



TERUMO CORPORATION
Sustainability Report 2019

Group Mission

Contributing to Society through Healthcare

We contribute to society by providing valued products and services in the healthcare market and by responding to the needs of patients and healthcare professionals.

Core Values

Respect — Appreciative of others

We show respect and appreciation toward associates, customers, and business partners.

We value individuality and diverse cultures, and listen widely and carefully to different opinions and the voice of society.

Integrity — Guided by our mission

As associates of Terumo Group, responsible for life and health, we always act with sincerity and a sense of mission.

Through our daily efforts, we build trust among all stakeholders.

Care — Empathetic to patients

We are mindful that everything we do ultimately connects us to patients.

We strive to understand health providers deeply and work together with them to give patients a better future.

Quality — Committed to excellence

To ensure safety and reliability in healthcare, we view each issue from a “gemba” perspective in order to find the optimal solution.

As well as product quality, we pursue excellence in all we do, from product supply to customer care.

Creativity — Striving for innovation

We promote a mindset that embraces challenge for the future, and work with curiosity and passion.

We respond to the needs of “gemba” by delivering products and services that create meaningful value in a timely manner.

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Editorial Policy

The Terumo Group is engaged in various activities aimed at resolving medical and other social issues to fulfill its corporate mission—“Contributing to Society through Healthcare.” This sustainability report was prepared to explain such activities by Terumo and Terumo Group companies to stakeholders in an easy-to-understand manner to help them better understand these efforts.

Scope of this Report

This report focuses primarily on Terumo Corporation and its domestic and overseas consolidated subsidiaries. In principle, “Terumo” refers to Terumo Corporation and “the Terumo Group” refers collectively to Terumo Corporation and its domestic and overseas consolidated subsidiaries. When the scope differs from that described above, notification will be provided.

Report Period

Fiscal 2018 (April 1, 2018 through March 31, 2019)

This report also contains information on some activities prior to or after this period. In addition, the positions and titles in this report are as of the time of the interview.

Publication Schedule

This report: September 2019
Previous report: October 2018

Referenced Guidelines

- GRI, Sustainability Reporting Standards
- Japanese Ministry of the Environment, Environmental Reporting Guidelines 2018

Report Archives

Past reports for each year are available in PDF format on the website of Terumo Corporation.

Message from the President and CEO



Quest to Maintain the Trust of Society and Always Be Viewed as a Necessary Company

Shinjiro Sato

President and CEO

Message from the President and CEO

Terumo was founded in 1921 with the aim of producing high-quality thermometers, which are fundamental to public health, in Japan. Guided by our Group mission of “Contributing to Society through Healthcare,” we have continued to offer a stable supply of high-quality products and services for use by patients and in medical settings. At the same time, we have grappled with various medical issues through efforts to reduce the burden placed on patients through treatment, increase medical safety, prevent infections, and improve medical cost efficiency. As a result of these efforts, the Terumo Group has now grown into a company that conducts business in over 160 nations with over 25,000 associates, who are becoming increasingly diverse in nationality.

Still, one glance at the operating environment of the medical field will reveal an ever-widening range of medical needs to be addressed, including those associated with the response to aging populations and declining birth rates in developed countries as well as the economic development of emerging countries. We are also witnessing progress in various scientific and technological fields, such as artificial intelligence, digitalization, robotics, and regenerative medicine. This progress promises to transform the medical field and the industries that support it, creating demand for unprecedented solutions.

Even amid this environment, it is important to not allow ourselves to become preoccupied with short-term change. Instead, we must continue to tackle medical issues with conviction on our quest to maintain the trust of society and always be viewed as a necessary company. This is the unchanging vision to which Terumo aspires.

Realizing this vision will require all associates to examine society from a long-term, overarching perspective to ascertain the needs of the medical field today and in the future, acting and creating value based on these assessments.

Terumo established its Core Values in April 2019, thereby defining the shared values that link all associates with the foundation necessary for its quest. The Core Values are an expression of our emphasis on respect and appreciation towards others, integrity, empathy toward patients, commitment to excellence, and pursuit of innovation. These values will connect all associates, regardless of their business or region, and form the driving force that enables the Terumo Group to exercise its comprehensive strengths. They also indicate the stance of Terumo as a company. Also in April, we revised the Terumo Group Code of Conduct to guide us in continuing to value the trust of society, a precious asset for Terumo that has been cultivated over the years since our founding, while also building further trust. The new code sets forth standards of conduct that all associates worldwide should comply with in order to do the right things while holding themselves to the highest ethical standards in their daily activities.

Terumo will celebrate the 100th anniversary of its founding in 2021. Looking to the future beyond this milestone, we are committed to realizing sustainability in healthcare, in society, and in the Terumo Group's growth through the efforts of all of our associates as they go about their duties based on our Group mission and shared values, while exercising high levels of ethics and a sense of conviction. I would like to ask our stakeholders for their ongoing trust and support as we move forward on this quest.

September 2019



President and CEO

Sustainability at the Terumo Group

| Approach to Sustainability |

Under the Group mission of “Contributing to Society through Healthcare,” the Terumo Group strives to provide a stable supply of high-quality medical equipment and services to patients and medical settings throughout the world, as well as resolve the various challenges facing healthcare.

To realize this Group mission, Terumo has established its Core Values, which are the values that connect all

Terumo associates around the world. Based on the Core Values, the Terumo Group determines priorities for sustainability that must be put into practice in the course of daily business activities. The Group will strive for balance between the realization of a sustainable society and the achievement of its sustainable growth by promoting these priorities, while communicating with patients, medical professionals, and other stakeholders.

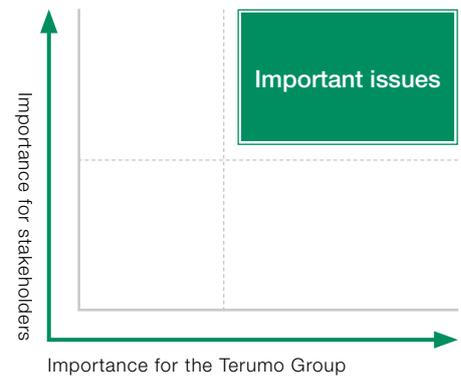
| Sustainability Priorities |

The Terumo Group is working to resolve social issues, including issues in healthcare, and balance the realization of a sustainable society with sustainable growth of the

Terumo Group, while taking the United Nations Sustainable Development Goals (SDGs) into account.

The Process for Determining Sustainability Priorities

The Terumo Group determines priorities according to the following process.



*1 GRI (Global Reporting Initiative): A nonprofit organization based in the Netherlands that advocates sustainability reporting guidelines

*2 SASB (Sustainability Accounting Standards Board): A nonprofit organization in the U.S. that aims to develop and spread sustainability accounting standards

Sustainability Priorities

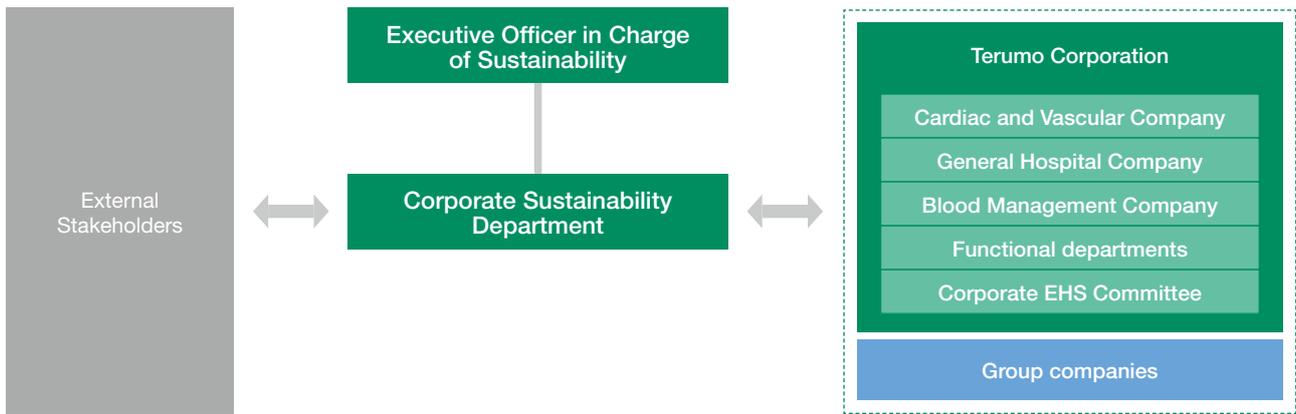
| Core Values | Sustainability Priorities | Related United Nations SDGs*3 |
|--------------------------------------|---|---|
| Respect – Appreciative of others | Ensuring occupational safety and promoting health |   |
| | Creating workplace environments where diverse associates can demonstrate their skills and abilities |   |
| Integrity – Guided by our mission | Promoting compliance |   |
| | Reducing the environmental impact of our business operations |    |
| | Promoting responsible procurement |    |
| | Building relationships of trust through dialogue with stakeholders |  |
| Care – Empathetic to patients | Improving access to healthcare |   |
| Quality – Committed to excellence | Ensuring the safety and quality of products and services |   |
| | Managing supply chains that support stable supply |   |
| Creativity – Striving for innovation | Resolving healthcare challenges through innovation |    |

*3 "Related United Nations SDGs" under "EHS Goals and Achievements" on page 51 indicate SDGs relevant to each EHS initiative. Meanwhile, the "related United Nations SDGs" on this page focus on SDGs that are highly relevant to each sustainability priority for the Terumo Group as a whole.

Sustainability Management

The Corporate Sustainability Department was established in April 2018. Its purpose is to coordinate and promote activities throughout the Group. Working together with related departments, committees, and Group companies, the Corporate Sustainability Department sets action policies and priorities related to sustainability, finds ways to

disseminate them throughout the Group, and promotes specific initiatives. It also interacts with internal and external stakeholders, sharing information and engaging in discussions, in order to understand the expectations of society for the Terumo Group and reflect them in its initiatives.



Participation in the United Nations Global Compact

In 2012, Terumo became a signatory to the United Nations Global Compact. This action reflects Terumo’s agreement with the Ten Principles of the compact, which relate to human rights, labor practices, the environment, and anticorruption measures.

Under the Group mission of “Contributing to Society through Healthcare,” the Terumo Group is striving to practice these principles in the course of its business operations.

The Ten Principles of the United Nations Global Compact

| | | |
|-----------------|--------------|--|
| Human Rights | Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights; and |
| | Principle 2 | make sure that they are not complicit in human rights abuses. |
| Labor | Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; |
| | Principle 4 | the elimination of all forms of forced and compulsory labor; |
| | Principle 5 | the effective abolition of child labor; and |
| | Principle 6 | the elimination of discrimination in respect of employment and occupation. |
| Environment | Principle 7 | Businesses should support a precautionary approach to environmental challenges; |
| | Principle 8 | undertake initiatives to promote greater environmental responsibility; and |
| | Principle 9 | encourage the development and diffusion of environmentally friendly technologies. |
| Anti-Corruption | Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery. |



Improving Access to Healthcare

CASE

1

Provision of opportunities for treatment to as many patients as possible

Training for medical professionals worldwide

According to a survey by the World Health Organization, the leading cause of death in 2016 was ischemic heart disease, which claimed the lives of 9.4 million people and accounted for 17% of deaths in that year.*¹ The number of deaths from this disease in countries categorized as low income or lower middle income has risen for the past 15 years.*² One reason behind this situation is thought to be a lack of medical professionals capable of treating ischemic heart disease. Procedures for treating this disease include percutaneous coronary intervention (PCI) using catheters and cardiovascular surgeries. Performing these procedures requires a certain amount of knowledge, skills, and experience pertaining to the proper operation of the necessary medical devices. Medical training opportunities are scarce in certain countries, resulting in a lack of physicians and surgeons with the required knowledge and skills and of clinical engineers and perfusionists capable of managing and operating the medical devices needed for treatment.

To address this issue, Terumo is fulfilling its responsibility as a company that supplies catheter products for vascular interventional therapy including PCI and heart-lung machines for cardiovascular surgeries across the globe by developing systems for providing training to medical professionals worldwide. We thereby aim to enable patients in as many countries as possible to receive the treatment they need.

In Japan, Terumo established Terumo Medical Pranex, a facility that realistically simulates operating rooms, catheterization laboratories, and other hospital facilities, in 2002. Since then, this facility has been used as a site for the training of physicians, surgeons, nurses, clinical engineers, and other medical professionals from around the world. Terumo Medical Pranex receives around 12,000 visitors a year, 70% of which are medical professionals. As we provide training, we are able to glean insight into the needs of medical settings, which can be incorporated into the development of training simulators and the preparation and refinement of training programs.

Furthermore, a program was launched in 2014 to cultivate staff from among Terumo Group associates worldwide that are highly knowledgeable on the techniques and devices used when performing PCI and other vascular interventional therapies and who can function as trainers in their respective countries. As we implement this program, we are simultaneously cultivating medical professionals that can help

administer training programs developed by Terumo. Currently, approximately 120 people around the world have completed this program, more than 20 of which are medical professionals.

The Terumo Group has recently been moving forward with efforts to have overseas Group companies establish training facilities at their sites. The goal of these efforts is to provide medical professionals with greater access to training opportunities matched to the levels and needs of the medical fields in these countries. Such training facilities have already been opened in the United States, Europe, South Korea, Vietnam, India, and Mexico, among other countries, and training programs matched to the medical needs of these respective countries are being offered. For example, a facility opened in India during 2018 is primarily conducting training programs on PCI and cardiovascular surgeries. An aggregate total of approximately 200 medical professionals took part in these training programs conducted at the facility in fiscal 2018.

Establishing and operating such training facilities requires a deep understanding of local medical needs in addition to a diverse range of other insight for selecting equipment, formulating training programs, choosing training simulators, and cultivating trainers. The know-how accumulated within Terumo Medical Pranex, which has provided countless training opportunities to medical professionals from all corners of the globe, is employed in this process.

Going forward, Terumo will continue to enhance its system for providing the training needed by medical professionals in order to ensure that as many patients as possible have access to the treatment they require. These efforts will be founded on an understanding of the levels of medical services and the needs of medical settings in each respective country.

*1, *2 Source: *Global Health Estimates 2016*, World Health Organization, 2016; income categories based on definitions by the World Bank



Trainer development ("Train the Trainers") program at Terumo Medical Pranex

Terumo Group Training Facilities for Medical Professionals



India



Vietnam



Korea



Mexico

Comment from Vietnam National Heart Institute

I was one of the first doctors in Vietnam to join the TTT (Train the Trainer) training program at Terumo Medical Pranex. I then applied for training programs at Terumo Vietnam Medical Equipment Co., Ltd., which are offered to young cardiology intervention physicians in the provinces, with courses spanning from basic to advanced levels. I found these courses to be outstanding and the most fruitful training courses I have ever taken. According to my assessment, training programs using models and simulators help young cardiovascular intervention specialists gradually improve their intervention skills pertaining to coronary artery lesions. The acquired skills and techniques will enable them to perform coronary intervention on their patients more accurately and to minimize complications during actual operations.

As expected, after the Terumo TTT training program, I had many opportunities to exchange and share my experiences regarding coronary intervention with many young physicians at national cardiology conferences. I realized that the knowledge and intervention skills acquired during the training program helped these young physicians overcome their psychological barriers in the implementation of complex coronary intervention cases on patients, a procedure that was previously the source of much confusion and anxiety. This demonstrates the considerable effectiveness of this training program.

Therefore, I am very confident that the TTT training program creates visible and practical results for physicians that facilitate their continuous contribution to society as healthcare professionals.



Dr. Nguyen Huu Tuan
Vietnam National Heart Institute

CASE
2

Quest to help save patients awaiting open heart surgery in Myanmar

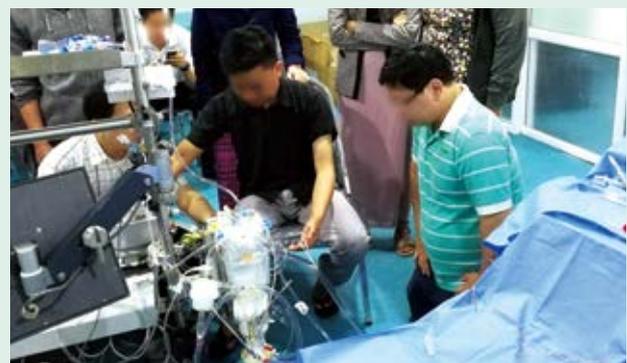
Training of perfusionists in Myanmar with support from Japanese clinical engineers

In recent years, changes in lifestyle habits in emerging countries have led to increased incidents of ischemic heart disease, including angina pectoris and myocardial infarction, as well as stroke. In Myanmar, ischemic heart disease is the third leading cause of death, responsible for 7.8% of deaths in this country.*1

At the same time, Myanmar has been plagued with a chronic shortage of medical professionals. Such professionals are imperative to performing open heart surgeries, which entail temporarily stopping and making incisions into a patient's heart. Specifically, these procedures require coordination among cardiovascular surgeons and anesthesiologists as well as nurses and the perfusionists that operate heart-lung machines during surgeries. In 2014, Myanmar lacked a sufficient number of cardiovascular surgeons in comparison to its population of approximately 53 million people at the time, and the country only had around 10 perfusionists and five hospitals capable of performing cardiovascular surgeries. As a result, the number of cardiovascular surgeries conducted per year was only around 1,200.*2 Given Myanmar's population of 53 million people at the time, this number was exceptionally low in comparison to the some 63,000*3 surgeries performed in Japan, which had a population of approximately 126 million. Moreover, it was common for patients to have to wait more than a year to undergo surgery.

Becoming aware of this situation, associates at Terumo's Yangon Branch sought to find a way for Terumo to help address this issue, consulting with the head office in Japan and with business divisions in this process. Myanmar at the time already had a history of inviting overseas medical teams to perform cardiovascular surgeries and provide technical guidance to local medical staff. However, unlike physicians and surgeons, there was no curriculum for cultivating perfusionists at educational

institutions in Myanmar. As such, the operation of heart-lung machines during cardiovascular surgeries has been conducted by anesthesiologists and nurses in Myanmar. Furthermore, there were few opportunities to receive training in this field and the frameworks for cultivating medical staff with perfusion skills were not in place. Conversely, the duty of perfusionists in Japan was filled by clinical engineers that have completed a dedicated curriculum at a university, vocational school, or technical school and received national accreditation, making for a situation that was quite the opposite of that in Myanmar.



Perfusionist training workshop in Myanmar

Improving Access to Healthcare

Turning its attention to this situation, Terumo formulated a plan to conduct perfusionist training workshops in Myanmar, gaining support from experienced and skilled Japanese clinical engineers in the process. After presenting our reason for conducting these trainings to the National Center for Global Health and Medicine, this initiative was certified as a project for the global expansion of medical technologies by the institute.

Following a preliminary survey of the situation in Myanmar, the trainings were carried out over the period spanning from September 2018 to January 2019. A total of three trainings were held in Yangon and Mandalay, and 44 individuals in total from five hospitals took part. Among the Japanese clinical engineers that led the training were those that had experience performing training in Myanmar. These engineers offered basic perfusion knowledge as well as instruction on how to operate heart-lung machines. In addition, hands-on training was provided using perfusion simulators. The participants were highly dedicated to learning, and they listened intently to explanations by lecturers and actively asked questions. Surveys after the trainings indicated that the hands-on training was very well received, and a message from Myanmar's Ministry of Health and Sports applauded the meaningfulness of the trainings. Terumo

acted as a liaison between Myanmar and Japan to help smoothen the training process, and therefore played a role in planning, preparing, and holding the trainings as well as in coordinating with the involved parties.

In the future, Myanmar will need to develop frameworks for cultivating perfusionists within the country. Terumo looks to assist in this process by supporting ongoing training to cultivate the perfusionists that will become the core of these frameworks. In so doing, we will seek to support the generation of a cycle in which the fostered perfusionists then become instructors to less experienced perfusionists.

*1 Source: *Global Burden of Disease Study*, Institute for Health Metrics and Evaluation, 2017
*2, *3 The figures are estimated by Terumo.



Perfusionist training workshop in Myanmar

Comment from Associates at the Yangon Branch

On visits to medical settings in Myanmar, one issue that came to light was that people looking to undergo cardiovascular surgery in this country had to wait more than a year, and that many passed away while waiting. Myanmar had received support for cultivating cardiovascular surgeons from Japan and various other countries, but there were almost no efforts made to foster perfusionists. By addressing the situation where anesthesiologists and others have to perform the role of a perfusionist alongside their own, we thought it would be possible to save a greater number of patients. This desire to save patients was what inspired us to propose this project. The changes to living environments that accompany economic development are expected to increase the number of cardiovascular surgeries needing to be performed in the future. When considering this fact, it becomes clear just how meaningful this project was.

All three of the trainings performed as part of this project were incredibly well received. After taking part in lessons backed by the plentiful experience of the lectures and in hands-on simulator trainings, the participants expressed a desire to use the techniques they had learned to operate actual heart-lung machines. These trainings were a success, but this success would not have been possible without the clinical engineers that prepared, performed, and offered follow-up assistance for the trainings or without the support from the National Center for Global Health and Medicine or the cross-regional and cross-divisional teamwork of Terumo associates.

Myanmar has seen contributions to the improvement of its healthcare services through the dedicated efforts of many individuals in both the public and private sectors. Terumo has also made contributions to this country in the past, namely by helping with the transition from glass blood bags to plastic bags, which are safer and easier to use. We hope to continue offering such assistance in the future to see Terumo contribute to the society of Myanmar through healthcare.



Takanori Takeuchi
Former Branch Manager,
Yangon Branch
Terumo Singapore Pte. Ltd.



Masaki Mono
Branch Manager, Yangon Branch
Terumo Singapore Pte. Ltd.

Note: The above positions and titles are as of the time of this interview.

Ensuring the Safety and Quality of Products and Services

Basic Approach

At the Terumo Group, we strive to enhance product quality and achieve continuous improvement in quality systems and processes to promise safety and reliability to medical settings. High product quality is one of the hallmarks of the Terumo Group, and we work to improve quality in every process from product design to manufacturing. We do this by identifying and acting on even the smallest matters that could improve safety and reliability, by concentrating on improving the quality and speed of individual processes, and by pursuing the 3Gs principle that places great importance on *Gemba* (field/floor), *Genbutsu* (actual product), and *Genjitsu* (reality). In addition,

we seek to ensure that our products are used in a safe and appropriate manner by providing training opportunities for medical professionals, practicing proper information disclosure, and actively communicating with customers.

Contained in the Mid- to Long-term Growth Strategy, which covers the five-year period from fiscal 2017 to fiscal 2021, is the Mid- to Long-term Vision, which calls on us to earn the trust of medical settings globally as a top brand and to ensure world-class trust with Total Quality comprising reliable products, supply, and services.

