

CSR Activities Report

2018




Mitsubishi Tanabe Pharma

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## Editorial Policies

This website is intended to provide the Group's stakeholders, including patients, medical professionals, shareholders, investors, local communities, and employees, with information about the CSR activities implemented by the Group in fiscal 2017. Specific initiatives implemented in accordance with the Company's philosophy are presented in line with the ISO 26000 Core Subjects. For the environmental and social performance indicators included in this report, we received third-party assurance from KPMG AZSA Sustainability Co., Ltd., from an independent viewpoint. 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, 2018 version, published by the Ministry of the Environment of Japan

### Period covered

April 1, 2017, to March 31, 2018

(The report includes examples of activities from April 2018 and thereafter.)

### Issue timing

September 2018 (Previous report: September 2017; next report: September 2019)

### Scope of reporting

Mitsubishi Tanabe Pharma and consolidated subsidiaries in Japan and overseas.

(The scope of reporting could differ in accordance with the examples being reported.)

### Contact information

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## Message from the Management

The Mitsubishi Tanabe Pharma Group believes that its duty to society is to open up the future for patients and for medicine by discovering innovative pharmaceuticals and creating original value. We strive to contribute to the achievement of the 17 Sustainable Development Goals (SDGs) and a sustainable society through the realization of healthy, active lives.

In regard to the advancement of global business activities, we have formulated the Code of Conduct, which includes 13 principles for business activities that comprise our corporate identity, including our Philosophy, Vision, and Corporate Behavior Charter. We have documented our basic policies in each field. The code includes such CSR-related items as working styles, environment and safety, and responsibilities as a corporate citizen. In addition to the Code of Conduct, we have also formulated the Mitsubishi Tanabe Pharma Group Declaration on Corporate Citizenship (2013) and the Environment & Safety Policy (2007 (revised 2017)). Moving forward, we will work to foster harmonious coexistence with local communities in each country and to reduce environmental burdens as we conduct our business activities.

The promotion of working-style reforms has been established as a duty of companies. We have 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 activities have been highly evaluated by external organizations. We have been certified under such programs as the Ministry of Economy, Trade and Industry's "Outstanding Enterprise in Health and Productivity Management — White 500," which recognizes companies that are implementing especially strong health and productivity management; "the Eruboshi System (highest ranking)," which is based on the Act on Promotion of Women's Participation and Advancement in the Workplace; and the "general business owner conforming to standards (Kurumin mark)" system, which is based on the Next Generation Nurturing Support Measures Promotion Law.

Since the August 2017 launch of Radicava\* in the U.S. as a new drug, we have worked to increase accessibility for patients and provided support for the treatment of many patients. In addition, for patients who are seeking treatment, we will implement new drug R&D and actively strive to contribute to treatment.



Moving forward, the Mitsubishi Tanabe Pharma Group will continue to act in accordance with its philosophy, which states that "We contribute to the healthier lives of people around the world through the creation of pharmaceuticals," and its vision, which expresses that "We strive to be a global research-driven pharmaceutical company that is trusted by society." On that basis, we will continue to provide sustained value to patients, society, and employees through our business activities.

\* Radicava: A treatment agent for amyotrophic lateral sclerosis (ALS), an intractable disease. Launched as the first new ALS treatment agent in the U.S. in 20 years.

Mitsubishi Tanabe Pharma  
President & Representative Director

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

## Mitsubishi Tanabe Pharma's CSR

The Mitsubishi Tanabe Pharma Group's corporate philosophy 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. In addition, there is a growing commitment around the world to working toward the resolution of environmental and social issues through worldwide initiatives, such as the SDGs adopted at a United Nations summit held in 2015. In this setting, companies are being called on to do more. 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, which is working to realize KAITEKI by providing solutions to environmental and social issues and contributing to the sustainable development of society and the Earth. KAITEKI means “the sustainable well-being of people, society and our planet Earth.” The MCHC Group defines “KAITEKI management” as the integrated implementation of three types of management — (1) management which focuses on capital efficiency, (2) management which strives to create innovation for society, and (3) management aiming to improve sustainability — while maintaining a focus on time and opportunity. The MCHC Group calls the value created from the three kinds of management “KAITEKI value.” All of the MCHC Group’s activities target enhancement of KAITEKI value. We believe that enhancing KAITEKI Value will lead to the realization of KAITEKI. We promote this management approach aiming to generate revenue and develop ourselves sustainably while contributing to solving environmental and social issues as a company.

⇒For further information about KAITEKI, please see the MCHC website.

[http://www.mitsubishichem-hd.co.jp/english/kaiteki\\_management/kaiteki/](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, healthcare professionals, shareholders and investors, local communities, and employees. In conducting these activities, we actively utilize the ISO 26000 core subject framework as we identify issues and formulate action plans. This website also introduces specific initiatives in line with the ISO 26000 core subjects.

## United Nations Global Compact

Since May 2006, MCHC has participated in the United Nations Global Compact, which is being advanced by the United Nations. As a member of the MCHC Group, Mitsubishi Tanabe Pharma respects the 10 principles of the United Nations Global Compact, which address human rights, labor, the environment, and anticorruption, and upholds these principles in its business activities as a responsible corporate citizen in line with its Corporate Behavior Charter.

## Communicating with Principal Stakeholders

### Patients and Their Families

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

⇒Discussions about diseases (Japanese only)

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

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

⇒Medical Information Center (inquiries)

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

⇒Searchlight Support

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

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

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

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

### Healthcare Professionals

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

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

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

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

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

## Shareholders and Investors

The general meeting of shareholders provides an opportunity for direct communication with shareholders and investors, and we implement IR meetings for institutional investors (results briefings, business presentations, etc.), individual visits with overseas investors (U.S., Europe, Asia), and presentations for individual investors. The Fair Disclosure (FD) rules have taken effect, and in response the Company has formulated guidelines for the continuation of fair, timely, and appropriate information disclosure and the implementation of constructive dialog.

