

Sustainability Report

2020



Mitsubishi Tanabe Pharma

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Editorial Policies

This website is intended to provide the Group's stakeholders, including patients, healthcare professionals, local communities, and employees, with information about major sustainability initiatives implemented by the Group in fiscal 2019. Specific initiatives implemented in accordance with the Company's philosophy are presented in line with management, the environment, and society.

The Sustainability Report 2020 PDF version, which contains the same content as disclosed on this website, can be downloaded from [the Sustainability Report archive page](#).

Explanations of medical and pharmaceutical terms appearing in this report have been provided to foster a wider understanding of the report's content.

Applied Guidelines	<ul style="list-style-type: none">● Global Reporting Initiative (GRI) Sustainability Reporting Standard;● Environmental Reporting Guidelines, 2018 version, published by the Ministry of the Environment of Japan
Period covered	April 1, 2019, to March 31, 2020 (The report includes examples of activities from April 2020 and thereafter.)
Issue timing	August 2020 (Previous report: August 2019; next report: August 2021)
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.)
Contact information	> Contact Us

Message from the Chief Sustainability Officer

Our Management Challenge Improve Sustainability to Maintain Society's Trust.

Under its corporate philosophy of “We contribute to the healthier lives of people around the world through the creation of pharmaceuticals,” the Mitsubishi Tanabe Pharma Group believes that its social duty is to create and provide innovative pharmaceuticals that patients need. In March 2020, we made a new start as a wholly owned subsidiary of Mitsubishi Chemical Holdings (MCHC). With greater inter MCHC Group collaboration, we will contribute more than ever to the realization of KAITEKI the vision of MCHC.



The Group has identified seven material issues for sustainable growth. When we identified them, we sorted out the relationship between the Management of Sustainability (MOS) Indices for KAITEKI and the Sustainable Development Goals (SDGs) set by MCHC, as well as the Code of Conduct established by the Group. Goal 3 of the SDGs, “Good Health and Well-Being,” is the business mission of the Group and we consider it our most important goal. In fiscal 2019, we began monitoring our efforts by using indices established for each material issue.

With regard to the material issue “(1) Pharmaceuticals and healthcare services with differentiated value,” we are developing services that help improve diagnostic and treatment efficiency by utilizing digital technology. For example, we predict the risk of development and prognosis of suspected cases by analyzing information such as past prescriptions, biomarkers, and the medical records of patients who have been diagnosed with a certain disease. If such early detection and treatment are possible, it will help relieve financial pressure due to medical costs, a common issue in developed countries.

Medicago Inc., a consolidated affiliated company, is pursuing vaccine development and clinical trials to counter COVID-19. In addition, Mitsubishi Tanabe Pharma is examining the effects of existing drugs on post-infection treatment and control of severity.

We will continue to deliver value to a wide range of stakeholders including patients, their families, healthcare professionals, and local communities through our unique pharmaceuticals and services, and contribute to extending the healthy life expectancy of people.

Regarding the material issue “(4) Ethics, fairness and sincerity in business practices,” the Group has created a global governance system so that each employee in each country in the global system has high ethical standards and conducts business with fairness and integrity. We have also collaborated with MCHC, which has about 700 worldwide affiliates, to strengthen governance and compliance in each country, and will continue to improve global governance.

We have always emphasized the sixth material issue of “Employee health, diversity and inclusion,” and have been focusing on health management and workstyle reform-related initiatives. We have been able to maintain our business activities without significant turmoil, even during the COVID-19 pandemic, and though there are some challenges that have arisen due to this situation, we will further accelerate the carrying out of systematic reviews.

Fiscal 2020 marks the final year of our current medium-term management plan and is a critical year for formulating a new medium-term plan. In terms of backcasting from our fiscal 2030 vision, we are considering how to set our goals for 2025, and including targets for material issues and their monitoring indices in the plan. We also plan to further raise awareness within the Company about sustainability. Through these initiatives, the Mitsubishi Tanabe Pharma Group will continue to fulfill its responsibility as a global drug discovery company with the aim of maintaining society's trust.



TANAKA Eiji
Managing Executive Officer
Chief Sustainability
Officer(CSO)

Mitsubishi Tanabe Pharma's Sustainability

Based on a history spanning more than 300 years, and our frontier spirit, the Mitsubishi Tanabe Pharma Group's corporate philosophy — We contribute to the healthier lives of people around the world through the creation of pharmaceuticals — reflects universal values, and the realization of that philosophy is our social mission.

In addition, there is a growing commitment around the world to working toward the resolution of environmental and social issues through worldwide initiatives, such as the SDGs adopted at a United Nations summit, and the pursuit of sustainability is accelerating.

Under the concept of KAITEKI, the Group is pursuing businesses that solve a wide range of environmental and social issues. By providing value to society through our business and contributing to the realization of a sustainable society, we seek to continuously raise our corporate value.

To that end, it is vital that we understand the social issues and demands that change with time and respond to them. The Group has identified the highest priority social issue as a materiality (important issues) that it needs to address. As people engaged in the activities of a pharmaceutical company, all of our officers and employees have a strong sense of mission, a high level of ethical standards, and conduct our business activities with fairness and integrity. Together, we will help extend the healthy life expectancy of people and achieve a sustainable society.

KAITEKI

Mitsubishi Tanabe Pharma is a member of the Mitsubishi Chemical Holdings Corporation (MCHC) Group, which is working to realize KAITEKI by providing solutions to environmental and social issues and contributing to the sustainable development of society and the planet.

KAITEKI means "the sustainable well-being of people, society and our planet Earth." The MCHC Group defines "KAITEKI management" as the integrated implementation of three types of management (1) management which focuses on capital efficiency, (2) management which strives to create innovation for society, and (3) management aiming to improve sustainability while maintaining a focus on time and opportunity. The MCHC Group calls the value created from the three kinds of management "KAITEKI value." All of the MCHC Group's activities target enhancement of KAITEKI value. We believe that enhancing KAITEKI Value will lead to the realization of KAITEKI. We promote this management approach aiming to generate revenue and develop ourselves sustainably while contributing to solving environmental and social issues as a company.

For further information about KAITEKI, please see [the MCHC website](#) .

United Nations Global Compact







Since May 2006, MCHC has participated in the United Nations Global Compact, which is being advanced by the United Nations. As a member of the MCHC Group, Mitsubishi Tanabe Pharma respects the 10 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.

Stakeholder Engagement

Basic Approach

The Group's corporate activities are conducted in relationship to a wide range of stakeholders including patients. We will promote better communication and appropriate information disclosure to gain stakeholder trust. We seek to raise corporate value and achieve a sustainable society by reflecting everyone's views and society's needs as issues and goals in our corporate activities.

Below are presented the main methods and opportunities for communicating with stakeholders that we have determined are most important for the Company.

Stakeholders	Main Communication Methods and Opportunities
Patients and Their Families	<ul style="list-style-type: none"> ● Holding various seminars ● Interacting with patients and support groups ● Providing information through the Medical Information Center (Inquiries) https://www.mt-pharma.co.jp/e/inquiry/  ● Providing health support information through our website ● Discussions about diseases (Japanese only) https://www.mt-pharma.co.jp/general/  ● Health support website (Japanese only) https://di.mt-pharma.co.jp/health-support/  ● Searchlight Support (provides support to ALS patients of the US) https://www.radicava.com/patient/support/searchlight-support/ 
Healthcare Professionals	<ul style="list-style-type: none"> ● Providing and collecting pharmaceutical information through medical representatives (MRs) ● Holding various seminars and exchanging views with specialists ● Creating website for healthcare professionals https://medical.mt-pharma.co.jp/index.shtml  (Japanese only) ● Creating OTC drug distributor website https://cps-net.jp/  (Japanese only)
Employees	<ul style="list-style-type: none"> ● Various training, career interviews, etc. ● Dialoguing with management ● Providing information utilizing in-house magazine and Company intranet ● Providing labor-management councils ● Internal and external hotlines ● Employee survey
Business Partners	<ul style="list-style-type: none"> ● Interacting through procurement activities ● Dialoguing through CSR procurement (conducting surveys, etc.)
Local Communities	<ul style="list-style-type: none"> ● Conducting visiting lectures at schools ● Accepting company visits ● Holding local events ● Mitsubishi Tanabe Historical Museum ● Volunteering activities in local communities ● Greening and beautification activities around business sites

Materiality

In accordance with the corporate philosophy of “contributing to the healthier lives of people around the world through the creation of pharmaceuticals,” the Mitsubishi Tanabe Pharma Group believes that its ability to survive and grow depends on the provision of social value and a contribution to the achievement of a sustainable society through the Group’s business activities. To clarify that idea and reinforce our initiatives, we have designated material issues that we need to address as materiality. The Group has positioned these material issues as an important part of its decision-making process, and on that basis, the Group is implementing its business activities.

Process of Designating Material Issues

Step 1: Identify social issues that need to be considered

In designating material issues, the Group considered not only international guidelines and GRI standards but also SASB*¹ pharmaceutical industry evaluation standards, ATM index*² evaluation items, and others. In this way, social issues that need to be considered were identified in a comprehensive manner.

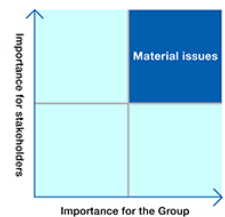
*1 Sustainability Accounting Standards Board. An NPO based in the U.S. that sets and discloses sustainability evaluation standards by industry.

*2 Access to Medicine Index. An index that analyzes and ranks 20 of the world’s top pharmaceutical companies on how they make medicines more accessible. Implemented by the Access to Medicine Foundation, an NPO based in the Netherlands.

Step 2: Prioritize social issues

For the social issues identified in step 1, their importance for the Group was evaluated with consideration for such factors as the Group’s values and major policies, strategies and specific activity objectives, and risk-related information.

In addition, to evaluate the importance of these issues for stakeholders, we analyzed and organized items that are considered to be important by evaluation institutions that work to promote responsible investing on behalf of external stakeholders. From these two perspectives, we created a materiality map and narrowed down the issues to those with high priority.



Step 3: Confirm appropriateness and designate material issues

We designated the material issues after the validity of the materiality map was confirmed through consultation with experts from inside and outside the Company. For the seven material issues, we organized and confirmed their relevance in regard to major initiatives, the SDGs, the Group’s Code of Conduct, and the MOS indices of KAITEKI upheld by the Mitsubishi Chemical Holdings Corporation (MCHC) Group, of which Mitsubishi Tanabe Pharma is a member.

Material Issues

- ① > Pharmaceuticals and healthcare services with differentiated value
- ② > Reliable products and sustainable supply
- ③ > Appropriate use of products
- ④ > Ethics, fairness and sincerity in business practices
- ⑤ > Stakeholder engagement
- ⑥ > Employee health, diversity and inclusion
- ⑦ > Social contribution activities for health

The table of material Issues, major Initiatives/results, Code of Conduct and related MOS Indices [PDF : 209KB] 

* For further information about MOS Indices, please see [the MCHC website](#) .

Material Issues and Major Initiatives

The Group has established monitoring indicators in fiscal 2019 to track the status of materiality initiatives to help us make further improvements. Please view the links to see examples of our initiatives.

① Pharmaceuticals and healthcare services with differentiated value



Main initiatives and results

		FY2019	FY2018	Scope of data collection
Creating new drugs, adding indications, changing dosage and administration, adding formulations, and improving products.	Number of approvals	27 (past six years)	23 (past five years)	(Global)
	Number of product improvements	13 (past six years)	13 (past five years)	(Global)
	Awards received for drug discovery (total since 2007 merger)	20	18	(Global)
	Number of vaccines shipped	19 million	17 million	(Japan)
	Number of patients using orphan drugs ^{*3} provided by MTPC	83,000	100,000	(Global)

● Initiative examples:

[Together with Patients and Healthcare Professionals> Research & Development](#)

[Together with Patients and Healthcare Professionals> Manufacturing and Supply Chain](#)

Relevant KAITEKI MOS Indices : H-1 (Contribute to medical treatment), H-2 (Contribute to the prevention and early detection of diseases)

^{*3} Medicines for diseases that are said to be intractable disease for which there are few patients and for which no cure has been established.

② Reliable products and sustainable supply



Main initiatives and results

		FY2019	FY2018	Scope of data collection
Building systems for a sustainable supply of reliable pharmaceuticals.	The rate of complaints attributed to manufacturing process at group manufacturing plants	1ppm	1ppm ^{*4}	(Global)
	Satisfaction rating of responses to customer complaints	88.0%	92.4%	(Japan)

● Initiative examples:

[Together with Patients and Healthcare Professionals> Drug Safety / Quality Assurance](#)

[Together with Patients and Healthcare Professionals> Manufacturing and Supply Chain](#)

Relevant KAITEKI MOS Index : C-1 (Endeavor to earn greater recognition of corporate trust from society)

^{*4} 1ppm=0.0001%

③ Appropriate use of products



Main initiatives and results				
		FY2019	FY2018	Scope of data collection
Establishing a drug consultation center, collecting safety information, and providing information related to the appropriate use of products.	Number of external presentations on clinical research (papers/academic conferences, etc.)	84	56	(Global)
	Instances of safety information collected by MRs	7,620	7,419	(Japan)

● Initiative example:

[Together with Patients and Healthcare Professionals> Information Provision](#)

Relevant KAITEKI MOS Index : C-1 (Endeavor to earn greater recognition of corporate trust from society)

④ Ethics, fairness and sincerity in business practices



Main initiatives and results				
		FY2019	FY2018	Scope of data collection
Working to cultivate an awareness of compliance issues, establishing and observing a variety of policies, and establishing hotlines related to compliance and harassment.	Compliance training participation rate	96.5%	97.7%	(Japan)
	Employee compliance awareness (Perfect score: 5 points)	4.41 points	4.34 points	(Japan)

● Initiative example:

[Management> Compliance](#)

Relevant KAITEKI MOS Index : C-1 (Endeavor to earn greater recognition of corporate trust from society)

⑤ Stakeholder engagement



Main initiatives and results				
		FY2019	FY2018	Scope of data collection
Implementing timely, appropriate information disclosure, implementing dialogue with stakeholders including investors and employees.	Number of briefings and interviews of investors	109	198	(Global)
	Employee understanding of management (employee survey)	45% (total favorable) ^{*5}	3.68 points (Perfect score: 5 points)	(Japan)
	Number of next-generation educational support activities(visiting lectures, company visits, etc.)	13	10	(Japan)

● Initiative examples:

[Stakeholder Engagement](#)
[Together with the Local Community> Activities Addressing Social Needs](#)
[Together with Employees> Occupational Health and Safety> Employee Survey.](#)

Relevant KAITEKI MOS Index : C-2 (Promote communication and work in concert with stakeholders)

*5 The total favorable is the total score of the top two response choices (Agree/Tend to agree)

⑥ Employee health, diversity and inclusion



Main initiatives and results				
		FY2019	FY2018	Scope of data collection
Taking steps to establish a work environment that enables all employees to participate actively, including promotion of health management; maternity leave, childcare leave, nursing-care leave, telework, and initiatives for LGBT employees.	Total working hours (per employee, per month)	150.0 hours	153.9 hours	(Japan)
	Usage rate of paid vacation days	72%	68%	(Japan)
	Smoking rate	17.6%	19.8%	(Japan)
	Employee awareness of diversity and respect for individuals (employee survey)	77% (total favorable)*5	3.72 points (Perfect score: 5 points)	(Japan)
	Percentage of women in managerial positions	21.4%	20.2%	(Global)
	Number of employee nationalities	27	29	(Global)

• Initiative examples:

[Together with Employees > Occupational Health and Safety](#)
[Together with Employees > Promoting Diversity](#)

Relevant KAITEKI MOS Index : C-2 (Promote communication and work in concert with stakeholders)

*5 The total favorable is the total score of the top two response choices (Agree/Tend to agree)

⑦ Social contribution activities for health



Main initiatives and results				
		FY2019	FY2018	Scope of data collection
Providing support for patient organizations and research, providing information related to diseases, the provision of vaccines in developing countries, and the GHIT Fund.	Number of visitors to health support websites	10.36 million	7.29 million	(Global)
	Rate of employee participation in social contribution activities (employee survey)	49.2%	42.3%	(Japan)
	Number of organizations supported by Tenohira Partner Program (total since start of grant in FY2013)	110	91	(Japan)
	Number of supports provided by health contributing programs in developing countries	15,001 meals, vaccine 9,361 doses	12,236 meals, vaccine 14,500 doses	(Japan)

• Initiative examples:

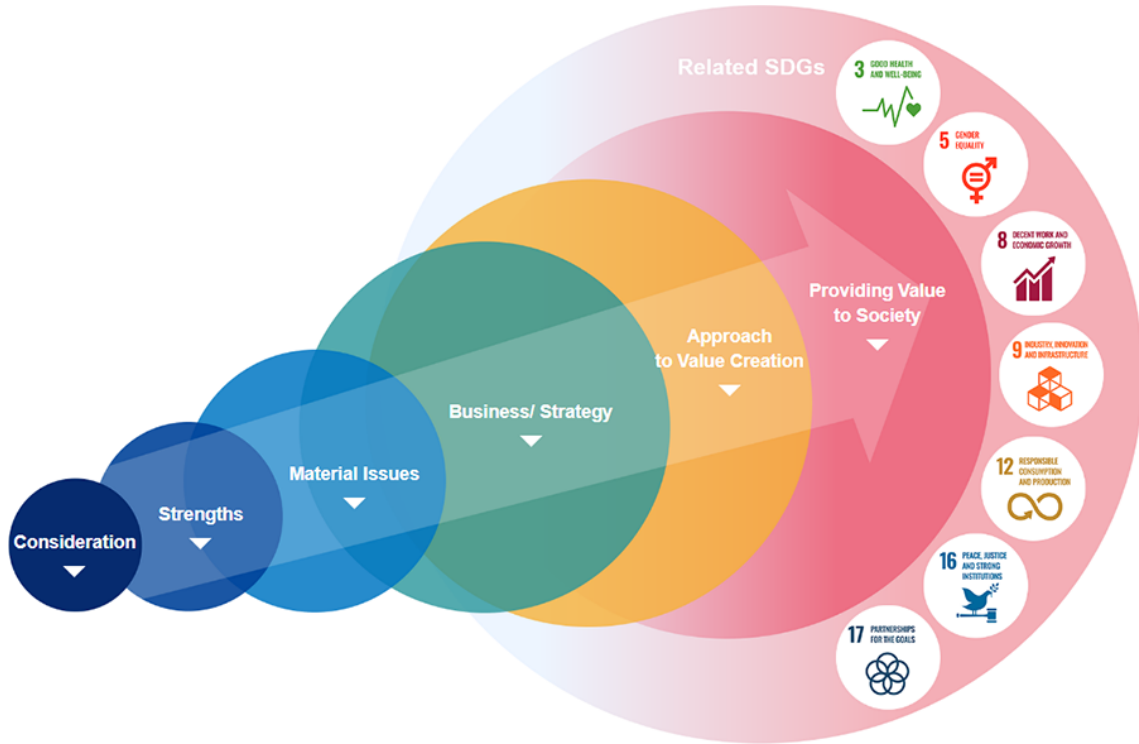
[Together with Patients and Healthcare Professionals > Information Provision](#)
[Together with the Local Community > Contributions to Medical Care and Welfare](#)
[Together with the Local Community > Development of Science and Technology](#)
[Together with Patients and Healthcare Professionals > Solving Issues Related to Improving Access to Healthcare](#)

Relevant KAITEKI MOS Index : C-2 (Promote communication and work in concert with stakeholders)

Value Creation Model

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

Mitsubishi Tanabe Pharma was established in October 2007. To contribute to the health of people around the world by offering new value, we will continue to take on the challenge of opening up the future of healthcare.



Consideration

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



Strengths

Mitsubishi Tanabe Pharma's strengths backed by its achievements

The MTPC Group's strong drug discovery and drug fostering and evolution capabilities have resulted in the creation of many innovative pharmaceuticals.

Underpinning this are the relationships of trust with its stakeholders.

We will continue to provide society with new value based on our DNA to challenge and change backed by our more than 300 years of history.

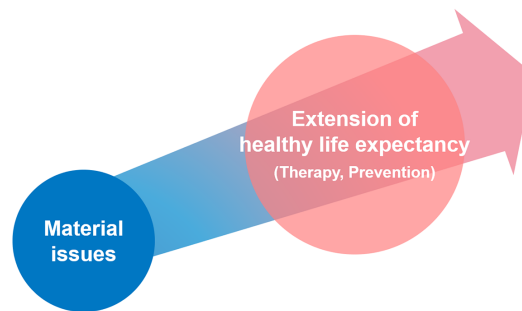
- Drug discovery capabilities / Drug fostering and evolution capabilities
- Trust of patients and medical professionals
- DNA to take on challenges and change
- Core value chain as a traditional pharmaceutical company



Material issues

Seven material issues

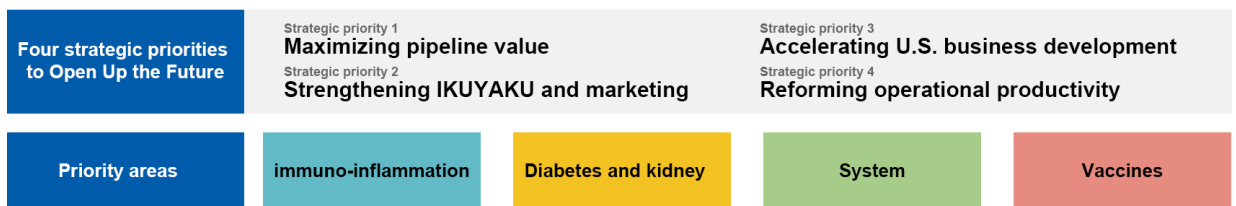
- (1) Pharmaceuticals and healthcare services with differentiated value
- (2) Reliable products and sustainable supply
- (3) Appropriate use of products
- (4) Ethics, fairness and sincerity in business practices
- (5) Stakeholder engagement
- (6) Employee health, diversity and inclusion
- (7) Social contribution activities for health



Business/Strategy

Medium-Term Management Plan 16–20

Open Up the Future



Approach to Value Creation

◆ Development Pipeline

Development pipeline to be the first to deliver differentiated value

Three growth drivers	Features/Appeal
(1) MT-1186 Radicava oral suspension	<ul style="list-style-type: none"> Development of suspension agent that is easy for ALS patients to take Eliminates extended treatment time resulting from intravenous infusion administration Eliminates limits on number of administration sites
(2) MT-2271 Seasonal influenza Plant-based VLP vaccine	<ul style="list-style-type: none"> Shorter time for manufacture Matches circulating strains (no egg adaptation)
(3) ND0612	<ul style="list-style-type: none"> Continuous subcutaneous injection stabilizes levodopa concentration in blood and improves time of onset of motor complications in Parkinson's disease patients

◆ Modality and Digital

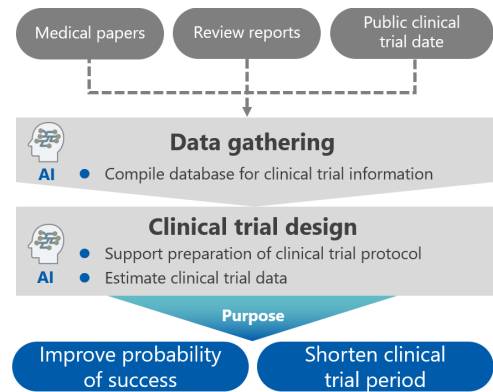
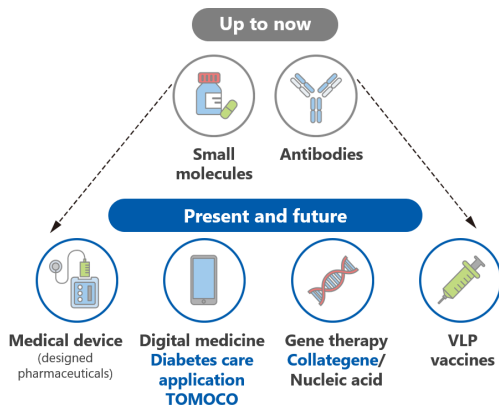
Modality and digital transformation to meet new medical needs

Using Modality

- Focusing on modality in addition to conventional small molecules and antibodies.
- Increasing and strengthening partnerships to generate new modalities.

Using AI

- Streamlining clinical development by combining AI in information/data collection and AI in clinical trial design.



Providing Value to Society

Extension of healthy life expectancy

Raise the QOL of patients and their families

Contribute to QOL, which is to say, raise the quality of their life and living

Raise society's productivity

Contribute to increasing social productivity by providing superior pharmaceuticals and medical care services

Prevent disease

Contribute to maintaining people's health through vaccines that prevent infectious diseases and medical care to prevent the deterioration of patients' conditions





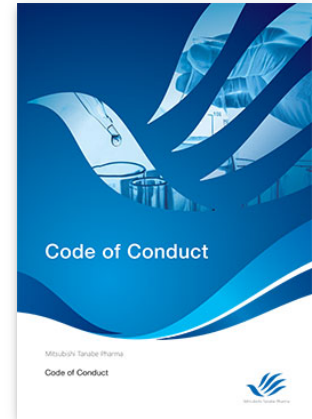
Management

Code of Conduct

Targeting the realization of the corporate philosophy and vision, we have formulated the Code of Conduct as a guide to behavior based on the Corporate Behavior Charter and the Declaration of Compliance.

This code demonstrates fundamental approaches and detailed action guidelines for each business activity, and accordingly, in addition to Japanese we have also prepared English and Chinese versions and made them available on the corporate web site.

> [Code of Conduct](#)





Management

Respect for Human Rights

Basic Stance on Human Rights

Mitsubishi Chemical Holdings Corporation (MCHC) has established the Global Policy on Respecting Human Rights, Employment and Labor in accordance with the Universal Declaration of Human Rights, the United Nations Global Compact, Guiding Principles on Business and Human Rights, and ISO26000.

The Mitsubishi Tanabe Pharma Group has established the Charter of Corporate Behavior and [the Code of Conduct](#) based on this global policy and conducts its business activities.

The Group's Code of Conduct stipulates that we support and respect the protection of internationally declared human rights. It also stipulates that we support the abolition of forced labor in all forms and the effective abolition of child labor. We will ensure that we are not involved in any human rights violations ourselves. We will not treat people in a discriminatory or unfair manner regarding such matters as gender, age, nationality, race, ideology, religion, social status, educational background, birthplace, health status, disability status, sexual orientation, or gender identity (including LGBT*).

The Code of Conduct has applied to overseas Group companies as well. In each country, we comply with all laws and regulations concerning wages and labor standards (including the guarantee of at least a minimum wage).

In Japan, the compliance guidebook that we distribute to employees includes such content as respect for human rights and states that we seek to create a safe and comfortable work environment by respect for human rights. In addition, we ask suppliers to share "Developing Cooperative Business Practices with Suppliers and Business Partners – Guidebook," and also conduct surveys to deepen their understanding of human rights.

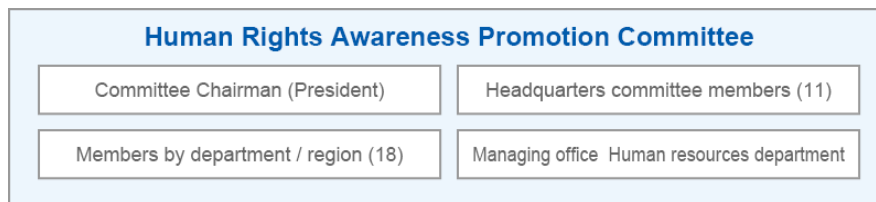
> [Establishing a Sustainable Supply Chain](#)

* LGBT is a general term for sexual minorities. Based on the words Lesbian, Gay, Bisexual, and Transgender

Human Rights Awareness Promotion Structure

Based on "Respect for Human Rights" written in our Code of Conduct, we instituted the Regulations for Promoting Awareness of Human Rights to establish a system for promoting human rights awareness activities as well as basic points for human rights training in the domestic Group.

Based on Article 3 of those regulations, we have established the Human Rights Awareness Promotion Committee, chaired by the President, as a deliberative body for the planning and promotion of companywide human rights awareness policies. Furthermore, headquarters committee members, department committee members, and regional committee members play a key role in holding in-house training for officers and employees, and promote awareness of human rights and diversity.



Human Rights Awareness Training

In fiscal 2019, the Group held e-learning courses in Japan for all officers and employees on the prevention of power abuse (workplace bullying by those in positions of authority). In department-level training, we took up "racial harassment*" as a new subject in our training.

In addition, regional members of the Company's Human Rights Awareness Promotion Committee worked to acquire knowledge about human rights awareness by collaborating with outside organizations, participating in external training courses, and other means.

* Racial harassment is discriminatory behavior and harassment based on a person's race, ethnicity, or nationality.

Diversity & Human Rights Slogan Contest

In anticipation of Human Rights Week in December each year, the Group encourages employees to submit diversity and human rights slogans. In this way, the Group is working to enhance human rights awareness. In consideration of the globalization of our business activities, from fiscal 2018 we have also encouraged employees at overseas Group companies to submit slogans.

In fiscal 2019, employees at 15 Group companies in North America, Europe, the Middle East, Asia, and Japan submitted 521 slogans. The Global Best Award was given for a slogan selected from among the Local Best Award, which were chosen by Group companies.

Global Best Award: "Diversity has no boundaries"

Winner: Kevin Turner (Mitsubishi Tanabe Pharma Development America, Inc.)

Comments from an Award Winner

The reason I chose the phrase "Diversity has no boundaries" is because the promotion of diversity is vested in the individual consciousness of each employee of the Mitsubishi Tanabe Pharma Group. Working across boundaries obliterates the boundaries from patient care to employee engagement, and to other stakeholders involved in the drug development process. Today, although there are people with various experiences, backgrounds, values, physical characteristics, beliefs, ethnicities, races, ages, genders, preferences, ideas, and behavioral patterns, we interact with this diverse range of people across Group boundaries. One of our core values is "People Count" (Respect), so I am happy and appreciate that I can work in an organization that values each and every one of us.



Kevin Turner (right)

Human Rights Due Diligence*

The Group conducts its business activities in accordance with the laws and regulations of each country and region and Group company rules. In this way, we are working to ensure that we do not engage in or participate in violations of human rights. In the unlikely event that a human rights violation is discovered, we work to quickly resolve the problem.

In fiscal 2019, to track human rights risks at overseas Group companies, we implemented a self-assessment as recommended by the United Nations Global Compact. We collected responses from overseas Group companies and confirmed that three issues — employee involvement, security arrangements and country risk, which were identified from last year's self-assessment results, have been improved. In November 2019, we shared the self-assessment results with the human resources departments of overseas Group companies. Moving forward, we will continue to implement initiatives in the area of human rights due diligence.

* Human rights due diligence is the process of identifying, preventing, and mitigating adverse impacts related to human rights.

Human Rights Considerations in Hiring

In the Group's employment selection, it has set a basic policy to respect basic human rights and to not accept or reject a person based on their nationality, place of birth, gender, family situation, beliefs or other factors that are unrelated to the applicant's aptitude or ability.

In the selection process, we conduct fair employment screening based on the applicant's aptitude and ability and do not ask inappropriate questions that may violate one's human rights. Furthermore, one is not required to indicate their gender on the job application form for new graduates or the internship application form for students.



Management

R&D Ethics

Ethical Considerations in Animal Experiments at the Research Stage

In new drug research, at the basic research stage prior to clinical trials, animal experiments are necessary to confirm efficacy and safety as pharmaceuticals. Mitsubishi Tanabe Pharma has formulated "Rules for Proper Conduct of Animal Experiments." The Company conducts animal experiments at the Yokohama Site certified by the Center for Accreditation of Laboratory Animal Care and Use of the Japan Health Sciences Foundation, a third-party assessment and accreditation organization, and also at the Shonan Site's animal testing facility since fiscal 2019, which was internationally certified by the AAALAC*¹. The Institutional Animal Care and Use Committee has been established within the Company. In planning and implementing animal experiments, the committee evaluates experiment plans from the perspectives of the appropriateness and scientific rationale of the plans as well as whether those plans are in accordance with the 4Rs*². In these ways, we are acting with consideration for animal welfare.

*1 AAALAC Int.: Association for the Assessment and Accreditation of Laboratory Animal Care International

*2 Refers to a program that adds the additional R of "responsibility" on the part of Company researchers to the 3R international standards for animal experiments ("replacement" with alternative testing methods, "reduction" of the number of animals used, and "refinement" of testing, centered on the relief of pain and distress)

Ethics Review Committee Initiatives

Discovery research using samples provided by patients, such as human tissue and cells, as well as information, such as treatment information, is increasingly important in the discovery of more-effective, safe drugs. In implementing this type of research, it is essential to pay careful attention to ethical issues, such as the receipt of appropriate informed consent, reduced burden on research subjects, and the protection of personal information. Mitsubishi Tanabe Pharma has established the Human Tissue Research Ethics Review Committee as an ethics review committee in conformance with the Ethical Guidelines for Medical and Health Research Involving Human Subjects (Ministry of Education, Culture, Sports, Science and Technology (MEXT); Ministry of Health, Labour and Welfare (MHLW)). This committee carefully reviews the ethical appropriateness and scientific rationality of research protocols. To promote objectivity and impartiality in these reviews, outside members are included to ensure that respect is given to a range of opinions and to facilitate appropriate reviews. To ensure full transparency, the Company posts the committee membership list, the rules governing the committee, and summaries of its proceedings on the research ethics committee reporting system established by MEXT and MHLW.

Human Rights and Bioethical Considerations in Clinical Trials

All Mitsubishi Tanabe Pharma clinical trials are subject to strict standards. The Company follows the guidelines set by the International Council of Harmonization of Technical Requirements for Pharmaceuticals for Human Use/Good Clinical Practices (ICH-GCP), based on the Declaration of Helsinki. 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 trial subjects give their informed consent to do so. The Company's highest priority is to ensure the safety of its trial subjects, protect their human rights, and safeguard and improve 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.

In addition, the Company's clinical trial management system is used to verify that studies are being properly administered, and we have established a system to ensure that the trial data is reliable.



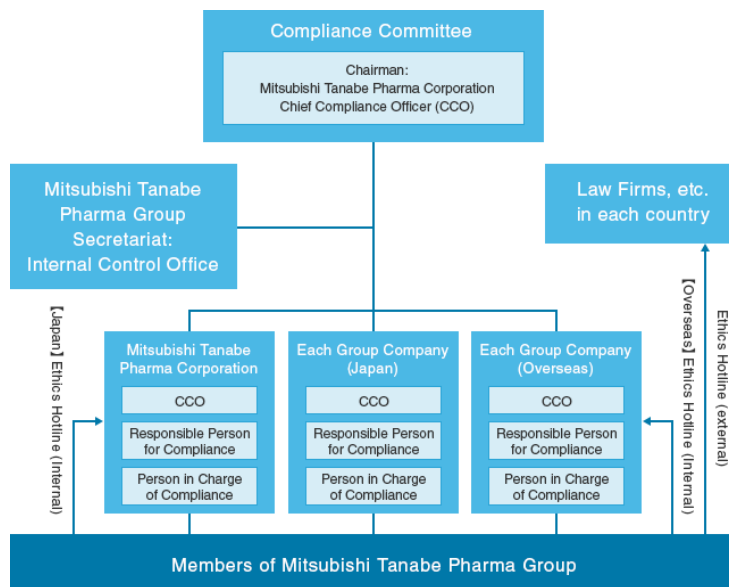
Management

Compliance

Compliance Promotion Structure

The Mitsubishi Tanabe Pharma Group has in place a groupwide compliance promotion structure overseen by its Compliance Committee, which is chaired by the Chief Compliance Officer. Responsible persons for compliance / persons in charge of compliance (appointed in each unit) meet semiannually (overall/individually). These meetings are held to enhance cooperation with each unit, and share problems and heighten participants' sensitivity to risk associated with compliance and potential scandals, as well as enhance the ability of workplaces to address misconduct and compliance issues. In fiscal 2019, there were several compliance violations by employees and measures were taken to prevent recurrence.

Mitsubishi Tanabe Pharma Group Compliance Promotion Structure



Declaration of Compliance

1. We conduct our business with high ethical standards and in a professional manner as a global healthcare company.
2. We respect human rights, and promote safe and healthy working environments.
3. We comply with legal requirements and regulations that apply to our businesses and corporate activities.
4. We work actively 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 it is timely and reasonably disclosed.
7. We appropriately manage and efficiently use company assets.

