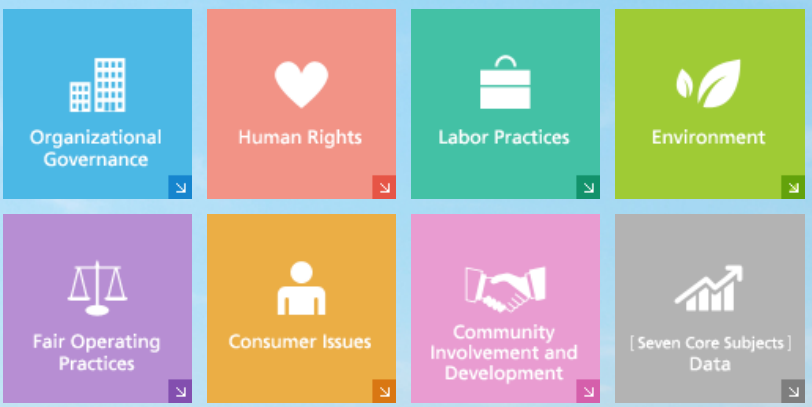
CSR Activities Report 2014

Mitsubishi Tanabe Pharma

Contents

CSR Activities Report 2014

This website is intended to provide the Group's stakeholders, including patients, medical professionals, shareholders, investors, local communities, and employees, with information about the CSR activities implemented by the Group in fiscal 2013, from April 1, 2013 to March 31, 2014. Specific initiatives implemented in accordance with the Company's philosophy are presented in line with the ISO 26000 Core Subjects. Third-party verification of environmental performance data included in this report was performed by Bureau Veritas Japan Co., Ltd. to ensure objective and independent verification of the data. Explanations of medical and pharmaceutical terms appearing in this report have been provided to foster a wider understanding of the report's content.



Explanation of Terms

Independent Verification Report

Mitsubishi Tanabe Pharma Corporate Report 2014

Mitsubishi Tanabe Pharma prepares this report to provide information to its shareholders, investors, and other stakeholders about the Group's initiatives targeting sustained growth. This report, which was prepared with reference to the framework released by the International Integrated Reporting Council (IIRC)*, is positioned as the Group's integrated report. Its principal sections comprise reports on value creation over the short, medium, and long term. The business model for value creation is explained in the business overview section, initiatives to create value are covered in the business strategy section, and initiatives to support value creation are described in the ESG section.

* Private-sector organization established in 2010 by private-sector companies, investors, accountants' organizations, and government institutions to develop an international corporate reporting framework.

PDF Download

About CSR Activities Report 2014

Period covered

April 1, 2013 to March 31, 2014
(The report includes examples of activities from April 2014 and thereafter.)

Scope of reporting

Mitsubishi Tanabe Pharma and consolidated subsidiaries in Japan and overseas
(The scope of reporting could differ in accordance with the examples being reported.)

Applied guidelines

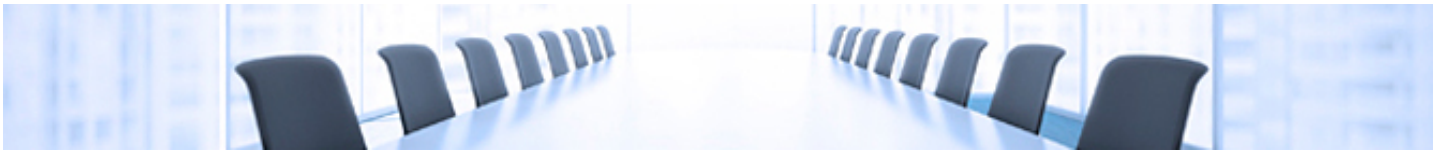
ISO 26000;
Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, 3.1 version; Environmental Reporting Guidelines, 2012 version, published by the Ministry of the Environment of Japan

Issuing period

September 2014
(Next report scheduled for issue in September 2015.)

Contact information

Corporate Communications Department
Mitsubishi Tanabe Pharma Corporation
2-6-18 Kitahama, Chuo-ku, Osaka 541-8505, Japan
Tel: +81-6-6205-5110
Fax: +81-6-6205-5105



Corporate Governance

Basic Stance on Corporate Governance

Mitsubishi Tanabe Pharma contributes to society by pursuing a corporate philosophy of creating pharmaceuticals that help people around the world lead healthier lives, aspiring to its corporate vision as a global research-driven pharmaceutical company that is trusted by communities.

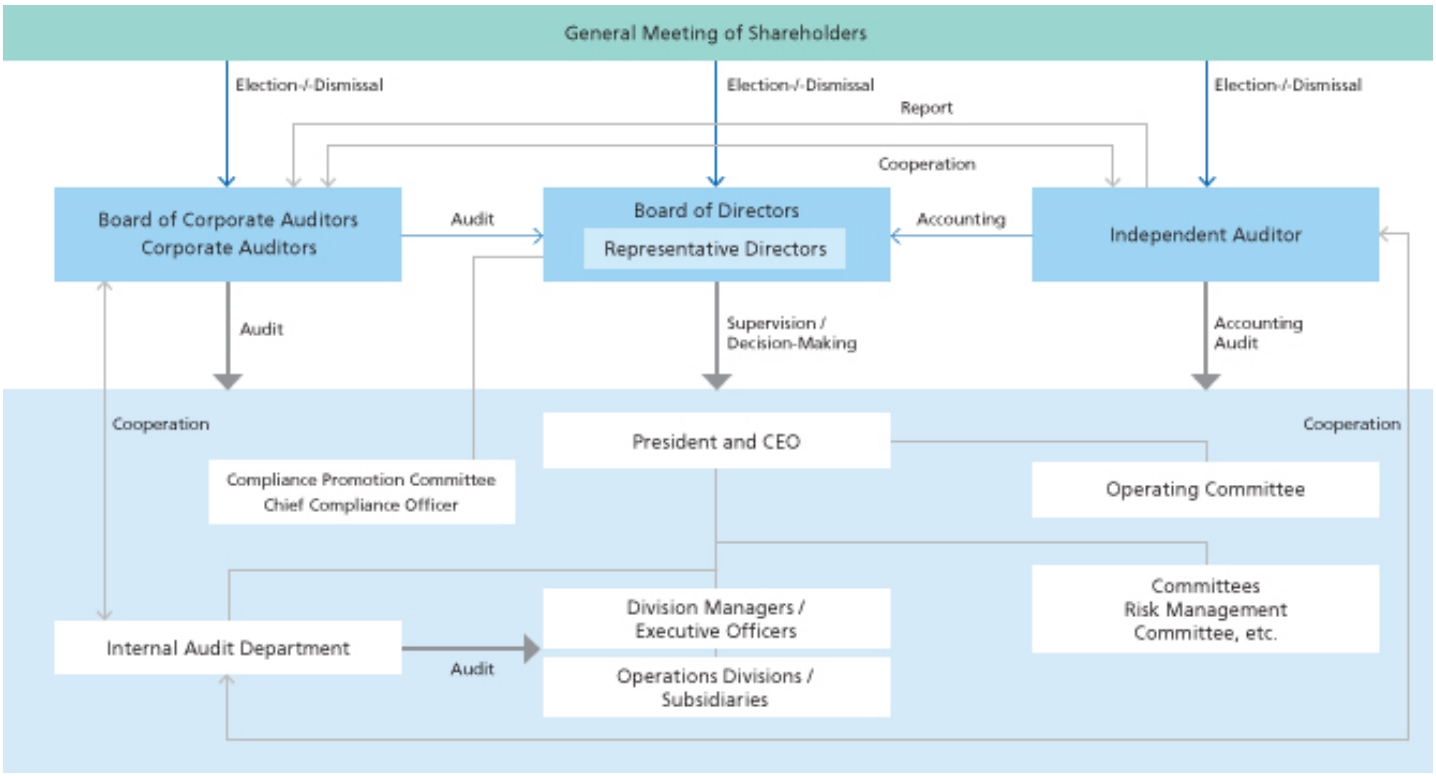
The Company operates under a system of corporate governance designed to ensure that it fulfills all of its responsibilities to shareholders and other stakeholders in order to maximize corporate value. This system facilitates transparency, objectivity, and effective, timely decision-making related to business management by ensuring systematic oversight and supervision that incorporate robust auditing and the views of Outside Board Directors.

Management System

The Company has adopted a Corporate Officer System to clearly separate business executive management functions and policy-making from the supervision of business operations. Comprised of the President and CEO, Managing Executive Officers, and Executive Officers appointed by the President and CEO, the Operating Committee generally meets at least twice a month to discuss and deliberate all important issues related to business operations. This system ensures that effective decisions are made quickly.

The Board of Directors is charged with policy-making and the supervision of business operations. To ensure transparency and objectivity in the management of Mitsubishi Tanabe Pharma, this eight-member body includes two Outside Board Directors. In addition to regular monthly Board of Directors' meetings, the Board calls interim meetings as needed to deliberate and report on items regarding important business administration matters.

Corporate Governance System



Auditing System

Mitsubishi Tanabe Pharma's auditing system centers on its Board of Corporate Auditors, comprised of four members, two of whom are Outside Corporate Auditors. The members of this Board audit the execution of corporate activities in a number of different ways: they attend important meetings, including those of the Board of Directors and the Operating Committee; they interview Board Directors, Executive Officers, and individual Division Managers regarding business operations; they review documents related to major decisions; and they investigate the operations of the Company's principal business sites and subsidiaries. The Corporate Auditors also work closely with the Independent Auditors, discussing and exchanging views on relevant matters. They have access to the Independent Auditors' auditing plans and policies, receive explanations concerning measures to ensure the proper execution of Independent Auditors' duties, and verify the semiannual Independent Auditors' auditing results.

Corporate Auditors receive audit information on a monthly basis from the Internal Audit Department, which is independent from operations divisions, concerning plans, progress, and the results of their internal auditing. The Corporate Auditors also receive reports on the results of semiannual evaluations of the internal control system concerning financial reporting.

The Company has established the Corporate Auditors' Office with three full-time members who operate independently from business operations to provide support to these internal Corporate Auditors and Outside Corporate Auditors in the execution of their auditing duties.

Ernst & Young ShinNihon LLC has been appointed as Mitsubishi Tanabe Pharma's Independent Auditor. Every effort is made to provide accurate managerial information and create an environment that facilitates the conduct of proper audits.

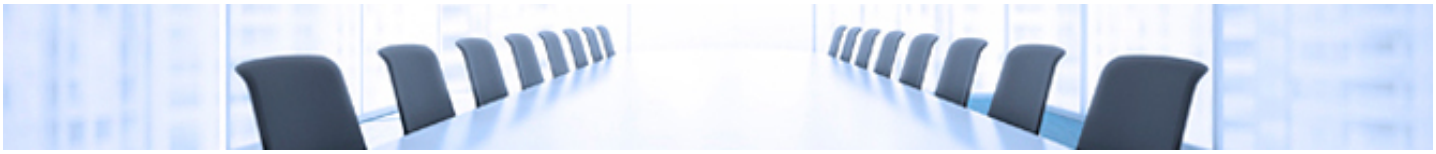
Accountability to Stakeholders

Mitsubishi Tanabe Pharma recognizes the importance of public disclosure for providing an accurate basis upon which stakeholders—including patients, medical professionals, shareholders, investors, and the general public—are able to evaluate corporate performance. The Company therefore publicly discloses important information concerning all of its corporate activities, encompassing managerial policies, operational goals, and financial performance, in a fair, prompt, and appropriate manner. Mitsubishi Tanabe Pharma complies with all applicable laws and ordinances, including Japan's Financial Instruments and Exchange Law, and the information disclosure regulations of stock exchanges that list the Company. In accordance with information disclosure regulations, the Company implements information disclosure to stakeholders that is appropriate in terms of both content and timing. Mitsubishi Tanabe Pharma takes feedback from all stakeholders seriously and strives to share information in a way that fosters better mutual understanding.

At periodic briefings for institutional investors, Mitsubishi Tanabe Pharma presents information on financial performance, the development of new products, important managerial policies, and business expansion. Briefings are also held when necessary to discuss research and development as well as other important business issues. The Mitsubishi Tanabe Pharma website provides video and audio recordings of these briefings along with details of Q&A sessions for individual and overseas investors. The Company also holds briefings for individual investors. The Corporate Report provides shareholders and investors with information on corporate performance for each fiscal year.

Financial performance briefing

Corporate Report 2014



Risk Management

Managing Risks Associated with Business Activities

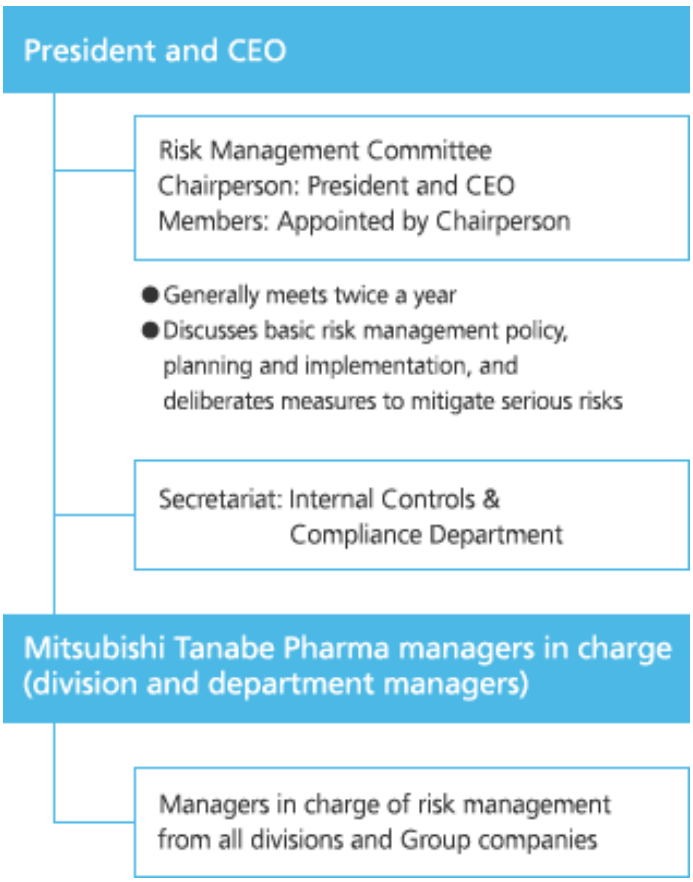
The Mitsubishi Tanabe Pharma Group has established risk management rules to ensure that risks associated with its business activities are managed properly. Based on these rules, each of the divisions at Group companies works to accurately identify the presence, type, and importance of the risks associated with its activities and to take the necessary steps to manage these risks.

The Group has also developed and established a Groupwide structure for supervising and implementing risk management. This structure operates principally under the Risk Management Committee, which is chaired by the President and CEO and generally meets twice a year to discuss and deliberate issues related to mitigating risks that affect the entire Group.

Mitsubishi Tanabe Pharma has built a clear structure for reporting serious risks which have a Group-wide impact on the management team. The divisions primarily and peripherally responsible for managing these risks take steps to address them.

General business divisions and departments as well as Group companies also work to raise awareness of risks that have been identified and to increase each person's sensitivity to risk.

Mitsubishi Tanabe Pharma Group Risk Management Structure



Risk Control Adapted to Classification

Management strategy risks

Corporate Planning Department supervises risk management to be implemented in individual divisions

Examples: Risks associated with moving into new sectors, development strategies, etc.

Serious risks (risks that require Groupwide management)

Divisions primarily and peripherally involved coordinate to develop and carry out measures to mitigate risks

Internal Controls & Compliance Department supervises progress

Examples: Risks related to the Pharmaceutical Affairs Law of Japan, information management, large-scale disasters, etc.

Other general risks (other than those listed above)

Individual divisions implement measures to mitigate risks

Being Prepared for Large-scale Disasters

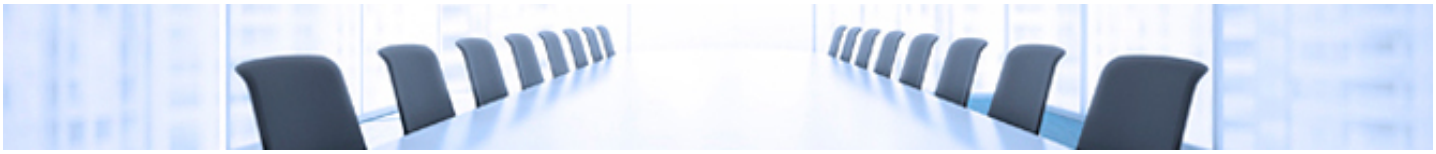
As a company that manufactures and sells pharmaceuticals, our mission is to do our utmost to continue to provide a stable supply of ethical drugs. To that end, we have formulated the Regulations on Managing Business Continuity in a Large-scale Disaster. To address risks that include a possibility of developing into a large-scale disaster affecting the Group's operating environment, such as an earthquake, tsunami, typhoon, snowstorm, flooding, or pandemic, we are moving ahead with "advance preparations" and with "incident response measures" so that we can respond through a Companywide system based on cooperation among headquarters and bases.

In particular, in regard to the risks of an earthquake or tsunami, with consideration for potential damage from such incidents as a Nankai Trough earthquake, an earthquake directly under the Tokyo metropolitan area, or an Uemachi fault zone earthquake, we have established the Mitsubishi Tanabe Pharma Disaster Management Committee and Regional Disaster Management Committees (including overseas worksites). We are working at disaster damage prevention and reduction measures, including safety confirmation, damage status reporting, preparation of initial response manuals and other materials, strengthening infrastructure, preparing emergency supplies, providing support for victims, and implementing emergency training exercises. In these ways, we are reinforcing our ability to respond to disasters.

In addition, in the event of an incident, the Mitsubishi Tanabe Pharma Disaster Management Committee will steadily take action, with a focus on business continuity and rapid restoration, with the central role in the disaster countermeasures center. To that end, the Mitsubishi Tanabe Pharma Disaster Management Committee has formulated a business continuity plan in advance, made appropriate revisions, and taken steps to increase its effectiveness.

The activities of the Regional Disaster Management Committees are focused on initial responses that prioritize the safety of employees and others. To that end, we have built a system that can implement rapid responses based on the judgment of the leaders of these committees.

In the future, in regard to the "advance preparations" and "incident response measures" mentioned above, we will implement realistic, effective countermeasures and strive to fulfill our mission as a pharmaceutical company.

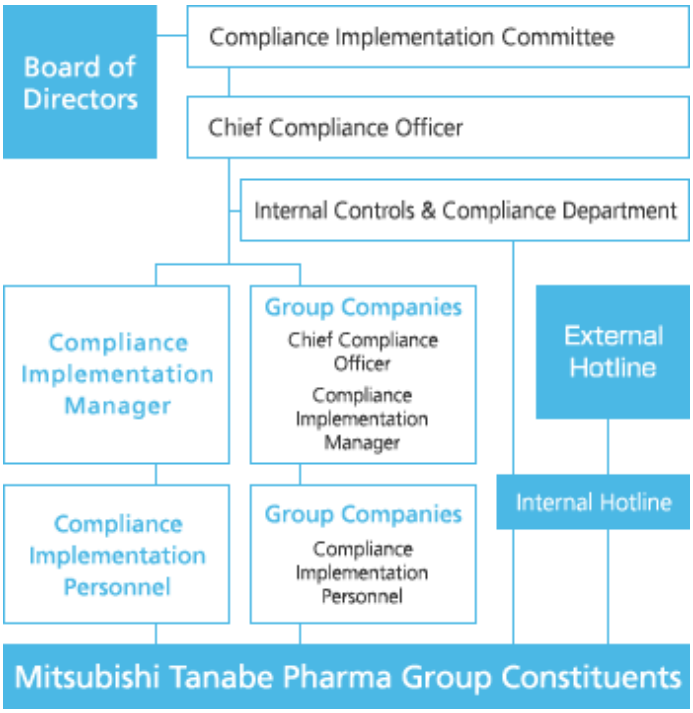


Compliance

Compliance Implementation Framework

The Mitsubishi Tanabe Pharma Group has in place a Groupwide compliance implementation framework overseen by its Compliance Implementation Committee, which is chaired by the Chief Compliance Officer. A total of 200 compliance implementation personnel, including managers and staff, meet semiannually. These meetings are held to facilitate coordination among individual workplaces, heighten sensitivity to risk associated with compliance and potential scandals, share information on related problems, and enhance the capacity of workplaces to address compliance issues.

Mitsubishi Tanabe Pharma Group Compliance Implementation Framework



Compliance 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 the 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 company assets.

Compliance Training

The Group conducts the following training programs each year for the purpose of fostering a strong sense of ethics, raising awareness of compliance requirements, and cultivating greater awareness of compliance-related issues among all employees.

●**Groupwide compliance training:**
Participatory training for officers and employees based on active dialogue and discussion, rather than lectures or other forms of one-way information provision

●**Divisional compliance training:**
Focuses on specific topics relevant to respective divisions as a supplement for Groupwide compliance training sessions

List of Training Sessions Held in Fiscal 2013

	Type of training	Times held	Number of participants
Compliance training	Companywide sessions	206	7,283
	Divisional sessions	303	6,745
	Top management seminars	1	29
New management training		2	78
New employee training		1	144

Hotlines

The Mitsubishi Tanabe Pharma Group's internal and external hotlines allow employees and managers to obtain consultation and make reports about any violation of laws, ordinances, or social conventions. The purpose of these hotlines is to prevent or reduce risks that could lead to scandal by providing employees with an easily accessible channel for bringing up concerns or suspicions that they may have. The number of calls handled by these hotlines is posted on the Group's intranet at the end of each six-month period of the fiscal year. Reports on recent trends and issues warranting special mention are then included in Companywide training sessions.

Number of Hotline Consultations Handled in Fiscal 2013

Regulations	Labor management	Preliminary consultations	Other	Total
10	35	3	3	51

Compliance at Group Companies Outside Japan

The Group consults regularly with relevant departments at its Group companies concerning their respective action programs. These programs outline concrete approaches and program timelines designed to enhance risk management and compliance systems at subsidiaries outside Japan. In this way, the Group is sharing management policies that are necessary for Group management while acting with respect for diversity in areas that differ by country, such as cultures, laws and regulations, and business practices.

