

Ensuring Occupational Safety and Promoting Health

Basic Approach

Ensuring the occupational safety and promoting the health of employees is an important social responsibility for companies and is crucial to sustainable growth. Acting in accordance with the Terumo Global Environment, Health and Safety (EHS) Policy, the Terumo Group advances

initiatives for ensuring occupational safety and promoting the health of its employees throughout all of its business activities and strives to develop safe and comfortable work environments.

Terumo Global EHS Policy

Established October 25, 2012

Revised April 1, 2017

The Terumo Group aims to be a good corporate citizen, striving to reduce environmental impact associated with business activities and to ensure the safety and health of employees based on its corporate mission, "Contributing to Society through Healthcare."

- We take action based on an environment, health and safety (EHS) management system, establish the following voluntary goals, and make continuous improvements:
 - Reduce the environmental impact and EHS risk of our business activities;
 - Develop environmentally friendly and safe products and production processes;
 - Effectively use energy and resources; and
 - Appropriately manage chemical substances.
- We comply with the laws, ordinances, agreements, and other rules relating to EHS in each country.
- We work to ensure the safety and health of employees in all business activities and create safe and comfortable work environments.
- We strive to prevent EHS accidents such as environmental pollution and occupational injuries, and, in emergencies, prevent damage from spreading by responding swiftly and appropriately.
- We carry out environmental conservation activities and strive to conserve biodiversity as a member of society and the community.
- We systematically and continuously provide education and training and take other actions to increase EHS awareness, while strengthening our infrastructure for addressing EHS issues.
- We actively disclose information pertaining to EHS activities and maintain good communication with various stakeholders.

Ensuring Occupational Safety and Promoting Health

Management System

EHS Management System

Based on the Terumo Global EHS Policy, we employ an EHS management system that is compliant with international environmental (ISO 14001:2015) and occupational health and safety (OHSAS 18001, ISO 45001) standards.

As a key part of Terumo’s focus on sustainability in business, EHS policies, goals, activity plans, and risks are discussed and related decisions are made by the Corporate EHS Committee and then reflected in EHS activities at

Terumo Group sites worldwide. EHS Expert Subcommittees, consisting of experts drawn from individual business sites, have been established under the Corporate EHS Committee. The Health and Safety SC, one of these subcommittees, is responsible for formulating targets and plans related to occupational health and safety.

Organization for Companywide Promotion of EHS Management System



● OHSAS 18001 (Occupational Health and Safety) and ISO 14001 (Environmental) Certifications

Principal manufacturing sites in Japan, a certain number of manufacturing sites overseas, and the head office (Environmental Management Department) have obtained third-party

certifications of their compliance with the OHSAS 18001 and ISO 14001:2015 international standards.

Facilities with Third-Party Certifications

Company name	Site	Certified
Terumo Corporation	Head office (Environmental Management Department)	October 2013
	Fujinomiya Factory	October 2013
	Kofu Factory	November 2014
	Ashitaka Factory	November 2015
Terumo Europe NV	Haasrode Factory	February 2012
Terumo Penpol Private Ltd.	Blood Bag Factory	May 2013

Ensuring Occupational Safety and Promoting Health

Initiatives to Prevent Work-Related Accidents

To protect the safety of our associates in Japan, our Occupational Health and Safety Management Committee holds regular meetings at our factories, R&D bases, sales offices, and head office. At our factories, in particular, subcommittees are established to address topics such as work safety, disaster response, occupational health, and traffic safety; facilities are inspected and problems remedied to prevent occupational accidents; associates are encouraged to undergo health checkups; and 5S (sort, set in order, shine, standardize, sustain) programs are conducted. Results of improvement measures are shared with the Occupational Health and Safety Management Committee, which then discusses further actions to take.

EHS internal audits are performed regularly to identify any potential occupational health and safety risks. Should areas requiring improvement be discovered, corrective measures will be implemented. In addition, individual business sites have established procedures to prevent and lessen the severity of any EHS accidents should they occur. They also regularly conduct emergency response training and review results.

Preventing deaths and serious accidents and reducing the number of minor accidents are ongoing objectives at Terumo.

Work-Related Accidents Resulting in Lost Work Days, Frequency Rate,*1 and Severity Rate*2

	FY2013	FY2014	FY2015	FY2016	FY2017
Accidents resulting in lost work days	0	4	4	2	3
Frequency rate	0.00	0.45	0.44	0.23	0.34
Severity rate	0.00	0.02	0.00	0.02	0.85

*1 Frequency rate: Number of accidents resulting in injury or death per million working hours

*2 Severity rate: Lost working days per 1,000 working hours

Promotion of Associate Health Improvement

Basic Approach

Terumo recognizes that healthy associates are crucial to sustainable growth. As a company tasked with contributing to the development of healthcare, we are committed to

ensuring that our associates remain healthy and to providing them with an environment that allows them to feel energized in their work.

Kenko Keiei™ (Health and Productivity Management)

As a company that contributes to healthcare, Terumo believes it is important to protect the health of its own associates. With its management having committed its support to Kenko Keiei,* Terumo undertakes various initiatives to encourage keen health awareness among individual associates.

* "Kenko Keiei," the Japanese term for "Health and Productivity Management," is a registered trademark of the Workshop for the Management of Health on Company and Employee, a nonprofit organization. Terumo endorses its principal aims as a supporting member of this organization.

Message from Top Management

(Excerpted from a message to all associates from Terumo's Chairman of the Board and President and CEO)

It is important for management to pay attention to the health of associates, so it is meaningful that Terumo is engaged in "Kenko Keiei" initiatives, which treat associate health and well-being as a top management priority. "Invigorating our people and organization" is a key point for bringing about changes under our Mid- to Long-term Growth Strategy. For a company pursuing business on a global scale, building and invigorating links between different parts of our organization and between different geographic locations is essential, and invigorating our organization requires that individual associates be able to work with enthusiasm. "Kenko Keiei," a management approach that links the health of employees with the management of an organization, is one of the tools we are using to achieve that goal.