Compliance Training

The domestic Group conducts the following training programs 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:**

E-learning for all Group employees is conducted to enhance rigorous compliance as well as human rights awareness, the foundation of business operations in order to realize the corporate philosophy and vision.

- **Divisional compliance training:**

Divisional training that focuses on specific topics relevant to each division is mainly conducted by compliance implementation personnel, including managers and staff.

- **Compliance and risk management check:**

Through e-learning, we confirm understanding of such matters as laws, regulations, and internal rules. This enables officers and employees to act in accordance with consistent evaluation standards.

List of training sessions held in fiscal 2019

	Times held	Number of participants
Groupwide compliance training	Once a year	5,003
Divisional compliance training	Once a year	4,889
Compliance and risk management check	Twice a year	July 2019 5,049 February 2020 4,876

Strengthening of Compliance Structure at Group Companies Outside Japan

The Group has bases in North America, Europe, China, South Korea, Taiwan, ASEAN, and Israel. We are sharing policies that are important in Group management while considering the values of each country, such as the cultures, laws, and business practices. In this way, we are advancing the compliance of Group companies.

We have appointed Chief Compliance Officers at overseas Group companies. To strengthen compliance systems at Group companies outside Japan, we are pursuing a range of measures including the verification of reporting systems for the speedy sharing of information, and continuing education programs in consultation with each company.

Corporate Behavior Charter Day

Taking into account the gravity of the Medway Issue and the related quality control problem (Pharmaceutical Affairs Act violation and GMP ministerial ordinance violation), and recognizing the need to prevent any further incidents of misconduct, the Mitsubishi Tanabe Pharma Group has introduced an annual Corporate Behavior Charter Day, which offers employees the opportunity to review the Group's Charter and reflect on their individual conduct.

In fiscal 2019, we held a lecture on compliance at the head office. In Japan, the lecture was relayed by video conference to all domestic branch offices, while overseas, explanations were provided to local employees based on the lecture materials.

At the annual compliance meetings, which are held every year at all Group workplaces in Japan, employees discussed the lecture content, read the Compliance Guidebook and signed pledges in which they vowed to conduct themselves in accordance with the Corporate Behavior Charter and Declaration of Compliance.

From fiscal 2019, we also held compliance meetings at overseas Group companies, and in the first year, the lectures were held based on the same content used in Japan.



FY2019 Corporate Behavior Charter Day
Compliance Meeting
(Mitsubishi Tanabe Pharma Indonesia)

Corporate Behavior Charter Cards

Corporate Behavior Charter Cards are distributed to employees.

企業理念
医薬品の創製を通じて、
世界の人々の健康に貢献します

めざす姿
国際創薬企業として、
社会から信頼される企業になります

企業行動憲章
私たちは、一人ひとりが高い倫理観を持ち、
公正かつ誠実であることをすべてに優先し、
つぎのとおり行動します



Front

使命感と誇り 医薬品の創製に携わる者としての使命感と誇りを持ち、
求められる医薬品の研究開発と製品の安全性・品質の
確保に力を尽くします

挑戦と革新 鋭敏な感性と広い視野で進むべき方向性を見据え、
より高い目標に果敢に挑戦し、革新的な価値を創出します

信頼と協奏 自由闊達なコミュニケーションを通じて互いを
理解・尊重し、深い信頼関係のもとで力を合わせ、
成果の最大化を図ります

社会との共生 地域社会や地球環境に配慮した活動を通じ、
社会との共生を図ります



Back

Addressing Harassment

In the Declaration of Compliance, the Mitsubishi Tanabe Pharma Group states clearly that the Group "does not tolerate discrimination, harassment or any other behavior (such as sexual harassment and abuse of power) 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 managers, and in training for new employees.

In July 2018, we issued the Harassment Prevention Guidebook and disseminated it in divisional training. We have added a harassment-related section to article 96 of the rules of employment (subject to disciplinary action), stipulating that sexual harassment includes discrimination or harassment based on LGBT*¹ or other sexual orientation or gender identity, and that maternity harassment*² and paternity harassment*³ are subject to disciplinary action. 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.

The Company has established, operates, and manages multiple harassment counseling services, such as internal and external hotlines and an external hotline to address difficulties and interpersonal relationships in the workplace.

*1 LGBT is a general term for sexual minorities. Based on the words Lesbian, Gay, Bisexual, and Transgender.

*2 Maternity harassment refers to harassment or unfair treatment of women in the workplace due to childbirth or childcare.

*3 Paternity harassment refers to harassment of men who actively participate in childcare.

Hotlines

The Mitsubishi Tanabe Pharma Group's internal and external hotlines allow employees and managers to obtain consultation and make reports about any actual or possible violation of laws, ordinances, or social conventions. Each hotline accepts anonymous reporting and requests for consultation. In principle, we respond to requests for consultations and reports made by members of the Group (including contract employees and temporary employees) and other relevant parties including business partners. Our policy for responding to matters pertaining to consultations and reporting concerning compliance violations is shown in the Code of Conduct below.

1. Matters reported and consulted on will be responded to fairly and honestly strictly observing personal privacy.
2. People who have consulted, reported or cooperated in surveys will not be treated unfavorably.
3. We will not permit retaliation against anyone who has consulted, reported or cooperated in a survey.

In addition, we established a contact point (whistleblower line) for receiving inquiries about the laws, corporate ethics, and research ethics of the Group, or when employee misconduct or violations of the law occur or are highly likely to occur.

The use of the hotlines leads to the prevention or reduction of scandals, etc., before major problems develop.

In addition, reports on recent trends and issues warranting special mention are included in regular compliance training sessions, which helps promote use of the hotline and prevent recurrence.

Number of hotline consultations handled in fiscal 2019

Workplace environment	Working condition / human resources	Embezzlement / misappropriation	Laws regulations, and rules	Other	Total
17	4	1	10	5	37

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



Management

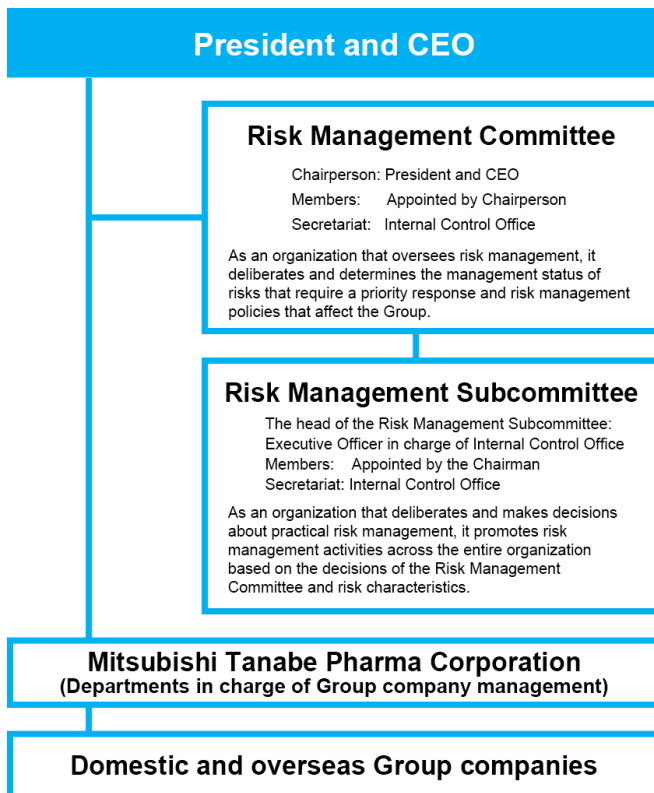
Risk Management

Risk Management Associated with Business Activities

Based on our Risk Management Rules, which stipulate basic matters related to risk management, we have established a Risk Management Structure to prevent the occurrence of risks in the business activities of the entire Group including overseas group companies and to minimize losses in the event that such risks occur.

The operational status of risk management is reported on a regular basis to the Company's Board of Directors and Mitsubishi Chemical Holdings' Chief Risk Management Officer.

Mitsubishi Tanabe Pharma Group's Risk Management Structure



Risk management based on risk characteristics



Crisis Management

The Mitsubishi Tanabe Pharma Group has conducted a review of a its Business Continuity Plan (BCP) and systems to ensure the continued stable supply of pharmaceuticals to patients in case of a major earthquake such as a Nankai Trough earthquake and a Tokyo inland earthquake predicted to strike in the future.

We are improving our practical skills by conducting IT-Business Continuity Plan training and safety confirmation drills. We are also advancing countermeasures in case of a disaster, including one that affects the supply chain, by examining the countermeasures of our business partners.

To minimize the spread of COVID-19, we will take measures to prevent infection at all companies including overseas, sustain our business while ensuring employee safety, and fulfill our mission of "the stable supply of pharmaceutical products to patients."

Information Security

In response to overseas business expansion and the increasing complexity of IT infrastructure, the Group will implement measures to ensure the safe and stable use of information and data communications technologies by establishing rules at overseas bases, and enhancing security checks when using network security and cloud services. We are also taking steps to improve security, including that of our supply chain, by checking our business partner's security.

In preparation for damage mitigation and early recovery in the event of an incident, we are examining our response system and flow in conformity with the above incident prevention measures.

We will comply with GDPR* and other personal information-related laws and regulations and also re-examine our rules to strictly manage information in line with the overseas expansion of our Group.

For telework, which we are implementing as a COVID-19 countermeasure, we are distributing PC terminals and installing more phone lines to create an environment that can sustain our business while ensuring security.

* The EU's general Data Protection Regulation (GDPR). A new personal information protection framework instituted by the European Parliament, European Council and European Commission.



Management

Promotion of Fair Operating Practices

Initiatives for Fair Business Practices

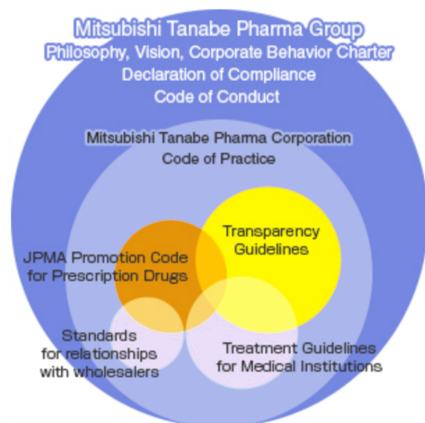
The Corporate Behavior Charter of the Group states that we will strive to maintain high ethical standards and place priority on fairness and integrity in all activities. In addition, the Declaration of Compliance expresses our commitment to conducting transactions in a fair manner based on open competition 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, based on the [Code of Conduct](#), we formulated the Mitsubishi Tanabe Pharma Corporation Code of Practice, which is described in the following section, and each activity is conducted in strict observance of the following independent standards.

- Promotion Code
- Transparency Guidelines
- Global Policy for the Prevention of Bribery and Corruption
- Treatment Guidelines for Medical Institutions

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 establishes behavioral standards that must be observed by the executives and employees of the member companies in their interactions with researchers, healthcare professionals, patient organizations, wholesalers, etc. In response, the Company established and put into effect the Mitsubishi Tanabe Pharma Corporation Code of Practice. All executives and employees of the Company and Group companies in Japan are required to follow this code not only in promotion endeavors designed for healthcare 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. Overseas Group companies comply with the codes of each country based on the International Federation of Pharmaceutical Manufacturers and Associations' Code of Practice (IFPMA Code).

Positioning of the Code of Practice



- Applicable to all Company executives and employees
- Officers and employees of Group companies must also comply with this code
- 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

Compliance with Promotion Code and MHLW Guidelines for Provision of Sales Information on Prescription Drugs

In the Japan Pharmaceutical Manufacturers Association's Code of Practice (JPMA Code), for a pharmaceutical company, the word "promotion" as it is used here does not refer to "sales promotion." Rather, it means "to engage with healthcare professionals in the provision, collection, and communication of drug information and promote the proper use and adoption of prescription drugs on the basis of those interactions." The Promotion Code for Prescription Drugs is a part of the Pharmaceutical Manufacturers Code and describes details of promotions conducted by member companies. In accordance with the intent of the Promotion Code, we established the Mitsubishi Tanabe Pharma Promotion Code for Prescription Drugs to promote the appropriate use and dissemination of prescription drugs.

Following the application of the Guidelines for Provision of Sales Information on Prescription Drugs, which sets forth a standard for appropriate sales information provision activities for ethical drugs by the Ministry of Health, Labour and Welfare, in addition to our existing Appropriate Promotion Supervisory Committee, we established an Appropriate Promotion Supervisory Division. The Committee and Division also create appropriate promotional tools and conduct routine monitoring and education on sales information provision activities. We have also established a point of contact for inquiries from outside the Company to properly respond to complaints. Through these initiatives, we promote the proper use of prescription drugs.

Fair Competition Code of the Ethical Pharmaceutical Drugs Marketing Industry

In the ethical pharmaceutical drugs industry, the offering of premiums is restricted by the Code and Notifications to ensure that healthcare professionals make independent and rational decisions (on purchasing and prescribing).

● Code

The aim of the Code is to restrict unjustifiable premiums, such as money, goods, services, etc., provided as an inducement to engage in transactions to ensure fair competition among businesses. The Code has its legal basis in the Act against Unjustifiable Premiums and Misleading Representations.

● Notifications

Restrictions on matters relating to premium offers in the ethical pharmaceutical, medical devices, and clinical laboratories industries are based on Article 4 of the above act.

The Mitsubishi Tanabe Pharma Group adheres strictly to the Code and Notifications, and respects the International Federation of Pharmaceutical Manufacturers and Associations' Code of Conduct (IFPMA Code), which was established by an organization that the Japan Pharmaceutical Manufacturers Association is a member of, and practices fair medical information activities. In 2019, we have prohibited the giving of personal gifts in the Treatment Guidelines for Medical Institutions.

Initiatives Related to Transparency 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 healthcare professionals to be significantly involved with specific companies or products, and there could be concerns about the extent to which the judgment of both is influenced by this situation.

Accordingly, in July 2011 the Company formulated its guidelines for transparency in relationships with medical institutions, etc. In accordance with these guidelines, the record of payments to medical institutions have been disclosed on the Company's website since fiscal 2012. Disclosures from fiscal 2019 will be even more detailed due to the enforcement of the Clinical Trials Act. The purpose of these initiatives is to secure a broad understanding from society in regard to the contribution made by the Company's business activities to progress in medicine, pharmacology, and the other life sciences and in regard to the Company's high ethical standards in its business activities. In addition, in August 2014 the Company formulated guidelines for managing conflicts of interest with medical and research institutions, etc. We have established principles for avoiding problems with conflicts of interest and a system for managing conflicts of interest, and we are working to operate this system in an appropriate manner.

In particular, in regard to scholarships and donations to domestic medical institutions, which are included in "research and development expenses, etc.," to secure transparency in April 2016 the Company started a system of publicly inviting applications on the Internet. Funding is provided after screening is conducted by a third-party unit.

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 from society in regard to our contribution to the activities and development of patient organizations, 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.

Furthermore, in regard to the provision of compensation or funds to doctors or to healthcare related institutions or organizations in Europe or the U.S., we are conducting information disclosure in an appropriate manner in accordance with guidelines and laws formulated in Europe and the U.S.

Initiatives to Prevent Bribery and Corruption

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 countries around the world.

The Group has established the "[Mitsubishi Tanabe Pharma Group Global Anti-Bribery and Corruption Policy](#)," which applies to all 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.

Moreover, to further clarify the content of this policy, we formulated Corruption Prevention Guidelines in Japan, China, South Korea, Taiwan, Indonesia, and Thailand, and we are implementing appropriate responses in line with the laws, regulations, and business practices of each country.

Rejecting Antisocial Forces and Checking Suppliers for Antisocial Affiliations

In accordance with rules for the elimination of crime syndicates, the Group's basic policies regarding corporate extortionists, crime syndicates, and other antisocial forces are to not be afraid of them, to not provide any funds to them, and to shun all contact with them. In the face of unreasonable demands, the Group will respond with a resolute stance that is unyielding and uncompromising. Moreover, officers and employees, in accordance with the Group's business conduct guidelines, in all of their day-to-day business activities, consistently avoid relationships with antisocial forces, adhere strictly to relevant laws and ordinances, and act in accordance with social ethics. In addition, officers and employees cooperate closely with specialized external institutions, such as the police, etc.

In addition, in deciding whether to start transactions with new business partners, the Company checks in advance any possible affiliations with antisocial forces. In this way, the Company is working to exclude relationships with antisocial elements.

Protection of Intellectual Property Rights

Under its philosophy of contributing to the healthier lives of people around the world through the creation of pharmaceuticals, the Group has established an intellectual property policy as a basis for providing new medical opportunities and to protect and make effective use of its globally competitive intellectual properties.

In addition to filing, acquiring, and maintaining intellectual property rights including patents and trademarks, we promote an intellectual property strategy that is integrated with our business and R&D strategies, and work to ensure our rights not only at the initial research stage, but also at the appropriate time tailored to the product lifecycle. As a result, the Group held 1,095 registered patents as of March 31, 2019.

Furthermore, the Company respects third parties' valid intellectual property rights by managing intellectual property risks through investigations into the rights of third parties. At the same time, we are working to create a system to protect and utilize our intellectual property by taking legal action and other measures, depending on the situation, in case a third party infringes upon our intellectual property rights.

In principle, the Group does not file for patents or exercise patent rights in U.N.-designated Least Developed Countries (LDCs) and World Bank-specified Lowest Income Countries to contribute to medical access in poor regions around the world.



Environment

Environmental Management

Basic Approach to Environment & Safety Management

The Group has formulated [the Code of Conduct](#) and [Environment & Safety Policy](#), which indicate basic approaches and action guidelines based on [the Corporate Behavior Charter](#) and [the Declaration of Compliance](#). We promote activities that consider the environment, safety, and health in line with these guidelines and policies and constantly strive to reduce our environmental impact. In addition, we proactively disclose environmental information to society and promote communication through dialogue with stakeholders. As a member of the Mitsubishi Chemical Holdings Group, the MTPC Group is working to realize KAITEKI with goal of improving global environmental and social sustainability by creating a circular economy.

Code of Conduct for the Environment and Safety

In conformity with the overriding principle that safety is paramount, we strive to prevent disasters occurring at workplaces and to implement adequate precautions and preparations against all contingencies, including occupational accidents and disasters. We also take continuing steps to reduce the impact of our corporate activities on the natural environment and we are fully committed to community environmental conservation activities.

Environment & Safety Policy








Mitsubishi Tanabe Pharma Corporation and its group companies ("MTPC Group") aim to be global research-driven pharmaceutical companies that are trusted by society, and actively strive to protect global environment and ensure people's safety.

1. We assess our corporate activities for their environmental impact in order to continuously reduce environmental burden.
2. We give priority to safety considerations for all of our workers to prevent occurrence of occupational accidents.
3. We set clear targets for our environmental and safety activities, and we effectively maintain and improve our system to achieve such targets.
4. We pursue activities in compliance with not only laws and regulations relating to environment and safety, but also more rigorous corporate management standards.
5. We systematically conduct training to enhance each and every employee's awareness on the environment and safety.
6. We proactively disclose information relating to environment and safety so that we can deepen communication with society.
7. By proactively participating in and cooperating with environmental management and disaster reduction activities organized by local communities, we prepare against unforeseen contingencies such as accidents and disasters, to minimize their impact.

SDG Initiatives

The Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 are shared goals to be achieved by the whole world by 2030. In recent year, many countries and regions, and various companies are accelerating their effort to achieve them.

The Group has set four priority issues in its environmental activities as themes for its Medium-Term Environmental Action Plan (2016-2020) and has positioned them as activities related to goals 6, 7, 12, 13, and 15 of the SDGs.

MTPC Group Environmental Activities (Principal Initiatives)	Environmental SDGs	
<p>Energy conservation and global warming mitigation</p> <ul style="list-style-type: none"> ● Setting CO₂ emission reduction targets in Japan and globally and continuously working toward them. ● Introducing solar power generation systems in research bases and offices and using renewable energy. ● Improving our calculations of supply chain CO₂ emissions. ● Monitoring fluorocarbon filling equipment and managing appropriately. ● Raising energy-saving awareness through campaign targeting all employees. ● Identifying risks and opportunities related to climate change. 		Goal 7
<p>Reduction of waste, effective use of water resources</p> <ul style="list-style-type: none"> ● Setting targets to reduce water usage volume in Japan and overseas and continuously working toward them. ● Reducing and optimizing water usage volume using water regenerated from experimental and household drainage and rainwater. ● Conducting campaign to save water throughout the Company. ● Identifying risks and opportunities related to water resources. ● Reducing waste generation and maintaining zero emissions (final waste disposal rate of less than 0.5%). ● Systematically conducting PCB waste disposal. 		Goal 13
<p>Pollution prevention and environmental impact reduction</p> <ul style="list-style-type: none"> ● Working to reduce discharge into the environment by properly managing chemical substances. ● Monitoring environmental impact of air and water pollutants and preventing contamination and pollution. ● Rigorously preventing soil and groundwater contamination. 		Goal 6
<p>Preservation of biodiversity</p> <ul style="list-style-type: none"> ● Recognizing that various environmental initiatives are linked to biodiversity, we are pursuing biodiversity conservation initiatives through environmental activities such as reducing environmental burden, proper use of inherited resources, and harmonious coexistence with nature and society. ● Continuously conducting woodland conservation activities (Hachioji Takiyama) and planting activities (Osaka Ikomayama) as participatory and experiential programs for employees. 		Goal 12
<p>Pollution prevention and environmental impact reduction</p> <ul style="list-style-type: none"> ● Working to reduce discharge into the environment by properly managing chemical substances. ● Monitoring environmental impact of air and water pollutants and preventing contamination and pollution. ● Rigorously preventing soil and groundwater contamination. 		Goal 6
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Environmental Management Promotion System

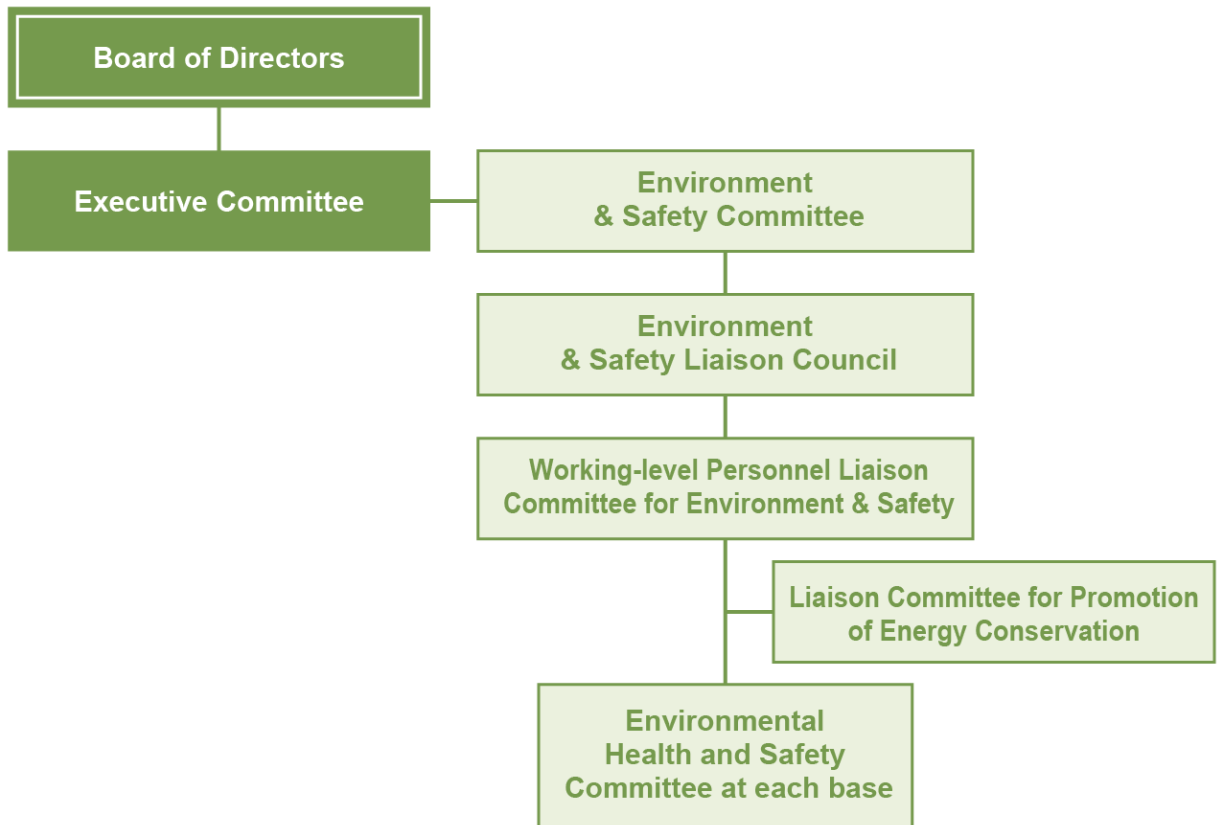
Mitsubishi Tanabe Pharma has established an environmental and occupational safety management system, overseen by the President and CEO. We regularly hold internal meeting including those of the Environment & Safety Committee and Environment & Safety Liaison Council and promote strong environmental management throughout the Group in Japan and overseas.

The Environment & Safety Committee is held within the Executive Committee. We discuss and decide important matters related to the environment and safety, medium- to long-term and annual policies, activity targets, and report the details of our discussions to the Board of Directors.

The Environment & Safety Liaison Council consists of employees in charge of each division and the presidents of affiliated companies. The council promotes appropriate and seamless environmental safety activities by planning and implementing countermeasures for activities and issues relating to the environment and safety.

Furthermore, we established the Environment & Safety Management Office of the Legal & General Affairs Department in the corporate organization as a department that oversees environment and safety for the Group as a whole. Through close ties with management and frontline workers, the division supports strengthened frontline capabilities and the development of a safety culture. In this way, the Company works to prevent the occurrence or recurrence of accidents related to the environment and safety.

Environment & Safety Management Promotion Structure



ISO 14001 Certifications

Of the Group's seven production bases in Japan and overseas, the five bases have obtained ISO 14001 certification. At production and research bases that have not obtained ISO 14001, we are building our own environment management system in accordance with ISO 14001 and managing appropriately.

Plants with ISO 14001 certification

Company name	Name of base	Year certification first obtained
Mitsubishi Tanabe Pharma Factory	Onoda Plant	1998
	Yoshitomi Plant	2001
Mitsubishi Tanabe Pharma Indonesia	Bandung Plant	2004
Tianjin Tanabe Seiyaku	Head Office Plant	2010
Mitsubishi Tanabe Pharma Korea	Hyangnam Plant	2014

Medium-Term Environmental Action Plan and Results

The table below shows the results of the Medium-Term Environmental Action Plan (2016-2020).

Area	Targets	Principal Initiatives and Results in Fiscal 2019	Achievement Status
Energy conservation and global warming mitigation	<ul style="list-style-type: none"> ➤ Reduce CO₂ emissions (production and research bases, offices) for fiscal 2020 <ul style="list-style-type: none"> ● Japan: by at least 40% compared to fiscal 2010 ● Global: by at least 35% compared to fiscal 2010 	<ul style="list-style-type: none"> ➤ CO₂ emissions <ul style="list-style-type: none"> ● Japan: 47% reduction (vs. fiscal 2010) ● Global: 40% reduction (vs. fiscal 2010) 	<ul style="list-style-type: none"> ◎ ◎
	<ul style="list-style-type: none"> ➤ Track supply chain CO₂ discharge 	<ul style="list-style-type: none"> ➤ Scope 3 emissions in categories 1, 2, 3, 4, 5, 6, 7, 8, 11, 12, and 14 were tracked, calculated, and disclosed. 	<ul style="list-style-type: none"> ○
	<ul style="list-style-type: none"> ➤ Appropriately manage fluorocarbons 	<ul style="list-style-type: none"> ➤ Conduct simple regular inspections ➤ Amount of fluorocarbon recovered and destroyed: 1989kg; amount of leakage: 22kg (40t-CO₂eq), and since both are small amounts, government reporting is not required 	<ul style="list-style-type: none"> ○
Reduction of waste, effective use of water resources	<ul style="list-style-type: none"> ➤ Japan: Reduce amount of waste generated ➤ Japan: Maintain zero emissions (final waste disposal rate of less than 0.5%) 	<ul style="list-style-type: none"> ➤ Japan: Amount of waste generated by 1.6% reduction (vs. previous fiscal year) ➤ Final waste disposal rate for Japan: 0.72% 	<ul style="list-style-type: none"> ○ ×
	<ul style="list-style-type: none"> ➤ Fulfill the responsibility of a waste discharging enterprise for handling waste correctly and ensuring proper treatment by contractors 	<ul style="list-style-type: none"> ➤ Completed manifest digitalization ➤ Thorough internal evaluation of waste processing contractors 	<ul style="list-style-type: none"> ○
	<ul style="list-style-type: none"> ➤ In comparison with fiscal 2010, reduce water usage volume (production and research bases) by 15% or more, both in Japan and overseas, by fiscal 2020. 	<ul style="list-style-type: none"> ➤ Amount of water used <ul style="list-style-type: none"> ● Japan: 32% reduction (vs. fiscal 2010) ● Global: 34% reduction (vs. fiscal 2010) 	<ul style="list-style-type: none"> ◎
Chemical substance emissions reductions	<ul style="list-style-type: none"> ➤ Properly manage chemical substances and continually reduce their discharge into the environment 	<ul style="list-style-type: none"> ➤ Chemical substance environmental emissions (air and public waters) in Japan <ul style="list-style-type: none"> ● PRTR-listed substances: 57% reduction (vs. previous fiscal year) ● VOC (excluding PRTR-listed substances): 13% reduction (vs. previous fiscal year) 	<ul style="list-style-type: none"> ○
	<ul style="list-style-type: none"> ➤ Reduce the discharge of toluene by more than 30% by fiscal 2020 in comparison with fiscal 2010 	<ul style="list-style-type: none"> ➤ Emissions of toluene to the environment: Decrease of 76% (vs. fiscal 2010) 	<ul style="list-style-type: none"> ◎
Preservation of biodiversity	<ul style="list-style-type: none"> ➤ Understand the relationship between business activities and biodiversity and promote biodiversity initiatives 	<ul style="list-style-type: none"> ➤ Advanced environmental conservation activities, such as planting at Ikoma Mountain (Osaka Prefecture) and natural woodland conservation in the Hachioji Takiyama Area (Tokyo Prefecture). 	<ul style="list-style-type: none"> ○

Area	Targets	Principal Initiatives and Results in Fiscal 2019	Achievement Status
Enhancement of environmental management	<ul style="list-style-type: none"> Enforced strict environmental compliance and improved environmental risk management 	<ul style="list-style-type: none"> Implemented environmental audits by environment-related departments Subject: 5 domestic production and research bases, and 1 overseas production base Implemented environmental education and training for people in charge at each base Themes: waste management and ESG 	○
	<ul style="list-style-type: none"> Maintain zero environmental accidents 	<ul style="list-style-type: none"> No environmental accidents, record of zero accidents maintained 	○

[Achievement Status]

● : Achieved fiscal 2020 targets

○ : Steady progress towards achieving the fiscal 2020 targets or achieved the targets for a single fiscal year

× : Targets unachieved

Environmental Compliance

The Group has declared that “We work actively to protect the global environment and strive to realize the Company’s harmonious co-existence with society” and these compliance activities need to be implemented by all officers and employees.

At production and research bases, in addition to strictly observing environment-related laws and regulations in accordance with environment and safety policies, we have established independent management standards for water and air pollution that are stricter than legal standards, and have promoted environmental management. In addition, we conduct regular environmental audits at each base to confirm the status of environmental compliance. In fiscal 2019, we checked the environmental laws and notified the government of the reorganization of bases including the closure of the Toda Site and the establishment of the Shonan Site.

Environmental Audits

The environment management department periodically conduct environmental audits at production and research bases in Japan and overseas to confirm matters such as the status of environmental management and compliance, and that its environmental conservation activities are conducted legally and appropriately. In these audits, we use check sheets of company regulations to check the status of compliance with internal rules, and the management status of environment-related facilities (waste storage facilities, wastewater treatment facilities, exhaust gas generation facilities, etc.). We ask that they submit an improvement plan and report to address the matters identified in the audit and confirm their response at the next audit. We ensure the effectiveness of environmental audits at our overseas bases by periodically conducting EHS compliance audits by external specialists who are familiar with the laws and regulations of the countries and regions in which they are located.

In fiscal 2019, environmental audits were conducted at five domestic bases (Yokohama Site, Kashima Site, Shonan Site, Onoda Plant, and Yoshitomi Plant). Overseas, an audit was conducted at one base (Mitsubishi Tanabe Pharma Indonesia).

Priority items checked in domestic audits

- Management status of fluorocarbons equipment due to change in the Fluorocarbons Recovery and Destruction Law
- Disposal status of equipment that utilizes high-concentration PCBs that have an approaching disposal deadline fiscal 2020 year-end
- Status of climate change measures and water risks, which in recent years have become notable global risks

As a result of the environmental audit in fiscal 2019, certain deficiencies were observed in waste management, fluorocarbons management, and other areas in Japan, and it became apparent that additional investigation of PCBs was necessary. Overseas, we were able to properly respond to the findings of the previous audit, and no new points were identified. Although there were minor requests for improvements at both domestic and overseas bases, there were no findings that could lead to serious legal violations or environmental risks.



Environmental audit at Mitsubishi Tanabe Pharma Indonesia at the Bandung Plant (October 2019)

Environmental Education

Aiming for rigorous environmental compliance, the Group plans and implements environmental education and training in accordance with their level of connection with the environment.

We conduct training on environmental laws and regulations twice a year for employees in charge of environmental management at each base. We also conduct environmental training once a year for new employees. In addition, employees in charge of environmental management work to maintain and improve specialized skills and knowledge about environmental management by proactively obtaining qualifications and taking outside training courses.

Major training conducted in fiscal 2019

Training for people responsible for waste management

- **Participants**

People responsible for waste management at domestic Group bases

- **Date of implementation**

June 2019

- **Description**

Regulation of the Waste Management and Public Cleansing Law and the waste management business

- **No. of attendees**

45

ESG training

- **Participants**

People responsible for environmental management and ESG, and general employees

- **Date of implementation**

October 2019

- **Description**

ESG investment trends, climate change issues

- **No. of attendees**

136



ESG training (Implemented in October 2019)

E-learning environmental education

- **Participants**

Employees in charge of domestic sales

- **Date of implementation**

December 2019

- **Description**

Climate change issues, plastic issues

- **No. of attendees**

1,871

Status of Environmental Accidents/ Violations of Environmental Laws and Regulations

The table below shows environmental accidents and major violations of environmental laws and regulations. For the third consecutive year, the Group had no environmental accidents and no major violations of environmental-related laws and regulations.

Occurrence of environmental accidents and major violations of environment-related laws and regulations

Fiscal Year	No. of incidents	Description
2015	1	Wastewater standard deviation due to outflow of cooking oil from cafeteria
2016	1	Inappropriate use of genetically modified organisms
2017	0	-
2018	0	-
2019	0	-

Environmental Accounting

The Group promotes effective and efficient environmental management by monitoring and analyzing the costs and effects of environmental conservation activities (reduction of impact and economic effect).

Environmental conservation costs

Item	Invested (millions of yen)	Expended (millions of yen)
Pollution prevention	106	293
Global environmental protection	2	10
Recycling and reuse of resources	-	153
Upstream and downstream activities	-	-
Administrative activities	-	162
Research and development	-	-
Community activities	-	1
Environmental damage compensation	-	10
Total	108	629

Environmental conservation effects

Initiatives	Name of base	Invested (millions of yen)	Item reduced	Quantity reduced	Economic effect (millions of yen/year)
New boiler installed beside a steam-heated building	Yokohama Site	78	City gas used	306 t-CO ₂ /year	16
Energy conservation equipment installed in new building	Onoda Plant	17	Electricity used	61 t-CO ₂ /year	1

Stakeholder Engagement with the Environment

Mitsubishi Tanabe Pharma Group seeks to remain a company trusted by society and to work for fair and appropriate information disclosure and dialogue with its stakeholders.

Opinion Sharing Meeting on ESG Held

On September 27, 2019, an Opinion Sharing Meeting on ESG was held at the Tokyo Head Office (Nihonbashi) to discuss the Group's initiatives to address social issues including environmental problems with institutional investors, securities analysts, and ESG investment professionals.