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



IR Meeting

### ⇒General Meeting of Shareholders

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

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

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

### ⇒Individual Investors (Japanese only)

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

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

### ⇒Mitsubishi Tanabe Pharma Corporate Report

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

## News Releases

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

### ⇒News Releases

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



## Employees

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

### ⇒Human Resources Development

[https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/labor\\_practices/index.html](https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/labor_practices/index.html)

### ⇒Implementing Labor Consultations

[https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/labor\\_practices/diversity.html](https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/labor_practices/diversity.html)

### ⇒Internal and external help lines

[https://www.mt-pharma.co.jp/shared/show.php?url=../csr/report/human\\_rights/index.html](https://www.mt-pharma.co.jp/shared/show.php?url=../csr/report/human_rights/index.html)

### ⇒Employee Survey

[https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/labor\\_practices/safety.html](https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/labor_practices/safety.html)

## Local Communities

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

### ⇒Declaration on Corporate Citizenship

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

### ⇒Exchange with Local Communities

[https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/community/local\\_communities.html](https://www.mt-pharma.co.jp/shared/show.php?url=../e/company/csr-report/community/local_communities.html)



## 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

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

### Fair, Timely, and Appropriate Information Disclosure

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 patients and healthcare professionals, shareholders, investors, employees, and local communities. 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 the disclosure policy that we have formulated, and in accordance with internal information disclosure systems, we are actively advancing the creation of opportunities for disclosure and communication that is fair to all stakeholders in terms of both content and timing.



## Code of Conduct

### Code of Conduct

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

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

\*Code of Conduct

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





## Risk Management

### Managing Risks Associated with Business Activities

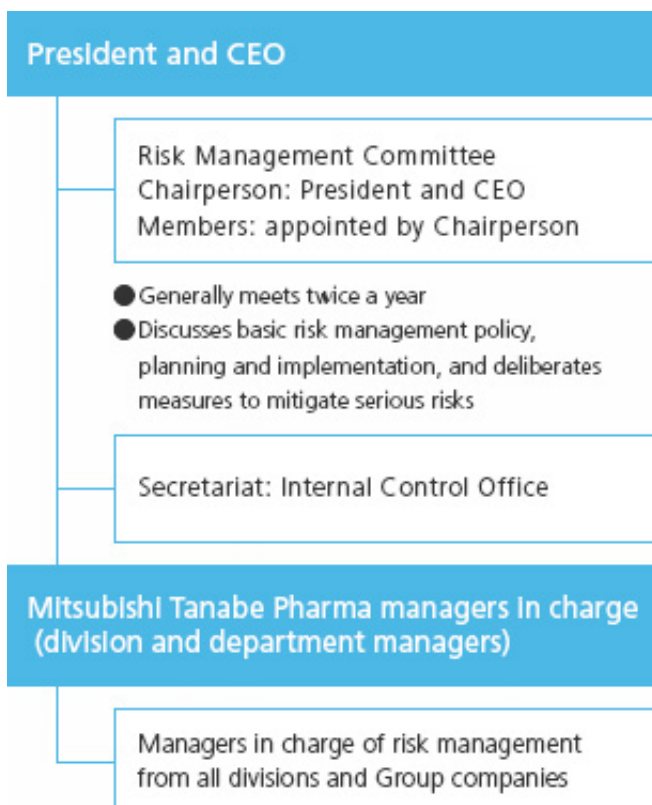
The Mitsubishi Tanabe Pharma Group has established Risk Management Rules to ensure that risks associated with its business activities are managed properly. Based on these rules, each of the divisions at Group companies works to accurately identify the presence, type, and importance of the risks associated 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 Control Office 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/manual, BCP<sup>\*1</sup>, etc.
- Establishing disaster prevention systems at domestic and overseas bases
- Implementing a variety of training (safety confirmation training, communications training, disaster prevention training (IMP<sup>\*2</sup>), 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 (fixed-line telephones (outside lines/extensions), mobile phones, IP wireless, satellite telephones)
- Stockpiling emergency supplies for employee use and for deployment to business bases

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.

