

CSR Activities Report

2019



Mitsubishi Tanabe Pharma

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Editorial Policies

This website is intended to provide the Group's stakeholders, including patients, medical professionals, shareholders, investors, local communities, and employees, with information about the CSR activities implemented by the Group in fiscal 2018. Specific initiatives implemented in accordance with the Company's philosophy are presented in line with the ISO 26000 Core Subjects.



The CSR Activities Report 2019 PDF version, which contains the same content as disclosed on this website, can be downloaded from the CSR Activities Report archive page.

In addition, the environmental and social performance indicators listed in the CSR Activities Report 2019 PDF Version received independent third-party assurance from KPMG AZSA Sustainability Co., Ltd. Indicators that received assurance have this  mark

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

ISO26000;
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, 2018, to March 31, 2019
(The report includes examples of activities from April 2019 and thereafter.)

Issue timing

September 2019 (Previous report: September 2018; next report: September 2020)

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 Management

The Mitsubishi Tanabe Pharma Group's philosophy states that "We contribute to the healthier lives of people around the world through the creation of pharmaceuticals." We believe that our duty to society is to open up the future for patients and for medicine by discovering innovative pharmaceuticals and creating original value.

In fiscal 2018, the Group identified seven material issues (important issues) that it must address to further define these ideas and strengthen its efforts. In identifying these material issues, we have organized their relationship with the achievement of the 17 goals set forth in the Sustainable Development Goals (SDGs), in addition to the Code of Conduct established by the Group. We will further contribute to extending people's healthy life expectancy and to realizing a sustainable society by establishing monitoring indicators for these and pursuing our business activities while evaluating and improving them.

In order that each and every employee in every country in our global system has a high level of ethical standards and acts with fairness and integrity, the Group is seeking to create a global governance system. The Group will continue to improve global governance by setting up local control functions in each region, including the US, Europe, ASEAN, and China. We will also work with Mitsubishi Chemical Holdings Corporation, which has more than 700 affiliated companies worldwide, to strengthen governance and compliance in each country.

Having established "Employee health, diversity and inclusion" as an important issue, we have also focused on establishing a workplace environment where diverse employees can play an active role, such as in health management, childcare and nursing care support, diverse working styles, and LGBT initiatives. These activities have been highly evaluated by external organizations. We have been certified under such programs as the Ministry of Economy, Trade and Industry's "Outstanding Enterprise in Health and Productivity Management — White 500," which recognizes companies that are implementing especially strong health and productivity management; "the Eruboshi (highest ranking)," which is based on the Act on Promotion of Women's Participation and Advancement in the Workplace; and "Platinum Kurumin," which is based on the Next Generation Nurturing Support Measures Promotion Law. We received the Special Encouragement Award at the "Ikumen Enterprise Award 2018, in the Work-Life Balance Support Category." The award is a commendation established by the Ministry of Health, Labour and Welfare to actively encourage male employees to balance parenting and career and recognize companies that seek to improve their business.

Through these initiatives, the Mitsubishi Tanabe Pharma Group fulfills its corporate social responsibilities and aims to be a global research-driven pharmaceutical Group that is trusted by society.



Mitsubishi Tanabe Pharma
President & Representative Director

A handwritten signature in black ink, reading "Yasuyuki H. Tanabe". The signature is written in a cursive, flowing style.

Mitsubishi Tanabe Pharma's CSR

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. The topic of corporate social responsibility is a focus of attention, and in this setting the Company needs to maintain an appropriate understanding of the changing state of affairs in society and to actively contribute to the resolution of social issues. 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 held in 2015. In this setting, companies are being called on to do more.

Believing that it can continue to benefit society by responding to social demands, such as by incorporating ethical and environmental considerations in its corporate management, and not merely generating profits through business, the Group has identified the highest priority management issue as a materiality (important issues) that it needs to address. Moreover, as people engaged in the activities of a pharmaceutical company, all of our officers and employees must have a strong sense of mission and a high level of ethical standards and conduct our business activities with fairness and integrity. Through its CSR activities, the Group will contribute to extending the healthy life expectancy of people and achieving a sustainable society.

⇒Materiality

<https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/materiality.html>

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.

https://www.mitsubishichem-hd.co.jp/english/kaiteki_management/kaiteki/

Utilization of ISO 26000

Mitsubishi Tanabe Pharma implements CSR activities for a wide range of stakeholders, including patients, healthcare professionals, shareholders and investors, local communities, and employees. In conducting these activities, we actively utilize the ISO 26000 core subject framework as we identify issues and formulate action plans. This website also introduces specific initiatives in line with the ISO 26000 core subjects.

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.

Communicating with Principal Stakeholders

Patients and Their Families

On its website, the Company provides a variety of disease-related information for patients and their families so that they can acquire accurate knowledge that is useful in disease prevention and treatment.

⇒Discussions about diseases (Japanese only)

<https://www.mt-pharma.co.jp/shared/show.php?url=../general/index.html#n01>

We have established the Medical Information Center to handle inquiries about the Company's products. In addition, Group company Mitsubishi Tanabe Pharma America, Inc., provides information to ALS patients in the U.S. through Searchlight Support.

⇒Medical Information Center (inquiries)

<https://www.mt-pharma.co.jp/e/inquiry/index.php>

⇒Searchlight Support

<https://www.radicava.com/patient/support/searchlight-support/>

As a CSR activity, we established the Mitsubishi Tanabe Pharma Tenohira Partner Program, which provides aid for the activities of associations and support groups for patients with intractable diseases. These organizations work to improve patients' medical treatment, education, career prospects, etc., and to enhance their quality of life.

⇒Activities to Support Refractory Disease Patient Organization (Japanese only)

<https://www.mt-pharma.co.jp/shared/show.php?url=../csr/support/index.html>

Healthcare Professionals

We are actively providing pharmaceutical information through MRs (medical representatives). In addition, we have established information sites for healthcare professionals. In these ways, we are providing information regarding appropriate usage of ethical drugs. Furthermore, we provide information through the Community Pharmacist Support Net (CPS-net) for pharmacists and registered sales representatives who sell OTC products.

⇒Medical View Point (for healthcare professionals) (Japanese only)

<https://medical.mt-pharma.co.jp/>

⇒CPS-net (pharmacists, registered sales representatives) (Japanese only)

<https://cps-net.jp/>

Shareholders and Investors

In addition to disseminating information through the Tokyo Stock Exchange's Company Announcement Disclosure Service (TDnet), the Company has opportunities for direct communication, such as the general meeting of shareholders, IR meetings for institutional investors (results briefings, business presentations, etc.), individual visits with overseas investors (U.S., Europe, and Asia), and briefings for individual investors. The Fair Disclosure (FD) rules have taken effect, and in response the Company has formulated Disclosure Policy for the continuation of fair, timely, and appropriate information disclosure and the implementation of constructive dialog.

⇒Disclosure Policy

https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/disclosure_policy.html

To enable individual and overseas investors to view IR meetings, data in Japanese and English (videos, audio, slides, and transcripts) can be accessed from the Company's website. In addition, we have prepared a special section on our website for individual investors. We are working to communicate information about the Company in an easy-to-understand manner, including a corporate overview and our business activities.



IR Meeting

⇒General Meeting of Shareholders

<https://www.mt-pharma.co.jp/shared/show.php?url=../e/ir/soukai/index.html>

⇒IR Meetings (results briefings, business presentations, etc.)

<https://www.mt-pharma.co.jp/shared/show.php?url=../e/ir/meeting/index.html>

⇒Individual Investors (Japanese only)

<https://www.mt-pharma.co.jp/shared/show.php?url=../ir/kojin/index.html>

Each year, the Company issues the Mitsubishi Tanabe Pharma Corporate Report (Japanese and English), which is an integrated report (annual report) that includes not only Company financial information for shareholders and investors in Japan and overseas but also non-financial information, such as the status of pharmaceutical R&D, corporate governance, and consideration for the environment and society.

⇒Mitsubishi Tanabe Pharma Corporate Report

<https://www.mt-pharma.co.jp/shared/show.php?url=../e/ir/annual/index.html>

News Releases

In addition to information about decisions and events disclosed in accordance with timely disclosure rules determined by the stock exchange on which the Company's stock is listed, the Group utilizes news releases to disclose to the news media information that the Group has determined is useful for the purpose of deepening social recognition and understanding of the Group. In addition, the information disclosed to the news media is made available on the Company's website at the same time. In this way, we are working to share information for all stakeholders.

⇒News Releases

<https://www.mt-pharma.co.jp/e/release/index.php>

Employees

Mitsubishi Tanabe Pharma is working to further enhance its competitiveness and achieve sustained growth by focusing on its people as a management resource and giving individual employees the opportunity to demonstrate their full potential. To that end, we have established the Comprehensive Management System for Human Resources, career interviews, and a complete training system. In addition, we are taking steps to enhance mutual understanding and communication between the Company and employees, such as holding labor consultations, operating internal and external hotlines, and implementing an employee survey. Moreover, we are providing corporate information to employees by utilizing an in-house magazine and the Company intranet.

⇒Human Resources Development

https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/labor_practices/index.html

⇒Implementing Labor Consultations

https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/labor_practices/diversity.html

⇒Internal and external hotlines

https://www.mt-pharma.co.jp/shared/show.php?url=../csr/report/human_rights/index.html

⇒Employee Survey

https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/labor_practices/safety.html

Local Communities

The Group has formulated its Corporate Citizenship Policy. Through educational activities at schools, company tours, local events, and the Mitsubishi Tanabe Historical Museum, we are fostering a better understanding of the Company, deepening communication with people in the areas where we conduct business, and striving to coexist in harmony with local communities.

⇒Corporate Citizenship Policy

<https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/community/index.html/>

⇒Exchange with Local Communities

https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/community/local_communities.html

⇒Developing the next generation

<https://www.mt-pharma.co.jp/shared/show.php?url=../csr/report/community/other.html>



Corporate Governance

For further information about our fundamental approach and system of corporate governance, please refer to this link.

Corporate Information > Corporate Governance

<https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/governance.html>



Code of Conduct

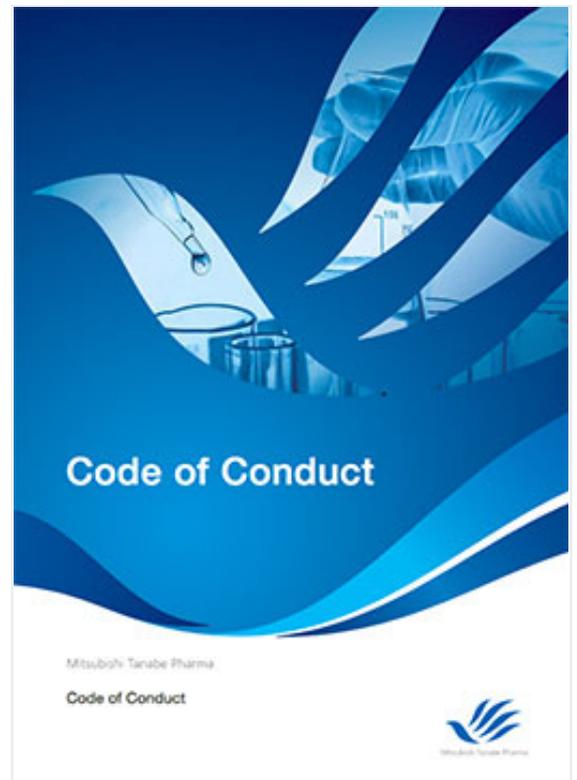
Code of Conduct

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 activities, 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

<https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/conduct.html>





Risk Management

Risk Management Associated with Business Activities

We have established Risk Management Rules that stipulate basic matters related to risk management and 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.

Furthermore, in order to promote effective risk management, we classify and manage risks according to their characteristics. These are "management strategy risks," which are inherent in management decision-making, "significant risks," which require cross-organizational management because they affect the entire Group, and "general risks," which each department has the responsibility to address.

The Risk Management Committee, chaired by the President and CEO, has been established to oversee and promote risk management across the Group, and it deliberates on and decides risk management policies, and also monitors the risk management status and makes improvements as necessary.

As a specific measure to promote risk management, we implement risk assessment every year and feedback the results to each division to improve our risk management and risk sensitivity.

Risk Management Structure



Risk Management According to Risk Classification

Management Strategy Risks

Corporate Strategy & Planning Department supervises these risks

Examples: Risks related to M&A and alliances, risks related to new businesses, etc.

Significant risks (risks that require cross-organizational risk management)

Responsible divisions take the lead in formulating and implementing risk reduction plans. Internal Control Office supervises these risks.

Examples: Risks related to pharmaceutical regulatory affairs, risks related to large-scale disasters, risks related to information management, etc.

General risks (risks of each division)

Each division formulates and implements risk reduction plans.

Crisis Management

The Mitsubishi Tanabe Pharma Group has conducted a review of 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 strengthening the Business Continuity Process with business continuity drills, safety confirmation drills, and communication drills with Push-to-Talk over Cellular.

Furthermore, we will carry this out to achieve the overarching mission of "the stable supply of pharmaceutical products to patients" by preparing manuals to address specific risks, such as tsunamis, pandemics, terrorism, and conflicts, to our domestic and overseas bases.

Information Security

To ensure the stable use of information and information communication technologies in response to overseas business expansion and the increasing complexity of IT infrastructure. We are taking a number of steps, such as establishing rules at overseas bases, strengthening network security, enhancing security when using cloud services, and developing a crisis management system in the event of a security incident.

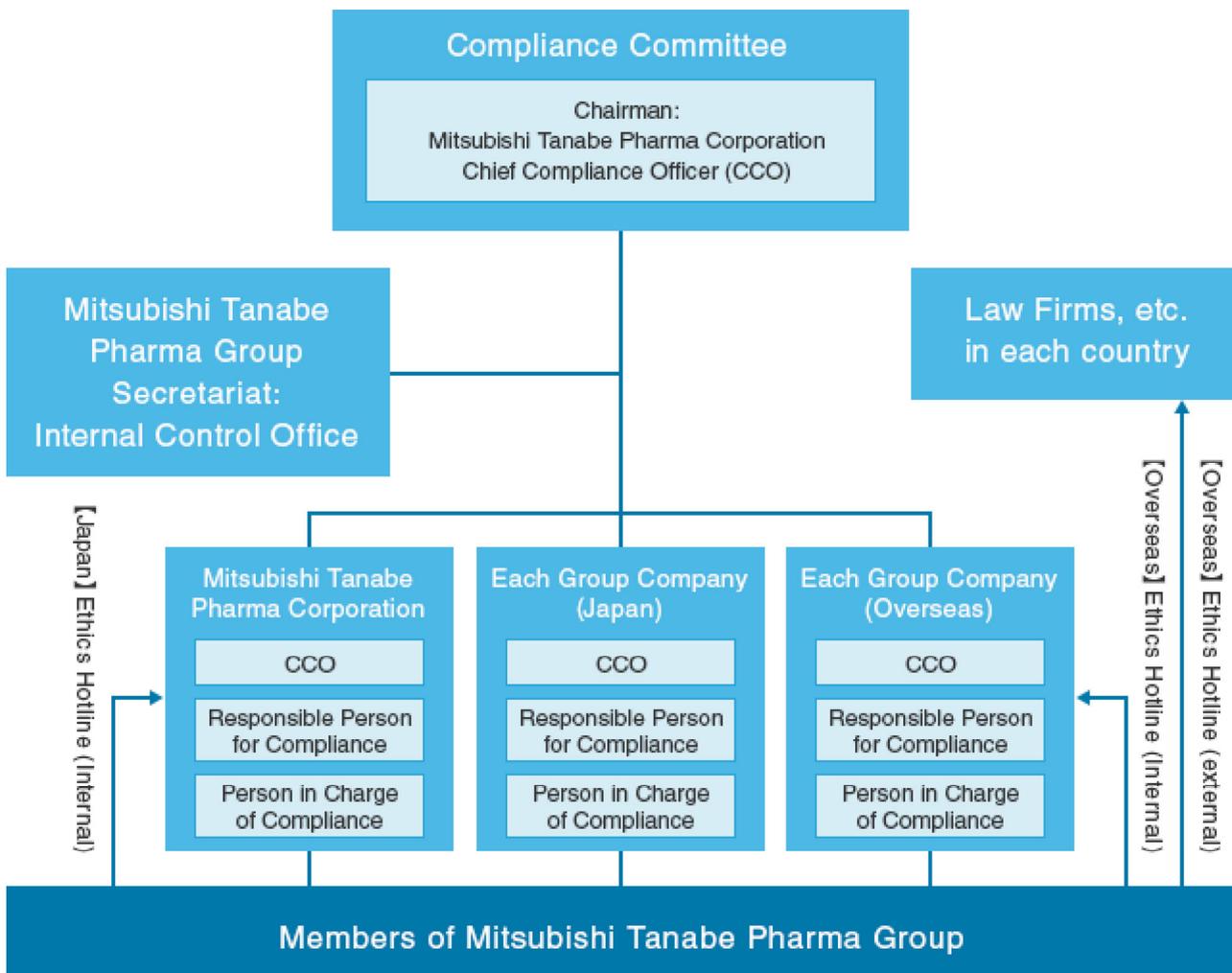


Compliance

Compliance Promotion System

The Mitsubishi Tanabe Pharma Group has in place a Groupwide compliance promotion system overseen by its Compliance Promotion Committee, which is chaired by the Chief Compliance Officer. Compliance promotion personnel (appointed in each unit) meet semiannually (overall/individually). These meetings are held to enhance cooperation with each site, heighten sensitivity to risk associated with compliance and potential scandals, share information on related problems, and enhance the capacity of workplaces to address compliance issues. In fiscal 2018, there were no major compliance violations.

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 Company information and data is disclosed in a timely and reasonable manner.
7. We appropriately manage and efficiently use company assets.

Compliance Training

The Group conducts the following training programs 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 intended 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:**

We offer divisional training that focuses on specific topics relevant to each division, principally for 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 2018

	Times held	Number of participants
Groupwide compliance training	Once a year	5,376
Divisional compliance training	Once a year	5,385
Compliance and risk management check	Twice a year	July 2018 5,300 February 2019 5,137

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. 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 2018

Workplace environment	Working condition / human resources	Embezzlement / misappropriation	Laws regulations, and rules	Other	Total
9	2	0	4	7	22

Compliance 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 and risk management of Group companies.

We have appointed Chief Compliance Officers at overseas Group companies and the Group consults regularly with relevant departments concerning action programs to strengthen compliance and risk management systems at subsidiaries outside Japan.

Implementation of Employee Attitude Survey

This survey is conducted with the objective of understanding employee satisfaction by asking Mitsubishi Tanabe Pharma Group employees questions regarding their thoughts about their work, the workplace environment, and other matters. In fiscal 2018, the response rate was 95.3%, with 5,121 responses.

This survey includes compliance awareness. In this way, we are tracking and periodically observing awareness on a Companywide level. We are utilizing the results to advance compliance by providing them to each division as feedback. Furthermore, we are working to increase compliance awareness among employees through such means as Companywide compliance training.

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 and relayed it by video conference to our main domestic offices. With a keen desire not to forget past Company misconduct, our representative director gave a lecture this fiscal year. Annual compliance meetings were held at all Group workplaces in Japan. At these meetings, employees discussed the lectures' content, read the Compliance Guidebook and affixed their signature to pledges in which they vow to conduct themselves in accordance with the Corporate Behavior Charter and Declaration of Compliance.



Fiscal 2019 Corporate Behavior Charter Day lecture
President's message and a lecture by our representative director

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

 田辺三菱製薬

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

 田辺三菱製薬

Back



VOICE

Seeking the Further Enhancement of Global Governance



Megumi Ohtaki
Executive Officer
Chief Compliance Officer

In the pharmaceutical industry, the diversification of selectable modalities¹ has been accelerated even further by the progress of globalization and the rapid advancement of innovative science and technology. The Group's management finds itself in an environment of increasing uncertainty. Under these circumstances, as the Group, we seek to sustain growth and raise corporate value while maintaining fairness and transparency in our business activities. To realize our corporate philosophy of "contributing to the healthier lives of people around the world through the creation of pharmaceuticals," global governance is required.

All officers and employees who are part of the Group act in accordance with the Corporate Behavior Charter while maintaining an awareness of the Group's vision. We will work to secure the interests of our stakeholders by further enhancing governance in such a way that information is not divided between organizations or regions.

1. Treatment methods, such as small molecule compounds, peptide drugs, protein drugs including therapeutic antibodies, gene therapy, nucleic acid drugs, cell therapy drugs, and regenerative medicine.



Human Rights Approach and Initiatives

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 been translated into multiple languages and 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). We believe that favorable workplace environments in which the character and human rights of each individual are respected and all matters can be discussed openly are the foundation of sound corporate management.

Human Rights Awareness Promotion Structure

Based on our recognition of corporate social responsibility, the Group has instituted the Regulations for Promoting Awareness of Human Rights with the goal of promoting human rights awareness activities to raise each officer and employee's awareness of human rights and build a company that respects human rights.

Based on Article 4 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 policies. Furthermore, headquarters committee members, department committee members, and division 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 Promotion Committee

Committee Chairman (President)

Headquarters committee members (10)

Members by department / region (18)

Managing office Human resources department

Initiatives to Raise Human Rights Awareness

Human Rights Awareness Training

In fiscal 2018, the Group held department-level training in Japan for all employees on the importance of promoting diversity and LGBT issues and arranged lectures for all managers on the theme of "Diversity: For a management that turns human resource diversity into a strength."

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.

Diversity & Human Rights Slogan Contest

In Japan, 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.

To promote submissions, we have translated and distributed training materials in multiple languages with the theme of diversity promotion and international human rights declarations (Universal Declaration of Human Rights, United Nations Global Compact, etc.). Consequently, employees at 17 Group companies in North America, Europe, the Middle East, Asia, and Japan submitted 608 slogans. The Global Best Award was given for a slogan selected from among the Local Best Award, which were chosen by Group companies.

Global prize-winner: "[Caring each other, making us strong together](#)" (Indonesia)

Human Rights Due Diligence*

The Group conducts its business activities in Japan and overseas 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 2018, to track and identify 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. Including potential risks, we identified three issues — employee involvement, security arrangements and country risk. In August 2018, the issues that were identified were shared 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.

Addressing Harassment

In its Compliance Code of Conduct, the Mitsubishi Tanabe Pharma Group states clearly that the Group "does not tolerate discrimination, harassment or any other behavior (such as sexual harassment and power harassment) 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 departmental 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. In principle, we have responded 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. Each hotline accepts anonymous reporting and requests for consultation. 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.

*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.

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 applicants 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 internship application form for new graduates and students.



Human Rights Issues in the Value Chain

Ethical Considerations in Research

In new drug research, at the basic research stage prior to clinical trials, animal experiments are necessary to confirm efficacy and safety as pharmaceuticals. Mitsubishi Tanabe Pharma has formulated "Rules for Proper Conduct of Animal Experiments" The Company conducts animal experiments at facilities certified by the Center for Accreditation of Laboratory Animal Care and Use, Japan Health Sciences Foundation, a third-party assessment and accreditation organization. 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 or not the plans are in accordance with the 4Rs. The term "4Rs" 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). In these ways, we are acting with consideration for animal welfare.

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 and the maintenance of the privacy of donors. 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 ethics review 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.

Ethical Considerations in Procurement

In accordance with the Mitsubishi Chemical Holdings (MCHC) Group Charter of Corporate Behavior, we are working to contribute to the realization of *KAITEKI*. In accordance with this concept, we have established the [Procurement Policy](#) for procurement activities, and we strive to conduct equitable, fair, and transparent transactions with suppliers. On that basis, we are advancing procurement activities with an emphasis on observing laws and regulations, and consideration for the environment, safety, and human rights.

Regarding human rights, we share MCHC's "[Developing Cooperative Business Practices with Suppliers and Business Partners - Guidebook](#)" with business partners and ask them to respect human rights (respect the dignity and human rights of all people and to not unjustifiably discriminate based on race, gender, religion, or other characteristic regardless of the reason). On the other hand, because we cannot realize *KAITEKI* through our efforts alone, we also ask for the understanding and cooperation of our suppliers to realize *KAITEKI*.

Consideration for local communities in production

The Mitsubishi Tanabe Pharma Group implements environmentally friendly business activities. At the production stage, Group initiatives include energy conservation and recycling, as well as maintaining ISO 14001 certification, an international standard for environmental management, at major production sites.

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

The Company acts with consideration for local communities. For example, when investing in new facilities that involve the construction of buildings or other structures, as a general rule the Company holds briefings for neighborhood residents before the project commences in an effort to help the local community better understand how they will be impacted.

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

Our overseas manufacturing bases also comply with the laws and regulations of each country and are engaged in a wide range of activities such as promoting energy reduction and recycling, volunteer activities such as clean ups, and support for disaster-stricken areas in case of natural disaster.

Human Rights Considerations in Marketing

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

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

Protecting Customer Privacy

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

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



VOICE

Best Entry Selected in Company's Diversity & Human Rights Slogan Contest*



Adi Rizki Hadian
Mitsubishi Tanabe Pharma
Indonesia
Maintenance and Utility
Department / Manufacturing HQ

"Caring each other, making us stronger together"

I never imagined that my slogan would be selected as the best entry, so I am very honored.

I'm very happy that I could contribute to the MCHC Group through this slogan.

Let me take this opportunity to explain my slogan "Caring each other, making us stronger together." We cannot achieve our goals without the support and assistance of those around us. It is really important that we respect and support each other, and that our knowledge and abilities complement each other's without distinction to one's race, religion or ethnicity. I firmly believe that we can evolve and progress if we show consideration and help others.

* The 2018 slogan contest was held as a part of diversity promotion and human rights awareness.

A total of 608 contest applications were submitted from 17 Group companies in North America, Europe, the Middle East, Asia, and Japan.





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.

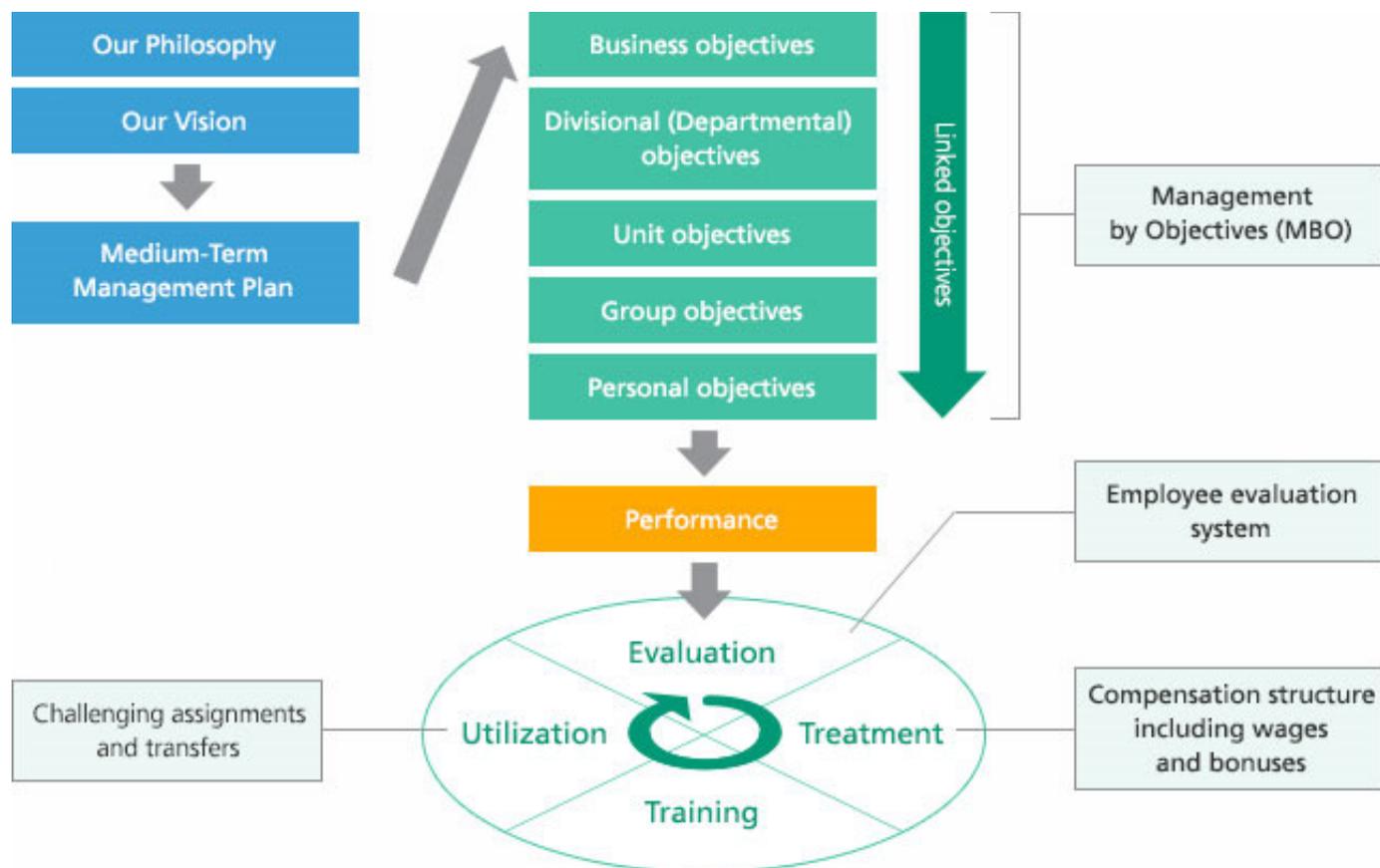
In addition, we endeavor to develop human resources who act in accordance with the standards of Pride and Sense of Mission, Challenge and Innovation, Trust and Collaboration, and Harmonious Coexistence with Society, which are listed in Corporate Behavior Charter. Under the Medium-Term Management Plan 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 plan to dispatch employees from our overseas bases to Japan for training.

