CSR Activities Report 2015

Mitsubishi Tanabe Pharma

Contents

CSR Activities Report 2015

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 2014, from April 1, 2014 to March 31, 2015. 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.

Independent Verification Report

Explanation of Terms

[Seven Core Subjects] Data

Mitsubishi Tanabe Pharma Corporate Report 2015

Mitsubishi Tanabe Pharma prepares this report to provide information to its shareholders, investors, and other stakeholders about the Group's i nitiatives 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.

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

About the CSR Activities Report 2015

Period covered

April 1, 2014, to March 31, 2015
(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

ISO26000;
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 2015 (Next report scheduled for issue in September 2016)

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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.

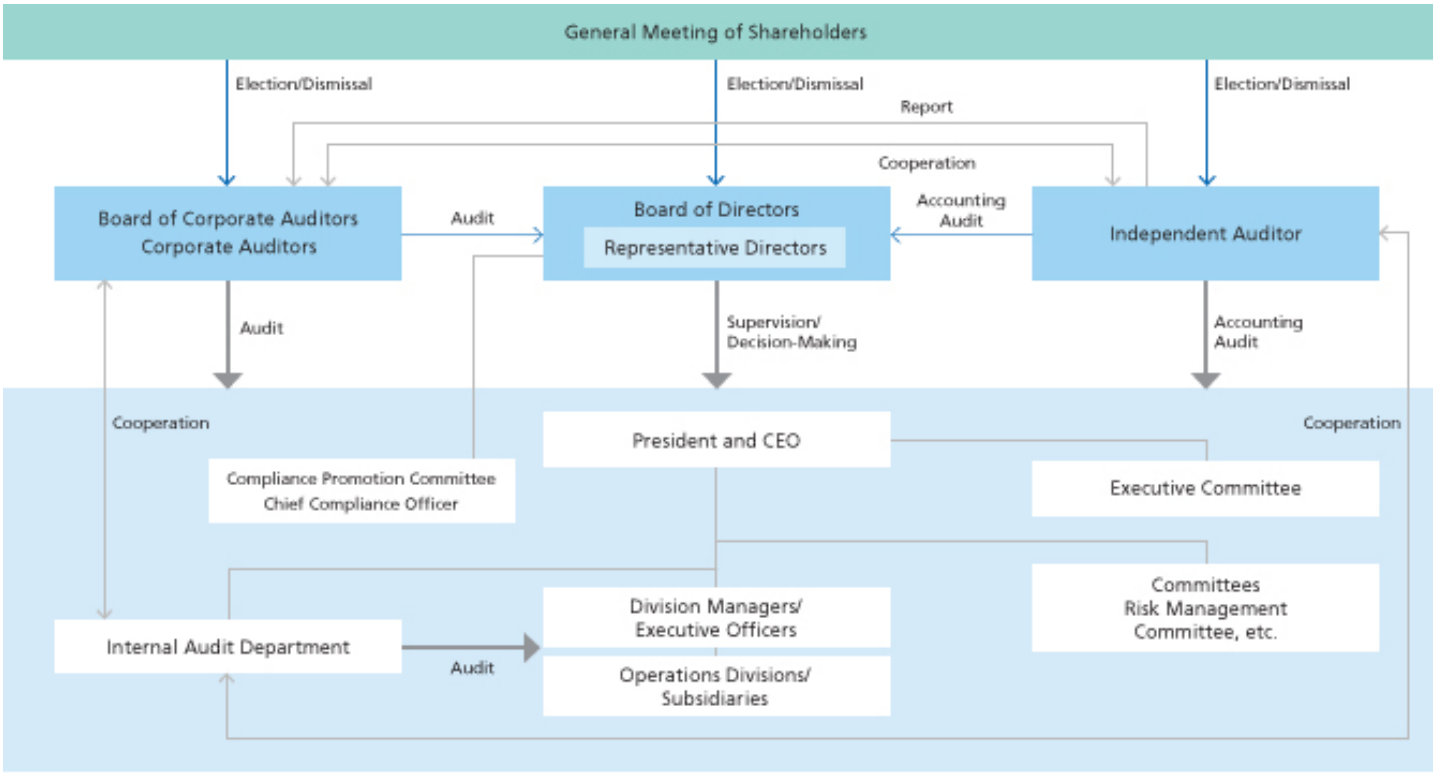
The Company operates under a system of corporate governance designed to ensure that it fulfills all of its responsibilities to shareholders and other stakeholders in order to maximize corporate value. By enhancing a framework for oversight and supervision by Outside Board Directors and robust auditing by Corporate Auditors, this system not only ensures effective and quick decision-making related to business management, it also ensures the transparency and objectivity of business management.

Management System

The Company has adopted a Corporate Officer System to clearly separate functions of business executive operations from functions of decision-making related to business management and the supervision of business executive operations. Comprised of the Chief Executive Officer (CEO), Managing Executive Officers, and Executive Officers appointed by the CEO, the Executive Committee generally meets at least twice a month to discuss and deliberate all important issues related to business executive operations. This system ensures effective and quick decision-making.

The Board of Directors is in charge of decision-making related to business management and the supervision of business executive operations. To ensure transparency and objectivity in the management of the Company, this eight-member body includes two Outside Board Directors. In addition to regular monthly Board of Directors' meetings, the Board of Directors calls interim meetings as needed to resolve and report on items regarding important business executive operations.

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 Executive 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 2015

Risk Management

Managing Risks Associated with Business Activities

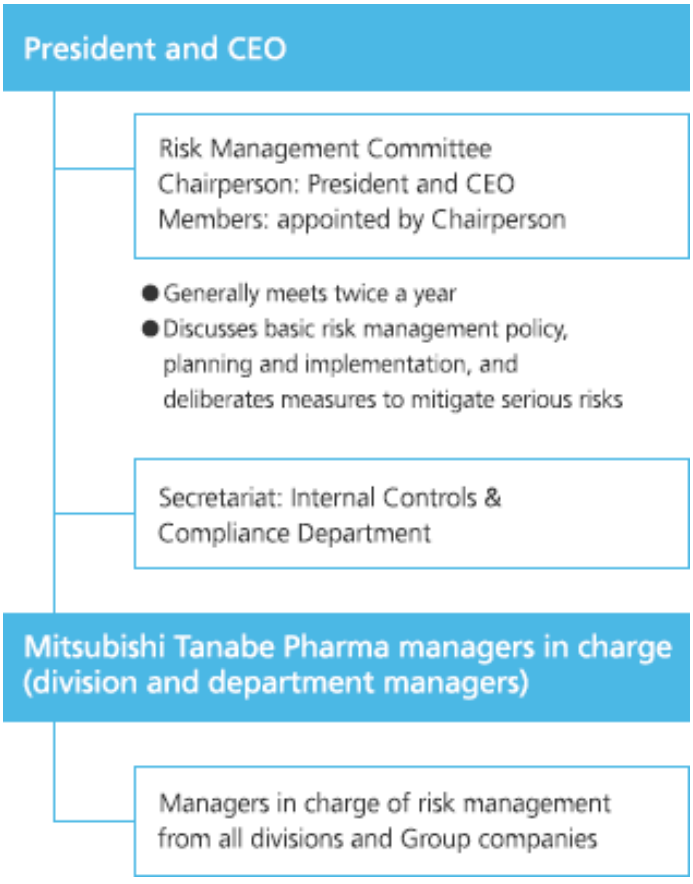
The Mitsubishi Tanabe Pharma Group has established risk management rules to ensure that risks associated with its business activities are managed properly. Based on these rules, each of the divisions at Group companies works to accurately identify the presence, type, and importance of the risks associated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

SCs 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 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.

Overview of Business Continuity Management Rules for Large-Scale Disasters

Objective

Of the risks faced by the Group, for the risks of large-scale disasters and the risks that have the potential to lead to large-scale disasters, the Group will make appropriate preparations during ordinary times and responses during times of emergency.

Basic Policy

The basic policy is established from the following viewpoints.

1. Thorough top-down preparations are made in ordinary times, and responses through Companywide systems are made in times of emergency.
2. Damage assumptions are established and realistic yet effective countermeasures are implemented in accordance with those levels.
3. Responses are made at times of large-scale disasters (including restoration and recovery)

Targeted risks

Guidelines are established for each.

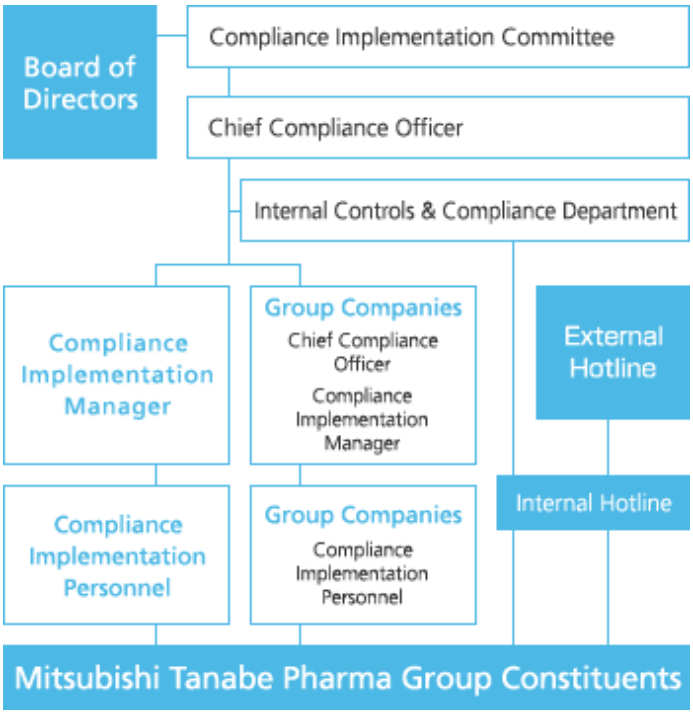
1. Earthquakes/tsunami, typhoons, snowstorms, flooding damage
2. Pandemics (new type of influenza, etc.)
3. Terrorism (overseas conflict, terrorism, cyber-terrorism)

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 2014

	Type of training	Times held	Number of participants
Compliance training	Companywide sessions	206	7,032
	Divisional sessions	283	5,897
	Top management seminars	1	35
New management training		2	60
New employee training		1	135

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 2014

Regulations	Labor management	Preliminary consultations	Other	Total
8	31	2	2	43

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

Fiscal 2014: Implementation of Employee Attitude Survey

This survey is conducted with the objective of understanding employee satisfaction by asking Mitsubishi Tanabe Pharma Group employees questions regarding their thoughts about their work, the workplace environment, and other matters. In fiscal 2014, the response rate was 88.7%, with 7,020 responses.
The survey includes questions about attitudes toward compliance. Periodic implementation of the survey provides an understanding of how overall Company compliance awareness changes over time. Results are reported back to each division and are also used in advancing compliance. Moving forward, we plan to further deepen compliance awareness through such means as Companywide compliance training designed to ensure that compliance awareness does not decline.

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. In addition, outside speakers were invited and lectures were held on April 16, 2015, at the Head Office; on April 17 at the Yoshitomi Plant; on April 20 at the Tokyo Head Office; and on April 22 at the Kazusa Office.

Outside expert speaks to Mitsubishi Tanabe Pharma employees

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 2014, a total of 271 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.

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, at the basic research stage prior to clinical trials, animal experiments are necessary to confirm the drug's efficacy and safety as pharmaceuticals.