\*1 Business Continuity Plan

\*2 Incident Management Plan

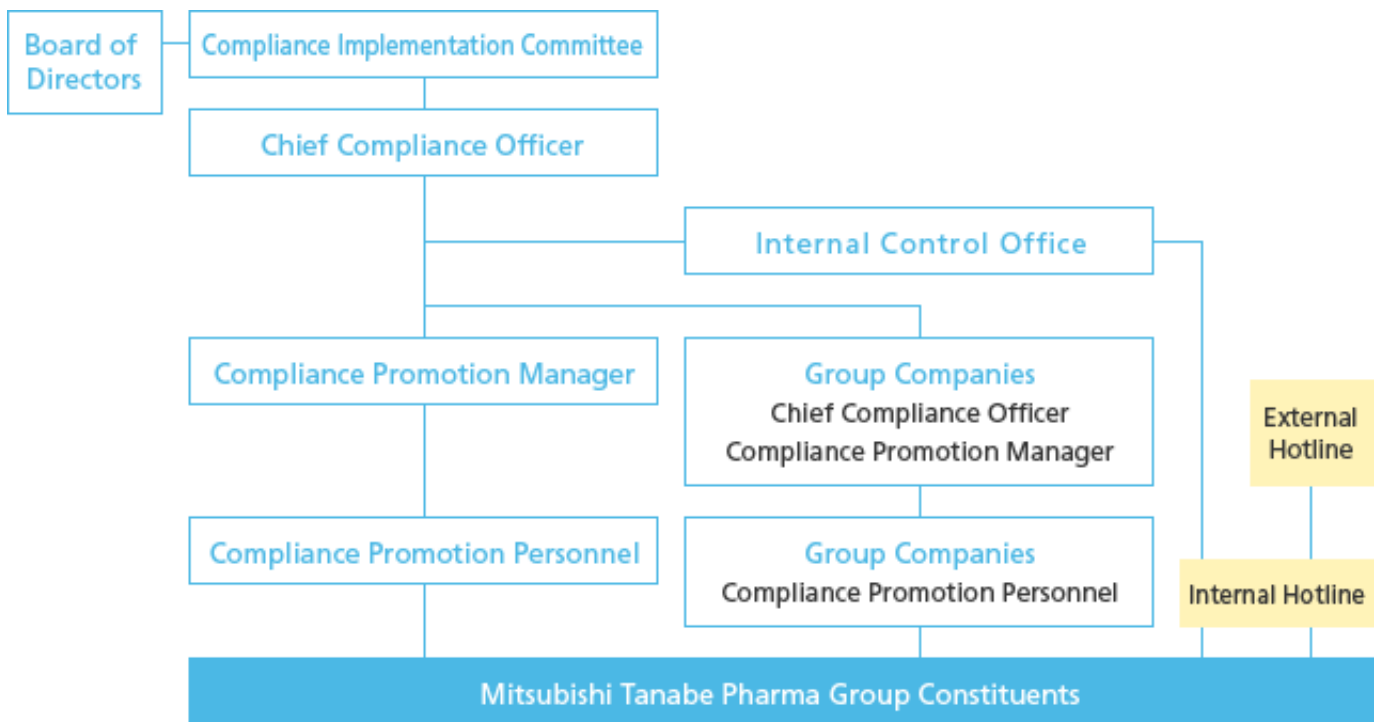


## Compliance

### 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 136 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 high ethical standards and in a professional manner as a global healthcare company.
2. We respect our employees, encourage open and honest communication, and promote safe and healthy working conditions.
3. We comply with all legal requirements and regulations that apply to our businesses and corporate activities.
4. We actively work to protect the global environment and strive to realize the harmonious co-existence of the Company and society.
5. We strive to trade and transact business in a fair manner at all times.
6. We appropriately manage company information and data, and work to ensure that such information and data are disclosed in a timely and reasonable manner.
7. We appropriately manage and efficiently use company assets.

## Compliance Training

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

- **Groupwide compliance training:**

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

- **Divisional compliance training:**

We offer divisional training that focuses on specific topics relevant to each division, principally for compliance implementation personnel, including managers and staff.

- **Compliance 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 2017

	Times held	Number of participants
Groupwide compliance training	Once a year	5,870
Divisional compliance training	Once a year	5,888
Compliance understanding check	Twice a year	July 2017 5,730 February 2018 5,370

## Hotlines

The Mitsubishi Tanabe Pharma Group's internal and external hotlines allow employees and managers to obtain consultation and make reports about any actual or possible violation of laws, ordinances, or social conventions. The use of the hotlines leads to the prevention or reduction of scandals, etc., before major problems develop. In addition, reports on recent trends and issues warranting special mention are included in regular compliance training sessions.

### Number of Hotline Consultations Handled in Fiscal 2017

Workplace environment	Working condition / human resources	Embezzlement / misappropriation	Laws regulations, and rules	Other	Total
13	6	0	7	5	31

## 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 North America, Europe, China, Asia, ASEAN, and the Middle East. 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 2017, the response rate was 94.0%, with 5,297 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 2018, 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. These were made available to major domestic worksites through TV conferencing.



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

Corporate Behavior Charter Cards

Corporate Behavior Charter Cards are distributed to employees.

**企業理念**  
医薬品の創製を通じて、  
世界の人々の健康に貢献します

**めざす姿**  
国際創薬企業として、  
社会から信頼される企業になります

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



田辺三菱製薬

Front

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

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

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

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



田辺三菱製薬

Back



## VOICE

**We will further increase the effectiveness of our corporate governance.**



**Kuniyoshi Wada**  
Managing Executive Officer,  
Human Resources ; General Affairs;  
International Business,  
China Operations Management,  
ASEAN Business

The Sustainable Development Goals (SDGs), which were adopted by the United Nations in September 2015, are goals that must be achieved by 2030 for the resolution of global issues in such areas as health and well-being, poverty, energy, climate change, and peace. The Mitsubishi Tanabe Pharma Group's corporate philosophy — We contribute to the healthier lives of people around the world through the creation of pharmaceuticals — reflects universal values. Our philosophy and direction aim in the same direction as the SDGs, and I believe that we have a duty as a company to target the achievement of the SDGs.

By increasing the effectiveness of its corporate governance, the Mitsubishi Tanabe Pharma Group will contribute to health and medicine through its business activities, including the development of innovative new drugs, the extension of healthy lifespans, and the provision of support for patients. In addition, we will strive to achieve sustainable business growth while simultaneously working to achieve the SDGs through our entire range of corporate activities, including corporate citizenship activities, such as contributing to the development of medicine and pharmacology and supporting social welfare; implementing initiatives to address environmental issues; securing compliance; and taking steps to establish workplace environments that are fair and offer rewarding opportunities.



## 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. It also stipulates that we support the abolition of forced labor in all forms and the effective abolition of child labor. We will ensure that we are not involved in any human rights violations ourselves. We will not treat people in a discriminatory manner, and will act without regard for such matters as gender, age, ideology religion, social status, educational background, birthplace, health status, disability status, sexual orientation, or gender identity (including LGBT). We are committed to compliance with all applicable law including, but not limited to, wage and hour law. 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. As one facet of measures to promote diversity, we are implementing human rights training for officers and employees, The Company's Human Rights Awareness Promotion Committee, chaired by the President, plays a key role in this training. In addition, we are implementing 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 2017, a total of 210 entries were submitted by employees throughout the Group. In addition, based on the results of the UNGC self assessment, we have started to implement initiatives to understand and verify human rights risk at overseas subsidiaries.