Ensuring Occupational Safety and Promoting Health

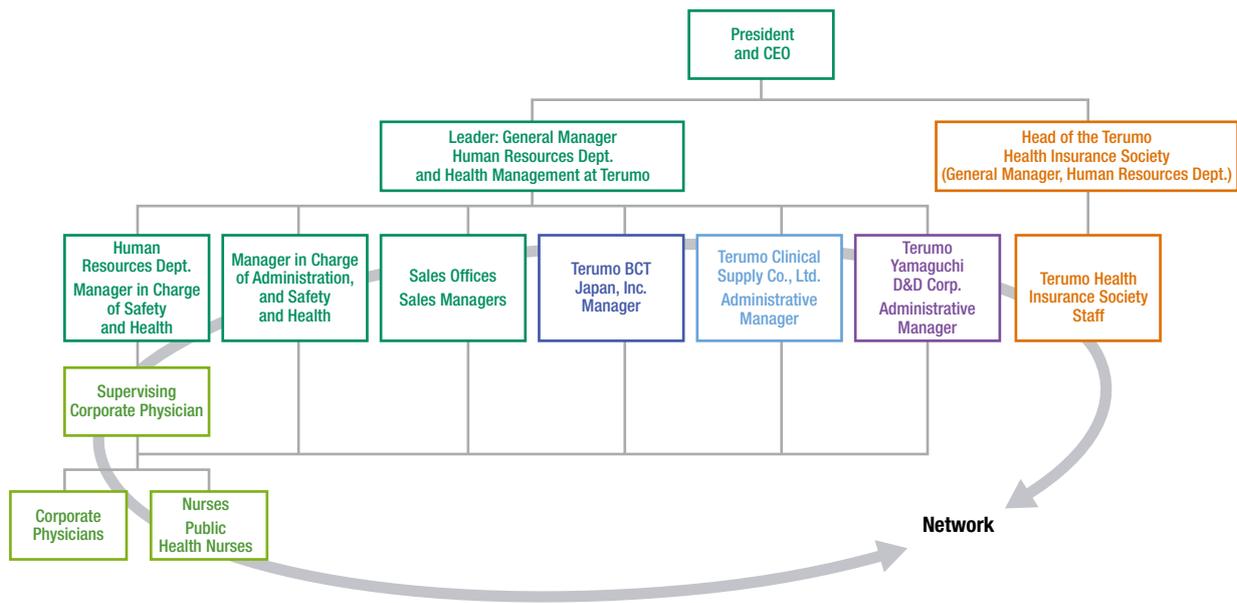
The Kenko Keiei System

To promote “Kenko Keiei,” we have formed a team, with members drawn from across Terumo Group companies in Japan, to work with the Terumo Health Insurance Society to undertake “collabo-health”^{*} initiatives. In addition, led by a supervising corporate physician, corporate physicians, nurses, public health nurses, and other corporate health

staff deployed to individual business locations share information on “Kenko Keiei” directions for Group companies in Japan, and on common initiatives and best practices.

^{*} Initiatives undertaken with collaboration by company management and health insurance society.

Terumo “Kenko Keiei” Promotion Team



Basic Approaches and Major Initiatives

At Terumo, we will analyze past diagnostic results and medical expense data to set policies and formulate annual action plans to be implemented at all Group companies in Japan. Initiatives based on policies and plans are advanced, and their results are quantitatively and qualitatively verified on an annual basis. In addition, internal Kenko Keiei surveys are conducted to incorporate associate input and needs into a Kenko Keiei PDCA (plan-do-check-act) cycle.

For example, the Company, its health insurance society, and industrial health staff collaborate to provide associates with health checkup opportunities, hold seminars and health-oriented events, and offer financial assistance to promote prevention, early detection, and early treatment. In addition, health guidance is provided to individual associates and their families.

Efforts on Prevention, Early Detection, and Treatment Support

Prevention	Early Detection	Treatment Support
<p>Exercise</p> <ul style="list-style-type: none"> Company-sponsored gym memberships Walking campaign <p>Financial support for vaccines</p> <ul style="list-style-type: none"> Influenza Cervical cancer <p>Vacation time</p> <ul style="list-style-type: none"> Lodging subsidies for travel Pre-arranged rest and relaxation facilities 	<p>Health checkups</p> <ul style="list-style-type: none"> Periodic health checkups Women's health checkups Financial support for comprehensive neurological exams Follow-up exams Lifestyle-related disease checkups (cancer screening) Dental checkups Financial support for comprehensive medical exams Financial support for breast cancer mris 	<p>Medical expense support</p> <ul style="list-style-type: none"> Oral care Health consultations Metabolic syndrome and diabetes prevention Workplace support for associates diagnosed with cancer Smoking cessation

Ensuring Occupational Safety and Promoting Health

Terumo's Kenko Keiei Policies and Initiatives in Japan

1 Reduction of Ratio of Smokers and Ratio of Associates Diagnosed with Metabolic Syndrome

We are working to prevent the onset of lifestyle-related diseases. To that end, we aim to reduce the ratio of smokers to less than 20% and the ratio of associates diagnosed with metabolic syndrome to less than 22%.