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. On the other hand, in discovery research using samples of human origin, it is essential to pay careful attention to ethical issues, such as appropriate informed consent and the maintenance of the privacy of the donors. 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 and impartiality, 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 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

Human Resources Development

Basic Human Resources Policy

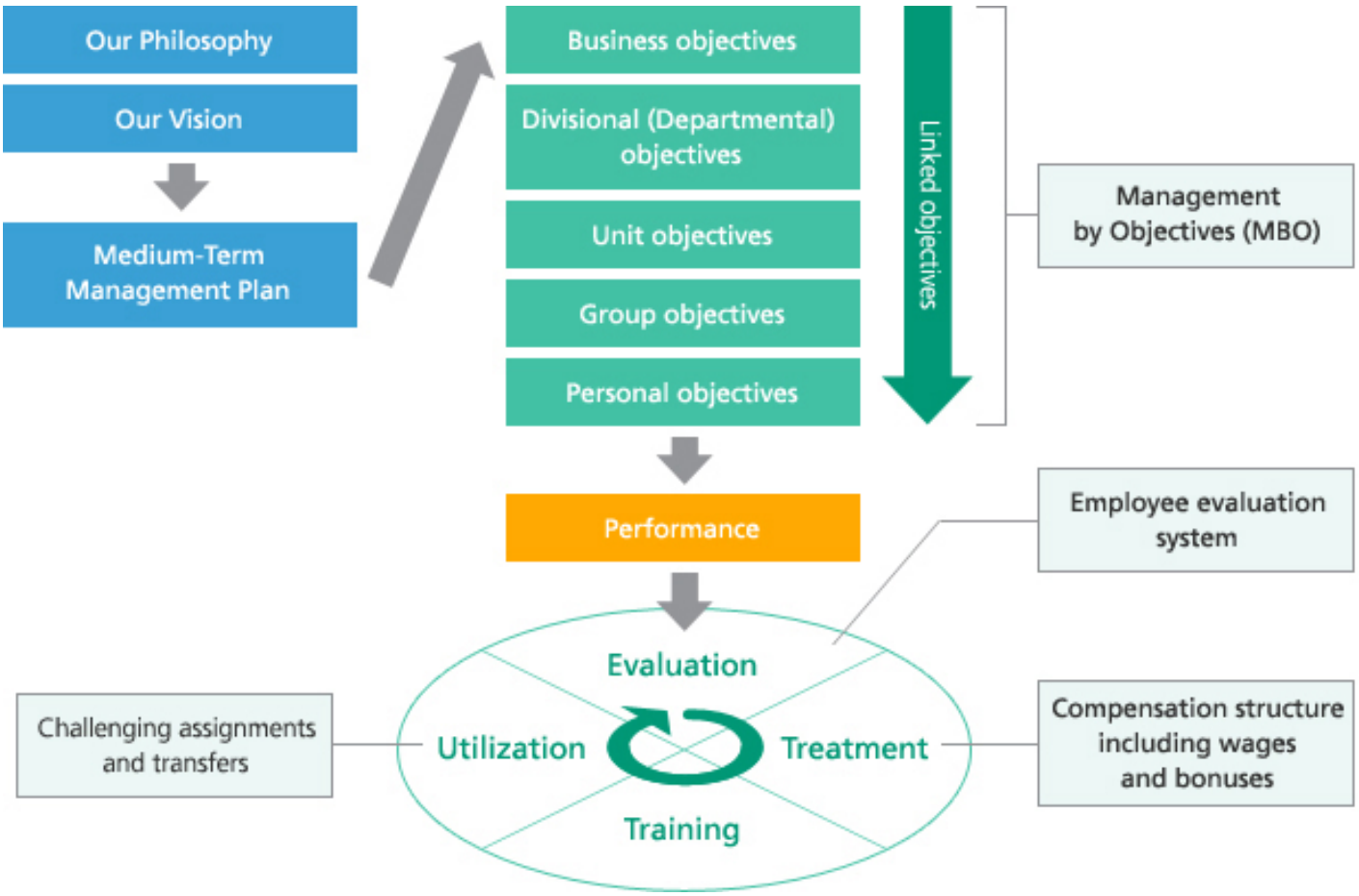
With a focus on personnel as a management resource, the Company utilizes the Comprehensive Management System for Human Resources. This system helps all employees to work to their full potential, thereby further enhancing the Company's competitiveness and contributing to the realization of sustained growth.

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

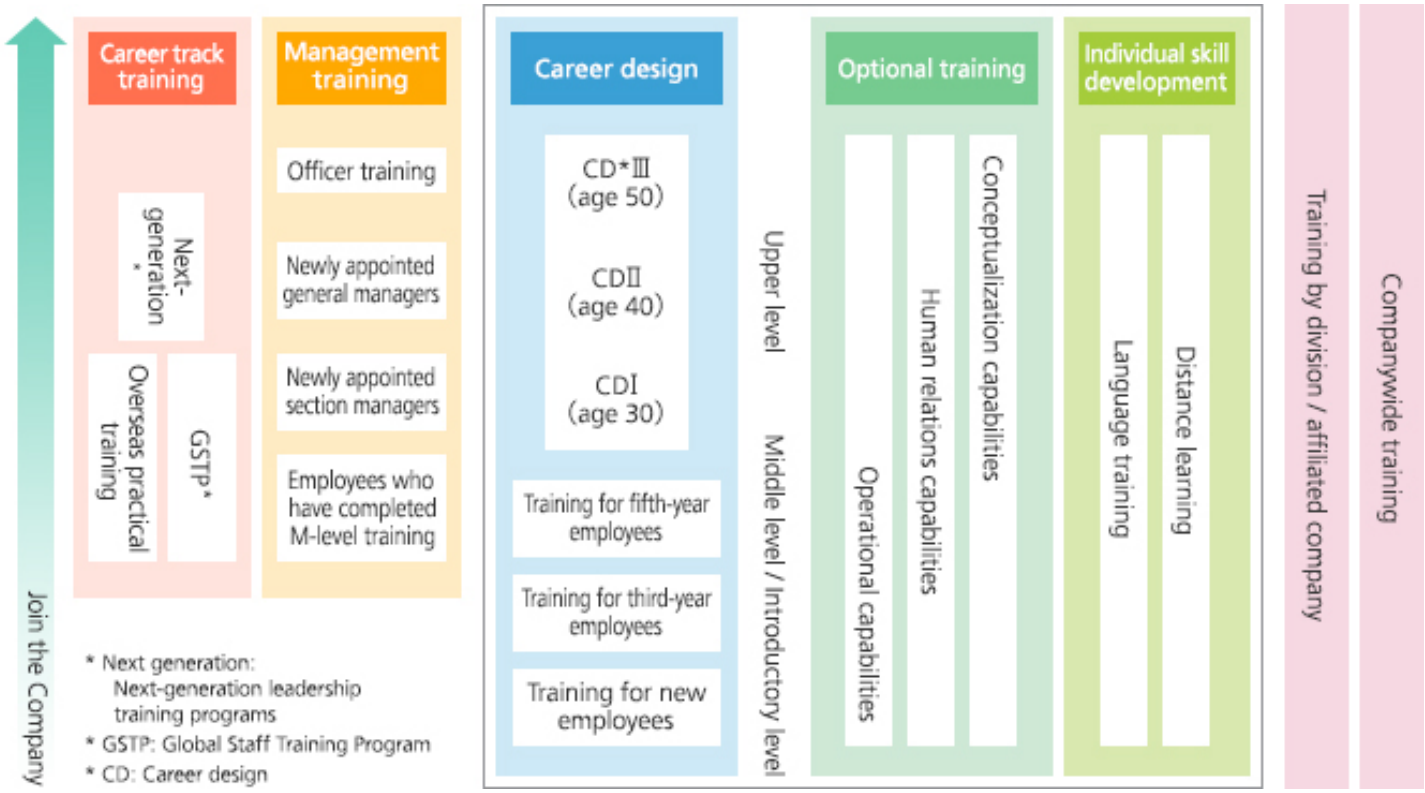
	March 31,2011	March 31,2012	March 31,2013	March 31,2014	March 31,2015
Consolidated	9,198	9,187	8,835	9,065	8,457
Unconsolidated	4,957	4,826	4,850	4,867	4,844
Men	3,968	3,869	3,870	3,856	3,802
Women	989	957	980	1,011	1,042

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. Aiming to develop people with key attributes, we will support the development and demonstration of the capabilities of employees through the smooth coordination of four frameworks: employing diverse human resources, on-the-job and off-the-job training. 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.

Training Program Structure

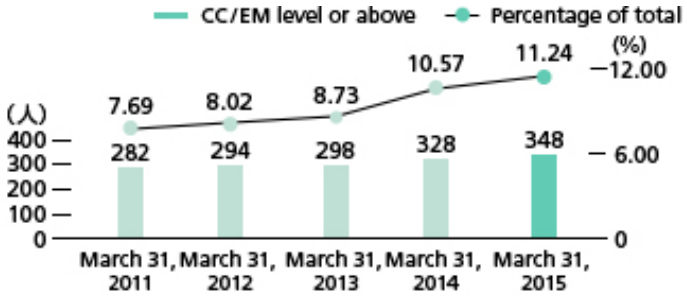


Promoting Diversity

Actively Utilizing Diverse Human Resources

In accordance with the concepts of diversity and inclusion, the Company considers it important to establish a free and open workplace environment that respects individual diversity and independence. In addition, the Company's basic policies for advancing the employment of women are fostering women's career awareness, changing the awareness of others in the workplace, and enhancing systems. The Company is taking steps to further advance the employment of women, such as establishing a diversity promotion project team that extends across organizational boundaries.

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

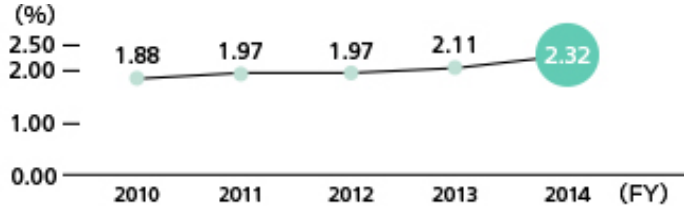


* Expert level: Employees who serve in specialist and leadership roles, considered equivalent to subsection managers

Supporting People with Disabilities in the Workplace

The Company is actively working to employ people with disabilities. As of the end of March 2015, we employed people with disabilities at a rate of 2.32%, 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.

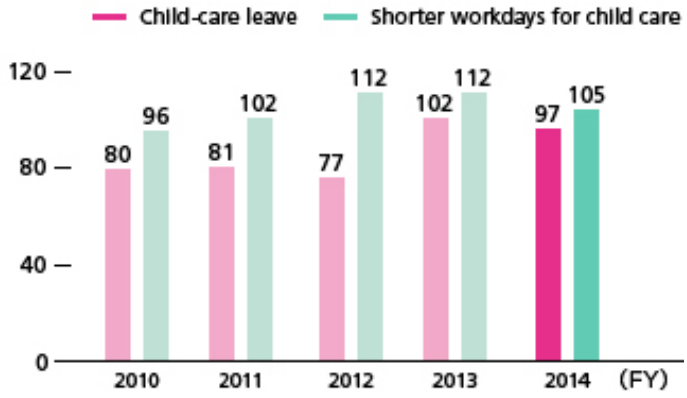
Employment Rate of People with Disabilities



Work-Life Balance Considerations

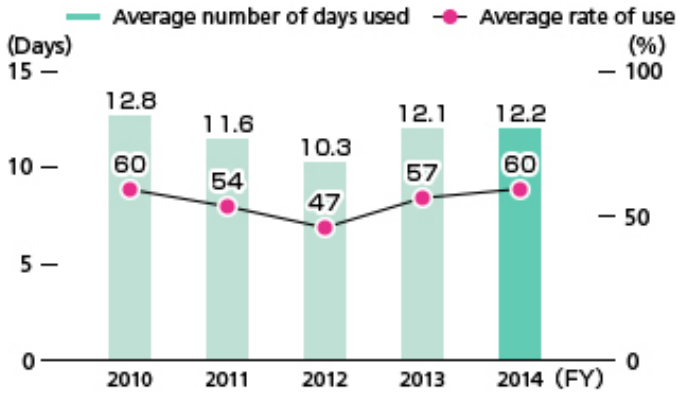
Mitsubishi Tanabe Pharma strives to help employees comfortably balance work with personal life and family commitments. The Company recognizes the importance of employees gaining satisfaction and pride from their work while also being able to experience meaningful life events, such as the birth of a child 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

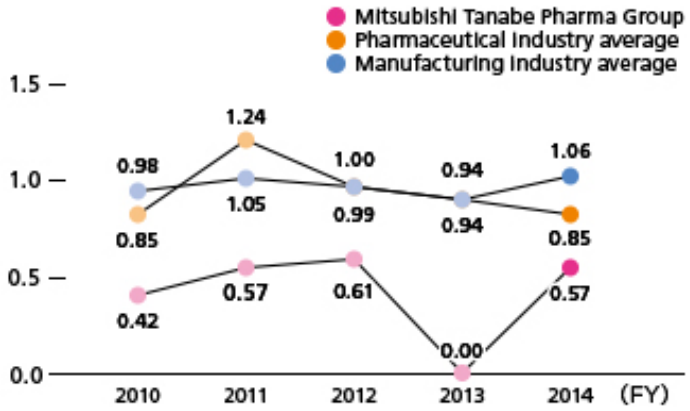
Occupational Health and Safety Initiatives

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.

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. Stress diagnosis initiatives will be legally required from December 2015, but we have conducted these diagnoses from fiscal 2010. Our initiatives include employee self diagnoses, evaluations of organizational units, and response measures for people with high stress.

In addition, in the second half of 2014 President Mitsuka announced the Mental Health Declaration, and as a result each worksite is moving ahead with the formulation of Mental Health Plans. Accordingly, each worksite is implementing activities that address each mental health issue (0 to 3) and four types of care (self, line, worksite staff, and off-site resources).

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. "Vertical" communication between management leaders and frontline staff continued to improve through fiscal 2014, and it appears that the messages of managers have reached the employees. On the other hand, we consider improvement in work stress and fatigue to be an ongoing challenge. We will aim to record improvement by advancing work efficiency and realizing work-life balance, and we will also take steps to enhance mental health measures.

Environmental Management

Environmentally Friendly Corporate Activities

In order to help protect the global environment and create a sustainable society, in every aspect of its business operations Mitsubishi Tanabe Pharma is working to reduce resource consumption, energy consumption, and waste and to achieve sustained reductions in the environmental burden. In addition, we work proactively to ensure that our operations are environmentally friendly. Furthermore, the Group discloses information related to the environment and promotes dialog with the public in its initiatives aimed at contributing to the environment and society.

In addition, as a member of the MCHC Group, we are striving to realize *KAITEKI* (comfort) for the world by aiming to increase sustainability and contributing to reductions in environmental burdens, such as greenhouse gas emissions.

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.