Quality Management Governance Structure

The Terumo Group has developed a quality management governance structure headed by its Chief Quality Officer (CQO). As the head of Groupwide quality divisions, the CQO is responsible for overseeing efforts to promote stringent Group quality governance and improve the quality of products.

With this structure in place, the Terumo Group has established a quality assurance system, promotes compliance with domestic and overseas regulations, and provides product quality improvement guidance to production sites. Furthermore, global meetings are held regularly by the CQO, and these meetings are attended by associates responsible for quality at individual production sites. These meetings provide opportunities to share and disseminate Group policies, build consensus

with regard to issues, formulate improvement measures, and exchange information on trends in the regulations and standards of various countries. We also strive to prevent quality issues by implementing a PDCA (plan-do-check-act) cycle that entails gathering quality-related information from across the Group, analyzing quality risk, conducting assessments, pursuing improvements, and sharing quality information.

In 2018, the Terumo Group developed its Global Quality Policy, which details the practices we expect associates to adhere to across the Group. Guided by this policy, we are working to achieve higher levels of quality management on a Groupwide basis.

Quality Management System

Quality Management System Compliant with International Regulations and Standards

Since establishing a quality management system in response to European Medical Device Directives in 1995, we have been striving to blend our international-standard system into an existing quality assurance system based on the pharmaceutical Good Manufacturing Practice (GMP) standard. Following the acquisition of manufacturing and sales approval for regenerative medicine products in Japan, we put in place the related quality assurance systems in fiscal 2016. Today, we continue efforts to ensure that our quality management system is compliant with global requirements. As part of these efforts, all medical device production sites have acquired certification under ISO 13485, the international quality standard for medical devices.

We also keep up to date with and respond swiftly to developments regarding Japan's PMD Act (the Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics) and regulatory trends and requirements for medical devices and pharmaceutical products outside of Japan, including U.S. Food and Drug Administration (FDA)

regulations, which have been strengthened in recent years; the Medical Device Single Audit Program,* which has been enacted in response to global harmonization trends; and emerging country regulations, which are rapidly being tightened. Furthermore, in response to the May 2017 launch of the European Medical Device Regulation (MDR), which is to be enacted in May 2020, we are advancing compliance preparations at relevant divisions and otherwise enhancing our quality management system.

For the purpose of pursuing ongoing improvements to our quality management system, we disseminate information on new standards and regulations among associates in divisions to which this system applies and also conduct education and training every year to elevate the quality awareness of such associates.

* The Medical Device Single Audit Program is a program through which audits are conducted all at once (collectively) based on common standards pertaining to the relevant medical device regulations in each country. Participating countries include the United States, Canada, Brazil, Australia, and Japan.

Ensuring the Safety and Quality of Products and Services

Quality Policy

Group company managers have established the Quality Policy, from which we develop, operate, and effectively maintain our quality management system. Each division also sets quality objectives based on the Quality Policy. The policies devised by top management are incorporated into the objectives of individual divisions and associates.

The customer perspective, which appears at the top of Terumo's Quality Policy, forms the basis of the Group's quality assurance.

Quality Policy

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

- 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.

Internal and External Audits to Improve Effectiveness of Quality Management System

Terumo conducts internal audits to objectively evaluate whether its quality management system is being appropriately implemented and followed. The audits are conducted by associates who have been trained and received internal certification authorizing them to perform internal audits.

In addition, we undergo several external audits conducted by government authorities, certification bodies, and

other organizations each year to verify our compliance with Japan's PMD Act; regulations in the U.S., Europe, and other countries; and the requirements of corporate customers.

We continuously improve our quality management system based on the results of these internal and external audits.

Voice

By developing a Groupwide quality management governance structure, we strive to maintain customers' trust for the quality of Terumo products.

In recent years, we have seen the implementation of more rigorous standards and regulations pertaining to quality management systems as well as the advancement of the global harmonization trend. The Terumo Group has been developing a Groupwide quality management governance structure centered on the Chief Quality Officer since 2015 to facilitate responses to the ever-rigorous standards and regulations.

Medical devices will be subject to stricter and more extensive regulations on May 26, 2020, when the current European Medical Device Directives is replaced by the European Medical Device Regulation. Terumo has launched a Companywide project team to ensure full compliance with this increased regulation.

Meanwhile, global regulatory requirements are becoming more stringent in the pharmaceutical industry with regard to the integrity of the data that serves as evidence of the quality, safety, and efficacy of pharmaceuticals. Terumo is therefore aspiring to achieve world-leading levels of data integrity in the manufacture of pharmaceuticals in response to this trend. We also aspire to realize similar levels of data integrity with the production of medical devices, and quality management innovations are being pursued to this end.

Through these initiatives, Terumo will establish a quality management system that fully complies with the regulatory requirements of each country of operation while simultaneously improving its product quality. We thereby strive to maintain customers' trust for the quality of Terumo products in the global market.



Toshio Nakashima
General Manager,
Quality Assurance Department

| Collection and Disclosure of Safety- and Quality-Related Information |

Terumo has established frameworks for collecting safety- and quality-related information from customers and disclosing this information based on the laws and regulations of countries of operation. We also analyze information from customers and share the findings with relevant divisions for use in improving quality and in developing new products.

Medical representatives (MRs), who are responsible for providing information to medical institutions, encourage customers to properly use medical devices and pharmaceuticals. MRs also collect accurate information from medical institutions and swiftly provide information to institutions to ensure the effectiveness and safety of our products.

The Terumo Call Center in Japan receives about 200,000 telephone and email inquiries per year from general consumers, medical institutions, and distributors. We respond to emergency calls, such as those pertaining to peritoneal dialysis or diabetes-related products, 24 hours a day, 365 days a year. As Terumo handles a wide range of products—from those designed for medical institutions to those for home medical care—the call center consists of experts in every required field to ensure that all inquiries are addressed promptly and appropriately. To improve the

quality of service at our call center, its staff are trained regularly on product knowledge and communication skills and are tested twice a year to ensure that they are properly equipped to respond to inquiries and provide satisfaction to customers.

The Post-Market Surveillance and Vigilance Department collects and evaluates information on safety, quality, and proper use of post-market products and issues reports on these matters to government authorities as appropriate. The collected information is utilized in prompt and detailed communication by delivering this information in various ways, including incorporating the information necessary for proper product use into package inserts, transmitting information through our website or via industry organizations, and sending MRs to medical institutions to provide explanations face-to-face and collect additional information. Furthermore, we use the accumulated information to develop, refine, and improve products and support medical safety training at medical institutions (T-PAS*). Terumo is also moving forward with the development of safety information management systems and the reinforcement of monitoring of information collection activities overseas.

* For information on T-PAS, please refer to page 15.

| Training of Medical Professionals |

Basic Approach

Terumo believes that medical devices can be effective only if they are used correctly. Accordingly, we have long endeavored to enhance the quality and safety of medical care by actively creating training opportunities for medical professionals to learn how to use medical devices properly

and how to apply treatment procedures. The information collected from the medical field through these activities is utilized in the development of new products and in the refinement and improvement of existing products.

Ensuring the Safety and Quality of Products and Services

Terumo Medical Pranex

Terumo Medical Pranex was established to develop and spread the use of medical technologies. Using spaces that realistically simulate hospital facilities and private homes, Terumo Medical Pranex provides practical training for medical professionals and serves as a venue for collaborative product development. Visitors to the facility include medical professionals from Japan and overseas as well as foreign officials. Terumo Medical Pranex has hosted over 150,000 visitors since its opening in 2002. The facility is equipped with catheterization laboratories, where trainees can use blood vessel models that faithfully recreate the flow of blood through the brain and heart along with Terumo's original training tools to learn how to perform advanced interventional therapies. There are also operating rooms where medical professionals can receive training on cardiovascular surgery involving extracorporeal circulation as well as on how to operate heart-lung machines, which are critical to cardiac surgery, among various other types of training. With a simulated hospital environment including

operating rooms, an intensive care unit (ICU), medical ward, and staff station, Terumo Medical Pranex offers a realistic environment for conducting a broad array of trainings for physicians, nurses, pharmacists, clinical engineers, and others. It has also developed unique training programs on the basics of proper and safe use of medical devices and for expert trainers who can train new medical professionals.



Training being performed at Terumo Medical Pranex

Support for Training at Medical Institutions to Improve Medical Safety

To prevent accidents during the use of syringes, IV solution sets, and other medical devices, Terumo conducts safety training based on requests by medical institutions. These training sessions, known as T-PAS,^{*1} emphasize critical points in the use of individual devices among those described in package inserts and enable medical professionals to learn through hands-on training scenarios.^{*2} The value of this program is illustrated by the feedback of medical professionals that have participated, which indicates that T-PAS training provides a tangible sense of the situations that can lead to accidents and demonstrates why the understanding of device use must be based on more than just assumptions or casual advice from others. In addition, Terumo has designed and offers a practical training program boasting high levels of learning retention in order to promote proper product use. This program includes DVDs documenting medical accidents as well as hands-on activities recreating device failures.

^{*1} T-PAS stands for Terumo Proactive Action for Safety and is based on Terumo's own assessments of accident prevention needs.

^{*2} From fiscal 2009 through fiscal 2018, T-PAS training was conducted in approximately 1,700 venues, including regional training sessions, sales agent locations, and 1,400 medical institutions.



T-PAS training session

Managing Supply Chains That Support Stable Supply / Promoting Responsible Procurement

| Basic Approach |

Based on our Group mission, “Contributing to Society through Healthcare,” we conduct our corporate activities in accordance with the Terumo Group Code of Conduct with the goal of always being a company that is trusted in medical settings around the world. The Terumo Group Code of Conduct is a guide for all Terumo associates—including directors, executive officers, and employees—to make the right decisions and do the right things while holding themselves to the highest ethical standards. Terumo strives to ensure quality and stable supply in the procurement of goods and services as prescribed in the Code of Conduct while also ensuring fair and ethical business activities.

The Code of Conduct describes Terumo’s ideal relationship with business partners, including suppliers, as well as its expectations for suppliers as part of efforts to promote responsible business activities. In order to ensure the achievement of these goals, in April 2019 Terumo established the Terumo Group Procurement Policy, which delineates the basic approach of Terumo’s procurement activities, and the Supplier Guidelines, which is a set of guidelines for suppliers.

Terumo Group Procurement Policy

Terumo Corporation and Terumo Group (hereafter “Terumo”) conduct the following procurement activity in accordance with “Terumo Code of Conduct”, based on Terumo’s group mission “Contributing to Society through Healthcare.”

1. Quality, Safety

Terumo endeavors to procure goods, services, etc with proper quality and safety in order to offer high-quality products and services for healthcare professionals and their patients around the world.

2. Stable Procurement

Terumo strive to ensure stable, timely and uninterrupted delivery of high-quality products. Terumo therefore endeavors to realize stable procurement by being prepared for emergency situations with suppliers.

3. Promotion of Compliance

Terumo complies with Terumo Group Code of Conduct, laws and regulations, and company rules through procurement activity.

4. Fair Procurement

Terumo pursues fair dealings with high ethics as a healthcare company. It has zero tolerance for bribery and corruption. Terumo also does not select or remove particular suppliers for improper reasons. The particular suppliers include, but are not limited to, companies owned by minorities, women, people with disabilities, LGBT - lesbian, gay, bisexual and transgender individuals, veterans, or located in historically underdeveloped areas, or small businesses.

5. Consideration for Human Rights and Environment

Terumo addresses respect of human rights, safety and health, and environmental protection through procurement activity.

6. Mutual Prosperity based on Reliability with Suppliers

Terumo endeavors to enable coexistence and co-prosperity through mutual trust with suppliers that respect this policy and follow “Supplier Guideline”

| Supplier Guidelines |

Terumo has established the "Supplier Guidelines," which are the requirements for suppliers reflected in the Terumo Group Code of Conduct. These guidelines are composed of seven chapters. Whenever Terumo enters into a contract with a supplier or issues a purchase order to a supplier, the relationship will be governed by the agreed terms and conditions. In addition, the supplier shall comply with the requirements of these guidelines.

1. Quality, Safety
2. Stable Supply
3. Promotion of Compliance
4. Fair Dealings
5. Consideration for Human Rights for Labor
6. Consideration for Environment
7. Management Systems



The Terumo Group Procurement Policy and the Supplier Guidelines
<https://www.terumo.com/about/procurement/>

| Promotion System |

The Procurement Department of Terumo Corporation plays a central role in establishing and implementing procurement rules, developing BCPs regarding procurement, and promoting thorough compliance with Japan's Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontract Act) and other purchasing-related laws. This department also coordinates with relevant divisions when selecting new raw materials and components to be procured and conducts inspections on these articles from the perspectives of supply reliability, safety, and environmental impact.

In actual purchasing activities, domestic and overseas factory purchasing teams manage suppliers based on the Group's Quality Management System. The Procurement Department coordinates with these teams to facilitate purchasing activities that are optimal from a Companywide perspective with consideration to quality, prices, and supply

reliability. In recent years, we have been pushing forward with the globalization of our procurement functions in response to the global expansion of our sales and production activities accompanying overseas acquisitions. For example, the Procurement Department held the Global Procurement Management Meeting in fiscal 2017, which was attended by representatives from domestic and overseas factory purchasing teams. The second Global Procurement Management Meeting was held in the United States in fiscal 2018.

Furthermore, the Environmental Management Department coordinates with the Procurement Department in EHS* initiatives implemented across the supply chain, which are advanced while gaining the understanding and cooperation of suppliers.

* EHS: Environment, health, and safety

| Reinforcement of Quality Management |

In order to further improve product quality, Terumo proactively seeks to strengthen quality management—not only of raw materials, but also of production equipment, mold design, and outsourced processes. In recent years, supplier control has become increasingly important due to tighter regulations pertaining to global quality management systems. We

therefore work to gain suppliers' understanding with regard to how the raw materials and services they provide affect the quality of finished products. Suppliers cooperate by continuously improving their quality and allowing us to perform regular audits of their quality management systems.

| Procurement-Related BCPs |

With quality and supply reliability as its top priority, Terumo strives to procure articles from the most ideal location. In accordance with the basic policy of BCPs that healthcare must not be stopped, we have formulated a medical supply BCP that incorporates our experience with the Great East

Japan Earthquake, the Kumamoto Earthquake, and other disasters. Implemented with the understanding and cooperation of suppliers, this plan is part of our efforts to establish a system that ensures the reliable procurement of the necessary raw materials.

| Briefings for Suppliers |

Terumo holds briefings for major suppliers once a year. These briefings are used as opportunities to explain conditions pertaining to Terumo's management, production, and procurement as well as the Company's production and procurement policies. We also discuss the current state of

the healthcare industry and our outlook for the future, and work to gain the understanding and cooperation of suppliers with regard to the actions necessary to realize the quality and supply reliability required for medical settings.

| EHS Initiatives Related to Procurement |

Terumo's business activities hinge on the support of various suppliers. Accordingly, Terumo strives to ensure a stable supply of products by implementing EHS initiatives across the value chain and endeavoring to reduce EHS risks throughout the supply chain. Initiatives in this regard have included informing suppliers of the raw materials,

components, and other articles used in our products of the important matters pertaining to EHS and asking for their cooperation with regard to these items. We also conduct investigations to better understand the status of EHS-related initiatives of suppliers.

EHS-Related Policies and Efforts Communicated to and Requested of Suppliers

- Terumo Global EHS Policy
- Respect for EHS laws and regulations and social norms
- Management of and cooperation with surveys on substances contained in products that are subject to environmental regulations
- Risk assessments and appropriate management of chemical substances
- Energy and resource conservation and other environmental preservation activities
- Initiatives to prevent occupational accidents

| Measures for Addressing Conflict Minerals |

One of the items contained in the Supplier Guidelines is "Consideration for Human Rights for Labor." To ensure that Terumo does not become complicit in human rights violations or environmental destruction, the guidelines stipulate that requests be made to suppliers not to procure or use raw materials,

components, products containing illegally mined tin, tantalum, tungsten, or gold. In addition, when selecting new raw materials, we ask that suppliers inform us of whether or not said materials contain any of the aforementioned conflict minerals.

| Compliance Education Regarding Purchasing |

Terumo has introduced a purchasing system that features enhanced functions for conducting checks on compliance with the Subcontract Act. By conducting order placement and payment procedures through this system, we aim to ensure compliance with the

Subcontract Act. Moreover, a training program on the Subcontract Act was instituted in fiscal 2018 targeting all associates at Terumo Corporation and domestic Group companies.

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 Group 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.

● Terumo Global Awards

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.

● “Gemba-no Hokori” Awards

Terumo recognizes associates that work diligently in lesser acknowledged endeavors through the “Gemba-no Hokori” awards (literally, the “Honor the Front Line” awards), which are presented each year.



Terumo Global Awards ceremony

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

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

Terumo Fellows

Associates named as Terumo Fellows possess superior expertise and practical experience in the fields of technology, research, clinical development, and regulatory affairs and have made conspicuous contributions to medical

settings throughout the world. Since establishing the Terumo Fellows system in 2016, we have inducted six associates as Terumo Fellows.

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 discussion 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 Associate Engagement Surveys

Terumo administers associate 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. Associate engagement surveys are administered to associates at all business sites in Japan once a year. These surveys contain questions through which associates rate their levels of

anticipation and satisfaction with regard to the Company, workplace, and supervisors. In fiscal 2018, 83% of associates responded to the surveys. The findings of these surveys are relayed to their respective organization to enable these organizations to objectively identify and analyze their strengths and weaknesses to formulate and implement action plans toward improvement.

| Human Resources Development |

Human Resources 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 resources policies with the fundamental intent of supporting the ongoing growth of diverse human resources.

Human resources 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)

| Level-Based Training | | Self Development | Development of Management Leaders |
|------------------------|---|---|--|
| Officers | Training for newly appointed officers | • Business dojo | • Individual training for officer candidates |
| General managers | Training for newly appointed general managers | • Management school support | • Management dojo |
| Chief managers | Career design training | • Online business training | • Development training for new generation leaders |
| Section managers | Communication training | • Internal English conversation school | • MBA acquisition support |
| Assistant managers | New manager training | • Internal recruitment of project members | • Fast-track development system for young associates |
| Mid-level associates | Training for newly appointed mid-level associates | • WAIGAYA TALK | • Overseas dispatch |
| Entry-level associates | Second-year training | | |
| | Training for new associates | | |

Training by company, division, dept., and job type

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 913 associates have responded to job postings on the ACE system so far, and over 192 of them have moved into new positions as a result. A talent pool of 57 candidates for global

postings has also been set up and over half of these associates are already on global assignments outside of 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 implemented a new training program targeting all

managers with the aim of enabling them to acquire the contemporary communication skills necessary for the new era while also launching a new career design training program targeting associates turning the age of 50.

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

Programs Supporting Associates That Are Passionate for Growth (Self-Development Support)

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 basic

business skills and English, to ensure that associates can find a program that suits their needs.

The basic requirement for these programs is the desire of associates to participate on their own will.

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 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.

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

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.

Voice

Building of Insight and Leadership Qualities Based on Business and Cultural Differences

My role as regional supply chain management leader was my first assignment outside of Japan, and this really empowered me to strengthen all of my leadership qualities. To be an effective leader of a diverse workforce, one has to make deliberate and continuous efforts to deeply understand the dynamics involved and act accordingly. I make it a rule to listen thoroughly and share information on the backgrounds and goals of decisions. By leading my office's CSR activities as a committee leader in fiscal 2018, I was able to learn that the importance of building a steady pipeline of strong partnership and of being well connected with society is no different from any other area of our business. Through support from the company and my office, I have been able to continue my studies for obtaining an MBA since 2019. I believe that learning will enable me to be a part of the growth of our business and for providing our brand and products to customers worldwide.



Haruna Umemoto (left)
Regional SCM Leader
Terumo Asia Holdings Pte. Ltd.

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

Voice

Opportunities for Gaining Greater Insight into the Company by Overcoming Language and Cultural Differences and Working Together

During 2018, I had an opportunity to join the TIS Global Talent Candidate Program.* I worked at the headquarters of Terumo in Tokyo for four months. My main activities at the headquarters were making improvements to operations with an emphasis on the global Sales and Operation Planning (S&OP) process and to communication between the headquarters and regional teams.

The difference between Hispanic and Japanese cultures is significant. The language barrier was also quite a hurdle, but all of the staff members were always willing to help me out through non-verbal *ishin-denshin* (communication through intuition of other's feelings). We were all therefore able to communicate despite the difficulties on both sides.

For me, it was a great honor to participate in the program and an even greater honor to work with my colleagues at Terumo. This experience made me look at Terumo from a new perspective, and gave me a good understanding of our strengths and points for improvement. It has surely enriched my personal life as well as my professional life because I was able to establish close friendships with associates on the other side of the world. I will always be grateful for this incredible experience.

* The TIS Global Talent Candidate Program is Terumo's first global open application human resources system. This system is open to all associates around the world engaged in the Terumo Interventional Systems (TIS) business. Through the system, interested associates are able to apply for defined positions at Terumo's headquarters in Japan, and those selected via interviews and other screening processes are transferred temporarily to the headquarters. As this is not a trainee system aimed at improving personal skills, the selected associates are expected to utilize the expertise and experience gained in their respective countries to produce meaningful results during the short amount of time allocated. The goal of this program is to strengthen global operation capabilities and invigorate both our human resources and our organization.



Henrique Pedrosa (middle)
Logistic Manager
Terumo Medical Do Brasil LTDA.

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 health-care 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 associ-

ates 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, providing education on new development approaches, and conducting observation tours of medical settings.

Terumo is well aware of the importance of flexible thinking, broad insight, and interpersonal networks. For this reason, we actively support those associates seeking to undergo external training through short- 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 personnel 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 production, engineering, or development positions about the principles of *Gemba* (field/floor),

Genbutsu (actual product), and *Genjitsu* (reality). In addition, we have a program in place in which Terumo Expert System (TES) associates—veteran associates rehired after mandatory retirement—call upon their years of *Gemba* experience to act as teachers for supporting the standardization of shared skills for use at factories, the *Gemba* for "monozukuri," as well as the acquisition of these skills.

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 ethnicities, nationalities, genders, religions, and disabilities, 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 Companywide 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 associates 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, 2019, 15.4%* of Terumo’s associates and 6.6%* of its managers were women.

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

Number and Percentage of Female Managers

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



Diversity Management Training

Every year since fiscal 2013, we have conducted group training programs for female leaders and other members of management. The program in fiscal 2018 was attended by approximately 40 associates from across Japan.

The theme of the fiscal 2018 training program was management for creating success with diverse teams. This program provided an opportunity to reexamine the necessary roles and functions of leaders in creating organizations that draw out the full potential of their members. 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.

Also in fiscal 2018, a special group training session was held for all managers focused on the topic of communication, a crucial skill in managing diverse human resources.



