NO MIMI is open to all Associates—both permanent and temporary without distinction—wishing to voice concerns over or seek advice regarding any worrisome information or activities in light of the SAKURA Rules. Associates can contact the hotline on an anonymous basis via telephone, e-mail, postal mail and other means and we have established a system to ensure that the privacy of those using the hotline is protected and they are also protected from being penalized or punished. With these protections, we endeavor to resolve issues which need to be improved.

Respect for Bioethics

Respect for life is our top priority in our evaluation and development of medical devices and equipment and pharmaceuticals. We are committed to practicing both good ethics and good science not only by observing all relevant laws and public guidelines, but also establishing our own internal regulations.

We have created an internal committee on animal testing for research and development and product evaluation. The committee educates associates, reviews testing plans, ensures the appropriateness of experiments and confirms their completion, and oversees feeding, care, management and in-house health checks of animals to achieve the three R's* stipulated in the 2005 revision to the pertinent law, as well as the fourth 'R': Responsibility.

* The principle of the three R's: The three R's stand for Replacement (with research that does not use animals), Reduction (of numbers of animals), and Refinement (reduction of suffering felt by animals). Russell and Burch first advocated this principle in 1959, stating that it is vital for researchers to consider and examine the three R's fully when conducting research. The 2005 revision to Japan's Act on Welfare and Management of Animals states this principle explicitly.



Driven by strong desire to relieve pain

A sense of mission gives Terumo its drive

Many people, suffering from diabetes have to inject themselves with insulin every day. Painful injections are difficult not only for the patients to endure but also for their loved ones.

Terumo, driven by our strong desire and the sense of mission as a syringe needle manufacturer, started development of “low-pain needles” to address the situation. After a lot of trial and error, we succeeded in creating the world’s thinnest needle for insulin. This needle was a result of the combination of a number of technologies with the creativity of our associates, who were driven more than anything by the thoughts of seeing the smiles on the faces of the patients who would use it.



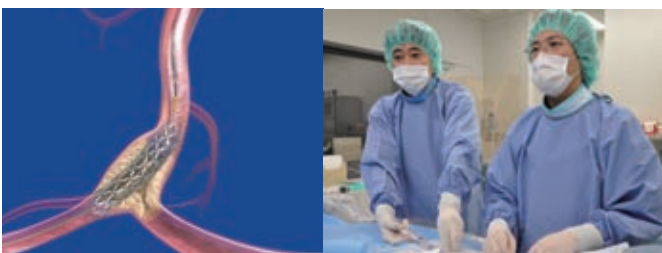
Needle for insulin injection

Minimally invasive—Coronary intervention therapies using catheters

Aiming to improve quality of life

Angina pectoris and other types of chest pain may be caused by a narrowing in the coronary artery. In the past, the main treatment option was coronary artery bypass surgery. These days, however, coronary intervention therapy which uses a catheter—a thin tube to which a balloon is attached—to dilate the artery is becoming more common, leading to dramatically shortened hospital stays.

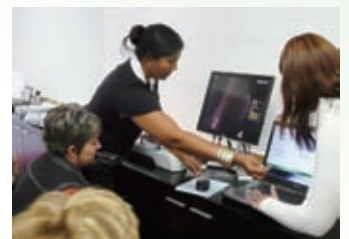
Terumo’s catheter products are used widely around the world in coronary intervention treatment and contribute to the improvement of patients’ overall quality of life.



Coronary intervention therapy using a catheter

For more patient safety and comfort

Terumo is supporting to popularize Transradial Coronary Intervention (TRI) therapy, in which a patient’s coronary artery can be treated via a catheter inserted into the wrist artery. TRI is proven to reduce complications from bleeding and, unlike the trans-femoral approach through the thigh, lets patients get back on their feet and resume their normal activities immediately after the procedure.



Training for techniques used in the treatment

Terumo continues to develop new TRI products as well as providing support for education and training programs to help spread this patient friendly medical procedure.

Continuing to take on challenges to meet the healthcare needs

Left ventricular assist system: Our 12-year dream comes true

Heart failure caused by such diseases as myocardial infarction and cardiomyopathy accounts for a large proportion of deaths around the world and the number of critically ill patients who need heart transplants far exceeds the number of donors. In an effort to save as many lives as possible, we have worked for many years to develop an artificial heart that could be used to assist the functioning of the patient's own heart.

In 2007, Terumo finally launched its magnetically levitated centrifugal left ventricular assist system—the world's first—on the European market.

Although the system is now mainly used as a temporary "bridge" to provide additional time for a patient to wait for a heart transplant, we are also aiming to expand its intended use for prolonged cardiac support.



Left ventricular assist system (LVAS)



The developer (left) and a patient (right) implanted with our LVAS, which allows him to move about

Terumo's continuous development

Our R&D efforts continue to serve up better products. In 1982, Terumo developed the world's first hollow-fiber oxygenator for the efficient exchange of oxygen and carbon dioxide without damaging blood. In 2008, we further evolved the technology and succeeded in developing the smallest oxygenator in the world, which can be used during heart operations performed on newborns and infants.



Envisioning the next step in "people-friendly healthcare"

Smaller, easier-to-use, safer and more reliable—these needs are constantly evolving and transforming. Our mission, underpinned by our determination to provide "people-friendly healthcare," is to respond to these needs.

True to our history of taking on challenge after challenge and braced with a determination that overcomes any setbacks we may encounter, we will continue our efforts to advance healthcare.



Leading developments in new healthcare

Helping medical professionals to update their skills

Whatever advantages certain medical devices and equipment may bring, if they are not used properly their full effectiveness will not be realized. In medical institutions where there is always too much to do, setting aside a time and place for training to update medical skills is difficult.



Terumo Medical Pranex houses facilities similar to those found in a functioning hospital, including the latest medical devices and equipment and simulators. We offer a wide variety of practical training programs, including training on advanced technologies such as cardiopulmonary systems and interventional systems and intravenous injection. As well as procedural hands-on guidance for junior residents, which is provided by skilled and experienced trainers, we also hold seminars and workshops for mixed groups of trainees at different institutions and distant geographical regions, providing them with valuable networking opportunities they may otherwise miss out on.

A center for manufacturing

Speedy product development responsive to actual needs

By providing our engineers and marketing staff with the freedom to formulate product concepts and carry out verifications in an environment similar to that of medical institutions, Terumo Medical Pranex has changed the way products are developed. By repeating exacting simulations to test prototypes and exchanging views with invited healthcare professionals, our associates are able to identify hidden needs as well as points for improvement. These findings are then reflected in the next prototype and, building upon these processes, products are gradually improved. Needless to say, the Terumo Medical Pranex is therefore an important resource for our associates, providing them with a place to try out our products themselves and thereby develop a greater understanding of healthcare practices.



Contributing to patient safety

Medical accidents do not only occur during the use of medical devices and equipment that require advanced skills. In fact, near-miss incidents happen most frequently during the administration of intravenous and other injections*, which is a common daily task. This is partly because of the many unexpected situations that can arise in a real-life situation, such as a sudden change in a patient's condition.

Training proposals at Terumo Medical Pranex include programs that help participants become aware of the critical importance of teamwork and sequential procedural processes they may have previously overlooked. For example, we recreate various situations, such as a sudden change in a patient's condition or an emergency care situation, to allow participants to reflect, by watching films, on how staff behave.

* See Japan Council for Quality Healthcare, *Project to Collect Medical Near-Miss/Adverse Event Information 2008 Annual Report*.

New encounters impact the future of healthcare

Connecting people, creating change

Terumo Medical Pranex, created with the aim of “creating and extending new healthcare,” is a bricks-and-mortar embodiment of Terumo's determination to do just that.



Having started to provide opportunities for exchange with Asian countries in our nurse training programs, Terumo Medical Pranex now receives about 10,000 visitors every year, including those from overseas, who take the opportunity presented to exchange ideas and practices among themselves. At our unique facilities (similar facilities exist nowhere else in the world), we continue to take on various challenges to improve the quality of global healthcare. Making sure our visitors have an inspiring experience and never leave without learning something new is one of the most rewarding parts of the job for Terumo Medical Pranex staff.

When people get together, the energy that is created has immeasurable potential. Terumo, more than anyone, is eagerly looking forward to seeing what new ideas will emerge.

Voice

Simulation training is crucial in medical education



Akira Yamashina, MD
Professor, Department of Circulatory Medicine, (former Head of Postgraduate Clinical Residents' Center), Tokyo Medical University Hospital

Training held at Terumo Medical Pranex is focused on “team-based medicine,” meaning care is provided by a team comprised of physicians and other healthcare professionals. These days, the need to improve healthcare is such that we are required to examine every line of movement of each team member to see if they can move more efficiently without any wasted movements. Observing the movements and role of each team member is impossible at a real hospital due to constraints of space and other factors. Terumo Medical Pranex is therefore the only place where we can conduct simulations in an environment very similar to real life.

In real-life healthcare practice, learning from mistakes is not feasible or acceptable. Simulations therefore provide participants with opportunities to become aware of a multitude of factors, thereby helping to prevent medical errors.

In the future we plan to launch projects aimed at allowing us to share our experiences at Terumo Medical Pranex with other educational research facilities, in the belief that cooperation between medical institutions and corporations seeking to accumulate expertise can only result in the improvement of healthcare for everyone.



Training

6. Communication with Customers

Our customers include medical professionals, patients and other general consumers who are concerned about their health. As a manufacturer of medical devices and equipment, we believe that it is our role and responsibility to provide products that contribute to the achievement of safe, high-quality, people-friendly healthcare. Maintaining open and honest communication with our customers forms a part of that responsibility.

Listening to our customers

Terumo Call Center

The Terumo Call Center in Japan receives about 1,500 calls per day from general consumers, medical institutions and agents. To ensure that inquiries related to respective classes of our products, ranging from those designed for medical institutions to those for home medical care, are addressed promptly and appropriately, they are responded to by call center staff with expertise in the particular field.

All new call center staff undergo two to four weeks of initial training, followed by additional training to update their knowledge, including daily training after each shift, and twice yearly testing to check their competency in various aspects, such as product knowledge, communication skills, customer service and efficiency.

Our call center staff are committed to maintaining and improving their communication to the satisfaction of all customers, and ensuring that urgent inquiries, such as those related to patients receiving healthcare at home, are responded to around-the-clock. Our comprehensive efforts were recognized with the highest award given out at the 2008 Corporate Call Center Service Contest conducted by the Japan Telecom Users Association.

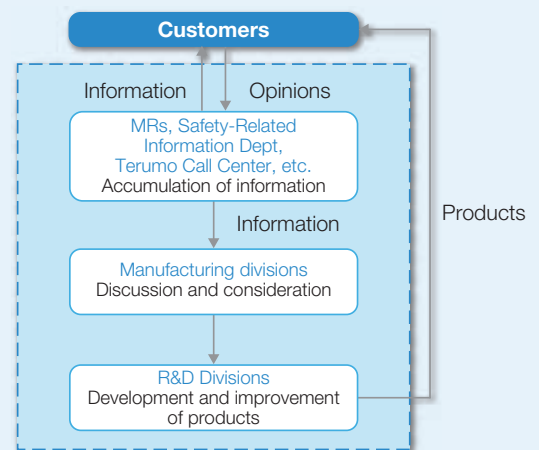


Inquiries are addressed by staff with specialized knowledge



Corporate Call Centre Service Contest award ceremony

Mechanism for utilizing customer feedback



Reflecting customer feedback in our products

We feed back customer comments and other reported product needs to the relevant divisions within the company, keeping a record of them as an important guide for product development. We also conduct regular discussions in which we consider customer feedback and tie it in to specific product development.

