CSR Report 2010

Mitsubishi Tanabe Pharma Corporation
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About Mitsubishi Tanabe Pharma Corporation CSR Report 2010

◎**Time Period Covered**
From April 1, 2009 to March 31, 2010 (Some activities and policies during and after April 2010 are also included.)

◎**Organizations Covered**
Mitsubishi Tanabe Pharma Corporation and its consolidated subsidiaries within Japan and abroad

◎**Guidelines Applied**
Environmental Reporting Guidelines, 2007 Version, Japan's Ministry of the Environment
Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, 3rd Version

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Editorial Policy

At Mitsubishi Tanabe Pharma Corporation, we develop, produce and provide pharmaceuticals in the firm belief that through these activities we can fulfill our corporate social responsibility.

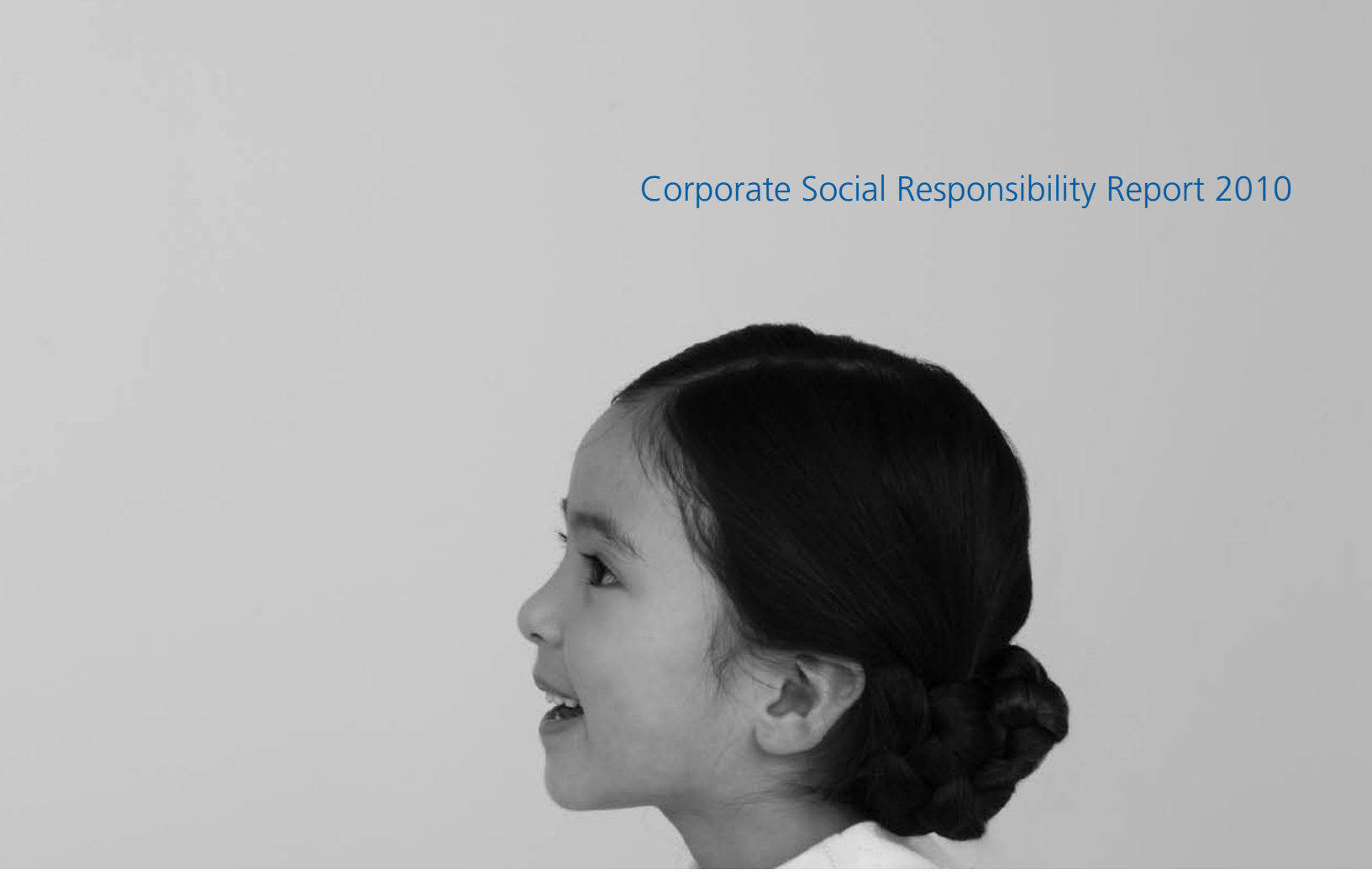
Regrettably, however, the Medway incident has occurred because of our misconduct. We offer our sincere apologies to all stakeholders for all of the inconvenience and concern that we have caused. On the basis of our sincere reflection on the incident, the entire Group will thoroughly implement the Business Improvement Plan so that we can restore public trust in our Group.

This Report begins with the Medway incident discussion, to which we invited Mr. Nobuo Gohara, Chairman of the External Investigation Committee on the Medway Issue, together with President Michihiro Tsuchiya, and Chief Compliance Officer (Managing Executive Officer) Shin-ichi Matsuda. They explain the Medway incident, measures taken by the Company, suggestions put forth by the Outside Investigation Committee, and details of the Business Improvement Plan.

The remaining pages present the Company's CSR initiatives in three categories: Management, Social Responsibility Report and Environmental Report.

Concerning technical terms used in this Report, we have added a Glossary at the end. To make the publication easy to read, we paid particular attention to font size and layout design. Moreover, based on the concept of color universal design (CUD), we have selected color schemes that are easily discerned by people with all types of color vision.

Corporate Social Responsibility Report 2010



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To Regain the Trust of Society

What initiatives should we undertake in order to regain the society's trust that we have lost in the recent Medway problem? Tsuchiya, CEO and Matsuda, CCO had the pleasure of inviting Mr. Nobuo Gohara, Chairman of the Medway Problem Outside Investigation Committee, to ask his views regarding this critical matter.

(From left)

Michihiro Tsuchiya
President & Representative Director
Chief Exective Officer
Mitsubishi Tanabe Pharma Corporation

Mr. Nobuo Gohara
Representative Lawyer
Gohara Law Office

Shin-ichi Matsuda
Managing Executive Officer
Chief Compliance Officer
Mitsubishi Tanabe Pharma Corporation

Tsuchiya: In April 2010, Mitsubishi Tanabe Pharma and its consolidated subsidiary Bipha received an administrative action —suspension of business and an order for improvement— from the Minister of Health, Labour and Welfare in regard to a violation of the Pharmaceutical Affairs Law. We deeply regret the misconduct; we are fully aware that any pharmaceutical company, which is responsible for health and lives of people, must not commit any such deed. We offer our sincere apologies to patients, medical professionals, our shareholders, customers and all other stakeholders for all of the inconvenience and concern that we have caused.

At Mitsubishi Tanabe Pharma Corporation, we formed the in-house Medway Issue Countermeasures Committee, which thoroughly surveyed facts and searched for causes of the incident. Moreover, we asked Mr. Gohara and other specialists outside the Company to form an external investigation committee, which committee has provided us with valuable suggestions from a third-party perspective for preventing recurrence of similar incidents. The Medway incident negatively impacts the entire Mitsubishi Tanabe Pharma Group, not to mention Bipha Corporation and its parent company. To prevent recurrence of similar incidents, and to recover society's trust, the entire Group will make concerted efforts, on the basis of the recognition that everyone must deeply consider the incident as a matter of personal concern.

Background of the Medway Problem

Gohara: After the in-house investigation committee determined most of the basic facts, we formed Medway Problem Outside Investigation Committee to survey the causes and backgrounds of the misconduct by Bipha Corporation. Moreover, we surveyed that how Mitsubishi Tanabe Pharma Corporation responded. At Bipha Corporation we inspected its local factory and interviewed over 20 involved parties, including present and former staff members. With reference to the survey results, we held in-depth discussions at committee meetings. On the basis of these activities, we then compiled a report, which we issued in April 2010. I believe that the committee has sufficiently investigated the matter; we have done everything that could be reasonably expected.

I value Mitsubishi Tanabe Pharma's decision to establish the Outside Committee, in addition to the in-house Committee, and to investigate the causes and backgrounds of the problem, from both internal and external perspectives, in order to prevent recurrence. Such an approach is essential for any enterprise seeking to fulfill compliance requirements and CSR. Although the Medway incident itself is inexcusable, I highly value the Company's post-incident responses and initiatives, since they were extremely thorough and meticulous.

Tsuchiya: To ensure the independence and transparency of the Outside Committee, we asked specialists with no vested interest in our Company to become the Commitee members and to investigate from their professional and objective perspectives. On the part of Mitsubishi Tanabe Pharma, we fully cooperated with the committee, submitting all committee-requested materials and data on the Medway issue.

As for the background of the misconduct by Bipha Corporation, we identified many and complex factors. I found it particularly essential to thoroughly promote the vital importance of enhancing information sensitivity.

Gohara: The misconduct by Bipha Corporation was indeed inexcusable, since the company was engaged in developing and producing pharmaceutical products. While investigating the processes, causes and background of the incident, however, we found that diverse causes and factors were intermingled. Since Bipha's parent company, Mitsubishi Tanabe Pharma Corporation, was unable to detect the misconduct in the early stage, I believe that the Medway problem is reflective of risks common to all enterprises--not only those in the pharmaceutical industry, but in all industries. In this sense, all Japanese enterprises should learn from the Medway incident. The results of the investigations and recommendations by the Outside Investigation Committee, as well as those by in-house Commitee of Mitsubishi Tanabe Pharma, can benefit all Japanese enterprises, since these outcomes impart valuable lessons about potential risks.

Matsuda: I assumed Chief Compliance Officer (CCO) last June, but for many previous years I have been engaged in compliance affairs. Even before the merger of the two predecessors of Mitsubishi Tanabe Pharma, I worked to promote compliance, once serving as Director of the Compliance Office. Since the establishment of Mitsubishi Tanabe Pharma Corporation, I have been committed to promoting employee awareness and to building appropriate compliance systems. So I was truly shocked to learn of the Medway incident. I feel it truly a shame that I was unable to resolve problems of Bipha Corporation's compliance system, the problems that the Outside Investigation Committee has pointed out.

In retrospect, Bipha Corporation's compliance system was not effective. Probably, the system had been emasculated and its employees were not very eager to observe the rules. Mitsubishi Tanabe Pharma Corporation, on the other hand, failed to make Bipha Corporation thoroughly promote legal compliance. Another important factor was the lack of communication between the two entities. Bipha's location in Hokkaido was probably in part a cause of the lack of communication.

Toward Building an Effective Compliance System

Gohara: At present, virtually all Japanese enterprises are promoting legal compliance. Yet, if the efforts of these enterprises remain at an average level, the enterprises should know that they are vulnerable to material risks. This is clearly indicated by the Medway problem.

The Compliance System Should Respond to Changing Demand of Society. --- Gohara

Gohara: Our investigation revealed that Bipha's compliance system was virtually equivalent to those of many other enterprises. Yet, Bipha was unable to detect such a serious problem. This indicates that conventional approaches to compliance are insufficient for material risks. It is also important to remember that in order to promote compliance, Corporate Executives must maintain an uncompromising approach. Otherwise, even the most solid compliance system does not properly work.

Tsuchiya: As Mr. Gohara has mentioned, we must be aware of the risk that our compliance system may not always function properly. Rather than considering compliance-related tasks as matters of clerical routine, each employee must seriously consider the true purpose behind the compliance system, and work to fulfill his or her responsibility to achieve that purpose.

Matsuda: In the first place, Bipha's compliance system was modeled after that of Mitsubishi Tanabe Pharma Corporation. Bipha's compliance problem should therefore be regarded as the entire Group. As the CCO of the Company, I will thoroughly review our compliance systems reflecting the conventional one and radically improve them.

Gohara: It is indeed important that the entire Group reconsider and rebuild compliance systems Group-wide. Since Mitsubishi Tanabe Pharma Corporation was unable to detect Bipha Corporation's problem at its early stage, or to prevent the incident, you cannot deny that your conventional system had faults. It is indeed a grave matter that you were unable to detect inappropriate acts at the early stage of the problem. You must prepare management strategies that incorporate preventive measures against compliance problems. To prevent such problems, it is of course important to promote employee awareness, hold seminars and build relevant organizations. Most essential in this matter, however, is strategic decision-making on the part of Corprate Executives.

All Employees and Managers Must Do Their Part in Addressing the Problem

Tsuchiya: To prevent the recurrence of similar problems, I am determined to further the ongoing campaign to reform our corporate culture. I will promote three items: learning, collaboration and personnel transfer. First of all, every employee should be self-motivated toward learning and studying, so as to build his or her capability. Next, employees should autonomously collaborate with other parties inside and outside the Company. Finally, by transferring such employees to other workplaces, the Company should help individual employees develop their capabilities, while at the same time revitalizing our corporate organizations. I believe the promotion of these three items can also help prevent the recurrence of similar incidents. I will work to inspire every employee to foster a free and open-minded corporate culture and build vigorous and flexible corporate structures.

Matsuda: As we stipulated in the Business Improvement Plan, we will review both the content and methodology of conventional compliance training programs. General training programs for all employees will be designed to imbed in employees' minds professional ethics and normative consciousness, both of which are essential for professionals in the pharmaceutical business. In training programs for individual department, practical and concrete themes will be selected according to the characteristics of the activities of the respective department. Also, for all Managers, we will hold retraining seminars in addition to seminars for new Managers. Moreover, we will adopt new criteria for appointing Managers, that place greater emphasis on candidates' compliance awareness and past behavior regarding observance of rules. We will also hold seminars on the Pharmaceutical Affairs Act and other relevant laws and regulations, so as to foster proper understanding of the spirit and intent of the law.

Tsuchiya: I would like to complement what Mr. Matsuda has just said. In addition to improving the effectiveness of training programs both quantitatively and qualitatively, we will establish a system for confirming the outcomes of such training programs. Our purpose is not to provide training to employees; it is merely a tool to enhance employee awareness. If seminars and other programs do not help improve employee awareness, they are fruitless.

Gohara: I have mentioned the need for management strategies that incorporate preventive measures against compliance problems. Another important issue is how to ensure compliance in organizations. It is important that each and every employee be aware that he or she is a key person in ensuring compliance. In addition to reinforcing training programs, which is of course important, I hope that you will survey the impact of the Medway incident on employees' psyches, and how they evaluate the measures taken by the Company. I also hope that, on the basis of the results of such a survey, you will prepare programs to enhance employees' compliance awareness. By this means, I believe you can enhance the compliance level of the entire Group.

Still another important issue is to create a positive and proactive atmosphere in your workplaces. Once an incident has been revealed and reported by mass media, employees of any suspected enterprise tend to become defensive. Naturally, they don't like to be involved in the problem. If employees begin to feel this way, however, the enterprise in question will lose vitality. Still worse, it will lose the capacity to cope with the problem. Accordingly, at in-house seminars, rather than instructing employees not to do this or that, you should encourage them to be self-motivated toward preventing recurrence. Rather than telling employees how they would be blamed should they engage in any misconduct, you should tell them how the Company plans to fulfill its CSR, and to fulfill the roles expected of a pharmaceutical company. To that end, I recommend that you conduct employee awareness surveys and prepare training programs on the basis of the survey results.

I Will Work to Change the Corporate Culture to One that Encourages Each Employee to Become Self-Motivated, and to Think and Act Autonomously. --- Tsuchiya

After Completing Compliance System Reform, I Will Continue to Work to Ensure that the System Functions Properly. ---Matsuda

Tsuchiya: I believe that it is effective to thoroughly share information on the Medway incident among all employees at in-house seminars and in other programs. Through this sharing, each employee will be able to regard the incident as his or her own problem and take a responsible approach toward preventing a recurrence. On the basis of these efforts, the Company plans to reinforce our compliance education, focusing on the inherent roles of a pharmaceutical company: contributing to society through the creation and marketing of pharmaceuticals. I also believe that all departments in our Company, from research and development to marketing and sales, must thoroughly review their conventional business practices. To that end, I am planning to build a Group-wide monitoring system.

Matsuda: To pursue higher product quality and greater safety, it is important to observe existing rules and to follow established procedures and methods. If they need improvement, we must effect such improvement in accordance with a proper set of procedures. Concerning the Medway problem, I assume that written procedures were not faithfully followed in day-to-day operations at the workplace in question. Presumably, violators of the Act believed that they could ignore rules and procedures, so long as this would not affect product quality. This was wrong. Even when ignoring rules and procedures does not affect product quality, employees must nevertheless always follow the rules and procedures. Moreover, they must understand why those rules and procedures were created.

Gohara: Mr. Matsuda's remark has reminded me of something very important regarding rules. I believe that the Company will increasingly reinforce regulations pertaining to in-house inspections and supervision. In this respect, may I offer one important piece of advice? When you autonomously prepare in-house rules and regulations, you must do so by paying sufficient attention to daily practices on the frontlines. If you prepare rules that accord to daily practices, this will facilitate not only compliance, but also risk management. Many people believe that rules are something to observe, but rules are also something to prepare, and something to use effectively. If you impose too much pressure on employees to observe rules, another problem may result--namely the inability to observe rules. Accordingly, it is essential to shift your priority from ensuring thorough compliance with rules to preparing practical rules that can be observed. You should better consider the effective use of rules.

Tsuchiya: When an incident like the Medway problem, everyone naturally tries to evade responsibility, but such behavior worsens the problem. Since no one likes to accept the blame, at meetings or on other occasions we must decide precisely what should be done, by whom, until when, who will be responsible, who will check it and how it should be checked. If we decide such details in advance, should any incident occur it will be clear who is responsible. As the first step, I want to reform the corporate system regarding these issues, so that related parties will not behave as if they were not responsible.

I have constantly suggested that employees should be self-motivated. They must think and act autonomously, and take responsibility for their own acts. I truly hope to create a free and open-minded corporate culture, one that encourages both employees and management to discuss openly and cooperate with each other, a corporate culture that inspires every employee to act proactively and exchange positive ideas. Regrettably, however, I have often seen many people list excuses for not starting new plans that have been suggested at meetings. I truly believe that if we combine the efforts and wisdom of all employees, we can have better ideas and can complete greater tasks.

The Business Improvement Plan we are currently implementing contains both short- and long-term initiatives. Through implementation of both types of initiatives, I want to make the Business Improvement Plan a stepping stone to changing our present corporate culture.

To Regaining the Trust of Society

Gohara: The administrative action pertaining to the Medway incident was extremely severe. Actually, it was the first time that the Ministry of Health, Labour and Welfare had issued a business suspension order to any major pharmaceutical company. So the public will remain extremely critical of Mitsubishi Tanabe Pharma Corporation, at least for a while. In this severe environment, however, I hope that you will not be excessively nervous or defensive. To the contrary, you should transform the Medway incident and subsequent criticism from society into an exceptional stepping stone toward realizing the highest level of compliance, a level unprecedented in the pharmaceutical industry, and toward fulfilling your CSR. I truly hope that you will take a proactive approach toward compliance, risk management and your response to society's demands.

I believe this is possible, if President Tsuchiya fully exerts his leadership and Managing Executive Officer Matsuda, as the CCO, aligns employees' efforts in the same direction, so as to ensure that all work together to achieve their common goal. Since Mitsubishi Tanabe Pharma Group has employees of outstanding capacity, I truly expect that it will be an excellent corporate group.

Matsuda: We must be firmly determined not to commit any further misconduct. Concerning the Medway problem, however, I believe that we could have prevented the incident, or at least most of the misconduct involved, if the individuals concerned had adhered to standard professional ethics and observed what should have been observed. Even though laws, regulations and social environment change from time to time, we can and should ensure compliance. To that end, we must encourage employees to ask questions regarding any aspects that are not clear to them. They can ask questions of other employees at their workplaces, or specialists in the Company. If each employee takes this approach, the entire organization can fulfill compliance requirements.

Tsuchiya: I believe that a pharmaceutical company is able to contribute to society through the business activity itself. Let us remember and reconfirm our essential role; that is, to develop and supply pharmaceuticals that meet social needs. To prevent the recurrence of similar incidents, we must keep this mission in mind and maintain our pride in doing essential role for society. It is true that our behavior is being observed with a critical eye by the public. However, as Mr. Gohara has mentioned, we must not be excessively nervous; rather, we should improve our business with pride and confidence in the roles we are playing.