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, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Consolidated	8,457	8,125	7,280	7,187	7,228
Unconsolidated	4,844	4,780	4,239	4,222	4,111
Men	3,802	3,730	3,263	3,232	3,107
Women	1,042	1,050	976	990	1,004

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 four frameworks: employing diverse human resources, on-the-job and off-the-job training through management by objectives, transfers and rotations, and fair evaluations. 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.

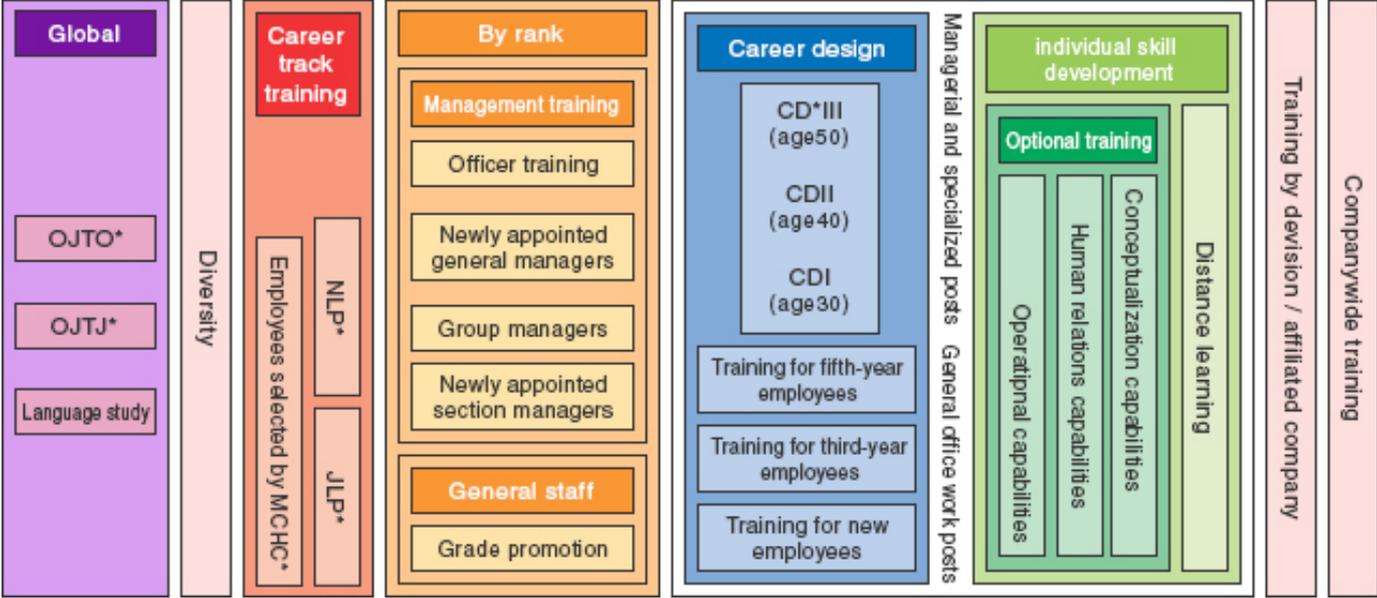
The Company is also working to provide support for autonomous employee career management and individual skill development and to develop next-generation leaders and global human resources.

In fiscal 2018, we changed the career design program so that each person could flexibly participate according to their career stage and lifestyle. To further broaden the outlooks of employees and establish independent study habits, we began using outside extension courses in addition to conventional voluntary in-house training. The average amount of time annually spent on in-house group training in Japan was 3.4 hours per person.

To develop global human resources, we commenced OJTO, a training program that specifically emphasizes on-the-job training initiatives overseas. After dispatching four trainees in fiscal 2017, five were dispatched in fiscal 2018.

To develop the next generation of leaders, we have been continuously conducting MT-VIVID, a management early development program, which is an initiative for 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

For employees nearing retirement age, the Company re-employs those who wish to remain employed and has enhanced its re-employment system to provide a place of employment where they can 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 and post-retirement life plans. 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

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.

The Diversity Promotion Circle has the objective of leveraging diverse human resources and maximizing results and the Company develops those human resources to maximize the potential of diverse employees, establishes systems and frameworks that make it easy for diverse employees to do their jobs, and provides opportunities for a diverse range of people. Managers implement diversity management to draw on the capabilities of diverse employees and maximize results, and each employee generates synergies.

In regard to diversity, we take into account both visible diversity (gender, sexual orientation and gender identity (including LGBT¹), 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.

In fiscal 2018, all employees undertook e-learning compliance training and departmental training based on the themes of diversity promotion and LGBT. We welcomed Rumiko Nakata, an executive officer of Mitsubishi Chemical who is in charge of diversity promotion as a lecturer who talked on the subject of "Diversity: For a Management that Turns Human Resources Diversity into a Strength." We continued to implement nursing care seminars and www28 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. As a so-called "Ikuboss"-related measure to encourage subordinates to fulfill both work and personal matters, we fostered awareness of men's participation in childcare and child-care leave through the distribution of folded triangular shaped signs that describe the Ikuboss Declaration and holding of the Ikuboss Award to commend the company's best practices.

On the system side, we revised the rules of employment by adding harassment-related behavior and made them subject to disciplinary action. Specifically, the declaration clearly states that sexual harassment includes sexual orientation such as LGBT, discrimination and harassment based on sexual identity, and that maternity and paternity harassment^{2,3} are also subject to disciplinary action. The declaration was widely distributed through compliance and harassment prevention guidebooks.

In fiscal 2018, we established consultation hotlines to support LGBT staff. We will continue to distribute Ally stickers, which show 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 LGBT.

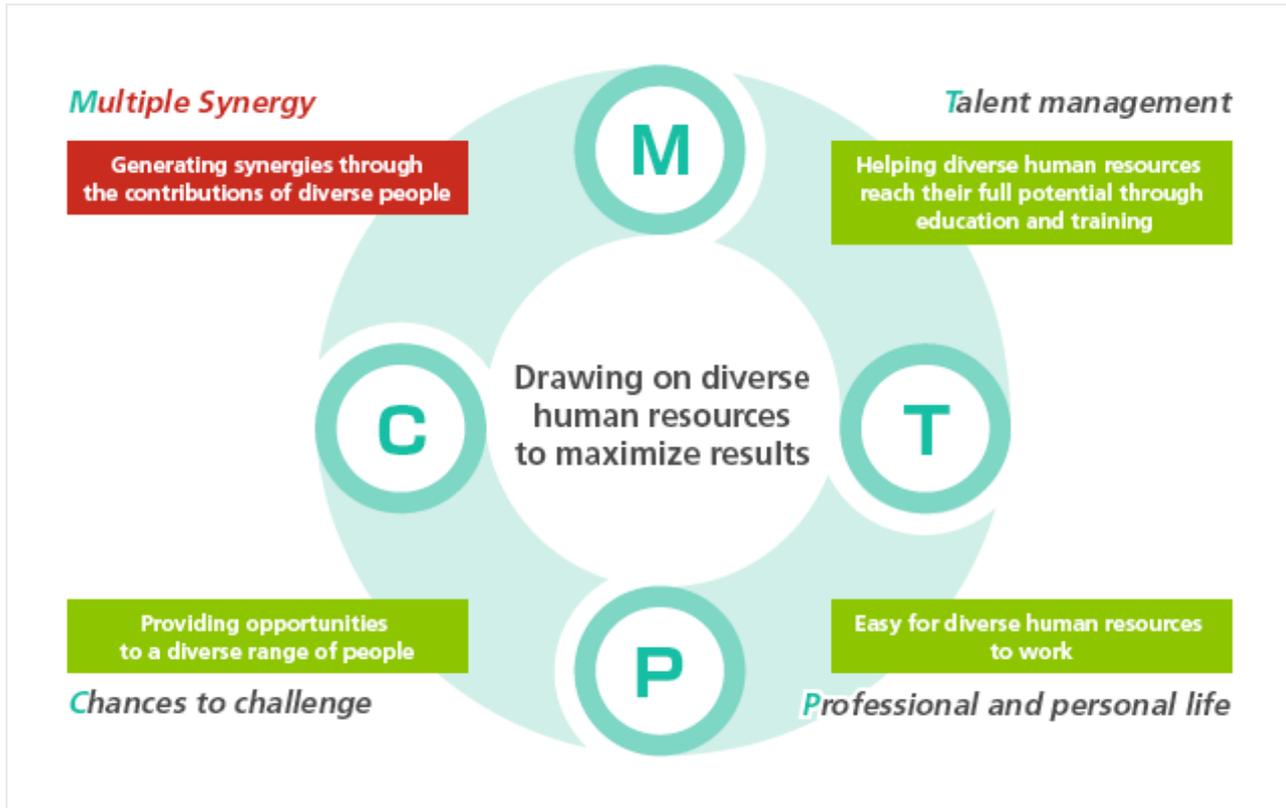
As a result of these initiatives, in the PRIDE INDEX, which is an evaluation index of LGBT activities in the workplace created by the private organization "work with Pride," we received the 2018 SILVER Prize, the award of excellence at the 3rd Working Women Empowerment Awards sponsored by the Japan Productivity Center, and the Special Encouragement Award at the "Ikumen Enterprise Award 2018, Work-Life Balance Support Category," held by the Ministry of Health, Labor and Welfare.

In 2016, we received the highest ranking under the Eruboshi⁴ company certification system, which is based on the Act on Promotion of Women's Participation and Advancement in the Workplace. In 2017, we were awarded the highest two-star ranking as a leading company in the support of active careers for women⁵ in Osaka City, and we received certification as a company implementing the Ikumen Project.

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

2 Maternity harassment is workplace discrimination against women due to pregnancy and the need to provide childcare.

3 Paternity harassment is workplace discrimination against fathers who have taken paternal leave to help with childcare.



Diversity Promotion Circle



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



Silver logo of the PRIDE INDEX



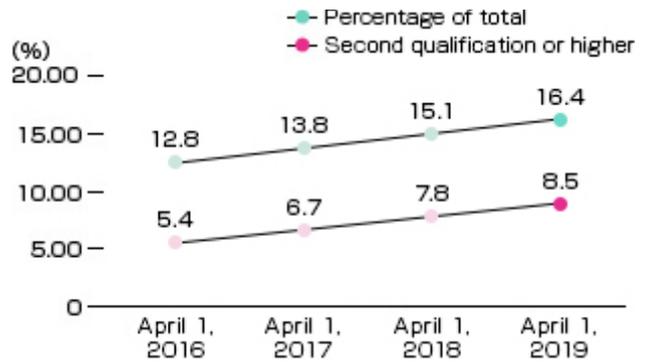
Ikumen Company Award Special Encouragement Prize Logo

4 "Eruboshi" company certification system

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.



Percentage of Female Employees with Second Qualifications* or Higher or In Management Specialist Positions



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

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

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.



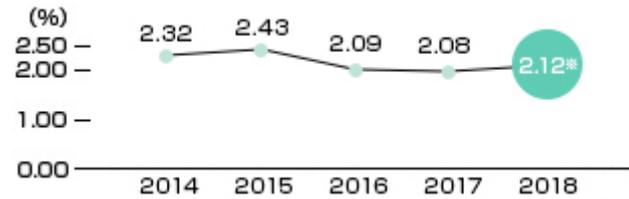
Supporting Active Careers for People with Physical or Mental Health Challenges

Promoting Employment of People with Physical or Mental Health Challenges

The Group is actively working to promote the employment of people with physical or mental health challenges and has expanded the range of duties in many occupations throughout the Group. Although eight people with physical or mental health challenges were hired at Tanabe Palm Service Co., Ltd., a special subsidiary company established in April 2017, the Group's employment rate as of March 31, 2018 was 2.12%, but failed to reach the legally required rate of 2.2%, which was raised in April 2018. In April 2019, Mitsubishi Tanabe Pharma hired one person and Tanabe Palm Service Co., Ltd. hired two people with physical or mental health challenges.

We are establishing workplaces where people with physical or mental health challenges can play an active role and we will actively hire them while creating an environment where they can work with even greater motivation.

Employment Rate of People with Physical or Mental Health Challenges



* Rate of employment of people with physical or mental health challenges for the Group. Fiscal years 2014 to 2016 are on a non-consolidated basis.



Company entrance ceremony for Tanabe Palm Service Co., Ltd



Conscientious, accurate work is enjoyed by customers.

Creating Environments that are Easy to Work In

We have introduced UD Talk, a speech recognition application, as a tool to support the work of deaf employees. By converting spoken words into characters in real time, this application supports smooth communications in meetings, training, and other venues. The introduction of UD Talk has been highly evaluated for making it easy to participate in meetings and broadening the scope of work. Moving forward, we will continue working to create environments that transcend disabilities and are easy to work in.



UD Talk in use at in-house meeting

Initiatives to Reform 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 Company 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.

Systems to Support a Balance Between Life Events and Work

Obtained "Platinum Kurumin" Certification -

The Group has established child-care 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, child-care, and nursing-care. In recent years, we have taken steps to establish environments that facilitate active participation by fathers in child-rearing, such as special leave for husbands that can be taken during the period from pregnancy to childbirth (pre-paternity leave), paid leave for the first five days of child-care leave, and child-care leave for men (paternity leave). As a part of that, we have taken the lead in diverse working styles and have increased the number of "Ikuboss" supervisors who can manage diverse subordinates. As a result of these initiatives, for six consecutive years since 2007, we were certified as a "general business owner conforming to standards (Kurumin mark) system, which is 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. We will continue to create a working environment where each employee can display their capabilities and enthusiastically work.

* 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)

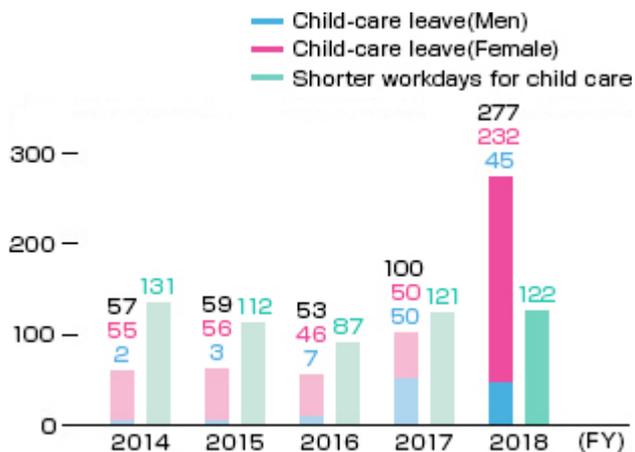
- From May 2018: Establish and publicize days on which employees are encouraged to take paid vacation days.

Utilization of Leave and Shorter Workdays for Child Care

* The Group domestic

Fiscal 2018 results: child-care leave: 277 people; short-term child-care: 122 people

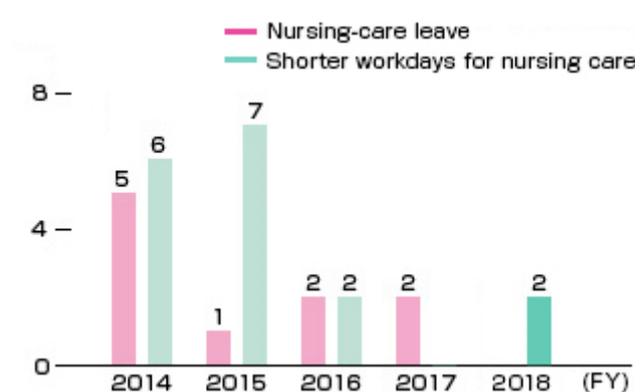
* Results in the utilization of child-care leave show the number of people who commenced child-care leave during the fiscal year



Utilization of Leave and Shorter Workdays for Nursing Care

* The Group domestic

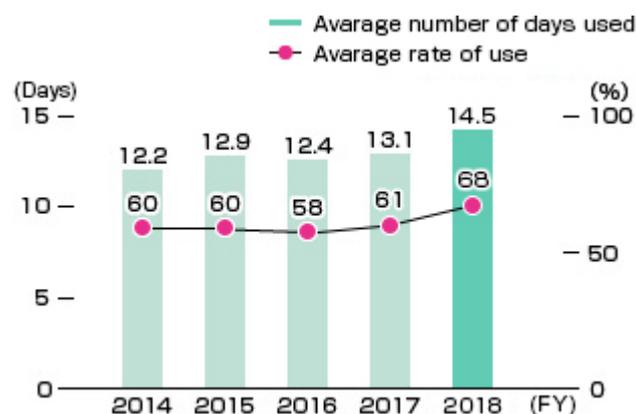
Fiscal 2018 results: nursing-care leave: 0; nursing-care short-term: 2 people



Usage of Paid Vacation Days

* The Group domestic

Fiscal 2018 results: number of days used: 14.5; usage rate: 68%



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 2019, the labor union membership rate was 72.3%. 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.

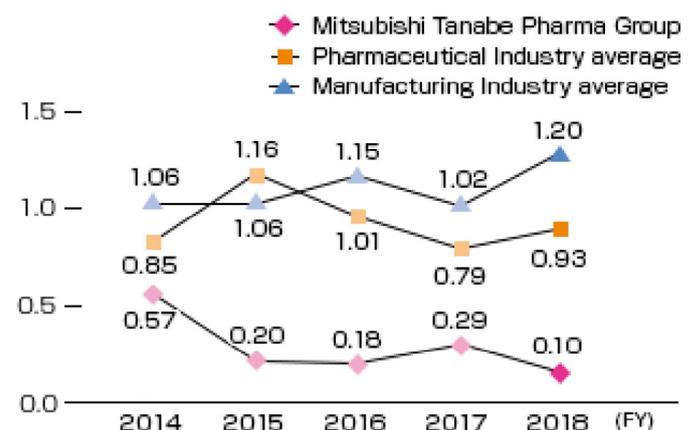
The committee reports on health and safety activities and discusses important policies for preventing occupational accidents and health disorders of employees, and health promotion. The matters reported and discussed by the committee are communicated to all employees through the health and safety meetings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

Occupational Health and Safety Initiatives

Aiming to promote environmentally friendly activities and to realize workplaces where employees can work in a healthy, enthusiastic, safety, 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. Our objective for fiscal 2018 was a lost time injury frequency rate at all domestic Group worksites of less than 0.30%, and we implemented a range of initiatives.

Lost Time Injury Frequency Rate 



To prevent accidents, it is important to continually strengthen Environmental & Safety management and to raise everyone's risk awareness in regard to safety in operations. Our safety training initiatives include legal and worker compliance obligations, safety obligations, hazard prediction training, human error countermeasure seminars, experience-based training, and classes on static electricity as well as the sharing of information regarding such issues as occupational accidents and *Hiyari-Hatto* (near misses) that have arisen at worksites in Japan and overseas. In these ways, we are working to strengthen our front-line capabilities (autonomous solutions capabilities). In addition, we are also aggressively implementing activities in such areas as implementing countermeasures for vehicular accidents in sales and marketing activities and preventing damage from falls occurring in offices or while employees are on business trips or commuting.

In fiscal 2018, there was one accident requiring absence from work at a sales unit in Japan and one at a worksite overseas. The lost time injury frequency rate at all domestic worksites was 0.10. Domestic contractors also manage occupational accidents, and in fiscal 2018, 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.



Experience-based training:

By raising our sensitivity to danger through simulated occupational accidents (physical entanglement), we will acquire the habit of always keeping safety in mind.

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 2014 to fiscal 2015:

domestic Group plants and laboratories; fiscal 2016 and thereafter: all domestic Group worksites

Total working hours:

For fiscal 2015 and previous fiscal years, 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 after, scope includes permanent employees, contract employees, and temporary employees. Excluding certain bases, for permanent employees and part-time 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 the Group's results in fiscal 2018, third-party assurance has been received from KPMG AZSA Sustainability Co., Ltd. Indicators for which third-party assurance has been received have the third-party assurance mark: "✔". Please view the independent third-party assurance report on page 161.

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. Among these, specific activities include Environmental and Safety Risk Management (measures to prevent or mitigate environmental pollution, accidents, damage to health, fire and explosions caused by hazardous materials) and 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.

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 and is promoting activities related to employee health effectively and appropriately. In fiscal 2018, we were recognized for the second consecutive year under the "Outstanding Enterprise in Health and Productivity Management White 500" (large enterprise category), a recognition system that is promoted by the Ministry of Economy, Trade and Industry.

The Company's evaluations in the categories of "systems/policy implementation" and "evaluation/improvement" improved from the previous year, and it has received the highest evaluation in the industry, particularly in the category of "measures and policies not limited to risk holders."

In fiscal 2019, the Group will begin an internal ban on smoking during all working hours as an initiative for the final year of its quit smoking program. We will reinforce our efforts to eliminate exposure to passive smoke in the Company and to prevent disease caused by smoking.

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.

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.

* Abbreviation of Mitsubishi Tanabe Pharma Corporation

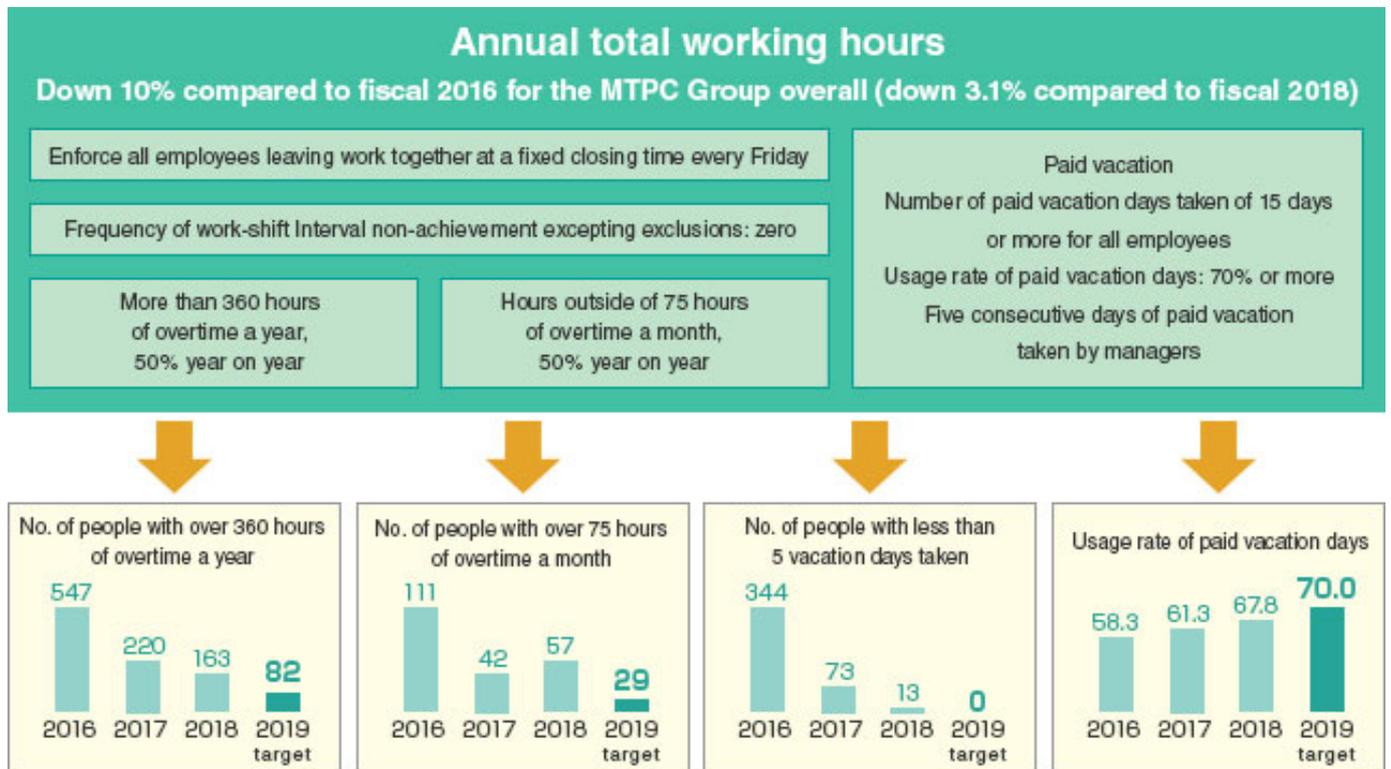


Working-Style Reforms

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 management for the entire Group.

To advance these measures, in fiscal 2019 we will continue to promote the TM (Time Making) initiative.

FY2019 TM Campaign Annual Goal* *MTPC's Domestic Group including management supervisors



* For employees with seven continuous years or more of service. For those with no more than seven years of service, the goal is a rate of 70% taking paid vacation days.

In order to promote the taking of paid vacation days in response to the mandatory taking of five or more days of paid vacation stipulated in the Revised Labor Standards Act, in the TM initiative, measures have been 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 (two days a year), to encourage manager to take five consecutive vacation days, and to individually following-up with employees who have not taken vacation days.

As a result of these efforts, we have achieved a usage rate of paid vacation days of more than 65% (67.8%), which is the annual TM initiative target for fiscal 2018. In addition, employees who took less than five paid vacation days decreased sharply compared to two years ago.

In order to reduce overtime work and ensure rest time for all employees, including those who work outside of normal working hours, we operate an interval system between working hours. At the same time, we are taking measures such as following up individually with those who put in long working hours, and checking overtime working conditions with labor and management at each location. As a result of these efforts, overtime work of more than 360 hours a year and over 75 hours a month (including supervisors) were significantly reduced compared to two years ago (more than 360 hours a year decreased by about 70%, and more than 75 hours decreased by about 50%).

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 of domestic affiliates, 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, from September 2017 we introduced a health support system 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.

From January 2019, working together with the health insurance association, we held an event for employees in Japan who are utilizing wearable devices. Teams were formed by departments to participate in the Charity Walk, and donations were made to social contribution organizations based on the cumulative total number of steps taken during the walk. With the idea of supporting reconstruction after the Kumamoto earthquake, rice from Kumamoto Prefecture was provided to employees and introducers who participated in the campaign. Based on the idea of walking for those with health and support needs, new participants joined the walk along with those who participated previously.

Also, as a health program, we held the "Tanita Luncheon Seminar" during lunchtime of its opening meeting, for salespeople who tend to have irregular eating habits and get little exercise because they spend their time in cars, and the RIZAP Seminar, customized for MTPC corporate employees who mainly perform desk work and are therefore at risk of incurring muscular and skeletal pain such as stiff shoulders and lower back pain. These seminars, where participants reflected on their lifestyle habits and learned a simplified version of the RIZAP method, fostered an awareness of health in those with little interest in exercise and health. In addition, a health booth was set up at the laboratory's summer party and a health server was installed in collaboration with Daido Drinko Co., Ltd., a vending machine subcontractor of our office. With its ability to measure ones' health condition and provide necessary nutritional supplements all in one stop, the health server was very well received.



Surveying Employee Attitudes

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 2018, many items recorded year-on-year gains. Especially, items concerning the "working environment for those raising children and providing care," "diversity," and "working hours" have improved with the creation of a workplace where diverse human resources can work healthily and enthusiastically and play an active role. At the same time, based on some of the issues seen, we are seeking to rejuvenate management and promote career-building measures focusing on professionals.



VOICE

Selected Best of Ikuboss 2018



Hiroyuki Miyama
Sales & Marketing Division,
Kyushu Branch,
Kitakyushu Sales Office
(as of March 2019)

The atmosphere of the Kitakyushu Sales Office is bright and open. As Sales Office Manager, I view my first priority as creating an environment where staff can work with enthusiasm, so I implemented working-style reforms.

One of my tasks is to create more balance in work. Therefore, we increase work efficiency and when we are able to leave work early, we finish and leave at a fixed time. Take the initiative and take a vacation, let's cherish our personal time. In my opinion, you cannot do a good job if you do not have sufficient time for personal time. When I was transferred and had to work away from home, I was troubled by the fact that I could not look after my parents or be with my children. Wanting staff to effectively use their vacation days according to their circumstances, I actively encouraged female staff to take childcare leave and male staff to take paid child-care leave and a paid leave during the period from their wife's pregnancy to childbirth. Moreover, staff shared all kinds of information on LINE WORKS (SNS) so that if someone suddenly took a vacation, others could immediately cover for them. I created LINE groups for the entire sales office, for each disease, and for each team to facilitate communication with staff. Also, I replied individually to comments and attached stickers, and sometimes sent photos of my hobbies, such as my band activities or cooking to keep staff's minds relaxed. Moving forward, an increasing number of employees will seek a balance between work and family life including childcare. I hope that each and every employee will value a working-style that emphasizes work-life balance.

* "Ikuboss" is a boss who loves to produce 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. If Ikuboss catches on and spreads, we can expect diverse staff to play an even more active role, leading to working-style reforms.



Environmental Management

Environment & Safety Policy

Targeting the realization of the corporate philosophy and vision, the Group has formulated the Code of Conduct, which demonstrates fundamental approaches and detailed action guidelines for each worksite and is based on the Corporate Behavior Charter and the Declaration of Compliance. The Code of Conduct also includes guidelines related to the environment and safety.

In accordance with these guidelines, the Group has formulated a global Environmental & Safety Policy that stipulates rules and principles for environmental and safety activities. Throughout the supply chain, from product R&D to manufacturing, sales, distribution, use, and disposal, we are advancing activities that reflect consideration for the environment, safety, and health. In addition, we are aggressively disclosing information to society and promoting communications with stakeholders.

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.