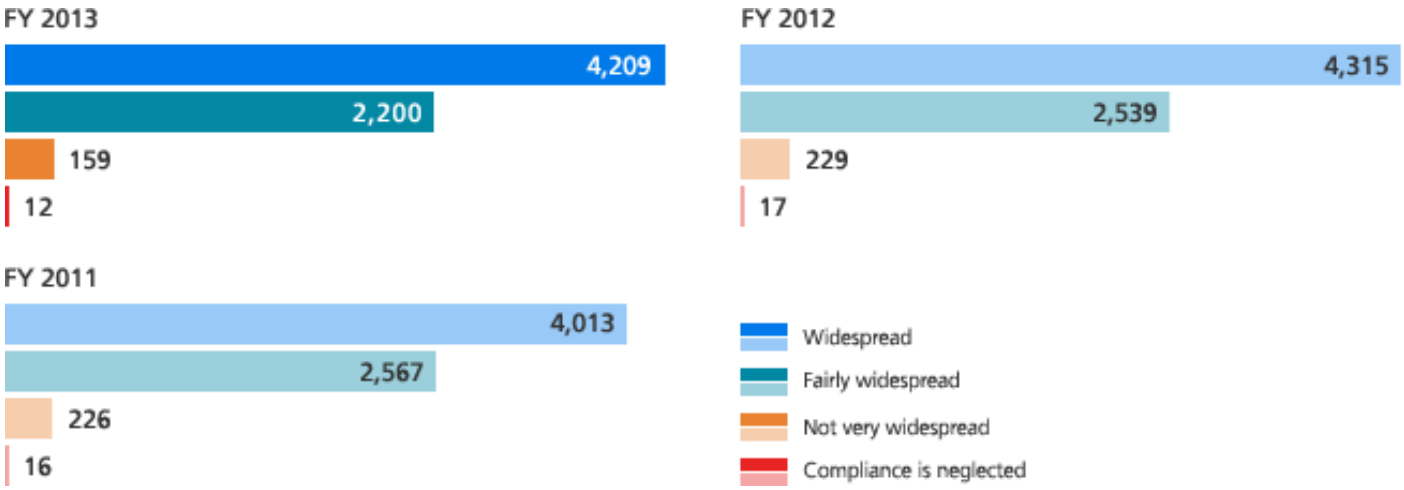
Monitoring Compliance Awareness

In managing risk to prevent scandal, the Mitsubishi Tanabe Pharma Group recognizes the importance of monitoring progress in the compliance awareness of individual Group officers and employees, and then continuing to strive to enhance that awareness. To do so, the Group conducts a yearly survey of progress in compliance among all officers and employees and reports the survey findings back to each division. In fiscal 2011, the Group introduced an online format for the survey. In fiscal 2013, the response rate stood at 88.6%, with 6,629 responses.

In answer to the question, "Is awareness of the importance of compliance widespread throughout your workplace?" a combined total of 97.4% responded that awareness was "widespread" or "fairly widespread."

Results of Compliance Implementation Survey

Is awareness of the importance of compliance widespread throughout your workplace?



Corporate Behavior Charter Day

Taking into account the gravity of the Medway Issue and the related quality control problem, and recognizing the need to prevent any further incidents of misconduct, the Mitsubishi Tanabe Pharma Group has introduced an annual Corporate Behavior Charter Day. This day offers employees the opportunity to review the Group's Charter and reflect on their individual conduct during compliance meetings at all Group workplaces in Japan. At these meetings, employees study the Compliance Guidebook and affix their signature to pledges in which they vow to conduct themselves in accordance with the Corporate Behavior Charter and Compliance Code of Conduct. For the 2014 Corporate Behavior Charter Day, Mitsubishi Tanabe Pharma invited outside experts to speak at its Headquarters on April 11, the Yoshiki Plant on April 14, the Onoda Plant on April 23, the Kashima Plant on April 25, and the Toda Office on May 9.

Outside expert speaks to Mitsubishi Tanabe Pharma employees

Regaining Public Trust

Since it received an administrative action in April 2010 regarding the approval, manufacturing, and quality control for Medway Injection, the Company has implemented business improvement initiatives, with its highest priority being the recovery of trust from society and the prevention of recurrence. In addition, the Company has increased the effectiveness of these measures through the receipt of verification of the progress of the measures from the Outside Committee for Recovering Trust Following the Medway and Quality Control Problems, which is composed of outside experts. In March 2014, the committee had fulfilled its initial role and its activities were concluded. The Company received the committee's final report, which included a summary of its activities and its advice and opinions provided to the Company. The details of that report are disclosed on the Company's website.

Moving forward, the Company will draw on the lessons that it has learned and continue working sincerely to restore the trust of society and prevent a recurrence.

Initiatives for Employees

Basic Stance on Human Rights

The Mitsubishi Tanabe Pharma Group recognizes the protection of human rights as part of its corporate social responsibility. In order to address the various human rights issues that can arise in a corporate environment, the Group has established Regulations for Promoting Awareness of Human Rights. The purpose of these regulations is to direct efforts to raise human rights awareness in order to raise executive and employee awareness of these issues and develop a corporate culture that is firmly committed to protecting human rights.

Under the Mitsubishi Tanabe Pharma Group Compliance Code of Conduct, the Group pledges to "respect our employees, encourage open and honest communication, and promote safe and healthy working conditions." The Group views a positive environment in which each individual's character and human rights are respected and all employees are able to openly discuss any subject to be the very foundation of sound corporate management.

Initiatives to Raise Human Rights Awareness

The Mitsubishi Tanabe Pharma Group respects the ten principles of the United Nations Global Compact, which address human rights, labor, the environment, and anticorruption, and upholds these principles in its business activities as a responsible corporate citizen in line with its Corporate Behavior Charter. The Company's Human Rights Awareness Promotion Committee, chaired by the President, plays a key role in both training for all of the officers and employees and other Groupwide human rights training programs, which include collaborating with outside experts and employee participation in outside lectures. In anticipation of Human Rights Week in December each year, the committee sponsors a contest in which employees are encouraged to consider human rights issues and demonstrate their general awareness by composing human rights slogans. In fiscal 2013, a total of 199 entries were submitted by employees throughout the Group.

Mitsubishi Tanabe Pharma Group Human Rights Awareness Promotion Structure

Article 4 of the Regulations for Promoting Awareness of Human Rights

The Group will establish a Human Rights Awareness Promotion Committee, which will determine Groupwide standards for human rights policy and raise awareness of these issues.

Addressing Harassment

Under its Compliance Code of Conduct, the Mitsubishi Tanabe Pharma Group states clearly that the Group "does not tolerate discrimination, harassment or any behavior that violates basic human rights or inhibits the capabilities of any individual." As part of the Group's commitment to raising awareness and eliminating harassment in the workplace, this issue is addressed in Groupwide compliance training, training for new managers, and in training for new employees. In April 2013, the Group held e-learning training for all officers and employees to increase understanding of the issue of power harassment.

Sexual harassment counseling services were expanded in May 2013. In response to recent requests, an external hotline was also set up to address difficulties and interpersonal relationships in the workplace. The Mitsubishi Tanabe Pharma Group believes that eliminating harassment is a key component of creating a comfortable work environment, which will in turn help boost the vitality and performance of the Group.

Human Rights Issues in the Value Chain

Ethical Considerations in Research

In new drug research, the Company conducts animal experiments to confirm the efficacy and safety of pharmaceuticals prior to clinical studies.

In conducting tests on animals, Mitsubishi Tanabe Pharma applies as its basic principles the 4Rs, a program that adds the additional R of "responsibility" on the part of Company researchers to the conventional 3R international standards ("replacement" with alternative testing methods, "reduction" of the number of animals used, and "refinement" to relieve pain and distress). The Institutional Animal Care and Use Committee deliberates the validity of the animal experiment protocol based on international standards for animal experiments. In addition, Mitsubishi Tanabe Pharma carries out internal inspections and self-assessments to confirm that all animal experiments comply with its own management controls and in accordance with laws, regulations, and guiding principles. The Company's animal experimentation is also certified by the Center for Accreditation of Laboratory Animal Care and Use of the non-profit Japan Health Sciences Foundation.

Ethics Review Committee Approach

In recent years, research using human tissue and cells provided by patients has become increasingly important to gain a better understanding of the pathology of diseases and more accurately predict the efficacy and safety of new drugs. Research into new drugs using samples of human origin requires serious and careful consideration of ethical issues, such as the informed consent of donors and the protection of their personal information. Mitsubishi Tanabe Pharma has established a Human ES Cell Research Ethics Review Committee, a Human Genome and Gene Analysis Research Ethics Review Committee, and a Human Tissue Research Ethics Review Committee. These committees carefully consider the ethics and scientific validity of research protocols in these respective areas. To promote objectivity, impartiality, and transparency, each ethics review committee includes outside members to ensure that reviews are well-balanced and respect is given to the range of differing opinion. To ensure full transparency, the Company posts the rules governing the ethics review committees and summaries of its proceedings on the Ministry of Health, Labour and Welfare's clinical research ethics committee reporting system and on our website.

Human Rights and Bioethical Considerations in Clinical Testing

All Mitsubishi Tanabe Pharma clinical trials are subject to strict standards. The Company follows the guidelines set by the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use/Good Clinical Practices (ICH-GCP), based on the Declaration of Helsinki (June 1947). It also upholds the laws and regulations of the country in which the studies are conducted, as well as its own standards and clinical trial protocol. All volunteer participants in the trials give their informed consent to do so. The Company's highest priority is to ensure the safety of its subject, protect their human rights, and safeguard their personal welfare.

Mitsubishi Tanabe Pharma's Clinical Trial Protocol Review Committee includes members from outside the Company and medical experts who are well-versed in clinical trial ethics. Before a trial is allowed to begin, the committee investigates the proposed study to confirm its ethical and scientific validity. Once trials are under way, the Company's clinical trial management system is employed to verify that studies are being properly administered. Inspections are also conducted as needed, to ensure that the trial data is reliable.

Ethical Considerations in Procurement

In accordance with the Mitsubishi Chemical Holdings Group Charter of Corporate Behavior, we are working to contribute to the realization of *KAITEKI*. In accordance with this concept, we have established Purchasing Principles that also apply to procurement in the area of production, and we strive to conduct objective, fair, and transparent transactions with suppliers. On that basis, we are advancing activities with an emphasis on strict observance of laws and regulations, consideration for the environment, and respect for human rights.

In addition, to secure quality and realize stable procurement, we look for suppliers on a global, open basis. To be objective, fair, and transparent, we evaluate and select suppliers in an impartial manner based on our supplier selection standards.

On the other hand, because we cannot realize *KAITEKI* simply through our own efforts, we also ask for understanding and cooperation from our suppliers as we pursue the realization of *KAITEKI*.

Human Rights Considerations in Production

The Mitsubishi Tanabe Pharma Group acts with consideration for local communities in the manufacture of its products. Group initiatives include energy conservation and recycling, as well as maintaining ISO 14001 certification, an international standard for environmental management, at major production sites.

Each Mitsubishi Tanabe Pharma plant carries out greening activities and local environmental cleanup campaigns, planting trees on factory grounds and collecting litter in the surrounding neighborhoods. The Yoshitomi Plant is involved in activities to promote interaction with local communities, including hosting summer festivals in which local residents are invited to participate.

Mitsubishi Tanabe Pharma fully complies with all environmental laws and regulations associated with its business activities, including Japan's Water Pollution Control Act, Soil Contamination Countermeasures Act, and Noise Regulation Law. In addition, the Company is also in compliance with all special local laws and regulations, such as the Act on Special Measures concerning Conservation of the Environment of the Seto Inland Sea, which are relevant to operations at the Onoda and Yoshitomi plants.

When investing in new facilities that involve the construction of buildings or other structures, the Company holds briefings for neighborhood residents before the project commences in an effort to help the local community better understand how they will be impacted.

Human Rights Considerations in Marketing

As a pharmaceutical manufacturer, the Mitsubishi Tanabe Pharma aspiration is to realize the concept that "Everything we do is for the patients." To achieve this, the Company takes as its mission the provision of accurate information on its valuable pharmaceutical products to physicians, pharmacists, nurses, and other medical professionals in order to improve the welfare and medical care of the public and help people live healthy, quality lives.

Mitsubishi Tanabe Pharma medical representatives (MR) conduct themselves with the high ethical standards and common sense befitting employees of a global healthcare company, placing the highest priority on fairness and integrity in all of their activities. An MR's goal is to carry out promotional activities in a manner that respects the human rights of all patients.

Protecting Customer Privacy

Mitsubishi Tanabe Pharma is committed to protecting its customers' personal information. In keeping with its strong sense of responsibility regarding this subject, the Company has released its Policy on Protecting Personal Information to the public. Toward this end, the Company uses only fair and reasonable methods to collect customers' personal information and utilizes this information only to the extent necessary to achieve the permitted purpose. In addition to this fundamental approach, it has taken the following initiatives with regard to the handling of personal information.

(1) Established defined regulations regarding the protection of personal information
(2) Issued the Personal Information Leak Prevention Manual
(3) Instituted a structure for the protection of personal information, headed by a chief privacy officer (CPO) and staffed by privacy protection division managers and privacy protection personnel
(4) Educated and trained employees; Supervised and audited subcontractors
(5) Implemented robust data encryption and security measures on company computers

VOICE

Thinking about, sharing, and practicing respect for human rights

Ryozo Ito
Internal Controls & Compliance Department

I think that different people have different approaches to human rights, which has a variety of interpretations and meanings.

As someone who works at a pharmaceutical company, what first comes to my mind is the aspect of human rights that involves earning the trust of patients and other people throughout society, including such issues as privacy and personal information. Protecting and giving consideration to these aspects of human rights is an indispensable element of the pharmaceutical business.

A more familiar example would be clinical trials, where the most important factor is consideration for the human rights, safety, and welfare of the patients, including a rigorous approach to informed consent.

I believe that, rather than a narrow scope, it is important to take a global viewpoint in considering the issue of human rights. Through training and other means, I would like to work together with employees to think about, share, and practice respect for human dignity and human rights.

Human Resources Development

Basic Human Resources Policy

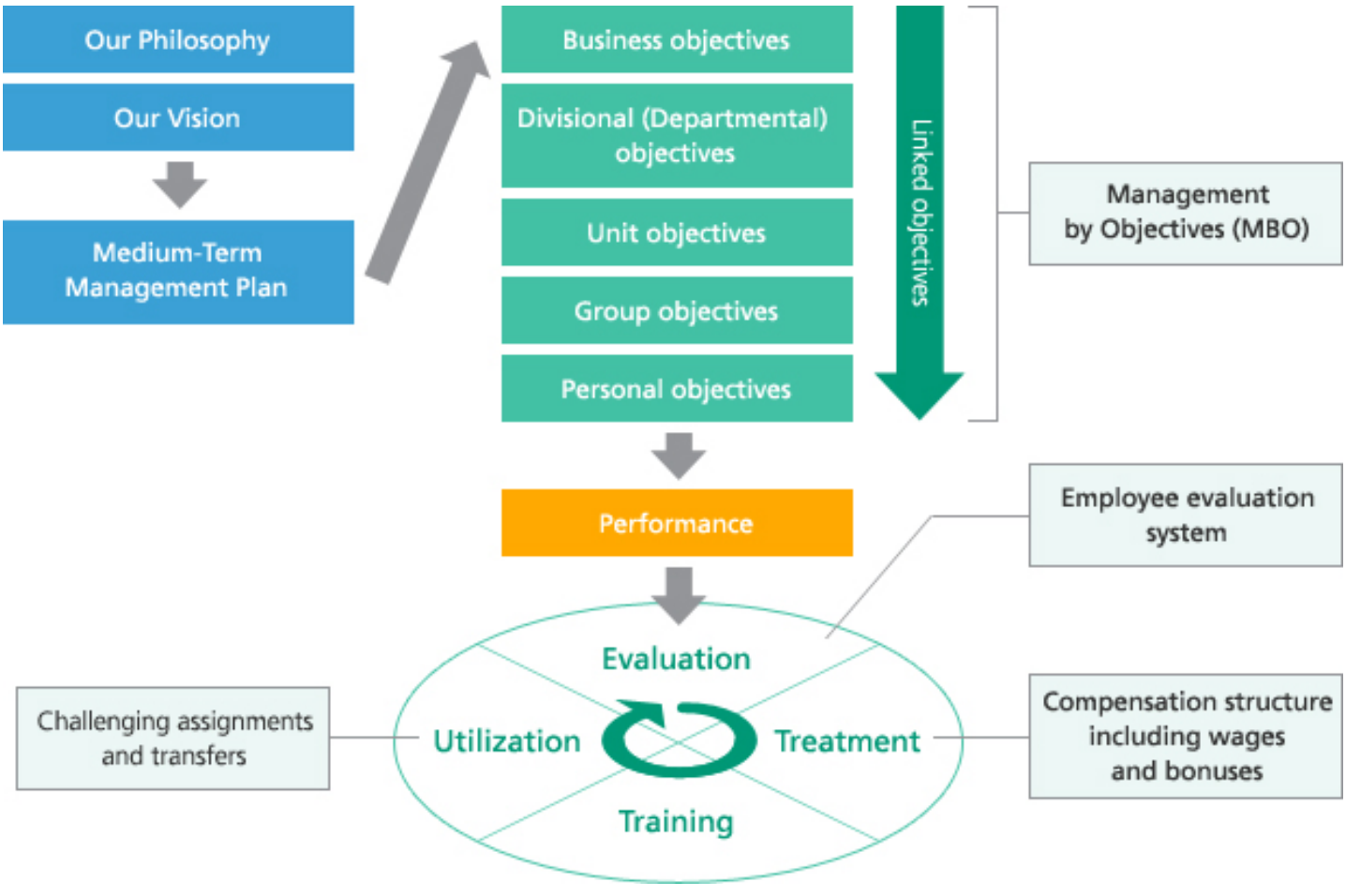
With a focus on personnel as a management resource, the Company utilizes the Comprehensive Management System for Human Resources. This system helps all employees to work to their full potential, thereby further enhancing the Company's competitiveness and contributing to the realization of sustained growth.

Human resources training is focused on the Company's four standards for conduct: Pride and a Sense of Mission, Challenge and Innovation, Trust and Teamwork, and Harmonious Co-Existence with Society. In its Medium-Term Management Plan 11–15, Mitsubishi Tanabe Pharma aims to position itself as a company that continuously produces new value and does so by working to enhance its human resources and organizational structures to facilitate global development.

Comprehensive Management System for Human Resources

Basic Approach

This system is a tool for the achievement of management objectives, and the Company thinks it is important to link the system to objective management, evaluation, treatment, training, and utilization.



Number of Employees

	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014
Consolidated	9,266	9,198	9,187	8,835	9,065
Unconsolidated	5,186	4,957	4,826	4,850	4,867
Men	4,152	3,968	3,869	3,870	3,856
Women	1,034	989	957	980	1,011

Enhancing Personnel Training

To strengthen our corporate vitality and competitiveness, we must work to enhance the capabilities of our human resources, who are the source of that vitality and competitiveness. Our policies for human resources development include strategically utilizing diverse human resources as a global research-driven pharmaceutical company; promoting autonomous employee action by having employees work with their managers to realize appropriate goal setting and evaluation, thereby supporting the continuous growth of the organizations and individuals that create new value; assigning the right people to the right places and providing training programs that enable people to make full use of their capabilities; and prioritizing the role of employees in the management of their own careers and providing support for the career development of each employee. In accordance with these policies, we will work to develop employees with key attributes and to support employees going forward. The capabilities of individual employees are enhanced not only by on-the-job training (OJT) but also by the Company's training programs. In addition, we are taking steps to ensure that we assign the right people to the right places. In these ways, we strive to ensure that all employees can make full use of their capabilities.

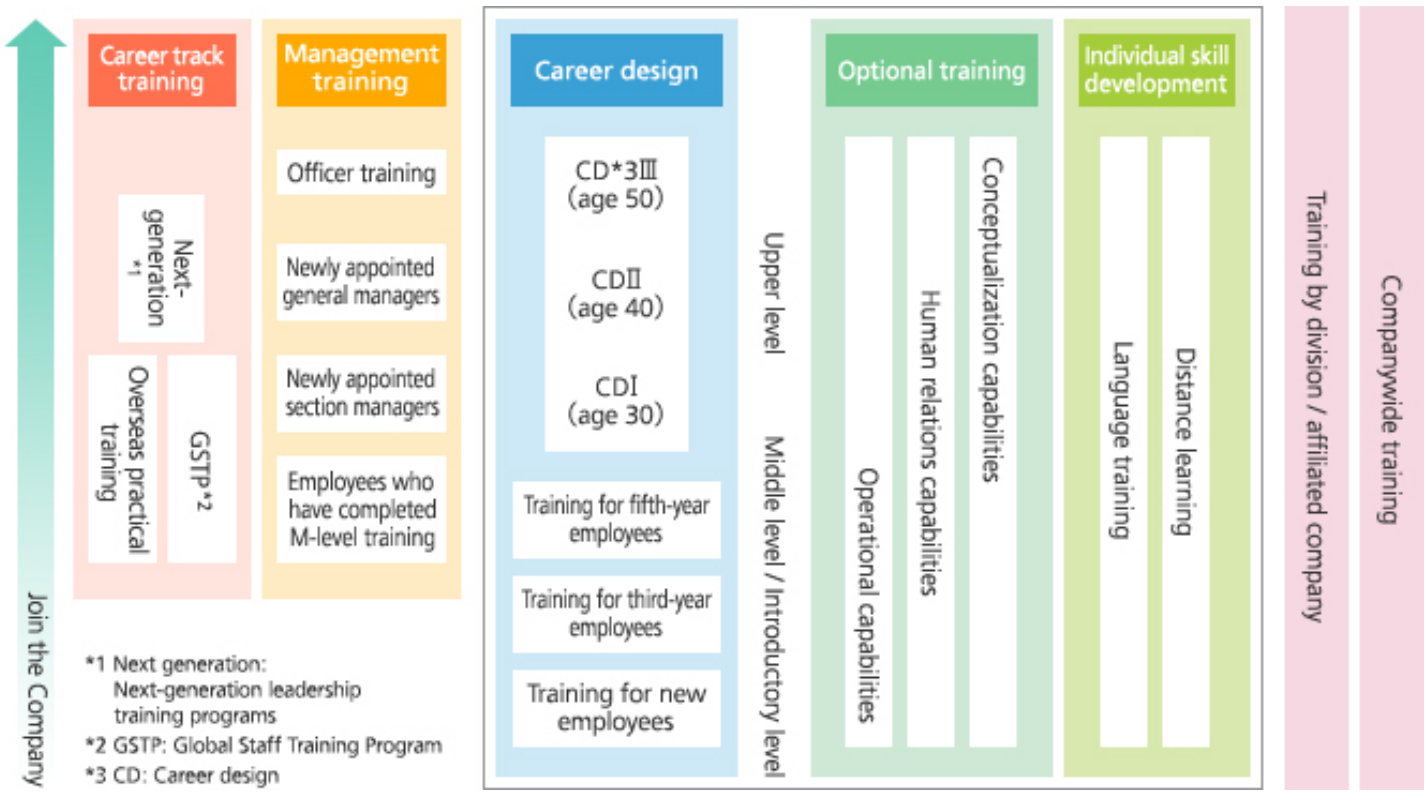
In conjunction with the introduction of a new personnel system, we are also taking steps to support employee career management and self-education. In addition, we continue to offer programs to support the next generation of leaders who will underpin future management and to develop global human resources.