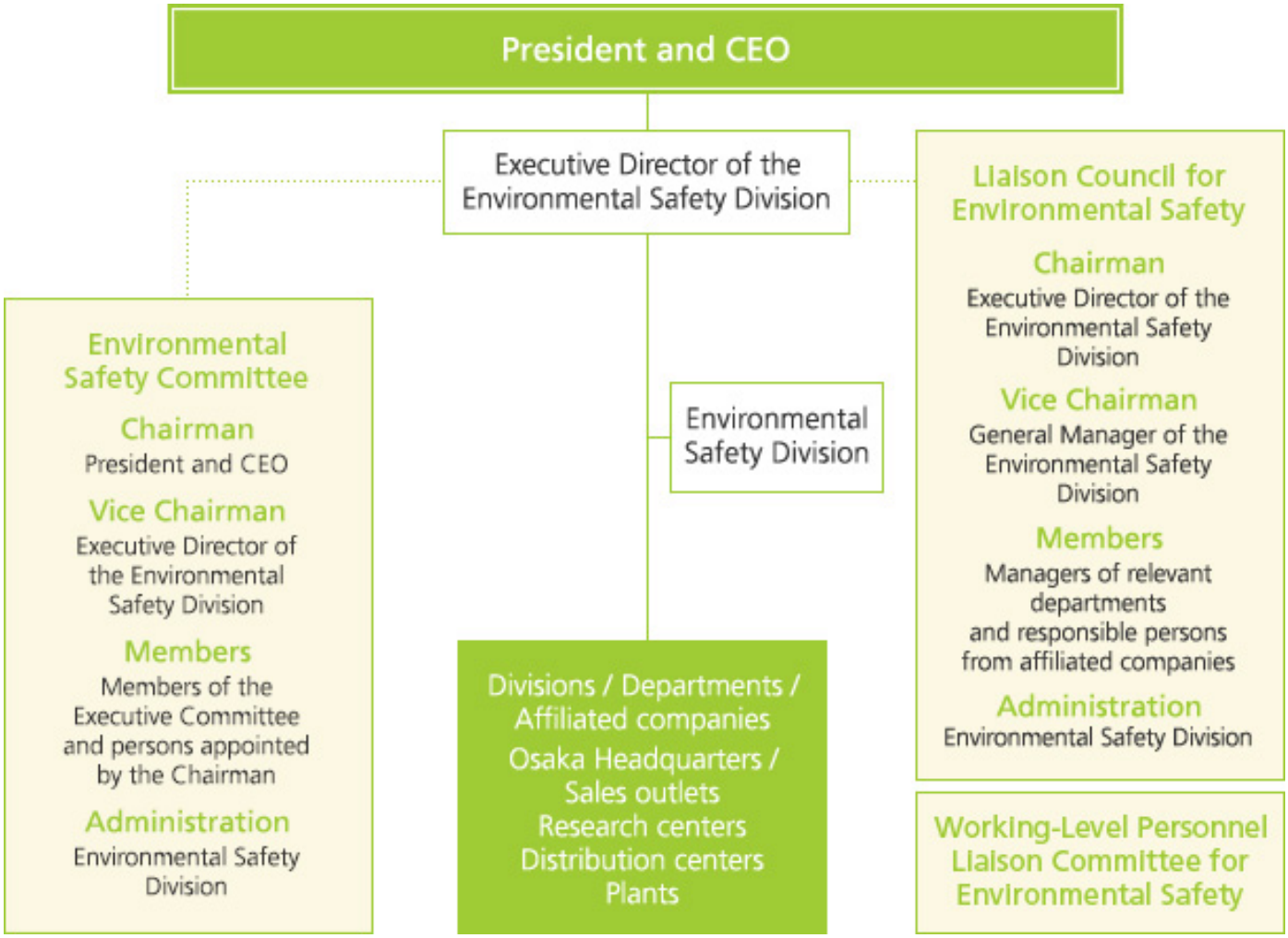
Policy on Environmental Safety Activities

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 Executive 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

In CSR activity reporting, the Group tracks and discloses environmental information regarding the manufacturing and research facilities of Mitsubishi Tanabe Pharma and its domestic and 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.,P.T. Tanabe Indonesia,Tanabe Research Laboratories U.S.A., Inc., Medicago Inc. (Canada)

Environmental Compliance

The Mitsubishi Tanabe Pharma Group is committed to proactively protecting the global environment and coexisting in harmony with society.

In addition, we work to achieve strict observance of environment-related laws, regulations, and agreements. In particular, at domestic plants and research facilities we have formulated more-rigorous independent management reference values for water pollution and air pollution, and we conduct our business activities in accordance with those reference values. At overseas production sites, from fiscal 2012 we began implementing environmental safety audits based on the theme of strict observance of laws and regulations. In fiscal 2014, at Tianjin Tanabe Seiyaku we implemented 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 guidelines. For each worksite, to prevent impacts on the environment from natural disasters and unexpected events, and to minimize disaster damage, we have established procedures for rapid, accurate responses in times of crisis, and we periodically implement education and training in preparation for emergencies.

In particular, the Group is concerned about any influence on local communities, such as from an accidental discharge of chemical substances to rivers or the sea, and accordingly the Group has installed equipment and systems (automation of emergency shutoff valves for wastewater and installation of water tanks for use in prevention of outflow) that can prevent environmental pollution in case of an unforeseen contingency. In this way, the Group is working to prevent risk.

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. The Group has established and is rigorously operating an environmental management system, and in addition the Group works to continually improve that 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 safety activities and management are being conducted in a legal, appropriate manner. In audits, opinions are exchanged between the departments in charge of environmental and safety management and the staff at the audit site, and they develop a mutual understanding of the status of activities and environmental safety risks. One of the objectives is to increase the awareness of the staff at the audit site and to increase awareness of environmental conservation and safety.

In the audits implemented in fiscal 2014, no items were indicated as entailing major environmental risk. However, for issues where improvement is needed, we follow up on the status of improvement measures and share information with other worksites. In these ways, we further enhance the level of activities.

In addition, the Group commenced overseas environmental audits in fiscal 2012. These audits are related to strict observance of laws and regulations. In fiscal 2014, we used outside experts to implement an audit at Tianjin Tanabe Seiyaku. 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.

Environmental audit at Tianjin Tanabe Seiyaku(March 2015)

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.

In particular, in building demolition and new building construction, we work closely with government institutions and implement soil surveys in accordance with the Soil Contamination Countermeasures Act. In regard to the soil and groundwater pollution that was identified at the Yoshitomi Plant (Yoshitomi Town, Fukuoka Prefecture), we have implemented appropriate countermeasures (excavation and removal, pumping, etc.), and we continue monitoring groundwater to look for any off-site influence.

Also, in fiscal 2014, in an independent soil survey conducted for the transfer of the Kashima Plant, the level of fluorine exceeded the reference value. We have reported this situation to the government, and we plan to implement countermeasures through excavation and removal.

Soil Improvement at Yoshitomi Plant

Environment-Related Incidents

In fiscal 2014, as in the previous fiscal year, the Group experienced no incidents that would have had a major effect on the environment. On the other hand, at the Toda Office, there was one incident in which an aqueous solution (testing wastewater) containing small amounts of harmful chemical substances was mistakenly discharged. This was discovered through the internal education process for wastewater (effluent)/waste rules at the worksite, and it has been appropriately reported to the government. Through the implementation of periodic education and inspections, we will continue working to prevent recurrences, to prevent other incidents, and to rapidly discover any abnormal incidents.

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	123,190 MWh
Gases	11,234,000 m³
Petroleum	1,076kL
Thermal equivalent	1,815,000 GJ
Crude oil equipment	46,814 kL

Water

Supplied water	308,000 m³
Industrial water	8,117,000 m³
Groundwater	104,000 m³

Chemical Substances

PRTR regulated substances	210 tons
Methyl alcohol	374 tons
Ethyl alcohol	479 tons

R&D

Production

Output

Atmospheric Emissions

CO_2	104,000 tons
NOx	28 tons
SOx	6.8 tons
Particulate matter	0.4 ton
PRTR regulated substances	6.5 tons
Methyl alcohol	0.9 ton
Ethyl alcohol	56 tons

Wastewater

Wastewater output	8,149,000 tons
COD pollution load	42 tons
Nitrogen	22 tons
Phosphorus	1.2 tons
PRTR regulated substances	1.0 ton
Methyl alcohol	1.6 tons
Ethyl alcohol	0.1 tons

Waste

Waste output	14,631 tons
Emissions	4,170 tons
Final disposal	40 tons

Environmental Performance of Production and Research Sites outside Japan

Energy consumption	Electricity	19,150,000kWh
	Gases	1,225,000 m³
	Petroleum	66kL
Water consumption		103,000 tons
CO_2 emissions		13,000 tons
Waste output		399 tons

- Scope: Taiwan Tanabe Seiyaku Co., Ltd.; Tianjin Tanabe Seiyaku 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: April 2014 to March 2015.
- CO_2 emissions were calculated with reference to the Greenhouse Emission Calculation and Reporting Manual (Ver. 4.0) 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 0.000551 tons -CO_2/kWh

Medium-Term Environmental Action Plan

Objectives and Fiscal 2014 Results of the 2011-2015 Medium-Term Environmental Action Plan

Area	Objectives	Fiscal 2014 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 46.1% compared to the fiscal 2005 level (9.6% reduction compared to the fiscal 2013 level) • Increased number of hybrid vehicles used by sales personnel to 1,399, from 1,259 in fiscal 2013
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 0.28% (0.62% in fiscal 2013) • Promoted recycling and effective use of resources Performed 46 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	• Slight increase in handling volume and emission volume of PRTR substances, substantial declines in emissions of VOCs into the atmosphere and into water
Enhancement of environmental management	• Improve environment-related risk management at company facilities • Maintain zero environmental accidents	• Conducted environmental safety audits at 12 Group worksites in and outside Japan • At overseas worksites, conducted environmental compliance audits at one worksites by outside experts • Conducted online environmental training courses • Implementation of on-site confirmation and training at waste management contractors • Conducted practical training in laws and regulations for waste management • Had zero environmental accidents and one 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 2014 were ¥218 million in investments and ¥1,001 million in running costs. The economic benefit of environmental conservation measures was ¥20 million.

Environmental Conservation Costs
(millions of yen)

Item	Invested	Expended
Pollution prevention	75	437
Global environmental protection	114	37
Recycling and reuse of resources	20	242
Upstream and downstream activities	0	32
Administrative activities	9	243
Research and development	0	0
Community activities	0	1
Environmental damage compensation	0	10
Total	218	1,001

Environmental Conservation Effects

Reduction of environmental impact		Quantity reduced
Global environmental protection	Greenhouse gas emission reduction	339 tons-CO_2
Resource Cycle	Reducing pollution risk through improved processing methods for water discharged into rivers	Water discharged into rivers 18(t)

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

Material economic effects	Amount saved
Sales of valuable materials	6.2
Electric consumption reduced through energy-saving measures	13.4
Total	19.6

Notes regarding calculations for fiscal 2014 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, 2014 to March 31, 2015
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).

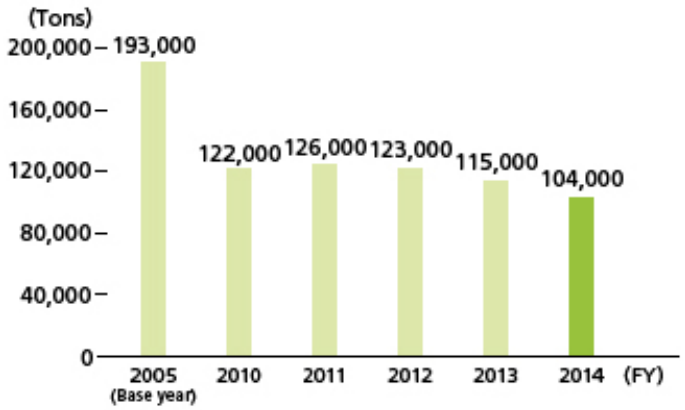
Energy Conservation and Global Warming Mitigation

CO_2 Emissions Reduction Targets and Results

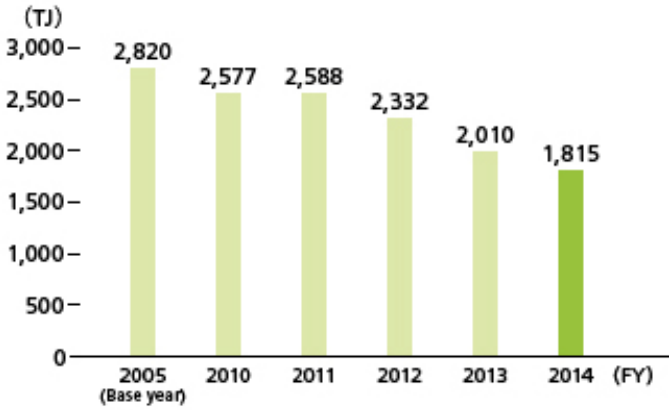
The Mitsubishi Tanabe Pharma Group has made the conservation of energy and the curbing of global warming two of its top-priority environmental objectives. In its efforts to reduce greenhouse gas emissions, the Group implements energy conservation initiatives based on the location and business of its 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 2014 totaled 104,000 tons, a 46.1% reduction compared to the fiscal 2005 level. In fiscal 2014, changes in the scope of worksites subject to monitoring and energy-saving initiatives resulted in energy consumption decreasing by 9.7%, and CO_2 emissions decreasing by 9.7% compared to fiscal 2013.