Basic Approach to the Environment

In accordance with the Environment & Safety Policy, in order to protect the global environment and create a sustainable society, in every aspect of its business operations, Mitsubishi Tanabe Pharma is aggressively advancing initiatives in such areas as reducing resource consumption, energy consumption, and waste, and the Company is also taking steps to achieve continuing reductions in environmental burdens. We are proactively implement environmentally friendly activities, and advancing environmental communications in such areas as activities that contribute to safety and the environment.

Furthermore, as a member of the Mitsubishi Chemical Holdings Group, we are striving to realize KAITEKI (comfort) for the world by aiming to increase sustainability and contributing to reductions in environmental burdens, such as by controlling greenhouse gas emissions.

Initiatives to Address the SDGs

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015. The SDGs are shared goals that should be achieved by 2030 around the world, including in developed countries, and there are calls for initiatives targeting the achievement of these goals.

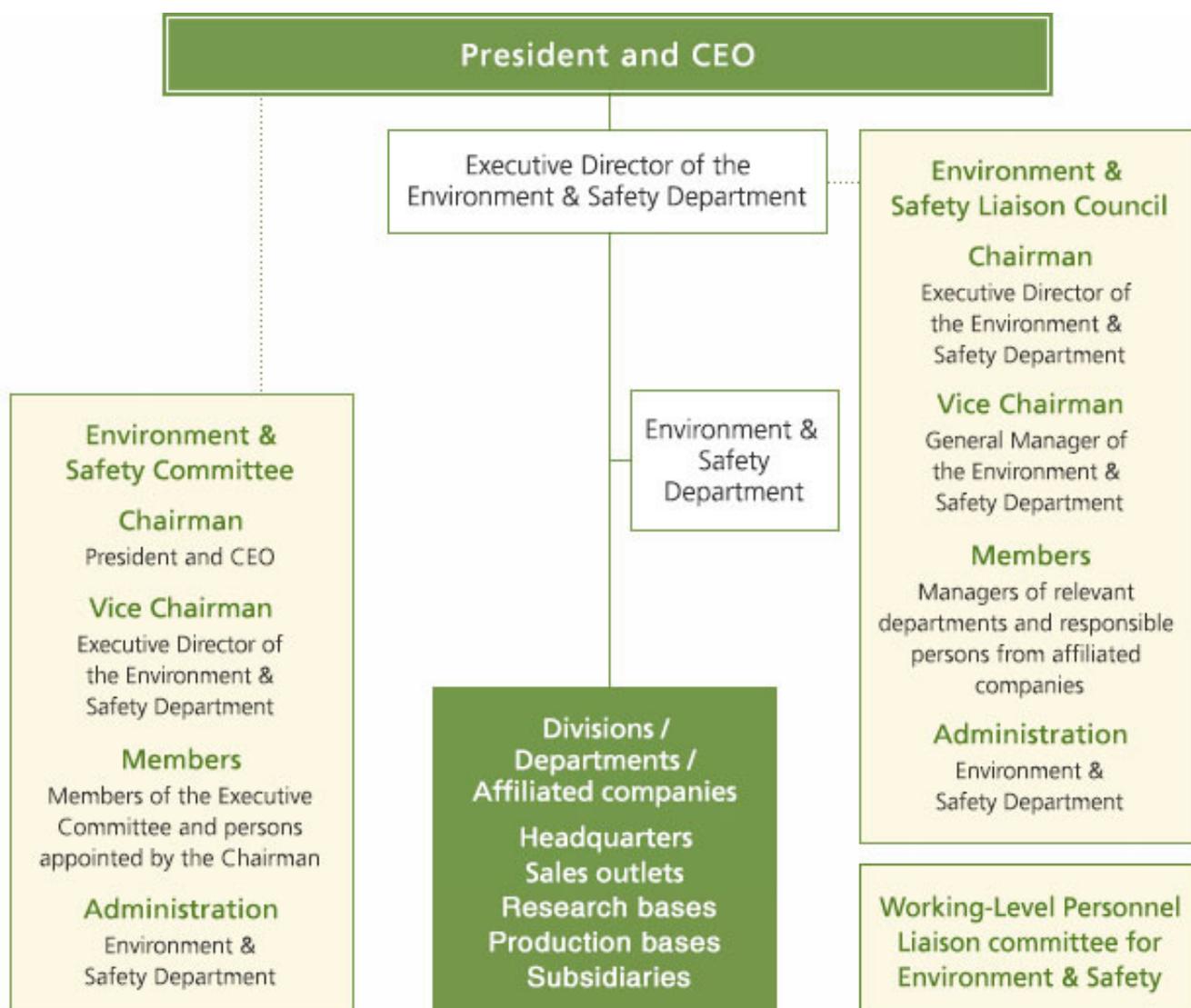
The Group has set four priority issues in its environmental activities as themes for the Medium-Term Environmental Action Plan and is working to reduce its environmental impact. Of the 17 SDGs, these initiatives are activities related to goals 6, 7, 12, 13, and 15.

MTPC Group Environmental Activities (Principal Initiatives)	Environmental SDGs
<ul style="list-style-type: none"> ◆Energy conservation and global warming mitigation <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 	 <p>Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all.</p>
	 <p>Goal 13 Take urgent action to combat climate change and its impact</p>
<ul style="list-style-type: none"> ◆Reduction of waste, effective use of water resources <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 treated water and rainwater regenerated from experimental and household drainage. ▪ Conducting campaign to save water throughout the Company ▪ Reducing waste generation and maintaining zero emissions (final waste disposal rate of less than 0.5%) ▪ Systematically conducting PCB waste disposal 	 <p>Goal 6 Ensure availability and sustainable management of water and sanitation for all</p>
	 <p>Goal 12 Ensure sustainable consumption and production patterns</p>
<ul style="list-style-type: none"> ◆Pollution prevention and environmental impact reduction <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. 	 <p>Goal 6 Ensure availability and sustainable management of water and sanitation for all</p>
	 <p>Goal 12 Ensure sustainable consumption and production patterns</p>
<ul style="list-style-type: none"> ◆Preservation of biodiversity <ul style="list-style-type: none"> ▪ Recognizing that various environmental initiatives are linked to biodiversity, we are pursuing biodiversity 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. 	 <p>Goal 15 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>

Environmental Management Promotion System

Mitsubishi Tanabe Pharma has established an environmental and occupational safety management system, overseen by the President and CEO. It established the Environment & Safety Committee to serve as the consultative committee for this system, with members comprising representatives from the Executive Committee and others. This committee deliberates on environmental and safety activities and plans, important measures, and other matters. The Group is working to appropriately and smoothly implement environmental and safety activities. Moreover, the Environment & Safety Liaison Council has been established to further strengthen collaboration with Group companies in environmental and safety activities. The council promotes environmental management on a Groupwide basis in Japan and overseas, such as planning and implementing countermeasures for issues relating to the environment and safety. In this way, we are promoting the management of environmental issues both inside and outside Japan. In addition, in the General Affairs Department the Company has established the Environment & Safety Management Office as a specialized unit with overall responsibility for environmental and safety management. Through close ties with the frontlines, the division supports strengthened frontline capabilities and the development of a safety culture. In this way, the Company is working to prevent the occurrence or recurrence of accidents related to the environment and safety.

Mitsubishi Tanabe Pharma's Environment & Safety Management Promotion Structure



ISO 14001 Certifications

Of the Group's seven main production bases in Japan and overseas, the five bases shown in the table on the right have obtained ISO 14001 certification, passed certification reviews for fiscal 2015, and maintain their certification. On the other hand, at research and production bases that have not obtained ISO 14001, we are building our own environment management system in accordance with ISO 14001 and promoting environmental management appropriately.

Plants with ISO 14001 Certification

Company name	Worksite
Mitsubishi Tanabe Pharma Factory	Onoda Plant
	Yoshitomi Plant
Mitsubishi Tanabe Pharma Korea	Hyangnam Plant
Tianjin Tanabe Seiyaku	Head Office Plant
Mitsubishi Tanabe Pharma Indonesia	Bandung Plant

Environmental Compliance

The Group's Corporate Behavior Charter states that "We will work to achieve harmonious coexistence with society by acting with consideration for local communities and the environment." We have declared that "we will actively work to protect the global environment, place importance on exchange with local communities, and respect international rules," and these compliance activities need to be implemented by all officers and employees.

At production and research sites, in addition to working to achieve strict observance of environment-related laws and regulations, we have formulated independent management standards for water pollution and air pollution that are more-rigorous than legal standards, and on that basis we are advancing environmental management. In addition, we conduct regular environmental audits at worksites to confirm the status of environmental management and compliance and to confirm that environmental conservation activities are being conducted in a legal, appropriate manner.

Environmental Audits

Environment-related departments periodically conduct environmental audits at manufacturing and research facilities in Japan and overseas to confirm such matters as the status of compliance with environment-related laws and regulations, the tracking of environmental burdens, and the status of initiatives to reduce those burdens.

In these audits, we use check sheets of company regulations to check the legal requirements of each worksite, 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.), and then identify points for improvement. The business sites are then requested to submit an improvement plan and report to address those points and their response to this request is checked in the next audit. In addition, during the audit process, the people responsible at each worksite and the environment-related departments exchange views, identify potential environmental risks at the worksites, and consider countermeasures to address them. The effectiveness of environmental audits at overseas worksites is ensured by periodically incorporating 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 2018, environmental audits were conducted at all six domestic worksites (Yokohama Site, Toda Site, Kashima Site, Onoda Plant, Yoshitomi Plant, Tanabe Seiyaku Yoshiki Factory). Overseas, audits were conducted at three of the four worksites targeted for audit (Tianjin Tanabe Seiyaku, Mitsubishi Tanabe Pharma Korea, and Taiwan Tanabe Seiyaku). In addition to the two overseas worksites Tianjin Tanabe Seiyaku and Mitsubishi Tanabe Pharma Korea, EHS compliance audits were also conducted at the Onoda Plant by external specialists this fiscal year. We also checked the status of waste management of the Head Office and Tokyo Head Office.

In Japan, we confirmed on a priority basis the handling of worksite reorganization, the status of PCB equipment retention, and soil contamination countermeasures following the revision of laws and regulations. As a result, we recognized that waste management was partially inadequate and an investigation of PCB content was needed. Overseas, it was noted that the management of waste and exhaust were partially inadequate. These inadequacies were minor and neither domestic nor overseas worksites indicated that they would lead to serious legal violations or environmental risks.



Environmental audit at Mitsubishi Tanabe Pharma Korea (November 2018)

Environmental Education

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

We continue to draw on outside lecturers sponsored by environment-related departments to implement semi-annual education and group training that is specialized yet can be put into practice immediately by employees in charge of environmental management affairs at each worksite. We are working to maintain and increase the specialized skills and knowledge of these employees regarding environmental management by having them obtain qualifications, attend outside seminars, and other means. In addition, each worksite is taking the lead in providing education for increasing knowledge about the environment to rank and file employees.

Fiscal 2018 education and training instituted by environment-related departments for people responsible for environment-related issues

- Training for people responsible for waste management
[Participants] People responsible for waste management at domestic Group worksites
[Date of implementation] June 2018
[Content] Method of evaluating waste disposal companies
[No. of attendees] 34
- Training on soil contamination
[Participants] People responsible for environmental and facility management of domestic Group companies
[Date of implementation] October 2018
[Content] Soil contamination countermeasures and legal response (including information on revisions of laws and regulations)
[No. of attendees] 57



Training for people responsible for waste management (held in June 2018)

Addressing Environmental Risks

The Group has formulated environment and safety risk management guidelines, and we are working to prevent environmental pollution due to harmful chemical substances, etc. In addition, to minimize pollution damage, we have established procedures for rapid, accurate responses in times of crisis, and we periodically plan and implement education and training.

In particular, the Group is concerned about any influence on local communities from a discharge of chemical substances to public water bodies, and accordingly in preparation for unforeseen contingencies the Group has installed systems that can prevent environmental pollution, such as automatic emergency shutoff valves for wastewater and installation of water tanks for use in prevention of outflow. In this way, the Group is working to prevent pollution risk.

On the other hand, in recent years, climate change has become more apparent and there are growing calls around the world for measures to address climate change risk. In addition, water risk, such as water depletion, flooding, and water pollution, is susceptible to the influence of climate change. Moving forward, the Group will track and analyze the relationship between its business activities and climate change risk and water risk, identify risks that affect business operations and available opportunities.

Status of Environmental Accidents/ Violations of Environmental Laws and Regulations

The Group continues to implement rigorous environmental compliance, to prevent the occurrence of environmental accidents or problems, and to follow environment-related laws and regulations.

In fiscal 2018, for the second consecutive year, the Group had no environmental accidents and no major violations of environment-related laws and regulations.

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

Fiscal Year	No. of incidents	Description
2014	1	Accidental drainage of an aqueous solution containing harmful chemical substances
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	—

Environmental Accounting

Mitsubishi Tanabe Pharma works to promote effective and efficient environmental management by ascertaining and analyzing the costs and effects of environmental conservation activities and the impact these activities have on economic performance.

Environmental conservation costs for fiscal 2018 were 33 million yen in investments and 713 million yen in running costs. We also implemented environmental conservation measures, such as ending the use of low-efficiency boilers that run on both oil and gas, and achieved a reduction of 557 tons-CO₂eq in greenhouse gas emissions and an economic benefit of 19 million yen.

Environmental Conservation Costs
(millions of yen)

Item	Invested	Expended
Pollution prevention	32	307
Global environmental protection	0	66
Recycling and reuse of resources	0	166
Upstream and downstream activities	0	5
Administrative activities	0	160
Research and development	0	0
Community activities	0	0
Environmental damage compensation	1	9
Total	33	713

Environmental Conservation Effects

Reduction of environmental impact		Quantity reduced
Global environmental protection	Greenhouse gas emission reduction (tons-CO ₂ eq)	557

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

Details of initiatives	Economic effect
Sales of valuable materials	1.0
Electric consumption reduced through energy-saving measures	18.0
Reduction in expenses through energy-saving and recycling measures	0.2
Total	19.2

Fiscal 2018 data was calculated according to the Environmental Accounting Guidelines (2005 edition) published by the Ministry of the Environment of Japan.



Medium-Term Environmental Action Plan

Medium-Term Environmental Action Plan and Results

Medium-Term Environmental Action Plan (2016 - 2020): Principal Initiatives and Results in Fiscal 2018

Area	Targets	Principal Initiatives and Results in Fiscal 2018	Achievement Status
Energy conservation and global warming Mitigation	<ul style="list-style-type: none"> ➤ Reduce CO₂ emissions (production / 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: 40% reduction (vs. fiscal 2010) ▪ Global: 32% 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, and 12 were tracked, calculated, and disclosed in the CSR Activities Report. 	<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: 417kg; amount of leakage: 118kg (350t-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 53% reduction (vs. previous fiscal year) 🌱 Final waste disposal rate for Japan: 0.59% 	<p>○</p> <p>×</p>
	<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"> 🌱 Advanced manifest digitalization 🌱 Thorough internal evaluation of waste processing contractors 	<p>○</p>
	<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: 45% reduction (vs. fiscal 2010) ▪ Global: 46% reduction (vs. fiscal 2010) 	<p>◎</p>
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: 5.1% reduction (vs. fiscal 2017) ▪ VOC (excluding PRTR-listed substances): 4.2% reduction (vs. fiscal 2017) 	<p>○</p>
	<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 32% (vs. fiscal 2010) 	<p>◎</p>
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). 	<p>◎</p>

Enhancement of environmental management	 Improve environment-related risk management at company facilities	 Implemented environmental audits by environment-related departments Subject: 6 domestic production and research bases, 3 overseas production bases  Implemented environmental education and training for people in charge at each base Themes: waste management, chemical	○
	 Maintain zero environmental accidents	 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



Overview of Environmental Impact / Third-Party Assurance

Environmental Information — Scope of Disclosure and Third-Party Assurance

In the CSR Activities Report, the Group tracks and discloses environmental information for the Company and all of its domestic and overseas consolidated subsidiaries.

In addition, we received third-party assurance from KPMG AZSA Sustainability Co., Ltd. for the PDF version of the CSR Activities Report in order to increase the reliability of principal environmental performance indicators under "Input and Output for the Group."

https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/csr_pdf/index.html

(Note) Environmental performance indicators for which assurance has been received have the third-party assurance mark: "✓" is attached in the PDF version. Please view the independent third-party assurance report on page 147.

Companies subject to environmental information collection and disclosure

Domestic: Mitsubishi Tanabe Pharma Corporation, Mitsubishi Tanabe Pharma Factory Ltd., Tanabe Seiyaku Yoshiki Factory Co., Ltd., Yoshitomiya kuhin Corporation, Mitsubishi Tanabe Pharma Provision Co., Ltd., Tanabe Total Service Co., Ltd., Tanabe Palm Service Co., Ltd., Bipa Corporation

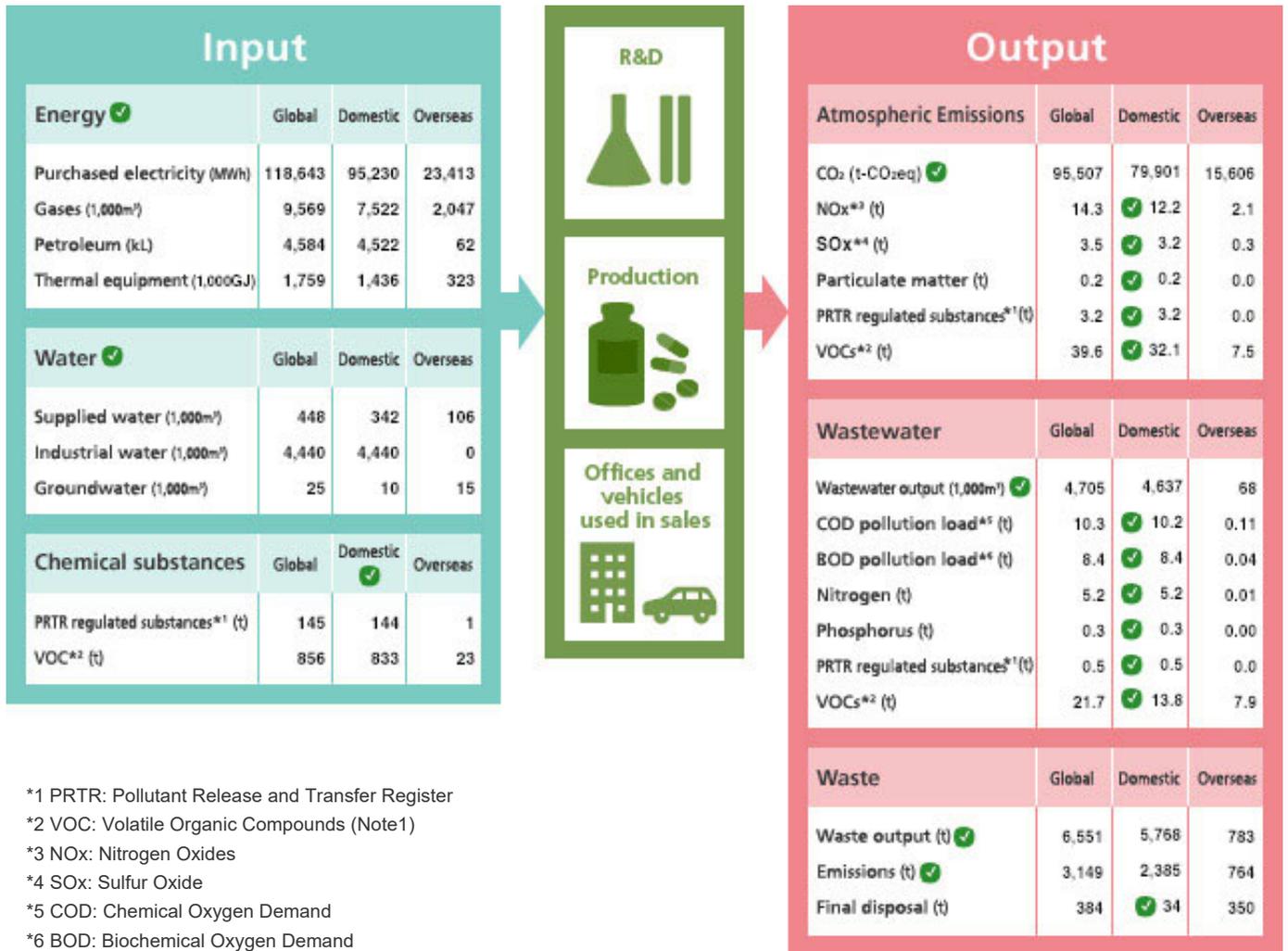
North America: Tanabe Research Laboratories U.S.A., Inc., Mitsubishi Tanabe Pharma Development America, Inc., Mitsubishi Tanabe Pharma America, Inc., Medicago R&D Inc. (including the Medicago Head Office), Medicago U.S.A. Inc., MTPC Holdings Canada, Inc., Mitsubishi Tanabe Pharma Holdings America, Inc., MP Healthcare Venture Management, Inc.

Asia: Tianjin Tanabe Seiyaku Co., Ltd., Mitsubishi Tanabe Pharma Korea Co., Ltd., Taiwan Tanabe Seiyaku Co., Ltd., Mitsubishi Tanabe Pharma Indonesia, Tai Tien Pharmaceuticals Co., Ltd., Mitsubishi Tanabe Pharma (Thailand)Co., Ltd., NeuroDerm Ltd., Mitsubishi Tanabe Pharma Development (Beijing) Co., Ltd., Mitsubishi Tanabe Pharma Singapore Pte. Ltd.

Europe: Mitsubishi Tanabe Pharma Europe Ltd., Mitsubishi Tanabe Pharma GmbH

- Bipa Corporation ended business on September 30, 2017 (it used energy during fiscal 2018)
- Mitsubishi Tanabe Pharma Provision Co., Ltd. changed its name from Tanabe Total Service Co., Ltd. on January 1, 2019, and started business anew.
- All overseas head offices are added to the total of non-production bases.

Input and Output for the Group



*1 PRTR: Pollutant Release and Transfer Register

*2 VOC: Volatile Organic Compounds (Note1)

*3 NOx: Nitrogen Oxides

*4 SOx: Sulfur Oxide

*5 COD: Chemical Oxygen Demand

*6 BOD: Biochemical Oxygen Demand

Indicators for which assurance has been received from KPMG AZSA Sustainability Co., Ltd., have the third-party assurance mark: "✓"

To better calculate and disclose the environmental impact of the Group, the following changes were made in the fiscal 2018 version.

1. The environmental impact of other companies located within the Yoshitomi Plant worksite was proportionally divided among each company and excluded from the environmental impact of the Group. The excluded environmental impact is shown below.

Atmosphere: NOx 6.8 tons; SOx 3.5 tons; particulate matter 0.1 tons

Wastewater: COD 12.3 tons; nitrogen 13.8 tons, phosphorus 0.5 tons

Waste: Waste output: 2,026 tons, emissions 290 tons

2. We recalculated the Company's environmental impact at the Yokohama Site that was not apportioned, and then added it to the environmental impact of the Group. The added environmental impact is shown below.

Atmosphere: NOx 0.7 0 tons

Waste: Waste output 98 tons, emissions 65 tons, final disposal 6 tons

3. We calculated and added purchased electricity at overseas offices. The added environmental impact is shown below.

Energy: Purchased electricity 1,521 MWh

Atmosphere: Greenhouse gases 759tons-CO₂eq

Calculation Standards for Environmental Performance Indicators

Calculation Standards for Environmental Performance Indicators

◆Input

Environmental Performance Indicator	Unit	Calculation Method
[Energy] Scope of collection of domestic data: Research bases, production bases, offices (Head Office, Tokyo Head Office, branches and sales offices) Scope of collection of overseas data: Research bases, production bases, offices (purchased electricity only)		
Purchased electricity	MWh	Amount of electricity purchased from electric utility companies
Gases	Thousand Nm ³	Amount of gas purchased from gas utility companies (city gas, LPG)
Petroleum	kL	Amount of oil purchased (heavy oil, diesel, kerosene, gasoline), including fuel consumed by domestic company vehicles
Thermal equivalent	Thousand GJ	Thermal equivalent values of energy purchased (electricity, gas, oil), including fuel for domestic company vehicles. Σ [(annual usage amounts of electricity, fuel oil, and gas) × unit calorific value for each type of energy] Unit calorific values are on the Regulation for Enforcement of the Law Regarding the Rationalization of Energy Use
[Water] Scope of collection of domestic data: Research bases, production bases, offices (Head Office, Tokyo Head Office) Scope of collection of overseas data: Research bases, production bases		
City water/industrial water	Thousand m ³	Amount of intake of water provided after public water treatment
Surface water	Thousand m ³	Amount of intake of untreated surface water (river and lake water, etc.)
Ground water	Thousand m ³	Amount of intake of untreated ground water
[Chemical substances] Scope of collection of domestic data: Research bases, production bases		
PRTR substances	t	Figures for 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 worksite'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).
VOCs (excluding PRTR substances)	t	Figures for VOCs (volatile organic compounds stipulated by the Ministry of the Environment) excluding PRTR substances are the total handling volume of substances for which each worksite'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).

◆Output

Environmental Performance Indicator	Unit	Calculation Method
<p>[Atmosphere] Scope of collection of domestic data: Research bases, production bases, offices (Head Office, Tokyo Head Office, branches and sales offices) Scope of collection of overseas data: Research bases, production bases, offices (CO₂ from purchased electricity only)</p>		
Greenhouse gases	t-CO ₂ eq	<p>Total of CO₂-equivalent emissions from energy (fuel, electricity) purchased by worksites and domestic company vehicle fuel and leaked CFCs</p> <p>Greenhouse gases: Σ (amount of each type of energy used x CO₂ emissions factors for each type of energy) + Σ [(amount of CFC refilled - amount of CFC recovered) x GHG factor for each type of CFC]</p> <p>Figures for fuel are the totals calculated using the factors for each type of fuel based on the Ministry of the Environment's Greenhouse Gas Emission Calculation and Reporting Manual (version 4.2) and the GHG Protocol</p> <p>Figures for electricity are the totals calculated using the actual emission factor for each electric utility company and the factor for each country as shown in "CO₂ Emissions From Fuel Combustion (IEA 2017)," from the International Energy Agency)</p>
NOx	t	<p>The scope of data collection is facilities that produce soot/smoke for which exhaust gas NOx concentrations are measured under laws and regulations, etc.</p> <p>Σ (NOx concentration in exhaust gas x annual exhaust gas volume)</p>
SOx	t	<p>The scope of data collection is facilities that produce soot/smoke for which exhaust gas SOx concentrations are measured under laws and regulations, etc.</p> <p>Σ (SOx concentration in exhaust gas x annual exhaust gas volume)</p>
Particulate matter	t	<p>The scope of data collection is facilities that produce soot/smoke for which exhaust gas particulate matter concentrations are measured under laws and regulations, etc.</p> <p>Σ (particulate matter concentration in exhaust gas x annual exhaust gas volume)</p>
PRTR regulated substances	t	<p>For PRTR substances for which each worksite has an annual handling volume of 100 kg or more, total amount released to the atmosphere.</p> <p>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).</p>
VOC	t	<p>For VOCs (excluding PRTR substances) for which each worksite has an annual handling volume is 100 kg or more, total amount of released to the atmosphere.</p> <p>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).</p>

Environmental Performance Indicator	Unit	Calculation Method
[Waste water]] Scope of collection of domestic data: Research bases, production bases, offices (Head Office, Tokyo Head Office) Scope of collection of overseas data: Research bases, production bases		
Waste water volume	m ³	Total amount of water released to public water bodies or sewer systems (includes the amount of rainwater released at worksites that have the same discharge system for rainwater and waste water)
COD pollution load	t	Amount of COD discharged by worksites that release waste water to public water bodies (rivers, ocean, etc.) Σ (COD concentration in water discharged from worksites \times annual waste water volume released to public water bodies)
BOD pollution load	t	Amount of BOD discharged by worksites that release waste water to rivers Σ (BOD concentration in water discharged from worksites \times annual waste water volume released to public water bodies)
Nitrogen	t	Nitrogen pollution load for worksites that release waste water to public water bodies Σ (nitrogen concentration in water discharged from worksites \times annual waste water volume discharged to public water bodies)
Phosphorus	t	Phosphorus pollution load for worksites that release waste water to public water bodies Σ (phosphorus concentration in water discharged from worksites \times annual waste water volume discharged to public water bodies)
PRTR regulated substances	t	For PRTR substances for which each worksite's handling volume is 100 kg or more, total amount of released to the atmosphere. 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	t	For VOCs (excluding PRTR substances) for which each worksite's handling volume is 100 kg or more, total amount of released to the atmosphere. 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).

Environmental Performance Indicator	Unit	Calculation Method
[Waste]		
Scope of collection of domestic data: Research bases, production bases, offices (Head Office, Tokyo Head Office, East/West Japan Distribution Centers)		
Scope of collection of overseas data: Research bases, production bases		
Waste output	t	Volume of waste generated (unnecessary items generated in business activities and contracted for paid processing)
Emissions	t	Volume of waste contracted out for processing after intermediate processing at the company or directly
Final disposal	t	The volume of waste disposed of at landfills following intermediate processing and the volume of waste directly disposed of at landfills, which are included in waste volume

Domestic research bases: Yokohama Site, Toda Site, Kashima Site

Domestic production bases: Onoda Plant, Yoshitomi Plant, Tanabe Seiyaku Yoshiki Factory Co., Ltd., Bipa Corporation

Overseas research bases: Tanabe Research Laboratories U.S.A., Inc., Medicago R&D Inc. (including Medicago Head Office)

Overseas production bases: Taiwan Tanabe Seiyaku Co., Ltd. (Hsinchu Plant),
Tianjin Tanabe Seiyaku Co., Ltd. (factories and Head Office)
Mitsubishi Tanabe Pharma Korea Co., Ltd. (Hyangnam Plant, Head Office) ,
Mitsubishi Tanabe Pharma Indonesia (Bandung Plant), Medicago U.S.A. Inc.