Endorsement of Parent Company's Task Force on Climate-related Financial Disclosure (TCFD)

Mitsubishi Chemical Holdings, our parent company, has endorsed the proposal for a Task Force on Climate-Related Financial Disclosure (TCFD^{*}). Based on this proposal, the Group will identify the risks and opportunities that climate change poses to our business and promote appropriate information disclosure.

* TCFD is a task force established by the Financial Stability Board (FSB) at the request of the G20 to develop a set of climate-related information disclosures and study financial institutions' response. In June 2017, TCFD released the final recommendations report on how information should be disclosed to encourage companies to voluntarily disclose the effects of climate change-related risks and opportunities on corporate finances.

Response to CDP

In fiscal 2019, we responded for the first time to the CDP^{*} survey. As a result, we received a score of B (management) for climate change and B- (management) for water security.

* CDP is an international NGO that surveys companies' and cities' responses to "climate change," "water resource management," and "forest resource management" around the world and discloses the results in order to achieve a sustainable economy.

Industry Group Activities

We participate as a member of the Environmental Committee of The Federation of Pharmaceutical Manufacturers' Associations of Japan and contribute to formulating guidelines and action plans for the industry. We also participate in the low carbon society action plan working group of the federation and are working to achieve the carbon dioxide emissions reduction target based on Japan Business Federation's (Keidanren's) request.

Implementation of CSR Procurement Survey

The Group has conducted a CSR procurement survey for major suppliers. In the 2019 survey, we investigated their efforts concerning greenhouse gas emission reduction targets and water risks.

Interaction with Local Communities

The Group supports local environmental activities as part of its corporate citizenship activities. Toda City in Saitama Prefecture has adopted "environmental communication" into the curriculum of courses certified by citizen's colleges since fiscal 2019, the first of which was held at the Toda Site in November 2019. We introduced our group's environmental initiatives such as global warming measures and chemical substance management, and had a lively exchange of views with citizens.



(Toda City citizen's college certified course: Environmental Communication; Attendance: 16 students)

VOICE

"The earth is borrowed from the children of the future"

MATSUMOTO Fumiharu

Associate Director, Environment and Safety Management Section
Management Department, Onoda Plant, Mitsubishi Tanabe Pharma Factory

At the Onoda Plant, EHS (Environment, Health, Safety) is viewed as the basis of plant operations. To symbolize this inside and outside the company, we named the new office building completed in 2019 the EHS Center. We also seek to realize a sustainable KAITEKI society by identifying important issues at our plants and setting Key Performance Indicators (KPIs) linked to the SDG targets.

In the 21st century, the environment that surrounds humanity has undergone remarkable changes, and a range of problems including climate change due to global warming and frequent abnormal weather have arisen. There is a well-known saying that "the earth is not inherited from our ancestors, but borrowed from the children of the future." From now on, it is important that we not only focus on economics, but also take action while maintaining an ethical approach to ensure sustainability. In order to protect our rich natural environment, the Onoda Plant will cooperate with a wide range of stakeholders to build a true circular economy.





Environment

Environmental Performance Overview

Calculation Standards for Environmental Performance Indicators

Scope of Bases Calculated

Area	Function	Name of base
Domestic	Research	Yokohama Site, Toda Site, Kashima Site, Shonan Site
	Production	Onoda Plant, Yoshitomi Plant
	Offices	Head Office, Tokyo Head Office, branches, sales offices, Bipha
Overseas	Research	Tanabe Research Laboratories U.S.A., Medicago R&D (including Medicago Head Office)
	Production	Taiwan Tanabe Seiyaku (Hsinchu Plant), Tianjin Tanabe Seiyaku (factories and Head Office), Mitsubishi Tanabe Pharma Korea (Hyangnam Plant, Head Office), Mitsubishi Tanabe Pharma Indonesia (Bandung Plant), Medicago U.S.A.
	Offices	Mitsubishi Tanabe Pharma (Shanghai Office), Mitsubishi Tanabe Pharma Development (Beijing), Taiwan Tanabe Seiyaku (Head Office), Tai Tien Pharmaceuticals, Mitsubishi Tanabe Pharma Korea (Seoul Office), Mitsubishi Tanabe Pharma Indonesia (Head Office), Mitsubishi Tanabe Pharma Singapore, Mitsubishi Tanabe Pharma (Thailand), Mitsubishi Tanabe Pharma Malaysia, Mitsubishi Tanabe Pharma Holdings America, Mitsubishi Tanabe Pharma America, Mitsubishi Tanabe Pharma Development America, MP Healthcare Venture Management, MTPC Holdings Canada, Mitsubishi Tanabe Pharma Europe, Mitsubishi Tanabe Pharma GmbH, NeuroDerm

* Tanabe Seiyaku Yoshiki Factory was excluded from the scope from fiscal 2019 due to the transfer of its shares at the end of fiscal 2019.

* The Shonan Site was added to the scope in fiscal 2019 because it was opened in July 2019.

* Mitsubishi Tanabe Pharma Malaysia was added to the scope from fiscal 2019.

Calculation Method

Environmental Performance Indicator	Unit	Calculation Method
Greenhouse gases	Scope of domestic data collection: All domestic bases Scope of overseas data collection: Research bases, production bases, offices (electricity only)	
Greenhouse gas emissions	Thousand t-CO ₂ eq	Data collected: CO ₂ equivalent emissions from energy (fuel and electricity) purchased at bases, fuel purchased for domestic company vehicles, and domestic leakage of fluorocarbons Greenhouse gases: Σ (amount of each type of energy purchased x CO ₂ emissions factors for each type of energy) + Σ [(amount of fluorocarbons refilled - amount of fluorocarbons recovered when refilled) x GHG factor for each type of fluorocarbons] Figures for fuel emissions factor are the totals calculated for each type of fuel based on the Greenhouse Gas Emission Calculation and Reporting Manual (Ver. 4.4) and of the Ministry of the Environment and the Ministry of Economy, Trade and Industry. The emissions factor for electricity is calculated by the basic emissions factor of Emissions Factors for Electric Power Enterprises announced by The Ministry of the Environment and the Ministry of Economy, Trade and Industry on January 7, 2020 or the country-specific factor indicated in CO ₂ Emissions From Fuel Combustion (IEA 2017) by the International Energy Agency (IEA).
Scope 1	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from fuel purchased at bases, fuel for domestic company vehicles, and leaked fluorocarbons. The method of calculation is the same as that for GHGs.
Scope 2	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from electricity purchased at bases. The method of calculation is the same as that for GHGs.
Scope 3 Emissions in Category 1 Purchased goods and services	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from manufacturing and transportation of raw materials and products purchased in Japan. Calculated by multiplying the purchase price of raw materials and products by emissions unit value from the Ministry of the Environment's database (Database on emissions unit values for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain (Ver. 3.0)).
Scope 3 Emissions in Category 2 Capital goods	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from manufacturing and transportation from property, plant and equipment acquired in Japan and overseas. Calculated by multiplying the acquisition price of property, plant and equipment by the emissions unit values from the Ministry of the Environment's database.

Environmental Performance Indicator	Unit	Calculation Method
Scope 3 Emissions in Category 3 Fuel- and energy-related activities not included in Scope 1 or 2	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from the collection, production, and transportation of energy purchased in Japan and overseas. Greenhouse gases: Σ (amount of each type of energy purchased x CO ₂ emissions factors for each type of energy) The fuel emissions factor uses the LCI database (IDEAv2), and the electricity emissions factor uses the emissions unit values (Ministry of the Environment's database).
Scope 3 Emissions in Category 4 Transport and delivery (upstream)	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from domestic transportation of our products (base→distribution warehouse, distribution warehouse→wholesaler), MTPC transportation of promotional products (promotional goods warehouse→branch/sales offices, etc.), and storage (distribution warehouse, promotional goods warehouse). MTPC transportation is calculated using the ton-kilometer method in the Greenhouse Gas Emission Calculation and Reporting Manual (Ver. 4.4) from the Ministry of the Environment and Ministry of Economy, Trade and Industry. Storage is calculated by taking the amount of electricity used in domestic distribution warehouses and promotional goods warehouses and multiplying it by the basic emission factor in Emissions Factors for Electric Power Enterprises announced by The Ministry of the Environment and the Ministry of Economy, Trade and Industry on January 7, 2020.
Scope 3 Emissions in Category 5 Waste generated in operations	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from domestic waste treatment Calculated from the amounts of waste by type, which is multiplied by the emissions unit values of the Ministry of the Environment's database.
Scope 3 Emissions in Category 6 Business travel	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from business trips by all domestic and overseas employees. Calculated from the number of employees, which is multiplied by the emissions unit values from the Ministry of the Environment's database.
Scope 3 Emissions in Category 7 Employee commuting	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from commuting by all domestic and overseas employees. Calculated from the amounts of transportation costs paid by each means of transportation, which are multiplied by emissions unit values from the Ministry of the Environment's database.
Scope 3 Emissions in Category 8 Leased assets (upstream)	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from managing leased assets. [Not applicable] All energy consumption at leased bases is included in scopes 1 and 2.
Scope 3 Emissions in Category 9 Transport and delivery (downstream)	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions associated with transportation and product storage by other companies [Not calculated]
Scope 3 Emissions in Category 10 Processing of sold products	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from processing of sold pharmaceutical ingredients and preparations by other companies [Not calculated]
Scope 3 Emissions in Category 11 Use of sold products	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from the use of sold products [Not applicable] Minute amounts of CO ₂ are generated during drug use
Scope 3 Emissions in Category 12 End-of-life treatment of sold products	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from the treatment of household waste in our container products in Japan Calculated by multiplying the weight of each container material by the emissions unit values from the Ministry of the Environment's database
Scope 3 Emissions in Category 13 Leased assets (downstream)	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions from the management of leased assets [Not calculated]
Scope 3 Emissions in Category 14 Franchise	Thousand t-CO ₂ eq	Data collected: CO ₂ -equivalent emissions associated with franchisee activities [Not applicable] No franchisees
Scope 3 Emissions in Category 15 Investments	Thousand t-CO ₂ eq	Data collected: CO ₂ -emissions associated with the management of investment projects [Not calculated]
[Energy]	Scope of domestic data collection: All bases Scope of overseas data collection: Research bases, production bases, offices (electricity only)	
Energy used	Thousand GJ	Thermal equivalent values of energy purchased (electricity, fuel; including fuel consumed by domestic company vehicles) Σ (amount of each type of energy purchased x unit calorific value for each type of energy) Unit calorific values are based on the Regulation for Enforcement of the Law Regarding the Rationalization of Energy Use
[Water resources]	Scope of domestic data collection: All bases (excluding branches/sales offices) Scope of overseas data collection: Research bases and production bases	
City water/Industrial water withdrawal	Thousand m ³	Data collected: Amount of intake of water supplied from external organizations
Amount of intake of surface water	Thousand m ³	Data collected: Amount of intake of surface water (river water, lake water, etc.) by our company
Amount of intake of groundwater	Thousand m ³	Data collected: Amount of intake of groundwater by our company
[Waste]	Scope of domestic data collection: All bases and external facilities (distribution center) Scope of overseas data collection: Research bases and production bases	

Environmental Performance Indicator	Unit	Calculation Method
Amount of waste generated	t	Data collected: Volume of waste generated (unnecessary items generated in business activities and contracted for paid processing)
Waste emissions	t	Data collected: After reducing the volume of waste generated directly or in-house, the amount contracted out for processing
Amount of final waste disposed	t	Data collected: Volume of waste disposed of at landfills following intermediate processing
Final waste disposal rate	%	Amount of final waste disposed divided by amount of waste generated
[Air pollution] Scope of domestic data collection: All bases Scope of overseas data collection: Research bases and production bases		
NOx emissions	t	Data collected: Amount of NOx emissions from facilities that generate soot/smoke for which measurement of exhaust gas NOx concentrations is mandatory under laws and regulations, etc. Σ (NOx concentration in exhaust gas \times annual exhaust gas volume)
SOx emissions	t	Data collected: Amount of SOx emissions from facilities that generate soot/smoke for which measurement of exhaust gas SOx concentrations is mandatory under laws and regulations, etc. Σ (SOx concentration in exhaust gas \times annual exhaust gas volume)
Particulate matter emissions	t	Data collected: Amount of particulate matter emissions from facilities that generate soot/smoke for which measurement of exhaust gas particulate matter concentrations is mandatory under laws and regulations, etc. Σ (particulate matter concentration in exhaust gas \times annual exhaust gas volume)
[Water pollution] Scope of domestic data collection: All bases (excluding branches and sales offices) Scope of overseas data collection: Research bases and production bases		
Wastewater volume	Thousand m ³	Data collected: Amount of water released to public water bodies (rivers, oceans, etc.) or sewer systems
COD pollution load	t	Data collected: Amount of COD discharged by bases that release wastewater to public water bodies Σ (COD concentration in water discharged \times annual wastewater volume released to public water bodies)
BOD pollution load	t	Data collected: Amount of BOD discharged by bases that release wastewater to rivers Σ (BOD concentration in water discharged \times annual wastewater volume released to rivers)
Nitrogen pollution load	t	Data collected: Amount of nitrogen emissions from bases that release wastewater to public water bodies Σ (nitrogen concentration in water discharged \times annual wastewater volume discharged to public water bodies)
Phosphorus pollution load	t	Data collected: Amount of phosphorus emissions from bases that release wastewater to public water bodies Σ (phosphorus concentration in water discharged \times annual wastewater volume discharged to public water bodies)
[PRTR substances and VOCs] Scope of domestic data collection: All bases Scope of overseas data collection: Research bases and production bases		
PRTR substances handling volume	t	Handling volume of PRTR substances (specified substances and Class I Designated Chemical Substances stipulated in the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof), are the total handling volume of substances for which each base's annual handling volume is 100 kg or more. Data collection standards conform with the Manual for PRTR Release Estimation Methods from the Ministry of Economy, Trade and Industry and the Ministry of the Environment (Ver. 4.2).
VOC handling volume	t	For VOCs (volatile organic compounds stipulated by the Ministry of the Environment; excluding PRTR substances) the total handling volume of substances for which each bases' annual handling volume is 100 kg or more. Data collection standards conform with the Manual for PRTR Release Estimation Methods.
Air emissions of PRTR substances	t	For PRTR substances for which each base has an annual handling volume of 100 kg or more, total amount released to the atmosphere. Data collection standards conform with the Manual for PRTR Release Estimation Methods.
Air emissions of VOCs	t	For VOCs (excluding PRTR substances) for which each base has an annual handling volume of 100 kg or more, total amount released to the atmosphere. Data collection standards conform with the Manual for PRTR Release Estimation.
PRTR substances released to public waters	t	For PRTR substances for which each base has an annual handling volume of 100 kg or more, total amount released to public waters. Data collection standards conform with the Manual for PRTR Release Estimation.
VOCs released to public waters	t	For VOCs (excluding PRTR substances) for which each base has an annual handling volume of 100 kg or more, total amount released to public waters. Data collection standards conform with the Manual for PRTR Release Estimation.

List of abbreviations

VOC: Volatile Organic Compounds
PRTR: Pollutant Release and Transfer Register
NOx: Nitrogen Oxides
SOx: Sulfur Oxide
COD: Chemical Oxygen Demand
BOD: Biochemical Oxygen Demand

Overview of Environmental Impact

The figures below show the amount of resources (inputs) directly consumed and the environmental impact (outputs) discharged by our business activities in fiscal 2019.

		Input			
		Unit	Global	Domestic	Overseas
Energy	Purchased electricity	MWh	114,573	90,566	24,007
	Gases	Thousand Nm ³	8,951	7,230	1,721
	Petroleum	kL	4,153	4,096	57
	Thermal equipment	Thousand GJ	1,680	1,361	319
Water	Supplied water / Industrial water	Thousand m ³	5,246	5,157	89
	Fresh surface water (lakes, rivers, etc.)	Thousand m ³	728	728	0
	Groundwater	Thousand m ³	58	46	12
Chemical substances	PRTR regulated substances	t	87	86	1
	VOC*	t	956	936	20

Mitsubishi Tanabe Pharma Group

		Output			
		Unit	Global	Domestic	Overseas
Atmospheric Emissions	CO ₂	1,000 t-CO ₂ e _q	85	71	15
	NO _x	t	8.9	7.4	1.5
	SO _x	t	3.3	3.0	0.3
	Particulate matter	t	0.12	0.09	0.03
	PRTR regulated substances	t	1.2	1.2	0.0
	VOC*	t	43.2	27.5	15.7
	Wastewater	Wastewater output	Thousand m ³	5,622	5,555
BOD pollution load		t	8.6	8.6	0.1
COD pollution load		t	13.6	13.4	0.2
Nitrogen		t	5.9	5.9	0.02
Phosphorus		t	0.4	0.4	0.0
PRTR regulated substances		t	0.6	0.4	0.2
VOC*		t	12.9	12.3	0.7
Waste		Waste output	t	6,506	5,665
	Emmissions	t	3,190	2,375	815
	Final disposal	t	402	41	361

* Excluding PRTR substances



Environment

Climate Change Initiatives

Climate change is an environmental problem that has a significant effect on the continued existence of life, including human beings, and efforts to prevent it are now a major challenge for the global community. The Group has positioned climate change initiatives as an important management theme and will promote measures to mitigate greenhouse gas emissions and to adapt to the effects of climate change.

Reduction of Greenhouse Gas Emissions

To mitigate climate change, the Group is reducing its energy consumption and greenhouse gas emissions by preventing the leakage of fluorocarbons.

CO₂ Emission Reduction Targets

The Group has set its CO₂ emission reduction target (with 2010 as the base year and 2020 as the target year, we seek 40% reduction in Japan and 35% globally) in the current Medium-Term Environmental Action Plan (2016-2020). In fiscal 2020, along with the next Medium-Term Environmental Action Plan target (2021-2025), we will set a 2030 target for reducing greenhouse gas emissions that is consistent with the Paris Agreement and plan to continue our efforts to mitigate climate change.

Since 2018, the Group continues to participate in the Ministry of the Environment's "Carbon Deforestation Promotion Network," and since 2019, in the "SBT* setting support project."

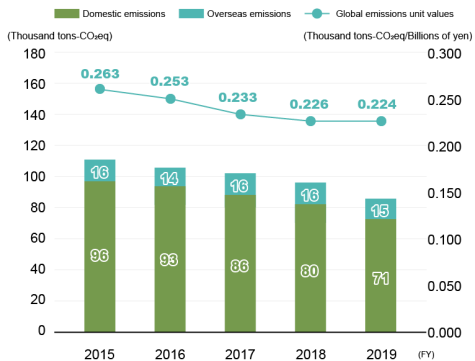
* "SBT (Science Based Targets) Initiative" is a joint international initiative comprised of CDP, an international NGO that works on environmental issues such as climate change, the UN Global Compact (UNGC), the World Resources Institute (WRI), and the World Wildlife Fund (WWF). It certifies CO₂ emission reduction targets for companies that are consistent with science-based reduction scenarios toward the goal of the Paris Agreement of "keeping the global average temperature rise since the pre-industrial revolution to below 2°C."

Greenhouse Gas Reduction Overview

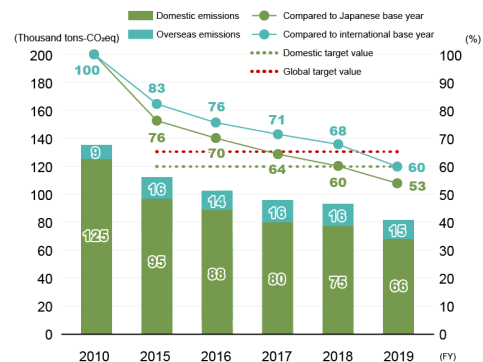
In fiscal 2019, the Group's greenhouse gas emissions (derived from base energy, company vehicle fuel, and leaked fluorocarbons) were 11% lower in Japan and 6.2% lower globally compared to the previous fiscal year. The reduction in greenhouse gas emissions is thought to be due to reduced energy consumption at domestic bases.

On the other hand, the CO₂ emission targets in the medium-term action plan were 47% lower than in fiscal 2010 in Japan and 40% lower globally, exceeding the target.

Greenhouse gas emissions



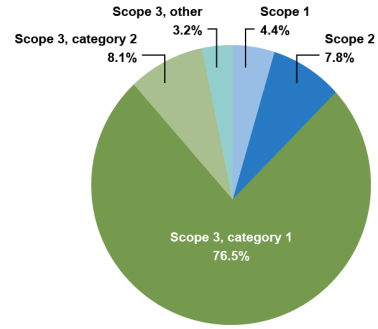
CO₂ emissions (derived from base energy)



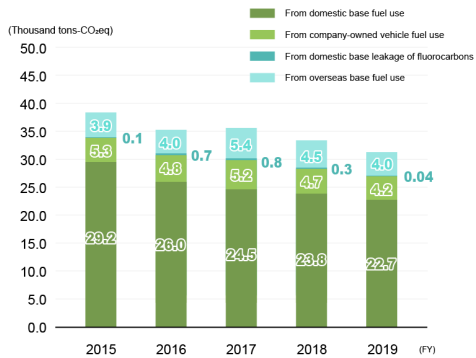
Supply Chain Greenhouse Gas Emissions Reduction Overview

Scope 3 emissions in category 1 accounted for 76.5% of all supply chain greenhouse gas emissions in fiscal 2019. Supply chain greenhouse gas emissions in fiscal 2019 decreased by 7.4% for Scope 1, decreased by 12% for Scope 2, and increased by 15.4% for Scope 3. "Overseas" was added to the scope of calculations in Scope 3, category 7.

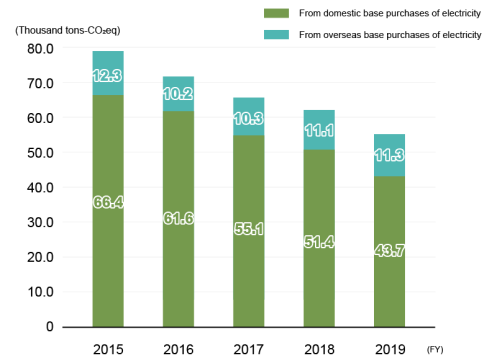
FY2019 supply chain greenhouse gas emissions rate



Scope 1 greenhouse gas emissions



Scope 2 greenhouse gas emissions



Scope 3 greenhouse gas emissions

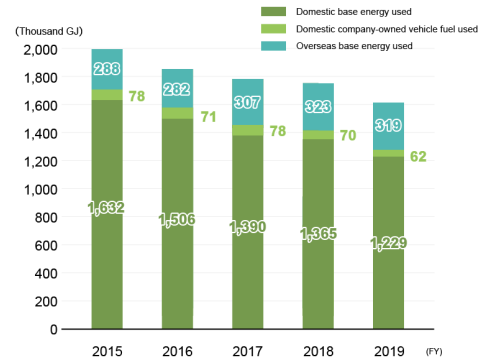
Category	Definition	GHG emissions (tons-CO ₂ eq)
1	Purchased goods and services	540,640
2	Capital goods	57,347
3	Fuel- and energy-related activities not included in Scope 1 or 2	14,494
4	Transport and delivery (upstream)	2,392
5	Waste generated in operations	2,071
6	Business travel	908
7	Employee commuting	2,119
8	Leased assets (upstream)	Added to Scope 1 and 2
11	Use of sold products	Not applicable
12	End-of-life treatment of sold products	385
14	Franchises	Not applicable

Reduction of Energy Used

We have created a system of energy management that covers the entire domestic Group and regularly hold liaison committee meetings with environment-related departments and the people in charge at each base. The liaison committee promotes energy conservation Groupwide by discussing changes in energy use and energy-saving measures and implements them.

Energy consumption (thermal equivalent) in fiscal 2019 decreased 4.8% year on year in Japan and declined 4.1% year on year overseas. Energy consumption in Japan decreased from the previous year due to energy-saving activities at each base and base consolidation.

Energy used



Initiatives to Reduce Greenhouse Gas Emissions

Energy-Saving Initiatives at Bases

The table below shows the energy-saving activities conducted at domestic bases in fiscal 2019.

Energy-saving activities at domestic bases

Classification	Base	Activity
Reduction of steam transportation loss	Yokohama Site	Reduce distance of steam transportation by changing steam supply from a central to an individual system
Install energy-saving equipment in new buildings	Onoda Plant	Install total heat exchange ventilator, low-emission glass, and LED lighting
Energy-saving campaign	All bases	Campaign poster display (summer and winter)
Ecological activities	Kashima Site	Certified as an "Excellent Ecological Commuter Office"
	Tokai Branch	Certified as an "Eco Office"
	Head Office/Kashima Site	Registered under the "Kansai Eco Office Declaration"
Promotion of eco-driving	East and West Japan Distribution Center	Improved fuel efficiency by installing safety recorders

* Certified and registered as a Ministry of Land, Infrastructure, Transport and Tourism "Excellent Ecological Commuter Office"

Introduction of Hybrid Vehicles

The Group is introducing hybrid vehicles and eco-driving to reduce greenhouse gas emissions from company-owned vehicles.

As of the end of fiscal 2019, there were 1,709 company-owned vehicles (down 6.7% year on year) within the domestic Group that are driven outside the base, of which 1,145 (67%) were hybrid vehicles. On the other hand, in fiscal 2019, CO₂ emissions from company-owned vehicle fuel were 4,200 tons-CO₂ (down 12% year on year).

Renewable Energy Use

Use of renewable energy that does not emit greenhouse gases is an effective measure to contribute to climate change mitigation.

The Group has installed solar power panels on the rooftops of the Kashima Site office buildings and the Tokyo Head Office. The amount of power generated in fiscal 2019 was 167MWh at the Kashima Site and 3MWh at the Tokyo Head Office.



Solar power panels on a rooftop of the Kashima Site office building

Controlling Fluorocarbons Emissions

The Group is working to prevent leaks of fluorocarbons, which show the effects of ozone layer depletion and greenhouse gases. We comply with installation standards and conduct regular inspections of equipment containing fluorocarbons installed in domestic bases. In addition, when disposing of equipment containing fluorocarbons, we are working to implement steady recovery/destruction of fluorocarbons. In addition, when installing equipment containing fluorocarbons, we selected a model that takes into account global warming potential and energy-saving performance. In fiscal 2019, at the Group's domestic production and research bases, the volume of fluorocarbons recovered and destroyed was 1,989 kg, and the leakage volume was 22 kg (40 tons-CO₂). The CO₂-equivalent leakage volumes for domestic Group companies were below the threshold for reporting to the national government for all years since 2015 when the leakage reporting system was established.

Donation of Greenhouse Gas Emission Credits

Since we collaborate with Zero Carbon Saitama* operated by Saitama Prefecture, the surplus greenhouse gas allowance (1,770 tons-CO₂) generated by the Toda Site's greenhouse gas reduction efforts was donated as a credit established by Saitama Prefecture's target-based emissions trading system.

* Zero Carbon Saitama is a general term for collaboration with the 2020 Tokyo Olympics Carbon Offset and Realization of Zero Carbon Three Days in 2019.

Analysis and Evaluation of Climate Change Risks and Opportunities

In promoting mitigation and adaption to climate change, it is important to understand the impact of extreme weather and natural disasters as well as the impact of the transition to a low-carbon society on our business.

The Group uses two types of climate change prediction tools, A-PLAT WebGIS^{*1} and NK-ClimVault^{*2} and promotes climate change predictions at production and research bases in Japan and overseas using representative concentration pathway scenarios (RCP2.6: 2°C scenario, RCP8.5: 4°C scenario)^{*3}.

Understanding the impact of climate change on the supply chain is also important for sustainable procurement of raw material. The Group began analyzing the impact using the above prediction methods.

We have evaluated the impact of climate change on the Group's businesses in terms of both risks and opportunities based on the predictions.

We will continue to analyze and evaluate, and pursue measures necessary to make our business more resilient.

Classification	Content	Management method
Physical risk	Increasing natural disasters due to abnormal weather resulting in product supply delays and equipment restoration costs caused by damage to production facilities.	Evaluate climate change risk of production bases Prepare BCP manual, take disaster prevention measures, secure emergency power supply
	Crop failure of vegetable-based raw materials due to bad weather or disruption of the supply chain caused by natural disaster hinders the procurement of raw materials.	Evaluate climate change risk of suppliers Conduct supplier surveys Consider alternative purchasing methods
	Increasing maintenance and management costs for research and production facilities due to rising average temperatures	Augment conditioning equipment, etc.
Regulatory risk	Stricter regulations on greenhouse gas emission and introduction of the carbon tax increase operating costs	Use renewable energy Fuel conversion Convert to low CO ₂ emission equipment
Reputation risk	Worsening stakeholder evaluations of Company's climate change response causes sales to decrease	Actively promote mitigation and adaptation measures for climate change Appropriately disclose information about initiatives
Opportunities (Products/Services)	Expansion of medical needs in areas such as infectious diseases due to climate change effects	Analyze medical needs Strengthen vaccine business, research and develop drugs to treat malaria and NTDs (neglected tropical zone infectious diseases)

*1 A tool for evaluating the impact of climate change developed by the Climate Change Adaptation Information Platform (A-PLAT)

*2 A tool for evaluating the impact of climate change developed and released by Nippon Koei Co., Ltd.

*3 Prediction of future changes in temperature and precipitation by inputting future predictions of greenhouse gas concentrations in the atmosphere (emission scenarios) into a climate model. The tool is commonly used internationally, such as in the IPCC Fifth Assessment Report.

Infectious diseases expected to increase due to climate change, and drug discovery

As climate change progresses, the number of infectious diseases carried by mosquitoes is expected to increase.

The Group supports creating new drugs for infectious diseases such as malaria and neglected tropical diseases by investing in the Global Health Innovative Technology Fund (GHIT Fund), which was set up by governments, companies, and citizens across sectors. In addition, through the GHIT Fund, we provided a compound library to the Medicines for Malaria Venture (MMV), a research institute for malaria treatment, obtained three promising hit compounds through collaborative research, and from one of them, we obtained two lead compounds as candidates for new antimalarial drugs. Collaborative research with MMV moved into the next stage in April 2019, and we are promoting a two-year program to create pipeline candidates utilizing a grant from the GHIT Fund.



Environment

Addressing Water Security

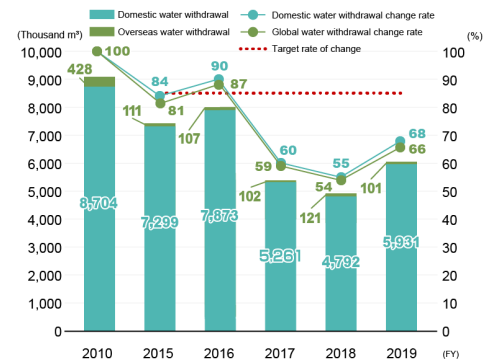
Water is an irreplaceable resource for all living things and is essential for achieving both quality and quantity in pharmaceutical research and manufacturing. As climate change progresses, risks including drought, water pollution, and floods will increase.

The Group is taking steps to reduce the amount of water used to mitigate its impact on water resources, and is considering measures to provide against emergencies such as draught and the deterioration of water quality, even in river water and groundwater that is now abundantly available.

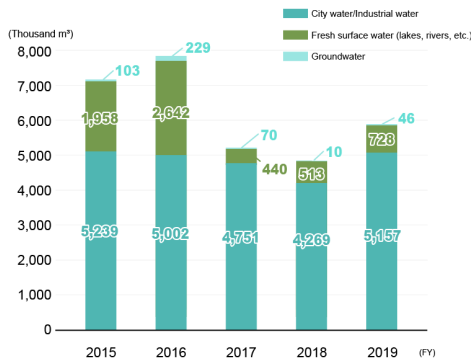
Reduction of Water Withdrawal

In fiscal 2019, domestic water withdrawal increased by 24% year on year, and global water withdrawal increased by 23%. On the other hand, water withdrawal declined 32% in Japan and 34% globally compared with fiscal 2010, achieving the medium-term action plan targets. The main reason for the increased water withdrawal in fiscal 2019 was the operation of a new pharmaceutical production building at the Yoshitomi Plant and an increase in industrial water withdrawal at the Onoda Plant.

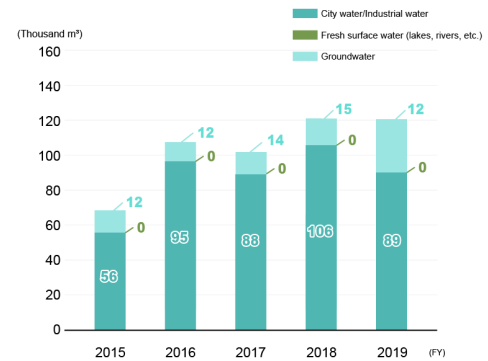
Water Withdrawal



Breakdown of domestic water withdrawal



Breakdown of overseas water withdrawal



* Water withdrawn from the river of the Onoda Plant will be allocated as industrial water this fiscal year since it is managed and supplied by the local government.

Initiatives to Reduce Water Withdrawal (Water Recycling)

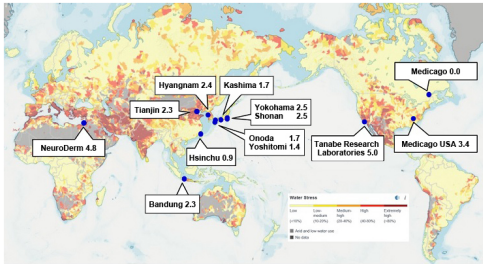
The Group has promoted the effective use of water resource by using wastewater and rainwater. At the Yokohama Site, wastewater is treated with activated sludge, activated carbon, and other substances at facilities inside the site and reused it as recycled water. The recycled water of laboratory wastewater is reused as preliminary washing and cooling water for laboratory instruments, and the recycled water of domestic wastewater is reused as washing water in bathrooms. The amount of recycled water used in 2019 was 33 thousand m³, exceeding the city water withdrawal of 29 thousand m³. On the other hand, at the Head Office and Tokyo Head Office, rainwater is stored in pits and used as sprinkling water.

Analysis and Assessment of Water Risk

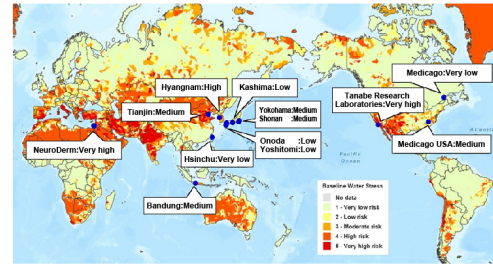
In recent years, the risk of natural disasters related to water has increased, such as water shortages, drought, floods, chronic storm surges, and water pollution that are thought to be the effects of climate change. On the other hand, the amount of water used is increasing worldwide with the development of economic activity. Moreover, wastewater regulations are being tightened to prevent water pollution. Against this backdrop, securing water resources and responding to water disaster risks have become important issues in our corporate activities.

Since high quality water is an important resource in pharmaceutical manufacturing and R&D, the Group conducts analysis using WRI Aqueduct^{*1}. In addition, since fiscal 2019, we have been analyzing water risk at domestic and overseas production and research bases by including analysis using the WWF Water Risk Filter^{*2}. As a result, we determined that two overseas laboratories were at high risk, but we will investigate the capabilities of those laboratories and the actual amount of water used and take necessary countermeasures. Understanding the potential water risks of the supply chain is also important for sustainable raw material procurement. The Group has started risk analysis using the above forecasting method.

Water stress evaluation using Aqueduct



Water stress evaluation using Water Risk Filter



*1 A tool for evaluating water risk developed by the World Resources Institute (WRI)

*2 A tool for evaluating water risk developed by the World Wildlife Fund (WWF)

In addition, based on these analyses and evaluation results, we are assessing the impact of changes in water security on our business from the viewpoint of both risk and opportunity. We will continue to analyze and evaluate the measures and take the necessary steps to improve the Group's business resilience.

Classification	Description	Management method
Physical risk	Hindrance of production activities and stable supply of products due to drought.	Evaluate risk using analytical tools Enhance water conservation efforts and secure water sources
	Hindrance of production activities due to deteriorating water quality of water withdrawal	Strengthen water quality data collection and analysis Invest in purification equipment
	Hindrance of production activities due to river floods and high tides	Evaluate risk using analytical tools Strengthen flood countermeasures
	Suppliers are hit by water shortages or floods, causing material procurement delays	Supplier engagement Secure alternative supply routes
Regulatory risk	Stricter water withdrawal regulations hinder production activities	Conserve water sources Secure water resources and maintain relationships with the community
	Capital investment increases due to stronger wastewater standards	Proper management of wastewater facilities Capital investment
Reputation and Market Risk	Environmental accidents related to wastewater occur and the Company's social reputation declines	Reliable wastewater management
	The cost of addressing water risk at suppliers is added to raw material costs, thus increasing production costs	Promote supplier management



Environment

Reduction of Waste, Recycling and Reuse of Resources

The recycling and effective reuse of resources is an important challenge not only for preventing environmental destruction, but also for business sustainability.