Gohara: It is my belief that compliance does not simply mean observing laws and regulations. It also means actively responding to society's demands. The mission of a pharmaceutical company is to aid the healthcare of as many people as possible, by developing pharmaceuticals of greater safety and efficacy, and by producing and marketing such pharmaceuticals at affordable prices. This is what society basically expects of pharmaceutical companies. Along with social changes, however, public expectations change from time to time. As a result, several items that once were permitted are no longer permitted. In this context, companies must work to respond to such changing social demands. I believe that this approach is essential for any enterprise in any industry. In other words, while companies must fulfill their CSR, they must also work to meet changing demands for compliance, demands that are becoming increasingly rigorous and challenging.

Matsuda: It is important to maintain a good compliance system even after it has been created. As mentioned by Mr. Gohara, we must constantly improve the system in response to changing social demands. This also helps prevent the emasculation of existing systems.

Tsuchiya: In conclusion, each employee and manager of the Mitsubishi Tanabe Pharma Group should regard the Medway incident as a matter of personal concern. At the same time, we must also try to be more sensitive toward changes in society and its demands. I will continue doing my best to foster a free and open-minded corporate culture, whose creation I believe will be effective in enhancing our ability to respond to society's demands. Mr. Gohara, thank you very much for joining us today. We truly appreciate your valuable suggestions.

Medway Issue

Administrative Action

On April 13, 2010, Mitsubishi Tanabe Pharma Corporation and its subsidiary Bipha Corporation received an administrative action from the Minister of Health, Labor and Welfare (MHLW) of Japan, owing to a violation of the Pharmaceutical Affairs Act.

The administrative action was issued on the ground that Mitsubishi Tanabe Pharma marketed the ethical drugs Medway Injection 5% and Medway Injection 25% without ensuring that Bipha had implemented appropriate manufacturing and quality control regarding the drugs, and that the NDA documents submitted by the two companies regarding those products contained materials that Bipha had prepared in an inappropriate manner. Consequently, Mitsubishi Tanabe Pharma was ordered to suspend its "Class I Pharmaceutical Manufacturing and Sales" operations for a period of 25 days, while Bipha was ordered to suspend its "Pharmaceutical Manufacturing" operations for a period of 30 days. The Ministry of Health, Labor and Welfare also ordered the two companies to submit documents detailing plans for improvement of their operations.

Background

Medway Injection 5% and Medway Injection 25%, recombinant human serum albumin preparations jointly developed by Mitsubishi Tanabe Pharma and Bipha, were introduced to the market in May 2008.

On December 24, 2008, Mitsubishi Tanabe Pharma was informed by Bipha that in the process of preparing data packages to be submitted to the authorities in applying for approval for partial modification of already-approved information on Medway Injection 5% ("partial modification application") Bipha had intentionally replaced authentic data on surfactant content, a reference item of the stability test, with irrelevant data. Since the data replacement was confirmed in a follow-up test, the Company withdrew the partial modification application in January 2009.

The above revelation prompted Mitsubishi Tanabe Pharma to conduct a more detailed investigation, which disclosed additional fraudulent acts relating to quality testing, including the exchange of data from PCA reaction testing in rats. The Company immediately reexamined Medway Injections 5% and 25% and confirmed that there were no quality problems with the drugs already on the market. At the sametime, the Company ordered Bipha to confirm the problematic instances discovered thus far and conduct an in-depth investigation to detect other fraudulent acts, if any. In addition, from late February to early March 2009, Mitsubishi Tanabe Pharma dispatched an investigation team to the subsidiary to examine the problem.

Reporting to the MHLW

On March 17, 2009, on the basis of the investigation results, the Company notified the MHLW of the fraudulent acts relating to seven of the quality tests involved in the partial modification application for Medway Injections. The acts reported are as follows:

1) **Surfactant content** (Medway Injection 5%; item in the stability testing for partial modification application)
   From October 2006 to October 2008, the surfactant content was determined as one of stability testing items. (added to extend the drug product's shelf life), while this method of validation was insufficient. As a result, test samples stored for periods of six months and twelve months showed high surfactant content values as compared to the initial value (at 0 months of storage). Therefore these test sample were diluted and determined for purpose of showing consistency of the stability testing data.
2) **PCA reaction in rats** (Test item of drug product specification)
   Validation study of the commercial scale production of Medway Injection 5% was conducted from October 2005 to March 2007. In the specification and the stability testing of PCA reaction in rats, the justifications were "positive" five times. However the tests were reconducted by using the samples with "negative" result or a false document was made from data of negative result samples, and these data were justified as "conformance to specification".
3) **Other proteins** (Test item of drug substance specification)
   In the tests, an electrophoresis gel different from that specified in the application documents was used, resulting in frequent detections of minor band other than the major albumin band. Without clarifying the cause of this result, test results not conforming to the specification were handled as "conformance to specification" from September 2001 to January 2009. Later, the other band detected in the tests was confirmed to be albumin by the Western blotting with anti-albumin antibody.
4) **Ammonia content** (Test item in drug product stability testing)
   In stability testing conducted from August 2001 to October 2008, the test samples were diluted and measured for the purpose of showing results that the ammonia content were below the quantitation limit.
5) **Polymers** (Test item of drug substance and drug product specifications)
   In stability testing conducted from February 2002 to September 2008, test procedures were modified by adding non-standard reagents and by other means, so as to obtain polymer percentages similar to ones previously obtained.
6) **Yeast components** (Test item of drug substance specification)
7) **Yeast extracts** (Test item of drug substance specification)
   In the yeast components and extract testings from December

2003 to January 2009, non-standard operating procedures, in which standard solutions were thickened or diluted, were conducted for the purpose of showing constant absorbance.

Results obtained in tests subsequently conducted using the retained samples as the same lots as shipped Medway Injections and quality control documents have confirmed that none of the detected fraudulent acts had any direct negative influences on the quality of the drugs.

As for the safety of drugs already shipped, post-marketing surveillance concerning all patients to whom the drugs were administered did not produce any reports on health problems associated with use of the drugs.

Public Announcement of the Medway Issue

On March 24, 2009, Mitsubishi Tanabe Pharma decided to withdraw marketing authorization for Medway Injection 5%, and to voluntarily recall Medway Injections 5% and 25%, publicly announcing this decision and its background. The decision was made in consideration of the fact that replacing the rat PCA reaction test data had been conducted in the process of validating commercial scale production for the initial application for Medway Injection 5%, and that Medway Injections 25% were manufactured at the same plant and during the same period as those for Injection 5%.

Formation of the Medway Issue Countermeasures Committee

On April 27, 2009, the Company established an in-house Medway Issue Countermeasures Committee, to conduct a thorough factual confirmation of the issue, clarify its causes and devise measures to prevent recurrence (preventive measures). The Committee was chaired by the President;members included the Vice President and the heads of the Pharmacovigilance & Quality Assurance Division, the Corporate Strategy Planning Department, the Legal Affairs Department, the Administration Department, the Corporate Communications Department, the Product Strategy Planning Center and the Data Management Department of the Development Division.

The Committee thoroughly investigated all documents and records relating to undertakings by Bipha in the process of applying for Medway Injection manufacturing and marketing authorization, as well as all manufacturing control records, employee training records, proceedings of meetings held within Bipha and all other documents relating to GMP; the Committee also interviewed personnel suspected of involvement in the discovered irregularities, to clarify the issue and its background.

Chronology from Medway Injection Launch to Submission of the Business Improvement Plans

2008

May 19:	Mitsubishi Tanabe Pharma commenced sale of Medway Injections 5% and 25%.
May 30:	Partial modification application was filed to extend shelf life of Medway Injection 5%.
December 24:	Bipha informed Mitsubishi Tanabe Pharma of irregular instances relating to four of the quality tests (surfactant content [stability test item], other proteins, polymer and ammonia content) for the partial modification application.

2009

January 13:	Mitsubishi Tanabe Pharma verbally informed the authorities of its decision to withdraw the partial modification application for Medway Injection 5% (official notification on January 26).
January 15 and 16:	Irregularities relating to three quality tests (PCA reaction in rats, yeast composition and rough extracts) were discovered at Bipha and reported to Mitsubishi Tanabe Pharma.
February – March:	Mitsubishi Tanabe Pharma dispatched an on-site investigation team to Bipha to confirm the irregularities and check for other problems.
March 17:	Mitsubishi Tanabe Pharma notified the MHLW of the irregularities discovered in the investigation relating to the seven quality tests.
March 24:	Mitsubishi Tanabe Pharma decided to withdraw the marketing authorization for Medway Injection 5% and voluntarily recall Medway Injections 5% and 25%, and made a public announcement of the issue.
April 8:	Mitsubishi Tanabe Pharma underwent an on-site investigation by the MHLW (April – December 2009)
April 27:	Mitsubishi Tanabe Pharma established an in-house Medway Issue Countermeasures Committee (total of 12 Committee meetings held between April 2009 and January 2010).
September 12:	Medway Issue Outside Investigation Committee, comprised of external experts, was established (total of 8 Committee meetings held between September 2009 and April 2010).

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April 6:	Report submitted by the Medway Issue Outside Investigation Committee.
April 13:	An administrative action was issued to Mitsubishi Tanabe Pharma and Bipha.
June 11:	Mitsubishi Tanabe Pharma submitted its business improvement plan to the MHLW.
June 14:	Bipha submitted its business improvement plan to the MHLW.

Medway Issue Outside Investigation Committee

Establishment of Medway Issue Outside Investigation Committee

On September 12, 2009, a Medway Issue Outside Investigation Committee was established to ensure objectivity and independence in the investigation of the Medway Issue. This was in line with the Company's decision that third-party assessment and recommendations would be essential if the in-house investigation and measures to prevent recurrence (preventive measures) were to be truly adequate, transparent and conducive to regaining public trust.

The Outside Committee was composed of four members who were respectively experts in pharmaceutical technology, medical care, pharmaco-economics and socio-pharmacology, and corporate compliance and governance. At the inaugural Committee meeting, the members selected the chair by mutual vote. To facilitate the Committee's investigation, the chair was assisted by lawyers, whose team was directly involved in the investigation. The Committee met once or twice a month.

The Outside Committee assessed the results of MTPC investigation to Bipha to confirm the issue factually, researched and analyzed essential causes and background of the Medway Issue, and recommended recurrence prevention measures, on the basis of information and reports by lawyers who interviewed parties concerned, along with documents and records concerning on-site investigation at Bipha and examination of problematic areas.

A total of eight Committee meetings were held. The Company received the Committee's report in April 2010.

A full copy of the Medway Issue Outside Investigation Committee's report can be found on the Company's website.

Excerpts from the Medway Issue Outside Investigation Committee Report

Analysis of causes

1. Factors leading to the irregularities
- A major delay in manufacturing and marketing authorization for Medway Injection
- Specificity of blood plasma faction drug business
- Lack of compliance consciousness on the part of personnel in charge

2. Factors in the involvement of numerous employees within the division
- Personal traits of the group manager in charge
- Bipha's double-structured personnel management
- Bipha's deteriorated business

3. Factors in delayed detection of the irregularities
- Data replacement is difficult to detect in normal audits
- Bipha's dysfunctional compliance system
- No room for fundamental preventive measures from Mitsubishi Tanabe Pharma

Recommendations for recurrence prevention

(1) Reinforced risk management at business project planning stage

(2) Assessment and countermeasures for their respective unique risks in the former companies following each merger, acquisition or new company formation

(3) Optimal subsidiary personnel organization and human resource retention

(4) Improved training and education for employees engaged in drug manufacturing

(5) Improved in-house reporting system (hotline)

(6) Improved organizational and operational procedures designed to prevent infractions according to the respective level of risk

(7) Establishment of internal audit procedures according to the respective level of risk

Steps toward Business Improvement and Recurrence Prevention

Business Improvement Plan

On April 13, 2010, Mitsubishi Tanabe Pharma and Bipha received an administrative action from the MHLW for a violation of the Pharmaceutical Affairs Act and were ordered to submit a business improvement plan detailing correcting actions and recurrence prevention measures for the issues.

In June 2009, the two companies submitted their respective business improvement plans to the MHLW, compiling measures for business improvement and recurrence prevention, including some countermeasures directly relating to the fraudulent acts discovered in the Medway Incident and others formulated on the basis of recommendations from the Outside Investigation Committee and in consideration of domestic and international drug quality and safety trends.

A full copy of Mitsubishi Tanabe Pharma's "Business Improvement Plan" can be found on the Company's website.

As for the ongoing status of Business Improvement Plans implementation, the Company intends to have a council of external experts verify the status and publicly report it from time to time on the Company's website or through other media, so as to maintain transparency.

By implementing the Business Improvement Plans, the entire Mitsubishi Tanabe Pharma Group is determined to do its utmost and build and strengthen a concrete and effective system that ensures the prevention, earliest possible detection and fundamental redressing of irregularities, and to prevent the recurrence of any such incidents in the future.

1. Mitsubishi Tanabe Pharma Group's actions to regain trust

1) Management system
- Reform of members of the Board of Directors
- Return of executive compensation
- Appointment of independent outside directors

2) Reinforcement of corporate governance, including extension of governance scope to Group subsidiaries
- Establishment of Medway Issue Management Department
- Verification of on-going status in improvement plan by a council of outside experts and disclosure of the status
- Establishment of Department for group subsidiaries management
- Reinforcement of coordination with Group subsidiaries
- Promotion of personnel interaction and improvement of imbalanced staff assignments

3) Enhancement of compliance
- Meetings with executive participation
- Enhancement of compliance training
- Pharmaceutical Affairs Act training
- Continued education in drug safety
- Revision of criteria for manager appointments
- Appropriate imposition of disciplinary actions
- Establishment of "Compliance Day"

4) Improvement and expansion of internal reporting system (hotline)
- Full activation of hotline system and notification of its availability
- Improvement of hotline system convenience (longer hours, toll-free etc.)
- Expansion of hotline use (notification of its availability to subcontractor employees, outsourced service provider employees etc.)

2. Measures to devise to correct production and quality control-related problems

1) Measures concerning Bipha
- Reinforcement of GMP education and training, and knowledge improvement
- Improvement of operating systems of GMP related in-house meeting
- Reinforcement of measures for quality test reliability improvement
- Establishment of technical control section for centralizing technical information
- Dispatching Mitsubishi Tanabe Pharma qualified personnel in charge of production and quality control
- Formation of a seamless organization encompassing Mitsubishi Tanabe Pharma and Bipha through personnel interaction and common personnel management system
- Reinforcement of alliance with Mitsubishi Tanabe Pharma (clarification of function-specific contact points for quality assurance, technical supervision, production supervision etc.)
- Establishment of a system for on-site GQP activity by Mitsubishi Tanabe Pharma personnel at Bipha
- Mutual check and balance by quality test personnel (introduction of a two-person system)
- Review of consultative bodies and communication enhancement
- Improvement of personnel training and promotion systems

2) Measures targeting manufacturing sites of Mitsubishi Tanabe Pharma and Group companies
- Development of a system for ensuring NDA data reliability
- Development of a system for ensuring data reliability of investigational products
- Establishment of CMC Biotechnology Development
- Development of a system for technological transfer under the Company's Quality Assurance Division's management
- Enhancement of GMP auditing by GQP Division
- Reinforcement of activities to reduce risks in quality tests
- Inauguration of Quality Review Meetings and Annual Product Reviews to evaluate quality and manufacturing process adequacy
- Expansion of hotline use (notification of its availability to subcontractor employees, outsourced service provider employees etc.)

Corporate Governance

Enhanced Corporate Governance and Internal Control

With the corporate philosophy of "We contribute to the healthier lives of people around the world through the creation of pharmaceuticals," Mitsubishi Tanabe Pharma Corporation strives to become an international pharmaceutical company that is widely trusted by society. To continually achieve this corporate goal, the fundamental policies regarding the maintenance of an internal control system has been set forth by the Board of Directors and efforts to enhance corporate governance and internal control are underway. Also, the current status of these fundamental policies is reported once a year during a Board of Directors meeting, and revisions are made if necessary.

Corporate Governance System

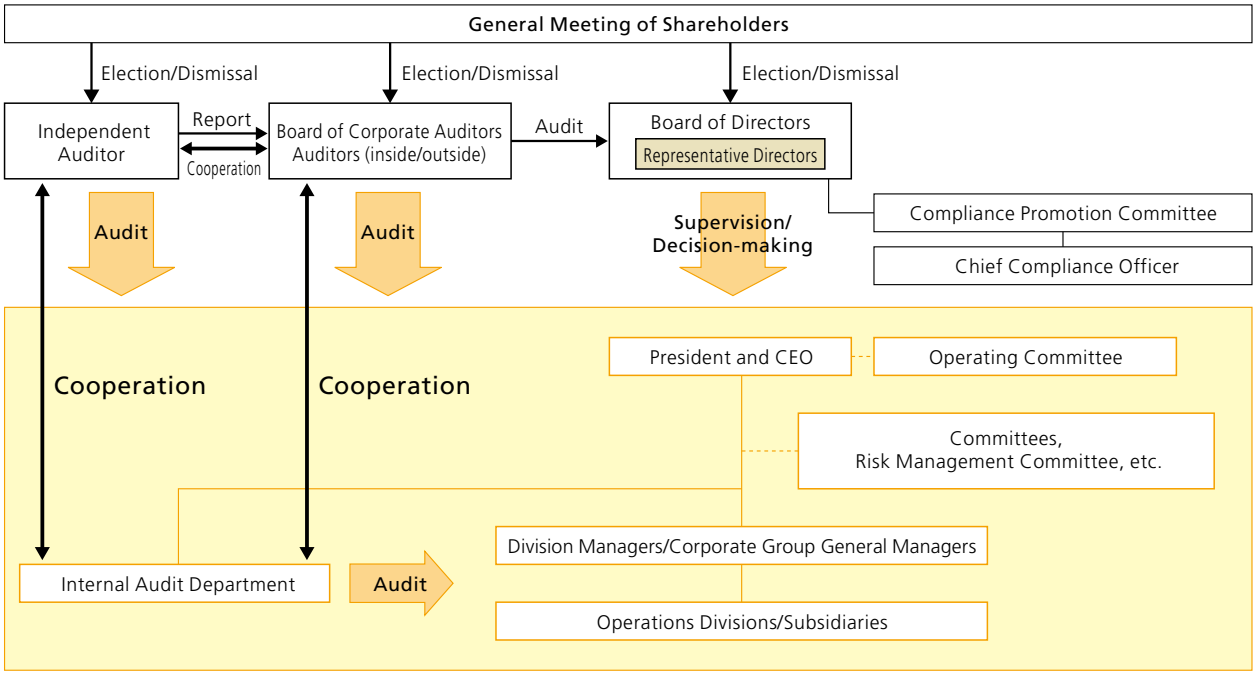
We are a company with auditors which, in addition to having Shareholders Meeting and directors, has Board of Directors, Corporate Auditors, Board of Corporate Auditors, and an independent auditor.

Management System

The management system comprises six board directors. In addition to the regular Board of Directors meetings (monthly, as a general rule), the Company flexibly holds ad-hoc Board of Directors meetings to conduct executive decision-making and supervision in order to ensure more efficient business operations.

The Company has adopted a Corporate Officer System that clearly differentiates policy-making/supervisory functions from executive functions of management. The Operating Committee, comprising the President and CEO, Executive Vice Presidents, Managing Executive Officers, executive officers appointed by the President and CEO, etc., meets twice or more a month as a basic rule to discuss issues regarding the overall operation of the Company. Of these issues, those deemed important are then discussed at the Board of Directors meetings. This ensures prompt and efficient decision-making.

■Corporate Governance System



Auditing System

The auditing system comprises four auditors (of whom two are outside auditors). At the Board of Corporate Auditors meeting, audit status reports are presented by each auditor and an audit report is made by the independent auditor.

Corporate Auditors audit the execution of Corporate activities by attending important meetings, including those of the Board of Directors and the Operating Committee; by interviewing directors, executive officers and each division regarding the status of execution of duties; by reviewing documents related to major decisions; and by investigating the operational and asset status of principal work sites and subsidiaries (including internal control systems such as compliance and risk management).

They also receive briefings on audit plans and policies as well as quarterly reports on audit implementation and results from the independent auditor, and hold sessions to exchange opinions. When necessary, Corporate Auditors observe the visiting audits and audit reviews by the independent auditor, and at the end of the term, receive explanation on the system for ensuring correct execution of duties by the independent auditor. Furthermore, the Corporate Auditors regularly receive information regarding the Internal Audit Department's auditing plans, statuses and results every month, exchange opinions, and receive reports on internal control system evaluation results for the financial report once every half-year term.