Fiscal 2018 diversity management training

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

Support for Flexible Work Styles Accommodating Life Events

Terumo is fostering a workplace environment that enables associates to realize their maximum potential by supporting

flexible work styles that accommodate childbirth, child-rearing, nursing care, and other life events.

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

In fiscal 2013, we began holding career-resumption seminars for female associates currently on childbirth or childcare leave and their supervisors. In fiscal 2018, these seminars were attended by 50 individuals. In recent years, there has been a rise in the number of female medical representatives (MRs) with the desire to balance their work with child-rearing. At the fiscal 2018 seminar, we invited female associates that have had experience adjusting to changes in their balance between work and child-rearing to offer greater support to these MRs.

In addition, supervisors were briefed on various systems that help associates balance work and family responsibilities as well as the importance of individual meetings with associates returning from childcare leave. Supervisors were also

given guidance on the evaluation scheme and assignment of associates. The aim of this was to provide supervisors with management tools for aiding associates in adopting diverse work styles to fully exercise their skills and thereby support their career development from a long-term perspective.



Fiscal 2018 career-resumption seminar

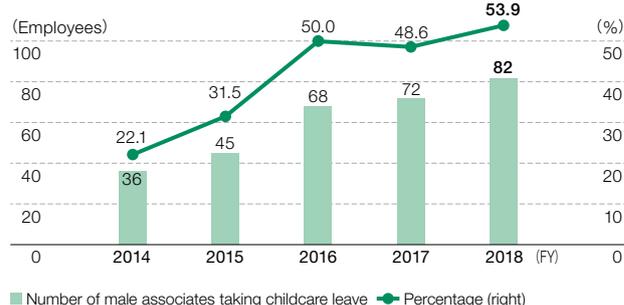
Encouraging of Male Associates to Take Childcare Leave

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 child-rearing. As a result, Terumo has seen a gradual rise in the number of male associates opting to take childcare leave. In fiscal 2018, 82 male associates, or 53.9%, 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)



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

Terumo has maintained the 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.



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

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.

Training on Healthy Lives and Careers

In November 2018, training sessions on healthy lives and careers were held for associates. Through these training sessions, Terumo provided information on the gender-specific physical and mental changes that occur at certain life stages to support associates in learning about how to approach their work and self-management techniques and in developing empowering career plans. In addition, our commitment to developing workplace environments that are comfortable for everyone was shared with all attendees.



Fiscal 2018 training session on healthy lives and careers

Support for Balancing Work with Nursing Care

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 also provide information and

consultation venues to assist associates in achieving such balance and have taken steps to promote their awareness of these support options.

Venues for Information Provision and Events in Support of Nursing Care

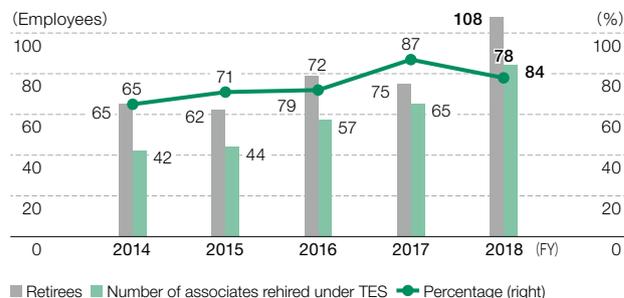
| Venue/Event | Details |
|---|---|
| Monthly columns | Introduction and explanation of wide-ranging information in support of nursing care by a specialized lecturer through the intranet |
| Nursing care seminars | Nursing care seminars at offices and bases held by a specialized lecturer |
| Individual nursing care consultation events | Individual consultation events held by a specialized lecturer (family members may attend) |
| Nursing care awareness period | Production of special articles and holding of events related to nursing care every year in conjunction with summer and New Year's, times of the year when people often gather with their families |

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

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)



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 have a diverse pool of allies together with their colleagues, who are brimming with individuality and diverse values. In fiscal 2018, seminars were held for the purposes of making associates think about what is necessary for all associates to be able to exercise their talents and create value and of enabling associates to experience a diverse range of allies in order to change the way they act. To accomplish these objectives, the seminars were based on the themes of effective verbal communication,

understanding toward other cultures, and the perspectives of the LGBT community and other sexual minorities.



LGBT sensitivity training session using virtual reality

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. In fiscal 2018, we accelerated our efforts to support the development of workplace environments in which associates with disabilities are able to feel more comfortable working and better exercise their talents. Specifically, we introduced a new system in which associates with

certifiable disabilities can receive 12 days of special paid leave a year in order to provide them with peace of mind when taking days off for hospital visits, hospitalization, or simply resting when in poor health. As of March 31, 2019, individuals with disabilities made up 2.24% of our workforce in Japan, more than the legally mandated ratio of 2.2%. We will continue our efforts to increase employment of individuals with disabilities by undertaking initiatives that enable them to fully exercise their capabilities.

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

Voice

Environments in Which Diverse Associates Can Work “Normally”

I am missing my left leg above the knee, and thereby use a prosthetic in my daily life. Three years ago, I transferred from my previous company to become an associate at Terumo.

When I joined Terumo, the topic of my disability did not come up, and in my interactions with associates from other divisions with which I frequently worked, they thought no more of me than that I walked a bit slow. I think that very few people actually realized that I had a disability. This was the degree to which I was accepted “normally” and was able to work “normally.” Actually, I play adaptive stand-up tennis, and I recently won a nationwide competition and represented Japan in a worldwide competition. This accomplishment was picked up by our internal newsletter, earning me a little bit of in-house fame.

All Terumo associates are infused with the Company’s culture of always looking for ways to deliver better products and services to patients and medical settings. Our Core Values were established in April 2019. However, I do not believe that these Core Values were something new, but rather that they simply put into words the values that have always flowed through Terumo.

Proof of this fact can be seen in how an environment in which associates with disabilities, such as myself, and other diverse associates are able to work “normally” was naturally cultivated within Terumo.



Shunsuke Kishi
Manager,
Intellectual Property Department

Promotion of Work-Style Revolution

Recognizing that the contributions of each and every associate drive the ongoing growth of the Company, Terumo is promoting work-style revolutions to enable all associates to fully exercise their talents. In fiscal 2017, we unveiled “T-Style” (Terumo Style), the new work style we advocate for Terumo associates going forward. Based on the T-Style concept, we have sought to reduce overtime work and redesign human resources systems while also enabling associates to adopt flexible work styles matched to their work or lifestyle in order to realize higher productivity. In April 2019, the following four systems were introduced or expanded. Going forward, we will continue our efforts to build a workplace environment where diverse associates are able to contribute and the organization grows together with its associates.

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.

Systems Introduced or Expanded in April 2019

1. Introduction of Staggered Working Hour System
All associates can now move the start and end time of their working days ahead or behind by up to two hours based on their daily work or other plans.
2. Expansion of Work-At-Home System
All associates now have access to the Work-At-Home System, which can be used regardless of reason.
3. Establishment of Satellite Offices
Several satellite offices* have been established within the Tokyo metropolitan area to allow associates to adopt work styles that are not bound by location.
* As of June 30, 2019, six satellite offices were established.
4. Introduction of Uniform Start Time for All Sites
In addition to improving work efficiency, this system expanded the scope of areas to which associates can commute.

Ratio of Paid Vacation Days Taken (Terumo Corporation)

| System | FY2016 | FY2017 | FY2018 |
|-------------------------|--------|--------|--------|
| Ratio of days taken (%) | 65.4 | 68.0 | 71.0 |

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

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

In Japan, Terumo has adopted its 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. In 2015, we made it possible for parents to exceed the maximum number of days for which the system can be used and work at home for as

many days as is necessary when their child has been told to stay home due to an illness. Furthermore, the maximum number of days was increased in April 2019 to enable associates to work up to half of their monthly work days from home. In addition, access to this system was granted to all associates, regardless of reason.

Childcare and Nursing Care Support Systems

The following table lists the primary systems in place at Terumo, other than the Work-At-Home System, as of April 1, 2019, 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 expired paid leave can be used 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 | Long-term nursing care 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 expired paid leave can be used 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.

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.

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

| Basic Approach |

Ensuring occupational safety, promoting the health of employees, and reducing the environmental impact of business activities are important social responsibilities for companies and are 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, strives to develop safe and comfortable work environments, and works to reduce the impact of its business activities on the environment.

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 /
Reducing the Environmental Impact of Our Business Operations

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 (ISO 45001:2018) standards.

As a key part of Terumo’s focus on sustainability in business, EHS policies, goals, activity plans, risks, and opportunities are discussed and related decisions are made by the Corporate EHS Committee, which is chaired by the director in charge of EHS, 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, and these subcommittees propose strategies, policies, targets, and activity plans pertaining to their respective areas of responsibility. In fiscal 2019, the Machinery Safety SC was established as a new EHS Expert Subcommittee tasked with preventing occupational accidents. In addition, the EHS Audit Committee conducts internal audits of business sites to confirm the implementation status and effectiveness of their systems and their compliance with relevant laws. Ongoing improvements are pursued based on the results of these audits.

Organization for Companywide Promotion of EHS Management System



● **ISO 14001 (Environmental) and OHSAS 18001 and ISO 45001 (Occupational Health and Safety) 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

ISO 14001, OHSAS 18001, or ISO 45001 international standard. Sites with OHSAS 18001 certification are in the process of transitioning to ISO 45001 certification.

Facilities with Third-Party Certifications

| Company name | Site | Occupational health and safety | | |
|------------------------------|---|---------------------------------|------------------|----------------|
| | | Environmental ISO 14001:2015 | OHSAS 18001:2007 | ISO 45001:2018 |
| Terumo Corporation | Head office (Environmental Management Department) | | | |
| | Fujinomiya Factory | ○ | ○ | — |
| | Kofu Factory | | | |
| | Ashitaka Factory | | | |
| Terumo Europe NV | Haasrode Factory | ○ | ○ | — |
| | Genk Warehouse | | | |
| Terumo Penpol Pvt. Ltd. | Blood Bag Factory | ○ | ○ | — |
| Terumo Vietnam Co., Ltd. | Terumo Vietnam Factory | ○ | — | ○ |
| Terumo BCT Vietnam Co., Ltd. | Terumo BCT Vietnam Factory | — | — | ○ |

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

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, sub-committees 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 (Terumo Corporation)

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---------------------------------------|--------|--------|--------|--------|--------|
| Accidents resulting in lost work days | 4 | 4 | 2 | 3 | 0 |
| Frequency rate | 0.45 | 0.44 | 0.23 | 0.34 | 0.00 |
| Severity rate | 0.02 | 0.00 | 0.02 | 0.85 | 0.00 |

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

*2 Severity rate: Lost work 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, and, for that reason, Terumo is engaged in "Kenko Keiei" initiatives, which position associate health and well-being as a top management priority. "Invigorating our people and organization" is a key element in 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 /
Reducing the Environmental Impact of Our Business Operations

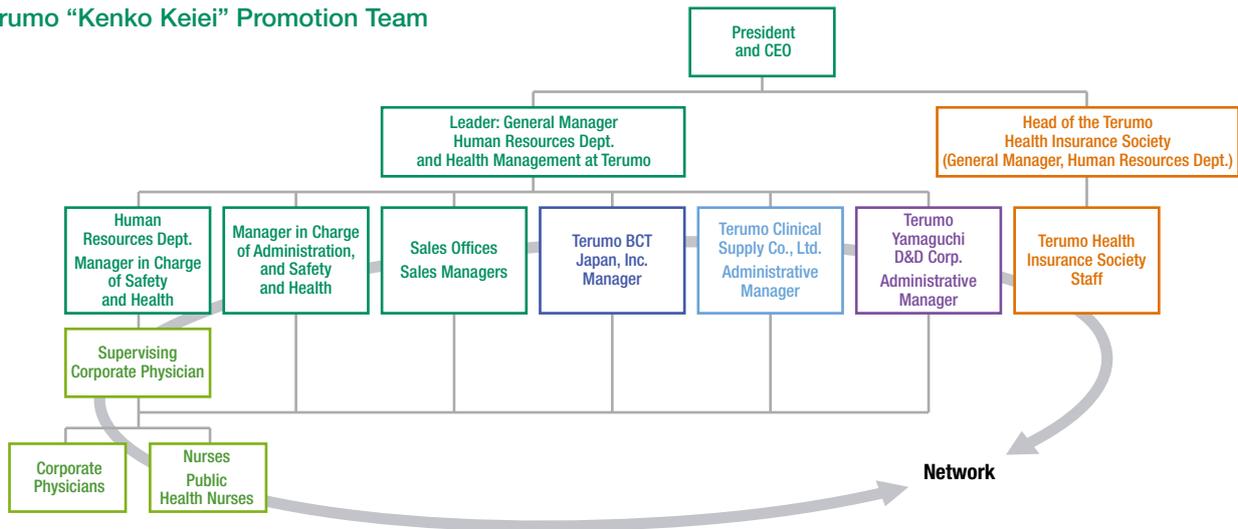
The Kenko Keiei System

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 through collaboration between company management and the Terumo Health Insurance Society.

Terumo “Kenko Keiei” Promotion Team



Basic Approach 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 | | Health and Treatment Support | |
|-----------------------------------|---|--|---|--|--|
| Exercise | | Health checkups | | Health support | |
| Company-sponsored gym memberships | Walking campaign | Periodic health checkups | Lifestyle-related disease checkups (cancer screening) | Specific health guidance | Health consultations |
| Diet campaign | | Women's health checkups | Dental checkups | Medical expense support | |
| Financial support for vaccines | | Financial support for comprehensive neurological exams | Financial support for comprehensive medical exams | Oral care | Metabolic syndrome and diabetes prevention |
| Influenza | Cervical cancer | Follow-up exams | Financial support for breast cancer MRIs | Workplace support for associates diagnosed with cancer | Smoking cessation |
| Vacation time | | | | | |
| Lodging subsidies for travel | Pre-arranged rest and relaxation facilities | | | | |

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

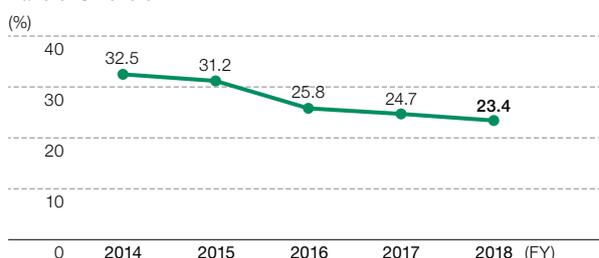
Major Initiatives

- 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

Initiative Results

These initiatives have been steadily generating results, and we intend to continue these initiatives going forward with the aim of reducing the ratio of smokers to less than 20%.

Ratio of Smokers



Prevention of Metabolic Syndrome

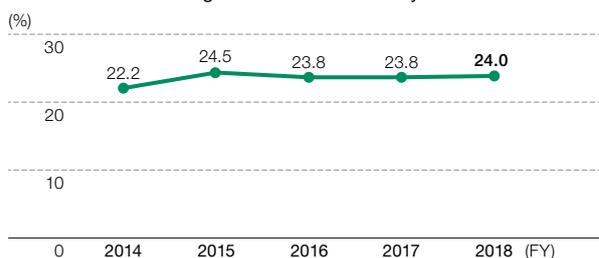
Major Initiatives

- 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

Initiative Results

Terumo has been implementing diet programs based on the recording of data using HR Joint body composition monitors and physical activity monitors since fiscal 2017. These campaigns help increase the motivation of associates through timely tracking of data while enabling them to receive more effective advice from health nurses.

Ratio of Associates Diagnosed with Metabolic Syndrome*



* 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 Early Diagnosis and Treatment of Cancer to Enable Associates to Return 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 Screening

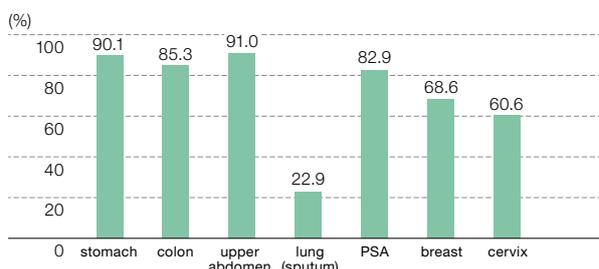
Major Initiatives

- Full compensation of fees for checkups for lifestyle-related diseases (cancer screening) by the 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

Initiative Results

In fiscal 2018, all associates underwent regular checkups required by law and more than 90% received secondary examinations when warranted.

Ratio of Associates Undergoing Cancer Screening in Fiscal 2018



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

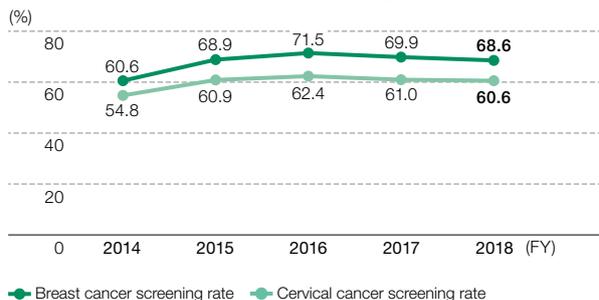
- Seminars on importance of receiving breast and cervical cancer screening
- Financial support for receiving cervical cancer vaccines
- Financial support for undergoing MRI breast cancer examinations*

* 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.

Initiative Results

Breast cancer and cervical cancer screening rates are on the rise, and Terumo is pursuing higher screening rates through ongoing educational activities.

Breast Cancer and Cervical Cancer Screening Rates



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

- Dedicated Kenko Keiei intranet site offering information on Terumo's Kenko Keiei, messages from top management, health improvement support, initiatives at 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 / Reducing the Environmental Impact of Our Business Operations

● 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 no 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. |

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

Voice

Fostering of Workplace Environments and Cultures That Are Conducive to Associates Working While Battling Cancer

It was about 12 years ago when I was stricken with cancer, after which I initially had to take leave to undergo surgery and treatment. At the time, Terumo did not have a system to help associates continue to work while undergoing cancer treatment. However, my supervisor still offered me assistance by preparing the necessary internal documents and moving ahead with the required procedures. The worries that plagued me leading up to my operation prevented me from thinking about anything else. As I was practically incapable of doing anything, the support of my supervisor was a major help. Upon returning to work, I had a meeting with a corporate physician, who formulated a program for my return that would not place undue stress on me given my condition. I was glad that my workplace was not excessively worried about me, but rather accepted me back naturally.

Today, Terumo has a system in place to help associates continue to work while undergoing cancer treatment, and the Company is enhancing its support for associates battling cancer through the systems and information it offers. One example is an intranet page that compiles information on cancer. Going forward, I think it would be beneficial for the Company to establish frameworks to support associates who may be unable to effectively use the systems or information available to them due to concerns regarding their illness. For example, these frameworks could include aid for performing the minimum procedures required to receive the treatment they need or advice on where to find the necessary information. Such frameworks would offer greater peace of mind to associates undergoing treatment while alleviating their concerns regarding their return to work. Support from supervisors is also very important. Therefore, it may be a good idea to provide supervisors with opportunities to learn how to assist and interact with associates facing cancer to ensure that they are able to calmly offer such support should a subordinate consult with them on this subject. Such efforts would provide peace of mind to both parties.



Kaori Oyamada

Leader, Medical Science Affairs, Sales Strategy,
Sales Promotion (Japan), Hospital Systems Division,
General Hospital Company

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

● 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 measures and their results, sharing this information, and making improvements. Terumo embraces this approach to business management and contributes to efforts to promote its wider adoption.



● Global Health Promotion Activities

Terumo bases in Japan and around the world are encouraging associates to quit smoking, engaging in sports events, and advancing other distinctive health promotion activities. Going forward, Terumo will continue to encourage Group companies around the world to learn from the initiatives of others while promoting Kenko Keiei (health and

productivity management) initiatives on a global basis to ensure that associates across the globe are able to feel healthier and more empowered as they go about their work.

TOPICS

Kenko Keiei Initiatives at MicroVention, Inc.

Terumo Group subsidiary MicroVention, Inc., based in California in the United States, is implementing various initiatives to keep its associates in good physical and mental health and to enable them to feel energized in their work. For example, the company offers a comprehensive employee assistance program that provides associates with access to information and consultations regarding physical and mental health and refers them to the services that they may need. In addition, MicroVention allows associates to have their blood glucose, cholesterol, and body mass index levels measured free-of-charge as well as holding health fairs, supplying influenza vaccinations, and conducting exercise and nutrition seminars. Moreover, a gym was opened in MicroVention's head office in April 2019.

Furthermore, MicroVention has established a clinic at its Costa Rica factory that can be used for free by all associates, and a new gym was also recently opened at this factory. Other unique initiatives for promoting associate health at this company include participation in beach marathons and the presentation of trophies to associates who succeed at quitting smoking.



Health fair at MicroVention's head office (left, middle)



An associate participating in beach marathon

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

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 five consecutive years since fiscal 2014.

Terumo has also been included in the Excellent Enterprise of Health and Productivity Management—White 500 selection for three consecutive years since 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 associates 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, fiscal 2017, and fiscal 2018)
- Excellent Enterprise of Health and Productivity Management—White 500 (fiscal 2016, fiscal 2017, and fiscal 2018)
- Tokyo Sports Promotion Company (fiscal 2015, fiscal 2016, fiscal 2017, and fiscal 2018)
- Sports Yell Company (fiscal 2017 and fiscal 2018)
- 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)
- Yamaguchi Prefecture governor's award for excellent enterprises in health and productivity management, Terumo Yamaguchi Corp. (fiscal 2017)
- Sukoyaka Yamanashi 21 health promotion award, Terumo Corporation's Kofu Factory (fiscal 2018)

| EHS Risk Management |

EHS Internal Audits

The Terumo Corporate EHS Audit Committee conducts EHS internal audits to confirm the status of initiatives for reducing environmental, health, and safety risks and to assess EHS performance (progress toward the achievement of EHS targets). When nonconformities have been

identified, corrective actions are taken and their effectiveness is checked to prevent recurrences. In fiscal 2018, such audits were conducted at 11 business sites in Japan and five overseas business sites.

■ Audit Tasks

1. Check compliance with EHS-related laws, regulations, agreements, etc.
2. Check compliance with the Terumo Global EHS Policy and with internal rules and standards
3. Check the operational status of EHS management systems and performance (effectiveness, key performance indicators)
4. Check the status of improvement regarding issues identified through audits, etc.

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

Audits of Waste-Treatment Contractors

To confirm the appropriate processing of industrial waste generated by Terumo, we perform systematic audits of waste collection and disposal contractors. In fiscal

2018, we conducted audits at 32 contractors and determined that waste collection and disposal are being performed properly.

Training and Education

To ensure solid understanding of the Terumo Global EHS Policy and EHS activities, we conduct a basic EHS education program for all associates of Terumo once a year. We have also prepared education materials tailored to the needs of factories, R&D bases, and sales offices and use them in regularly conducted education and training programs.