**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 managers, and in training for new employees. In addition, in July we issued the Harassment Prevention Guidebook. We have also added a harassment-related section to article 96 of the rules of employment (subject to disciplinary action), stipulating that sexual harassment includes discrimination or harassment based on LGBT\*<sup>1</sup> or other sexual orientation or gender identity, and that maternity harassment\*<sup>2</sup> and paternity harassment\*<sup>3</sup> are subject to disciplinary action.

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

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

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

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



## Human Rights Issues in the Value Chain

### Ethical Considerations in Research

In new drug research, at the basic research stage prior to clinical trials, animal experiments are necessary to confirm efficacy and safety as pharmaceuticals. Mitsubishi Tanabe Pharma has formulated "Rules for Proper Conduct of Animal Experiments" The Company conducts animal experiments at facilities certified by the Center for Accreditation of Laboratory Animal Care and Use, Japan Health Sciences Foundation, a third-party assessment and accreditation organization. The Institutional Animal Care and Use Committee has been established within the Company. In planning and implementing animal experiments, the committee evaluates experiment plans from the perspectives of the appropriateness and scientific rationale of the plans as well as whether or not the plans are in accordance with the 4Rs. The term "4Rs" refers to a program that adds the additional R of "responsibility" on the part of Company researchers to the 3R international standards for animal experiments ("replacement" with alternative testing methods, "reduction" of the number of animals used, and "refinement" of testing, centered on the relief of pain and distress). In these ways, we are acting with consideration for animal welfare.

### Ethics Review Committee Initiatives

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

Mitsubishi Tanabe Pharma has established the Human Tissue Research Ethics Review Committee as an ethics review committee in conformance with the Ethical Guidelines for Medical and Health Research Involving Human Subjects (Ministry of Education, Culture, Sports, Science and Technology (MEXT); Ministry of Health, Labour and Welfare (MHLW)). This committee carefully reviews the ethical appropriateness and scientific rationality of research protocols. To promote objectivity and impartiality in these reviews, outside members are included to ensure that respect is given to a range of opinions and to facilitate appropriate reviews. To ensure full transparency, the Company posts the committee membership list, the rules governing the ethics review committee, and summaries of its proceedings on the research ethics committee reporting system established by MEXT and MHLW.

## Human Rights and Bioethical Considerations in Clinical 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. In addition, the Company's clinical trial management system is employed to verify that studies are being properly administered, and we have established a system to ensure that the trial data is reliable.

## Ethical Considerations in Procurement

In accordance with the Mitsubishi Chemical Holdings 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 for procurement activities, 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 the supplier selection standards that we have formulated.

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

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

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

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

## 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

### Expectations for the Creation of Workplaces That Are Easy for LGBT People to Work In and for Initiatives To Resolve Issues in Clinical Medical Settings



Maki Muraki  
NPO Nijiuro Diversity  
Founder

The Mitsubishi Tanabe Pharma Group is implementing training for managers and others related to basic knowledge about sexual minorities, such as LGBT people. However, in regard to the question of whether or not workplace environments enable everyone to work in a comfortable manner, I believe that the Company, like other companies, is still at the midway point. There is a need for such measures as a clear commitment from executives, the establishment of consultation hotlines, revisions to the social services system, and continued social education initiatives. Considering the viewpoint of LGBT workers will result in increased sensitivity to gender issues. In addition, LGBT people face a variety of difficulties in clinical medical settings. Mitsubishi Tanabe Pharma is a company with strong connections to medical institutions, and I would like to see the Company not only work to implement internal initiatives but also take steps focused on society.