Reduction of Smokers

Major initiatives	Initiative results												
<ul style="list-style-type: none"> • Prohibition of smoking at work • Seminars on quitting smoking • Distribution of tools to assist in quitting smoking • Financial support for receiving outpatient smoking cessation assistance or purchasing aids for quitting smoking • Prohibition of smoking on premises of the Company and Group companies. 	<p>These initiatives have been steadily generating results, prompting us to set a new target of reducing the ratio of smokers to less than 20% in fiscal 2018.</p> <p>Ratio of Smokers (%)</p> <table border="1"> <caption>Ratio of Smokers (%)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Ratio (%)</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>33.5</td> </tr> <tr> <td>2014</td> <td>32.5</td> </tr> <tr> <td>2015</td> <td>31.2</td> </tr> <tr> <td>2016</td> <td>25.8</td> </tr> <tr> <td>2017*</td> <td>24.7</td> </tr> </tbody> </table> <p>* The ratio of smokers in fiscal 2017 was calculated using data collected in May 2018.</p>	Fiscal Year	Ratio (%)	2013	33.5	2014	32.5	2015	31.2	2016	25.8	2017*	24.7
Fiscal Year	Ratio (%)												
2013	33.5												
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2015	31.2												
2016	25.8												
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Prevention of Metabolic Syndrome

Major initiatives	Initiative results												
<ul style="list-style-type: none"> • Special health guidance • Promotion of walking (campaign in which associates enter step counts into a web-based application and receive prizes for achieving goals, etc.) • Diet programs based on recording data using HR Joint body composition monitors and physical activity monitors 	<p>Terumo has instituted a long-term walking promotion campaign with the aim of preventing metabolic syndrome. However, the campaign failed to achieve improvements in BMI and other indicators. We thus chose to implement diet programs based on recording data using HR Joint body composition monitors in fiscal 2017.</p> <p>Ratio of Associates Diagnosed with Metabolic Syndrome*1 (%)</p> <table border="1"> <caption>Ratio of Associates Diagnosed with Metabolic Syndrome*1 (%)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Ratio (%)</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>22.2</td> </tr> <tr> <td>2014</td> <td>22.2</td> </tr> <tr> <td>2015</td> <td>24.5</td> </tr> <tr> <td>2016</td> <td>23.8</td> </tr> <tr> <td>2017**</td> <td>23.8</td> </tr> </tbody> </table> <p>*1 The ratio of associates diagnosed with metabolic syndrome is calculated based on the number of associates whose body metrics have surpassed the threshold for being judged to have metabolic syndrome and those that are at risk of surpassing this threshold. *2 The ratio of associates diagnosed with metabolic syndrome in fiscal 2017 was calculated using data collected in May 2018.</p>	Fiscal Year	Ratio (%)	2013	22.2	2014	22.2	2015	24.5	2016	23.8	2017**	23.8
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TOPIC

Prohibition of Smoking on Premises of Factory in the Philippines

In July 2018, Terumo (Philippines) Corporation (TPC) became the first Terumo Group production base outside of Japan to prohibit smoking anywhere on its premises.

TPC has been proactive in its initiatives to encourage associates to stop smoking through seminars and other means. The company has also taken other steps to improve associate health, including holding Zumba dance exercise classes and sports events and providing health meals in associate cafeterias.

As seen at TPC, the Terumo Group's efforts to practice Kenko Keiei with an emphasis on associate health are spreading outside of Japan.



Prohibition of smoking on premises of factory

Ensuring Occupational Safety and Promoting Health

2 Early Diagnosis and Treatment of Cancer to Return Associates to the Workplace

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

Cancer Screenings

Major initiatives	Initiative results																
<ul style="list-style-type: none"> • Full compensation of fees for checkups for lifestyle-related diseases (cancer screening) by Terumo health insurance society, ability to undergo such checkups together with regular checkups required by law and during work hours to improve convenience and thereby raise checkup rates • Encouragement of secondary examinations when initial examinations warrant more detailed examinations • System to help associates continue to work while undergoing cancer treatment 	<p>In fiscal 2017, all associates underwent regular checkups required by law and more than 80% received secondary examinations when warranted.</p> <p>Ratio of Associates Undergoing Cancer Screening in Fiscal 2017*</p> <table border="1"> <caption>Ratio of Associates Undergoing Cancer Screening in Fiscal 2017*</caption> <thead> <tr> <th>Category</th> <th>Ratio (%)</th> </tr> </thead> <tbody> <tr> <td>stomach</td> <td>91.6</td> </tr> <tr> <td>colon</td> <td>86.1</td> </tr> <tr> <td>upper abdomen</td> <td>92.7</td> </tr> <tr> <td>lung (sputum)</td> <td>28.3</td> </tr> <tr> <td>PSA</td> <td>80.7</td> </tr> <tr> <td>breast</td> <td>69.9</td> </tr> <tr> <td>cervix</td> <td>61.0</td> </tr> </tbody> </table> <p>* Figures are based on data collected in May 2018.</p>	Category	Ratio (%)	stomach	91.6	colon	86.1	upper abdomen	92.7	lung (sputum)	28.3	PSA	80.7	breast	69.9	cervix	61.0
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3 Women's Health