We aim to establish an auditing system that is highly independent and professional. We choose lawyers who are legal experts and/or those who have worked in banks/securities companies for outside Corporate Auditors. For standing Corporate Auditors, we select those who possess adequate knowledge in finance and accounting. Moreover, to support Corporate Auditor audits and the duties of outside Corporate Auditors, we have established a Corporate Audit Office that is independent from business operations, with three full-time staff members.

Regarding internal auditing, we have an Internal Audit Department that is independent from the executive divisions, which audits the internal control status of each executive division. The Internal Audit Department has 12 employees.

As the independent auditor, we have appointed Ernst & Young ShinNihon LLC, and we make every effort to provide them with an environment in which proper auditing can be conducted, such as conveying accurate managerial information.

Other special matters that may significantly impact corporate governance

It has been agreed with Mitsubishi Chemical Holdings Corporation, our parent company, that this Company will remain listed, and that Mitsubishi Chemical Holdings will, in principle, maintain its shareholding ratio in the Company for 10 years from October 1, 2007, and that the Company will be operated based on independent decisions and judgment as a publicly listed company. It is our understanding that this Company is independent from its parent company.

In April 2010, this Company and Bipha Corporation, one of our subsidiaries, received administrative punishment from the Ministry of Health, Labor and Welfare for violation of the Pharmaceutical Affairs Act. Our Group deeply regrets this incident, and will place top priority on steadily executing the business improvement plan devised in response to this incident. We will thoroughly implement measures to prevent recurrence, and work in earnest to improve our business practices. Also, as our Basic Managerial Principle, we will prioritize the managerial goals below.

1. Thoroughly reinforce the conduct stipulated in our Group's Corporate Behavior Charter.
2. Ensure the safety and quality of pharmaceutical products as a company engaged in life sciences.
3. Enhance internal control of the Group as a whole.
4. Enhance work ethics and compliance awareness.

Accountability to Stakeholders

We make every effort to disclose information concerning corporate activities such as managerial policies, managerial goals and financial statuses to all stakeholders including shareholders/investors, patients/medical personnel, and the community at large in a fair, prompt, and appropriate manner. Upon disclosing any information, we comply with all applicable laws and ordinances such as the Financial Instruments and Exchange Act, and based on the information disclosure regulations and in accordance with our in-house information disclosure system, we conduct fair disclosure to all stakeholders of both content and timing.

Regarding the Company's financial status, the development status of new products, important managerial policies and operational expansion, we hold settlement briefings on a regular basis for institutional investors, and in addition, hold R&D briefings, business briefings, etc. as necessary. For individual and overseas investors, video and audio of these briefings are available on our website, along with Q&A sessions that took place. Moreover, we publish the CSR Report annually as part of our efforts to fulfill our corporate social responsibilities.

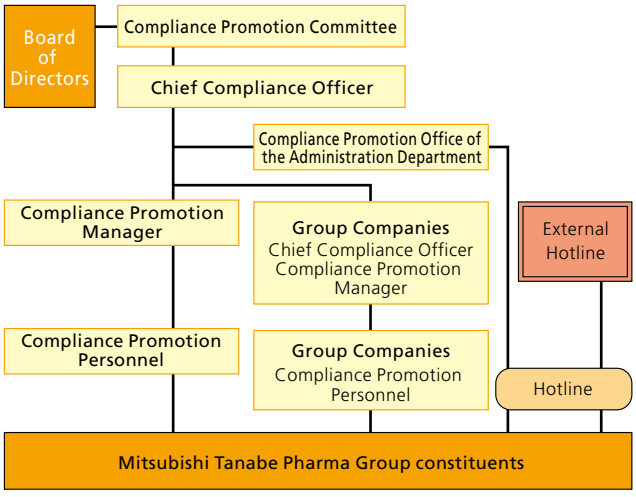
Compliance

Compliance Promotion System

Our Compliance Promotion System, which includes all group companies, revolves around the Compliance Promotion Committee chaired by the Chief Compliance Officer.

Moreover, with our Code of Conduct, the key which establishes specific behavior codes based on the Corporate Behavior Charter, we conduct various promotional activities such as trainings and hotline consultations.

■Mitsubishi Tanabe Pharma Group Compliance Promotion System



Mitsubishi Tanabe Pharma Group Code of Conduct

1. We conduct our business with high ethical standards and in a professional manner as a global healthcare company.
2. We respect our employees, encourage open and honest communication, and promote safe and healthy working conditions.
3. We comply with all legal requirements and regulations that apply to our businesses and corporate activities.
4. We actively work to protect the global environment and strive to realize harmonious co-existence of the company and society.
5. We strive to trade and transact business in a fair manner at all times.
6. We appropriately manage company information and data, and work to ensure that such information and data are disclosed in a timely and reasonable manner.
7. We appropriately manage and efficiently use all company assets.

Hotline

We have set up internal and external consultation desks to serve as contact points for reporting and consulting cases in which there may have been violations of laws, ordinances, or social rules through the our group's operations. The numbers and types of cases handled by the Hotline are reported during trainings and other occasions. To improve accessibility of this Hotline, we have made the following improvements.

- The internal Hotline phone number is now toll-free (May 2010)
- The number of cases handled per half-year period is posted on the in-house intranet (May 2010)
- New after-hours consultations (once a month, hours are extended until 7:30 pm / June 2010)

■Number of Hotline cases in FY 2009

Laws/in-house regulations	Labor control	Preliminary consultation	Other	Total for FY 2009
32	15	14	8	**69**

Training Enhancement

(1) Implementation of compliance training by division
In FY 2009, the Company implemented Compliance Training By Division, a training focusing on topics related to the operations pertinent to each division. In the By-Division training, the Compliance Promotion Personnel in each division play a central role in selecting the theme, and relative laws and ordinances as well as case studies are introduced. From the next fiscal year, one Common Company-Wide training will be held during the first-half term and one By-Division training during the second-half term in order to nurture work and regulation awareness that best suits those affiliated with a company engaged in life sciences.
(2) Human Rights Awareness Training
The Human Rights Awareness Promotion Committee chaired by the president plays the central role in the company-wide efforts toward human rights awareness. For training, we conduct Block Training for managerial positions, and General Training for general positions. Human rights slogans were also solicited, and we received 505 ideas from throughout the Group.

■Fiscal 2009 Training Implementation Chart

	Training Target	Times Held	Participants
Compliance training	Common Company-Wide (all employees, incl. dispatch employees, etc.)	238	8,014
	By-Division (all employees, incl. dispatch employees, etc.)	41 (all by-division trainings)	8,035
	Top Seminar (directors, executive officers, presidents of domestic affiliated companies)	1	35
Human Rights Awareness Training	Director, Block (managerial positions) Training	30	708
	General Training (general positions, including dispatch employees, etc.)	127	6,562
New Employee Training		1	58

Risk Management

Risk Management System

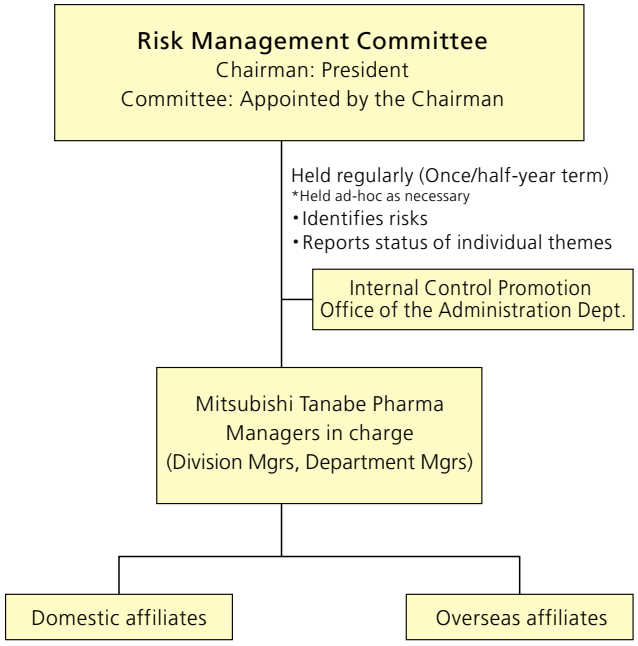
Our Group has established Risk Management Regulation in order to achieve appropriate management of risks that accompany business activities. Our group operates under a risk management system designed in accordance with the Regulation.

Based on the Regulation, the Risk Management Committee (which meets once every half-year term, plus extraordinary meetings as necessary) chaired by the president has been established. The Committee identifies risks for the Company as well as the entire Group and confirms the handling status of these risks on a regular basis.

In the future, we intend to enhance the precision of risk categorization and analysis based on the nature of each risk.

Our Group also takes a firm stand against engaging in any form of patronage towards anti-social forces including organized crime groups and corporate extortionists, and this is clearly stated in the Code of Conduct. In order to avoid any and all dealings with anti-social forces, we established an operating procedure for assessment of business partners in March 2009, and have been managing the information on our business partners by database.

■Risk Management System

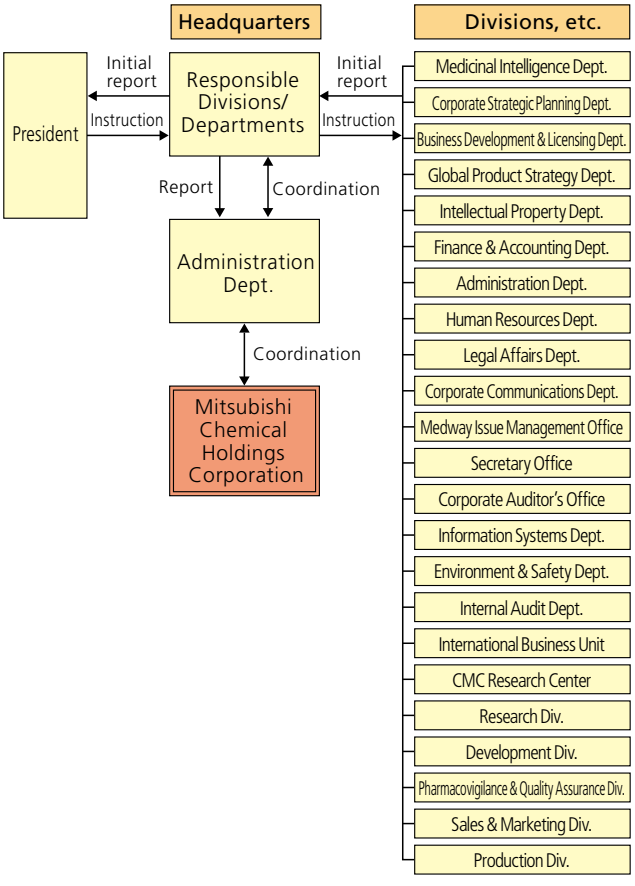


System and Countermeasures during Emergencies

In case of the possibility or occurrence of emergency situations such as disasters, accidents or pandemics, measures will be taken to minimize damages based on the risk management regulations and emergency contact criteria, and depending on the circumstances, a task force may be established to handle the matter.

In September 2009, as part of our extended efforts to prevent the contagion and spread of the new influenza virus, we drew up a "Manual on Handling the New Influenza Virus by Toxicity Fatality Rate (provisional)," distributed supplies such as masks and disinfectants, and conducted regular confirmations of the number of flu patients among employees and their families. Moreover, to continue fulfilling our responsibility to supply important pharmaceutical drugs and answer questions from our customers during any crisis situation, including the new influenza pandemic, we have begun devising a business continuity plan.

■Contact network in emergency situations



*Affiliates will be contacted by pertinent division

Our Efforts for Providing Patients with Valuable New Drugs

Aiming to continually create new drugs

Mitsubishi Tanabe Pharma carries out research and development to create valuable drugs that are able to contribute to healthier lives for people around the world. To continuously discover new drugs that can enhance medical care, the Research Division, which is in charge of the Company's research activities, is working to build the product pipeline, strengthen drug discovery capabilities and increase product reliability, as well as to nurture a corporate culture that attaches importance to teamwork. The Research Division is steadily moving forward to fulfill its mission stated in the Company's Medium-Term Management Plan 08-10: Building by fiscal 2015 a pipeline that will enable the Company to launch one new drug every two years.

On average, about 15 years pass from the commencement of a research project to the launching of a new drug. Therefore, a truly valuable drug cannot be produced unless the research theme is carefully selected based on a solid understanding of long-term disease structure and medical treatment needs. In addition, since the development of a new drug involves nearly endless streams of decision making, both technical and managerial, based on research data, the safety of a new drug cannot be assured without high-level expertise to collect highly reliable data and a steadfast dedication to research, which is essential for objective evaluation of research data. This is why the Research Division's focus extends to human resource development, so that every single researcher can acquire a vast and profound knowledge of medication and maintain a high ethical view of life.

Through the creation of new pharmaceuticals, Mitsubishi Tanabe Pharma is determined to live up to the trust of patients, medical professionals and the rest of the society.

■Drug Discovery Research System

Bioethics

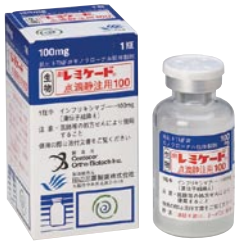
Research using patient tissue and cells is becoming increasingly important for the elucidation of diseases and the prediction of drug efficacy and safety. For in developing new pharmaceuticals drugs, avoiding side-effects and realizing medical treatment optimized for individual patients, this research is expected to greatly contribute to future medical care. On the other hand, this research requires great ethical consideration in the informed consent of patients providing their tissue and cells, and the protection of their privacy. At Mitsubishi Tanabe Pharma, a research ethics committee meets a dozen or so times a year to carefully examine the Company's research projects in terms of their ethical and scientific legitimacy. To ensure fairness, impartiality and transparency, the committee includes some members from outside the Company. The committee's balanced discussions help raise and maintain the Company's researchers' sense of bioethics.

Additional indications for Remicade

Remicade 100 mg (generic name: infliximab), anti-TNFα monoclonal antibody, is a biological agent, with evidence of its efficacy and safety having been accumulated through use by over 50,000 patients.

In Japan, Remicade was first marketed in May 2002 as a treatment for Crohn's disease. It received indications for rheumatoid arthritis in 2003, and Behcet's disease complicated with refractory uveoretinitis in 2006. In 2010, further additional indications were approved, including psoriasis (January), ankylosing spondylitis (April) and Ulcerative colitis (June). The Company works to continue expanding the drug's potential to fulfill medical needs yet to be met.

At the moment, development is under way to obtain approval for a change in the dosage for Crohn's disease (Phase 3). The Company will continue to promote the proper use of Remicade® by collecting and providing safety information, and contribute to quality of life (QOL) of patients.



Remicade® I.V. Drip Infusion (generic name: infliximab), anti-TNFα monoclonal antibody has been used to treat more than 50,000 patients in Japan, and has accumulated enough evidence on its efficacy and safety.

Promising development projects

To be a global research-driven pharmaceutical company, Mitsubishi Tanabe Pharma is steadily pursuing promising development projects. In December 2009, Novartis Pharma filed NDAs in the U.S. and Europe for multiple sclerosis(MS) treatment agent FYT720, which it licensed from the Company.

In Japan, the Company and Novartis Pharma are moving ahead with co-development of FTY720, and we plan to file an NDA in 2010.

TA-7284, meanwhile, is a treatment agent for diabetes, which is a priority disease area for our R&D activities. Johnson & Johnson licensed TA-7284 from the Company and is conducting phase 3 studies overseas. In Japan, phase 2 trials for TA-7284 were started in November 2009. In addition, chronic hepatitis C treatment agent MP-424 is in phase 3 studies in Japan, and diabetes treatment agent MP-513 moved up to phase 3 studies in October 2009. In the U.S. and Europe, the Group is moving forward with phase 3 studies for two drugs in the renal field: MCI-196 (hyperphosphatemia) and MP-146(chronic kidney disease). As one facet of lifecycle management, we are working to obtain additional indications and/or dosage forms for Remicade and other products. We are committed to realizing healthier lives for people around the world through launching new drugs as rapidly as possible.

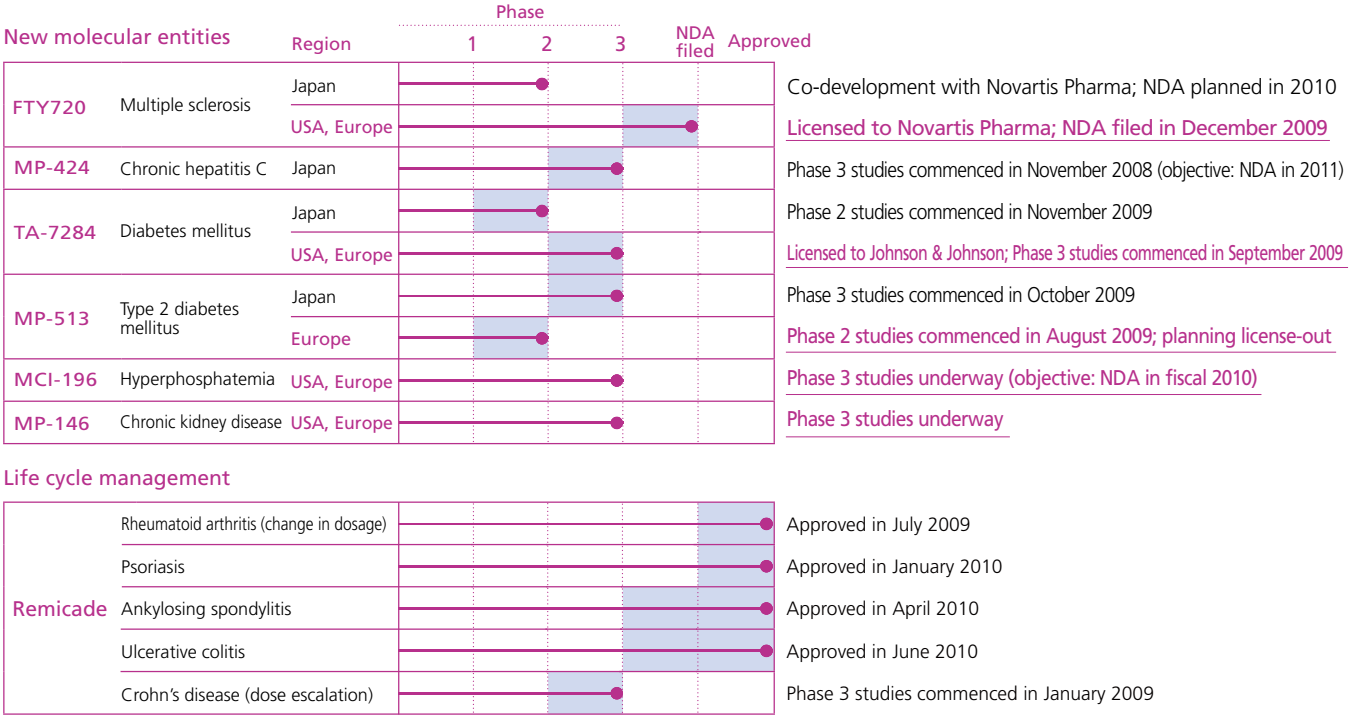
Challenge for developing orphan drugs

Orphan drugs are pharmaceuticals that has been developed specifically to treat a rare medical condition that has a limited number of patients.

To answer orphan disease patients' earnest call for optimal treatment, Mitsubishi Tanabe Pharma has been actively carrying out orphan drug development, including projects for expanding indications of already-marketed drugs to cover orphan diseases. The Company has already acquired approval for Human CRH Injection (hormonal secretion test drug), Ceredist (treatment for spinocerebellar degeneration), Urso (treatment for primary biliary cirrhosis), Denosin and Valixa (treatment for cytomegalovirus retinitis), Tanatril (treatment for diabetic nephropathy associated with Type 1 diabetes), and Novastan HI Injection (hepalin-induced thrombocytopenia [HIT]). In addition, the Company is conducting the development of VenoglobulinIH (NDA filed for polymyositis and dermatomyositis; myasthenia gravis in Phase 3), Radicut (amyotrophic lateral sclerosis [ALS] in Phase 3) and FIY720 (multiple sclerosis; Phase 2) in Japan.