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. In fiscal 2014, energy used, on a crude oil equivalent basis, was down 6% year on year, to 18,890 kl, and CO_2 emissions were down 5% year on year, to 38,760 tons-CO_2. We implemented measures to reduce energy consumption, such as installing highly energy efficient facilities, improving operation of facilities that consume energy, and consolidating research buildings. At the four Designated Energy Management Factories, which account for 84% of energy use for all worksites, these measures contributed to a 6.6% reduction in energy use.

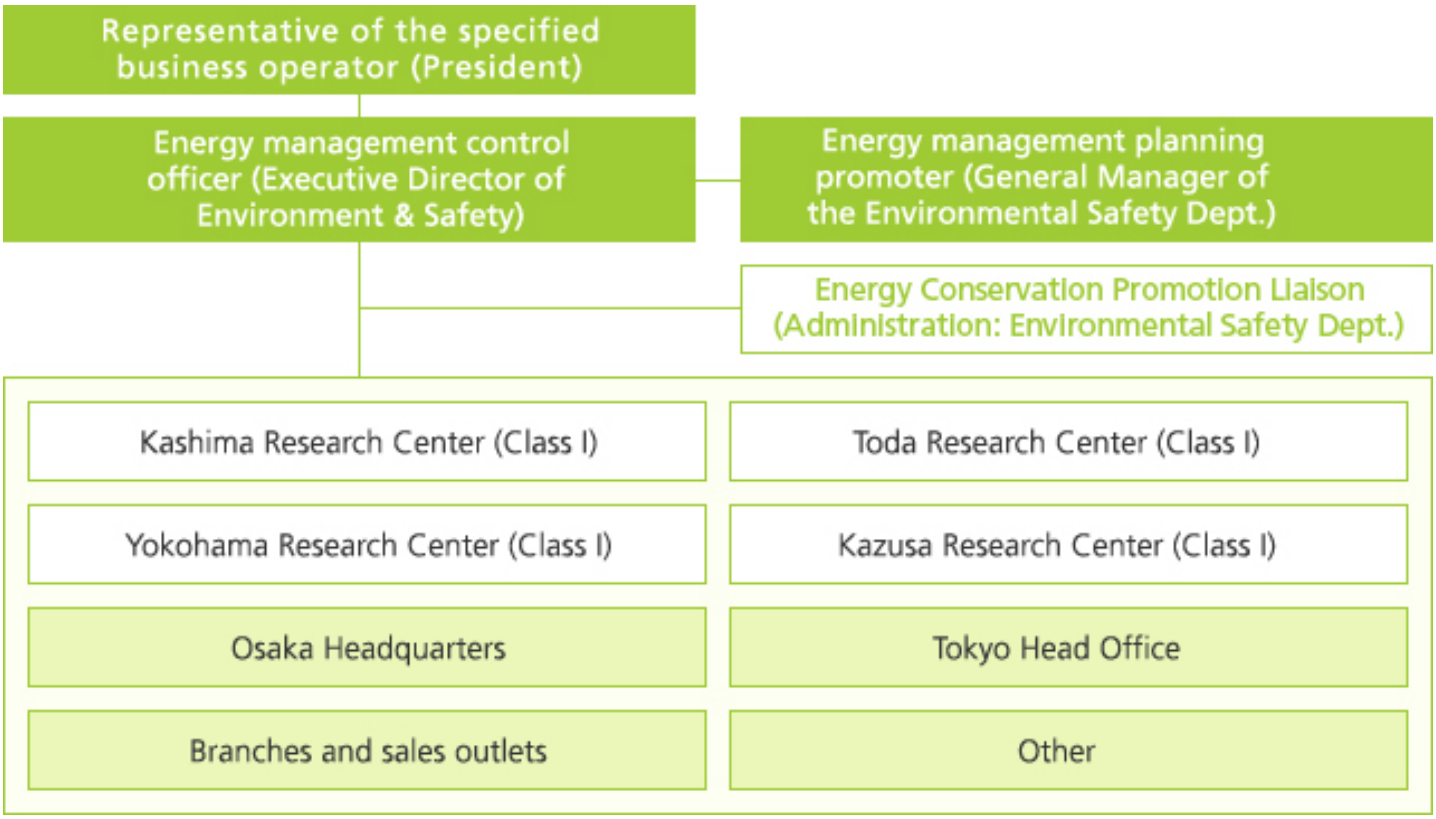
Moving forward, in consideration of the revision of the Act on the Rational Use of Energy, we will also implement measures to reduce energy consumption. To that end, we will formulate initiatives to reduce the amount of electricity purchased during the daytime in the summer (July to September) and winter (December to March) periods, which have been designated as periods for the leveling off of electricity demand.

Energy Consumed by Mitsubishi Tanabe Pharma's Worksites in Fiscal 2014

	Crude oil equivalent (kL)		CO_2 emissions (tons-CO_2)	
	FY 2013	FY 2014	FY 2013	FY 2014
Kashima Research Center	5,350	5,120(1,540)	10,710	10,400
Toda Research Center	5,560	5,030(980)	11,220	10,220
Yokohama Research Center	3,230	3,080(910)	6,600	6,340
Kazusa Research Center	2,930	2,720(420)	5,880	5,540
Osaka Headquarters	620	550(340)	1,240	1,110
Tokyo Head Office	210	210(140)	430	420
Branches and sales outlets	1,060	990(610)	2,380	2,220
Other	1,080	1,220(530)	2,190	2,540
Total	20,040	18,900(5,460)	40,650	38,770

* Fiscal 2014 data (crude oil equivalent basis) in parentheses is the amount of electricity purchased during the designated period for leveling off of electricity demand.

Mitsubishi Tanabe Pharma Energy Management Promotion System



We have established an energy management promotion system. We periodically hold energy conservation promotion liaison committee meetings and confirm changes in energy usage and CO_2 emissions. In addition, we discuss worksite energy conservation and electricity saving measures and are reinforcing company energy management.

Initiatives with Company Vehicles

The number of vehicles used for sales staff working outside the office was 1,904 at the end of fiscal 2014 (down by 47 vehicles year on year). Of these, there were 1,399 hybrid vehicles (up 140 vehicles year on year). Excluding vehicles designed for use in cold regions, our fleet has almost entirely been switched to hybrid vehicles.

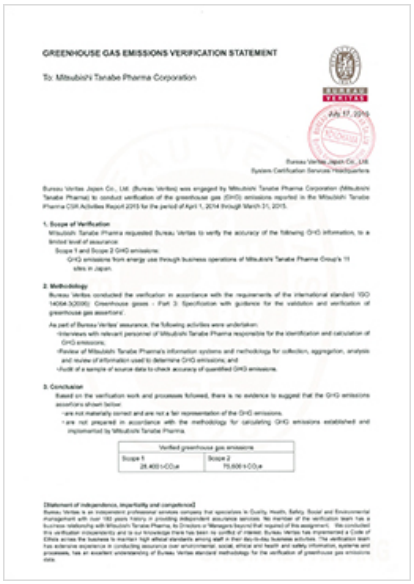
In addition, CO_2 emissions from gasoline use in sales activities were 5,488 tons, down by 22.2% in comparison with 2007. In the future, we will continue working to reduce CO_2 emissions in conjunction with the advancement of eco-driving. In fiscal 2013, the number of vehicles used by sales people who 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.

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.

In regard to Scope 3, we have implemented trial calculations for Category 1 (Purchased goods and services), Category 3 (Fuel- and energy-related activities not included in Scope 1 and Scope 2), and Category 4 (Upstream transportation and distribution), and we plan to announce data for these categories from the next fiscal year.


GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

To: Mitsubishi Tanabe Pharma Corporation

Greenhouse gas emissions verification report

Scope1

Direct greenhouse gas emissions from the use of fuel at worksites 28,400 tons-CO_2

Scope 2

Greenhouse gas emissions from the use of electricity or steam 75,600 tons-CO_2

Initiatives at Worksites and Offices

Continued implementation of eco-commuting

The Kashima Office (Yodogawa-ku, Osaka City), has been certified and registered by the Ministry of Land, Infrastructure, Transport and Tourism as an Excellent Ecological Commuter Office since 2009. The office's employees do not commute to work using private cars or motorcycles. They all take public transportation, such as trains of buses, which have a low environmental burden, or ride bicycles or walk to work. In these ways, the Kashima Office is striving to reduce CO_2 emissions not only during their work commute.

The Kashima Office displays posters about eco-commuting and conducts educational activities for employees. Electric vehicles are used to transport documents on the premises. In these ways, the Kashima Office is working to expand its initiatives.


Electric vehicle used on the center's premises

Excellent Ecological Commuter Office certification

Energy Conservation Activities and Other Initiatives

We are implementing a range of initiatives to reduce energy use. In the summer and winter, when energy use increases, we are conducting thorough management of appropriate air conditioning temperatures, following the 2-up / 3-down rule for the use of stairs, and implementing energy-saving campaigns, such as the Cool Biz and Warm Biz campaigns. In addition, we have implemented the Ministry of the Environment's light down campaign at all worksites. In these ways, we are working to save energy in ways that do not adversely affect work and safety. At Group worksites the clothing requirements are established in accordance with TPO. Accordingly, from fiscal 2014 the use of neckties is voluntary all year. We are working to create an environment in which it is easy to institute campaign initiatives.

Energy conservation activities are implemented in concert with *KAITEKI* activities, which are promoted by the Mitsubishi Chemical Holdings Group. These energy conservation activities are implemented through the Mitsubishi Tanabe Pharma Group.

Kajima office solar power generation system

The new office building at the Kashima Office (Yodogawa-ku, Osaka City), which was completed in July 2014, has solar panels installed on the whole surface of the roof (140kW output). These panels supply electricity for lighting in common areas. This solar power generation system generated 142 thousand kWh from August 2014 to March 2015, which had the effect of reducing CO_2 emissions by 74 tons-CO_2. We have installed large displays in areas where employees gather in office buildings, which provide real-time information about instantaneous power, cumulative power generation, outside temperature, and solar radiation intensity. This leads to increases in environmental awareness.

Solar power generation system display

Environmentally Friendly Design at New Overseas Manufacturing Sites

At new production buildings for P.T. Tanabe Indonesia and Tianjin Tanabe Seiyaku (completed in January 2015), we are advancing initiatives to reduce environmental burdens. To that end, we have introduced facilities that are effective at reducing energy use, and in addition we have improved the method of processing wastewater.

<Environmentally Friendly Design at Two Companies' New Pharmaceutical Production Buildings>

- Air conditioning shut off in sections in the evening (outside of production hours)
- Use of inverters for air conditioning fans, etc.
- Appropriate operation of refrigerators through control of the number of units
- Introduction of LED lighting, installation of human sensors
- Change from sedimentation processing to septic tank processing for wastewater
- Installation of rainwater drainage system, improvement of method of handling effluent drainage

New Pharmaceutical Production Building at P.T. Tanabe Indonesia's Bandung Plant

Initiatives to Control CFC Emissions

The Act on Rational Use and Proper Management of Fluorocarbons took effect in April 2015. In fiscal 2014, at all of the Group's worksites, we reconfirmed refrigeration and air conditioning equipment used for business and enhanced the use of management ledgers. We advanced preparations for equipment inspections, which are mandatory after the law took effect.

Yamaguchi Prefecture Governor's Award for Environmental Conservation

Worksite with excellent global warming countermeasures

The Onoda Plant, when it replaced a small once-through boiler in 2012, changed the fuel used in a steam generating boiler from kerosene to city gas, achieving a reduction of about 25% in CO_2 emissions. In addition to this fuel change, the Onoda Plant also introduced high-efficiency refrigeration equipment, which resulted in notable energy savings. This achievement was recognized, and the plant received the Governor's Award from Yamaguchi Prefecture as a worksite with excellent global warming countermeasures.

Consideration for the Environment at the New Head Office Building

We built a new building for the Osaka Head Office (Doshomachi, Chuo-ku, Osaka). It was completed in February 2015. The new head office has 2 stories below ground and 14 stories above ground, and it can accommodate about 800 people. Environmentally friendly facilities have been introduced in the building. The building also has strong disaster-resistance, with a base-isolation structure, making it able to withstand long-period earthquakes and epicentral earthquakes; a two-system electric supply; medium-pressure gas supply; in-house power generation equipment; and other features.

Exterior view of new head office building

Environmental Consideration Level for Built Environments

The new head office building received an "A" ranking under CASBEE (Comprehensive Assessment System for Built Environment Efficiency). The building reflects consideration for both a comfortable work environment and the natural environment.

Air Conditioning System that is Friendly to People and the Environment

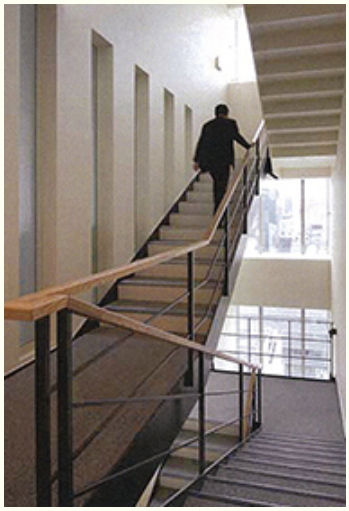
To effectively control humidity in offices, the building uses an air conditioning system that separates latent heat and sensible heat using desiccant air conditioning for air intake. In addition, heat insulation in the summer has been secured through the use of a compact double skin curtain wall. In these ways, the building offers comfortable work spaces while saving energy.