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

Major initiatives	Initiative results																		
<ul style="list-style-type: none"> • Seminars on importance of receiving breast and cervical cancer screening • Financial support for receiving cervical cancer vaccines • Financial support for undergoing MRI breast cancer examinations* <p>* Having a high rate of lesion detection, MRI examinations are said to be effective for early detection of breast cancer in women with unusually dense breast tissue and in women considered at high risk for breast cancer due to family history or other factors.</p>	<p>Breast cancer and cervical cancer screening rates are on the rise.</p> <p>Breast Cancer and Cervical Cancer Screening Rates</p> <table border="1"> <caption>Breast Cancer and Cervical Cancer Screening Rates</caption> <thead> <tr> <th>Fiscal Year</th> <th>Breast cancer screening rate (%)</th> <th>Cervical cancer screening rate (%)</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>60.6</td> <td>55.9</td> </tr> <tr> <td>2014</td> <td>60.6</td> <td>54.8</td> </tr> <tr> <td>2015</td> <td>68.9</td> <td>60.9</td> </tr> <tr> <td>2016</td> <td>71.5</td> <td>62.4</td> </tr> <tr> <td>2017*</td> <td>69.9</td> <td>61.0</td> </tr> </tbody> </table> <p>* The breast cancer and cervical cancer screening rates in fiscal 2017 were calculated using data collected in May 2018.</p>	Fiscal Year	Breast cancer screening rate (%)	Cervical cancer screening rate (%)	2013	60.6	55.9	2014	60.6	54.8	2015	68.9	60.9	2016	71.5	62.4	2017*	69.9	61.0
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4 Encouragement of Self-Help

Based on the belief that self-help initiatives are the most important element of Kenko Keiei for associates, we are disseminating information to encourage self-help efforts.

Major initiatives
<ul style="list-style-type: none"> • Dedicated Kenko Keiei intranet site offering information on Terumo's Kenko Keiei, messages from top management, health improvement support, initiatives as business sites, and healthcare practices of associates • Financial support for dental examinations and oral care to help raise awareness of dental diseases, which can contribute to lifestyle-related diseases

Ensuring Occupational Safety and Promoting Health

● Workplace Support for Associates Diagnosed with Cancer

With data indicating that one out of two Japanese people will be diagnosed with cancer during their lifetime,* the number of people who have been diagnosed with cancer is on the rise. There are many cases in which treatment is long term and cancer patients face difficulty in continuing their careers. Therefore, in January 2017, Terumo established a

new system to help associates continue in their jobs while undergoing cancer treatment.

* Source: Cancer Registry and Statistics. Cancer Information Service, National Cancer Center, Japan. According to this data (2014), 62% of men and 47% of women will be diagnosed with cancer during their lifetime.

Types of Support

Use of expired paid leave, in one-day increments	Expired paid leave may now be used a day at a time, rather than a week at a time as in the past.
Unpaid leave	Associates may take as many days as needed, but not more than 30 consecutive days.
Unpaid working hour reductions	Working hours may be reduced by up to 2 hours per day.
Staggered working hours	Adjustment of daily starting and finishing times by up to 2 hours.

Applies to all Terumo associates, regardless of years on the job.

● Membership in KENKO Kigyo Kai

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

to business management and contributes to efforts to promote its wider adoption.



External Recognition

In recognition of the effectiveness of its Kenko Keiei initiatives, Terumo has been selected by Japan's Ministry of Economy, Trade and Industry for inclusion in the Health & Productivity Stock Selection* for four consecutive years beginning with fiscal 2014.

Terumo has also been included in the Excellent Enterprise of Health and Productivity Management—White 500 selection for two consecutive years beginning with fiscal 2016. Furthermore, Terumo received awards in fiscal 2017 from

the Tokyo Metropolitan Government and through the Ministry of Health, Labour and Welfare's Action Plan for Companies Promoting Cancer Prevention in recognition of its efforts to support employees that work while fighting cancer.

* This stock selection, determined jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, is intended to spotlight companies in which management addresses employee health as a matter of strategic importance. Updated just once a year, the Health & Productivity Stock Selection is chosen from among companies listed on the Tokyo Stock Exchange, with only one company selected from each industry segment.

Major Kenko Keiei Selections, Certifications, and Awards

- Health & Productivity Stock Selection (fiscal 2014, fiscal 2015, fiscal 2016, and fiscal 2017)
- Excellent Enterprise of Health and Productivity Management—White 500 (fiscal 2016 and fiscal 2017)
- Tokyo Sports Promotion Company (fiscal 2015, fiscal 2016, and fiscal 2017)
- Sports Yell Company (fiscal 2017)
- Cancer Prevention Partner Award (Encouragement of Cancer Treatment While Working Category), Action Plan for Companies Promoting Cancer Prevention, Ministry of Health, Labour and Welfare (fiscal 2017)
- Award of Excellence, Awards for Companies Supporting Cancer Patients in Receiving Cancer Treatment While Working, Tokyo Metropolitan Government (fiscal 2017)



Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Basic Approach

The Terumo Group refers to all of its employees as “associates” to reflect the fact that they are viewed as valued colleagues. We recognize our associates as important assets in order for them and the Terumo Group to grow together and contribute to society through healthcare. Based on this recognition, we cultivate workplaces that are conducive to

contributions by diverse individuals and place emphasis on fostering associates and increasing their value to the Group. At the same time, we expect associates to seek improvements in their own value and make proactive contributions to the development of the Terumo Group.

Fostering of Motivating and Challenging Work Environments

At Terumo, we respect the individuality of our associates while working to foster a workplace environment in which each individual can realize his or her maximum potential. We also provide ample opportunities for those with a willingness

to grow to widen their fields of activity. Our goal, based on these initiatives, is to enable each associate to contribute their individual strengths to their team, enhancing performance and creating a strong, motivating workplace.

Terumo Patient’s Day

At the root of what motivates our associates is the strong belief that our work is meaningful. This is captured in our corporate mission, “Contributing to Society through Healthcare.”

Since 2013, we have been conducting an in-house event around the world called “Terumo Patient’s Day” to provide opportunities for associates to reconnect with our mission and consider anew what it means to personally contribute to the advancement of healthcare, and to reflect on the value we provide to society. At Terumo Patient’s Day, associates listen to moving accounts of what patients have experienced in their struggle to overcome illness. This enables associates

to directly reflect on the connection between their everyday work and frontline patient healthcare.