Medical safety information management in Japan

We accumulate information that we receive from our customers on the quality, safety and appropriate use of our products at our Safety-Related Information Dept. Using this information, we promptly develop and fine-tune our communications and deliver them via a number of methods, including attaching important information to our products, disseminating information on our Web site or via industry organizations, and sending MRs* to medical institutions to provide face-to-face explanations.

Furthermore, we make the best use of the accumulated information in our product development and support for medical safety training for medical institutions.

* "MRs" stands for Medical Representatives, Terumo associates who provide information to medical institutions.

7. Quality Initiatives for Safe and Reliable Products

Maintaining quality is an important responsibility for companies involved in healthcare and is the foundation of Terumo's corporate value. At Terumo, all associates are committed to improving the quality of our products and services to enable our customers to use our products safely and with peace of mind.

Quality assurance system that meets international standards

In 1995, we established a quality management system to meet strict international standards in response to European medical device directives. This system blended one that is capable of meeting global requirement with the advanced quality assurance system based on the existing pharmaceutical GMP (Good Manufacturing Practice)¹ standard. In later years, Terumo obtained ISO13485² certification. As international standards and the Pharmaceutical Affairs Act continue to be revised and put into effect, we are striving to continually improve our quality management system in anticipation of their requirements.



Strict quality control conducted at the factory

1 Pharmaceutical GMP: Guidelines for the manufacture of pharmaceutical products issued by the regulatory authorities to ensure the safety and quality aspects of the products comply with the specifications throughout all phases, from the receipt of materials to manufacturing and shipment of products.
2 ISO13485: An ISO standard to assure the quality of medical devices and equipment.

Quality policy aimed at safety and security

Our top management sets up quality policies to develop and operate our quality management system and maintain its effectiveness. Each division also sets policy targets based on these quality policies. In this way, policies devised by top management are incorporated into individual associates' targets.

QUALITY POLICY

In order to deliver safety and reliability to healthcare fields, we shall

- pursue products valuable for our customers;
- understand our own roles in the quality system and practice them, and
- always review and improve our ways of doing business.

June 30, 2004
TERUMO Corporation
Takashi Wachi
Representative Director &
Chairman

Akira Takahashi
Representative Director &
President

Auditing system to maintain high quality

To maintain and improve quality, we implement internal audits that objectively evaluate whether our quality management system is being appropriately complied with and operated. The audits are conducted by trained associates who have met predetermined standards. The results are reported to our top management, who direct improvements which are then incorporated, allowing us to continually upgrade our quality management system. In addition, we undergo several external audits each year to prove that we meet various regulations ranging from the Pharmaceutical Affairs Act to international regulations expanding from Europe to the entire world, as well as individual demands from our corporate customers.

Strict quality control at overseas facilities

As the role played by our overseas factories increases in importance, we provide overseas associates with the know-how we have cultivated in Japan for improving quality, while we, in turn, learn much from them about system-related aspects, including systematic ways of thinking and standardization. As these exchanges increase, overseas factories have also begun introducing *Shoki Ryudo* (initial quality assessment*), an evaluation method developed in Japan.

* Initial quality assessment is a system designed to reaffirm quality and product specifications of new products when shifting to mass production.

8. Responsibilities to Shareholders and Investors

Terumo is making every effort to achieve “Open Management” through communication with shareholders and investors. We implement fair information disclosure to maintain a high level of management transparency, and make various other efforts to ensure Terumo’s business and products, as well as general healthcare topics, can be comprehensively understood. As a good corporate citizen, we consistently aim for high-quality communication that is easy to understand.

Winning support at our General Meeting of Shareholders

At the ordinary General Meeting of Shareholders held in June 2009, we showed a film titled *TERUMO Activity* that gave an overview of our initiatives in the previous fiscal year. In addition to presenting our financial results to our shareholders, we explained how our products and technologies are contributing to better healthcare. We also created a display section for our products so that attendees could view them up close.



Displaying our products at the General Meeting of Shareholders

Disclosing IR information to help investors make better investment decisions

Terumo discloses IR information on its Web site. We are striving to provide financial information in as concise and easy-to-understand manner as possible to help individual investors make sound investment decisions.

▶ URL

<http://www.terum.co.jp/English/ir/index.htm>

Holding seminars for individual investors

We hold seminars for non-institutional investors in Hiroshima and Himeji in 2009. Many participants commented that they had high expectations for the company.

In 2008, we participated in the “Tokyo Stock Exchange IR Festa 2008” hosted by Tokyo Stock Exchange, Inc. By putting our medical devices and equipment on display, we were able to provide visitors to our section with a good understanding of what we do.

9. To Be a Company That Can Grow Together with Associates

At Terumo, we refer to our employees as “associates,” and expect each of them to continually develop and refine their abilities, think and act independently and make valuable contributions to the development of the company. Our term for any given group of associates (including a team, section, or department), is “pride,” referencing both the term used to describe a group of lions as well as an appropriate sense of self-worth. Terumo is therefore a group of proud individuals who cooperate with each other to achieve greater results. Our associates work hard to improve themselves, and the company rewards them by providing them with valuable opportunities to demonstrate their abilities to the utmost extent. We believe our value as a company is equal to the sum of the value of our associates.

Supporting associates who through work experiences

Based on our belief that associates grow through work experiences, Terumo values opportunities to take on work-related challenges.

ACE in-house recruiting system

Under the concepts of “Get the job you want” and “Fulfill your potential, doing the job you want to do,” we have in-house recruiting system called ACE¹ in place. Since the inauguration of the system, a total of 300 people have applied, resulting in about 90 personnel transfers.



In fiscal 2008, we recruited in-house staff for overseas positions based in BRICs² countries and development engineering positions for a new project. For each of the respective positions, two associates were chosen out of nearly 30 applicants.

1 ACE: As well as being an acronym for “Associate Challenge Education,” the program’s name reflects our intention to shape each of our associates into an “ace.”
2 BRICs: The four countries of Brazil, Russia, India and China, with similarly rapidly developing economies.

Key job openings in fiscal 2008

- Overseas positions based in BRICs countries
- Development engineers for new project
- Management accounting staff for overseas business

Job rotation

We believe that experience, insights and perspectives gained in other fields greatly contribute to the professional development of our associates. We therefore practice job rotation targeting junior to management-level associates to provide them with this kind of varied experience. For example, we might transfer an associate from the manufacturing division to the sales division or from the sales division to the head office division. As one of the prerequisites for promotion at Terumo is experience in different fields, this also translates into concrete career benefits for our associates.

Internal exchange

In Japan, we have introduced an internal exchange program to provide our associates with work experience in different divisions and help them acquire a broader perspective. The program was created in response to requests from our associates for opportunities to get to know other divisions without having to permanently transfer and has proven to have various benefits. For example, associates at our head office or research & development divisions can acquire a first-hand understanding of customer needs and demands by spending time in the sales division. Associates working in the manufacturing division can pick up new techniques by transferring temporarily to other factories. The program, which can last anything from one week to half a year, has also proven to have the additional effect of improving communication between divisions.

We have also started a new program that involves external exchange with other companies. Terumo intends to develop an environment where the different values and strengths of different cultures can combine to give rise to a new awareness and create new synergies.

Basic clinical training and practical sales training

At our comprehensive healthcare training facility, Terumo Medical Pranex, where many of our associates undergo skills training, we have created a culture that focuses trainees’ minds on our customers’ needs and the practical demands of their actual workplaces. Training programs provided at the facility range from basic clinical training for newly hired associates to advanced clinical training for sales staff (medical representatives).

In addition, we provide new engineering associates with five months of practical sales training and associates working in the corporate staff divisions with a week of on-site training, in which they accompany MRs as they carry out their normal duties.



Training for newly hired associates held at Terumo Medical Pranex

An environment for self-learning

People learn most effectively when they are self-motivated. Based on this understanding, Terumo provides only a few general training programs, including training for newly hired associates. Other training programs are provided on a voluntary and selective basis in which associates who have demonstrated noteworthy results may participate at their own request or by the recommendation of their supervisor.

For example, we hold a selective training program for next-generation leaders, known as the LEO* Seminar. Each year, out

of about 100 applications, we choose around 30 mid-career associates in their late 20s to late 30s based on their performance, contributions and an interview. For the roughly four months of the program, the selected participants balance their job with their training assignments. As part of their training, they engage in serious discussions on management issues facing Terumo and present their recommendations directly to management at the end of the course. Some of these recommendations have been launched as a new company project.

We also make it a rule to implement job rotation for all participants following the seminar to enable them to broaden their experience. More than 200 graduates of the seminar have already distinguished themselves in divisions across the company.

* "LEO" stands for Leader Executive Organization. It also refers to the purpose of the program, which is to identify and develop those associates with the potential to grow into "lions" (top management).



Presenting a proposal to top management



Heated group discussion

Spotlighting the steady and consistent contribution of associates

"Genba-no hokori" Award

Terumo's overall performance cannot just be attributed only to those associates working in the "high-performing" or "glamorous" divisions. Associates who work steadily behind the scenes every day also make a huge contribution. To reward and recognize the achievements of these professionals who take pride ("hokori" in Japanese) in their work and support the front ("genba") with their consistent efforts and results, we created the Genba-no hokori Award. Past winners of the award include associates in charge of maintenance of production facilities and others who ensure smooth distribution. Each year, the award is presented at a ceremony held in September on the anniversary of the foundation of Terumo to five or six recipients selected from candidates nominated by their peers.



Winners of the Pride Award "Genba-no hokori" in 2008

10. Contribution and Exchange with Local Communities 1/2

As well as making important contributions in the area of healthcare in the form of outstanding products and services that benefit both patients and medical professionals, Terumo also actively contributes to the wider community, such as by providing health-related information and donating supplies for disaster relief. We are committed to undertaking these activities as part of our role as a good corporate citizen and responsible member of society.

Providing information to manage health

KARADA no Kimochi health information TV program

Terumo-sponsored television program, *KARADA no Kimochi* ("How we feel") has been on the air since 2006. The program provides health tips related to everyday life, such as how to prevent or alleviate various ailments and simple exercises to relieve specific symptoms. The *Terumo Health and Weather Forecast* is broadcast within this program.

KARADA no Kimochi weekly health TV program

Broadcast on Sundays from 7:00 to 7:30 am on CBC/TBS, a national network with 28 stations across Japan

A national health and weather forecast

The *Terumo Health and Weather Forecast*, a daily weather forecast that also provides information about how the day's weather and temperature may affect health, has been broadcast and published since 2004 on television, the radio, in newspapers and on our Web site. Our forecasts include likelihood of joint pain, level of UV rays and relationship between weather and blood pressure.



Web site "Terumo Health and Weather Forecast"

▶ URL <http://kenkotenki.jp/> <Japanese only>

Terumo's Lifestyle Disease Prevention Seminars

The daily management by each person of his or her own health is vital for the prevention of lifestyle diseases. In addition to the health-related information we publish on the Internet and in booklet and other forms to assist people in this regard, we began organizing Lifestyle Disease Prevention Seminars targeted at the general public in fiscal 2005. A total of about 5,500 people have attended the seminars to date.