CO_2 reduction: 18,400 kg/year

Use of LED lighting

LED lighting is used in principal areas, and large windows let in natural light. Human sensors have been installed in common areas, and offices have been equipped with daylight sensors. In these ways, the amount of electric power used for lighting has been reduced.

CO_2 reduction: 597,400 kg/year



Staircases with open ceiling spaces (Eco void) for natural lighting

Use of rainwater

Rooftop rain water is collected in underground water tanks, and after filtration it is used in toilets. In this way, we are reducing water consumption.

CO_2 reduction: 36 kg/year

Visualizing Energy Saving

We have introduced BEMS, and we are working to grasp energy consumption trends and the effects of energy-saving systems.

Introduction of micro-cogeneration systems

We have introduced micro-cogeneration systems, which enable waste heat from electricity generation to be effectively used for hot water and enable us to secure electric power during blackouts.

Greening of rooftops and other areas

We have implemented greening initiatives, such as the planting of trees on the grounds and on the rooftop. In this way, we are implementing heat island countermeasures by takings steps to prevent worsening of the thermal environment in the surrounding area. In addition, based on regional meteorological data, we are planning buildings with little influence on thermal and wind environments of the surrounding area.

Rooftop with greenery

Waste Reduction & Proper Management of Chemical Substances

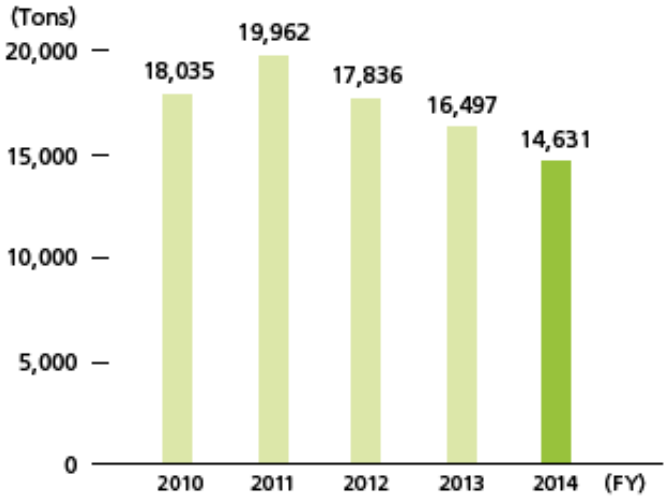
Waste Reduction Initiatives

We define zero emissions as a final disposal rate (amount of final waste disposed / total amount of waste generated) of less than 0.5%. On that basis, the objectives of the Group's Medium-Term Environmental Action Plan are to promote recycling and reuse and to achieve continued reductions in both the amount of waste generated and the amount of final waste disposed.

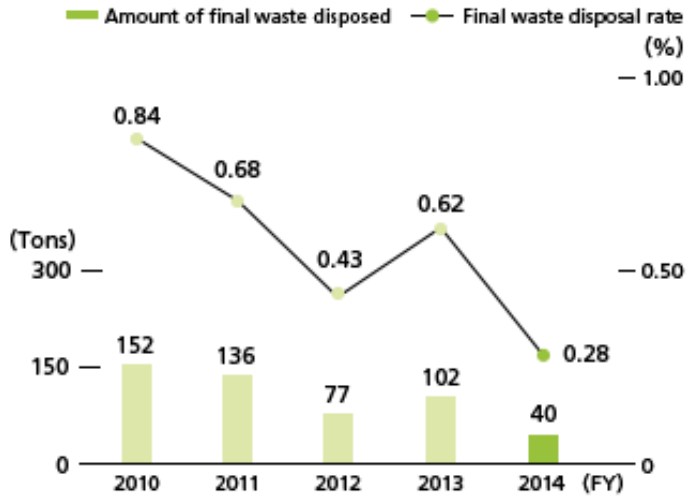
In addition, as a waste-discharging enterprise, to confirm that contractors are handling waste appropriately, we periodically visit waste treatment contractors and treatment facilities to confirm the status of legal compliance, contract fulfillment, and other matters.

The amount of waste generated in fiscal 2014 was 14,631 tons, a reduction of about 12% from the previous fiscal year. In addition, by reducing the creation of defective products in the manufacturing process and selecting treatment companies with high recycling rates, we achieved a significant improvement of 40 tons in the amount of final waste disposed (61% reduction), and the final waste disposal rate was 0.28%. Moving forward, we will continue to advance the 3Rs and to implement initiatives targeting the formation of a recycling-oriented society.

Amount of Waste Generated



Amount of Final Waste Disposed

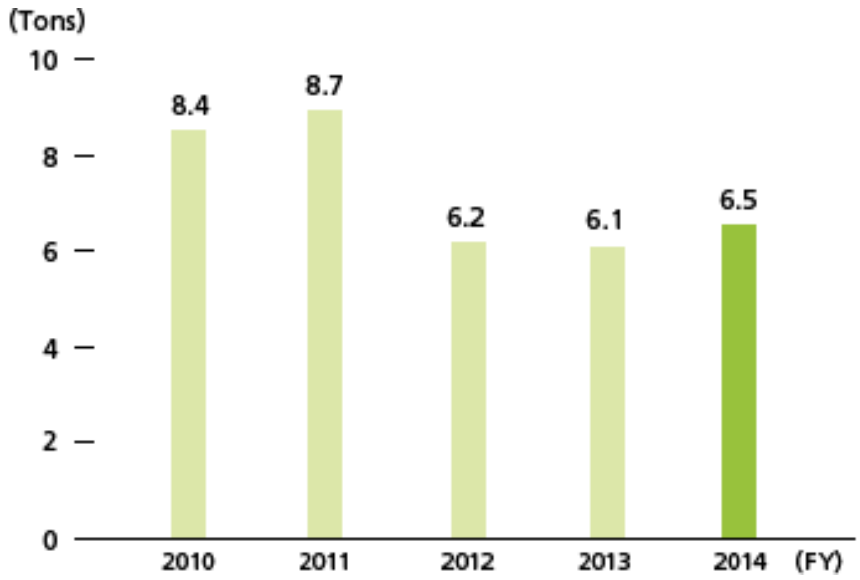


Reducing Air Emissions

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 2014, the amount of Class I Designated Chemical Substances handled by the Group was 210 tons, up 3% from fiscal 2013, while the amount released into the air was 6.5 tons, a 7% increase from the previous fiscal year. The Group continues working to implement appropriate management of chemical substances at production and research facilities and to control emissions into the environment. 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 water ring vacuum pumps to dry vacuum pumps, and as a result we have strengthened solvent condensation cooling and advanced recovery.

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, checks for abnormalities through daily and periodic inspections, and implements thorough measures to deal with incidents involving exhaust gas or wastewater drainage caused by the leakage of chemical substances from outdoor tanks or piping.

We implement a variety of initiatives to minimize the impact on the environment outside any facility where an accident occurs. These initiatives include the identification of locations where there is the potential of leakage and conducting training in the implementation of prevention measures, reinforcing dikes on the site, and installing emergency drainage tanks to prevent off-site discharge if there is an issue with the quality of wastewater.

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 2014, a total of 76 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 500 people started from Jigenji Temple, enjoying nature as they walked along a slightly steep mountain path on Meshimoriyama. They overcame the difficulty of working on top of a mountain and successfully planted 10 Japanese cherry trees and 30 Japanese weigela. Lunch was held at an outdoor youth activity center, Aspara Drink was distributed to participants, a hot pot dish called chanko was prepared, and the participants enjoyed such events as a guitar recital and dancing.



Ikoma Mountain Range "Folding Screen of Flowers" Project (November 2014)

Letter of Appreciation from Osaka Governor

Since fiscal 2010, the Osaka Prefectural Government has advanced the Ikoma Mountain Range “Folding Screen of Flowers” Project, which involves the planting of Japanese cherry trees and adding the colors of the four seasons to the Ikoma Mountain Range. Viewed from urban districts in Osaka, the Ikoma Mountain Range looks like a folding screen.

The Company, as one facet of corporate citizenship activities, has participated in this environmental conservation activity every year since fiscal 2010, and every year many employees and their families have planted cherry trees. In addition, the Company has cooperated in activities and donated banners, and each time participants have been provided with Aspara Drink. The contribution made by the Company's long-term initiative to the advancement of the “Folding Screen of Flowers” Project were recognized, and in April 2015, we received a letter of appreciation from the Osaka Governor.


Receiving letter of appreciation (April 2015, Seicho no Ma Room at the Osaka Prefectural Government Building

Tokyo Greenship Action

In May 2014, 30 Group employees and their family members participated in the Hachioji Takiyama Woodland Conservation Project. On the day of the event, the early summer sunshine resulted in hot weather. While walking through a thickly wooded area, the participants received guidance and explanations from Shizen Kankyo Academy, an NPO, and learned about biodiversity, such as the plants and wildlife that inhabit the natural woodland, and about the need to conserve biodiversity. Later, participants split up into small groups and were able to experience cutting grass, clearing fallen trees, observing nature in the woodland, making name cards for trees, cutting bamboo plants, and making bamboo crafts. Some participants brought their families, and everyone enjoyed a peaceful atmosphere. It was a day to enjoy experiencing the fresh green of the natural woodland and nature.



Tokyo Greenship Action (May 2014)

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.

In fiscal 2014, due to the revision of the Waste Disposal and Public Cleansing Law, the importance of on-site confirmation in waste management operations has been reconfirmed. Accordingly, with the cooperation of an external consulting company, we held training for on-site confirmation at waste management contractors. This training, which included interview practice through role-playing, will be useful at actual worksites. These study meetings were attended by managers at all work sites that generate emissions. The meetings provided an opportunity for participants to refresh their understanding of the responsibilities of companies and waste-related laws, regulations, and operations.

Waste and risk management study meeting (October 2014)

Participation in [Environmental Information Disclosure Program]

The Company is aggressively disclosing environment-related information through its CSR activities website and other means.

In addition, the need for companies to provide non-financial information, such as environmental information, is increasing. In this setting, to advance the establishment of an environment in which investors and others can aggressively use environmental information from companies, the Ministry of the Environment implemented trials of an environmental information disclosure program. We decided to participate in this program and registered environmental information.

VOICE

Aiming for a *KAITEKI* Society

Environmental problems are not limited to local regions, and it is necessary to think of these problems on a global level. To ensure that in the future this wonderful world is still easy to live in, we are implementing activities aiming for a sustainable society, in other words, a *KAITEKI* society. As a company, we will continue to step up our efforts to reduce the environmental burden. In particular, to effectively use resources, we will advance environmental management with a focus on the concepts of Reduce, Reuse, and Recycle. In addition, we will also devote resources to environmental education activities. In cooperation with the government, we will continue to aggressively participate in natural woodland conservation activities and environmental events.

Environmental Safety Division
Shoji Maruyama

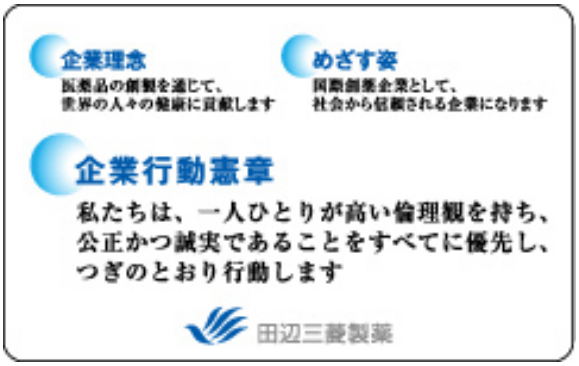
Fair Operating Practices

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 Cards

Corporate Behavior Charter cards are distributed to employees.



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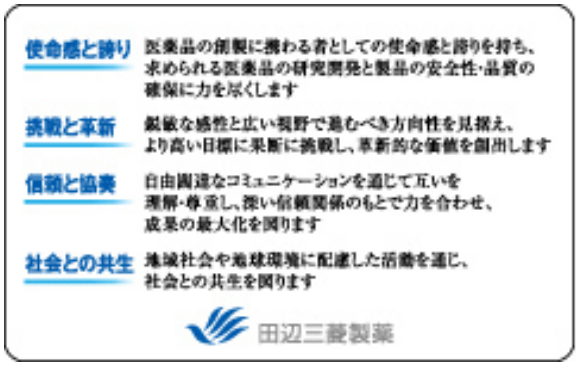
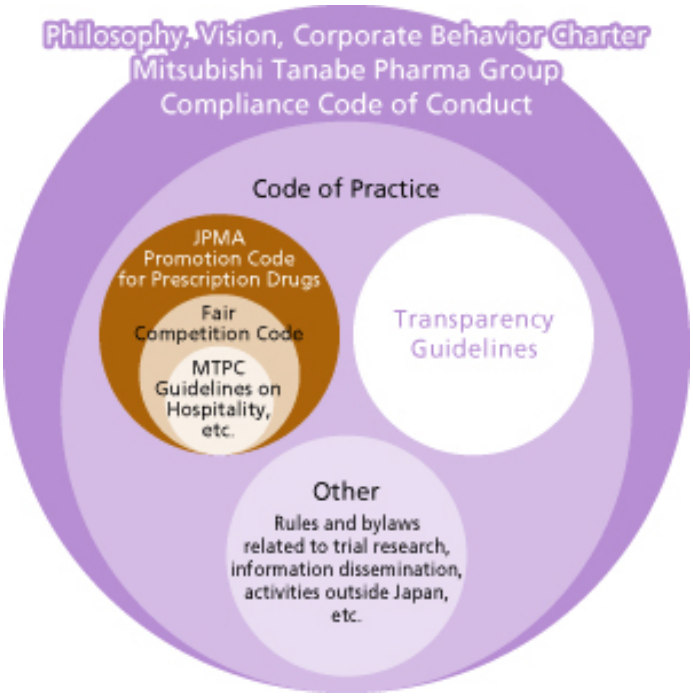


Back

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 healthcare 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.

