CSR Activities Report

2017

Mitsubishi Tanabe Pharma

Contents

Message from the Management

The operating environment in the pharmaceutical industry is currently changing at a rapid pace. To maintain a position as a company that is trusted and needed by all stakeholders, Mitsubishi Tanabe Pharma aims to be a research-driven pharmaceutical company that works with a sense of speed and is the first to deliver original value. Moving forward, we will work to implement innovative, forward-looking drug discovery and to open up the future for patients and medicine. In addition, we are advancing CSR activities to contribute to the resolution of the societal issues that we confront, such as the aging of the population, growing poverty and inequality resulting from population growth, and global environmental problems.

We are taking steps in accordance with the Mitsubishi Tanabe Pharma Declaration on Corporate Citizenship, which was created in 2013. Specifically, we are actively implementing activities to contribute to the resolution of problems related to health and living environments in the countries and regions where we conduct business. We are also working to reduce the environmental burden of our business activities, based on the Environment & Safety Policy, which stipulates rules and principles for Environment & Safety activities.

Moreover, in recent years the government has led an increasingly active campaign to reform working styles. Mitsubishi Tanabe Pharma has continued to implement activities to establish a work environment that provides opportunities for active careers for diverse human resources, to reform employee working styles, and to promote employee health. These initiatives 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, as well as "the Eruboshi System", which is based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

Among the many issues faced by society, I believe that the Company's most important mission is to "contribute to medicine." In August 2017, we commenced sales of Radicava in the U.S. Radicava is the first new drug in the U.S. for amyotrophic lateral sclerosis (ALS) in approximately 20 years. Patients have been eagerly awaiting Radicava, and to contribute to the treatment of as many patients as possible, we will not only provide this drug but also implement a variety of initiatives to support pharmaceutical accessibility.

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,” and our vision expresses that “We strive to be a global research-driven pharmaceutical company that is trusted by society.” Moving forward, we will continue striving to realize this philosophy and vision.

Mitsubishi Tanabe Pharma
President & Representative Director

Mitsubishi Tanabe Pharma's CSR

The Mitsubishi Tanabe Pharma Group's corporate philosophy of "contributing 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. To that end, we need to conduct our business activities with fairness and integrity, and we have to maintain the trust of society. 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. Targeting the realization of a sustainable society in which patients and other people around the world can enjoy good health and better lifestyles, the Group is working energetically to implement CSR activities.

KAITEKI

Mitsubishi Tanabe Pharma is a member of the Mitsubishi Chemical Holdings Corporation (MCHC) Group. The aspiration of the MCHC Group is as follows: By contributing to resolving environmental and social issues, we will build a sustainable society together with stakeholders toward the realization of KAITEKI.

KAITEKI means "a sustainable condition which is comfortable for people, society and the Earth, transcending time and generations." The MCHC Group defines its corporate value as the sum total of values created through corporate activities conducted in accordance with three axes — (1) the pursuit of economic and capital efficiencies, (2) the pursuit of innovation, and (3) the enhancement of sustainability. The MCHC Group refers to this as KAITEKI value. All of the MCHC Group's activities target enhancement of KAITEKI value. The MCHC Group is committed to advancing corporate activities toward the realization of KAITEKI, or the creation of a sustainable condition for people, society and the planet.

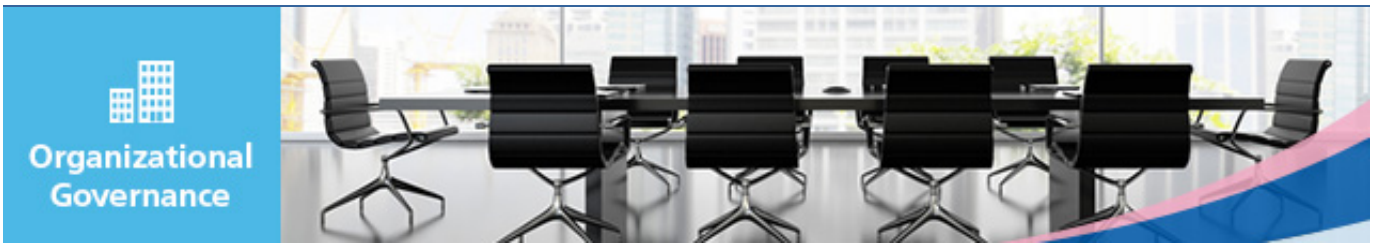
⇒For further information about KAITEKI, please see the MCHC website.
http://www.mitsubishichem-hd.co.jp/english/kaiteki_management/kaiteki/

Utilization of ISO 26000

Mitsubishi Tanabe Pharma implements CSR activities for a wide range of stakeholders, including patients, health care 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.



Corporate Governance

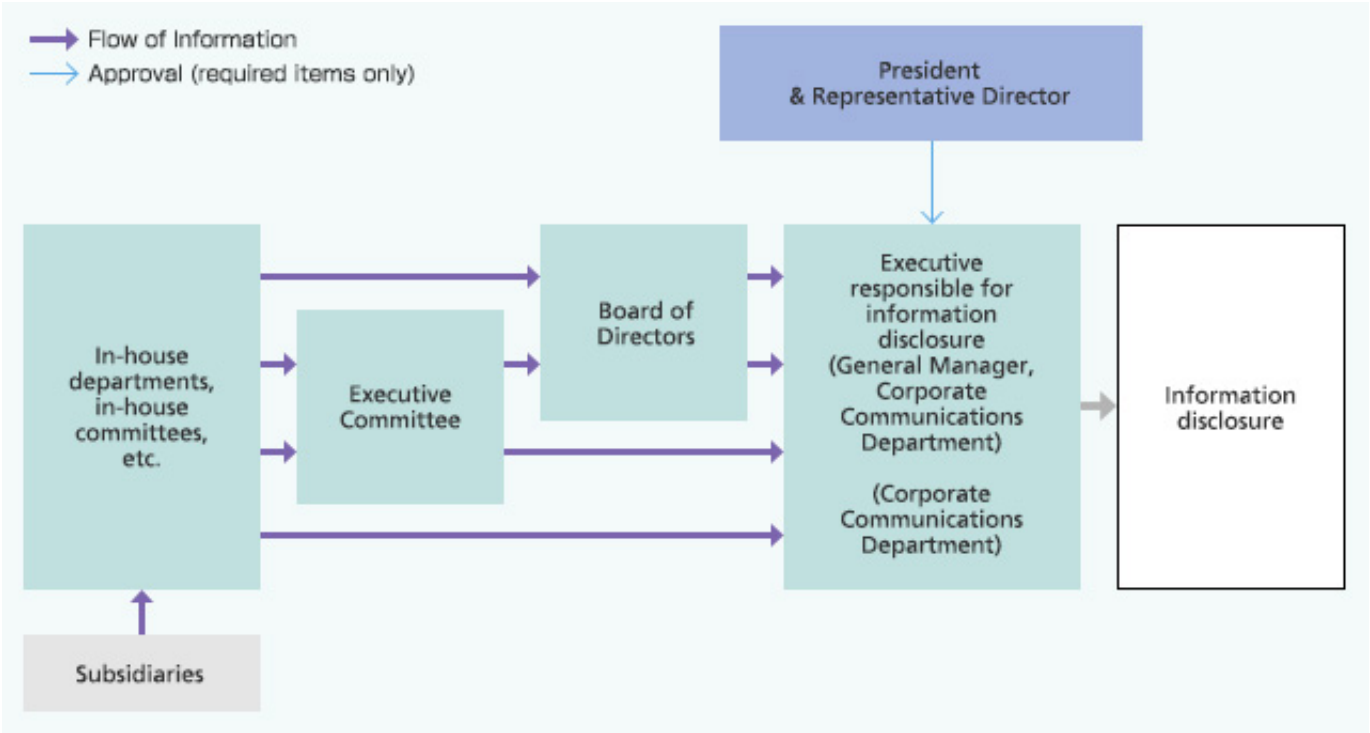
Fundamental Approach and Governance System

For further information about the fundamental approach to corporate governance and the governance system, please refer to the following.

Corporate Information > Corporate Governance
http://www.mt-pharma.co.jp/shared/show.php?url=../e/company/governance.html

Accountability to Stakeholders

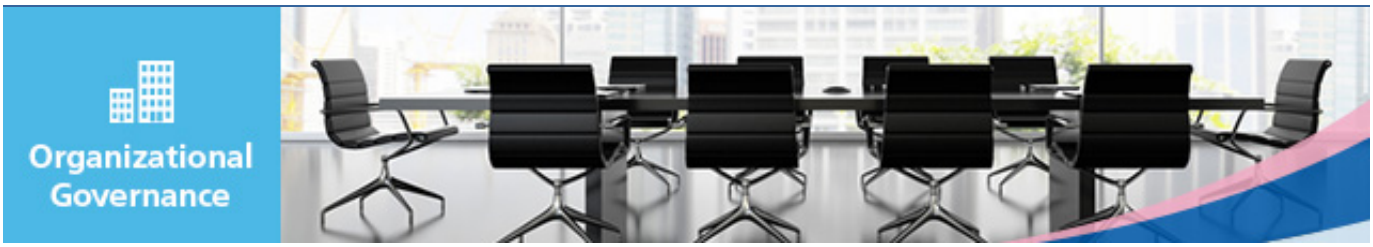
In order to promote understanding of the Company and to obtain fair evaluations of the Company, Mitsubishi Tanabe Pharma strives to disclose in a fair, timely, and appropriate manner important Company information related to its activities, such as its management policies, management objectives, and financial situation, to all of its stakeholders, including shareholders, investors, patients and healthcare professionals, local communities, and employees. We adhere to the Financial Instruments and Exchange Law and other Japanese laws and regulations relating to information disclosure and stock exchange regulations for listed securities. Also, based on our disclosure policy, and in accordance with the relevant internal systems, we ensure that both the content and timing of our information disclosure is fair to all stakeholders.



We give a range of presentations to explain the Company's financial situation, describe the development of new products, and explain important management policies and business developments. These presentations include results briefings for institutional investors and business presentations. To enable individual and overseas investors to access presentations, the videos for presentations (slides / audio) are distributed via the Company's website. The Company also holds briefings for individual investors. The Corporate Report provides shareholders and investors with information on corporate performance for each fiscal year. As a member of society, we will work to share information, to sincerely address feedback from all stakeholders, and to deepen mutual understanding.

Financial performance briefing

Corporate Report 2017



Risk Management

Managing Risks Associated with Business Activities

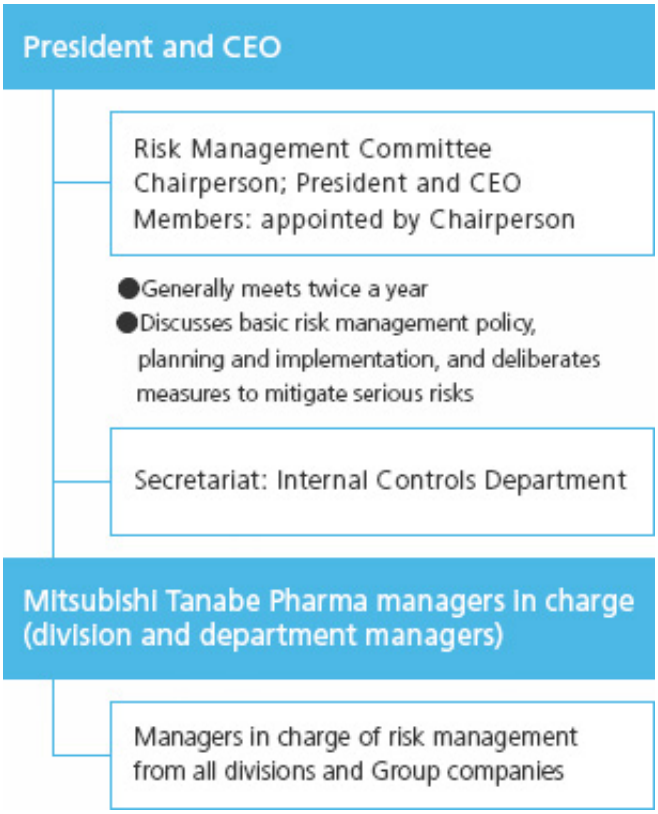
The Mitsubishi Tanabe Pharma Group has established Risk Management Rules to ensure that risks associated with its business activities are managed properly. Based on these rules, each of the divisions at Group companies works to accurately identify the presence, type, and importance of the risks associated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

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

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

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

Mitsubishi Tanabe Pharma Group
Risk Management Structure



Risk Control Adapted to Classification

Management strategy risks

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

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

SCs risks (risks that require Groupwide management)

Divisions primarily and peripherally involved coordinate to develop and carry out measures to mitigate risks
Internal Controls & Compliance Department supervises progress

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

Other general risks (other than those listed above)

Individual divisions implement measures to mitigate risks

Being Prepared for Large-scale Disasters

To secure a stable supply of pharmaceuticals, which is the mission of a pharmaceutical manufacturing and sales company, we have formulated disaster regulations, such as Business Continuity Management Rules for Large-Scale Disaster. The Group is advancing the following countermeasures to large-scale disasters, such as an earthquake, tsunami, pandemic, or terrorist incident, and related risks. In this way, the Group is working to increase its disaster resilience.

- Preparing and periodically revising disaster prevention regulations, disaster prevention manual, BCP, etc.
- Establishing disaster prevention systems at domestic and overseas bases
- Implementing a variety of training (safety confirmation training, communications training, disaster prevention training, BCP training, etc.)
- Building pharmaceutical supply system (stipulation and implementation of inventory management standards, information cooperation standards, etc.)
- Establishing remote backup environment for information systems
- Securing multiple methods of communication
- Stockpiling items for emergencies, etc.

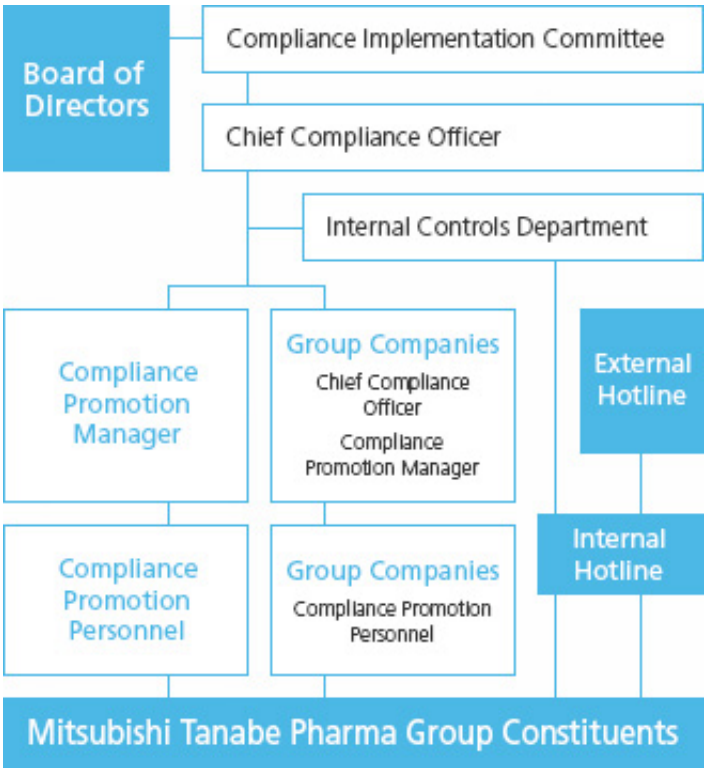
In an emergency, we will work to accomplish our mission with a Companywide system based on collaboration among the head office and each base, with our highest priority being the stable delivery of pharmaceuticals to patients.

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. A total of 168 compliance promotion personnel, including managers and staff, meet semiannually (overall / individually). These meetings are held to facilitate coordination among individual workplaces, heighten sensitivity to risk associated with compliance and potential scandals, share information on related problems, and enhance the capacity of workplaces to address compliance issues.

Mitsubishi Tanabe Pharma Group
Compliance Promotion System



Declaration of Compliance

1. We conduct our business with the highest 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 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:**
  Divisional training that focuses on specific topics relevant to each division
- **Compliance understanding 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 2016

	Times held	Number of participants
Groupwide compliance training	Once a year	6,121
Divisional compliance training	Once a year	6,236
Compliance understanding check	Twice a year	February 6,333 July 5,740

Hotlines

The Mitsubishi Tanabe Pharma Group's internal and external hotlines allow employees and managers to obtain consultation and make reports about any violation of laws, ordinances, or social conventions. The purpose of these hotlines is to prevent or reduce risks that could lead to scandal by providing employees with an easily accessible channel for bringing up concerns or suspicions that they may have. In addition, reports on recent trends and issues warranting special mention are included in compliance training sessions.

Number of Hotline Consultations Handled in Fiscal 2016

Regulations	Labor management	Preliminary consultations	Other	Total
6	23	4	1	34

Compliance at Group Companies Outside Japan

The Group consults regularly with relevant departments concerning action programs to strengthen compliance and risk management systems at the subsidiaries outside Japan. The Group has bases in the North America, Europe, and Asia. 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.

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 2016, the response rate was 87.5%, with 5,401 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, 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 2017, compliance meetings were held at all Group workplaces in Japan. At these meetings, employees studied 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 In addition, outside speakers were invited and compliance lectures were held at the Head Office, the Yoshitomi Plant and the Sales and Marketing Division.

Outside expert speaks to Mitsubishi Tanabe Pharma employees at the Head Office

Corporate Behavior Charter Cards

Corporate Behavior Charter Cards are distributed to employees.

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Back

VOICE

Governance requires speed in making decisions and taking action.

Hiromi Okatake

Executive Officer,
General Manager of Legal Affairs & Intellectual Property Department,
in charge of Internal Control Department
Chief Compliance Officer

Corporate governance involves the relationship between shareholders and a company, but in a broader sense it refers to the entire framework for maximizing corporate value by ensuring the appropriate functioning of the organization while simultaneously working to increase profitability. In recent years, there has been a growing focus in corporate governance on proactive ESG (Environment, Society, Governance) initiatives as well as the strengthening of "earning power" through efficient management and other means.

At Mitsubishi Tanabe Pharma, we are working to deepen CSR initiatives, such as advancing health management, and to enhance the Group governance system in line with the globalization of operations, such as the formulation of the Code of Conduct. To ensure the effective functioning of the governance system, we will incorporate management policies and management plans into the objectives of each corporate organization and link them to the objectives of each employee. In addition, a key point will be rapidly implementing top-down and bottom-up communications as well as making decisions and taking action with a sense of speed.

The Company will work to achieve sustained growth and increases in corporate value over the medium to long term by further increasing the effectiveness of corporate governance.

Initiatives for Employees

Basic Stance on Human Rights

The Group's Code of Conduct stipulates that we support and respect the protection of internationally declared human rights and ensure that we are not involved in any human rights violations ourselves. It also stipulates that we support the abolition of forced labor in all forms and the effective abolition of child labor. We will not treat others in an unfair manner, and will act without regard for such matters as national origin, gender, or beliefs. In addition, we respect mutual human rights and aim to create workplace environments that are safe and comfortable. 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.

Initiatives to Raise Human Rights Awareness

The Mitsubishi Chemical Holdings Corporation (MCHC) Group signed the United Nations Global Compact (UNGC) in May 2006. As a member of the MCHC Group, the Mitsubishi Tanabe Pharma Group also respects the 10 principles of the UNGC, which address human rights, labor, the environment, and anticorruption, and upholds these principles in its business activities in line with its Corporate Behavior Charter. Based on an awareness of our social responsibilities as a company, we have formulated the Human Rights Awareness Promotion Regulations. The objective of these regulations is to foster the implementation of human rights awareness promotion activities in order to raise the human rights awareness of all officers and employees and to ensure respect for human rights at Mitsubishi Tanabe Pharma. In addition, the Company's Human Rights Awareness Promotion Committee, chaired by the President, plays a key role in both training for all of the officers and employees and other Groupwide human rights training programs, which include collaborating with outside experts and employee participation in outside lectures. In anticipation of Human Rights Week, in December each year the committee sponsors a contest in which employees are encouraged to consider human rights issues and demonstrate their general awareness by composing human rights slogans. In fiscal 2016, a total of 353 entries were submitted by employees throughout the Group. In addition, utilizing the UNGC self assessment, we have started to implement human rights risk assessment.

Mitsubishi Tanabe Pharma Group Human Rights Awareness Promotion Structure

Article 4 of the Regulations for Promoting Awareness of Human Rights

The Human Rights Awareness Promotion Committee has been established as a deliberative committee for overall policy standards and promotion.

Addressing Harassment

Under its Compliance Code of Conduct, the Mitsubishi Tanabe Pharma Group states clearly that the Group "does not tolerate discrimination, harassment or any 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 new managers, and in training for new employees.

The Company has established operates, and manages multiple harassment counseling services, such as internal and external hotlines, an external hotline to address difficulties and interpersonal relationships in the workplace, and a labor union MTU counseling service. The Mitsubishi Tanabe Pharma Group believes that eliminating harassment is a key component of creating a comfortable work environment, which will in turn help boost the vitality and performance of the Group.

Human Rights Issues in the Value Chain

Ethical Considerations in Research

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

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

Ethics Review Committee Approach

Discovery research using human tissue and cells provided by patients is increasingly important in the discovery of more-effective, safe drugs. In implementing this research, it is essential to pay careful attention to ethical issues, such as the acquisition of appropriate informed consent and the maintenance of the privacy of donors.

Mitsubishi Tanabe Pharma has established a Human ES Cell Research Ethics Review Committee, a Human Genome and Gene Analysis Research Ethics Review Committee, and a Human Tissue Research Ethics Review Committee. These committees carefully consider the ethics and scientific validity of research protocols in these respective areas. To promote objectivity and impartiality, each ethics review committee includes outside members to ensure that reviews are well-balanced and respect is given to the range of differing opinion. To ensure full transparency, the Company posts the rules governing the ethics review committees and summaries of its proceedings on the Ministry of Health, Labour and Welfare's research ethics committee reporting system.

Human Rights and Bioethical Considerations in Clinical Testing

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

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

Ethical Considerations in Procurement

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

In addition, to secure quality and realize stable procurement, we look for suppliers on a global, open basis. To be equitable, fair, and transparent, we evaluate and select suppliers in an impartial manner based on our supplier selection standards. On the other hand, because we cannot realize *KAITEKI* simply through our own efforts, we also ask for understanding and cooperation from our suppliers as we pursue the realization of *KAITEKI*.

Consideration for local communities in production

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

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

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

When investing in new facilities that involve the construction of buildings or other structures, 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.

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

Advancing human rights due diligence in the value chain from a proactive viewpoint

Emi Sugawara

Associate Professor,
Faculty of International Studies,
Osaka University of
Economics and Law

The globalizing business activities of the Mitsubishi Tanabe Pharma Group have a wide-ranging influence on human rights issues, and the range of that influence extends not only to the Group's own employees but also to stakeholders throughout the value chain. I would like to see the Group leverage this proactive viewpoint to make further advances in human rights due diligence. Specifically, I would like the Group to incorporate this range into its human rights guidelines—its Basic Stance on Human Rights. This stance clarifies the Group's position on respect for international human rights standards. I would also like to suggest that the Company should clearly state that its approach includes not only the rights of workers but also the rights of stakeholders in the value chain, such as patients in clinical trials. Based on this stance, the Group should confirm the overall situation in regard to human rights risk in its business activities and take steps to address issues in accordance with their materiality. Information disclosure is also a key part of the responsibility to respect human rights. In regard to the progress of initiatives, I look forward to seeing the Group take steps to establish objectives that facilitate the understanding of changes over time, to utilize data in demonstrating the results of initiatives, and to present future issues.