Lifestyle Disease Prevention Seminars targeting the general public are well received

Web site "Lifestyle Disease Prevention Seminars"

▶ URL <http://www.terumo.co.jp/healthcare/seminar/index.html> <Japanese only>

New Health College

Since 2008, Terumo and St. Luke's College of Nursing have been jointly holding health support seminars for the general public called "New Health College." With the aim of achieving a society in which every person proactively takes care of his or her own health, we are organizing seminars on various topics, including lifestyle disease prevention.



New Health College held at St. Luke's College of Nursing

Web site "New Health College"

▶ URL <http://www.terumo.co.jp/healthcare/seminar2009/seminar.html> <Japanese only>

Contribution to the development of healthcare

In addition to providing funds and grants for healthcare development, Terumo actively promotes activities to deepen the understanding local people and communities have about healthcare.

Terumo Life Science Foundation

The Terumo Life Science Foundation was established in April 1987 to subsidize and promote research on science and technology, and has since subsidized 422 research projects and 301 international exchange projects. In fiscal 2008, we began subsidizing three new international exchange projects (providing subsidies for researchers in the Asia region, for co-organizers of academic conferences held overseas, and for small-sized study groups). Additionally, in the fall of 2009, we launched a life science Web site aimed at junior high and high school students.

Web site "Terumo Life Science Foundation"

▶ URL <http://www.terumozaidan.or.jp> <Japanese only>

Improving the quality of healthcare in China with Terumo Fund

In 2007, to commemorate the 10th year of operation of our Hangzhou Factory (Terumo Medical Products [Hangzhou] Co., Ltd.) in China's Zhejiang province, we established the Terumo Fund in conjunction with Zhejiang University with the aim of providing healthcare benefits to as many people as possible. Terumo Fund grants are given to support research investigating Eastern and Western medical traditions with a view to creating new types of medicine by fusing the two. The Fund also contributes to improving the quality of healthcare in China by providing scholarships to talented students.

Outline of the Terumo Fund

Name of fund:	Terumo Fund
Application:	Research grants and scholarships
Total amount of fund:	500,000 yuan per year x three years = 1.5 million yuan
Fund operation period:	2007 to 2009

Contribution to local communities

Presenting an annual Christmas gift to a hospice

Each year, about a week before Christmas, a team of Terumo volunteers decorates the walls of the Terumo Shonan Center building with Christmas lights and, on Christmas Day, puts on a fireworks display. This project was started in 1997 to bring Christmas cheer to patients hospitalized at a hospice across the street, their families and local residents and has been carried out every year since.



Fireworks and illumination on the walls of the Terumo Shonan Center

Classes held by Terumo Body Temperature Research Institute

The Terumo Body Temperature Research Institute* conducts free classes on the relationship between body temperature and natural body cycles. In January 2009, the institute gave 38 sixth-year students from Miyagaya Elementary School in Yokohama city a class on the relationship between body temperature and the rhythms of everyday life. During this hands-on class, the students measured their own body temperature, learning that it follows a certain rhythm throughout the day and is influenced by meals.



Class where school children investigated changes in their own body temperature and made presentations

Web site "Terumo Body Temperature Research Institute"

▶ URL <http://www.terumo-taion.jp/> <Japanese only>

* Terumo Body Temperature Research Institute is Terumo's research institute devoted to the health studies from the perspective of body temperature. It provides information on body temperature and proposes lifestyle adjustments for improved health.

The Terumo Mt. Fuji Reforestation Project

Terumo has two factories in Fujinomiya city in Shizuoka, which take water from springs at the foot of Mt. Fuji for use in production processes for medical devices and equipment, pharmaceuticals and other products. Since 2003, in cooperation with the NPO Mt. Fuji Natural Reforestation Group, we have been undertaking the Terumo Mt. Fuji Reforestation Project to protect this area. As part of the project we conduct reforestation, with indigenous trees, of a part of the Mt. Fuji forest that sustained heavy typhoon damage, helping the forest to become better resistant to future natural disasters and ensuring it can continue to serve as an underground water source. In fiscal 2008, we launched new activities aimed at reproducing the original forest, including wrapping pieces of sacking around trees to protect them from feeding deer and clearing underbrush to help young trees grow. About 70 of our associates and their families voluntarily joined the reforestation activities.



Associates and their families joined the reforestation activities

Local activities

Of our many social contribution activities in local communities, some well-known examples are those listed below.

- Cleaning up the Tamagawa river bank, Tokyo (every spring and fall)
- Cleaning up the beach at Ninomiya-machi, Kanagawa (every summer)
- Cleaning up the surroundings of Terumo's premises (regularly conducted at our factories, branches and Head Office)



Clean-up activities (left: Tamagawa river; right: Ninomiya-machi beach)

Eco Cap initiative

Terumo in Japan is participating in the "Eco Cap" campaign organized by the NPO, Eco Cap Movement, in which the caps of used drink bottles are collected and sold for recycling, with proceeds from the sales used to buy vaccinations for children in developing countries.



In-house Eco Cap initiative

11. Promoting Environment-Friendly Business Activities

1/2

Aiming to achieve harmony between “people-friendly healthcare” and “environment-friendly healthcare,” Terumo has played an active role in promoting the coexistence of human beings with the global environment by establishing our Basic Environmental Policy and Environmental Management System.

The company continues to search for ways to strike an even balance between human safety and environmental preservation in the field of healthcare.

Terumo conducts its business activities based on the assumption that the global environment must be protected.



Basic Environmental Policy for environmental conservation

According to our corporate philosophy of “Contributing to Society through Healthcare,” we established an Environmental Management Department in 1997 and developed our Basic Environmental Policy in 1999. Based on this policy, Terumo, a leading company in the healthcare industry, has since been engaging in a range of activities aimed at protecting the global environment.

Terumo's Environmental Policy

Guided by our corporate philosophy of “Contributing to Society through Healthcare,” and under a fundamental policy of providing safety and reassurance in medical care, the Terumo Group conducts itself as a leading company by implementing responsible environmental conservation activities and striving to be a trusted corporate citizen.

- Terumo sets voluntary targets and works to conserve the environment by:
 - Ascertaining the environmental impact of our activities
 - Developing environmentally friendly products
 - Preventing pollution
 - Making effective use of energy and resources
 - Reducing waste
- Terumo abides by the environmental laws, ordinances, agreements and other legal provisions of all countries.
- Terumo has established a system to facilitate environmental efforts and it promotes and audits those efforts.
- As a member of society and the community, Terumo supports and cooperates with environmental conservation activities.
- Terumo conducts in-house informational and educational activities in an effort to increase its employees' environmental awareness.

Adopted in December 1999

Introduction of the environmental management system

We are working to improve our environmental performance by establishing an efficient and effective environmental management system that focuses on the true core of ISO14001¹, the PDCA cycle². As the ultimate decision-making authority for environmental management, the Environment Committee sets company-wide policies and targets for environmental conservation and confirms the status of activities and the like every six months. There is also an Environmental Audit Committee, which is responsible for conducting internal audits to ensure that each site is effectively operating its environmental management system. We describe and explain the contents of these activities in our social and environmental report to ensure we maintain high transparency in our management system.

- 1 ISO14001: The international standard that sets out the requirements for establishing an environmental management system that helps to reduce the environmental impact of organizational activities, products and services.
- 2 PDCA cycle: A management cycle designed to realize continuous improvement of business operations by repetition of the four processes of plan, do, check and act.
- 3 In fiscal 2008, we integrated the ME (medical electronic devices and equipment) Eco-Products Group into the Eco-Products Group, which now conducts environmental studies for all products, including ME products.

Environmental training for associates

Once a year in Japan, we provide environmental training for our newly hired associates to ensure that they have a thorough understanding of our Basic Environmental Policy and their own obligations with regard to environmental activities. In fiscal 2008, we organized training for MRs (Medical Representatives) that focused on how to conduct everyday tasks in an environmentally friendly manner as well as on relevant environmental laws and regulations.



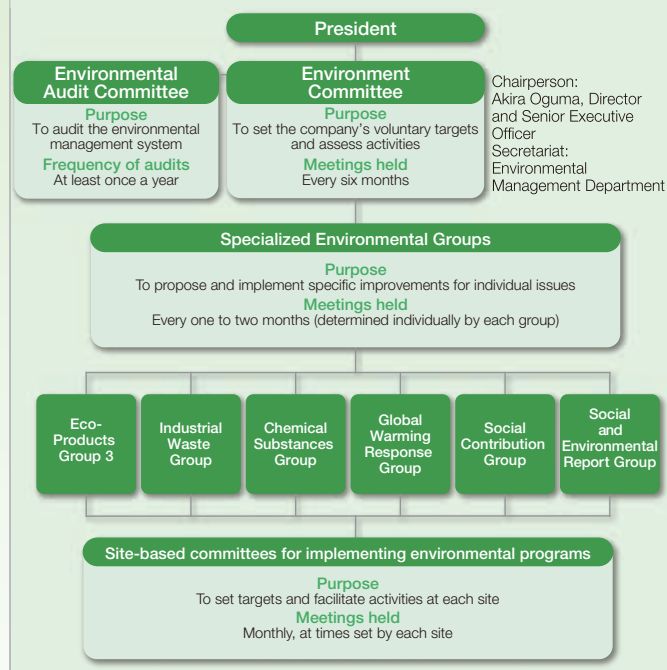
Training for newly hired associates

Awards for in-house environmental conservation activities

In fiscal 1999, Terumo established an in-house system of environmental awards to honor the policies and activities that produced outstanding results in terms of environmental conservation. In fiscal 2003, the company extended its award program to the entire Terumo Group.

Year	Fiscal 2008
Division	Production Division, Kofu East Factory
Project Awarded	Energy-saving activities at production facilities

Company-wide Organization for Environmental Management



Soliciting eco-ideas with "Think-!" suggestion system

In 1999 in Japan, we implemented the "Think-!" system, which provides a forum for associates to submit their own suggestions for new products, business models and the like. In fiscal 2008, we launched the "Think-! ECO" campaign to encourage associates to think about the environment, inviting proposals for reducing the weight of our products, reducing the waste they produce and redesigning packaging, among other themes. Out of the many suggestions received, three particularly outstanding ideas were presented with excellence awards.

Increasing environmental awareness at Fujinomiya Factory

Terumo's Fujinomiya Factory installed an Environmental Bulletin Board in fiscal 2007 and has since been updating it monthly. The bulletin board displays useful information related to global environmental conservation, complete with graphs and illustrations. Subjects covered include the environmental impact of the entire factory (e.g., trends in energy consumption and the status of waste emissions), the mechanism behind global warming and energy-saving activities. The use of the board has helped raised the environmental conscious of associates, leading to greater participation in environmental activities.



Environmental Bulletin Board in Fujinomiya Factory

12. Environmentally Friendly Products 1/2

Terumo seeks to assure product safety through good design and to develop products with minimum environmental impact. We are striving to create products that are helpful to both medical professionals and their patients as well as friendly to the global environment.

We will continue to make every effort to respond effectively to the needs of society.

Introducing Human x Eco Development Guidelines

Based on our Environmental Vision, we have developed "Human x Eco Development Guidelines" based on two axes: "human," representing friendliness to people, and "eco," representing friendliness to the environment. We are launching the guidelines in the latter half of fiscal 2009.