Under the Medium-Term Environmental Action Plan, the Group has set the goal of reducing waste and is advancing the 3Rs (reduce, reuse, recycle) from the standpoint of correct handling and effective resource use with the aim of realizing a circular economy.

Reduction of Waste Emissions

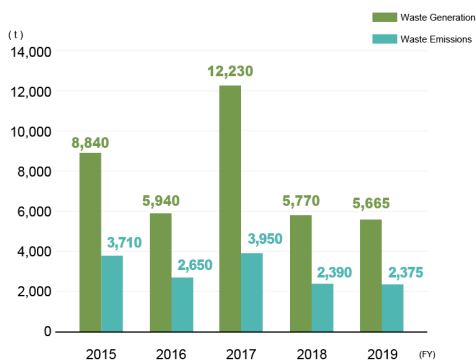
In fiscal 2019, the amount of waste generated by the Group at domestic bases declined 1.6% year on year, emissions were decreased 8.8%, and the amount of final waste disposed increased 21%. In fiscal 2019, with the discovery of underground objects during the construction of a new building at the Yoshitomi Plant and the fixtures and furniture from the closure of the Toda Site, we had an unsteady discharge of waste.

On the other hand, the amount of waste generated by the Group overseas increased 7.9% year on year, emissions climbed 7.2%, and the amount of final waste disposed was up 3.1%.

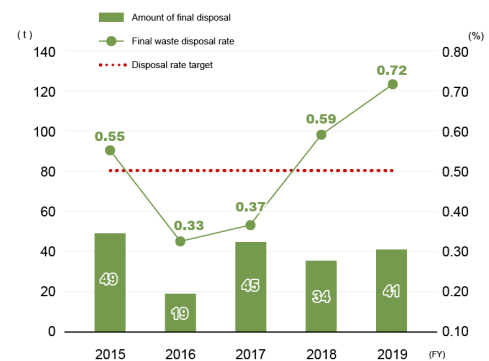
The Medium-Term Environment Action Plan has goals of reducing the amount of domestic waste generated and achieving zero emissions (a final waste disposal rate of less than 0.5%), but in fiscal 2019, the amount of waste generated decreased 1.6% and the final waste disposal rate was 0.72%.

The Onoda Plant, which generates the most waste in the Group, is proactively recycling waste and reducing the amount of final disposal. In fiscal 2019, the amount of waste generated was 3,866 tons, final waste disposal was 0.005 tons, and the final disposal rate was 0.00013%. Although final disposal is comprised of harmful substances and reagents that are difficult to recycle, we continue our efforts to reach zero final disposal.

Amount of Waste Generation and Emissions (Domestic)



Amount of Final Waste Disposed (Domestic)



Appropriate Management of Waste

As a waste-discharging enterprise, the Group is taking steps to advance the appropriate management of waste. At domestic bases, we are concluding agreements with contractors for the collection, conveyance, and processing of waste, issuing manifests, and conducting regular on-site surveys of disposal contractors.

When we select a waste disposal contractor, we conduct on-site surveys before concluding the contract to determine whether contracting is even possible.

In April 2020, we began making use of electronic manifests for all industrial waste the Group generates.



Environment

Prevention of Environmental Pollution

The Group works to prevent air, water, soil, noise, vibration, and odor pollution. Each base sets and applies stricter voluntary standards as well as legal emissions standards for pollutants.

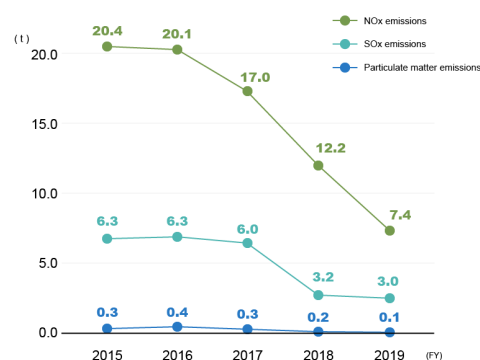
We also work to prevent the leakage of PRTR substances, VOCs, PCBs, asbestos, and other substances, which are regulated by environmental-related laws, to the outside and reduce the amount that we handle.

Air Pollutant Emissions

The Group controls the generation of soot and smoke by reducing the operating time of fuel-driven boilers, water heaters and coolers, and power generators. Furthermore, we reduce the concentration of air pollutants in soot and smoke by converting the fuel for these soot and smoke generating devices from oil to gas.

Domestic Group NOx emissions in fiscal 2019 were down 35% year on year, SOx emissions declined 5.7%, and particulate matter emission were down 40%. Small boilers, for which the measurement of exhaust gas is not mandatory, are excluded from the scope of data collection.

Emissions of air pollutants by domestic bases

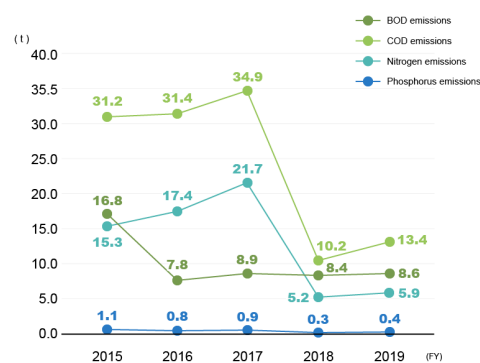


Water Pollution

The Group's production and research bases control the mixing of harmful substances in wastewater, by processing them as waste as much as possible. Also, we adjust the pH, and purify wastewater before discharge to comply with emission standards. Especially at the Onoda, Yoshitomi, and Mitsubishi Tanabe Pharma Indonesia Bandung plants, where wastewater is discharged into public water bodies, wastewater undergoes activated sludge treatment, and we comply with emission standards for public water bodies that are stricter than that for sewage discharge. At two domestic plants, we constantly measure the pH, COD, nitrogen, and phosphorus of the wastewater, and when we detect an abnormality, we immediately stop its discharge and store it in a reserve tank.

The domestic discharge of wastewater in fiscal 2019 was 5,355 thousand m³ (up 21% year on year) for public water bodies and 200 thousand m³ (down 4.8%) for sewage. Emissions of water pollutants contained in wastewater discharged into public water bodies were BOD up 2.4%, COD up 31%, nitrogen up 13%, and phosphorus up 21%. The increase in the amount of wastewater discharged into public water bodies and emissions of water pollutants was the result of increased production due to the operation of a pharmaceutical production building in the Yoshitomi Plant.

Environmental impact on public water bodies (domestic)



Prevention of Soil and Groundwater

The Group conducts land use history surveys of domestic bases where it owns land to identify soil contamination risk. If the survey finds that the soil or groundwater is contaminated, we notify the authorities and take appropriate action.

Soil and groundwater pollution survey conducted in fiscal 2019

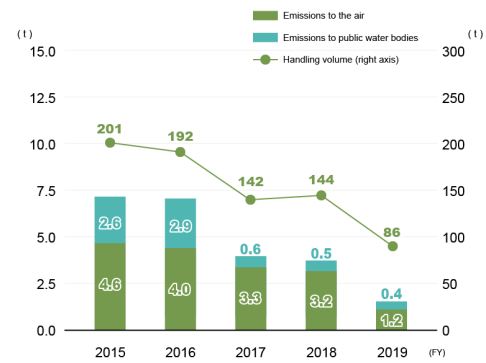
Base	Implemented content
Onoda Plant	The soil survey of the planned site for the new research building confirmed the presence of soil contamination in one section of a 10-meter grid that was designated an Area for which Notification is required upon Change to Form or Nature
Yoshitomi Plant	The plant continues to purify and monitor groundwater contamination found in fiscal 2013 by pumping up the groundwater
Taiwan Tanabe Seiyaku's Hsinchu Plant	The results of the groundwater analysis conducted by relevant authorities in March 2018 revealed that one item deviated from the standard value. They are now investigating the extent of pollution and drawing up a cleanup plan.

PRTR Substances and VOCs

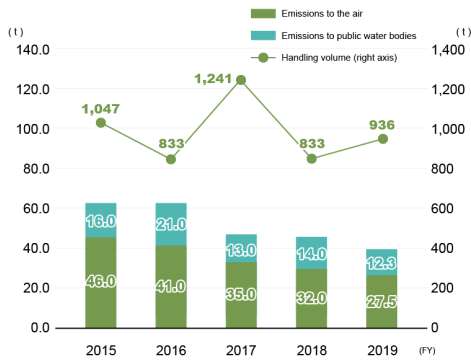
In fiscal 2019, in the Group's domestic emissions of PRTR substances, air emissions decreased by 62% year on year, and emissions into public water bodies decreased by 20%. Air emissions of VOCs were down 14% year on year, and emissions into public water bodies were down 12%. The handling volume of PRTR substances and VOCs varies greatly depending on the pharmaceutical ingredients manufactured that year, but emissions into the air and public water bodies are steadily decreasing due to the collection and treatment of waste. Similarly, domestic toluene emissions, the targets of which are set in the Medium-Term Environmental Action Plan, declined 76% compared with fiscal 2010, exceeding the target value.

On the other hand, Group overseas PRTR substances handling volume was 0, air emissions of VOCs were 15.6 tons, and emissions into public water bodies were 0.9 tons. Since the overseas VOC data collection method was revised, a comparison with the previous fiscal year was not performed.

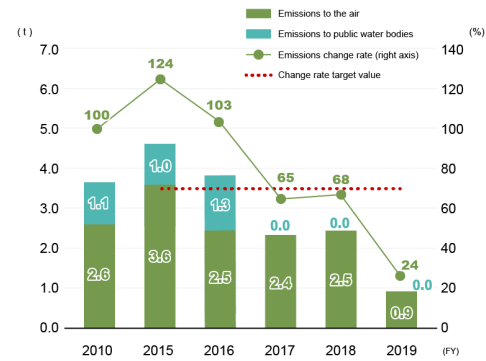
Emission of PRTR (Domestic)



Emission of VOC (excluding PRTR) (Domestic)



Emission of toluene (Domestic)



Disposal of Polychlorinated Biphenyls (PCBs)

In fiscal 2019, we completed a PCBs content survey of ballasts at our domestic bases. We will dispose of PCBs ballasts owned by the Group by the disposal deadline of March 31, 2021.

On the other hand, we are now conducting a PCBs content survey for transformers and capacitors. Devices that use a low concentration of PCBs will be sequentially disposed of by March 31, 2027, the disposal deadline.

Asbestos

The Group's domestic bases have previously conducted surveys of air-borne asbestos and took anti-scattering measures where applicable. In addition, when we demolish facilities, we check for the presence of asbestos in sprayed materials, heat insulating materials, building materials, and other materials that are removed, and as needed, we take measures to properly manage and prevent scattering.

Genetically Modified Organisms, Pathogens, etc.

The Group is engaged in drug discovery research aimed at various modalities, and opportunities to handle various research materials and samples are increasing. In the use of genetically modified organisms, we have established in-house regulations based on relevant government and ministerial ordinances, such as the "Law Concerning the Conservation and Sustainable Use of Biological Diversity through Regulations on the Use of Living Modified Organisms (Cartagena Act)," which we comply with. Moreover, the in-house Ethics Review Committee prevents the spread of living modified organisms by receiving preliminary reviews of measures to prevent the spread of these organisms into the environment.

In addition, regarding the use of pathogens and research materials and samples that may contain them, we have established internal regulations based on laws and regulations including the "Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases (the Infectious Diseases Control Law)" and prevent the leakage of pathogens.

In fiscal 2019, the Environment and Safety Management Department conducted an internal inspection and confirmed that operations are being carried out legally and appropriately.



Environment

Biodiversity Initiatives

Basic Approach

In accordance with the concept that a variety of environmental initiatives are connected with biodiversity, the Group seeks to help maintain and preserve biodiversity through a wide range of activities. These include reducing environmental burdens, promoting appropriate usage of inherited resources, fostering harmonious coexistence with nature and society, and increasing awareness within the Group. Accordingly, over the entire life cycle, from research and development to production, distribution, sales, use, and disposal, we will work to track how our business activities are connected with biodiversity, understand their influence and dependence on biodiversity, and enhance our awareness.

Activities to Preserve Biodiversity and the Natural Environment

In the Medium-Term Environmental Action Plan (2016-2020), the Group has set the objective of "Understanding the relationship between business activities and biodiversity and advancing initiatives for maintaining and preserving biodiversity." To achieve this objective, we have taken steps to reduce the environmental impact from our business activities and to preserve biodiversity and the natural environment.

Tokyo Greenship Action

Since 2006, the Group has been participating in Tokyo Greenship Action, a natural environment conservation activity conducted by the Tokyo Metropolitan Government in cooperation with companies and the NPO Shizen Kankyo Academy in the woodland conservation area.

In May 2019, 35 Group employees and their families worked with great dedication to preserve and restore natural woodlands in the Tokyo Metropolitan Government-designated Hachioji Takiyama woodland conservation area. The participants observed nature in the woodlands, which extends over an irrigated rice field area and a thickly wooded area. By experiencing the cutting of bamboo plants, making bamboo crafts, working in the field, picking rapeseed and maintaining the ponds, the participants learned about the importance of conserving and restoring woodland nature and preserving biodiversity.



Maintaining the ponds



Restoring the fields



Ikoma Mountain Range "Folding Screen of Flowers" Project

Since fiscal 2009, the Group has continuously participated in the Ikoma Mountain Range "Folding Screen of Flowers" Project, an environmental event sponsored by Osaka Prefecture. In November 2019, the event was held at Hoshida Park in Katano City, Osaka Prefecture and a total of 70 Group employees and family members participated in beautification and cleanup activities while hiking, and planted 54 cherry blossom, hydrangea, and azalea trees. Since starting this activity, the total number of trees planted has reached 9,700.

From the viewpoint of disaster prevention and biodiversity, this event also aims to restrain the uncontrolled spread of bamboo grass and kudzu (arrowroot).



Tree planting activities



Comments from the Group for Nurturing Forests Around Cities

In Katano City, which abounds with the rich natural charm of the northern Ikoma Mountain Range, we have been engaged in forest volunteer activities such as maintaining bamboo forests and making bamboo charcoal, and since 2011, we have worked on the "Folding Screen of Flowers" Project, planted many trees, and performed woodland conservation activities.

This time, together with MTPC employees and other participants at the Ikoma "Folding Screen of Flowers" hiking and tree-planting activities, sponsored by Osaka Prefecture and the Katano City Executive Office, we planted a total of 140 trees including 20 mountain cherry trees, 60 azalea trees, and 60 hydrangea trees at Hoshi no Sato Iwafune (Iwafune Natural Forest Sports and Culture Center in Katano City). It was great that many people were able to experience the natural environment of Katano City through the Ikoma "Folding Screen of Flowers" hiking.

We will continue to cherish the colors of each season, conduct woodland conservation activities, which are familiar to many, and pass on our forest resources to the next generation. (Koji Yamamoto, Representative of the Group for Nurturing Forests Around Cities)



Campaign to Promote Environmental Conservation Activities

To further promote biodiversity conservation activities, we have conducted a campaign to promote environmental conservation activities since fiscal 2017. In this campaign, we distributed the Company's original towel scarf on which is printed "For the Environment" to participants and all employees worked together to promote environmental conservation activities. We are working to prevent the environmental damage caused by the discharge of plastic waste into the ocean through clean-up activities in the town.

The following are the three activities targeted for this campaign in fiscal 2019.

- Clean Operation (Yoshitomi Site)
- Shonan iPark Volunteer Clean-Up (Shonan Site)
- Osaka Marathon Clean-Up Operation (Kashima Site)

> [Click here for information about greening and beautification activities conducted around worksites.](#)



Clean Operation



Shonan iPark Volunteer Clean-Up



Osaka Marathon Clean-Up Operation



Research & Development

Basic Approach to Discovery Research

Under its corporate philosophy of “We contribute to the healthier lives of people around the world through the creation of pharmaceuticals,” Mitsubishi Tanabe Pharma is working to continually discover new drugs that address unmet medical needs (medical needs for which there are no effective treatments or drugs). Our focus is on the two priority disease areas of the central nervous system and immuno-inflammation. At the same time, we are addressing new areas and new modalities* for a better future and will identify areas and technologies that will become the pillars that support our future.

In order to increase opportunities for establishing drug discovery targets and acquiring new technologies, as part of our drug discovery activities, we are creating an environment that makes it easier to generate new synergies, such as Shonan Health Innovation Park (Shonan iPark), and aggressively promoting open shared business in collaboration with industry, academia, and government, and we are also using external drug discovery resources. In addition, we will pursue synergies within the MCHC Group to contribute to the realization of a healthy and sustainable society through the extension of healthy life expectancy by quickly working to discover the drugs of the future, which will aim not only at the treatment of disease but also at prevention, remission, and complete cures.

* Modality refers to a treatment method, such as small molecule compounds, protein drugs, including peptide drugs and therapeutic antibodies, as well as nucleic acid drugs.

Intractable Disease Initiatives

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 intractable disease by the Ministry of Health, Labour and Welfare. There are said to be about 20,000 ALS patients in the U.S., with ALS emerging in 5,000 to 6,000 people every year. However, there was only one type of ALS treatment agent in the world, and a new type of ALS treatment agent was eagerly awaited. In June 2015, the RADICUT BAG for IV Infusion 30mg (generic name: edaravone; Japan product name: Radicut) received approval in South Korea in December 2015 and from the U.S. Food and Drug Administration (FDA) in May 2017, and was launched (U.S. product name: Radicava). Edaravone has also been approved in Canada, Switzerland, China and Indonesia.

We are expanding the number of countries where we operate so that we can deliver edaravone to as many patients around the world who are fighting ALS as possible, and we are now applying for approval to three ASEAN countries.

We are now developing MT-1186, an oral suspending agent of edaravone as a new treatment option to reduce the treatment burden of ALS patients (global P3 clinical trials began in November 2019).



Advancing Open Innovation

The environment for the discovery of new drugs is significantly changing, and the difficulty of discovery has increased year after year. In this type of environment, we are aggressively advancing open innovation to implement the sustained discovery of new drugs that have value for patients and on the medical front lines.

To accelerate open innovation, we moved into Shonan Health Innovation Park (Shonan iPark) in Kanagawa Prefecture in May 2019 and started a new strategic base. In addition to pharmaceutical companies and drug discovery ventures, Shonan iPark also houses drug discovery support services, research/medical equipment, as well as AI and IoT companies. We are posting some of the researchers from our Yokohama Site and the former Toda Site (closed in fiscal 2019) at Shonan iPark, and expanding opportunities to collaborate by forming human networks with resident companies. Notably, we have begun gene drug discovery in an effort to provide new drugs and medical services to prevent and cure rare and intractable diseases.

We will continue to play a unique role in addressing global health issues while collaborating with companies in the MCHC Group and utilizing MP Healthcare Venture Management, an investment subsidiary, and Tanabe Research Laboratories U.S.A., an overseas research base. In this way, we will combine external R&D seeds and our in-house core competencies in drug discovery and be the first to deliver original value to patients.

Main Alliance Partners (fiscal 2019)

Date announced	Alliance details	
August 2019	Began research and development of products used in gene therapy for hemophilia B 	Japan Agency for Medical Research and Development (AMED), Jichi Medical University
September 2019	Began joint screening to create pipeline compounds for tropical infectious diseases (Chagas' disease and leishmaniasis) 	Global Health Innovative Technology Fund (GHIT Fund), Drugs for Neglected Diseases initiative (DNDi)



Manufacturing and Supply Chain

Stable Supply of Pharmaceuticals

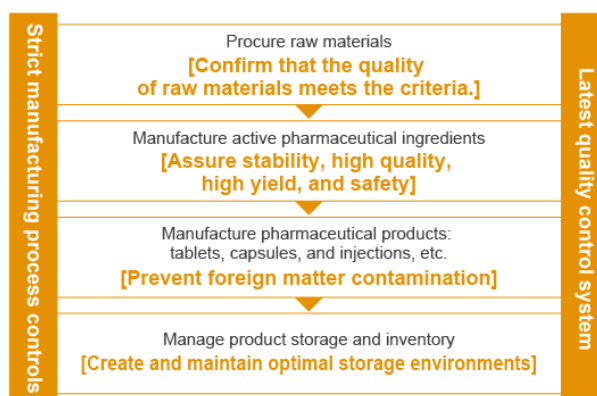
The Mitsubishi Tanabe Pharma Group manufactures and supplies high-quality pharmaceuticals and strictly controls product quality from acceptance testing of raw materials procured in Japan and overseas to the manufacture of GMP-compliant active pharmaceutical ingredients and drug products as well as testing and inspection, thus supplying premium quality products which patients and healthcare professionals can use safely and with peace of mind. As a global research-driven pharmaceutical company, we manufacture pharmaceuticals based on a wide range of technologies and proprietary knowhow developed over many years.

To further ensure quality, the Production Technology & Supply Chain Management Division and the Global Quality Assurance Department collaborate with the Group's manufacturing plants to develop production technologies to enhance quality, stabilize supply, and reduce costs from the early development stages of new pharmaceutical products. In addition, the Group's manufacturing plants (two in Japan and four overseas) together with manufacturing subcontractors are creating a global production system that delivers a stable supply of our products to many people around the world.

In June 2016, we have built a new domestic manufacturing facility within the Yoshitomi Plant for solid dosage formulations. This highly productive facility can supply pharmaceuticals in accordance with global quality standards, while further contributing to both the improvement of manufacturing technologies and the reduction of manufacturing costs.

In addition, BIKEN Co., Ltd., a joint venture with the BIKEN Foundation's vaccine manufacturing business, began operation in September 2017. By integrating BIKEN Foundation's vaccine manufacturing technologies together with Mitsubishi Tanabe Pharma's pharmaceutical manufacturing systems and management methods, we will strengthen our platform in vaccine production, with the aim of contributing to an even more stable supply of vaccines.

Pharmaceutical Manufacturing Process



Manufacturing Pharmaceuticals that Everyone Can Use in a Secure, Safe, and Convenient Manner

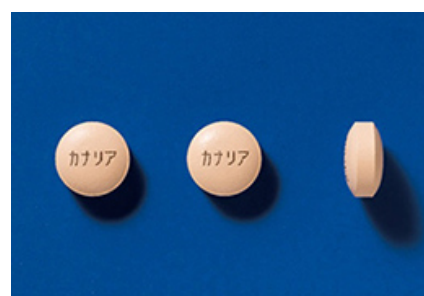
The Company works to provide pharmaceuticals that can be used in a secure, safety, and convenient manner by patients, healthcare professionals, and others.

This section introduces certain initiatives implemented by the Company to improve drug printing and packaging. Moving forward, we will continue working to steadily increase the scope of pharmaceuticals that are subject to these initiatives and to facilitate the provision of pharmaceuticals that are easy to use for patients and healthcare professionals.

Measures to Prevent Medical Errors

Printing the product name on both sides of tablets

As one measure to prevent medical errors, we print the product name on both sides of tablets instead of the identification code for such drugs as Canalia Combination Tablets, which are a treatment agent for type 2 diabetes mellitus. This measure is expected to help prevent mistakes with tablets during the medicine picking process and to increase efficiency in drug dispensing, as well as to help prevent administration errors by patients.



Canalia Combination Tablets include the product name on the tablets

Labeling of packaging sheets (press-through-package (PTP) sheets)

In order to help prevent medication errors, certain of the Company's products include the product name and ingredients on every pocket of the packaging sheet (PTP sheet). This enables patients to confirm the product name and content, even when single pockets are removed from the rest of the sheet when the drugs are dispensed. We are also striving to further increase visibility. To that end, we are taking steps to implement designs that are easy to see, such as increasing the size of characters and enhancing color schemes.



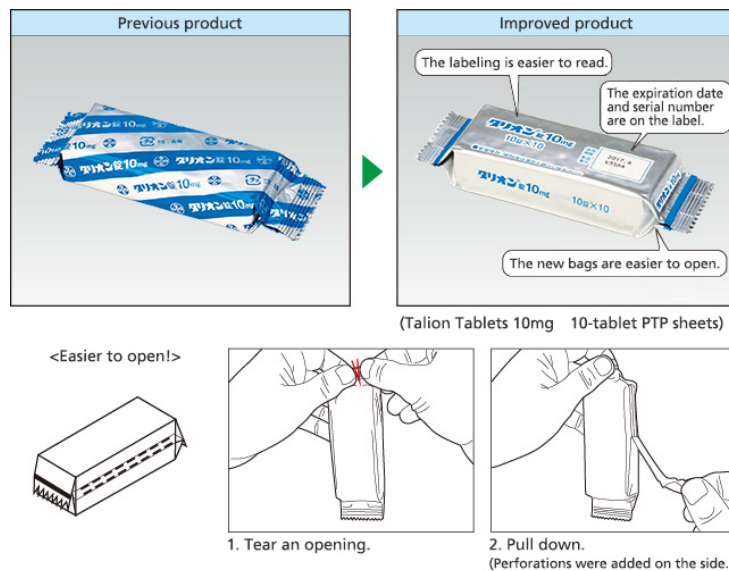
Example of a product name and content displayed on each pocket

Measures to Make Drugs Easier to Use

Initiatives with aluminum bags (easier to open and easier to take out the product)

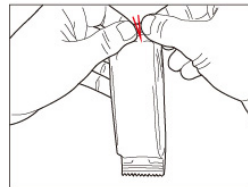
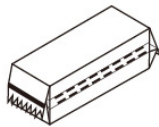
We are also working actively to improve the ease of use of pharmaceuticals. Medical institutions provided feedback that the aluminum bags containing the pharmaceutical packaging sheets (PTP sheets) were difficult to open and it was not easy to take out the product. In response, we worked in cooperation with the material manufacturer to develop aluminum bags that are easy to open and make it easy to take out the product. These improved aluminum bags received the Pharmaceutical and Medical Packaging Award at the Japan Packaging Contest 2016 (sponsored by the Japan Packaging Institute).

Aluminum bags that are easy to open and make it easy to remove the product

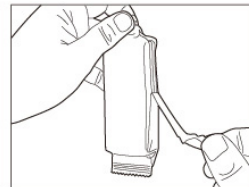


(Talion Tablets 10mg 10-tablet PTP sheets)

<Easier to open!>



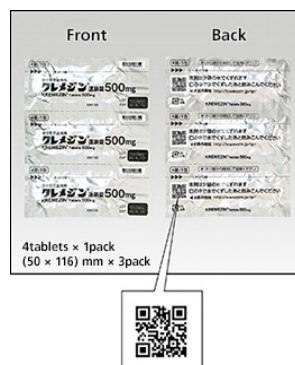
1. Tear an opening.



2. Pull down.
(Perforations were added on the side.)

Using packaging initiatives to provide explanations of how to take medicine

Some drugs are difficult to take because of the dosage form. To help patients to take their drugs correctly, we print a QR code on the drug packaging and make it simple for them to view a video that explains in an easy-to-understand manner the basic way to take the drug, points to be paid attention to, etc. The video is played if a smartphone, etc., is used to read the QR code printed on the packaging. The objective of this initiative, which is an industry first, is to be useful in such situations as when patients receive compliance instruction at pharmacies and when patients take their drugs.



A video showing how to take KREMEZIN Tablets 500mg is also included.



From the QR code

Manufacturing System in Asia Other than Japan

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 Asian markets, especially the Chinese and ASEAN pharmaceutical markets, growth is expected, and to meet this growing demand, we increased production capacity at Tianjin Tanabe Seiyaku (produces oral agents for domestic use) and Mitsubishi Tanabe Pharma Indonesia (produces oral agents for domestic and ASEAN countries) and built a new building to manufacture drug preparations in 2015 with the aim of accommodating new versions of GMP (China) and PIC/S GMP (Indonesia).*

Mitsubishi Tanabe Pharma Korea, a local subsidiary in South Korea, manufactures high quality injections and other pharmaceuticals as a PIC/S GMP level manufacturing facility, and supplies South Korea, as well as Europe, Japan and China. In addition, Taiwan Tanabe Seiyaku, a local subsidiary in Taiwan, has cleared PIC/S GMP certification and manufactures high-quality oral and external preparations. Among these, sugar-coated tablets are also exported to Japan.

In the future, we will continue to expand business in Asia, a growth market. By providing a stable supply of high-quality products, we will contribute to people around the world who want to live a healthy and prosperous life and fulfill our corporate social responsibility.

* PIC/S: Abbreviation for Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme



Mitsubishi Tanabe Pharma Korea's Hyangnam Plant



Taiwan Tanabe Seiyaku's Hsinchu Plant



Tianjin Tanabe Seiyaku Exterior view of new pharmaceutical production building

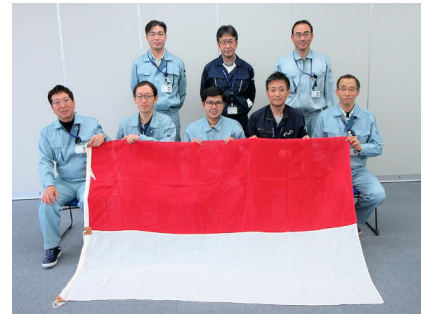


Mitsubishi Tanabe Indonesia Exterior view of new pharmaceutical production building

Training Conducted for Overseas Production Staff at Mitsubishi Tanabe Pharma Factory's (MTPF) Onoda Plant

To improve production technology at overseas bases and raise the individual skills of personnel in positions of responsibility, we have been conducting a program since fiscal 2016 to dispatch training staff from overseas bases to Japan for training at MTPF. With a view to addressing the rapid market expansion in China and ASEAN, in October 2019, we accepted Muhari Prianto as a trainee from Mitsubishi Tanabe Pharma Indonesia (MTID) at the Onoda Plant for about six months.

The training taught Mr. Prianto a great deal by having him work in various departments at the Onoda Plant. After his return to Indonesia, he is expected to help improve work skills and performance at production sites such as by streamlining the granulation process locally.



Commemorative photo taken after meeting

Statement by Muhari Prianto's

I would like to thank everyone for providing me with the opportunity to train at the Onoda Plant. I hope to leverage what I learned from my experience here to make a positive impact on MTID's future.



Trainee Muhari Prianto

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 City, Saitama Prefecture) and the New West Japan Distribution Center (Kobe City, Hyogo Prefecture). 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 drugs, even during major disasters and pandemics. For example, even if one distribution center becomes inoperable at any time, the other distribution center will be able to provide a continued supply of pharmaceuticals to customers. Even if the system server is hit by a disaster, maintaining a stable supply is our top priority, so we have built a system that instantly shifts to an alternate server at another location.

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 store and control pharmaceuticals in a variety of categories, such as by pharmaceuticals 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 distribution center 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 and Medical Devices Law (The Law on Securing Quality, Efficacy and Safety of Products including Pharmaceuticals and Medical Devices) of Japan and other relevant regulations as well as various operational requirements, Mitsubishi Tanabe Pharma's distribution policies, procedure manuals, and facilities are designed in light of the features of the pharmaceuticals handled, and the Company strictly observes these policies 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 can maintain appropriate temperature management, 24 hours a day, seven days a week.

Mitsubishi Tanabe Pharma designed its entire transportation system with the focus on supplying high-quality pharmaceuticals. Pharmaceutical 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 regular inspections of its subcontracting transport companies, as well as using a comprehensive distribution method with precise temperature control monitoring and special insulated boxes for packing the products.

Preventing Contamination by Counterfeit Medicines and their Distribution

Counterfeit medicines could cause damage to the health of many random patients, which is a major health and hygiene issue. To deliver quality medicines to patients, the distribution center has created a system to prevent contamination by counterfeit medicines and the distribution of medicines of questionable quality, including counterfeit medicines.

We regularly verify and record that all customers have received proper authorization to buy medicines (shipped to customers).

To strictly manage medicines, we restrict the people who can enter the storeroom of the distribution center and prescribe the method of entering. In addition, when storing pharmaceuticals, we confirm that the received medicines are correct and have no visible damage.

If counterfeit medicines or medicines of questionable quality are found, we have created a system to immediately suspend sales and transport, and to segregate, and report them to government agencies.



Information Provision

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

The Mitsubishi Tanabe Pharma Group employs about 1,500 medical representatives (MRs) in Japan. Through the provision of information to healthcare professionals nationwide, MRs are working to deliver optimal drugs to patients.

The Important Role of MRs

- Communication of safety information and scientifically based academic information on the proper use of ethical drugs.
- Collection of information on drug efficacy and safety that could not be gleaned at the R&D stage, and reporting evaluations based on those results

We have assigned MRs who are specialists in specific disease areas to be responsible for drugs that require a higher level of expertise.

Providing Comprehensive Information through Seminars

By holding disease awareness seminars and events, we provide information to help patients and society deepen their understanding of diseases and lead a better life.

Nikkei Health Seminar 21

With the cooperation of Mitsubishi Tanabe Pharma, Nikkei Health Seminar 21 was held in November 2019 under the title "I want to tell you about Chronic Kidney Disease (CKD)." (Sponsored by Nihon Keizai Shimbun with support from the Japan Kidney Association).

The seminar was divided into two parts: a lecture given by a specialist and a panel discussion. The lecture not only presented the symptoms and progress of the disease, but also clearly covered points for early detection and described the Japan Kidney Association's efforts to overcome kidney disease. The panel discussion, while giving feedback from a medical viewpoint to the questions of participants, provided valuable information about the importance of early detection of CKD, the ability to detect diseases with simple methods such as urinalysis and blood tests, and being careful to maintain one's kidney functions in daily life. The seminar's content was later published in the Nihon Keizai Shimbun's evening edition.



Nikkei Health Seminar 21

Japan World Psoriasis Day 2019 – Let's get CONNECTED

We supported "Japan World Psoriasis Day 2019 – Let's get CONNECTED," a World Psoriasis Day (October 29) related event sponsored by INSPIRE JAPAN WPD – The Japanese Association for Public Awareness of Psoriasis.

On that day, specialists explained not only psoriasis, but also other skin-related intractable diseases and described their experiences regarding treatment. The panel discussion between psoriasis patients and doctors included a question and answer session about the everyday worries and experiences of various patients.

Media coverage was extensive, and it was a valuable seminar that fulfilled the purpose of World Psoriasis Day of imparting a correct understanding of the disease, even to those with no knowledge of it, and raising people's awareness.

On the day of the event, while viewers were watching it via live broadcast connecting the main Tokyo venue with satellite venues in Sapporo, Utsunomiya, and Fukuoka, questions sent on Twitter and YouTube were answered.

Providing Information for Self-Medication

Self-medication means to be “responsible for one’s own health and self-treatment for minor ailments” (WHO definition). In Japan, the importance of self-medication has spread due to sharply rising national medical costs associated with increasing life expectancy.

In the area of dermatology, Mitsubishi Tanabe Pharma conducts a variety of educational programs through TV commercials and websites to help people suffering from dermatological problems to obtain accurate information and find a treatment as quickly as possible. Of these, the Hifu No Koto site provides information, based on the opinions of experts, such as doctors and pharmacists.

In the gastrointestinal area, we have presented the symptoms of irritable bowel syndrome (IBS), a disease that causes diarrhea and constipation accompanied by abdominal pain due to stress, in an easy-to-understand manga (comic strip) format on our [product site](#). We are also educating people on lifestyle improvement through self-medication.



* Reference: Hifu no Koto site
Number of users: 1.35 million (as of FY2019)
URL: <https://hc.mt-pharma.co.jp/hifunokoto/> □

Overseas Sales Activities

The Mitsubishi Tanabe Pharma Group provides appropriate usage information through local subsidiaries overseas in order to support the appropriate use of the Company’s pharmaceuticals. In addition to the U.S., these subsidiaries are located in Europe (U.K., Germany, Austria, Switzerland) and in Asia (China, South Korea, Taiwan, Indonesia, Thailand). MRs involved in drug information provision activities visit medical institutions and doctors, participate in related academic conferences, exchange opinions with specialists, and provide the latest academic information. In this way, MRs are working each day to be able to contribute to the diagnosis and treatment activities of healthcare professionals.

Activities in the United States

Radicava was approved as a treatment agent for ALS in the U.S. in May 2017 and launched in August. It is marketed by Mitsubishi Tanabe Pharma America. [The Searchlight Support initiative](#) □ was established to provide support to patients who have been prescribed Radicava. In line with the needs of each patient who has been prescribed Radicava, the programs provided through Searchlight Support will include treatment management and insurance reimbursement support. In these ways, we are supporting ALS patients.