Overseas offices: Mitsubishi Tanabe Pharma (Shanghai Office),
Mitsubishi Tanabe Pharma Development (Beijing) Co., Ltd.,
Taiwan Tanabe Seiyaku Co., Ltd. (Head Office), Tai Tien Pharmaceuticals Co., Ltd.,
Mitsubishi Tanabe Pharma Korea Co., Ltd. (Seoul Office),
Mitsubishi Tanabe Pharma Indonesia (Head Office),
Mitsubishi Tanabe Pharma Singapore Pte. Ltd., Mitsubishi Tanabe Pharma (Thailand) Co., Ltd.,
Mitsubishi Tanabe Pharma Holdings America, Inc., Mitsubishi Tanabe Pharma America, Inc.,
Mitsubishi Tanabe Pharma Development America, Inc., MP Healthcare Venture Management, Inc.,
MTPC Holdings Canada, Inc., Mitsubishi Tanabe Pharma Europe Ltd.,
Mitsubishi Tanabe Pharma GmbH, NeuroDerm Ltd. (including R&D centers)



Initiatives in Energy Conservation and Global Warming Mitigation

Status of Greenhouse Gas Emissions and CO₂ Emissions Reduction Target Achievement

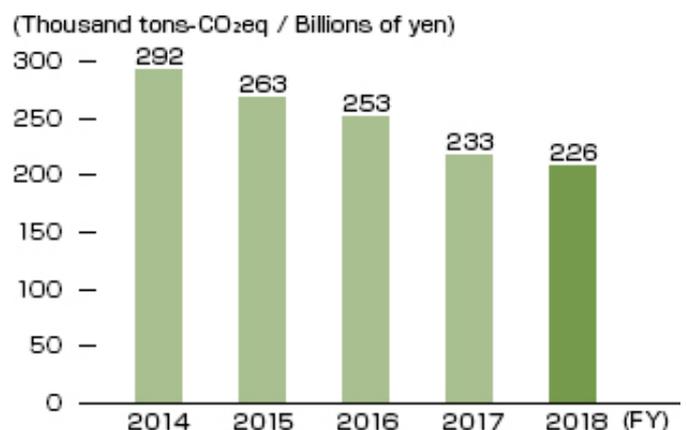
Climate change, including global warming, is an environmental problem that leads to climate change and will have a significant influence on the continued existence of life, including human beings. As a measure to fight climate change initiative, the Group has positioned "energy conservation and global warming mitigation" as its most important environmental theme.

In fiscal 2018, the Group's greenhouse gas emissions were 80,000 tons-CO₂eq (down 7.0% year on year) in Japan and 16,000 tons-CO₂eq (unchanged year on year) overseas, for a worldwide total of 96,000 tons-CO₂eq (down 5.9% year on year). Meanwhile, the global unit conversion value (greenhouse gas emissions divided by sales revenue) has also steadily declined and in fiscal 2018 the value dropped 3.0% year on year.

Greenhouse gas emissions (worksite energy, company-owned vehicle energy, and leaked fluorocarbon) 



Unit value of greenhouse gas emissions (worksite energy, company-owned vehicle energy, and leaked fluorocarbon)

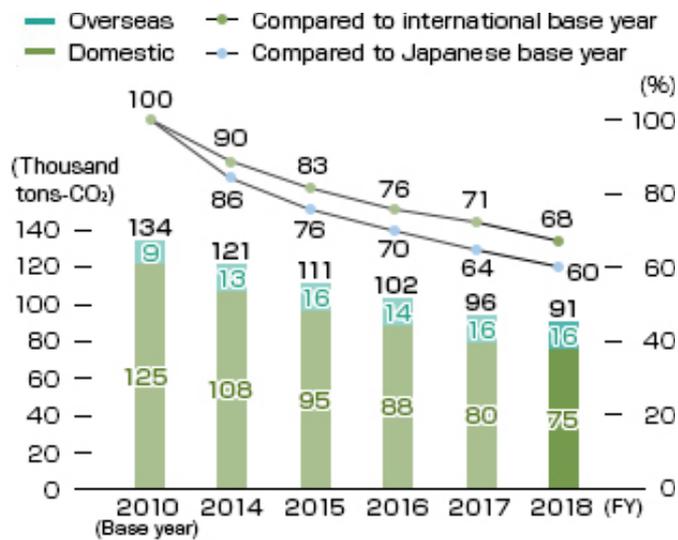


In the Medium-Term Environmental Action Plan, we are working to reduce CO₂ emissions by promoting energy saving with the goal of reducing energy-related CO₂ emissions used in production and research bases and offices in fiscal 2020 by 40% or more in Japan and by 35% or more worldwide compared to fiscal 2010.

The Group's CO₂ emissions in fiscal 2018 were 75,000 tons-CO₂eq in Japan, 16,000 tons-CO₂eq overseas, for a total of 91,000 tons-CO₂eq worldwide. This represents a 40% reduction in Japan and a 32% reduction worldwide compared to fiscal 2010.

In October 2018, the Group participated in the Ministry of the Environment's "Carbon Deforestation Promotion Network." Moving forward, the Group will address Science Based Targets (SBT) and plans to set reduction targets for 2030 and 2050 consistent with the Paris Accord.

CO₂ Emissions (worksite energy)



Worksite Energy Management

To reduce energy consumption, the Group has created a system to promote energy management Groupwide and regularly holds liaison committee meetings with environment-related departments and the people in charge at each worksite. At the liaison committee meeting, we check worksite energy usage and CO₂ emissions, and also work to save energy across the entire Group by discussing and taking energy and electricity saving measures.

Energy consumption of Group worksites in fiscal 2018 was, in terms of thermal equivalent, 1,365 thousand GJ in Japan (down 1.8% year on year), 323 thousand GJ overseas (up 5.2% year on year), 1,688 thousand GJ globally (down 1.5% year on year).

The decline in Japan is thought to be due not only to our unceasing efforts to save energy, but also the effects of worksite consolidation. On the other hand, the increase overseas is due to the addition of new offices.

Energy used (Worksites energy) ✔



Using Renewable Energy

The Group promotes the use of renewable energy. Solar power panels have been installed at the Kashima site and Tokyo head office and the amount of power generated in fiscal 2018 was 165 MWh at the Kashima Site and 2 MWh at the Tokyo Head Office.



Solar panels on the roof of the Kashima Site

Company-Owned Vehicle Operation

The Group has pursued environmentally friendly initiatives for company-owned vehicles.

As of the end of fiscal 2018, of the 1,831 company-owned vehicles (down 7.1% year on year) that travel outside worksites in Japan, 1,288 were hybrid vehicles. On the other hand, CO₂ emissions from company-owned fuel in fiscal 2018 were 4,725 tons-CO₂ (down 9.3% year on year)

The Group will aggressively introduce hybrid vehicles in its sales vehicle fleet, promote eco-driving, and continue to implement tangible and intangible initiatives.

Greenhouse Gas Emissions in the Supply Chain

In fiscal 2018, we expanded the scope of our counting of greenhouse gas (GHG) emissions. Overseas Group worksites (offices) have been added to all domestic Group worksites and overseas Group worksites (production and research bases), thereby expanding the amount of our data disclosure.

Greenhouse gas emissions from business activities in the supply chain of a business comprise scope 1, scope 2, and scope 3 emissions.

- Scope 1: Direct emissions of greenhouse gases from the business itself (fuel combustion, industrial processes)
- Scope 2: Indirect emissions from the consumption of electricity, heat, and steam supplied by other parties.
- Scope 3: Indirect emissions other than those covered in scope 2 (emissions by other parties involved with the activities of the business).

Scope 1

Scope of calculation

- Domestic: Group worksites (production and research bases, Head Office/Tokyo Head Office, branches, sales offices, etc.)
- Overseas: Group worksites (production and research bases)

Calculation of greenhouse gas emissions		Greenhouse gas emissions (tons-CO ₂ eq)	
		FY2017	FY2018
Domestic	Use of fuel at worksites	24,451	23,814
	Use of gasoline in vehicles used in sales activities, etc	5,210	4,724
	Leakage of fluorocarbon gas at worksites*	759	349
	(Domestic total)	30,420	28,888
Overseas	Use of fuel at worksites	5,357	4,527
Global 		35,777	33,416

* Excluding Head Office, Tokyo Head Office, branches, and sales offices

Scope 2

Scope of calculation

- Domestic: Group worksites (production and research bases, Head Office/Tokyo Head Office, branches, sales offices, etc.)
- Overseas: Group worksites (production and research bases)

Calculation of greenhouse gas emissions		Greenhouse gas emissions (tons-CO ₂ eq)	
		FY2017	FY2018
Domestic	Use of electricity at worksites	55,089	51,363
Overseas	Use of electricity at worksites	10,254	11,080
Global 		65,343	62,443

Scope 3

Scope of calculation

Supply chain greenhouse gas emissions, principally related to domestic Group worksites

Category		Greenhouse gas emissions (tons-CO ₂ eq)	Calculation method
1	Purchased goods and services 	495,566	Calculated from purchase prices of raw materials and products in Japan, which are multiplied by emissions unit values from Ministry of the Environment database ¹
2	Capital goods 	24,425	Calculated from acquisition amounts of property, plant and equipment, not only for domestic companies but also for overseas companies in the scope of consolidation, which are multiplied by emissions unit values from Ministry of the Environment database ¹
3	Fuel- and energy-related activities not included in Scope 1 or 2 	10,063	Calculated from amount of energy used at domestic Group worksites, which is multiplied by emissions unit values from Ministry of the Environment database ¹ or emissions unit values from Carbon Footprint database ²
4	Transport and delivery (upstream) 	2,560	Calculated from transportation ton-kilometers for shipments from plants to distribution centers, shipments from distribution centers to wholesalers, and shipments from sales-promotion item warehouses to branches, sales offices, etc., using the ton-kilometer method in the greenhouse gas emission calculation and reporting manual from Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry. Calculated from electricity used for storage management at distribution centers, multiplied by the actual emissions factor indicated in the emissions factors for electric power enterprises announced by the Ministry of the Environment and the Ministry of Economy, Trade and Industry on December 27, 2018.
5	Waste generated in operations 	2,503	Calculated from the amounts of waste, by type, from domestic Group worksites (production and research bases, Head Office/Tokyo Head Office, distribution centers), which are multiplied by emissions unit values from Ministry of the Environment database ¹
6	Business travel	939	Calculated from number of employees, which is multiplied by emissions unit values from Ministry of the Environment database ¹

7	Employee commuting	983	Calculated from amounts of transportation costs paid by transportation district, which are multiplied by emissions unit values from Ministry of the Environment database ¹
12	End-of-life treatment of sold products	406	Calculated from amount of recycling obligation based on the Containers and Packaging Recycling Law, which is multiplied by emissions unit values from Ministry of the Environment database ¹

1. Ministry of the Environment database: database on emissions unit values for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain (Ver. 2.6)

2. The CFP Communication Program, basic database, Ver. 1.01

Controlling Fluorocarbons Emissions

The Group is working to prevent leaks of fluorocarbons, which show the effects of ozone layer depletion and global warming.

We comply with installation standards and conduct regular inspections of equipment containing fluorocarbons installed in domestic worksites. In addition, when disposing of equipment containing fluorocarbons, we are working to implement steady recovery/destruction of fluorocarbons.

In fiscal 2018, at the Group's domestic production and research bases, the volume of fluorocarbons recovered and destroyed was 417 kg, and the leakage volume was 118 kg (350 tons-CO₂: calculated using GWP coefficients). The leakage volumes for Group companies were all below the threshold for reporting to the national government.

Energy-Saving Initiatives at Worksites

The Group is implementing energy-saving activities while giving consideration to the balance between safety and operational efficiency. In addition, we are working in cooperation with the KAITEKI activities promoted by the Mitsubishi Chemical Holdings Group.

In Japan, the entire Group continues to implement energy-saving campaigns in the summer and winter, when energy use increases, as well as the Ministry of the Environment's lights down campaign on the day of the summer solstice and on July 7. In energy-saving campaigns, we are promoting such measures as setting appropriate air conditioning temperatures, turning off unnecessary lighting, and endorsing the Cool Biz and Warm Biz campaigns. We are also recommending eco-driving measures that leverage the characteristics of hybrid vehicles and calling for water-saving initiatives that lead to indirect reductions in the amount of electricity used at water purification and sewage treatment plants to reduce water usage throughout the supply chain. In addition, we are distributing an original poster to help enable the worksites to take the lead in the implementation of energy-saving activities. These activities have been effective, and the Cool Biz and Warm Biz campaigns have become established practices at each worksite.

At the Kashima Site, which has been certified and registered as a Ministry of Land, Infrastructure, Transport and Tourism Excellent Ecological Commuter Office, rather than using their own cars or motorcycles, employees are commuting by means of transportation with low environmental burdens, such by trains, buses, or other public transportation; bicycles; or walking. The objectives of this initiative are to contribute to the prevention of global warming by limiting CO₂ emissions from commuting and to also contribute to promoting the health of employees.

In addition, multiple Group worksites have been registered or recognized as worksites that take an independent, active approach to environmentally friendly activities. The Head Office and the Kashima Site are registered under the Kansai Eco Office Declaration movement, and the Tokai Branch (Nagoya City) has been certified as an Eco Office by Nagoya City.



Campaign posters:
 Summer Energy Conservation Campaign
 Winter Energy Conservation Campaign
 Turn Down the Lights Campaign

Road-Watering Event

Together with neighboring companies and people in the community, the Tokyo Head Office has held a road-watering event each year since 2012 to counter the urban heat island effect, and as an activity to raise awareness of environmental issues, such as the fight against global warming, and to revitalize the local community.

The event was held on August 3, 2018. Amid day after day of extreme heat, we gathered in front of the office building and scooped water from the bucket in our hands, and on signal, we sprinkled the water on the road in unison. While experiencing traditional Japanese culture, we raised people's awareness of environmental issues. (The water used was reclaimed water obtained from the Bureau of Sewage Tokyo Metropolitan Government.)



Receipt of Award at Yokohama Global Warming Countermeasures Awards

In June 2018, the Yokohama Site received the Yokohama Global Warming Countermeasures Award for the second consecutive year.

The Yokohama Global Warming Countermeasures Award is a system for commending excellent companies in Yokohama City's global warming countermeasures plan system based on rules set by Yokohama City.

The Yokohama Site aggressively works to save energy, and to efficiently operate air conditioning equipment, it collects and analyzes energy consumption data of air conditioners and heat source equipment, and promotes optimization of operation patterns. Specifically, we prevented hunting of heat source equipment during nighttime operation and changed AHU control specifications.

We were commended for achieving a total of about 710 tons-CO₂ for fiscal 2011 to 2016, roughly a 12% CO₂ emission reduction due to our steady effort to implement priority measures required by the global warming countermeasures system.





Reduction of Waste, Effective Use of Water Resources

Waste Emissions and Target Achievement Status

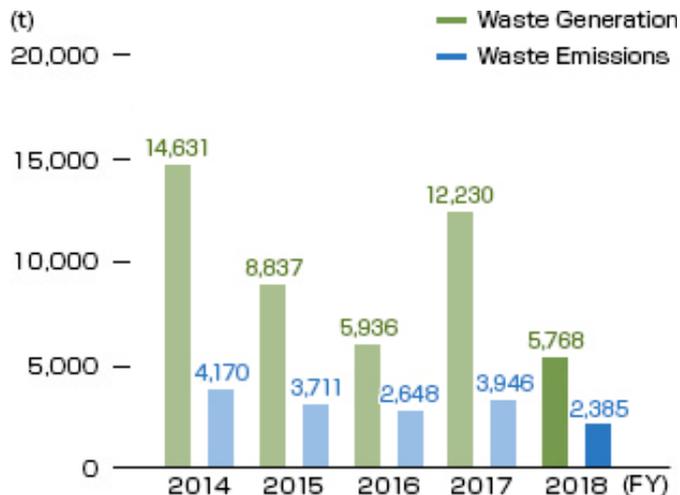
Under the Medium-Term Environmental Action Plan, the Group has set the goal of reducing waste and is advancing the 3Rs (reduce, reuse, recycle) from the standpoint of correct handling and effective resource use.

In fiscal 2018, the amount of waste generated at domestic bases was 5,768 tons (down 40% year on year), emissions were 2,385 tons (down 40%), and the amount of final waste disposed was 34 tons (down 24%). The decrease in the amount of waste generated was due to a decline in activated sludge from the wastewater processing facilities of the Onoda and Yoshitomi plants, which accounted for 63% (75% in fiscal 2017) of the decrease. Since about 99% of this activated sludge is water, it is dewatered in the plant and reduced to less than one-tenth its original volume before being discharged to an outside waste disposal company. The amount of activated sludge generated is thought to fluctuate each year depending on the water content at the time generated and the amount of activated sludge remaining in the wastewater processing facility. In fiscal 2018, the amount of waste generated decreased by excluding the activated sludge of other companies located within the Yoshitomi Plant area, which had been included in the calculation until fiscal 2017. In addition to the aforementioned decrease in activated sludge, the decrease in emissions was also due to unsteady discharge of waste following the closure of Bipha Corporation and the functional integration of the Kashima Site.

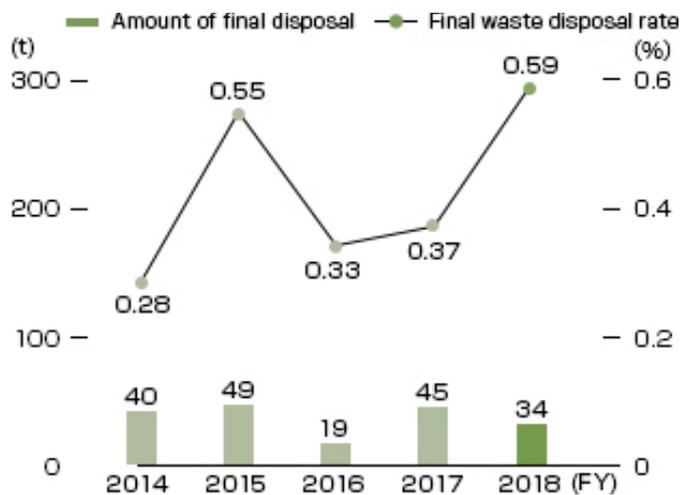
On the other hand, the amount of waste generated at overseas bases was 783 tons (up 12% year on year), emissions were 764 tons (up 16%), and the amount of final waste disposed was 350 tons (down 25%).

Under the Medium-Term Environmental Action Plan, our objective is to reduce the amount of domestic waste generated and achieve zero emissions (the final waste disposal rate ([amount of final waste disposed / total amount of waste generated x 100] was less than 0.5%). In fiscal 2018, we achieved a reduction in the amount of waste generated, but the final waste disposal rate was 0.59% and we did not achieve zero emissions. The main reason was that only the amount generated — the denominator of the final disposal rate — substantially decreased as a result of the reduction in activated sludge that does not affect the final disposal amount described above, since all the residues after intermediate processing are recycled.

Amount of Waste Generation and Emissions (Domestic) ✓



Amount of Final Waste Disposed (Domestic) ✓



Appropriate Management of Waste

As a waste-discharging enterprise, we are taking steps to advance the appropriate management of waste. These include concluding agreements with contractors for the collection, conveyance, and processing of waste; issuing manifests; and implementing on-site surveys, etc., of disposal contractors. We have transitioned to digital manifests at all worksites, except at distribution centers. In addition, we utilize outside lecturers for collective educational initiatives once a year. We are working to enhance the capabilities of the people in charge of waste management at each worksite.

Disposal of Polychlorinated Biphenyl (PCB)

The Group continues advancing the disposal of PCB waste.

In fiscal 2018, we completed the treatment of high-concentration PCB oil and contaminants.

Regarding high-concentration PCB ballasts, including those newly identified in fiscal 2018, currently, 674 ballasts have been removed and stored at domestic Group offices and will be properly disposed by the deadline of March 31, 2021.

On the other hand, low-concentration PCBs had four transformers, and oil and contaminants. The deadline for disposal of the low-concentration PCBs is March 31, 2027, but we are planning for an early disposal.

Reduction of Water Withdrawal

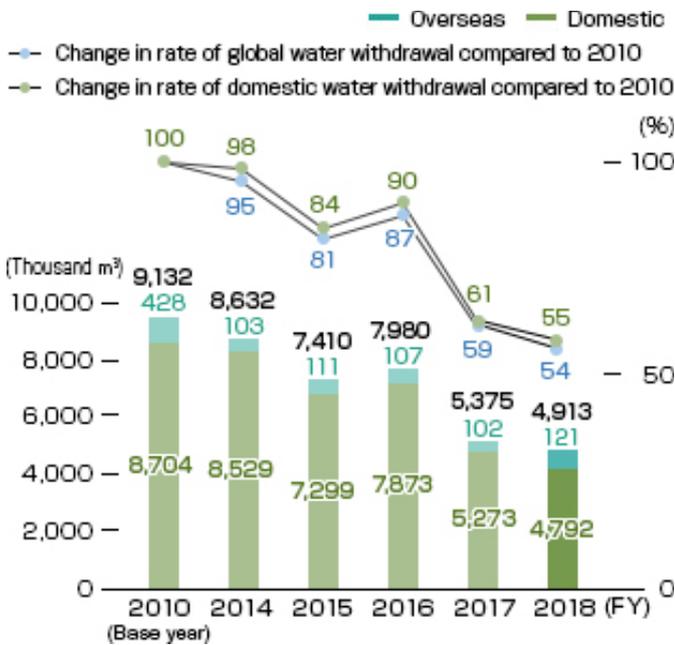
The Group is working to reduce water withdrawal by reviewing its water supply contracts, systematically reducing fresh surface water supply, recycling wastewater, and using rainwater.

In fiscal 2018, domestic water withdrawal was 4,792 thousand m³ (down 9.1% year on year), overseas water withdrawal was 121 thousand m³ (up 19%), for a global water withdrawal of 4,913 thousand m³ (down 8.6%). On the other hand, water withdrawal is classified into city water/industrial water, fresh surface water, and ground water, with river water accounting for about 90%.

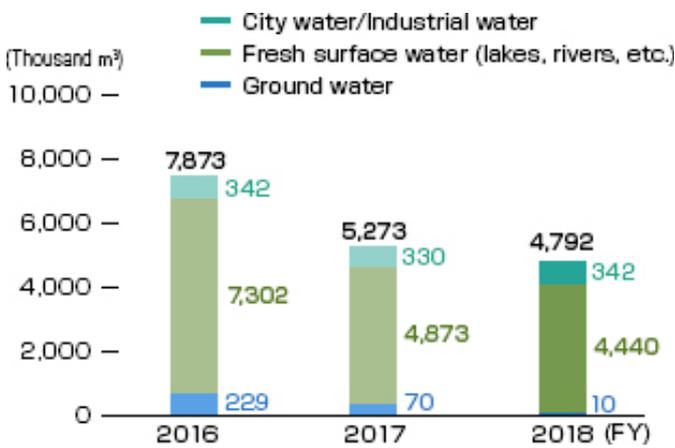
The decrease in water withdrawal in fiscal 2018 is thought to be mainly due to a reduced supply volume caused by a revision to the fresh surface water supply contract at the Onoda Plant, and by drought.

The Medium-Term Environmental Action Plan aims to reduce water usage volume (production and research bases) by 15% or more, both in Japan and overseas, by fiscal 2020 compared with fiscal 2010. In fiscal 2018, domestic sales decreased 45% and global decreased 46% compared with fiscal 2010.

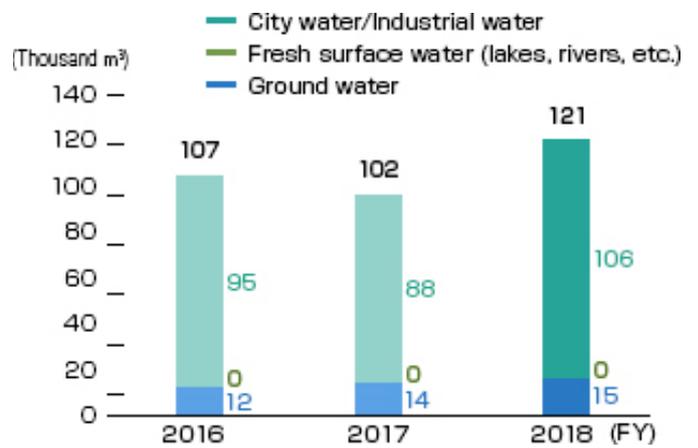
Water Withdrawal ✔



Breakdown of domestic water withdrawal ✔



Breakdown of overseas water withdrawal ✔



Water Recycling

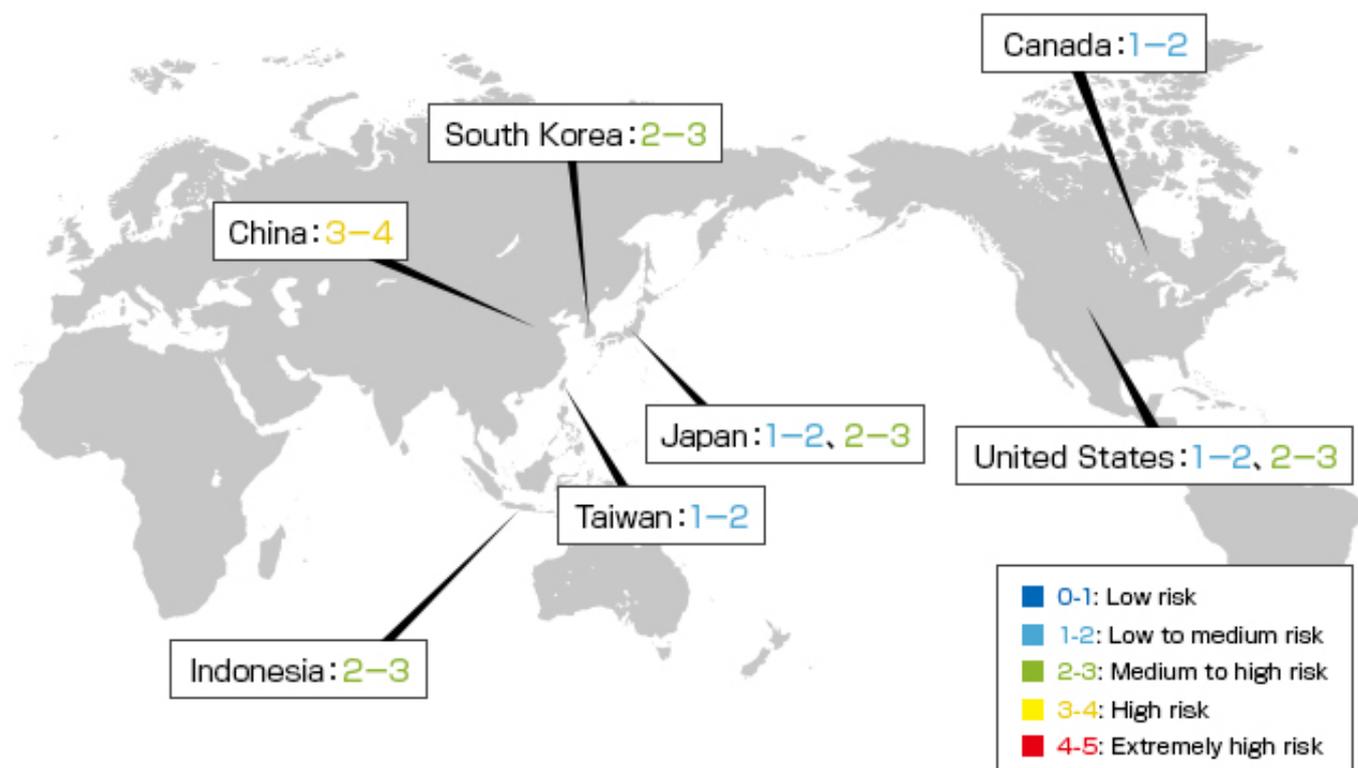
At the Yokohama Site, wastewater is treated with activated sludge, activated carbon, and other substances at wastewater processing facilities inside the plant and reused as recycled water. There are two types of wastewater processing facilities at the site: one for laboratory wastewater and the other for domestic wastewater. The recycled water of laboratory wastewater is reused as preliminary washing and cooling water for laboratory instruments, and the recycled water of domestic wastewater from cafeterias, residential rooms, bathrooms etc. is reused as washing water in bathrooms.

The amount of recycled water used in 2018 was 33 thousand m³, exceeding the city's water withdrawal of 29 thousand m³.

Evaluation of Water-related Risks

In recent years, addressing water resources in corporate activities, including drought and flooding, which are thought to be associated with climate change, as well as water pollution, global water usage increases and tightening wastewater regulations has become an important issue. Water is an important resource in pharmaceutical manufacturing and research and development, and therefore the Group is also addressing water-related risks.

From fiscal 2018, the Group conducted research on local water-related risks at domestic and overseas production and research bases using the Aqueduct Water Risk Atlas of the World Resources Institute. As a result of the research conducted this fiscal year, one base in China falls under "high risk," while other bases fall under "low to medium" or "medium to high risk," though no areas fall under "extremely high risk."