The axis of "human" represents the principles of "more friendly" (providing safety and reliability) and "more advanced" (enhancing healthcare value). It refers to innovation to improve quality and usability, including efforts to prevent medical errors and infections, relieving patients' pain and improving user satisfaction. The "eco" axis is based on the principles of "cleaner" (reducing environmental impact) and "less" (improving resource efficiency) and refers to our efforts to use resources effectively through initiatives aimed at resource-saving, energy-saving, space-saving and productivity improvement, without making waste nor generating hazardous substances.

These two axes may seem unrelated, but a medical error or infection that causes pain to a patient also necessitates additional treatment, which involves the use of medical devices and equipment and pharmaceuticals. The idea of "people-friendly" (human) is therefore linked to the resource-saving concept of "environment-friendly" (eco).



Measures against hazardous substances

A pioneer in the removal of mercury from healthcare practice

Terumo marketed the first domestically produced predictive digital thermometer in 1983. Driven by environmental concerns we then took a quick action to terminate our production of mercury thermometers in the following year. We have been making efforts to replace medical-use products containing mercury with safer alternatives, including marketing a mercury-free blood pressure monitor.



Digital thermometer



Blood pressure monitor

Promoting PVC-free, DEHP-free products

Where alternatives are available, we supply products that do not use materials containing PVC, which may produce toxic gas when incinerated, or di (2-ethylhexyl) phthalate (DEHP), a plasticizer that may have serious toxicity, as well as eliminating the use of such materials in packaging.



IV solution set



IV solution bag



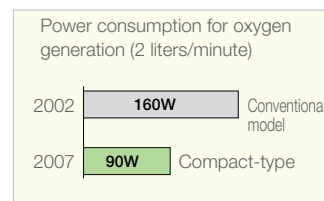
Cardiovascular circuit

Energy-saving efforts

Reducing power consumption

We have been developing energy-saving models for devices and equipment that are left switched on for long periods of time. For example, we commercialized a new compact-type oxygen concentrator that uses less power than any of its competitors improving the efficiency of the oxygen concentration process and adopting the vacuum PSA system*.

* Vacuum PSA (Pressure Swing Absorption) is a system designed to generate oxygen efficiently by producing a vacuum under negative pressure.



Oxygen concentrator

Resource-saving and waste reduction efforts

Flexible and portable blood bag now used in over 100 countries

Aiming to improve safety in transfusion, Terumo marketed the blood bag produced first in Japan in 1969. Compared with conventional products made of glass, the plastic bag incorporating a blood collection tube and a container and excels in flexibility and portability, reducing transportation costs as well as waste volume.



Blood bag

PTCA balloon catheter* for various types of therapies

We developed a PTCA balloon catheter that can be used with various types of therapies by using more advanced materials and improving the way the balloon is folded. This product has made it possible to reduce the number of catheters used to provide treatment to a single patient, resulting in a saving in resources.

* PTCA balloon catheter is a medical device that is used to widen a clogged blood vessel by inflating a balloon at its tip.



PTCA balloon catheter

Lighter, smaller products—Starting wherever we can

We reduced the size and weight of our syringes while maintaining volume and functionality. This improvement enabled a 25% reduction in waste in terms of weight. Reduction in the size has also reduced costs and packaging during transportation (as of 1998). We also achieved a 40% reduction in the weight of our continuous ambulatory peritoneal dialysis (CAPD) bags used in home healthcare in an effort to reduce household waste.



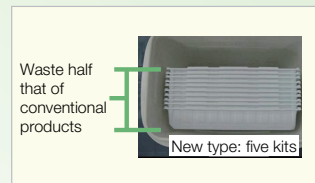
Syringe



CAPD solution

Packaging and waste volume reduction—Reducing materials and management processes and halving waste volume

Having developed a solution pack that eliminated excess packaging and procedures by providing products needed during surgery together in a single set, we further reduced the weight and volume of the waste generated by this product by improving the method and form of its packaging and redesigning the shape of the tray to enable a 50% reduction in materials.



Package after opening

Integration—Combining several drugs in one bag

We have placed several IV solutions, which must be mixed prior to injection anyway, into a single bag, reducing the amount of waste, including vial containers and syringes used for packaging or injecting.



IV solution product in a bag

Integration—Prefilled syringes

Syringes prefilled with solutions replace ampoules and vials that require suction and dissolution. Being made of plastic, prefilled syringes are easy to dispose of, in terms of weight and volume, compared with glass syringes.



Injection solution prefilled syringes

Integration—Oxygenator with integrated arterial filter

By integrating an oxygenator and an arterial filter into one device, we reduced the number of parts used in the blood circuit as well as the materials used.



Oxygenator

13. Preventing Global Warming 1/2

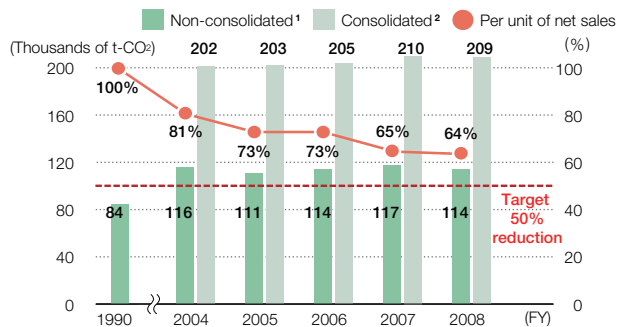
Terumo conducts its business activities based on the assumption that the global environment must be protected. To promote further reduction of CO₂ emissions, we reviewed our reduction target in fiscal 2008. In addition to the energy-conservation activities conducted on-site through the "Team Minus 6%" project organized by the Japanese Ministry of the Environment and other eco programs, with the full participation of our associates.

Target for Reduction of CO₂ Emissions

Reduce CO₂ emissions per unit of net sales by 50% relative to the fiscal 1990 level by fiscal 2012

Note: Non-consolidated basis (excluding domestic and overseas sales offices)

Trends in CO₂ emissions per unit of net sales



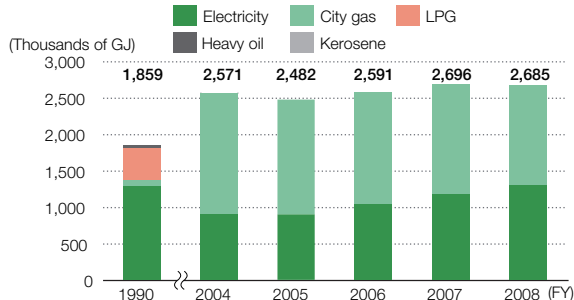
Note: CO₂ emissions from electric power are converted using the official conversion coefficient of Tokyo Electric Power Company. For all years except fiscal 1990, the coefficient of fiscal 2007, which was not affected by the shutdown of the Kashiwazaki-Kariwa nuclear power plant, is used.

- 1 Excluding domestic and overseas sales offices
- 2 Excluding domestic and overseas sales offices, overseas representative offices, and MicroVention, Inc.

Converting to lower CO₂-emitting electricity

In fiscal 2008, we reviewed our CO₂ emissions reduction target. We raised the target of reducing CO₂ emissions per unit of net sales relative to the fiscal 1990 level from 25% to 50% and began activities aimed at achieving this new, higher target. For example, we converted to lower CO₂-emitting electricity by suspending the operation of natural gas cogeneration facilities and operating high-efficiency turbo refrigeration units year-round. We have also conducted other highly detailed energy-saving measures, including eliminating steam trap leaks. As a result, in fiscal 2008, we reduced CO₂ emissions per unit—by 64% relative to the fiscal 1990 level—for the second year in a row. Additionally, in terms of total CO₂ emissions, which had been on the rise in line with our growth, we succeeded in maintaining them at a lower level than in the previous year.

Trends in energy usage and breakdown of energy sources



Note: Converted into CO₂ emissions and calorific values using the conversion coefficient provided by the Ordinance on the Calculation of Emissions of Greenhouse Gases Consequent to the Business Activities of Specified Emitters (March 2006, Ministry of Economy, Trade and Industry, Ministry of the Environment Ordinance 3).

Introducing high-efficiency electric refrigeration units at Fujinomiya Factory

At the end of fiscal 2008, we introduced high-efficiency electric refrigeration units at Fujinomiya Factory and proceeded to implement comprehensive energy-saving controls throughout both the high-load turbo refrigeration system and the low-load inverter chiller system to achieve even greater overall efficiency. We expect this to result in a reduction of 5,000 tons of CO₂ emissions per year.



Facilities at Fujinomiya Factory (Left: high-efficiency turbo refrigeration unit; right: inverter chiller refrigeration unit)

Fujinomiya Factory awarded with the Director General's Prize in the Kanto Bureau of Economy, Trade and Industry's Awards for Outstanding Energy Conservation by a Factory

Fujinomiya Factory's steady energy-saving activities were recognized by the Kanto Bureau of Economy, Trade and Industry when the factory was awarded with the Director General's Prize in the bureau's awards for Outstanding Energy Conservation by a Factory in fiscal 2008. Key initiatives undertaken by the Fujinomiya Factory are:



Award ceremony

- 1 Minimizing the energy consumption of air conditioners on holidays
- 2 Controlling the inverters of air conditioner fans
- 3 Improving the operational efficiency of air compressors
- 4 Properly controlling the load on the cooling water pump used in production
- 5 Improving power factor by introducing low-pressure condensers

These initiatives have since been shared and adopted at other Terumo factories.

Staff Comment

Energy-saving activities by production facilities at Kofu Factory

Haruhisa Yamaguchi
Production Division, Kofu East Factory



At Kofu East Factory, we have conducted energy-saving activities at production facilities, led by the committee for implementing environmental programs, in addition to the ongoing energy-saving activities led by the Maintenance Department in charge of energy supply. We appointed a supervisor for each section to check the effects of energy-saving measures on certain targeted equipment and then expand such measures factory-wide. Consequently, we reduced our consumption of crude oil by 142 kl a year. These efforts were recognized with an in-house environmental award. We will continue to seek the participation of all associates in developing and implementing creative solutions to energy-saving.

13. Preventing Global Warming 2/2

Efforts to reduce the environmental impact of distribution

The need to reduce the amount of energy used in the transportation of products has become a major theme in the fight to prevent global warming.

As a cargo owner, in Japan Terumo has been making efforts to improve distribution efficiency and construct an efficient distribution infrastructure by, among other things, reducing the amount of energy used to transport our products via a modal shift to shipping contractors with high transportation efficiency, increasing sea shipping, and integrating and eliminating distribution centers. We have also been monitoring data on the environmental impact of distribution since fiscal 2006, switching from truck to marine transportation to reduce environmental impact, and improving the carry efficiency of our own distribution vehicles.

Promoting modal shift*

Terumo has been pursuing a modal shift to marine transportation for the main line transportation system from our Fujinomiya Factory to the Fukuoka Warehouse. In fiscal 2008, marine transportation accounted for 91% of the transportation between these two facilities, up from 36% from fiscal 2006. We are committed to further promote modal shift.

* Modal shift refers to changing the mode of cargo transportation to systems with the capacity to transfer larger volumes of goods, such as sea or rail.

Joining Team Minus 6%

In 2006, Terumo joined the "Team Minus 6%" project organized by the Japanese Ministry of the Environment. Since then, we have promoted various initiatives for the prevention of global warming in line with the aims of the campaign.