Apart from these systematic education initiatives, EHS information is distributed via the intranet and internal bulletin boards. Through these and other such initiatives, we are striving to increase EHS awareness among our associates.



Education and training program

Emergency and Accident Response Training

Individual business sites have established procedures to prevent EHS accidents and lessen their severity should such accidents occur. They also conduct emergency response training and review results on a regular basis. In fiscal 2018, there were no serious accidents or chemical leaks.

Compliance with Environmental Laws and Regulations

In fiscal 2018, there were no major legal or regulatory violations or citations related to the environment requiring fines or punishments.

Award Program for Recognizing Outstanding EHS Activities

We present Terumo Human×Eco Awards to recognize activities that contribute to the environment, health, and safety throughout the entire Terumo Group. By evaluating and sharing information on examples of outstanding EHS

activities within the Group, we aim to further promote such activities. Three fiscal 2018 initiatives were selected for recognition in fiscal 2019.

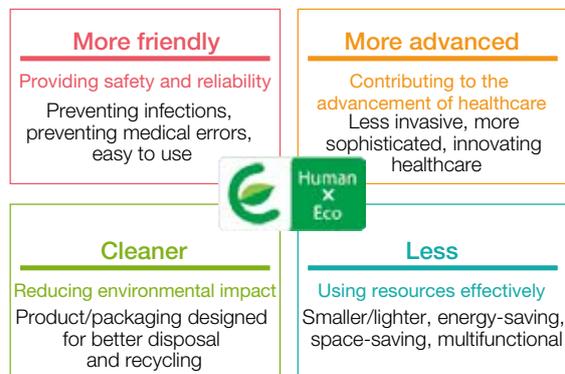
| Project | Award recipient |
|---|---|
| Achievement of medium-term domestic recycling target for fiscal 2019 (98%) ahead of schedule in fiscal 2018 - Improve resource efficiency and reduce waste costs by recycling wastes as valuable resources | Industrial Waste EHS Expert Subcommittee (Ashitaka Factory, Fujinomiya Factory, Kofu Factory, Shonan Center, ME Center, Terumo Clinical Supply Co., Ltd., Terumo Yamaguchi Corp., Terumo Yamaguchi D&D Corp.) |
| Replacement of solvents for Glidesheath production line - Reduces the risk of health hazards to associates - Reduces VOC emissions to the environment | Ashitaka Factory, TIS Production Engineering Section, R&D Section, Outsource Management Section Terumo Medical Corporation Glidesheath Transfer Team |
| Achievement of excellent performance in occupational safety and health - Reduce number of days away from work due to work-related accidents or illnesses - Contribute to improved health and safety of associates by promoting health campaigns and other onsite programs | MicroVention Costa Rica S.r.l, Safety and Health Department |

Development of Environmentally Friendly and Safe Products

Human×Eco Development Guidelines

Terumo has established and applied to product development its proprietary Human×Eco Development Guidelines, a set of guidelines for developing products that are friendly to both people and the environment. These guidelines consist of four principles—more friendly (providing safety and reliability), more advanced (contributing to the advancement of healthcare), cleaner (reducing environmental impact), and less (using resources effectively)—and 24 directives based on these principles. Products that exhibit excellence with regard to these principles and directives display the “Human×Eco” logo, an internal certification mark, to make this excellence readily apparent to customers.

“Human×Eco” Development Guidelines



Examples of Human×Eco Certified Products

● Condensed Liquid Nutrients—Conservation of Resources and Improvement of Quality of Life

Terumo has developed condensed liquid nutrients that enable people to receive greater amounts of calories and nutrition while consuming smaller amounts of nutrients. These nutrients enable people that cannot ingest large meals to obtain the calories and nutrition they need at their own pace. In addition, these highly condensed liquid contents offer smaller volume, allowing for less packaging, which helps reduce the waste produced.



Condensed liquid nutrient

● Intravascular Ultrasound Catheter—Shortened Examination Times and Improved Efficiency

Intravascular ultrasound catheters are used when performing intravascular ultrasounds, an examination technique that utilizes ultrasonic waves to observe the inside of blood vessels. By improving the image resolution, image acquisition, and processing speeds, and ease of operation of our catheters, we have helped reduce the amount of time required for preparations, examinations, and image interpretation pertaining to intravascular ultrasounds. We anticipate that the shorter procedure times will reduce the burden on patients and medical professionals and thereby contribute to the realization of safer and more efficient treatments.



Intravascular ultrasound catheter

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

● TERUPACK Eco Environmentally Friendly IV (Intravenous) Solution Bag

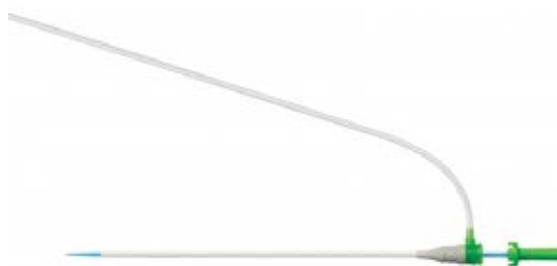
TERUPACK Eco is an IV solution bag designed to be environmentally friendly. It is manufactured with less plastic, in a production process that consumes less energy and emits less CO₂ than previous processes. In addition, because TERUPACK Eco bags weigh 23% less than prior bags, we expect them to generate less waste and reduce overall impact on the environment.



TERUPACK Eco

● TRI Introducer Kit—Minimally Invasive and Medically Cost Efficient

Percutaneous coronary intervention (PCI) can be performed by inserting a catheter at either the wrist or the groin. Inserting at the wrist, in a procedure called transradial intervention (TRI), entails fewer complications, such as post-procedure bleeding, and is less invasive. Terumo has developed an innovative introducer kit that features a sheath with a thinner, more finely formed wall for a smaller outside diameter. A narrower sheath makes more treatment options available for patients with small arteries while also reducing costs and resource usage associated with post-procedure complications.



Introducer sheath for TRI procedures

● Guiding Catheter for TRI—Minimally Invasive, Medically Cost Efficient, and Resource Conserving

Used together with Terumo's TRI introducer kit, this guiding catheter makes it possible to perform TRI for treating peripheral artery diseases. Compared with the transfemoral approach, TRI is less invasive, places lower burden on medical professionals and patients, and is more medically cost efficient. In addition, the packaging type used for this guiding catheter has been changed to realize a 45% reduction in package weight and a 61% reduction in package size. This change is anticipated to contribute to the environment by helping to conserve resources and space and reduce the amount of energy required for transportation.



Guiding catheter for TRI

● Closed Infusion Systems—Contributions to Safer, More Efficient Infusion Line Management

Keeping infusion line mixers closed helps to prevent contamination by external airborne microbes. In addition, our infusion line connectors are designed to not retain any liquid and, therefore, can be used to deliver even very small amounts of drug solutions. Even the connection of syringes and infusion devices requires no special adapters, so drug solution delivery is simple, quick, and more secure from procedural errors. Easy inventory management contributes to greater safety and efficiency in managing infusion line stocks.

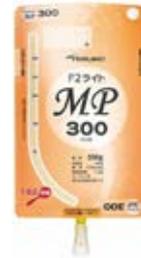


Closed infusion system

Ensuring Occupational Safety and Promoting Health /
 Reducing the Environmental Impact of Our Business Operations

● **Concentrated Liquid Nutrients (Semi-Solid Type)—
 Conservation of Resources and Improvement of Quality of Life**

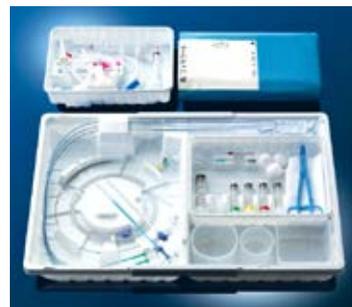
With just the right combination of fluidity and thickness, this ready-to-use nutrient product requires no mixing bottle, produces less waste, and eliminates the labor associated with the washing of bottles. Using this mixture of water and concentrated liquid nutrients reduces the burden on caregivers.



Concentrated liquid nutrient (semi-solid type)

● **Solution Pack—Greater Efficiency and Less Waste**

Having developed a certified angiographic kit that eliminated excess packaging and procedures by providing in a single set the products needed to perform angiography for interventional therapies, we developed a better method and form of product packaging and redesigned the shape of the tray, thereby reducing the weight and volume of waste. This allowed for a 53% reduction in the amount of waste, compared with Terumo's conventional solution pack.



Angiographic kit

Products Free of Hazardous Substances

● **Leading the Industry toward Mercury-Free Products**

The Minamata Convention on Mercury took effect in August 2017. Under the convention, it will become illegal to manufacture and engage in trade involving products containing mercury beginning in 2021. Terumo ceased production of mercury thermometers in 1984. That was over 30 years ago and since then we have contributed significantly to the elimination of mercury from medical settings and homes by developing and introducing products such as mercury-free digital thermometers and digital blood pressure monitors, which are friendlier to the environment and safer to use.



Digital thermometer

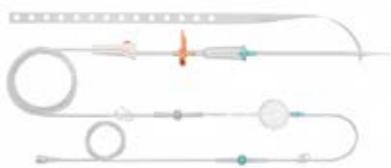


Digital blood pressure monitor

● **Promoting PVC-Free, DEHP-Free Products**

Terumo helps reduce the release of toxic gas from incineration of polyvinyl chloride (PVC) by promoting use of PVC-free packaging. We also use alternatives to

di-2 ethylhexyl phthalate (DEHP) whenever possible due to concerns over its biological hazards.



Polybutadiene IV solution set



PVC-free IV solution bag



DEHP-free cardiovascular circuit

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

Initiatives to Address Climate Change

Based on international frameworks, such as the Paris Agreement and the United Nations Sustainable Development Goals, Terumo recognizes that reducing CO₂ emissions from its business activities, through means such

as improving energy efficiency and combating climate change, is an important responsibility and is advancing Groupwide activities to this end.

Target for Reduction of CO₂ Emissions

Reduce CO₂ emissions per revenue for the entire Group to 50% of the fiscal 2005 level by fiscal 2025

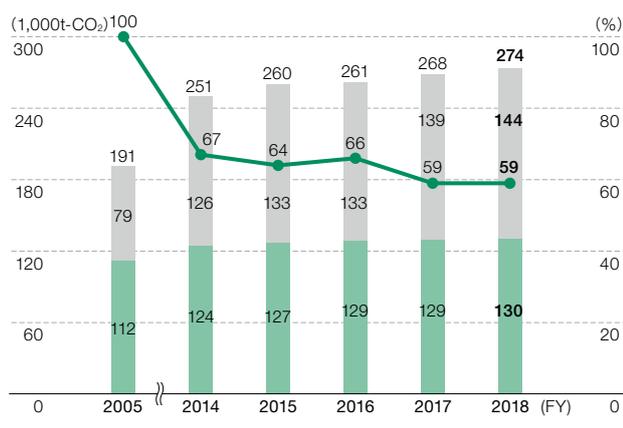
Reduction of CO₂ Emissions (Scope 1, 2, 3*)

The entire Terumo Group is working to reduce CO₂ emissions. In fiscal 2018, such efforts included improving the operating methods of energy supply facilities by limiting the number of compressors in use, optimizing air-conditioning operation, and other means. In addition, we introduced once-through boilers, LED lighting, and other high-efficiency equipment and took steps to prevent air and steam leaks and other problems through regular inspections. In office environments, we conducted activities including promotion of energy-saving by setting thermostats appropriately and turning off unneeded lighting in order to involve the entire Terumo Group in energy-saving activities.

As a result of these activities, per revenue CO₂ emissions in fiscal 2018 were 41% lower than in fiscal 2005, though relatively unchanged from fiscal 2017 due to increased energy use resulting from higher air-conditioning burden attributable to the extraordinary heat seen on a global scale.

* Scope: Reporting is based on the following GHG Protocol categories.
Scope 1: Greenhouse gas emissions from direct fossil fuel combustion
Scope 2: Greenhouse gas emissions from secondary uses such as purchased or acquired electricity
Scope 3: Greenhouse gas emissions from business activities not applicable under Scope 1 or Scope 2

CO₂ Emissions in Total and Index of CO₂ Emissions per Revenue



■ CO₂ emissions (Japan) ■ CO₂ emissions (overseas)
● Index of CO₂ emissions per revenue (FY2005=100) (right)
* Scope: Terumo Group business sites in Japan and manufacturing sites overseas
* The CO₂ emissions coefficients for electricity are the fiscal 2005 coefficients provided by electric power providers.
* Figures for fiscal 2014–2017 have been restated to rectify past errors in the collection of overseas data.

Energy Consumption

| Fuel type | FY2016 | FY2017 | FY2018 |
|--|------------------|------------------|------------------|
| Electricity | 1,525,594 | 1,552,236 | 1,591,233 |
| City gas | 1,016,203 | 1,006,781 | 967,458 |
| LPG | 26,037 | 27,837 | 29,855 |
| Heavy oil | 20,060 | 19,941 | 29,282 |
| Diesel oil | 13,397 | 18,565 | 16,774 |
| Steam | 130,164 | 132,356 | 125,760 |
| Gasoline | 598 | 363 | 229 |
| Total | 2,732,053 | 2,758,079 | 2,760,591 |
| Consumption per revenue (GJ/¥100 million) | 531 | 469 | 460 |

* Scope: Terumo Group business sites in Japan and manufacturing sites overseas
* Previously disclosed figures included errors for diesel oil consumption and totals for fiscal 2016–2017. These figures have been restated to correct these errors.

Ensuring Occupational Safety and Promoting Health /
Reducing the Environmental Impact of Our Business Operations

CO₂ Emissions in Fiscal 2018 (Scope 1 and Scope 2)

| | (t-CO ₂) | | |
|--------------|----------------------|----------------|----------------|
| | Scope 1 | Scope 2 | Total |
| Japan | 40,380 | 89,890 | 130,270 |
| Overseas | 17,103 | 126,855 | 143,958 |
| Total | 57,483 | 216,745 | 274,228 |

* Scope: Terumo Group business sites in Japan and manufacturing sites overseas

Renewable Energy Use in Fiscal 2018

| | (kWh) |
|--------------------|---------|
| Photovoltaic power | 265,992 |

* Scope: Terumo Group

CO₂ Emissions in Fiscal 2018 (Scope 3)

| | (t-CO ₂) | | |
|--------------|--|-----------------------|--|
| Category | Emissions volume | Method of calculation | |
| Category 1 | Purchased goods and services | 2,164,231 | Multiplying emission intensity of each department by revenue using relevant industry charts |
| Category 2 | Capital goods | 179,968 | Multiplying emissions intensities per capital goods price by annual capital expenditure amounts |
| Category 3 | Fuel- and energy-related activities (not included in Scope 1 or Scope 2) | 15,814 | Multiplying emissions intensities by electricity and steam consumption amounts |
| Category 4 | Upstream transportation and distribution | 698,219 | Multiplying emission intensity of each department by revenue using relevant industry charts |
| Category 5 | Waste generated in operations | 8,247 | Multiplying emissions intensities by waste amounts |
| Category 6 | Business travel | 3,299 | Multiplying emissions intensities by employee numbers |
| Category 7 | Employee commuting | 5,202 | Multiplying emissions intensities by employee numbers |
| Category 8 | Upstream leased assets | 1,050 | Aggregating emissions from vehicles leased in Japan |
| Category 9 | Downstream transportation and distribution | 444,561 | Multiplying emission intensity of each department by revenue using relevant industry charts |
| Category 10 | Processing of sold products | - | Not applicable as emissions from processing within the Group are included under Scope 1 and Scope 2 |
| Category 11 | Use of sold products | 8,483 | Calculated based on life span and electricity consumption of principal medical electronics (pumps) |
| Category 12 | End-of-life treatment of sold products | 1,007 | Multiplying emission intensity of each department by revenue using relevant industry charts |
| Category 13 | Downstream leased assets | - | Not applicable as emissions associated with leased assets are accounted for under use of sold products |
| Category 14 | Franchises | - | Not applicable as no facilities considered franchises exist |
| Category 15 | Investments | - | Not applicable as no emissions were generated through investments |
| Total | | 3,530,081 | |

* Emissions intensities used in calculations are based on the database of emissions intensities for calculating organization greenhouse gases across the supply chain provided by the Ministry of the Environment (Ver. 2.6).

* Scope: Terumo Group

Ensuring Occupational Safety and Promoting Health /
 Reducing the Environmental Impact of Our Business Operations

Waste Reduction and Recycling

As part of its efforts to use resources more efficiently, Terumo sets targets for recycling and for reducing final disposal waste. From a safety perspective, it is difficult to reuse waste (practice material recycling) internally. We do, however, segregate various types of waste from manufacturing processes and from business activities in offices, and, with the cooperation of a recycling company, turn it into floor tiles and other types of plastic products, refuse plastic fuel (RPF),

and organic fertilizer. For fiscal 2018, we achieved a recycling rate of 86.5% at Terumo Group business sites in Japan and manufacturing sites overseas, with final disposal waste accounting for 0.1% of total waste at domestic Terumo Group business sites, accomplishing our targets for the year. In addition, the recycling rate of 98.4% for Terumo Group business sites in Japan surpassed the medium-term target set for fiscal 2019 (98%) ahead of schedule.

Recycling Target for Fiscal 2018

Achieve a recycling rate of 86% or higher for the Terumo Group

Waste-Reduction Target for Fiscal 2018

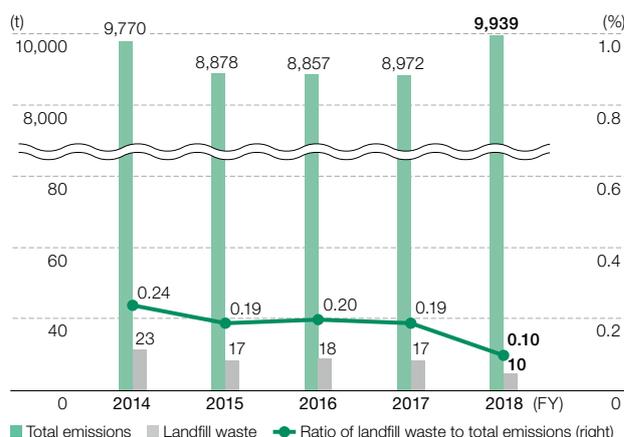
Reduce final disposal waste to 0.3% or less of total waste at Terumo Group business sites in Japan

Recycling Volume and Rate



* Scope: Terumo Group business sites in Japan and manufacturing sites overseas
 * Figures for fiscal 2017 have been restated to rectify past errors in the collection of domestic data.

Landfill Waste



* Scope: Terumo Group business sites in Japan
 * Figures for fiscal 2017 have been restated to rectify past errors in the collection of data.

Initiatives to Collect and Recycle Small Rechargeable Batteries

Terumo works through the Japan Portable Rechargeable Battery Recycling Center (JBRC) to collect and recycle used rechargeable batteries from Terumo products. This is in compliance with Japan's Act on the Promotion of Effective Utilization of Resources. To promote the proper recycling of small rechargeable batteries, we display a

recycling logo on our products and inform customers through product instruction booklets that batteries should be recycled. In addition, for products covered by our maintenance services, we regularly inspect and replace small rechargeable batteries and recycle batteries that are no longer usable.

Collection and Recycling of Small Rechargeable Batteries in Fiscal 2018

| Nickel-cadmium batteries | Nickel-metal hydride batteries | Lithium-ion batteries | Sealed lead-acid batteries |
|--------------------------|--------------------------------|-----------------------|----------------------------|
| 1,974 | 2,584 | 619 | 1,773 |

(kg)

* Scope: Terumo Corporation business sites in Japan

Ensuring Occupational Safety and Promoting Health /
Reducing the Environmental Impact of Our Business Operations

Reduction of Containers and Packaging and Promotion of Recycling

To effectively use resources and improve ease of use for customers, Terumo is working to reduce its use of containers and packaging materials. These efforts include the development of smaller, lighter, and slimmer containers and packages and the adoption of new containers and package designs.

In Japan, recycling of containers and packaging waste is promoted through the Containers and Packaging Recycling Law, which requires product sellers to recycle containers and packaging discarded as household waste. Terumo fulfills its recycling obligation by engaging the

Japan Containers and Packaging Recycling Association to recycle waste. In fiscal 2018, we sent a total of roughly 245 tons of paper and plastic packaging materials to this organization for recycling.

Recycling of Containers and Packaging in Fiscal 2018

| | (t) |
|---------|-------|
| Paper | 20.4 |
| Plastic | 224.5 |

* Scope: Terumo Group business sites in Japan

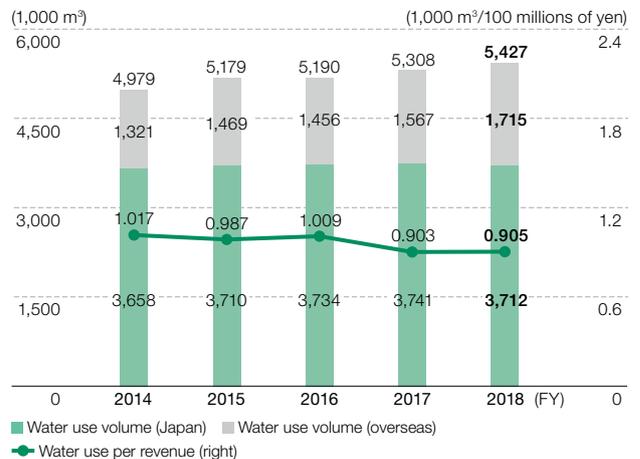
Effective Utilization of Water Resources

Terumo uses large quantities of water in its manufacturing processes and for producing infusion solution. In every country and region where Terumo’s manufacturing sites are based, we examine the state of water resources and ascertain risks and opportunities in water use (intake). The Terumo Group also sets targets related to water use and strives to reuse water and reduce its overall use. In fiscal 2018, water use per revenue was relatively unchanged from the previous fiscal year as a result of increased water use for air conditioning in response to the extraordinary heat seen on a global scale. However, water use per revenue was still down 10% in comparison with fiscal 2016. We will continue Groupwide efforts to promote the effective use of water resources going forward.

Medium-Term Target for Fiscal 2019

Reduce Groupwide water use (intake) per revenue by at least 3% compared with the fiscal 2016 level by the end of fiscal 2019

Water Use (Intake) Volume



* Scope: Terumo Group business sites in Japan and manufacturing sites overseas
* Figures for fiscal 2014–2017 have been restated to rectify past errors in the collection of overseas data.

Proper Control of Chemical Substances

Terumo manages chemical substances and tracks their use, emissions, and disposal in accordance with the Terumo Global EHS Policy in order to mitigate health risks and reduce environmental impacts associated with these substances. Chemical substance risk assessments are carried out at worksites that use such substances and proper chemical substance control is practiced based on

information on hazardous chemical substances derived from the Globally Harmonized System of Classification and Labelling of Chemicals.