Human Resources Development

Basic Human Resources Policy

Mitsubishi Tanabe Pharma is working to further enhance its competitiveness by focusing on its people as a management resource and giving individual employees the 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.

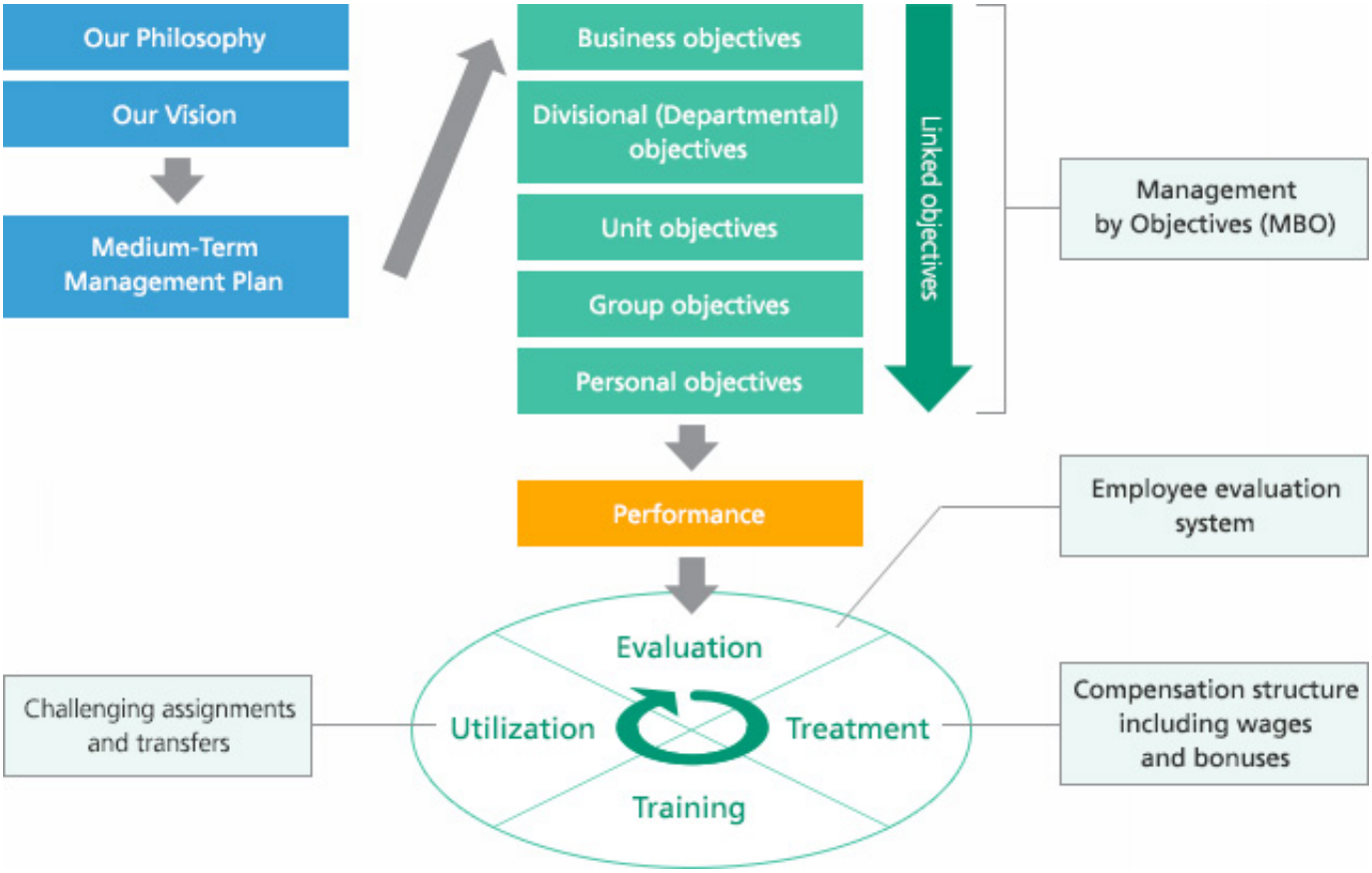
In addition, we endeavor to develop human resources who act in accordance with the standards of Pride and Sense of Mission, Challenge and Innovation, Trust and Collaboration, and Harmonious Coexistence with Society. Under the Medium-Term Management Plan 16-20, aiming to implement reforms to become a “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.

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, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
Consolidated	8,835	9,065	8,457	8,125	7,280
Unconsolidated	4,850	4,867	4,844	4,780	4,239
Men	3,870	3,856	3,802	3,730	3,263
Women	980	1,011	1,042	1,050	976

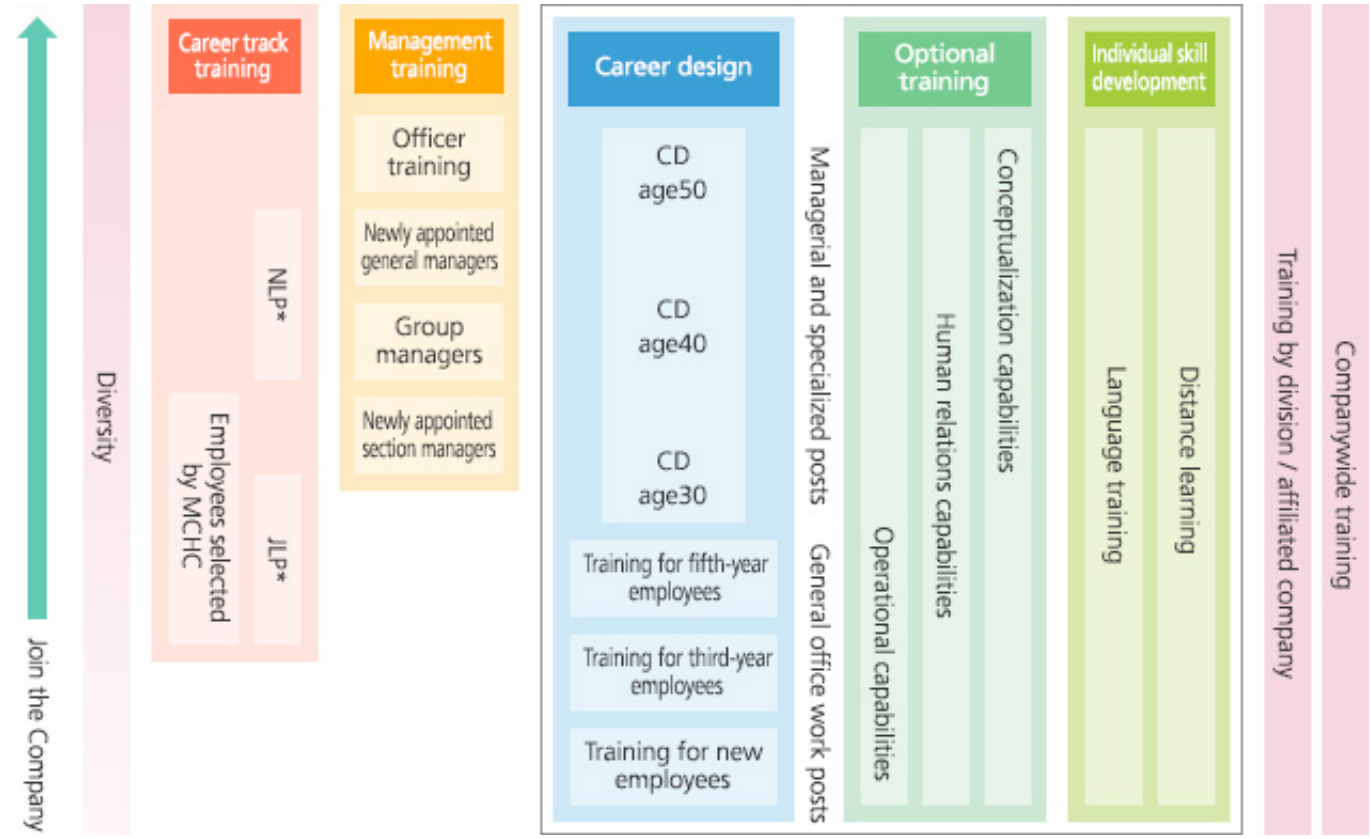
Enhancing Personnel Training

To strengthen our corporate vitality and competitiveness, we must work to enhance the capabilities of our human resources, who are the source of that vitality and competitiveness. Aiming to develop people with key attributes, we support the development and demonstration of the capabilities of employees through the smooth coordination of four frameworks: employing diverse human resources, on-the-job and off-the-job training 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, employees can fully utilize their capabilities.

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 2016, we commenced MT-VIVID, a management rapid development program. From the viewpoint of achieving the sustained generation and increase of corporate value, through this program we are working to build a framework for the development of successors to management leaders. As a management issue, we are strategically formulating measures for the development of the next-generation of managers in five to ten years.

Training Program Structure



* NLP: NEXT LEADER Program (NEXT leader)
* JLP: Junior LEADER Program (Jr. leader)
* CD: Career design

Promoting Diversity

Actively Utilizing Diverse Human Resources

The Group has positioned its approach to diversity and inclusion as one of its management strategies and is working to establish a work environment that provides opportunities for active careers for diverse human resources, including women, senior citizens, non-Japanese employees, and people with disabilities.

Among other things, the enhancement of career opportunities for women plays one of the central roles in these initiatives. We identified key issues for the Company — delays in career development accompanying life events, such as marriage and child-rearing, and the further promotion of corporate culture formation. We have announced the following two points for our action plan in regard to the Act on Promotion of Women's Participation and Advancement in the Workplace, which came into effect in April 2016.

(1) Increase the ratio of female managers (group manager and above) to more than double
(2) Introduce one or more measures to increase choices in working styles.

In fiscal 2016, we introduced telecommuting as a system to facilitate diverse working styles. In addition, we implemented www28 training[*1] for women who have not yet experienced various life events. This training provides opportunities to consider future career issues, with themes including addressing individual strengths and weaknesses, changing behavior, and learning useful ways of thinking. The objective is to cultivate an awareness among employees' in regard to becoming role models in the future.

Our initiatives have been recognized. For example, on May 30, 2016, we received the highest ranking from the Minister of Health, Labour and Welfare under the Eruboshi[*2] company certification system, which is based on the Act on Promotion of Women's Participation and Advancement in the Workplace. On April 7, 2017, we were awarded the highest two-star ranking as a leading company in the support of active careers for women[*3] in Osaka City, and we received certification as a company implementing the Ikumen Project.


Www28 training

*1 www: Abbreviation for Win-Win Woman

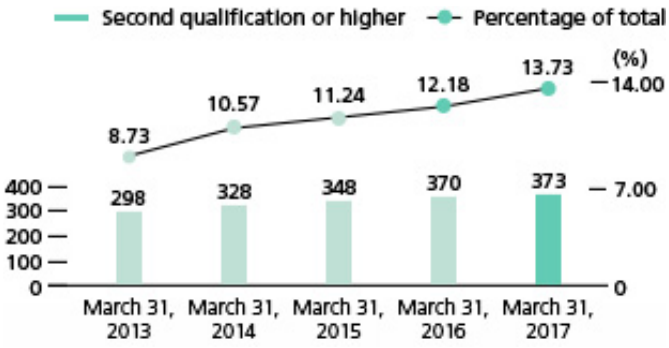
*2 “Eruboshi” company certification system

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.

*3 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.

Percentage of Female Employees with Second Qualification or Higher



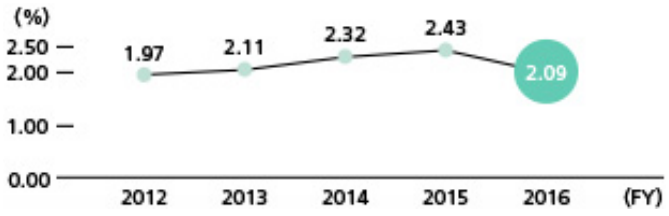
* Employees who serve in specialist and leadership roles, considered equivalent to subsection managers

Supporting People with Disabilities in the Workplace

Promoting Employment of People with Disabilities

The Group is working actively to promote the employment of people with disabilities, and we have taken steps to expand the range of duties of these positions from the many types of work that are available throughout the Group. Consequently, we employ people with disabilities at a rate that is higher than the legally required rate of 2.0% (2.09% as of the end of March 2017). In addition, with the objective of establishing an environment for the further promotion of the employment of people with disabilities, on April 3, 2017 we established Tanabe Palm Service Co., Ltd., which will be certified as a special subsidiary company. Moving forward, we will strive to establish workplaces with enhanced career opportunities for people with disabilities and to establish environments in which people with disabilities can work with even greater enthusiasm.

Employment Rate of People with Disabilities



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 employees with hearing disabilities. 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

Employee Earns Gold Medal at 23rd Summer Deaflympics

Nanako Hata, who works in the Company's Human Resources Department, represented Japan in deaf volleyball, which is indoor volleyball played by six-person teams of people with hearing disabilities. Athletes cannot hear their teammates' voices, the referees' whistles, or the sound of the ball being hit, and they play while communicating through sign language.

When Ms. Hata participated in the 2016 world championships, a company support group was formed and the scope of support was increased. In addition, at the 23rd Summer Deaflympics, which were held in Samsun, Turkey, in July 2017, Ms. Hata represented Japan in deaf volleyball, and the Japanese team won a gold medal for the first time in 16 years. Moving forward, the Company will continue to support Ms. Hata in her athletic endeavors.

Nanako Hata, setter for the Japan team
I was very happy that deaf volleyball, which is not widely known, achieved a greater degree of recognition among employees and received their support.

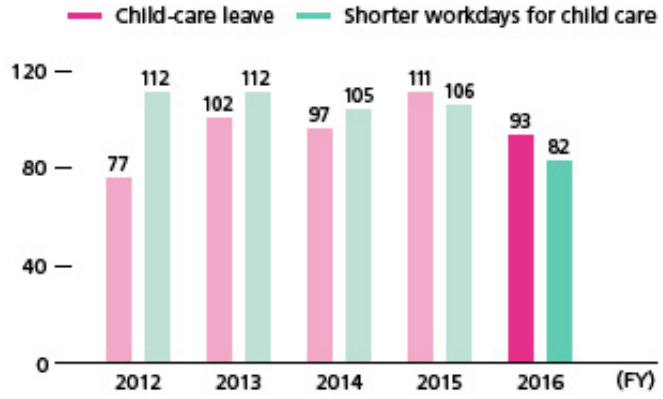
Source: Japan Deaf Volleyball Association

Deaflympics Gold Medal

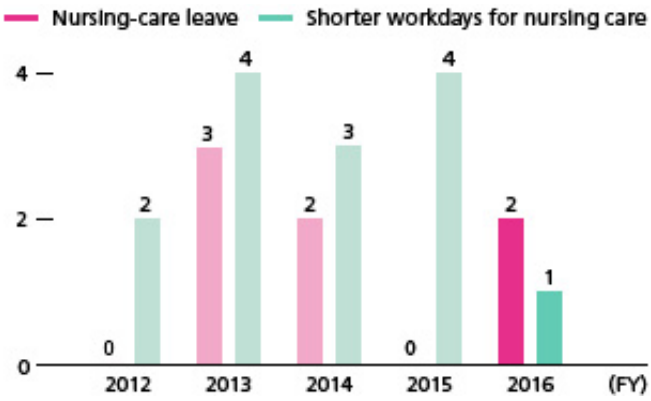
Work-Life Balance Considerations

With the objectives of fostering employees' awareness of work-life balance and promoting their mental and physical health, we are implementing time-making (TM) activities on a Companywide basis. We are working to promote reductions in long work hours and increases in the usage of paid vacation days. In addition, we are taking steps to enhance work-life support systems, such as establishing child-care and nursing-care leave periods that are substantially above the legal requirements. In these ways, we are striving to ensure that diverse human resources can have active careers while balancing work and a variety of life events, such as child-rearing and nursing care. As a result of these initiatives, we earned "Kurumin" accreditation as a "general business owner conforming to standards" for five consecutive terms since 2007. This accreditation mark is based on the Next Generation Nurturing Support Measures Promotion Law.

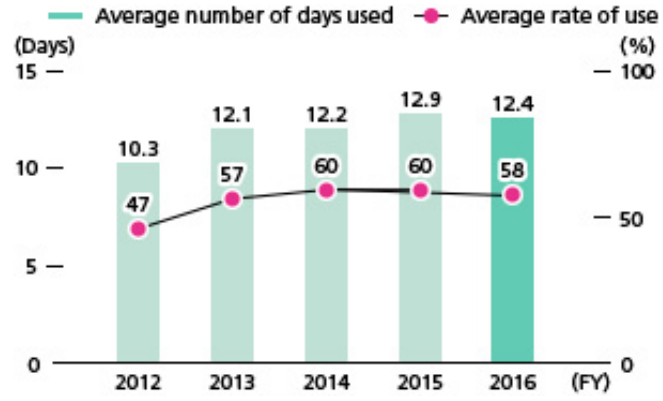
Utilization of Leave and Shorter Workdays for Child Care



Utilization of Leave and Shorter Workdays for Nursing Care



Usage of Paid Vacation Days



Building Sound Labor-Management Relations

The labor agreement that Mitsubishi Tanabe Pharma has entered with the Mitsubishi Tanabe Pharma Labor Union guarantees the working conditions and rights of union members. Group management and the union regularly hold labor-management meetings where the Company communicates its management policy and the two parties exchange information on workplace conditions, seeking to more fully understand each other. Members of the Management Council and various labor-management committees 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 Initiatives

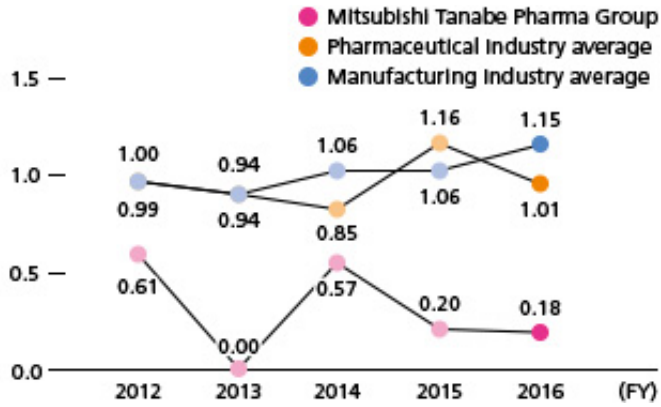
Aiming to promote environmentally friendly activities and to realize workplaces where employees can work in a healthy, enthusiastic, safety, and comfortable manner, the Group is strengthening its initiatives in the areas of Environment, Health, and Safety (EHS).

In particular, securing the safety of employees in business activities is our highest priority. We set an objective for fiscal 2016 of a rate of accidents causing absence from work at plants and laboratories of less than 0.3% (less than 50% of the level in fiscal 2012, and we implemented a range of initiatives.

To prevent accidents, it is important to continually strengthen environmental and safety management and to raise everyone's risk awareness in regard to safety in operations. Accordingly, our safety training initiatives include hazard prediction training, human error countermeasure seminars, and experience-based training as well as the sharing of information regarding such issues as occupational accidents and trouble that have arisen at worksites in Japan and overseas. In these ways, we are working to strengthen our front-line capabilities (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 commuting.

In fiscal 2016, there were no accidents requiring absence from work at plants or laboratories in Japan or overseas. There were two occupational accidents in sales units, and the rate of accidents causing absence from work at all domestic worksites was

Rate of Accidents Causing Absence from Work



Calculation period:
For the Group, April to March the next year
For pharmaceutical production industry averages and manufacturing industry averages, January to December

Scope:
2012 to 2015, domestic Group plants and laboratories; fiscal 2016, all domestic worksites

Rate of accidents causing absence from work:
number of casualties due to accidents that require time off of work to one million actual work hours

Experience-based training:
We are working to foster understanding of safe electricity handling and to prevent the occurrence of accidents (fires) by using experiments.

0.18. 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.

Chemical Substance Safety Management

The Group handles a wide range of chemical substances, including pharmaceuticals, and has incorporated chemical substance risk evaluations into its chemical substance handling guidelines. Through advance evaluation of potential risks from the perspectives of both “dangerous/hazardous” and “exposure of people / the environment,” we are advancing the prevention of accidents related to chemical substances. Furthermore, moving forward we will work to observe laws and regulations and to enhance appropriate chemical substance management through the implementation of ongoing training and education as well as safety audits.

Employee Health Management

Formulating the MTPC Group Health Policy

The Group considers health management to be an important issue for corporate management. In April 2016, to effectively and appropriately advance activities related to employee health, we formulated the MTPC Group Health Policy in accordance with our corporate philosophy, vision, and Corporate Behavior Charter.

We are striving to promote awareness of work–life balance, improve mental and physical health, and implement varied working styles. To that end, in addition to health promotion, we are also striving to promote varied working styles, such as the use of paid vacation days to support switching between work and personal life.

In addition, in February 2017 we were recognized under the first “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 and managed by the Nippon Kenko Kaigi. In the future, we will continue to further advance activities based on health guidelines and to create environments that support the physical and mental health of all employees and enable them to work energetically.

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.

Health examinations and health maintenance activities

The Company and the health insurance society are working together to formulate and advance a variety of health management measures to promote health maintenance among employees so that they can appropriately implement self-care. For example, in addition to implementing periodic health examinations, we recommend disease prevention medical examinations and thorough physical checkups. We also implement follow-up management based on the results of periodic health examinations, specific health examinations (metabolic syndrome medical examinations), and disease prevention medical examinations (cancer prevention medical examinations, etc.). Furthermore, we are implementing walking campaigns, no-smoking campaigns, and health events at worksites so that employees can proactively strive to promote their health.

Preventing Long Work Hours

With the objective of preventing damage to the health of workers putting in long hours, we manage work hours, and we are striving to prevent the occurrence of mental or physical problems. For example, we have a worker self-examination system for accumulated fatigue for employees whose overtime working hours exceed a certain amount.

In addition, through time-making activities, we are aiming to reduce long working hours and to increase the rate of usage of paid vacation days.

Strengthening Measures to Address Mental Health

We have formulated the MTPC Group Mental Health Promotion Plan, and we are working to strengthen measures for mental health through the PDCA process. Specifically, self-care initiatives include promoting awareness of stress through stress checks. For supervisor-led initiatives, we have produced a mental health guidebook so that employees who have taken mental health related leave can return smoothly to the workforce. In addition, to create workplaces in which employees can work with enthusiasm, we will conduct multifaceted analyses of the stress check organizational analysis results and various survey results, identify essential problems, and work to support workplace initiatives while exchanging opinions with departments and related companies.

Surveying Employee Attitudes

Since fiscal 2011, the Mitsubishi Tanabe Pharma Group has implemented employee attitude surveys 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 2016, many items recorded year-on-year gains. In particular, a record high level was recorded in the overall indicator related to such aspects of work as satisfaction and a sense of accomplishment. On the other hand, a number of issues have been clarified. In consideration of these issues, we will strive to establish a work environment that facilitates dynamic managers, career formation measures for professionals, enhanced career opportunities for diverse human resources, reformed awareness about health, and energetic work.

VOICE

The entire company will work to create dynamic workplaces and promote employee health!