Terumo's "ECO Challenge" volunteer campaign

Every summer in Japan, we implement a campaign called "ECO Challenge," in which volunteer Terumo associates and their family members conduct various environmental conservation activities both at home and at work. In fiscal 2008, 2,069 individuals participated in the program, making eco-friendly changes to their everyday lifestyle.



Efforts made by participants are scored and these scores are converted into a monetary amount to be donated to the Children's Forest Program organized by the Organization for Industrial, Spiritual and Cultural Advancement-International (OISCA), an NGO promoting international cooperation. The donation is used to provide environmental education to children

all over the world and support reforestation activities in the form of planting and nurturing seedlings.

Energy-saving driving

Based on the 10 Recommendations for Eco-Driving,* we have been promoting eco-driving of work vehicles at all domestic branches and, in fiscal 2008, held an internal Eco-Driving Competition.



Through this campaign, we reduced CO₂ emissions from gasoline use by about 383 tons year-on-year by correcting the driving practices of all of our sales representatives and introducing fuel-efficient vehicles (including hybrid vehicles), and through the commitment of our associates to use public transportation wherever possible for work-related travel (within the 23 wards of Tokyo).

* 10 Recommendations for Eco-Driving: Earth-friendly driving techniques recommended by the national "Team Minus 6%" project to cut greenhouse gas emissions.

Eliminating work vehicles at Tokyo 3rd Branch

In April 2009, we relocated our Tokyo 3rd Branch, which mainly works with university hospitals and acute hospitals in the 23 wards of Tokyo, from Shibuya-ku to Bunkyo-ku. As part of its environment-friendly corporate activities, the Branch took this opportunity to eliminate the use of work vehicles and instead require associates to take public transportation wherever possible for work-related travel.

14. Effective Utilization of Resources 1/2

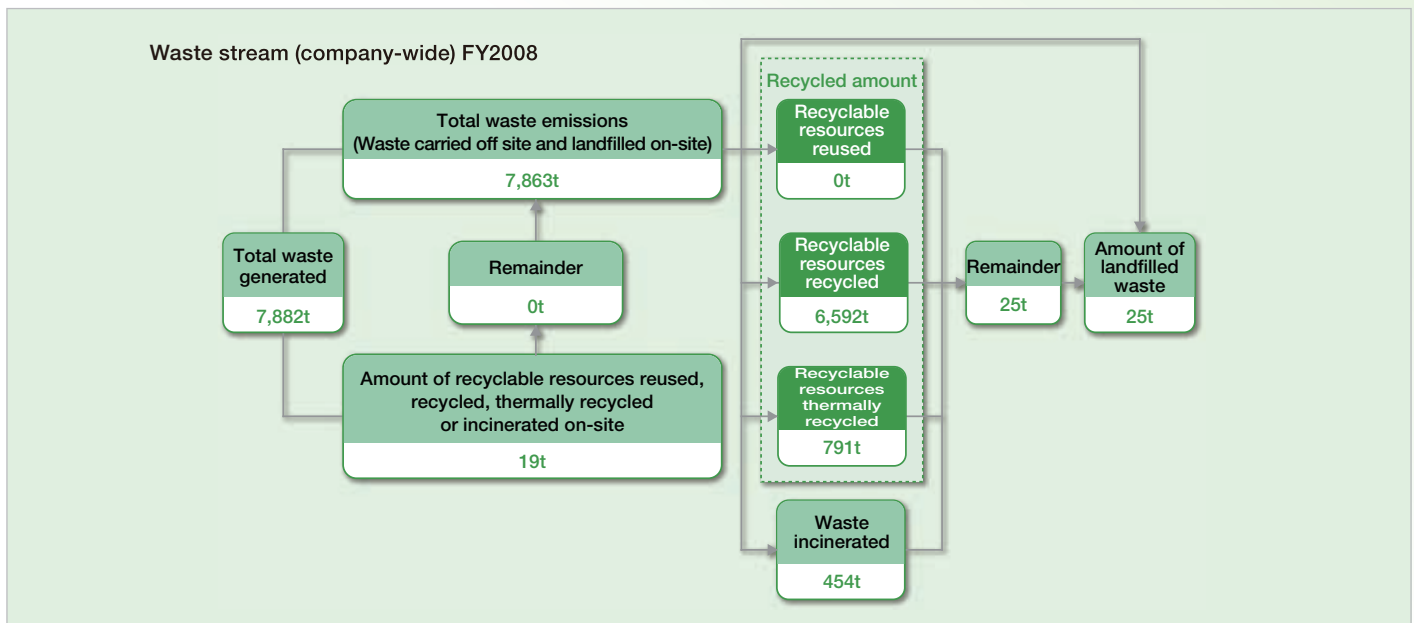
Global resources are limited. Terumo utilizes the resources it requires in the most effective and efficient way possible. We monitor the input and output of resources across all businesses, improving processes to reduce waste and increase recycling throughout the entire company. Our efforts to minimize our environmental impact are continuous and ongoing.

Making efforts to reduce the amount of landfilled waste

Manufacturing processes and business activities at our factories, R&D Center and offices generate a variety of waste. We have therefore set a target of zero waste emissions—defined as “an amount of landfilled waste equal to less than 1% of the total amount of waste generated”—for all of our sites in Japan, excepting our sales offices. To ensure we achieve this reduction target, we urge rigid adherence to the proper sorting of waste and continue to refine our waste treatment methods and rules. In fiscal 2008, only 0.3% of our total waste by volume was disposed as landfill, meaning that we achieved our zero emission target for the fifth consecutive year.

Promoting recycling

While our Industrial Waste Group (one of our specialized environmental groups) plays a big role in sharing important information among sites, all our associates make efforts to recycle. Due to their unique properties and product safety concerns, it is not usually possible to recycle our products for use in other medical products. We do, however, recycle their component materials for use in other plastic products including floor tiles and recycled plastic fuel (RPF). Also, organic sludge generated from wastewater treatment is recycled into organic fertilizer. Our recycling rate reached 94% in fiscal 2008.



Reducing waste emissions by the in-house liquefying of waste plastic for recycling

We have established an experimental facility at our Kofu Factory to pyrolyze and liquefy waste plastic generated in syringe or other production processes, and have started research into how to use pyrolysis oil as an energy source. By not outsourcing the treatment of waste plastic and instead recycling it within the factory, we intend to achieve the following:

- (1) Effective use of resources
- (2) Reduction of risks involved in outsourcing industrial waste treatment
- (3) Reduction of CO₂ emissions in waste transportation



Liquefaction equipment and collected oil

We are conducting further research to control the state of pyrolysis oil in order to be able to use it more effectively.

14. Effective Utilization of Resources 2/2

Initiatives to recycle small rechargeable batteries

We continue to recycle small rechargeable batteries in accordance with the Act on the Promotion of Effective Utilization of Resources. The Japan Portable Rechargeable Battery Recycling Center (JBRC), which promotes the recycling of small rechargeable batteries, collects and recycles used small rechargeable batteries from Terumo products. We have made several improvements to make the recycling separation processes for our products easier, including displaying a recycling logo. In addition, we collect and recycle spent small sealed lead-acid batteries when we replace them during maintenance. We will continue to collect and recycle small rechargeable batteries.



Collection and recycling performance in FY 2008 (April 2008 to March 2009)

(Unit: kg)

Nickel-cadmium	6,470
Nickel-hydride	275
Lithium ion	27
Small sealed lead-acid	386

Auditing waste-treatment contractors

To confirm that the sludge and waste plastics generated by Terumo are appropriately processed throughout all stages of treatment, we have prepared a checklist that we use in our regular audits of our waste collection and disposal contractors. In fiscal 2008, we audited 38 contractors.

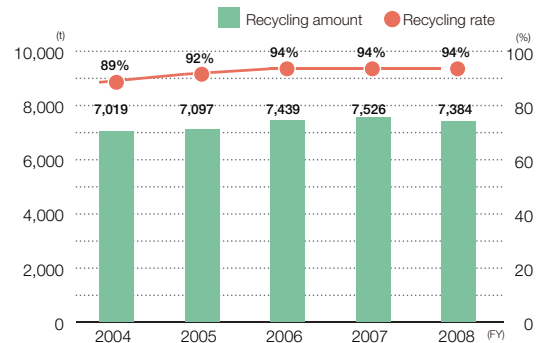


Auditing a waste-treatment contractor

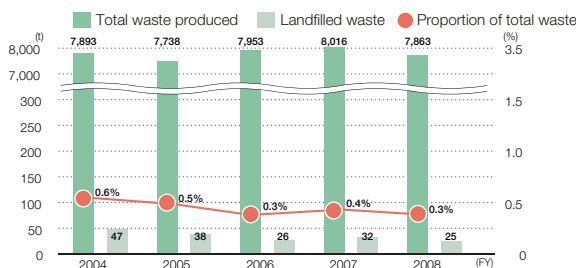
Target for the Reduction of Landfilled Waste:

Reduce the amount of landfilled waste to less than 1% of the total amount of waste generated (sales offices excepted) (= Zero waste emissions)

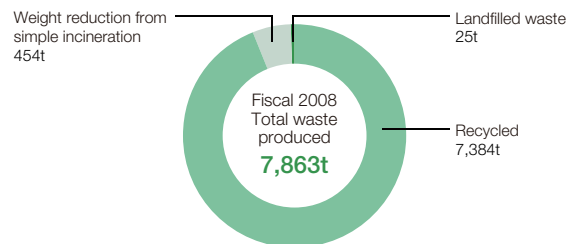
Recycling amount and rate



Total amount of landfilled waste



Total domestic waste and breakdown of disposal or treatment method



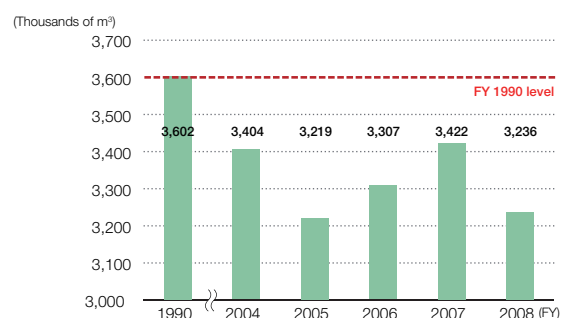
Effective utilization of water resources

At Terumo we are optimizing our use of water resources and circulating and reusing the water we use for cooling. In fiscal 2008, we reduced our water usage by 5% over the previous year to 3,236 million m³ by reviewing our production processes. Although we expect production levels to continue to rise, we will make every effort to maintain our water consumption at the FY 1990 level or below.

Target limit of water resources use

Maintain water use at or below FY 1990 level

Water use



15. Chemicals Management and Promotion of Green Purchasing 1/3

As clearly declared in our Basic Environmental Policy, "Terumo sets voluntary targets and works to conserve the environment." Terumo makes continuous efforts to be an environmentally friendly company by taking various approaches to reduce our environmental impact. For example, we monitor and control chemical substances according to our own strict voluntary management targets and promote green purchasing.

Introduction of stricter chemicals management

Initiatives to reduce ethylene oxide emissions

Ethylene oxide is widely used to sterilize medical devices and equipment. We set voluntary concentration controls* to track concentrations of ethylene oxide at vent outlets as well as emissions at other sites such as warehouses. We also manage emissions to ensure that the ethylene oxide concentrations measured along the boundaries of our facilities remain below the permitted concentration level. In fiscal 2008, we were able to reduce emissions of ethylene oxide despite our increased use of the chemical by installing an additional emissions treatment system. We will continue to utilize our refined verification methods to track the amount of ethylene oxide adsorbed to our products, which is one of the causes of trace levels of emissions, and other details.