We assist young people whose families have been diagnosed with ALS, by conducting the ALSO US program, which widely shares their experiences through art including photographs, graphics, and poetry. We also extensively support the activities of organizations by sponsoring and participating in charity events such as the ALS Walk.

Activities in China

In July 2019, we obtained approval for edaravone as a treatment agent for ALS. We filed for approval in China through Mitsubishi Tanabe Pharma Development (Beijing), our local subsidiary. Tianjin Tanabe Seiyaku, our subsidiary in China, is expected to carry out sales.

In September 2019, we entered into a licensing agreement with our partner (Daiichi Sankyo Co., Ltd.) regarding a license to sell edaravone in Brazil. To maximize the value of edaravone, the Group will expand the number of countries where it operates and also develop oral agents as a new route of administration. We expect this agreement to provide a foothold for edaravone sales in Latin America.

The Group will work hard so that it can deliver edaravone as a treatment agent for ALS to as many patients fighting ALS as possible.

Providing Information through Websites

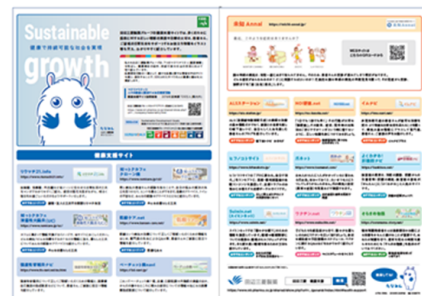
Mitsubishi Tanabe Pharma has set up the following health support websites.

- Rheumatoid arthritis
- Psoriasis
- Amyotrophic lateral sclerosis (ALS)
- Spinocerebellar degeneration and multiple system atrophy
- Sleep disorders
- Eczema and dermatitis
- Crohn's disease
- Ankylosing spondylitis
- Cerebral infarction
- Liver failure
- Vaccines
- Ulcerative colitis
- Behcet's disease
- Multiple sclerosis
- Chronic kidney disease
- Tinea unguium

On these websites, we provide useful information in an easy-to-understand format with illustrations about the symptoms, diagnoses, and treatment of these diseases that helps many people gain a proper understanding of disease, the importance of treatment, and supports the daily lives of patients and their families. We have also prepared leaflets that summarize the information on the health support websites so that healthcare professionals including doctors and pharmacists can present them to patients and their families.

In fiscal 2019, about 10.36 million people visited these health support websites.

Information for patients and their families



Health Support Websites' Introductory Leaflets

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 healthcare professionals (physicians, pharmacists, wholesalers, and others). For patients, this is the only company information center. With a motto of "reliable, accurate, and prompt," the center provides information that is easy to understand while at the same time making certain not to dispense the type of medical advice that should only come from a physician. We are working each day to improve our skills so that we identify the true needs behind the inquiries and respond in a way that increases the satisfaction of the people making inquiries.

The Medical Information Center receives more than 50,000 inquiries a year on a wide range of subjects. It also provides information on the appropriate use of the Company's products while utilizing basic pharmaceutical information and the in-house Q&A system.

Valuable information that the center receives from customers about safety, such as drug side effects, and quality is shared internally. In this way, the center helps improve products, enhance reliability and discover future new drugs.

In recent years, the diversification of information sources for patients and healthcare professionals and the development of digital technology has caused a decrease in the percentage of telephone inquiries, even in the pharmaceutical industry. On the other hand, the percentage of information provided by unmanned information channels has increased. We are enhancing the quality and quantity of the product Q&A on our website while providing information that can better meet customer needs.

Moving forward, the center will respond flexibly to changes in the times and provide appropriate usage information for pharmaceuticals in a reliable, accurate, and prompt manner. In this way, we will work to contribute to improved health for patients.

Launched AI Chatbot "Tanamin med" for Product Information Inquiries

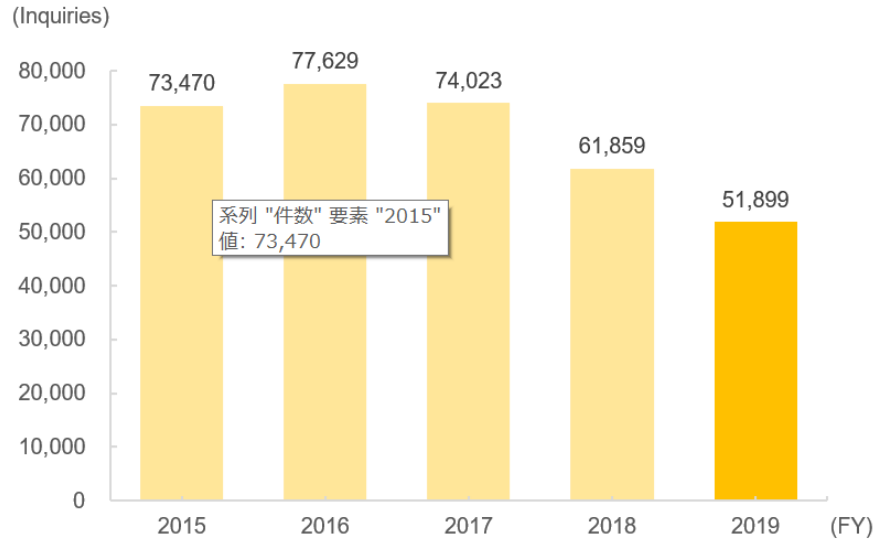
In February 2020, we launched the AI chatbot "Tanamin med" on our website for healthcare professionals for better convenience.

When a healthcare professional types a question, the chatbot's artificial intelligence recognizes the meaning, leads them to the relevant product information from among our approximately 160 products, and displays the answer. This allows them easy and quick around-the-clock access to drug information.

AI chatbot "Tanamin med"
(Press release issued on February 12, 2020)

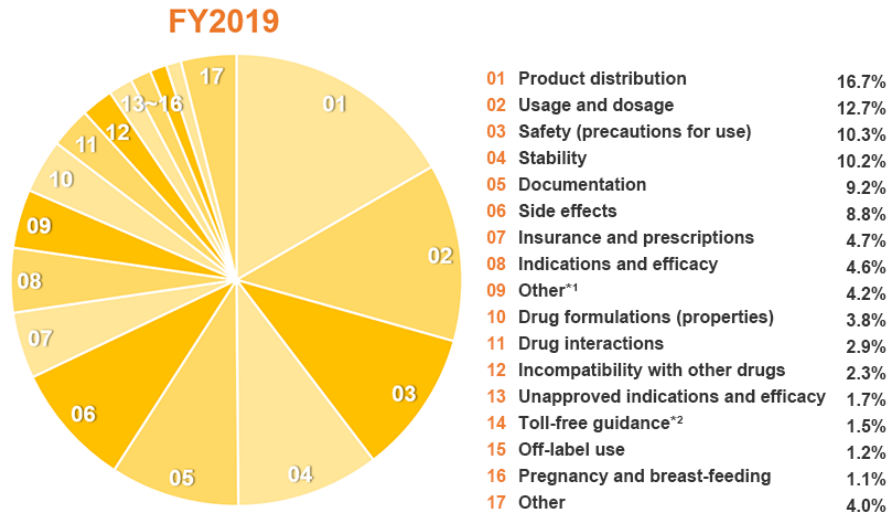


Number of inquiries received by the Medical Information Center



Note: The number of inquiries decreased since the sales of some products were relegated to other companies in fiscal 2018. Users are increasingly accessing the Q&A page on our company website.

Subject of Inquiries to the Medical Information Center



*1 Inquiries on MR calls, lectures, seminars, doping, and other matters.

*2 Toll-free guidance to redirect consumers by providing correct contact information



Drug Safety / Quality Assurance

Quality Assurance System of Drugs

In April 2020, we established the Quality & Vigilance (QV) Division to function as the global head of quality and safety management for products. The QV Division has the following functions.

Primary Functions of the QV Division

- Creation of a mechanism and system for the stable supply of high-quality products
- Audits to ensure the reliability of each operation from research and development to post-marketing
- Collection and analysis of safety information of products and products under development, and the reporting and dissemination of that information
- Formulation and promotion of safety information surveillance policies for post-market products

To ensure that our pharmaceuticals can be used by healthcare professionals and patients with peace of mind, the Quality Assurance Department strives to maintain and improve our system of reliability assurance by complying not only with “The Law on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices,” but various laws and regulations including GMP, GQP, GDP, and GVP.

In May 2017, we obtained approval for Radicava as a treatment agent for amyotrophic lateral sclerosis (ALS) in the U.S. Subsequently, we also obtained approval in Switzerland, Canada, and other countries, and have accelerated product rollout in regions where we have not established our own sales system*. More than ever, we are providing products that comply with the regulations of each country while collaborating with the quality and safety departments in each country. Always mindful of differences in medical environments, we provide patients around the world with products that they can use with peace of mind.

The Group will continue to ensure the quality, effectiveness, and safety of pharmaceutical products by complying with laws and regulations and maintaining and improving its quality assurance system.

* A system of direct sales as well as sales by licensed overseas companies. The establishment of a direct-sales system enables independent operation as a pharmaceutical company.

System to Assure the Reliability of Drugs



* GLP (Good Laboratory Practice)
Standards for conducting preclinical trials on pharmaceutical safety

* GMP (Good Manufacturing Practice)
Standards for manufacturing and quality control of pharmaceutical and quasi-pharmaceuticals

* GVP (Good Vigilance Practice)
Standards for pharmaceutical post-manufacturing and marketing safety management

* GCP (Good Clinical Practice)
Standards for conducting clinical trials of pharmaceuticals

* GQP (Good Quality Practice)
Standards for quality control of pharmaceuticals, quasi-pharmaceuticals, cosmetics, and medical devices

New Drug Safety Management

After the launch of a new drug, adverse drug reactions that were not discovered in clinical trials are sometimes reported. We quickly collect that information, analyze it, and provide feedback to the medical front lines. We are moving forward with proactive safety management activities that incorporate new safety measures. We believe that these activities help prevent the expansion of adverse drug reactions from new drugs and promote appropriate usage on the medical front lines.

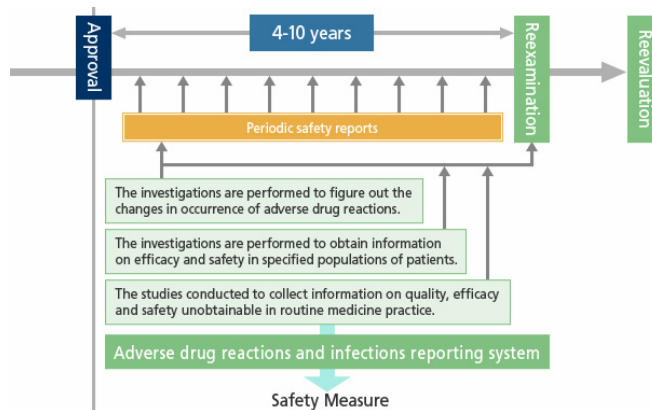
Radicut (Japan product name), which was discovered by the Company, was approved in Japan in 2001 as treatment agent for the acute stage of cerebral infarction and has been in use for more than 15 years. Subsequently, it acquired an additional indication in Japan for Amyotrophic Lateral Sclerosis (ALS) in 2015, and it was approved as an ALS treatment agent in South Korea in December 2015 and in the U.S. in May 2017 (U.S. product name: Radicava). After U.S. approval, we will continue to advance global initiatives with a view to other countries and regions. When Radicava is used overseas, it is used in a medical environment that is different from that in Japan, and accordingly it will be necessary to exercise caution in safety management. Based on the abundant safety information that we have accumulated in regard to Radicut and Radicava, we have valuable experience in promoting proper use. Making full use of that experience, and giving consideration to the overseas regulatory and medical environments, we will work to collect and provide safety information to foster the proper use of Radicut/Radicava and to contribute to improvement in the quality of life of ALS patients.

Post-Marketing Surveillance in Japan

After the regulatory authority approves the manufacturing and marketing of a drug based on the results of nonclinical and clinical studies, we begin selling the drug. Clinical studies are conducted with the number of subjects that are required to scientifically verify the efficacy and safety of the new drugs. However, the conditions for participation in clinical studies (age, medical history, concomitant medications, etc.) are not necessarily the same as the post-marketing conditions of use.

Therefore, the Company starts to collect safety information under actual conditions of use at medical sites as soon as drugs are launched, and we also conduct various post-marketing surveillance. Through the surveillance, we aggregate safety information regarding the drugs that have been actually prescribed to patients, we monitor the safety and efficacy of drugs, and the information that is obtained in the surveillance is quickly and accurately provided to the regulatory authorities and healthcare professionals. In this way, we are working to support the proper use of drugs.

Post-Marketing Safety Management and Surveillance of Safety in Japan



Quality of Products

Our policy is to contribute to the health and well-being of people around the world through the stable supply of high quality, reliable products which are manufactured under a world-class quality system. On that basis, we are strictly observing the ministerial ordinance on GMP (regulations regarding pharmaceutical manufacturing control and quality control) and on QQP (regulations regarding pharmaceutical quality control). Patient safety is the first priority of every employee, and we are implementing initiatives targeting quality assurance with a focus not only on results but also on processes. Through management, supervision, and guidance of manufacturing sites in Japan and overseas, we are working to improve the quality of the products that we provide to the market.

Furthermore, we are working to ensure the quality of pharmaceuticals in accordance with a division notification from the Ministry of Health, Labour and Welfare dated June 1, 2016, regarding the carrying out of production based on the certificate of approval for manufacture and sales.

Quality Assurance Initiatives

- Strengthen collaboration with manufacturing plants and reinforce checking systems, and regularly confirm actual manufacturing practice and the certificate of approval
- Enforce measures to prevent recurrence by rectifying and improving any defects based on our own checks and investigations at manufacturing plants

Pharmaceutical Safety Training

Every year since fiscal 2008, the Company has systematically and continuously implemented Group-wide pharmaceutical safety training. These training initiatives are for directors, executive officers, presidents and other executives of Group companies, and all employees, including those of Group companies. The objective of this training is to accumulate and pass on knowledge, and raise awareness related to pharmaceutical safety.

In fiscal 2019 training, we learned from past drug induced suffering that “one of the causes of the spread of health hazards is the delay from the time that the risk is predicted and warned of until corrective action is taken,” and we reaffirmed the importance of sharing drug safety information among pharmaceutical companies, healthcare professionals, countries and citizens. We also learned the importance of predictive and preventive safety management by promoting the proper use of drugs by taking real-life examples of product literature for patients on Radicut/Radicava, which has been approved in six countries (as of July 2020). This training was an opportunity to reaffirm, as workers in the pharmaceutical industry, the importance of having each worker improve their risk sensitivity and always act with the patient's health and safety as their highest priority.



Solving Issues Related to Improving Access to Healthcare

Efforts to Solve Issues Related to Improving Access to Healthcare

In the Sustainable Development Goals (SDGs) adopted at the UN Summit held in September 2015, one of the goals is to "Ensure healthy lives and promote well-being for all at all ages." Under its corporate philosophy that states, "We contribute to the healthier lives of people around the world through the creation of pharmaceuticals," the Group has contributed to society by providing treatment methods mainly using pharmaceuticals. However, there are still many intractable diseases for which a cure has yet to be found and difficult-to-cure diseases. The mission of drug discovery companies is to continuously create new drugs that meet unmet medical needs. In addition, there are many people in the world who cannot obtain the necessary pharmaceuticals and medical services, especially in developing countries, due to inadequate healthcare systems, poverty, and disasters. The Group will work to solve the issue of improving access to medicine and healthcare through its business activities and collaborative activities with various partners including NPOs, NGOs, and industrial groups.

Promotion of R&D

To improve access to medicine, it is important to continuously create innovative new drugs that meet unmet medical needs. We are actively promoting open innovation to continuously create valuable new drugs. We will also begin gene drug discovery to provide new drugs and healthcare services for the prevention and cure of intractable and rare diseases, and will play a distinctive role in addressing challenges in the global health field.

Participation in the Global Health Innovative Technology Fund

The Global Health Innovative Technology Fund (GHIT Fund), is Japan's first public-private partnership to promote the creation of innovative treatment agents for infectious diseases that affect people in developing countries, such as malaria, tuberculosis, and neglected tropical diseases. We support the GHIT Fund's objective of contributing to global health, and financially support the fund. Through the GHIT Fund, the Company provided its pharmaceutical compound library (50,000 compounds) to Medicines for Malaria Venture (MMV), a research institution that focuses on the discovery of new anti-malaria drugs. Three types of promising hit compounds that have the potential to become pharmaceutical products have been identified. In addition, we promoted joint research and from one of these compounds, we acquired two lead compounds as new anti-malaria drug candidates. In April 2019, we will move to the next phase and continue conducting research in collaboration with MMV to create candidate compounds. Malaria, along with AIDS and tuberculosis, is one of the three major infectious diseases in the world, and its eradication is a goal of the United Nations SDGs. As always, we will contribute to improving access to ethical drugs in developing countries and achieving the SDGs.

- Intractable disease initiatives Example: amyotrophic lateral sclerosis (ALS)
- Promoting open innovation (collaboration with academia, pharmaceutical companies, and GHIT Fund)

Please see "[Research & Development](#)" for details.

Creating a Stable Drug Distribution System (Supply Chain Management)

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.

Even in the event of a disaster or other unexpected situation, it's the same. To stably deliver pharmaceuticals that maintain their quality to patients, we have created a system to prevent the mixing of counterfeit pharmaceuticals and the distribution of pharmaceuticals of suspect quality including counterfeit pharmaceuticals.

For details, please see "[Manufacturing and Supply Chain](#)."



Meeting to exchange information with members of the GHIT Fund and related partners

Improving Access to Pharmaceuticals and Healthcare Services

Patents in countries where access to healthcare is difficult

Under its corporate philosophy, the Mitsubishi Tanabe Pharma Group has established a policy on intellectual property that forms the basis for providing new healthcare opportunities in order to appropriately protect and make effective use of its globally competitive intellectual property. On the other hand, in countries where serious economic problems make access to healthcare difficult, we need to consider enforcing our patents rights. The Group contributes to healthcare access in economically deprived areas around the world. Therefore, as a general rule, we do not file patent applications or enforce our patent rights in the Least Developed Countries (LDCs) stipulated by the United Nations and Low-Income Countries (LICs) specified by the World Bank.

Supporting Access to healthcare in Developing Countries by Donating to NPOs and NGOs

Support provided	Description of initiatives	Countries targeted
Vaccines to children in developing countries	Since 2014, Group employees have participated in vaccine support activities for children in developing countries, which are conducted by the NPO Japan Committee, Vaccines for the World's Children (JCV). This is an international contribution activity wherein donated used books and other items are sold and that amount is donated to JCV and used to deliver vaccines to children in developing countries.	Myanmar, Laos, etc.
Pharmaceuticals to developing countries	The Group contributes to the health of patients in developing countries who don't have access to medical care by donating its products to overseas medical volunteer NPOs operating in Africa (Kenya).	Kenya
Child palliative care in developing countries	In the hope of providing palliative care services equally to all children, Mitsubishi Tanabe Pharma Indonesia donates and provides pharmaceuticals to the NGO Rachel House, a pioneer in palliative care in Indonesia. Through this activity, we help children suffering from serious illnesses in areas outside Jakarta where medical care is unavailable.	Indonesia

Please see "[Contributions to Medical Care and Welfare](#)" for details about these initiatives.

Supporting ALS Patients with the Establishment of Searchlight Support

Radicava was approved as a treatment agent for amyotrophic lateral sclerosis (ALS) in the U.S. in May 2017. It has been marketed by Mitsubishi Tanabe Pharma America since August of that year. [Searchlight Support](#) was established to support ALS patients who have been prescribed Radicava. It supports patients by providing programs including treatment management tailored to each patient and insurance reimbursement support.



Human Resources Development

Basic Human Resources Policy

The Mitsubishi Tanabe Pharma Group is working to further enhance its competitiveness by focusing on its people as a management resource and giving individual employees an opportunity to demonstrate their full potential. To further enhance its competitiveness and achieve sustained growth, the Company operates the Comprehensive Management System for Human Resources.

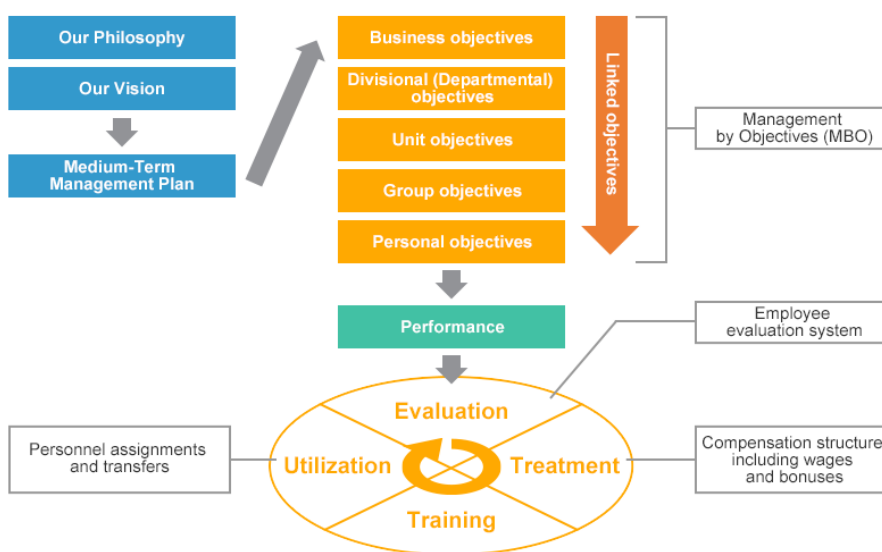
In addition, we endeavor to develop human resources who act in accordance with the standards of Pride and Sense of Mission, Challenge and Innovation, Trust and Collaboration, and Harmonious Coexistence with Society, which are listed in Corporate Behavior Charter. Under the Medium-Term Management Plan 16-20, aiming to implement reforms to become a “pharmaceutical company that works with a sense of speed and is the first to deliver differentiated value,” we are working to “realize a corporate culture with a sense of speed and profit structure.”

We are implementing a range of human resources development initiatives that address the ongoing globalization of our business. To that end, we are implementing not only on-the-job training (OJT) but also various off-the-job measures to help employees learn about foreign cultures and develop business English skills. These measures include a variety of group training and language study programs. In fiscal 2017, we began to recruit volunteers for overseas training and to assign them to work at overseas bases. In fiscal 2019, we also assigned a total of six employees from our overseas bases to jobs in Japan.

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, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020
Consolidated	8,125	7,280	7,187	7,228	6,987
Unconsolidated	4,780	4,239	4,222	4,111	3,764
Men	3,730	3,263	3,232	3,107	2,840
Women	1,050	976	990	1,004	924

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. To develop people with desired key attributes, the Group supports employees so that they can develop and exercise their capabilities through the smooth coordination of the four frameworks listed below. We enhance individual capabilities of employees through in-house training programs as well as daily on-the-job training. In addition to these initiatives, through the assignment of the right person to the right place, we strive to maximize each person's ability.

Framework for developing the ideal human resources

- Employment of diverse human resources
- On-the-job/Off-the-job training through management by objectives (MBO)
- Transfers and rotations
- Fair evaluations

The Company is also working to provide support for autonomous employee career management and individual skill development and to develop next-generation leaders and global human resources.

Career design program

- We maintained the program style so that each person could flexibly participate according to their career stage and lifestyle.
- To expand employees' view and encourage their self-development, in addition to our existing voluntary in-house training and business skill training with other companies in different industries, we also expanded our use of outside extension courses.

The average amount of time annually spent on in-house group training in Japan was 2.7 hours per person in fiscal 2019 due to the discontinuation of some group training because of COVID-19.

Global human resources development

- We continuously conducted OJTO, a training program that specifically emphasizes on-the-job training initiatives overseas.

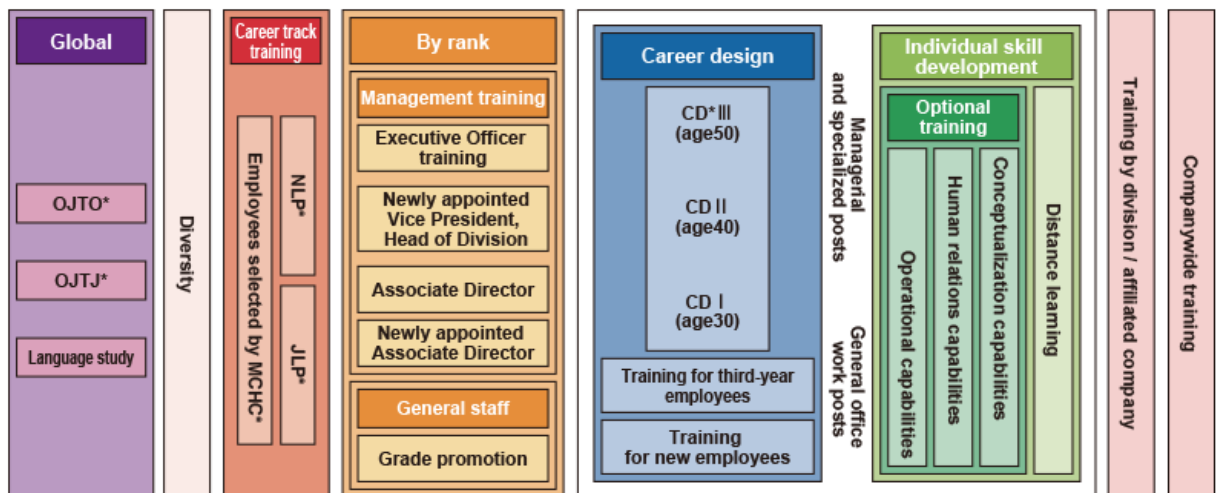
Of the total of nine trainees dispatched by fiscal 2019, five have already returned to work, and have started new initiatives in departments where overseas experience can be utilized. Of the dispatched employees, one continues to gain overseas experience as an expat.

Next-generation leader development

- We continuously conducted MT-VIVID, a management early development program.

We are promoting the strategic development of managers.

Training Program Structure (fiscal 2019)



* NLP: NEXT LEADER Program (NEXT leader)

* JLP: Junior LEADER Program (Jr. leader)

* CD: Career design

* OJTO: On the Job Training Overseas

* OJTJ: On the Job Training in Japan

Support for Employees Nearing Retirement Age

The Company re-employs those who wish to remain employed after retirement. To provide a place of employment, we are creating an environment that permits diverse work styles including work sharing, and we are enhancing our re-employment system and working to utilize their skills and knowhow even after retirement.

Moreover, we conduct career design training for employees in their early 50s who are considering future careers with a view to retirement. We have actively provided and expanded the environment so that all employees can continue working with high motivation regardless of age.



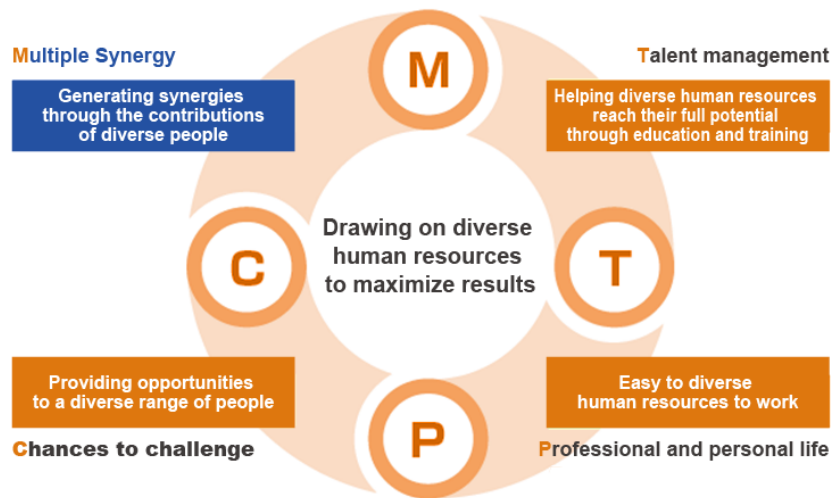
Promoting Diversity

Actively Utilizing Diverse Human Resources

Basic Approach

The Group has positioned its approach to diversity and inclusion as one of its management strategies. We have organized that approach into the Diversity Promotion Circle, and we are advancing initiatives on that basis.

Diversity Promotion Circle



In regard to diversity, we take into account both visible diversity (gender, sexual orientation and gender identity (including LGBT*), age, career background, nationality, disability status, time restrictions due to childcare, nursing care, etc.) and non-visible diversity (knowledge, skills, experiences, values, ways of thinking, etc.). By appreciating these differences and leveraging them, we seek to maximize our results.

* LGBT is an acronym for L: lesbian, G: gay, B: bisexual, T: transgender, and is a generic term for a sexual minority.

Diversity Initiatives

In fiscal 2019, we implemented the following initiatives.

Ikuboss[†] certification test

The test is conducted for Group company management (Section Manager level) in Japan through e-learning. With the goal of getting management to practice appropriate diversity management, the test imparts knowledge of labor management (laws/systems), the Group's system, and the knowledge and behavior required of an Ikuboss.

* An Ikuboss is a boss who produces results and enjoys his/her work and personal life while considering the work-life balance of his/her staff and supporting their career and life.

Holding of the Ikuboss Award

As measures to encourage subordinates to fulfill both work and personal matters, the award commends the company's best practices. The award has fostered awareness of men's participation in childcare and taking childcare leave.

Training by department

We have taken up racial harassment* as a new project.

* Racial harassment is discriminatory behavior or abuse of others due to race, ethnicity, or nationality.

Implemented WWW training

We continued to implement nursing care seminars and WWW training (WWW: an abbreviation for Win-Win-Woman), which considers the careers of women who have not yet experienced such life events as marriage and childbirth.

On the system side, we revised our existing rules of employment by adding harassment-related behavior and made them subject to disciplinary action. Furthermore, in a fiscal 2020 revision, same-sex partners were included in the scope of nursing care leave and nursing care holidays. We will continue to distribute Ally stickers, which show our understanding of and support for LGBT people. As for hiring, we have eliminated the gender entry column from the hiring entry sheet in consideration of gender and LGBTs.



An Ally sticker utilizing Tanamin, the Company's original character

Social recognition



Received the 2019 Gold Prize in the PRIDE INDEX, an evaluation index for LGBT initiatives in the workplace by "work with Pride," a private organization.



Received the Excellence Award from the Third Working Women's Empowerment Forum sponsored by the Japan Productivity Center



Received the Special Encouragement Award at the "Ikumen Enterprise Award 2018, Work-Life Balance Support Category," held by the Ministry of Health, Labour and Welfare.

Received highest ranking under "Eruboshi" company certification system based on the Act on Promotion of Women's Participation and Advancement in the Workplace in 2016

This certification system was launched on April 1, 2016. Companies can apply to prefectural labor departments based on their action plans related to the promotion of active careers for women, and the Minister of Health, Labour and Welfare recognizes those with superior initiatives.

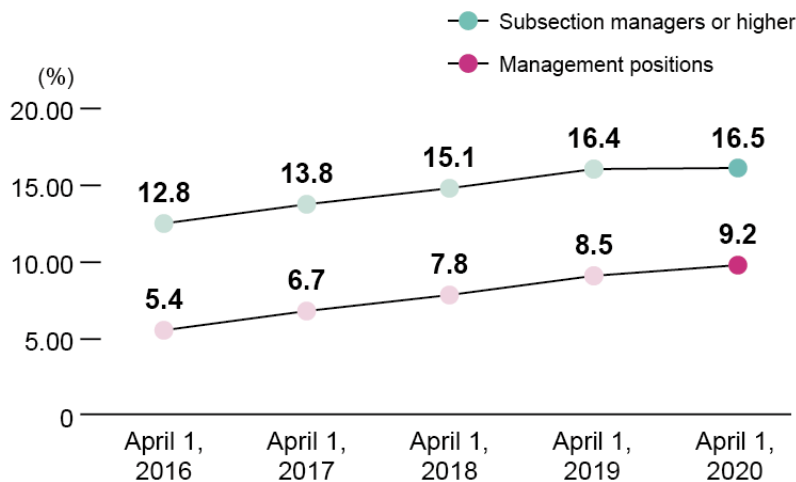


Awarded the highest two-star ranking as a leading company in the support of active careers for women in Osaka City, and certified as a company implementing the Ikumen Project in 2017

Under this system, in accordance with established standards, Osaka City certifies companies and other groups that are actively striving to establish environments that support active careers for women.



Percentage of Female Employees with Subsection Managers or Higher or in Management Positions



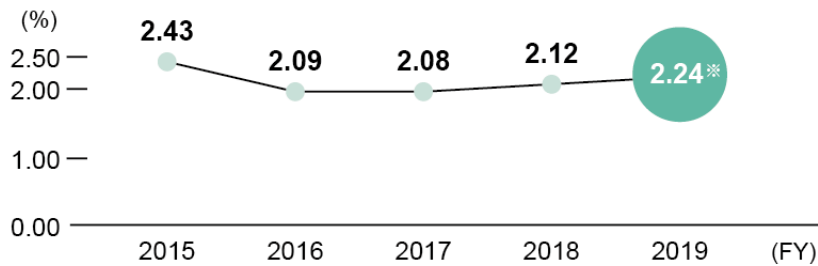
Supporting Active Careers for People with Disabilities

Promoting Employment of People with Disabilities

The Group is actively working to promote the employment of people with disabilities and has expanded the range of duties in many occupations throughout the Group. In fiscal 2020, we will set up a massage room for employees at the head office where visually impaired persons who are government licensed shiatsu massage professionals can apply their skills.

As a result of actively hiring people with disabilities, the Group's employment rate as of March 31, 2020 was 2.24%, and though we failed to reach the legally required rate at the end of fiscal 2018, we achieved it at the end of fiscal 2019. In April 2020, we hired eight people with physical or mental health challenges (including two visually impaired people working at the aforementioned massage room), mainly at Tanabe Palm Service, a special subsidiary company. We are establishing workplaces where people with disabilities can play an active role.

Employment Rate of People with Disabilities



* Rate of employment of people with disabilities for the Group. Fiscal years 2015 to 2016 are on a non-consolidated basis.

Work Description (examples)



Data input

Inputting data into a PC while reading handwritten materials.



Enclose and send materials in envelopes (to people outside the company)

A month's worth of sales information (statement of accounts), invoices, and other items are enclosed in an envelope for each recipient company and sent.

Creating Environments that are Easy to Work In

As of April 1, 2020, there were less than 100 people with disabilities working throughout the Group. Among them, Tanabe Palm Service, a special subsidiary, provides a variety of office services, and has about 30 people primarily with intellectual, mental, and developmental disabilities working there.

Tanabe Palm Service seeks to grow with the Company while providing a place where people with disabilities can work with peace of mind by maintaining a comfortable work environment and a system that supports growth. Specifically, we hold monthly interviews with staff members and have regular chats over tea with a small group including the president where we review work, discuss difficulties, and openly communicate. We also hold educational lectures at Group companies and distribute educational booklets to deepen employees' understanding of people with physical and mental health challenges at each workplace. To achieve an inclusive workplace where people with and without physical and mental health challenges work together in the same place, we are eliminating obstacles in the work environment at each worksite. We will continue to make our workplaces even more comfortable to work at in the future.

Held "Challenge for Tomorrow! Academy - Diversity training taught by instructors with disabilities"

On January 27, 2020 (at the Yokohama Site) and February 6, 2020 (at the Tokyo Head Office), as an opportunity to learn about parasports and for employees to deepen their understanding about disabilities, we held the Challenge for Tomorrow! Academy at two sites. Challenge for Tomorrow! Academy is "a training program of listening to, learning from, and thinking together with instructors, who themselves have disabilities, about the reality of people with disabilities on the subject of the Paralympics and parasports" that is provided by The Nippon Foundation Paralympic Support Center. Altogether, about 60 people participated at the two business sites, and you could sense that they were highly conscious of their support for people with disabilities. After listening to a lecture about hearing and visual disabilities, we had an entire day to practice and learn how to deal with a variety of situations and gain a new awareness and confidence in our actions.

Feedback from participating employees

- I realized the importance of "listening to the other person's wishes first, without preconceptions."
- The words "People's hearts can be changed" really impressed me.
- There were many things I didn't know. It made me take notice.
- Specifically, I learned how to approach others, and how to explain things in an easy-to-understand manner.
- Through actual experience, I was able to understand the anxiety of people with visual impairment. I think I'll be sensitive and able to deal with it from here on.