Terumo Patient’s Day event

Internal Award Programs

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

The Terumo Global Awards is an annual award program open to all Terumo Group companies. This program is designed to recognize associates that have made large contributions to either the Group or society through business success or excellence in community outreach. In fiscal 2017, awards through this program were presented in recognition of accomplishments such as business success, global projects, new product developments and launches, and efforts toward swift recovery from the impacts of natural disasters.

In addition, Terumo recognizes associates that work diligently in lesser acknowledged endeavors through the “Gemba-no Hokori” awards (literally, the “Honor the Frontline” awards), which is presented each year. Winners are selected based on exceptional performance, demonstrated in ways such as: 1) steadfastness in working behind the scenes to contribute to the Company and organization; 2) having skills that others recognize as clearly setting them apart; and 3) devoting significant time and energy to

transferring a career’s worth of knowledge to younger associates. In fiscal 2017, “Gemba-no Hokori” awards were presented to five associates from among the roughly 60 associates nominated by frontline operating sites. Among the recipients was an associate that contributed to maintaining the quality of imported goods as a manager at a warehouse product processing center as well as an associate that supported the medical field for more than three decades as a blood collection tube sales specialist.

Various other unique award programs can be found at Terumo Group companies around the world.



Terumo Global Awards ceremony

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Appointment of Engineers as “Terumo Fellows”

For Terumo to increase the value of its presence on a global scale and achieve sustainable growth, it is critical that we continuously contribute to the advancement of healthcare by creating new value in technology and R&D, which ultimately underpin Terumo’s growth.

In 2016, Terumo appointed four associates as “Terumo Fellows.” These individuals have won praise both within and outside the Company for their achievements in technology, research, and clinical development, and have used their

superior expertise and practical experience to produce outstanding innovations benefiting medical settings throughout the world. An additional associate was appointed in 2018, bringing the total number of Terumo Fellows to five.

As role models for up-and-coming engineers and developers, Terumo Fellows will not only advise their younger colleagues, but also drive the R&D activities that are the future of Terumo and continue to create new value through further innovation in medical settings.

Continuous Management–Worker Dialogue

Terumo recognizes that a healthy management–worker relationship based on trust and mutual understanding is extremely important for it to grow and develop together with its associates. In Japan, all non-managerial associates are members of the workers’ union (Terumo utilizes a union shop system). Input from the workers’ union is treated as valuable feedback, and we resolve issues by taking actions that are acceptable to both management and associates.

In Japan, we arrange forums for discussions with senior management as well as regular management–worker conferences, held once a month in principle. By facilitating reciprocal communication through such forums, the relationship

between management and the workers’ union has been developed into one in which both sides work as partners to bring about mutual growth and development.

In addition, we hold timely discussions regarding work style reforms, Kenko Keiei (Health and Productivity Management), and other Companywide measures to support the endeavors of associates through a united management–worker effort.

Outside of the management–worker dialogue, views are freely exchanged throughout the Company through surveys and feedback via the workers’ union.

Improvement of Our Organizations through Employee Engagement Surveys

In conjunction with the globalization of the operating environment, Terumo’s organizations are becoming increasingly diverse and complicated as the Company continues to grow. Recognizing this situation, Terumo administers employee engagement surveys aimed at developing an objective understanding of the circumstances facing each organization to enable divisions to autonomously pursue improvements based on the characteristics of their business and organization.

Employee engagement surveys are administered to associates at all business sites in Japan once a year. These surveys contain 64 questions through which associates rate their levels of anticipation and satisfaction with regard to the Company, workplace, and supervisors. In fiscal 2017, 86%

of associates responded to the surveys. The findings of these surveys indicate that the social contributions made through Terumo’s business and the great potential seen in this business are powerful sources of motivation for our associates and that this motivation is a strength of Terumo.

Feedback trainings are held at all divisions to relay the findings of these surveys to associates. In addition, the strengths and weaknesses of each organization are objectively identified and analyzed to formulate and implement action plans for improving these organizations.

Terumo is committed to fostering a corporate culture that contributes to the motivation of associates. Employee engagement surveys will be utilized as a tool for energizing our associates and organizations in order to accomplish this goal.

Human Resource Development

Human Resource Development System That Supports the Growth of Highly Motivated Associates

At Terumo, we believe the growth of our business is the sum total of the growth of individual associates, and we manage our human resource policies with the fundamental intent of supporting the ongoing growth of diverse human resources.

Human resource development starts with practical skills acquired through on-the-job training (OJT) and a variety of training programs designed to supplement OJT.

We believe that the most effective learning comes from individual motivation and feeling of the necessity to learn; associates with this motivation can nominate themselves to participate in various voluntary and selective training programs.

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Terumo Training Scheme in Japan (Terumo Corporation)



Career-Planning Interviews

Terumo holds annual career-planning interviews to encourage associates to think carefully about their work and careers and discuss their thoughts with their supervisor. These interviews involve the development of career plans and specific

performance targets, which are used as the basis for determining assignments and providing other career support in light of the individual associate's career goals.

ACE In-House Job Posting System

In Japan, Terumo operates an in-house job posting system called "ACE." Set up in 1997, this system enables associates from a range of departments and job types to enhance their careers by taking on new challenges and opportunities. For those with a strong desire to move their career to the next level, the system, which is open to associates regardless of age or gender, presents opportunities to gain experience and develop as business professionals. Over 870 associates have responded to job postings on the ACE system so far, and over 180 have moved into new positions as a result. A talent pool of 48 candidates for global postings

has also been set up and over half of these associates are already on global assignments outside Japan.



ACE In-House Job Posting System logo urging associates to "Take Charge of Your Career!"