The key attributes we look for in employees:

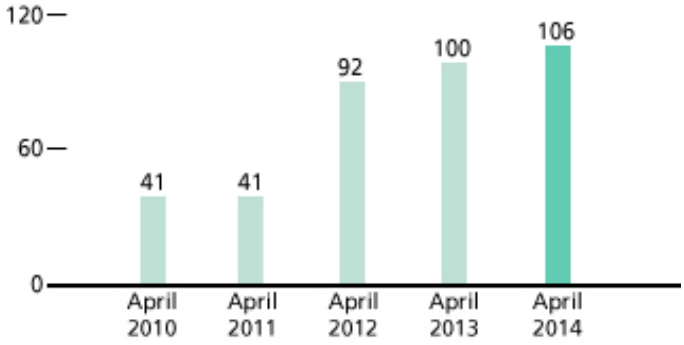
People who continue to create new value

Thinking of the patient first,
- continuing to record growth by thinking for yourself, working hard, and taking on challenges,
- prizing teamwork and continually leveraging your capabilities, and
- having pride and confidence in your work and continuing to contribute to the success of your team.

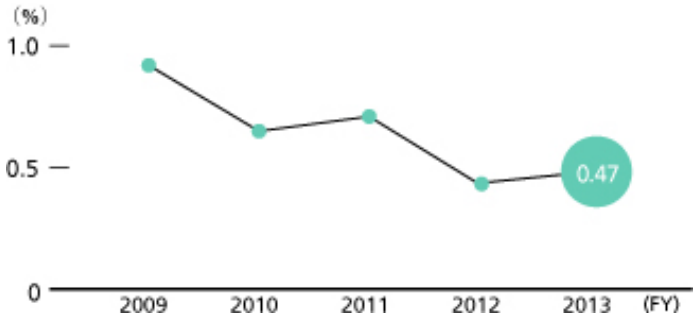
Training Program Structure



Number of New Graduates Hired (Non-consolidated)



Employee Turnover Rate (Non-consolidated)



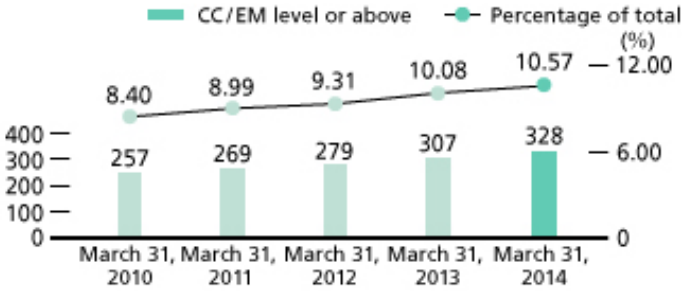
* Figures for employee turnover include only cases of resignation or death (e.g., not dismissals)

Promoting Diversity

Securing Diverse Talent

Hiring and keeping the best human resources is essential to enhancing the Company's organizational functions. We are aggressively utilizing people with strong career backgrounds and people with high potential, without regard to age, gender, or nationality.

Percentage of Female Employees with Qualifications at the CC / EM Level or Above



* Expert level: Employees who serve in specialist and leadership roles, considered equivalent to subsection managers

Supporting People with Disabilities in the Workplace

The Company is actively working to employ people with disabilities. As of the end of March 2014, we employed people with disabilities at a rate of 2.11%, higher than the legally required rate of 2.0%. Moving forward, we will take steps to expand the range of these positions to additional types of work that are available throughout the Group, and will work to maintain an environment that is easy to work in.

Employment Rate of People with Disabilities

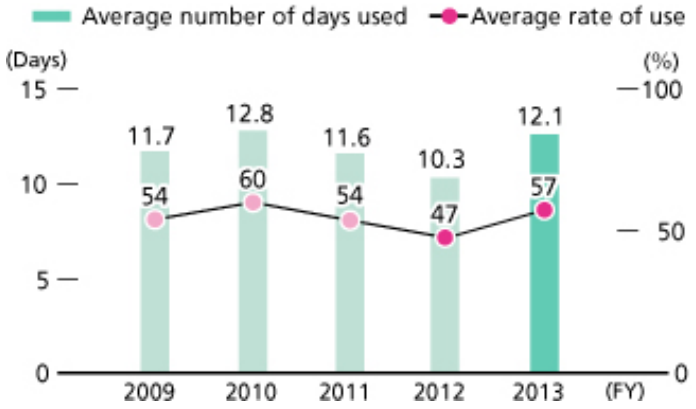
Work-Life Balance Considerations

Mitsubishi Tanabe Pharma strives to help employees comfortably balance work with personal life and family commitments. The Company recognizes the importance of employees gaining satisfaction and pride from their work while also being able to experience meaningful life events, such as the birth of a child or caring for children and family members. This approach has earned the Company *KURUMIN* accreditation every consecutive year since 2007. This accreditation mark is based on the Next Generation Nurturing Support Measures Promotion Law. In an effort to enhance its work environment to an even greater degree, Mitsubishi Tanabe Pharma is taking such steps as establishing "No Overtime Days" and encouraging employees to use their annual paid vacations.

Utilization of Leave and Shorter Workdays for Child Care

Utilization of Leave and Shorter Workdays for Nursing Care

Usage of Paid Vacation Days



Building Sound Labor-Management Relations

The labor agreement that Mitsubishi Tanabe Pharma has entered with the Mitsubishi Tanabe Pharma Labor Union guarantees the working conditions and rights of union members. Company management and the union regularly hold labor-management meetings where the Company communicates its management policy and the two parties exchange information on workplace conditions, seeking to more fully understand each other. Members of the Labor and Management Committee also contribute their views on such issues as work hours and human resource systems in order to promote a better working environment.

Occupational Health and Safety

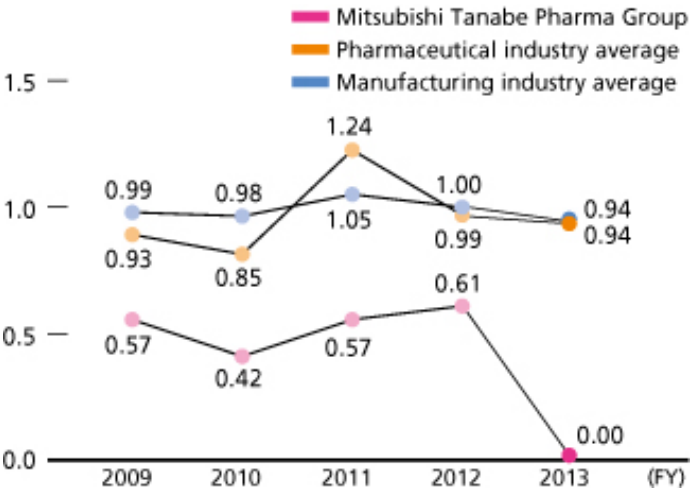
Occupational Health and Safety Initiatives

We believe that ensuring the safety of all workers will support the realization of *KAITEKI*, which is being advanced by the Mitsubishi Chemical Holdings Group. In accordance with that belief, the Mitsubishi Tanabe Pharma Group strives to be a "company that is trusted by communities" and implements activities designed to eliminate workplace accidents or disasters.

To that end, we are advancing the utilization of occupational safety and health management systems (OSHMS) at each worksite. These systems are used to assess risks and reduce individual risks. In this way, we are working to prevent accidents and disaster damage. In fiscal 2013, the number of accidents requiring absence from work was zero on a Groupwide basis for the first time.

Moving forward, we will work to make effective use of OSHMS capabilities. In addition, to maintain the culture of safety that we have cultivated, we believe that it will be important to raise safety awareness among employees. Accordingly, we will continue to implement safety education, including hazard prediction training, seminars on experience-based training, lectures on static electricity, and seminars on the prevention of human error.

Rate of Accidents Causing Absence from Work*



* Number of casualties due to accidents that require time off of work to one million actual work hours

Lectures on static electricity:
The basics of static electricity are studied through lectures incorporating experiments.
(Shown here is an experiment involving an organic solvent catching fire due to static electricity.)

Chemical Substance Safety Management

When worksites handle new substances, safety assessments are conducted to prevent any trouble that could arise from these substances. These assessments are conducted in accordance with the Mitsubishi Tanabe Pharma Environmental Safety Assessment Guidelines.

In implementing chemical substance safety management, we are working to widely share information about the dangers and hazards of the chemical substances that are being handled. In addition, laws and regulations related to chemical substances are now being strengthened, and to foster rigorous observance of laws and regulations at the Company, we are working to implement rigorous autonomous management through training and education as well as environmental safety audits.

Addressing Mental Health Issues

Mitsubishi Tanabe Pharma actively works with employees on managing stress for better mental health. In fiscal 2010, the Company introduced a self-diagnosis program to help employees identify and relieve stress before it takes a toll on their mental and emotional state. The Company offers general mental health counseling as part of its health insurance package. Following the Great East Japan Earthquake, Mitsubishi Tanabe Pharma set up a counseling office operated by the Japan Industrial Counselors Association and expanded the specialized counseling available to employees. The Company has also released the Guidebook for Managing Mental Health as part of its efforts to bolster its Groupwide measures for maintaining mental health.

Surveying Employee Attitudes

From fiscal 2011, the Mitsubishi Tanabe Pharma Group has implemented employee attitude surveys to provide a comprehensive, periodic understanding of employee attitudes toward their jobs and of the Company's workplace environments. In fiscal 2013, compliance awareness items were added to the survey. The fiscal 2013 survey indicated that we had improved vertical communication, such as from frontline staff to management leaders and from management leaders to frontline staff, but we had not succeeded in improving high levels of work stress and fatigue. Going forward, we will take steps to strengthen our initiatives in such areas as work-life balance and career management support while maintaining our strengths in such areas as a high level of work satisfaction.

VOICE

Working toward human resources initiatives that enable all employees to work to their full potential

Shota Toshikawa
Human Resources Department

We are continually considering the best types of human resources policies to support rapid responses to changes in the environment, both inside and outside the Company. We are working to formulate and advance a range of human resources-related policies so that all employees, with their diverse values and ways of thinking, can work to their full potential and contribute to society.

In particular, in recent years we have focused on discussing and formulating policies related to key issues. One such issue is the realization of working styles that enable employees to be active at work while maintaining a work-life balance, including such life events as childbirth, child-rearing, and nursing care. Another is the best approach to welfare systems that enable employees to work with peace of mind and stability throughout their careers.

Environmental Management

Environmentally Friendly Corporate Activities

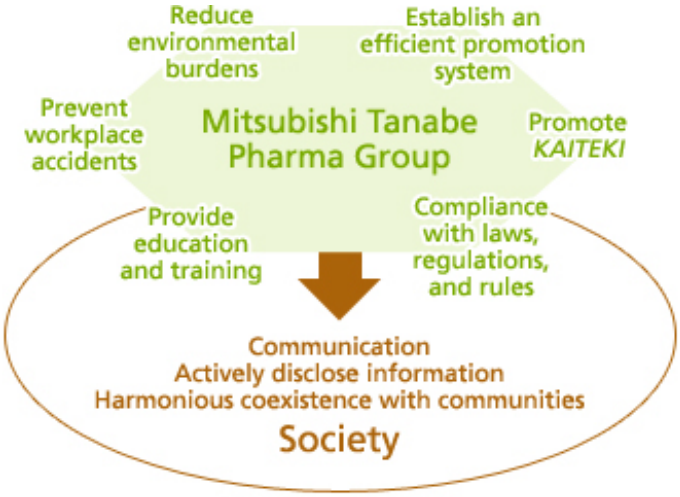
In order to help protect the global environment and create a sustainable society, Mitsubishi Tanabe Pharma must be cognizant of how every aspect of its business operations impacts the environment and then must reduce that burden. Accordingly, the Mitsubishi Tanabe Pharma Group works proactively and aggressively to ensure that its operations are environmentally friendly. Furthermore, the Group discloses information related to the environment and promotes dialogue with the public in its initiatives aimed at contributing to the environment and society.

As a member of the Mitsubishi Chemical Holdings Group, the Mitsubishi Tanabe Pharma Group is pursuing the creation of a *KAITEKI* (comfortable) society. In particular, it is reducing its global environmental impact through such measures as the reduction of emissions of greenhouse gases.

Mitsubishi Tanabe Pharma Environmental Safety Philosophy

As it strives to be a trusted global pharmaceutical company, Mitsubishi Tanabe Pharma is committed to environmental preservation and human safety.

Policy on Environmental Safety Activities

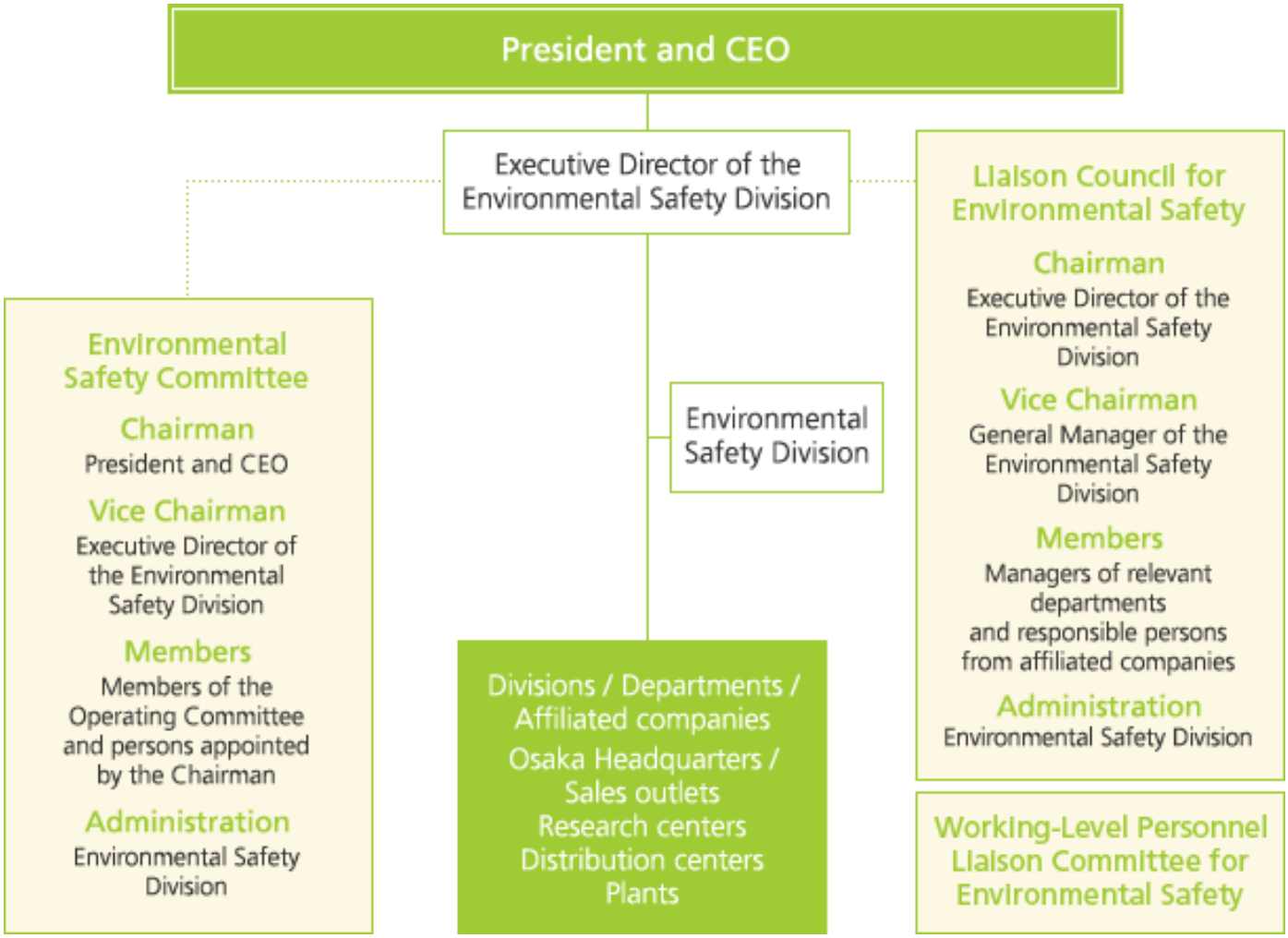


The Mitsubishi Tanabe Pharma Group is committed to implementing and continuously improving measures for the environment, safety, and health across the entire lifecycle, from product R&D through manufacture, distribution, and use, to disposal. Moving forward, the Group will also practice active information disclosure in an effort to be a company that is trusted by communities.

Environmental Management Structure

Mitsubishi Tanabe Pharma has instituted an environmental and occupational safety management system, overseen by the President and CEO. Within the framework of this system, the Environmental Safety Committee has been established as the consulting body, with members comprising representatives from the Operating Committee. The Liaison Council for Environmental Safety plans and carries out activities in response to issues relating to the environmental safety of the Mitsubishi Tanabe Pharma Group and promotes the management of environmental issues both inside and outside Japan. In addition, the Company has established the Environmental Safety Division as a specialized unit with overall responsibility for environmental and safety management. Through close ties with the frontlines, the division supports strengthened frontline capabilities and the development of a safety culture. In this way, the Company is working to prevent the occurrence or recurrence of accidents or problems related to the environment and safety.

Mitsubishi Tanabe Pharma's Environmental Safety Management Structure



Scope of Environmental Information Collection and Disclosure

The Mitsubishi Tanabe Pharma Group collects and discloses information in its CSR Activities Report regarding the manufacturing, research, and distribution facilities of Mitsubishi Tanabe Pharma and its consolidated subsidiaries in Japan as well as the manufacturing sites and research facilities of its overseas consolidated subsidiaries.

Companies Subject to Environmental Information Disclosure

In Japan:	Mitsubishi Tanabe Pharma Corporation, Mitsubishi Tanabe Pharma Factory Ltd., Bipha Corporation, Tanabe Seiyaku Yoshiki Factory Co., Ltd., Tanabe R&D Service Co., Ltd.
Outside Japan:	Taiwan Tanabe Seiyaku Co., Ltd., Tianjin Tanabe Seiyaku Co., Ltd., Mitsubishi Tanabe Pharma Korea Co., Ltd., Mitsubishi Pharma (Guangzhou) Co., Ltd., P.T. Tanabe Indonesia, Tanabe Research Laboratories U.S.A., Inc., Medicago Inc. (Canada)*

* Medicago (Canada) was made a subsidiary in September 2013, and thereby became subject to environmental information disclosure.

Environmental Compliance

The Mitsubishi Tanabe Pharma Group is committed to proactively protecting the global environment and coexisting in harmony with society. Our duties as a company include the strict observance of environmental laws and regulations. At domestic plants and laboratories, when necessary, we formulate independent management reference values that are more rigorous than legal standards and conduct our business activities accordingly. At overseas production sites, from fiscal 2013 we have been implementing environmental safety audits based on the theme of strict observance of laws and regulations. As one facet of those initiatives, we are implementing environmental compliance audits through specialized external institutions that are well-versed in local environmental laws and regulations. In this way, we are strengthening environmental compliance.

Environmental Risk Management

The Group has formulated risk management regulations and identified environmental risks by worksite. We are now implementing activities to reduce those risks. In addition, in regard to high risk items that require special management, we have established procedures for rapid, accurate responses in times of crisis, and we periodically implement education and training in preparation for emergencies. In addition, we utilize a PDCA cycle to confirm and monitor these procedures and initiatives through annual environmental safety audits.

In particular, the Group has prepared for initial responses in emergencies by systematically installing equipment and systems (automation of emergency shutoff valves for wastewater) for preventing environmental pollution in case of an unforeseen contingency, such as an accidental discharge of chemical substances to rivers or the sea.

ISO 14001 Certifications

The Mitsubishi Tanabe Pharma Group's principal production sites have acquired either ISO 14001 certification or other certifications established by relevant local municipalities, and the Group has established and is rigorously operating an environmental management system. Furthermore, in research facilities and offices we are working to implement appropriate environmental management in accordance with the nature and scale of the environmental burden associated with business activities. In this way, these facilities and offices are implementing activities that reflect consideration for the environment.

Environmental Safety Audits

The Group conducts environmental safety audits at its manufacturing and research facilities in Japan and overseas to confirm that the environmental management systems are functioning effectively. In the audits implemented in fiscal 2013, no items were indicated as entailing major environmental risk.

In addition, in fiscal 2012 the Group commenced environmental audits at overseas manufacturing sites. In fiscal 2013, audits were conducted by external specialists at Taiwan Tanabe Seiyaku (Hsinchu Plant) and P.T. Tanabe Indonesia (Bandung Plant).

The results of audits are reported to management leaders and shared on a Groupwide basis in order to further enhance related activities.

Environmental audit at Taiwan Tanabe Seiyaku
(September 2013)

Environmental audit at P.T. Tanabe Indonesia
(January 2014)

Environment-Related Incidents

As in the previous year, in fiscal 2013 the Group experienced no incidents that would have had a major effect on the environment. On the other hand, the revised Water Pollution Control Act came into effect, and accordingly periodic inspections of pipes were implemented. These inspections confirmed cracks in certain underground pipes. Wastewater did not exceed COD reference values or leak outside the grounds. However, there were four incidents of problems, such as the mistaken discharge of water containing small amounts of chemicals. In each case, we appropriately reported the incident to the regulatory authorities, and took thorough steps to prevent the occurrence or recurrence of such incidents, such as moving underground pipes above ground.

Soil and Groundwater Contamination Prevention and Control

The Mitsubishi Tanabe Pharma Group proactively monitors soil and water contamination at all its production and research facilities and, in the remote chance that contamination is discovered, takes appropriate measures to prevent wide-area pollution dispersion. At the former site of API Corporation's Kusu Plant (Yokkaichi City, Mie Prefecture), which closed in 2009, the Company completed a cleanup operation of contaminated soil, carried out anaerobic bioremediation of groundwater, and is now continuing to monitor the groundwater.