Support for Diverse Working Styles

In Japan, the Group supports diverse human resources that participate actively in diverse working styles through an enhanced system that helps establish a balance between personal life and work, and the introduction of a flexible work system.

Flexible Work Systems

The Group has taken steps to enhance systems that contribute to flexible working styles and enhanced productivity for employees, such as a flex-time system with no core time, a flexible work system for employees in planning areas and specialist areas, and a telecommuting system. To support a balance between work and medical treatment, such as in the case of cancer survivors and infertility treatment, in fiscal 2018, we introduced shorter workdays and treatment leave that employees who need treatment can use. In addition to these systems, we introduced a new infertility treatment leave system in April 2020. Employees who have been treated for infertility but have difficulty with the treatment due to physical distance between them and their spouse, will be able to take a temporary leave of absence under this system.

Response to COVID-19

From an early stage of domestic infections, the Group recommended staggered work shifts and telework to prevent a commuter rush as part of our COVID-19 infection prevention measures. We expanded the scope of our response and removed the limit on the maximum number of times telework could be performed. Further, under the issuance of a declaration of a state of emergency, all employees have shifted to "principle telework" except for the minimum of functional maintenance work, such as our responsibility for drug supply, and safety and quality control as a pharmaceutical company. We approved flexible operation, such as dividing operations into early morning and night, taking into account the internal network load so that work can be efficiently performed even under telework. Employees who cannot work as usual because they need to provide childcare at home due to the closure of elementary schools or because their children are not attending nursery school were provided with special paid leave or full pay for working less than normal working hours, which helped ensure the work-life balance of employees.

Systems to Support a Balance Between Life Events and Work

The Group has established childcare and nursing care support systems that significantly surpass legal requirements. We have created an environment that enables employees to work with peace of mind and balance work and life events, such as pregnancy, childbirth, childcare, and nursing care. We continue to take steps to establish environments that facilitate active participation by fathers in child-rearing.

We will continue to create a work environment where each employee can fully exercise their ability and work energetically.

Initiatives to Get Men to Participate in Childcare

- Special leave for husbands that can be taken during the period from pregnancy to childbirth (pre-paternity leave)
- Make the first five days of childcare leave as paid leave (for both men and women)
- Promote the taking of childcare leave for men (paternity leave)
- Initiatives to increase the number of Ikubosses who can take the lead in promoting diverse working styles and manage diverse staff

Social Recognition

For the sixth consecutive year since 2007, we were certified as a “general business owner conforming to standards” (Kurumin mark) based on the Next Generation Nurturing Support Measures Promotion Law. In July 2019, we were certified “Platinum Kurumin”^{*} in recognition of our childcare support and working style initiatives.

^{*} The “Platinum Kurumin” certification system recognizes companies that have already been “Kurumin” certified by the Ministry of Health, Labour and Welfare as companies that support childcare and that have taken steps to achieve a higher standard.



Kurumin certification mark



Platinum Kurumin certification mark

Seventh Action Plan

We have formulated the following action plan for the implementation of initiatives targeting the realization of diverse working styles and the utilization of diverse human resources

1. Plan Period

April 1, 2018, to March 31, 2021

2. Details

● Objective 1

We will establish a shorter workday system for employees with medical issues unrelated to work (can be used for infertility treatment).
(Measures to achieve the objective and the implementation period)

- From October 2018: Revise internal regulations to establish a shorter workday system for employees with medical issues unrelated to work, publicize this initiative within the Company

● Objective 2

We will implement measures for employees to secure time off.
(Measures to achieve the objective and the implementation period)

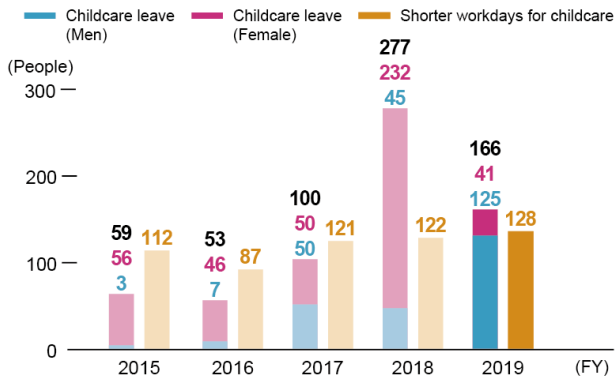
- From October 2018: Implement work-shift intervals and other measures for employees to secure time off, publicize this initiative within the Company.

● Objective 3

We will implement initiatives in order to promote the usage of paid vacation days.
(Measures to achieve the objective and the implementation period)

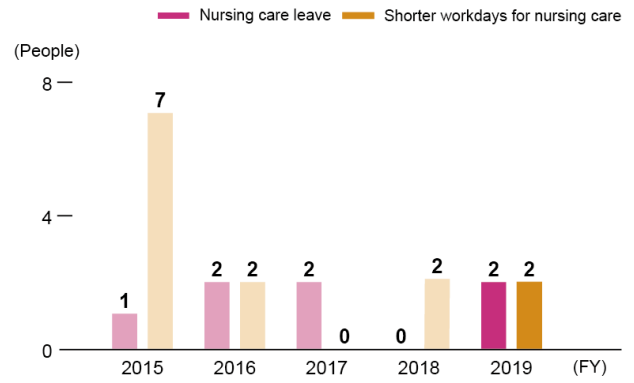
- From May 2018: Establish and publicize days on which employees are encouraged to take paid vacation days.

Utilization of Leave and Shorter Workdays for Childcare



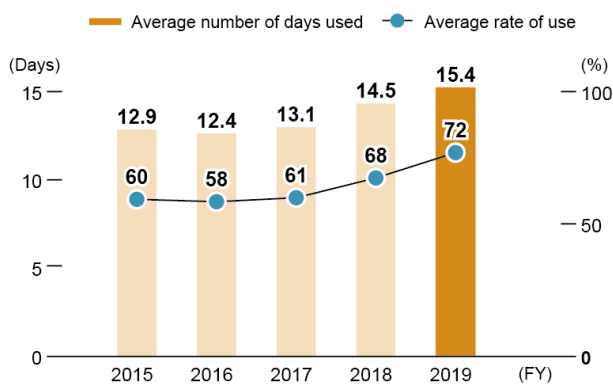
* The Group domestic
 * Results in the utilization of childcare leave show the number of people who commenced childcare leave during the fiscal year

Utilization of Leave and Shorter Workdays for Nursing Care



* The Group domestic

Usage of Paid Vacation Days



* The Group domestic

Building Sound Labor-Management Relations

The Group respects the rights of its employees, including the freedom to form a union and the right to collective bargaining. 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. As of the end of March 2020, the labor union membership rate was 73.5%. Group management and the union regularly hold 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 Management Council and various labor-management committees, etc., also contribute their views on separate issues, such as reevaluation of various working conditions and human resource systems, in order to realize an environment in which it is easier to work.



Occupational Health and Safety

Occupational Health and Safety Management

To prevent occupational accidents in the workplace, and promote employee health and a comfortable work environment, the Group operates management systems in accordance with Guidelines on Occupational Safety and Health Management Systems (OSHMS) presented by the Ministry of Health, Labour and Welfare.

We have created a plan for achieving health and safety goals at each worksite and we identify potential risks in the workplace through regular health and safety activities (hazard prediction training, Hiyari-Hatto [near-miss training], workplace inspection, etc.) and risk assessments, and implement risk reduction measures. We also invite outside instructors to give lectures and hold exercise classes to promote employee health.

Occupational Health and Safety Promotion System

At Group worksites, we have established the Health and Safety Committee, which meets once a month, as a structure for ensuring employee safety and health and creating a comfortable work environment. The committee consists of general health and safety managers (office managers and plant managers), safety managers, health supervisors, industrial physicians, and members selected by the Company and labor union.



The committee reports on health and safety activities and discusses important policies for preventing occupational accidents and health disorders of employees, and health promotion. The matters reported and discussed by the committee are communicated to all employees through the health and safety meetings held by each division.

Occupational Health and Safety Initiatives

Aiming to contribute to protecting the global environment and realize workplaces where employees can work in a healthy, enthusiastic, safe, and comfortable manner, the Group is strengthening its initiatives in the areas of Environment, Health, and Safety (EHS).

In particular, securing the safety of employees in business activities is our highest priority. To prevent occupational accidents, it is important to continually strengthen Environmental and Safety management and raise everyone's risk awareness regarding operations in the workplace, and we are working to strengthen our front-line capabilities (autonomous solutions capabilities).

In fiscal 2019, we worked on a range of measures to reduce the lost time injury frequency rate at all domestic Group worksites to 0.30 or less. However, there were four accidents requiring absence from work at sales units in Japan and three at worksites overseas. The lost time injury frequency rate at all domestic worksites was 0.45. As there were many accidents last year caused by people due to a lack of attention and poor safety management, we will strengthen the safety awareness of our employees. Domestic contractors also manage occupational accidents, and in fiscal 2019, the lost time injury frequency rate at our domestic contractors was 0.00.

To eliminate workplace accidents, we will continue to implement highly effective training and activities to reduce risks related to facilities and operations. We will work to realize KAITEKI, which is being advanced by the entire Mitsubishi Chemical Holdings Group.

Major initiatives

Safety training initiatives

- Legal and worker compliance obligation classes
- Health and safety training
- Hazard prediction training
- Human error countermeasure seminars
- Experience-based training
- Classes on static electricity
- Sharing of information regarding such issues as occupational accidents and Hiyari-Hatto (near misses), and measure to prevent recurrence at worksites in Japan and overseas

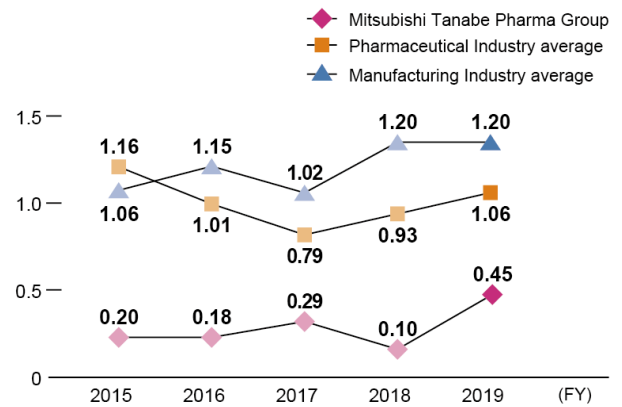
Initiatives to prevent recurrence of work-related injuries

- Disseminate internally safety information (including past in-house cases) connected to national events
- Implement stronger countermeasures for vehicular accidents in the sales unit
- Sharing of cases and measures to prevent accidents from falls occurring in offices or while employees are on business trips or commuting.



Hazard prediction training: Leads to the prevention of occupational accidents through training to predict hazards (latent risks) lurking in various types of work.

Lost Time Injury Frequency Rate



- * Lost time injury frequency rate:
Number of casualties due to accidents that require time off of work to one million actual work hours (excluding commuting injuries).
- * Calculation period:
For the Group, April to March the next year; for pharmaceutical industry averages and manufacturing industry averages, January to December.
- * Scope: Fiscal 2015:
Domestic Group plants and laboratories; fiscal 2016 and thereafter: all domestic Group worksites
- * Total working hours:
For fiscal 2015 scope includes permanent employees, contract employees, temporary employees, and part-time employees. For employees working in plants, principally actual work hours. (For certain bases, calculated as work hours per day x number of business days x number of employees + overtime hours). For employees working in research facilities, calculated as work hours per day x number of business days x number of employees.
For fiscal 2016, for plants and research facilities, scope includes permanent employees, contract employees, temporary employees, and part-time employees. For employees working in plants, principally calculated as actual work hours. (For certain bases, calculated as work hours per day x number of business days x number of employees + overtime hours). For employees working in research facilities, calculated as work hours per day x number of business days x number of employees. For the Head Office, the Tokyo Head Office, and sales offices, which were added to the scope from fiscal 2016, includes permanent employees, contract employees, and temporary employees. Calculated as actual work hours.
For fiscal 2017 and 2018, scope includes permanent employees, contract employees, and temporary employees. Excluding certain bases, for permanent employees and contract employees, calculated as actual work hours; for temporary employees dispatched by personnel agencies, calculated as work hours per day x number of business days x number of employees. For certain bases, calculated as work hours per day x number of business days x number of employees + overtime hours.
For fiscal 2019, scope includes permanent employees, contract employees (including some part-time employees), and temporary employees. For permanent employees and contract employees calculated as actual work hours; for temporary employees dispatched by personnel agencies, calculated as work hours per day x number of business days x number of temporary employees.

Chemical Substance Safety Management

The Group handles a wide range of chemical substances, including pharmaceuticals, and implements appropriate handling of those substances in accordance with a variety of regulations, such as its chemical substance handling guidelines.

The key point is to evaluate potential risks from the perspectives of both “dangerous/hazardous” and “exposure of people/the environment” (risk evaluation of chemical substances). The “Chemical Substances Handling Guidelines” stipulate that risk management and reduction measures be implemented systematically from acquisition to storage, transport, use and disposal of chemical substances in all stages and we are taking steps to prevent accidents and disasters related to chemical substances. These guidelines also specify measures to prevent or mitigate environmental pollution, accidents, damage to health, fire and explosions caused by hazardous materials under the entry Environmental and Safety Risk Management. All employees at all worksites continue to spread and establish these as guidelines for their ongoing efforts in safety, health, and disaster prevention.

Furthermore, moving forward, we will spread and establish these, comply with laws and regulations, and enhance appropriate chemical substance management through the implementation of ongoing training and education as well as safety audits.

Safety and Accident Prevention

The Group is working to prevent safety-related accidents at each worksite. After extracting and identifying risks, prioritizing them, and examining measures for their removal or reduction, they are reflected in the capital investment plan for the next fiscal year to improve unsafe facilities and equipment.

Employee Health Management

Health and Productivity Management Initiatives

In April 2016, the Group established the MTPC* Group Health Policy based on its corporate philosophy, vision, and Corporate Behavior Charter. We effectively and appropriately promote activities concerning employee health in accordance with this policy.

The Group has been promoting an internal ban on smoking since fiscal 2017, but has implemented an internal ban on smoking during all working hours and on Company premises since fiscal 2019. It has specified in the rules of employment the arrangement concerning smoking during working hours. Moving forward, the Company, health insurance association, and labor union will work together to further reduce the smoking rate and improve employee health.

In addition, through the i2 Healthcare Support Program, a health support program utilizing ICT that was introduced in 2017, we will further promote health management to support health promotion and maintenance for each and every employee, raise health awareness, and foster a healthy workplace culture.

* Abbreviation of Mitsubishi Tanabe Pharma Corporation

MTPC Group Health Policy

1. We will strive to maintain our own health so that we can contribute to the health of people around the world.
2. We will leverage our own capabilities and advance the establishment of an environment in which we can work energetically.

Social Recognition



In fiscal 2019, we were certified by the Ministry of Economy, Trade and Industry's "Outstanding Enterprise in Health and Productivity Management – White 500" (large enterprise category) for the fourth consecutive year. We received the highest evaluation in the industry in the areas of "Indicators for understanding health examination results" and "Indicators for understanding working hours and leaves of absence."

Working-Style Reforms

To maintain the mental and physical health of our employees and live a fulfilling life with a good work-life balance, the Company views the prevention of excessively long work hours and promoting the use of paid vacation days as important issues for the realization of health and productivity management.

In fiscal 2020, we will continue to implement the TM Campaign under the "3 TMs" theme throughout MTPC's domestic Group.

Fiscal 2020 TM Campaign - 3 TMs-

* MTPC's domestic Group, including management supervisors

Each employee shall make the best use of their limited time to achieve a work-life balance.

- (1) Reduce long working hours (**Time Management**)
- (2) Ensure proper rest (**Time Making**)
- (3) Promote a flexible working style (**Telework Mixed**)

By achieving the 3 TMs

- ✓ Lead a healthy life every day
- ✓ Enjoy spending time and sharing hobbies with your family
- ✓ Create time for self-study



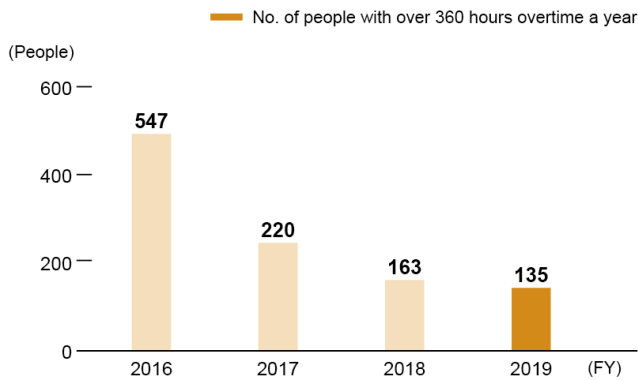
Increase motivation for work and create new ideas

- (1) Reduce long working hours (Time Management)
We seek to reduce the number of workers performing overtime work of more than 360 hours a year by 30% from the previous year by establishing a fixed day for all employees to leave work at the same time, strictly adhering to a work-shift interval system, following up individually with those who put in long working hours, and checking overtime working conditions with labor and management at each location.
- (2) Ensure proper rest (Time Making)
As in fiscal 2019, in order to promote a usage rate of paid vacation days of 70% or more, measures will be taken to establish an annual paid vacation taken simultaneously by all employees (two days a year), to set aside a day to encourage the taking of paid vacations (five days a year), to encourage managers to take five consecutive vacation days (or three consecutive vacation days twice a year), and to individually follow-up with employees who have not taken vacation days.
- (3) Promote a flexible working style (Telework Mixed)
To help employees achieve a work-life balance, we will set a new target of 10% telework from fiscal 2020, and take measures such as raising the limit on the number of times telework can be performed and implementing a Telework Week.

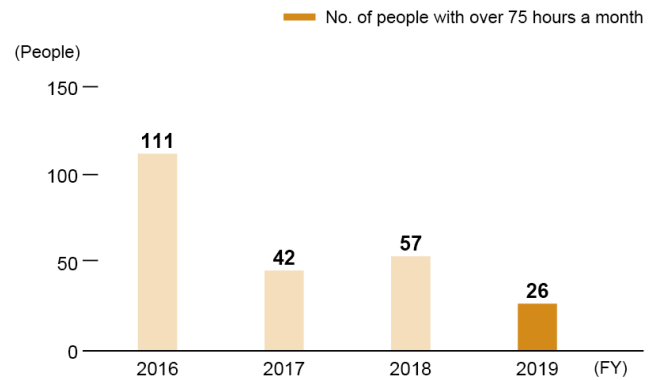
Fiscal 2019 TM Campaign Results

We achieved a usage rate of paid vacation days of more than 70% or more (71.9%). In addition, overtime work of more than 360 hours a year and over 75 hours a month (including supervisors) was significantly reduced compared to fiscal 2016 (more than 360 hours a year decreased by about 75%, and more than 75 hours a month decreased by about 76%).

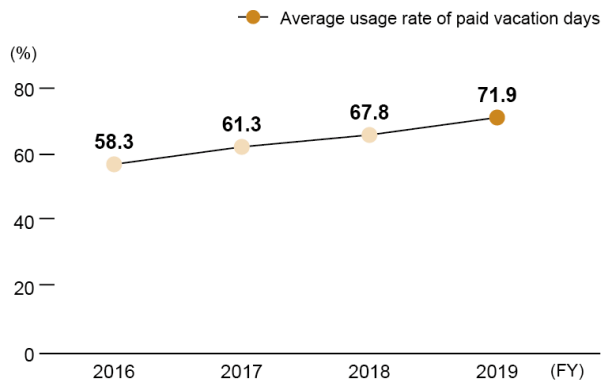
No. of people with over 360 hours overtime a year



No. of people with over 75 hours a month



Average usage rate of paid vacation days



Strengthening Measures to Address Mental Health

We are working to support the prevention and early discovery of mental health issues. For self-care initiatives, we conduct e-learning for all Group employees in Japan and promote an awareness of stress and how to cope with it. For supervisor-led initiatives, mental health guidebooks are distributed to promote managerial understanding so that those who have taken mental health-related leave can return to the workforce in a smooth manner. In addition, to create workplaces in which employees can work with enthusiasm, we are trying to understand the essential issues by verifying the stress analysis results by conducting multifaceted analyses of the stress check organizational analysis results against various survey results. In addition, these issues are fed back to the human resource departments in each division and to domestic affiliated companies, and by sharing our ideas with each other, we are able to strengthen the initiatives in each workplace.

Strengthening Measures to Prevent Lifestyle-Related Diseases

As one part of health management initiatives, in 2017, we introduced the “i2 Healthcare Support Program,” a health support program utilizing ICT, and we are distributing wearable devices to employees (including outside Japan) who request them. Through the wearable devices, this system collects and accumulates a variety of data, such as number of steps, distance, calories consumed, heart rate, and sleep quality. In this way, we have established a framework that helps employees to use their own activities in managing their health. In cooperation with the health insurance association, we have held a walking campaign that utilizes wearable devices, and every year we convert a part of the total number of steps walked into money to be donated to social contribution organizations.

In addition, we called for an increase in the cancer screening rate, and recommended using the comprehensive medical exam as a regular health check. We also introduced a system to support a balance between medical treatment and one’s work in fiscal 2018 so that employees with cancer can continue to work with peace of mind without having to leave the Company.

Social Recognition

In March 2020, our company's system of supporting a balance between medical treatment and one's work was highly acclaimed for its ability to flexibly respond to individual cases, and we received the Award for Companies Promoting Cancer Control (in the Treatment and Work Balance category)" in the Action Plan for Promotion of Cancer Control, a project commissioned by the Ministry of Health, Labour and Welfare.



Employee Survey

Since fiscal 2011, the Mitsubishi Tanabe Pharma Group has implemented employee surveys at domestic Group companies to provide a comprehensive understanding of employee attitudes toward their jobs and of the Company's workplace environments in order to improve management initiatives. In fiscal 2019, we established "sustainable engagement" as an indicator for understanding employees' feelings and expanded its scope to overseas Group companies. As a result, we maintained a good work environment and employee vitality, indicating high "sustainable engagement." Based on some of the issues that have been found to increase engagement, we are promoting dialogue between management and employees, and career-building measures focusing on professionals.

Strengthening Measures to Prevent Infectious Diseases

Regarding our COVID-19-related measures, we will make sure that each employee is fully aware of infection control measures, and also clearly show them what to do when they suspect an infection and criteria for deciding whether they should go to work or stay home to prevent the spread of infection. We have also created a manual on how to respond when an infection is confirmed in the workplace, and we are disseminating this so that relevant parties can take appropriate action quickly and efficiently.



Society > Together with Business Partners

Promotion of CSR Procurement

To fulfill our corporate social responsibilities throughout the entire supply chain, including our suppliers, we are conducting a range of initiatives while formulating action principles for procurement departments, as described below.

Action Principles

In accordance with the Mitsubishi Chemical Holdings (MCHC) Group Charter of Corporate Behavior, we are working to contribute to the realization of [KAITEKI](#) □.

Employees involved in procurement operations are working to implement CSR procurement in accordance with various rules and internal regulations, such as [the Procurement Policy](#), established by the Group based on this concept, (Groupwide in scope) and the Procurement Compliance Code of Conduct (for all domestic affiliates).

Procurement Policy

1. Fair and equitable selection of supplier
2. Open opportunity for transactions
3. Establishment of relationship of trust
4. Compliance with laws and regulations, as well as social norms
5. Moderate action


Selecting and Reevaluating Suppliers

In selecting and re-evaluating suppliers, we confirm that they do not have any relationship with anti-social forces. In addition, suppliers involved in the manufacturing of pharmaceuticals are evaluated focusing on the following five criteria based on our supplier selection standards. The Company is also responsible for the procurement functions of its domestic Group companies and selects and re-evaluates suppliers based on the same standards for raw materials procured by subsidiaries. To ensure and maintain business continuity, even in an emergency, we request in advance that our major suppliers (determined based on annual transaction value, inability to find alternative supply, and other factors) keep a certain quantity of pharmaceutical raw materials on hand for continuous supply.

Evaluation Points

- Quality assurance level
- Technical capabilities
- Continuity and stability of supply
- Price and business conditions
- Corporate attitude (CSR initiatives include compliance with laws and regulations, environmental protection, working environment, and respect for human rights)

Establishing a Sustainable Supply Chain

To build and strengthen a sustainable supply chain, we are sharing MCHC's "[Developing Cooperative Business Practices with Suppliers and Business Partners – Guidebook](#)  " with our business partners. Also, in line with the purpose of this guidebook, we have conducted a survey to check the status of CSR initiatives such as ensuring environmental conservation, respect for human rights, and occupational safety and health. In fiscal 2019, 50 companies responded. The total value of transactions with these 50 companies accounts for 99% of our total direct material purchases.

We will continue to conduct this survey in order to get business partners to confirm the items they should prioritize and effectively promote their CSR activities.

Survey Flow

1. Each supplier responds to the survey
(Self-assessed at three grades (1 to 3 points) for each item)
2. We calculate the average score for each item
3. We feedback the score to each company

Training on Laws and Regulations

The Company's procurement departments regularly conduct training on the laws and regulations related to procurement. In this way, we have worked to ensure rigorous compliance awareness.

Applicable Main Laws and Regulations

- Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (Pharmaceuticals and Medical Devices Act)
- Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (Chemical Substance Control Law)
- Industrial Safety and Health Act
- Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontracting Act)
- Foreign Exchange and Foreign Trade Act (Foreign Exchange Act)
- Other laws and regulations concerning import and export

Consideration for Human Rights

We have established procurement rules in line with our procurement policy that stipulate that we conduct our procurement activities by giving full consideration for human rights. We share MCHC's "Developing Cooperative Business Practices with Suppliers and Business Partners – Guidebook" with business partners and also conduct a survey to check the status of their efforts to respect human rights.



Corporate Citizenship Policy

Corporate Citizenship Policy

The Mitsubishi Tanabe Pharma Group aims "to contribute to the healthier lives of people around the world through the creation of pharmaceuticals and to be a global research-driven pharmaceutical company that is trusted by communities." In addition to contributing to society through the pharmaceutical business, as a good corporate citizen, we will also work to achieve harmonious co-existence with communities and to contribute to their development.

In accordance with the Mitsubishi Tanabe Pharma Group Corporate Citizenship Policy, Group employees will share the same future direction, and the Group will actively implement corporate citizenship activities in regions around the world.

The Mitsubishi Tanabe Pharma Group Corporate Citizenship Policy

We at the Mitsubishi Tanabe Pharma Group (hereinafter the "Group") conduct business with due respect and consideration afforded to the cultural practices and customs that prevail in the countries and regions where we operate. We engage in corporate citizenship activities with a view to realizing a sustainable society in which people from all age groups and walks of life can lead active lives through their physical and mental fulfillment as well as active involvement in social activities.

1. Basic principles

1. We will pursue corporate citizenship activities in accordance with local circumstances and social norms mainly in the countries and regions where we conduct business.
2. We will make effective use of the Group's resources and its knowledge as a research-driven pharmaceutical company.
3. We will seek collaboration with relevant bodies such as public interest corporations, NPOs, NGOs, local communities, and seek to earn their trust.
4. We will establish a work environment where employees are encouraged to become involved in volunteer activities.
5. We will strive to enhance the Group's social value by supporting harmonious coexistence with society.

2. Activity areas

The Group will pursue its corporate citizenship activities primarily in the following four areas.

1. Contributions to medical care and welfare
2. Development of science and technology
3. Conservation of and contributions to the environment
4. Promotion of local communities

In addition to the above areas, we will also work on specific initiatives as the need arises, including the provision of humanitarian support and the fostering of the next generation.

3. Promotion system

We will develop and implement an internal system and rules for promoting corporate citizenship activities and strive to increase awareness of such activities among employees.



Society > Together with the Local Community

Contributions to Medical Care and Welfare

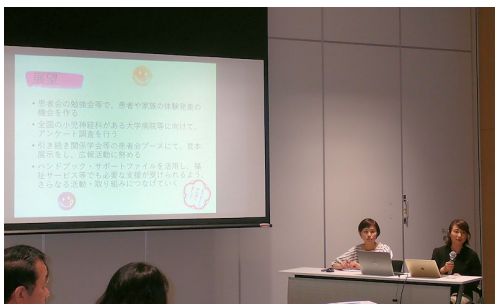
As a life sciences company, in addition to our business activities, we are working to help resolve issues in the areas of medical treatment and welfare, such as access to healthcare in a variety of forms.

Support for Patients with Intractable Diseases and their Families

The Mitsubishi Tanabe Pharma Tenohira Partner Program

The Company believes in the importance of developing new drugs for intractable diseases and providing support for patients with diseases and their families. Accordingly, in 2012 we established the Mitsubishi Tanabe Pharma Tenohira Partner Program. This program provides aid for the activities of associations and support groups for patients with intractable diseases. These organizations work to improve patients' medical treatment, education, and career prospects and to enhance their quality of life. In fiscal 2019, we provided aid to 19 of these organizations.

At meetings held on October 3, 2019 (Head Office) and October 7, 2019 (Tokyo Head Office) to report on the fiscal 2018 activities of organizations receiving assistance under the Mitsubishi Tanabe Pharma Tenohira Partner Program (16 organizations), participants engaged in a lively exchange of views about challenges and solutions for all parties. The daily lives of patients and their families are irreplaceable and should not simply be spent fighting disease. The Tenohira Partner Program strives to support people fighting disease, to assist them in finding more joy and satisfaction in their lives, and to help them realize their dreams and hopes for the future. On that basis, we will continue to offer support. In fiscal 2020, we will provide aid to 15 groups that support people fighting diseases.



Meeting to report on support operations (Head Office)



Free discussion (Tokyo Head Office)

For details about grant recipients and other information, please see [the Mitsubishi Tanabe Pharma Tenohira Partner Program website \(Japanese only\)](#).

Support for ALS Patients and their Families (US)

Mitsubishi Tanabe Pharma America (MTPA) co-sponsors and participates in various charity walking events to raise awareness and recognition of amyotrophic lateral sclerosis (ALS). In fiscal 2019, we co-sponsored more than 175 walking events and participated in more than 100 of them. The number of walking events that we participated in has more than doubled compared to fiscal 2018. MTPA cooperates with The ALS Association to raise awareness of ALS, and support ALS patients and their families/caregivers and provides various financial support {support for ALS educational symposia (diagnosis and management of ALS), caregivers' programs, support for healthcare professionals and healthcare services}.

In fiscal 2019, we launched "ALSO US™," a new program for teens and young adults impacted by ALS to widely share their experiences through art including videos, paintings, and poetry (<https://www.alsousart.com/>). Five participants contributed to ALS awareness by engaging with art under this program and displaying their work at ALS patient group events.

Through these efforts, MTPA will continue to support patients and their families in the fight against intractable diseases.



Charity walking event

Participation in Commemorative Event of "World Lou Gehrig's Disease (ALS) Patient Day" (South Korea)

On June 19, 2019, Mitsubishi Tanabe Pharma Korea (MTPK) participated in the "World Lou Gehrig's Disease (ALS) Patient Day" commemorative event together with patients, their families, visitors, and volunteers. By participating in the event, we reconfirmed the actual status of patients with Lou Gehrig's disease and the need to improve welfare policies. We also held an "Ice Bucket Challenge" as a donation campaign for Lou Gehrig's disease with MTPK volunteers and spent time feeling a sense of unity with patients that we do not experience in our ordinary business activities.

* Called Lou Gehrig's disease because it afflicted Lou Gehrig, an American professional baseball player. It is also called amyotrophic lateral sclerosis (ALS).



The Ice Bucket Challenge (MTPK Sales & Marketing Division volunteers)

Activities to Support Children Fighting Disease

The Company conducts activities to support children and their families in their fight against disease through NPO and NGO support.

Participating in the "Osaka Great Santa Run"

Since 2014, the Company has supported the Osaka Great Santa Run, a charity event for children who are fighting disease.

At the event held on December 8, 2019, 14 employees and their families participated as volunteers and runners. After running about five kilometers the volunteers quickly changed into Santa Claus costumes and happily began handing out drinks. In total, they handed out about 3,800 Aspara drinks, a Company product, to participants.

* The Osaka Great Santa Run is a charity event in which certain participants wear Santa Claus costumes, run around Osaka Castle Park with big smiles on their face, and distribute Christmas presents to children who are fighting disease with the aid of a portion of the participation fee. The Christmas presents were delivered to children in hospitals, principally in Osaka Prefecture.



Together with volunteers



Presents were given to each person

Supporting TSURUMI Children's Hospice with a Marathon

TSURUMI Children's Hospice (TCH), located in Tsurumi-ku, Osaka, is Japan's first community hospice for children created in harmony with the ideals of the "Helen & Douglas House" in the UK, the world's first children's hospice. Six employees were internally recruited and selected to participate as charity runners for TCH in the Osaka Marathon held on December 1, 2019. On the day of the marathon, everyone finished the race with the encouragement of the volunteer cheerleading squad. All funds donated by employees in support of the charity runners' wish to help sick children were given to TCH. As charity runners, we will continue to support TCH's activities in fiscal 2020.



Cheering on the runners with handmade support flags



Giving high-fives with a smile

Helping Spread Public Awareness of the Children's Hospice and Child Palliative Care

The NPO Yokohama Children's Hospice Project is a group that spreads public awareness of the children's hospice to support children with life-threatening disease and their families. We are working to open the Yokohama Children's Hospice in 2021 while also conducting public awareness activities for the palliative care of children.

Twenty employees participated as volunteer staff in the NPO Yokohama Children's Hospice Project event held on November 23, 2019 and February 11, 2020. We have been participating in this project as event management volunteers since 2018. Participation in the event was a good opportunity to understand the importance of supporting children with serious disease and their families.

Comments from the Executive Office of the Yokohama Children's Hospice Project

Every time we hold a symposium or other event, we encounter new people and make new connections, and our organization's activities have made great strides. Above all, everyone who has been our constant supporter is our motivating force. We hope you will continue to follow our progress and support us in our future activities.



Together with volunteers

On May 11, 2019, we participated in the "Tokyo Yamathon,"* a fundraising event that donates the full participation fee to the NPO Yokohama Children's Hospice Project. On that day, in addition to employee participation in the event, we handed out 1,000 Aspara drinks, a Company product, to the runners.

Through various initiatives, we will continue to support this organization in fiscal 2020.

* Yamathon is a fundraising challenge in which you walk to all 29 stations on the JR Yamanote Line within 12 hours with a team of 3 or 4 people.



Together with employees participating in Yamathon

Support for the Palliative Care of Children in Developing Countries (Indonesia)

In the suburbs of Jakarta, there are children who suffer from serious diseases in areas where medical care is unavailable. In fiscal 2019, Mitsubishi Tanabe Pharma Indonesia's (MTID) employees and companies have given matching donations in the hope that all children will be equally provided with palliative care services and it will donate 10 million rupiahs (about 70,000 yen) and our anesthetics to NGO Rachel House*, a pioneer in palliative care in Indonesia. Employees also provide support as volunteers when children go to palliative care clinics to receive medical services. MTID will continue to support children fighting serious terminal illness.

* Rachel House provides free specialized medical care (home-palliative care) to children suffering from serious illness in areas left behind by society. It also educates healthcare professionals and the community on palliative care skills and knowledge, and provides care to those in need.



Presentation ceremony

Participating in the Lake District 5 Peaks Challenge

On Aug 10, 2019, a total of 14 Mitsubishi Tanabe Pharma Europe (MTPE) employees (Team Name: Mit5upeakers) participated in the Lake District 5 Peaks Challenge, a charity event held in the Lake District area of Cumbria, England.

With a mixture of Sponsorships and Bake sale proceeds from colleagues within MTPE and Mitsubishi Tanabe Pharma Group, friends and family, we are extremely pleased to confirm our fundraising has reached beyond our target over 5000 pounds (approximately 650,000 yen).

By participating in this event, we were able to donate the collected funds to the International Children's Charity (UNICEF).

On the day of the event, the weather forecast for the Lake District was heavy rain, thunderstorms, very strong winds, and with low visibility. We were advised that there was a risk that due to these weather conditions and to ensure our safety we may not be able to do the 5 Peaks Challenge, as planned. This did become the reality and we sadly did not complete the 5 Peaks Challenge. We instead embarked on a different, yet still challenging 24km hike at a lower level in the heavy downpour. With our bright orange Mit5upeakers Team T-shirts, our spirits remained high and great teamwork, conversation, banter and tasty snacks ensured we all completed this, happy, safely and with no injuries.