Kazumi Kuroda
Human Resources Department

The Group's initiatives to advance health management have been well regarded, and we were recognized under the first “Outstanding Enterprise in Health and Productivity Management — White 500” program. Accordingly, from this fiscal year I would like to see the Group steadily implement specific initiatives. In supporting the health of employees, we are providing measures to clarify employees’ health status and to help them take steps to independently improve their health. Furthermore, in addition to addressing mental health issues, we are focusing on positive mental health and advancing the creation of dynamic workplaces with a heightened sense of workplace unity. It is important that these activities be advanced through collaboration among corporate strategic planning, human resources and labor administration, health promotion, labor unions, and health insurance associations. I believe that initiatives to advance health management lead to well-being for employees and the Company.

Environment & Safety Policy

Environment & Safety Policy

Targeting the realization of our philosophy and our vision, the Mitsubishi Tanabe Pharma Group has formulated an Environment & Safety Policy that stipulates rules and principles for environmental and safety activities. Throughout the product lifecycle, from R&D to manufacturing, distribution, use, and disposal, we will implement and enhance our countermeasures in the areas of the environment, safety, and health. Furthermore, we will proactively disclose information to society and strive to be a “company that is trusted by society”

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, so as to minimize their impact.

Environmental Management

Environmentally Friendly Corporate Activities

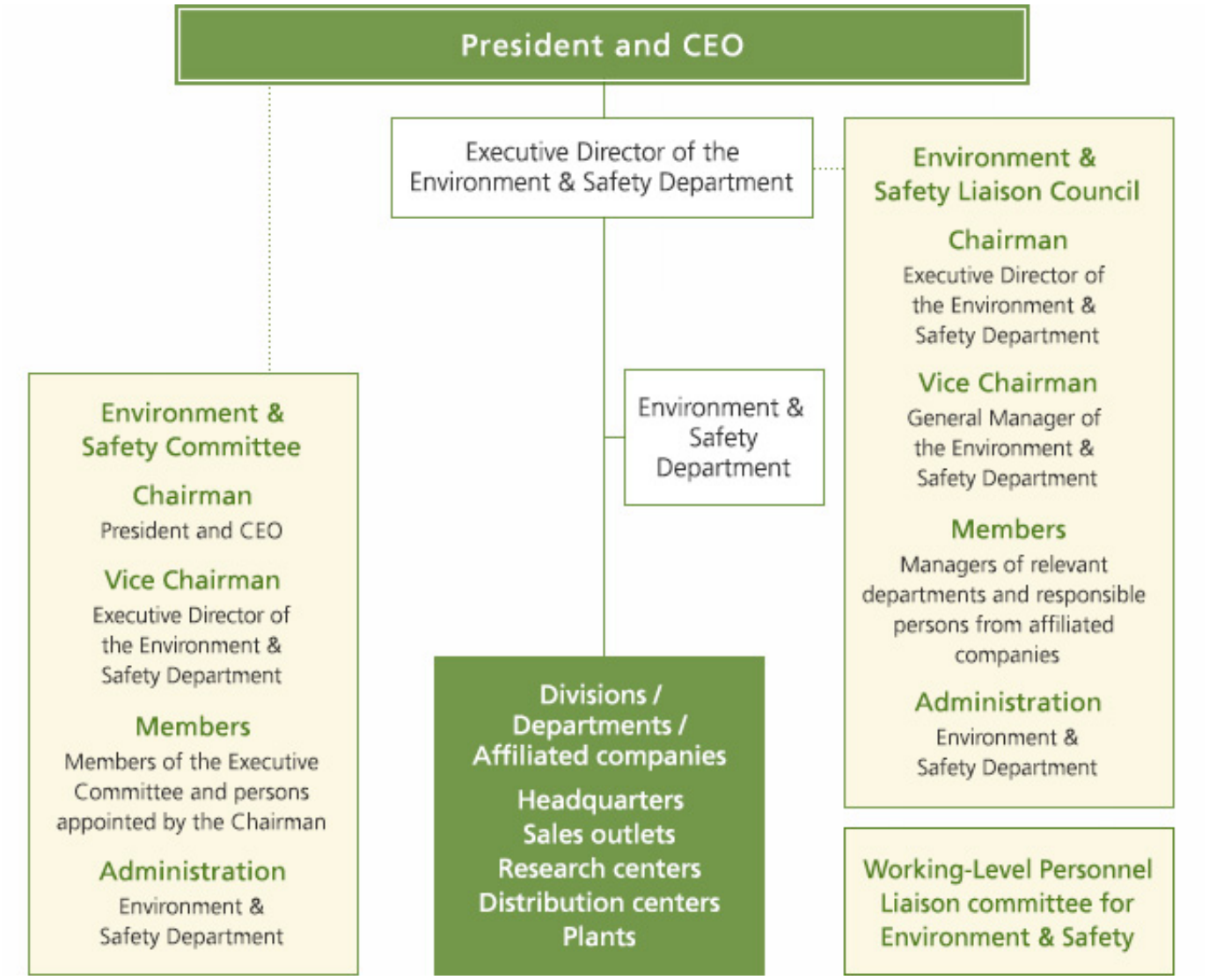
In order to help protect the global environment and create a sustainable society, in every aspect of its business operations the Mitsubishi Tanabe Pharma Group is working to reduce resource consumption, energy consumption, and waste and to achieve sustained reductions in the environmental burden in accordance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

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

Environmental Management System

Mitsubishi Tanabe Pharma has established an environmental and occupational safety management system, overseen by the President and CEO. The Environment & Safety Committee serves as the consultative committee for this system, with members comprising representatives from the Executive Committee and others. The Environment & Safety Committee deliberates on environmental and safety activities and plans, important measures, and other matters. We are working to appropriately and smoothly implement Groupwide 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 plans and implements countermeasures for issues relating to the environment and safety of the Mitsubishi Tanabe Pharma Group. In this way, we are promoting the management of environmental issues both inside and outside Japan. In addition, the Company has established the Environment & Safety Department as a specialized unit with overall responsibility for environmental and safety management. Through close ties with the frontlines, the division supports strengthened frontline capabilities and the development of a safety culture. In this way, the Company is working to prevent the occurrence or recurrence of accidents or problems related to the environment and safety of the Group.

Mitsubishi Tanabe Pharma's Environment & Safety Management Promotion Structure



ISO 14001 Certifications

The Mitsubishi Tanabe Pharma Group's principal production sites in Japan and overseas have acquired either ISO 14001 certification or other certifications established by relevant local municipalities. The Group has established and operates an environmental management system and works to continually improve that system. Furthermore, in research facilities and offices we are implementing appropriate environmental management in accordance with such factors as the location and the nature of the environmental burden associated with business activities. In this way, we are advancing environmental management on a Groupwide basis.

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
Tanabe Indonesia	Bandung Plant

Scope of environmental information and third-party verification of disclosed data

In CSR activity reporting, the Group tracks and discloses environmental information for all of the bases of Mitsubishi Tanabe Pharma Corporation and domestic consolidated subsidiaries and for the manufacturing and research bases of overseas consolidated subsidiaries.

In addition, in the “Overview of Environmental Impact” category, we receive third-party assurance from KPMG AZSA Sustainability Co., Ltd., in order to increase the reliability of disclosed data in regard to important environmental information under “Input and Output at Group Worksites in Japan” and in regard to “Environmental Performance of Production and Research Sites outside Japan.”

(Note) Information for which third-party assurance has been received has the third-party assurance mark: “ ”.
In regard to the “Independent Third-Party Assurance Report,” please refer to the end of the chapter on “Overview of Environmental Impact.”

Companies subject to environmental information collection and disclosure.

In Japan:	Mitsubishi Tanabe Pharma Corporation, Mitsubishi Tanabe Pharma Factory Ltd., Bipha Corporation, Tanabe Seiyaku Yoshiki Factory Co., Ltd., Yoshitomiyakuhin Corporation, Tanabe Seiyaku Hanbai Co., Ltd., Tanabe Total Service Co., Ltd.
Outside Japan:	Taiwan Tanabe Seiyaku Co., Ltd., Tianjin Tanabe Seiyaku Co., Ltd., Mitsubishi Tanabe Pharma Korea Co., Ltd., P.T. Tanabe Indonesia, Tanabe Research Laboratories U.S.A., Inc., Medicago, Inc., Medicago R&D Inc., Medicago USA Inc., MTPC Holdings Canada Inc.

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, each year we conduct regular environmental audits at worksites to confirm that environmental conservation activities and environmental management 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 reduction initiatives. Measures to address matters that were indicated in previous audits are confirmed, and evaluations based on check sheets are conducted. This leads to close communication between worksites and environment-related departments, thereby fostering a unified understanding of the current state of affairs and the upfront identification of potential environmental risks at worksites. On this basis, countermeasures are considered.

In fiscal 2016, environmental audits were conducted at 7 domestic worksites (Toda Office, Yokohama Office, Kashima Office, Onoda Plant, Yoshitomi Plant, Bipha, Tanabe Seiyaku Yoshiki Factory). No items were indicated as entailing major environmental risk at any of the worksites. Furthermore, to address matters requiring improvement, such as deficiencies related to waste management, worksites take independent action and environment-related departments provide support and follow-up. In this way, improvements are steadily implemented.

Environmental audit at Tianjin Tanabe Seiyaku (November 2016)

Advancing Initiatives in the Areas of *KAITEKI*, Safety, Health, and the Environment

P.T. Tanabe Indonesia has formed the KAISHE committee and is aggressively implementing initiatives to advance *KAITEKI* activities related to safety, health, and the environment. In particular, in the environmental area, since the acquisition of ISO-14001 certification in 2004, P.T. Tanabe Indonesia has continued to receive the “Blue Rank” evaluation, which signifies compliance with environmental laws and regulations, under the annual environmental management performance evaluation program (PROPER) of the Government of Indonesia’s Environmental Impact Agency.

Mufti Hidayat
Chair of P.T. Tanabe Indonesia KAISHE Committee
(KAISHE Committee: KAITEKI, SAFETY, HEALTH AND ENVIRONMENT COMMITTEE)

At the Bandung Plant, initiatives are being implemented to reduce CO_2 emissions. For example, the plant has achieved CO_2 emissions reductions of 14 tons per month by reevaluating the operating time of chiller units and 40 tons per month by switching to fuel-efficient boilers and reevaluating the timing of the alternating operation of the new boilers and the old boilers. Also, by reusing the concentrated water discharged by the reverse osmosis units in the purified water production facilities, the water usage volume has been reduced by 4,000 m3, which is 25% of the annual usage volume.

Moving forward, we will continue to aggressively implement activities targeting the establishment of a more-*KAITEKI* environment.

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. For employees in charge of environmental management affairs at each worksite, we invite outside lecturers and implement annual education and training with content that is specialized yet can be put into practice immediately Participants are highly satisfied with these initiatives. Moreover, we implement annual e-learning for employees of marketing-related departments. In addition, we offer education and training with original content at the worksite and unit level. In this way, we are working to enhance environmental management skills and specialized knowledge.

Fiscal 2016 environmental education and training through outside lecturers

• Training for people responsible for waste management
[Participants] People responsible for waste management at domestic Group worksites
[Date of implementation] May 2016
[Content] Laws and regulations and internal regulations related to waste management

• Training in pollution-related environmental laws and regulations
[Participants] People in charge of management of pollution-related matters at domestic Group worksites
[Date of implementation] October 2016
[Content] Pollution-related laws and regulations (air, wastewater, soil, etc.) and internal regulations

• Training in environmental laws and regulations
[Participants] All employees of Bipha
[Date of implementation] January 2017
[Content] Environment-related laws and regulations applicable at Bipha

Environmental Risk Management

The Group has formulated environmental 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 an accidental discharge of chemical substances to public water bodies, and accordingly the Group has installed systems that can prevent environmental pollution, such as automation of 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 risk and water risk. We will organize information regarding risks that affect operations and other aspects of management as well as available opportunities and move forward with initiatives.

Soil and Groundwater Contamination Prevention and Control

The Mitsubishi Tanabe Pharma Group thoroughly strives to prevent soil and groundwater contamination at all of its production and research sites. In the remote chance that contamination is discovered, the Group takes appropriate measures to prevent wide-area pollution dispersion. In particular, when implementing new building construction and building demolition, in accordance with the Soil Contamination Countermeasures Act, we implement soil surveys while working together with the supervisory authorities.

We continue to implement appropriate measures to address the soil and groundwater pollution that was discovered at the Yoshitomi Plant (Chikujo, Fukuoka Prefecture) in fiscal 2013. For the soil, we completed soil improvement work in June 2015, and in regard to the groundwater, we have implemented continued cleanup initiatives through groundwater pumping. As a result, the concentration of pollutants in groundwater reached a level below regulatory standards. Subsequently, with the agreement of the supervisory authorities, we halted groundwater pumping (March 2017), and we continue to confirm the decontamination status through periodic groundwater analysis.

Environment-related accidents / problems and status of legal and regulatory compliance

In fiscal 2016, the Group did not have any environment-related accidents or problems in Japan or overseas.

In regard to legal and regulatory compliance, in June 2016, Bipha received a strong warning from the Ministry of Health, Labour and Welfare in regard to the inappropriate use of genetically modified organisms. This incident was reported in detail in the CSR Activities Report 2016.

In fiscal 2016, Bipha Corporation implemented training for all employees related to the Law Concerning the Conservation and Sustainable Use of Biological Diversity through Regulations on the Use of Living Modified Organisms (Cartagena Law), such as the handling of genetically modified organisms. In this way, Bipha worked to increase awareness in regard to biological products. In addition, Bipha took steps to reevaluate and examine the structural design of dispersion prevention measures, such as installing equipment related to inactivation processing, which is implemented to inactivate recombinant. During environmental and safety audits, the Group confirmed the status of management of biological products and implemented rigorous measures to strengthen management and prevent a recurrence at all Group worksites.

Moving forward, the Group will continue working to rigorously implement environmental compliance in its business activities and to prevent the occurrence of environmental accidents and troubles.

Medium-Term Environmental Action Plan

Medium-Term Environmental Action Plan / Principal Initiatives and Results in Fiscal 2016

Area	Objectives	Principal Initiatives and Results in Fiscal 2016
Energy conservation and global warming mitigation	▪ Reduce CO_2 emissions for fiscal 2015 by at least 30% compared to the fiscal 2005 level	▪ CO_2 emissions Domestic group: 31% reduction (vs. fiscal 2010) (9% reduction (vs. fiscal 2015)) Global: 25% reduction (vs. fiscal 2010) (9% reduction (vs. fiscal 2015)) ▪ For supply chain CO_2 emissions, scope 3 emissions in categories 1, 2, 3, 4, 5, 6, 7, and 12 were tracked, calculated, and disclosed on the CSR website.

Reduction of waste, reuse and recycling of resources	▪ Promote zero emissions (final waste disposal rate of less than 0.5%) and continually reduce waste and emissions output and final waste disposal ▪ Fulfill the responsibility of a waste discharging enterprise for handling waste correctly and ensuring proper treatment by contractors	▪ Amount of waste generated: 33% reduction (vs. fiscal 2015) ▪ Final waste disposal rate: 0.33% ▪ Advanced manifest digitalization ▪ Improved internal evaluation standards for waste processing contractors and implemented rigorous evaluations

Chemical substance emissions reductions	▪ Properly manage chemical substances and continually reduce their discharge into the environment	▪ Handling volumes
		  ▪ PRTR substances: Reduction (4% reduction vs. fiscal 2015)
		  ▪ VOC (excluding PRTR substances): Reduction (20% reduction vs. fiscal 2015)
		▪ Emissions to the environment (atmosphere or public water bodies)
		  ▪ PRTR substances: Reduction (4% reduction vs. fiscal 2015)
		  ▪ VOC (excluding PRTR substances): Reduction (20% reduction vs. fiscal 2015)
		▪ Emissions of toluene to the environment: Increase of 3% (vs. fiscal 2010) accompanying increase in handling volume and reevaluation of rate of emissions to public water bodies

Preservation of biodiversity	▪ Understand the relationship between business activities and biodiversity and promote biodiversity initiatives	▪ Advanced biodiversity preservation initiatives through planting at Ikoma Mountain (Osaka Prefecture) and natural woodland conservation in the Hachioji Takiyama Area (Tokyo Prefecture).
Enhancement of environmental management	▪ Improve environment-related risk management at company facilities ▪ Maintain zero environmental accidents	▪ Environmental audits by environment-related departments Subject: 7 worksites of domestic Group companies, 3 overseas production bases ▪ Improved environmental audit checklist for overseas bases ▪ For people in charge at each base, environmental education and training related to overall environment-related laws and regulations as well as to waste ▪ Zero environmental accidents / problems

Fiscal 2016 was the first year of the Group's Medium-Term Environmental Action Plan (2016-2020). In regard to "energy conservation and global warming mitigation," which is the Company's top priority, we achieved the target for CO_2 emission reductions by a significant margin. In addition, during the fiscal year we made suitable progress in addressing other themes with initiatives at each Group worksite.

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 2016 were ¥203 million in investments and ¥720 million in running costs. The economic benefit of environmental conservation measures was ¥45 million.

Environmental Conservation Costs (millions of yen)

Item	Invested	Expended
Pollution prevention	12	307
Global environmental protection	156	51
Recycling and reuse of resources	13	147
Upstream and downstream activities	0	24
Administrative activities	22	181
Research and development	0	0
Community activities	0	1
Environmental damage compensation	0	10
Total	203	720

Environmental Conservation Effects

Reduction of environmental impact		Quantity reduced
Global environmental protection	Greenhouse gas emission reduction	937 tons-CO_2

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

Material economic effects	Amount saved
Sales of valuable materials	0.7
Electric consumption reduced through energy-saving measures	44.2
Total	44.9

Notes regarding calculations for fiscal 2015 data:

1. Data was calculated according to the Environmental Accounting Guidelines (2005 edition) published by the Ministry of the Environment of Japan.
2. Calculation period: April 1, 2015 to March 31, 2016
3. Scope: All Group worksites in Japan.
4. Calculation methods:
   (1) Simple method for amount invested (25%, 50%, 75%, 100%);
   (2) Depreciation is calculated based on the legally defined service life of applicable items; and
   (3) The full amounts for nondepreciation costs are posted only if 100% environment related
5. Method of tallying and assessing “Effects on the environmental preservation measures”:
   (1) Only material effects based on conclusive grounds for each environmental measure are tallied and assessed; and
   (2) Effects observed within the fiscal year are tallied by converting them to a period of 12 months, and evaluated by comparing them to the year before the measures were implemented (or the previous fiscal year).

Overview of Environmental Impact / Independent Third-Party Assurance Report

Input and Output at Group Worksites in Japan

Input

Energy ✓

Purchased electricity	105,716 MWh
Gases	8,709,000 m³
Petroleum	4,272 kL
Thermal equivalent	1,578,000 GJ
Crude oil equipment	40,704 kL

Water ✓

Supplied water	178,000m³
Industrial water	7,473,000m³
Groundwater	229,000m³

Chemical substances ✓

PRTR regulated substances*1	192 tons
VOCs (excluding PRTR regulated substances)*2	833 tons

R&D / Production / Offices and vehicles used in sales

Output

Atmospheric Emissions

CO_2 ✓	92,000 tons
NOx*3	20 tons
SOx*4	6.3 tons
Particulate matter	0.4 tons
PRTR regulated substances ✓	4.0 tons
VOCs ✓ (excluding PRTR regulated substances)	41 tons

Wastewater

Wastewater output ✓	7,621,000 m³
COD pollution load*5	31 tons
Nitrogen	17 tons
Phosphorus	0.8 tons
PRTR regulated substances ✓	2.9 tons
VOCs ✓ (excluding PRTR regulated substances)	21 tons

Waste ✓

Waste output	5,936 tons
Emissions	2,648 tons
Final disposal	19 tons

*1 Pollutant Release and Transfer Register
*2 Volatile Organic Compounds
*3 Nitrogen Oxides
*4 Sulfur Oxide
*5 Chemical Oxigen Demand

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

Scope of collection of environmental performance data (domestic)

The scope of collection principally covers the following bases. For items with a different scope, a separate note is included below.

- Research bases (Toda Office, Yokohama Office, Kashima Office)
- Production bases (Mitsubishi Tanabe Pharma Factory: Osaka Plant, Onoda Plant, Yoshitomi Plant; Bipha; Tanabe Seiyaku Yoshiki Factory)
- Offices (Head Office, Tokyo Head Office, branches and sales offices, Yoshitomiyakuhin, Tanabe Seiyaku Hanbai, Tanabe Total Service)

- Input/water, output/wastewater
  · "Offices" includes only the Head Office.
- Output/waste
  · Excludes offices. Includes two contractor distribution centers

Note) Yoshitomi Plant environmental performance data

The wastewater treatment facilities at the Yoshitomi Plant are also used to treat wastewater from other companies located in the Yoshitomi district, and the related data for other companies is included in domestic data. In addition, data for air pollutants from boilers and electric generators used on a district-wide basis includes data for other companies. The principal performance data for the Yoshitomi Plant, including data for other companies, is as follows.

Input
Water : Water usage volume 2.8 million m³
Chemical substances : PRTR substances 79 tons; VOC (excluding PRTR substances) 50 tons

Output
Atmosphere : NOx 14 tons; SOx 6.2 tons; particulate matter 0.3 tons
PRTR substances : 0.6 tons; VOC (excluding PRTR substances): 14 tons
Wastewater : Wastewater output 2.5 million m³
COD pollution load 20 tons; nitrogen 15 tons; phosphorus 0.7 tons
PRTR substances 2.4 tons; VOC (excluding PRTR substances) 2.3 tons
Waste : Waste output 2.4 thousand tons; emissions 0.6 thousand tons; final disposal 1 ton

Environmental Performance of Production and Research Sites outside Japan

Scope: Taiwan Tanabe Seiyaku; Tianjin Tanabe Seiyaku; Tanabe Indonesia; Mitsubishi Tanabe Pharma Korea; Tanabe Research Laboratories U.S.A.; Medicago; Medicago R&D; Medicago U.S.A.; MTPC Holdings Canada

Environmental Performance of Production and Research Sites outside Japan

Energy consumption	Electricity	20,447 MWh
	Gases	1,791,000 m³
	Petroleum	60 kL
Water consumption		107,000 m³
CO_2 emissions		14,000 tons
Waste output		640 tons

Calculation Standards for Environmental Performance Indicators

Calculation Standards for Environmental Performance Indicators

◆Input

Environmental Performance Indicator	Unit	Calculation Method
[Energy]		
Purchased electricity	kWh	Amount of electricity purchased from electric utility companies
Gases	m^3	Amount of gas purchased (city gas, LPG)
Petroleum	KL	Amount of oil purchased (heavy oil, diesel, kerosene, gasoline)
Thermal equivalent	GJ	・Σ [(annual usage amounts of electricity, fuel oil, and gas) × unit calorific value for each type of energy] ・Unit calorific values are based on the Regulation for Enforcement of the Law Regarding the Rationalization of Energy Use
Crude oil equivalent	KL	・Σ [annual usage amounts of total energy × crude oil conversion factor (0.0258KL/GJ)] ・Crude oil conversion factors are based on the Regulation for Enforcement of the Law Regarding the Rationalization of Energy Use
[Water]		
Supplied water	m^3	Amount of service water used
Industrial water, etc.	m^3	Amount of industrial water and river water used
Groundwater	m^3	Amount of groundwater used
Amount of water used	m^3	Total amount of service water, industrial water, etc., and groundwater used
[Chemical substances]		
PRTR substances	Tons	Figures for class 1 designated chemical substances under the PRTR Law (Law concerning Pollutant Release and Transfer Register; hereinafter PRTR substances) are the total handling volumes of substances for which each worksite's annual handling volume is 100 kg or more.
VOCs (excluding PRTR substances)	Tons	Figures for substances designated as volatile organic compounds by the Ministry of the Environment (excluding PRTR substances; hereinafter VOCs) are the total handling volumes of substances for which each worksite's annual handling volume is 100 kg or more.