■Progress of major development projects

Progress since fiscal 2008



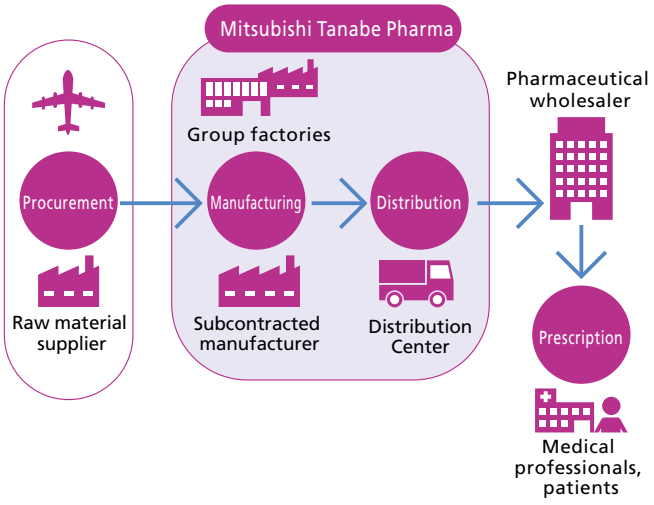
Our Supply Chain for a Stable Supply of High-Quality Pharmaceuticals

Supply chain management

Mitsubishi Tanabe Pharma's pharmaceuticals are manufactured using raw materials procured inside and outside Japan. Our pharmaceuticals are temporarily stored in our Distribution Center and then distributed to medical institutions through pharmaceutical wholesalers before ultimately being prescribed to patients.

Mitsubishi Tanabe Pharma has established a supply chain management system which ensures a stable supply of quality pharmaceuticals through raw material procurement, manufacturing control, quality control, and distribution control to ensure that we can provide a stable supply of pharmaceuticals that can be used with confidence by patients and medical professionals.

■ Supply chain for pharmaceuticals



Procurement control

At Mitsubishi Tanabe Pharma, we have a basic purchasing policy that calls for fair, impartial and transparent transactions. Based on the principle of free competition, we seek out prospective suppliers globally and openly regardless of their location or nationality, and select suppliers through fair and rigorous evaluation and screening procedures in accordance with the Company's supplier selection standards.

In transactions with suppliers, we strive to build a relationship of mutual trust based on a spirit of prosperous coexistence. We request our suppliers to not only strive to continuously improve quality and achieve stable supply but also conduct socially responsible and reliable activities, complying with relevant laws and regulations, taking the environment into consideration, respecting human rights and avoiding dealings with antisocial organizations.

Purchasing compliance

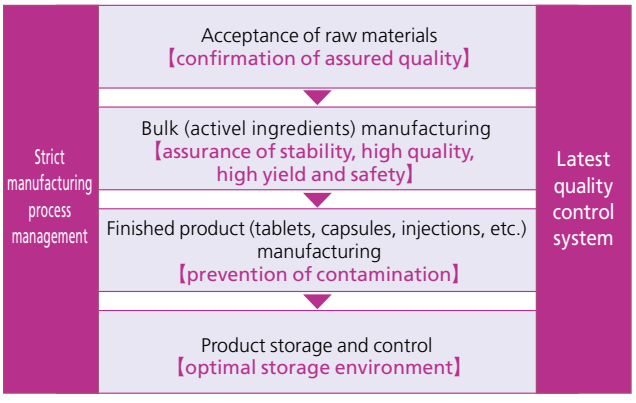
In January 2009, we formulated the Mitsubishi Tanabe Pharma Group Purchasing Compliance Code of Conduct so as to thoroughly adhere to appropriate purchasing practices on a daily basis in compliance with purchasing rules. The objective of the Code of Conduct is to ensure that all employees engaged in purchasing observe the purchasing-related rules, regardless of the amount of money involved, to achieve total purchasing compliance within the Group.

Mitsubishi Tanabe Pharma Group Purchasing Compliance Code of Conduct	
	1 Awareness, responsibility
	2 Fairness, impartiality, integrity
	3 Legal compliance
	4 Moderation
	5 Transparency, openness

Production control

Mitsubishi Tanabe Pharma's Production Division is in charge of manufacturing high-quality pharmaceuticals that patients and medical professions can use with confidence. Production Division works in collaboration with the R&D Division from the stage of new drug development to the stage of production technology development that enables low-cost, high-quality stable manufacturing. The greatest care is taken throughout the whole process of pharmaceutical production, starting from inspections conducted upon the acceptance of raw materials. Bulk and finished product manufacturing as well as a battery of tests and inspections are carried out in strict compliance with applicable pharmaceutical manufacturing and quality control standards and using the Company's original technologies and knowhow accumulated over many years.

Mitsubishi Tanabe Pharma strictly adheres to the Good Manufacturing Practice (GMP) as indicated below.



Distribution quality

Mitsubishi Tanabe Pharma's Distribution Center conducts thorough inventory and quality control toward the ultimate objective of providing patients with high-quality drugs in a stable manner. The Distribution Center's inventory control system encompasses product storage by item and lot (storage in conformity with the Pharmaceutical Affairs Act) and shipment control (FIFO: first-in first-out rule) to realize rapid and stable supply. In addition, as internal quality control, the Distribution Center conducts strict personal entrance/exit and storehouse temperature control, periodic cleanups, insect and rodent control, and insect inspections, thereby preventing the inclusion of contaminants in the distribution process.

As for transportation, Mitsubishi Tanabe Pharma maintains contractual agreements with transportation agencies with regard to appropriate handling and the prevention of damage, theft, and loss of goods, and misdirected or delayed delivery, and confirms the status of conformity through periodic monitoring. In particular, regarding goods requiring refrigeration, for which strict quality control is a prerequisite, refrigerator equipment and vehicles are periodically validated to ensure fail-free temperature control, while in daily operational risks relating to temperature control during storage and transportation are minimized by the regular confirmation of temperature records and the use of refrigerant boxes.

Export security control

Export security control is a system that prevents the use of exported products and technologies for military or other irregular purposes. In fiscal 2008, Mitsubishi Tanabe Pharma established the Export Management Secretariat, within the Environment and Safety Department, with the President as its highest supervisor. The Secretariat carries out activities including the examination of regulatory conformity of exported products and technologies, the inspection of trade partners, in-house dissemination of information on revised regulations and the like, and the organization of related educational programs for employees. In fiscal 2009, the Company commenced export control auditing to ensure that export-related divisions and departments are appropriately making use of the system, so that it will become well established within the corporate structure.

Drug identification system using RFID tags

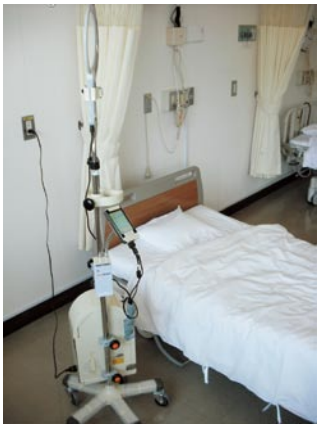
Mitsubishi Tanabe Pharma is taking part in a demonstrative experiment of a drug identification system using radio-frequency ID (RFID) tags, to enhance safety in medical care and relieve medical professionals of some of their workload.

The demonstrative experiment, inaugurated in fiscal 2009 jointly with Akita University School of Medicine Hospital, confirmed successful linkage of a mobile drip infusion device with a Mitsubishi Tanabe Pharma drug bearing an RFID tag. The system thus can, when a drug with an RFID tag is set on a drip infusion to be administered to a patient, automatically recognize the drug and the patient and check this information against prescription information on the patient's electronic medical chart to ensure that the patient is about to receive the correct drug. Moreover, the system automatically records drug administration information (who administered which drug to whom and when) at the same time.

Mitsubishi Tanabe Pharma is also actively participating in a project to develop a work support system linked with a hospital's pharmacy or electronic medical chart system. Demonstrative experiments of this project have confirmed that a prescription ordering system that dispenses medicines in a hospital can be used to check pharmaceutical information such as dosage, usage, interaction and clinical test records, and that an electronic medical chart system can be linked with REDI tags to conduct follow-up surveys on in-house drug administration.

Furthermore, IT-aided two-way linkage between a hospital pharmacy and community pharmacies handling prescription drugs is being planned for common sharing of patient information stored in the hospital's medical chart system and prescription information stored at pharmacies. This system will enable all linked medical care providers to rapidly and accurately check patient medication records, which will lead to improving quality in community medical care. Demonstrative experiments of this system will be held in the future with cooperation by medical institutions and pharmaceutical wholesalers.

Mitsubishi Tanabe Pharma is determined to maintain active participation in such IT-aided demonstrative experiments and projects to contribute to realizing a medical care environment that brings about the greatest benefits to the medical institutions and professionals and patients.



Mobile drip infusion device
(under development at NEC)

Establishing a System for Safety-Assured Use of Pharmaceuticals

Pharmacovigilance and quality assurance system fitting for a global research-driven pharmaceutical company

Pharmaceuticals bear utility value only when they are accompanied by information on their quality, safety and efficacy. Such information must not contain errors, and its collection and dissemination must be prompt and timely.

Mitsubishi Tanabe Pharma works closely with manufacturing sites within and outside the Group companies, since the key to quality assurance is in confirming the status of production and quality control implemented at the various sites for the entire process from raw materials to finished products.

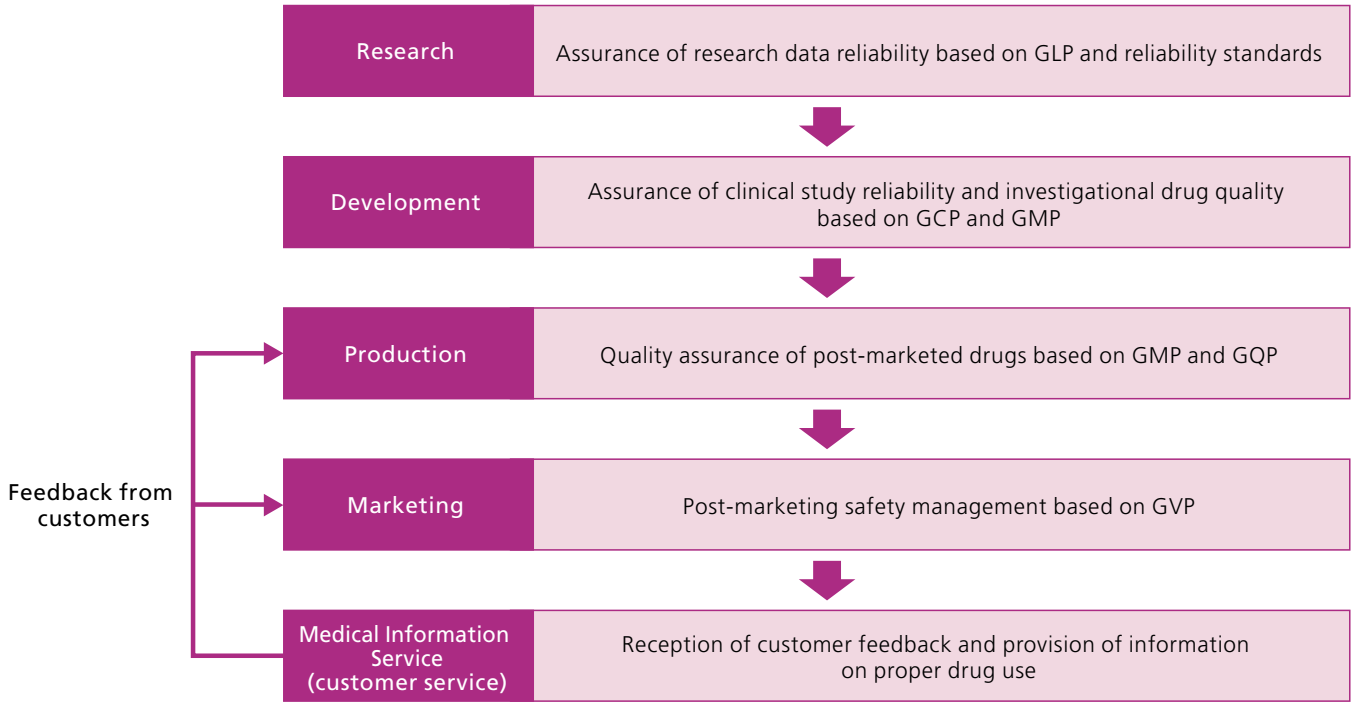
As for safety and efficacy, we are constantly collecting and evaluating information reguired for the proper use of drugs coming from medical institutions, scientific journals and conferences, business partners in and outside Japan, patients and their families, and regulatory authorities around the world. We then feed back such information to the medical community and patients via our Medical Representatives (MRs) and Medical Information Center.

At Mitsubishi Tanabe Pharma, the function of assuring the reliability of pharmaceuticals from the R&D to post-marketing stages and the function of providing information on proper product use in response to inquiries from patients and medical institutions are placed within one Division, so that such information is managed in a consolidated manner.

Today, drug quality and safety information can be instantaneously shared all over the world. In view of this, we are emphasizing more than ever domestic regulatory and standard compliance while reinforcing our global pharmacovigilance and quality assurance system. As part of this endeavor, we are developing a safety monitoring system in the United States for autonomous marketing. Moreover, we are working with the Group companies in Europe, the US and Asia to promote information sharing for quality and safety assurance of investigational drugs and marketed products and for R&D data reliability. We are also developing a centralized system capable of instant management of adverse reactions information from all countries in which our pharmaceuticals are marketed or under clinical studies.

Group-wide policy and information sharing is already being promoted for separate functions such as quality assurance, safety assurance, and pharmaceutical regulatory responses. In addition, we have established the Quality and Safety Liaison Council, comprising of the representatives responsible for quality and safety assurance at Japanese and overseas Group companies engaged in the pharmaceutical business. The Council promotes policy measures and information sharing relating to pharmaceutical quality and safety, while constituting a mechanism by which member companies can mutually monitor each others' activities.

■Pharmacovigilance and Quality Assurance System of Drugs



Education in pharmaceutical safety

In fiscal 2008, Mitsubishi Tanabe Pharma started organizing educational programs for all directors and employees of Group companies engaged in the pharmaceutical business to raise pharmaceutical safety awareness.

As the theme for the pharmaceutical safety educational program for employees, safety measures for pharmaceuticals was chosen in fiscal 2009. The program participants shared lessons learned from past health hazards caused by pharmaceuticals and the importance of repeated daily efforts by individual employees for drug safety management.

Educational programs for directors, auditors and executive officers are titled "Top Seminars" and feature invited external lecturers. In one such program held recently, the participants confirmed the importance of drug safety assurance and compliance consciousness on the basis of life ethics and the necessity of adapting to social needs.

A scene from a Top Seminar

Promoting proper use of drugs

The Pharmacovigilance & Quality Assurance Division is in charge of assuring the safety and quality of pharmaceuticals so that patients and medical institutions can use our drugs with a sense of security and ease. In fact, a stable supply of high quality pharmaceuticals to the market while assuring the safety of pharmaceuticals and promoting their proper use is of vital importance to a pharmaceutical company.

Drugs can bring about both desirable and undesirable effects. Sometimes, certain adverse reacitons undetected in clinical studies occur only after a new drug is prescribed to a great number of patients, because clinical studies are conducted under limited conditions in the process of new drug development. At Mitsubishi Tanabe Pharma, we do our utmost to assure the safety of our drugs by analyzing a vast amount of information relating to adverse reactions in and outside Japan, and continuing post-marketing surveys and data collection and evaluation. We then share such information with medical professionals to help deepen their understanding of both the efficacy and safety of our drugs and promote their proper use.

In Mitsubishi Tanabe Pharma's "Corporate Behavior Charter," we pledge that each one of us embraces high ethics, gives priority to fairness and integrity above all, and act with a "Sense of Mission and Pride," "Challenge and Innovation," "Trust and Teamwork," and "Harmonious Coexistence with Society." As these words indicate, as individuals who are directly involved in developing and distributing drugs, we take pride in our work, pursue it with a strong sense of mission, and do our very best to assure the safety and quality of the drugs we provide.

Shoji Nagashige
Managing Executive Officer
Manager, Pharmacovigilance & Quality Assurance Division

Offering Easy-to-understand Pharmaceutical Information

Operating the Medical Information Center

We have established the Medical Information Center as a department for directly responding to inquiries from general consumers and patients, as well as medical doctors, pharmacists and other health care professionals.

For general consumers and patients, in particular, the Medical Information Center is the only contact point for obtaining pharmaceutical information from the Company. Amid the recent government efforts toward strengthening and enhancing administration of consumers' affairs, centers like this are playing an increasingly important role. The role of the Center is to help ensure the proper use of pharmaceuticals by promptly and conscientiously providing customers with accurate and easy-to-understand information about our ethical drugs, over-the-counter (OTC) drugs and other products.

Another important role of the Center is to help ensure the reliability of our products by promptly passing on to the relevant sections any safety and quality information received as a part of the inquiries the Center receives. Such consumer feedback is reflected in the development of better drugs or improvement of existing products, or used for upgrading of the products information.

Of the roughly 72,600 inquiries that we received in the year from April 2009, inquiries regarding ethical drugs made up 93% and the remaining 7% was related to OTC drugs. Broken down by inquirer, 65% of the inquiries received were from health care professionals, 17% were from pharmaceutical wholesalers, 9% were from patients and consumers, 1% were from other sources (police, municipalities, corporations), and 8% of the inquires were made through Medical Representatives or our branch offices' Scientific Support and Training Sections.

To ensure the proper use of our products, the Medical Information Center responds to inquiries by providing information on the basis of the contents of drug approval documents, objective facts and data and scientific knowledge, while taking care not to provide medical advice that should only come from a physician.

Content of Inquiries to the Medical Information Center

■Distribution and management (Expiration date, change in packaging, discontinuation of the products, etc.)
- When is the expiration date for the drug?
- Is there any substitute for [name of product], which you have discontinued?

■Precautions for use and drug interactions
- I'm pregnant, is it all right to take this medicine?
- Is it necessary to discontinue this medication before surgery?
- Is it O.K. to drink alcohol while taking this medicine?
- Are there any problems with inoculating patients against influenza while they are being treated with this medicine?

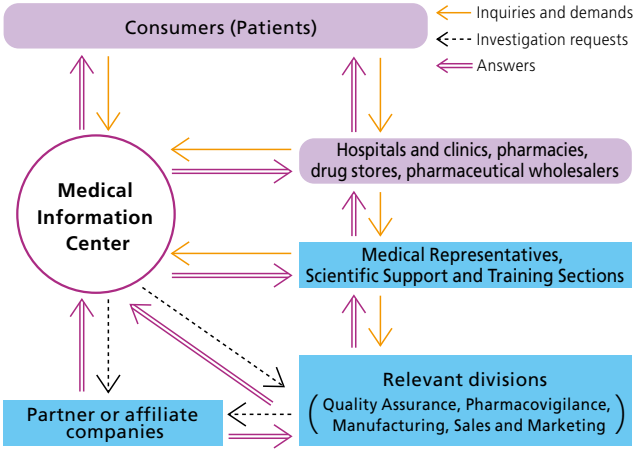
■Usage and dosage
- What are the respective dosages (dosage adjustments) for patients with liver or renal impairment?
- What is the dosage (dosage adjustment) for children?

■Pharmaceutical science information and stability of formulations
- I was instructed to crush this by my doctor, are there any problems with crushing it?
- Can this be packaged as a single dose with other pills?

■Insurance and system
- About how much will the cost of treatment be if I were to use this medicine?
- Is there a limit on the number of days this can be prescribed?

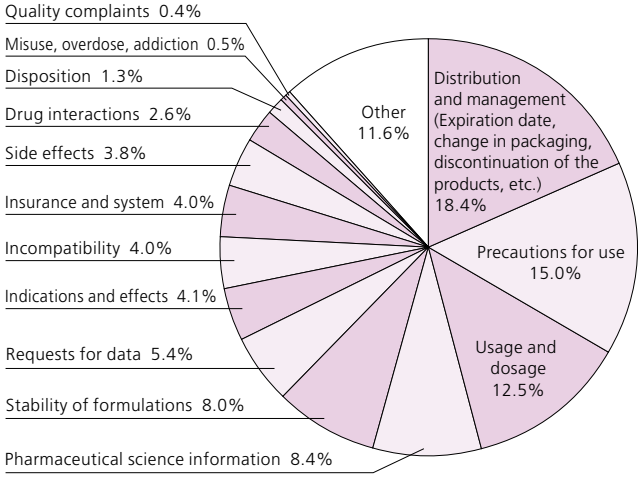
■Indications and effects
- What is the time for the onset of action and the duration of effects?
- Do the indications include treatment for children?