Bases and Physical Risk Quantity

- Japan:
 - Toda Site: Medium to high risk (2-3)
 - Yokohama Site: Medium to high risk (2-3)
 - Kashima Site: Medium to high risk (2-3)
 - Onoda Plant: Low to medium risk (1-2)
 - Yoshitomi Plant: Low to medium risk (1-2)
- China: Tianjin Tanabe Seiyaku: High risk (3-4)
- South Korea: Hyangnam Plant: Medium to high risk (2-3)
- Taiwan: Hsinchu Plant: Low to medium risk (1-2)
- Indonesia: Bandung Plant: Medium to high risk (2-3)
- Canada: Medicago R&D: Low to medium risk (1-2)
- United States:
 - Medicago USA: Low to medium risk (1-2)
 - Tanabe Research Laboratories U.S.A.: Medium to high risk (2-3)

Working to Effectively Utilize Water Resources

Taiwan Tanabe Seiyaku is taking various initiatives to promote KAITEKI activities for the environment, safety and health.

Above all, in its environmental activities, it actively works to effectively use water resources as part of an ecological cycle. Rainwater is stored in storage tanks within the plant and used to water plants in and around the plant. This reduces the amount of water used by about 1,500 tons annually and contributes to improving the internal environment with natural plants. In addition, it has adopted equipment that uses less water, such as by changing the purified water line in the production plant from a hot water disinfection apparatus to a pipe-type heat exchanger.

Taiwan Tanabe Seiyaku has voluntarily participated in local beach cleanups and cleaning public sidewalks around its plants, and will continue to take a more conscious approach to harmoniously coexisting with society, and proactively work to create a KAITEKI environment.



Taiwan Tanabe Seiyaku - Chang, Shen-Chuan (right) and Wu, Yong-Lin (left), Section Manager of Environment and Safety,



Initiatives to Prevent Pollution and Reduce Environmental Burdens

Curbing Emissions of Air Pollutants

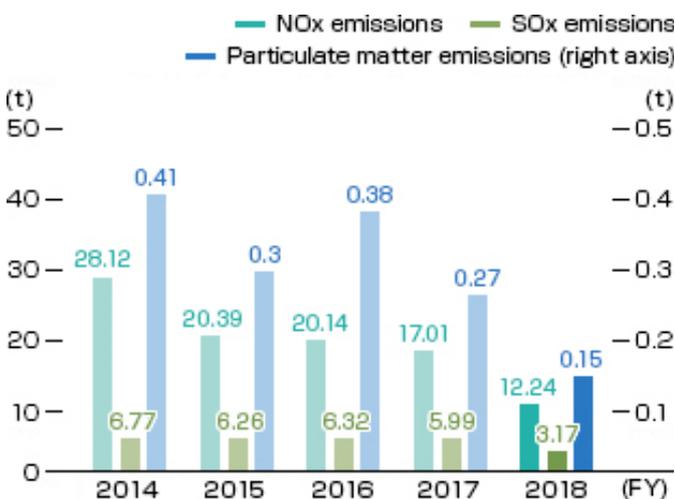
The Mitsubishi Tanabe Pharma Group is curbing emissions of air pollutants. The Group's production and research bases have installed facilities that produce soot and smoke such as boilers, but, except for the three plants to which city gas is not supplied, they use city gas, which emits fewer air pollutants than fuel. In addition, we measure the levels of air pollutants (NOx, SOx, particulate matter) at facilities where smoke analysis is required under laws and regulations, and we confirm that those levels are within legal standard.

Domestic emissions of air pollutants in fiscal 2018 were NOx 12.24 tons (down 28% year on year), SOx 3.17 tons (down 47%), and particulate matter 0.15 tons (down 44%). Each of these indicators also declined year on year. This decline was due to proportionally distributing the emissions of other companies located within the Yoshitomi Plant to each company and excluding them from Yoshitomi Plant emissions. On the other hand, overseas emissions of air pollutants were NOx 2.13 tons (up 20% year on year), SOx 0.35 tons (down 19%), and particulates 0.02 tons (unchanged).

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.

The Group's domestic bases do not have facilities that generate particulate matter or VOC as legally defined. Regarding VOC emissions into the atmosphere, please refer to the section "Emissions of Chemical Substances into the Environment and Status of PRTR Emission Reduction Target Achievement."

Emissions of Air Pollutants by Domestic Bases 



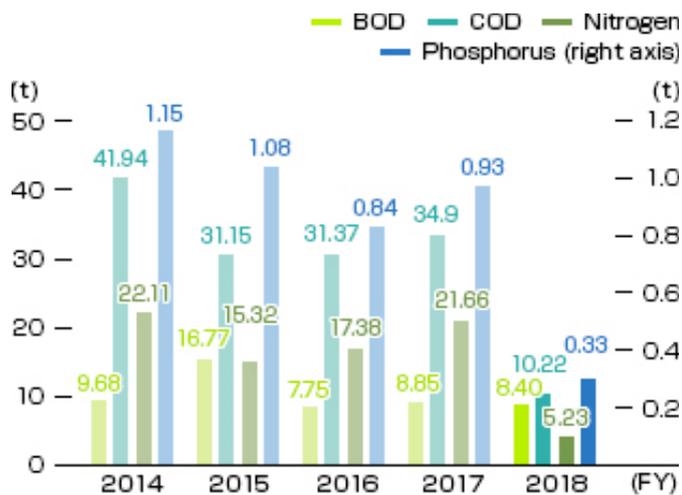
Prevention of Water Pollution

The Group's production and research bases treat harmful substances, physiologically active substances, and others as wastes, thereby limiting their mixture with wastewater as much as possible. Also, we adjust the pH, perform purification, and comply with emission standards prior to wastewater discharge. Especially at the Onoda, Yoshitomi, and Tanabe Indonesia Bandung plants, where wastewater is discharged into public water bodies (rivers, oceans, etc.), wastewater undergoes activated sludge treatment, and we comply with emission standards for public water bodies that are stricter than that for sewage discharge.

The domestic discharge of wastewater in fiscal 2018 was 4,427 thousand m³ (down 12% year on year) for public water bodies and 210 thousand m³ (down 19%) for sewage. Emissions of water pollutants contained in wastewater discharged into public water bodies were BOD 8.40 tons (down 5.1%), COD 10.22 tons (down 71%), nitrogen 5.23 tons (down 76%), and phosphorus 0.33 tons (down 65%). The decreases in COD, nitrogen and phosphorus emissions were due to proportionally distributing the emissions of other companies located within the Yoshitomi Plant to each company and excluding them from Yoshitomi Plant emissions. Since the Yoshitomi Plant has no obligation to measure when directly discharging into the ocean, BOD is the only value used at the Onoda Plant.

On the other hand, overseas wastewater discharge into public water bodies was 2.6 thousand m³ (down 33% year on year) and sewage was 65.3 thousand m³ (up 3.8%). Emissions of water pollutants contained in wastewater discharged into public water bodies were BOD 0.04 tons (down 20% year on year), COD 0.11 tons (down 21%), and nitrogen 0.01 tons (down 63%).

Emissions of Water Pollutants into Public Water Bodies from Domestic Production and Research Bases ✔



Emissions of Chemical Substances into the Environment and Status of PRTR Emission Reduction Target Achievement

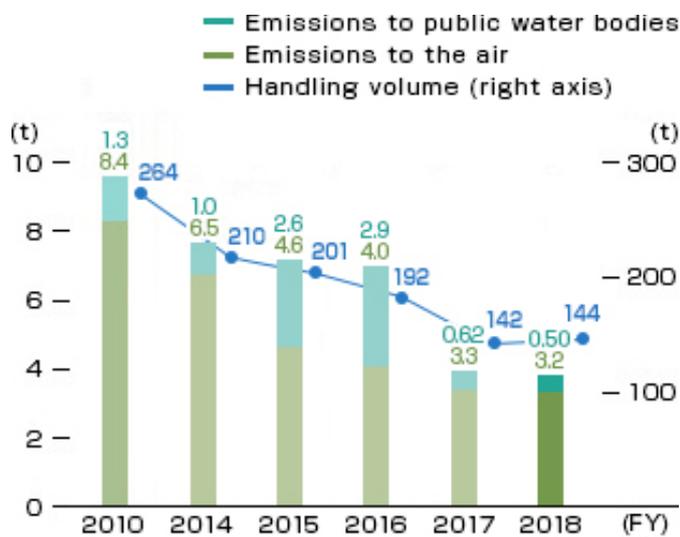
In addition to properly managing PRTR substances and VOCs, the Group is constantly working to reduce emissions into the environment by improving equipment and manufacturing processes.

Domestic air emissions of PRTR substances in fiscal 2018 were 3.2 tons (down 3.0% year on year), and emissions into public water bodies were 0.5 tons (down 19%). In addition, air emissions of VOCs were 32 tons (down 9.3%), and emissions into public water bodies were 14 tons (up 7.7%).

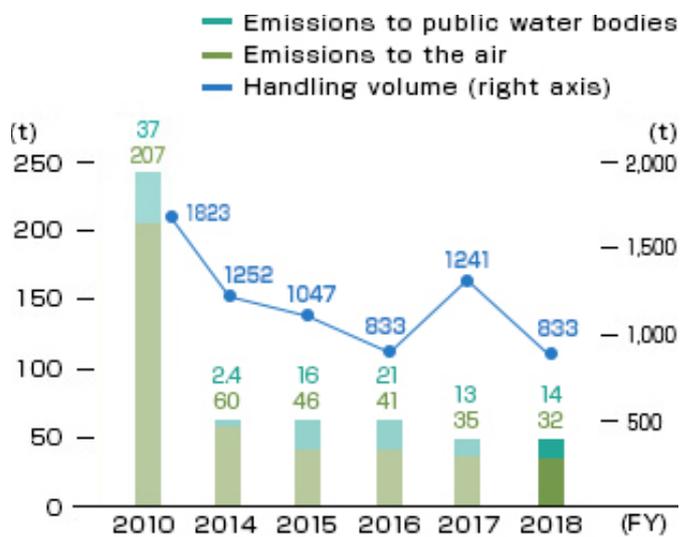
On the other hand, overseas emissions of PRTR substances were 0.0 tons (unchanged year on year), emissions into public water bodies were 0.0 tons (unchanged), and air emissions of VOCs were 7.5 tons (up 121%), and emissions into public water bodies were 7.9 tons (unchanged).

The Medium-Term Environmental Action Plan aims to reduce toluene emissions by at least 30% by fiscal 2020 compared to fiscal 2010 levels. The toluene emissions in fiscal 2018, which were 2.5 tons for air and public water bodies combined, were down 32% compared to fiscal 2010, thus maintaining the target achievement level. As in the previous fiscal year, emissions at the Yoshitomi Plant have been calculated using values apportioned to other companies within the plant premises.

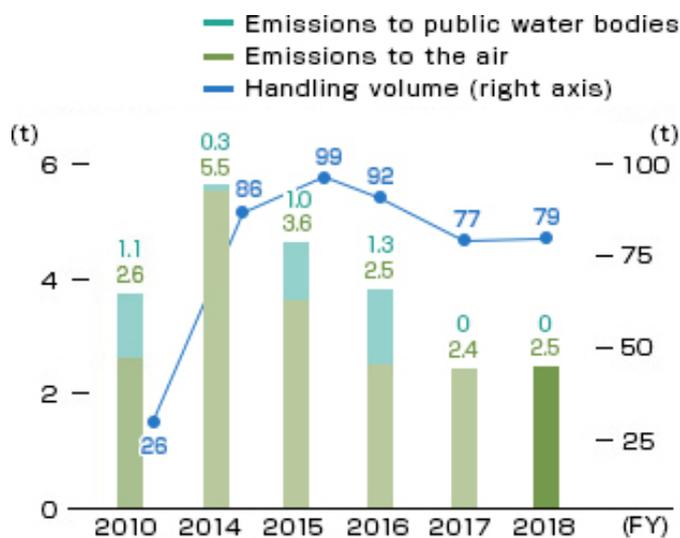
Emission of PRTR (Domestic) ✓



Emission of VOC (excluding PRTR) (Domestic) ✓



Emission of toluene (Domestic)



Prevention of Soil and Ground Water Contamination and Countermeasures

At Group production and research bases, we implement thoroughgoing measures to prevent soil and ground water contamination from leakage of chemical substances.

At domestic bases, we implement surveys of past usage conditions of harmful substances (land use history surveys) and work to understand the level of risk related to soil contamination. In addition, in the construction and demolition of buildings, we work closely with the supervisory authorities, and analyze the soil and ground water (soil and ground water surveys) through methods stipulated by law. In the event that contamination is confirmed, we respond appropriately.

In fiscal 2018, we conducted a land use history survey of three domestic production and research bases that had a history of using harmful substances.

With regard to the groundwater pollution that was discovered at the Yoshitomi Plant, which was identified in fiscal 2013, we are conducting clean ups by pumping up ground water, and performing periodic groundwater analyses, following the instructions of the supervisory authorities. Pumping was continued for one year from September 2017, and the concentration of pollutants in the groundwater during that period was shown to be below regulatory standards. Therefore, with the approval of the supervisory authorities, we stopped pumping and continued groundwater analyses only (as of March 2019).



Initiatives for the Preservation of Biodiversity

Fundamental Approach to the Preservation of Biodiversity

In accordance with the concept that a variety of environmental initiatives are connected with biodiversity, the Group is advancing biodiversity initiatives through a wide range of environmental 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.

Biodiversity Preservation Activities

In the Medium-Term Environmental Action Plan, the Group has announced the following biodiversity preservation objective: "Understand the relationship between business activities and biodiversity, advance initiatives for the preservation of biodiversity."

In fiscal 2018, we worked to control emissions of greenhouse gases and environmental burdens due to our business activities. To further promote biodiversity conservation activities, we also conducted the Campaign to Promote Environmental Conservation Activities for employees and their families.

Furthermore, in collaboration with NPOs and local governments, we continue to implement environmental conservation activities on the outskirts of Osaka Prefecture and Tokyo Prefecture. Through these activities, the Group is working to preserve biodiversity.

- Controlling Emissions of Greenhouse Gases by Promoting Energy Conservation in Business Activities
- Reducing environmental burdens from business activities, including burdens on the atmosphere, water bodies, soil, and ecosystems
- Conducted Campaign to Promote Environmental Conservation Activities
- Tokyo Greenship Action woodland conservation activities in Tokyo Prefecture (May 2018)
- Planting activities through Ikoma Mountain Range "Folding Screen of Flowers" Project in Osaka Prefecture (November 2018)

Initiatives in Local Communities (environmental conservation activities)

Tokyo Greenship Action

In cooperation with companies and NPOs, Tokyo Prefecture is participating in Tokyo Greenship Action environmental conservation activities conducted in natural woodland conservation areas. In May 2018, in the Tokyo Metropolitan Government-designated Hachioji Takiyama Satoyama Conservation Area, 31 Group employees and their families, together with the Tokyo Metropolitan Government and the NPO Shizen Kankyo Academy, worked with great dedication to preserve and restore natural woodlands.

The participants observed nature in the woodlands, which extends over an irrigated rice field area and a thickly wooded area. By experiencing cutting bamboo plants, making a bamboo fence, chopping wood, and harvesting wild plants, the participants learned about the importance of conserving and restoring woodland nature and preserving biodiversity.



Cutting down bamboo



Maintaining the pond



Ikoma Mountain Range "Folding Screen of Flowers" Project

The Ikoma Mountain Range "Folding Screen of Flowers" Project, which is an environmental event sponsored by Osaka Prefecture, was held in November 2018 in Hirakata City. A total of 40 Group employees and family members participated. This event, which is held every year, combines hiking, beautification, cleanup and planting activities. Gazing at the persimmon trees heavily laden with fruit and the autumn leaves that have started changing color, they walked through the Sonenji area while picking up trash from the roadside and ditches and planted cherry blossoms and azaleas around the Otsubo pond.

The Ikoma Mountain Range looks like a folding screen when viewed from urban districts in Osaka. This event promotes the planting of cherry trees and Japanese maples, and from the viewpoint of disaster prevention and biodiversity, it helps to maintain the area in an orderly condition by addressing such issues as bamboo grass and rubbish.



Hiking while picking up trash



Planting activities



Comments from the Sonenji Mountain District Association

In addition to forest-planting activities, we are engaged in numerous activities including measures to deal with wild boars and build roads in the Sonenji district of Hirakata City, which is at the northern edge of the Ikoma Mountains.

In 2018, we were hit by major disasters including typhoons and heavy rains, and many landslides occurred and trees fell in this area, keeping us busy with recovery work, but we managed to promptly open the road.

This time, our field of activity entered the Ikoma "Folding Screen of Flowers" hiking route, an activity sponsored by Osaka Prefecture and the Hirakata City Executive Office.

With Mitsubishi Tanabe Pharma employees and other participants, we planted a total of 65 trees (20 mountain cherry trees, 45 wild azaleas) around the Otsubo pond. While watching and nurturing the trees over the next 10 to 20 years, I want to enjoy viewing them as they flower each season and to continue these activities that are aimed at creating a more attractive local environment.



(Kazuaki Imura, director of Sonenji Mountain District Association)

Campaign to Promote Environmental Conservation Activities

In its environmental and safety policies, the Group is committed to proactively protecting the global environment.

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 activities.

The following are the four activities targeted for this campaign in fiscal 2018.

- Clean-up Japan Campaign (Onoda Plant)
- Hama-Road Supporter activity (Yokohama Site)
- Osaka Marathon Clean-Up Operation (Head Office)
- Osaka Marathon Clean-Up Operation (Kashima Site)



The Company's original towel scarf

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



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



Osaka Marathon Clean-Up Operation (Head Office)



Osaka Marathon Clean-Up Operation (Kashima Site)



Promotion of Environmental Communication

Participation in Environmental Information Disclosure Program

In evaluating companies, the importance of ESG (Environment, Society, Governance) information is increasing. In this setting, the Ministry of the Environment, with the aim of creating a sustainable society in which companies that aggressively conduct environmental activities receive appropriate evaluations from investors, as well as appropriate funding, is implementing an environmental information disclosure verification project (ESG dialogue platform) where companies and investors come together to hold discussions on environmental information.

The Company has continually participated in this project since fiscal 2014 and has held ESG discussions with investors. In fiscal 2018, we updated our environmental information and continue to actively promote communication with our stakeholders.

Support for Regional Environmental Activities

As one part of its corporate citizenship initiatives, the Group provides support for regional environmental activities. In fiscal 2018, we co-sponsored six environmental events sponsored by the Toda Environment Fair Executive Committee, the Minoh Mountain Patrol, the Ikoma Mountain Range Regional Promotion Council, and others, and provided Aspara drinks at these events. In addition, Group employees and their family members participated in multiple events and worked together with other participants to implement these activities.



The 15th Minoh Mountain Clean-Up Operation
(December 1, Minoh City, 286 participants)

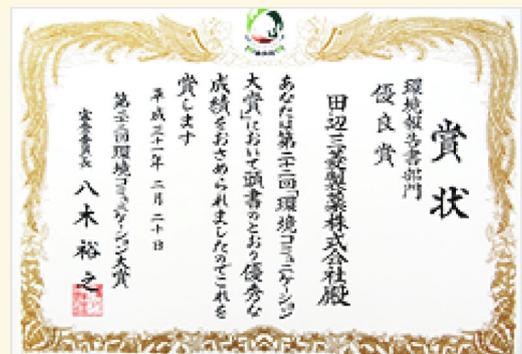
Click [here](#) for information about greening and beautifying activities conducted around the worksites

Receipt of Excellence Award in the 22nd Environmental Communication Awards

In February 2019, the Mitsubishi Tanabe Pharma Corporate Report 2018 and CSR Activities Report 2018 received the Excellence Award for the second consecutive year in the Environmental Report Section of the 22nd Environmental Communication Awards.

The purpose of the Environmental Communication Awards is to promote initiatives in the fields of business environmental management and environmental communications and to enhance the quality of environmental information disclosure. To that end, the Ministry of the Environment and the Global Environmental Forum recognize excellent environmental reports and environmental activity reports through this program.

This award was presented to the Company for its ambitious approach to environmentally friendly management and proactive information disclosure in the Mitsubishi Tanabe Pharma Corporate Report 2018 and CSR Activities Report 2018. The award specifically commended Corporate Report 2018 for its overview of environmental activities as initiatives to create value and sustain the growth of the Company. Also commended in CSR Activity Report 2018 was the description of the results of taking on challenging targets to reduce CO₂ emissions, and the extensive and thorough disclosure of CSR-related data.





VOICE

I Hope to Leave the Magnificent Nature of Satoyama to Our Future Children!



Ryo Nomura
Executive Director,
NPO Shizen Kankyo Academy

The environment of Japan's Satoyama woodlands, which is inhabited by various plants and animals such as killifish and fireflies, has vanished in recent years due to changes in human lifestyles.

The NPO Shizen Kankyo Academy is restoring and preserving the Satoyama environment in collaboration with companies and the government. In addition, to stimulate interest in nature, it conducts environmental education for children through environmental conservation activities, and develops human resources who will lead the next generation.

The Mitsubishi Tanabe Pharma Group has been participating in "Tokyo Greenship Action" since 2013. Its employees and their families and children, men and women, young and old participate with us every year in activities to preserve and restore Satoyama in the Hachioji Takiyama Satoyama Conservation Area, thereby contributing to the Satoyama environment's preservation.

In order to connect Satoyama's magnificent nature with the future, I hope that Mitsubishi Tanabe Pharma's initiatives will go beyond their current environmental conservation activities to enable each person to participate more actively, and that they not only cooperate with the Shizen Kankyo Academy, but with other companies as well.



Promotion of Fair Operating Practices

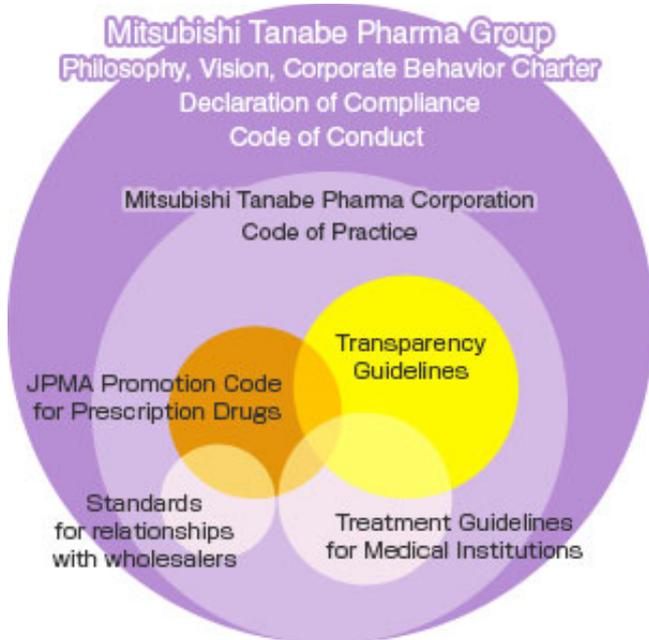
Initiatives for Fair Business Practices

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 are taking steps to ensure that each activity is conducted in strict observance of independent standards, such as the Promotion Code, the Transparency Guidelines, the Global Policy for the Prevention of Bribery and Corruption, and 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 as well as its affiliated 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



Appropriate Relationships with Medical Institutions and Patient Organizations

Compliance with Promotion Code and MHLW Guidelines on Provision of Prescription Drug Marketing Information

In the Japan Pharmaceutical Manufacturers Association's Code of Practice (JPMA Code), for a pharmaceutical company, "promotion" is not so-called "sales promotion." Rather, it is defined as the provision, collection, and transmission of pharmaceutical information to and from healthcare professionals and the advancement of the proper use and spread of those ethical pharmaceuticals based on that information.

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 Sales Information Provision Activities for Ethical Drugs, which sets forth a standard for appropriate sales information provision activities for ethical drugs by the Ministry of Health, Labour and Welfare, we established an appropriate Promotion Supervisory Committee and an appropriate Promotion Supervisory Division as a system for verifying that the Company is properly conducting sales information provision activities. In addition to creating appropriate promotional tools, we will conduct routine monitoring and education on sales information provision activities to promote the proper use of prescription drugs.

Fair Competition Code of the Ethical Pharmaceutical Drugs Marketing Industry

The Fair Competition Code on Restrictions on Premium Offers in the Ethical Pharmaceutical Drugs Marketing Industry (hereafter the "Code") has been established in the prescription drug industry. The aim of the Code is to restrict unjustifiable premiums, such as money, goods, services, etc., provided as an inducement to engage in transactions so as to ensure autonomous and rational decisions (purchasing, prescribing) by healthcare professionals, etc., as well as fair competition among businesses. The Code has its legal basis in the Act against Unjustifiable Premiums and Misleading Representations.

In addition to the Code, restrictions (hereafter, the Notifications) are in place on various matters relating to premium offers in the ethical pharmaceutical industry, medical devices industry, and the clinical laboratories industry, based on Article 4 of the above act. The ethical pharmaceutical industry restricts premium offers through the Code and the Notifications.

The Mitsubishi Tanabe Pharma Group adheres strictly to the Code, the Notifications, 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. Respecting the spirit of the IFPMA Code, from 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 these medical institutions and healthcare professionals is influenced by this situation.

Accordingly, in accordance with guidelines formulated by the Japan Pharmaceutical Manufacturers Association (JPMA), in July 2011 the Company formulated its guidelines for transparency in relationships with medical institutions, etc. In accordance with these guidelines, from fiscal 2012 we have followed a policy of releasing related information on the Company's website. This information includes payments to medical institutions as research and development expenses, etc., academic research support expenses, manuscript/writing fees, etc., information provision-related expenses, and hospitality and other expenses. 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. Of these, the Company is separately disclosing recipients, etc. for "research and development expenses," "academic research support expenses," and "manuscript/writing fees, etc." 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 accordance with the guidelines of the JPMA, in April 2013, we formulated our guidelines for transparency in relationships with patient organizations. From fiscal 2013 information regarding the funds and labor provided to these patient organizations is provided on the Company's website.

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.



Prevention of Bribery and Corruption

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 of the Group companies, with the aim of further strengthening its approach toward prevention of bribery and corrupt practices.

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

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.

In addition, as part of employee education, using e-learning tools, we took steps to deepen employees' understanding of internal guidelines on corruption that took effect in 2018.

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

Protection of Intellectual Property Rights

In line with its philosophy of contributing to the healthier lives of people around the world through the creation of pharmaceuticals, we create, protect, and put to effective use our globally competitive intellectual properties related to pharmaceuticals, which serve as the basis for our development of innovative pharmaceuticals and proper provision of opportunities for patients to receive healthcare.

Under its intellectual property policies, the Company protects its own pharmaceuticals and effectively utilizes intellectual property, as well as files, acquires, and maintains and manages intellectual property rights including patents and trademarks. In addition, we promote intellectual property strategies together with our business and R&D strategies, and work to ensure our rights at the appropriate time. Furthermore, the Company respects third parties' valid intellectual property rights by managing intellectual property risks through investigations into the rights of third parties.

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



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

Employees involved in procurement operations are working to implement CSR procurement in accordance with various rules and internal regulations, such as the Procurement Policy, formulated in July 2017, (global in scope) and the Procurement Compliance Code of Conduct (national in scope).

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

Please click [here](#) for further details.

Selecting and Reevaluating Suppliers

In selecting suppliers related to the production of pharmaceuticals, we first confirm that they do not have any relationship with anti-social forces. We then select suppliers in accordance with supplier selection standards developed in-house, which include such areas as quality assurance, technical capabilities, customer focus (ability to respond flexibly), prices, and management capabilities (continuity). In addition, for existing suppliers we continually implement reevaluation initiatives with consideration for our supplier selection standards.

Establishing a Sustainable Supply Chain

In regard to CSR-related areas in which we wish to work together with suppliers, such as the environment, human rights, and labor, we use a [guidebook](#) prepared by the MCHC Group that covers what the MCHC Group would like to share with suppliers. In this way, we are working to establish and strengthen a sustainable supply chain. In addition, in order to deepen mutual understanding with suppliers, we are utilizing a questionnaire, implementing explanation meetings, and working to facilitate the exchange of opinions.

■ Training on Laws and Regulations for Procurement

The Company's procurement departments regularly conduct training on the laws and regulations related to procurement. In this way, we are working to maintain a high level of awareness about observing related laws and regulations.

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)
- Other laws and regulations concerning import and export



VOICE

Complying with the Rules of Fair Competition and Conducting Appropriate Prescription Drug Marketing Information Provision Activities



Daisuke Omura
Ethics Review Group Manager
General Affairs Department

In a pharmaceutical company, "promotion" is not defined a "sales promotion," but as "providing, collecting, and transmitting medical information to health care professionals, and appropriately using and disseminating ethical drugs based on that information."

In addition, the Company complies with rules for the sale of ethical drugs, with the Promotion Code for Prescription Drugs, which is the code of the Japan Pharmaceutical Manufacturers Association (JPMA), and with its own Mitsubishi Tanabe Pharma Promotion Code for Prescription Drugs. The Company also takes appropriate action with respect to the Guidelines on Provision of Prescription Drug Marketing Information established by the Ministry of Health, Labour and Welfare. We seek corporate growth while adhering to social and industry rules. Believing that this will help contribute to the health of people around the world, we will continue to conduct prescription drug marketing information provision activities appropriately.



Research & Development

Basic Approach to Discovery Research

The Mitsubishi Tanabe Pharma corporate philosophy is "to contribute to the healthier lives of people around the world through the creation of pharmaceuticals," and on that basis, we are working to continually discover new drugs that address unmet medical needs (medical needs for which there are no effective treatments or drugs).