◆Output

Environmental Performance Indicator	Unit	Calculation Method
[Atmosphere]		
CO_2	Tons	・Total of CO_2 emissions from energy (fuel, electricity) and CO_2 emissions from the use of gasoline in sales vehicles ・The amount of CO_2 emissions from energy = Σ [(amount of each type of fuel used × unit calorific value for each type of fuel × CO_2 emissions factor for each type of fuel) + amount of purchased electricity used × CO_2 emissions factor for each electric utility company] ・Figures for fuel are the totals calculated using the factor 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 ・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 "CO_2 Emissions From Fuel Combustion (IEA 2016)," from the International Energy Agency)
NOx	Tons	・For facilities that produce soot/smoke for which measurement of NOx in exhaust gas is mandatory under the Air Pollution Control Law ・Σ (NOx concentration in exhaust gas × annual exhaust gas volume)
SOx	Tons	・For facilities that produce soot/smoke for which measurement of SOx in exhaust gas is mandatory under the Air Pollution Control Law ・Σ (SOx concentration in exhaust gas × annual exhaust gas volume)
Particulate matter	Tons	・For facilities that produce soot/smoke for which measurement of particulate matter in exhaust gas one or more times per year is mandatory under the Air Pollution Control Law ・Σ (particulate matter concentration in exhaust gas × annual exhaust gas volume)
PRTR regulated substances	Tons	・For PRTR substances for which each worksite has an annual handling volume of 100 kg or more, total amount released to the atmosphere. ・Amounts of each substance released to the atmosphere are based on the Manual for PRTR Release Estimation Methods from the Ministry of Economy, Trade and Industry and the Ministry of the Environment (version 4.1)
VOCs (excluding PRTR regulated substances)	Tons	・For VOCs for which each worksite's annual handling volume is 100 kg or more, total amount of released to the atmosphere. ・Amounts of each substance released to the atmosphere are based on the Manual for PRTR Release Estimation Methods from the Ministry of Economy, Trade and Industry and the Ministry of the Environment (version 4.1)
[Waste water]		
Waste water volume	m^3	・Total amount of water released to public water bodies and sewer systems (The waste water volume for worksites that do not have independent rainwater discharge systems includes rainwater.)
COD pollution load	Tons	・COD pollution load for worksites that are required to measure it under the Water Pollution Control Law ・Σ (COD concentration in water discharged from worksites × annual waste water volume released to public water bodies)

Environmental Performance Indicator	Unit	Calculation Method
Nitrogen	Tons	・Nitrogen pollution load for worksites that are required to measure it under the Water Pollution Control Law ・Σ (nitrogen concentration in water discharged from worksites × annual waste water volume discharged to public water bodies)
Phosphorus	Tons	・Phosphorus pollution load for worksites that are required to measure it under the Water Pollution Control Law ・Σ (phosphorus concentration in water discharged from worksites × annual waste water volume discharged to public water bodies)
PRTR regulated substances	Tons	・For PRTR substances for which each worksite´s annual handling volume is 100 kg or more, the total amount released to public water bodies. ・Amounts of each substance released to public water bodies are based on the Manual for PRTR Release Estimation Methods from the Ministry of Economy, Trade and Industry and the Ministry of the Environment (version 4.1)
VOCs (excluding PRTR regulated substances)	Tons	・For VOCs for which each worksite´s annual handling volume is 100 kg or more, the total amount released to public water bodies. ・Amounts of each substance released to public water bodies are based on the Manual for PRTR Release Estimation Methods from the Ministry of Economy, Trade and Industry and the Ministry of the Environment (version 4.1)
[Waste]		
Waste output	Tons	Volume of industrial waste and general commercial waste
Emissions	Tons	・Volume of industrial waste and general commercial waste for which processing was consigned to external enterprises ・Σ (volume of waste output - reduction in volume due to intermediate processing at worksites, such as dehydration
Final disposal	Tons	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
Final waste disposal rate	%	Final disposal volume ÷ Waste output volume × 100

This is an English translation of the "Independent Assurance Report" dated August 29, 2017 originally issued in Japanese by KPMG AZSA Sustainability Co., Ltd. for the “CSR” website created in Japanese by Mitsubishi Tanabe Pharma Corporation on the web page of “http://www.mt-pharma.co.jp/shared/show.php?url=../csr/report/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 indicators marked with “  ” for the period from April 1, 2016 to March 31, 2017 (the “Indicators”) included in its “CSR” website created on the web page of “http://www.mt-pharma.co.jp/shared/show.php?url=../csr/report/index.html” and thereunder (the “Report”) for the fiscal year ended March 31, 2017.

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 ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’, ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’, issued by the International Auditing and Assurance Standards Board, and the ‘Practical Guidelines for the Assurance of Sustainability Information’ of the Japanese Association of Assurance Organizations for Sustainability Information. 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 with the Company’s responsible personnel to obtain an understanding of its policy for the preparation of 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 reviews of 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 also recalculating the Indicators.
- Visiting to one of the Company’s research centers and a subsidiary selected on the basis of a risk analysis.
- Evaluating the overall statement in which the Indicators are expressed.

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 Report.

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 29, 2017

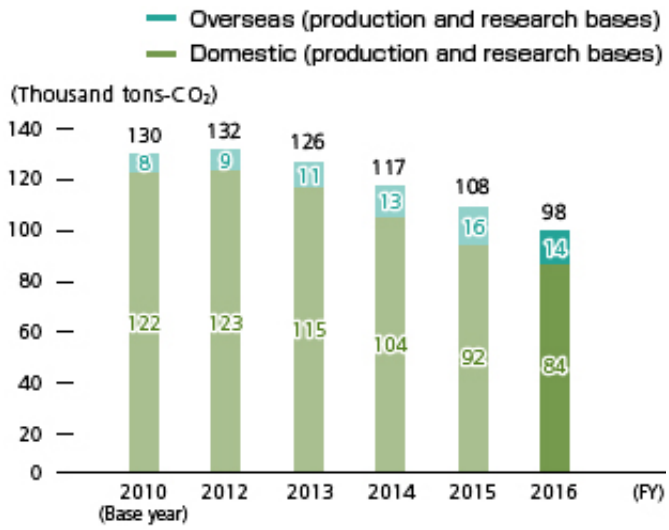
Energy Conservation and Global Warming Mitigation

CO_2 Emissions Reduction Targets and Results

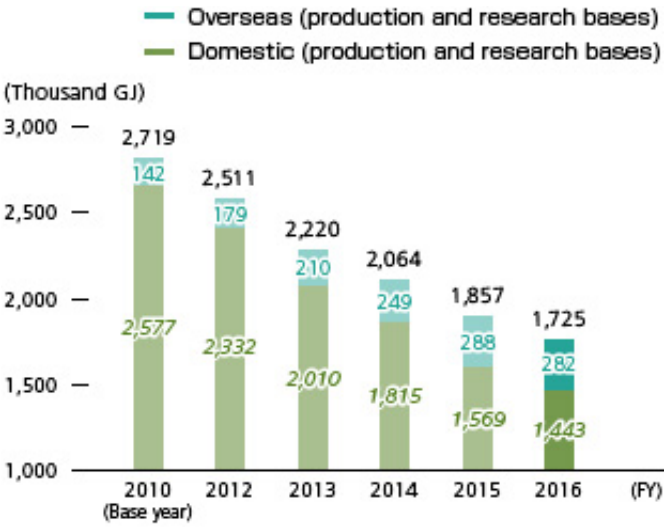
Global warming is an environmental problem that leads to climate change and will have a significant influence on the continued existence of life, including human beings. The Group has positioned "energy conservation and global warming mitigation" as its most important environmental themes. Under the Medium-Term Environmental Action Plan, we are aiming to reduce CO_2 emissions for fiscal 2020 by at least 30% in Japan and at least 25% worldwide, in comparison with fiscal 2010. To that end, the Group is implementing energy conservation initiatives based on the location and business of its various worksites, including plants, research facilities, distribution centers, and offices. In these ways, we are working to reduce greenhouse gas emissions.

In fiscal 2016, the Group's CO_2 emissions were 84,000 tons in Japan, a decline of 31% compared to fiscal 2010. Including overseas operations, worldwide CO_2 emissions were 98,000 tons, a decline of 25% from fiscal 2010. Compared to fiscal 2015, the fiscal 2016 figures represent declines of 8.7% in Japan and 9.3% worldwide. In fiscal 2016, a new pharmaceutical production building was placed into operation at Mitsubishi Tanabe Pharma Factory's Yoshitomi Plant, which had the effect of increasing emissions. However, at Toda, Yokohama, Kashima, Onoda, and Bipha, energy-saving activities, lower production, and other factors led to reduced emissions and contributed to the decline in the Group's total emissions in Japan. In addition, the total amount used at overseas production bases declined due to energy-saving activities, initiatives in equipment control, and other factors. As a result, we were able to achieve our objective for worldwide emissions.

CO_2 Emissions



Energy used



Strengthening Energy Management

The Group is working to strengthen energy management at domestic worksites. We are working to reduce energy consumption and CO_2 emissions at Mitsubishi Tanabe Pharma, Mitsubishi Tanabe Pharma Factory, and Bipha, which have been designated as Specified Business Operators under the Act on the Rational Use of Energy, as well as at Tanabe Seiyaku Yoshiki Factory, and affiliated companies.

At Mitsubishi Tanabe Pharma, the Kashima, Toda, and Yokohama offices have been appointed as Class I Designated Energy Management Factories. In fiscal 2016, energy used, on a crude oil equivalent basis, was down 22% year on year, to 13,740 kl, and CO_2 emissions were down 23% year on year, to 27,370 tons-CO_2 In addition, in fiscal 2016 we achieved a 16% year-on-year reduction in the amount of energy consumed during the daytime in the summer (July to September) and winter (December to March) periods, which have been designated as periods for the leveling off of electricity demand. We converted to highly energy-efficient facilities at the Kashima Office, and we improved the operation of energy-consuming equipment at the Yokohama Office. In these ways, we achieved a 5% reduction in energy use at the three Designated Energy Management Factories, which account for 73% of energy use for all worksites. The closure of the Kazusa Office also made a contribution to these results. In addition, from this fiscal year the energy used at contractor distribution centers and warehouses had been excluded from the scope. If energy use at distribution centers and warehouses had not been excluded, then energy used, on a crude oil equivalent basis, would have been down 15% year on year, to 14,990 kl, and CO_2 emissions would have been down 16% year on year, to 29,870 tons-CO_2.

At Mitsubishi Tanabe Pharma Factory, the Onoda Plant and Yoshitomi Plant are Class I Designated Energy Management Factories, and Bipha has also received this designation.

Energy consumption and CO_2 emissions for the three Specified Business Operators and Tanabe Seiyaku Yoshiki Factory, for fiscal 2015 and fiscal 2016 are shown below.

Mitsubishi Tanabe Pharma

Worksites	Crude oil equivalent (kL)		CO_2 emissions (tons-CO_2)	
	FY2015	FY2016	FY2015	FY2016
Kashima Office	4,650 (1,230)	4,420 (1,240)	9,540	8,880
Toda Office	5,110 (1,030)	4,840 (1,020)	10,100	9,530
Yokohama Office	3,040 (920)	2,840 (900)	6,050	5,610
Osaka Headquarters	460 (240)	450 (230)	940	890
Tokyo Head Office	210 (130)	210 (130)	400	400
Branches and sales outlets	950 (570)	940 (570)	2,060	1,990
Other	3,200 (800)	40 (20)	6,440	70
Total	17,600 (4,920)	13,740 (4,110)	35,530	27,370

Note: Crude oil equivalent figures in parentheses are based on the amount of electricity purchased during the designated period for leveling off of electricity demand.

Mitsubishi Tanabe Pharma Factory

Worksites	Crude oil equivalent (kL)		CO_2 emissions (tons-CO_2)	
	FY2015	FY2016	FY2015	FY2016
Onoda Office	14,060 (2,770)	13,410 (2,860)	35,060	33,970
Yoshitomi Office	6,210 (1,550)	8,140 (1,920)	15,030	18,010
Total	20,270 (4,320)	21,550 (4,780)	50,090	51,980

Note: Crude oil equivalent figures in parentheses are based on the amount of electricity purchased during the designated period for leveling off of electricity demand.

Bipha

Worksites	Crude oil equivalent (kL)		CO_2 emissions (tons-CO_2)	
	FY2015	FY2016	FY2015	FY2016
Bipha	3,800 (550)	3,100 (520)	9,080	7,290

Note: Crude oil equivalent figures in parentheses are based on the amount of electricity purchased during the designated period for leveling off of electricity demand.

Tanabe Seiyaku Yoshiki Factory

Worksites	Crude oil equivalent (kL)		CO_2 emissions (tons-CO_2)	
	FY2015	FY2016	FY2015	FY2016
Tanabe Seiyaku Yoshiki Factory	460 (220)	480 (220)	960	990

Note: Crude oil equivalent figures in parentheses are based on the amount of electricity purchased during the designated period for leveling off of electricity demand.

In accordance with the Act on the Rational Use of Energy, METI is implementing a system of assessing companies by class. The objective of this system is to promote an objective understanding among businesses in regard to their energy-saving initiatives. Companies were divided into classes based on their periodic reports for fiscal 2016. We were evaluated as a superior company in regard to energy-saving initiatives, and for the second consecutive year we were announced as an S-class company on METI's website.

We have established an energy management promotion system on a Groupwide basis, including the Specified Business Operators. We periodically hold energy conservation promotion liaison committee meetings and confirm changes in energy consumption and CO_2 emissions. In addition, we discuss worksite energy conservation and electricity-saving measures and formulate initiatives. In these ways, we are reinforcing energy management.

Initiatives with Company Vehicles

We are also implementing environmentally friendly initiatives in our sales and marketing activities. The number of vehicles used for sales staff working outside the office was 1,841 at the end of fiscal 2016 (down by 83 vehicles year on year). Of these, there were 1,399 hybrid vehicles (down 16 vehicles year on year), which accounted for 76% of vehicles used by sales staff. Excluding vehicles designed for use in cold regions, our fleet has almost entirely been switched to hybrid vehicles.

In fiscal 2016, CO_2 emissions from gasoline use in sales activities were 4,743 tons, down by 9.0% year on year. Including the gasoline used by Company vehicles at at the Head Office, etc., CO_2 emissions were 4,773 tons, down by 9.1% year on year. In the future, we will continue 2to implement tangible and intangible initiatives in conjunction with the advancement of eco-driving.

Greenhouse gas emissions in the supply chain

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 companies.
- Scope 3: Indirect emissions other than those covered in scope 1 and scope 2 (emissions by other companies involved with the activities of the business).

For fiscal 2016, scope 1 and 2 are presented for all domestic Group worksites and for overseas Group worksites (production and research bases). For scope 3, calculations for were made for categories 1, 2, 3, 4, 5, 6, 7, and 12, principally on a domestic basis. The scope 3 categories are the same as in the previous year. However, for category 1 the calculation precision has been increased, and the disclosed data has been expanded. For example, category 4 includes also greenhouse gas emissions from shipment from plants to distribution centers and from product storage management at distribution centers.

Scope 1

Scope of calculation

- Domestic: Group worksites (plants, research facilities, Head Office/Tokyo Head Office, branches, sales offices, etc.)
- Overseas: Group worksites (plants, research facilities)

Calculation of greenhouse gas emissions		Greenhouse gas emissions (tons-CO_2)	
		FY2015	FY2016
Domestic	Use of fuel at worksites	29,207	26,030
	Use of gasoline in vehicles used in sales activities, etc.	5,252	4,773
	Leakage of CFCs at worksites	128	690
	(Domestic total)	34,587	31,493
Overseas	Use of fuel at worksites	3,848	3,954
Global		38,435	✓ 35,447

Scope 2

Scope of calculation
Same as Scope 1

Calculation of greenhouse gas emissions		Greenhouse gas emissions (tons-CO_2)	
		FY2015	FY2016
Domestic	Use of electricity at worksites	66,443	61,594
Overseas	Use of electricity at worksites	12,289	10,211
Global		78,732	✓ 71,805

Scope 3

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

Category		Greenhouse gas emissions (tons-CO_2)	Calculation method
1	Purchased goods and services ✓	530,753	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 ✓	40,959	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 and 2 ✓	9,128	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	Transportation and distribution (upstream) ✓	3,466	Calculated from transportation ton-kilometers based on transportation data for shipments from plants to distribution centers and shipments from distribution centers to wholesalers, 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, 2016.

5	Waste generated from operations	2,394	Calculated from the amounts of waste, by type, from domestic Group worksites (production bases, research bases, distribution centers), which are multiplied by emissions unit values from Ministry of the Environment database[1]
6	Business travel	946	Calculated from number of employees, which is multiplied by emissions unit values from Ministry of the Environment database[1]
7	Employee commuting	1,208	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	Disposal of sold products	984	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. 2.4)
2. The CFP Communication Program, basic database, Ver. 1.01

Initiatives at Worksites and Offices

The Group is implementing energy-saving activities while working to achieve both operational efficiency and safety. In addition, the entire Group is working to implement energy-saving activities in concert with *KAITEKI* activities, which are promoted by the Mitsubishi Chemical Holdings Group.

In the summer and winter, when energy use increases, we are conducting thorough management of appropriate air conditioning temperatures, turning off unnecessary lighting, and implementing energy-saving campaigns, such as the Cool Biz and Warm Biz campaigns. In addition, we are implementing the Ministry of the Environment's lights down campaign on the day of the summer solstice and on July 7. For these campaigns, we have taken steps to enable the worksites to take the lead in the implementation of energy-saving activities, and the distribution of an original poster has also had a positive effect. The Cool Biz and Warm Biz campaigns have become established practices at each worksite.

The Kashima Office (Yodogawa-ku, Osaka City), which has been certified and registered as a Ministry of Land, Infrastructure, Transport and Tourism Excellent Ecological Commuter Office, is working to reduce CO_2 emissions from commuting. The office's employees do not commute to work using private cars or motorcycles. They commute in ways that have a low environmental burden, including public transportation, such as trains or buses, bicycles, and walking.

Campaign poster: Lights down in the summer and winter

Controlling CFC Emissions

To appropriately address the Act on Rational Use and Proper Management of Fluorocarbons, which took effect in April 2015, at all of the Group's worksites we use ledgers to manage all equipment containing CFCs, and we steadily implement inspections of this equipment.

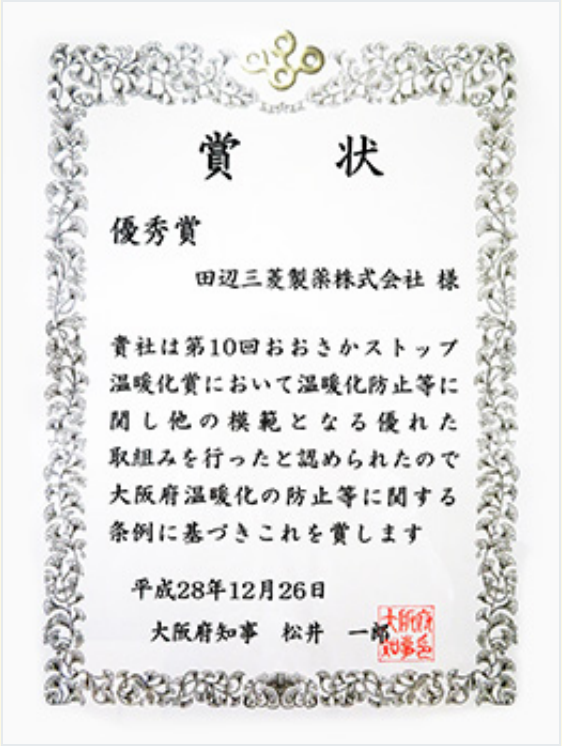
Following the revision of this law, the reporting of calculated CFC leakage amounts of more than 1,000 tons-CO_2 is mandatory for each company. Our leakage amounts in fiscal 2016, calculated using GWP coefficients, were below the reporting threshold for each Group company.

Receipt of Merit Award at the Stop! Global Warming Awards For Second Consecutive Year

In December 2016, the Company received a merit award at the Fiscal 2016 Stop! Global Warming Awards, the second consecutive year in which it received this award. At the new Head Office building (Chuo-ku, Osaka City) that was completed in February 2015, we have introduced advanced energy-saving equipment and systems, and we are working to efficiently and effectively prevent global warming. We have adopted countermeasures to the heat island effect by implementing greening of the rooftop and public spaces. In addition, at the Kashima Office (Yodogawa-ku, Osaka City) we are transitioning to high-energy-efficiency equipment and improving utilization, and employees are conducting planting activities through continued participation in Osaka Prefecture's Ikoma Mountain Range "Folding Screen of Flowers" Project.

In accordance with the Osaka government's regulations related to the prevention of global warming, Osaka Prefecture presents awards to organizations with especially outstanding initiatives in their business activities. We received a high evaluation for our achievement of a 9.0% year-on-year reduction in greenhouse gas emissions at our worksites in Osaka Prefecture in fiscal 2015.

Award ceremony



賞　状

優秀賞

田辺三菱製薬株式会社 様

貴社は第10回おおさかストップ温暖化賞において温暖化防止等に関し他の模範となる優れた取組みを行ったと認められたので大阪府温暖化の防止等に関する条例に基づきこれを賞します

平成28年12月26日

大阪府知事　松井　一郎

Award certificate

Waste Reduction & Proper Management of Chemical Substances

Appropriate Management of Waste

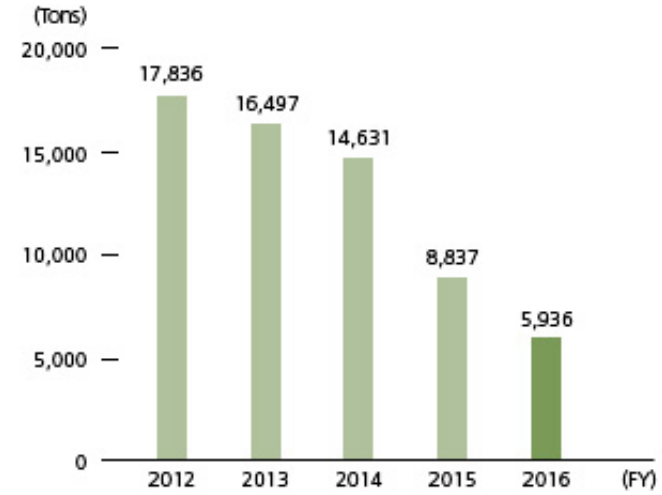
As a waste-discharging enterprise, we are taking steps to advance the appropriate management of waste. These include concluding contracts for the collection, conveyance, and disposal of waste, issuing manifests, and implementing on-site surveys, etc., of disposal contractors. We have transitioned to digital manifests at five of our seven domestic plants and research facilities. In addition, we utilize outside lecturers for collective educational initiatives once a year. We continue working to enhance the capabilities of the people in charge of waste management at each worksite.

Moreover, we have established the advancement of the 3 R's (reduce, reuse, recycle) and the achievement of reductions in the amount of waste generated as objectives in the Medium-Term Environmental Action Plan. We are aiming to achieve the target of zero emissions, which is a final waste disposal rate (amount of final waste disposed / total amount of waste generated) of less than 0.5%.