In addition, in fiscal 2013, in advance of building demolition work and the construction of a new building at the Yoshitomi Plant (Yoshitomi, Fukuoka Prefecture), we implemented an independent soil contamination investigation in accordance with the Soil Contamination Countermeasures Act. The investigation confirmed the presence of harmful substances exceeding legal standards in soil and groundwater in part of the site. Subsequently, a supplemental investigation was conducted for cyanide and benzene, which were found in the groundwater in amounts exceeding the standards. The investigation confirmed that there was no effect outside the site. Moving forward, steps will be taken to clean up the site and prevent dispersion of these substances through excavation and removal of contaminated soil and through groundwater pumping.

Overview of Environmental Impact

Input and Output in R&D and Production in Japan

Scope: The Mitsubishi Tanabe Pharma Group's business sites — plants, research centers, and distribution centers — in Japan

Input

Energy

Purchased electricity	129,620 MWh
Gases	13,290,000 m^3
Petroleum	1,857kL
Thermal equivalent	2,010,000 GJ
Crude oil equipment	51,845 kL

Water

Supplied water	383,000 tons
Industrial water	8,005,000 tons
Groundwater	94,000 tons

Chemical Substances

PRTR regulated substances	204 tons
Methyl alcohol	341 tons
Ethyl alcohol	606 tons

R&D

Production

Output

Atmospheric Emissions

CO_2	115,000 tons
NOx	33 tons
SOx	7.2 tons
Particulate matter	0.4 ton
PRTR regulated substances	6.1 tons
Methyl alcohol	2.1 ton
Ethyl alcohol	85 tons

Wastewater

Wastewater output	8,052,000 tons
COD pollution load	39 tons
Nitrogen	26 tons
Phosphorus	1.5 tons
PRTR regulated substances	0.6 ton
Methyl alcohol	2.5 tons
Ethyl alcohol	2.6 tons

Waste

Waste output	16,497 tons
Emissions	4,973 tons
Final disposal	102 tons

Environmental Performance of Production and Research Sites outside Japan

Energy consumption	Electricity	16,750 MWh
	Gases	914,000 m^3
	Petroleum	57 kL
Water consumption		253,000 tons
CO_2 emissions		11,000 tons
Waste output		402 tons

- Scope: 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.; and Tanabe Research Laboratories U.S.A., Inc.; Medicago Inc. (Canada, U.S.)
- Period: For Medicago, October 2013 to December 2013. For others, April 2013 to March 2014.
- CO_2 emissions were calculated with reference to the Greenhouse Emission Calculation and Reporting Manual (Ver. 3.4) and the List of Calculation Methods and Emission Coefficients for Calculation, Reporting and Publication, published by Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry. The electricity output coefficient was set at 0.000550 tons -CO_2/kWh.

Medium-Term Environmental Action Plan

Objectives and Fiscal 2013 Results of the 2011-2015 Medium-Term Environmental Action Plan

Area	Objectives	Fiscal 2013 results
Energy conservation and global warming mitigation	• Reduce CO_2 emissions for fiscal 2015 by at least 30% compared to the fiscal 2005 level	• Reduced CO_2 emissions by 40.4% compared to the fiscal 2005 level (6.8% reduction compared to the fiscal 2012 level) • Increased number of hybrid vehicles used by sales personnel to 1,259, from 1,113 in fiscal 2012
Reduction of waste, reuse and recycling of resources	• Promote zero emissions (final waste disposal rate of less than 0.5%) and continually reduce waste and emissions output and final waste disposal • Fulfill the responsibility of a waste discharging enterprise for handling waste correctly and ensuring proper treatment by contractors	• Achieved a final waste disposal rate of 0.61% (0.43% in fiscal 2012) • Promoted recycling and effective use of resources • Performed 40 on-site inspections of waste collection and transportation companies and intermediate and final disposal sites
Chemical substance emissions reductions	• Properly manage chemical substances and continually reduce their discharge into the environment	• Reduced emissions of PRTR substances into the air by 2% compared to the fiscal 2012 level and maintained emissions of water at the same level as the previous year
Enhancement of environmental management	• Improve environment-related risk management at company facilities • Maintain zero environmental accidents	• Conducted environmental safety audits at 15 Group worksites in and outside Japan • At overseas worksites, conducted environmental compliance audits at two worksites by outside experts • Conducted online environmental training courses • Conducted practical training in laws and regulations for waste management • Had zero environmental accidents and four incidents

Environmental Accounting

Mitsubishi Tanabe Pharma works to promote effective and efficient environmental management by ascertaining and analyzing the costs and effects of environmental conservation and the impact these activities have on economic performance. Environmental conservation costs for fiscal 2013 were ¥201 million in investments and ¥1,120 million in running costs. The economic benefit of environmental conservation measures was ¥50 million.

Environmental Conservation Costs
(millions of yen)

Item	Invested	Expended
Pollution prevention	¥157	¥438
Global environmental protection	32	40
Recycling and reuse of resources	9	307
Upstream and downstream activities	0	38
Administrative activities	2	281
Research and development	0	0
Community activities	0	0
Environmental damage compensation	0	15
Total	¥201	¥1,120

Environmental Conservation Effects

Reduction of environmental impact		Quantity reduced
Global environmental protection	Greenhouse gas emission reduction	4,490 tons-CO_2

Economic Effects Resulting from Environmental Conservation Measures (Millions of yen)

Material economic effects	Amount saved
Sales of valuable materials	¥7.5
Electric consumption reduced through energy-saving measures	42.1
Cost of processing waste reduced through lower consumption of resources	0.2
Total	¥49.8

Notes regarding calculations for fiscal 2013 data:

1. Data was calculated according to the Environmental Accounting Guidelines (2005 edition) published by the Ministry of the Environment of Japan.
2. Calculation period: April 1, 2013 to March 31, 2014
3. Scope: All worksites in Japan
4. Calculation methods: (1) Simple method for amount invested (25%, 50%, 75%, 100%);
   (2) Depreciation is calculated based on the legally defined service life of applicable items; and
   (3) The full amounts for nondepreciation costs are posted only if 100% environment related
5. Calculation and evaluation methods for effects resulting from environmental conservation measures:

(1) Only material effects based on conclusive grounds for each environmental measure are tallied and assessed; and

(2) Effects observed within the fiscal year are tallied by converting them to a period of 12 months, and evaluated by comparing them to the year before the measures were implemented (or the previous fiscal year).

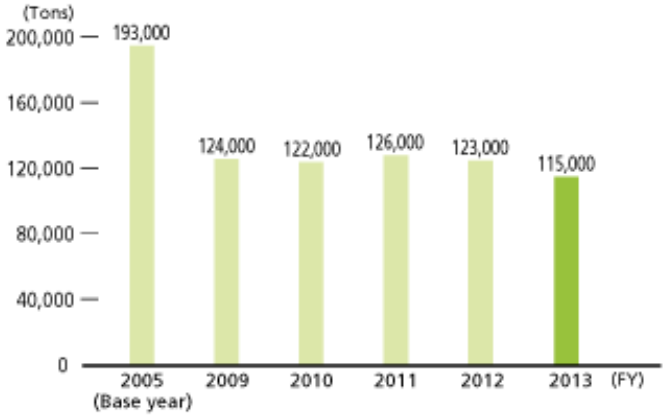
Energy Conservation and Global Warming Mitigation

CO_2 Emissions Reduction Targets and Results

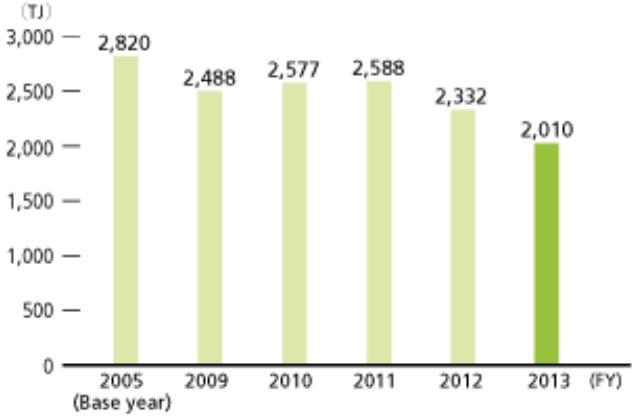
The Mitsubishi Tanabe Pharma Group has made the conservation of energy and the curbing of global warming two of its top-priority environmental objectives. In its efforts to reduce greenhouse gas emissions, the Group implements energy conservation initiatives based on the location and business of its various worksites, including plants, research facilities, distribution centers, and offices. These initiatives are aimed at reducing CO_2 emissions for fiscal 2015 by at least 30% from its fiscal 2005 level as stipulated in the Group's Medium-Term Environmental Action Plan.

The Group's CO_2 emissions in fiscal 2013 totaled 115,000 tons, a 40.4% reduction compared to the fiscal 2005 level. In fiscal 2013, many worksites were affected by an increase in the emission factor for CO_2 emissions related to electric power purchased from electric power companies. However, changes in the scope of worksites subject to monitoring, consolidation of bases, and energy-saving initiatives resulted in energy consumption decreasing by 13.8%, and CO_2 emissions decreasing by 6.5% compared to fiscal 2012.

CO_2 Emissions



Energy used



Strengthening Energy Management

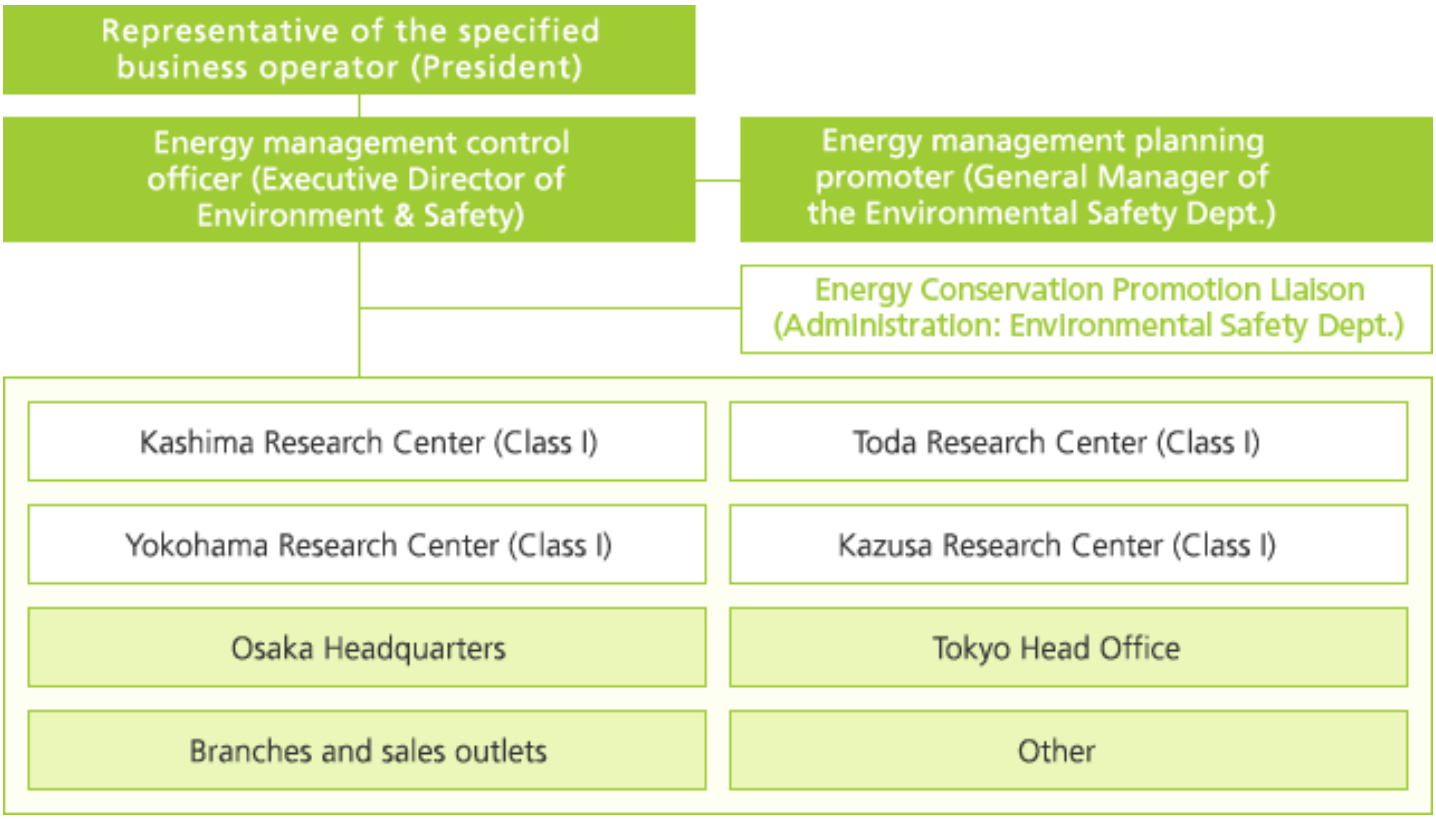
Three companies in the Group—Mitsubishi Tanabe Pharma, Mitsubishi Tanabe Pharma Factory Ltd., and Bipha Corporation—have been designated as Specified Business Operators under the Act on the Rational Use of Energy.

At Mitsubishi Tanabe Pharma, the Kashima, Toda, Yokohama, and Kazusa research sites were appointed as Class I Designated Energy Management Factories. Combined energy usage at the four sites in fiscal 2013 totaled 20,040 kL of crude oil equivalent, a 1% reduction from the previous fiscal year, while CO_2 emissions totaled 40,650 tons, up 6% from the previous year as a result of a change in the CO_2 emission factor for purchased electricity. These efficiency improvements at the four research sites account for 85 percent of both the Company's energy consumption and its CO_2 emissions at all worksites.

Energy Consumed by Mitsubishi Tanabe Pharma's Worksites in Fiscal 2013

Sites	Crude oil equivalent (kL)			CO_2 emissions (tons-CO_2)		
	FY 2011	FY 2012	FY 2013	FY 2011	FY 2012	FY 2013
Kashima Research Center	6,980	6,210	5,350	10,830	11,500	10,710
Toda Research Center	5,070	5,380	5,560	8,770	10,240	11,220
Yokohama Research Center	3,530	3,320	3,230	5,840	6,230	6,600
Kazusa Research Center	2,850	2,900	2,930	5,050	5,560	5,880
Osaka Headquarters	660	640	620	790	1,120	1,240
Tokyo Head Office	580	300	210	850	550	430
Branches and sales outlets	1,010	1,070	1,060	1,670	2,150	2,380
Other	560	550	1,080	740	980	2,190
Total	21,240	20,380	20,040	34,540	38,330	40,650

Mitsubishi Tanabe Pharma Energy Management Promotion System



The Group is enhancing its energy management promotion system by holding energy conservation promotion liaison committee meetings to monitor any transitions in energy consumption and CO_2 emissions and to discuss measures to save energy and reduce electricity consumption at worksites.

Energy Savings through Office Consolidation

In regard to the Tokyo Head Office (Koamichi, Nihonbashi, Chuo-ku, Tokyo) and the Head Office (Two bases: Kitahama, Chuo-ku, Osaka, and Hiranomachi, Chuo-ku, Osaka), at the end of fiscal 2012 we completed the process of consolidating multiple buildings and selling the buildings that we no longer needed. In addition, we worked together with office management companies to implement measures to save energy and reduce electricity consumption on an ongoing basis. In this way, we were able to reduce energy consumption.

Energy Consumption at the Tokyo Head Office and the Head Office (crude oil equivalent, kL)

	FY 2011	FY 2012	FY 2013
Tokyo Head Office	579	303	210
Head Office	656	640	622

Energy Conservation Analyses

The Group is working to advance energy-saving measures at its buildings and other facilities, These measures include utilizing energy conservation analyses, introducing more-efficient facilities and electricity, and reevaluating appropriate operational methods.

In December 2013, the Kyushu Branch (Hakata Ward, Fukuoka City) independently participated in an energy-saving consultation initiative supported by Fukuoka Prefecture. The branch received advice on such matters as the economic effects of improved methods of operating equipment and of converting to energy-saving equipment. This energy conservation analysis included a survey of the use of air conditioning and lighting and an analysis by department (sales and staff departments) of electricity consumption and peak electricity usage. The results demonstrated specific energy-saving measures appropriate to the office and the results that those measures would have in reducing electricity consumption and electricity bills. In addition, the analysis also helped to raise the energy-saving awareness of employees.

Initiatives with Company Vehicles

In fiscal 2013, the number of vehicles used by sales people who work outside the office declined by 12 vehicles year on year, to 1,951. Of those, 1,259 were hybrid vehicles, an increase of 146 vehicles year on year. Including both hybrid vehicles and electric vehicles, environmentally friendly vehicles accounted for about 70% of the total. Moving forward, the Group will continue making every effort to reduce CO_2 emissions by promoting economical driving practices and moving toward its goal of converting its entire fleet of vehicles (excluding those for use in cold weather areas) to hybrid vehicles by 2015.

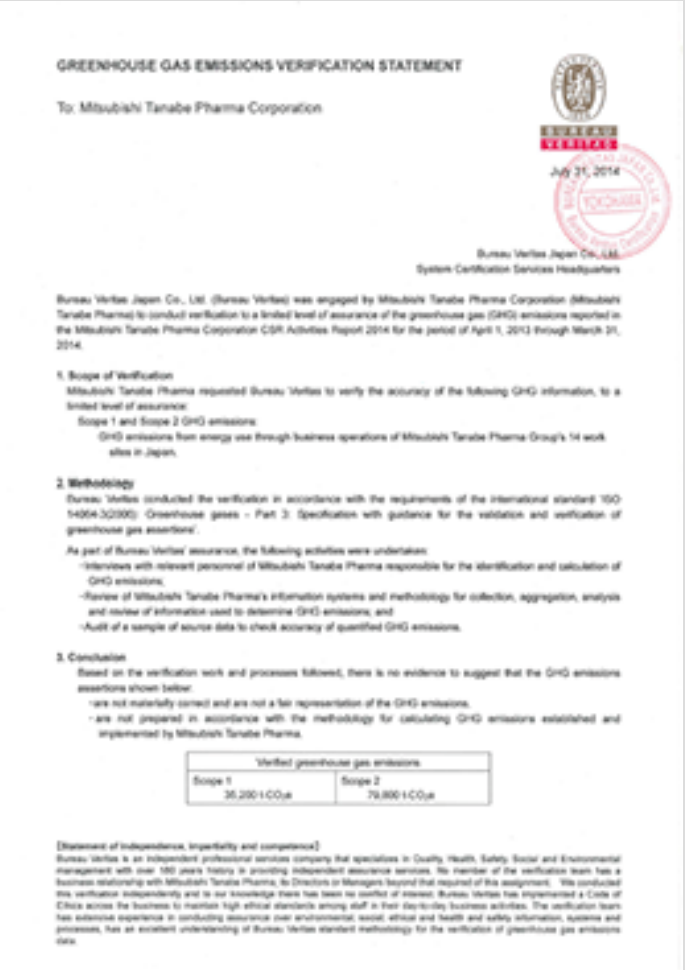
Company Vehicles

		FY 2010	FY 2011	FY 2012	FY 2013
Number of company vehicles		1,983	1,966	1,963	1,951
	Electric vehicles	50	49	46	37
	Hybrid vehicles	700	929	1,113	1,259

Third-Party Verification in Accordance with ISO 14064-3

ISO 14064 is the international standard relating to the quantification, reporting, and verification of greenhouse gas emissions. It is composed of three parts (14064-1 to 14064-3). Section 14064-3 specifies rules relating to the validation and verification of greenhouse gas emissions measurements.

Mitsubishi Tanabe Pharma had an outside certification body verify that the CO_2 emissions (Scope 1 and Scope 2) stemming from energy consumption related to business activities at its worksites in Japan were in accordance with ISO 14064-3. The Company had the verification conducted with the purpose of obtaining a "limited assurance" for the greenhouse gas emissions it quantified.



GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

To: Mitsubishi Tanabe Pharma Corporation

July 31, 2014

Bureau Veritas Japan Co., Ltd.
System Certification Services Headquarters

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) was engaged by Mitsubishi Tanabe Pharma Corporation (Mitsubishi Tanabe Pharma) to conduct verification to a limited level of assurance of the greenhouse gas (GHG) emissions reported in the Mitsubishi Tanabe Pharma Corporation CSR Activities Report 2014 for the period of April 1, 2013 through March 31, 2014.

1. Scope of Verification
Mitsubishi Tanabe Pharma requested Bureau Veritas to verify the accuracy of the following GHG information, to a limited level of assurance:
Scope 1 and Scope 2 GHG emissions
GHG emissions from energy use through business operations of Mitsubishi Tanabe Pharma Group's 14 work sites in Japan.

2. Methodology
Bureau Veritas conducted the verification in accordance with the requirements of the international standard 'ISO 14064-3(2006): Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions'.
As part of Bureau Veritas' assurance, the following activities were undertaken:
-Interviews with relevant personnel of Mitsubishi Tanabe Pharma responsible for the identification and calculation of GHG emissions;
-Review of Mitsubishi Tanabe Pharma's information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
-Audit of a sample of source data to check accuracy of quantified GHG emissions.

3. Conclusion
Based on the verification work and processes followed, there is no evidence to suggest that the GHG emissions assertions shown below:
- are not materially correct and are not a fair representation of the GHG emissions;
- are not prepared in accordance with the methodology for calculating GHG emissions established and implemented by Mitsubishi Tanabe Pharma.

Verified greenhouse gas emissions	
Scope 1	Scope 2
35,200 t-CO_2e	79,800 t-CO_2e

[Statement of independence, impartiality and competence]
Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 180 years history in providing independent assurance services. No member of the verification team has a business relationship with Mitsubishi Tanabe Pharma, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has an excellent understanding of Bureau Veritas standard methodology for the verification of greenhouse gas emissions data.

Greenhouse gas emissions verification report

Scope 1

Direct greenhouse gas emissions from the use of fuel at worksites 35,200 tons-CO_2

Scope 2

Greenhouse gas emissions from the use of electricity or steam 79,800 tons-CO_2

Initiatives at Worksites and Offices

Eco-Commuting and Using Electric Vehicles

Since 2009, the Kashima Research Center (Yodogawa Ward, Osaka) has been certified and registered as an Excellent Ecological Commuter Office by the Ministry of Land, Infrastructure, Transport and Tourism. The center's employees do not commute to work using private cars or motorcycles; they all take public transportation or ride bicycles. In addition, the center is striving to reduce CO_2 emissions from on-premises activities. To that end, gasoline-powered vehicles have been replaced with electric vehicles for the delivery of documents within the center.