To that end, we will advance "R&D process reforms" and conduct discovery research with a focus on "expansion of medical and discovery technologies." Specifically, we will step up the utilization of open innovation with academic institutions and venture companies in Japan and overseas. We will also advance collaboration within the MCHC Group. In these ways, we will strive to contribute to healthy lifespans by working with a sense of speed 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.

Refractory 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 refractory 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). We have also filed for approval in Canada in October 2018 and Switzerland in January 2019.

Currently, applications are being filed with China's State Food and Drug Administration (NMPA) (April 2019) and Singapore's Health Sciences Authority (HSA) (April 2019) so that we can deliver edaravone to as many patients around the world who are fighting ALS as possible.

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.

Advanced research in academia generates innovative ideas and discovery seeds, and we will strive to be the first to link those ideas and seeds to discovery research. In addition, by introducing themes and technologies from outside the Company, we are working to increase the speed of R&D activities.

We will work in collaboration with companies in the MCHC Group and utilize MP Healthcare Venture Management, an investment subsidiary, and Tanabe Research Laboratories U.S.A., Inc., an overseas research base. In this way, we will combine external R&D activities and our in-house core competencies in drug discovery and be the first to deliver original value to patients.

Main Alliance Partners (fiscal 2018)

Date announced	Alliance details	
May 2018	Establishment of immune-mediated Inflammatory diseases consortium for drug development	Academia: 3 Pharmaceutical companies: 3
July 2018	Established "Drug Discovery Neuro-Medical Science Joint Research Course"	Osaka University
October 2018	Joint research program to discover new drugs using drug-repositioning Compound Library	Astellas Pharma Inc. Daiichi Sankyo Company, Limited
October 2018	Research collaboration for the development of innovative antibody drug	Pharma Foods International Corporation
December 2018	DNA-encoded library based innovative drug discovery research collaboration	HitGen, Ltd
February 2019	Research collaboration on antibody drug conjugates	MedImmune, Ltd
March 2019	Joint research into anti-malarial drugs	Global Health Innovative Technology Fund (GHIT Fund)




Consumer
Issues

Manufacturing and Supply Chain

Pharmaceutical Manufacturing Process

The Mitsubishi Tanabe Pharma Group manufactures and supplies high-quality pharmaceuticals and strictly manages product quality from acceptance testing of raw materials procured in Japan and abroad to the manufacture of GMP-compliant pharmaceutical ingredients and preparations 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.

Process from Raw Materials to Pharmaceutical Product



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 ingredients, 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.



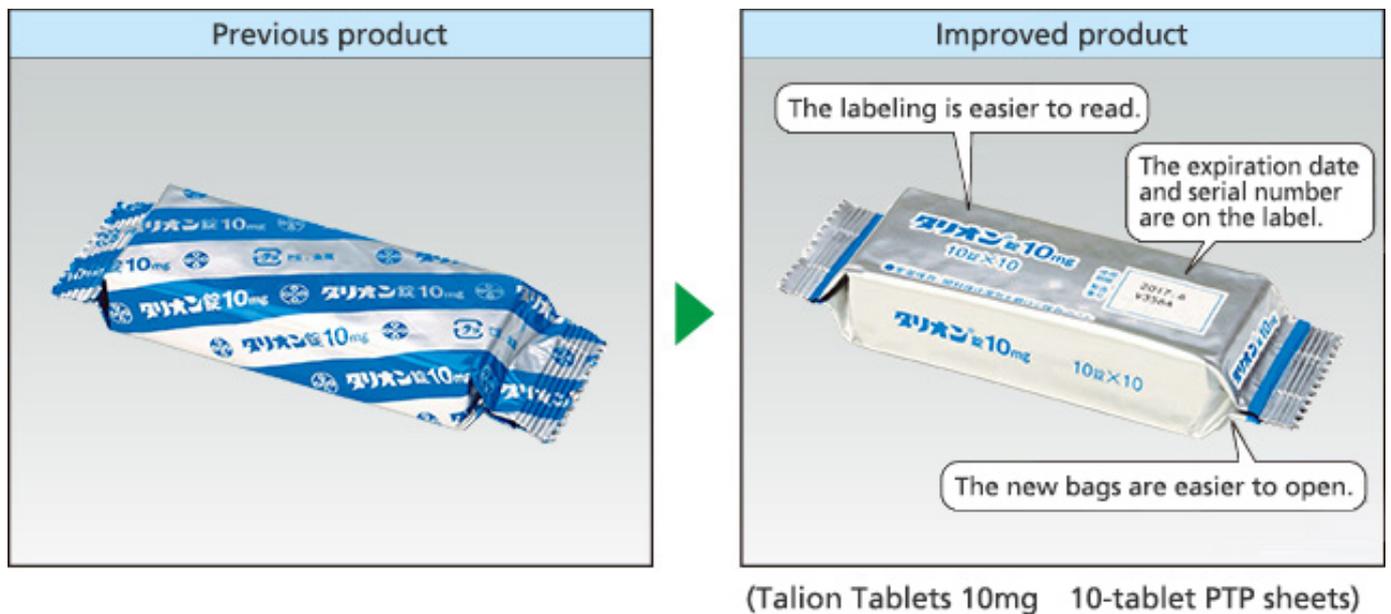
Example of a product name and content displayed on each pocket

Measures to Make Drugs Easier to Use

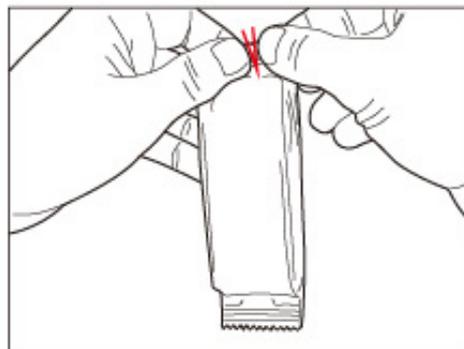
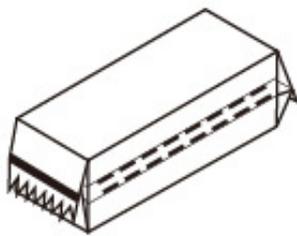
Initiatives with aluminum bags (easier to open and easier to take out the product)

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).

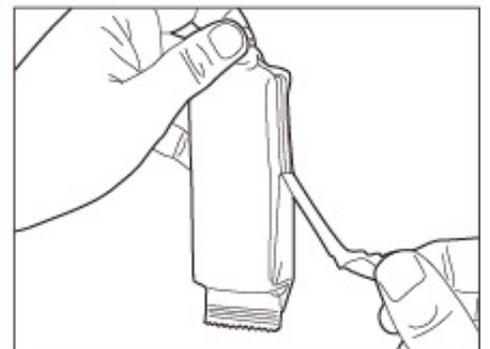
Aluminum bags that are easy to open and make it easy to remove the product



<Easier to open!>



1. Tear an opening.

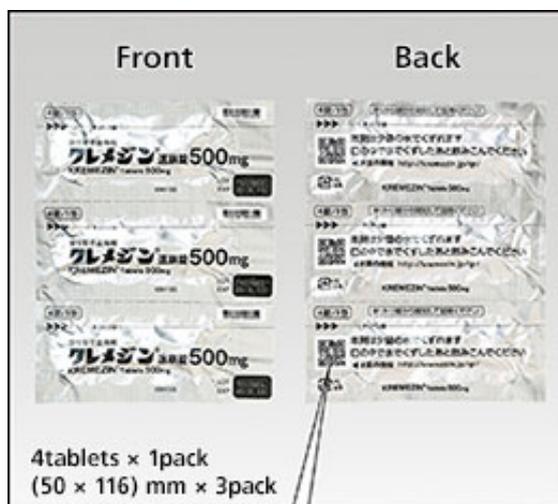


2. Pull down.

(Perforations were added on the side.)

Using Packaging Initiatives to Provide Explanations of How to Take Medicine

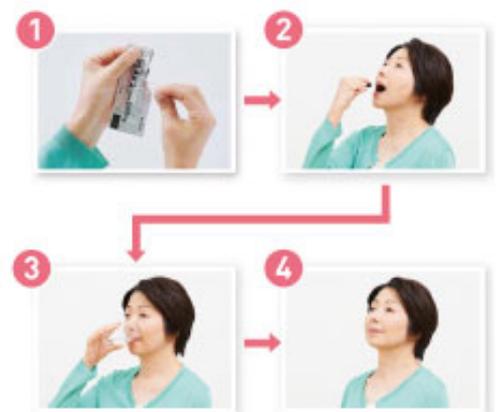
Some drugs are difficult to take because of the dosage form. To help patients to take their drugs correctly, we print a QR code on the drug packaging and make it simple for them to view a video that explains in an easy-to-understand manner the basic way to take the drug, points to be paid attention to, 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 preparations for domestic use) and Mitsubishi Tanabe Pharma Indonesia (produces of 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 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.

At the plants in these countries, we are taking steps to create a better environment by actively participating in campaigns to prevent and reduce air pollutant emissions, reduce energy consumption, and create beautiful industrial parks to improve the environment in local communities.

In addition, the International Business Department has developed training programs to improve local production technology and the skills of individuals in charge. In fiscal 2016, in cooperation with the Production Technology & Supply Chain Management Division, we have added a program where the staff of overseas manufacturing bases attend training courses at the Mitsubishi Tanabe Pharma Factory in 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) Yoshitomi 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 April 2018, we accepted Ms. Zhao Xiang as a trainee from Tianjin Tanabe Seiyaku (TJT) at the Yoshitomi Plant for six months.

In the training, she learned about our quality assurance structure, system, and quality assurance procedures through hands-on work at the Yoshitomi Plant. After returning to China, she is expected to help improve the production system at her local plant.



Briefing session

Ms. Zhao's comments

I was able to comprehend that part of the quality system that I only understood intellectually, but could not put into practice. I would like to share the experience and knowledge that I gained with everyone at TJT and use it consciously and responsibly in my future work.



Ms. Zhao Xiang - Trainee

Managing Distribution to Ensure Stable Supplies

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

We ship drugs to customers through a dual-base supply system comprising the New East Japan Distribution Center (Kuki, Saitama Prefecture) and the New West Japan Distribution Center (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 in crisis situations, such as a major disaster. 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. These MRs work each day to supply medical institutions throughout the country with scientific information concerning not only the benefits of Mitsubishi Tanabe Pharma's products, but also their possible side effects, in order to ensure that the products are used appropriately. The Group's representatives are also responsible for collecting data on the efficacy and safety of the drugs at the usage stage information that could not be gleaned during R&D and providing medical professionals with data-based evaluations. Specialized MRs are responsible for products that require a high level of knowledge about specific illnesses and drug treatments. General MRs, on the other hand, cooperate with specialized MRs to provide quality information services based on the needs of medical professionals.

Providing Comprehensive Information through Seminars

Nikkei Health Seminar 21

With the cooperation of Mitsubishi Tanabe Pharma, Nikkei Health Seminar 21 was held in February 2019 under the title "I want to tell you about the intractable disease called ALS. Let's think about what we can do now to help." (Sponsored by Nihon Keizai Shimbun).

The day was divided into two parts: a lecture given by a specialist and a panel discussion to answer questions from the audience. Many people beset by ALS listened to lectures, including patients with ALS (myotrophic lateral sclerosis) and their families, as well as doctors, nurses and caregivers.

Attendee interest in ALS was extremely high, and hearing about the importance of team medical care to support ALS patients, and to not just fear the disease, but to keep an eye on the progress of therapeutic research, they understood the value of getting an early start with treatments that are available now.



Nikkei Health Seminar 21

World Psoriasis Day 2018 Media Event -Follow Your Heart-

As a World Psoriasis Day related event on October 29, the World Psoriasis Day 2018 Media Event -Follow Your Heart- was held under the co-sponsorship of the Japan Psoriasis Association, the Japanese Society for Psoriasis Research, and nine pharmaceutical companies including Mitsubishi Tanabe Pharma in October 2018.

On that day, an event was held in two parts, with the first part being a basic explanation by a medical specialist of the disease called psoriasis, and the second part a fashion show organized by Angelica Michibata, a model who revealed last year on Instagram that she suffers from psoriasis, of clothing modeled by five patients with psoriasis that focused on clothes and fabric designed so they are easy for psoriasis patients to wear.

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



World Psoriasis Day 2018 Media Event

Supporting Proper Self-Medication for Skin Problems

Mitsubishi Tanabe Pharma believes it is important to help people suffering from dermatological problems to obtain accurate information and find a treatment as quickly as possible. Toward this end, it has been conducting a variety of educational programs through TV commercials and websites.

Of these, the Hifu No Koto Site provides information to support self-medication, based on the opinions of experts, such as doctors and pharmacists.

Overseas Marketing Activities

Aiming to contribute to the health of people around the world, Mitsubishi Tanabe Pharma 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.

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, insurance reimbursement support, and 24/7 clinical nursing hotline support. In these ways, we are supporting ALS patients.

In March 2018, sales of diabetes treatment agent Canaglu began through local companies Taiwan Tanabe Seiyaku and Tai Tien Pharmaceuticals. In April 2018, product launch symposiums were held in Taiwan. In December 2018, we established a sales subsidiary in Malaysia. In these and other ways, we will continue to contribute to the health of people around the world providing a wide range of support and high-quality information, including the latest information, that meets the needs of patients.

Providing Information through Websites

Mitsubishi Tanabe Pharma has set up health support websites in Japanese for rheumatoid arthritis, Crohn's disease, ulcerative colitis, psoriasis, ankylosing spondylitis, Behcet's disease, amyotrophic lateral sclerosis (ALS), cerebral infarction, multiple sclerosis, spinocerebellar degeneration and multiple system atrophy, liver failure, chronic kidney disease, sleep disorders, vaccines, tinea unguium, and eczema and dermatitis.

Through these websites, we are providing patients and their families with information about the symptoms, diagnoses, and treatment of these diseases in an easy-to-understand manner.



Information for patients and their families

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.

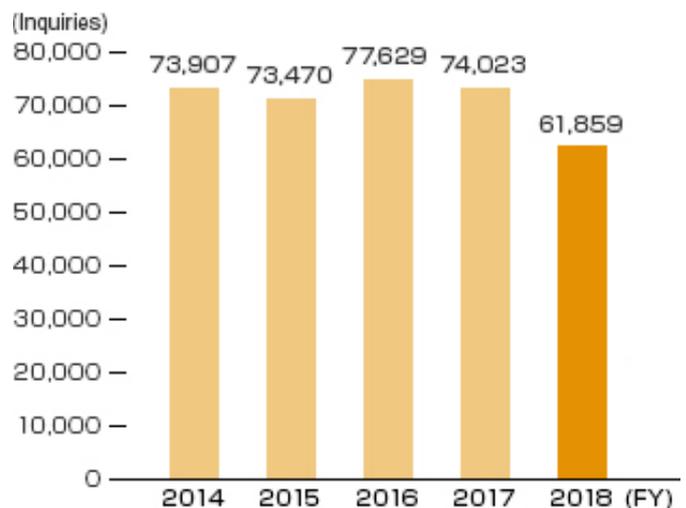
The Medical Information Center receives more than 50,000 inquiries a year on a wide range of subjects. It also provides information on the appropriate use of the Company's products while utilizing basic pharmaceutical information and the in-house Q&A system.

Furthermore, information that the center receives about safety and quality, such as information about side effects, is shared with related departments. In this way, the center helps improve product reliability. In addition, since October 2017 we have been building a framework for effectively sharing within the Company the valuable information that is collected by the center. We are working to reflect customer feedback in the further improvement of products and in the future discovery of new products.

From April 2019, we will be in charge of maintaining pharmaceutical information at the Medical Information Center including the creation of product Q&As provided through our website. We will reflect the needs of customers more rapidly than before, which will help us to provide valuable information.

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.

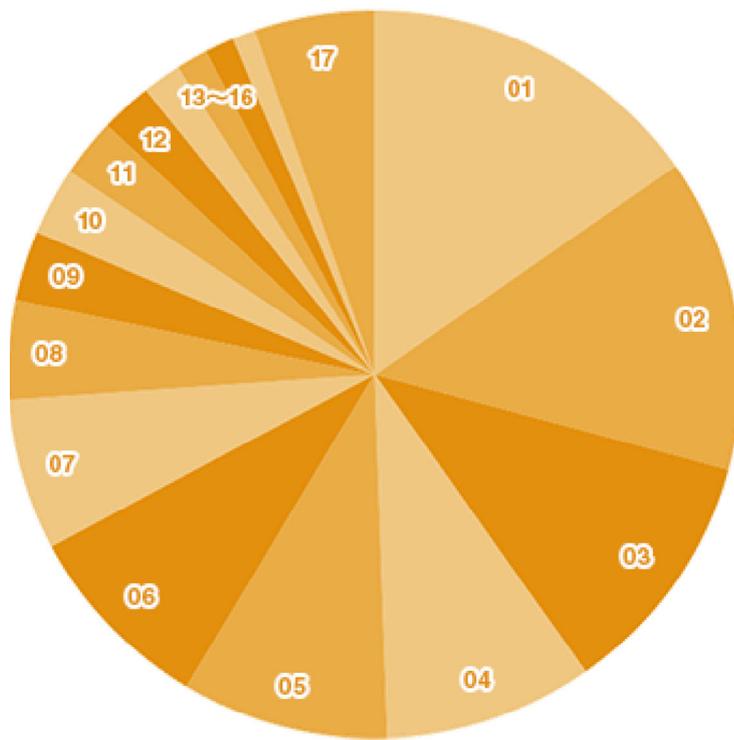
Number of inquiries received by the Medical Information Center



Note: The number of inquiries decreased since the sales of some products were relegated to other companies in fiscal 2018.

Subject of Inquiries to the Medical Information Center

FY 2018



01	Product distribution	15.3%
02	Usage and dosage	13.9%
03	Stability	11.0%
04	Safety (precautions for use)	9.2%
05	Documentation	9.1%
06	Side effects	8.6%
07	Insurance and prescriptions	6.7%
08	Indications and efficacy	4.4%
09	Drug formulations (properties)	3.1%
10	Drug interactions	3.0%
11	Incompatibility with other drug	2.6%
12	Toll-free guidance*	2.3%
13	Unapproved indications and efficacy	1.7%
14	Pregnancy and breast-feeding	1.4%
15	off-label use	1.3%
16	Pharmacokinetics	1.0%
17	Other	5.3%

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




Consumer Issues

Drug Safety / Quality Assurance

Quality Assurance System of Drugs

To ensure that our pharmaceuticals can be used by healthcare professionals and patients with peace of mind, reliability in terms of quality, efficacy, and safety is important.

We are working to secure efficacy, quality, and safety by strictly observing the appropriate standards for ensuring reliability, as stipulated by "The Law on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices." In addition, we acquired NDA approval for our product in the U.S. in May 2017, and accordingly we are providing products with assured reliability in the U.S as well. In this way, while complying with the regulations of each country, we will provide products that can be used with peace of mind to people all over the world, with the difference in medical circumstance always in mind.

To strictly observe laws and regulations and to meet the requests of society, the Group will continue working to maintain and enhance its quality assurance system.

System to Assure the Reliability of Drugs

Auditing departments	Research	Assures reliability of research data based on GLP* and reliability standards
	Development	Assures reliability of clinical studies and investigational drug quality based on GCP* and GMP*
	Production	Assures quality of post-marketed drugs based on GMP* and GQP*
	Marketing	Manages post-marketing drug safety based on GVP*
	Medical Information Services (Customer Service)	Receives feedback from customers and provides information on the proper use of drugs

* GLP (Good Laboratory Practice)
Standards for conducting pre-clinical trials on pharmaceutical safety

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

* GVP (Good Vigilance Practice)
Pharmaceutical post-manufacturing and marketing safety management

* GCP (Good Clinical Practice)
Stands 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.

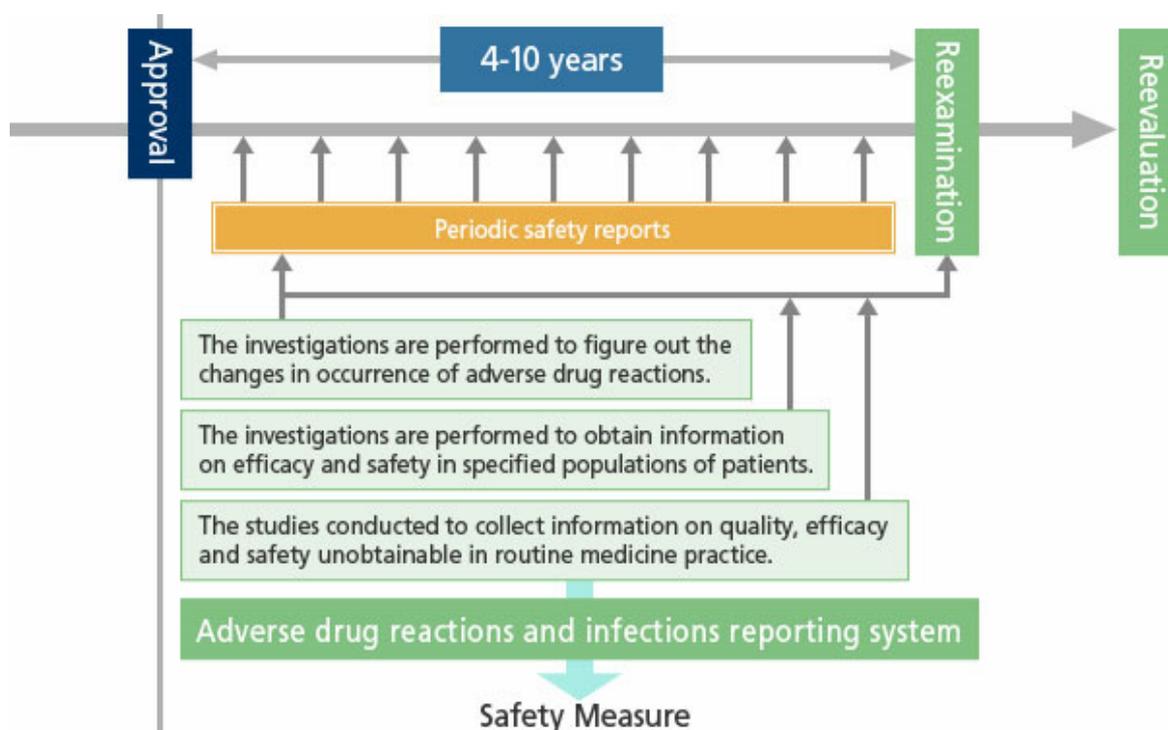
Radicut (Japan product name), which was discovered by the Company, was approved in Japan in 2001 as treatment agent for the acute stage of cerebral infarction and has been in use for more than 15 years. Subsequently, it acquired an additional indication in Japan for Amyotrophic Lateral Sclerosis (ALS) 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 GQP (regulations regarding pharmaceutical quality control). Patient safety is the first priority of every employee, and we are implementing initiatives targeting further quality assurance with a focus not only on results but also on processes. Through management, supervision, and guidance of manufacturing sites in Japan and overseas, we are working to improve the quality of the products that we provide to the market.

Furthermore, 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, we are continuing to strengthen collaboration with manufacturing plants and reinforce checking systems, and regularly confirm the actual manufacturing practice and the description in the certificate of approval for manufacture and sales. In addition, through collaboration with related in-house units, we will ensure that we have an appropriate system for change management implementation. Furthermore, in accordance with self-checks conducted by manufacturing plants and surveys conducted by Mitsubishi Tanabe Pharma, we will work to rectify and improve the situation if there are any deficiencies, implement thoroughgoing measures to prevent a recurrence, and secure pharmaceutical quality.

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 related to pharmaceutical safety.

In fiscal 2018, we conducted training on variety of themes, such as pharmaceutical safety using lessons learned from incidents of health problems caused by pharmaceuticals, and pharmaceutical company activities implemented to appropriately manage pharmaceutical risk. We discussed what could be done at each workplace by people who work at pharmaceutical companies. By learning from past drug induced suffering, we renewed our pledge to prevent the recurrence of drug induced suffering, and reaffirmed the need for risk sensitivity and an ethical viewpoint in daily activities. In addition, we reaffirmed the importance of always acting with the highest priority on the safety of patients in all our business activity processes, including being aware that pharmaceutical safety management is a social duty of pharmaceutical companies and doing our utmost to advance appropriate usage.



Solving Issues Related to Improving Access to Healthcare

Efforts to Solve Issues Related to Improving Access to Healthcare

In the Sustainable Development Goals (SDGs) established by the United Nations in 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. To contribute to the health of people around the world and continue to meet patient needs, the Group will promote innovation, build a stable pharmaceutical distribution system, and work to solve the issue of improving access to medicine and healthcare through initiatives and patient support programs based on collaborative activities with various partners.

Promoting Innovation

To continually discover innovative new drugs that address unmet medical needs such as rare and intractable diseases, we are advancing "R&D process reforms" and conduct discovery research with a focus on "expansion of medical and discovery technologies."

- Refractory disease initiatives Example: amyotrophic lateral sclerosis (ALS)
- Promoting open innovation (collaboration with academia, pharmaceutical companies, and GHIT Fund)
For details, please see "Research & Development" (https://www.mt-pharma.co.jp/shared/show.php?url=./e/company/csr-report/consumer_issues/index.html)

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. In the manufacturing of pharmaceuticals, we draw on the wide range of technologies and original know-how that we have developed over many years as a global pharmaceutical enterprise.

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. At the same time, to deliver pharmaceuticals that maintain their quality to patients, we have also 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" (https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/consumer_issues/manufacturing.html)

Improving Access to Pharmaceuticals and Healthcare Services

In addition to creating and providing pharmaceuticals, we are working to improve access to pharmaceuticals and healthcare services through cooperative activities and patient support programs, including support for developing countries with various partners such as NPOs, NGOs, and industry groups.

Participation in the Global Health Innovative Technology Promotion Fund

The Global Health Technology Promotion Fund (GHIT Fund), is an international public-private partnership that promotes the creation of innovative treatment agents, vaccines, and diagnostic drugs for infectious diseases that affect people in the developing world, such as malaria, tuberculosis, and neglected tropical diseases. In addition to providing financial support to the fund, we also perform joint research to create new anti-malaria drug candidate compounds through this fund and contribute to the treatment of infectious diseases in developing countries. Malaria is one of the world's three major infectious diseases, along with AIDS and tuberculosis and the eradication of malaria is a goal of the United Nations Sustainable Development Goals (SDGs).

Supporting Medical Access 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. 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) and Uzbekistan.	Kenya, Uzbekistan
Child palliative care in developing countries	In the hope of providing palliative care services equally to all children, Mitsubishi Tanabe Pharma Indonesia matches employee donations, which it donates 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

Supporting Healthcare Services with Grants to ALS Patient Organizations

Mitsubishi Tanabe Pharma America is cooperating with "The ALS Association," an ALS patient organization, to develop various assistance activities. Specifically, the Company provides alternative communication devices, life support kits, and training and education for caregivers, and also supports patients and their families fighting intractable diseases.

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, insurance reimbursement support, and 24/7 clinical nursing hotline support.

Regarding these initiatives, please see "Contribution to Medical Care and Welfare" (<https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/community/medical.html>)



VOICE

Accurate and New Information Sent to Protect Children's Health and Safety



Michiko Fukukura
East Japan Promotion Office,
Pediatrics Area, Product Marketing
Department, Sales & Marketing
Division

In October 2018, the Company launched the Pediatrics Area, East/West Japan Promotion Office to further focus on the domestic vaccine business. As a Pedi-MR*, I'm currently working with a desire to protect children's health and safety, and to support their healthy physical and mental growth.

Regarding pediatrics, especially vaccines, "prevention" is the greatest goal to protect children from infections. It is said that in the future, society will face an increasing risk of the influx of various infectious diseases, and therefore not only doctors, but also nurses and receptionists who have many opportunities to interact with the parents of children, need accurate and new information.

As the mother of a daughter, I try not only to provide academic information, but also local information that is normally important for parents to know.

To achieve a world where all children can live healthily and safely, I seek to work with a smile on my face.

* Pedi-MR: An MR that specializes in pediatrics. Named at an in-house meeting from Pediatrics. The name was coined at an internal meeting from the word "pediatric."



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.



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 Intractable Disease Patient Organizations

The Mitsubishi Tanabe Pharma Tenohira Partner Program

The Company believes in the importance of developing new drugs for refractory 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 2018, support was provided to 21 organizations. In addition to existing "project grants," we established "startup grants" to support organizations that do not yet have extensive track records of activity, and have made it possible to support more organizations.

At meetings held on October 4, 2018 (Head Office) and October 11, 2018 (Tokyo Head Office) to report on the fiscal 2017 activities of organizations receiving assistance under the Mitsubishi Tanabe Pharma Tenohira Partner Program (14 organizations), participants shared their opinions about challenges and solutions in conducting activities that transcend each other's diseases. 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 2019, we will support nine startup grants and 10 project grants, for a total of 19 organizations.



Meeting to report on support operations



Free discussion

For details about grant recipients and other information, please see the Tenohira Partner Program website at: <https://www.mt-pharma.co.jp/shared/show.php?url=../csr/support/index.html>

Participation in "Walk to Defeat ALS" and Other Events (USA)

Mitsubishi Tanabe Pharma America (MTPA) co-sponsored more than 60 charity walk events held in the United States in fiscal 2018 and employees participated in more than 40 of these events.

Employees and their families participated in the walking event "Walk to Defeat ALS" organized by "The ALS Association," an American patient group for amyotrophic lateral sclerosis (ALS), and held annually in the spring and autumn.

We support public awareness, treatment, and research and development of ALS, as well as ALS patients and their families.

Through these charity activities, MTPA, in cooperation with the ALS patient group "The ALS Association," we have performed a number of support activities (provide alternative communication equipment, life support kits, training and education for caregivers, etc.) and have helped patients and their families fight intractable diseases.