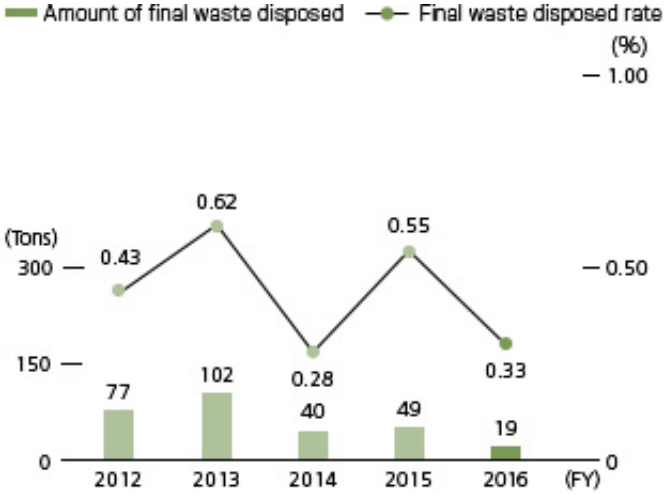
The amount of waste generated, the amount of final waste disposed, and the final waste disposal rate for the Group's domestic production bases, research bases, and contractor distribution centers are shown below. The amount of waste generated in fiscal 2016 was 5,936 tons, a reduction of 33% from the previous fiscal year. This was the second consecutive year in which we achieved a significant decrease. In addition to worksite consolidation, this resulted in part from a reduction in the sludge arising from wastewater processing facilities at plants due to changes in the items manufactured. On the other hand, the amount of final waste disposed was down substantially, decreasing to 19 tons, a decline of 60% year on year. Consequently, the final waste disposal rate was 0.33%, and we achieved zero emissions.

Moving forward, we will continue to promote the 3 R's and will work toward the formation of a recycling-oriented society.

Amount of Waste Generated (Domestic)



Amount of Final Waste Disposed (Domestic)



Disposal of Polychlorinated Biphenyl (PCB) Waste

To dispose of PCB waste as soon as possible, the Group has steadily advanced the detoxification of PCB waste stored at worksites. In fiscal 2016, we completed processing of 17 fluorescent light ballasts, 15 containers, 4 transformers, and 115 drums of pollutants, etc. In regard to ballasts that are currently being stored, packing registration has been completed, and we are waiting for processing by the Japan Environmental Storage & Safety Corporation (JESCO). We plan to systematically process PCB-containing equipment that is currently in operation and other PCB waste that is in storage.

Reducing Emissions of Chemical Substances into the Environment

The Group is appropriately managing chemical substances, such as class I designated chemical substances under the Law concerning Pollutant Release and Transfer Register (PRTR Law), as well as volatile organic compounds (VOCs). In this way, we continue working to reduce emissions into the environment. Of these, we have set a target of reducing emissions of toluene to the environment by 80% or more by fiscal 2020 in comparison with fiscal 2010. This target is included in the Medium-Term Environmental Action Plan. From the fiscal 2016 results, we have expanded the scope of assessment to include overseas production and research bases.

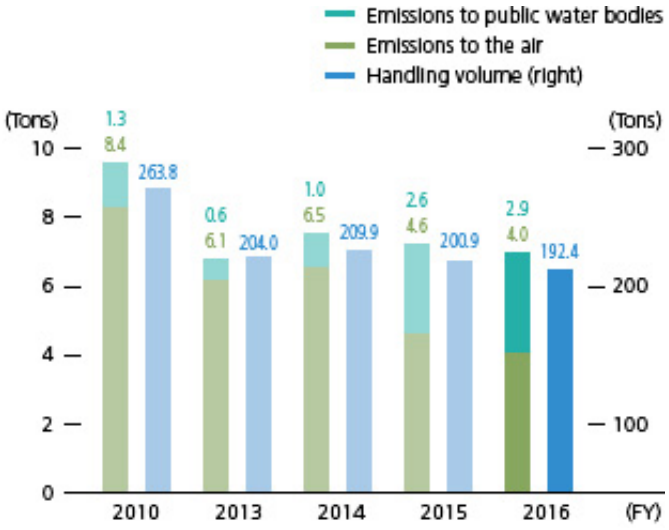
In regard to the handling volume of regulated chemical substances in fiscal 2016 at domestic production and research bases, the PRTR total was 192 tons (down 4% year on year), and the VOC total excluding PRTRs was 833 tons (down 20% year on year). For emissions into the atmosphere, the PRTR total was 4.0 tons (down 13% year on year), and the VOC total excluding PRTRs was 40.6 tons (down 12% year on year). For emissions to public water bodies, the PRTR total was 2.9 tons (up 12% year on year), and the VOC total excluding PRTRs was 20.5 tons (up 31% year on year). Emissions to public water bodies increased due to a rise in the volume processed by activated sludge processing equipment at plants.

The VOC handling volume at overseas production and research bases was 5.4 tons.

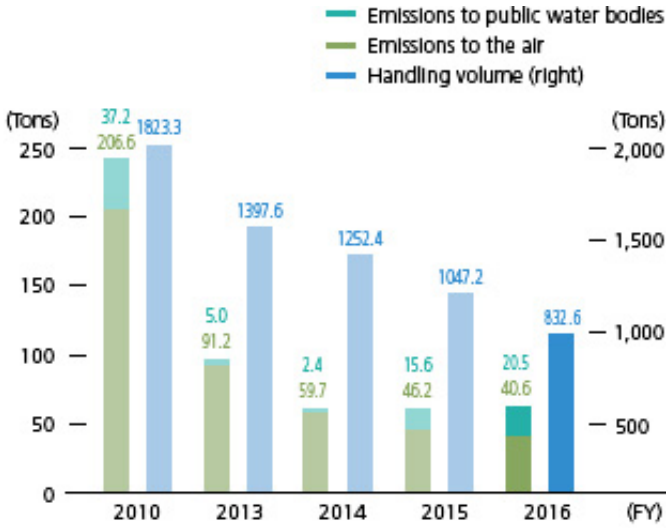
Emissions of toluene to the environment were 3.8 tons, an increase of 3% in comparison with fiscal 2010

To reduce emissions to the environment, the Group is taking steps to advance appropriate management of chemical substances. These include reducing handling volumes of regulated substances, changing from regulated substances to alternative substances, and installing abatement equipment, such as scrubbers and activated carbon adsorption equipment.

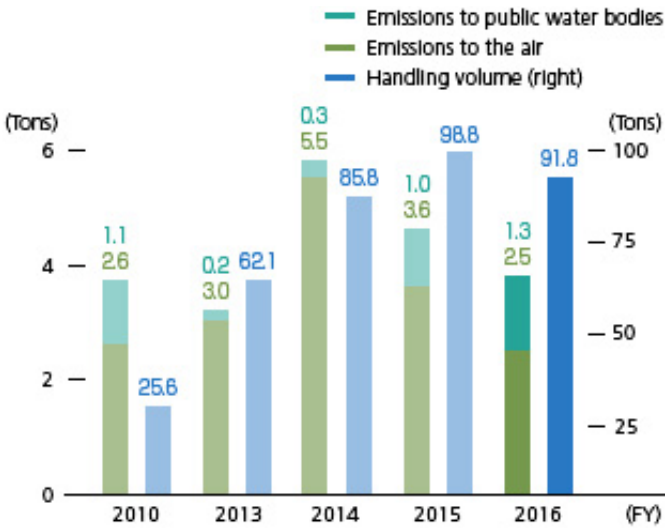
Emission of PRTR



Emission of VOC (excluding PRTRs)



Emission of toluene



Note: Data was calculated according to the Manual for PRTR Release Estimation Methods (Ver. 4.1) published by the METI and the Ministry of the Environment

Management of Exhaust Gas and Waste Water

In accordance with the Air Pollution Control Law, at production and research bases, we measure air pollutants in waste gas (NOx, SOx, etc.) related to facilities that produce soot/smoke, such as boilers, and we confirm that they are within emissions standards.

Waste water from production and research bases is discharged to the sewer or public water bodies after implementing processing through pH adjustment, activated sludge, and activated carbon. We periodically analyze the discharged water and confirm that it is within emissions reference values. Furthermore, in regard to wastewater pipes, etc., we rigorously comply with structural standards and periodically inspect them. In this way, we are working to prevent pollution of the soil and groundwater.

Among the Group's domestic worksites, Mitsubishi Tanabe Pharma Factory Ltd.'s Onoda Plant (Yamaguchi Prefecture) and Yoshitomi Plant (Fukuoka Prefecture) emit wastewater to public water bodies. In regard to the pollution load in fiscal 2016, COD was 31.4 tons (up 1% year on year), nitrogen was 17.4 tons (up 13% year on year), and phosphorus was 0.8 tons (down 22% year on year).

Pollution Load Accompanying Emissions to Public Water Bodies from the Group's Domestic Worksites

FY	2012	2013	2014	2015	2016
COD (tons)	42.62	38.58	41.94	31.15	31.37
Nitrogen (tons)	29.90	26.32	22.11	15.32	17.38
Phosphorus (tons)	2.13	1.54	1.15	1.08	0.84

Addressing Water Risk

Companies need to address water risk, including drought and flooding, which are thought to be associated with climate change, increases in global water usage, and wastewater regulations.

The Group's domestic worksites (production and research bases, Head Office) and overseas worksites (production and research bases), utilize water in such forms as recycled water from laboratory wastewater and domestic wastewater, concentrated water from reverse osmosis, and rainwater. Moving forward, we will continue working to reduce and optimize water usage. In addition, we will check and identify water risk that influences business continuity and take steps to establish countermeasures.

Water Usage (unit: thousand m³)

FY		2014	2015	2016
Domestic worksites (production and research bases, Head Office)	Service water	308	188	✓ 178
	Water for industrial use, etc.	8,151	7,008	✓ 7,473
	Groundwater	104	103	✓ 229
	Subtotal	8,563	7,299	7,880
Overseas worksites (production and research bases)	Service water	103	111	91
	Water for industrial use, etc.			4
	Groundwater			12
	Subtotal	103	111	✓ 107

Promotion of Environmental Communication

Environmental Conservation Activities

The Group values communication with local communities as a good corporate citizen, and we are implementing environmental and social contribution activities, such as greening and beautification of worksite surroundings and nearby forests.

Many employees and family members participate in planting and woodland conservation activities, which are implemented each year by Osaka and Tokyo prefectures. These environmental conservation activities lead to the preservation of biodiversity.

Ikoma Mountain Range “Folding Screen of Flowers” Project

In November 2016, a total of 65 employees and family members participated in the Ikoma Mountain Range “Folding Screen of Flowers” Project, which has become an established fall environmental event. While hiking at the Mizunomijizoson (Yao City), participants planted 4 kawazu cherry trees, 9 Japanese witch hazels, and 26 Japanese hydrangea. At the finish line, the Company’s recommended nutrition drink, Aspara Drink, was distributed to general participants to alleviate fatigue from planting and mountain climbing. After lunch, participants enjoyed wood crafts using acorns and a log-cutting experience event, which were sponsored by Osaka Prefecture’s secretariat. In these ways, everyone was able to pass the time in the way they wanted. On the day of the event, there was balmy autumn weather, and participants enjoyed the Ikoma Mountain Range, including hiking about eight kilometers from Kintetsu Hattorigawa Station to the Jusan-toge mountain ridge and on to Takayasuyama Station, while viewing the trees that had started to turn colors.

Ikoma Mountain Range "Folding Screen of Flowers" Project (November 2016)

Planting Japanese hydrangea on a steep slope

The finish line at Takayasuyama Station

Tokyo Greenship Action

Since 2013, we have participated in Tokyo Greenship Action together with Tokyo Prefecture and Shizen Kankyo Academy, an NPO. We have implemented activities to conserve and restore natural woodlands in the Hachioji Takiyama Satoyama Conservation Area, which is designated by Tokyo Prefecture as a conservation area.

In May 2016, a total of 29 employees and family members participated in this activity on a day warmed by the early summer sunshine. The participants reinforced their learning about the importance of environmental conservation. Participants learned about biodiversity and the conservation of the woodland environment as they observed nature in the woodland, which has a variety of trees, encountered living creatures, such as plants and insects, and saw the return of fireflies to a restored rice field. Then they experienced cutting bamboo plants, processing fallen trees, making name cards for trees, bamboo crafts, and wild plant harvesting. In cutting bamboo plants and processing fallen trees, participants experienced a sense of achievement while working up a sweat by laboring hard with saws and other tools that they were not used to. For wild plant harvesting, a new activity, elementary school students enthusiastically participated in the harvesting of white clover, red clover, Japanese honewort, Japanese mugwort, and Philadelphia fleabane. The flowers that were collected in the basket were used for tempura, and all of the participants enjoyed the flavor and aroma of fresh wild plants.

Many of the participants were meeting each other for the first time, and all of the participants, including family members, enjoyed the chance to socialize in a peaceful atmosphere. It was day to enjoy experiencing the natural woodland and nature.

Tokyo Greenship Action (May 2016)

Cutting bamboo plants

Wild plant harvesting / wild plant cuisine

Comments from an NPO

Woodlands were formerly used as places for the production of food and fuel, and the nature of the woodlands was preserved through the involvement of people. In addition to fireflies and dragonflies, many plants and animals that are now scarce used to live in the woodlands. In recent years, due to changes in our lifestyles Japan has begun to rapidly lose the woodland environment that had been cultivated over many years. Today's woodlands are separated from people's daily lives and have become difficult living environments for those plants and animals. Shizen Kankyo Academy, an NPO, is working to restore and preserve this type of woodland environment. In addition, the academy is working together with companies to offer the opportunity to experience the beautiful nature of Japan's woodlands to as many people as possible. In the future, I hope that many people will have the opportunity to participate in these activities.

(Shizen Kankyo Academy, NPO,
Executive Director, Ryo Nomura)

Road-watering Event

A road-watering event was held at the Tokyo head office on July 28, 2016. Together with neighboring companies and people in the community, we have held this activity each year from 2012 as a countermeasure to the heat island effect in Tokyo and as an activity supporting enhanced awareness of environmental issues, such as global warming countermeasures, as well as the activation of the local community. This year, the event was held in conjunction with the Tenohira Family Tour, a workplace tour for the families of employees. Due to the event, when the wind blew over the chilled road people could feel the road-watering effect. In addition, children learned about environmental issues and created good memories of their summer vacations.

The Company's original character Tanamin experienced the road-water event together with other participants.

Participation in Environmental Information Disclosure Program

In evaluating companies, the importance of ESG (Environment, Society, Governance) information is increasing. In this setting, to advance the establishment of an environment in which investors and others can aggressively use environmental information from companies, the Ministry of the Environment is implementing an environmental information disclosure program. The Company has continually participated in this program since fiscal 2014. In fiscal 2016, we updated our environment information and engaged in dialogue with investors using the communication tools that have been established through this program.

VOICE

We will reinforce our “safeguarding initiatives” and enhance our “proactive initiatives” and “communications.”

Hidenori Akatsuka
Production Division
Environment & Safety Department

We strive to be a global research-driven pharmaceutical company that is trusted by communities, and from three perspectives we are advancing environmental activities in communities around the world.

Our highest priority are “safeguarding initiatives,” and accordingly we are taking appropriate steps to advance environmental compliance and environmental risk management in Japan and overseas. In fiscal 2016, we maintained our record of zero major environmental accidents in Japan and overseas. In addition, in terms of “proactive initiatives,” we are working to reduce to environmental burdens and to contribute to the preservation of the natural environment and biodiversity. To that end, we are actively participating in regional activities, including at overseas worksites. The last point is “communications.” To accurately convey our environmental activities to people inside and outside the Group, we are taking steps to expand information disclosure and increase reliability. For this year’s report, we expanded environmental burden data from overseas worksites and received assurance from a third-party assurance institution.

Moving forward, the Group will continue working to further strengthen our “safeguarding initiatives,” and to enhance our “proactive initiatives” and “communications.” We will aim for the realization of sustainable society, in other words, a *KAITEKI* society.

Promotion of Fair Operating Practices

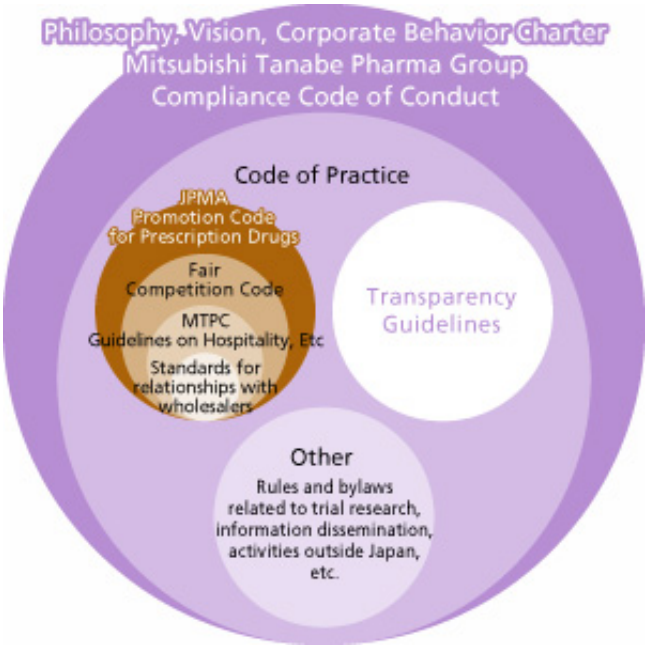
Initiatives for Fair Business Practices

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, we have formulated the Mitsubishi Tanabe Pharma Corporation Code of Practice, which is described in the following section, and are taking steps to ensure that each activity is conducted in strict observance of independent standards, such as the Promotion Code, the Fair Competition Code, the Transparency Guidelines, and the Global Policy for the Prevention of Bribery and Corruption.

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.

Positioning of the Code of Practice



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

Appropriate Relationships with Medical Institutions and Patient Organizations

Promotion Code

For a pharmaceutical company, “promotion” 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. As a life sciences company, we are called on to maintain high ethical standards. The Promotion Code for Prescription Drugs, which clearly states the code of behavior that must be followed as a matter of course in conducting promotional activities, is positioned as the second volume of the JPMA Code of Practice, which has been in effect since April 2013. Furthermore, in accordance with the Promotion Code for Prescription Drugs, the Company has formulated the Mitsubishi Tanabe Pharma Promotion Code for Prescription Drugs.

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

Fair Competition Code of the Ethical Pharmaceutical Drugs Marketing Industry

The 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 provided as an inducement to engage in transactions so as to ensure autonomous and rational decisions by general consumers 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, and other restrictions in order to practice fair medical information activities.

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 "academic research support expenses" and "manuscript/writing fees, etc." From fiscal 2017, we will separately disclose "research and development expenses, 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.

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 the U.K., the U.S., and other 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, and Indonesia, and we are implementing appropriate responses in line with the laws, regulations, and business practices of each country.

Rejecting Antisocial Forces and Checking Suppliers for Antisocial Affiliations

In accordance with rules for the elimination of crime syndicates, the Company'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 Company will respond with a resolute stance that is unyielding and uncompromising. Moreover, officers and employees, in accordance with the Company’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, 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

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, the Company handles filing, prosecution, and maintenance for patents, trademarks, and other intellectual property rights, in order to protect its own pharmaceuticals. Furthermore, the Company respects third parties' valid intellectual property rights by managing intellectual property risks through investigations into the rights of third parties.

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

Promotion of CSR Procurement

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

Action Principles

Employees involved in procurement are working to implement CSR procurement while following various internal regulations, such as the Global Purchasing Policy (formulated July 2017) and the Purchasing Compliance Code of Conduct.

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), and management capabilities (continuity). In addition, for existing suppliers we continually implement reevaluation initiatives with consideration for our evaluation 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 distribute 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, we are working to facilitate the exchange of opinions with suppliers in order to deepen mutual understanding, utilizing a questionnaire and explanation meetings.

Training on Laws and Regulations for Procurement

Departments in charge of procurement regularly conduct training related to laws and regulations for procurement, such as the Pharmaceuticals and Medical Devices Law, the Chemical Substances Control Law, and the Subcontract Act. In this way, we are working to maintain a high level of awareness about observing related laws and regulations.

VOICE

To provide a stable supply of pharmaceuticals, we are taking on the challenge of cultivating new contract manufacturers.

Shinji Takeda

Production Division
Supply Chain Management
Department

To deliver pharmaceuticals to patients in a stable manner, we, in selecting suppliers for pharmaceutical raw materials, conduct on-site audits of manufacturing sites and make fair assessment and decisions in accordance with our in-house supplier selection standards, considering quality, legal and regulatory compliance, environmental friendliness, and more.

In the recent changing environment in the pharmaceutical industry, we are required to develop innovative new drugs and establish low-cost supply chains. To meet such requirements, we make continuous efforts to cultivate new contract manufacturers on a global basis who are superior or competitive in technology, quality assurance and cost, and also to reevaluate existing production sites through a new evaluation system. Through such efforts, we will continue to provide a stable supply of the high-quality pharmaceuticals that patients expect.

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

In June 2015, RADICUT® BAG for I.V. Infusion 30mg (generic name: edaravone; Japan product name: Radicut) received approval for an additional indication of ALS. This product received approval in South Korea in December 2015 and from the U.S. FDA in May 2017 (U.S. product name: Radicava). 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. Nevertheless, there had been only one type of ALS treatment agent in the world, and a new type of ALS treatment agent was eagerly awaited. Radicava will help to address those unmet medical needs. It received FDA approval as the first new ALS drug in approximately 20 years. Radicava is expected to control the progress of ALS, and it will offer a new treatment option for ALS patients.

In addition, in 2002 Remicade was approved in Japan as the first biologic treatment agent for Crohn's disease. Approvals were received in 2007 for an additional indication of Crohn's disease maintenance therapy and in 2011 for a change in administration/dosage for an increased dosage for patients for whom effectiveness weakened at the typical dosage. However, for certain patients the effectiveness was not sustained even when the dosage was increased, and there was a strong need for a further change in administration/dosage. To address this need, in May 2017 the Company received approval of a partial change in administration/dosage for the implementation of treatment with a 4-week administration interval at 5mg/kg.

Moving forward, we will continue to advance R&D aiming to discover new drugs that address unmet medical needs.

Advancing Open Innovation

The environment for the discovery of new drugs is changing, and the difficulty of discovery has increased. 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, we will introduce themes and technologies from outside the Company. In these ways, we will aim to increase the number of projects and raise the speed of R&D.

Furthermore, looking to the future of medicine, we will select discovery targets and indications and strive to discover pharmaceuticals through diverse drug discovery technology approaches.

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.