Voluntary goals have been established with regard to substances that pose particular risk to people's health and precautions are taken to prevent emissions of these substances.

Voluntary Action to Reduce Chemical Substance Emissions

Reduction of Dichloromethane Emissions

Terumo is working to reduce its emissions of dichloromethane based on its own voluntary targets. At business sites that handle large amounts of dichloromethane, we have installed a recycling system to reduce emissions of this air pollutant as much as possible. As an added measure, we monitor dichloromethane concentrations at the exhaust ports and boundaries of sites.

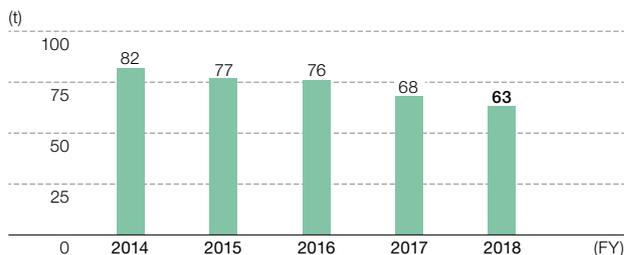
Target for Fiscal 2018

Keep dichloromethane emissions to less than 100 tons per year for Terumo Group business sites in Japan

Reduction of Ethylene Oxide Emissions

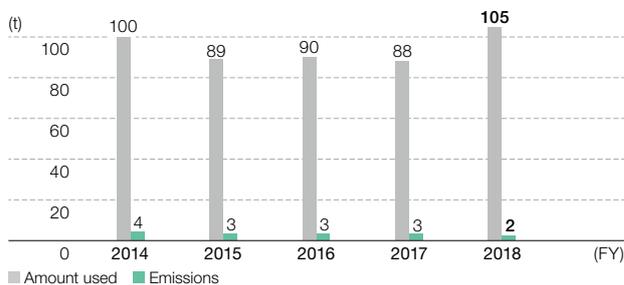
Ethylene oxide is widely used to sterilize medical devices. At Terumo, we are working to reduce ethylene oxide emissions to the outside environment and have installed emissions treatment systems for this purpose. In addition, we have voluntarily set an upper limit of 4.3 µg/m³ on atmospheric concentrations at the boundaries of sites that neighbor resident areas and monitor the atmosphere to ensure we adhere to this standard.

Dichloromethane Emissions



* Scope: Terumo Group business sites in Japan

Ethylene Oxide Emissions



* Scope: Terumo Corporation business sites in Japan

* Figures for emissions for fiscal 2017 have been restated to rectify past errors in the collection of data.

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

● Substitutes for HCFC-225

In light of the Montreal protocol, an international agreement for the phase-out of substances that deplete the ozone layer, it has been decided that the production of HCFC-225 will be prohibited in developed countries beginning in 2020. Accordingly, Terumo is moving ahead with its transition to HCFC-225 substitutes.

HCFC-225 Emissions



* Scope: Terumo Corporation business sites in Japan

* Figures for fiscal 2017 have been restated to rectify past errors in the collection of data.

● Tracking and Management of PRTR Substances

At Terumo, monthly tracking of usage and emissions volumes for pollutant release and transfer registers (PRTRs*) and other chemical substances, and the reduction of emissions at their source, is a top priority.

* The Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

Amount of PRTR Substances Used, Emitted, and Transferred in Fiscal 2018

| Substance | | Amount (t) | | | | Total |
|---|--------------------|--------------------|------------------|--------------|----------------------------|-------|
| | | Fujinomiya Factory | Ashitaka Factory | Kofu Factory | R&D Center (Shonan Center) | |
| ethylene oxide | Amount used | 6.9 | 83.9 | 13.6 | 0.1 | 104.5 |
| | Amount emitted | 0.2 | 1.8 | 0.4 | 0.0 | 2.4 |
| | Amount transferred | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1, 2-dichloroethane | Amount used | – | 2.3 | – | – | 2.3 |
| | Amount emitted | – | 1.7 | – | – | 1.7 |
| | Amount transferred | – | 0.0 | – | – | 0.0 |
| HCFC-225 | Amount used | 15.1 | 15.0 | 5.8 | – | 35.9 |
| | Amount emitted | 9.4 | 11.0 | 3.5 | – | 23.9 |
| | Amount transferred | 0.2 | 0.0 | 0.0 | – | 0.2 |
| dichloromethane | Amount used | – | 6.5 | 148.9 | 0.0 | 155.4 |
| | Amount emitted | – | 3.7 | 59.1 | 0.0 | 62.8 |
| | Amount transferred | – | 0.0 | 0.0 | 0.0 | 0.0 |
| toluene | Amount used | 0.6 | – | 5.1 | 0.6 | 6.3 |
| | Amount emitted | 0.4 | – | 1.9 | 0.0 | 2.3 |
| | Amount transferred | 0.2 | – | 3.2 | 0.6 | 4.0 |
| bis(2-ethylhexyl) phthalate | Amount used | 249.2 | 1.6 | 87.5 | – | 338.3 |
| | Amount emitted | 0.0 | 0.0 | 0.0 | – | 0.0 |
| | Amount transferred | 0.0 | 0.0 | 1.2 | – | 1.2 |
| hydrogen fluoride and its water-soluble salts | Amount used | – | 20.1 | 0.1 | – | 20.2 |
| | Amount emitted | – | 0.6 | 0.0 | – | 0.6 |
| | Amount transferred | – | 1.0 | 0.0 | – | 1.0 |
| n-hexane | Amount used | – | 5.5 | – | – | 5.5 |
| | Amount emitted | – | 2.7 | – | – | 2.7 |
| | Amount transferred | – | 2.8 | – | – | 2.8 |
| N, N-dimethylformamide | Amount used | – | 8.6 | – | – | 8.6 |
| | Amount emitted | – | 5.5 | – | – | 5.5 |
| | Amount transferred | – | 0.0 | – | – | 0.0 |

* Scope: Terumo Corporation business sites in Japan

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

Proper Disposal of Polychlorinated Biphenyls

In Japan, Terumo has ceased the use of all equipment (transformers, capacitors, etc.) containing high concentrations of polychlorinated biphenyls (PCBs) and is systematically disposing of this equipment through the Japan Environmental Storage & Safety Corporation.* In

addition, all business sites have completed disposal of equipment containing low concentrations of PCBs.

* The Japan Environmental Storage & Safety Corporation (JESCO) is a special company wholly owned by the Japanese government. It was established in April 2004 as the only company in Japan to carry out detoxification of items with high concentrations of PCBs.

Compliance with Environmental Regulations for Products

The regulated substance and environmental pollutants contained in products are clearly identified at the product design and procurement stages. We use our Human×Eco Development Guidelines as a tool to raise designer awareness.

Terumo seeks to comply with the Restriction of Hazardous Substances Directive (RoHS*1), the Registration, Evaluation, Authorisation and Restriction of Chemicals

(REACH*2), and other environmental regulations pertaining to products. For this reason, the Company is stepping up management of these substances by monitoring the regulated substances contained in procured items.

*1 Directive of the European Union that restricts the use of certain hazardous substances included in electrical and electronic equipment

*2 Regulation of the European Union regarding the registration, evaluation, authorization, and restriction of chemicals

| Initiatives for Biodiversity Conservation |

Terumo understands that our lives and health and even the practice of medicine itself depend on the existence of diverse living organisms and ecosystems. As a company whose business draws benefits from nature, Terumo seeks

to preserve biodiversity through environmental education and reforestation activities and works to support the development of a society in which humans coexist with nature.

Protecting Forests

● Mt. Fuji Reforestation Project

Terumo has two factories in the city of Fujinomiya in Shizuoka, Japan. Both take in groundwater from springs at the foot of Mt. Fuji for use in the production of medical devices, pharmaceuticals, and other products. Recognizing that our business depends on the use of natural resources, we launched the Terumo Mt. Fuji Reforestation Project in fiscal 2003 with the aim of restoring the natural forests in this area. This project involves the reforestation of parts of Mt. Fuji's forests where many trees have been destroyed by typhoons. Repopulating these areas with native tree species will help them become more resistant to future natural disasters and ensure that they can continue to serve as a source of groundwater.

In fiscal 2011, three parties—Shizuoka Prefecture, a local forest owner, and Terumo—entered into an agreement called the Shizuoka Mirai-no-Mori (Future Forest) Supporter Pact. Under this agreement, we plant trees and maintain forested areas to create the Terumo Megumi-no-Mori reserve within the Fumoto district of Fujinomiya. Moreover, we are engaged in year-round reforestation activities based on the concepts of resources, living organisms, interaction, and health through this agreement.

In fiscal 2018, approximately 380 volunteers, including associates, their families, and local junior high school students took part in these activities.

Results of Activities under Shizuoka Mirai-no-Mori Supporter Pact (Fiscal 2011–2018)

- Total number of participants: 1,853
- Activity details
 - Planting of 2,465 trees (sawtooth oak, konara oak, maple, cherry, etc.)
 - Production of benches and tables using thinning by-products, creation of walking paths, forest walking events, etc.



Group photo of participants

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

● ECO Challenge

Each year, we hold the ECO Challenge in which volunteer Terumo associates in Japan and their families conduct a variety of voluntary environmental preservation and health improvement activities at home and work. At the beginning of the ECO Challenge, a “Challenge Sheet” describing specific activities is distributed to participants, who then perform them. Points are calculated based on the activities of participating associates, and Terumo translates these

points into a monetary value for donations to the following two programs (described below) arranged by the Organization for Industrial, Spiritual, and Cultural Advancement—International (OISCA).

In fiscal 2018, a total of 1,295 associates participated in the ECO Challenge.

The Children's Forest Program

OISCA conducts the Children's Forest Program in which children take part in forestry activities based around their schools. The goal of this program is to help members of local communities learn about the importance of forests and the environment and encourage them to engage in forest preservation through environmental education and tree planting. Funds donated by Terumo are used to provide environmental education to children in the Philippines, to expand woodlands by planting and nurturing seedlings, and in other activities.



Children's Forest Program

The Coastal Forests Restoration Project in Tohoku Region

Coastal forests play an important role in preserving local living conditions, acting as sand and wind barriers and as dampers against tsunamis. With the loss of coastal forests due to the tsunami generated by the Great East Japan Earthquake, salt damage along the coast of the Tohoku region is growing worse. The Coastal Forests Restoration Project is intended to promote expanded production of seedlings and the planting and nurturing of forestland. The project also works for the recovery of disaster-affected regions through farmland restoration and job creation.



Coastal Forests Restoration Project

Amount of Funds Dedicated to Biodiversity Preservation Projects in Japan

Fiscal 2018: Approx. ¥4 million
Projects

- Mt. Fuji Reforestation Project
- ECO Challenge
- Donations to other biodiversity preservation projects

Ensuring Occupational Safety and Promoting Health / Reducing the Environmental Impact of Our Business Operations

EHS Goals and Achievements

| Initiatives | Fiscal 2018 targets | Fiscal 2018 assessment | Medium-term targets (fiscal 2017–2019) | Fiscal 2019 targets | Related United Nations SDGs |
|--|---|--|--|--|---|
| Establishment and Operation of the Group EHS Management System | Establish corporate EHS management regulations and corporate EHSMS manual (global version) that comply with international standards (ISO 14001:2015, ISO 45001:2018) * Establish environmental and occupational health and safety management systems that comply with international standards (ISO 14001:2015, ISO 45001:2018) at all sites | Achieved | Expand application of the corporate EHSMS manual to production sites outside of Japan and operate globally | Establish corporate EHS management regulations and corporate EHSMS manual (global version) that comply with international standards (ISO 14001:2015, ISO 45001:2018) |   |
| | Acquire ISO 45001:2018 certification (major production sites in Japan) * Transition from OHSAS 18001 to ISO 45001:2018 | Not achieved*1 | Address ISO revisions (ISO 45001:2018, ISO 14001:2015) and acquire third-party certification (including production bases outside of Japan that have already acquired certification) | Acquire ISO 45001:2018 certification (Fujinomiya Factory, Kofu Factory, Ashitaka Factory, Environmental Management Department) * Transition from OHSAS 18001 to ISO 45001:2018 | |
| | Implement annual EHS and sustainability training at all sites Develop EHS training tools and share throughout the Group (Terumo Group business sites in Japan) | Achieved | Foster an EHS culture throughout the Group - Implement basic EHS education at major production bases outside of Japan | Implement annual EHS and sustainability training at all sites Revise internal EHS education program (ECO Challenge) and increase participation (Terumo Group business sites in Japan) | |
| Reduction of Accident Risk, Health Enhancement | Reduce number of fatal and major occupational injuries to zero Reduce number of occupational accidents (including lost work time but not including commuting accidents) to nine or less (Terumo business sites in Japan: associates, dispatched associates, and contract workers) Achieve 100% consultation rate for regular health exams and consultation rate of 80% or more for secondary exams (associates at Terumo business sites in Japan) | Not achieved*2 | Reduce number of fatal and major occupational injuries to zero Reduce number of occupational accidents (including lost work time but not including commuting accidents) to seven or less by fiscal 2019 (Terumo business sites in Japan: associates, dispatched associates, and contract workers) * Bring number of occupational accidents (including lost work time) to levels on par with or below the average frequency rate for occupational accidents in the same industry Achieve 100% consultation rate for regular health exams and consultation rate of 80% or more for secondary exams (associates at Terumo business sites in Japan) | Reduce number of fatal and major occupational injuries to zero Establish internal machinery safety standards (Terumo Group business sites in Japan) Cultivate machine safety personnel (Terumo Group business sites in Japan) - Develop two instructor-level personnel per site Reduce number of occupational injuries (including lost work time but not including commuting accidents) to seven or less (Terumo Group business sites in Japan: associates, dispatched associates, and contract workers) Achieve 100% consultation rate for regular health exams and consultation rate of 80% or more for secondary exams (associates at Terumo Group business sites in Japan) |   |
| | Reduce number of major environmental accidents to zero Establish procedure for response to emergency situations and carry out training (ongoing management) | Achieved | Reduce number of major environmental accidents to zero | Reduce number of major environmental accidents to zero Establish procedure for response to emergency situations and carry out training (ongoing management) | |
| | Provide details on development of at least one HumanxEco product/production process at each development site (Terumo business sites in Japan) Select alternatives for chlorofluorocarbon solvents for all products and establish substitution plans (countries applicable to regulation) | Achieved | Launch three HumanxEco products Establish a production process that does not use regulated chlorofluorocarbons (such as HCFC-225) | Provide details on development of at least one HumanxEco product/production process at each development site (Terumo business sites in Japan) Launch at least one HumanxEco product (Terumo business sites in Japan) Switch from chlorofluorocarbon solvents to alternative solvents based on chlorofluorocarbon substitution plans (countries applicable to regulation) | |
| Reduce the Group's overall CO ₂ emissions per revenue by 1% or more compared with previous year | Not achieved*3 | Cut the Group's overall CO ₂ emissions per revenue by 38% or more compared with fiscal 2005 * Long-term target: 50% reduction in fiscal 2025 | Reduce the Group's overall CO ₂ emissions per revenue by 1% or more compared with previous year Conduct investigations pertaining to introduction of renewable energy | | |
| Effective Use of Energy and Resources | Reduce the Group's overall water use (intake) per revenue by 1% or more compared with previous year | Not achieved*4 | Reduce the Group's overall water use (intake) per revenue by 3% or more compared with fiscal 2016 | Reduce the Group's overall water use (intake) per revenue by 1% or more compared with previous year Achieve year-on-year improvement in water recycling rate |     |
| | Raise the Group's overall recycling rate to 86% or higher Achieve year-on-year improvements in the recycling rates of all sites Achieve recycling rate of 97% or more, reduce volume of waste for final disposal to 0.3% or less of total emissions (Terumo Group business sites in Japan) | Achieved | Raise the Group's overall recycling rate to 87% or higher Achieve recycling rate of 98% or more, reduce volume of waste for final disposal to 0.3% or less of total emissions (Terumo Group business sites in Japan) | Raise the Group's overall recycling rate by 1 percentage point year on year Achieve year-on-year improvements in recycling rates for all sites Achieve recycling rate of 98% or more, reduce volume of waste for final disposal to 0.3% or less of total emissions (Terumo Group business sites in Japan) | |
| | Identify laws and regulations governing chemical substances and assess compliance (ongoing management) Maintain and manage safe working environments - e.g. Ethylene oxide concentration in working environments: 1 ppm or less Dichloromethane concentration in working environments: 50 ppm or less Improve high-risk environment (over intermediate 3) in chemical substance risk assessments and establish management system, continue education on chemical substance management (Terumo Group business sites in Japan) Identify environmental laws and regulations and assess compliance (ongoing management) Maintain voluntary management in the following areas (Terumo Group business sites in Japan) - EO environmental concentration on outskirts of facilities adjacent to residential areas: less than 4.3 µg/m ³ - Monitoring of EO concentration at air pollution outlets - No class 3 working areas in which organic solvents are handled - Dichloromethane emissions: less than 100 t/year | Achieved | Continue to observe laws and regulations governing chemical substances (zero violations) Monitor emissions of hazardous chemical substances and appropriately manage them | Assess compliance with laws and regulations governing chemical substances (ongoing management) Maintain and manage safe working environments - e.g. Ethylene oxide concentration in working environments: 1 ppm or less Dichloromethane concentration in working environments: 50 ppm or less Establish procedures for responding to leaks of hazardous chemical substances and other emergencies and conduct related drills Install safety showers and eye wash stations (Terumo Group business sites in Japan) Monitor emissions of hazardous chemical substances (ongoing management) Maintain voluntary management in the following areas (Terumo Group business sites in Japan) - EO environmental concentration on outskirts of facilities adjacent to residential areas: less than 4.3 µg/m ³ - Monitoring of EO concentration at air pollution outlets - Class 3 working areas in which organic solvents are handled: none - Dichloromethane emissions: less than 100 t/year | |
| Preservation of Biodiversity | Promote biodiversity preservation activities and share activities throughout the Group e.g., greening activities, forest preservation, education, etc. Expand Mt. Fuji Reforestation Project and Eco Challenge campaign (Terumo Group business sites in Japan) - Promote health improvement through Mt. Fuji Reforestation Project - Raise awareness of biodiversity preservation through Eco Challenge campaign | Achieved | Globally cooperate and promote biodiversity protection activities (SDGs 15 and 17) | Advance biodiversity preservation activities and coordinate on a global basis - Promote activities by sharing examples and communicating information inside and outside of the Group Expand Mt. Fuji Reforestation Project (Terumo Group business sites in Japan) - Engage in reforestation activities based on the concepts of resources, living organisms, interaction, and health |   |
| | Advancement of EHS Communication | Achieved | Raise quality of disclosure of information in sustainability reports - Refer to GRI Standards | Increase quality and quantity of information disclosed through sustainability reports and website - Refer to GRI Standards (ongoing) | |

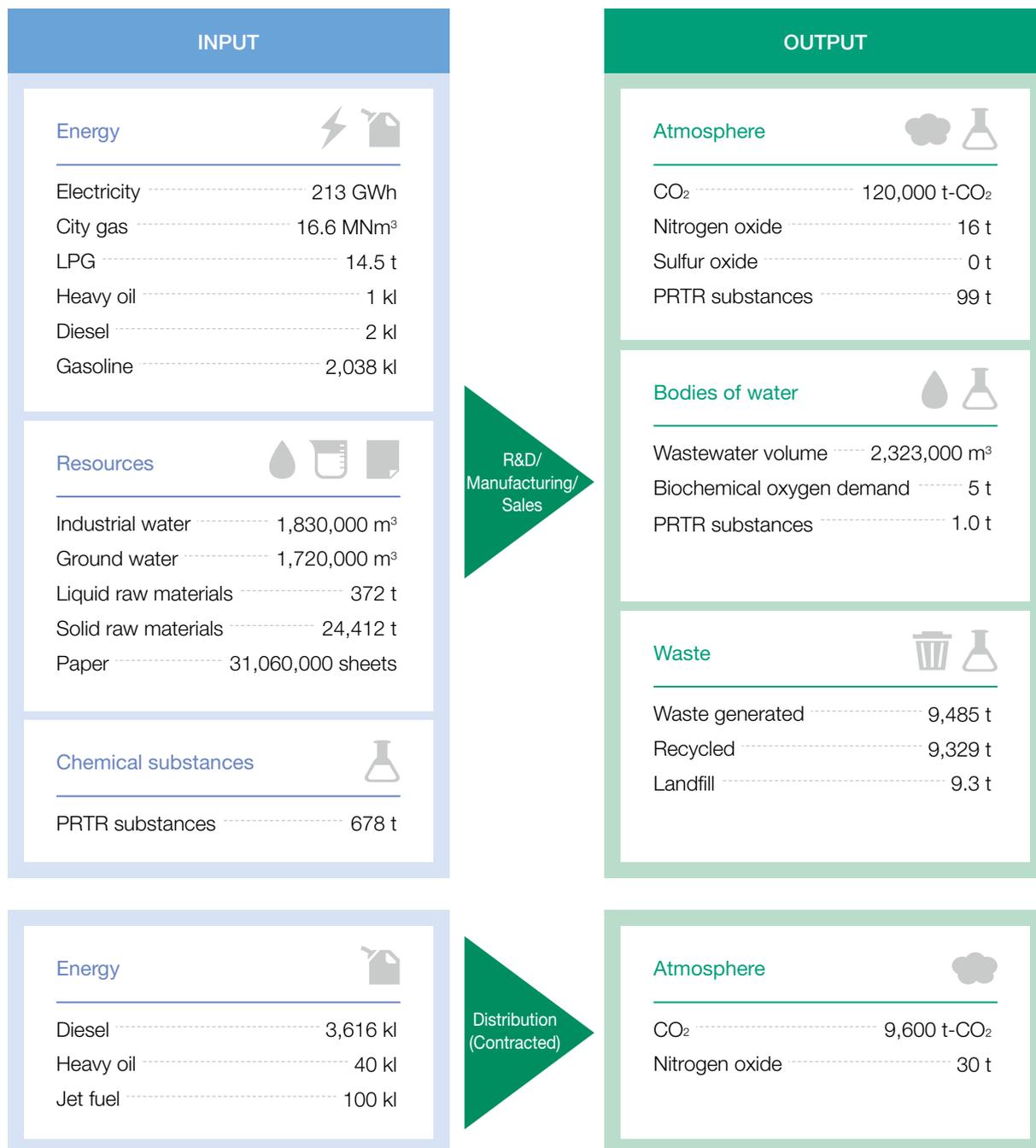
*1 Accomplishment schedule pushed back until fiscal 2019 due to the delayed release of ISO 45001 (March 2018)

*2 23 occupational accidents in fiscal 2018, corrective measures have been implemented

*3 Up 0.2% year on year

*4 Up 0.2% year on year

Material Flow



* Scope: Terumo Corporation business sites in Japan

* The CO₂ emissions coefficients for electricity are the fiscal 2005 coefficients provided by electric power providers.