Establishment of Global Anti-Bribery and Corruption Policy

Bribery and corruption in business not only hinder proper commercial transactions, they can also have harmful influences, such as serving as the source of funding for anti-social forces. Recently, regulations for bribery and corrupt practices are being reinforced in the U.K., the U.S., and other countries around the world.

The Group established the "Mitsubishi Tanabe Pharma Group Global Anti-Bribery and Corruption Policy," which applies to all of the Group companies, with the aim of further strengthening its approach toward prevention of bribery and corrupt practices.

The Group declared in the Policy that it will take a "zero- tolerance approach" to bribery and corrupt practices, and it promised that it will not perform any acts of bribery and corrupt practices. The Group also stated it will establish and operate an in-house system to eradicate bribery and corrupt practices.

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.

Organizational Changes

To further reinforce our supply chain, we decided to consolidate supply-chain-related departments into the Supply Chain Management Department from fiscal 2015.

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 corporate behavior charter of the Mitsubishi Chemical Holdings Group, we use a questionnaire for suppliers regarding areas in which we wish to work together with them. In addition, to deepen mutual understanding we hold explanation meetings and exchange opinions.

Research & Development

Basic Approach to Discovery Research

The Mitsubishi Tanabe Pharma corporate philosophy is "to contribute to the healthier lives of people around the world through the creation of pharmaceuticals," and on that basis, we are working to continually discover new drugs that address unmet medical needs. Currently, we are implementing reforms of our R&D structure so that we can further increase our drug discovery capabilities and be the first to deliver original value. In addition, to build an R&D pipeline that will generate the Company's future growth drivers, we are also aggressively utilizing open innovation initiatives with academic institutions and venture companies. Moreover, we are also actively participating in teamwork within the Mitsubishi Chemical Holdings (MCHC) Group, and we are cooperating with other MCHC Group companies to tackle technical challenges. Moving forward, Mitsubishi Tanabe Seiyaku will continue striving to reinforce its R&D capabilities, to develop a corporate culture of shared high ethical standards and values, and to create unique value.

Refractory Disease Initiatives

In June 2015, we received approval for an additional indication for Radicut for amyotrophic lateral sclerosis (ALS). ALS is an idiopathic, progressive disease in which the principal symptoms are muscular atrophy and muscle weakness. In Japan, it has been designated as a refractory disease (Designated Refractory Disease) by the Ministry of Health, Labour and Welfare. In addition, based on questionnaires from specialists, ALS has been positioned as a disease for which the degree of satisfaction with treatment is low, as is the contribution of drugs to treatment. We implemented clinical trials in Japan involving ALS patients, which confirmed that the administration of Radicut reduced disease progression.

Radicut, the world's first cerebral neuroprotectant (free-radical scavenger), was discovered by Mitsubishi Tanabe Pharma. Since its launch, it has been used for patients in the acute stage of cerebral infarction. With the additional indication, we will be able to provide another treatment option for ALS patients.

The Company's previous initiatives in the area of refractory diseases include primary biliary cirrhosis (Urso); Spinocerebellar degeneration (Ceredist); Behcet's disease with refractory uveoretinitis; Crohn's disease, ulcerative colitis, entero-Behcet's disease, neuro-Behcet's disease, and vasculo-Behcet's disease (Remicade); and Multiple sclerosis (Imusera). (Names in parentheses are sales names.) Currently, we are moving forward with development for chronic inflammatory demyelinating polyradiculoneuropathy (Imusera).

In the future, we will continue to advance R&D aiming to discover new drugs that address unmet medical needs (medical needs for which there are no effective treatments or drugs).

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

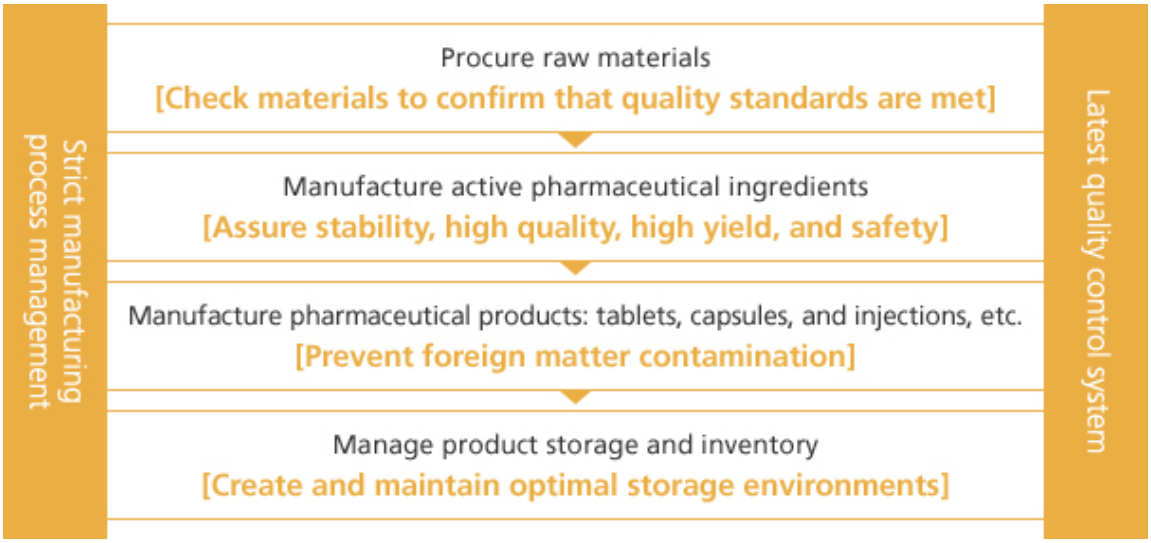
Pharmaceutical Manufacturing Process

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 five production plants in Japan and four outside the country, as well as subcontracted manufacturers that deliver the products worldwide.

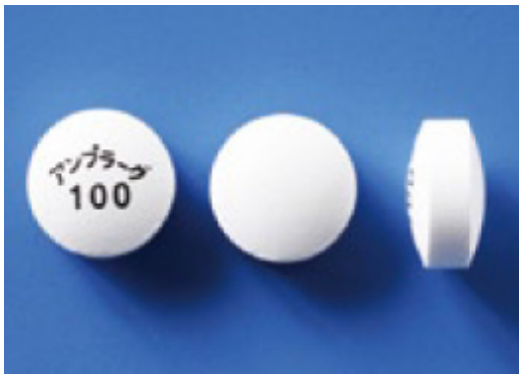
Through this system, raw materials procured from around the world undergo acceptance testing before the production of pharmaceuticals begins. Applying original technologies and expertise it developed over many years as a global pharmaceutical enterprise, the Group manufactures active pharmaceutical ingredients 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

In Asia, we have manufacturing/sales bases in China, South Korea, Taiwan, and Indonesia, and we provide products that meet the quality standards and market needs in each country. In China, which is recording strong growth, Tianjin Tanabe Seiyaku manufactures oral agents. In addition, Mitsubishi Tanabe Pharma Korea and Taiwan Tanabe Seiyaku handle products for their domestic markets as well as products for Japan. Also, Tanabe Indonesia serves as a manufacturing base for its domestic market and other markets in Southeast Asia.

Moreover, the pharmaceutical markets in China and Indonesia are expected to record further growth in line with economic expansion. To meet this growing demand, we have increased our production capacity. With the objective of addressing the new GMP (China) and PICS/GMP (Indonesia), we moved forward with construction of new pharmaceutical production buildings, which were completed in January 2015. In the future, the Group will utilize these new pharmaceutical production buildings as bases for the expansion of business in Asia, a growth market, and we will work to provide a stable supply of high-quality products.

Tianjin Tanabe Seiyaku — Exterior view of new pharmaceutical production building

P.T. Tanabe Indonesia — Exterior view of new pharmaceutical production building

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 Pharmaceuticals, Medical Devices and Other Therapeutic Products Act (The Law on Securing Quality, Efficacy and Safety of Products including Pharmaceuticals and Medical Products) 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 February 2015, 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 the experiences of patients, the seminar introduced basic knowledge about diabetes, the importance of nutritional therapy, and the risks of complications. 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.

Nikkei Health Seminar 21

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

Leveraging the rigorous quality control system and wide-ranging distribution system that we have cultivated throughout our long history, we will provide a stable supply of high-quality generics through Group company Tanabe Seiyaku Hanbai. These activities will be implemented under the slogan Reliable Generics.

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

We provide a variety of useful information to health care professionals through Group companies. In Europe, we have a Group company in Germany, and in Asia we have Group companies in China, South Korea, Taiwan, and Indonesia. MRs involved in drug information provision 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.

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

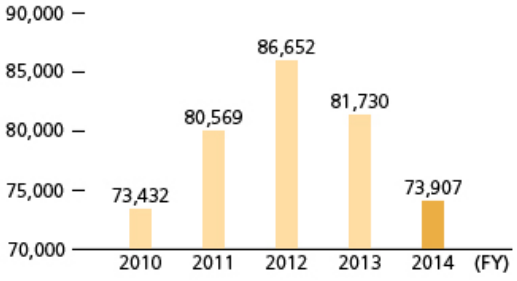
Providing Comprehensive Information through the Medical Information Center

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.

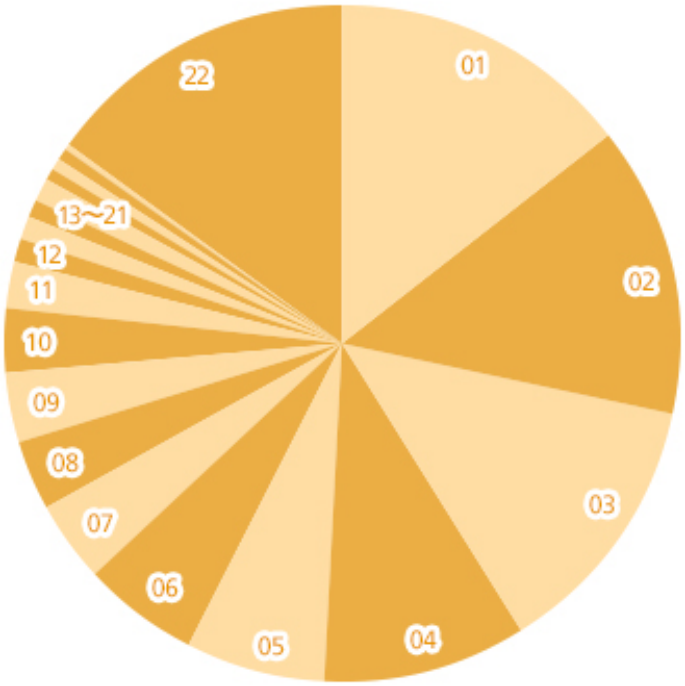
The center also plays a vital role in ensuring the reliability of the Company's products by accurately gleaning safety and quality information, including side effects, from the content of inquires and relaying that information to the relevant Mitsubishi Tanabe Pharma department as feedback to be addressed.

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.

Number of Inquiries to the Medical Information Center



Subject of Inquiries to the Medical Information Center



01	Product distribution	14.5%
02	Safety (precautions for use)	14.1%
03	Usage and dosage	12.6%
04	Stability	9.7%
05	Documentation	6.7%
06	Side effects	5.5%
07	Indications and efficacy	3.9%
08	Drug formulations (properties)	3.5%
09	Insurance and prescriptions	3.3%
10	Incompatibility with other drugs	3.0%
11	Drug interactions	2.1%
12	Pregnancy and breast-feeding	1.2%
13	Pharmacokinetics	1.1%
14	Off label use	1.0%
15	Unapproved indications and efficacy	0.9%
16	Misuse, overdose, and poisoning	0.7%
17	Complaints about quality	0.5%
18	Facilities where sold, handled, and used	0.5%
19	Suggestions, requests, and general complaints	0.1%
20	Non-efficacy cases	0.1%
21	Campaigns	0.0%
22	Other	15.0%

Reliability Assurance

System to Assure the Reliability of Drugs

To ensure that our pharmaceuticals can be used by health care professionals and patients with peace of mind, reliability is important in terms of efficacy, quality, and safety. We are working to secure efficacy, quality, and safety by strictly observing the appropriate standards for ensuring reliability, as stipulated by the “Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics.” To strictly observe laws and regulations and to meet the requests of society, we are working to maintain and enhance our quality assurance system.