Manufacturing and Supply Chain

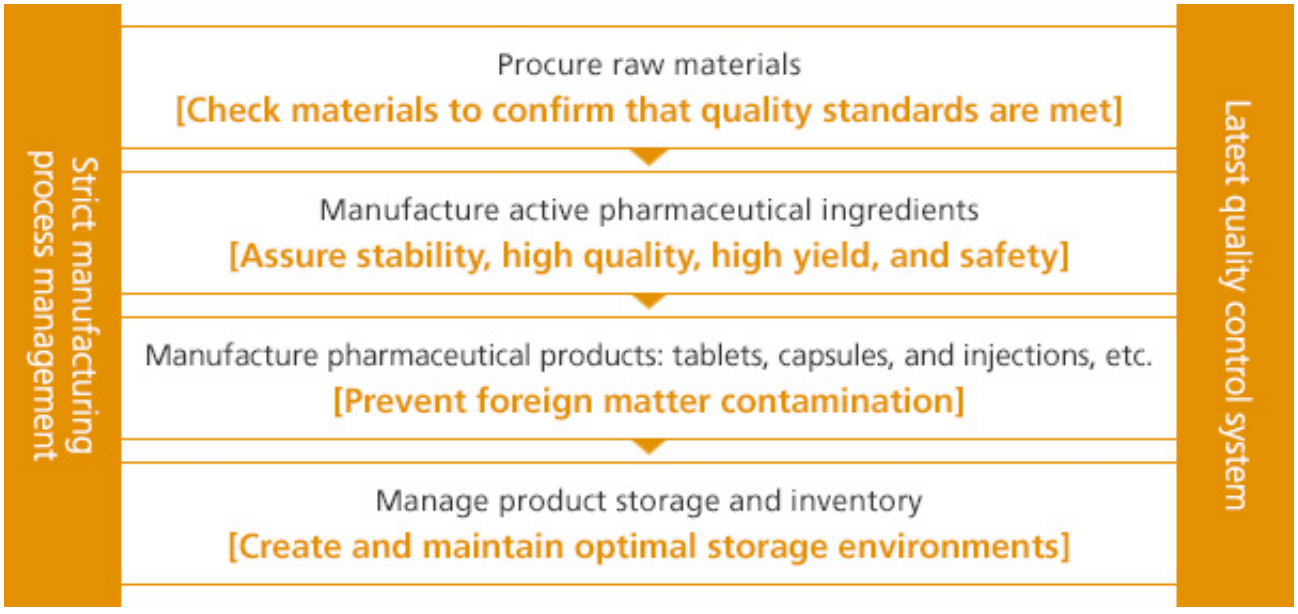
Pharmaceutical Manufacturing Process

Mitsubishi Tanabe Pharma continuously strives to improve its quality in order to manufacture and supply premium products, and as an assurance to its customers that it is a company to trust and depend upon. The CMC Division works together with the Group's production plants, from the very beginning of development through the entire process of getting new drugs to market. It also collaborates in the development of production technologies designed to enhance quality, guarantee a stable supply, and reduce manufacturing costs. In addition, at the Group's production plants (five in Japan and four overseas) and subcontracted manufacturers, we are building a global production system. In this way, we are supplying products to a large number of people around the world.

In domestic plants, in June 2016 we completed a new plant for solid dosage formulations (within the Yoshitomi Plant). This high-productivity plant can supply pharmaceuticals in accordance with global standards, and it will make an ongoing contribution to enhanced manufacturing technologies, cost reductions, and global manufacturing activities.

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

Process from Raw Materials to Pharmaceutical Product



Measures to Prevent Medical Malpractice

One example of a measure designed to prevent medical malpractice is the Company's inclusion of the product name on its DPP-4 inhibitor Tenelia Tablets. This has been done to help prevent dispensing errors at medical facilities and other incidents of medical malpractice, as well as to improve efficiency at pharmacies and ensure that individual patients take the correct medication. In an effort to guard against mistakes involving its products, Mitsubishi Tanabe Pharma has been modifying the brand names of its pharmaceuticals to make them easier to understand.

Tenelia Tablets with the product name displayed

Manufacturing System in Asia

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

Moreover, the pharmaceutical markets in China and Indonesia are expected to record especially strong growth. To meet this growing demand, we have increased our production capacity. With the objective of addressing the new GMP (China) and PIC/s-GMP (Indonesia)*, we constructed new pharmaceutical production buildings in 2015, and these buildings are in operation. In the future, the Group will utilize these new pharmaceutical production buildings and continue working to expand business in Asia, a growth market, and to provide a stable supply of high-quality products.

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


Tianjin Tanabe Seiyaku — Exterior view of new pharmaceutical production building


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

Managing Distribution to Ensure Stable Supplies

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

We ship drugs to customers through a dual-base supply system comprising the New East Japan Distribution Center (Kuki, Saitama Prefecture) and the New West Japan Distribution Center (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 important drugs even in crisis situations, such as a major disaster. In addition, if either distribution center becomes inoperable at any time, the other center will be able to provide backup distribution, thereby facilitating a continued supply of pharmaceuticals to customers.

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

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

Quality Control in the Distribution Process

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

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

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

Information Provision

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

The Mitsubishi Tanabe Pharma Group employs about 2,000 general and specialized medical representatives (MRs) in Japan. These MRs work each day to supply medical institutions throughout the country with scientific information concerning the benefits of Mitsubishi Tanabe Pharma's products, as well as their possible side effects, in order to ensure that the products are used appropriately. The Group's representatives are also responsible for collecting data on the efficacy and safety of the drugs at the usage stage—information that could not be gleaned during R&D—and providing medical professionals with data-based evaluations. Specialized MRs are responsible for products that require a high level of knowledge about specific illnesses and drug treatments. General MRs, on the other hand, cooperate with specialized MRs to provide quality information services based on the needs of medical professionals.

Providing Comprehensive Information through Seminars

In February 2017, Mitsubishi Tanabe Pharma co-sponsored the Nikkei Health Seminar 21 held by newspaper publisher Nikkei Inc. This seminar was held with the objective of supporting disease education and early treatment. The seminar included discussions by experts on ALS, an intractable disease in which the ability to send messages to the muscles is lost, and patients become unable to walk, talk, and breathe. The seminar introduced how three sources of support — medical treatment, mental healthcare, and social welfare services — are important in helping patients to live with positive attitudes. Mitsubishi Tanabe Pharma expects that this seminar will promote understanding of illnesses among the general public and raise interest in these issues, thereby leading to early detection and new treatment methods. The Company is committed to sponsoring seminars as one of many ways in which it can provide comprehensive information on diseases and illnesses.

Nikkei Health Seminar 21

Supporting Proper Self-Medication for Skin Problems

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

Mitsubishi Tanabe Pharma's website on dermatological issues

Overseas Marketing Activities

Aiming to contribute to the health of people around the world, the Company conducts information provision activities through local subsidiaries overseas in order to support the appropriate use of 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 need advanced levels of knowledge, information, and skills in order to contribute to the treatment and compliance guidance provided by healthcare professionals. Accordingly, we are working to enhance the quality of information that we provide through periodic training about the latest information. MRs are working each day to be able to contribute to the diagnosis and treatment activities of healthcare professionals. To that end, MRs visit medical institutions and doctors, participate in related academic conferences, exchange opinions with specialists, and distribute information materials.

Radicava, which was approved as a treatment agent for ALS in the U.S. in May 2017, is sold by Mitsubishi Tanabe Pharma America. This company has established “Searchlight Support” 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 the Group's overseas sales and marketing activities, we will continue working to provide a wide range of support that meets the needs of patients and to increase the quality of medical information. In this way, we will strive to contribute to the health of people around the world.

Providing Information through Websites

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

Health support website

Providing Comprehensive Information through the Medical Information Center

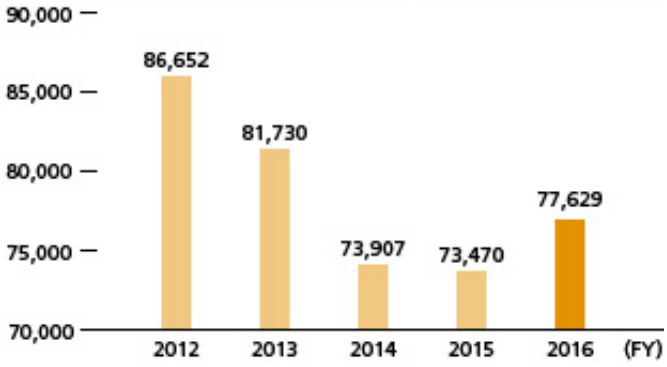
Mitsubishi Tanabe Pharma has established its own Medical Information Center to respond directly to inquiries from patients and healthcare professionals (physicians, pharmacists, wholesalers, and others). For patients, this is the only company information center. With a motto of “reliable, accurate, and 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 70,000 inquiries a year on a wide range of subjects. The staff works to promote 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 works to ensure product reliability.

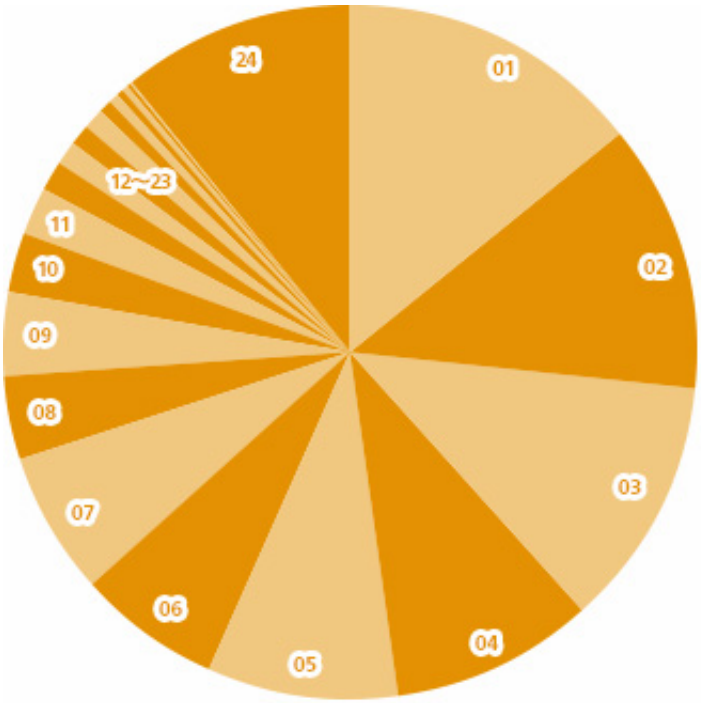
In addition, we have started to build a framework for effectively sharing within the Company the valuable information that is collected by the center. Moving forward, we will work to reflect customer feedback in the further improvement of products and in the future discovery of new products.

Number of Inquiries to the Medical Information Center



From October 2015, the center has been a part of the new “Ikuyaku. Integrated Value Development Division,” where it has been given the mission of increasing product value. 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.

Subject of Inquiries to the Medical Information Center



01	Product distribution	14.4%
02	Safety (precautions for use)	12.5%
03	Usage and dosage	11.7%
04	Insurance and prescriptions	9.4%
05	Stability	8.8%
06	Documentation	6.7%
07	Side effects	6.5%
08	Indications and efficacy	4.0%
09	Drug formulations (properties)	3.9%
10	Incompatibility with other drug	2.9%
11	Drug interactions	2.2%
12	Off label use	1.2%
13	Pregnancy and breast-feeding	1.1%
14	Unapproved indications and efficacy	1.0%
15	Pharmacokinetics	1.0%
16	Misuse, overdose, and poisoning	0.6%
17	Complaints about quality	0.5%
18	Non-efficacy cases	0.4%
19	Facilities where sold, handled, and used	0.3%
20	Suggestions, requests, and general complaints	0.1%
21	Medication error	0.1%
22	Campaigns	0.0%
23	Unpredictable efficacy	0.0%
24	Other	10.7%

Quality and Reliability Assurance

System to Assure the Reliability 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 will launch products with assured reliability in the U.S as well. Furthermore, in accordance with international regulations and the regulations of each country, in the same way we will provide products with assured reliability to people around the world. To strictly observe laws and regulations and to meet the requests of society, we are working to maintain and enhance our quality assurance system.

System to Assure the Reliability of Drugs

New Drug Safety Management

After the launch of a new drug, adverse 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 by preventing adverse reactions from new drugs and promoting their proper use through these activities, we can support the use of new drugs on the medical front lines.

Radicut (Japan brand name), which was discovered by the Company, has been used in Japan since it was approved in 2001 as a treatment agent for the acute stage of cerebral infarction. In 2015, it was approved in Japan for an additional indication for ALS, and in May 2017 it was also approved by the U.S. FDA as a treatment agent for ALS (U.S. brand name: Radicava). When Radicava is prescribed in the U.S., it will be used in a medical environment that is different from that in Japan, and accordingly we recognize that it will be necessary to exercise caution in safety management.

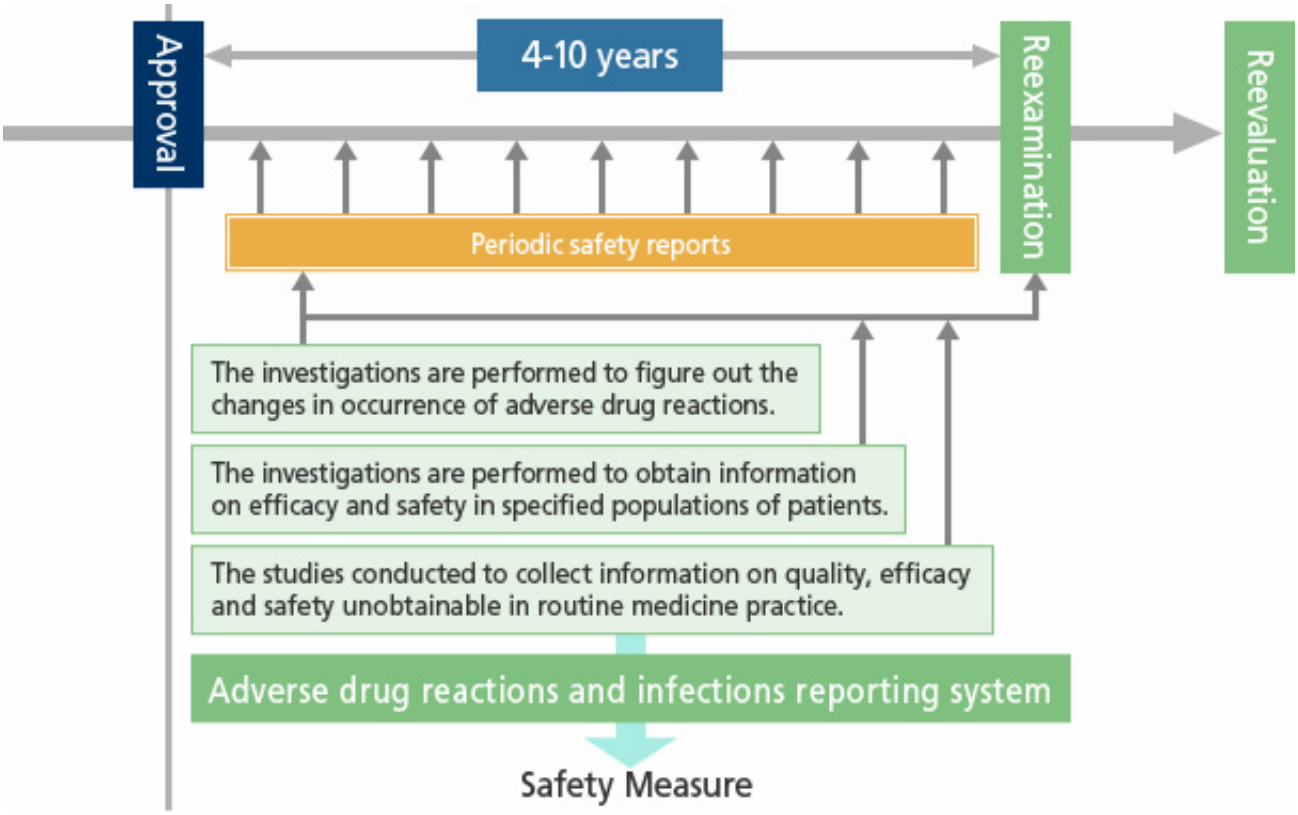
Based on the abundant safety information that we have accumulated in regard to Radicut, we have valuable experience in promoting proper use. Making full use of that experience, and giving consideration to the overseas regulatory and medical environments, we will work to collect and provide safety information 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, there are restrictions on the conditions of subjects who can be enrolled in clinical studies (age, with/without complications, etc.), and consequently there are limits on the subjects who can join the studies.

Therefore, we collect safety information as soon as drugs are launched, and in addition we conduct post-marketing surveillances. 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 healthcare professionals. In this way, we are working to support the proper use of drugs.

Post-Marketing 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, according to a division notification from the Ministry of Health, Labour and Welfare, dated January 19, 2016, regarding an inspection of consistency between the marketing approval certificate and the actual manufacturing practice, an investigation of the Company's pharmaceuticals that had approval for manufacturing and sales did not find any discrepancies influencing quality, efficacy, or safety. Moving forward, we will continue to strengthen cooperation with related in-house departments, collaboration with manufacturing sites, and checking systems, and we will rigorously comply with marketing approval certificates. In addition, we will work to maintain trust in the quality of our products.

Pharmaceutical Safety Education

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

In "Top Seminars" for executives, in fiscal 2016 Mr. Takao Kawai, an attorney, was invited to conduct a recap session on "Lessons Learned from the Hepatitis C Incident."

For employees, in fiscal 2016 we studied past incidents of damage caused by pharmaceuticals, reviewed the Company's initiatives, further raised awareness in regard to pharmaceutical safety, and took steps to enhance each person's ethical standards. By learning from past drug drug-related damage through this training, we renewed our pledge to prevent the recurrence of drug drug-related damage, and re-recognized the need for risk sensitivity and an ethical viewpoint in daily activities.

VOICE

Providing a Wide Range of Services to Patients

Glenn McAnanama

Senior Director, Marketing
Mitsubishi Tanabe Pharma America, Inc

The healthcare payment system in the United States can be very confusing and stressful for people living with a major medical condition like ALS. To help alleviate this confusion and stress, we have designed a patient support program called Searchlight Support TM based on input from all major stakeholders. This program can help people living with ALS, their caregivers, physician offices, and infusion providers navigate the complexities of insurance coverage, site of care selection, billing and coding for Radicava TM (edaravone). Searchlight Support TM has care service coordinators, reimbursement specialists and clinical educators available by phone at a central call center based in Phoenix, Arizona.

Specifically, Searchlight Support TM can provide people prescribed Radicava a range of services to help them access Radicava TM treatment. First the program can investigate Radicava's coverage under their insurance. Second, it can enroll eligible people in co-pay assistance or other programs if they qualify. Then it will help people find sites of care in their local areas that can infuse Radicava TM. Finally, counselors can provide people advice on transportation options, financial support or other services that might be available in their area by local or national non-profit organizations.

Following FDA approval, Searchlight Support TM went live and started receiving inquiries from customers. We hope Searchlight Support TM will be able to help thousands of patients access Radicava in its first year on the market.

Declaration on Corporate Citizenship

Declaration on Corporate Citizenship

Mitsubishi Tanabe Pharma 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, the Company will also work to achieve harmonious co-existence with communities and to contribute to the development of those communities.

We have formulated the Mitsubishi Tanabe Pharma Group Declaration on Corporate Citizenship, and we are actively advancing corporate citizenship activities, targeting the realization of a “*KAITEKI* society.”

The Mitsubishi Tanabe Pharma Group Declaration on Corporate Citizenship

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

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

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

Support for Medical Treatment and Health

Support for Refractory Disease Patient Organizations

The Mitsubishi Tanabe Pharma Tenohira Partnership 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 Partnership Program. This program provides aid for the activities of associations and support groups for patients with refractory diseases. These organizations work to improve patients' medical treatment, education, and career prospects and to enhance their quality of life.

Meetings were held on October 12, 2016 (Tokyo Head Office) and October 13, 2016 (Head Office), to report on the fiscal 2015 activities of organizations receiving assistance under the Tenohira Partnership Program (11 organizations, 15 people). At these meetings, participants shared know-how about enhancing lifestyles and engaged in lively exchanges of opinion. These discussions included such matters as problems with gaps in support systems that result in a large number of patients with refractory diseases who do not have disability certificates, as well as education and career prospects for patients with refractory diseases. The daily lives of patients and their families are irreplaceable and should not simply be spent fighting disease. The Tenohira Partnership 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 provide support in the current fiscal year.


Meeting to report on support operations


Free discussion

Participation in Charity Event Walk to Defeat ALS

On Sunday, June 25, 2017, a total of 22 Group company employees and family members from Japan and the U.S. participated in the Westchester Walk to Defeat ALS, an event sponsored by the ALS Association, an organization for patients with ALS. Participants walked approximately one mile (two kilometers) on the grounds of a university near New York City.

The ALS Association is a leading ALS patient organization in the U.S., and it sponsors more than 150 charity events throughout the U.S. Mitsubishi Tanabe Pharma America (MTPA), cooperated in the walking events. Donations that were raised through the events will be used for medical treatment, for research and development, and for patients and their families.

For the Group employees from Japan who participated, this event was an opportunity to experience support activities in the U.S. together with friends from MTPA and to cultivate the spirit of advocacy.

Employees walking together in matching t-shirts

Supporting Research through Foundations

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

SENSIN Medical Research Foundation

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

In fiscal 2016, the foundation provided 112 grants with a total amount of ¥130.0 million. 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 2016, the foundation provided 130 grants with a total amount of ¥72.5 million. For further information about the supported research and grant recipients, please refer to the foundation's website. (https://www.jfae.or.jp/) (Japanese only)

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 Medicine for Malaria Venture, a research institution that focuses on the discovery of new anti-malaria drugs. Three types of promising compounds that have the potential to become pharmaceuticals have been identified. Moving forward, joint research will be implemented, targeting the discovery of new anti-malaria drug candidate compounds.

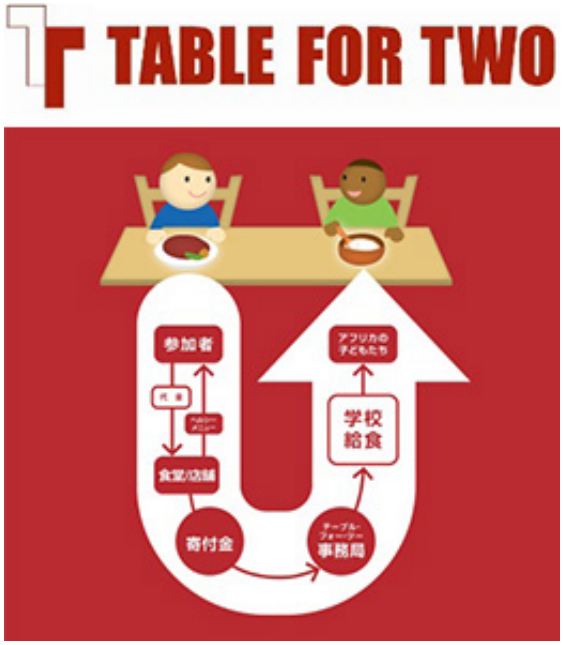
In addition, following the provision of financial support for the GHIT Fund first phase activities (fiscal 2013 - fiscal 2017), the Company will also provide financial support to the GHIT Fund for second phase activities (fiscal 2018 - fiscal 2022). Moving forward, the Company will continue working to 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, ¥20 of the price is allocated to the cost of school meals in developing countries, such as countries in Africa. We have introduced the TFT Program at the employee cafeterias at the Head Office,Kashima Office (Osaka City), and Bipha Corporation. Also, at the Tokyo Head Office 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 October 2016, we cooperated as an official partner of Onigiri (Rice Ball) Action 2016, which was implemented in association with World Food Day. For each photo of an onigiri (rice ball) that was contributed, an amount of food equivalent to five meals was sent to children in Africa and Asia. The provision of food to children was supported by the contribution of photographs of employees who were eating the Onigiri (Rice Ball) bento from the TFT menu in the employee cafeteria at the Kashima Office.



TFT framework

Contributions resulting from participation in the TABLE FOR TWO program.