Electric vehicle used on the center's premises

Excellent Ecological Commuter Office certification

Energy Conservation Activities

Cooperating in the *KAITEKI* activities being promoted by the Mitsubishi Chemical Holdings Group, Mitsubishi Tanabe Pharma Group has been conducting energy conservation campaigns that include strict control of air conditioning / heating temperatures in the summer and winter, setting PCs to energy conservation mode, following the principle of "two-up three-down" for the use of stairs instead of elevators, and endorsing the Cool Biz and Warm Biz campaigns. Within worksites, it also participates in "lights down" campaigns promoted by the Ministry of the Environment. In these ways the Group pursues reductions in energy consumption through efforts conducted within a scope that does not impede work or endanger safety.

Promoting Energy Conservation through Energy Conversion

Tanabe Seiyaku Yoshiki Factory uses kerosene as a fuel for air conditioning equipment, but the fuel for the equipment that produces cold water was switched from kerosene to electricity in fiscal 2012. Fuel conversion for the boiler and other facilities will be the focus of future initiatives. The company has verified the CO_2 emissions reduction effect of the fuel conversion based on the actual operation results for fiscal 2013. On an annual basis, the CO_2 emissions reduction effect was approximately 550 tons. In addition, the fuel conversion will also reduce the environmental load of NOx, SOx, particulate matter, and PRTR substances.

Consideration for the Environment at a New Office Building at the Kashima Office


New building at the Kashima Office

In July 2014, Mitsubishi Tanabe Pharma completed a new office building at the Kashima Office. This new building is a part of the Company's initiatives to improve the work environment at the Osaka Head Office (Chuo-ku, Osaka) and the Kashima Office (Yodogawa-ku, Osaka) and to reorganize departments. The new office building is a low-rise building with four stories. It has work space for 500 people, and earthquake resistance that is 1.5 times the level required under the Building Standards Act. The building also has in-house power generation equipment that can be used in the event of an emergency, as well as environmentally friendly facilities that will support energy-savings. In these ways, the design of the building achieves both business continuity in emergencies and environmental friendliness during normal operations.

Building Environmental Consideration Level

Environmental burden reduction measures have been implemented throughout the new office building, which reflects consideration for a comfortable work environment as well as the natural environment. The new building has received an "A" ranking* under CASBEE (Comprehensive Assessment System for Built Environment Efficiency) for New Construction.

* In accordance with the Osaka Prefectural Ordinance Regarding Global Warming Prevention, environmental friendliness indicators for buildings have been formulated, and building owners are required to have buildings evaluated under CASBEE for New Construction, a method of evaluating the environmental friendliness of buildings before construction begins.

Introducing Solar Power Generation Systems

Solar panels have been installed on the whole surface of the roof (140kW output). Through the use of this carbon-free energy, we expect to reduce CO_2 emissions by about 70 tons per year.

Use of LED Lighting

High-efficiency, long-life LED lighting has been used throughout the building. In addition, the lavatories and office kitchenettes have been equipped with human sensor lighting. The work spaces have an automatic sun sensor system that controls lighting through the use of daylight sensors to detect the brightness of natural light. In these ways, measures have been taken to reduce energy consumption. As a result, we expect to reduce CO_2 emissions volume by 36 tons-CO_2 per year.

Use of underfloor air conditioning systems

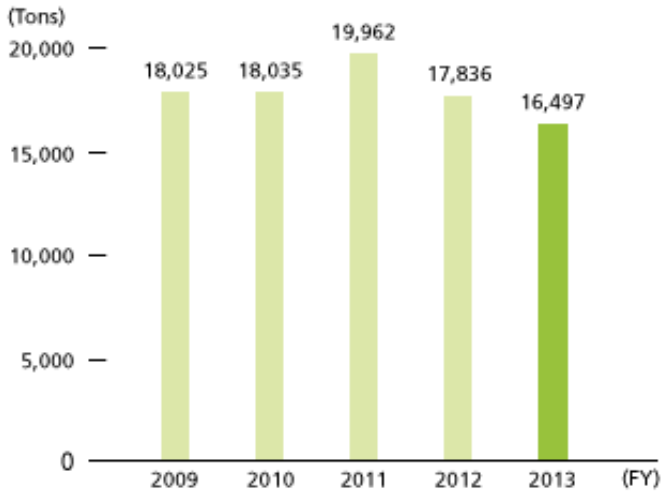
To realize an air conditioning environment that is appropriate for each individual, whole-floor underfloor air conditioning systems and personal under-floor methods are used in work spaces. Consequently, air conditioning is implemented separately for desk areas (task) and peripheral areas (ambient). In this way, we are working to enhance comfort for people in work spaces and to save energy. For air conditioning, the building uses an air-cooled heat pump chiller in combination with a gas cold / hot water generator. By reducing the amount of electricity and gas used, we expect to reduce CO_2 emissions by about 13 tons-CO_2 per year.

Waste Reduction & Proper Management of Chemical Substances

Waste Reduction Initiatives

The amount of waste generated in fiscal 2013 was 16,497 tons, a reduction of about 8% from the previous fiscal year. On the other hand, the amount of final waste disposed increased by 25 tons due in part to disposal of brown bottles used for drinks. As a result, the final waste disposal rate (amount of final waste disposed / total amount of waste generated) was 0.62%. Consequently, we were unable to achieve zero emissions (defined as a final waste disposal rate of less than 0.5%), which is one of the reduction targets in our Medium-Term Environmental Action Plan. In the future, we will continue working to decrease the amount of final waste disposed through such means as reevaluating disposal methods, increasing yields, and increasing recycling amounts.

Amount of Waste Generated



Amount of Final Waste Disposed

Dealing with PCB Wastes

In accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes, the Group is taking steps to appropriately store and manage PCB wastes and is steadily conducting detoxification processing.

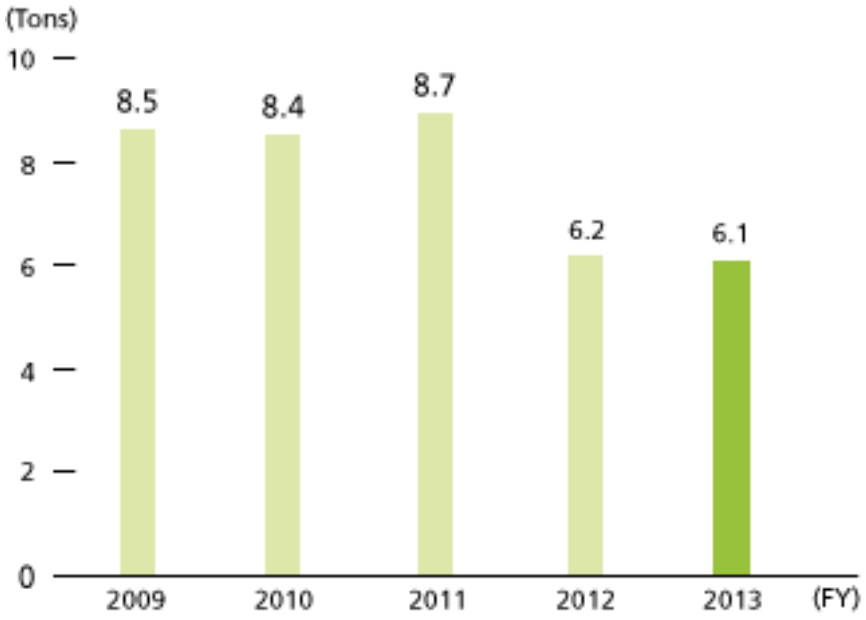
In fiscal 2013, the Group processed low-concentration PCB wastes (five transformers) that were stored at the Yoshitomi Plant and the Tanabe Seiyaku Yoshiki Factory. Moving forward, high-concentration PCB wastes and fluorescent light stabilizers will be detoxified by the Japan Environmental Safety Corporation (JESCO). In addition, aiming for rapid processing of low-concentration PCB wastes as well, we will advance appropriate processing at a private-sector processing facility that has been certified for detoxification processing.

Reducing Air Emissions

Working toward its objective of proper management of chemical substances and the continuing reduction of emissions into the environment, the Group is striving to ascertain and control its emissions of pollutant release and transfer register (PRTR) substances (Class I Designated Chemical Substances). These substances are specified in Japan's Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management (PRTR Law). Also, the Group is working to control volatile organic compounds (VOCs) such as ethyl alcohol.

In fiscal 2013, the amount of Class I Designated Chemical Substances handled by the Group was 204 tons, up 4% from fiscal 2012, while the amount released into the air was 6.1 tons, a 2% decrease from the previous fiscal year. The Group continues working to implement appropriate management of chemical substances at production and research facilities. For example, we are considering ways to reduce the use of Class I Designated Chemical Substances at research facilities. In addition, we have switched from the previous fume hood, in which exhaust gas was sent to an external scrubber through a duct, to a ductless fume hood with a high-performance filter. In these ways we are implementing initiatives to control emissions into the air.

Emissions of PRTR Substances into the Air



Management of Air and Water Systems

The Group complies with all standards stipulated by the Air Pollution Control Law and Water Pollution Control Law as well as other regulations, confirms the presence or absence of issues through periodic inspections of pipes and other facilities, and puts thorough measures to deal with incidents involving exhaust gas or wastewater drainage caused by the leakage of chemical substances from outdoor tanks or piping, so as to minimize the impact on the environment outside the facility where the accident occurs.

The Group strives to reduce water usage and reuse water at its plants and research centers, and is committed to taking biodiversity into account when discharging wastewater and to using water resources properly.

Promotion of Environmental Communication

Environmental Conservation Activities

As one part of its corporate citizenship initiatives, the Group implements environmental conservation activities.

Ikoma Mountain Range "Folding Screen of Flowers" Project

In November 2013, a total of 67 Group employees and family members participated in the Ikoma Mountain Range "Folding Screen of Flowers" Project, an environmental conservation project sponsored by the Osaka Prefectural Government. On the day of the event, a total of about 700 people walked along a mountain path, where the leaves had started to turn colors, eventually reaching Muroike-enchi, a prefectural nature park (Shijonawate City). They enjoyed this contact with nature and the Japanese cherry trees that lined the mountain path in the park.

Ikoma Mountain Range "Folding Screen of Flowers" Project (November 2013)

Tokyo Greenship Action

In December 2013, 23 Group employees and their family members participated in the Hachioji Takiyama Woodland Conservation Project. They implemented woodland conservation and regeneration activities in an area designated as a conservation zone by the Tokyo Metropolitan Government. On the day of the event, the participants walked through a thickly wooded area and received explanations from Shizen Kankyo Academy, an NPO, about the biodiversity in the natural woodland, including plants and insects, and

Tokyo Greenship Action (December 2013)

the need to conserve that biodiversity. In addition, participants were able to experience cutting bamboo grass and bamboo plants and building paths as well as making name cards for trees and enjoying bamboo crafts. Adults and children alike experienced a sense of accomplishment and achievement.

Environmental Education

The Group continues to provide education and training on environmental compliance, such as training on the environment for new hires and e-learning programs for medical representatives. Waste processing entails a variety of risks, such as illegal dumping. In fiscal 2013, in cooperation with an external consulting company, we held a study meeting on the theme of "waste and risk management." This study meeting was attended by managers and employees with responsibility for waste handling at all worksites that generate emissions. Waste-related laws, regulations, and practices were reviewed, and the participants' understanding of the responsibilities of companies that generate emissions, which are becoming more rigorous each year, was reconfirmed.

Waste and risk management study meeting (December 2013)

VOICE

Aiming to support the realization of *KAITEKI* with an emphasis on communication with society, including harmonious coexistence with local communities and active disclosure of information

Ryuji Itonaga
Environment & Safety Department

In recent years, issues affecting the global environment, such as the prevention of global warming and the conservation of biodiversity, have become important themes on a worldwide basis. To protect the global environment and realize a sustainable society, Mitsubishi Tanabe Pharma is implementing initiatives to reduce greenhouse gas emissions and other environmental burdens and advancing environmental management on a Groupwide basis.

In fiscal 2013, unfortunately we did not reach our goal of zero emissions, but we did achieve steady reductions in the amount of waste generated and the amount of air emissions of PRTR substances. In addition, as one part of activities to protect the global environment, we participate in the Hachioji Takiyama Woodland Conservation Project in the Kanto region and in the Ikoma Mountain Range "Folding Screen of Flowers" Project in the Kansai region. I am very pleased that the number of participants is increasing each year.

Moving forward, we will aim to support the realization of *KAITEKI* with an emphasis on communication with society, including harmonious coexistence with local communities and active disclosure of information.

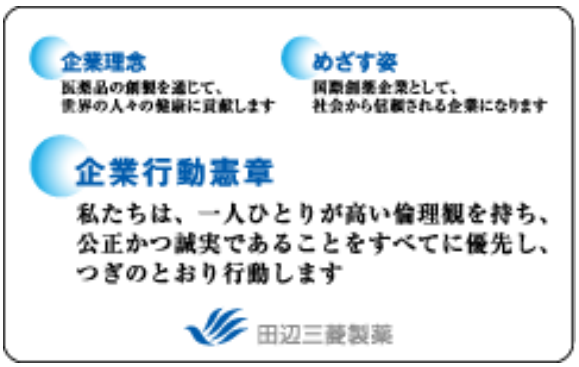
Fair Operating Practices

Initiatives for Fair Business Practices

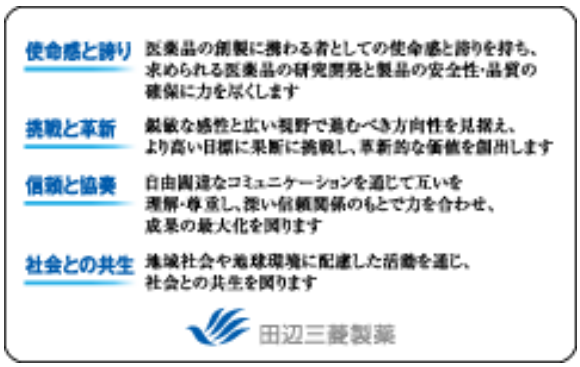
Our Corporate Behavior Charter states that we will strive to maintain high ethical standards and place priority on fairness and integrity in all activities. The Mitsubishi Tanabe Pharma Declaration on Compliance and Behavior expresses our commitment to conducting transactions in a fair manner based on open competition in the market, giving consideration in transaction relationships not only to laws and regulations but also to social standards, and to maintaining healthy and proper relationships with government and administrative entities while strictly refusing any relationships with antisocial forces. Specifically, we have formulated the Mitsubishi Tanabe Pharma Corporation Code of Practice, which is described in the following section, and are taking steps to ensure that each activity is conducted in strict observance of regulations, such as the Promotion Code, the Fair Competition Code, and the Transparency Guidelines.

Corporate Behavior Charter Card

Corporate Behavior Charter cards are distributed to officers and employees.



Front



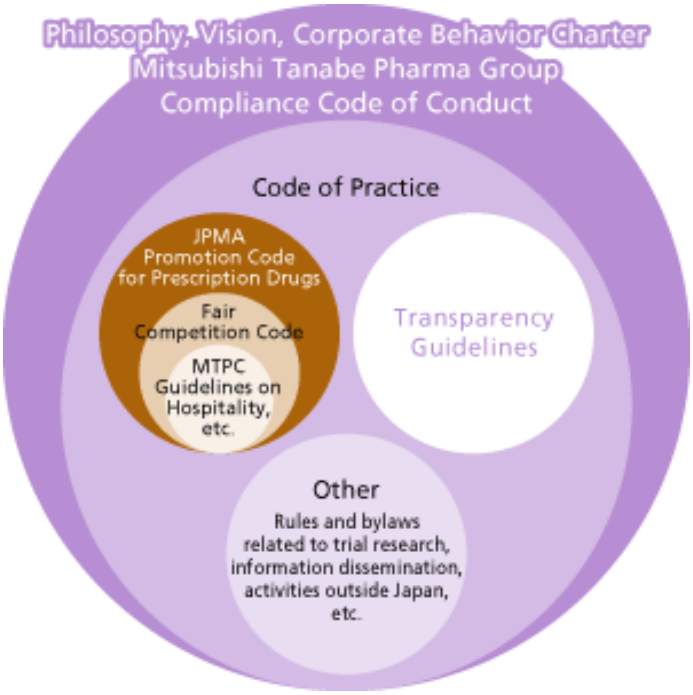
Back

Code of Practice

The Japan Pharmaceutical Manufacturers Association (JPMA), of which Mitsubishi Tanabe Pharma is a member company, put the JPMA Code of Practice into effect in 2013. This governs interactions between all of the executives and employees of the member companies with researchers, health care professionals, patient organizations, wholesalers, etc. In response, the Company established and put into effect the Mitsubishi Tanabe Pharma Corporation Code of Practice, which it developed based on its Philosophy, Vision, Corporate Behavior Charter, and the Mitsubishi Tanabe Pharma Group Compliance Code of

Conduct. All executives and employees of the Company as well as its affiliated companies in Japan are required to follow this code not only in promotion endeavors designed for health care professionals, medical institutions, and others, but also in all other corporate activities, including testing and R&D, information provision activities, cooperation with patient organizations, and relationships with wholesalers.

Positioning of the Code of Practice



- Applicable to all Company executives and employees
- Must be followed in promotion activities and all other corporate activities
- Must respond to issues dealing with the Fair Competition Code of the Ethical Pharmaceutical Drugs Marketing Industry

Promotion Code

"Promotion" in a pharmaceutical company does not mean sales promotion, as the term is generally used; rather, it is defined as the provision, collection, and transmission of information on the company's own pharmaceuticals to and from health care professionals and the advancement of the proper use and spread of those pharmaceuticals based on that information. A "promotion code" is the explicitly written code of behavior and modality of promotion—the obligations that must be fulfilled as a matter of course and the moderation that naturally must be adhered to—when conducting promotion, as understood in terms of corporate ethics in the pharmaceutical industry.

The Group follows its Promotion Code in carrying out promotion activities aimed at advancing the proper use and spread of ethical drugs.

Fair Competition Code of the Ethical Pharmaceutical Drugs Marketing Industry

The pharmaceutical industry association has established the Fair Competition Code on Restrictions on Premium Offers in the Ethical Pharmaceutical Drugs Marketing Industry (hereafter the "Code") with the aim of preventing unjust inducement of customers and ensuring autonomous and rational selection by general consumers as well as fair competition among businesses through restrictions on unjustifiable premiums. The Code has its legal basis in the Act against Unjustifiable Premiums and Misleading Representations. In

addition to the Code, restrictions are in place on various matters relating to premium offers in the ethical pharmaceutical drugs industry, medical devices industry, and the clinical laboratories industry, based on Article 3 of the above act. The Code and these restrictions are mutually complementary. The ethical pharmaceutical drugs industry restricts premium offers through the Code and sector-based restriction notifications.

The Mitsubishi Tanabe Pharma Group adheres strictly to the Code and other restrictions in order to practice fair medical information activities.

Appropriate Relationships with Medical Institutions and Patient Organizations

To support not only the discovery of innovative drugs but also the provision and collection of information for the purpose of appropriate drug usage, collaboration and alliances among pharmaceutical companies, universities, and medical institutions are indispensable. However, as these alliance activities become more common, there are increasing opportunities for medical institutions and health care professionals to be significantly involved with specific companies or products. Accordingly, there could be concerns about the extent to which the judgment of these medical institutions and health care professionals is influenced by this situation.

Based on this belief, in accordance with the JPMA's Transparency Guidelines for the Relation between Corporate Activities and Medical Institutions, in July 2011 the Company formulated its guidelines for transparency in relationships with medical institutions, etc. From fiscal 2012 we have followed a policy of releasing related information on the Company's website after the announcement of financial results. This information includes payments to medical institutions as R&D expenses, support for academic research, manuscript writing fees, information-provision related expenses, and hospitality and other expenses. In addition, in May 2014 the Company formulated Scholarship and Donation Regulations and determined the method that will be used to manage conflicts of interest related to scholarships and donations. Under the leadership of the General Affairs Department, decisions will be made about the provision of scholarships and donations after confirmation and documentation, from the viewpoint of conflicts of interest, of all types of contractual relationships with the parties being considered for the receipt of the scholarships and donations. Our general policy is not to provide scholarships or donations for clinical trials involving our products.

In addition, in regard to relationships with patient organizations, first it is important for corporate activities to be based on a high level of ethical standards and mutual understanding with respect for the independence of patient organizations. On that basis, to secure a broad understanding of the contribution to the activities and development of patient organizations, in accordance with the guidelines of the JPMA, in April 2013, we formulated our guidelines for transparency in relationships with patient organizations. From fiscal 2013 information regarding the funds and labor provided to these patient organizations is provided on the Company's website.

Rejecting Antisocial Forces and Checking Suppliers for Antisocial Affiliations

The Company's basic policy regarding corporate extortion, crime syndicates, and other antisocial forces is to shun all contact and cooperation with such groups. In the face of unreasonable demands, the Company will respond with a resolute stance that is unyielding and uncompromising. All officers and employees, in accordance with the business conduct guidelines, in all of their day-to-day business activities, are required to avoid relationships with antisocial forces, to adhere strictly to relevant laws and ordinances, and to act in accordance with social ethics.

In addition, in deciding whether to start transactions with new business partners, to the greatest extent possible, the Company checks any possible affiliations with antisocial forces, which is one of the decision criteria used in deciding whether to start a new transaction relationship.

Protection of Intellectual Property

In line with its philosophy of contributing to the healthier lives of people around the world through the creation of pharmaceuticals, the Company handles filing, prosecution, and maintenance for patents, trademarks, and other intellectual property rights, in order to protect its own pharmaceuticals. Furthermore, the Company respects third parties' valid intellectual property rights by managing intellectual property risks through investigations into the rights of third parties.

If a third party infringes upon the Company's intellectual property rights, the Company endeavors to strengthen legal protection and exploitation of intellectual property by taking appropriate legal action, while simultaneously establishing a framework that enables it to take such action quickly.

Initiatives to Establish a Solid Supply Chain

As a pharmaceutical company, it is our imperative duty to deliver the drugs that are needed to the patients who need them. To achieve this objective, the Group is implementing the following initiatives.