System to Assure the Reliability of Drugs

New Product Safety Management

After a drug is marketed, there are sometimes adverse reactions that were not discovered in clinical trials. We are working to move quickly to grasp that information, analyze it, and provide feedback to the medical front lines. We are moving forward with proactive safety management activities that incorporate the development of new safety measures. We believe that by preventing adverse reactions from new drugs and promote their appropriate usage through these types of activities, we can support the use of new drugs on the medical front lines.

In 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.

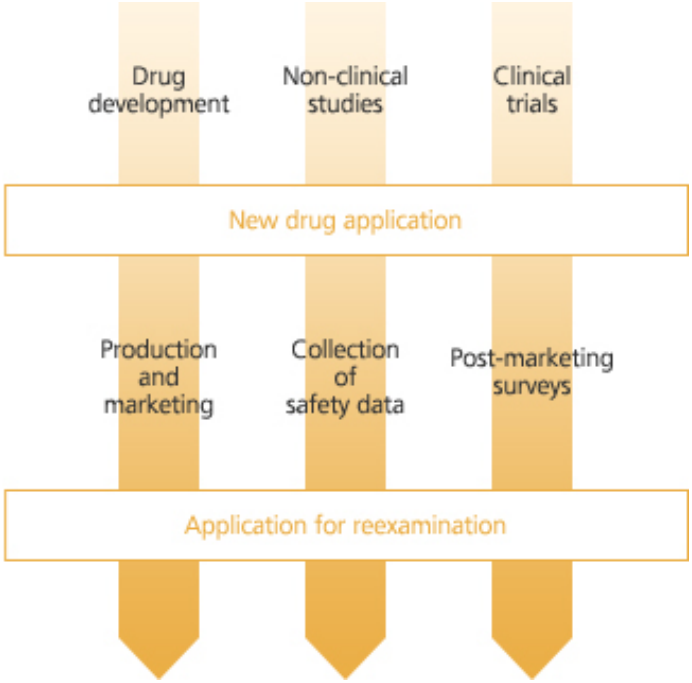
With Remicade and Telavic we implemented proactive safety management measures, and we have valuable experience in advancing appropriate usage. We are making full use of that experience as we work with safety measures for Canaglu.

Post-Marketing Surveys

Based on the results of clinical trials and other trials, product sales begin after the receipt of manufacturing and sales approval from the regulatory authorities. Clinical trials are conducted with the number of patients that are needed to scientifically verify the efficacy and safety of the test drugs. However, there are restrictions on the patients who participate in clinical trials (age, complications, etc.), and consequently there are a limited number of patients who can join the trials.

Therefore, we conduct post-marketing surveys after the launch of new drugs. By accumulating data regarding new drugs that have actually been prescribed on the medical front lines, we clarify the safety and efficacy of drugs and provide feedback to the medical front lines. In this way, we are advancing activities for the effective, safe use of pharmaceuticals.

System to Assure the Reliability of Drugs



Quality Assurance for Pharmaceuticals

Our policy is to contribute to the health and well-being of people around the world by building a quality system that meets global standards and providing a stable supply of high-quality, reliable drugs. On that basis, we are strictly observing the government regulations on GMP (regulations regarding pharmaceutical manufacturing control and quality control) and on GQP (regulations regarding pharmaceutical quality control). The Company's first priority is patient safety, and we are implementing initiatives targeting further quality assurance with a focus not only on results but also on processes. Through management, supervision, and guidance of Group manufacturing plants in Japan and overseas, we aim to improve quality through the formulation of quality targets and the implementation of quality assurance plans.

In addition, in regard to the contributions made to the medical front lines by the Company's products, we receive lectures from doctors, nurses, and pharmacists. In this way, individual employees re-recognize a sense of mission and pride in the discovery of pharmaceuticals, and their awareness of quality enhancement is increased.

In 2014, Japan became a Participating Authority in the Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (PIC/S), and moving forward the trend toward globalization is expected to accelerate.

Based on the Quality Assurance Standards formulated by the Company and all Group manufacturing plants, we will aim to achieve further unification with global quality assurance standards in the future.

Implementing Pharmaceutical Safety Education

Every year since fiscal 2008, the Company has implemented pharmaceutical safety education for directors, executive officers, presidents and other executives of Group companies, and all employees, including those of Group companies. The objective of these initiatives is to accumulate and pass on knowledge related to pharmaceutical safety.

In the Top Seminars for executives, in fiscal 2014 Mr. Shigeyasu Wada from ANA Business Solutions was invited to conduct a training session on the theme of Human Error Countermeasures / Developing Risk Sensitivity (Perception of Danger) ~ Cultivating Security on a Team Basis.

In training for employees, in fiscal 2014 we addressed such themes as the issue of damage caused by pharmaceuticals, the Medway problem, an overview of quality control problems, and initiatives for pharmaceuticals to be used with peace of mind. Through training, we reviewed the issue of damage caused by pharmaceuticals, the Medway problem, and quality control problems, and and re-recognized initiatives in each employee's area of work for pharmaceuticals to be used with peace of mind.

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

Support for Refractory Disease Patient Organizations: 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.

Tenohira Partnership Program - 3rd year

Name of organization	Project name
Parkinson's Disease Support Organization, Specified Non-Profit Corporation	Works to improve food environment for patients with Parkinson's disease (prevention/rehabilitation guidance from early stages)
Hokkaido Ossification of Spine Ligament Society	Sponsorship of At-Home Rehabilitation Caravan, Part Two in areas with shortage of health care resources
Japan Amyotrophic Lateral Sclerosis Association, General Incorporated Association	Joining in the fight with ALS, using systems for living
Network for Spinal Muscular Atrophy (NESMA)	Communications equipment, hospital and play experience, consultation
Tokyo Federation of Refractory Disease Organizations, Specified Non-Profit Corporation	Socio ajesthe aiming to improve quality of life for patients with refractory diseases
Mie Refractory Disease Association, , Specified Non-Profit Corporation	Work support for patients with refractory diseases
Japan Chronic Disease Self-Management Association, Specified Non-Profit Corporation	Workshop supporting self management for people with refractory diseases and other diseases that are difficult to treat Further improvement in content, operational/administrative support
National Multiple Sclerosis Society	Pamphlet production an educational activities for National Multiple Sclerosis Society
General incorporated association National Children's Heart Disease Society	Production of "heart notebooks" (tentative title)
Japan Amyotrophic Lateral Sclerosis Association, Hokkaido Prefecture Branch	Study meetings for sputum suction, etc., (specified people) in Asahikawa, Kushiro, Hakodate, and Kitami.
Japan Amyotrophic Lateral Sclerosis Association, Iwate Prefecture Branch	Education and training of home helpers who provide medical care
Japan Parkinson's Disease Association, Ibaraki Prefecture Branch, General Incorporated Association	Sixth nationwide general meeting, 39th nationwide convention (in Ibaraki)
Behcet's Disease Tomo-no-kai —Patient's Circle—	Educational activities for patients with Behcet's disease and their families

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 2014

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	2 projects	4 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	1 projects	2 million yen
Grants for circulatory 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
Special projects		1 project	10 million yen
Total		109 projects	125 million yen

Grants of the Japan Foundation for Applied Enzymology in Fiscal 2014

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	4 projects	14.6 million yen
	Researchers focused on vascular biology innovation	21 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	29 projects	14.45 million yen
Total		134 projects	72.35 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 43 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 2014.

On the day the donation was made, Park Director Mikuni expressed his appreciation, saying, "In 2015, Kodomo-no-kuni will celebrate its 50th anniversary. We are very grateful that we have received donations of large quantities of medicine for many years. The donated medicines will be a great help, and we will strive to make the best possible use of them."

Donating OTC drugs

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 2014, we sent lecturers to one junior high schools and two 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

Contributing to the Environment

"Road Watering" Event

In August 2014, 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 0.7 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

Bridge-Washing Event

On November 16, 2014, with the joint support of the Osaka City Chuo Ward Office and Kita Ward Office, and the sponsorship of a Chuo Ward philanthropy group whose members include the Sakaisuji Amenity Society and Mitsubishi Tanabe Pharma, 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, ranging from young children to adults and including 14 people from the Company, participated as volunteers. The bridge's surface and railings were cleaned using deck brushes and scrapers to remove gum. This year, the bridge washing was enlivened by the appearance of mascot characters — Yumemaru from Chuo Ward; Non-chan and Suu-chan from Kita Ward, and Resonya from Resona Bank.

Volunteers and mascot characters

Washing Naniwa Bridge

Greening of Office Surroundings

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 actively engage in greening and beautification around their sites.

Osaka Marathon Cleanup (October 2014)

Contributing to Developing Countries

TABLE FOR TWO（TFT）

We introduced the TFT Program at the employee cafeterias at the Kashima Office from August 2014 and the Head Office from May 2015.

TFT is a social contribution activity that originated in Japan. It is aimed at simultaneously resolving the problems of hunger in developing countries and the problems of obesity and lifestyle-related diseases in industrially developed countries. At the employee cafeterias, when employees eat low-calorie meals that help prevent obesity, ¥20 of the price is allocated to the cost of school meals in developing countries, such as countries in Africa. As a social contribution activity that features easy participation and contributes to the health of children in developing countries and people in industrially developed countries, we will expand this activity to cafeterias at other worksites.

Participating in Vaccine Support Activities

As a Companywide program, we are also participating in vaccine support activities for children in developing countries. Through this program, when unneeded books, CDs, and DVDs are sent to BOOKOFF Online Corporation, 10% of the assessed amount is donated to Japan Committee Vaccines for the World's Children. Through this international contribution activity, those donations are used to deliver vaccines to children in developing countries, such as vaccines for six major infectious diseases.

Polio vaccine is only ¥20 per person. One book that is sitting on a shelf can protect two children. The total donation from items collected at the Company's worksites was ¥171,984, equivalent to 8,600 units of polio vaccine. In the future, we will continue to implement this activity.

Collecting PET Bottle Caps

At each worksite, we are actively collecting PET bottle caps as one aspect of in-house eco-activities. The funds generated by selling the collected caps are used to advance social welfare activities and to deliver vaccines to children in developing countries.

Support for Purchases of Products Made a Welfare Facilities for People with Disabilities

Midi Marche

At Midi Marche, bread, sundries, and other products that are made by hand at welfare services facilities for people with disabilities are displayed and sold. 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 former headquarters (Osaka). People from the facility also enjoy conversations with customers.

Display and Sales of Handmade Products from Multiple Welfare Services Facilities for People with Disabilities

Sales of Fresh-Baked Bread at the Kashima Office

Once every two months, the cafeteria at the Kashima Office sells fresh-baked bread made at Niitaka no Sato, a nearby welfare services facility for people with disabilities. Employees look forward to the days on which this bread is sold.

Sales of fresh-baked bread made at Niitaka no Sato

Support for CP Soccer (soccer played by seven people with cerebral palsy)

CP soccer is soccer played by teams of seven athletes who have physical disabilities, such as cerebral palsy or head trauma. 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

Contributing to Local Communities

Yoshitomi Summer Festival

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 2014, the Yoshitomi Plant sponsored the Yoshitomi Summer Festival, an event that takes place in August each year. The day of the festival had good weather, and more than 2,100 local residents, employees, and their family members attended. The day was filled with performances of summer Obon dances by neighborhood children (visitors also participated), baton twirling, children's Shinto music and dances, local band performances, and belly dancing. These performances were enjoyed by everyone from children to adults. The event's grand finale was a fireworks show that concluded with a nearly continuous series of firework effects. The show's conclusion was greeted by [loud] cheers and applause from the spectators' seats.

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

Yoshitomi Summer Festival

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.

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)

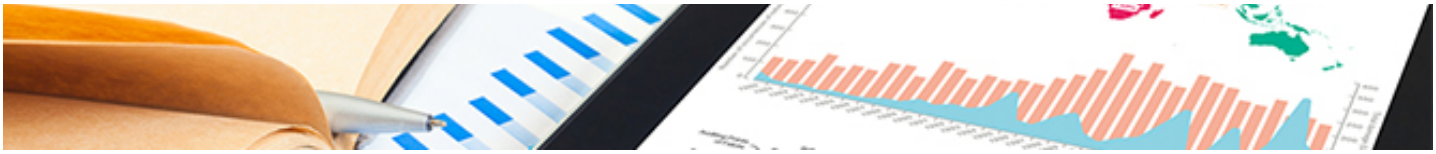
Criteria used to evaluate medical treatment to consider, in addition to simply judging the cure of a disease, whether a person is living his or her daily life with a sense of fulfillment and contentment, without a decline in either following the patient's treatment.