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 2, 2018, 11 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 while dripping with sweat. In total, they handed out about 4,000 Aspara drinks, a Company product, to participants. With big smiles on their faces, they handed out Aspara drinks while expressing their appreciation and thanks to the 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



Giving sweets to children

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. Five employees were internally recruited and selected to participate as charity runners for TCH in the Osaka Marathon held on November 25, 2018. On the day of the marathon, everyone finished the race with the encouragement of the volunteer cheerleading squad. All the assembled charities, in agreement with the charity runners' desire to support sick children, donated to TCH. As charity runners, we will continue to support TCH's activities in fiscal 2019.



Cheerleading squad



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.

Employees participated as volunteer staff in NPO Yokohama Children's Hospice Project event held on November 3, 2018 and February 11, 2019. Participation in this event, which was held to further develop and spread Japan's children hospice and the palliative care of children, was a good opportunity to understand the importance of supporting children with serious disease and their families. We will continue to support this project in fiscal 2019.



Together with volunteers



Dealing with visitors at the entrance to the event

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. 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 to NGO Rachel House*, a pioneer in palliative care in Indonesia. MTID will continue to provide its support in the years ahead.

* 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 medical 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 pound (approximately 650000 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.



Team Mit5upeakers

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

On June 1, 2018, 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 47 consecutive years the Company has contributed OTC products and made other contributions to Kodomo-no-kuni.

At the presentation ceremony, Mr. Tameishi, the director of Kodomo-no-kuni, expressed thanks for the many years of pharmaceutical donations and said that the medicines donated by the Company were very helpful.

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



Setting for taking commemorative photographs with Kodomo-no-kuni bird characters.

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 15,000 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 offices, 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 blood donation activities in cooperation with the Indonesian Red Cross Society. Donation activities were implemented four times in fiscal 2018, and more than 170 employees cooperated in the donation of blood.



Blood donation at the Kashima Site



Donating blood at Mitsubishi Tanabe Pharma Indonesia

Contributing to Developing Countries

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

The GHIT Fund aims to discover new drugs for infectious diseases that affect people in the developing world, such as malaria, tuberculosis, and neglected tropical diseases. To that end, the GHIT Fund was established as a public-private partnership from Japan. Through new drug R&D capabilities that utilize the advanced science and technology know-how of Japanese pharmaceutical companies and other institutions, the fund aims to strengthen Japan's international contribution to global health.

In May 2015, through the GHIT Fund, the Company provided its pharmaceutical compound library (50,000 compounds) to Medicines for Malaria Venture, 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 addition, following the provision of financial support for the GHIT Fund first phase activities (fiscal 2013 - fiscal 2017), the Company will also provide financial support to the GHIT Fund for second phase activities (fiscal 2018 - fiscal 2022).

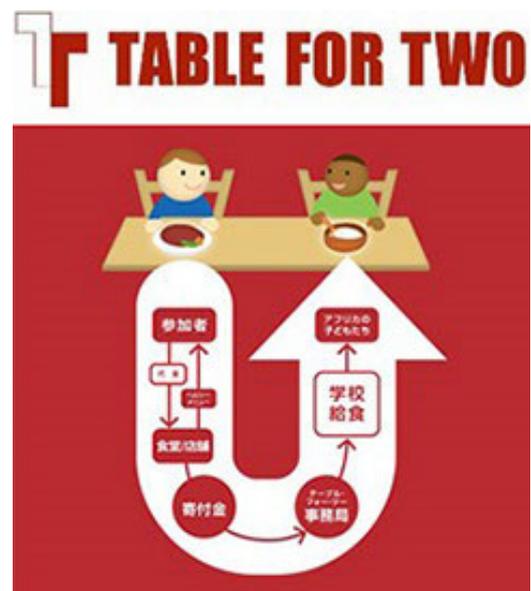
Malaria, along with AIDS and tuberculosis, is one of the three major infectious diseases in the world, and its eradication has been set as a goal of the United Nation's Sustainable Development Goals (SDGs).

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 2018, 244,726 yen was donated, and the cumulative total donated since the start of the activity reached 660,000 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 framework

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

FY	Contributions from the TFT menu	Contributions from TFT vending machines	Total
2018	112,860 yen (5,643 meals)	131,866 yen (6,593 meals)	244,726 yen (12,236 meals)



Healthy TFT menu



Support also provided by TFT vending machines



Poster displays number of meals donated (Kashima Site)

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 2018, a total of 289,982 yen, equivalent to polio vaccines for 14,500 children, was raised from employee donations and matching gifts from the Company. Since the start of these activities, total donations have exceeded 1.2 million yen, equivalent to about 60,000 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.

Contributions resulting from participation in vaccine support activities for children in developing countries

FY	Amount of contributions	Polio vaccine (estimate)
2018	144,991 yen (employees) 14,991 yen (company matching)	7,250 doses 7,250 doses
Total	289,982 yen	14,500 doses



Original poster

Donating Medicines to Developing Countries

The Company and Mitsubishi Tanabe Pharma Korea are contributing to the health of patients in developing countries where medical care is unavailable by donating their products to overseas medical volunteer organizations operating in Africa (Kenya) and Uzbekistan.

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.



Initiatives to Support Active Lifestyles for People with Disabilities

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.



(Head Office)
Bread sales are always a huge success.

Participation in the "Movement for the Intellectually disabled of Singapore" (MINDS)

Mitsubishi Tanabe Pharma Singapore, in partnership with the local Mitsubishi Chemical Group company, participated in a charity event for handicraft together with users of facilities for people with intellectual disabilities in Singapore. All the users of these facilities are working actively and energetically.

This initiative was also an opportunity for community exchange through volunteer activity and was a fun and productive time for us.

* MINDS is a private social welfare organization in Singapore that operates special schools for the handicapped, occupational training centers, employment development centers, and a residential nursing facility with government assistance. We participated in a workshop at the employment development center.



Together with the participating Group companies

Help Mark's Educational Activities

The Group is actively involved in the Help Mark's educational activities. The Help Mark is a mark or symbol that informs others that the person with this symbol has a hidden impairment or condition that is not readily apparent to others, such as an artificial leg or joint, internal disorder or intractable disease, or is in early pregnancy, and needs assistance or special consideration. The mark was created by the Tokyo metropolitan government to make it easier to obtain assistance from others. The Help Mark is spreading nationwide, but awareness of it needs to be raised.

On February 14, 2019, we invited the person in charge of the Bureau of Social Welfare and Public Health, Tokyo Metropolitan Government, to our Tokyo Head Office to lecture on "The Social Model of Disability and the Help Mark." On that day, each of our business offices participated by video conference and about 200 employees heard the lecture.

Some of the employees who attended commented that, "I didn't know what the Health Mark meant, so it was very informative." and "If I come across someone wearing the Help Mark who needs help, I will talk to them."

At each business office, we put up our own public awareness posters calling for greater understanding. The Group seeks to achieve a sustainable society where everyone can live active lives.



Lecture (Tokyo Head Office)



Company-created poster



In-house educational placard



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 2018, the foundation provided 102 grants with a total amount of 135.0 million yen. For further information about the supported research and grant recipients, please refer to the foundation's website. (<https://www.smrf.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 2018, the foundation provided 132 grants with a total amount of 73.0 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 2018 greening and beautification activities

Worksite	Program name
Head Office	<ul style="list-style-type: none"> Osaka Marathon Clean-Up Operation (office surroundings)
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)
Yokohama Site	<ul style="list-style-type: none"> Hama-Road Supporter (office surroundings)
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 Seashore cleaning volunteer activity
Mitsubishi Tanabe Pharma Indonesia	<ul style="list-style-type: none"> Planting and 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

For information on initiatives concerning environmental conservation activities, please click [here](#).

For information on environmental activities, please click [here](#).



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



Osaka Marathon Clean-Up Operation (Head Office)



Community cleaning activities (Toda Site)



This was the 39th time this event was held, and 100 employees and family members participated in the clean-up operation (Yoshitomi Plant).



Greening and beautification activities through planting in the area near a plant (Mitsubishi Tanabe Pharma Indonesia, Bandung Plant)



Conducting monthly outdoor cleaning and disposal (Mitsubishi Tanabe Pharma Korea)



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 four years since its opening, more than 27,000 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/>

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 centered on 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.



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

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.



Rakugo event offered in collaboration with the Shinno-sai Festival



Doshomachi Museum Street

Yoshitomi Summer Festival

In August 2018, 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 45th time this regular local event was held. With perfect weather on the day of the festival, more than 2,200 local residents, employees, and their family members gathered. The day was filled with a variety of performances, including summer Obon dances by children, children's dancing, Kagura Shinto music and dancing, a song show, and belly dancing. These performances were enjoyed by everyone from children to adults. The event's grand finale was a traditional firework show that was greeted by loud cheers and applause from the spectators' seats. Finally, a grand lottery drawing with luxury prizes generated excitement among the crowd, and the Yoshitomi Summer Festival was concluded as a great success.

Moving forward, we will continue working to build connections with the local community through the summer festival.



The traditional performance art of Kagura is powerful and compelling



Excited cheers for the impressive firework show!

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 2018, with the aim of developing and maintaining the cityscape, centered on Doshomachi, we signed a basic written confirmation for the maintenance of Doshomachi Dori with Osaka City in order to create attractive and people-friendly towns through public-private partnerships. As a result, both parties will cooperate to further facilitate work to eliminate telephone poles and maintain roads. We will continue to cooperate with government entities, related authorities, local neighborhoods, landowners, and related companies on this project.

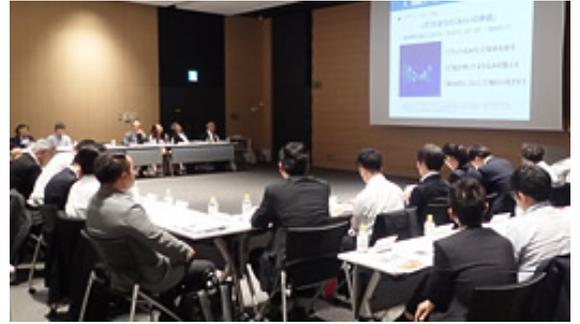
Also, as a part of our efforts to conduct activities that foster trust and mutual cooperation among the people who live and work in the area, we launched a rooftop greening and winemaking project through potted grape cultivation aimed at members, held exchanges between members, and raised awareness of health among the 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) :<https://doshomachi-club.org/>



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



Signing ceremony for the basic written confirmation for the maintenance of Doshomachi Dori



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. We received the following positive feedback from students who attended the lectures, "I was surprised to learn that it takes an immense amount of time and expense to develop new drugs." "I would also like to be able to work with confidence in a rewarding job."



Students show keen interest in employees' talk



Cooperation with schools in Saitama Prefecture in the WIN-WIN Project

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. Comments from visitors included, "Communication and teamwork are important in work" and that, "The work is hard and difficult, but during the tour I realized that work is fun and rewarding."



Neighboring elementary schoolchildren greatly enjoy their video conference experience (Toda Site)



Letter of thanks sent by the students. (Yoshitomi Plant)



Interacting with students is fun (Head Office)

Disaster Reconstruction Aid

The Company is providing support to regions affected by the Great East Japan Earthquake and the Kumamoto Earthquake and working to support recovery and reconstruction initiatives for regions damaged by natural disasters in Japan and overseas.

Support for Areas Damaged by the Earthquake in Northern Osaka Prefecture

An earthquake struck northern Osaka Prefecture on June 18, 2018, and to help people who were affected by the earthquake and assist in the reconstruction of the area, we made a donation of 10 million yen through the Japanese Red Cross Society.

Support for Areas Affected by Torrential Rains in July 2018

To assist in the relief efforts for people affected by torrential rains in western Japan in July 2018, and to help in the reconstruction of the affected areas, the Company donated 5 million yen through Japan Platform (JPF), a specified nonprofit corporation. Furthermore, donations were collected from employees, and the Company and labor union made matching gifts, for a total donation of 9,742,500 yen through JPF.

In addition, to support the volunteer activities of employees in the regions affected, we promoted the utilization of a volunteer leave system, paid up to 20,000 yen for transportation expenses, and recruited volunteers.

MTPC employees participated in a volunteer tour – Okayama: August 26; Hiroshima: September 8-9 –

Twenty two Company employees participated in a volunteer tour sponsored by Osaka Voluntary Action Center to support those affected by the heavy damage in Okayama Prefecture (Kurashiki City) and Hiroshima Prefecture (Sakamachi) caused by torrential rain in West Japan in July 2018. The volunteers maintained the yards and fields of private homes, tidied up houses (carried out household belongings, tatamis, and baseboards), and removed sediment under the floors.

◆Employees' Comments

- The situation in the disaster-stricken areas has only been partially reported. When I got to the sight, I saw the actual conditions with my own eyes and heard the victims' stories directly, which moved me to want to help in any way I could.
- The work of removing sediment took four hours with just under 20 people, but we only removed sediment from one house, which made me feel the limitations of one-off volunteering. We need ongoing support.
- I gained a sense of fulfillment and grew a little by connecting with people, and showing compassion for and cooperating with others.



Volunteers in Sakamachi, Hiroshima Prefecture



Support for the 2018 Hokkaido Eastern Iwate Earthquake

In the wake of the Hokkaido Eastern Iwate Earthquake that struck on September 6, 2018, the Company donated 5 million yen in disaster relief to Atsuma-cho in Hokkaido for livelihood support for the people of Atsuma-cho and to help with reconstruction.

Support for the Sulawesi Earthquake and Tsunami Damage in Indonesia

The Company donated 2 million yen in disaster relief through the non-profit organization Peace Winds Japan as support for the Sulawesi Earthquake of September 28, 2018 and Tsunami-stricken areas in Indonesia.

On October 19, Mitsubishi Tanabe Pharma Indonesia, a Group company, provided 500 million rupiahs (about 4 million yen) worth of medicines for free to the Ministry of Health in Indonesia.



Mitsubishi Tanabe Pharma Indonesia provides free pharmaceuticals (Left: A company employee)

Implementing Sales Events for Products from Tohoku and Kumamoto

As one part of initiatives to support reconstruction in Tohoku and Kumamoto, the Head Office, Tokyo Head Office, Toda Site, and Yokohama Site held events to sell products, with the objective of fostering knowledge about and support for the regions affected by the disasters. On the days of the events, many employees participated and the events were very popular. At the Tokyo Head Office, a panel exhibit was used to show the status of reconstruction in Tohoku. Moving forward, we will continue to support the regions affected by the disasters by holding sales events to ensure that memories of the earthquakes do not fade away.



Holding a sales event in front of the office entrance (Tokyo Head Office)



A sake bar serving Kumamoto sake was set up onsite (Yokohama Site)

Participating in the Japanese Red Cross Society's "We Will Never Forget" Project

In March 2019, the Company cooperated with the Japanese Red Cross Society's "We Will Never Forget" ~ Disaster Damage Prevention/Reduction Project ~. This project is an activity that nurtures the ability to respond to potential future disasters by drawing on the lessons learned and experiences gained from disasters and also makes one feel for people suffering in the disaster areas.

This year, in addition to hanging posters at each office, the Sales and Marketing Division's MRs wore project badges. Eight years have passed since the Great East Japan Earthquake occurred in 2011. These activities will help to ensure that our memories do not fade and will foster awareness among people inside and outside the Company of the theme of "We will never forget" in regard to disasters and the people who have been affected by them.



Implementing information provision activities while wearing project badges



VOICE

Remain close to one another and fulfill your dreams and hopes for the future



Yoko Takahashi
Japan Philanthropic Association
Director

The association is in charge of the executive office and the screening of the Mitsubishi Tanabe Pharma Tenohira Partnership Program.*

This program seeks to improve patients' quality of life (QOL) by promoting an understanding of intractable diseases, which have few case histories, and creating a network with that purpose in mind.

In the process of selecting grant recipients, I learned about the daily lives of patients who are fighting disease and the pain and suffering caused by the fact that understanding intractable diseases is difficult. Under these circumstances, I'm touched not only by what the patients are going through, but also by the those who do everything they can for their fellow patients, and I'm also moved by the strong will power of the people around them. I realized that the lives of patients and their families are the precious days of life itself. Through this program, we hope that we can help society shine a light of hope on the everyday lives of patients so they can have dreams for the future. I also hope that this program acts as a catalyst to think about others, and to spread compassion for others in our society.

* A program that subsidizes activities carried out by intractable disease patient groups, and helps groups to improve the QOL of patients with intractable disease.

External Evaluations

Inclusion in SRI Indices

Mitsubishi Tanabe Pharma's initiatives in the area of CSR activities have been highly evaluated, and we have been included in the following SRI Indices.*

* Indicators of socially responsible investment, which utilizes evaluation/selection standards that consider not only corporate financial matters but also social responsibility.

Dow Jones Sustainability Indices (DJSI)

The DJSI are socially responsible investment indices developed by Dow Jones and RobecoSAM. Corporate sustainability is evaluated each year based on economic, environmental, and social factors, and companies with superior overall performance are selected as component companies. In September 2019, Mitsubishi Tanabe Pharma was selected for two consecutive years for DJSI Asia Pacific, the Asia Pacific subset of the DJSI.



FTSE4Good Index Series

Companies that meet global standards for Environmental, Social, and Governance (ESG) practices are selected as the components of this index, which was created by FTSE Russell. Mitsubishi Tanabe Pharma has been selected for 16 consecutive years since 2004. (June 2019)



FTSE Blossom Japan Index

From among the FTSE4Good component companies, Japanese companies that meet clear, highly transparent standards for Environmental, Social, and Governance (ESG) practices are selected as component companies for the FTSE Blossom Japan Index. Mitsubishi Tanabe Pharma has been selected for 3 consecutive years since 2017. (June 2019)



MSCI Japan Empowering Women Index (WIN)

From among the component companies of the MSCI Japan IMI Top 500 Index (top 500 companies by market capitalization), companies that are leaders in gender diversity in their sector groups are selected as the component companies for this index. (June 2019)



* THE INCLUSION OF Mitsubishi Tanabe Pharma Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Mitsubishi Tanabe Pharma Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

This index is prepared by Sompo Japan Nipponkoa Asset Management Co., Ltd. Based on an original evaluation system, companies that exceed a standard score are selected as component companies for this index.



External CSR 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.



Acquisition of 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.



Acquisition of "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 three consecutive years since 2017.



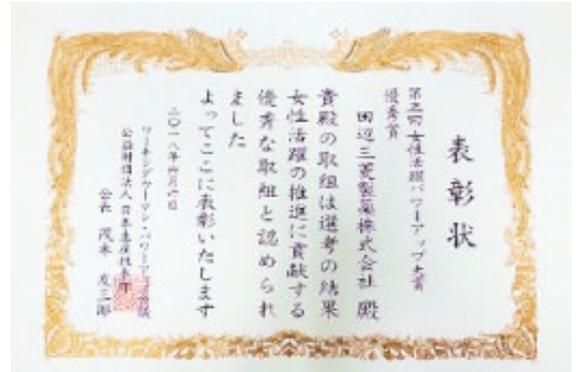
Acquisition of Certification as a Leading Company in the Support of Active Careers for Women

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.



Receipt of 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 SILVER 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 SILVER Prize in the PRIDE INDEX 2018.



Receipt of Excellence Award in the Environmental Report Section of the 22nd Environmental Communication Awards

The purpose of the Environmental Communication Awards is to promote initiatives by companies and other organizations in the fields of environmental management and environmental communications and to enhance the quality of environmental information disclosure by recognizing excellent environmental reports and environmental activity reports. This award program is jointly sponsored by the Ministry of the Environment and the Global Environmental Forum. The Mitsubishi Tanabe Pharma Corporate Report 2018 and the CSR Activities Report 2018 received the Excellence Award in the Environmental Report Section. Following the previous year, Mitsubishi Tanabe Pharma's reports were selected for the second consecutive year.



Receipt of Award at Yokohama Global Warming Countermeasures Awards

In accordance with city regulations, under the Yokohama City global warming countermeasure plan, the city awards companies that have implemented superior initiatives to control greenhouse gas emissions. In fiscal 2017, for the second consecutive year, the Yokohama Site received the award for achieving a nearly 12% total reduction in CO₂ emissions of approximately 710t-CO₂ from fiscal 2011 to 2016 by consistently implementing priority measures called for by Yokohama City's global warming countermeasure plan, and taking energy-saving measures.



Data



Organizational Governance

Item	Data		
	FY2018	FY2017	FY2016
Corporate Governance			
Corporate Governance System			
Management System			
└ Number of meetings of Executive Committee	Generally at least twice a month	Generally at least twice a month	Generally at least twice a month
└ Number of directors	10	10	9
└ (of which, outside directors)	3	3	3
└ Number of regular monthly meetings of Board of Directors	Generally once a month	Generally once a month	Generally once a month
Auditing System			
└ Number of corporate auditors	4	4	4
└ (of which, outside corporate auditors)	2	2	2
└ Full-time members of Corporate Auditors' Office	3	3	3
Officer compensation	429 million yen	501 million yen	486 million yen
Risk Management			
Managing Risks Associated with Business Activities			
Number of meetings of Risk Management Committee	Generally twice a year	Generally twice a year	Generally twice a year
Compliance			
Compliance Promotion System			
Number of compliance promotion managers and personnel	139	136	168
Number of meetings of compliance promotion managers and personnel	Semiannually	Semiannually	Semiannually
Compliance Training			
List of Training Sessions			
└ Companywide sessions			
└ Times held	Once a year	Once a year	Once a year
└ Number of participants	5,376	5,870	6,121
└ Divisional sessions			
└ Times held	Once a year	Once a year	Once a year
└ Number of participants	5,385	5,888	6,236
└ Top management seminars			
└ Times held	1	1	1
└ Number of participants	14	15	27

↳ New employee training			
↳ Times held	2	2	1
↳ Number of participants	April: 70 August: 35 (MRs only)	April: 78 October: 40 (MRs only)	84
↳ Compliance and risk management check			
↳ Times held	Twice a year	Twice a year	Twice a year
↳ Number of participants	February: 5,137 July: 5,300	February: 5,370 July: 5,730	February: 5,565 July: 5,740
Hotlines			
Number of Hotline Consultations			
↳ Workplace environment	9	13	–
↳ Treatment	2	6	–
↳ Embezzlement/breach of trust	0	0	–
↳ Laws, regulations, rules	4	7	–
↳ Other	7	5	–
↳ Total	22	31	–
Implementation of Employee Attitude Survey			
Frequency of Monitoring Compliance Awareness			
	Once a year	Once a year	Once a year
↳ Number of responses	5,121	5,297	5,401
↳ Response rate	95.3%	94.0%	87.5%

Human Rights

Item	Data		
	FY2018	FY2017	FY2016
Basic Stance on Human Rights			
Initiatives to Raise Human Rights Awareness			
Number of Entries in Human Rights Slogan Campaigns	608	210	353
Human Rights Awareness Promotion Committee			
↳ Number of headquarters committee members	10	12	9
↳ By region / by district	18	17	24

Item	Data		
	FY2018	FY2017	FY2016
Human Resources Development			
Basic Human Resources Policy			
Number of Employees (as of March 31)			
└ Consolidated	7,228	7,187	7,280
└ Unconsolidated	4,111	4,222	4,239
└ Men	3,107	3,232	3,263
└ Women	1,004	990	976
Number of new graduates hired *Entering company on April 1 of following year			
└ Men	15	30	34
└ Women	14	33	29
Number of mid-career employees hired	27	36	–
└ Men	21	35	–
└ Women	6	1	–
Number of Temporary Employees *Group (Domestic)	133	252	343
Average Age of Employees	45.9	44.9	44.6
Average Years of Continuous Service for Employees	20.7	19.8	19.6
Employee turnover rate (voluntary turnover only) *Group (Domestic)	1.79%	1.14%	1.26%
Building an Enhanced Personnel Training System			
In-house Group Training Average Time Per Year (Domestic)	3.4	–	–
OJTO: On the Job Training Overseas	5	4	–
Promoting Diversity			
Actively Utilizing Diverse Human Resources			
Number of Employees by Region			
└ Japan	5,112	5,233	5,473
└ North America	687	525	465
└ EMEA (Europe, Middle East, Africa)	217	191	102
└ Asia / Oceania	1,212	1,238	1,240
Percentage of Female Employees with Second Qualifications or Higher or In Management Specialist Positions (as of April 1)			
└ Number at Second Qualification or Higher *Equivalent to subsection managers	16.4%	15.1%	13.8%
└ Managers	8.5%	7.8%	6.7%
Percentage of Female Employees	32.3%	20.2%	23.0%
Number of Temporary Employees *Group (Domestic)	133	252	343
Supporting People with Disabilities in the Workplace			
Employment Rate of People with Disabilities *Group (Domestic) Fiscal 2016 is Nonconsolidated	2.12%	2.08%	2.09%

Work-Life Balance Considerations				
Utilization of Leave and Shorter Workdays for Child Care				
*Group (Domestic)				
└ Child-care leave	277	100	53	
└ Men	232	50	7	
└ Women	45	50	46	
└ Shorter workdays for child care	122	121	87	
Utilization of Leave and Shorter Workdays for Nursing Care				
*Group (Domestic)				
└ Nursing-care leave	0	2	2	
└ Shorter workdays for nursing care	2	0	2	
Usage of Paid Vacation Days				
*Group (Domestic)				
└ Average number of days used	14.5	13.1	12.4	
└ Average rate of use	68%	61%	58%	
Building Sound Labor-Management Relations				
Employee turnover rate (as of March 31)				
*Group (Domestic)				
	72.3%	77.8%	77.7%	
Occupational Health and Safety				
Occupational Health and Safety Initiatives				
Lost time injury frequency rate (LTIFR) (Domestic)				
└ Mitsubishi Tanabe Pharma Group	0.10	0.29	0.18	
└ (Reference) Pharmaceutical industry average	0.93	0.79	1.01	
└ (Reference) Manufacturing industry average	1.20	1.02	1.15	
└ Contractor	0.00	0.00	–	
Industrial Accident Severity Rate*	0.000085	0.0044	0.0002	
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	99.1%	99.3%	99.4%	
Percentage Receiving Stress Checks	96.6%	95.8%	92.0%	

* 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		
	FY2018	FY2017	FY2016
Environmental Management			
ISO 14001 Certifications			
Number of Sites with ISO 14001 Certification			
└ Domestic	2	2	2
└ Overseas	3	3	3
Environment-related Accidents / Problems and Status of Environment-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	32 million yen	56 million yen	12 million yen
└ Global environmental protection	0 million yen	0 million yen	156 million yen
└ Recycling and reuse of resources	0 million yen	0 million yen	13 million yen
└ Upstream and downstream activities	0 million yen	0 million yen	0 million yen
└ Administrative activities	0 million yen	0 million yen	22 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	1 million yen	0 million yen	0 million yen
└ Total	33 million yen	56 million yen	203 million yen
└ Expended			
└ Pollution prevention	307 million yen	305 million yen	307 million yen
└ Global environmental protection	66 million yen	52 million yen	51 million yen
└ Recycling and reuse of resources	166 million yen	175 million yen	147 million yen
└ Upstream and downstream activities	5 million yen	21 million yen	24 million yen
└ Administrative activities	160 million yen	163 million yen	181 million yen
└ Research and development	0 million yen	0 million yen	0 million yen
└ Community activities	0 million yen	1 million yen	1 million yen
└ Environmental damage compensation	9 million yen	9 million yen	10 million yen
└ Total	713 million yen	725 million yen	720 million yen
Environmental Conservation Effects			
└ Global environmental protection			
└ Greenhouse gas emission reduction	557 tons-CO ₂ eq	138 tons-CO ₂ eq	937 tons-CO ₂ eq
Economic Effects Resulting from Environmental			
└ Conservation Measures	1.0 million yen	1.4 million yen	0.7 million yen
└ Sales of valuable materials	18.0 million yen	2.5 million yen	44.2 million yen
└ Electricity consumption reduced through energysaving measures	0.2 million yen	0.9 million yen	0 million yen
└ Total	19.2 million yen	4.8 million yen	44.9 million yen

<u>Medium-Term Environmental Action Plan</u>				
Medium-Term Environmental Action Plan				
Rate of Reduction in CO ₂ Emissions in Comparison with Benchmark Year (vs. fiscal 2010)				
└ Domestic	40%	37%	31%	
└ Global	32%	29%	25%	
Fluorocarbons				
└ Amount of fluorocarbon destroyed (Domestic)	417kg	855kg	–	
└ Amount of leakage (Domestic)	118kg (350 tons-CO ₂ eq)	365kg (759 tons-CO ₂ eq)	216kg (690 tons-CO ₂ eq)	
Rate of Reduction in Amount of Waste Generated in Comparison with the Previous Fiscal Year (Domestic)				
	53%	-106%	33%	
Final Waste Disposal Rate (Domestic)				
	0.59%	0.37%	0.33%	
Rate of Reduction in Wastewater Output in Comparison with Benchmark Year (vs. fiscal 2010)				
└ Domestic	45%	39%	10%	
└ Global	46%	41%	13%	
Rate of Reduction in Chemical Substances Emissions in Comparison with the Previous Fiscal Year				
└ PRTR substances (vs. previous fiscal year)	5%	44%	4%	
└ VOCs (excluding PRTR substances) (vs. previous fiscal year)	4%	21%	1%	
Rate of Reduction in Toluene Emissions (vs. fiscal 2010)				
	32%	34%	-3%	
Number of Group Worksites for which Environmental Safety Audits Were Conducted				
└ Domestic	6	6	7	
└ Overseas	3	1	3	
Number of Environmental Accidents				
	0	0	0	
<u>Overview of Environmental Impact / Third-Party Assurance</u>				
Input and Output at Group Worksites in Japan				
Input				
└ Energy				
└ Purchased electricity				
└ Domestic	95,230MWh	97,455MWh	105,716MWh	
└ Overseas	23,413MWh	21,278MWh	20,447MWh	
└ Global	118,643MWh	118,733MWh	126,163MWh	
└ Gases				
└ Domestic	7,522,000 m ³	7,623,000 m ³	8,709,000 m ³	
└ Overseas	2,047,000 m ³	2,208,000 m ³	1,791,000 m ³	
└ Global	9,569,000 m ³	9,831,000 m ³	10,500,000 m ³	
└ Petroleum				
└ Domestic	4,522kL	4,761kL	4,272kL	
└ Overseas	62kL	63kL	60kL	
└ Global	4,584kL	4,824kL	4,332kL	
└ Thermal equivalent				
└ Domestic	1,436,000 GJ	1,467,000 GJ	1,578,000 GJ	
└ Overseas	323,000 GJ	307,000 GJ	282,000 GJ	
└ Global	1,759,000 GJ	1,774,000 GJ	1,860,000 GJ	