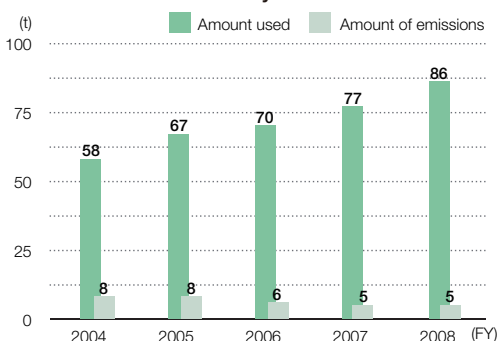
* For voluntary concentration controls, see the *Environmental Risk Assessment of Chemical Substances* (second edition), Ministry of the Environment.

Additional ethylene oxide emissions treatment facilities installed at Ashitaka Factory

In fiscal 2008, we installed an additional catalytic oxidation treatment system, which can detoxify even low-concentration emissions, at Ashitaka Factory, in response to an increase in the use of ethylene oxide. Using this system together with an existing system that has been in operation since fiscal 2006, we aim to further reduce emissions and improve the work environment in which the processes using the chemical is performed. At all factories where ethylene oxide sterilization is used, Terumo has introduced and been operating systems for the detoxification of ethylene oxide emissions. Catalytic oxidation treatment systems are in operation at Fujinomiya Factory and at our R&D facilities. We are also working on alternatives to ethylene oxide sterilization.

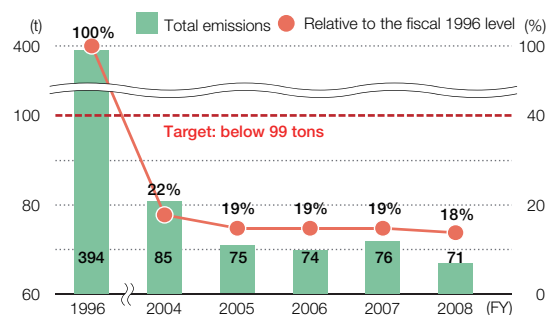


Trends in use/emissions of ethylene oxide



Target for Reduction of Chemical Emissions: Controlling dichloromethane emissions to below 99 tons

Trends in dichloromethane emissions



Substances subject to the PRTR* and substances under voluntary management

(Unit: t)

Substance	Amount (t)	Fujinomiya Factory	Ashitaka Factory	Kofu Factory	R&D	Total
Ethylene oxide (EOG)	Used	15.5	50.5	19.5	0.0	85.5
	Emitted	0.9	2.5	1.8	0.0	5.2
	Transferred	0.0	0.0	0.0	0.0	0.0
Dichloromethane	Used	0.0	4.5	152.2	0.0	156.7
	Emitted	0.0	0.9	69.7	0.0	70.6
	Transferred	0.0	3.6	0.0	0.0	3.6
HCFC-141b	Used	31.7	0.0	14.1	0.0	45.8
	Emitted	31.7	0.0	12.1	0.0	43.8
	Transferred	0.0	0.0	0.0	0.0	0.0
HCFC-225	Used	3.0	15.4	1.9	0.0	20.3
	Emitted	3.0	14.3	0.6	0.0	17.9
	Transferred	0.0	1.0	0.0	0.0	1.0
Di (2-ethylhexyl) phthalate (DEHP)	Used	669.4	6.7	175.2	0.0	851.3
	Emitted	0.0	0.0	0.0	0.0	0.0
	Transferred	0.0	0.0	8.4	0.0	8.4
Toluene	Used	0.0	0.0	3.1	5.0	8.1
	Emitted	0.0	0.0	0.5	0.0	0.5
	Transferred	0.0	0.0	2.6	2.4	5.0
Hydrogen fluoride	Used	0.0	8.6	0.0	0.0	8.6
	Emitted	0.0	1.3	0.0	0.0	1.3
	Transferred	0.0	0.0	0.0	0.0	0.0
Dichloroethane	Used	0.0	2.8	0.0	0.0	2.8
	Emitted	0.0	2.5	0.0	0.0	2.5
	Transferred	0.0	0.3	0.0	0.0	0.3
Benzene	Used	0.0	0.0	15.5	0.0	15.5
	Emitted	0.0	0.0	0.0	0.0	0.0
	Transferred	0.0	0.0	0.0	0.0	0.0
Tetrahydrofuran THF (under voluntary management)	Used	7.6	18.4	1.1	0.0	27.1
	Emitted	5.8	13.0	0.9	0.0	19.7
	Transferred	1.8	5.5	0.2	0.0	7.5

* PTPR: Pollutant Release and Transfer Register

- We phased out di (2-ethylhexyl) adipate (DEHA) and promoted the use of alternatives.
- Our effort to stop using HCFC-141b resulted in a slight increase in the amount of HCFC-225 used. HCFC-225 has a low ozone depletion potential.
- Dichloroethane has been added to the list in this fiscal year as the amount used increased and the substance was placed under PRTR.
- Benzene has been added to the list in this fiscal year as the substance is found in city-supplied gas, which we use as fuel.

Aiming at appropriate PCB* management

In accordance with the Law concerning Special Measures for Promotion of Proper Treatment of PCB Wastes and the Waste Management and Public Cleansing Law, we have removed all transformers, fluorescent light ballasts and other equipment containing PCBs. To ensure the prompt and appropriate disposal of these materials, we completed early registration with the Toyota office of the Japan Environmental Safety Corporation (JESCO).

An investigation conducted by the Japan Electrical Manufacturers' Association identified pieces of equipment that may potentially contain trace amounts of PCBs on the basis of the time of manufacture or other factors. Following this, we conducted our own investigation, categorizing and performing a complete analysis of every piece of equipment (including examining manufacturer warranties), with the exception of those that could not be analyzed due to their sealed nature. These will be examined when they reach the end of their life.

* PCB: Polychlorinated biphenyl

Inventory of equipment containing PCBs

Storage site	Fluorescent light ballasts	Capacitors	Reactors	Transformers
Fujinomiya Factory	459	23	0	0
Ashitaka Factory	419	17	2	3

Heavy electrical equipment that may potentially contain trace amounts of PCBs

Time of manufacture	No. of pieces owned
Period B	8
Period C	221
Period D	152

B: From 1953 to 1972 (when equipment containing PCBs and PCB-free equipment was manufactured in parallel)
 C: From 1973 to 1989 (when equipment containing PCBs and equipment containing recycled PCBs was manufactured in parallel)
 D: From 1990 to 2005 (when PCB-free equipment was manufactured)

Green Procurement

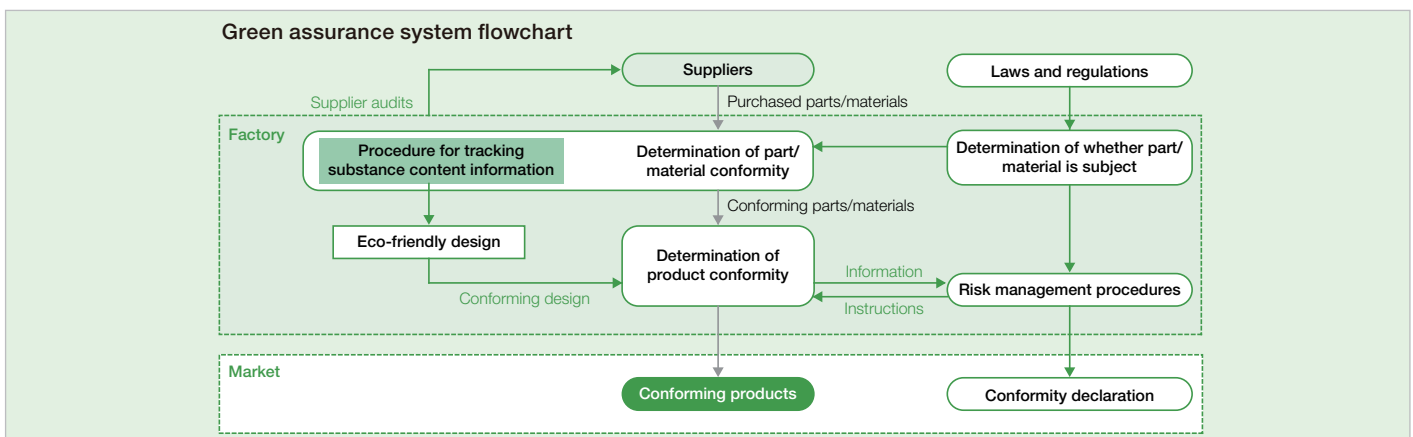
Toward the establishment of a green conformity assurance system

European environmental regulations (RoHS/WEEE), as well as Chinese and Japanese laws, restrict the use of hazardous substances in electrical and electronic equipment (or require that such equipment be labeled). Meanwhile, creating a conformity assurance system to bring medical devices, which are not yet targeted by the EU's RoHS Directive, into conformity with these regulations is a vital task in the achievement of eco-friendly operation.

Our basic policy on conformity assurance is to prevent harmful substances from entering the factory and also prevent them from exiting. This concept is not vastly different from the traditional concept of quality assurance for medical devices. It was necessary, however, to add new rules to the management procedures due to the need to handle management elements not conventionally present. We thus added the following management steps, the main elements of which had already been stipulated.

- ① **Procedure for determining which items are subject to the assurance system**
- ② **Procedure for determining conformity of parts and materials purchased and products shipped**
(Created determination flow and determination standards for purchased parts/materials. Partially implemented)
- ③ **Procedure for tracking information about substances contained in purchased parts/materials**
(Created instructions for investigating substance composition and began periodic investigations in FY 2007)
- ④ **Procedure for eco-friendly product design**
(Provide results of substance composition investigation via database and provide conformity training)
- ⑤ **Procedure for risk management**
(Risk analysis/improvement instructions/determination of whether self-declarations are allowed)

In the future, we will integrate each of these procedures in turn into our quality management system to construct an overall conformity assurance system.



Promotion of green purchasing

We promote green purchasing through our established guidelines for selecting office and stationery supplies and other equipment used in production processes and workplaces. This is an ongoing activity that complements our other approaches to environmental conservation.

Results of green purchasing for fiscal 2008

*thousands of items; **thousands of yen

Category	Data	Overall result	Eco Mark products		Products compliant with the Law on Promoting Green Purchasing		Green Mark products	
Head office/ sales offices (total)	Number of items purchased*	12	5	45%	7	56%	3	22%
	Total payment**	7,657	6,616	86%	7,146	93%	3,046	40%
Factories (total)	Number of items purchased	39	19	49%	23	59%	5	13%
	Total payment	18,217	9,341	51%	10,406	57%	3,313	18%

Note: Since the revelation of falsifications regarding the content of waste paper in recycled paper, correction of the criteria for green purchasing has been considered. The above results, however, were calculated according to the current contents indicated by Eco Marks and Green Marks.

Low emission vehicles

As of the end of March 2009, Terumo owned 738 vehicles for company use. Of these, 722, or 98% of the vehicles in our fleet, are 3-star or higher low emission vehicles (LEVs).