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 2014	FY 2013 (reference)
Corporate Governance		
Basic Stance on Corporate Governance		
Management System		
Number of meetings of Executive 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	200	210
Number of meetings of compliance implementation managers and personnel	Semiannually	Semiannually
Compliance Training		
List of Training Sessions		
└ Companywide sessions		
└ Times held	206	206
└ Number of participants	7,032	7,283
└ Divisional sessions		
└ Times held	283	303
└ Number of participants	5,897	6,745
└ Top management seminars		
└ Times held	1	1
└ Number of participants	35	29

└ New management training		
└ Times held	2	2
└ Number of participants	60	78
└ New employee training		
└ Times held	1	1
└ Number of participants	135	144
Hotlines		
Number of Hotline Consultations Handled		
└ Regulations	8	10
└ Labor management	31	35
└ Preliminary consultations	2	3
└ Other	2	3
└ Total	43	51
Compliance at Group Companies Outside Japan		
Monitoring Compliance Awareness		
Frequency of Monitoring Compliance Awareness	Once a month	Once a month
└ Number of responses	7,020	6,629
└ Response rate	88.70%	88.60%
Corporate Behavior Charter Day		
Regaining Public Trust		

Human Rights

Item	Data	
	FY 2014	FY 2013 (reference)
Initiatives for Employees		
Basic Stance on Human Rights		
Initiatives to Raise Human Rights Awareness		
Number of entries in human rights slogan campaigns	271	199
Human Rights Awareness Promotion Committee		
└ Number of headquarters committee members	12	12
└ Number of regional committee members	25	26
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 2014	FY 2013 (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

Promoting Diversity		
Securing Diverse Talent		
Female Employees with Qualifications at the CC / EM Level or Above		
└ Number at CC / EM level or above	348	328
└ Percentage of total	11.24%	10.57%
Supporting People with Disabilities in the Workplace		
Employment Rate of People with Disabilities	2.32%	2.11%
Work-Life Balance Considerations		
Utilization of Leave and Shorter Workdays for Child Care		
└ Child-care leave	97	102
└ Shorter workdays for child care	105	112
Utilization of Leave and Shorter Workdays for Nursing Care		
└ Nursing-care leave	2	3
└ Shorter workdays for nursing care	3	4
Usage of Paid Vacation Days		
└ Average number of days used	12.2	12.1
└ Average rate of use	60%	57%
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	0.57	0
└ Pharmaceutical industry average	0.85	0.94
└ Manufacturing industry average	1.06	0.94
Chemical Substance Safety Management		
Addressing Mental Health Issues		

Environment

Item	Data	
	FY 2014	FY 2013 (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	1	4
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	123,190 MWh	12,962 MWh
└ Gases	11,234,000 m^3	13,290,000 m^3
└ Petroleum	1,076 kL	1,857 kL
└ Thermal equivalent	1,815,000 GJ	2,010,000 GJ
└ Crude oil equipment	46,814 kL	51,845 kL

└ Water		
└ Supplied water	303,000 tons	383,000 tons
└ Industrial water	8,117,000 tons	8,005,000 tons
└ Groundwater	104,000 tons	94,000 tons
└ Chemical Substances		
└ PRTR regulated substances	210 tons	204 tons
└ Methyl alcohol	374 tons	341 tons
└ Ethyl alcohol	479 tons	606 tons
Output		
└ Atmospheric Emissions		
└ CO_2	104,000 tons	115,000 tons
└ NOx	28 tons	33 tons
└ SOx	6.8 tons	7.2 tons
└ Particulate matter	0.4 ton	0.4 ton
└ PRTR regulated substances	6.5 tons	6.1 tons
└ Methyl alcohol	0.9 tons	2.1 tons
└ Ethyl alcohol	56 tons	85 tons
└ Wastewater		
└ Wastewater output	8,149,000 tons	8,052,000 tons
└ COD pollution load	42 tons	39 tons
└ Nitrogen	22 tons	26 tons
└ Phosphorus	1.2 tons	1.5 tons
└ PRTR regulated substances	1.0 ton	0.6 ton
└ Methyl alcohol	1.6 tons	2.5 tons
└ Ethyl alcohol	0.1 tons	2.6 tons
└ Waste		
└ Waste output	14,631 tons	16,497 tons
└ Emissions	4,170 tons	4,973 tons
└ Final disposal	40 tons	102 tons
Environmental Performance of Production and Research Sites outside Japan		
Energy consumption		
└ Electricity	19,150 MWh	16,750 MWh
└ Gases	1,225,000 m^3	914,000 m^3
└ Petroleum	66 kL	57 kL
Water consumption	103,000 tons	253,000 tons
CO_2 emissions	13,000 tons	11,000 tons
Waste output	399 tons	402 tons
Medium-Term Environmental Action Plan		
Reduction ratio of CO_2 emissions compared to the fiscal 2005 level	46.1%	40.4%
Reduction ratio of CO_2 emissions compared to the previous fiscal year	9.6%	6.5%
Number of hybrid vehicles used by sales personnel	1,399	1,259
Final waste disposal rate	0.28%	0.62%
Number of on-site inspections of waste collection and transportation companies and intermediate and final disposal sites	46	40
Reduction ratio of emissions of PRTR substances into the air compared to the previous fiscal year	2%	2%
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	12	15
Number of the Group worksites for which environmental compliance audits were conducted	1	2
Number of Environmental Accidents	0	0
Number of Environmental Incidents	1	4

Environmental Accounting		
Environmental Conservation Costs		
└ Invested		
└ Pollution prevention	75 million yen	157 million yen
└ Global environmental protection	114 million yen	32 million yen
└ Recycling and reuse of resources	20 million yen	9 million yen
└ Upstream and downstream activities	0 million yen	0 million yen
└ Administrative activities	9 million yen	2 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	218 million yen	201 million yen
└ Expended		
└ Pollution prevention	437 million yen	438 million yen
└ Global environmental protection	37 million yen	40 million yen
└ Recycling and reuse of resources	242 million yen	307 million yen
└ Upstream and downstream activities	32 million yen	38 million yen
└ Administrative activities	243 million yen	281 million yen
└ Research and development	0 million yen	0 million yen
└ Community activities	1 million yen	0 million yen
└ Environmental damage compensation	10 million yen	15 million yen
└ Total	1,001 million yen	1,120 million yen
Environmental Conservation Effects		
└ Pollution prevention		
└ NOx load reduction		
└ SOx load reduction		
└ Particulate matter load reduction		
└ PRTR regulated air emission reduction		
└ Global environmental protection		
└ Greenhouse gas emission reduction	339 tons-CO_2	3,222 tons-CO_2
└ Resource Cycle		
└ Reducing pollution risk through improved processing methods for water discharged into rivers	Water discharged into rivers 18(t)	
Economic Effects Resulting from Environmental Conservation Measures		
└ Sales of valuable materials	6.2 million yen	7.5 million yen
└ Electricity consumption reduced through energy-saving measures	13.4 million yen	42.1 million yen
└ Cost of processing waste reduced through lower consumption of resources		0.2 million yen
└ Total	19.6 million yen	49.8 million yen

Energy Conservation and Global Warming Mitigation		
CO_2 Emissions Reduction Targets and Results		
CO_2 emissions	104,000 tons	115,000 tons
Reduction rate of CO_2 emissions compared to the fiscal 2005 level	46.1%	40.4%
Reduction rate of CO_2 emissions compared to the previous fiscal year	9.7%	6.5%
Energy consumption	1,815 TJ	2,010 TJ
Reduction rate of energy consumption compared to the previous fiscal year	9.7%	13.8%
Strengthening Energy Management		
Energy Consumed by Mitsubishi Tanabe Pharma's Worksites		
└ Crude oil equivalent		
└ Kashima Research Center	5,120 kL	5,350 kL

└ Toda Research Center	5,030 kL	5,560 kL
└ Yokohama Research Center	3,080 kL	3,230 kL
└ Kazusa Research Center	2,720 kL	2,930 kL
└ Osaka Headquarters	550 kL	620 kL
└ Tokyo Head Office	210 kL	210 kL
└ Branches and sales outlets	990 kL	1,060 kL
└ Other	1,220 kL	1,080 kL
└ Total	18,900kL	20,040kL
└ Reduction rate compared to the previous fiscal year	6%	1%
└ CO_2 emissions		
└ Kashima Research Center	10,400 tons-CO_2	10,710 tons-CO_2
└ Toda Research Center	10,220 tons-CO_2	11,220 tons-CO_2
└ Yokohama Research Center	6,340 tons-CO_2	6,600 tons-CO_2
└ Kazusa Research Center	5,540 tons-CO_2	5,880 tons-CO_2
└ Osaka Headquarters	1,110 tons-CO_2	1,240 tons-CO_2
└ Tokyo Head Office	420 tons-CO_2	430 tons-CO_2
└ Branches and sales outlets	2,220 tons-CO_2	2,380 tons-CO_2
└ Other	2,540 tons-CO_2	2,190 tons-CO_2
└ Total	38,770 tons-CO_2	40,650 tons-CO_2
└ Reduction (Increase) rate compared to the previous fiscal year	5%	6%
Share of overall efficiency improvements contributed by four research sites		
└ Energy consumption	84%	85%
└ Reduction rate of energy consumption	6.6%	
└ CO_2 emissions	84%	85%
Energy Conservation Analyses		
Initiatives with Company Vehicles		
Number of company vehicles	1,904	1,951
└ Hybrid vehicles	1,399	1,259
└ CO_2 emissions from gasoline use in sales activities	5,488 tons	
└ Reduction rate of CO_2 emissions from gasoline use in sales activities(from FY2007)	22.20%	
Third-Party Verification in Accordance with ISO 14064-3		
Scope 1: Direct greenhouse gas emissions from the use of fuel at worksites	28,400 tons-CO_2	35,200 tons-CO_2
Scope 2: Greenhouse gas emissions from the use of electricity or steam	75,600 tons-CO_2	79,800 tons-CO_2
Initiatives at Worksites and Offices		
Continued implementation of eco-commuting		
Energy Conservation Activities and Other Initiatives		
Kajima office solar power generation system		
Environmentally Friendly Design at New Overseas Manufacturing Sites		
Initiatives to Control CFC Emissions		
Yamaguchi Prefecture Governor's Award for Environmental Conservation		
Waste Reduction & Proper Management of Chemical Substances		
Waste Reduction Initiatives		
Amount of waste generated	14,631 tons	16,497 tons
Amount of final waste disposed	40	102
Final waste disposal rate	0.28%	0.62%
Dealing with PCB Wastes		

Reducing Air Emissions		
Amount of PRTR Class I Designated Chemical Substances handled	210 tons	204 tons
Reduction (Increase) rate compared to the previous fiscal year	(3%)	4%
Air emissions of PRTR Class I Designated Chemical Substances	6.5 tons	6.1 tons
Reduction (Increase) rate compared to the previous fiscal year	(7%)	2%
Management of Air and Water Systems		
Promotion of Environmental Communication		
Environmental Conservation Activities		
Ikoma Mountain Range "Folding Screen of Flowers" Project		
Letter of Appreciation from Osaka Governor		
Tokyo Greenship Action		
Environmental Education		
Participation in [Environmental Information Disclosure Program]		
Aiming for a KAITEKI Society		

Fair Operating Practices

Item	Data	
	FY 2014	FY 2013 (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 2014	FY 2013 (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	5	6
└ Production plants outside Japan	4	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. 2,100
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	73,907	81,730
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 2014	FY 2013 (reference)
Social Contribution Activities		
Establishment of the Declaration on Corporate Citizenship		
Establishing the Mitsubishi Tanabe Pharma Tenohira Partnership Program		
Number of organizations supported by Tenohira Partnership Program	13	12
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	2	3
└ Amount	4 million yen	6 million yen
Grants for hematological research		
└ Basic research		
└ Number of projects	24	24
└ Amount	25 million yen	25 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	1	3
└ Amount	2 million yen	6 million yen
Grants for circulatory research		
└ Basic research		
└ Number of projects	24	24
└ Amount	24 million yen	25 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	2
└ Amount	6 million yen	4 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		
└ Amount		
└ Cardiovascular medicine		
└ Number of projects		
└ Amount		
└ Total		
└ Number of projects	109	111
└ Amount	125 million yen	130 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	43	47
└ Amount	14.6 million yen	14.75 million yen
└ Researchers focused on vascular biology innovation		
└ Number of projects	21	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	10
└ Amount	10 million yen	10 million yen
└ Front runner of future diabetes research		
└ Number of projects	29	26
└ Amount	14.45 million yen	13 million yen
└ Total		
└ Number of projects	134	136
└ Amount	72.35 million yen	71.05 million yen
MSC Volunteer Salon		
Donating Over-the-Counter Medicines to a Children's Land		
Off-Site Educational Activities and Company Tours		
Contributing to the Environment		
└ "Road Watering" Event		
└ Bridge-Washing Event		
└ Greening of Office Surroundings		

Contributing to Developing Countries		
└ TABLE FOR TWO（TFT）		
└ Participating in Vaccine Support Activities		
└ Collecting PET Bottle Caps		
Support for Purchases of Products Made a Welfare Facilities for People with Disabilities		
└ Midi Marche		
└ Sales of Fresh-Baked Bread at the Kashima Office		
Support for CP Soccer (soccer played by seven people with cerebral palsy)		
Contributing to Local Communities		
└ Yoshitomi Summer Festival		
└ Collaborating with Regional Organizations		

Independent Verification Report

To: Mitsubishi Tanabe Pharma Corporation

July 17, 2015

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 2015, (the Report), covering the Fiscal Year 2014. 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 2014 to March 2015.
Bureau Veritas visited the following sites to conduct its verification work:

Mitsubishi Tanabe Pharma Corporation Headquarters	Administration
Bipha Corporation	Manufacture of pharmaceuticals
Mitsubishi Tanabe Pharma Factory Ltd. Yoshitomi Plant	Manufacture 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. Based on the verification work and processes followed, there is no evidence to suggest that there are any significant errors 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.