└ Water			
└ Supplied water / Industrial water			
└ Domestic	342,000 m ³	330,000 m ³	342,000 m ³
└ Overseas	106,000 m ³	88,000 m ³	95,000 m ³
└ Global	448,000 m ³	418,000 m ³	437,000 m ³
└ River water			
└ Domestic	4,440,000 m ³	4,873,000 m ³	7,302,000 m ³
└ Overseas	0,000 m ³	0,000 m ³	0,000 m ³
└ Global	4,440,000 m ³	4,873,000 m ³	7,302,000 m ³
└ Ground water			
└ Domestic	10,000 m ³	70,000 m ³	229,000 m ³
└ Overseas	15,000 m ³	14,000 m ³	12,000 m ³
└ Global	25,000 m ³	84,000 m ³	241,000 m ³
└ Chemical Substances			
└ PRTR substances			
└ Domestic	144 tons	142 tons	192 tons
└ Overseas	1 tons	1 tons	1 tons
└ Global	145 tons	143 tons	193 tons
└ VOCs (excluding PRTR substances)			
└ Domestic	833 tons	1,241 tons	833 tons
└ Overseas	23 tons	26 tons	5 tons
└ Global	856 tons	1,267 tons	838 tons
Output			
└ Atmospheric Emissions			
└ Greenhouse gases			
└ Domestic	79,901 tons- CO ₂ eq	85,509 tons- CO ₂ eq	93,087 tons- CO ₂ eq
└ Overseas	15,606 tons- CO ₂ eq	15,612 tons- CO ₂ eq	14,165 tons- CO ₂ eq
└ Global	95,507 tons- CO ₂ eq	100,363 tons- CO ₂ eq	106,562 tons- CO ₂ eq
└ NOx			
└ Domestic	12.2 tons	17.0 tons	20.1 tons
└ Overseas	2.1 tons	1.8 tons	2.4 tons
└ Global	14.3 tons	18.8 tons	22.5 tons
└ SOx			
└ Domestic	3.2 tons	6.0 tons	6.3 tons
└ Overseas	0.3 tons	0.4 tons	0.4 tons
└ Global	3.5 tons	6.4 tons	6.7 tons
└ Particulate matter			
└ Domestic	0.2 tons	0.3 tons	0.4 tons
└ Overseas	0.0 tons	0.0 tons	0.0 tons
└ Global	0.2 tons	0.3 tons	0.4 tons
└ PRTR substances			
└ Domestic	3.2 tons	3.3 tons	4.0 tons
└ Overseas	0.0 tons	0.0 tons	0.0 tons
└ Global	3.2 tons	3.3 tons	4.0 tons

└ VOCs (excluding PRTR substances)			
└ Domestic	32.1 tons	35.4 tons	41.0 tons
└ Overseas	7.5 tons	3.4 tons	0.0 tons
└ Global	39.6 tons	38.8 tons	41.0 tons
└ Wastewater			
└ Wastewater output			
└ Domestic	4,637,000 m ³	5,276,000 m ³	7,621,000 m ³
└ Overseas	68,000 m ³	67,000 m ³	65,000 m ³
└ Global	4,705,000 m ³	5,342,000 m ³	7,686,000 m ³
└ COD pollution load			
└ Domestic	10.2 tons	34.9 tons	31.4 tons
└ Overseas	0.1 tons	0.0 tons	0.6 tons
└ Global	10.3 tons	34.9 tons	32.0 tons
└ BOD pollution load			
└ Domestic	8.4 tons	8.9 tons	7.8 tons
└ Overseas	0.0 tons	0.0 tons	0.0 tons
└ Global	8.4 tons	8.9 tons	7.8 tons
└ Nitrogen			
└ Domestic	5.2 tons	21.7 tons	17 tons
└ Overseas	0.0 tons	0.0 tons	0.0 tons
└ Global	5.2 tons	21.7 tons	17 tons
└ Phosphorus			
└ Domestic	0.3 tons	0.9 tons	0.8 tons
└ Overseas	0.0 tons	0.0 tons	0.0 tons
└ Global	0.3 tons	0.9 tons	0.8 tons
└ PRTR substances			
└ Domestic	0.5 tons	0.6 tons	2.9 tons
└ Overseas	0.0 tons	0.0 tons	0.0 tons
└ Global	0.5 tons	0.6 tons	2.9 tons
└ VOCs (excluding PRTR substances)			
└ Domestic	13.8 tons	13.0 tons	21.0 tons
└ Overseas	7.9 tons	0.0 tons	0.0 tons
└ Global	21.7 tons	13.0 tons	21.0 tons
└ Waste			
└ Waste output			
└ Domestic	5,768 tons	12,230 tons	5,936 tons
└ Overseas	783 tons	700 tons	640 tons
└ Global	6,551 tons	12,930 tons	6,576 tons
└ Emissions			
└ Domestic	2,385 tons	3,946 tons	2,648 tons
└ Overseas	764 tons	656 tons	626 tons
└ Global	3,149 tons	4,603 tons	3,274 tons
└ Final disposal			
└ Domestic	34 tons	45 tons	19 tons
└ Overseas	350 tons	467 tons	464 tons
└ Global	384 tons	512 tons	483 tons

Initiatives in Energy Conservation and Global Warming Mitigation

Status of Greenhouse Gas Emissions and CO ₂ Emissions Reduction Target Achievement			
Greenhouse Gas Emissions (worksite, company-owned vehicle, and leaked fluorocarbon)			
└ Domestic	80,000 tons-CO ₂	86,000 tons-CO ₂	93,000 tons-CO ₂
└ Overseas	16,000 tons-CO ₂	16,000 tons-CO ₂	14,000 tons-CO ₂
└ Global	96,000 tons-CO ₂	102,000 tons-CO ₂	107,000 tons-CO ₂
Unit Value of Greenhouse Gas Emissions (worksite, company-owned vehicle, and leaked fluorocarbon)			
└ Global	226,000 tons-CO ₂ eq / 1 billion yen	233,000 tons-CO ₂ eq / 1 billion yen	253,000 tons-CO ₂ eq / 1 billion yen
CO ₂ Emissions (worksite)			
└ Domestic	75,000 tons-CO ₂	80,000 tons-CO ₂	88,000 tons-CO ₂
└ Overseas	16,000 tons-CO ₂	16,000 tons-CO ₂	14,000 tons-CO ₂
└ Global	91,000 tons-CO ₂	96,000 tons-CO ₂	102,000 tons-CO ₂
Rate of Reduction in CO ₂ Emissions (worksite) (vs. fiscal 2010)			
└ Domestic	40%	36%	30%
└ Global	32%	29%	24%
Energy Used (worksite)			
└ Domestic	1,365,000 GJ	1,390,000 GJ	1,506,000 GJ
└ Overseas	323,000 GJ	307,000 GJ	282,000 GJ
└ Global	1,688,000 GJ	1,697,000 GJ	1,788,000 GJ
Rate of Reduction in Energy Used (worksite) (vs. previous fiscal year)			
└ Domestic	1.8%	7.7%	7.7%
└ Overseas	-5.2%	-8.9%	2.1%
└ Global	0.5%	5.1%	6.9%
Company-Owned Vehicle Operation			
Number of Company-Owned Vehicles			
└ Hybrid vehicles	1,288	1,451	1,628
└ CO ₂ Emissions from the Fuel of Company-Owned Vehicles			
└ Rate of Reduction in CO ₂ Emissions from the Fuel of Company-Owned Vehicles (vs. previous fiscal year)	9.3%	7.8%	7.6%
Greenhouse Gas Emissions in the Supply Chain			
Greenhouse Gas Emissions: Scope 1			
└ Domestic			
└ Use of fuel at worksites	23,814 tons-CO ₂ eq	24,451 tons-CO ₂ eq	26,030 tons-CO ₂ eq
└ Use of gasoline in vehicles used in sales activities, etc.	4,724 tons-CO ₂ eq	5,210 tons-CO ₂ eq	4,773 tons-CO ₂ eq
└ Leakage of fluorocarbon gas at worksites	349 tons-CO ₂ eq	759 tons-CO ₂ eq	690 tons-CO ₂ eq
└ Domestic total	28,888 tons-CO ₂ eq	30,420 tons-CO ₂ eq	31,493 tons-CO ₂ eq
└ Overseas			
└ Use of fuel at worksites	4,527 tons-CO ₂ eq	5,357 tons-CO ₂ eq	3,954 tons-CO ₂ eq

└ Global	33,416 tons-CO ₂ eq	35,777 tons-CO ₂ eq	35,447 tons-CO ₂ eq
Greenhouse Gas Emissions: Scope 2			
└ Domestic			
└ Use of electricity at worksites	51,363 tons-CO ₂ eq	55,089 tons-CO ₂ eq	61,595 tons-CO ₂ eq
└ Overseas			
└ Use of electricity at worksites	11,080 tons-CO ₂ eq	10,254 tons-CO ₂ eq	10,211 tons-CO ₂ eq
└ Global	62,443 tons-CO ₂ eq	65,343 tons-CO ₂ eq	71,805 tons-CO ₂ eq
Greenhouse Gas Emissions: Scope 3			
└ Purchased goods and services	495,566 tons-CO ₂ eq	517,342 tons-CO ₂ eq	530,753 tons-CO ₂ eq
└ Capital goods	24,425 tons-CO ₂ eq	17,504 tons-CO ₂ eq	40,959 tons-CO ₂ eq
└ Fuel- and energy-related activities not included in Scope 1 and 2	10,063 tons-CO ₂ eq	10,273 tons-CO ₂ eq	9,128 tons-CO ₂ eq
└ Transportation and distribution (upstream)	2,560 tons-CO ₂ eq	3,330 tons-CO ₂ eq	3,466 tons-CO ₂ eq
└ Waste generated from operations	2,503 tons-CO ₂ eq	3,289 tons-CO ₂ eq	2,394 tons-CO ₂ eq
└ Business travel	939 tons-CO ₂ eq	934 tons-CO ₂ eq	946 tons-CO ₂ eq
└ Employee commuting	983 tons-CO ₂ eq	1,166 tons-CO ₂ eq	1,208 tons-CO ₂ eq
└ Disposal of sold products	406 tons-CO ₂ eq	439 tons-CO ₂ eq	984 tons-CO ₂ eq
Reduction of Waste, Effective Use of Water Resources			
Reduction and appropriate management of waste			
Amount of Waste Generated (Domestic)	5,768 tons	12,230 tons	5,936 tons
Waste Emissions (Domestic)	2,385 tons	3,946 tons	2,648 tons
Amount of Final Waste Disposed (Domestic)	34 tons	45 tons	19 tons
Final Waste Disposal Rate (Domestic)	0.59%	0.37%	0.33%
Reduction of Water Withdrawal			
Water Withdrawal			
└ Domestic (production, research sites, offices)	4,792,000 m ³	5,273,000 m ³	7,873,000 m ³
└ City water/Industrial water	342,000 m ³	330,000 m ³	342,000 m ³
└ River water	4,440,000 m ³	4,873,000 m ³	7,302,000 m ³
└ Ground water	10,000 m ³	70,000 m ³	229,000 m ³
Rate of Reduction of Domestic Water Withdrawal (vs. fiscal 2010)	45%	39%	10%
└ Overseas (production/research sites)	121,000 m ³	102,000 m ³	107,000 m ³
└ City water/Industrial water	106,000 m ³	88,000 m ³	95,000 m ³
└ River water	0,000 m ³	0,000 m ³	0,000 m ³
└ Ground water	15,000 m ³	14,000 m ³	12,000 m ³
└ Global	4,913,000 m ³	5,375,000 m ³	7,980,000 m ³
Rate of Reductio of Global Water Withdrawal (vs. fiscal 2010)	46%	41%	13%

Initiatives to Prevent Pollution and Reduce Environmental Burdens

Curbing Emissions of Air Pollutants			
Emissions of Air Pollutants by Domestic Bases			
└ NOx	12.24 tons	17.01 tons	20.14 tons
└ SOx	3.17 tons	5.99 tons	6.32 tons
└ Particulate matter	0.15 tons	0.27 tons	0.38 tons
Prevention of water pollution			
Emissions of Water Pollutants into Public Water Bodies from Domestic Bases			
└ BOD	8.40 tons	8.85 tons	7.75 tons
└ COD	10.22 tons	34.9 tons	31.37 tons
└ Nitrogen	5.23 tons	21.66 tons	17.38 tons
└ Phosphorus	0.33 tons	0.93 tons	0.84 tons
Emissions of Chemical Substances into the Environment and Status of PRTR Emission Reduction Target Achievement			
Amount of PRTR Class I Designated Chemical Substances Handled	144 tons	142 tons	192 tons
Air Emissions of PRTR Class I Designated Chemical Substances	3.2 tons	3.3 tons	4.0 tons
Public Water Emissions of PRTR Class I Designated Chemical Substances	0.50 tons	0.62 tons	2.9 tons
Amount of VOCs (Excluding PRTR Regulated Substances) Handled	833 tons	1,241 tons	833 tons
Air Emissions of VOCs (Excluding PRTR Regulated Substances)	32 tons	35 tons	41 tons
Public Water Emissions of VOCs (Excluding PRTR Regulated Substances)	14 tons	13 tons	21 tons
Amount of Toluene Handled	79 tons	77 tons	92 tons
Air Emissions of Toluene	2.5 tons	2.4 tons	2.5 tons
Public Water Emissions of Toluene	0 tons	0 tons	1.3 tons

Item	Data		
	FY2018	FY2017	FY2016
<u>Manufacturing and Supply Chain</u>			
Pharmaceutical Manufacturing Process			
Mitsubishi Tanabe Pharma Group's Global Manufacturing System			
└ Production plants in Japan	2	3	5
└ Production plants outside Japan	4	4	4
<u>Information Provision</u>			
MR's Responsibility: Collecting Data and Providing Information to Medical Institutions			
Number of General and Specialized Medical Representatives (MRs) Group(Domestic)	Approx. 1,500	Approx. 1,500	Approx. 2,000
Number of General and Specialized Medical Representatives (MRs) Group(Overseas)	Approx. 600	–	–
Providing Comprehensive Information through the Medical Information Center			
Number of Inquiries to the Medical Information Center Note: The number of inquiries decreased since the sales of some products were relegated to other companies in fiscal 2018.	61,859	74,023	77,629
<u>Drug Safety / Quality Assurance</u>			
Pharmaceutical Safety Training			
Pharmaceutical Safety Training (All Employees, Including Executive Officers)	Once a year	Once a year	Once a year
Others			
Improving Access to Medicines			
Participating in the Global Health Innovative Technology Fund (GHIT Fund)	○	○	○

Item	Data		
	FY2018	FY2017	FY2016
Contributions to Medical Care and Welfare			
Support for Refractory Disease Patient Organizations: The Mitsubishi Tanabe Pharma Tenohira Partnership Program			
Number of Organizations Supported by Tenohira Partnership Program	21	17	16
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	5,643 meals	5,799 meals	6,005 meals
↳ Number of meals contributed from TFT vending machines	6,593 meals	994 meals	508 meals
Participating in Vaccine Support Activities			
↳ Amount of contributions	289,982 yen	446,112 yen	155,576 yen
↳ Polio vaccine (estimate)	14,500 doses	22,306 doses	7,779 doses
Development of Science and Technology			
Supporting Research through Foundations			
Grants of the SENSHIN Medical Research Foundation			
Grants for Pharmacopsychiatry Research			
↳ Basic research			
↳ Number of projects	20	20	25
↳ Amount	20 million yen	20 million yen	25 million yen
↳ Aid for young researchers			
↳ Number of projects	10	10	9
↳ Amount	10 million yen	10 million yen	9 million yen
↳ Ongoing aid for young researchers			
↳ Number of projects	1	1	–
↳ Amount	1 million yen	1 million yen	–
↳ Financial aid for education abroad			
↳ Number of projects	2	2	3
↳ Amount	10 million yen	10 million yen	6 million yen
Grants for Hematological Research			
↳ Basic research			
↳ Number of projects	20	20	24
↳ Amount	20 million yen	20 million yen	24 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	–
↳ Amount	1 million yen	1 million yen	–
↳ Financial aid for education abroad			
↳ Number of projects	2	2	3
↳ Amount	10 million yen	10 million yen	6 million yen

Grants for Circulatory Research			
└ Basic research			
└ Number of projects	22	20	24
└ Amount	2,2 million yen	20 million yen	2,4 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	–
└ Amount	1 million yen	1 million yen	–
└ Financial aid for education abroad			
└ Number of projects	2	2	3
└ Amount	10 million yen	10 million yen	6 million yen
Grants for advanced research			
└ Number of projects	1	1	–
└ Amount	10 million yen	10 million yen	–
Special Projects			
└ Number of projects	–	–	1
└ Amount	–	–	10 million yen
└ Total			
└ Number of projects	102	100	112
└ Amount	13.5 million yen	13.3 million yen	13 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	39	42	38
└ Amount	15 million yen	15 million yen	14.5 million yen
└ Researchers focused on vascular biology innovation			
└ Number of projects	23	22	22
└ Amount	10.5 million yen	10.5 million yen	10.5 million yen
└ Researchers focused on vascular biology innovation			
└ Number of projects	10	10	10
└ Amount	10 million yen	10 million yen	10 million yen
└ Front runner of future diabetes research			
└ Number of projects	30	25	30
└ Amount	15 million yen	15 million yen	15 million yen
└ Total			
└ Number of projects	132	129	130
└ Amount	73 million yen	73 million yen	72.25 million yen

<u>Promotion of Local Communities</u>			
Number of Visitors to Historical Museum	6,322	6,446	6,402
Number of Visitors to the Yoshitomi Summer Festival	2,211	2,126	2,070
Others			
Amount of Donations Related to Social Contribution	1,058 million yen	1,153 million yen	1,500 million yen
Number of People Taking Days Off for Volunteer Activities	15	13	14

GRI Standard Comparative Table

	Disclosure	Page	
General Disclosures			
1. Organizational profile			
GRI 102: General Disclosures 2016	102-1	Name of the organization Corporate Data	
	102-2	Activities, brands, products, and services Corporate Data	
	102-3	Location of headquarters Corporate Data	
	102-4	Location of operations	Network
			Group Companies
	102-5	Ownership and legal form Corporate Data	
	102-6	Markets served	Annual Securities Report (Overview of company, Status of businesses) (Japanese only)
			Corporate Report 2018, page4-5, page8-9 Provision, Business Portfolio
	102-7	Scale of the organization	Corporate Data
			Annual Securities Report (Overview of company, Status of businesses) (Japanese only)
Corporate Report 2018, page4-5, page10 Provision, Financial and Non-Financial Highlights			
102-8	Information on employees and other workers Data (Labor Practices)		
102-10	Significant changes to the organization and its supply chain Annual Securities Report (Status of businesses) (Japanese only)		

	102-11	Precautionary Principle or approach	Risk Management
			Consumer Issues (Drug Safety / Quality Assurance)
			Environmental Management
			Medium-Term Environmental Action Plan
			Initiatives in Energy Conservation and Global Warming Mitigation
			Reduction of Waste, Effective Use of Water Resources
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
			Code of Conduct Message from the CEO
			Corporate Report 2018, page16-21 Message from the President
	102-15	Key impacts, risks, and opportunities	Consumer Issues
			Annual Securities Report (Business risks) (Japanese only)
3. Ethics and integrity			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	Corporate Information (Philosophy and Vision, Corporate Behavior Charter)
			Code of Conduct
	102-17	Mechanisms for advice and concerns about ethics	Corporate Information (Establishment of Internal System to Address Improper Use of Public Research Expenses and Improper Research) (Japanese only)
			Compliance
			Human Rights (Human Rights Approach and Initiatives)

4. Governance

GRI 102: General Disclosures 2016	102-18	Governance structure	Corporate Governance
	102-19	Delegating authority	Environmental Management (Environment & Safety Management Promotion Structure)
			Risk Management (Risk Management Structure)
	102-22	Composition of the highest governance body and its committees	Corporate Governance
			Corporate Governance Report
			Corporate Report 2018, page51, page58-61 Corporate Governance and Internal Control, Board of Directors and Corporate Auditors
	102-23	Chair of the highest governance body	Corporate Governance Report
	102-24	Nominating and selecting the highest governance body	Corporate Governance Policy of Mitsubishi Tanabe Pharma Corporation
	102-25	Conflicts of interest	Corporate Governance Policy of Mitsubishi Tanabe Pharma Corporation
			Corporate Governance Report
	102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Report 2018, page19-20 Message from the President: Working to Resolve Social Issues, Corporate Governance
	102-27	Collective knowledge of highest governance body	Corporate Report 2018, page53-55, page58-61 Discussion with an Outside Director, Board of Directors and Corporate Auditors
	102-28	Evaluating the highest governance body's performance	Corporate Governance Report
	102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance
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	Corporate Governance
			Risk Management
			Environmental Management
	102-35	Remuneration policies	Corporate Governance Report
			Corporate Report 2018, page52 Corporate Governance and Internal Control (Compensation of Directors and Corporate Auditors)
	102-36	Process for determining remuneration	Corporate Governance Report
			Corporate Report 2018, page52 Corporate Governance and Internal Control (Compensation of Directors and Corporate
5. Stakeholder engagement			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Mitsubishi Tanabe Pharma's CSR
	102-41	Collective bargaining agreements	Promoting Diversity (Building Sound Labor-Management Relations)
			Data (Labor Practices)
	102-42	Identifying and selecting stakeholders	Communicating with Principal Stakeholders
	102-43	Approach to stakeholder engagement	Communicating with Principal Stakeholders
			Human Rights Issues in the Value Chain (Consideration for local communities in production)
			Promotion of Environmental Communication (Participation in Environmental Information Disclosure Program)
			Promotion of CSR Procurement
			Promoting Diversity (Building Sound Labor-Management Relations)
	102-44	Key topics and concerns raised	Occupational Health and Safety (Surveying Employee Attitudes)
Consumer Issues (Information Provision)			

6. Reporting practice			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	Annual Securities Report (Business activities, Status of subsidiaries and affiliates) (Japanese only)
			Corporate Report 2018, page86 Corporate Data / Investor Information
	102-46	Defining report content and topic Boundaries	Editorial Policies
			Environmental Management
	102-47	List of material topics	Mitsubishi Tanabe Pharma's Materiality
	102-48	Restatements of information	Not applicable
	102-49	Changes in reporting	Not applicable
	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
	102-54	Claims of reporting in accordance with the GRI Standards	Not applicable
	102-55	GRI content index	This GRI Standard Comparative Table
102-56	External assurance	Independent Third-Party Assurance Report	
Material topics			
Management Approach			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Mitsubishi Tanabe Pharma's Materiality
	103-2	The management approach and its components	Mitsubishi Tanabe Pharma's Materiality
	103-3	Evaluation of the management approach	Organizational Governance
			Human Rights
			Labor Practices
			Environment
			Fair Operating Practices
			Consumer Issues
Community Involvement and Development			

Economic			
Economic Performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Securities Report (Japanese only)
	201-2	Financial implications and other risks and opportunities due to climate change	Initiatives in Energy Conservation and Global Warming Mitigation
	201-3	Defined benefit plan obligations and other retirement plans	Annual Securities Report (Status of accounting) (Japanese only)
	201-4	Financial assistance received from government	Annual Securities Report (Status of accounting) (Japanese only)
Indirect Economic Impacts			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Solving Issues Related to Improving Access to Healthcare
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Prevention of Bribery and Corruption
	205-2	Communication and training about anti-corruption policies and procedures	Prevention of Bribery and Corruption
			Compliance
205-3	Confirmed incidents of corruption and actions taken	Not applicable	
Anti-competitive Behavior			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not applicable
Environmental			
Energy			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Overview of Environmental Impact / Third-Party Assurance
			Initiatives in Energy Conservation and Global Warming Mitigation
	302-2	Energy consumption outside of the organization	Initiatives in Energy Conservation and Global Warming Mitigation (Greenhouse Gas Emissions in the Supply Chain)
	302-3	Energy intensity	Initiatives in Energy Conservation and Global Warming Mitigation (Status of Greenhouse Gas Emissions and CO ₂ Emissions Reduction Target Achievement)
302-4	Reduction of energy consumption	Initiatives in Energy Conservation and Global Warming Mitigation	

Water				
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Overview of Environmental Impact / Third-Party Assurance	
			Reduction of Waste, Effective Use of Water Resources (Reduction of Water Withdrawal)	
	303-2	Management of water discharge-related impacts	Reduction of Waste, Effective Use of Water Resources (Water Recycling)	
			Initiatives to Prevent Pollution and Reduce Environmental Burdens (Prevention of Water Pollution)	
	303-3	Water withdrawal	Overview of Environmental Impact / Third-Party Assurance	
			Reduction of Waste, Effective Use of Water Resources (Reduction of Water Withdrawal, Evaluation of Water-related Risks)	
	303-4	Water discharge	Not applicable	
	303-5	Water consumption	Reduction of Waste, Effective Use of Water Resources (Reduction of Water Withdrawal, Evaluation of Water-related Risks)	
	Biodiversity			
	GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	Initiatives for the Preservation of Biodiversity
Emissions				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Overview of Environmental Impact / Third-Party Assurance	
			Initiatives in Energy Conservation and Global Warming Mitigation (Greenhouse gas emissions in the supply chain)	
	305-2	Energy indirect (Scope 2) GHG emissions	Overview of Environmental Impact / Third-Party Assurance	
			Initiatives in Energy Conservation and Global Warming Mitigation (Greenhouse gas emissions in the supply chain)	
	305-3	Other indirect (Scope 3) GHG emissions	Initiatives in Energy Conservation and Global Warming Mitigation (Greenhouse gas emissions in the supply chain)	
	305-5	Reduction of GHG emissions	Initiatives in Energy Conservation and Global Warming Mitigation (Greenhouse gas emissions in the supply chain)	

	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Overview of Environmental Impact / Third-Party Assurance Initiatives to Prevent Pollution and Reduce Environmental Burdens (Curbing Emissions of Air Pollutants)
Effluents and Waste			
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	Overview of Environmental Impact / Third-Party Assurance
			Reduction of Waste, Effective Use of Water Resources (Water Recycling)
			Initiatives to Prevent Pollution and Reduce Environmental Burdens (Prevention of Water Pollution)
	306-2	Waste by type and disposal method	Overview of Environmental Impact / Third-Party Assurance
			Reduction of Waste, Effective Use of Water Resources
	306-3	Significant spills	Environmental Management (tatus 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 (tatus of Environmental Accidents/ Violations of Environmental Laws and Regulations)
Social			
Employment			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Data (Labor Practices)
	401-3	Parental leave	Promoting Diversity (Initiatives to Reform Working Styles)
			Data (Labor Practices)
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 (Labor Practices)
	403-9	Work-related injuries	Occupational Health and Safety
	403-10	Work-related ill health	Occupational Health and Safety
			Data (Labor Practices)
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
Rights of Indigenous Peoples			
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
Human Rights Assessment			
GRI 412: Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	Initiatives to Raise Human Rights Awareness
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.)
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	Consumer Issues
Marketing and Labeling			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Consumer Issues (Information Provision)

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.

■ Good Laboratory Practice (GLP)

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

■ Good Manufacturing Practice (GMP)

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

■ Good Post-marketing Study Practice (GPSP)

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

■ **Good Quality Practice (GQP)**

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

■ **Good Vigilance Practice (GVP)**

Standards governing safety vigilance of pharmaceuticals after production and marketing.

■ **Good X Practice (GXP)**

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

■ **ICH-GCP**

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

■ **Informed consent**

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

■ **KAITEKI**

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

■ **Medical representative (MR)**

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

■ **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.

Independent Third-Party Assurance Report

This is an English translation of the "Independent Assurance Report" dated August 5, 2019 originally issued in Japanese by KPMG AZSA Sustainability Co., Ltd. for the CSR Activities Report 2019 (PDF file) created in Japanese by Mitsubishi Tanabe Pharma Corporation on the web page of "https://www.mt-pharma.co.jp/shared/show.php?url=../csr/report/csr_pdf/index.html" and thereunder.

Independent Assurance Report

To the President and CEO of Mitsubishi Tanabe Pharma Corporation

We were engaged by Mitsubishi Tanabe Pharma Corporation (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with "✔" for the period from April 1, 2018 to March 31, 2019 included in its CSR Activities Report 2019 (PDF file) (the "Report") disclosed in the Company's website for the fiscal year ended March 31, 2019.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Company's website.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting one of the Company's research centers and one of the Company's subsidiaries selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Company's website.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.
Osaka, Japan
August 5, 2019