Low emission vehicle fleet

Vehicle type		No. of vehicles
☆☆☆☆	75% below FY 2005 exhaust gas standard	412
☆☆☆	50% below FY 2005 exhaust gas standard	310
☆☆	50% below FY 2000 exhaust gas standard	1
☆	25% below FY 2000 exhaust gas standard	8
	None	7
	Total	738



Low emission vehicle

16. Environmental Auditing for Enhanced Reliability

As clearly declared in our Basic Environmental Policy, “Terumo abides by the environmental laws, ordinances, agreements and other legal provisions of all countries,” and “has established a system to facilitate environmental efforts and it promotes and audits those efforts.” In this manner, the company conducts regular internal environmental audits to prevent illegal acts and environmental problems.

Status of internal environmental audits for fiscal 2008

To prevent illegal acts and environmental problems and reduce present and future environmental risks, we conduct internal environmental audits of factories in Japan, Shonan Center, Head Office, sales offices and Terumo Group companies.

Audit tasks

- (1) Clarify environmental laws and ordinances, and check compliance
- (2) Check the status of management of environmental risk items and their performance:
 - Status of operation of our environmental management organization
 - Status of waste management and related risk management
 - Progress and results of energy management and energy conservation projects
 - Status of chemicals management and related risk management

Audit results

- (1) With regard to environmental laws and ordinances, compliance with some minor standards was incomplete. However, major noncompliance was not detected at any site.
- (2) Uniform management system was in place in all factories in Japan for immediate environmental risks.

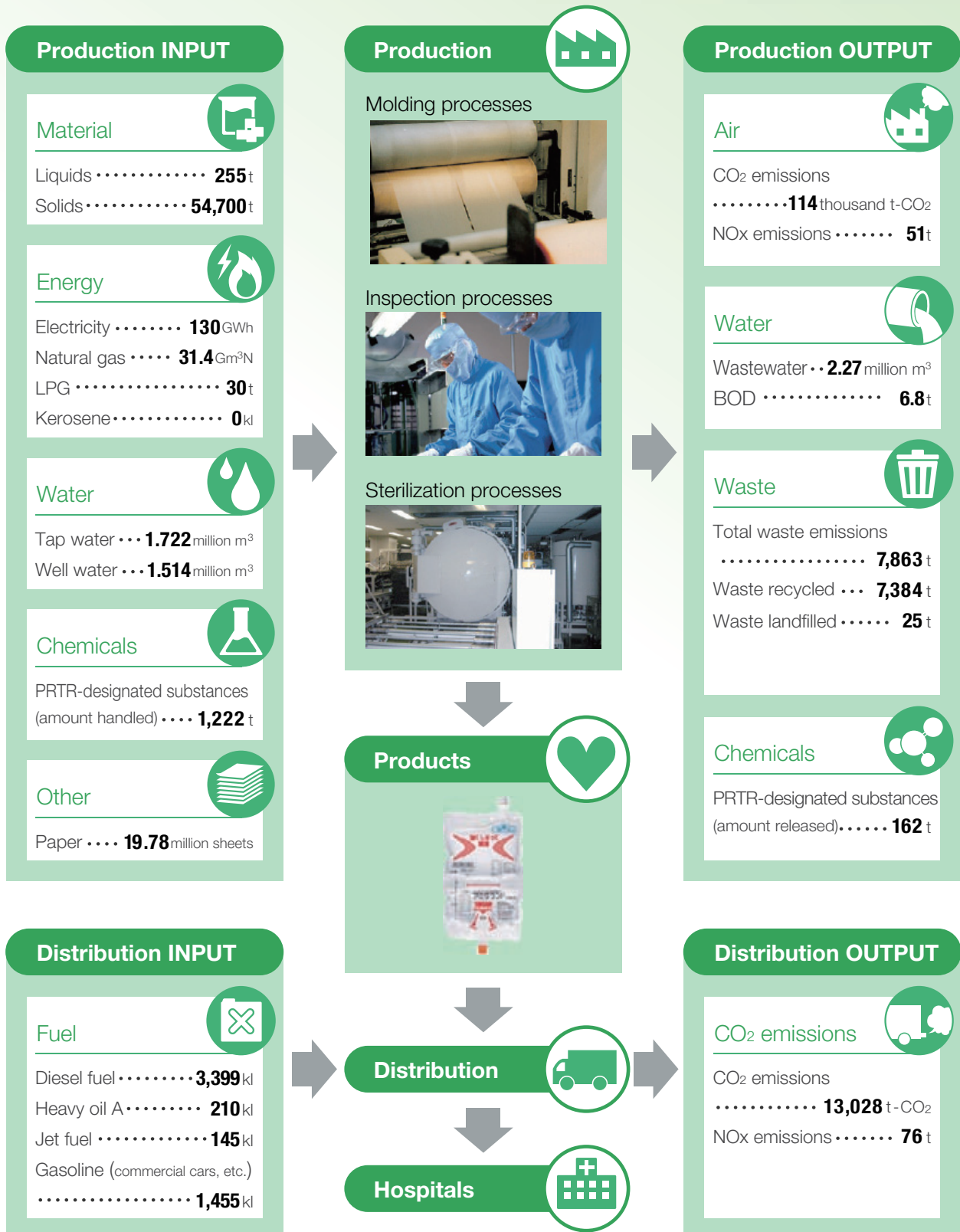
In fiscal 2008, regulatory authorities conducted an external on-site inspection of specified factories and offices focusing on environmental issues, including compliance with the Air Pollution Control Act, compliance with the Water Pollution Control Act and the status of chemicals management. Following these inspections, we received no remedial instructions from authorities.



Internal environmental audit

17. Business Activities and Material Flows

Terumo determines the environmental impact associated with production processes that use inputs of energy and raw materials and create outputs like carbon dioxide, wastewater and waste, and uses these values as indicators. We are striving to reduce our environmental impact in this manner.



* NOx emitted in distribution were calculated using the coefficients in the "Environmental Activities Evaluation Program (April 2002)" developed by the Ministry of the Environment.

18. Site Data

At Terumo, we work hard every day to effectively utilize resources and reduce emissions of substances that impact the environment. This section provides details of environmental impacts at our production sites in Japan and overseas during fiscal 2008.

Site	Location	Total CO ₂ emissions ¹ (thousands of t)	Water usage (thousands of m ³)	Total waste (t)	Hazardous waste (t)	Recycled amounts (t)
Fujinomiya Factory	Fujinomiya, Shizuoka	42.0	1594	2922	11	2900
Ashitaka Factory	Fujinomiya, Shizuoka	15.0	459	1124	154	954
Kofu Factory	Nakakoma, Yamanashi	48.0	1046	3423	33	3234
R&D Center	Ashigarakami, Kanagawa	7.5	126	186	51	122
Hatagaya Head Office	Shibuya, Tokyo	0.7	11	123	2	123
Ikiken Co., Ltd.	Sayama, Saitama	0.1	1	17	0	10
Terumo Clinical Supply Co., Ltd.	Kagamihara, Gifu	0.5	4	48	2	34
Terumo Medical Corporation, TCVS ²	Maryland, USA	19.4 ³	78	699	101	150
TCVS ²	Michigan, USA	2.6 ³	8	653	14	249
TCVS ²	California, USA	1.0	6	22	2	0
TCVS ²	Massachusetts, USA	0.6	2	176	0	92
Terumo Europe N.V.	Leuven, Belgium	17.7 ³	55	1161	200	504
Terumo Europe N.V.'s UK factory	Liverpool, UK	0.1	0.3	45	0	45
Vascutek Ltd.	Glasgow, UK	1.6 ³	12	127	7	30
Terumo Medical Products (Hangzhou) Co., Ltd.	Zhejiang, China	28.0 ³	352	140	22	99
Changchun Terumo Medical Products Co., Ltd.	Jilin, China	2.4	30	214	0	173
Terumo (Philippines) Corporation	Manila, the Philippines	16.8	86	599	30	554
Terumo Penpol Ltd.	Kerala, India	2.7	36	360	0	360
Terumo Vietnam Co., Ltd.	Vinh Phuc, Vietnam	1.9	27	46	6	23

¹ Converted into CO₂ emissions using the conversion coefficient provided by the Ordinance on the Calculation of Emissions of Greenhouse Gases Consequent to the Business Activities of Specified Emitters (March 2006, Ministry of Economy, Trade and Industry, Ministry of the Environment Ordinance 3).

² TCVS: Terumo Cardiovascular Systems Corporation

³ CO₂ emissions of Terumo Medical, Terumo Cardiovascular Systems (Maryland and Michigan), Terumo Europe, Vascutek and Terumo Medical Products (Hangzhou) are calculated based on the emission factor instructed by the supplier.

Emissions of other overseas sites are calculated based on the default emission factors provided by the Ordinance on the Calculation of Emissions of Greenhouse Gases Consequent to the Business Activities of Specified Emitters.

Note: For the purpose of calculation, we used waste density of 0.2t/m³ for general/industrial waste and 1.0t/m³ for hazardous waste.

19. Targets and Achievements of Activities 1/2

We have expanded the content of our management, social and environmental performance initiatives and publish the details, achievements and our own evaluations of them in this section.

Looking to the future, we will continue to push forward with social contribution and environmental protection activities and to disclose related information in the interests of transparency and fulfilling our responsibilities as a good corporate citizen.

Legend: ○: Target accomplished, △: Part of the target not yet accomplished, ×: Target not yet accomplished

Management Performance				
Initiative	Voluntary Targets (Medium to Long-Term Targets)	Results for FY 2008	Evaluation for FY 2008	Initiatives for FY 2009
Internal control initiatives	•Continually review and develop internal control system	•Reviewed internal control system (Established Terumo Group Code of Conduct)	○	•Continually develop internal control system
Promoting compliance	•Continue compliance training	•Provided compliance training to new graduates, mid-career hires and new managers	○	•Continue compliance training

Social Performance				
Initiative	Voluntary Targets (Medium to Long-Term Targets)	Results for FY 2008	Evaluation for FY 2008	Initiatives for FY 2009
A highly accessible call center	•Maintain rate of over 95% of incoming calls answered within 2.5 seconds	•95.3% of incoming calls answered within 2.27 seconds	○	•Maintain rate of over 95% of incoming calls answered within 2.5 seconds
Promoting employment of disabled workers	•Maintain a disabled-worker employment ratio of 1.8%	•1.80% disabled-worker employment ratio as of the end of March 2009	○	•Maintain a disabled-worker employment ratio of 1.8%
Promoting occupational safety	•No work-related deaths or serious injuries, and fewer work-related accidents than the previous fiscal year	•Zero work-related deaths or serious injuries in FY 2008 (zero in previous year); 16 other work-related accidents (14 in previous year) Frequency rate ¹ : 1.93697 Severity rate ² : 0.00886	△	•No work-related deaths or serious injuries, and fewer work-related accidents than the previous fiscal year
Career advancement of female associates	•Train and promote associates based on skills and performance, without gender bias	•Women accounted for 2.9% of management positions (as of the end of March 2009)	△	•Train and promote associates based on skills and performance, without gender bias
Promoting fair hiring	•Conduct hiring based on skills, regardless of race, nationality, gender, religion, physical disability or other factors	•Educated hiring managers and created manuals	○	•Continue to practice fair hiring and educate hiring managers

1 Frequency rate: The number of casualties due to industrial accidents divided by hours worked and multiplied by 1,000,000