Process in selecting and changing suppliers

In selecting (changing) raw materials for our products, we conduct on-site inspections of manufacturing sites prior to the selection (change) and after the start of transactions and make decisions in consideration of our supplier selection standards after evaluating various capabilities of the raw materials manufacturer, including level of quality assurance capabilities and degree of customer-oriented flexibility as well as management capabilities to ensure stable supply.

BCM* Program

By establishing rules, such as inventory management standards and information cooperation standards that take into account the emergence of unusual situations, we have developed a BCM program and built a supply system that ensures a stable supply of drugs to patients, even in the event of a disaster or other unforeseen problems.

* BCM: Business Continuity Management

Communication with Suppliers

With reference to the Mitsubishi Chemical Holdings Group Corporate Behavior Charter, we conduct a survey through a questionnaire for suppliers regarding areas in which we wish to work together with them. In addition, we ask suppliers to provide information about how they procure raw materials.　After evaluating this information, we make suggestions to suppliers regarding improvement initiatives, if needed.

VOICE

Implementing MR activities with high ethical standards while striving to bring smiles to patients' faces

Tomohiro Tanaka
Hakodate Sales Office, Hokkaido Branch, Sales & Marketing Division

I have been engaged in MR activities for 12 years, in Hokkaido and Aichi prefectures. In accordance with the concept of bringing smiles to patients' faces, we are providing appropriate drug information to health care professionals and collecting information on the medical frontlines. In addition, I always keep in mind that we support one aspect of medical care as a "drug therapy partner." I believe that it is important to acquire knowledge, skills, and attitudes that are appropriate for medicine, which is advancing rapidly. Accordingly, I strive to study diligently, such as actively participating in training inside and outside the Company.

Moreover, to ensure that I respond with fairness and integrity to changes in the health care environment, I strictly comply with the Code of Practice and implement MR activities with high ethical standards through complying with the Code of Practice. To that end, I am taking steps to enhance my ethical awareness. For example, each year I reconfirm the corporate philosophy on "Corporate Behavior Charter Day," and work to make sure that I understand the content of our periodic compliance training.

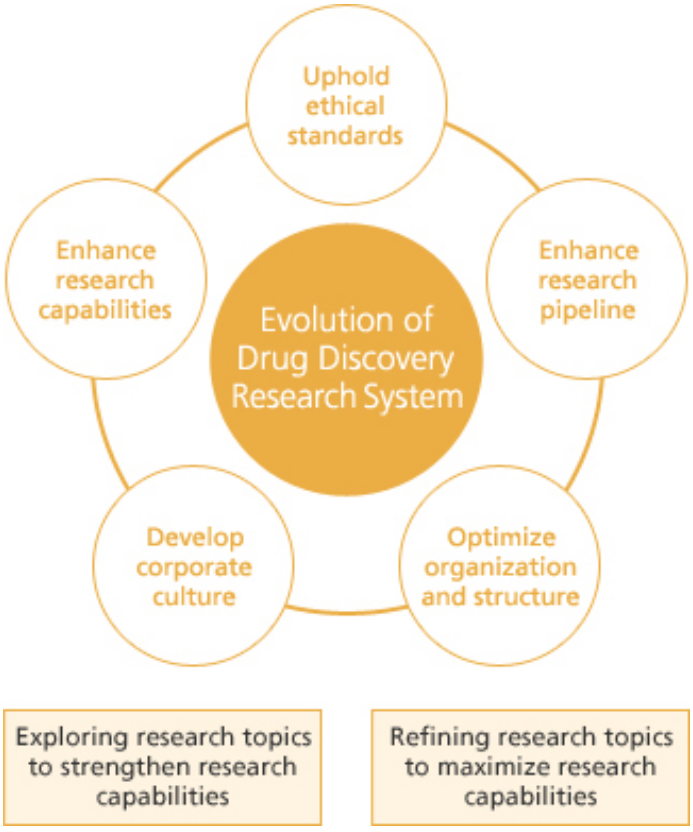
Research & Development

Basic Approach to Discovery Research

Starting from its philosophy of "contributing to the healthier lives of people around the world through the creation of pharmaceuticals," Mitsubishi Tanabe Pharma aims to explore research topics and enhance its development capabilities, in order to create new drugs that can meet unmet medical needs. That is why the Company enhances the drug discovery foundations of its research centers and implements optimal guidelines for research projects, including portfolio and resource allocation.

The Company also actively trail-blazes new research fields and pursues the acquisition of new drug discovery technology through cooperation with academic institutions and venture firms. These actions help build an R&D pipeline that will translate into the creation of future growth drivers. Moreover, the Company also actively participates in teamwork within the Mitsubishi Chemical Holdings (MCHC) Group, cooperating with other MCHC Group companies to tackle technical challenges. Mitsubishi Tanabe Pharma is committed to enhancing its R&D capabilities and developing a corporate culture that shares high ethical standards and values, creating new drugs and continuing to create new value.

Evolution of Drug Discovery Research System



New Drug Development in the Diabetes Field

In September 2012, the Company launched Tenelia, a treatment agent for type 2 diabetes mellitus. Then, in December 2013, the Company received approval for a partial change in indication based on a new combined therapy treatment with blood sugar lowering agents. Tenelia is the first DPP-4 inhibitor to originate in Japan. It improves blood sugar levels after every meal and when the stomach is empty, with a once-daily oral administration. Tenalia is eliminated from the body via two routes—through the kidneys and the liver.

In July 2014, the Company received approval for the manufacturing and marketing of Canaglu for the treatment of type 2 diabetes mellitus, and sales commenced in September. By inhibiting SGLT2, which is involved in glucose reabsorption in the tubules of the kidney, Canaglu controls glucose reabsorption and promotes the excretion of excess glucose in urine, thereby improving blood sugar control. In Europe and the U.S., through its licensee, Janssen Pharmaceuticals, Inc., the product has received approval as a treatment for adult type 2 diabetes mellitus (U.S.: March 2013, Europe: November 2013). Janssen Pharmaceuticals has started marketing this product under the name INVOKANA™

By offering new options in the treatment of type 2 diabetes mellitus through the use of Tenalia and Canaglu, Mitsubishi Tanabe Pharma hopes to make a greater contribution to patients who are fighting diabetes.

Spurring New Drug Development through Industry–Academia Collaboration

In April 2013, Mitsubishi Tanabe Pharma established a course in practical drug discovery science as an industry–academia cooperation research project in the Graduate School of Pharmaceutical Sciences at Nagoya University.

In this way, the Company will carry out drug discovery in an academic research environment and, by posting two of its employees as a specially appointed professor and associate professor for the course, it is making an effort to nurture researchers who have advanced research capabilities and who will lead drug discovery research from a different perspective.

Through this cooperative effort the Company and the Graduate School of Pharmaceutical Sciences at Nagoya University aim to use drug industry know-how to translate the outcomes of basic research in the university into practical applications, creating innovative new drugs from groundbreaking drug discovery targets.

Manufacturing and Supply Chain

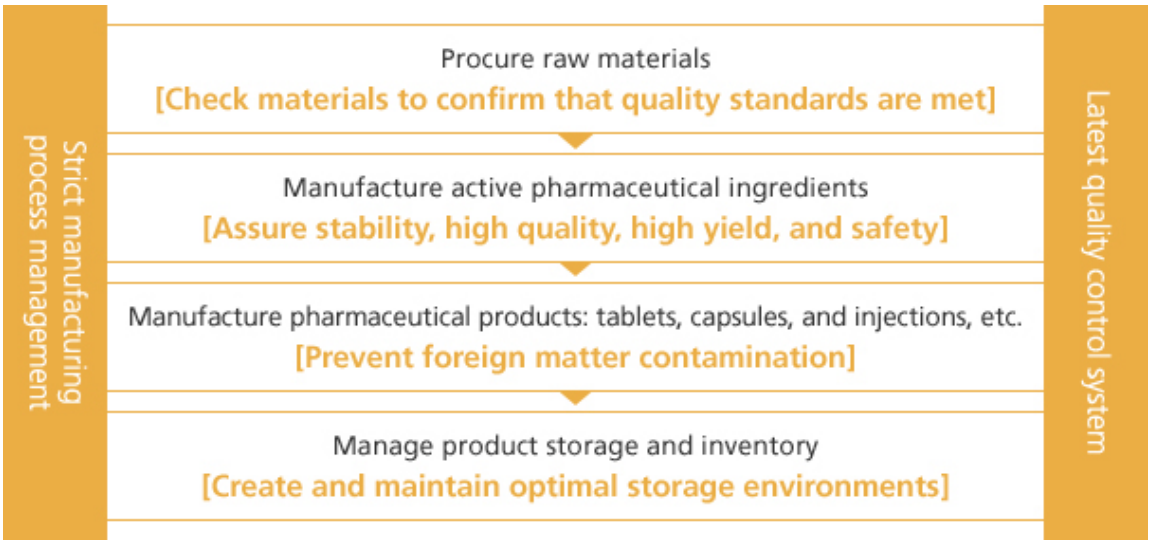
Pharmaceutical Manufacturing Process

Mitsubishi Tanabe Pharma continuously strives to improve its quality in order to manufacture and supply premium products, and as an assurance to its customers that it is a company to trust and depend upon. The CMC Division works together with the Group's production plants, from the very beginning of development through the entire process of getting new drugs to market. It also collaborates in the development of production technologies designed to enhance quality, guarantee a stable supply, and reduce manufacturing costs.

The Mitsubishi Tanabe Pharma Group's global manufacturing system is made up of six production plants in Japan and five outside the country, as well as subcontracted manufacturers that deliver the products worldwide.

Through this system, raw materials procured from around the world undergo acceptance testing before the production of pharmaceuticals begins. Applying original technologies and expertise it developed over many years as a global pharmaceutical enterprise, the Group manufactures active pharmaceutical ingredients and pharmaceutical products while conducting a battery of tests and inspections in accordance with good manufacturing practices (GMP).

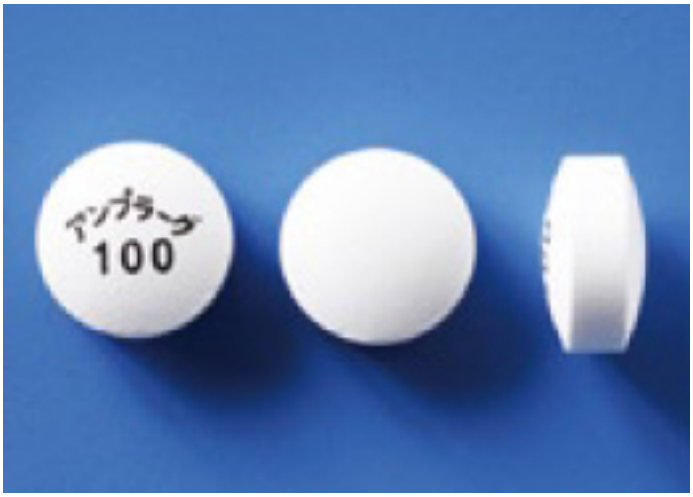
Process from Raw Materials to Pharmaceutical Product



Measures to Prevent Medical Malpractice

One example of a measure designed to prevent medical malpractice is the Company's relabeling of its 5-HT2 blocker Anplag tablets in Japan. The name of the product is now clearly displayed in Japanese on each tablet. This has been done to help prevent dispensing errors at medical facilities and other incidents of medical malpractice, as well as to improve efficiency at pharmacies and ensure that individual patients take the correct medication.

In an effort to guard against mistakes involving its products, Mitsubishi Tanabe Pharma has been modifying the brand names of its pharmaceuticals to make them easier to understand. Thus the brand names shown on the packaging for two medications marketed in Japan— oral spinocerebellar degeneration treatment Ceredist and selective β1 antagonist Maintate—have been improved. In addition, there is now a clearer description of active pharmaceutical ingredients in each tablet unit dose.



Anplag tablets with the product name displayed

Manufacturing System in Asia

The Mitsubishi Tanabe Pharma Group has established subsidiaries in China, South Korea, Taiwan, and Indonesia to manufacture and sell products tailored to each country's market and quality standards.

In China, a country currently experiencing remarkable growth, Tianjin Tanabe Seiyaku Co., Ltd. manufactures oral agents, and Mitsubishi Pharma (Guangzhou) Co., Ltd. manufactures intravenous (IV) solutions. Mitsubishi Tanabe Pharma Korea Co., Ltd. and Taiwan Tanabe Seiyaku Co., Ltd. provide products for their respective markets, as well as products sold in Japan. Finally, P.T. Tanabe Indonesia has a key role as a manufacturing base for Indonesia and the rest of the Southeast Asian countries.

The Group is also making efforts to comply with the GMP standards in countries throughout Asia. As a result of these efforts, in October 2011 Tianjin Tanabe Seiyaku became the first pharmaceutical company in Tianjin city to be certified under China's new GMP standards. The Mitsubishi Tanabe Pharma Group will make necessary investments to consistently and continuously improve the quality of its pharmaceuticals and ensure their stable supply.

Managing Distribution to Ensure Stable Supplies

As a pharmaceutical company, Mitsubishi Tanabe Pharma is working to steadily and accurately provide high-quality pharmaceuticals, when they are needed and to the patients who need them. We have built a supply system that can provide a stable supply of drugs to patients, even in the event of a disaster or other unexpected situation.

We ship drugs to customers through a dual-base supply system comprising the New East Japan Distribution Center (Kuki, Saitama Prefecture) and the New West Japan Distribution Center (Nishi-ku, Kobe). To reduce a variety of risks that could adversely affect a stable supply, both of these centers have earthquake isolation systems, in-house power generators, and redundant installations of important equipment. In this way, they are designed to be able to maintain a supply of important drugs even in crisis situations, such as a major disaster. In addition, if either distribution center becomes inoperable at any time, the other center will be able to provide backup distribution, thereby facilitating a continued supply of pharmaceuticals to customers.

The distribution centers employ an inventory control system that accurately and carefully monitors incoming and outgoing shipments and inventory control procedures in lot units. The introduction of the inventory control system enables the Company to appropriately control products in a variety of categories, such as by product characteristics and storage temperatures. In addition, in response to data received from higher level systems, we can rapidly conduct operations without mistakes.

In addition, we periodically conduct training for the employees who use these facilities and equipment. In this way, we aim to enhance the skills of each employee and to reduce human error. At the same time, by heightening awareness of pharmaceutical distribution extending all the way to the patient, we are working to build a system that can maintain a secure, safe, and stable supply of drugs.

Quality Control in the Distribution Process

Mitsubishi Tanabe Pharma distribution centers take a rigorous approach to quality control in the distribution process. This attention to detail helps ensure that pharmaceuticals are as high in quality when they reach patients as they are when manufactured under the strict GMP of the Company's production plants.

The Company works to maintain distribution quality in terms of both the operational and physical aspects. While complying with the structural facility requirements under the Pharmaceutical Affairs Law of Japan and other relevant regulations as well as various operational requirements, Mitsubishi Tanabe Pharma's distribution policies and procedure manuals are designed in light of the features of the products it handles, and the Company strictly observes these polices and manuals in the conduct of its operations. In particular, for cold storage products, which require rigorous temperature control, in addition to periodic temperature validation and thermometer calibration in cold warehouses, the Company has emergency response measures in place, including a process that provides information when abnormal or emergency conditions are detected and in-house power generators that can be used when electricity is interrupted. In this way, the Company has designed a system that maintains product storage at a constant temperature, 24 hours a day, seven days a week.

Mitsubishi Tanabe Pharma designed its entire transportation system with the focus on supplying high-quality pharmaceuticals. Products are shipped from the distribution centers via contracted transport companies that are in compliance with pre-determined qualifications. With an understanding of the characteristics and importance of the pharmaceuticals that they are carrying, these companies strictly supervise the transport of this cargo, utilizing facilities and vehicles specifically designed for loading and unloading pharmaceuticals. The Company works to maintain quality during the distribution process by carrying out periodic inspections of its subcontracting transport companies, as well as using a comprehensive distribution method with precise temperature control validation and special insulated boxes for packing the products.

Information Provision

MR's Responsibility: Collecting Data and Providing Information to Medical Institutions

The Mitsubishi Tanabe Pharma Group employs about 2,100 general and specialized medical representatives (MRs) in Japan. These MRs work each day to supply medical institutions throughout the country with scientific information concerning the benefits of Mitsubishi Tanabe Pharma's products, as well as their possible side effects, in order to ensure that the products are used appropriately. The Group's representatives are also responsible for collecting data on the efficacy and safety of the drugs at the usage stage—information that could not be gleaned during R&D—and providing medical professionals with data-based evaluations. Specialized MRs are responsible for products that require a high level of knowledge about specific illnesses and drug treatments. General MRs, on the other hand, cooperate with specialized MRs to provide quality information services based on the needs of medical professionals.

Providing Comprehensive Information through Seminars

In September 2013, Mitsubishi Tanabe Pharma co-sponsored the Nikkei Health Seminar 21 held by newspaper publisher Nikkei Inc. In coordination with the National Health Promotion Movement in the 21st Century (Healthy Japan 21) promoted by the Ministry of Health, Labour and Welfare of Japan, the purpose of this educational seminar was to help prevent lifestyle diseases and other illnesses. Through conversations with specialists and comments based on the experiences of patients, the seminar introduced lifestyle improvements to prevent diabetes, the latest information about treatment, and advice on how to

Nikkei Health Seminar 21

live with diabetes. Mitsubishi Tanabe Pharma expects that promoting understanding of illnesses among the general public through this seminar to raise interest in general health issues is key to early detection and prevention. It is committed to sponsoring seminars as one of many ways in which that company can provide comprehensive information on the diseases and illnesses that its products have been developed to treat.

Supporting Proper Self-Medication for Skin Problems

Mitsubishi Tanabe Pharma believes it is important to help people suffering from dermatological problems to obtain accurate information and find a treatment as quickly as possible. Toward this end, it has been conducting a variety of educational programs in Japan designed to motivate people to consider how to treat one's own skin problems. These initiatives include TV commercials and website content that explain the causes, symptoms, and treatment of skin problems.

Mitsubishi Tanabe Pharma's website on dermatological issues

Providing Information on Generic Drugs in Japan

Mitsubishi Tanabe Pharma applies the same strict quality control system and extensive distribution network that it has developed for its traditional brand-name drug businesses to generic drugs as well. Under the slogan "Reliable generics," the Company provides high-quality generic drugs in Japan through Tanabe Seiyaku Hanbai Co., Ltd., a Mitsubishi Tanabe Pharma Group company. Tanabe Seiyaku Hanbai employs MRs with extensive experience and knowledge in generic drugs so that patients can expect to receive comprehensive information regarding its generic pharmaceuticals and the assurance that these drugs can be relied upon.

Overseas Marketing Activities

To support the appropriate use of pharmaceuticals overseas, the Company conducts information provision activities through local subsidiaries overseas.

In the U.S. and Europe, we have bases in Jersey City, New Jersey, U.S.; London, U.K.; and Dusseldorf, Germany. In the U.S., we conduct activities to prepare for future drug launches, while in the U.K. and Germany we conduct marketing and sales of ethical drugs. MRs involved in sales activities need advanced levels of knowledge, information, and skills in order to conduct discussions with doctors and pharmacists. Accordingly, we are working to enhance the quality of information provision activities through periodic training.

In Asia, we provide a variety of useful information to health care professionals through Group companies in China, South Korea, Taiwan, and Indonesia. Specifically, we implement initiatives that support the diagnosis and treatment activities of health care professionals, such as visiting medical institutions and doctors, participating in academic conferences, exchanging opinions with opinion leaders, implementing academic research, and creating and distributing information materials.

In overseas information provision activities for ethical drugs, the Group will continue working to improve the quality of medical information and to contribute to the health of people around the world.

Providing Information through Websites

Mitsubishi Tanabe Pharma has set up health support websites in Japanese to provide clear explanations to patients and their families on subjects such as vaccines, as well as a number of different conditions and their symptoms, diagnoses, and treatment. These include rheumatoid arthritis, Crohn's disease, ulcerative colitis, psoriasis, Behcet's disease, liver failure, multiple sclerosis, spinocerebellar degeneration and multiple system atrophy (MSA), chronic kidney disease, sleep disorders, hemorrhoids, eczema and dermatitis, and cerebral infarction.

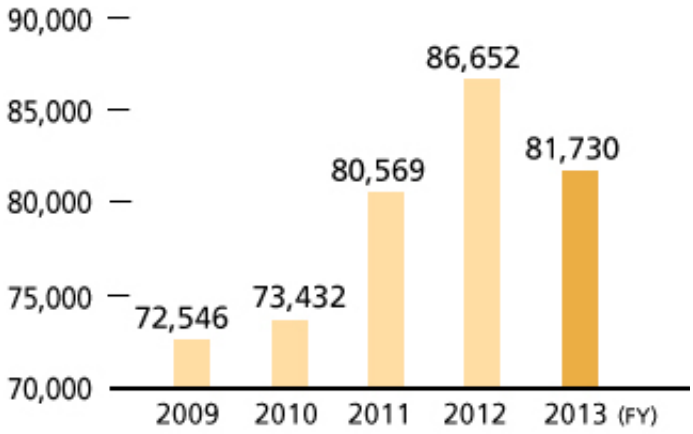
Health support website

Providing Comprehensive Information through the Medical Information Center

Mitsubishi Tanabe Pharma has established its own Medical Information Center to respond directly to inquiries from patients and consumers, as well as physicians, pharmacists, wholesalers, and others in the medical profession. A unique resource in the private sector, the center provides patients and consumers with clear explanations that are reliable, accurate, and prompt, while at the same time making certain not to dispense the type of medical advice that should only come from a physician.