## Human Resources Development

### Basic Human Resources Policy

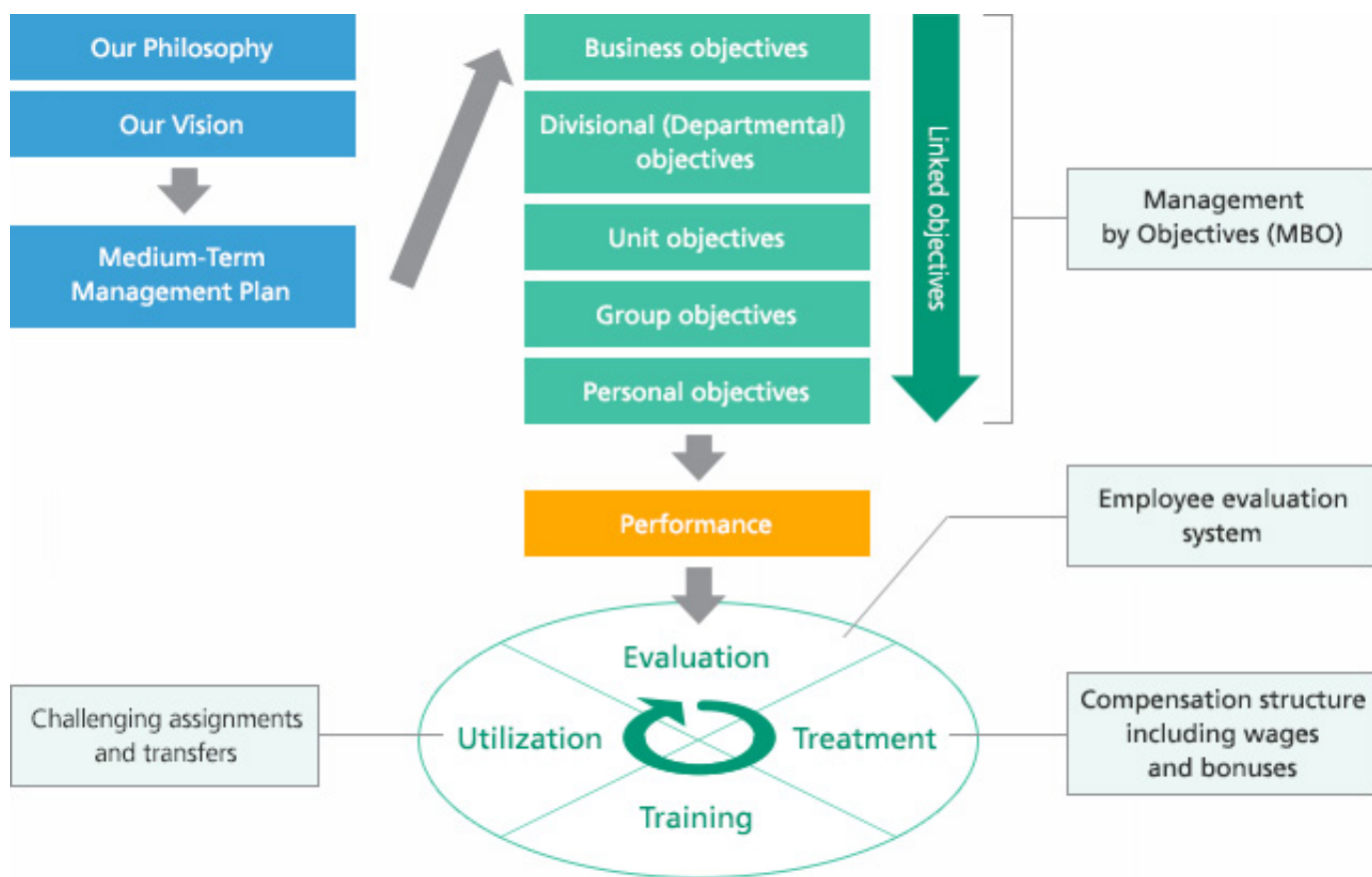
Mitsubishi Tanabe Pharma is working to further enhance its competitiveness by focusing on its people as a management resource and giving individual employees an opportunity to demonstrate their full potential. To further enhance its competitiveness and achieve sustained growth, the Company operates the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

In addition, we endeavor to develop human resources who act in accordance with the standards of Pride and Sense of Mission, Challenge and Innovation, Trust and Collaboration, and Harmonious Coexistence with Society. 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.

**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, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018
Consolidated	9,065	8,457	8,125	7,280	7,187
Unconsolidated	4,867	4,844	4,780	4,239	4,222
Men	3,856	3,802	3,730	3,263	3,232
Women	1,011	1,042	1,050	976	990