The Challenge has brought us closer as colleagues and made us stronger as a team. We hope to continue this tradition of challenges every year at MTPE.

* In the U.K., donations to charity organizations are almost always solicited at sporting events such as the London Marathon. There are also events where donating to a charity organization will gain you the right to participate.



Taking a 24-kilometer hike



Team Mit5upeakers

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

On June 3, 2019, as a part of our corporate citizenship activities, we donated OTC medicines and other items to Kodomo-no-kuni (Children's Land) in Yokohama City. Kodomo-no-kuni is a natural amusement park that utilizes a thickly wooded area of approximately 100 hectares in the Tama Hills area of Yokohama City. It was opened in 1965 in commemoration of the marriage of His Imperial Highness (now Emperor Emeritus) in 1959. Since 1971, for 48 consecutive years, the Company has contributed OTC products and made other contributions to Kodomo-no-kuni.

On the day of the presentation ceremony, Deputy Park Director Suzuki expressed his appreciation by saying, "The park is a place where children playing freely in a natural environment. As a result, many children get injured while playing, so the medicines that you donated are very useful."

In commemoration of the 50th anniversary, the Company donated a setting for commemorative photographs that features the home of Kodomo-no-kuni bird characters Juru and Chichi, and visitors are enjoying this setting.



Donation of OTC drugs



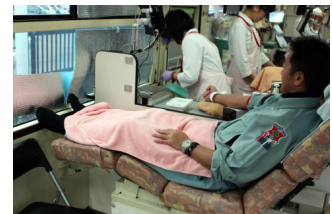
"Juru & Chichi's House," donated by our company, has become a popular photo spot

Blood Donation

According to the Japanese Red Cross, about 3,000 patients in Japan receive blood transfusions each day. Because the blood that is used cannot be artificially produced or stored for long periods of time, in order to secure the blood that is needed for transfusions, there is said to be a need for approximately 13,000 people to donate blood each day.

Blood is important to save the precious lives of patients who need blood transfusions due to a disease or accident. At the Head Office and other sites, the Group actively cooperates in the blood donation activities of the Japanese Red Cross Society.

Overseas, Mitsubishi Tanabe Pharma Indonesia's Bandung Plant is participating in quarterly blood donations in cooperation with the Indonesian Red Cross Society. In fiscal 2019, more than 530 employees cooperated in the donation of blood in Japan and overseas.




Blood donation at the Yoshitomi Site



Donating blood at Mitsubishi Tanabe Pharma Indonesia

Contributing to Developing Countries

Participation in the Global Health Innovative Technology Fund (GHIT Fund)

The Global Health Innovation Technology Fund (GHIT Fund)  was established as Japan's first public-private partnership to discover new drugs for infectious diseases that affect people in the developing world, such as malaria, tuberculosis, and neglected tropical diseases. We endorse the GHIT Funds objective of contributing global health, and following the provision of financial support for the GHIT Fund first phase activities (fiscal 2013 - fiscal 2017), the Company is also providing financial support to the GHIT Fund for second phase activities (fiscal 2018 - fiscal 2022). Through the GHIT Fund, the Company provided its pharmaceutical compound library to research institutions to conduct joint research on drug exploration for malaria and neglected tropical diseases.

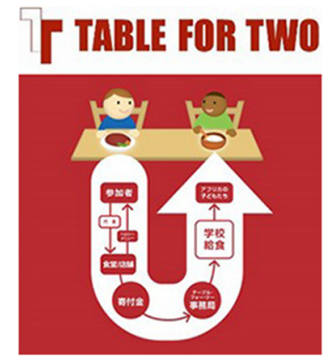
Moving forward, we will continue working to contribute to the health of people around the world, including contributions to the treatment of infectious diseases in the developing world.

TABLE FOR TWO (TFT)

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, through TABLE FOR TWO International, 20 yen of the price is allocated to the cost of school meals in developing countries, such as countries in Africa. Twenty yen is the amount of money needed to provide one meal in a developing country.

In 2014, we introduced the TFT Program at the employee cafeterias at the Head Office and Kashima Site. Also, at worksites, we have installed TFT vending machines, and a portion of the sales of drinks purchased from these machines is used to provide meals for children in developing countries. Employees have given high evaluations to this initiative, in which they can readily participate and which enables children in developing countries and employees to improve their health at the same time. In fiscal 2019, 300,016 yen was donated, and the cumulative total donated since the start of the activity reached 950,000 yen. The school meals that are provided through donations are expected not only to help resolve hunger among children but also to increase school attendance rates and grades, lead to gains in the children's fundamental strength, and help prevent disease. In this way, these meals are playing an important role in helping to eliminate poverty. Moving forward, we will continue this initiative to help resolve hunger and poverty among children in developing countries.

* TFT <https://www.tablefor2.org/> □



TFT framework

FY2019 meals contributed through participation in the TABLE FOR TWO program (Converted at 20 yen per meal)

Contributions from the TFT menu	Contributions from TFT vending machines	Total
104,520yen (5,226 meals)	195,496yen (9,775 meals)	300,016yen (15,001 meals)



Healthy TFT menu



Support also provided by TFT vending machines

TFT Osaka Meeting Held

On July 8, 2019, representatives from companies, organizations, and schools supporting TFT activities held a meeting on the TFT activities of each organization in the third-floor meeting room of the Head Office. At the meeting, as a panelist, the Company reported on the "Charity Walking Event" conducted as part of its health and productivity management measures, as well as its initiative at the Kashima Site's employee cafeteria. At the event, each department formed a team and the number of steps walked during the event were counted by a wearable device and converted into a monetary amount and donated to TFT (one of the three organizations to receive donations). Everyone who participated took interest in knowing that the amount of energy they consumed would support starving children.



Reporting session



Reporting by panelists

Participating in Vaccine Support Activities

The Group has been participating in vaccine support activities for children in developing countries since 2014. Through this program, unneeded books, CDs, and DVDs are donated and the proceeds from their sale are donated to Authorized NPO 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. The price of polio vaccine is only 20 yen per person. One book that is sitting on a shelf can protect two children from polio.

In fiscal 2019, a total of 187,222 yen, equivalent to polio vaccines for 9,361 children, was raised from employee donations and matching gifts from the Company. Since the start of these activities, total donations were about 1.4 million yen, equivalent to about 70,000 polio vaccines. As part of our support for access to healthcare, we will continue these activities as we aim for a future in which children in developing countries live healthy and happy lives.

Fiscal 2019 contributions resulting from participation in vaccine support activities for children in developing countries

FY2019	Amount of contributions	Polio vaccine (estimate)
Employees	93,611 yen	4,681 doses
Company matching	93,611 yen	4,681doses
Total	187,222 yen	9,361doses



Participation in vaccine support activities



MTPC Group poster encouraging employee support

Donating Medicines to Developing Countries

The Company is contributing to the health of patients in developing countries where medical care is unavailable by donating its products to overseas medical volunteer organizations operating in Africa (Kenya).

Collecting PET Bottle Caps

At each worksite, we are collecting PET bottle caps as one aspect of in-house eco-activities. The funds generated by selling the collected caps are used for administration expenses at social welfare facilities and for vaccines for children in developing countries.



Sales of Fresh-Baked Bread by Welfare Services Facility for People with Disabilities

Every month, the Kashima Site, and once every two months, the Head Office and Tokyo Head Office, have been supporting direct sales of fresh-baked bread and cookies that are made at a welfare services facility for people with disabilities. The hand-made, fresh-baked bread has been well received among employees. In addition, from the welfare services facility, we have received comments indicating how everyone looks forward to receiving direct feedback from customers. In the future, we will continue to support the activities of people with disabilities through purchasing support.



I am looking forward to the day of the bake sale (Kashima Site)



Development of Science and Technology

Support for Research 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.

SENSIN Medical Research Foundation

This foundation was established in 1968 with support from the former YOSHITOMI PHARMACEUTICAL INDUSTRIES, LTD. The foundation aims to contribute to the medical treatment and health of consumers. To that end, the foundation promotes advanced research in the fields of medicine and pharmacology, providing grants, commendations, etc., for pharmacopsychiatry research, hematological research, and circulatory research.

In fiscal 2019, the foundation provided 100 grants with a total amount of 133 million yen. For further information about the supported research and grant recipients, please refer to the foundation's website. (<https://www.smrj.or.jp/>) (Japanese only)

Japan Foundation for Applied Enzymology

This foundation was established in 1964 with support from the former Tanabe Seiyaku Co., Ltd. The foundation aims to contribute to the development of various fields in the life sciences in Japan by supporting research in a wide range of academic fields, from fundamental analysis of molecules affecting the regulation and maintenance of biological functions, such as enzymes, to applied research. To that end, the foundation provides support for enzyme research and grants for young researchers in four fields.

In fiscal 2019, the foundation provided 135 grants with a total amount of 73.8 million yen. For further information about the supported research and grant recipients, please refer to the foundation's website. (<https://www.jfae.or.jp/>) (Japanese only)



Contributions to the Environment

Greening of Office Surroundings

The Group is aggressively working on greening and beautification activities at each domestic and overseas worksite. Employees clean worksite surroundings and actively participate in other neighborhood cleaning activities. In these ways, we are working to contribute to environmental conservation and to foster harmonious coexistence with local communities.

Fiscal 2019 greening and beautification activities

Worksite	Program name
Head Office	<ul style="list-style-type: none"> Osaka Marathon Clean-Up Operation (office surroundings) G20 Osaka Summit Clean-Up Operation
Tokyo Head Office	<ul style="list-style-type: none"> Chuo-ku Clean Day Chuo-ku Walk Rally & Clean-Up Operation
Kashima Site	<ul style="list-style-type: none"> Osaka Marathon Clean-Up Operation (office surroundings) G20 Osaka Summit Clean-Up Operation
Yokohama Site	<ul style="list-style-type: none"> Hama-Road Supporter (office surroundings)
Shonan Site	<ul style="list-style-type: none"> Shonan iPark Volunteer Clean-up
Toda Site	<ul style="list-style-type: none"> Community cleaning activities (office surroundings)
Onoda Plant	<ul style="list-style-type: none"> Clean-up Japan Campaign (office surroundings)
Yoshitomi Plant	<ul style="list-style-type: none"> Marine Day seashore cleaning (sponsored by Yoshitomi Town) Clean Operation (office surroundings)
Hokkaido Branch	<ul style="list-style-type: none"> Safety and cleaning event sponsored by neighborhood association of offices at Kita-Ichijo Street
Taiwan Tanabe Seiyaku	<ul style="list-style-type: none"> Cleaning activities in the area around the Hsinchu Industrial Park Hong Mao Gang beach clean-up activities
Mitsubishi Tanabe Pharma Indonesia	<ul style="list-style-type: none"> Planting & Gardening in the area around the plant
Mitsubishi Tanabe Pharma Korea	<ul style="list-style-type: none"> Cleaning activities at the plant and surrounding area on environment day "Industrial Park Beautification Day" campaign

Click [here](#) for biodiversity conservation initiatives



Planting of flower seedlings, a Hama-Road Supporter activity (Yokohama Site)



Chuo-ku Walk Rally & Clean-Up Operation



G20 Osaka Summit Clean-Up Operation (Head Office)



Osaka Marathon Clean-Up Operation (Kashima Site)



Marine Day seashore cleaning (Yoshitomi Plant)



Safety and cleaning event sponsored by neighborhood association of offices at Kita-Ichijo Street (Hokkaido Branch)



Donation of seedlings to be planted and maintained around the plant (Mitsubishi Tanabe Pharma Indonesia Bandung Plant)



Clean-up activity "Industrial Park Beautification Day" campaign (Mitsubishi Tanabe Pharma Korea)



Hong Mao Gang beach clean-up activities (Taiwan Tanabe Seiyaku)



Society > Together with the Local Community

Promotion of Local Communities

The Group values its connections with people in the communities where it does business. As a member of local communities, we are working to deepen communications with local communities through the sponsorship of regional events and other initiatives, and we are taking steps to contribute to the development of regional society, such as historical and cultural activities and regional activation initiatives.

Mitsubishi Tanabe Pharma Historical Museum

In May 2015, the Company opened the Mitsubishi Tanabe Pharma Historical Museum on the second floor of the Head Office in Doshomachi, Osaka, which is known as the "pharmaceutical district." Visitors can learn about the history of the Company, which was founded in 1678, and the history and culture of Doshomachi. In addition, using 3D images and touch panels, visitors can learn about such topics as the structure of the human body and how pharmaceuticals work. In the five years since its opening, more than 33,000 people have visited the museum. Not only are we cooperating by providing exhibition materials, we are also cooperating with local events and contributing to the development of the next generation, such as with school off-campus learning activities.



Mitsubishi Tanabe Pharma Historical Museum
WEB : <https://www.mtpc-shiryokan.jp/en/> □

Certified by "This is MECENAT 2020," the Certification System of the Association for Corporate Support of the Arts

In July 2020, the operation of this museum was certified under the "This is MECENAT 2020" certification system for MECENAT activities (promoting social creativity through arts and culture) implemented by corporations and corporate foundations under the Association for Corporate Support of the Arts.

* "This is MECENAT" is a system for promoting social creativity through arts and culture by certifying various MECENAT activities and shining light on each of them.



Regional Activation Initiatives in Pharmaceutical District / Doshomachi

The Company is contributing to regional activation through the Historical Museum and the sponsorship of events in cooperation with regional organizations. In Doshomachi, where the Company has its Head Office, the Shinno-sai Festival (a pharmaceutical festival) is held each year on November 22 and 23. The festival is operated and implemented by YAKUSOKO, a Doshomachi organization mainly established by pharmaceutical companies. As a member of YAKUSOKO for many years, the Company has contributed to the festival. In addition, to help support the Shinno-sai Festival, the Historical Museum was opened on holidays during the period of the festival. More than 2,000 people experienced the history and culture of Doshomachi.

Starting in fiscal 2017, we are sponsoring the semi-annual Doshomachi Tanamin Theater, which uses the name of the Company's original character Tanamin. Through rakugo, which is a traditional form of entertainment that is highly popular in Osaka, and lectures about the lifestyles of the time, we are providing opportunities for people to become familiar with the history and culture of Osaka, and these initiatives have been well received.

Furthermore, as an everyday initiative, in cooperation with other Doshomachi exhibition facilities related to pharmaceuticals, we are rolling out a publicity activity under the name Doshomachi Museum Street. The community will work to provide information so that large numbers of people visit Doshomachi, which is the birthplace of Japan's pharmaceutical industry. Moving forward, the Company will strive to contribute to local communities.



Street stalls lined up in Doshomachi at the Shinno-sai Festival



Rakugo event offered in collaboration with the Shinno-sai Festival



Doshomachi Museum Street

Yoshitomi Summer Festival

In August 2019, the Yoshitomi Plant (Fukuoka Prefecture) hosted the Yoshitomi Summer Festival, which is a venue for exchange with members of the local community, on the grounds of the plant. This was the 46th time this regular local event was held. Despite the unprecedented rain, 910 local residents, visitors, employees, and their families gathered on the day of the festival. Most of the scheduled events were cancelled, but it was a festival with warmth typical of Yoshitomi. Also, just as the firework show was to begin it stopped raining, and the fireworks even more beautiful in the clearer than usual air, were greeted by loud cheers and applause. Finally, a grand lottery drawing for luxury prizes was held and the festival concluded successfully. Moving forward, we will continue working to build connections with the local community through the summer festival.



Children enjoying water balloon fishing in the rain



Stunning fireworks exploding in the night sky after the rain

Collaborating with Regional Organizations

In September 2015, a Doshomachi development association known as the Doshomachi Club was established. The Company works as the executive office of the association. The objectives of this organization are to maintain and develop the cityscape, centered on Doshomachi, to implement activities that foster trust and mutual cooperation among the people who live and work in the area, and to build a dynamic community that gathers people who are interested in health. On that basis, the organization aims to link the history and traditions of the Doshomachi pharmaceutical district to the future.

In fiscal 2019, to develop and maintain the cityscape, centered on Doshomachi, we seek to create attractive and people-friendly towns through public-private partnerships, and began to prepare for the relocation of underground electric cables in a road maintenance project due to the removal of utility poles from an area of Doshomachi. As for sidewalk construction, we have finalized designs that meet the demands of local neighborhoods, landowners, and relevant parties.

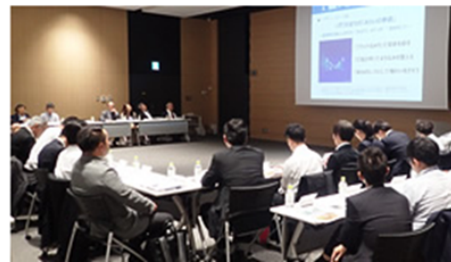
We are also addressing the "Local Landscape Agreement" system of Osaka City with the support of roadside landowners, and the association was approved as a certifying body.

Also, as a part of our efforts to conduct activities that foster trust and mutual cooperation among the people who live and work in the area, the rooftop greening and winemaking project based on potted grape cultivation produced its first wine. In addition to promoting exchanges between members, we raised awareness of health among many by holding public lectures for the general public.

We will continue to cooperate in activities to create dynamic towns that meet local needs.



> [The Doshomachi Club WEB](#)
(Japanese only)



The concept sub-committee deliberates on matters related to community building.

Also, in the area where the head office is located, we joined the Semba Club, the Sankyubashisuji Trade Association, and other organizations, and participated and cooperated in various local revitalization activities. On May 25, 2019 (Saturday), we supported the Semba Club by holding the Picnic in Semba – Semba 2030 Proposal Competition Challenge Project utilizing the public space of the Head Office and many people stopped by.

The Living Architecture Museum Festival Osaka, Japan's largest architectural event, is held every autumn. On that day, we also held a special opening of the Mitsubishi Tanabe Pharma Historical Museum so people could tour a part of the head office building.

In the spring, at the Semba Expo's "Semba Doll's Festival," the head office entrance is decorated with dolls from Semba merchants.

2nd KJPA Volunteer Event – Kimchi-making volunteers (South Korea)

On November 23, 2019, nine employees (including three expats) of Mitsubishi Tanabe Pharma Korea participated in “Kimchi-making volunteers” sponsored by the Korea Japanese Pharmaceutical Association (KJPA). In this volunteer activity, Japanese expats and their families experience Korea's traditional kimchi-making culture and provide the kimchi they've made (2,000 kg) to 200 households with elderly and socially vulnerable people who live alone in the area. Kimchi-making was a good opportunity for Japanese expats and their families to understand Korea's traditional culture and deepen exchanges with local people.



Kimchi-making was fun.



Activities Addressing Social Needs

Developing the Next Generation

As a measure to develop the next generation, the Group offers visiting lectures and company visits at worksites, which are used as venues for pharmaceutical-related lectures and comprehensive learning initiatives that leverage the knowledge of a pharmaceutical company.

Visiting Lectures at Schools

Each office provides visiting lectures for students at schools. These visiting lectures are talks on such topics as the pharmaceutical industry, the business of pharmaceutical companies, and new drug R&D. In fiscal 2019, we held visiting lectures at five schools.

Student feedback

- I was surprised to learn that new drug development is so time consuming and costly.
- I learned many things such as the pleasure, reward, difficulty and value of work.
- I gained a desire to help others and contribute to society.



Student feedback

- I was deeply impressed to learn of the goals to further evolve into a "society that is not dependent on drugs," "a society where people unconsciously maintain good health," and to develop "smartphone apps."
- I learned for the first time that pharmaceuticals are an accumulation of knowledge, technology, information, and wisdom, and that pharmaceuticals are an information industry.



Employee lecturer feedback

The students were extremely interested when it was demonstrated how OD tablets disintegrate in water. I heard their many pointed questions such as "Isn't it bitter when it melts in the mouth?" The students listened intently in a relaxed environment, and I too had a great time.



Company Visits

Each of the Company's offices is taking steps to promote harmonious coexistence with local communities, such as offering tours for regional organizations and comprehensive learning initiatives for nearby schools and school excursions. The goal is to introduce our business, the services of our pharmaceutical company, and employees' careers, and to help students develop careers through dialogue. In fiscal 2019, students from a total of eight schools, from elementary school students to graduate students, toured the Company.

Some of the feedback from students included "It was stimulating and helpful to my career development," "Communication and teamwork are important for work," and "The simulated work experience was fun and rewarding."

Student feedback

- It was a valuable experience as I was able to learn about working abroad.
- It impressed me to hear that "We make medicines for patients with rare diseases in which there are few cases."
- Although we're familiar with medicine, we learned a lot we never knew before.



Online lecture from Malaysia

Employee lecturer feedback

This time, in order to communicate to children the job of "making medicines" in an easy-to-understand way, I used cooking as an example to explain it. When they were leaving, I heard a lot of delightful comments such as "I want that job too" and "I want to work at Mitsubishi Tanabe Pharma too."



Student feedback – Visit to historical museum after lecture

- I want to take on many challenges without forgetting the words "work hard for your dreams."
- After hearing the talk I'd like to work in the future making medicines that make people smile.
- It impressed me to know that they have been making medicines for many years for patients who have been waiting for them.



Co-Sponsored Supplementary Material for Career Education for Elementary and Junior High School Students, "Job Yearbook 2020"

As part of our support for next-generation education, we co-sponsored the supplementary material for career education for children, elementary and junior high school students, "Job Yearbook 2020" (published by The Asahi Shimbun Company), which focuses on the work of companies and organizations. The job of a pharmaceutical company is to contribute to people's health through drug discovery, so we explain about the disease and the process of creating a treatment agent focusing on diabetes.



By introducing our research and development, we communicate the importance of "creativity" and "specialization."

> What is the disease of diabetes? [PDF: 893KB] [PDF](#)

Disaster Reconstruction Aid

The Group closely monitors the needs of disaster-stricken areas and provides emergency and reconstruction support in the event of a disaster in Japan or abroad.

Relief Aid for Typhoon No. 19 in the First Year of Reiwa

We donated 10 million yen through the Japanese Red Cross to help the victims of Typhoon No. 19, which struck in 2019, and to reconstruct the affected areas. We also donated tablet PCs to support the reconstruction activities of Japan Platform (a specified non-profit corporation).

To support volunteer activities conducted by employees in disaster-stricken areas, we promoted the use of a volunteer leave system and subsidized volunteer activity insurance and transportation costs (up to a total of 20,000 yen). We also recruited volunteer tour participants as an opportunity to be disaster volunteers.

MTPC employees participate in a volunteer tour (Iwaki City, Fukushima Prefecture, November 22-24, December 13-15)

To help those affected by the disaster, eight employees of MTPC participated in a volunteer tour sponsored by the Osaka Voluntary Action Center in Iwaki City, Fukushima Prefecture, which was heavily damaged by Typhoon No. 19 in October 2019. At the site of the damage, we conducted such activities as tidying up house interiors, cleaning, and carrying out household belonging.

Participant feedback

All the participants shared a desire to help the victims. As a result, I feel that a special sense of togetherness arose among the tour's participants.



Volunteer participants

Held Sales Event to Support Reconstruction of Disaster-Stricken Areas

Each year, the Head Office, Tokyo Head Office, Toda Site, Yokohama Site, and Kashima Site hold product sales events to get to know and provide support to the disaster-stricken areas as part of reconstruction support to those areas.

In 2019, at the Yokohama Site, we opened a local sake bar in cooperation with the Company's labor union with the hope of reconstructing the disaster-stricken areas damaged by heavy rain in western Japan. We provided and sold sake from six breweries in the suburbs of Okayama, Hiroshima, and Ehime to employees, and donated a portion of the proceeds and collected funds to the "July 2018 Flood and Landslide Disaster Relief Fund of the Japanese Red Cross Society." The damage was so great that reconstruction was difficult, but some brewer began making sake after the disaster, and said, "Please enjoy this sake we made in our determined effort to pull through and recover." We also held a sales event for the local products of Tohoku at each business site. We will continue to support the disaster-stricken areas by holding sales events to ensure that memories of the earthquake do not fade away.



Immediately sold out. A portion of the sales will be donated as relief funds (Yokohama Site)



It was the last sales event due to site closure (Toda Site)



Tanamin welcomes you (Kashima Site)

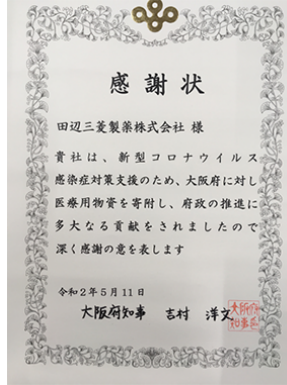
Support to Prevent the Spread COVID-19

As an activity to counter COVID-19, we are making various efforts to prevent the spread of the virus in areas where business is expanding. Below are listed some of those businesses.

- Mitsubishi Tanabe Pharma Corporation, Tianjin Tanabe Seiyaku, and Mitsubishi Tanabe Pharma Development (Beijing) donated one million yuan (approximately 16 million in Japanese yen) through the Chinese Red Cross Foundation to support measures against COVID-19 in China. We also collected donations from employees, provided matching gifts in which the company and labor union donated a matching amount, and donated a total of 2.5 million yen through Save the Children Japan.
- Given the fact that Osaka Prefecture, the location of our head office, is securing medical supplies in preparation for the spread of the virus, we donated 2,000 protective N95 masks from our stockpile, and donated protective N95 masks and surgical masks to the government and various organizations.



Providing masks to Osaka Prefecture



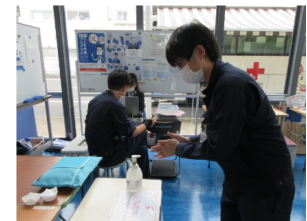
Providing masks to the town of Yoshitomi, the site of our office in Fukuoka Prefecture

- The Mitsubishi Tanabe Pharma Factory (Onoda Plant), manufactures slightly acidic electrolyzed water in the drug substance building and uses it for disinfection. Sanyo Onoda City, where the factory is located, asked that we provide its City Hall with slightly acidic electrolyzed water (about 1,000 L x 8 times) for use in disinfection and cleaning by local residents (by the end of July).



Slightly acidic electrolyzed water provided to Sanyo Onoda City Hall (Onoda Factory)

- At the Onoda Plant, we conducted a blood drive in the hope of helping even a little while blood is very scarce due to a new type of pneumonia. Participants encountered stricter measures including the wearing of masks and thorough disinfection, as well as adjustments to waiting times to prevent crowding in the blood mobile. On the day of the blood drive, 46 employees, about twice the usual number, donated blood.



Donating blood (Onoda Plant)

- Initiative to prevent each and every person from spreading the virus Leveraging the Tenohira (palm of the hand), a symbol of Mitsubishi Tanabe Pharma, we have developed an advertisement to prevent the spread of the virus entitled "What you can do with your hands right now" that calls for straightforward, user-friendly hand washing. The hand illustrations on the company website are designed to be posted in your bathroom at home. We respect and support medical staff who treat infectious diseases on the front lines and will communicate the social mission of our pharmaceutical company and call for the prevention of infectious diseases at home.



Advertisement to prevent the spread of the virus (Japanese only).

- Our overseas subsidiaries also provide donations, protective clothing, masks, and volunteers to meet each country's needs.



Donation of masks and other items to medical institutions (Mitsubishi Tanabe Pharma Indonesia)

External Evaluations

Sustainability Evaluations

Won Special Encouragement Award at the "Ikumen Enterprise Award 2018, in the Work-Life Balance Support Category"

As part of the Ministry of Health, Labour and Welfare's Ikumen Project that supports men's active participation in child-rearing and promotes their taking of childcare leave, the award commends companies and individuals who serve as models that promote a working environment conducive to giving birth and raising children with peace of mind while continuing to work. The Company won the Special Encouragement Award in the Work-Life Balance Support Category.



IKUMEN AWARD 2018

Acquired accreditation mark based on the Act on Advancement of Measures to Support Raising Next-Generation Children

The Act on Advancement of Measures to Support Raising Next-Generation Children came into effect in 2005. In accordance with this law, companies that formulate action plans to support child-rearing by employees, achieve planned targets, and meet certain standards are eligible for certification by the Minister of Health, Labour and Welfare. The Company has been certified for six consecutive years since 2007. Among companies that had already been "Kurumin" certified, Mitsubishi Tanabe Pharma was "Platinum Kurumin" certified in July 2019.



Acquired "Eruboshi" certification mark

In accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace, which came into effect in 2016, companies that formulate action plans to promote active careers for female employees and achieve excellent results with related initiatives are eligible for certification by the Minister of Health, Labour and Welfare. The Eruboshi mark demonstrates that a company has received this certification. In 2016, we received "Eruboshi," the highest level of certification, which is based on the Act on Promotion of Women's Participation and Advancement in the Workplace.



Selected as "Outstanding Enterprise in Health and Productivity Management - White 500"

The "Outstanding Enterprise in Health and Productivity Management Certification System," which was established by the Ministry of Economy, Trade and Industry (METI) in 2016, is a system for recognizing companies and groups that are implementing especially strong health and productivity management. Of these companies, the White 500 program certifies large corporations that implement excellent health and productivity management in cooperation with their health insurance providers. This program, which is offered jointly by METI and Nippon Kenko Kaigi, is intended to expand the number of companies that are implementing health and productivity management. The program will certify 500 companies by 2020. Mitsubishi Tanabe Pharma has been selected for four consecutive years since 2017.



Acquired Certification as a Leading Company in the Support of Active Careers for Women

Each year, in accordance with established standards, Osaka City certifies companies and groups that are actively striving to establish environments that support active careers for women. Mitsubishi Tanabe Pharma received this certification in 2016.



Received Award of Excellence at the 3rd Working Women Empowerment Awards

The Japan Productivity Center implements this wide-ranging award program for organizations that are conducting original, innovative initiatives with the aim of empowering women and increasing productivity. In June 2018, we received an award of excellence.



Awarded the Gold Prize in the PRIDE INDEX for LGBT Issues

The PRIDE INDEX, established by "work with Pride," a private organization, is Japan's first index that evaluates the initiatives of companies and organizations related to sexual minorities such as LGBTs. MTPC was awarded the GOLD Prize in the PRIDE INDEX 2019.



Received the "Cancer Control Promotion Partner Award" (in the Treatment and Work Balance Category)

In March 2020, our company's system of supporting a balance between medical treatment and one's work was highly acclaimed for its ability to flexibly respond to individual cases, and we received the Award for Companies Promoting Cancer Control (in the Treatment and Work Balance category)" in the Action Plan for Promotion of Cancer Control, a project commissioned by the Ministry of Health, Labour and Welfare.



Product and Technology Evaluations

Received the 3rd Japan Medical Research and Development Awards' Prime Minister Prize

In January 2020, Mitsubishi Tanabe Pharma Corporation received the Japan Medical Research and Development Awards' Prime Minister Prize together with Professor Yoshikatsu Kanai of Osaka University for "Molecular Identification of SGLT2 and Development of its Inhibitor." The Japan Medical Research and Development Awards, sponsored by the Japanese government, are intended to deepen the interest and understanding of the public in recognition of achievement, and increase incentives for researchers for cases that have greatly contributed to the promotion of research and development in the medical field. The Prime Minister Prize is awarded to individuals in recognition of outstanding achievement.

Received the 48th Japan Industrial Technology Awards' Prime Minister Prize

In April 2019, at the 48th Japan Industrial Technology Awards sponsored by Nikkan Kogyo Shimbun, we were presented the highest award, the Prime Minister's Prize for "Fingolimod hydrochloride for the treatment of multiple sclerosis," which was discovered through collaborative research with Mitsui Sugar Co., Ltd., and Professor Emeritus Tetsuro Fujita of Kyoto University.

The Japan Industrial Technology Awards recognize R&D and practical technologies that have produced remarkable achievements in industrial and societal development.

Winner of the 51st Ichimura Prize in Industry for Outstanding Achievement

In April 2019, Canagliflozin, which we discovered, won “The Ichimura Prize in Industry for Outstanding Achievement.” The Ichimura Prize in Industry (sponsored by the Ichimura Foundation for New Technology) is presented to technology developers or groups who have contributed to developments and achievements in the industrial field based on their creation of outstanding made-in-Japan technology, and Outstanding Achievement is the highest ranking award.

Received The 2019 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology, Awards for Science and Technology (Development Category)

In April 2019, the “Invention and development of a new entirely Japan-made DPP4 inhibitor” Tenueligliptin by Mitsubishi Tanabe Pharma was acclaimed and received the Award for Science and Technology (Development Category) at the FY2019 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology.

The Commendation for Science and Technology (sponsored by the Ministry of Education, Culture, Sports, Science and Technology) is an award intended to increase the motivation of people engaged in science and technology and contribute to improving Japan's science and technology standards.

Received the Breakthrough Award of the Division of Medicinal Chemistry, Pharmaceutical Society of Japan (PSJ)

In November 2019, Evocalcet, a drug for the treatment of secondary hyperparathyroidism, discovered by the Company, received the PSJ's Breakthrough Award of the Division of Medicinal Chemistry. The award is sponsored by the PSJ and is presented to researchers who have achieved research progress including breakthroughs that contribute to drug discovery development. It is awarded for “innovative research on drugs or bioactive compounds with novel chemical structures” and “innovative research that contributes to drug discovery research through new technologies and methods.”

Received the Good Design Award 2019

In October 2019, the ethical drug Simponi® Subcutaneous Injection 50 mg Autoinjector received the Good Design Award 2019 (sponsored by Japan Institute of Design Promotion). The Good Design Award was established in 1957 and is Japan's only comprehensive design evaluation and recommendation structure. The global design award is held every year for the purpose of improving the quality of life and leveraging design to solve social issues. The award-winning “G Mark” symbol is widely recognized as a symbol of excellence in design.



Received the Award for Hangover Antidote at the 32nd “Hit Product Award/Topic Product Award (in the Pharmaceutical/Designated Quasi-drug Category)”

In June 2020, the over-the-counter drug “Urusoukon” received the Award for Hangover Antidote at the 32nd Hit Product Award/Topic Product Award in the Pharmaceuticals/Designated Quasi-drug Category (sponsored by Drugmagazine Co., Ltd. and Yachiyokai). Since the 29th Hit Product Award/Topic Product Award, this marks the fourth consecutive year that Tanabe Mitsubishi Pharma has won this award.