■Medical Information Center Inquiry Flow Chart



■Content of Inquiries to Medical Information Center

(April 2009 – March 2010)



Providing Support for Public Lectures

It is expected that fostering better understanding of diseases in communities and raising public awareness on health will lead to early detection or prevention of diseases.

Mitsubishi Tanabe Pharma provides support for "Nikkei Health Seminar 21," a series of public lectures on health that are sponsored by Nikkei, Inc. Designed to improve public understanding of diseases and help people prevent diseases, this program is operated in conjunction with the Healthy Japan 21 initiative, which has been promoted by the government as part of a project for improving national health in the 21st century.

In July 2009, we held a health seminar under the title, "Let's think about brain health: Strokes occur unexpectedly." Cerebral stroke ranks high every year in the list of major causes of death in Japan. Approximately 500 citizens participated in the seminar. The lecturer presented tips for preventing a stroke in everyday situations and information on the latest treatment. In addition, patients shared their experiences with participants in an easily understandable way.

At Nikkei Health Seminar 21

Disease Information on Websites

On various websites, Mitsubishi Tanabe Pharma provides information on diseases related to its products, such as Crohn's disease, rheumatoid arthritis, cerebral infarction, sleep disorders and hemorrhoids. We have established websites dedicated to each of these diseases, providing easy-to-understand explanations on the symptoms, diagnosis and treatment of the diseases.

In March 2010, we opened two additional health support websites, on vaccines and psoriasis, for educational purposes.

The website on vaccines "Wakuchin.net" provides accurate information on immunizations. In addition, by offering free educational tools through the website to local municipalities, schools and other parties concerned, the Company assists their efforts to promote vaccination.

The website on psoriasis care "Kansen-care.net" provides psoriasis patients with accurate information on the disease and an easy-to-understand explanation on appropriate care and treatment.

Through health support websites like these, the Company serves the needs of patients and the rest of society.

Wakuchin.net

Kansen-care.net

"Crohn Frontier" Received Award

"Crohn Frontier" is our health support website for patients with Crohn's disease. This website won an award for excellence in the specified diseases category in the 2009 Best Disease Education Website Awards program. This program was established by QLife, Inc., a company operating a hospital search website featuring online word-of-mouth communication and other healthcare related websites.

President Tsuchiya received the plaque from President Yoshiyuki Yamauchi of QLife.

Crohn Frontier

Receiving the plaque

Providing and Delivering Information through Medical Representatives (MRs)

We desire to help improve patients' health through our pharmaceuticals. To fulfill this aim, we need to provide detailed drug efficacy and safety information and other data to doctors, pharmacists and other medical professionals.

Mitsubishi Tanabe Pharma Group has approximately 2,400 MRs, who are making untiring efforts to ensure the proper use of our pharmaceuticals. At medical institutions across the nation, they not only provide the positive aspects of our products, but also provide medical information on possible side effects and other risks.

In addition, MRs also collect drug efficacy, safety and other information that was not obtained at the research & development stage. Afterwards, MRs report the results of subsequent evaluations to medical institutions.

To support these activities of MRs, the Company has established a membership website for medical professionals, "Medical View Point." On this website, members can obtain information on our products and related diseases online anytime, 24 hours a day. We also deliver e-mail newsletters containing useful diagnosis information to subscribed members.

MRs providing information at a medical institution

Safeguarding Our Customers' Personal Information

In light of the importance of protection of our customers' personal information, we have formulated and disclosed a set of Personal Information Protection Policies. In accordance with the basic policy of appropriate and safe handling of personal information, the Company collects such information by appropriate methods and uses the information received within the limits necessary for achieving its objectives.

In addition, we have taken the following measures to ensure safe management of personal information:

(1) Establishing and enforcing the management rules for personal information protection

(2) Creating a personal information protection management system, including appointment of a Chief Privacy Officer (CPO) and a manager and staff responsible for personal information management for each division

(3) Education and training for employees, and management and supervision of subcontractors

(4) Implementing stringent data encryption for computers owned by the Company and various types of security measures

Examples of security measures

We have created and stored folders used exclusively for personal information data on secure servers to prepare a systematic personal information management ledger. All electronic files containing personal information are stored in these folders. By setting passwords directly for these files, we limit access to the files to authorized individuals, preventing third parties from fraudulently handling the information. In addition, we carefully examine the personal information management ledger on a periodical basis to check if personal data is properly stored.

Personal information on paper media is kept in a secure place that can be locked. In addition, we have introduced a system by which no one can take such information out of the premises, as well as having taken various other measures to prevent information leakage.

Regarding patient information obtained through clinical tests or side effects reports, the Company receives, from medical institutions, personal information that has been processed to make it impossible to know whose information it is.

By strictly observing this privacy policy, the Company rigorously protects customers' personal information.

To Meet Patients' Diverse Needs

Generic Drugs

Mitsubishi Tanabe Pharma a subsidiary that focuses on promoting and marketing generic drugs entered generic drugs business, and established Tanabe Seiyaku Hanbai Co., Ltd.

A generic (GE) drug is a medicine that is marketed after the expiry of exclusive marketing and other rights for an original propriety drug (new drug). By using GE drugs, which are less expensive, the burden for patients of pharmaceutical costs can be reduced. In addition, active use of GE drugs helps contain rising healthcare costs. As the social security burden is growing in the midst of an aging society with a declining birthrate, GE drugs offers the social benefit of eventually reducing the financial burden on the public.

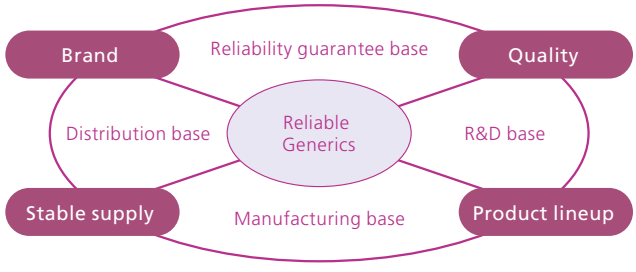
As a pharmaceutical company specializing in new drugs, Mitsubishi Tanabe Pharma has developed a wide variety of drugs and provided them to many patients through medical institutions. Throughout its long history, the Company has developed a strict quality control system and extensive distribution network. By taking advantage of these assets in the GE drug business, we offer a stable supply of high quality GE drugs throughout Japan.

With the merger of Tanabe Seiyaku Hanbai and Chosei Yakuhin, a sales subsidiary of Choseido Pharmaceutical Co., Ltd., in April 2009, we expanded our product lineup, improved our sales efficiency and enhanced the structure of our business operations.

Under the motto of "reliable generics," we continue to offer reliable GE drugs that meet patient needs.

■Mitsubishi Tanabe Pharma Group's GE Drug Business Concept

Mitsubishi Tanabe Pharma's Operating Bases



Providing pharmaceuticals that patients and health care professionals can use with confidence.

Over-the-Counter Drugs

Amidst the rapid aging of the population resulting from a declining birthrate, there is a growing need for self-medication, which is expected to have the advantages of reducing the time, effort and expense of visiting a medical institution, and containing insurance and healthcare costs. Practicing self-medication requires medical and pharmaceutical knowledge for using pharmaceuticals and for health management.

In June 2009, a new system concerning the sale of OTC products started. Under this system, OTC drugs are classified into three categories according to the risk. The classification is made on the basis of the results of evaluations of ingredients contained in OTC drugs on items such as side effects, drug interactions (when taken with other drugs) and the necessary degree of caution that should be exercised in taking the medicine. There is a greater need than ever to provide pharmaceutical information appropriate to each category to ensure the proper use of OTC drugs.

Meanwhile, a survey conducted by the Company revealed that in the area of dermatological diseases there are quite a few people who are using OTC drugs and feel anxiety due to insufficient information on self-medication. To address this issue, Mitsubishi Tanabe Pharma launched a campaign to educate people about skin problems. We have provided detailed information on the causes, symptoms and treatment of skin problems through a website and booklet ("*Hifunokoto* HANDBOOK"). We are also publicizing this campaign on TV via an awareness-raising commercial.

To ensure safer and more secure use of OTC drugs, we continue to provide information in more effective and useful ways.

Hifunokoto Site

Creating a personnel system and work environment that embrace diverse ways of working

Philosophy concerning the Utilization and Development of Human Resources

Since we at Mitsubishi Tanabe Pharma exist to continue creating new value, we focus on those who act as leaders in this endeavor. For this reason, we introduced the Comprehensive Management System for Human Resources in October 2008 with the goal of providing every individual employee the opportunity to flourish.

The Comprehensive Management System for Human Resources is focused on making the best use of people's managerial resources. Its aims are to create the corporate culture for an organization overflowing with freedom, open-mindedness and dynamism, as well as human resource development to strength our organizational capabilities and further magnify the company's results.

■Vision as Seen from the Personnel Policy

An Organization Overflowing with Freedom, Open-Mindedness and Dynamism

Organizational ideals and goals are clarified for and shared among all employees under a slim and agile (flexible and powerful) organizational operation, with each individual vigorously pushing to realize challenging objectives.

Diverse human resource development and training are conducted in a creative manner by emphasizing individual independence, respecting people's personalities and individuality within a barrier-free and open-minded organizational culture, and enabling people to realize their full potential.

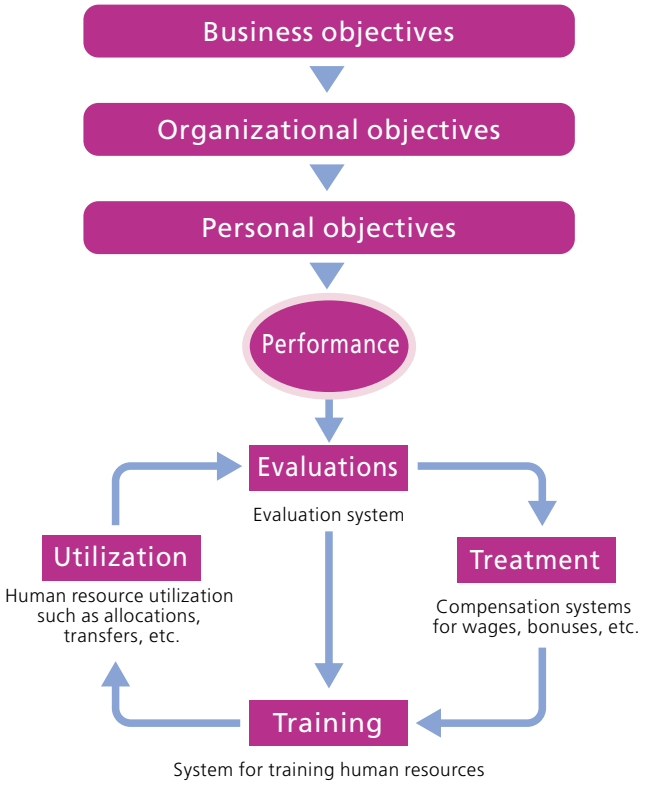
Allocating the right person in the right job according to organizational goals, and providing fair evaluation and treatment with a sense of understanding for performance (results).

Comprehensive Management System for Human Resources

To realize our vision, we have created individualized systems that correspond with the goals in each stage of training, utilizing, evaluating, and treatment. We consider it extremely important to mold this into a total system where these various systems are linked together and function in an organic manner. Furthermore, we strive to maximize the value of human resources and strengthen our organizational capabilities by spiraling up the cycle for each stage.

We have planned out the grading system that forms the basic framework for various personnel systems by occupation to ensure that each and every employee is capable of expertly performing his or her duties and facilitating achievement of the expected results in their capacity as professionals.

■Comprehensive Management System for Human Resources



Training Human Resources

We conduct systematic human resource training from a medium- to long-term perspective to foster those who are aware of their own role, abound with a willingness to grow, and who continuously contribute to vitalizing the organization and corporate performance through their independent actions. Because of this, we support the independent capacity development and career formation of individuals by providing training centering on OJT (on-the-job training), as well as venues and opportunities for rotations. This is designed to ensure that each individual employee can realize his or her full potential.

To promote understanding and permeation of the Comprehensive Management System for Human Resources, in fiscal 2009 we implemented "Training for newly appointed Section/Group Managers,"

"Training for qualified Section/Group Managers & pre-Managers," and "Training for third-year employees" so as to improve management abilities of managerial positions (Section/Group Manager level) and enhance the performances and behaviors expected of general employees.Further, to enhance managerial knowledge and mental capacity, we are reinforcing our selective trainings.

Additionally, training is carried out by each division and group company to acquire the expert knowledge and skills characteristic of each occupation.

■Training Structure

Training / Grade	By Rank	Career Design	Optional	Selective	Division Group Company	Common
Managers, Highly Skilled Specialists	Managerial posts Newly appointed Section/Group Managers Those passing managerial post assesments	Discover and establish area of contribution (motivation for personal growth)	Know-how Finding and solving problems Interpersonal relationships	International business communication Managerial knowledge and thinking	Expert knowledge and skills	Pharmaceuticals and safety education Compliance Raising awareness of human rights
Regular Employees	New E grade Third-year employees New employees					

(Including implementation plans)

Utilization of diverse workers

Amid changing social structures such as aging population combined with declining birthrate and changes in individual values, we introduced diverse work systems (flextime, free time, deemed working hours, and short-time work systems) to enable each and every employee to realize their full potential.

In fiscal 2009, a new system was introduced to restructure the re-employment system after retirement based on the concept of work sharing so that we can provide jobs for as many people as possible. We also accept diverse human resources by accepting non-Japanese workers from overseas affiliates, etc.

We have conventionally been employing people with disabilities at a rate exceeding that prescribed by law, and we intend to continue this practice.

Benefits and Support System

We have set in place an environment in which employees can work with ease and high motivation. We place emphasis on support for the mental and physical health of each person over the medium to long term, as well as on ensuring safety nets for things like illness and disaster. We have set our sights on those mechanisms that best enable us to respond to the diversifying needs and lifecycles of individuals.

- **Lump-Sum Allowance for Education**
  Based on the societal imperative to foster the next generation, when a child is born and enrolls in elementary and middle school we provide \1 million per child in combination with welfare association provisions.
- **Group Long-Term Disability (GLTD) Insurance**
  We enrolled in GLTD insurance as a system for compensating for worker's income when they become unable to work due to illness or injury. Each person has the option to enroll in an optional premium plan.
- **Health Check-ups**
  In addition to health checks prescribed by law, we also provide various cancer examinations in cooperation with health insurance associations and make efforts toward comprehensive health management.

Consideration for Work-Life Balance

We aim to set in place an environment in which each and every employee can continue working with ease and with a feeling of satisfaction and pride through various life events, such as birth, childcare, and nursing care. We provide child-care leave and paid vacations at a level exceeding that prescribed by law, and implement flexible work systems in order to support both the work and family life of our employees.

Based on such principles, we formulated a general business owner action plan pursuant to the Law for Measures to Support the Development of the Next Generation (Next Generation Law), and by achieving these plans, in 2007 and 2009 received certification as a "general business owner conforming to standards." Currently, based on the 2009 action plan, we have created an interview manual for before and after child-care leave, and established an in-house child care assistance service. We are also in deliberations regarding methods to promote employees' use of their paid vacation days.

A company-wide Time Management Campaign was started in July 2009 to encourage awareness-raising and behavioral change toward work. Since this company-wide program requires employees to think, understand and execute methods of working more efficiently, it is therefore conducted simultaneously with action plans for each workplace. We believe that promoting this Time Management Campaign will reduce overtime labor, ensure better employee health, and create good work-life balance.

"General business owner conforming to standards" certification mark: "Kurumin"

Education and Training for Employee Safety

Occupational Health and Safety Initiative

To conduct corporate activities in a consistent manner, securing the safety of our employees at all workplaces is essential.

Of the various causes of work accidents including manufacturing facilities, work environment and worker behavior, a relatively frequent cause is unsafe behavior by the workers themselves. To enhance safety awareness in each of our employees, we provide safety education such as "Danger Anticipation Training," "Five Whys Analysis," and "Static Electricity Seminar," in addition to OJT.

For fiscal 2009, the entire company promoted health and safety activities with the goal of achieving zero security accidents and work accidents, resulting in a rate of lost work time of 0.57, an improvement from the previous fiscal year (FY 2008: 0.66).

Also, an Environmental and Occupational Safety Assessment Guideline has been established so that any changes in manufacturing facilities, raw materials, processes, personnel in charge, etc. will be evaluated beforehand for potential risks of labor health and safety and environment, and necessary countermeasures will be taken in order to prevent disasters and accidents.

Hazard Prediction Training
We strive to prevent accidents through training on predicting hazard in work procedures.

Static Electricity Seminar
At the seminar, fundamental phenomena of static electricity are taught through experiments and lectures.

Safety Management of Chemical Substances

Mitsubishi Tanabe Pharma has established guidelines for handling chemical substances, and promotes the proper management of chemical substances at each work site.

Especially this fiscal year, we enhanced our in-house system to ensure that necessary legal procedures are completed upon handling new chemical substances in all stages including research, scale-up and manufacturing, based on the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., and the Industrial Safety and Health Act.

Further, we have enhanced education on legal handling of chemical substances, and increased opportunities where employees handling chemical substances can acquire the necessary legal knowledge needed for their work.

Establishment of the Vehicle Management Committee

For pharmaceutical companies, one important issue is preventing traffic accidents by commercial vehicles used by medical representatives.

Since April 2010, the Vehicle Management Committee, comprising branch managers and sales office managers, has been meeting once a month at all branches to make sure that all of the medical representatives complies with traffic regulations to prevent accidents, as well as to manage commercial vehicles appropriately. To prevent accidents, the committee shares information on statuses and causes of accidents that occurred as well as any violations and also deliberates and promotes instruction methods for safe operation of vehicles such as having sales office managers ride in the passenger seat and installing drive recorders.

Safety driving instruction by sales office manager in the passenger seat

Mental Health

We are continuously working to address mental health in the form of countermeasures to stress caused by interpersonal relations and duties in the workplace. We comprehensively support our employees by increasing the number of offices where employees can meet and consult with visiting contracted medical specialists during their times of mental difficulties, during the support period after returning to work, and care after completely returning to work. Also, in cooperation with health insurance associations, we are striving to enhance care by providing opportunities for interviews and telephone consultations with counselors. For employees working overtime more than 80 hours a month, which can cause mental difficulties, we create opportunities them to meet with industrial medical advisors, surpassing what is prescribed by law, and are striving to reduce overtime labor.

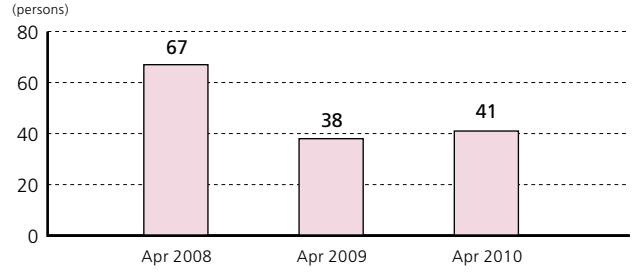
Personnel/Labor Information

We publicize our employment data.