Promoting Compliance

| Basic Approach |

Earning the trust of society is critical for Terumo to continue to fulfill its Group mission of “Contributing to Society through Healthcare.” Terumo, together with all of its associates, strives to protect its reputation, which is an invaluable asset, and to further build trust with society. To achieve this, every Terumo associate must make the right decisions and do the right things. The Terumo Group Code of Conduct is a guide to help Terumo associates make the right decisions in their everyday actions.

Terumo makes every effort to ensure that all associates around the world, not only directors and officers, engage in

fair business practices, abide by laws and regulations, and follow the highest ethical standards when serving all stakeholders, including the patients and healthcare professionals that use our products, and when practicing social responsibility, always keeping this Code of Conduct in mind. For this purpose, Terumo has established an environment that enables associates to better understand the importance of the Code of Conduct through means such as constantly providing training tailored to each workplace.



Terumo Group Code of Conduct

<https://www.terumo.com/about/code-of-conduct/>

| Compliance System |

At Terumo, the Internal Control Committee, which is responsible for enacting the Internal Control System of the Terumo Group in accordance with the Internal Control System Design Basic Policy approved by the Board of Directors, shall deliberate and make decisions regarding important policies related to compliance, and regularly report the status of these activities to the Board of Directors and Audit/Supervisory Committee.

Under the leadership of the Chief Legal Officer (CLO) and centered on the Legal and Compliance Department, we will create compliance-related rules, perform training

and education, and conduct monitoring to quickly discover and ascertain compliance issues by coordinating with the compliance officers who are in charge of promoting compliance-related activities at each Group company.

In the event that a significant compliance violation were to occur, a response team shall be immediately organized under the direction of the chairperson of the Internal Control Committee, and that team shall, in addition to handling and resolving the matter, report and make proposals to the Internal Control Committee regarding the cause and recurrence prevention measures.

Voice

Establishment of the Terumo Group Code of Conduct – Accomplishment of Group Mission by Doing the Right Things –

Terumo develops its business in more than 160 countries and has an employee network of over 25,000 associates. The growingly diverse nationalities of our associates has evolved Terumo into a global company. Meanwhile, the new technologies being developed in various fields around the world are causing the associated regulations to become more complicated and thereby giving rise to new social issues. The result is rising levels of expectations and anticipations for the actions of global companies.

This background prompted the Company to overhaul its prior Code of Conduct for the Terumo Group in April 2019 to establish a guideline that was better suited to Terumo as a global enterprise.

We recognize that if Terumo is to continue to be a company that can fulfill its Group mission and that is trusted and deemed necessary by patients, medical professionals, and the greater society, it is important for all associates to be able to do the right things. The new Terumo Group Code of Conduct therefore positions doing the right things as the most fundamental principle for the behavior of associates.

The revised Code of Conduct was shaped by the input from various associates around the world. This approach was taken to identify the transcendental principles and behavioral standards that should be followed by all associates, regardless of their region or nationality, and to compile these guidelines for expression in an easy-to-understand manner.

Looking ahead, we intend to implement training programs on an ongoing basis to entrench the new Code of Conduct and to ensure that all associates are fully aware of its purpose and content and adapt their daily activities accordingly.



Miho Mizuguchi

Executive Officer
Chief Legal Officer (CLO)
General Manager,
Legal and Compliance Dept.

Promoting Compliance

| Compliance Education |

Terumo conducts compliance education with the aim of improving compliance awareness among all associates and ensuring understanding of and compliance with relevant laws and regulations.

Major Compliance Training Programs (Terumo Corporation)

| Name | Scope of participation | Format | Subjects/frequency |
|---|--|-------------------------------------|--|
| Terumo Group Code of Conduct trainings | All directors, officers, and associates | E-learning program | Training on the Terumo Group Code of Conduct |
| Training on fair competition and bribery prevention | Directors, officers, and some associates | E-learning program | Fair transactions and prevention of corruption in business activities |
| Healthcare professional relations training | Sales branch and company associates | Branch training, e-learning program | Maintenance of appropriate relations with healthcare professionals |
| Level-based training | Associates at specific levels | Group training | Compliance education as part of training for early-career associates and associates being promoted to mid-level and management positions |

| Compliance Initiatives |

Whistle-Blowing System

When we encounter any compliance issues, it is important to promptly take the appropriate measures, such as investigation, preventive action, disciplinary action, and/or recurrence prevention. For this reason, we have established the Terumo Global Compliance Violations Reporting and Anti-Retaliation Policy, which urges associates to promptly report any compliance-related issues internally while ensuring that they will not suffer any retaliation as a result.

Based on this policy, Terumo has established and operates a whistle-blowing system through which associates can

make reports or receive consultation with regard to compliance violations. Through this system, associates can contact internal venues, legal advisors, or external reporting venues operated by independent third-party organizations via email, mail, telephone, or other means. In addition, a whistle-blowing system relating to the Board of Directors was established in July 2017, enabling associates to contact the Audit/Supervisory Committee.

Promoting Compliance

Prevention of Harassment

Terumo's work regulations in Japan explicitly forbid abuses of power and sexual harassment, regardless of gender orientation or gender identification (members of the LGBT community), as well as activities intended to put individual associates at a disadvantage due to reasons such as pregnancy, or roles as a parent or caregiver. In addition, with the aim of raising awareness of harassment prevention, we have established a harassment intranet page where associates in Japan will find our Harassment Prevention Guidelines along with harassment training materials and information on consultation venues.

From fiscal 2017, December–January has been designated as a period for promoting harassment prevention awareness in Japan. Initiatives during this period include the transmission of messages, administration of surveys, and conducting of e-learning programs for all associates. Managers, meanwhile, periodically attend trainings that provide examples of harassment relevant to daily business activities.

Harassment Prevention Guidelines

- Sexual harassment, abuses of power, and other forms of harassment are human rights issues that violate the dignity of associates and create a toxic workplace.
- Terumo continuously conducts compliance training and asks associates for written pledges declaring their understanding of the negative impacts of harassment and the disciplinary measures that may be taken against them for engaging in harassment.
- Terumo does not tolerate any form of harassment.
- Terumo strives to increase each associate's understanding of harassment as well as their ability to address harassment issues as part of its efforts in creating a healthy organization that is not complicit in or tolerant of harassment and where all employees are respectful of one another.
- Terumo urges associates who have encountered any form of harassment to consult with their supervisor or with a human resources or general affairs representative at their workplace or to use internal consultation venues in cases where it is difficult to consult with someone in the regular line of reporting. Reporters of harassment issues will not suffer any retaliation and their privacy will be respected.

Opposition to Anti-Social Forces

Avoiding relationships with anti-social forces is one of Terumo's corporate responsibilities. We therefore strictly refuse to become involved in any relationship with anti-social forces and do not engage in any transactions with

companies, other organizations, or individuals with ties to anti-social forces. Furthermore, we work with law enforcement authorities and other agencies to combat anti-social forces.

Anti-Corruption

The Terumo Group expects full compliance with Japan's Unfair Competition Prevention Act, the U.S. Foreign Corrupt Practices Act, and other anti-corruption laws in the countries and regions in which the Group operates in order to ensure honest and fair business practices.

All Terumo associates observe the Terumo Global Anti-Corruption and Anti-Bribery Policy, which clearly stipulate

our commitment to preventing corruption and engaging in fair business practices. In addition, we have established the Terumo Global Third Party Anti-Corruption and Anti-Bribery Policy, based on which we request our business partners to comply with anti-corruption laws.

Promoting Compliance

Prohibition of Collusion and Cartels

To prevent associates from becoming involved in collusion and cartels during the course of business activities, the Terumo Group has established the Terumo Group Global

Antitrust Policy and is engaged in a Groupwide effort to maintain fair and free competition.

Appropriate Relationships with Healthcare Professionals

Terumo abides by the Fair Competition Code of the Japan Fair Trade Council of the Medical Devices Industry, the Code of Practice of the Japan Pharmaceutical Manufacturers Association, the Promotion Code of the Japan Federation of Medical Devices Associations, and other industry regulations to ensure that it follows appropriate practices in promoting medical devices and pharmaceuticals to healthcare professionals. We have also established

the Terumo Code of Practice along with other internal rules for this purpose.

Furthermore, the Terumo Global Ethical Interactions with Healthcare Professionals Policy was established based on the principles of the codes of ethics of reputable industry associations in the regions in which the Group operates, to guide us in maintaining appropriate relationships with healthcare professionals.

Advertisements and Other Activities for Providing Product Information and Sales Promotions

Terumo strives to conduct appropriate promotional activities. To facilitate these efforts, the Company has established the Terumo Code of Practice and ensures compliance with Japan's PMD Act (the Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics) as well as other relevant laws and regulations. We also abide by various industry codes, such as those set by The Japan Federation of Medical Devices Associations and the Japan Pharmaceutical Manufacturers Association. The relevant divisions review promotional materials prior to use to confirm their legality and the accuracy of the information they contain. In addition, the Promotional Activities Control Department was established within the corporate

headquarters in July 2019 to promote compliance with the Guidelines for Prescription Drug Marketing Information Provision released by the Ministry of Health, Labour and Welfare on September 25, 2018. We also work to ensure the appropriateness of promotional activities overseas with major Group companies playing a central role in advancing these activities in compliance with the applicable laws.

In addition, the Company has formulated the Terumo Group Global Rules for Dealing with Off Label Use to ensure compliance with the relevant laws and regulations in countries where its products are sold. Based on these rules, we prohibit advertising or sales promotions of unapproved or off-label use of pharmaceuticals and medical devices and preserve the appropriateness of our promotional activities.

Transparent Relationships between Corporate Activities and Medical Institutions

The supply of advanced medical devices and pharmaceuticals that meet sophisticated needs requires not only the efforts of individual companies but also cooperation with universities and other research and medical institutions at all stages of the process, ranging from research and development to production and sales. Sometimes this cooperation entails the payment of monetary compensation. Terumo seeks to ensure transparency in such activities through adherence to high ethical standards.

In Japan, based on voluntary industry rules, Terumo has formulated its Transparency Guideline for the Relationships between Corporate Activities and Medical Institutions and its Transparency Guideline for the Relationships between Corporate Activities and Patient Organizations. We follow the provisions of these guidelines in disclosing payments of funds to medical institutions, medical professionals, and patient organizations.

Promoting Compliance

Stance on Tax

Guided by its Group mission of “Contributing to Society through Healthcare,” the Terumo Group conducts business based on strict legal compliance and corporate ethics and aims to achieve sustainable growth and maximize

long-term corporate value and meet the expectations of its worldwide stakeholders. In accordance with its Group mission, the Terumo Group takes the following actions in conducting tax management.

1. Terumo Group complies with international taxation rules and the laws of all countries in which it conducts business activities and maintains tax compliance.
2. Terumo Group constructs and maintains appropriate relationships with the tax authorities where the Terumo Group conducts business activities and does not attempt to obtain unfair benefits from the tax authorities by providing unethical gifts to these authorities.
3. Terumo Group considers the balance of each stakeholder’s interest and ensures that an appropriate tax burden is borne while maximizing its corporate value.

| R&D Ethics |

The development of medical devices and pharmaceuticals requires us to conduct animal experiments as well as clinical research on human beings in order to evaluate the safety and efficacy of these products. In its research activities, Terumo always acts in an appropriate manner based on both an ethical and a scientific perspective. We therefore observe the principles of the Declaration of Helsinki* and comply with Good Clinical Practices (GCP) as well as

the pharmaceutical laws of countries in which we operate and other relevant regulations and standards. In addition, we have established the internal Research Ethics Review Committee and Institutional Animal Care and Use Committee in order to guarantee the utmost levels of ethics and respect for animal life in our R&D activities.

* Declaration of Helsinki—Ethical Principles for Medical Research Involving Human Subjects, a set of ethical guidelines for clinical research

| Ethics in Clinical Research and Clinical Trials |

Based on the Ethical Guidelines for Medical and Health Research Involving Human Subjects, Terumo has established the Terumo Ethical Review Regulations, a set of basic policies for respecting human rights and dignity in human clinical research (clinical trials). The Terumo Research Ethics Review Committee, which includes members from outside of the Group, has been formed in accordance with these regulations to discuss the social significance and scientific validity of all clinical research projects prior to commencement.

Clinical trials aimed at the acquisition of manufacturing and sales approval are conducted in accordance with the

principles of the Declaration of Helsinki and in compliance with GCP put forth in the relevant countries. GCP define all of the items for which compliance is required by the medical institutions conducting clinical trials, healthcare professionals, such as research investigators, and other staff, and the sponsors of the study. The Terumo Group formulates and adheres to procedures based on GCP to ensure the quality of clinical trials and to acquire highly reliable data. Moreover, clinical trials are monitored to confirm adherence to the defined procedures and, most importantly, to ensure that the human rights and safety of trial participants are being prioritized.

Promoting Compliance

Ethics in Animal Experiments

In its animal experiments, Terumo seeks to ensure both high ethical standards and scientific validity by implementing internal regulations based on relevant laws and guidelines such as the Act on Welfare and Management of Animals and the Standards relating to the Care and Keeping and Reducing Pain of Laboratory Animals.

The Company's Institutional Animal Care and Use Committee was established to conduct proper animal experiments. The committee examines protocols, confirms the conclusion of experiments, and performs animal husbandry management while taking animal welfare into consideration, and conducts periodic self-inspections to ensure that we adhere to the three Rs tenets stipulated by relevant laws—Replacement (to replace animal studies with other methods), Reduction (to use fewer animals), and Refinement (to alleviate pain and distress)—as well as to the fourth R,

Responsibility (to be responsible for experiments).

Furthermore, education on ethics in animal experiments, scientific validity, recent legal trends, and occupational health and safety is provided on a regular basis to researchers engaged in animal experiments in order to maintain their ability to conduct appropriate tests.

In February 2017, Terumo's R&D base, Shonan Center was fully accredited by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC). The AAALAC is a third-party international certification body for animal experiment facilities that assesses the compliance of such facilities with the *Guide for the Care and Use of Laboratory Animals*. This accreditation verifies that the animal experiment procedures employed by the Company are in compliance with international standards.

Risk Management

Basic Approach

Changes in global circumstances, the globalization of business, and other factors are causing rapid changes in the Terumo Group's business environment. At the same time, risks affecting our business activities are diversifying and growing in complexity. In response to these risks, the Terumo Group is moving forward with the construction of a Groupwide risk management system, an effort that began in fiscal 2015.

The Risk Management Regulation provides the guidelines for appropriate risk management based on identification and analysis of risks for the Group as a whole. Our

objective in managing risks is to provide the proper environment for supporting bold yet appropriate risk-taking—for all types of risks—by management and ultimately to win stakeholder faith and enhance our corporate value.

Messages are communicated to all associates from Terumo's President and CEO stressing the importance of risk management as part of corporate activities. These messages are underscored by a target of realizing an organizational culture in which each individual associate is conscious of risk as they perform their job responsibilities.

Risk Management System

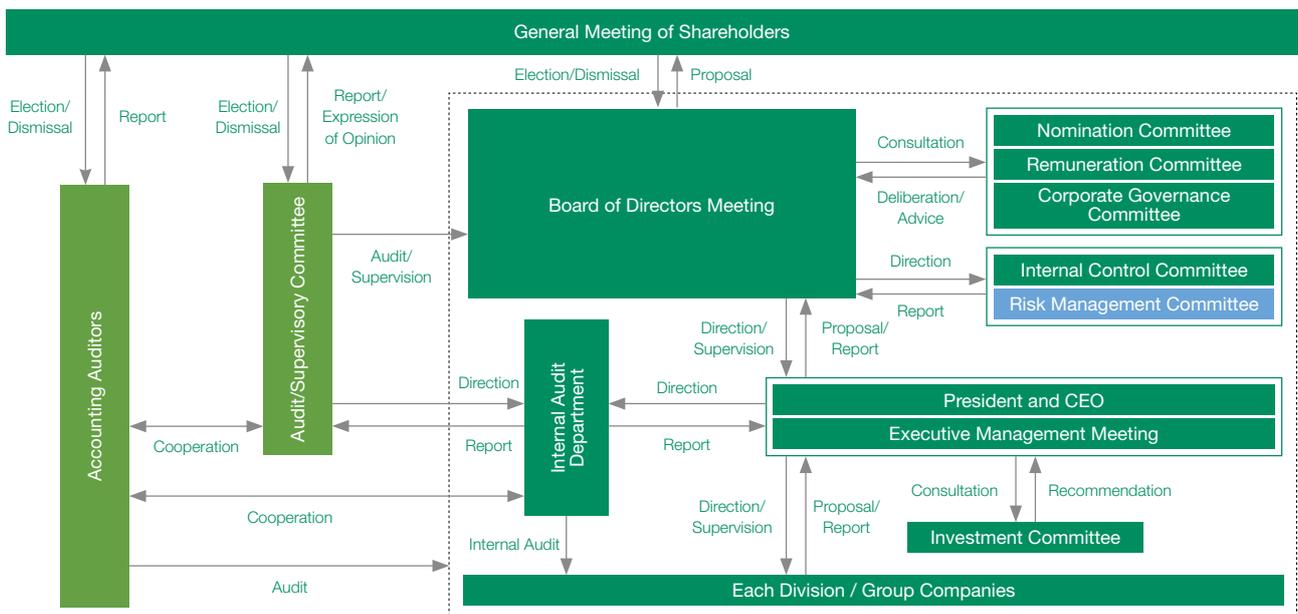
Establishment of Risk Management System

The Risk Management Committee has been established directly under the Board of Directors as an organization charged with overseeing risk management across the entire Group. Chaired by the President and CEO, the committee's membership includes officers at the level of Managing Executive Officer and higher, representatives of relevant departments selected by the committee chair, and the Company's legal counsel. The committee meets twice a year to discuss key risks and draw up, implement, and monitor risk response measures.

Key risks are designated by assessing risks identified

throughout the Group based on predefined criteria. Assessment criteria focus on two key points: 1) whether the risk will significantly impact patients and Terumo customers, and 2) whether the risk will cause serious damage to the Terumo Group's management. Risk information is gathered from throughout the Group, organized in a database, and shared with department heads and risk managers at subsidiaries. In addition, a system has been established for information to be communicated to management organizations promptly through functional departments and the relevant departments of subsidiaries when a significant issue arises.

Risk Management System



Risk Management

Risk Management Education

Since fiscal 2016, we have been including content emphasizing the importance of risk management in briefings for department heads and conducting participatory workshop

training for associates. Through such initiatives, we are working to enhance the level of risk sensitivity among individual managers and associates.

Crisis Response

When a crisis emerges (an identified risk occurs), the Risk Management Regulations stipulate that an internal response be organized in accordance with the crisis level. Crisis responses aim to accomplish three things: 1) protect human lives, 2) minimize damage and losses, and

3) maintain the trust of society. Should a crisis of the highest level occur, we will establish a crisis response headquarters, led by the Risk Management Committee Chair, with the relevant department heads as the second tier of leadership.

Responses to Major Disasters and Other Emergencies

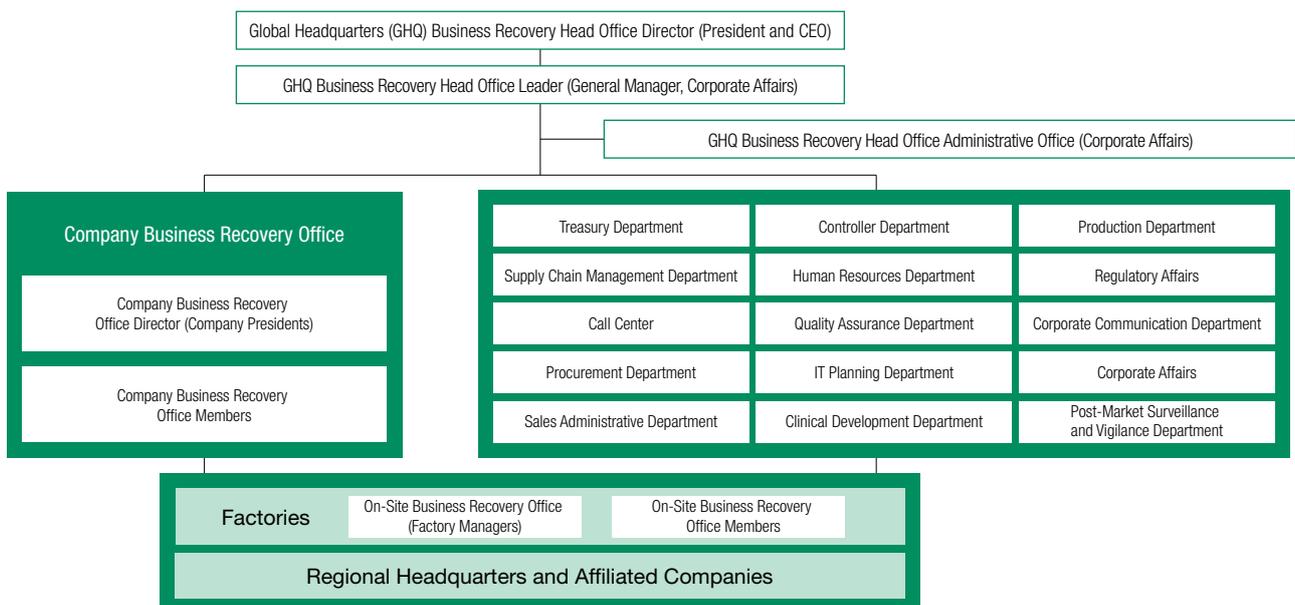
The Terumo Group provides medical devices, pharmaceuticals, and services that are directly linked to people's lives. Accordingly, we believe that ensuring business continuity in the event of a major natural disaster or some other unforeseen situation is an important social obligation of the Group. We have therefore prepared business continuity plans (BCPs) to prevent our operations from being disrupted even under extreme circumstances and to ensure that operations can be quickly restored and resumed should they be disrupted. We conduct various drills on a regular basis and implement other countermeasures.

If a large-scale disaster strikes, a disaster response headquarters, led by the President and CEO of Terumo Corporation,

will be established to swiftly initiate response activities. The disaster response headquarters will ascertain the condition of associates and their families, and gather information on matters such as conditions at suppliers and in disaster-hit areas to assess the current situation, so that response actions can be determined and implemented. At the same time, the disaster response headquarters will embark on efforts to provide the necessary support to disaster-hit areas in a timely manner.

If it becomes apparent that the Terumo Group's supply chain or operations will be temporarily interrupted, the disaster response headquarters will transition to a business recovery mode and begin work to restore normal supply chain/operational functions as quickly as possible.