Level- and Role-Based Support for Growth

Terumo supports the ongoing growth of its associates through training designed to help them acquire the skills necessary at various levels and in various roles. In fiscal 2018, we launched a new career design training program

targeting associates turning 50. This program is meant to provide veteran associates with an opportunity to reevaluate the contributions they can make through the skills they have cultivated thus far.

Programs Supporting Associates That are Passionate for Growth

At Terumo, a diverse range of opportunities are provided for all associates that have a passion for growth, whether they are new to the organization or veterans. The available programs cover a wide range of subjects, including strategic accounting

and finance, marketing, leadership, and English, to ensure that associates can find a program that suits their needs.

The basic requirement for these programs is that employees express their desire to participate on their own will.

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Cultivation of Future Leaders

Terumo plans and implements selective leader training programs with the aim of cultivating the leaders that will take charge of management in the future. Several programs have been developed to cover a wide range of associates, spanning from new associates to executive officers, to ensure that we can identify future management candidates from

Support for Obtaining MBAs and Other Qualifications

In Japan, Terumo has created a system that aims to develop the global human resources needed to execute its future global strategies. We do this by supporting people with strong desires to develop themselves by choosing to earn an MBA or similar qualification.

The system allows associates to take leave for as long as is needed to complete their studies and allows them to take unused paid leave, including leave that had expired prior to the start of the period of leave, for their studies. In

among all levels. These programs cover such topics as management perspectives, management capability assessments, management literacy, and liberal arts. The rigorous curriculums of these programs are designed to support the growth of associates aspiring to take part in management in the future.

addition, the Company may approve interest-free loans for tuition and living expenses, and under certain conditions, contribute toward entrance fees and tuition.

Behind this support is an appreciation not only for the knowledge and skills that can be gained but also for the invaluable experience of interacting with people from other countries and facing difficult challenges in a different cultural context.

Cultivation of Associates through Research and Development Targeting Innovation

Terumo conducts research and development on an ongoing basis with the aim of contributing to the advancement of healthcare through innovation created by merging the knowledge and technologies in specialized fields that associates have acquired at educational institutions. Moreover, associates are given access to the Advanced Terumo Medical Academy (ATOM) program after joining the Company so that they can quickly acquire the medical insight required of Terumo engineers. In this program, associates study medical textbooks via e-learning, receive lectures from doctors, nurses, pharmacists, and other medical professionals active in clinical settings, and take part in a training curriculum.

In addition, we promote networking among engineers, utilize internal social media services to facilitate in-house development, and perform medical device surveys through means that go beyond the standard connections between business sites. Terumo also actively provides opportunities

for associates to learn about new development approaches. For example, we are incorporating training on the Biodesign Program, a medical device development approach originating from the United States.

Terumo is well aware of the importance of flexible thinking, broad insight, and interpersonal networks. For this reason, we actively support those associates that seek to undergo external training through short-term or medium-term programs of their own accord. External training provides opportunities to acquire insight and technologies not available within the Company through instruction from external instructors and also helps associates form interpersonal networks. The types of external training available to associates include the Management of Technology program, biomedical engineering curriculum, and other curricula as well as inter-industry personal exchanges.

Transmission of Skills and Experience through Development of Monozukuri Associates

At its production sites, Terumo promotes the transfer of skills, experience, and “monozukuri” (product creation) spirit from veteran associates to their younger colleagues. To this end, we are developing systematic curricula for various levels as well as training environments and instructors. In addition, Terumo continues to hold its annual “Ikuseijuku” training to teach new associates assigned to engineering or development positions about the principles of *Gemba* (field/floor), *Genbutsu* (actual product), and *Genjitsu* (reality).

As another step in this effort, we established the Production Human Resources Development Center in 2014 in Japan.

Here, Terumo Expert System (TES) associates—veteran associates rehired after mandatory retirement—focus on transferring skills to globally accelerate the development of the younger associates who will carry on Terumo’s “monozukuri” spirit through production, technology, quality assurance, and management. Training programs have been revised to include more practical content than in the past. At individual factories, veteran associates are appointed as center instructors as part of our unified effort to develop new generations of associates skilled in manufacturing.

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Promotion of Diversity

At the Terumo Group, we promote acceptance of diverse associates, of all ethnicity, nationalities, genders, religions, and physical characteristics, and respect for individuals with the aim of creating working environments that enable associates to grow together with the organization. By accepting a wide range of differing values and promoting mutual recognition of diversity, we aim to be a company where differing ideas and knowledge are fused to create new value.

At Terumo, we established the Diversity Promotion Department in 2013 to promote diversity on a Company-wide basis from a variety of perspectives.

In one such effort, we created a logo for use in purposes

such as internal education activities. Based on the theme of “overlap,” the logo is composed of overlapping upper- and lower-case letters of different colors to express the idea of associates exercising their unique qualities and energetically pursuing productive activities while acknowledging values different from their own.



Promotion of Active Participation by Female Associates

As a first step in channeling mutual recognition of diversity toward corporate growth, Terumo’s top management has committed itself to promoting active participation by female employees in Japan. To create the environment, culture, and awareness that enable greater participation by women, we provide all associates, regardless of gender, with opportunities to think about their values and the careers they would like to build going forward. We also promote the development of a working culture that is conducive to associates acknowledging each other and working in comfort, regardless of their backgrounds and abilities.

As of March 31, 2018, 14.7%* of Terumo’s associates and 6.1%* of its managers were women.