FY	Contributions from the TFT menu	Contributions from TFT vending machines	Total
2015	4,799 meals	508 meals	5,307 meals
2016	6,015 meals	509 meals	6,524 meals



Employees enjoying the menu items for participants in Onigiri (Rice Ball) Action

Food for children in Africa

TFT vending machines

Participating in Vaccine Support Activities

The Group has been participating in vaccine support activities for children in developing countries since 2014. Through this program, when unneeded books, CDs, and DVDs are sent to BOOKOFF Online Corporation, the assessed amount plus 10% is 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. Polio vaccine is only ¥20 per person. One book that is sitting on a shelf can protect two children.

In fiscal 2016, we created an original poster to promote participation by more employees, and the entire Company worked together. As a result, the total donation from items collected at the Company's worksites was ¥155,576, equivalent to vaccines for 7,779 people.

All worksites in Japan participated.

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

FY	Amount of contributions	Polio vaccine (estimate)
2014	¥171,984	8,600 doses
2015	¥103,701	5,185 doses
2016	¥155,576	7,779 doses
Total	¥431,261	21,564 doses

Original poster

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.


Collecting bottle caps

Initiatives to Support Active Lifestyles for People with Disabilities

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

CP soccer is soccer played by teams of seven athletes who have physical disabilities, such as cerebral palsy or head trauma. At the Kashima Office (Osaka City), with the cooperation of a social welfare organization in Yodogawa, Osaka, since 2013 the grounds have been provided for CP soccer tournaments and events, centered on the Osaka PAZ, a team based in Osaka. The fourth tournament, which was held in March 2017, also included teams of people with intellectual and mental disabilities. This expanded interaction with elementary and junior high school soccer athletes. On the day of the tournament, Company employees volunteered as referees and administrative support. Moving forward, we will continue to provide support through CP soccer.


CP Soccer Athletes


Exciting soccer game

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

Once every two months, the Head Office and the Kashima Office (Osaka City) have been supporting direct sales of fresh-baked bread and cookies that are made at a welfare services facility for people with disabilities. Since 2016, the Tokyo Head Office has joined in this initiative. 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 employment of people with disabilities through purchasing support.

(Tokyo Head Office) Popular bread sales

The wide range of delicious bread was very popular

Purchasing Recycled Envelopes

At Tanabe Seiyaku Yoshiki Factory, we donate unnecessary calendars to “Ikoinoie,” a Hida City independence support facility for people with disabilities and purchase recycled envelopes that are made at the facility. The envelopes are made with the backs of calendars and posters, and they are effectively utilized as office supplies.

Recycled envelopes made from calendars

Blood Donation Activities

According to the Japanese Red Cross, about 3,000 in Japan patients 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, Tanabe Indonesia's Bandung Plant is participating in blood donation activities in cooperation with the Indonesian Red Cross Society. Donation events were implemented four times in fiscal 2016, and more than 300 employees cooperated in the donation of blood.

Blood donation at the Head Office

Blood donation site at the Bandung Plant

Contributing to the Environment

Bridge-Washing Event

On Saturday, October 29, 2016, a bridge-washing event was held for the Naniwa Bridge, which spans Tosabori River and Dojima River in Osaka City. About 200 people participated, including 17 people from the Company. The bridge-washing, which has become an annual event, is an environmental cleaning initiative implemented through the cooperation of the Company and other companies and residents in the Chuo Ward and Kita Ward, with the joint support of the Osaka City Chuo Ward Office and Kita Ward Office. On a warm autumn day, people ranging from young children to adults cleaned the bridge's surface and railings using deck brushes and scrapers to remove gum.


Gathering of 200 participants and characters


Working hard to clean the bridge railings

Greening of Office Surroundings

The Group is aggressively implementing greening and beautification activities at each domestic worksite. Employees clean worksite surroundings and actively participate in neighborhood cleaning activities. In these ways, we are working to coexist in harmony with local communities.

Furthermore, we are actively working overseas to foster harmonious coexistence with local communities and implementing environmental activities at plants and surrounding areas.


Osaka Marathon Clean-Up Operation (Kashima Office)

Fiscal 2016 greening and beautification activities

Worksite	Program name
Head Office	▪ Osaka Marathon Clean-Up Operation (office surroundings)
Kashima Office	▪ Osaka Marathon Clean-Up Operation (office surroundings)
Yokohama Office	▪ Hama-Road Supporter (office surroundings)
Onoda Office	▪ Clean Operation (office surroundings)
Yoshitomi Office	▪ Marine Day seashore cleaning (sponsored by Yoshitomi Town) ▪ Clean Operation (office surroundings)
Hokkaido Branch	▪ Safety and cleaning event sponsored by neighborhood association of offices at Kita-Ichijo Street
Chiba Branch	▪ Volunteer cleaning of exteriors at Chiba Chuo Twin Building and Chuo Park
Shikoku Branch	▪ Clean Operation (office surroundings)
Tanabe Seiyaku Yoshiki Factory	▪ Hida City zero garbage activities ▪ Cutting grass at the river near the office
Taiwan Tanabe Seiyaku	▪ Cleaning activities in the area around the Hsinchu Industrial Park
Tanabe Indonesia	▪ Planting and gardening in the area around the plant
Mitsubishi Tanabe Pharma Korea	▪ Cleaning activities at the plant and surrounding area on environment day

Discovery of large piece of driftwood during seashore cleaning (Yoshitomi Office)

Hama-Road Supporter (Yokohama Office)

Beautification activities on “Environment Day” (Mitsubishi Tanabe Pharma Korea)

Greening and beautification activities through planting in the area near a plant (P.T. Tanabe Indonesia, Bandung Plant)

Taiwan Tanabe Seiyaku.'s Hsinchu Plant Achieved Third Place in Environmental Beautification Awards

At the Hsinchu Industrial Park, where Taiwan Tanabe Seiyaku has a plant, 18 out of 461 companies independently participated in cleaning activities near the site (national jurisdiction area: adjoining sidewalk, etc.) The Hsinchu Plant participated in these activities and was awarded third place in an environmental beautification awards program implemented by a government institution (Ministry of Economic Affairs, Industrial Development Bureau, Hsinchu Industrial Park Service Center). Moving forward, we will continue to aggressively participate in environmental beautification activities.

The awards ceremony

Awards object

Contributing to Local Communities

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

Educational Activities at Schools and Company Tours

Educational Activities at Schools

As one part of career education for students, we provide educational activities at schools. Through these activities, we offer lectures related to such topics as the pharmaceutical industry, the business of pharmaceutical companies, and new drug R&D. In fiscal 2016, employees visited one junior high school and two senior high schools as lecturers. At one high school, a lecture about the business of pharmaceutical companies was conducted in English, and the students demonstrated a global viewpoint with comments that they would value cooperation with other countries in new drug development activities and that they understood the importance of studying English. Moving forward, we will continue working to contribute to career education.


Company employee explains safety information in English

Company Tours

Company worksites are 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. At the Head Office, participants in a workplace experience event for the Osaka Higashi Junior High School learned about the operational administration of the Company's Historical Museum, and they enjoyed thinking about the explanations given to museum visitors and about methods of attracting visitors to the museum.


Museum guide experience at the Historical Museum (workplace experience)


Elementary school students enjoy wearing helmets (Yoshitomi Office)


Participants are deeply interested in explanations of how drugs are made (Head Office)

The experiment classroom was very popular with children on a tour for neighborhood residents (Yokohama Office)

Children listen with enthusiasm (Onoda Office)

A tour views the packaging process at the plant (Tanabe Seiyaku Yoshiki Factory Co., Ltd.)

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 two years since its opening, more than 15,000 people have visited the museum. Through the Mitsubishi Tanabe Pharma Historical Museum, we are 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 : http://www.mtpc-shiryokan.jp/en/

(For local event initiatives, see Contributing to Local Communities > Regional Activation Initiatives in Pharmaceutical District / Doshomachi)

MSC Volunteer Salon Activities Concluded After 48 Years

Following a lecture on December 9, 2016, the MSC Volunteer Salon was concluded after 48 years of activities. The MSC Volunteer Salon was established in 1968. Customers of the former Tanabe Seiyaku became members, and it began as a place where the knowledge of individual members could be used to help others. Activities included folding diapers and serving as foster parents for a day for welfare facilities. In recent years, the salon was offered for free every other month in Ginza, Tokyo. At these events, the salon introduced NPO activities, held lectures useful for health and lifestyles, and sponsored mini-concerts for members. In addition, the salon was also engaged in the collection of used stamps, telephone cards, etc., which were donated to welfare facilities and other institutions in Japan, where they were utilized in facility administration. However, society changed with the times, and today there are many social contribution activities that are readily available. Based on the conclusion that the original mission of the salon — providing volunteer opportunities — had been completed, in 2016 the MSC Volunteer Salon was closed. The Company will value the spirit that has been passed down and nurtured through the salon's activities, and in the years ahead, we will continue to implement corporate citizenship activities that benefit society.

Discussion of international contribution through food at the final salon (TABLE FOR TWO, an NPO)

Thanks to all the volunteers

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

Kodomo-no-kuni (Children's Land) 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 wedding of His Majesty the Emperor, and it reached its 50th anniversary in May 2015. Since 1971, for 45 consecutive years the Company has contributed OTC products and made other contributions to Kodomo-no-kuni.

When the products were donated, Deputy Director Tameishi expressed thanks for the receipt of a large quantity of pharmaceuticals over many years and asked for continued cooperation in the future.

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.

Yoshitomi Summer Festival

In August 2016, the Yoshitomi Office sponsored the Yoshitomi Summer Festival, which is a venue for exchange with members of the local community. The August 2016 festival was the 43rd time this regular local event was held. With perfect weather on the day of the festival, more than 2,000 local residents, employees, and their family members attended. The day was filled with a variety of performances, including summer Obon dances by children, kids baton twirling, Shinto music and dances, a song show, and belly dancing. These performances were enjoyed by everyone from children to adults. The event's grand finale was a traditional fireworks 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.

This year, the Company's original character Tanamin attended the summer festival and helped to lift everyone's spirits. Moving forward, we will continue working to foster harmonious coexistence with the local community.

Exuberant kids baton twirling

Store crowded with children

The Company's original character Tanamin

The Company's original character Tanamin gives everyone a hug and lifts their spirits.

～ A sprite with big blue hands lives in Doshomachi, Osaka ～

The Company's original character Tanamin was created in 2016. Tanamin makes appearances at a pharmaceutical festival in Doshomachi and other events related to local communities and is contributing to regional activation. With big blue hands and soft, pure-white fur, Tanamin hugs everyone at events and lifts their spirits.

Introduction to Tanamin

Gender	Unknown
Habitat	Hug Hug Forest (connected to Doshomachi by a secret road)
Personality	Calm and self-paced with a keen sense of justice.
Likes	Hugs and all other types of communication, nursery songs, sleeping
Favorite food	Herbs / spices
Crying sound	Gyuu (wants to hug people rather than talk)

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. At the fiscal 2016 Shinno-sai Festival, in cooperation with a local community magazine, we sponsored “Doshomachi and Shinno-sai Festival: Enjoy them Through Rakugo (comic storytelling)!” This Nakanoshima University November lecture was held in a company conference room on the evening of November 22. Approximately 230 participants enjoyed the lecture and two rakugo programs focused on Doshomachi, followed by a special tour of the Historical Museum. Also, to help support the Shinno-sai Festival, the Historical Museum was opened all day on the 23rd, which was a holiday. The museum was enjoyed by many visitors.

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

Historical museum crowded with visitors

Starting in fiscal 2017, we are sponsoring the semi-annual Doshomachi Tanamin Theater, a rakugo event that addresses the history and culture of Osaka through rakugo. Moving forward, we will continue working to provide information about Osaka culture from the Doshomachi pharmaceutical district. Through performances of rakugo, which is a traditional form of entertainment that is highly popular in Osaka, and background lectures about the history of Osaka, we would like to provide opportunities for people to become familiar with the history and culture of Osaka. Moving forward, the Company will strive to step up its contributions to local communities.

Rakugo event offered in collaboration with the Shinno-sai Festival

Collaborating with Regional Organizations

In September 2015, a Doshomachi development association known as the Doshomachi Club was established. The Company works as the leader 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 2016, to maintain and develop the community, centered on Doshomachi, we exchanged opinions with people in the local area while formulating proposals for rules and road maintenance, such as cityscape guidelines. In fiscal 2017, we will prepare a Doshomachi community building plan and work to give shape to plans to eliminate utility poles and implement road improvements by fiscal 2020. Also, as one part of efforts to implement activities that foster trust and mutual cooperation among the people who live and work in the area, we held Doshomachi tours for members and sponsored a yakuzen (cooking with herbal medicine) class. We have also sponsored lectures open to the public about anti-aging, which attracted a large number of participants.

Moving forward, we will work to realize objectives by conducting community development activities and will strive to build a community that is attractive and filled with hope; gathers a diverse range of things, people, and ideas; and generates new value.

Field work in a Doshomachi street

Lecture and sampling of yakuzen dessert at a class on yakuzen (cooking with herbal medicine) (Head Office)

The Doshomachi Club
WEB : https://doshomachi-club.org/

Support for Disaster Reconstruction

Support for the Region Affected by the Kumamoto Earthquake

An earthquake struck Kumamoto in April 2016, and to help people who were affected by the earthquake and assist in the reconstruction of the area, the Company made a donation of ¥10 million to the Japanese Red Cross Society.

In addition, the Company and a labor union jointly provided matching donations. The donations received from employees, which totaled ¥3.98 million, were matched with an equivalent amount, for a total of ¥7.96 million, which was donated to the Japanese Red Cross Society.

Support for Great East Japan Earthquake Reconstruction

Implementing Sales Events for Products from Tohoku and Kumamoto

In November 2016 and February 2017, as one part of efforts to support the reconstruction of Tohoku, the Tokyo Head Office sponsored sales events for products from three prefectures in Tohoku (Miyagi, Fukushima, Iwate), as well as for products from Kumamoto Prefecture, which was the site of an earthquake in April 2016. On the days of the events, many employees purchased products, and the events were very popular. We have continued these events for five consecutive years, and in the future we will continue to provide support in affected regions through our procurement activities.

Sales event

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

In March 2017, the Company cooperated with the Japanese Red Cross Society's “We Will Never Forget” ~ Link to the Future Project. The objectives of this project include supporting people who have overcome hardships in regions affected by disasters. Other project aims include insuring that the lessons and experience in mutual support that resulted from previous disasters are not forgotten an to increase awareness of disasters that could occur in the future.

This year, the Sales and Marketing Division's MRs wore project badges, and stickers were applied to business vehicles. Six 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.

Project badges and stickers for business vehicles

Vehicle stickers

VOICE

Vaccine Support That Helps Protect the Future of Children in Developing Countries

Mitsuko Ito (visiting Laos)

Director
Japan Committee Vaccines for
the World's Children
Authorized NPO

We are grateful for Mitsubishi Tanabe Pharma's endorsement of the activities of the Japan Committee Vaccines for the World's Children (JCV), and for the support that JCV has received over many years.

Initiatives in the area of vaccine support activities have been made possible by the thoughtfulness of large numbers of people in Mitsubishi Tanabe Pharma's many branches and offices. These vaccine support activities help children in developing countries, and we would like to thank everyone for choosing to implement social contribution activities in this way.

Your thoughtfulness and support take the form of vaccines that protect children from infectious diseases. JCV is delivering those vaccines to Myanmar, Laos, Bhutan, Vanuatu, and other countries, where your support is putting smiles on children's faces.

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 2015, from April 1, 2015 to March 31, 2016. Specific initiatives implemented in accordance with the Company's philosophy are presented in line with the ISO 26000 Core Subjects. For the environmental performance data included in this report, we received third-party assurance from KPMG AZSA Sustainability Co., Ltd., from an independent viewpoint. Environmental performance indicators for which assurance has been received are shown with the ✓ 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, 2012 version, published by the Ministry of the Environment of Japan

Period covered

April 1, 2016, to March 31, 2017
(The report includes examples of activities from April 2017 and thereafter.)

Issue timing

September 2017 (Previous report: September 2016; next report: September 2018)

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.)

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External Evaluations

Inclusion in SRI indexes*

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

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

FTSE4Good Index Series

This is an SRI index created by FTSE Russell. Companies that fulfill a certain level of CSR activities are selected as component companies. Mitsubishi Tanabe Pharma has been selected for 14 consecutive years since 2004.

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.

MSCI Japan ESG Select Leaders Index

This SRI index is prepared by MSCI. From among the component companies of the MSCI Japan IMI Top 500 Index (top 500 companies by market capitalization), companies with high ESG evaluations are selected as the component companies for this index.

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.

SNAM Sustainability Index

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

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 Kurumin mark demonstrates that a company has received this certification. Mitsubishi Tanabe Pharma has received this certification five times, including in 2017.

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. Mitsubishi Tanabe Pharma has received this certification for two consecutive years, starting in 2016.

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 was selected in 2017, the first year of the program.

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 Merit Award at Osaka Stop! Global Warming Awards

Osaka Prefecture awards companies and worksites that have implemented superior initiatives that will serve as a model for others. These awards are implemented in regard to the control of greenhouse gas emissions from business activities, the control of artificial exhaust heat, and the leveling off of electricity demand. Mitsubishi Tanabe Pharma received the merit award for two consecutive years, starting in 2015.

Receipt of Award at Yokohama Global Warming Countermeasures Awards

The City of Yokohama awards companies that have formulated and implemented plans to control greenhouse gas emissions and have implemented superior initiatives, in accordance with the city's global warming countermeasure system. In fiscal 2015, Mitsubishi Tanabe Pharma received an award for its achievement of a 10% year-on-year reduction in a CO_2 emissions intensity indicator.

Data

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

Organizational Governance

Item	Data		
	FY2016	FY2015	FY2014
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	9	8	8
└ (of which, outside directors)	3	2	2
└ 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	486 million yen	442 million yen	406 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	168	200	200
Number of meetings of compliance prpmotion 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	6,121	6,543	7,032
└ Divisional sessions			
└ Times held	Once a year	Once a year	Once a year
└ Number of participants	6,236	6,071	5,897

└ Top management seminars			
└ Times held	1	1	1
└ Number of participants	27	27	35
└ New employee training			
└ Times held	1	1	1
└ Number of participants	84	94	135
└ Compliance understanding check			
└ Times held	Twice a year	–	–
└ Number of participants	February: 6,333 July: 5,740	–	–
Hotlines			
Number of Hotline Consultations			
└ Regulations	6	8	8
└ Labor management	23	31	31
└ Preliminary consultations	4	6	2
└ Other	1	6	2
└ Total	34	51	43
Implementation of Employee Attitude Survey			
Frequency of Monitoring Compliance Awareness	Once a year	Once a year	Once a year
└ Number of responses	5,401	6,224	7,020
└ Response rate	87.5%	90.4%	88.7%

Human Rights

Item	Data		
	FY2016	FY2015	FY2014
Initiatives for Employees			
Initiatives to Raise Human Rights Awareness			
Number of Entries in Human Rights Slogan Campaigns	353	353	271
Human Rights Awareness Promotion Committee			
└ Number of headquarters committee members	9	10	12
└ Number of regional committee members	24	24	25

Labor Practices

Item	Data		
	FY2016	FY2015	FY2014
Human Resources Development			
Basic Human Resources Policy			
Number of Employees (as of March 31)			
└ Consolidated	7,280	8,125	8,457
└ Unconsolidated	4,239	4,780	4,844
└ Men	3,263	3,730	3,802
└ Women	976	1,050	1,042
Average Age of Employees	44.6	45.0	44.5
Average Years of Continuous Service for Employees	19.6	20.7	16.9

Promoting Diversity			
Actively Utilizing Diverse Human Resources			
Number of Employees by Region			
└ Japan	5,473	6,325	6,664
└ North America	465	377	343
└ EMEA (Europe, Middle East, Africa)	102	130	142
└ Asia / Oceania	1,240	1,293	1,308
Percentage of Female Employees with Second Qualification or Higher			
└ Number at Second Qualification or Higher *Equivalent to subsection managers	373	370	348
└ Percentage of total	13.73%	12.18%	11.24%
Percentage of Female Employees	23.0%	22.0%	21.5%
Number of Temporary Employees *MTPC Group (Japan)	343	297	262
Supporting People with Disabilities in the Workplace			
Employment Rate of People with Disabilities	2.09%	2.43%	2.32%
Work-Life Balance Considerations			
Utilization of Leave and Shorter Workdays for Child Care			
└ Child-care leave	93	111	97
└ Shorter workdays for child care	82	106	105
Utilization of Leave and Shorter Workdays for Nursing Care			
└ Nursing-care leave	2	0	2
└ Shorter workdays for nursing care	1	4	3
Usage of Paid Vacation Days			
└ Average number of days used	12.4	12.9	12.2
└ Average rate of use	58%	60%	60%
Building Sound Labor-Management Relations			
Number of labor union members	4,178	4,775	5,644
Employee turnover rate (excluding retired employees) *MTPC Group (Japan)	1.73%	2.24%	1.89%
Occupational Health and Safety			
Occupational Health and Safety Initiatives			
Rate of Accidents Causing Absence from Work			
└ Mitsubishi Tanabe Pharma Group	0.18	0.20	0.57
└ Pharmaceutical industry average	1.01	1.16	0.85
└ Manufacturing industry average	1.15	1.06	1.06
Industrial Accident Severity Rate*	0.00	0.0045	0.011
Number of Deaths due to Industrial Accidents.	0	0	0
Percentage Receiving Health Examinations	99.4%	72.7%	72.5%
Percentage Receiving Stress Checks	92%	82%	90%

* 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		
	FY2016	FY2015	FY2014
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 Legal and Regulatory Compliance			
Number of Environmental Accidents	0	0	0
Number of Environmental Incidents	0	1	1
Amount of Environmental Misconduct Fines	0 yen	0 yen	0 yen
Medium-Term Environmental Action Plan			
Rate of Reduction in CO_2 Emissions in Comparison with Benchmark Year			
└ Domestic	31% (Compared with FY2010)	52% (Compared with FY2005)	46% (Compared with FY2005)
└ Global	25%	–	–
Reduction Ratio of CO_2 Emissions Compared to the Previous Fiscal Year			
└ Domestic	9%	12%	10%
└ Global	9%	–	–
Rate of Reduction in Amount of Waste Generated in Comparison with the Previous Fiscal Year	33%	40%	11%
Final Waste Disposal Rate	0.33%	0.55%	0.28%
Rate of Reduction in Handling Volume of Chemical Substances in Comparison with the Previous Fiscal Year			
└ PRTR substances	4%	7%	-3%
└ VOCs (excluding PRTR substances)	20%	17%	10%
Reduction Ratio of Chemical Substances Emissions in Comparison with the Previous Fiscal Year			
└ PRTR substances	4%	4%	-12%
└ VOCs (excluding PRTR substances)	1%	11%	35%
Reduction Ratio of Toluene Emissions in Comparison with the Previous Fiscal Year	-3%	–	–
Number of Group Worksites for which Environmental Safety Audits Were Conducted			
└ Domestic	7	7	12
└ Overseas	3	4	3
Number of Environmental Accidents	0	0	0
Number of Environmental Incidents	0	1	1
Environmental Accounting			
Environmental Conservation Costs			
└ Invested			
└ Pollution prevention	12 million yen	8 million yen	75 million yen
└ Global environmental protection	156 million yen	1 million yen	114 million yen
└ Recycling and reuse of resources	13 million yen	2 million yen	20 million yen