Business Recovery Organization



Risk Management

Business Continuity Plans

Based on the Terumo Group BCP Standard, the Terumo Group has developed BCPs for its operations around the world based on three policies: 1) fulfill our social responsibilities to ensure that impacts on medical institutions are minimized whenever possible, 2) protect our associates and their families worldwide, and 3) protect our assets.

BCPs have been prepared for factories, functional departments engaged in tasks such as raw material procurement and distribution, and companies. By promoting disaster preparedness in all divisions, we aim to ensure swift and accurate responses in cases of emergencies.

Preparedness Drills

Each Terumo Group location conducts drills, such as the following, on how to respond to large-scale natural

disasters. Communication drills are also conducted jointly with Terumo's logistics partners.

- Establishment of a disaster response headquarters following a major earthquake, confirmation of the roles of individual staff, and other BCP-related drills
- Implementation of systems for rapidly ascertaining the condition of associates and their families and training on their use
- Comprehensive disaster response drills including firefighting, CPR, and rapid evacuation

Infectious Disease Countermeasures

Terumo has been designated a specified public institution under Japan's Act on Special Measures for Pandemic Influenza and New Infectious Disease Preparedness and Response. Accordingly, we have developed an operation plan as required and have formulated a BCP that will enable us to continue operating even in the event of an outbreak of a new strain of influenza or other infectious diseases.

In addition, Terumo has prepared its infectious disease response manual to guide efforts to combat the various

infectious diseases that are currently spreading around the world and to help halt the spread of such diseases. This manual lays out rules covering everything from infection prevention to the return to work of associates who have been infected in an effort to protect business operations from the impacts of infectious diseases. Terumo also monitors the status of infectious diseases around the world and issues travel precautions or restricts business travel for its associates, as conditions warrant.

| Information Security |

Basic Approach

In pursuing business operations, we, at the Terumo Group, take measures to properly protect and ensure information safety with regard to confidential information of the Group as well as information entrusted to the Group by customers and business partners from all manner of threats, including unauthorized access by outside parties; information leaks due to negligence; information manipulation, destruction, and theft; information system malfunctions; and natural disasters. The Terumo Group Global Security Policy has been established as a shared global policy for information security, and region-specific information security rules have been formulated based on this policy.

Regarding personal information, we have developed the Personal Information Protection Standard based on Japanese laws and regulations, including the Act on the Protection of Personal Information and Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures. We properly protect and manage all forms of personal information, including national identification numbers, in accordance with these standards. Furthermore, we have established procedures to be globally compliant with the General Data Protection Regulation, a new personal information protection regulation implemented by the European Union in May 2018.

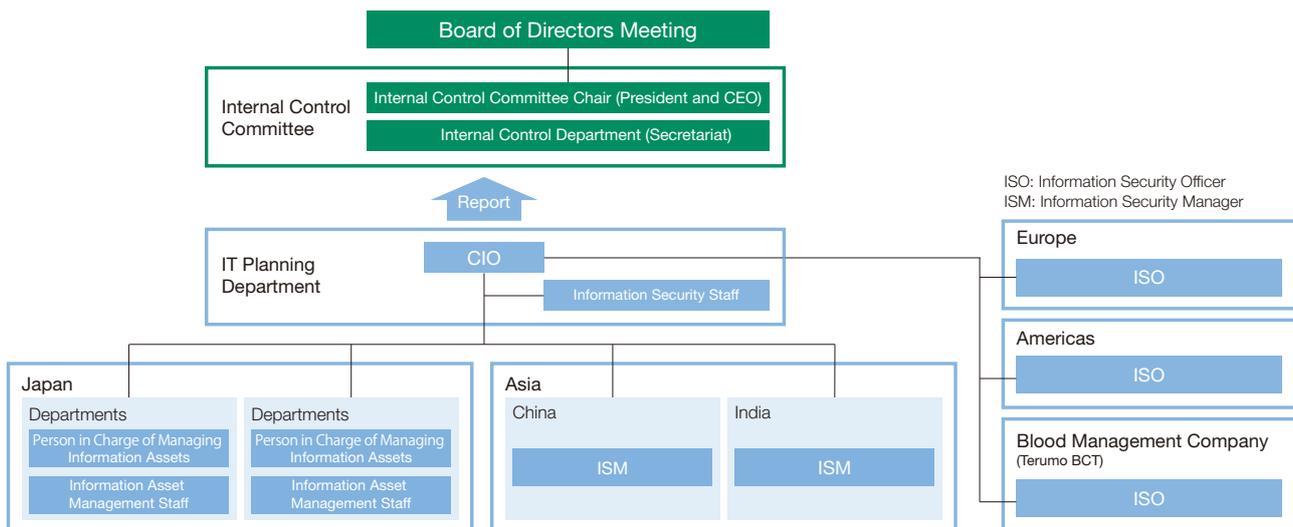
Risk Management

Information Security System

Under the direction of the Chief Information Officer (CIO), the Terumo Group develops global information security systems headed by the IT Planning Department. The formulation and enactment of standards and guidelines based on the laws and regulations of countries of operation and the education and training of associates are promoted on a global basis through these systems. In addition, global meetings are held regularly between representatives from Terumo's IT Planning Department and information security divisions of Group companies. These meetings serve as opportunities to share information on cyber risks and other matters and to examine possible measures for strengthening information security.

In Japan, information security managers and management staff are appointed in each department of Terumo and in each Group company, as stipulated by the Terumo Group Global Security Policy and the information security rules. These individuals perform management and provide guidance to ensure that information in their departments is properly managed and protected. Outside of Japan, information security officers are selected for each region and information security managers are put in place at all affiliates to promote appropriate information protection and management throughout the Group.

Global Information Security Management Organization



Measures for Strengthening Information Security

Terumo business locations throughout the world perform self-evaluations of their security status annually, and information security training for associates is conducted on a regional basis once a year. In addition, both internal and external audits are performed to confirm the status of compliance with the internal rules and regulations of the Company. We have recently seen a rise in the various information security threats needing to be addressed, including targeted attacks, unauthorized access, and leaks of

personal information. To combat such threats, we are implementing measures for strengthening information security to provide multilayered protection that includes countermeasures for scam emails, monitoring for unauthorized transmissions, and other provisions. Furthermore, we conduct drills on targeted email attacks for our associates around the world to raise their awareness of information security.

Social Contribution Activities

Basic Approach

While contributing to patients and medical professionals through its core business, the Terumo Group also engages in social contribution activities as a good corporate citizen based on its Group mission of “Contributing to Society through Healthcare.” We aim to help achieve a sustainable

society by gaining a deeper understanding of the society, culture, and environment of each country and region and by pursuing activities that meet the expectations and demands of communities, mainly in our work to support the spread and development of healthcare.

Supporting the Spread and Development of Healthcare

Blood Donation Activities in Countries throughout the World

The Blood Management Company (Terumo BCT) develops and produces blood bags for blood collection and blood collection systems and provides these items to blood centers in countries around the world. Terumo also has its

associates throughout the world continuously facilitate and engage in activities to promote blood donations while aiming to contribute to blood transfusion treatments.

Activities in Each Country

■ Belgium

- In Belgium, associates from Zaventem and Leuven partnered with the Rode Kruis Leuven (RKV) and Croix-rouge de Belgique – Service du Sang – Site Woluwe blood centers to host five blood drives in June in honor of World Blood Donor Day on June 14, 2018. Nearly 20 associates donated blood.
- In October 2018, the ComeTogether Team in Belgium, a volunteer corporate group of 10 associates, organized a blood drive focused on external promotion at a business park and successfully welcomed 70 donors and received 55 blood units.

■ China

- Associates in China hosted regular blood drives with our distributors in Xi'an, Beijing, and Zhengzhou. More than 150 donors participated.

■ India

- In India, Terumo BCT established the Club 25 program in which students donate blood 25 times between the ages of 18 and 25. Today, there are 11 clubs and the movement is gaining momentum with more than 6,500 blood donors, of whom 4,100 are now regular donors.
- Keeping with the goal of making Trivandrum—the city where our India operations are based—self-sufficient in blood supply by 2020, our local Indian associates are actively involved in various activities, including awareness campaigns featuring music concerts, flash mobs, street dramas, and a sky lantern lighting. Through these activities, they are honoring regular donors and supporting dedicated nonprofit organizations in the field of blood donation. Terumo BCT organized 210 blood donation camps in 2018, collecting an average of 40 units per camp and effectively accumulating around 8,400 units.

■ Japan

- In 2017, we created a community called Team KENKETSU (*KENKETSU* means blood donation in Japanese), which encourages associates from Terumo Group companies to participate in blood donation drives. In fiscal 2018, we hosted 19 blood drives at 11 Terumo Group facilities, including drives at our factories, R&D Center, Tokyo headquarters of Terumo Corporation, and Terumo BCT sales offices. As a result, 1,187 associates donated blood in fiscal 2018.

■ United States

- In 2018, we hosted five blood drives on our Lakewood, Colorado campus with a total of 158 units of blood collected, helping our associate donors impact 474 lives.
- Since 2014, Terumo BCT has provided financial support to the National Cesar E. Chavez Blood Drive Challenge in the United States, which provides US\$1,000 scholarships to student organizers of local blood drives aimed at increasing the Hispanic/Latino blood donation rate.

■ Vietnam

- In Vietnam, Terumo BCT served as a gold sponsor for blood drives hosted by the American Chamber of Commerce (AmCham). A total of 10 blood drives were hosted throughout July 2018 in Ho Chi Minh City to encourage people to donate blood regularly to ensure sufficient blood inventory, which also involved donations from Terumo BCT associates.
- In addition, we hosted our first blood drive at our Vietnam manufacturing plant through a cooperation with Long Thanh Red Cross and Cho Ray Hospital. More than 190 units were collected from our Vietnamese associates and subcontractors.

Social Contribution Activities

Blood Drives Around the World



Belgium



China



India



Japan



United States



Vietnam

Supporting the Leukemia & Lymphoma Society

At Terumo BCT, our largest charitable partnership is our decade-long relationship with the Leukemia & Lymphoma Society's Rocky Mountain Chapter Light The Night fundraising campaign. To date, our associates, sponsors, and events have raised more than US\$1.5 million to support patient care, advocacy, and innovative research to find a cure for blood cancer.

In 2007, we started out modestly with one event and raised approximately US\$3,000. In 2018, we hosted multiple fun teambuilding events, including a golf tournament, food and wine tastings, and ski and bike races, among other events, raising more than US\$235,000. Our support represents 20% of the revenue for the Rocky Mountain Chapter of the Leukemia & Lymphoma Society.

Our campaign culminates each year with our associates forming the largest team at the Light The Night community

walk in Denver's Washington Park to honor survivors and remember those we have lost. Attendees of the Light The Night walk in Lakewood, Colorado also helped fold 1,000 origami paper cranes to symbolize our healing wishes for the patients we ultimately serve.



Terumo BCT team that attended the Light The Night walk



Terumo BCT Corporate Citizenship Report

<https://www.terumobct.com/corporate-citizenship-report>

Social Contribution Activities

Support for Cancer Survivor Club

Terumo supports the activities of the Cancer Survivor Club, a project advanced by the Japan Cancer Society. The Cancer Survivor Club is an organization that aims to create a society in which cancer survivors* across Japan can live with hope. It goes about accomplishing this goal by working together with and assisting cancer survivors as well as their friends and families, addressing the desires to be cured and return to normal life of survivors as well as the hopes of friends and families to support those they are close to. The Cancer Survivor Club provides information on cancer support venues and patient associations across Japan through its website. The club also supplies a venue for telephone consultation with a licensed social insurance consultant for dealing with cancer and holds Cancer Survivor Café and other events. Furthermore, the club has stepped up its support for cancer survivors and their families through the launch of two new services, the Survivors' Net social media service, which helps prevent survivors from feeling isolated, and the Cancer Survivors' Kitchen service, which aims to resolve concerns regarding diets.

In 2018, the Cancer Survivors Support Walk, a project to support cancer survivors across Japan, was carried out. In this project, president of the Japan Cancer Society Tadao Kakizoe visited 32 Japanese Association of Clinical Cancer Centers member hospitals to interact with cancer survivors and members of their families and support

networks. He was accompanied by supporters of the project on each leg of the 3,500-km journey, which took him from Fukuoka Prefecture on one edge of Japan to Hokkaido on the other. A total of 25 Terumo associates joined the walk in various regions, helping encourage support for cancer survivors. In addition, associates at the ME Center, a Terumo site in Shizuoka Prefecture along the walking route, cheered on the walkers.

* "Cancer survivors" refer to anyone who has been diagnosed with cancer in the past, including those that have overcome cancer through treatment and those that are still undergoing treatment.



Cancer Survivor Club (Japanese only)

<https://www.gsclub.jp/>



Associates cheering on walkers at the ME Center

Supporting Early Diagnosis of Children with Congenital Heart Disease in India

Congenital heart disease (CHD) is a neonatal birth defect resulting from the abnormal development of the heart that can affect the interior walls of the heart, the valves inside the heart, or the arteries and veins that carry blood to the heart or the body. It is said that nine out of 1,000 newborns in India have CHD, and it is one of the leading causes of infant mortality in this country. However, roughly 90% of these infants can be treated if their CHD is detected through early examinations.

Terumo Group subsidiary Terumo India Private Ltd. (TIPL), which sells oxygenators and other devices used in cardiac surgeries, partners with Bangalore-based NGO Aishwarya Trust to conduct prescreening camps in order to identify children suffering from CHD and support those diagnosed with the disease in undergoing surgical correction. In fiscal 2018, TIPL was able to support 102 camps

that screened more than 10,000 underprivileged and high-risk children susceptible to CHD and provided surgical treatment and care to 77 children from these camps diagnosed with CHD.



Prescreening camp

Social Contribution Activities

Medical Experience Program for Junior High School Students

On August 4, 2018, we held the first Terumo Junior Medical Challenge medical experience program for junior high school students. This hands-on program was designed with the goal of helping participants choose their future career path and sparking their interest in various medical professions through intravenous injection and catheter surgery training and product development experiences. The Terumo Junior Medical Challenge took place at Terumo Medical Pranex, a training facility that recreates hospital and other medical settings. A total of 24 students participated from the applicable junior high schools in the area surrounding the facility in Ashigarakami, Kanagawa Prefecture.



Students taking part in simulator training for percutaneous coronary intervention

TOPICS

TERUMO LIFE SCIENCE FOUNDATION—Site for Broadcasting the Appeal of Life Science Research to Younger Generations

The TERUMO LIFE SCIENCE FOUNDATION was established through contributions by Terumo Corporation in 1987 (converted into a public interest incorporated foundation on April 1, 2012) with the aim of contributing to improvements in medicine and in the health of all people through the advancement of life science technologies. The foundation primarily provides subsidies for research and development programs in the field of life science and for activities that contribute to advancing medicine and health in Japan and overseas, rewards researchers that have made excellent achievements, and conducts educational activities. In fiscal 2018, subsidies totaling ¥240 million were provided to 136 projects.

Educational activities are being focused on broadcasting the appeal of life science research to younger generations. The Life Sciences DOKIDOKI Laboratory website for junior high and high school students was launched in 2009. The site provides young users—leaders of the future—with the basic knowledge required to understand life sciences as well as easy-to-understand information from the frontlines of fields such as regenerative medicine and neurological research. In 2017, we began posting regular “Let’s talk about research” articles in which junior high and high school students aspiring to become researchers visit and interview researchers active in their fields. In addition, popular content from the website has been compiled into books, enabling this information to be communicated to a wider range of users.

The TERUMO LIFE SCIENCE FOUNDATION will continue such initiatives going forward with the aim of fostering the human resources that will support the future of life science research.



Life Sciences DOKIDOKI Laboratory



TERUMO LIFE SCIENCE FOUNDATION
<https://www.terumozaidan.or.jp/english/>



Life Sciences DOKIDOKI Laboratory (Japanese only)
<https://www.terumozaidan.or.jp/lab/>

Social Contribution Activities

| Support for Disaster-Stricken Areas |

Guided by its Group mission of “Contributing to Society through Healthcare,” the Terumo Group provides relief to areas impacted by earthquakes, typhoons, and other natural disasters through financial assistance as well as donations of thermometers, blood pressure monitors, and other Terumo products.

In fiscal 2018, the Group donated a total of ¥18.3 million (including ¥3.9 million in donations from associates as well as provision of relief items) through the Japan Red Cross Society to support victims of the heavy rains that struck western Japan in July 2018. The president of the



Presentation ceremony for the certificate of appreciation from the Japan Red Cross Society

Japan Red Cross Society presented a certificate of appreciation to Terumo Corporation expressing his gratitude for this support. We also received a certificate of appreciation in June 2019, this time from the Minister of Health, Labour and Welfare, who had high praise for these efforts.

The Terumo Group also supplied relief items to victims of four other natural disasters that struck in fiscal 2018: the Hokkaido Eastern Iburi earthquake, the Kerala floods in India, the Sulawesi earthquake and tsunami, and the Sunda Strait tsunami in Indonesia.



Presentation ceremony for the certificate of appreciation from the Minister of Health, Labour and Welfare

| Support for Local Communities |

Efforts in Europe, the Middle East, and Africa

Subsidiary Terumo Europe NV has set up and implemented an EMEA-wide corporate citizenship program. Part of the program focuses on promoting and overseeing social contribution activities in the company’s subsidiaries and offices operating in various countries and regions. Associates that volunteer to become local Corporate Citizenship Ambassadors as well as subsidiaries and offices set their own topics for activities that include contributing to society (local communities) and healthcare and reducing environmental footprints. In addition to support provided through charitable donations to NPOs and NGOs, systems have also been put in place to support social volunteer activities by teams of associates, and Terumo Europe NV supports organizations where associates already volunteer on their own initiative.



Volunteer activities in Australia



Terumo Europe Corporate Citizenship Report

<https://www.terumo-europe.com/en-emea/About>

Social Contribution Activities

Efforts in Singapore

In line with the Group mission of achieving a strong connection with society, three Terumo Group subsidiaries based in Singapore (Terumo Asia Holdings Pte. Ltd., Terumo Singapore Pte. Ltd., and Terumo BCT Asia Pte. Ltd.) continuously hold CSR activities in collaboration with NPO TOUCH Community Services (TOUCH), which has a history of over 30 years in the region.

In 2018, volunteers from the three companies and TOUCH worked together hand-in-hand to deliver meal services to help homebound senior citizens meet their daily needs for food, visit senior citizens at the TOUCH Senior Activity Centre, and to spend a day at River Safari wildlife park with children aged six to 12 from low-income and/or single-parent families. In September, Terumo took part in The Giving Family Festival organized by TOUCH, celebrating its third year as a sponsor. The event was arranged with the goal of supporting senior citizens requiring special

assistance as well as disadvantaged young people and families. At this event, a booth was established to measure the blood glucose and blood pressure of participants. Also, 34 associates volunteered to take part in its charity run.



Associates volunteering to deliver meals to elderly citizens living alone

| Support for Arts and Culture |

Many traditional Japanese crafts are so globally scarce that they are registered as world heritage. However, more than a few of these crafts are teetering on the verge of extinction due to a decreasing number of applications and a shortage of successors to carry them on. While there has been rising interest domestically and worldwide for traditional Japanese culture, the areas producing such crafts are

facing harsh times. These cultural aspects need to find a way to exist within society in new and different ways. Since fiscal 2015, Terumo has been engaging in activities to support arts and culture. In spring 2018, Terumo accepted applications for financial support, and provided a total of ¥6 million to seven applicants working in the field of traditional Japanese crafts.

| Support for International Exchange |

Terumo takes part in the “Get to Know Japan and Japanese Companies” Project in which students from China are invited to observe Japan and Japanese companies. This project was organized by The Japanese Chamber of Commerce and Industry in China, the Japan–China Economic Association, and the China–Japan Friendship Association. The project has been conducted every spring and fall since 2007. Students are selected from universities in Beijing to be invited to Japan. While in Japan, the students get the chance to visit Japanese companies and observe several other aspects of the country, such as culture and social and industrial circumstances. They are also given opportunities for interaction and exchange with Japanese university students and homestays with Japanese families.

Every year since 2013, Terumo has been cooperating with the homestay portion of the program to give students the

chance to directly experience Japanese life and culture, allowing them to feel the warmth and welcoming nature of their hosts. More than 50 Chinese university students have been hosted by Terumo associates to date. We hope that these students will develop a deeper understanding of Japan and help bridge the gap between China and Japan in the future.



Welcome party for the 22nd “Get to Know Japan and Japanese Companies” Project

Building Relationships of Trust through Dialogue with Stakeholders

The Terumo Group greatly values communications with its various stakeholders. We do our best to listen to what they have to say, earnestly respond to their desires and expectations, and endeavor to make information disclosures that

are timely and appropriate. These efforts are an important means by which we are striving to be a company that is trusted, and needed, by society.