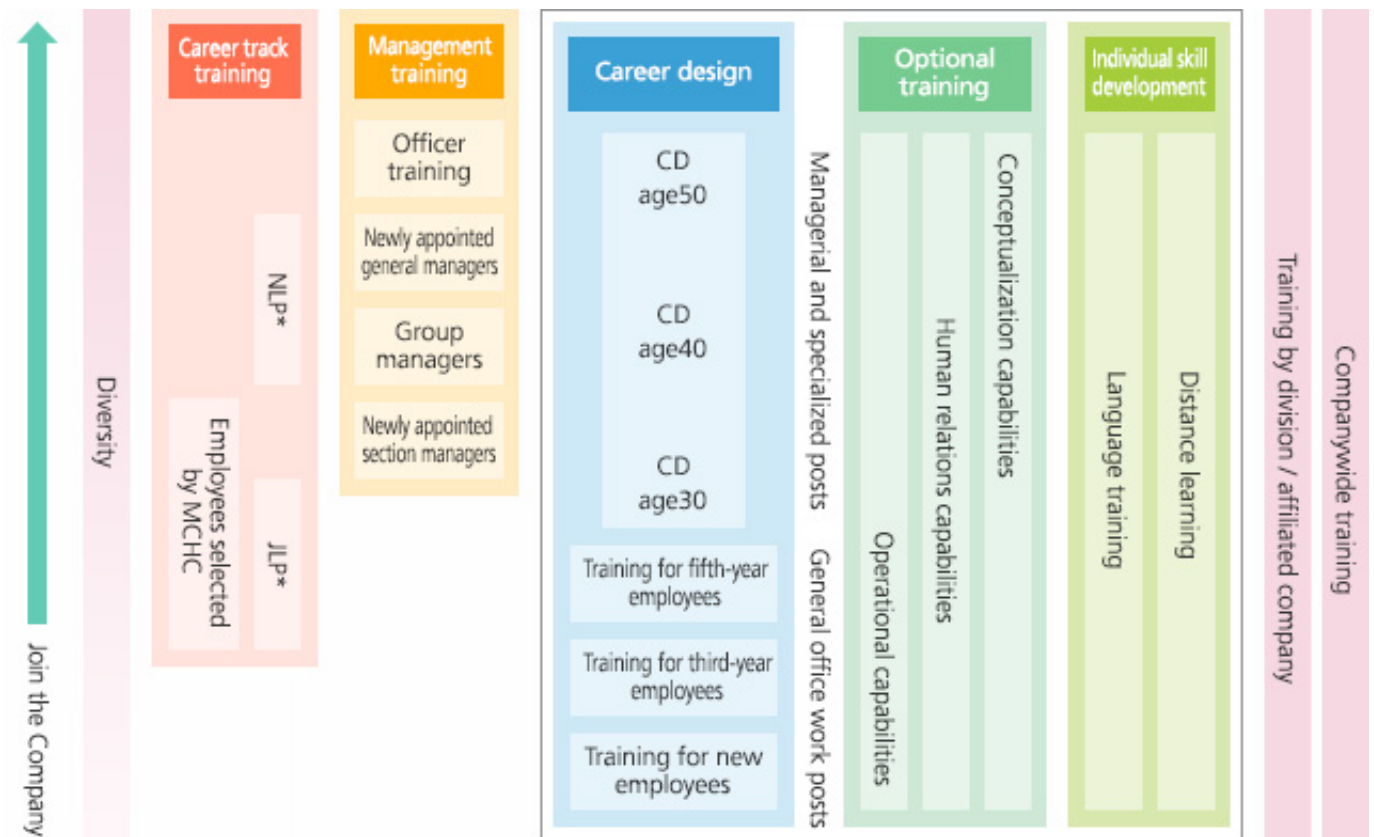
## Enhancing Personnel Training

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 2017, we started career consultations with the objective of enhancing career management support, and revised our training systems and self-education support programs in order to further broaden employees' outlooks and establish independent study habits. We entered the second year of MT-VIVID, a management rapid development program for the development of the next-generation of leaders. In these ways, we continue working to strategically develop managers. In addition, to develop global human resources, which is an increasingly urgent task, we commenced OJTO, a training program that particularly emphasizes on-the-job training initiatives overseas.

### 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

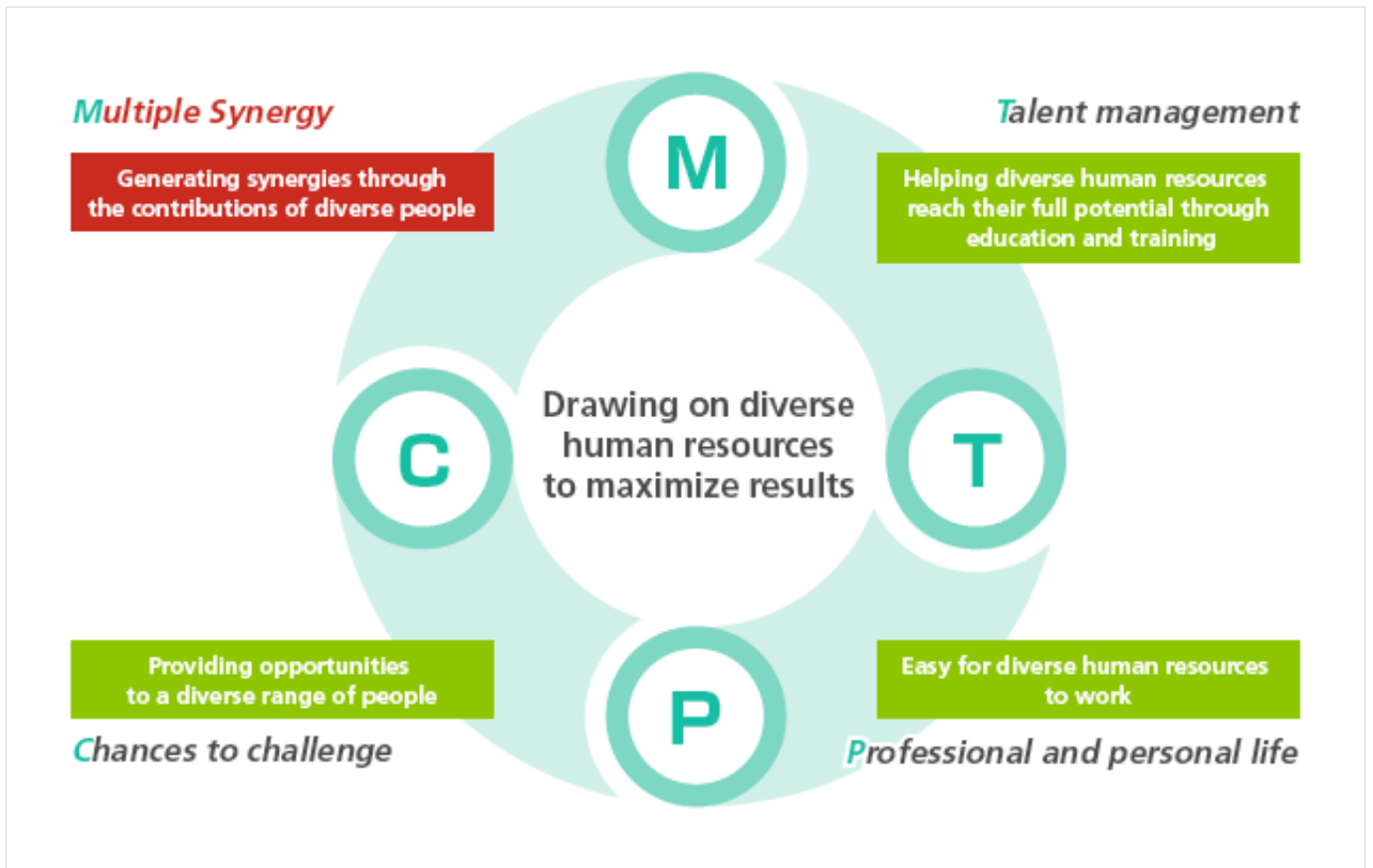
The Group has positioned its approach to diversity and inclusion as one of its management strategies. We have organized that approach into the Diversity Promotion Circle (illustration 1), and we are advancing initiatives on that basis. With the objective of leveraging diverse human resources and maximizing results, the Company is conducting human resources development to maximize the potential of diverse employees, establishing systems and frameworks that make it easy for diverse employees to do their jobs, and providing opportunities for a diverse range of people. Managers will implement diversity management to draw on the capabilities of diverse employees and maximize results, and each employee will generate synergies.

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

In fiscal 2017, we conducted training for all managers on the implementation of diversity management. In addition, we took steps to enhance understanding of LGBT issues through lectures by LGBT people, and we distributed ally stickers, which show understanding of and support for LGBT people. Furthermore, we offered nursing care seminars to deepen understanding of nursing care for those with an interest in this issue.