Data


Management

Item	Data		
	FY2019	FY2018	FY2017
Respect for Human Rights >			
Basic Stance on Human Rights			
Initiatives to raise human rights awareness			
↳ Number of entries in diversity & human rights slogan contest	521	608	210
↳ Human Rights Awareness Promotion Committee			
↳ Number of headquarters committee members	11	10	12
↳ By department / region	18	18	17
Compliance >			
Compliance Promotion Structure			
Number of responsible persons for compliance / persons in charge of compliance	143	139	136
Number of meetings of responsible persons for compliance / persons in charge of compliance	Semiannually	Semiannually	Semiannually
Compliance Training			
List of training sessions			
↳ Groupwide sessions			
↳ Times held	Once a year	Once a year	Once a year
↳ Number of participants	5,003	5,376	5,870
↳ Divisional sessions			
↳ Times held	Once a year	Once a year	Once a year
↳ Number of participants	4,889	5,385	5,888
↳ Top management seminars			
↳ Times held	Once a year	Once a year	Once a year
↳ Number of participants	15	14	15
↳ New employee training			
↳ Times held	Twice a year	Twice a year	Twice a year
↳ Number of participants	April: 29 August: 15 (MRs only)	April: 70 August: 35 (MRs only)	April: 78 August: 40 (MRs only)

↳ Compliance and risk management check			
↳ Times held	Twice a year	Twice a year	Twice a year
↳ Number of participants	July: 5,049 February: 4,876	July: 5,300 February: 5,137	July: 5,730 February: 5,370
Hotlines			
Number of hotline consultations			
↳ Workplace environment	17	9	13
↳ Working condition / human resources	4	2	6
↳ Embezzlement / misappropriation	1	0	0
↳ Laws, regulations, rules	10	4	7
↳ Other	5	7	5
↳ Total	37	22	31

Risk Management >

Risk Management Associated with Business Activities			
Number of meetings of Risk Management Committee	Twice a year	Twice a year	Generally twice a year



Environment

Item	Data		
	FY2019	FY2018	FY2017

Environmental Management >

ISO 14001 Certifications			
Number of sites with ISO 14001 certification			
↳ Domestic	2	2	2
↳ Overseas	3	3	3
Medium-Term Environmental Action Plan and Results			
Rate of reduction in CO₂ emissions in comparison with benchmark year (vs. fiscal 2010)			
↳ Domestic	47%	40%	37%
↳ Global	40%	32%	29%
Fluorocarbons			
↳ Amount of fluorocarbon destroyed (Domestic)	1,989kg	417kg	855kg
↳ Amount of leakage (Domestic)	22kg (40 tons-CO ₂ eq)	118kg (350 tons-CO ₂ eq)	365kg (759 tons-CO ₂ eq)
Rate of reduction in amount of waste generated in comparison with the previous fiscal year (Domestic)	1.6%	53%	-106%
Final waste disposal rate (Domestic)	0.72%	0.59%	0.37%

Rate of reduction in water usage in comparison with benchmark year (vs. fiscal 2010)			
↳ Domestic	32%	45%	39%
↳ Global	34%	46%	41%
Rate of reduction in chemical substances emissions in comparison with the previous fiscal year			
↳ PRTR substances (vs. previous fiscal year)	57%	5%	44%
↳ VOCs (excluding PRTR substances) (vs. previous fiscal year)	13%	4%	21%
Rate of reduction in toluene emissions (vs. fiscal 2010)	76%	32%	34%
Number of group worksites for which environmental audits were conducted			
↳ Domestic	5	6	6
↳ Overseas	1	3	1
Environmental-related accidents/problems, and status of environmental-related legal and regulatory compliance			
Number of environmental accidents	0	0	0
Amount of environmental misconduct fines	0 yen	0 yen	0 yen
Environmental Accounting			
Environmental conservation costs			
Invested			
↳ Pollution prevention	106 million yen	32 million yen	56 million yen
↳ Global environmental protection	2 million yen	0 million yen	0 million yen
↳ Recycling and reuse of resources	0 million yen	0 million yen	0 million yen
↳ Upstream and downstream activities	0 million yen	0 million yen	0 million yen
↳ Administrative activities	0 million yen	0 million yen	0 million yen
↳ Research and development	0 million yen	0 million yen	0 million yen
↳ Community activities	0 million yen	0 million yen	0 million yen
↳ Environmental damage compensation	0 million yen	1 million yen	0 million yen
↳ Total	108 million yen	33 million yen	56 million yen
Expended			
↳ Pollution prevention	293 million yen	307 million yen	305 million yen
↳ Global environmental protection	10 million yen	66 million yen	52 million yen
↳ Recycling and reuse of resources	153 million yen	166 million yen	175 million yen
↳ Upstream and downstream activities	0 million yen	5 million yen	21 million yen
↳ Administrative activities	162 million yen	160 million yen	163 million yen
↳ Research and development	0 million yen	0 million yen	0 million yen
↳ Community activities	0.5 million yen	0 million yen	1 million yen
↳ Environmental damage compensation	10 million yen	9 million yen	9 million yen
↳ Total	629 million yen	713 million yen	725 million yen

Environmental Conservation Effects			
Global environmental protection			
↳ Greenhouse gas emission reduction	367 tons-CO ₂ eq	557 tons-CO ₂ eq	138 tons-CO ₂ eq
↳ New boiler installed beside a steam-heated building (Yokohama Site)			
↳ Invested	78 million yen	–	–
↳ Quantity reduced (Item reduced: City gas)	306 tons-CO ₂ eq	–	–
↳ Economic effect	16 million yen	–	–
↳ Energy-saving equipment installed in new building (Onoda Plant)			
↳ Invested	17 million yen	–	–
↳ Quantity reduced (Item reduced: Electric power)	61 tons-CO ₂ eq	–	–
↳ Economic effect	1.3 million yen	–	–

Environmental Performance Overview >

Overview of Environmental Impact

Input

Energy			
↳ Domestic	90,566 MWh	95,230 MWh	97,455 MWh
↳ Overseas	24,007 MWh	23,413 MWh	21,278 MWh
↳ Global	114,573 MWh	118,643 MWh	118,733 MWh
Gases			
↳ Domestic	7,230,000 m ³	7,522,000 m ³	7,623,000 m ³
↳ Overseas	1,721,000 m ³	2,047,000 m ³	2,208,000 m ³
↳ Global	8,951,000 m ³	9,569,000 m ³	9,831,000 m ³
Petroleum			
↳ Domestic	4,096 kL	4,522 kL	4,761 kL
↳ Overseas	57 kL	62 kL	63 kL
↳ Global	4,153 kL	4,584 kL	4,824 kL
Thermal equivalent			
↳ Domestic	1,361,000 GJ	1,436,000 GJ	1,467,000 GJ
↳ Overseas	319,000 GJ	323,000 GJ	307,000 GJ
↳ Global	1,680,000 GJ	1,759,000 GJ	1,774,000 GJ
Water			
Supplied water / Industrial water			
↳ Domestic	5,157,000 m ³	4,269,000 m ³	4,762,000 m ³
↳ Overseas	89,000 m ³	106,000 m ³	88,000 m ³
↳ Global	5,246,000 m ³	4,375,000 m ³	4,850,000 m ³
Fresh surface water (lakes, rivers, etc.)			
↳ Domestic	728,000 m ³	513,000 m ³	440,000 m ³
↳ Overseas	0 m ³	0 m ³	0 m ³
↳ Global	728,000 m ³	513,000 m ³	440,000 m ³

Groundwater			
↳ Domestic	46,000 m ³	10,000 m ³	70,000 m ³
↳ Overseas	12,000 m ³	15,000 m ³	14,000 m ³
↳ Global	58,000 m ³	25,000 m ³	84,000 m ³
Chemical Substances			
PRTR substances			
↳ Domestic	86 tons	144 tons	142 tons
↳ Overseas	1 tons	1 tons	1 tons
↳ Global	87 tons	145 tons	143 tons
VOCs (excluding PRTR substances)			
↳ Domestic	936 tons	833 tons	1,241 tons
↳ Overseas	20 tons	23 tons	26 tons
↳ Global	956 tons	856 tons	1,267 tons
Output			
Atmospheric Emissions			
Greenhouse gases			
↳ Domestic	71,000 tons-CO ₂ eq	80,000 tons-CO ₂ eq	86,000 tons-CO ₂ eq
↳ Overseas	15,000 tons-CO ₂ eq	16,000 tons-CO ₂ eq	16,000 tons-CO ₂ eq
↳ Global	85,000 tons-CO ₂ eq	96,000 tons-CO ₂ eq	102,000 tons-CO ₂ eq
NOx			
↳ Domestic	7.4 tons	12.2 tons	17.0 tons
↳ Overseas	1.5 tons	2.1 tons	1.8 tons
↳ Global	8.9 tons	14.3 tons	18.8 tons
SOx			
↳ Domestic	3.0 tons	3.2 tons	6.0 tons
↳ Overseas	0.3 tons	0.3 tons	0.4 tons
↳ Global	3.3 tons	3.5 tons	6.4 tons
Particulate matter			
↳ Domestic	0.09 tons	0.15 tons	0.27 tons
↳ Overseas	0.03 tons	0.02 tons	0.04 tons
↳ Global	0.12 tons	0.17 tons	0.31 tons
PRTR substances			
↳ Domestic	1.2 tons	3.2 tons	3.3 tons
↳ Overseas	0.0 tons	0.0 tons	0.0 tons
↳ Global	1.2 tons	3.2 tons	3.3 tons
VOCs (excluding PRTR substances)			
↳ Domestic	27.5 tons	32.1 tons	35.4 tons
↳ Overseas	15.7 tons	7.5 tons	3.4 tons
↳ Global	43.2 tons	39.6 tons	38.8 tons

Wastewater			
Wastewater output			
└ Domestic	5,555,000 m ³	4,637,000 m ³	5,276,000 m ³
└ Overseas	67,000 m ³	68,000 m ³	67,000 m ³
└ Global	5,622,000 m ³	4,705,000 m ³	5,342,000 m ³
BOD pollution load			
└ Domestic	8.6 tons	8.4 tons	8.9 tons
└ Overseas	0.1 tons	0.0 tons	0.0 tons
└ Global	8.6 tons	8.4 tons	8.9 tons
COD pollution load			
└ Domestic	13.4 tons	10.2 tons	34.9 tons
└ Overseas	0.2 tons	0.1 tons	0.0 tons
└ Global	13.6 tons	10.3 tons	34.9 tons
Nitrogen			
└ Domestic	5.9 tons	5.2 tons	21.7 tons
└ Overseas	0.02 tons	0.01 tons	0.03 tons
└ Global	5.9 tons	5.2 tons	21.7 tons
Phosphorus			
└ Domestic	0.4 tons	0.3 tons	0.9 tons
└ Overseas	0.0 tons	0.0 tons	0.0 tons
└ Global	0.4 tons	0.3 tons	0.9 tons
PRTR substances			
└ Domestic	0.4 tons	0.5 tons	0.6 tons
└ Overseas	0.2 tons	0.0 tons	0.0 tons
└ Global	0.6 tons	0.5 tons	0.6 tons
VOCs (excluding PRTR substances)			
└ Domestic	12.3 tons	13.8 tons	13.0 tons
└ Overseas	0.7 tons	7.9 tons	0.0 tons
└ Global	12.9 tons	21.7 tons	13.0 tons
Waste			
Waste output			
└ Domestic	5,665 tons	5,768 tons	12,230 tons
└ Overseas	842 tons	783 tons	700 tons
└ Global	6,506 tons	6,551 tons	12,930 tons
Emissions			
└ Domestic	2,375 tons	2,385 tons	3,946 tons
└ Overseas	815 tons	764 tons	656 tons
└ Global	3,190 tons	3,149 tons	4,603 tons

Final disposal			
↳ Domestic	41 tons	34 tons	45 tons
↳ Overseas	361 tons	350 tons	467 tons
↳ Global	402 tons	384 tons	512 tons

Climate Change Initiatives >

Reduction of Greenhouse Gas Emissions

Greenhouse gas emissions (from bases, Company-owned vehicles, and leaked fluorocarbons)

↳ Domestic	71,000 tons-CO ₂ eq	80,000 tons-CO ₂ eq	86,000 tons-CO ₂ eq
↳ Overseas	15,000 tons-CO ₂ eq	16,000 tons-CO ₂ eq	16,000 tons-CO ₂ eq
↳ Global	85,000 tons-CO ₂ eq	96,000 tons-CO ₂ eq	102,000 tons-CO ₂ eq

Unit value of greenhouse gas emissions (from bases, Company-owned vehicles, and leaked fluorocarbons)

↳ Global	224 tons-CO ₂ eq /1 billion yen	226 tons-CO ₂ eq /1 billion yen	233 tons-CO ₂ eq /1 billion yen
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CO₂ emissions (energy from bases)

↳ Domestic	66,000 tons-CO ₂	75,000 tons-CO ₂	80,000 tons-CO ₂
↳ Overseas	15,000 tons-CO ₂	16,000 tons-CO ₂	16,000 tons-CO ₂
↳ Global	81,000 tons-CO ₂	91,000 tons-CO ₂	96,000 tons-CO ₂

Rate of reduction in CO₂ emissions (energy from bases) (vs. fiscal 2010)

↳ Domestic	47%	40%	36%
↳ Global	40%	32%	29%

Rate of reduction in energy used (energy from bases) (vs. previous fiscal year)

↳ Domestic	4.8%	1.8%	7.7%
↳ Overseas	1.2%	-5.3%	-8.9%
↳ Global	4.1%	0.5%	5.1%

FY2019 supply chain greenhouse gas emissions rate

↳ Scope 1	4.4%	5.3%	5.5%
↳ Scope 2	7.8%	9.9%	10.0%
↳ Scope 3, category 1	76.5%	78.3%	78.9%
↳ Scope 3, category 2	8.1%	3.9%	2.7%
↳ Scope 3, other	3.2%	2.8%	3.0%

Scope 1 Greenhouse gas emissions

↳ From domestic base fuel use	22,700 tons-CO ₂ eq	23,800 tons-CO ₂ eq	24,500 tons-CO ₂ eq
↳ From Company-owned vehicle fuel use	4,200 tons-CO ₂ eq	4,700 tons-CO ₂ eq	5,200 tons-CO ₂ eq
↳ From domestic base leakage of fluorocarbons	40 tons-CO ₂ eq	300 tons-CO ₂ eq	800 tons-CO ₂ eq
↳ From overseas base fuel use	4,000 tons-CO ₂ eq	4,500 tons-CO ₂ eq	5,400 tons-CO ₂ eq
↳ Total	30,940 tons-CO ₂ eq	33,400 tons-CO ₂ eq	35,800 tons-CO ₂ eq

Scope 2 Greenhouse gas emissions

↳ From domestic base fuel use	43,700 tons-CO ₂ eq	51,400 tons-CO ₂ eq	55,100 tons-CO ₂ eq
↳ From overseas base purchases of electricity	11,300 tons-CO ₂ eq	11,100 tons-CO ₂ eq	10,300 tons-CO ₂ eq
↳ Total	55,000 tons-CO ₂ eq	62,400 tons-CO ₂ eq	65,300 tons-CO ₂ eq

Scope 3 Greenhouse gas emissions			
↳ Category 1 (Purchased goods and services)	540,640 tons-CO ₂ eq	495,570 tons-CO ₂ eq	517,340 tons-CO ₂ eq
↳ Category 2 (Capital goods)	57,350 tons-CO ₂ eq	24,430 tons-CO ₂ eq	17,500 tons-CO ₂ eq
↳ Category 3 (Fuel and energy related activities not included in Scope 1 or 2)	14,490 tons-CO ₂ eq	10,060 tons-CO ₂ eq	10,270 tons-CO ₂ eq
↳ Category 4 (Upstream transportation and distribution)	2,390 tons-CO ₂ eq	2,560 tons-CO ₂ eq	3,330 tons-CO ₂ eq
↳ Category 5 (Waste generated in operations)	2,070 tons-CO ₂ eq	2,500 tons-CO ₂ eq	3,290 tons-CO ₂ eq
↳ Category 6 (Business travel)	910 tons-CO ₂ eq	940 tons-CO ₂ eq	930 tons-CO ₂ eq
↳ Category 7 (Employee commuting)	2,120 tons-CO ₂ eq	980 tons-CO ₂ eq	1,170 tons-CO ₂ eq
↳ Category 12 (End-of-life treatment of sold products)	390 tons-CO ₂ eq	410 tons-CO ₂ eq	440 tons-CO ₂ eq
Reduction of energy consumption			
Domestic base energy used	1,229 thousand GJ	1,365 thousand GJ	1,390 thousand GJ
Domestic Company-owned vehicle fuel used	62 thousand GJ	70 thousand GJ	78 thousand GJ
Overseas base energy used	319 thousand GJ	323 thousand GJ	307 thousand GJ
Company-Owned Vehicle Operation			
Number of Company-owned vehicles	1,709	1,831	1,969
↳ Hybrid vehicles	1,145	1,288	1,451
↳ CO ₂ emissions from the fuel of Company-owned vehicles	4,165 tons-CO ₂	4,724 tons-CO ₂	5,210 tons-CO ₂
↳ Rate of reduction in CO ₂ emissions from the fuel of Company-owned vehicles (vs. previous fiscal year)	11.8%	9.3%	7.8%

Addressing Water Security >

Reduction of Water Withdrawal			
Water Withdrawal			
↳ Domestic water withdrawal (production and research bases, offices)	5,931,000 m ³	4,792,000 m ³	5,273,000 m ³
↳ Overseas water withdrawal (production and research bases)	101,000 m ³	121,000 m ³	102,000 m ³
↳ Rate of change of domestic water withdrawal (vs FY2010)	68%	55%	60%
↳ Rate of change of global water withdrawal (vs. FY2010)	66%	54%	59%
Breakdown of water withdrawal (Domestic)			
↳ City water/Industrial water	5,157,000 m ³	4,269,000 m ³	4,762,000 m ³
↳ Fresh surface water (lakes, rivers, etc.)	728,000 m ³	513,000 m ³	440,000 m ³
↳ Groundwater	46,000 m ³	10,000 m ³	70,000 m ³
Breakdown of water withdrawal (overseas)			
↳ City water/Industrial water	89,000 m ³	106,000 m ³	88,000 m ³
↳ Fresh surface water (lakes, rivers, etc.)	0 m ³	0 m ³	0 m ³
↳ Groundwater	12,000 m ³	15,000 m ³	14,000 m ³

Reduction of Waste, Recycling and Reuse of Resources >

Reduction of Waste Emissions			
Amount of waste generation and emissions (Domestic)			
↳ Waste generation	5,665 tons	5,770 tons	12,230 tons
↳ Waste emissions	2,375 tons	2,390 tons	3,950 tons
Amount of final waste disposed (Domestic)			
↳ Amount of final disposal	41 tons	34 tons	45 tons
↳ Final waste disposal rate	0.72%	0.59%	0.37%
↳ Disposal rate target	0.5%	0.5%	0.5%

Prevention of Environmental Pollution >

Air Pollutant Emissions			
Air pollutant emissions (Domestic)			
↳ NOx	7.4 tons	12.2 tons	17.0 tons
↳ SOx	3.0 tons	3.2 tons	6.0 tons
↳ Particulate matter	0.1 tons	0.2 tons	0.3 tons
Water Pollution			
Environmental impact on public water bodies (Domestic)			
↳ BOD	8.6 tons	8.4 tons	8.9 tons
↳ COD	13.4 tons	10.2 tons	34.9 tons
↳ Nitrogen	5.9 tons	5.2 tons	21.7 tons
↳ Phosphorus	0.4 tons	0.3 tons	0.9 tons
PRTR Substances and VOC			
Emission of PRTR (Domestic)			
↳ Amount of PRTR Class I designated chemical substances handled	86 tons	144 tons	142 tons
↳ Air emissions of PRTR Class I designated chemical substances	1.2 tons	3.2 tons	3.3 tons
↳ Public water emissions of PRTR Class I designated chemical substances	0.4 tons	0.5 tons	0.6 tons
Emission of VOC (excluding PRTR) (Domestic)			
↳ Amount of VOCs (Excluding PRTR regulated substances) handled	936 tons	833 tons	1,241 tons
↳ Air emissions of VOCs (Excluding PRTR regulated substances)	27.5 tons	32 tons	35 tons
↳ Public water emissions of VOCs (Excluding PRTR regulated substances)	12.3 tons	14 tons	13 tons
Emission of Toluene (Domestic)			
↳ Emissions to the air	0.9 tons	2.5 tons	2.4 tons
↳ Emissions to public water bodies	0.0 tons	0.0 tons	0.0 tons
↳ Emissions change rate (vs. FY2010)	24%	68%	65%
↳ Change rate target value	70%	70%	70%



Together with Patients and Healthcare Professionals

Item	Data		
	FY2019	FY2018	FY2017
Manufacturing and Supply Chain >			
Stable Supply of Pharmaceuticals			
Mitsubishi Tanabe Pharma Group's manufacturing plants			
↳ Domestic	2	2	3
↳ Overseas	4	4	4
Information Provision >			
MR's Responsibility: Collecting Data and Providing Information to Medical Institutions			
Number of general and specialized medical representatives (MRs) (Domestic Group)	Approx. 1,500	Approx. 1,500	Approx. 1,500
Number of general and specialized medical representatives (MRs) (Overseas Group)	Approx. 580	Approx. 600	—
Information provision through website			
Number of health support site visitors	1,036	916	—
Providing Comprehensive Information through the Medical Information Center			
Number of inquiries to the Medical Information Center*	51,899	61,859	74,023
Drug Safety / Quality Assurance >			
Pharmaceutical Safety Training			
Pharmaceutical safety training (All Employees, including executive officers)	Once a year	Once a year	Once a year
Solving Issues Related to Improving Access to Healthcare >			
Promotion of R&D			
Participation in the Global Health Innovative Technology Fund	○	○	○

* The number of inquiries decreased since the sales of some products were relegated to other companies in fiscal 2018. The Company Q&A website is receiving an increasing number of hits.

Item	Data		
	FY2019	FY2018	FY2017
Human Resources Development >			
Basic Human Resources Policy			
Number of employees (as of March 31)			
↳ Consolidated	6,987	7,228	7,187
↳ Unconsolidated	3,764	4,111	4,222
↳ Men	2,840	3,107	3,232
↳ Women	924	1,004	990
Number of new graduates hired *Entering company on April 1 of following year	14	29	63
↳ Men	7	15	30
↳ Women	7	14	33
Number of mid-career employees hired	19	27	36
↳ Men	13	21	35
↳ Women	6	6	1
Number of temporary employees *Group (Domestic)	132	133	252
Average age of employees	46.0	45.9	44.9
Average years of continuous service for employees	21.8	20.7	19.8
Employee turnover rate (voluntary turnover only) *Group (Domestic)	3.63%	1.79%	1.14%
Enhancing Personnel Training			
In-house group training average time per year (Domestic)	2.7	3.4	—
OJTO: On the job training overseas	0	5	4
Promoting Diversity >			
Actively Utilizing Diverse Human Resources			
Number of employees by region			
↳ Japan	4,769	5,112	5,233
↳ North America	763	687	525
↳ EMEA (Europe, Middle East, Africa)	216	217	191
↳ Asia / Oceania	1,239	1,212	1,238
Percentage of female employees with subsection managers or higher or in management positions (as of April 1)			
↳ Subsection managers or higher	16.5%	16.4%	15.1%
↳ Management positions	9.2%	8.5%	7.8%
Percentage of female employees	23.2%	32.3%	20.2%
Number of temporary employees *Group (Domestic)	132	133	252
Supporting Active Careers for People with Disabilities			
Employment rate of people with disabilities	2.22%	2.12%	2.08%

Supporting Diverse Working Styles			
Utilization of leave and shorter workdays for childcare *Group (Domestic)			
↳ Childcare leave	166	277	100
↳ Men	125	232	50
↳ Women	41	45	50
↳ Shorter workdays for childcare	128	122	121
Utilization of leave and shorter workdays for nursing care *Group (Domestic)			
↳ Nursing-care leave	2	0	2
↳ Shorter workdays for nursing care	2	2	0
Usage of paid vacation days *Group (Domestic)			
↳ Average number of days used	15.4	14.5	13.1
↳ Average rate of use	72%	68%	61%
Building Sound Labor-Management Relations			
Percentage of employees with right to collective bargaining (as of March 31) *Group (Domestic)	73.5%	72.3%	77.8%

Occupational Health and Safety >

Occupational Health and Safety Initiatives			
Lost time injury frequency rate (LTIFR) (Domestic)			
↳ Mitsubishi Tanabe Pharma Group	0.45	0.10	0.29
↳ (Reference) Pharmaceutical industry average	1.06	0.93	0.79
↳ (Reference) Manufacturing industry average	1.20	1.20	1.02
↳ Contractor	0.00	0.00	0.00
Industrial accident severity rate*¹	0.012028	0.000085	0.0044
Number of deaths due to industrial accidents	0	0	0
Occupational illness frequency rate (OIFR) *Group (Domestic)	0.00	0.00	0.00
Percentage receiving health examinations	99.3%	99.1%	99.3%
Percentage receiving stress checks	96.2%	96.6%	95.8%
Employee Survey			
Frequency of conducting survey	Once a year	Once a year	Once a year
↳ Number of responses	4,845	5,121	5,297
↳ Response rate	96.60%	95.30%	94.0%

*1 Industrial accident severity rate: Indicator that shows the degree of seriousness of industrial accidents by using the number of working days lost due to industrial accidents per 1,000 hours worked (Higher numbers indicate more severe accidents)

Item	Data		
	FY2019	FY2018	FY2017
Contributions to Medical Care and Welfare >			
Support for Patients with Intractable Diseases and their Families			
Number of organizations supported by Mitsubishi Tanabe Pharma's Tenohira Partner Program	15	21	17
Amount of monetary support	10 million yen	10 million yen	10 million yen
Contributing to Developing Countries			
TABLE FOR TWO (TFT)			
↳ Number of meals contributed from the TFT menu	5,226 meals	5,643 meals	5,799 meals
↳ Number of meals contributed from TFT vending machines	9,775 meals	6,593 meals	994 meals
Participating in vaccine support activities			
↳ Amount of contributions *Matching donations from Company included from FY2017	187,222 yen	289,982 yen	446,112 yen
↳ Polio vaccine (estimate)	9,361 doses	14,500 doses	22,306 doses
Development of Science and Technology >			
Support for Research Foundations			
Grants of the SENSHIN Medical Research Foundation			
Grants for pharmacopsychiatry research			
↳ Basic research			
↳ Number of projects	20	20	20
↳ Amount	20 million yen	20 million yen	20 million yen
↳ Aid for young researchers			
↳ Number of projects	10	10	10
↳ Amount	10 million yen	10 million yen	10 million yen
↳ Ongoing aid for young researchers			
↳ Number of projects	1	1	1
↳ Amount	1 million yen	1 million yen	1 million yen
↳ Financial aid for education abroad			
↳ Number of projects	2	2	2
↳ Amount	10 million yen	10 million yen	10 million yen
Grants for hematological research			
↳ Basic research			
↳ Number of projects	20	20	20
↳ Amount	20 million yen	20 million yen	20 million yen
↳ Aid for young researchers			
↳ Number of projects	10	10	10
↳ Amount	10 million yen	10 million yen	10 million yen

↳ Ongoing aid for young researchers			
↳ Number of projects	1	1	1
↳ Amount	1 million yen	1 million yen	1 million yen
↳ Financial aid for education abroad			
↳ Number of projects	2	2	2
↳ Amount	10 million yen	10 million yen	10 million yen
Grants for circulatory research			
↳ Basic research			
↳ Number of projects	20	22	20
↳ Amount	20 million yen	22 million yen	20 million yen
↳ Aid for young researchers			
↳ Number of projects	10	10	10
↳ Amount	10 million yen	10 million yen	10 million yen
↳ Ongoing aid for young researchers			
↳ Number of projects	1	1	1
↳ Amount	1 million yen	1 million yen	1 million yen
↳ Financial aid for education abroad			
↳ Number of projects	2	2	2
↳ Amount	10 million yen	10 million yen	10 million yen
Grants for advanced research			
↳ Number of projects	1	1	1
↳ Amount	10 million yen	10 million yen	10 million yen
↳ Total			
↳ Number of projects	100	102	100
↳ Amount	13.3 million yen	13.5 million yen	13.3 million yen
Grants of the Japan Foundation for Applied Enzymology			
↳ Grants for enzyme research			
↳ Number of projects	30	30	30
↳ Amount	22.5 million yen	22.5 million yen	22.5 million yen
Aid for young researchers			
↳ Researchers focused on determining causes and conditions of adult onset diseases			
↳ Number of projects	43	39	42
↳ Amount	14.8 million yen	15 million yen	15 million yen
↳ Researchers focused on vascular biology innovation			
↳ Number of projects	22	23	22
↳ Amount	10.5 million yen	10.5 million yen	10.5 million yen

↳ Research grants for elucidating the cause and pathology of systemic inflammation diseases			
↳ Number of projects	11	10	10
↳ Amount	11 million yen	10 million yen	10 million yen
↳ Front runner of future diabetes research			
↳ Number of projects	29	30	25
↳ Amount	15 million yen	15 million yen	15 million yen
↳ Total			
↳ Number of projects	135	132	129
↳ Amount	73.8 million yen	73 million yen	73 million yen

Promotion of Local Communities >

Number of visitors to Historical Museum	6,152	6,322	6,446
Number of visitors to the Yoshitomi Summer Festival	910	2,211	2,126

Others

Amount of donations related to social contribution	1,063 million yen	1,058 million yen	1,153 million yen
Number of people taking days off for volunteer activities	20	15	13

GRI Standard Comparative Table

General Disclosures

1. Organizational profile

	Disclosure		Page
GRI 102 : General Disclosures 2016	102-1	Name of the organization	> Corporate Profile
	102-2	Activities, brands, products, and services	> Corporate Profile
	102-3	Location of headquarters	> Corporate Profile
	102-4	Location of operations	> Network
			> Group Companies
	102-5	Ownership and legal form	> Corporate Profile
	102-7	Scale of the organization	> About Us
	102-8	Information on employees and other workers	> Data (Together with Employees)
	102-11	Precautionary Principle or approach	> Risk Management
			> Drug Safety / Quality Assurance
			> Environmental Management
			> Environmental Management (Medium-Term Environmental Action Plan and Results)
			> Climate Change Initiatives
> Addressing Water Security			
102-12	External initiatives	> United Nations Global Compact	
102-13	Membership of associations	Japan Business Federation (Keidanren), The Federation of Pharmaceutical Manufacturers' Association of JAPAN (F P M A J), The Japan Pharmaceutical Manufacturers Association (JPMA), etc.	

2. Strategy

GRI 102 : General Disclosures 2016	102-14	Statement from senior decision-maker	> Message from the Management
			> Message from the CSO
	102-15	Key impacts, risks, and opportunities	> Risk Management
> Materiality			
> Climate Change Initiatives (Analysis and Evaluation of Climate Change Risks and Opportunities)			

3. Ethics and integrity

GRI 102 : General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	> Philosophy, Vision, and Corporate Behavior Charter
			> Code of Conduct
	102-17	Mechanisms for advice and concerns about ethics	> Establishment of Internal System to Address Improper Use of Public Research Expenses and Improper Research (Japanese only)
			> Compliance
			> Respect for Human Rights

4. Governance

GRI 102 : General Disclosures 2016	102-19	Delegating authority	> Environmental Management (Environment & Safety Management Promotion Structure)
			> Risk Management (Risk Management Structure)
	102-29	Identifying and managing economic, environmental, and social impacts	> Risk Management
			> Environmental Management
	102-30	Effectiveness of risk management processes	> Risk Management
			> Environmental Management
	102-31	Review of economic, environmental, and social topics	> Risk Management
	102-33	Communicating critical concerns	> Risk Management
			> Environmental Management

5. Stakeholder engagement

GRI 102 : General Disclosures 2016	102-40	List of stakeholder groups	> Stakeholder Engagement
	102-41	Collective bargaining agreements	> Promoting Diversity (Building Sound Labor-Management Relations)
			> Data (Together with Employees)
	102-42	Identifying and selecting stakeholders	> Stakeholder Engagement
	102-43	Approach to stakeholder engagement	> Stakeholder Engagement
			> Environmental Management (Stakeholder Engagement with the Environment)
			> Together with the Local Community (Contributions to the Environment)
			> Promotion of CSR Procurement
	102-44	Key topics and concerns raised	> Promoting Diversity (Building Sound Labor-Management Relations)
			> Occupational Health and Safety (Employee Survey)
			> Information Provision

6. Reporting practice

GRI 102 : General Disclosures 2016	102-46	Defining report content and topic Boundaries	> Editorial Policies > Environmental Management
	102-47	List of material topics	> Materiality
	102-50	Reporting period	> Editorial Policies
	102-51	Date of most recent report	> Editorial Policies
	102-52	Reporting cycle	> Editorial Policies
	102-53	Contact point for questions regarding the report	> Editorial Policies
	102-55	GRI content index	This GRI Standard Comparative Table

Material topics

Management Approach

	Disclosure		Page
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its Boundary	> Materiality
	103-2	The management approach and its components	> Materiality
	103-3	Evaluation of the management approach	> Management
			> Environment
			> Together with Patients and Healthcare Professionals
			> Together with Employees
			> Together with Business Partners
> Together with the Local Community			

Economic

Economic Performance

	Disclosure		Page
GRI 201 : Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	> Climate Change Initiatives

Indirect Economic Impacts

GRI 203 : Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	> Solving Issues Related to Improving Access to Healthcare
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Anti-corruption

GRI 205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	> Promotion of Fair Operating Practices (Initiatives to Prevent Bribery and Corruption)
	205-2	Communication and training about anti-corruption policies and procedures	> Promotion of Fair Operating Practices (Initiatives to Prevent Bribery and Corruption)
> Compliance			

Environmental

Energy

	Disclosure		Page
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	> Environmental Performance Overview (Overview of Environmental Impact)
			> Climate Change Initiatives
	302-2	Energy consumption outside of the organization	> Climate Change Initiatives (Supply Chain Greenhouse Gas Emissions Reduction Overview)
	302-3	Energy intensity	> Climate Change Initiatives (Reduction of Greenhouse Gas Emissions)
	302-4	Reduction of energy consumption	> Climate Change Initiatives

Water

GRI 303 : Water and Effluents 2018	303-1	Interactions with water as a shared resource	> Environmental Performance Overview (Overview of Environmental Impact)
			> Addressing Water Security (Reduction of Water Withdrawal)
	303-2	Management of water discharge-related impacts	> Addressing Water Security (Initiatives to Reduce Water Withdrawal (Water Recycling))
			> Prevention of Environmental Pollution (Water Pollution, Prevention of Soil and Groundwater)
	303-3	Water withdrawal	> Environmental Performance Overview (Overview of Environmental Impact)
> Addressing Water Security (Reduction of Water Withdrawal, Analysis and Assessment of Water Risk)			
303-5	Water consumption	> Addressing Water Security (Reduction of Water Withdrawal, Analysis and Assessment of Water Risk)	

Biodiversity

GRI 304 : Biodiversity 2016	304-3	Habitats protected or restored	> Biodiversity Initiatives
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Emissions

GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	> Environmental Performance Overview (Overview of Environmental Impact)
			> Climate Change Initiatives (Supply Chain Greenhouse Gas Emissions Reduction Overview)
	305-2	Energy indirect (Scope 2) GHG emissions	> Environmental Performance Overview (Overview of Environmental Impact)
			> Climate Change Initiatives (Supply Chain Greenhouse Gas Emissions Reduction Overview)
	305-3	Other indirect (Scope 3) GHG emissions	> Climate Change Initiatives (Supply Chain Greenhouse Gas Emissions Reduction Overview)
	305-5	Reduction of GHG emissions	> Climate Change Initiatives (Supply Chain Greenhouse Gas Emissions Reduction Overview)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	> Environmental Performance Overview (Overview of Environmental Impact)	
		> Prevention of Environmental Pollution (Air Pollutant Emissions)	

Effluents and Waste

GRI 306 : Effluents and Waste 2016	306-1	Water discharge by quality and destination	> Environmental Performance Overview (Overview of Environmental Impact)
			> Addressing Water Security
			> Reduction of Waste, Recycling and Reuse of Resources
			> Prevention of Environmental Pollution (Water Pollution, Prevention of Soil and Groundwater)
	306-2	Waste by type and disposal method	> Environmental Performance Overview (Overview of Environmental Impact)
			> Reduction of Waste, Recycling and Reuse of Resources
	306-3	Significant spills	> Environmental Management (Status of Environmental Accidents/ Violations of Environmental Laws and Regulations)

Environmental Compliance

GRI 307 : Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	> Environmental Management (Status of Environmental Accidents/ Violations of Environmental Laws and Regulations)
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Social

Employment

	Disclosure		Page
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	> Data (Together with Employees)
	401-3	Parental leave	> Promoting Diversity (Support for Diverse Working Styles)
			> Data (Together with Employees)

Occupational Health and Safety

GRI 403 : Occupational Health and Safety 2018	403-1	Occupational health and safety management system	> Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	> Occupational Health and Safety
	403-3	Occupational health services	> Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	> Occupational Health and Safety
	403-5	Worker training on occupational health and safety	> Occupational Health and Safety
	403-6	Promotion of worker health	> Occupational Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	> Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	> Data (Support for Diverse Working Styles)
	403-9	Work-related injuries	> Occupational Health and Safety
	403-10	Work-related ill health	> Occupational Health and Safety
> Data (Support for Diverse Working Styles)			

Training and Education

GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	> Human Resources Development
	404-2	Programs for upgrading employee skills and transition assistance programs	> Human Resources Development

Diversity and Equal Opportunity

GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	> Data
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Human Rights Assessment

GRI 412 : Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	> Respect for Human Rights
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Local Communities

GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	> Promotion of Local Communities (Historical Museum, Doshomachi Museum Street, The Doshomachi Club, etc.)
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Customer Health and Safety

GRI 416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	> Manufacturing and Supply Chain
			> Drug Safety / Quality Assurance

Marketing and Labeling

GRI 417 : Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	> Information Provision
			> Manufacturing and Supply Chain
			> Promotion of Fair Operating Practices

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.

- **Pharmaceuticals and Medical Devices Law**

This is an abbreviated name for the Law on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical devices. On November 25, 2014, the name was changed from the Pharmaceutical Affairs Law to the current name.

- **E-learning**

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

- **Good Clinical Practice (GCP)**

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

- **General Data Protection Regulation (GDPR)**

A new personal information protection framework instituted by the European Parliament, European Council and European Commission.

- **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.

- **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.

- **Modality**

Treatment methods, such as small molecule compounds, protein drugs, including peptide drugs and therapeutic antibodies, and nucleic acid drugs.

- **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.