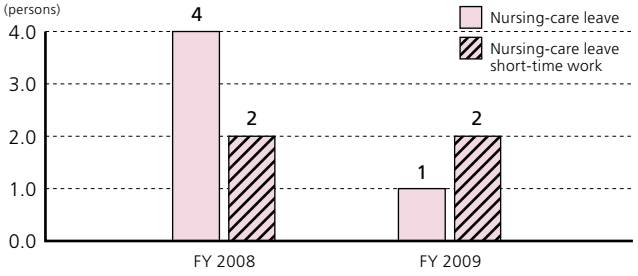
Number of employees (unit: persons)

	End Mar 2008	End Mar 2009	End Mar 2010
Group	10,361	10,030	9,266
Single	6,266	5,715	5,186
Men	5,021	4,563	4,152
Women	1,245	1,152	1,034

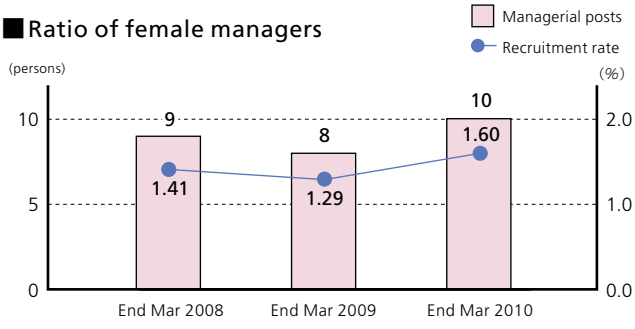
Number of employed new graduates (single)



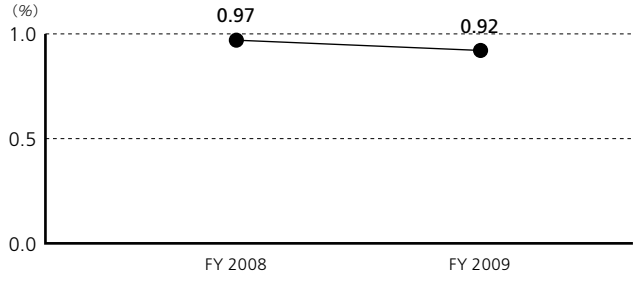
Utilization of nursing-care leave/short-time work system



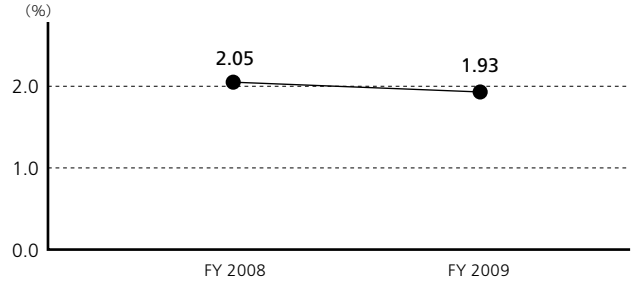
Ratio of female managers



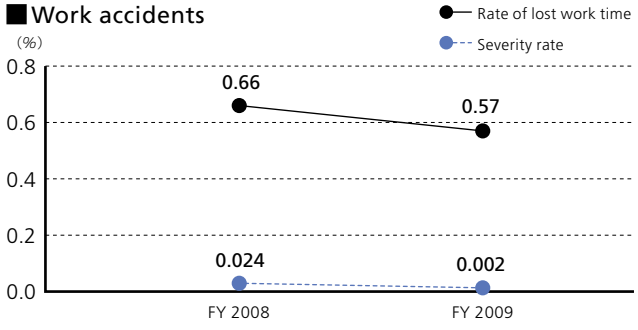
Turnovers



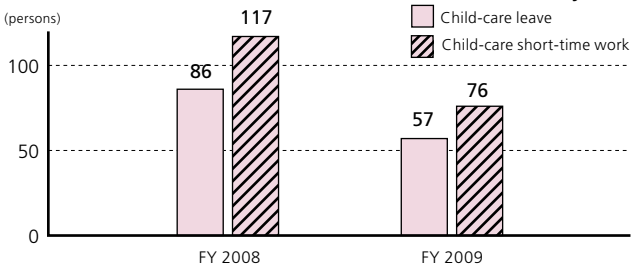
Employment rate of disabled persons (single)



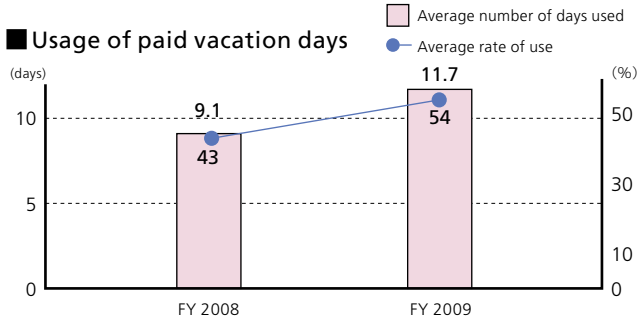
Work accidents



Utilization of child-care leave/short-time work system



Usage of paid vacation days



As a Member of the Community

Participation in Walk & Run Festa 2009

The Walk & Run Festa 2009 - With Friends Suffering from Intractable Diseases; 10,000 Heartbeats! - (Host: Walk & Run Festa Committee) was held at Ajinomoto Stadium (Chofu City, Tokyo) in September 2009, and our 17 medical representatives and other employees from the Tokyo Branch participated in the event as volunteers. The Walk & Run Festa is an event providing a first opportunity for those suffering from intractable diseases to have fun and enjoy the day with everyone through sports.

The Festa was participated in by many patients coping with intractable diseases and members of intractable disease support organizations, and together with more than 700 volunteers, approximately 6,000 people gathered at the venue. Many different events were held at the stadium, such as a marathon, a music concert and an art exhibition. At the ceremony of the Charming Award, Former Prime Minister Shinzo Abe, a selection committee member, presented the award.

Former Prime Minister Shinzo Abe, a Charming Award selection committee member

OTC drugs donated to Kodomo-no-kuni (Children's Land)

OTC drugs, including our products, were donated to Kodomo-no-kuni (Yokohama City, Kanagawa Pref.), operated by the Kodomo-no-kuni Association, a social welfare corporation. We have continued this support as one of our social contribution activities for 37 years.

The donated drugs will be used for children visiting Kodomo-no-kuni, and we received words of thanks from then Superintendent Kubota of Kodomo-no-kuni.

Donated pharmaceuticals

Research Grants through Foundations

Mitsubishi Tanabe Pharma makes donations to the Mitsubishi Pharma Research Foundation and the Japan Foundation for Applied Enzymology. It thereby contributes to the medical treatment and health preservation of people by striving to promote research in a broad range of fields that include medicine, pharmacy, agriculture, and physical sciences, as well as the dissemination of knowledge through foundation activities.

■Mitsubishi Pharma Research Foundation (FY 2009)

Pharmacotherapy	Research aid	24 themes	¥24 million
	Aid for budding research	10 themes	¥10 million
	Aid for study abroad	3 cases	¥6 million
Blood medical science	Research aid	24 themes	¥24 million
	Aid for budding research	10 themes	¥10 million
	Aid for study abroad	3 cases	¥6 million
Cardiovascular medical science	Research aid	24 themes	¥24 million
	Aid for budding research	10 themes	¥10 million
	Aid for study abroad	3 cases	¥6 million
Specific research aid		1 theme	¥10 million
Total		112	¥130 million

■Japan Foundation for Applied Enzymology (FY 2009)

Research aid	Research on enzymes related to applied research on enzymes and life science	30 themes	¥22.5 million
Activity aid	The Japanese Society of Applied Glycoscience	1 cases	¥0.3 million
	Research group concerned with elucidating the causes and conditions of adult-onset diseases	42 cases	¥13.85 million
	Vascular Biology Innovation Conference	18 cases	¥8 million
	Research group concerned with elucidating the causes and conditions of systemic inflammation patients	10 cases	¥10 million
Total		101	¥54.65 million

MSC Volunteer Salon

Mitsubishi Tanabe Pharma has sponsored on a bimonthly basis the MSC Volunteer Salon, an event with seminars and mini-concerts, which provides interaction opportunities for people involved in a variety of volunteer activities. In fiscal 2009, the themes discussed include "generic drugs," "natural medicinal dishes and herbs for staying young," "key points of the Pharmaceutical Affairs Act amendments and self-medication," and "food safety."

In December, we hosted the Volunteer Festa, where various volunteer organizations introduced their activities and exhibited products for sale. Also, a Christmas concert planned by the Grace Society, an art and welfare promotion organization, was held. In addition, we also collect used stamps and prepaid cards to donate to welfare organizations for their operations.

Company employee giving a lecture

Yoshitomi Summer Festival

The Yoshitomi Branch hosts the Yoshitomi Summer Festival every August. More than 2,000 people, community residents and families of employees, came out to this year's event, the 36th, to enjoy the yearly happenings for the community such as band performance and juggling.

Mitsubishi Tanabe Pharma Group continues its efforts to communicate with members of the local community, and maintain a close relationship.

Dance by local children

Workplace Excursion

Kashima Office held a workplace excursion in August 2009, in time for the Kashima Festival, where employees and families can gather and socialize. On the day, more than 100 families of employees showed up to visit the laboratory, etc., of the Kashima Office. Children were excited to see experimental laboratory tools that they had never seen before.

Family members of employees visiting the laboratory

Participation in the UN Global Compact

Mitsubishi Chemical Holdings Group joined the United Nations Global Compact in May 2006. The Global Compact asks businesses to raise their awareness as responsible corporate citizens through collective business practices, and to uphold ten universally accepted principles regarding human rights, labor, the environment, and anti-corruption.

As a member of the Group, our company also communicates with society at large as a responsible corporate citizen, and promotes corporate activities through the Group that will realize a sustainable and comprehensive global economy.

Donation to the Republic of Haiti

On January 12, 2010, the Republic of Haiti suffered serious damage from a severe earthquake of magnitude 7.0. Mitsubishi Tanabe Pharma made a monetary donation of ¥10 million through the Japanese Red Cross to aid in the local disaster relief activities.

Environmental Safety Management

With a strong sense of mission as a corporate group engaged in business activities directly concerning life, Mitsubishi Tanabe Pharma Group independently and proactively works to protect the earth's environment and ensure personal safety in all aspects of business activities, so as to help realize a sustainable society.

Mitsubishi Tanabe Pharma Environmental Safety Philosophy

In striving to be a global research-driven pharmaceutical company that is trusted by communities, Mitsubishi Tanabe Pharma proactively works to protect the earth's environment and ensure the safety of its people.

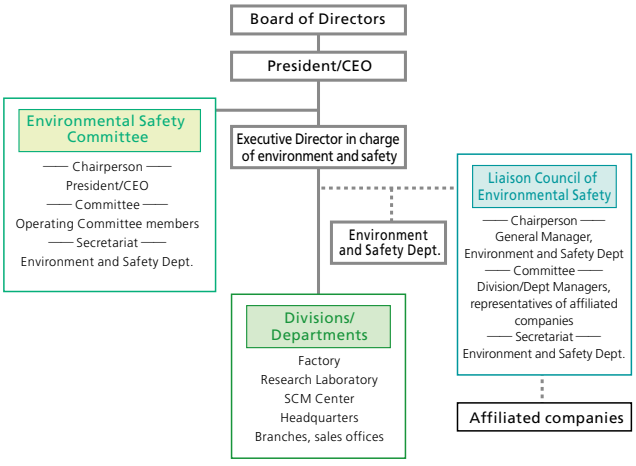
Basic Policy on Environmental Safety

1. Evaluate the environmental impact of all of our corporate activities in Japan and overseas, and continuously strive to reduce the environmental burden.
2. Give precedence to safety considerations for all of our workers and prevent occupational accidents.
3. Establish clear objectives regarding environmental safety activities; uphold and improve effective systems to achieve such objectives.
4. Comply with laws and regulations relating to environmental safety; act in compliance with internally or externally established management standards more stringent than those stipulated in the laws and regulations.
5. Conduct well-planned education and training to raise the environmental safety consciousness of each and every employee.
6. Be active in disclosing information relating to environmental safety and deepen communication with society.
7. Participate in local community-based environmental or disaster preparedness programs and actively cooperate with the organizers of such programs, while devising measures in preparation for accidents, disasters and other possible eventualities, so as to minimize their impact.
8. Have affiliated companies take action in line with the present Basic Policy; support their actions.

Environmental Safety Management System

Mitsubishi Tanabe Pharma has instituted an environmental and occupational safety management system with the President as Supervisor. Within the framework of this system, the Environmental Safety Committee has been established as the consultative body, with the members of the Operating Committee as its members. Moreover, the Liaison Council of Environmental Safety has been set up to plan and carry out activities in response to issues relating to the environmental safety of Mitsubishi Tanabe Pharma Group, thereby promoting group-wide environmental management.

■Mitsubishi Tanaba Pharma Environmental Safety Management System



Scope of Environmental Information

The scope of environmental information collected and disseminated by Mitsubishi Tanabe Pharma includes information regarding, in Japan, the production, research and distribution facilities of consolidated subsidiaries as well as equity accounting method-applicable subsidiaries and, outside Japan, the production sites of consolidated overseas subsidiaries, all of which belong to the Mitsubishi Tanabe Pharma Group.

In fiscal 2009, API Corporation was removed from the scope of environmental information, since it became an affiliated company to which the equity accounting method is applied on April 1, 2009, while Choseido Pharmaceutical Co., Ltd. and Hoshienu Pharmaceutical Co., Ltd. were newly added to the scope, since they have become subsidiaries to which the equity accounting method is applied.

ISO14001 and Eco Action 21 Certifications

Mitsubishi Tanabe Pharma Group's principal production sites have acquired either ISO14001 certification, Eco Action 21 Certification or other certifications established by relevant local municipalities. Among

the Group's overseas production sites in the Asian region, Tianjin Tanabe Seiyaku Co., Ltd. in China acquired ISO 14001 certification in February 2010, following Mitsubishi Tanabe Pharma Korea, Co., Ltd., Mitsubishi Pharma (Guangzhou) Co., Ltd. and P. T. Tanabe Indonesia.

Other laboratories, distribution centers and offices are also carrying out optimal environment and safety management in accordance with their respective location conditions and the nature of their business activities, striving actively to enhance their environmental performance.

ISO14001 certification obtained by Tianjin Tanabe Seiyaku

Environmental Safety Risk Management

Mitsubishi Tanabe Pharma remains vigilant over the risk of environmental damage relating to its business activities, such as the dispersal or leakage of toxic chemicals into the environment, and devises thorough preventive measures. Appropriate procedures to follow in the event of actual or imminent occurrence of incidents have been compiled in the "Environmental Safety Risk Management Regulations," upon which employee education and training are based.

In June 2009, at Mitsubishi Tanabe Pharma's Kashima Plant (Kamisu City, Ibaraki Prefecture), the secondary wastewater COD value at a site terminal, was found to exceed the plant's voluntarily set management standards. As an emergency measure, secondary wastewater in all the buildings and at all the terminals on the plant premises was analyzed, but no abnormality was detected. As permanent measures, the plant's COD monitoring was reinforced, and wastewater management education was conducted in all the divisions, in accordance with the policy of thorough risk management.

Environmental Safety Audits

In fiscal 2009, a total of 21 work sites of Mitsubishi Tanabe Pharma Group in and outside Japan underwent environmental safety audits.

At the work sites in Japan, studies of documents relating to the environment and safety were followed by interviews of personnel in charge, and on-site inspections. In particular, sets of data measured and reported to the administrative authorities in compliance with the Air Pollution Control Law and the Water Pollution Control Law were checked against each other to confirm absence of irregularities. At overseas work sites environmental safety activities were mainly audited, with instruction and guidance provided for improvement to levels similar to those of the work sites in Japan.

The environmental audits revealed no item of serious concern. At one work site an item of minor importance was detected, relating to the Waste Disposal Law. This work site was requested to submit a written plan for improving the detected item. Implementation and completion of appropriate remedial and improvement measures were later confirmed.

Mitsubishi Tanabe Pharma is committed to continuous improvement of environmental safety audits, group-wide awareness-raising regarding the importance of environmental safety management, and thorough legal compliance.


Environmental safety audit

Soil Contamination Control

In December 2008, as part of the company's integration of sites following the merger, Hirakata Office was closed and its functions relocated to Kashima Office (Osaka City). On closure of Hirakata Office, the company carried out a soil survey under the instruction of Hirakata City and in compliance with the Soil Contamination Countermeasures Law and an Osaka Prefectural ordinance. As a result, in some portions of the soil fluorine and lead were found to exceed the prescribed criteria. The company reported this finding to Hirakata City (Hirakata City Notice No. 294), conducted soil removal by excavation under the City's instruction, and refilled the site with uncontaminated soil. The company then submitted a notice of completion of this process to Hirakata City, which received and approved it.

Likewise in compliance with the Soil Contamination Countermeasures Law and applicable prefectural ordinances, the company conducted a soil survey on the former site of API Corporation's Kusu Plant (Yokkaichi City, Mie Prefecture), which was closed in March 2009. As a result, tetrachloroethylene and its decomposition product, cis-1,2-dichloroethylene, detected both in the soil and the groundwater, and lead and arsenic detected in the soil were found to exceed the prescribed criteria. The company notified Yokkaichi City (Yokkaichi City Notice No. 407), conducted soil removal by excavation under the City's instruction, and refilled the site with uncontaminated soil. Groundwater purification is currently under way using the anaerobic bio method.


Contaminated soil removal by excavation

Overall Picture of Our Environmental Burden

Input / Output

■Inputs and outputs in R&D and Production

The scope covers work sites in Japan (production sites, research laboratories and SCM Center)

Input

Energy

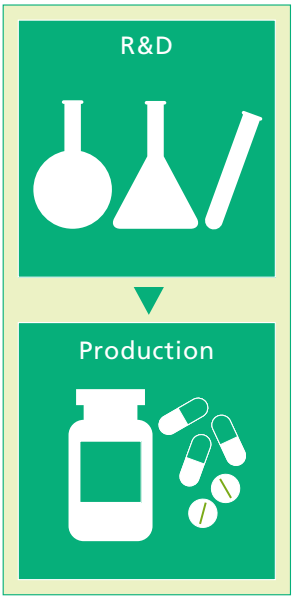
Purchased electricity	160,170,000kWh
Gas	11,756,000m^3
Kerosene	8,169kL
Thermal equivalent	2,488,000GJ
Crude oil equivalent	64,199kL

Water

Supplied water	452,000 tons
Industrial water	8,090,000 tons
Groundwater	236,000tons

Chemical substances

Substances subject to the PRTR Law	142 tons
Methyl alcohol	342 tons
Ethyl alcohol	778 tons



Output

Atmosphere

CO_2	124,000 tons
NOx	37 tons
SOx	8 tons
Particulate matter	0.5 tons
Substances subject to the PRTR Law	8 tons
Methyl alcohol	11 tons
Ethyl alcohol	107 tons

Wastewater

Wastewater output	8,177,000 tons
COD pollution load	65 tons
Nitrogen	36 tons
Phosphorous	3 tons
Substances subject to the PRTR Law	3 tons
Methyl alcohol	20 tons
Ethyl alcohol	4 tons

Waste

Waste output	18,025 tons
Emissions	5,287 tons
Final disposal	140 tons

Overseas Production Site Environmental Performance

Energy consumption	Electricity	12,560,000kWh
	Gas	371,000m^3
	Kerosene	248kL
Water consumption		467,000 tons
CO_2 emission		8,500 tons
Waste output		385 tons

◆Data include: Taiwan Tanabe Seiyaku Co., Ltd., Tianjin Tanabe Seiyaku Co., Ltd., Mitsubishi Pharma (Guangzhou) Co., Ltd., P.T. Tanabe Indonesia, Mitsubishi Tanabe Pharma Korea, Co., Ltd.

◆Data collected: January 1 — December 31, 2009

◆CO_2 emissions calculated with reference to "Greenhouse Emission Calculation and Reporting Manual (Ver. 2.4)" and "List of Calculation Methods and Emission Coefficients for Calculation, Reporting and Publication" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan; electricity output coefficient was set at 0.000561 t-CO_2/kWh.

Voluntary Action Plan for Environmental Safety

■Medium-term voluntary action plan for environmental safety (2008-2010)/Objectives and Fiscal 2009 Results

Theme	Objectives	Fiscal 2009 results
Energy conservation, global warming prevention	• Restrain CO_2 emissions for fiscal 2010 to 95% or less of those for fiscal 2007	• Reduced to 67.4% of FY 2007 level • Integrated Headquarters and surrounding buildings • Introduced 50 electric cars for sales personnel • Energy conservation diagnosis performed at Kashima Office
Waste reduction, reuse and recycling of resources	• Promote zero emissions and keep final disposal ratio for fiscal 2010 below 0.5%	• Final disposal ratio: 0.78% • Promoted recycling
Chemical substance emission reduction	• Optimize chemical substance management; continuously reduce emissions into the environment, both in terms of concentration and total amount	• Reduced atmospheric emissions of PRTR-subject substances 79% vs. FY 2008 level • Promoted use and emission reduction
Enhanced environmental safety management	• Develop and improve environment and safety management systems according to work site scale and nature of activities • Improve work site environment and safety risk management and emergency responsiveness • Conduct environmental safety audits • Promote environmental education and awareness-raising • Conduct efficient environmental accounting	• Introduced tools for environment-related legal compliance management • Conducted soil contamination surveys on the (former) sites of Hirakata Office and API Corporation's Kusu Plant • Conducted environmental safety audits at 21 work sites of Group companies in Japan and overseas • ISO14001 certification acquired by Tianjin Tanabe Seiyaku Co., Ltd. (February 2010) • Conducted environmental education by e-learning
Occupational health and safety	• Develop thoughtful, action-oriented human resources and organizations • Review and promote machinery and equipment safety measures • Cultivate a culture of safe driving	• Conducted education and training to improve fundamental knowledge and sensibilities • Conducted traffic safety education and driving training for new employees
Environmentally responsible product development	• Develop environmentally responsible products • Introduce environmentally responsible containers and packages	• Modified reactive solvents used in bulk manufacturing (avoidance of PRTR-subject substances)
Office environmental measures	• Conduct energy-saving campaigns • Promote green purchasing	• Thoroughly adhered to "Dress Cool/Warm" campaigns in summer and winter respectively • Promoted power and water conservation through energy-saving campaigns
Environmental communication promotion	• Improve CSR Report in substance and promoting appropriate information disclosure • Contribute to local environmental protection through interaction with local communities and volunteerism • Raise employees' environmental awareness at home	• Issued CSR Report 2009 • Participated in a forestation campaign "Mt. Ikoma Flower Screen Campaign" organized by Osaka Prefecture • Participated in Biodiversity Declaration Promotion Partners initiated by Keidanren

Environmental Accounting

Mitsubishi Tanabe Pharma promotes effective and efficient environmental management by adopting environmental accounting, thereby enabling clear understanding and analysis of costs and effects associated with activities aimed at environmental protection, and raising environmental consciousness among employees.