The center also plays a vital role in ensuring the reliability of the Company's products by accurately gleaning safety and quality information, including

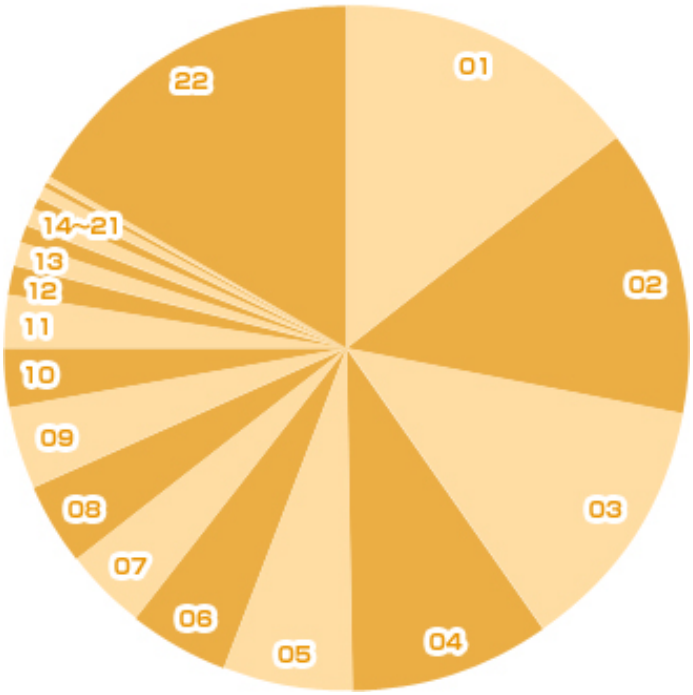
Number of Inquiries to the Medical Information Center



side effects, from the content of inquires and relaying that information to the relevant Mitsubishi Tanabe Pharma department as feedback to be addressed.

Receiving over 80,000 inquiries a year, the Medical Information Center staff helps ensure that the Company's products are used appropriately by sharing objective facts and data taken from drug approval documents and scientific evidence.

Subject of Inquiries to the Medical Information Center



01	Product distribution	14.7%
02	Safety (precautions for use)	13.4%
03	Usage and dosage	12.4%
04	Stability	9.3%
05	Documentation	6.2%
06	Side effects	4.5%
07	Insurance and prescriptions	4.0%
08	Indications and efficacy	3.9%
09	Drug formulations (properties)	3.8%
10	Incompatibility with other drugs	3.0%
11	Drug interactions	2.3%
12	Pregnancy and breast-feeding	1.4%
13	Pharmacokinetics	1.1%
14	Off label use	1.0%
15	Unapproved indications and efficacy	0.8%
16	Misuse, overdose, and poisoning	0.6%
17	Complaints about quality	0.5%
18	Facilities where sold, handled, and used	0.2%
19	Suggestions, requests, and general complaints	0.1%
20	Campaigns	0.1%
21	Non-efficacy cases	0.0%
22	Other	16.6%

Reliability Assurance

System to Assure the Reliability of Drugs

Mitsubishi Tanabe Pharma's drugs must remain effective, safe, and of high quality throughout their lifecycles, in order ensure that health care professionals and patients alike are able to trust in their reliability. One of the objectives of the Pharmaceutical Affairs Law of Japan is to ensure the efficacy, quality, and safety of pharmaceuticals. "Good practice" guidelines and regulations (GCP, GMP, GVP, GPSP, and others) have been established based on laws to guarantee reliability. The Group complies with these laws and regulations in order to maintain the three important factors of efficacy, quality, and safetys. The supervisory units, namely clinical and research QA and product QA sections, provide objective appraisals of the Group's compliance with these regulations and other matters. In addition, to ensure that doctor-led research and drug information provision meets compliance standards, we have added the Medical Affairs Department in the Pharmacovigilance & Quality Assurance Division.

Safety Measures for New Drugs

It is unavoidable that after a new drug is put on the market, a number of side effects will appear that were not noticed during clinical trials. It is an extremely important safety measure to identify these issues as soon as possible, analyze the data, and feed the results back to the medical frontlines. The feedback of information makes it possible to prevent adverse reactions and reduce complications.

In the first half of 2014, we began sales of Canaglu, a treatment agent for type 2 diabetes mellitus with a completely new mechanism of action. Prior to the launch in Japan, sales were commenced in the U.S. and Europe, where it has been highly evaluated as a superior, effective drug. However, because it has a completely new mechanism of action, safety measures are extremely important. In addition to overseas safety information, it is necessary to rapidly conduct a post manufacturing and marketing survey in Japan and to collect data regarding Japanese patients.

The Company has substantial experience with supporting safety measures for Remicade, Telavic, and other drugs. We will make full use of that experience as we work with safety measures for Canaglu.

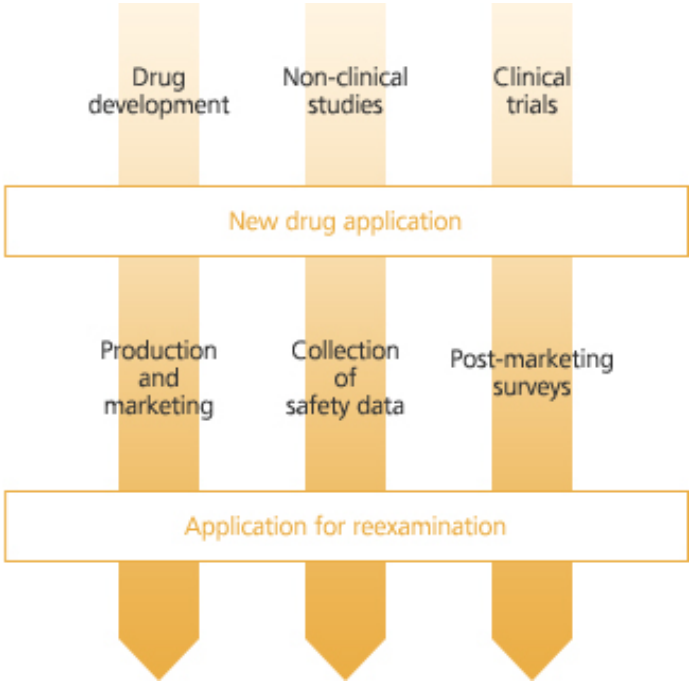
System to Assure the Reliability of Drugs

Post-Marketing Surveys

The marketing of pharmaceuticals in Japan begins only after obtaining manufacturing and marketing approval from the Ministry of Health, Labour and Welfare based on the results of rigorous clinical trials concerning efficacy and safety. However, the process through manufacturing and marketing approval yields limited data, since clinical trials are conducted with only a small number of cases, the ages and conditions of patients are restricted, and the drugs being investigated are not used on children, expectant and nursing women, or people with serious medical problems, such as diseases of the liver or kidney.

Accordingly, Mitsubishi Tanabe Pharma conducts post-marketing surveys, collecting data on thousands of cases, which it uses to precisely clarify the safety and efficacy profiles of its pharmaceuticals and to encourage their effective and safe use, thereby helping to prevent the onset of adverse reactions.

Positioning of Post-Marketing Surveys



Quality Assurance for Pharmaceuticals

The Mitsubishi Tanabe Pharma Group maintains product quality in accordance with government regulations on GMP related to drug manufacturing management and quality management and on GQP related to drug quality management. In accordance with its Quality Policy— the highest priority of which is patient safety— the Company rigorously supervises, audits, and directs its factories in Japan and overseas in an effort to ensure the quality of its products. For example, the Company strives to increase quality through the establishment of quality targets and the implementation of quality assurance plans. In addition, aiming to unify its quality assurance standards on a global basis, the Group has established quality assurance standards for Mitsubishi Tanabe Pharma and all manufacturing bases in the Group.

Mitsubishi Tanabe Pharma is sensitive to feedback from the frontlines, and the Company calls on nurses and pharmacists to hear how its products are being used and under what conditions. It then works to reflect that feedback in its quality improvement initiatives.

Mitsubishi Tanabe Pharma will continue to implement measures to prevent a recurrence of past problems and related quality control issues, as well as business improvement measures. Moving forward, the Company will make every effort to manufacture high-quality pharmaceuticals that can be used with complete reassurance and peace of mind.

Implementing Pharmaceutical Safety Education

From fiscal 2008, the Company has implemented pharmaceutical safety education for officers, executive officers, presidents of Group companies and other managers, and all employees. The objective of these initiatives is to increase awareness of pharmaceutical safety.

In pharmaceutical safety training for employees, the theme in fiscal 2013 was pharmaceutical risks and benefits. This training dealt with the fact that drugs have a variety of risks in addition to side effects. Another topic was thalidomide, a drug for which sales were suspended in the past due to severe side effects. In recent years, thalidomide has obtained new indications and is now once again being used as a pharmaceutical. Using this example, we communicated the importance of a balance between risks and benefits for pharmaceuticals.

Top management seminar

In addition, in the top management seminar for executives, presidents of Group companies, and others, we invited an outside lecturer, who talked on the theme of how scandals occur and compliance management.

VOICE

Thinking first of value for patients, and boldly taking on the challenge of creating new drugs

Masahiro Okuyama
Medicinal Chemistry
Research Laboratories

My mission is to create new drugs that inspire patients and their families around the world. In the past, the Company has provided patients with a wide range of drugs that address unmet medical needs. These drugs were not created through sheer luck. Rather, I believe they are the result of our "corporate DNA," which encourages each employee to think of the patient.

Medicine is making dramatic progress, and to create drugs that are more-effective and safer pharmaceutical companies need to pass more hurdles than before. Nonetheless, as we move forward we will continue to think first of patients, boldly take on challenges, and strive to make continued progress.

Social Contribution Activities

Establishment of the Declaration on Corporate Citizenship

The Mitsubishi Tanabe Pharma Group aims to contribute to the healthier lives of people around the world through the creation of pharmaceuticals as a global research-driven pharmaceutical company that is trusted by communities. In its Corporate Behavior Charter, the Group declares its commitment to achieving harmonious coexistence with society by acting with consideration for local communities and the environment. In March 2013, the Mitsubishi Tanabe Pharma Group Declaration on Corporate Citizenship was formulated to further clarify the Group's philosophy in these respects. The Group will continue to proactively develop corporate citizenship activities that contribute to the attainment of a *KAITEKI* society that is sustainable, healthy, and comfortable.

Mitsubishi Tanabe Pharma Group Declaration on Corporate Citizenship

The Mitsubishi Tanabe Pharma Group will strive to contribute to society through its pharmaceutical operations in accordance with its Philosophy, Vision, and Corporate Behavior Charter. In addition, as a good corporate citizen, the Mitsubishi Tanabe Pharma Group will proactively implement the following activities to contribute to the resolution of problems related to health and living environments in the countries and regions where the Group conducts business.

Activities to Contribute to the Resolution of Problems Related to Health and Living Environments

1. Activities to promote medical research and nurture human resources
2. Activities to help patients and families find more joy and satisfaction in their lives
3. Activities to improve health and welfare in developing countries
4. Activities to activate communities and develop more-comfortable living environments
5. Other activities

Establishing the Mitsubishi Tanabe Pharma Tenohira Partnership Program

Despite the enormous efforts of pharmaceutical companies throughout the world to develop needed drugs, a large number of serious diseases remain incurable. As a pharmaceutical company, Mitsubishi Tanabe Pharma works to discover new drugs that will treat these diseases. At the same time, the Company also views providing support for patients struggling with disease and their families as an important mission. To mark its fifth anniversary in 2012, Mitsubishi Tanabe Pharma established the Tenohira Partnership Program, under which the Company provides support for the activities of associations of patients with incurable diseases. The Company has begun to fund selected patient associations and support groups for patients with incurable diseases that seek to improve quality of life for patients with these diseases through improvements in medical treatment and working conditions.

In order to ensure transparency and fairness, a Screening Committee made up of outside experts has been established outside of the Company to handle the screening and selection of organizations to receive funds, with administrative support provided by the Japan Philanthropic Association, an NPO.

Supporting Research through Foundations

Mitsubishi Tanabe Pharma provides financial assistance to the SENSHIN Medical Research Foundation and the Japan Foundation for Applied Enzymology as a means of funding research in a broad range of fields including medicine, pharmaceuticals, agriculture, and the physical sciences. By providing support for the activities of both foundations, the Company works to promote research and provide information that benefits medical treatment and public health.

Grants of the SENSHIN Medical Research Foundation in Fiscal 2013

Grants for pharmacopsychiatry research	Basic research	24 projects	24 million yen
	Aid for young researchers	10 projects	10 million yen
	Financial aid for education abroad	3 projects	6 million yen
Grants for hematological research	Basic research	24 projects	25 million yen
	Aid for young researchers	10 projects	10 million yen
	Financial aid for education abroad	3 projects	6 million yen
Grants for circulatory research	Basic research	24 projects	25 million yen
	Aid for young researchers	10 projects	10 million yen
	Financial aid for education abroad	2 projects	4 million yen

Special projects	1 project	10 million yen
Total	111 projects	130 million yen

Grants of the Japan Foundation for Applied Enzymology in Fiscal 2013

Grants for enzyme research	Applied research on enzymes and enzyme research related to life sciences	30 projects	22.5 million yen
	The Japanese Society of Applied Glycoscience	1 symposium	0.3 million yen
Grants for young researchers in specific fields	Researchers focused on determining causes and conditions of adult onset diseases	47 projects	14.75 million yen
	Researchers focused on vascular biology innovation	22 projects	10.5 million yen
	Researchers focused on determining causes and conditions of systemic inflammatory diseases	10 projects	10 million yen
	Front runner of future diabetes research	26 projects	13 million yen
Total		135 projects 1 symposium	71.05 million yen

MSC Volunteer Salon

Mitsubishi Tanabe Pharma holds the MSC Volunteer Salon to offer those interested in volunteer activities an opportunity to interact with others of a similar mind. An acronym for "makers, sellers, and consumers," MSC focuses primarily on bimonthly Volunteer Salons in which participants have a chance to talk directly with guest speakers. These salons include presentations and discussions of the activities conducted by various volunteer groups, talks on useful topics for daily life, music, and health campaigns.

The MSC Volunteer Salon also collects donations of used postal stamps and telephone cards. The salon administrative office presents them to welfare groups and other organizations in Japan to support the administration of these facilities.

Audience listening to a speaker at a Volunteer Salon

Donating Over-the-Counter Medicines to a Children's Land

As part of its social contribution activities, Mitsubishi Tanabe Pharma has been donating over-the-counter (OTC) medicines to Kodomo-no-kuni (Children's Land) for 42 years. This park in Yokohama City, Kanagawa Prefecture, is operated by the Kodomo-no-kuni Association. The Company made its most recent donation in June 2013.

On the day the donation was made, Park Director Osamu Mikuni expressed his appreciation, saying, "We are very grateful that each year we receive a donation of many medicines. We are truly happy that the park is able to receive such support. We will strive to make the best possible use of the medicines that have been donated."

Donating OTC drugs

Local Events Held by Mitsubishi Tanabe Pharma Plants

By holding local events at Group plants and offices, we are deepening communication with members of the local community and making a contribution to regional society.

In August 2013, the Yoshitomi Plant sponsored the Yoshitomi Summer Festival, an event that takes place in August each year. This year marked the 40th time that this festival was held. Although it rained on the day of the festival, more than 1,500 local residents, employees, and their family members attended. The day was filled with stage performances of summer *Obon* dances by neighborhood children's associations, children's dancing, and popular songs by local singers. In addition, there was a powerful performance weaving together Shinto music and dances as well as *taiko* drums. The event's grand finale was a massive fireworks display that featured a new design different from that in previous years, with more fireworks and originality. The fireworks were greeted by cheers and applause from festival goers.

Yoshitomi Summer Festival

Finally, a grand lottery drawing generated excitement among the crowd, and the 40th Yoshitomi Festival was concluded as a great success.

Support for a Community Health Center in Indonesia

Since 2013, the Company and Group member P.T. Tanabe Indonesia have been providing support for a community health center in Indonesia through NPO Peoples' Hope Japan (PHJ). This support is just one aspect of activities to improve health and welfare in developing countries.

In Indonesia, even on the outskirts of the capital Jakarta, there are many regions in which the infant mortality and maternal death rates are very high, and social infrastructure and community health care lag substantially. Under this program (fiscal 2013–2015), in Sujung Village, Tirtayasa Sub-district, Serang District, Banten Province, we plan to advance a range of activities, such as building a community health center, offering monthly health education for mothers and children, establishing and managing refuse dumps, installing and managing portable toilets, and promoting education to improve rights, health, and the living environment.

In fiscal 2013, the community health center was built. Previously, Sujung Village did not have any facilities for giving birth, and there were problems with infectious diseases because mothers were giving birth at home. Through the opening of this health center, it will be possible for mothers to give birth at the health center with midwives in attendance, and a significant improvement in hygienic conditions can be expected. The center has been used by 400 people for general diagnosis and treatment, and 20 babies have been born there. In fiscal 2014, we will continue provide tangible and intangible support to help improve the social infrastructure of Sujung Village.

The first birth at the health center

Community health center (opening ceremony)

Midi Marche (supporting the purchase of products made at welfare facilities for people with disabilities)

At Midi Marche, products that are made by hand at a welfare facility for people with disabilities are displayed and sold by people from the facility. In cooperation with nearby companies, Midi Marche is held about once a month at an open space near the Tradepia Yodoyabashi building, which is on the south side of our headquarters (Osaka). The number of regular customers is growing, and the number of people from the welfare facility who want to display their products is also increasing.

Midi Marche displays and sells products that are made by hand at a welfare facility for people with disabilities.

"Road Watering" Event

In August 2013, the Tokyo Head Office held a "road watering" event using reclaimed water provided by the Tokyo metropolitan government's Bureau of Sewerage. Wooden buckets and ladles were used to sprinkle the water on the road surface, and participants enjoyed a cool moment with members of nearby companies and the neighborhood. The road watering reduced the surface temperature by 1.4 degrees Celsius, increasing awareness of how to live comfortably in an environmentally friendly manner, including mitigating the heat island effect and saving electricity.

Road watering event at the Tokyo Head Office

Support for CP Soccer

CP soccer is soccer played by teams of seven athletes who have physical disabilities, such as cerebral palsy or head trauma. It is an official Paralympic sport. With the cooperation of a social welfare organization in Yodogawa, Osaka, the Kashima Office provided its grounds for CP soccer tournaments and events, centered on the Osaka PAZ, a team based in Osaka. In this way, we are supporting enthusiasm for the CP soccer athletes and, through interaction with elementary and junior high school soccer athletes, fostering exchange with the local community in a way that transcends disabilities.

CP soccer athletes

Off-Site Educational Activities and Company Tours

For junior and senior high school students, we provide off-site educational activities through which we offer lectures related to the business of a pharmaceutical company and to new drug R&D. In fiscal 2013, we sent lecturers to two junior high schools and three senior high schools. In addition, each worksite accepts students for tours on a continuous basis. In the future, for the children who will support the next generation, we will work to communicate the importance of having future dreams and objectives and the fun of working.

Providing lectures related to the business of a pharmaceutical company and to new drug R&D

Greening of Office Surroundings and Nature Preservation Activities

Every year before the Osaka Marathon, Osaka City organizes the Osaka Marathon Cleanup. The Headquarters and Kashima Office participate in this initiative, conducting cleanup activities around worksites. Other worksites inside and outside Japan engage in greening and beautification around their sites.

Osaka Marathon Cleanup (October 2013)

Bridge-Washing Event

With a focus on 35 historical bridges in Osaka, the Chuo Ward Office implemented a project that leveraged cooperation between the government and private sectors to wash the bridges. On October 12, 2013, with the support of a Chuo Ward philanthropy group whose members include the Sakaisuji Amenity Society, the Naniwa Bridge, which spans Tosabori River and Dojima River, was washed. Naniwa Bridge, which is also known as Lion Bridge, is considered to be a symbol of Osaka and was selected as the number one "bridge that residents consider to be appealing." The weather was favorable on the day of the washing, and about 150 people, including 14 from the Company, participated as volunteers. The bridge's surface and railings were cleaned using deck brushes and scrapers to remove gum. This event, which can be enjoyed by participants ranging from children to adults, was a valuable initiative that enabled us to experience harmonious relationships with the community and the importance of connections among people. Even though it is a relatively small initiative, we will strive to continue this activity in the years ahead.

Washing Naniwa Bridge

Collaborating with Regional Organizations

In addition to those initiatives described above, the Company is participating in a range of activities targeting activation of local communities. These include participating in the Sukunahikona Shrine's agriculture-related festival as a festival committee, serving as a supporting member of a sankyu-bashi suji commerce association, and supporting the activities of the Senba Genki-no-Kai.

VOICE

Aiming to realize *KAITEKI* by advancing a range of activities that leverage the activities of worksites

Tomonori Takahashi
General Affairs Department

The Group has formulated the Mitsubishi Tanabe Pharma Group Corporate Citizenship Activity Declaration and is advancing activities targeting the realization of *KAITEKI*. We are implementing corporate citizenship activities, centered on activities that contribute to the resolution of problems related to health and living environments.

In 2013, I met the Osaka PAZ, a CP soccer team, and I thought maybe there was something I could do through soccer, with which the Company has a strong connection. I then started to support CP soccer. When you watch CP soccer, you become energetic, and you think "Maybe I can do something more." That is a feeling experienced by everyone who watches CP soccer.

CP soccer is an official Paralympic sport, and with Tokyo being selected as the site of the 2020 Tokyo Olympics, I will continue to move forward with exchanges among community residents so that we can help to develop the next generation of athletes. In the future, we will advance a range of activities that leverage the strengths of the Company's work sites, and continue striving to support the realization of *KAITEKI*.

Explanation of Terms

Appropriate use of pharmaceuticals

Prescribing and preparing pharmaceuticals in their optimum form in regards to ingredient selection, formulation, and appropriate administration and dosage, based on a precise diagnosis. Also, encouraging patients to understand the prescribed drug, evaluating the efficacy and negative side effects, and reflecting the results in subsequent prescriptions. Appropriate use refers to this entire cycle.

Clinical trials

Tests in which pharmaceuticals believed to have medical value are administered to patients as well as healthy subjects in order to determine their efficacy and side effects.

E-learning

A learning system conducted by means of electronic media including the PC and Internet.

Generic drugs

Drugs that are marketed after the new drug patent expires. They have the same active ingredients in the same amounts as the new drug and have the same clinical efficacy.

Good Clinical Practice (GCP)

Standards that govern how clinical trials for drugs should be conducted.

Good Laboratory Practice (GLP)

Standards related to safety governing how non-clinical trials for drugs should be conducted.

Good Manufacturing Practice (GMP)

Standards governing the production and quality of pharmaceutical and quasi-drug products.

Good Post-marketing Study Practice (GPSP)

Standards for conducting post-marketing surveys and tests for pharmaceuticals.

Good Quality Practice (GQP)

Standards for controlling the quality of pharmaceuticals, quasi-drug products, cosmetics, and medical equipment.

Good Vigilance Practice (GVP)

Standards governing safety vigilance of pharmaceuticals after production and marketing.