└ Upstream and downstream activities	0 million yen	0 million yen	0 million yen
└ Administrative activities	22 million yen	3 million yen	9 million yen
└ Research and development	0 million yen	0 million yen	0 million yen
└ Community activities	0 million yen	0 million yen	0 million yen
└ Environmental damage compensation	0 million yen	8 million yen	0 million yen
└ Total	203 million yen	22 million yen	218 million yen
└ Expended			
└ Pollution prevention	307 million yen	327 million yen	437 million yen
└ Global environmental protection	51 million yen	41 million yen	37 million yen
└ Recycling and reuse of resources	147 million yen	227 million yen	242 million yen
└ Upstream and downstream activities	24 million yen	30 million yen	32 million yen
└ Administrative activities	181 million yen	236 million yen	243 million yen
└ Research and development	0 million yen	0 million yen	0 million yen
└ Community activities	1 million yen	0 million yen	1 million yen
└ Environmental damage compensation	10 million yen	10 million yen	10 million yen
└ Total	720 million yen	871 million yen	1,001 million yen
Environmental Conservation Effects			
└ Global environmental protection			
└ Greenhouse gas emission reduction	937 tons-CO_2	77 tons-CO_2	339 tons-CO_2
Economic Effects Resulting from Environmental Conservation Measures			
└ Sales of valuable materials	0.7	3.1	6.2
└ Electricity consumption reduced through energy-saving measures	44.2	2.2	13.4
└ Total	44.9	5.3	19.6
Overview of Environmental Impact / Independent Third-Party Assurance Report			
Input and Output at Group Worksites in Japan			
Input			
└ Energy			
└ Purchased electricity	105,716MWh	10,453MWh	12,319MWh
└ Gases	8,709,000 m³	10,994,000 m³	11,234,000 m³
└ Petroleum	4,272 kL	1,488 kL	1,0767kL
└ Thermal equivalent	1,578,000 GJ	1,569,000 GJ	1,815,000 GJ
└ Crude oil equipment	40,704 kL	40,476 kL	46,814 kL
└ Water			
└ Supplied water	178,000 m³	188,000 m³	308,000 m³
└ Industrial water	7,473,000 m³	7,008,000 m³	8,117,000 m³
└ Groundwater	229,000 m³	103,000 m³	104,000 m³
└ Chemical Substances			
└ PRTR substances	192 tons	201 tons	210 tons
└ VOCs (excluding PRTR substances)	833 tons	1,047 tons	1,252 tons
Output			
└ Atmospheric Emissions			
└ CO_2	92,000 tons	92,000 tons	104,000 tons
└ NOx	20 tons	20 tons	28 tons
└ SOx	6.3 tons	6.3 tons	6.8 tons
└ Particulate matter	0.4 tons	0.3 tons	0.4 tons
└ PRTR substances	4.0 tons	4.6 tons	6.5 tons
└ VOCs (excluding PRTR substances)	41 tons	39 tons	60 tons

└ Wastewater			
└ Wastewater output	7,621,000 m³	7,850,000 m³	8,149,000 tons
└ COD pollution load	31 tons	31 tons	42 tons
└ Nitrogen	17 tons	15 tons	22 tons
└ Phosphorus	0.8 tons	1.1 tons	1.2 tons
└ PRTR substances	2.9 tons	2.6 tons	1.0 tons
└ VOCs (excluding PRTR substances)	21 tons	16 tons	2.4 tons
└ Waste			
└ Waste output	5,936 tons	8,837 tons	14,631 tons
└ Emissions	2,648 tons	3,711 tons	4,170 tons
└ Final disposal	19 tons	49 tons	40 tons
Environmental Performance of Production and Research Sites outside Japan			
Energy Consumption			
└ Electricity	20,447 MWh	21,220 MWh	19,150 MWh
└ Gases	1,791,000 m³	1,636,000 m³	1,225,000 m³
└ Petroleum	60 kL	192 kL	300 kL
Water Consumption	107,000 tons	111,000 tons	103,000 tons
CO_2 Emissions	14,000 tons	16,000 tons	13,000 tons
Waste Output	640 tons	630 tons	399,000 tons
Energy Conservation and Global Warming Mitigation			
CO_2 Emissions Reduction Targets and Results			
CO_2 Emissions			
└ Domestic (production and research bases)	84,000 tons-CO_2	92,000 tons-CO_2	104,000 tons-CO_2
└ Overseas (production and research bases)	14,000 tons-CO_2	16,000 tons-CO_2	13,000 tons-CO_2
└ Total	98,000 tons-CO_2	108,000 tons-CO_2	117,000 tons-CO_2
Reduction Rate of CO_2 Emissions in Comparison with Benchmark Year			
└ Domestic	31% (Compared with FY2010)	52% (Compared with FY2005)	46% (Compared with FY2005)
└ Global	25%	–	–
Reduction Rate of CO_2 Emissions Compared to the Previous Fiscal Year			
└ Domestic	9%	12%	10%
└ Global	9%	–	–
Energy Consumption			
└ Domestic (production and research bases)	1,443,000 GJ	1,569,000 GJ	1,815,000 GJ
└ Overseas (production and research bases)	282,000 GJ	288,000 GJ	249,000 GJ
└ Total	1,725,000 GJ	1,857,000 GJ	2,064,000 GJ
Reduction Rate of Energy Consumption in Comparison with Benchmark Year			
└ Domestic	44% (Compared with FY2010)	44% (Compared with FY2005)	36% (Compared with FY2005)
└ Global	37% (Compared with FY2010)	–	–

Reduction Rate of Energy Consumption Compared to the Previous Fiscal Year			
└ Domestic	8%	14%	10%
└ Global	7%	–	–
Strengthening Energy Management			
Energy Consumed and CO_2 Emissions by Mitsubishi Tanabe Pharma			
└ Crude oil equivalent			
└ Kashima Research Center	4,420 kL	4,650 kL	5,120 kL
└ Toda Research Center	4,840 kL	5,110 kL	5,030 kL
└ Yokohama Research Center	2,840 kL	3,040 kL	3,080 kL
└ Head Office	450 kL	460 kL	550 kL
└ Tokyo Head Office	210 kL	210 kL	210 kL
└ Branches and sales outlets	940 kL	950 kL	990 kL
└ Other	40 kL	1,230 kL	1,220 kL
└ Total	13,740 kL	17,600 kL	18,900 kL
└ Reduction rate compared to the previous fiscal year	22%	7%	6%
└ CO_2 emissions			
└ Kashima Research Center	8,880 tons-CO_2	9,540 tons-CO_2	10,400 tons-CO_2
└ Toda Research Center	9,530 tons-CO_2	10,100 tons-CO_2	10,220 tons-CO_2
└ Yokohama Research Center	5,610 tons-CO_2	6,050 tons-CO_2	6,340 tons-CO_2
└ Head Office	890 tons-CO_2	940 tons-CO_2	1,110 tons-CO_2
└ Tokyo Head Office	400 tons-CO_2	400 tons-CO_2	420 tons-CO_2
└ Branches and sales outlets	1,990 tons-CO_2	2,060 tons-CO_2	2,220 tons-CO_2
└ Other	70 tons-CO_2	2,530 tons-CO_2	2,540 tons-CO_2
└ Total	27,370 tons-CO_2	35,530 tons-CO_2	38,770 tons-CO_2
Energy Consumed and CO_2 Emissions by Mitsubishi Tanabe Pharma Factory			
└ Crude oil equivalent			
└ Onoda Plant	13,410 kL	14,060 kL	14,080 kL
└ Yoshitomi Plant	8,140 kL	6,210 kL	5,780 kL
└ Total	21,550 kL	20,270 kL	19,860 kL
└ CO_2 emissions			
└ Onoda Plant	33,970 tons-CO_2	35,060 tons-CO_2	35,620 tons-CO_2
└ Yoshitomi Plant	18,010 tons-CO_2	15,030 tons-CO_2	14,450 tons-CO_2
└ Total	51,980 tons-CO_2	50,090 tons-CO_2	50,070 tons-CO_2
Energy Consumed and CO_2 Emissions by Bipha Corporation			
└ Crude oil equivalent	3,100 kL	3,800 kL	3,610 kL
└ CO_2 emissions	7,290 tons-CO_2	9,080 tons-CO_2	8,510 tons-CO_2
Energy Consumed and CO_2 Emissions by Tanabe Seiyaku Yoshiki Factory			
└ Crude oil equivalent	480 kL	460 kL	480 kL
└ CO_2 emissions	990 tons-CO_2	960 tons-CO_2	1,020 tons-CO_2

Initiatives with Company Vehicles			
Number of company vehicles	1,841	1,924	1,904
└ Hybrid vehicles	1,399	1,415	1,399
└ CO_2 emissions from gasoline use in sales activities	4,743 tons	5,212 tons	5,488 tons
└ Reduction rate of CO_2 emissions from gasoline use in sales activities compared to the previous fiscal year	9%	5%	4%
Greenhouse Gas Emissions in the Supply Chain			
Greenhouse Gas Emissions: Scope 1			
└ Domestic			
└ Use of fuel at worksites	26,030 tons-CO_2	29,207 tons-CO_2	–
└ Use of gasoline in vehicles used in sales activities, etc.	4,773 tons-CO_2	5,252 tons-CO_2	–
└ Leakage of CFCs at worksites	690 tons-CO_2	128 tons-CO_2	–
└ Domestic total	31,493 tons-CO_2	34,587 tons-CO_2	–
└ Overseas			
└ Use of fuel at worksites	3,954 tons-CO_2	3,848 tons-CO_2	–
└ Global	35,447 tons-CO_2	38,435 tons-CO_2	–
Greenhouse Gas Emissions: Scope 2			
└ Domestic			
└ Use of electricity at worksites	61,594 tons-CO_2	66,443 tons-CO_2	–
└ Overseas			
└ Use of electricity at worksites	10,211 tons-CO_2	12,289 tons-CO_2	–
└ Global	71,805 tons-CO_2	78,732 tons-CO_2	–
Greenhouse Gas Emissions: Scope 3			
└ Purchased goods and services	530,753 tons-CO_2	529,767 tons-CO_2	–
└ Capital goods	40,959 tons-CO_2	34,469 tons-CO_2	–
└ Fuel- and energy-related activities not included in Scope 1 and 2	9,128 tons-CO_2	9,587 tons-CO_2	–
└ Transportation and distribution (upstream)	3,466 tons-CO_2	692 tons-CO_2	–
└ Waste generated from operations	2,394 tons-CO_2	2,867 tons-CO_2	–
└ Business travel	946 tons-CO_2	1,056 tons-CO_2	–
└ Employee commuting	1,208 tons-CO_2	1,336 tons-CO_2	–
└ Disposal of sold products	984 tons-CO_2	970 tons-CO_2	–
Waste Reduction & Proper Management of Chemical Substances			
Appropriate Management of Waste			
Amount of Waste Generated (Domestic)	5,936 tons	8,837 tons	14,631 tons
Rate of Reduction in Amount of Waste Generated in Comparison with the Previous Fiscal Year	33%	40%	11%
Amount of Final Waste Disposed (Domestic)	19 tons	49 tons	40 tons
Rate of Reduction in Amount of Final Waste Disposed	60%	-20%	61%
Final Waste Disposal Rate	0.33%	0.55%	0.28%
Reducing Emissions of Chemical Substances into the Environment			
Amount of PRTR Class I Designated Chemical Substances Handled	192.4 tons	200.9 tons	209.9 tons

Reduction Rate Compared to the Previous Fiscal Year	4%	7%	-3%
Air Emissions of PRTR Class I Designated Chemical Substances	4.0 tons	4.6 tons	6.5 tons
Reduction Rate Compared to the Previous Fiscal Year	13%	31%	-7%
Public Water Emissions of PRTR Class I Designated Chemical Substances	2.9 tons	2.6 tons	1.0 tons
Reduction Rate Compared to the Previous Fiscal Year	-12%	-160%	-67%
Amount of VOCs (Excluding PRTR Regulated Substances) Handled	832.6 tons	1,040.4 tons	1,252.4 tons
Reduction Rate Compared to the Previous Fiscal Year	20%	17%	10%
Air Emissions of VOCs (Excluding PRTR Regulated Substances)	40.6 tons	39.4 tons	59.7 tons
Reduction Rate Compared to the Previous Fiscal Year	12%	34%	35%
Public Water Emissions of VOCs (Excluding PRTR Regulated Substances)	20.5 tons	15.6 tons	2.4 tons
Reduction Rate Compared to the Previous Fiscal Year	-31%	-550%	52%
Amount of Toluene Handled	91.8 tons	98.8 tons	85.8 tons
Air Emissions of Toluene	2.5 tons	3.6 tons	5.5 tons
Public Water Emissions of Toluene	1.3 tons	1.0 tons	0.29 tons
Management of Exhaust Gas and Waste Water			
Emissions to Public Water Bodies from the Group’s Domestic Worksites			
└ COD	31.37 tons	31.15 tons	41.94 tons
└ Nitrogen	17.38 tons	15.32 tons	22.11 tons
└ Phosphorus	0.84 tons	1.08 tons	1.15 tons
Reduction Rate Compared to the Previous Fiscal Year			
└ COD	-1%	26%	-9%
└ Nitrogen	-13%	31%	16%
└ Phosphorus	22%	6%	25%
Water Usage			
└ Domestic worksites			
└ Service water	178,000 m³	188,000 m³	308,000 m³
└ Water for industrial use, etc.	7,473,000 m³	7,008,000 m³	8,117,000 m³
└ Groundwater	229,000 m³	103,000 m³	104,000 m³
└ Subtotal	7,880,000 m³	7,299,000 m³	8,529,000 m³
└ Overseas worksites			
└ Service water	91,000 m³	111,000 m³	103,000 m³
└ Water for industrial use, etc.	4,000 m³		
└ Groundwater	12,000 m³		
└ Subtotal	107,000 m³	111,000 m³	103,000 m³

Consumer Issues

Item	Data		
	FY2016	FY2015	FY2014
Manufacturing and Supply Chain			
Pharmaceutical Manufacturing Process			
Mitsubishi Tanabe Pharma Group's Global Manufacturing System			
└ Production plants in Japan	5	5	5
└ Production plants outside Japan	4	4	4
Information Provision			
MR's Responsibility: Collecting Data and Providing Information to Medical Institutions			
Number of General and Specialized Medical Representatives (MRs)	Approx. 2,000	Approx. 2,000	Approx. 2,100
Providing Comprehensive Information through the Medical Information Center			
Number of Inquiries to the Medical Information Center	77,629	73,470	73,907
Quality and Reliability Assurance			
Pharmaceutical Safety Education			
Pharmaceutical Safety Education (All Employees, Including Executive Officers)	Once a year	Once a year	Once a year
Others			
Improving Access to Medicines			
Responding to Demands for Development of Unapproved or Off-Label Drugs	1	2	–
Participating in the Global Health Innovative Technology Fund (GHIT Fund)	○	○	–

Community Involvement and Development

Item	Data		
	FY2016	FY2015	FY2014
Support for Medical Treatment and Health			
Support for Refractory Disease Patient Organizations: The Mitsubishi Tanabe Pharma Tenohira Partnership Program			
Number of Organizations Supported by Tenohira Partnership Program	17	16	13
Amount of Monetary Support	10 million yen	10 million yen	8.51 million yen
Supporting Research through Foundations			
Grants of the SENSHIN Medical Research Foundation			
Grants for Pharmacopsychiatry Research			
└ Basic research			
└ Number of projects	25	24	24
└ Amount	25 million yen	25 million yen	24 million yen

└ Aid for young researchers			
└ Number of projects	9	10	10
└ Amount	9 million yen	10 million yen	10 million yen
└ Financial aid for education abroad			
└ Number of projects	3	3	2
└ Amount	6 million yen	6 million yen	4 million yen
Grants for Hematological Research			
└ Basic research			
└ Number of projects	24	24	24
└ Amount	24 million yen	25 million yen	25 million yen
└ Aid for young researchers			
└ Number of projects	10	10	10
└ Amount	10 million yen	10 million yen	10 million yen
└ Financial aid for education abroad			
└ Number of projects	3	3	1
└ Amount	6 million yen	6 million yen	6 million yen
Grants for Circulatory Research			
└ Basic research			
└ Number of projects	24	24	24
└ Amount	24 million yen	24 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
└ Financial aid for education abroad			
└ Number of projects	3	3	3
└ Amount	6 million yen	6 million yen	6 million yen
Special Projects			
└ Number of projects	1	2	1
└ Amount	10 million yen	20 million yen	10 million yen
└ Total			
└ Number of projects	112	109	109
└ Amount	130 million yen	125 million yen	125 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
Grants for Young Researchers in Specific Fields			
└ Researchers focused on determining causes and conditions of adult onset diseases			
└ Number of projects	38	36	43
└ Amount	14.5 million yen	14.95 million yen	14.95 million yen
└ Researchers focused on vascular biology innovation			
└ Number of projects	22	22	21
└ Amount	10.5 million yen	10.5 million yen	10.5 million yen

└ Researchers focused on determining causes and conditions of systemic inflammatory diseases			
└ 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	28	29
└ Amount	15 million yen	14 million yen	14.45 million yen
└ Total			
└ Number of projects	130	127	134
└ Amount	72.5 million yen	72.25 million yen	72.25 million yen
Contributing to Developing Countries			
TABLE FOR TWO (TFT)			
└ Contributions from the TFT menu	6,015 meals	4,799 meals	−
└ Contributions from TFT vending machines	6,524 meals	5,307 meals	−
Participating in Vaccine Support Activities			
└ Amount of contributions	155,576 yen	103,701 yen	171,984 yen
└ Polio vaccine (estimate)	7,779 doses	5,185 doses	8,600 doses
Contributing to the Environment			
Bridge-Washing Event			
└ Number of participants	Approx. 200	Approx. 250	Approx. 150
└ Number of participants from the Company	17	15	14
Contributing to Local Communities			
Number of Visitors to Historical Museum	6,402	8,160	−
Number of Visitors to the Yoshitomi Summer Festival	2,070	1,345	Approx. 2,100
Others			
Amount of Donations Related to Social Contribution	1,489 million yen	1,340 million yen	1,586 million yen
Number of People Taking Days Off for Volunteer Activities	14	23	9

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	Corporate Report 2017, page5 The Power of Change
			Annual Securities Report (Overview of company, Status of businesses) (Japanese only)
	102-7	Scale of the organization	Corporate Data
			Corporate Report 2017, page5, 10 The Power of Change, Financial and Non-Financial Highlights
			Annual Securities Report (Overview of company) (Japanese only)
	102-8	Information on employees and other workers	Data
	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
			Quality and Reliability Assurance
			Environmental Management
			Energy Conservation and Global Warming Mitigation
			Waste Reduction & Proper Management of Chemical Substances
	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			
	102-14	Statement from senior decision-maker	Message from the Management
			Corporate Report 2017, page14-20 Message from the President
	102-15	Key impacts, risks, and opportunities	Consumer Issues
			Annual Securities Report (Business risks) (Japanese only)
3. Ethics and integrity			
	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
			Initiatives for Employees
4. Governance			
	102-18	Governance structure	Corporate Governance
	102-19	Delegating authority	Environmental Management
	102-22	Composition of the highest governance body and its committees	Corporate Governance
			Corporate Governance Report
			Corporate Report 2017, page56, 59, 62-65 Corporate Governance and Internal Control, Board of Directors and 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 2017, page19-20 Message from the President

	102-27	Collective knowledge of highest governance body	Corporate Report 2017, page 58-59, 62-65 Messages from Outside Directors, Board of Directors and 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 2017, page 57 Corporate Governance and Internal Control
	102-36	Process for determining remuneration	Corporate Governance Report
			Corporate Report 2017, page 57 Corporate Governance and Internal Control
5. Stakeholder engagement			
	102-40	List of stakeholder groups	Mitsubishi Tanabe Pharma's CSR
	102-41	Collective bargaining agreements	Promoting Diversity
			Annual Securities Report (Status of employees) (Japanese only)
	102-43	Approach to stakeholder engagement	Corporate Governance
			Occupational Health and Safety
			Human Rights Issues in the Value Chain
			Promoting Diversity
			Promotion of Environmental Communication
			Promotion of CSR Procurement
			Information Provision
			Support for Medical Treatment and Health
			Contributing to Local Communities

	102-44	Key topics and concerns raised	Occupational Health and Safety
			Human Rights Issues in the Value Chain
			Information Provision
	6. Reporting practice		
	102-45	Entities included in the consolidated financial statements	Corporate Report 2017, page 92 Corporate Data / Investor Information
			Annual Securities Report (Business activities, Status of subsidiaries and affiliates) (Japanese only)
	102-46	Defining report content and topic Boundaries	Editorial Policies
			Environmental Management
	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	Overview of Environmental Impact / Independent Third-Party Assurance Report
Material topics			
GRI 103 : Management Approach 2016	103-2	The management approach and its components	Mitsubishi Tanabe Pharma's CSR
	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	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)
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			
Materials			
GRI 301 : Materials 2016	301-1	Materials used by weight or volume	Overview of Environmental Impact / Independent Third-Party Assurance Report
Energy			
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	Overview of Environmental Impact / Independent Third-Party Assurance Report
			Energy Conservation and Global Warming Mitigation
	302-4	Reduction of energy consumption	Energy Conservation and Global Warming Mitigation
Water			
GRI 303 : Water 2016	303-1	Water withdrawal by source	Waste Reduction & Proper Management of Chemical Substances
Biodiversity			
GRI 304 : Biodiversity 2016	304-3	Habitats protected or restored	Promotion of Environmental Communication

Emissions			
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Overview of Environmental Impact / Independent Third-Party Assurance Report
			Energy Conservation and Global Warming Mitigation
	305-2	Energy indirect (Scope 2) GHG emissions	Overview of Environmental Impact / Independent Third-Party Assurance Report
			Energy Conservation and Global Warming Mitigation
	305-3	Other indirect (Scope 3) GHG emissions	Overview of Environmental Impact / Independent Third-Party Assurance Report
			Energy Conservation and Global Warming Mitigation
	305-5	Reduction of GHG emissions	Energy Conservation and Global Warming Mitigation
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Overview of Environmental Impact / Independent Third-Party Assurance Report
Effluents and Waste			
GRI 306 : Effluents and Waste 2016	306-1	Water discharge by quality and destination	Overview of Environmental Impact / Independent Third-Party Assurance Report
	306-2	Waste by type and disposal method	Waste Reduction & Proper Management of Chemical Substances
	306-3	Significant spills	Environmental Management
Environmental Compliance			
GRI 307 : Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Environmental Management
Social			
Employment			
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	Data
	401-3	Parental leave	Promoting Diversity
			Data
Occupational Health and Safety			
GRI 403 : Occupational Health and Safety 2016	403-1	Workers representation in formal joint management–worker health and safety committees	There is worker participation.
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety
			Data

Training and Education			
GRI 404 : Training and Education 2016	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 for Employees
Local Communities			
GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Contributing to Local Communities
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	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.

Generic drugs

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

Good Clinical Practice (GCP)

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

Good Laboratory Practice (GLP)

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

Good Manufacturing Practice (GMP)

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

Good Post-marketing Study Practice (GPSP)

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

Good Quality Practice (GQP)

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

Good Vigilance Practice (GVP)

Standards governing safety vigilance of pharmaceuticals after production and marketing.

Good X Practice (GXP)

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

ICH-GCP

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

Informed consent

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

KAITEKI

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

Medical representative (MR)

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

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.