In regard to the enhancement of career opportunities for women, we continued to implement www28 training (www: abbreviation for Win-Win-Woman), which considers the careers of women who have not yet experienced such life events as marriage and childbirth. In addition, we provided free e-learning and online English conversation classes for employees on childcare leave in order to enable them to quickly enjoy active careers after they return to work. We also introduced external study sessions for employees on childcare leave, and we started childcare support through babysitters as a measure to support both work and childcare. Moreover, we established consultation hotlines for childcare, nursing care, and LGBT issues. These initiatives were recognized, and we received an award of excellence at the 3rd working Women Empowerment Awards sponsored by the Japan Productivity Center / Working Women's Empowerment Forum (April 11, 2018).

In 2016, we received the highest ranking under the Eruboshi<sup>\*1</sup> company certification system, which is based on the Act on Promotion of Women's Participation and Advancement in the Workplace. In 2017, we were awarded the highest two-star ranking as a leading company in the support of active careers for women<sup>\*2</sup> in Osaka City, and we received certification as a company implementing the Ikumen Project.



Diversity Promotion Circle



LGBT lecture meeting



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



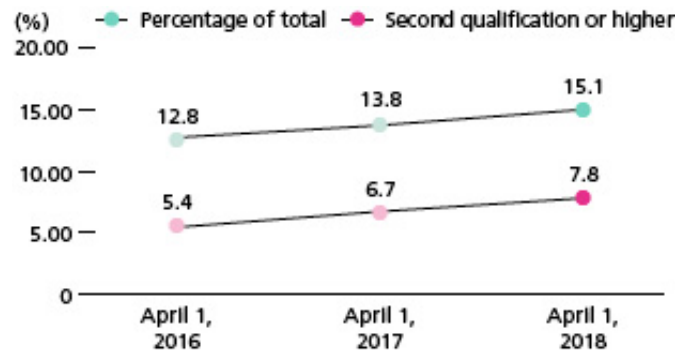
Www28 training

**\*1 "Eruboshi" company certification system**

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



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



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

**\*2 Acquisition of Certification as a Leading Company in the Support of Active Careers for Women**

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

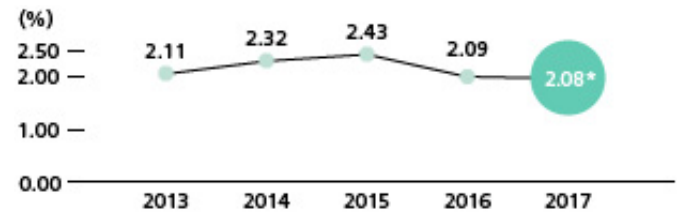


## Supporting Active Careers for People with Physical or Mental Health Challenges

### Promoting Employment of People with Physical or Mental Health Challenges

The Group is working actively to promote the employment of People with Physical or Mental Health Challenges, 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. As one part of those initiatives, with the objective of establishing an environment for the further promotion of the employment of People with Physical or Mental Health Challenges, on April 3, 2017 we established Tanabe Palm Service Co., Ltd., which has been recognized as a special subsidiary company. As of April 2018, Tanabe Palm Service employed 16 People with Physical or Mental Health Challenges in such operations as office services, cleaning, etc. We are striving to establish workplaces with enhanced career opportunities for People with Physical or Mental Health Challenges and to establish environments where they can work with even greater enthusiasm. As a result of these initiatives, the Group employed physically and People with Physical or Mental Health Challenges people at a rate of 2.08%.

### Employment Rate of People with Physical or Mental Health Challenges



\* Rate of employment of people with physical or mental health challenges for the Group. Fiscal years 2013 to 2016 are on a non-consolidated basis.



Company entrance ceremony for Tanabe Palm Service Co., Ltd.



Conscientious, accurate work is enjoyed by customers.

## Creating Environments that are Easy to Work In

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



UD Talk in use at in-house meeting



## Initiatives to Reform Working Styles

The Group is working to support active careers that enable a diverse range of employees to enjoy diverse working styles. To that end, we are implementing a variety of initiatives, such as taking steps to prevent overwork, enhancing systems supporting a balance between life events and work, and introducing flexible work systems.

### Preventing Overwork

In accordance with the MTPC Group Health Policy, which was formulated in April 2016, we are aiming for an environment that fosters an awareness of work-life balance, promotes health in mind and body, and facilitates working styles with clear distinctions between on-duty and off-duty periods. We are implementing time-making (TM) activities on a Companywide basis, working to prevent excessively long work hours, and promoting the usage of paid vacation days. In addition, to secure time off for all employees, including people in sales positions who work outside the office, we have commenced the trial introduction of a work shift interval system.

### Flexible Work Systems

The Company has taken steps to enhance systems that contribute to flexible working styles and enhanced productivity for employees, such as a flex-time system with no core time, a flexible work system for employees in planning areas and specialist areas, and a telecommuting system. In fiscal 2017, we further enhanced the telecommuting system (eliminating the monthly limit on number of uses in certain circumstances, such as injuries that make commuting difficult, child-care or nursing-care responsibilities, etc.)

### Systems to Support a Balance Between Life Events and Work

The Group has established child-care and nursing-care support systems that significantly surpass legal requirements. We have worked to establish an environment that enables employees to work with peace of mind and to balance work and life events, such as pregnancy, childbirth, child-care, and nursing-care. In fiscal 2017, we also took steps to establish an environment that facilitates active participation by fathers in child-rearing, such as special leave for husbands that can be taken during the period from pregnancy to childbirth (pre-paternity leave) and child-care leave for men (paternity leave). In fiscal 2018, as a focus policy, we will aim to take the lead in diverse working styles, increase the number of "Ikuboss" supervisors who can manage diverse subordinates, and invigorate the organization. (Endorsement of the aims of the Japan Ikuboss Declaration Project sponsored by the Ministry of Health, Labour and Welfare) 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.