2 Severity rate: The days lost due to industrial accidents divided by hours worked and multiplied by 1,000

19. Targets and Achievements of Activities 2/2

Environmental Performance				
Initiative	Voluntary Targets (Medium to Long-Term Targets)	Results for FY 2008	Evaluation for FY 2008	Initiatives for FY 2009
Determining the environmental impact of our business activities	<ul style="list-style-type: none"> Quantitatively determine the environmental impacts of development, production and sales activities 	<ul style="list-style-type: none"> Continued to conduct environmental impact assessments Continued to investigate alternatives to HCFC-141b¹ 	○	<ul style="list-style-type: none"> Continue to conduct environmental impact assessments Complete investigation on alternatives to HCFC-141b
Environmentally friendly products	<ul style="list-style-type: none"> Remove mercury from healthcare practice Respond to regulations of different countries 	<ul style="list-style-type: none"> Promoted sales of digital blood pressure monitors for hospital use Started assessing the environmental impact of products using LCA Promoted the development of products compliant with RoHS Directive Substituted a PVC plasticizer, adipic acid ester, with an alternative Recovered and recycled used small rechargeable batteries 	○	<ul style="list-style-type: none"> Continue to develop products compliant with RoHS Directive and to build an assurance system Introduce Human x Eco Development Guidelines Assess the environmental impact of products using LCA
Preventing environmental pollution	<ul style="list-style-type: none"> Maintain dichloromethane emissions of no more than 99 tons 	<ul style="list-style-type: none"> Dichloromethane emissions were 71 tons Carried out voluntary measurement of ethylene oxide concentrations along the boundaries of our facilities Installed an additional catalytic oxidation treatment system at Ashitaka Factory 	○	<ul style="list-style-type: none"> Maintain dichloromethane emissions of no more than 99 tons Continue voluntary measurement of ethylene oxide concentrations along the boundaries of our facilities
Using resources and energy effectively	<ul style="list-style-type: none"> Reduce CO₂ emissions per unit of sales by 50% relative to FY 1990 level by FY 2012 	<ul style="list-style-type: none"> Promoted conversion from gas to electricity, which has a lower CO₂ emissions coefficient Reduced CO₂ emissions per unit of sales by 36% relative to FY 1990 level Fujinomiya Factory received the Director General's Prize in the Kanto Bureau of Economy, Trade and Industry's Awards for Outstanding Energy Conservation by a Factory Participated in the Team Minus 6% project and carried out in-house eco campaign Held an internal Eco-Driving Competition Promoted energy-saving activities in offices Started experimental liquefaction of waste plastic 	○	<ul style="list-style-type: none"> Continue conversion to electricity Promote eco driving Continue to promote energy-saving activities in offices Continue experimental liquefaction of waste plastic
Reducing waste	<ul style="list-style-type: none"> Reduce the amount of landfilled waste to less than 1% of the total amount of waste at all sites in Japan, excepting sales offices 	<ul style="list-style-type: none"> Continued zero waste emissions² at all production sites (Fujinomiya, Ashitaka and Kofu Factories), Shonan Center and Head Office in Japan Expanded the use of electronic manifests 	○	<ul style="list-style-type: none"> Continue to reduce the amount of landfilled waste to less than 1% of the total amount of waste at all sites in Japan, excepting sales offices Promote the use of electronic manifests across the group
Establishing environmental management systems	<ul style="list-style-type: none"> Maintain compliance with the Terumo Environmental Management System at Shonan Center and all factories in Japan 	<ul style="list-style-type: none"> Continued to maintain the Terumo Environmental Management System at Shonan Center, all factories, and group production sites in Japan Conducted environmental audits at Shonan Center, factories, and group production sites in Japan 	○	<ul style="list-style-type: none"> Continue to maintain the Terumo Environmental Management System at Shonan Center, factories, and group production sites in Japan Continue to conduct environmental audits at Shonan Center, factories, and group production sites in Japan Conduct environmental audits at overseas factories
Encouraging volunteer activities	<ul style="list-style-type: none"> Encourage volunteer activities 	<ul style="list-style-type: none"> Implemented the Terumo Mt. Fuji Reforestation Project (reforestation using native tree varieties) Supported volunteer activities, including participation in the Tamagawa River Cleanup Campaign (Tokyo) and Umezawa Beach Cleanup (Kanagawa) Participated in the "Eco Cap Movement" Cleaned the surroundings of Terumo's premises 	○	<ul style="list-style-type: none"> Continue to support volunteer activities, including the Terumo Mt. Fuji Reforestation Project
Facilitating environmental communication	<ul style="list-style-type: none"> Publish social and environmental reports Conduct initiatives for Environment Month 	<ul style="list-style-type: none"> Published the <i>Social and Environmental Report 2008</i> Conducted Environment Month initiatives Posted special features on Environment Month on corporate intranet 2,069 associates voluntarily participated in eco programs Provided environmental education to associates Presented an in-house environmental award to the Production Division, Kofu East Factory 	○	<ul style="list-style-type: none"> Enhance information disclosure via Web site Conduct initiatives for Environment Month Continue eco programs with associate participation Continue to provide environmental education to associates
Compliance with environmental laws and ordinances	<ul style="list-style-type: none"> Confirm compliance with laws, ordinances and agreements relating to environmental protection, as well as legal compliance overseas 	<ul style="list-style-type: none"> Completed pre-registration for REACH Regulation 	○	<ul style="list-style-type: none"> Begin compliance activities related to the revised Act on the Rational Use of Energy Continue to comply with REACH and other chemical regulations outside Japan

¹ HCFC (Hydrochlorofluorocarbon)-141b: An alternative to chlorofluorocarbons.

² Zero waste emissions: The amount of landfilled waste is below 1% of the total amount of waste generated.

20. History of Our Environmental Activities 1/2

1971	<ul style="list-style-type: none"> ● We establish the Environmental Control Department at Ashitaka Factory.
1972	<ul style="list-style-type: none"> ● We change from a sedimentation system to a chelating adsorption system to treat water effluent containing mercury.
1975	<ul style="list-style-type: none"> ● We install general water effluent treatment facilities at Fujinomiya Factory.
1976	<ul style="list-style-type: none"> ● We discontinue acid surface treatment of needle hubs (at the base of the needle) and shift to a plasma treatment system, which does not generate acid wastewater. ● Fujinomiya and Ashitaka Factories sign a pollution control agreement with Fujinomiya city.
1979	<ul style="list-style-type: none"> ● We switch boiler fuel at Fujinomiya Factory from heavy oil to LPG, which contains less sulfur.
1980	<ul style="list-style-type: none"> ● We change the material for syringe gaskets from rubber to thermoplastic elastomer to prevent generation of sulfur oxides during incineration. ● We install general water effluent treatment facilities at Ashitaka Factory.
1981	<ul style="list-style-type: none"> ● We adopt non-PVC (polyvinyl chloride) containers for IV solutions (TERUPACK), switching to ethylene vinyl acetate (EVA), which does not generate toxic gases when incinerated.
1982	<ul style="list-style-type: none"> ● We completely stop the use of trichloroethylene, ahead of regulations.
1983	<ul style="list-style-type: none"> ● We adopt gamma ray sterilization, which does not emit gases, for the sterilization system at Kofu Factory. ● We start sale of our non-mercury digital thermometer.
1984	<ul style="list-style-type: none"> ● We bring an end to 70 years of production of mercury thermometers, as part of our effort to replace medical-use products containing mercury with safer alternatives.
1989	<ul style="list-style-type: none"> ● We switch from glass vacuum blood collection tubes to plastic vacuum blood collection tubes made of polyester, which can be disposed by incineration.
1991	<ul style="list-style-type: none"> ● We start sales of non-PVC hypodermic administration sets using polybutadiene, which does not generate hazardous gases when incinerated.
1992	<ul style="list-style-type: none"> ● We start sales of a digital blood pressure monitor for hospital use as part of our effort to replace medical-use products containing mercury with safer alternatives, in consideration of the workplace environment of healthcare practice.
1994	<ul style="list-style-type: none"> ● We start sales of a balloon catheter made of thermoplastic elastomer, which does not generate sulfur oxides when incinerated.
1996	<ul style="list-style-type: none"> ● We completely abolish the use of ozone-depleting specified chlorofluorocarbon (CFC) chemicals in the production process at Kofu Factory (followed by other factories). ● We start production of a hypodermic administration set with a new-type plastic needle: the non-metal needle makes post-disposal separation at hospitals as well as incineration easier.
1997	<ul style="list-style-type: none"> ● We establish the Environmental Management Department at Head Office. ● We start operating cogeneration (combined heat and power, or CHP) at Kofu Factory, supplying 60% of the power used at the factory. ● We convert the energy source from LPG to city gas, which emits less CO₂, at Fujinomiya and Ashitaka Factories. ● We completely stop the use of heavy oil at all production sites.
1998	<ul style="list-style-type: none"> ● We reduce the size and weight of syringes, which enables a 25% reduction of waste in terms of weight. ● We start the shift to recycled copier paper at our offices.
1999	<ul style="list-style-type: none"> ● We establish Terumo's Basic Environmental Policy. ● We start operating cogeneration at Fujinomiya Factory. ● We start the shift to recycled paper for catalogues and specification change notifications. ● We start to use non-PVC solution containers for continuous ambulatory peritoneal dialysis therapy for home use. The use of polypropylene containers, which do not generate hazardous gases when incinerated, enables a 40% reduction of waste in terms of weight.

20. History of Our Environmental Activities 2/2

2000	<ul style="list-style-type: none"> ● We establish the Environment Committee. ● We start operating cogeneration at Ashitaka Factory. ● We start indicating packaging and container identification marks and materials for recycling. ● We start internal environmental audits. ● We abolish the use of diesel-powered work vehicles. ● We first publish our <i>Environmental Report</i> (which has since been published annually).
2001	<ul style="list-style-type: none"> ● We stop the operation of incinerators at Kofu and Ashitaka Factories. ● We stop the use of devices and equipment containing PCBs and put them into storage. ● We start sales of non-PVC hypodermic administration sets for use on children. ● About 80 associates and their family members participate in a Mt. Fuji cleanup activity.
2002	<ul style="list-style-type: none"> ● We completely abolish the use of benzene and chloroform at Kofu Factory. ● We stop the use of incinerators at Kofu and Ashitaka Factories and remove them. ● We conduct a cleanup of Mt. Fuji as a joint activity for the Kofu and Fujinomiya areas (with about 130 participants). ● We install an observation well at Kofu Factory to monitor the quality of underground water. ● We start sales of hypodermic administration sets using TOTM, an alternative to the DEHP plasticizer.
2003	<ul style="list-style-type: none"> ● We achieve zero waste emissions at Ashitaka Factory and Head Office. ● We convert from LPG to city gas at Kofu Factory, completing the fuel conversion at all major domestic sites. ● We conduct on-site inspections at overseas sites. ● We launch the Terumo Mt. Fuji Reforestation Project.
2004	<ul style="list-style-type: none"> ● Our high-calorie electrolyte fluid for IV solution containing a multivitamin, glucose and amino acids receives the President's Prize awarded by the Eco Products Promotion Council at the First Eco-Products Awards in 2004. ● We achieve zero waste emissions at Kofu and Fujinomiya Factories.
2006	<ul style="list-style-type: none"> ● We achieve zero waste emissions at Shonan Center. ● We start sales of digital blood pressure monitors compliant with the RoHS Directive. ● We introduce turbo refrigeration units at Kofu Factory. ● We introduce a catalytic oxidation treatment system for EOG emissions treatment at Ashitaka Factory. ● We join Team Minus 6%.