Good X Practice (GXP)

A generic term meaning various good practice standards, where "X" is a variable and could be replaced by C for GCP (good clinical practice), L for GLP (good laboratory practice), M for GMP (good manufacturing practice), etc. These standards are set by the government or other public agencies to guarantee product safety and reliability during manufacturing, maintenance, storage, and distribution of any product, but most often used for products in the pharmaceutical industry.

ICH-GCP

International good clinical practice (GCP) guidelines for pharmaceuticals related to tests and clinical trials, agreed to at the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH).

Informed consent

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

KAITEKI

KAITEKI signifies a sustainable condition which is comfortable not only for people, but also for society and the Earth.

Medical representative (MR)

A pharmaceutical company's employee in charge of sales and providing medical information. An MR visits medical institutions, sells pharmaceuticals, and exchanges information regarding the quality, efficacy, safety, etc., of pharmaceuticals so as to ensure their proper use.

Over-the-counter (OTC) drug

Drugs that can be purchased at pharmacies and drug stores without a prescription from a doctor. OTC drugs can be purchased like ordinary goods over the counter.

Proof of Concept (POC)

Confirmation of efficacy and safety of a candidate substance for a new drug based on trials made on humans during the research stage.

Quality of Life (QOL)

Criteria used to evaluate medical treatment to consider, in addition to simply judging the cure of a disease, whether a person is living his or her daily life with a sense of fulfillment and contentment, without a decline in either following the patient's treatment.

Self-medication

Medicating oneself without the supervision of trained health professionals in order to mitigate health problems. This is done at one's own risk using products, information, and knowledge related to health and medical care available in one's own surroundings. This includes the use of over-the-counter (OTC) drugs to prevent or alleviate mild symptoms.

Unmet medical needs

Medical needs that are not addressed adequately by existing therapies. The lack of effective therapies for these needs urgently requires the development of pharmaceuticals since little or no progress is being made.

[Seven Core Subjects] Data

Organizational Governance | Human Rights | Labor Practices | Environment | Fair Operating Practices | Consumer Issues | Community Involvement and Development

Organizational Governance

Item	Data	
	FY 2013	FY 2012 (reference)
Corporate Governance		
Basic Stance on Corporate Governance		
Management System		
Number of meetings of Operating Committee	Generally at least twice a month	Generally at least twice a month
Number of directors	8	8
(of which, outside directors)	2	2
Number of regular monthly meetings of Board of Directors	Generally once a month	Generally once a month
Auditing System		
Number of corporate auditors	4	4
(of which, outside corporate auditors)	2	2
Full-time members of Corporate Auditors' Office	3	3
Accountability to Stakeholders		
Risk Management		
Managing Risks Associated with Business Activities		
Number of meetings of Risk Management Committee	Generally twice a year	Generally twice a year
Being Prepared for Large-scale Disasters		
Compliance		
Compliance Implementation Framework		
Number of compliance implementation managers and personnel	210	210
Number of meetings of compliance implementation managers and personnel	Semiannually	Semiannually

Compliance Training		
List of Training Sessions		
└ Companywide sessions		
└ Times held	206	241
└ Number of participants	7,283	7,866
└ Divisional sessions		
└ Times held	303	476
└ Number of participants	6,745	5,560
└ Top management seminars		
└ Times held	1	1
└ Number of participants	29	32
└ New management training		
└ Times held	2	2
└ Number of participants	78	67
└ New employee training		
└ Times held	1	1
└ Number of participants	144	136
Hotlines		
Number of Hotline Consultations Handled		
└ Regulations	10	13
└ Labor management	35	35
└ Preliminary consultations	3	2
└ Other	3	5
└ Total	51	55
Compliance at Group Companies Outside Japan		
Monitoring Compliance Awareness		
Frequency of Monitoring Compliance Awareness	Once a month	Once a month
└ Number of responses	6,629	8,237
└ Response rate	88.6%	93.4%
Corporate Behavior Charter Day		
Regaining Public Trust		

Human Rights

Item	Data	
	FY 2013	FY 2012 (reference)
Initiatives for Employees		
Basic Stance on Human Rights		
Initiatives to Raise Human Rights Awareness		
Number of entries in human rights slogan campaigns	199	181
Human Rights Awareness Promotion Committee		
└ Number of headquarters committee members	12	11
└ Number of regional committee members	26	27

Addressing Harassment		
Human Rights Issues in the Value Chain		
Ethical Considerations in Research		
Ethics Review Committee Approach		
Human Rights and Bioethical Considerations in Clinical Testing		
Ethical Considerations in Procurement		
Human Rights Considerations in Production		
Human Rights Considerations in Marketing		
Protecting Customer Privacy		

Labor Practices

Item	Data	
	FY 2013	FY 2012 (reference)
Human Resources Development		
Basic Human Resources Policy		
Number of Employees (as of March 31)		
└ Consolidated	9,065	8,835
└ Unconsolidated	4,867	4,850
└ Men	3,856	3,870
└ Women	1,011	980
Enhancing Personnel Training		
Number of New Graduates Hired (Non-consolidated)	106	100
Employee Turnover Rate (Non-consolidated)	0.47%	0.43%
Promoting Diversity		
Securing Diverse Talent		
Female Employees with Qualifications at the CC / EM Level or Above		
└ Number at CC / EM level or above	328	307
└ Percentage of total	10.57%	10.08%
Supporting People with Disabilities in the Workplace		
Employment Rate of People with Disabilities	2.11%	1.97%
Work-Life Balance Considerations		
Utilization of Leave and Shorter Workdays for Child Care		
└ Child-care leave	102	77
└ Shorter workdays for child care	112	112
Utilization of Leave and Shorter Workdays for Nursing Care		
└ Nursing-care leave	3	0
└ Shorter workdays for nursing care	4	2
Usage of Paid Vacation Days		
└ Average number of days used	12.1	10.3
└ Average rate of use	57%	47%
Building Sound Labor–Management Relations		

Occupational Health and Safety		
Occupational Health and Safety Initiatives		
Rate of Accidents Causing Absence from Work		
└ Mitsubishi Tanabe Pharma Group	0.00	0.61
└ Pharmaceutical industry average	0.94	0.99
└ Manufacturing industry average	0.94	1.00
Chemical Substance Safety Management		
Addressing Mental Health Issues		

Environment

Item	Data	
	FY 2013	FY 2012 (reference)
Environmental Management		
Environmentally Friendly Corporate Activities		
Environmental Management Structure		
Scope of Environmental Information Collection and Disclosure		
Environmental Compliance		
Environmental Risk Management		
ISO 14001 Certifications		
Environmental Safety Audits		
Environment-Related Incidents		
Number of Environmental Accidents	0	0
Number of Environmental Incidents	4	3
Soil and Groundwater Contamination Prevention and Control		
Overview of Environmental Impact		
Input and Output in R&D and Production in Japan		
Input		
└ Energy		
└ Purchased electricity	129,620 MWh	148,990 MWh
└ Gases	13,290,000 m^3	13,289,000 m^3
└ Petroleum	1,857 kL	4,749 kL
└ Thermal equivalent	2,010,000 GJ	2,332,000 GJ
└ Crude oil equipment	51,845 kL	60,164 kL
└ Water		
└ Supplied water	383,000 tons	444,000 tons
└ Industrial water	8,005,000 tons	7,640,000 tons
└ Groundwater	94,000 tons	125,000 tons
└ Chemical Substances		
└ PRTR regulated substances	204 tons	196 tons
└ Methyl alcohol	341 tons	292 tons
└ Ethyl alcohol	606 tons	778 tons

Output		
└ Atmospheric Emissions		
└ CO_2	115,000 tons	123,000 tons
└ NOx	33 tons	51 tons
└ SOx	7.2 tons	8 tons
└ Particulate matter	0.4 ton	1 ton
└ PRTR regulated substances	6.1 tons	6 tons
└ Methyl alcohol	2.1 tons	1 ton
└ Ethyl alcohol	85 tons	137 tons
└ Wastewater		
└ Wastewater output	8,052,000 tons	7,749,000 tons
└ COD pollution load	39 tons	43 tons
└ Nitrogen	26 tons	30 tons
└ Phosphorus	1.5 tons	2 tons
└ PRTR regulated substances	0.6 ton	1 ton
└ Methyl alcohol	2.5 tons	3 tons
└ Ethyl alcohol	2.6 tons	9 tons
└ Waste		
└ Waste output	16,497 tons	17,836 tons
└ Emissions	4,973 tons	5,707 tons
└ Final disposal	102 tons	77 tons
Environmental Performance of Production and Research Sites outside Japan		
Energy consumption		
└ Electricity	16,750 MWh	14,530 MWh
└ Gases	914,000 m^3	516,000 m^3
└ Petroleum	57 kL	274 kL
Water consumption	253,000 tons	301,000 tons
CO_2 emissions	11,000 tons	10,000 tons
Waste output	402 tons	283 tons
Medium-Term Environmental Action Plan		
Reduction ratio of CO_2 emissions compared to the fiscal 2005 level	40.4%	36.3%
Reduction ratio of CO_2 emissions compared to the previous fiscal year	6.50%	2.40%
Number of hybrid vehicles used by sales personnel	1,259	1,113
Final waste disposal rate	0.62%	0.43%
Number of on-site inspections of waste collection and transportation companies and intermediate and final disposal sites	40	
Reduction ratio of emissions of PRTR substances into the air compared to the previous fiscal year	2%	33%
Reduction ratio of emissions into water compared to the previous fiscal year	Same level	Same level

Number of Group worksites for which environmental safety audits were conducted	15	20
Number of the Group worksites for which environmental compliance audits were conducted	2	
Number of Environmental Accidents	0	0
Number of Environmental Incidents	4	3
Environmental Accounting		
Environmental Conservation Costs		
└ Invested		
└ Pollution prevention	157 million yen	48 million yen
└ Global environmental protection	32 million yen	209 million yen
└ Recycling and reuse of resources	9 million yen	24 million yen
└ Upstream and downstream activities	0 million yen	0 million yen
└ Administrative activities	2 million yen	0 million yen
└ Research and development	0 million yen	0 million yen
└ Community activities	0 million yen	0 million yen
└ Environmental damage compensation	0 million yen	0 million yen
└ Total	201 million yen	281 million yen
└ Expended		
└ Pollution prevention	438 million yen	474 million yen
└ Global environmental protection	40 million yen	40 million yen
└ Recycling and reuse of resources	307 million yen	365 million yen
└ Upstream and downstream activities	38 million yen	37 million yen
└ Administrative activities	281 million yen	269 million yen
└ Research and development	0 million yen	0 million yen
└ Community activities	0 million yen	0 million yen
└ Environmental damage compensation	15 million yen	30 million yen
└ Total	1,120 million yen	1,215 million yen
Environmental Conservation Effects		
└ Pollution prevention		
└ NOx load reduction		6.05 tons
└ SOx load reduction		0.11 tons
└ Particulate matter load reduction		0.03 tons
└ PRTR regulated air emission reduction		0.71 tons
└ Global environmental protection		
└ Greenhouse gas emission reduction	3,222 tons-CO_2	4,490 tons-CO_2

Economic Effects Resulting from Environmental Conservation Measures		
└ Sales of valuable materials	7.5 million yen	10 million yen
└ Electricity consumption reduced through energy-saving measures	42.1 million yen	62 million yen
└ Cost of processing waste reduced through lower consumption of resources	0.2 million yen	
└ Total	49.8 million yen	72 million yen
Energy Conservation and Global Warming Mitigation		
CO_2 Emissions Reduction Targets and Results		
CO_2 emissions	115,000 tons	123,000 tons
Reduction rate of CO_2 emissions compared to the fiscal 2005 level	40.40%	36.30%
Reduction rate of CO_2 emissions compared to the previous fiscal year	6.50%	2.40%
Energy consumption	2,010 TJ	2,332 TJ
Reduction rate of energy consumption compared to the previous fiscal year	13.80%	9.90%
Strengthening Energy Management		
Energy Consumed by Mitsubishi Tanabe Pharma's Worksites		
└ Crude oil equivalent		
└ Kashima Research Center	5,350 kL	6,210 kL
└ Toda Research Center	5,560 kL	5,380 kL
└ Yokohama Research Center	3,230 kL	3,320 kL
└ Kazusa Research Center	2,930 kL	2,900 kL
└ Osaka Headquarters	620 kL	640 kL
└ Tokyo Head Office	210 kL	300 kL
└ Branches and sales outlets	1,060 kL	1,070 kL
└ Other	1,080 kL	550 kL
└ Total	20,040 kL	20,380 kL
└ Reduction rate compared to the previous fiscal year	1%	4%
└ CO_2 emissions		
└ Kashima Research Center	10,710 tons-CO_2	11,500 tons-CO_2
└ Toda Research Center	11,220 tons-CO_2	10,240 tons-CO_2
└ Yokohama Research Center	6,600 tons-CO_2	6,230 tons-CO_2
└ Kazusa Research Center	5,880 tons-CO_2	5,560 tons-CO_2
└ Osaka Headquarters	1,240 tons-CO_2	1,120 tons-CO_2
└ Tokyo Head Office	430 tons-CO_2	550 tons-CO_2
└ Branches and sales outlets	2,380 tons-CO_2	2,090 tons-CO_2
└ Other	2,190 tons-CO_2	980 tons-CO_2
└ Total	40,650 tons-CO_2	38,270 tons-CO_2
└ Reduction (Increase) rate compared to the previous fiscal year	-6%	-11%

Share of overall efficiency improvements contributed by four research sites		
└ Energy consumption	85%	88%
└ CO_2 emissions	85%	88%
Energy Savings through Office Consolidation		
Energy consumption (crude oil equivalent, kL)		
└ Tokyo Head Office	210 kL	303 kL
└ Head Office	622 kL	640 kL
Energy Conservation Analyses		
Initiatives with Company Vehicles		
Number of company vehicles	1,951	1,963
└ Electric vehicles	37	46
└ Hybrid vehicles	1,259	1,113
Third-Party Verification in Accordance with ISO 14064-3		
Scope 1: Direct greenhouse gas emissions from the use of fuel at worksites	35,200 tons-CO_2	
Scope 2: Greenhouse gas emissions from the use of electricity or steam	79,800 tons-CO_2	
Initiatives at Worksites and Offices		
Eco-Commuting and Using Electric Vehicles		
Energy Conservation Activities		
Promoting Energy Conservation through Energy Conversion		
Consideration for the Environment at a New Office Building at the Kashima Office		
Waste Reduction & Proper Management of Chemical Substances		
Waste Reduction Initiatives		
Amount of waste generated	16,497 tons	17,836 tons
Amount of final waste disposed	102	77
Final waste disposal rate	0.62%	0.43%
Dealing with PCB Wastes		
Reducing Air Emissions		
Amount of PRTR Class I Designated Chemical Substances handled	204 tons	195.8 tons
Reduction (Increase) rate compared to the previous fiscal year	-4%	36%
Air emissions of PRTR Class I Designated Chemical Substances	6.1 tons	6.2 tons
Reduction (Increase) rate compared to the previous fiscal year	2%	29%
Management of Air and Water Systems		
Promotion of Environmental Communication		
Environmental Conservation Activities		
Ikoma Mountain Range "Folding Screen of Flowers" Project		
Tokyo Greenship Action		
Environmental Education		

Fair Operating Practices

Item	Data	
	FY 2013	FY 2012 (reference)
Fair Operating Practices		
Initiatives for Fair Business Practices		
Code of Practice		
Promotion Code		
Fair Competition Code of the Ethical Pharmaceutical Drugs Marketing Industry		
Appropriate Relationships with Medical Institutions and Patient Organizations		
Rejecting Antisocial Forces and Checking Suppliers for Antisocial Affiliations		
Protection of Intellectual Property		
Initiatives to Establish a Solid Supply Chain		

Consumer Issues

Item	Data	
	FY 2013	FY 2012 (reference)
Research & Development		
Basic Approach to Discovery Research		
New Drug Development in the Diabetes Field		
Spurring New Drug Development through Industry–Academia Collaboration		
Manufacturing and Supply Chain		
Pharmaceutical Manufacturing Process		
Mitsubishi Tanabe Pharma Group's global manufacturing system		
└ Production plants in Japan	6	10
└ Production plants outside Japan	5	5
Measures to Prevent Medical Malpractice		
Manufacturing System in Asia		
Managing Distribution to Ensure Stable Supplies		
Quality Control in the Distribution Process		

Information Provision		
MR's Responsibility: Collecting Data and Providing Information to Medical Institutions		
Number of general and specialized medical representatives (MRs) in Japan	Approx. 2,100	Approx. 2,200
Providing Comprehensive Information through Seminars		
Supporting Proper Self-Medication for Skin Problems		
Providing Information on Generic Drugs in Japan		
Overseas Marketing Activities		
Providing Information through Websites		
Providing Comprehensive Information through the Medical Information Center		
Number of Inquiries to the Medical Information Center	81,730	86,652
Reliability Assurance		
System to Assure the Reliability of Drugs		
Safety Measures for New Drugs		
Post-Marketing Surveys		
Quality Assurance for Pharmaceuticals		
Implementing Pharmaceutical Safety Education		

Community Involvement and Development

Item	Data	
	FY 2013	FY 2012 (reference)
Social Contribution Activities		
Establishment of the Declaration on Corporate Citizenship		
Establishing the Mitsubishi Tanabe Pharma Tenohira Partnership Program		
Supporting Research through Foundations		
Grants of the SENSHIN Medical Research Foundation		
Grants for pharmacopsychiatry research		
└ Basic research		
└ Number of projects	24	24
└ Amount	24 million yen	24 million yen
└ Aid for young researchers		
└ Number of projects	10	10
└ Amount	10 million yen	10 million yen

└ Financial aid for education abroad		
└ Number of projects	3	3
└ Amount	6 million yen	6 million yen
Grants for circulatory research		
└ Basic research		
└ Number of projects	24	24
└ Amount	25 million yen	24 million yen
└ Aid for young researchers		
└ Number of projects	10	10
└ Amount	10 million yen	10 million yen
└ Financial aid for education abroad		
└ Number of projects	2	3
└ Amount	4 million yen	6 million yen
Special projects		
└ Number of projects	1	1
└ Amount	10 million yen	10 million yen
Grants for research that supports disaster-stricken areas		
└ Pharmacotherapy		
└ Number of projects		2
└ Amount		3 million yen
└ Cardiovascular medicine		
└ Number of projects		2
└ Amount		3 million yen
└ Total		
└ Number of projects	111	116
└ Amount	130 million yen	136 million yen

Grants of the Japan Foundation for Applied Enzymology		
Grants for enzyme research		
└ Applied research on enzymes and enzyme research related to life science		
└ Number of projects	30	30
└ Amount	22.5 million yen	22.5 million yen
└ The Japanese Society of Applied Glycoscience		
└ Number of symposiums	1	1
└ Amount	0.3 million yen	0.3 million yen
Grants for young researchers in specific fields		
└ Researchers focused on determining causes and conditions of adult onset diseases		
└ Number of projects	47	45
└ Amount	14.75 million yen	14.95 million yen
└ Researchers focused on vascular biology innovation		
└ Number of projects	22	22
└ Amount	10.5 million yen	10.5 million yen
└ Researchers focused on determining causes and conditions of systemic inflammatory diseases		
└ Number of projects	10	7
└ Amount	10 million yen	7 million yen
└ Front runner of future diabetes research		
└ Number of projects	26	16
└ Amount	13 million yen	8 million yen
└ Total		
└ Number of projects	135	120
└ Number of symposiums	1	1
└ Amount	71.05 million yen	63.25 million yen
MSC Volunteer Salon		
Donating Over-the-Counter Medicines to a Children's Land		
Local Events Held by Mitsubishi Tanabe Pharma Plants		
Support for a Community Health Center in Indonesia		
Midi Marche (supporting the purchase of products made at welfare facilities for people with disabilities)		
"Road Watering" Event		
Support for CP Soccer		
Off-Site Educational Activities and Company Tours		
Greening of Office Surroundings and Nature Preservation Activities		
Bridge-Washing Event		
Collaborating with Regional Organizations		

Independent Verification Report

To: Mitsubishi Tanabe Pharma Corporation

July 31, 2014

Bureau Veritas Japan Co., Ltd.
System Certification Services Headquarters

Objective of verification

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has evaluated the environmental performance data for the Mitsubishi Tanabe Pharma Corporation (Mitsubishi Tanabe Pharma) CSR Activities Report 2014, (the Report), covering the Fiscal Year 2013. The Report is issued under the responsibility of Mitsubishi Tanabe Pharma. Bureau Veritas' responsibility is to provide independent verification of environmental performance data, based on objective evidence.

Scope of work

Bureau Veritas verified the environmental performance data for the reporting period April 2013 to March 2014.
Bureau Veritas visited the following sites to conduct its verification work:

Mitsubishi Tanabe Pharma Corporation Headquarters	Administration
Mitsubishi Tanabe Pharma Corporation Kashima Office (Osaka)	R&D of pharmaceuticals
Mitsubishi Tanabe Pharma Factory Ltd. Osaka Plant	Manufacture of pharmaceuticals
Mitsubishi Tanabe Pharma Corporation Toda Office	R&D of pharmaceuticals
Mitsubishi Tanabe Pharma Corporation Yokohama Office	R&D of pharmaceuticals

Verification Methodology

Bureau Veritas conducted the following verification based on agreement with Mitsubishi Tanabe Pharma:

Head Office

- The reliability and adequacy of data collection and aggregation systems and related processes
- The effectiveness of internal verification processes
- The accuracy of the environmental data collected for the reporting period, and that of related environmental information

R&D and manufacturing sites

- The appropriateness of boundaries for data collection
- The effectiveness of data measurement, collection and aggregation methods
- The effectiveness of internal verification processes
- The accuracy of final aggregated data from visited sites

This verification was conducted using Bureau Veritas' standard procedures and guidelines for external verification of non-financial reporting, based on current best practice. Bureau Veritas refers to the International Standard on Assurance Engagements (ISAE) 3000 (2003) in providing a limited assurance for the scope of work stated herein.

Verification findings

Key findings:

1. No significant errors were detected in the environmental performance data contained within the Report.
2. All errors in reported data identified during the verification process have been duly corrected.
3. Mitsubishi Tanabe Pharma's internal systems for the data monitoring, collection and aggregation are considered to be reliable and appropriately implemented at the Head Office and each of the visited sites.

Bureau Veritas has implemented a code of ethics across its business which is intended to ensure that all our staff maintain high standards in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest. Bureau Veritas activities for Mitsubishi Tanabe Pharma Corporation are for social reporting verification only and we believe our verification assignment did not raise any conflicts of interest.