In fiscal 2009 we invested 107 million yen in, and expended 1,765 million yen on, environmental conservation. The economic effects resulting from environmental protection-related activities amounted to 18 million yen.

■Environmental conservation costs (in million yen)

Item	Invested	Expended
Pollution prevention	67	758
Global environmental protection	6	26
Recycling or reuse of resources	32	387
Upstream/downstream arrangements	0	38
Administrative activities	1	291
Research and development	0	0
Community activities	0	1
Environmental damage compensation	1	264
Total	107	1,765

■Environmental conservation effects

Environmental load reduction		Quantity reduced
Global environmental protection	Greenhouse gas emission	309 tons-CO_2
Recycling or reuse of resources	Waste consumption	18.8 tons
Recycling or reuse of resources	Water consumption	1,920 tons

■Economic effects resulting from environmental conservation measures (in million yen)

Material economic effects	Amount saved
Sales of valuable materials	8.6
Electricity consumption reduced through energy-saving measures	9.1
Total	17.7

FY 2009 performance calculation criteria:

1. Calculated with reference to the "Environmental Accounting Guidelines (edition 2005)"by the Ministry of the Environment of Japan; 2. Period covered: April 1, 2009 – March 31, 2010; 3. Scope of calculation: work sites in Japan; 4. Calculation method: (1) compendium method for amount invested (25%, 50%, 75%, 100%), (2) for depreciation cost, financial legal useful life was employed; (3) for costs other than depreciation, their full amounts were posted only if 100% environment-related; 5. Calculation and evaluation methods for effects resulting from environmental conservation measures: (1) only material effects calculated on basis of conclusive grounds were considered for each environmental measure; (2) effects obtained within the fiscal year were calculated by converting them for a period of 12 months, and evaluated by comparing the results for the fiscal year and those for the year before measure implementation (or previous fiscal year).

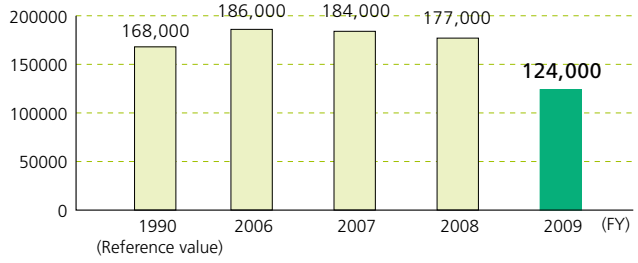
Energy Conservation and Global Warming Prevention

Energy conservation and global warming prevention

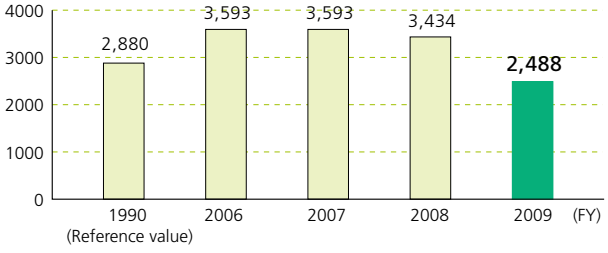
Mitsubishi Tanabe Pharma Group acknowledges energy conservation and the prevention of global warming as two of its most important environmental activities. We facilitate energy conservation activities and strive to reduce greenhouse gas emissions caused by business activities in our factories, laboratories, distribution sites, and office divisions.

The Medium-Term Voluntary Action Plan sets the goal of "reducing CO_2 emissions for fiscal 2010 to 95% or less of fiscal 2007." CO_2 emissions of the Group for fiscal 2009 totaled 124,000 tons. This is 67.4% of the fiscal 2007 emissions (70.1% of fiscal 2008's), proving our efforts extremely successful. This is largely due to adding the Yokohama Office, Choseido Pharmaceutical Co., Ltd., and Hoshienu Pharmaceutical Co., Ltd. to the tabulation while excluding all offices of API Corporation from the environmental data aggregation.

■CO_2 Emissions (tons)



■Energy used (TJ)



Conserving energy from office closure/consolidation

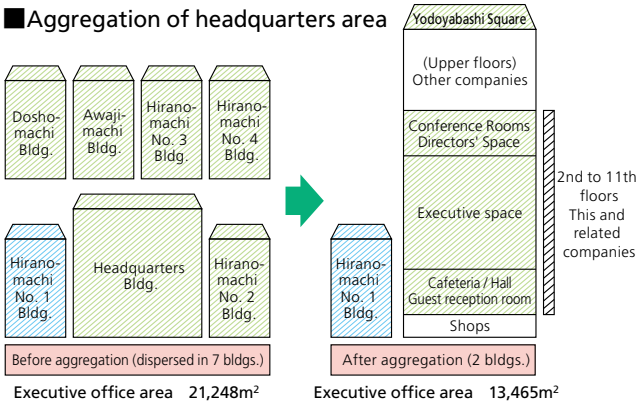
● **Closure of the Hirakata Office**

The Hirakata Office, a research center, was closed in December 2008, and consolidated with the Kashima Office. This closure and consolidation of offices resulted in energy conservation of 15% less CO_2 emissions in fiscal 2009 compared with fiscal 2007, when both offices were in operation.

● **Aggregation of buildings around the headquarters**

The headquarters had been dispersed across seven buildings in the areas of Dosho-machi and Hirano-machi in Chuo-ku, Osaka, but in October 2009, all buildings except for the Hirano-machi No. 1 Building were aggregated into Yodoyabashi Square. This resulted in a 17% reduction of CO_2 emissions in fiscal 2009, compared to fiscal 2008.

■Aggregation of headquarters area



Observing the amended Act on the Rational Use of Energy

The amended Act on the Rational Use of Energy went into full force in fiscal 2010, and business operators now have the obligation of energy management. The total energy used by all offices of Mitsubishi Tanabe Pharma in fiscal 2009 totaled a crude oil equivalent of approximately 21,000 kL. Therefore, our Company will be designated as a Specified Business Operator; the Kashima, Toda and Yokohama offices will be designated as Type 1 Designated Energy Management Factories, etc.; and the Kazusa office will be designated as a Type 2 Designated Energy Management Factory, etc. As for our Group companies, Mitsubishi Tanabe Pharma Factory Ltd., Benesis Corporation, and BIPHA Corporation will also be designated as Specified Business Operators.

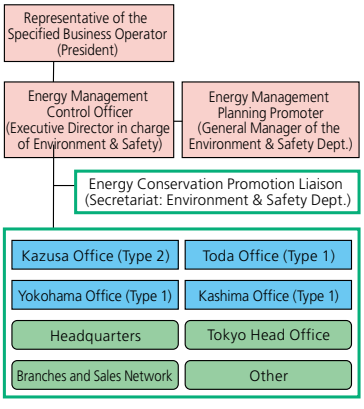
In the future, this Company will newly establish an Energy Conservation Promotion Liaison under the Energy Management Control Officer and an Energy Management Planning Promoter in order to further enhance its energy management system.

■Energy used by Mitsubishi Tanabe Pharma

(FY 2009 / Crude oil equivalent)

Offices/ Centers	Crude oil equivalent (kL)	% of use
Kashima Office	6,641	31.5%
Toda Office	5,694	27.0%
Yokohama Office	3,090	14.7%
Kazusa Office	2,958	14.0%
Headquarters	907	4.3%
Tokyo Head Office	619	2.9%
Branches/ Sales Network	1,051	5.0%
Other	113	0.5%
Total	21,073	

■Energy Management Promotion System of Mitsubishi Tanabe Pharma



Creating an Eco Promotion System

Mitsubishi Tanabe Pharma is working hard to create an Eco Promotion System in order to establish a business operation style that is friendly to the global environment in the two areas of reducing CO_2 emissions and alleviating traffic congestion.

Starting in July 2009, a total of 50 electric vehicles (i-MiEV by Mitsubishi Motors Japan) were introduced in Tokyo, Kanagawa, Aichi, Kyoto and Osaka prefectures as business vehicles for our medical representatives. Also, upon introducing the electric vehicles, we have already installed in parking lots a quick electric charger in Tokyo and regular electric charger in other areas. Furthermore, we are considering installation of quick electric chargers in parking lots in Osaka and Aichi prefectures in fiscal 2010. Moreover, we implemented 76 hybrid vehicles and are in the process of downsizing business vehicles in general.

Leased business vehicles used in fiscal 2009 totaled 1,661 (of these, 50 were electric vehicles and 76 were hybrid vehicles), a 2.8% increase year-on-year, but with the use of electric and hybrid vehicles as well as promotion of eco-driving, we were able to reduce both gasoline use and CO_2 emissions by 2.9%.

Charging an electric vehicle

■Number, gasoline use, and CO_2 emissions of business vehicles

	FY 2008	FY 2009
No. of business vehicles	1,616	1,661
	——	Electric vehicles : 50
	——	Hybrid vehicles : 76
Gasoline use	2,578 kL	2,505 kL
CO_2 emissions	5,986 tons-CO_2	5,815 tons-CO_2

Efforts Toward Eco Commuting

Commuting by privately owned cars and other methods is one of the causes of traffic congestion in the area as well as global warming. Transitioning from commuting by privately owned vehicles to transportation methods with less CO_2 emissions is necessary in the area of human logistics, such as promoting the use of public transportation.

The Kashima Office was approved and registered as an "Eco-Commute Leading Business" by the Ministry of Land, Infrastructure, Transport and Tourism in September 2009. In October 2001, this office abolished commutes by privately owned cars and motorcycles in consideration of the global environment and to alleviate traffic noise and congestion. Since then, the office continues its voluntary and active efforts for eco-commuting, with its employees commuting via public transport, bicycles, etc.

Mark of approval as an Eco-Commute Leading Business

Energy Conservation Campaign

The energy conservation campaign is held every summer and winter so that each and every employee can become an aware participant of energy conservation activities. The campaign includes thorough management of the office thermostat, and cool-biz and warm-biz clothing campaigns.

We also sympathize with the Light-Down Campaign by the Ministry of the Environment, and turn off external lighting such as the street lamps and advertisement lights on and around the summer solstice.

Contributing to the global environment through frequent recharging

It has been almost one year since sales activities using i-MiEV began. Inside the vehicle is very quiet, and it is a catchy conversation topic; its cute form attracts much attention around town. Electric vehicles still require frequent recharging, but their operating environment is improving in Kanagawa Prefecture, where quick electric chargers are becoming more and more common in gas stations and parking lots. In a small way, though, it makes me happy to be able to help reduce CO_2 emissions and be more friendly to the global environment.

In the future, I hope to see electric vehicles nationwide through more convenient charging and the development of batteries that allow long-distance driving.

Yuko Takeshita, Yokohama Group,
East-Japan Promotion Team of the Remicade Department

Visualizing Energy Management

To improve energy management, we actively promote visualization by graphing the monthly energy data from each office of the Group on our intranet. This enables more effective use of such data for energy conservation measures in each company and office.

Energy data available on our intranet

Comfortable Earth Project

Mitsubishi Chemical Holdings has been promoting the Comfortable Earth Project since July 2008, and based on the group philosophy of "Good Chemistry for Tomorrow," is making efforts to realize kaiteki (comfort) through strategic environmental management.

The Comfortable Earth Project promotes practical approaches to "make the Earth more comfortable" in six working groups. With the mantra of "future kaiteki depends on everyday efforts," this Company also solicits ideas in the workplace as well as at home to reduce electricity use, printed paper, and waste.

Environmental Efforts in Offices

The headquarters and other offices sympathize with the environmental conservation activities for corporations initiated by municipalities, and facilitate simple eco-friendly approaches to counter global warming and reduce waste.

In recognition of these environmental efforts, this Company has been registered as a Kansai Eco Office Declaration business, a movement operated in coordination by Osaka City and the Organization of Kansai Unity. The Tokai Branch (Nagoya City) has been approved as a Nagoya City Eco Office, and the Shikoku Branch (Takamatsu City, Kagawa) is registered as a Takamatsu City: Earth-Friendly Office.

Nagoya City Eco Office Certificate of Approval

Takamatsu City: Earth-Friendly Office Registration

Environmental Efforts by P.T. Tanabe Indonesia

P.T. Tanabe Indonesia voluntarily and actively strives for better environmental health management as part of its corporate mission, and its activities are highly regarded by the Indonesian government.

In the PROPER system, a seven-level system established by the Indonesian Ministry of Environment that ranks domestic companies based on their environmental activities, P.T. Tanabe Indonesia has been ranked at the 3rd level, the BLUE RANK, consecutively from 2004 to 2009.

In regards to governmental standards for health and safety, it has consecutively received from 2002 to 2009 the Gold Flag, the highest rank given to companies that go over the standard 85% required by the Ministry of Health regarding their health and safety system.

P.T. Tanabe Indonesia

P.T. Tanabe Indonesia
Mr. Junus Djula, General Manager,
Environment & Safety Dept.

Waste Reduction

Efforts Toward Waste Reduction Efforts

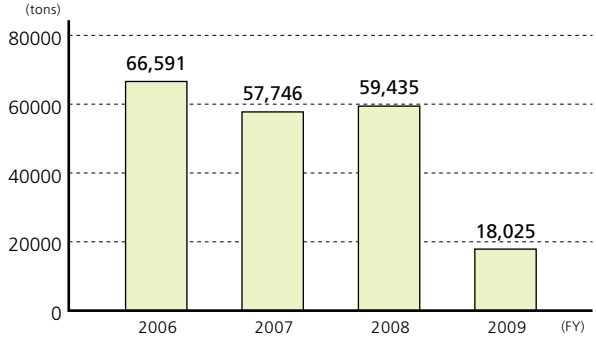
Based on the Medium- and Long-Term Voluntary Action Plan, we promote zero emissions, and aim to reduce the final disposal ratio (final disposal amount/amount generated) of fiscal 2010 to less than 0.5%.

In fiscal 2009, due to structural changes in group companies from which data was collected, generated waste totaled 18,025 tons, 69.7% less than the previous year. We continued to promote recycling, but the final disposal amount was 140 tons, and the final disposal ratio was 0.78%. In the future, we intend to further promote reduction of the final disposal amount in order to achieve the 2010 goal of the final disposal ratio.

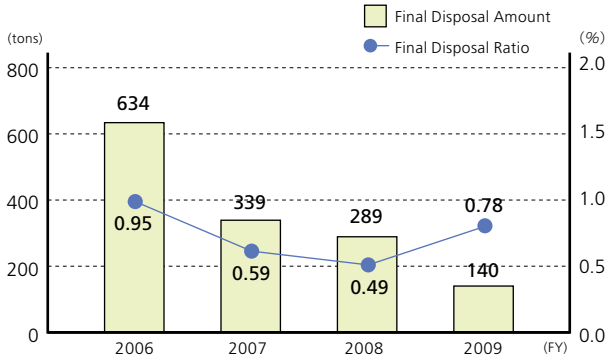
We also promote reduction of generated waste by various measures such as reducing the use of packaging materials, etc. in the process of pharmaceutical manufacturing; control generation of defects; and enhanced separated collection of, recycling and conversion into valuable resources from wastes.

Specific efforts include implementing multifunction printers, copiers, scanners, and fax machines. We promote double-face printing and n-up printing, where several pages are printed on one page, and make thorough efforts such as IC authentication confirmation prior to printing output as well as preventing misprints in order to reduce use and waste of copy paper.

■Amount of Waste Generated



■Final Disposal Amount and Waste Ratio



Proper Waste Management

In fiscal 2009, the waste management guideline were revised with the purpose of further reducing risks from industrial waste, with newly established evaluation guideline for waste disposal businesses.

This guideline sets standards for evaluating new and existing waste disposal businesses that the office has concluded or may conclude consignment contracts with regarding collection, transport and disposal of waste, in order to promote proper disposal of industrial waste, etc., generated by business activities. The contents of the guideline have been thoroughly familiarized in Group company offices by pertinent personnel in charge of the environment, and it is being utilized to evaluate the business contents of the disposal business as well as on-site observations.

Proper Storage and Disposal of PCBs

PCB (polychlorinated biphenyl) wastes such as in transformers and condensers and fluorescent chokes are strictly managed at each office in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes so no leakage or misplacement occurs.

Also, we utilize the early registration system and are having high-concentration PCB Japan Environmental Safety Corporation gradually dispose of high-concentration PCBs.

Until the disposal of all PCB-containing wastes is completed, we will continue to properly manage and store these wastes.

PCB storage status

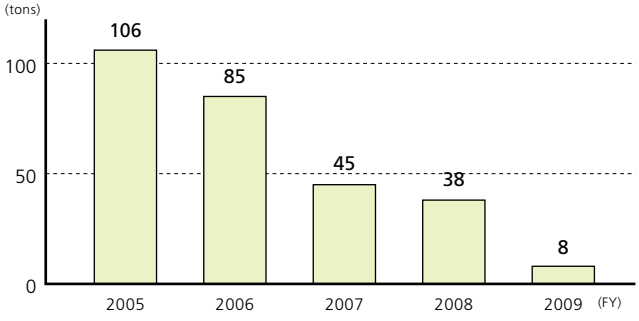
Proper Management of Chemical Substances

Reducing Atmospheric Emissions

One of our objectives in our Medium Term Voluntary Action Plan is "Managing chemical substances in a suitable manner, continuously reducing both the concentrations and total amount of emissions into the environment." To this end, we are making efforts to curb atmospheric emissions of various substances, including those classified as Class 1 designated chemical substances by the Law concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management (PRTR Law).

In fiscal 2009, total atmospheric emission of PRTR Law Class 1 designated chemical substances was 8 tons for the entire group, a substantial reduction by 79% compared to the previous fiscal year. Structural changes in group companies from which data is collected affected this outcome. However, we will continue to strive to curb atmospheric emission.

■Trends in PRTR Atmospheric Emissions



Management of the Atmosphere and Water Systems

We comply with all set standards stipulated by laws, ordinances and agreements including the Air Pollution Control Law and Water Pollution Control Law, and in addition, we prepare countermeasures for incidents in which harmful substances leak from outdoor tanks or abnormalities occur concerning exhaust and/or drainage, so as to minimize environmental impacts outside the worksites.

Furthermore, the Yokohama Office and BIPHA recycles experimental wastewater, domestic wastewater, water recovered from steam traps, etc., and cooling water used for a distiller to achieve effective utilization of water resources.

Environment-Related Problems

There were three environment-related problems in fiscal 2009: leakage of raw substance and solvent from the active pharmaceutical ingredients manufacturing plant; emissions in excess of voluntary standard level of COD (chemical oxygen demand) in secondary effluent; and deviance of hydrogen ion concentration standard of terminal sewage wastewater, and discharge of said wastewater into the sewer. Our lack of thoroughness in operation management was the cause of these problems, but because of countermeasures we had prepared, none of these turned into serious issues. We have made changes in managerial systems and improved the facility in order to prevent such problems in the future.

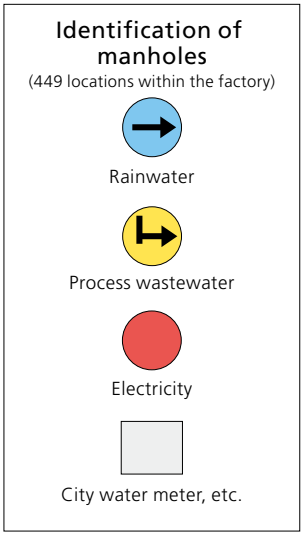
Countermeasures Against Contamination in Rainwater Drainage

The Ashikaga Factory of the Mitsubishi Tanabe Pharma Factory Ltd. (Ashikaga City, Tochigi) learned from its experience of environmental pollutant contaminating the rainwater drainage in June 2008, and installed a system to keep damage to a minimum, comprising five emergency shutoff valves installed in rainwater drainage leading from inside the factory to outside. This enables recovery of contaminated water; after the valves shut, the contaminated wastewater is diverted to a process wastewater treatment facility using portable pumps.

