

13. Preventing Global Warming 1/2

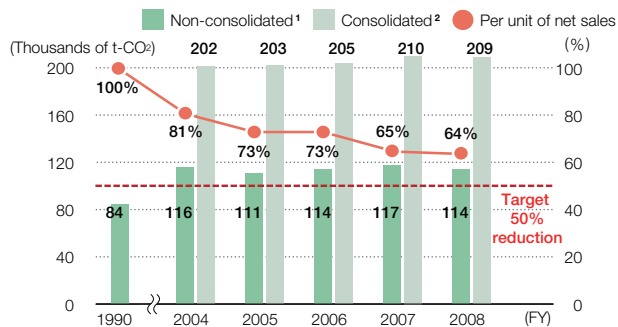
Terumo conducts its business activities based on the assumption that the global environment must be protected. To promote further reduction of CO₂ emissions, we reviewed our reduction target in fiscal 2008. In addition to the energy-conservation activities conducted on-site through the “Team Minus 6%”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

Target for Reduction of CO₂ Emissions

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

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

Trends in CO₂ emissions per unit of net sales



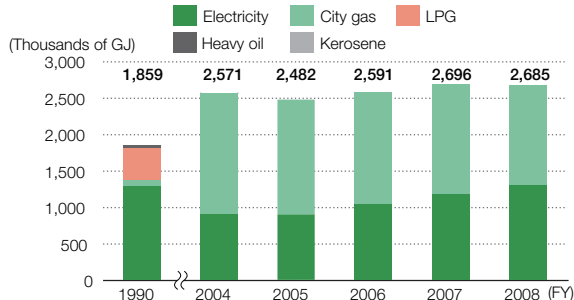
Note: CO₂ emissions from electric power are converted using the official conversion coefficient of Tokyo Electric Power Company. For all years except fiscal 1990, the coefficient of fiscal 2007, which was not affected by the shutdown of the Kashiwazaki-Kariwa nuclear power plant, is used.

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

Converting to lower CO₂-emitting electricity

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

Trends in energy usage and breakdown of energy sources



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

Introducing high-efficiency electric refrigeration units at Fujinomiya Factory

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



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

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

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



Award ceremony

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

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

Staff Comment

Energy-saving activities by production facilities at Kofu Factory

Haruhisa Yamaguchi
Production Division, Kofu East Factory



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

13. Preventing Global Warming 2/2

Efforts to reduce the environmental impact of distribution

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

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

Promoting modal shift*

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

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

Joining Team Minus 6%

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

Terumo's "ECO Challenge" volunteer campaign

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



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

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

Energy-saving driving

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



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

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

Eliminating work vehicles at Tokyo 3rd Branch

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