Number and Percentage of Female Managers (Domestic Terumo Corporation associates and Japanese associates dispatched or seconded to Group companies)



* Domestic Terumo Corporation associates and Japanese associates dispatched or seconded to Group companies

● Development of Female Leaders through the Mentoring System

Terumo has developed the mentoring system, which pairs female associates in leadership positions with female managers working in different parts of the Company or of different ages so that they can share experiences and ideas to broaden their perspectives and support one another’s career growth. The manager acting as the mentor functions as a role model to the female leader aspiring to reach management positions, helping raise their awareness and skills to increase the number of female associates involved in leading the organization.



Fiscal 2017 training under the mentoring system

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

● Support for Helping Associates Return to Work after Childbirth and Childcare Leave

In fiscal 2013, we began holding an annual career-resumption seminar for female associates currently on childbirth or childcare leave and their supervisors. This seminar was attended by 18 individuals in fiscal 2017.

At Terumo, we are seeing an increase in the number of associates, both male and female, that seek to continue their careers while caring for children or providing nursing care. Especially noteworthy is the recent rise in female medical representatives (MRs) who aim to balance their work with raising children. At the fiscal 2017 seminar, we invited female MRs and other female associates that had returned to work after taking childcare leave to talk about their experiences and discuss the attitudes and support systems needed to balance work and childrearing while achieving personal growth.

In addition, supervisors were briefed on various systems for helping associates balance work and family responsibilities and were given guidance on the evaluation scheme and

assignment of associates. This was done to provide supervisors with management tools for aiding associates in adopting diverse work styles to fully exercise their skills and thereby supporting their career development over the long term.



Fiscal 2017 career-resumption seminar

● Lectures on Women's Health

By helping to better understand the various physical and mental changes that women undergo during their various life stages, Terumo assists its female associates in learning about how to approach their work in light of these changes and how to self-manage their condition. We thereby aim to support female associates in feeling empowered in their career development efforts.

In April and May 2018, we held lectures on changes in the social environment pertaining to women and life-long healthcare for women. These lectures were meant to provide an opportunity for female associates to think about how to maintain their health over the long term while developing a fulfilling career.



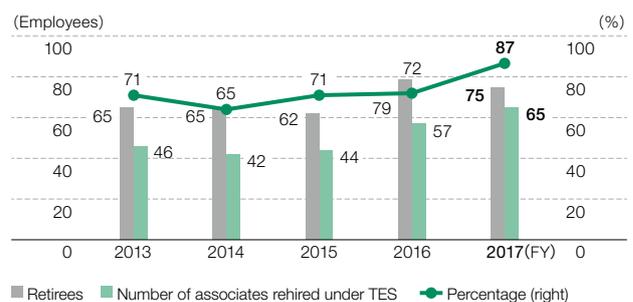
Lecture on women's health

For information on other initiatives, please refer to the "Promotion of Work Style Revolutions" section of this report (pages 37–39).

Rehiring of Associates after Mandatory Retirement

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

Number and Percentage of Associates Rehired under TES (Terumo Corporation)



Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Employment of Individuals with Disabilities

By providing job opportunities that match the capabilities and aptitudes of various individuals, Terumo promotes the employment of individuals with disabilities to allow them to pursue rewarding lives as independent members of society.

As of March 31, 2018, individuals with disabilities made up 2.16% of our workforce in Japan, more than the legally

mandated ratio of 2.0%. Anticipating an increase in the legally mandated ratio in the future, we will continue our efforts to expand employment of individuals with disabilities by undertaking initiatives for enabling them to fully exercise their capabilities.

Development of Workplace Environments That Respect the Individuality and Diverse Values of Associates

Terumo seeks to ensure that associates from various backgrounds are able to fully exercise their talents while remaining respectful of others. To this end, we provide opportunities

to encourage associates to think about what it means to work together with colleagues brimming with individuality and diverse values.

● Seminars on the Meaning of Working Together

In fiscal 2017, seminars were held with the aim of serving as a preliminary step for learning about other viewpoints by making associates aware of and helping them experience communication issues and the underlying thinking that leads to those issues. The themes of these seminars included the perspectives of individuals with disabilities; the concept of balancing work, life, and social engagements; the viewpoint of the LGBT community; and how Japan is viewed by non-Japanese associates.



Fiscal 2017 seminar on the meaning of working together

● Diversity Management Training

Every year since fiscal 2013, we have conducted group training programs for female leaders and other members of management. A diversity management training session was held in fiscal 2017, which was attended by approximately 40 associates from across Japan.

The topic of this training was unconscious bias. We thereby sought to help associates become aware of their own unconscious biases and to teach them the importance of judging others based on their own talents and achievements, rather than on their age, gender, or other such characteristics.

Leaders gather from various business sites across Japan

for these group training sessions, making them an excellent opportunity to find new role models and networks.



Fiscal 2017 diversity management training session

● Training on Healthy Lives and Careers

In fiscal 2017, training sessions on healthy lives and careers were held for associates of various age groups at business sites in Japan.

Through these trainings, we sought to share recognition of the career and health issues faced by associates of different ages and genders along with our commitment to developing workplace environments that are comfortable to all.



Fiscal 2017 training session on healthy lives and careers

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

Promotion of Work Style Revolution

Terumo has continuously endeavored to develop a comfortable workplace environment for its associates. Efforts on this front include promoting proper working hour management and introducing childcare, nursing care, and other support systems.

We expanded upon these efforts in fiscal 2017 by unveiling “T-Style” (Terumo Style), the new work style we advocate for Terumo associates going forward. Based on the T-Style concept, we are promoting work style revolutions aimed at heightening associates’ ability to succeed and thereby contribute to competitiveness and corporate value. These work style revolutions go beyond reducing work hours and redesigning human resources systems to include measures for

improving operational efficiency and productivity. In these regards, we are formulating and implementing initiatives together with associates through internal recruiting systems and other means.

Going forward, we will continue to advance various initiatives for creating workplace environments and work styles that enable associates to be even more successful.