Also, to improve efficiency of countermeasures in case of abnormalities and emergencies, all wastewater-related manholes within the factory are color-coded to indicate process wastewater or rainwater, with arrows indicating the direction of the water flow.

Newly installed emergency shutoff valve

Color-coded manholes



Promoting Environmental Communication

Environmental Education

We provide a wide range of information on the Intranet, including results of the annual employee environmental awareness surveys, amount of CO_2 generated by each office, energy conservation efforts, environmental issues, and explanation of terms.

For employee education, we provide environmental safety education for new employees and environmental e-learning programs for medical representatives to convey environmental information in a prompt, easy-to-understand manner so as to enhance understanding of environmental problems and increase environmental awareness.

Environmental/Social Contribution Activities

As a model corporate citizen, we value communication with the local community. We conduct environmental and social contribution activities such as greening and beautification of office surroundings and forest areas.

Every year, employees from the Onoda Factory of the Mitsubishi Tanabe Pharma Factory Ltd. (Sanyo-Onoda City, Yamaguchi) participate in the "Japanese Archipelago Cleaning Campaign" hosted by the Small Kindness Movement Onoda Branch, to cooperate with the cleaning activities of the green spots in the area. Also, the Kyoto Factory of the Benesis Corporation (Fukuchiyama City, Kyoto), regularly holds a Clean Campaign as part of its ISO14001 activities, cleaning walkways, parks and parking lots in the vicinity of the factory.

"Japanese Archipelago Cleaning Campaign" with participation by Mitsubishi Tanabe Pharma Factory Ltd. Onoda Factory

Clean Campaign by Benesis Corporation Kyoto Factory

In November 2009, employees of this Group and its family members, totaling 28 persons, participated in the "Let's decorate the Ikoma Mountain with cherry blossoms! Osaka 'Mountain Day' Hike," an environmental event hosted by Osaka Prefecture as part of the forest-making efforts titled "Ikoma Mountain System Hanabyobu (Flower Screen) Project." After learning about the roles of forests and problems of abandoned forests, a total of 530 trees, including Prunus jamasakura and Rhododendron X pulchrum, were planted.

Tree planting

Efforts Toward Biodiversity

This Company participated in the "Declaration of Biodiversity by Nippon Keidanren" Promotion Partners in December 2009, and has decided to make efforts in its corporate activities to take biodiversity into consideration.

The Ashikaga Factory of the Mitsubishi Tanabe Pharma Factory Ltd. has been ranked by the Urban Green Space Development Foundation as Excellent Stage 2 of the SEGES (Social & Environmental Green Evaluation System) since 2008. SEGES is a part of the Third National Biodiversity Strategy, and we consider it as one of the activities helping to conserve biodiversity. In the future, we intend to promote activities for natural environment protection, and at the same time, gain a better grasp of the relationship between biodiversity and business activities in order to contribute to the establishment of a society that nurtures biodiversity.

Independent Verification Report

第三者検証報告書

田辺三菱製薬株式会社御中

2010 年 7 月 21 日

ビューローベリタスジャパン株式会社

検証の目的

ビューローベリタスジャパン株式会社（Bureau Veritas）は、田辺三菱製薬株式会社（以下田辺三菱製薬）の責任において発行される「田辺三菱製薬 CSR レポート 2010」（以下レポート）に記載される 2009 年度環境パフォーマンスデータ及び環境に関する章の評価を実施した。BV の責任はレポートに記載される環境パフォーマンスデータ及び環境に関する章の情報について独立した立場から客観的証拠に基づいて正確性を検証することである。

訪問サイト

BV は以下のサイトを訪問し、レポートの“ 環境報告 “に記載される 2009 年 4 月から 2010 年 3 月までの環境パフォーマンスデータ及び環境に関する章の情報の正確性を評価した。

田辺三菱製薬	本社　環境安全部	統括機能
田辺三菱製薬	戸田事業所	医薬品の研究
田辺三菱製薬	かずさ事業所	医薬品の研究
田辺三菱製薬工場	足利工場	医薬品の製造

検証方法

BV は、田辺三菱製薬との合意に基づき、以下の評価を実施した。

本社

- データの収集・集計システム及び関連するプロセスの信頼性
- 内部検証プロセスの有効性
- 本社で集計された環境データ及び環境関連の記載内容の正確性

各サイト

- データ集計範囲の適切性
- データの計測方法、収集方法、集計方法の有効性
- 内部検証プロセスの有効性
- データ集計結果の正確性

この業務は、現時点での最良の事例に基づき、BV が定める非財務情報報告に対する第三者検証手順とガイドラインに拠って行われた。加えて「国際保証業務基準（ISAE）3000（2003 年 12 月改訂　国際会計士連盟）」を参考にし、限定的保証業務を行った。

検証結果

BV は上記検証の結果として、以下のとおり意見を述べる。

1. レポートに記載される環境パフォーマンスデータ及び環境に関する章の記載に重大な誤りは確認されなかった。
2. 検証の過程において認められたすべての誤りは、適切に修正された。
3. データの計測、収集、集計システムには信頼性があり、本社と訪問した全てのサイトにおいて適切に運用されている。

ビューローベリタスは、全社員の日々の活動における高い品質を保つためにビジネス全般にわたる倫理規定を定め、特に利害の対立を避けることに配慮しています。田辺三菱製薬株式会社に対するビューローベリタスの活動は、CSR レポートの検証のためだけに行われ、その検証業務がなんら利害の対立を引き起こすことはないと考えます。

Third Party Comment

Comment on the Corporate Social Responsibility Report 2010

The most striking feature of the Mitsubishi Tanabe Pharma Corporation's CSR Report 2010 is its keen focus on the Medway issue. It is indeed extraordinary that out of the 50 pages of the entire Report, the first 10 pages are allocated to articles about the Medway issue. Moreover, the Company's Website carries the report compiled by the Outside Investigation Committee regarding the causes of this issue and the Committee's suggestions to prevent a recurrence of similar incidents, together with the full text of the Business Improvement Plan, which the Company submitted to Japan's Ministry of Health, Labour and Welfare. This approach indicates its sincere and deep regret over the Medway issue, for which the Company received the first ever administrative order aimed at a major pharmaceutical company pertaining to a violation of the Pharmaceutical Affairs Act. The CSR Report also indicates the Company's resolve to prevent any future recurrence, and the initiatives adopted for that purpose across the Group.

As for the causes and background of the Medway issue, the Outside Investigation Committee attributes the central problem to organizational factors rather than inappropriate behavior by specific individuals. The Committee's report also states that although Bipha Corporation, which was responsible for the Medway issue, had internal audit and compliance systems, these did not function properly. As for the factors behind such dysfunction, the Committee points out problems pertaining to Bipha's business conditions, personnel systems, governance, and corporate culture. From a third-party perspective, the Committee offers straightforward suggestions, which the Company must accept humbly.

I believe that all Japanese enterprises should learn from the Medway issue. For many large enterprises, no matter what solid internal control systems they have in place, it is becoming increasingly difficult to fully ensure observance of compliance requirements by all employees working in various parts of the world. There are a variety of factors that make compliance observance more and more challenging: expansion of business operations; enlargement of corporate size by M&As and other means; increased number of subsidiaries; and globalization of business activities, to name but a few. Moreover, staff members working on the frontline are more and more likely to be obliged to make decisions on sensitive matters in terms of business ethics. To meet the demand for speedy decision-making, they may not have time to ask for instructions from senior executives at the headquarters. This means that each employee must autonomously make decisions in compliance with established criteria. To ensure that individual employees make appropriate decisions, all employees need to fully understand the firm's corporate philosophy and act accordingly. In other words, companies need both wisdom and tools to realize "governance without control," or governance through the principles set out by individual enterprises. In this sense, it is both appropriate and sensible that in the discussions on the Medway issue, carried in the first few pages, President Tsuchiya and Executive Officer Matsuda state that they will augment reform of the corporate culture, along with compliance training programs to imbed in employees' minds professional ethics and moral awareness. In this CSR Report, the "Philosophy" and "Corporate Behavior Charter," which are usually carried at the beginning, are located on the final pages. I assume this layout was designed to give a stronger impression to readers.

Finally, I would like to comment on Japanese companies' CSR reports in general. At my business school I teach business ethics, using the CSR reports of various companies as educational materials. I was very surprised to discover that many of my students (all being business persons) had never read a CSR report, including those of their own companies. The target readers of CSR reports may include a wide variety of stakeholders. However, I truly hope that such publications are made easily accessible and are read by the employees of the company concerned.

Also, CSR reports by Japanese enterprises tend to emphasize their achievements. I have no objection to this, but I believe that CSR reports should also include what companies have been unable to achieve. If a CSR report for a certain year contains information as to what level the company concerned achieved its goals, and what problems remained unresolved, and the following year's issue reports on how much progress the company has made, readers will be able to understand such dynamic changes. This I believe will enhance interest in reading CSR reports.

Dr. **Matao Miyamoto**

Professor, Institute of Business and Accounting, Professional Graduate School, Kwansei Gakuin University

Dr. Matao Miyamoto Ph.D. (Economics), specializing in Japanese business history, history of the Japanese economy, corporate ethics, etc., assumed his present post in April 2006 after retiring as a professor in the Graduate School of Economics at Osaka University. He has served in a variety of high-ranking posts, such as the president of the Business History Society of Japan, chairman of the Forum for Entrepreneurial Studies, and director of the Japan Academic Society for Ventures and Entrepreneurs.

Philosophy and Vision, Corporate Behavior Charter

Philosophy

We contribute to the healthier lives of people around the world through the creation of pharmaceuticals.

Vision

We strive to be a global research-driven pharmaceutical company that is trusted by communities.

Corporate Behavior Charter

We will maintain high ethical standards, place priority on fairness and integrity in all our activities, and act in accordance with the following guidelines.

Pride and Sense of Mission

As people involved in the creation of pharmaceuticals, we will work with pride and a sense of mission as we endeavor to research and develop pharmaceuticals that are needed by society and to ensure product safety and quality.

Challenge and Innovation

With acute sensitivity and a broad perspective, we will focus on our future direction, decisively take on the challenge of meeting higher goals, and strive to create innovative value.

Trust and Teamwork

Through free and open communication, we will promote mutual understanding and respect, and will emphasize teamwork as we strive to maximize our results based on a strong relationship of trust.

Harmonious Coexistence with Society

We will work to achieve harmonious coexistence with society by acting with consideration for local communities and the environment.

About the Company

Basic Information

Company Name:	Mitsubishi Tanabe Pharma Corporation
Representative:	President & Representative Director Michihiro Tsuchiya
Capital Stock:	50 billion yen
Employees:	9,266 (consolidated: end of March 2010)
Headquarters:	2-6-18 Kitahama, Chuo-ku, Osaka 541-8505, Japan
Date of Merger:	October 1, 2007
Business description:	Manufacture and sale of pharmaceuticals, centered on ethical pharmaceuticals

■Network

Headquarters:	Headquarters, Tokyo Head Office
Sales Network:	Hokkaido Branch, Tohoku Branch, Kita-Kanto Branch, Koushinetsu Branch, Tokyo Branch, Chiba Branch, Saitama Branch, Yokohama Branch, Tokai Branch, Kyoto Branch, Osaka Branch, Kobe Branch, Chugoku Branch, Shikoku Branch, Kyushu Branch
Research Centers:	Toda Office, Kazusa Office, Yokohama Office, Kashima Office (Osaka)
Overseas Network:	Shanghai Office

■Group Companies

Domestic:

Mitsubishi Tanabe Pharma Factory Ltd.
Tanabe Seiyaku Yoshiki Factory Co., Ltd.
Benesis Corporation
BIPHA CORPORATION
API Corporation
Sun Chemical Co., Ltd.
Yoshitomiyakuhin Corporation
Tanabe Seiyaku Hanbai Co., Ltd.
Choseido Pharmaceutical Co., Ltd.
Tanabe R&D Service Co., Ltd.
Tanabe Total Service Co., Ltd.
MP-Logistics Corporation

Overseas:

[United States]
Mitsubishi Tanabe Pharma Holdings America, Inc.
Tanabe Research Laboratories U.S.A., Inc.
Mitsubishi Tanabe Pharma Development America, Inc.
Mitsubishi Tanabe Pharma America, Inc.
Tanabe U.S.A., Inc.
MP Healthcare Venture Management, Inc.

[Europe]
Tanabe Europe N.V.
Mitsubishi Pharma Europe Ltd.
Mitsubishi Pharma Deutschland GmbH
Synthelabo-Tanabe Chimie S.A.

[Asia]
Tianjin Tanabe Seiyaku Co., Ltd.
Mitsubishi Pharma (Guangzhou) Co., Ltd.
Mitsubishi Pharma Research & Development (Beijing) Co., Ltd.
Guangdong Tanabe Pharmaceutical Co., Ltd.
Taiwan Tanabe Seiyaku Co., Ltd.
Tai Tien Pharmaceuticals Co., Ltd.
P.T. Tanabe Indonesia
Mitsubishi Tanabe Pharma Korea Co., Ltd.

■Major Ethical Drugs

Cardiovascular Drugs
Anplag (anti-platelet),
Tanatril (anti-hypertensive),
Herbesser (anti-anginal and anti-hypertensive),
Sermion (cerebral circulation and metabolism ameliorator),
Maintate (anti-hypertensive, anti-anginal, and anti-arrhythmic),
Liple (chronic arterial occlusion/circulatory disturbance)

Biological Products
Remicade (anti-rheumatoid arthritis, Crohn's disease, anti-refractory uveoretinitis by Bechet's disease, psoriasis, ankylosing spondylitis, Ulcerative colitis),
Venoglobulin-IH (intravenous human immunoglobulin),
Neuart (anticoagulant)

CNS Drugs
Radicut (cerebral neuroprotectant),
Ceredist (anti-spinocerebellar degeneration),
Depas (anxiolytic agent)

Gastrointestinal Drugs
Urso (agent for improving hepatic, biliary, and digestive functions),
Omeprazon (proton pump inhibitor),
Gastrom (anti-gastritis and anti-gastric ulcer)

Allergy/Respiratory Drugs
Talion (anti-allergic disorders),
Theodur (bronchodilator)

■OTC Products

Aspara (drinks, mini-drinks, vitamin preparations, and eyedrops),
Nan Pao (herbal medicine, mini-drinks),
Smart-Eye (eyedrops),
Digestive medicine Agents for treating skin conditions

■Others

Manufacture and sale of fine chemicals and active pharmaceuticals ingredients / intermediates

Explanation of Terms

Informed Consent

A process in which the doctor provides the patient with adequate information on the medical care content, and obtains consent from said patient.

Evidence

Proof or verification based on scientific data on the efficacy of a treatment method for certain disease symptoms.

Ordering System

Information communication system that computerizes some tasks in the medical front to realize laborsaving in hospital procedures and timesaving upon provision of services. By inputting instructions for prescriptions and examinations, which hitherto had been provided orally from physicians, the said instruction can be coordinated with tasks in relative departments, enabling speedy handling and processing in all future procedures from medical care and examination to medical billing.

Orphan Drug

A pharmaceutical drug designed to treat a specific rare disease or disorder. Although there is high medical need for these drugs, the number of patients requiring these drugs is small, and therefore, recovery of investment in research and development for these drugs is difficult.

Generic Drug

A drug manufactured using the same formula of an existing drug for which the patent protection for its active ingredients, potency and efficacy have expired, and that contain equivalent active ingredients. The term "generic" encompasses meanings of "common" and "general," and in the Western world, it is often prescribed by its active ingredients, or "generic names," instead of its product name. This is why it is referred to as a Generic Drug.

Self-Medication

When individuals use products, information, and knowledge related to health and medical care available in their immediate surroundings to maintain and enhance their health or to prevent illnesses, at their own risk. This includes well-informed utilization of OTC (over-the-counter) drugs to prevent or alleviate mild symptoms.

Proper Use

When pharmaceuticals are prescribed and prepared in their optimum form in regards to drug selection, formulation, appropriate administration and dosage, based on precise diagnosis. Also, a cycle in which the patient has satisfactory understanding of the above prescribed drug, and after the patient takes the prescribed drug according to instructions, its effects and side-effects are evaluated and reflected onto the subsequent prescription.

Electronic Chart

A system where medical charts written by doctors at medical institutions are electronically recorded and stored on computers.

Pipeline

A series of processes within the pharmaceutical company that each drug takes from initial development stage to commencement of sales.

Validation

Scientific verification and documentation that manufacturing facilities, procedures and processes will yield the desired result, in order to consistently manufacture pharmaceuticals that meet the target quality.

Phase 2 Study

Study in secondary phase. Effective and safe usage (method of administration, number of administration, administration period, administration intervals, etc.) and dosage (the most effective dosage) are deliberated in clinical studies, targeting a relatively small number of patients

Phase 3 Study

Study in tertiary phase. Comparison examination of efficacy and safety with existing medicine and placebo in clinical studies, targeting a large number of patients.

GCP (Good Clinical Practice)

Standards for implementation of clinical studies of pharmaceuticals.

GLP (Good Laboratory Practice)

Standards concerning implementation of non-clinical studies related to pharmaceutical safety.

GMP (Good Manufacturing Practice)

Standards concerning manufacturing control and quality control for pharmaceuticals and non-medicinal products.

GQP (Good Quality Practice)

Standards concerning quality control for pharmaceuticals, non-medicinal products, cosmetics, and medical equipment.

GVP (Good Vigilance Practice)

Standards concerning post-marketing safety management of pharmaceuticals, non-medicinal products, cosmetics, and medical equipment.

MR (Medical Representative)

Person in charge of medical information. As the person in charge of sales at pharmaceutical companies, an MR visits medical institutions and provides and collects information regarding quality, efficacy, safety, etc. of pharmaceuticals so as to ensure proper use of pharmaceuticals.

OTC Drug

Drugs that can be purchased at pharmacies and drug stores without a prescription from a doctor. They are called OTC (over-the-counter) drugs because they can be purchased over a pharmacy counter.

QOL (Quality of Life)

A concept which evaluates whether a person is living his/her day-to-day life with a sense of fulfillment and contentment.

Mitsubishi Chemical Holdings Group Philosophy

*Good **Chemistry** for Tomorrow*

Creating better relationships among people, society, and our planet.

"Good Chemistry for Tomorrow" expresses Mitsubishi Chemical Holdings Corporation's approach which we will continue to correspond to the needs of industry and society, creating better relationships among people, society and our planet.

Mitsubishi Chemical Holdings Group Organization

Mitsubishi Chemical Holdings Corporation

With sustainability, health and comfort serving as the conceptual basis for determining its corporate activities, Mitsubishi Chemical Holdings Corporation (MCHC) helps to create a dynamic society that is abundantly "KAITEKI" through MCHC's four Group companies, which work to ensure "Good Chemistry."

Mitsubishi Chemical

Mitsubishi Chemical aims to realize a society in which people and the earth happily coexist through the implementation of "Good Chemistry" in the performance products, health care, and chemicals segments.

Mitsubishi Tanabe Pharma Corporation

We contribute to the healthier lives of people around the world through the creation of pharmaceuticals. In addition, we aim to be an international pharmaceutical manufacturer trusted by society.

Mitsubishi Plastics, Inc.

Engaged in the performance materials business, Mitsubishi Plastics and its customers are helping to create an eco-friendly, abundant and comfortable society by striving to produce highly functional, high-value-added products.

Mitsubishi Rayon Co., Ltd.

Offering unique, superior and socially responsible products and services in areas that include chemicals, resins, fibers, carbon fibers, compound materials, and membranes, Mitsubishi Rayon is contributing to an abundant future for everyone.

Mitsubishi Chemical Holdings Group's Approach to CSR

Reflecting the Group philosophy, "Good Chemistry for Tomorrow," we believe that it is our social responsibility to provide products and services following criteria that include sustainability, health, and comfort while offering new social value.

Beyond creating technologies, products, and services that realize this concept, the MCHC Group has made compliance, the environment, safety, and human rights the foundation of its business activities. Furthermore, we contribute to the development of a sustainable society through Group and employee-led philanthropic activities undertaken worldwide.

Mitsubishi Tanabe Pharma

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This brochure has been recognized by the Color Universal Design Organization (CUDO, a nonprofit organization) for embodying a color design that is friendly to readers with various types of color vision.

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