Stakeholder Engagement

The table below provides information on major initiative themes and communication methods that have emerged as high priorities in the Terumo Group's relationships with

stakeholders. Page numbers next to specific items indicate availability of additional information.

| | Terumo's major initiative themes | Main communication channels |
|----------------------------------|--|---|
| Patients | <ul style="list-style-type: none"> Provision of safe, high-quality products Achievement of better medical outcomes and contributions to greater QOL Provision of environmentally conscious products Provision of information on health and disease | <ul style="list-style-type: none"> Call Center (responding to patients' questions) ▶ P14 Online inquiry submission form Postcard survey of purchasers (for certain products) Instruction tools for patients (for certain products) Health information website |
| Medical settings | <ul style="list-style-type: none"> Provision of products and services that respond to market needs Stable provision of safe, high-quality products and services Contributions to improvement of efficiency of treatments and care Provision of environmentally conscious products Collection and dissemination of information on appropriate product use and safety | <ul style="list-style-type: none"> Activities of medical representatives (MRs) Fee-based medical training for medical professionals ▶ P14-15 Academic conference exhibits, seminars, etc. Call Center (responding to inquiries from medical professionals) ▶ P14 Product information website Online inquiry submission form |
| Shareholders and other investors | <ul style="list-style-type: none"> Enhancement of corporate value Stable shareholder returns Timely, appropriate information disclosure | <ul style="list-style-type: none"> General meeting of shareholders, financial results briefings, investor and shareholder briefings IR conferences, IR meetings Annual reports (Terumo Report), shareholder newsletters (in Japan) The Investor Relations section of Terumo's website IR inquiry contact (Corporate Communication Department) Share inquiry contact (Corporate Affairs) |
| Suppliers | <ul style="list-style-type: none"> Procurement of products and services with the required quality and safety Stable procurement Promotion of compliance Fair trade Consideration for human rights and the environment in procurement activities Mutual prosperity founded on trust-based relationships with suppliers | <ul style="list-style-type: none"> Requests for compliance with Supplier Guidelines ▶ P17 Briefings for suppliers ▶ P18 Surveys regarding EHS initiative status ▶ P18 Quality assurance system audits ▶ P17 Procurement business continuity plans ▶ P17 |
| Associates | <ul style="list-style-type: none"> Rewarding work environments and provision of opportunities Promotion of associate health Occupational health and safety measures Promotion of diversity Development and application of human resources Promotion of work-style revolutions | <ul style="list-style-type: none"> Venues for dialogue with top management ▶ P20 Employee engagement surveys ▶ P20 Terumo Patient's Day internal event ▶ P19 Training and education systems ▶ P20-23 Occupational Health and Safety Management Committee ▶ P32 Health management support: support for prevention, early detection, and treatment ▶ P32-37 Promotion of diversity ▶ P24-28 Promotion of work-style revolutions ▶ P28-29 Internal whistle-blowing system ▶ P54 Dialogue between management and the workers' union ▶ P20 Company newsletter, intranet |
| Local communities | <ul style="list-style-type: none"> Social contribution activities that leverage Terumo's business activities Support for research that contributes to the development of healthcare Collaboration with local communities Reduction of environmental impacts on local communities | <ul style="list-style-type: none"> Social contribution activities ▶ P63-68 Environmental impact reduction activities ▶ P30-31, P38-52 |

Data Sheets

- | | |
|----|-----------------------------------|
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Data Sheets

Human Resources and Labor Data

Associate Data

| | | FY2016 | FY2017 | FY2018 |
|--|--------------------------------|-----------|-----------|-----------|
| Number of associates by geographic area (consolidated)*1 | Japan | 5,297 | 5,417 | 5,692 |
| | Europe | 2,198 | 2,510 | 2,326 |
| | Americas | 8,299 | 9,582 | 10,761 |
| | Asia and others | 6,647 | 5,810 | 6,599 |
| | Total | 22,441 | 23,319 | 25,378 |
| Number of associates (non-consolidated)*2 | Male | 4,057 | 4,079 | 4,150 |
| | Female | 672 | 702 | 758 |
| | Non-Japanese associates | 4 | – | – |
| | Total | 4,733 | 4,781 | 4,908 |
| | Ratio of female associates (%) | – | 14.7 | 15.4 |
| Average age*2 | Male | 42.28 | 42.50 | 42.31 |
| | Female | 36.75 | 36.97 | 37.08 |
| | Total | 41.51 | 41.70 | 41.52 |
| Average years of service*2 | Male | 19.3 | 19.3 | 19.0 |
| | Female | 12.7 | 12.7 | 12.7 |
| | Total | 18.4 | 18.4 | 18.1 |
| Average salary (yen)*2 | Male | – | – | – |
| | Female | – | – | – |
| | Total | 7,409,163 | 7,433,730 | 7,530,739 |
| New hires*2 | Male | 94 | 136 | 213 |
| | Female | 29 | 57 | 65 |
| | Total | 123 | 193 | 278 |
| Voluntary turnover (resigning due to personal reasons) (employees)*2 | Male | 65 | 57 | 91 |
| | Female | 35 | 29 | 20 |
| | Total | 100 | 86 | 111 |
| Employee turnover rate (%)*2 | Male | 1.6 | 1.4 | 2.1 |
| | Female | 5.0 | 4.1 | 2.7 |
| | Total | 2.1 | 1.8 | 2.2 |

*1 Scope: Terumo Group

*2 Scope: Terumo Corporation

Promotion of Diversity

| | | FY2016 | FY2017 | FY2018 |
|--|---|--------|--------|--------|
| Number and ratio of female managers*1 | Number of female managers | 57 | 61 | 65 |
| | Ratio of female managers (%) | 5.7 | 6.1 | 6.6 |
| Number and ratio of retirees rehired under TES*2 | Retirees | 79 | 75 | 108 |
| | Number of retirees rehired under TES | 57 | 65 | 84 |
| | Ratio of retirees rehired under TES (%) | 72 | 87 | 78 |
| Ratio of employees with disabilities (%)*2 | | 2.10 | 2.16 | 2.24 |

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

*2 Scope: Terumo Corporation

Promotion of Work-Style Revolutions

| | | | FY2016 | FY2017 | FY2018 |
|---|---|--------|--------|--------|--------|
| Number of associates taking maternity and childcare leave | Associates taking maternity leave | | 36 | 47 | 58 |
| | Associates taking childcare leave | Female | 55 | 78 | 97 |
| | | Male | 68 | 72 | 82 |
| | Ratio of associates returning to work after maternity leave (%) | Female | 100 | 100 | 98 |
| | | Male | 100 | 100 | 100 |
| | Ratio of applicable male associates taking childcare leave (%) | Male | 50.0 | 48.6 | 53.9 |
| Number of associates taking nursing care leave* | Associates taking long-term nursing care leave | | 0 | 2 | 6 |
| | Associates taking nursing care leave | | 4 | | |
| | Associates taking leave for family illness | | 15 | 20 | 34 |
| Associates using the work-at-home system | Registered associates | Male | 4 | 13 | 18 |
| | | Female | 35 | 49 | 67 |
| | Associates using system | Male | 2 | 8 | 12 |
| | | Female | 27 | 43 | 43 |
| Number of former associates rehired | Registered former associates | | 6 | 5 | 5 |
| | Rehired associates | | 1 | 1 | 1 |
| Ratio of paid vacation days taken (%) | | | 65.4 | 68.0 | 71.0 |

Scope: Terumo Corporation

* Excludes half-day leave (nursing care/family illness)

Nursing care and family illness displayed as a combined total from fiscal 2017

Initiatives to Prevent Work-Related Accidents

| | FY2016 | FY2017 | FY2018 |
|---------------------------------------|--------|--------|--------|
| Accidents resulting in lost work days | 2 | 3 | 0 |
| Frequency rate | 0.23 | 0.34 | 0.00 |
| Severity rate | 0.02 | 0.85 | 0.00 |

Scope: Terumo Corporation

Promotion of Kenko Keiei

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

Ratio of Smokers and Ratio of Associates Diagnosed with Metabolic Syndrome*

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--|--------|--------|--------|--------|--------|
| Ratio of smokers (%) | 32.5 | 31.2 | 25.8 | 24.7 | 23.4 |
| Ratio of associates diagnosed with metabolic syndrome* (%) | 22.2 | 24.5 | 23.8 | 23.8 | 24.0 |

* 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. Early Diagnosis and Treatment of Cancer to Enable Associates to Return to the Workplace

Ratio of Associates Undergoing Cancer Screening in Fiscal 2018

| | |
|-------------------|------|
| Stomach (%) | 90.1 |
| Colon (%) | 85.3 |
| Upper abdomen (%) | 91.0 |
| Lung (sputum) (%) | 22.9 |
| PSA (%) | 82.9 |
| Breast (%) | 68.6 |
| Cervix (%) | 60.6 |

3. Women's Health

Breast Cancer and Cervical Cancer Screening Rates

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|------------------------------------|--------|--------|--------|--------|--------|
| Breast cancer screening rate (%) | 60.6 | 68.9 | 71.5 | 69.9 | 68.6 |
| Cervical cancer screening rate (%) | 54.8 | 60.9 | 62.4 | 61.0 | 60.6 |

Environmental Data

CO₂ Emissions

| | FY2005 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---|---------|---------|---------|---------|---------|---------|
| Japan (t-CO ₂) | 111,690 | 124,291 | 126,904 | 128,591 | 128,979 | 130,270 |
| Overseas (t-CO ₂) | 78,860 | 126,370 | 132,982 | 132,886 | 139,410 | 143,958 |
| Total (t-CO ₂) | 190,550 | 250,661 | 259,886 | 261,477 | 268,389 | 274,228 |
| Index of emissions per revenue (FY2005=100) | 100 | 67 | 64 | 66 | 59 | 59 |

Scope: Terumo Group business sites in Japan and manufacturing sites overseas

* Figures for fiscal 2014–2017 have been restated to rectify past errors in the collection of overseas data.

CO₂ Emissions in Fiscal 2018 (Scope 1 and Scope 2)

| | Scope 1 | Scope 2 | Total |
|-------------------------------|---------|---------|---------|
| Japan (t-CO ₂) | 40,380 | 89,890 | 130,270 |
| Overseas (t-CO ₂) | 17,103 | 126,855 | 143,958 |
| Total (t-CO ₂) | 57,483 | 216,745 | 274,228 |

Scope: Terumo Group business sites in Japan and manufacturing sites overseas

CO₂ Emissions in Fiscal 2018 (Scope 3)

(t-CO₂)

| Category | Emissions volume | Method of calculation |
|-------------|------------------|--|
| Category 1 | 2,164,231 | Multiplying emission intensity of each department by revenue using relevant industry charts |
| Category 2 | 179,968 | Multiplying emissions intensities per capital goods price by annual capital expenditure amounts |
| Category 3 | 15,814 | Multiplying emissions intensities by electricity and steam consumption amounts |
| Category 4 | 698,219 | Multiplying emission intensity of each department by revenue using relevant industry charts |
| Category 5 | 8,247 | Multiplying emissions intensities by waste amounts |
| Category 6 | 3,299 | Multiplying emissions intensities by employee numbers |
| Category 7 | 5,202 | Multiplying emissions intensities by employee numbers |
| Category 8 | 1,050 | Aggregating emissions from vehicles leased in Japan |
| Category 9 | 444,561 | Multiplying emission intensity of each department by revenue using relevant industry charts |
| Category 10 | – | Not applicable as emissions from processing within the Group are included under Scope 1 and Scope 2 |
| Category 11 | 8,483 | Calculated based on life span and electricity consumption of principal medical electronics (pumps) |
| Category 12 | 1,007 | Multiplying emission intensity of each department by revenue using relevant industry charts |
| Category 13 | – | Not applicable as emissions associated with leased assets are accounted for under use of sold products |
| Category 14 | – | Not applicable as no facilities considered franchises exist |
| Category 15 | – | Not applicable as no emissions were generated through investments |
| Total | 3,530,081 | |

Scope: Terumo Group

Data Sheets

Energy Consumption

| Fuel Type | FY2016 | FY2017 | FY2018 |
|---|-----------|-----------|-----------|
| Electricity (GJ) | 1,525,594 | 1,552,236 | 1,591,233 |
| City gas (GJ) | 1,016,203 | 1,006,781 | 967,458 |
| LPG (GJ) | 26,037 | 27,837 | 29,855 |
| Heavy oil (GJ) | 20,060 | 19,941 | 29,282 |
| Diesel oil (GJ) | 13,397 | 18,565 | 16,774 |
| Steam (GJ) | 130,164 | 132,356 | 125,760 |
| Gasoline (GJ) | 598 | 363 | 229 |
| Total (GJ) | 2,732,053 | 2,758,079 | 2,760,591 |
| Consumption per revenue (GJ/¥100 million) | 531 | 469 | 460 |

Scope: Terumo Group business sites in Japan and manufacturing sites overseas

* Previously disclosed figures included errors for diesel oil consumption and totals for fiscal 2016–2017. These figures have been restated to correct these errors.

Renewable Energy Use in Fiscal 2018

| | |
|--------------------------|---------|
| Photovoltaic power (kWh) | 265,992 |
|--------------------------|---------|

Scope: Terumo Group

Recycling Volume and Rate

| | | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|----------|---------------------|--------|--------|--------|--------|--------|
| Japan | Total waste (t) | 9,770 | 8,878 | 8,857 | 8,972 | 9,939 |
| | Volume recycled (t) | 9,466 | 8,647 | 8,545 | 8,616 | 9,776 |
| | Recycling rate (%) | 96.9 | 97.4 | 96.5 | 96.0 | 98.4 |
| Overseas | Total waste (t) | 7,579 | 7,255 | 7,755 | 9,044 | 10,224 |
| | Volume recycled (t) | 5,237 | 5,052 | 5,411 | 6,655 | 7,660 |
| | Recycling rate (%) | 69.1 | 69.6 | 69.8 | 73.6 | 74.9 |
| Total | Total waste (t) | 17,349 | 16,133 | 16,612 | 18,017 | 20,163 |
| | Volume recycled (t) | 14,703 | 13,699 | 13,956 | 15,270 | 17,436 |
| | Recycling rate (%) | 84.7 | 84.9 | 84.0 | 84.8 | 86.5 |

Scope: Terumo Group business sites in Japan and manufacturing sites overseas

* Figures for fiscal 2017 have been restated to rectify past errors in the collection of domestic data.

Landfill Waste

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|--|--------|--------|--------|--------|--------|
| Total emissions (t) | 9,770 | 8,878 | 8,857 | 8,972 | 9,939 |
| Landfill waste (t) | 23 | 17 | 18 | 17 | 10 |
| Ratio of landfill waste to total emissions (%) | 0.24 | 0.19 | 0.20 | 0.19 | 0.10 |

Scope: Terumo Group business sites in Japan

* Figures for fiscal 2017 have been restated to rectify past errors in the collection of data.

Collection and Recycling of Small Rechargeable Batteries in Fiscal 2018

| | |
|-------------------------------------|-------|
| Nickel-cadmium batteries (kg) | 1,974 |
| Nickel-metal hydride batteries (kg) | 2,584 |
| Lithium-ion batteries (kg) | 619 |
| Sealed lead-acid batteries (kg) | 1,773 |

Scope: Terumo Corporation business sites in Japan

Data Sheets

Water Use (Intake) Volume

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---|--------|--------|--------|--------|--------|
| Japan (1,000 m ³) | 3,658 | 3,710 | 3,734 | 3,741 | 3,712 |
| Overseas (1,000 m ³) | 1,321 | 1,469 | 1,456 | 1,567 | 1,715 |
| Total (1,000 m ³) | 4,979 | 5,179 | 5,190 | 5,308 | 5,427 |
| Water use per revenue (1,000 m ³ /100 millions of yen) | 1.017 | 0.987 | 1.009 | 0.903 | 0.905 |

Scope: Terumo Group business sites in Japan and manufacturing sites overseas

* Figures for fiscal 2014–2017 have been restated to rectify past errors in the collection of overseas data.

Dichloromethane Emissions

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---------------|--------|--------|--------|--------|--------|
| Emissions (t) | 82 | 77 | 76 | 68 | 63 |

Scope: Terumo Group business sites in Japan

Amount of Ethylene Oxide Used and Ethylene Oxide Emissions

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|-----------------|--------|--------|--------|--------|--------|
| Amount used (t) | 100 | 89 | 90 | 88 | 105 |
| Emissions (t) | 4 | 3 | 3 | 3 | 2 |

Scope: Terumo Corporation business sites in Japan

* Figures for emissions for fiscal 2017 have been restated to rectify past errors in the collection of data.

HCFC-225 Emissions

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 |
|---------------|--------|--------|--------|--------|--------|
| Emissions (t) | 30 | 26 | 21 | 20 | 24 |

Scope: Terumo Corporation business sites in Japan

* Figures for fiscal 2017 have been restated to rectify past errors in the collection of data.

Data Sheets

Amount of PRTR Substances Used, Emitted, and Transferred in Fiscal 2018

(t)

| Substance | | Fujinomiya Factory | Ashitaka Factory | Kofu Factory | R&D Center (Shonan Center) | Total |
|--|--------------------|-----------------------|---------------------|-----------------|-------------------------------|-------|
| ethylene oxide | Amount used | 6.9 | 83.9 | 13.6 | 0.1 | 104.5 |
| | Amount emitted | 0.2 | 1.8 | 0.4 | 0.0 | 2.4 |
| | Amount transferred | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1, 2-dichloroethane | Amount used | – | 2.3 | – | – | 2.3 |
| | Amount emitted | – | 1.7 | – | – | 1.7 |
| | Amount transferred | – | 0.0 | – | – | 0.0 |
| HCFC-225 | Amount used | 15.1 | 15.0 | 5.8 | – | 35.9 |
| | Amount emitted | 9.4 | 11.0 | 3.5 | – | 23.9 |
| | Amount transferred | 0.2 | 0.0 | 0.0 | – | 0.2 |
| dichloromethane | Amount used | – | 6.5 | 148.9 | 0.0 | 155.4 |
| | Amount emitted | – | 3.7 | 59.1 | 0.0 | 62.8 |
| | Amount transferred | – | 0.0 | 0.0 | 0.0 | 0.0 |
| toluene | Amount used | 0.6 | – | 5.1 | 0.6 | 6.3 |
| | Amount emitted | 0.4 | – | 1.9 | 0.0 | 2.3 |
| | Amount transferred | 0.2 | – | 3.2 | 0.6 | 4.0 |
| bis(2-ethylhexyl) phthalate | Amount used | 249.2 | 1.6 | 87.5 | – | 338.3 |
| | Amount emitted | 0.0 | 0.0 | 0.0 | – | 0.0 |
| | Amount transferred | 0.0 | 0.0 | 1.2 | – | 1.2 |
| hydrogen fluoride and its water-soluble salts | Amount used | – | 20.1 | 0.1 | – | 20.2 |
| | Amount emitted | – | 0.6 | 0.0 | – | 0.6 |
| | Amount transferred | – | 1.0 | 0.0 | – | 1.0 |
| n-hexane | Amount used | – | 5.5 | – | – | 5.5 |
| | Amount emitted | – | 2.7 | – | – | 2.7 |
| | Amount transferred | – | 2.8 | – | – | 2.8 |
| N, N-dimethylformamide | Amount used | – | 8.6 | – | – | 8.6 |
| | Amount emitted | – | 5.5 | – | – | 5.5 |
| | Amount transferred | – | 0.0 | – | – | 0.0 |

Scope: Terumo Corporation business sites in Japan

Data Sheets

Site Data (Manufacturing and R&D Sites) for Fiscal 2018

| Region | Site | Location | CO ₂ emissions (t) | Water use (1,000 m ³) | Total waste (t) | Recycled amounts (t) |
|----------|--|-----------------------------|-------------------------------|-----------------------------------|-----------------|----------------------|
| Japan | Fujinomiya Factory | Fujinomiya, Shizuoka | 40,844 | 1,682 | 2,900 | 2,896 |
| | Ashitaka Factory | Fujinomiya, Shizuoka | 23,172 | 562 | 1,978 | 1,977 |
| | Kofu Factory | Nakakoma, Yamanashi | 44,081 | 1,232 | 4,096 | 4,023 |
| | ME Center | Suntou, Shizuoka | 346 | 6 | 79 | 79 |
| | R&D Center (Shonan Center) | Ashigarakami, Kanagawa | 5,833 | 66 | 227 | 199 |
| | Terumo Clinical Supply Co., Ltd. | Kakamigahara, Gifu | 778 | 6 | 40 | 40 |
| | Terumo Yamaguchi Corp. Terumo Yamaguchi D&D Corporation | Yamaguchi, Yamaguchi | 13,594 | 150 | 369 | 363 |
| Americas | Terumo Medical Corp. and Terumo Cardiovascular Systems Corp. | Maryland, USA | 15,371 | 66 | 673 | 295 |
| | Terumo Cardiovascular Systems Corp. and Terumo Heart, Inc. | Michigan, USA | 4,267 | 6 | 80 | 41 |
| | Terumo Cardiovascular Systems Corp. | Massachusetts, USA | 528 | 3 | 181 | 181 |
| | MicroVention, Inc. | California, USA | 5,297 | 12 | 424 | 35 |
| | Terumo BCT, Inc. | Colorado, USA | 14,202 | 71 | 1,601 | 1,024 |
| | Bolton Medical, Inc. | Florida, USA | 946 | 3 | 264 | 176 |
| | Terumo Puerto Rico LLC | Commonwealth of Puerto Rico | 1,511 | 2 | 85 | 36 |
| | MicroVention Costa Rica, S.r.l | San Jose, Costa Rica | 510 | 16 | 253 | 246 |
| Europe | Terumo Europe NV | Leuven, Belgium | 8,412 | 41 | 532 | 525 |
| | Terumo UK, Ltd. | Liverpool, UK | 188 | 1 | 112 | 98 |
| | Vasutek Ltd. | Glasgow, UK | 2,548 | 13 | 355 | 316 |
| | Terumo BCT, Ltd. | Larne, UK | 4,699 | 82 | 212 | 186 |
| Asia | Terumo Medical Products (Hangzhou) Co., Ltd. | Zhejiang, China | 35,447 | 652 | 1,329 | 1,098 |
| | Terumo (Philippines) Corp. | Laguna, the Philippines | 22,715 | 285 | 1,810 | 1,683 |
| | Terumo Penpol Pvt. Ltd. | Kerala, India | 9,079 | 28 | 545 | 544 |
| | Terumo Vietnam Co., Ltd. | Vinh Phuc, Vietnam | 8,405 | 183 | 431 | 203 |
| | Terumo BCT Vietnam Co., Ltd. | Dong Nai, Vietnam | 9,830 | 250 | 1,337 | 973 |

Corporate Information

Company Name

Terumo Corporation

Founded

September 17, 1921

Tokyo Office

Tokyo Opera City Tower,
3-20-2 Nishi Shinjuku, Shinjuku-ku,
Tokyo 163-1450 Japan

Head Office

2-44-1 Hatagaya, Shibuya-ku,
Tokyo 151-0072, Japan

Business

Manufacturing and sale of medical devices
and pharmaceuticals

Share Capital

¥38.7 billion

Revenue (Consolidated)

¥599.5 billion (For the fiscal year ended March 31, 2019)

Employees (As of March 31, 2019)

Consolidated: 25,378

Non-consolidated: 4,908

Group Companies (As of March 31, 2019)

Consolidated subsidiaries: 100

Directors

| | |
|------------------|---|
| Takayoshi Mimura | Chairman of the Board |
| Shinjiro Sato | President and CEO |
| Toshiaki Takagi | Director and Senior Managing Executive Officer Chief Quality Officer (CQO) Quality Assurance Dept., Post-Market Surveillance and Vigilance Dept., Environmental Management Dept., Production Dept., Procurement Dept., Intellectual Property Dept., and Terumo Medical Pranex |
| Shoji Hatano | Director and Managing Executive Officer President, General Hospital Company Division President, Hospital Systems Division, General Hospital Company |
| Kyo Nishikawa | Director and Senior Executive Officer Chief Human Resources Officer (CHRO) Human Resources Dept. and Human Resources Development Dept. |
| Ikuo Mori | Independent Director |
| Ryuzo Ueda | Independent Director Professor, Dept. of Tumor Immunology, Aichi Medical University |
| Yukiko Kuroda | Independent Director Managing Director and Founder, People Focus Consulting Co., Ltd. |

(As of September 1, 2019)

Directors (Audit/Supervisory Committee Members)

| | |
|-------------------|--|
| Yoshihiro Kimura | Director (Audit/Supervisory Committee Member) |
| Masaichi Nakamura | Independent Director (Audit/Supervisory Committee Member) Certified Public Accountant |
| Soichiro Uno | Independent Director (Audit/Supervisory Committee Member) Lawyer |

(As of September 1, 2019)

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TERUMO CORPORATION

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