Proper Working Hour Management

Terumo promotes work efficiency through strict management of daily working hours and the establishment of “no overtime” days in Japan. As part of our policy of maintaining a workplace environment in which “work time is for work and off-time is for rest,” we institute Company holidays and encourage associates to use their paid vacation days.

Ratio of Paid Vacation Days Taken (Terumo Corporation)

	FY2015	FY2016	FY2017
Ratio of days taken (%)	64.5	65.4	68.0

Support for Achieving Better Work–Life Balance

Terumo aims to create working environments that allow associates to work enthusiastically and exercise their full potential. We respect that associates require flexibility in work styles, and we are therefore fostering comfortable workplace environments with the aim of helping associates

achieve a better work–life balance. To facilitate such balance, we offer work systems that allow for flexible work styles along with systems for accommodating childcare, nursing care, and other life events. These systems will continue to be enhanced as necessary.

Childcare and Nursing Care Support Systems

The following table lists the primary systems in place at Terumo as of March 31, 2018, for helping associates in Japan meet childcare or nursing care responsibilities as well as workplace responsibilities.

System		Description*1
Childcare	Long-term childcare leave	Leave that can be taken up until the child reaches the age of three (up to 30 days of unused paid holiday time can be taken at the beginning of leave).
	Shortened working hours	Working hours can be shortened by up to two hours per day until the child finishes elementary school (approximately age 12).
	Adjusted working hours	The start and end time of regular working days can be moved forward or backward by up to two hours until the child finishes elementary school (approximately age 12).
Nursing care*2	Special leave	Leave can be taken up to three times for a cumulative total of up to three years for each family member requiring nursing care. Up to 30 days of unused paid holiday time can be taken at the beginning of leave.
	Shortened working hours	Working hours can be shortened by up to two hours per day for a cumulative total of up to three years.
	Adjusted working hours	The start and end time of daily working hours can be moved forward or backward by up to two hours for a cumulative total of up to three years.
Other	Hour-based paid leave	Paid leave may be taken in units of an hour for any reason.

*1 These descriptions are excerpts of full descriptions.

*2 For nursing care leave, “shortened working hours,” and “adjusted working hours” can be taken up to twice for a cumulative total of up to three years.

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

In preparation for the challenges of nursing care, which many associates will eventually face, Terumo has instituted a system to support associates balancing work and nursing care responsibilities. We have also taken steps to promote associate understanding of this system.

In addition to nursing care seminars and Kaigo Café events led by dedicated instructors, we institute a nursing care awareness period every year in conjunction with summer and New Year's, the time of year when people often gather with their families. These efforts are designed to provide information with the aim of encouraging associates to talk about the often-avoided topic of nursing care with their families.



Fiscal 2017 nursing care seminar

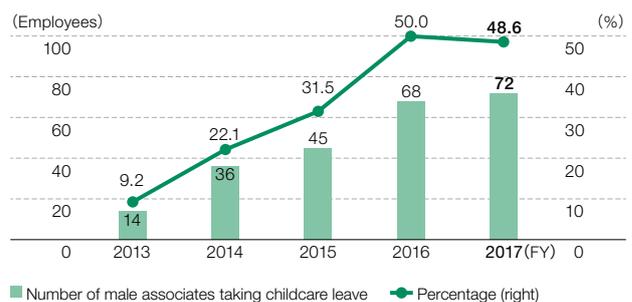
For information on other initiatives, please refer to the "Promotion of Diversity" section of this report (pages 34–36).

Encouraging of Male Associates to Take Childcare Leave

At Terumo, we encourage our male associates in Japan to take childcare leave. Reminders of this policy are sent to the supervisors of male associates whose wives have just given birth and to the associates themselves. Interviews with associates using the system are posted on the intranet to promote understanding of the system among other male associates and create an environment where it is easier for men to participate in childrearing. As a result, Terumo has seen a gradual rise in male associates opting to take childcare leave. In fiscal 2017, 72 male associates, or 48.6%, of all applicable associates took childcare leave.

It is expected that male associates who have taken childcare leave will have developed a strong understanding of the benefits of work style diversity and will be effective contributors to the creation of a work environment where everyone can fully exercise their skills.

Number and Percentage of Male Associates Taking Childcare Leave (Terumo Corporation)



Support for Greater Flexibility in Working Styles with a Work-At-Home System

In Japan, Terumo has adopted a Work-At-Home System to give associates the choice of working at home on days when childcare, nursing care, or other responsibilities make it difficult to come to the office. Furthermore, in April 2015, we increased the maximum number of days the system

can be used, making it possible for parents to exceed the four-day-per-month limit and work at home as many days as is necessary when a child has been told to stay home due to an illness.

Rehiring of Former Associates through the Career-Return System

Terumo has opened a pathway to rehire associates who have left because of marriage, childcare or nursing care responsibilities, or the relocation of their spouse. The Career-Return System expands the range of employment choices for associates who wish to resume their careers at Terumo in Japan.

By helping associates resume their careers, we are making it possible for them to put their broad experience and skills to use and contribute to Terumo's growth.

Creating Workplace Environments Where Diverse Associates Can Demonstrate Their Skills and Abilities

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

Terumo has maintained Kurumin certification* since 2014, signifying it as a company that actively works to support the raising of children.

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



Participation in "IkuBoss Alliance"

In June 2018, Terumo joined the "IkuBoss* Alliance," a business network operated by nonprofit organization Fathering Japan.

Through our participation in the IkuBoss Alliance, we aim to increase the number of "IkuBoss" supervisors in the Company who specialize in creating workplace environments that are empowering and comfortable for all and in helping their teams fully exercise their skills.

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



"IkuBoss Alliance" signing ceremony