\* When we decided to participate in the Japan Ikuboss Declaration Project sponsored by the Ministry of Health, Labour and Welfare, we made a pamphlet about the Ikuboss Declaration / paid vacation days.



## Seventh Action Plan

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

### 1. Plan Period

April 1, 2018, to March 31, 2021

### 2. Details

#### <Objective 1>

We will establish a shorter workday system for employees with medical issues unrelated to work (can be used for infertility treatment).

(Measures to achieve the objective and the implementation period)

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

#### <Objective 2>

We will implement measures for employees to secure time off.

(Measures to achieve the objective and the implementation period)

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

#### <Objective 3>

We will implement initiatives in order to promote the usage of paid vacation days.

(Measures to achieve the objective and the implementation period)

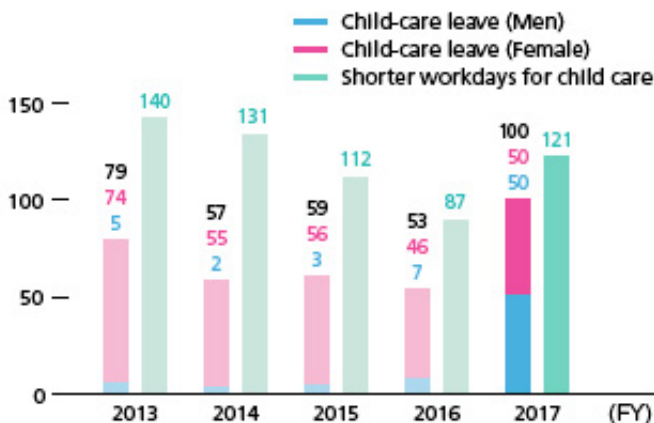
- From May 2018: Establish and publicize days on which employees are encouraged to take paid vacation days.

### Utilization of Leave and Shorter Workdays for Child Care

\* MTPC Group domestic

Fiscal 2017 results: child-care leave: 100 people; short-term child-care: 121 people

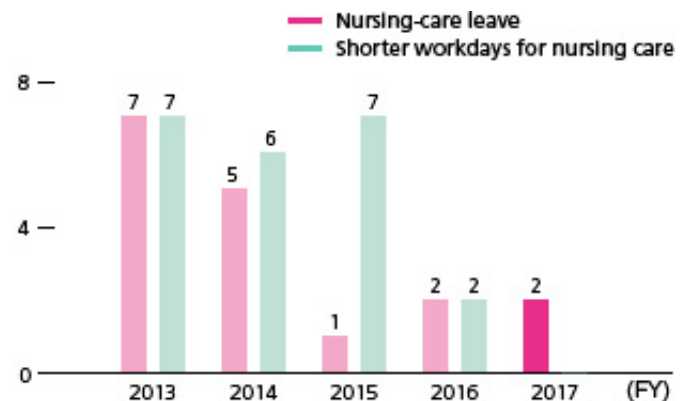
\* Results in the utilization of child-care leave show the number of people who commenced child-care leave during the fiscal year



### Utilization of Leave and Shorter Workdays for Nursing Care

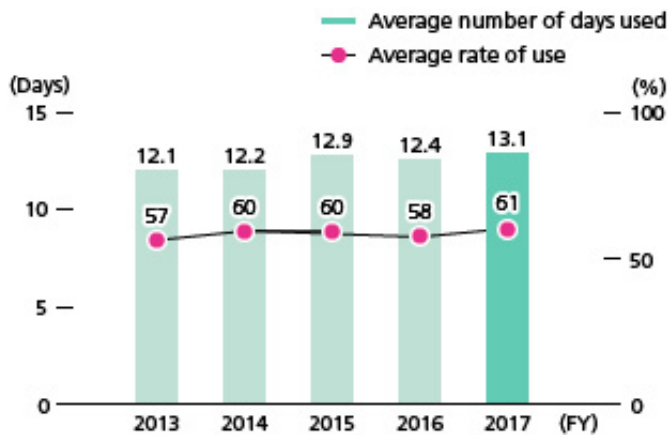
\* MTPC Group domestic

Fiscal 2017 results: nursing-care leave: 2 people; nursing-care short-term: 0 person



## Usage of Paid Vacation Days

Fiscal 2017 results: number of days used: 13.1; usage rate: 61%



### Receipt of Award of Excellence at the 3rd Working Women Empowerment Awards

In June 2018, Mitsubishi Tanabe Pharma received an Award of Excellence at the 3rd Working Women Empowerment Awards, which are sponsored by the Japan Productivity Center. The awards ceremony was held in Tokyo on June 6.

The Working Women Empowerment Awards are a wide-ranging award program for organizations that are implementing original, innovative initiatives with the aim of empowering women and increasing productivity. The Company received the award due to the high evaluation of the initiatives described below. Moving forward, we will continue to implement a variety of initiatives with the objective of being a "company that is easy to work for and where the work is rewarding," without regard to gender.

#### Supporting further activity and participation in child-rearing for employees with ongoing child-rearing responsibilities, through programs supporting active career continuation\*<sup>1</sup>, pre-paternity leave\*<sup>2</sup>, and paternity leave\*<sup>3</sup>.

##### <Key points regarding the receipt of the award>

- Establishment of a framework to ensure that careers are not delayed, even during leave or shorter workday periods, in accordance with the concept of transitioning from a system for taking time off to a system that facilitates returning to work and enjoying an active career.
- Acceleration of the establishment of a corporate culture that supports taking time off for child-care after a child is born and aiming to achieve a goal of 100% of men taking child-care leave.  
(Results for employees taking paternity leave\*: Fiscal 2016, 4.5%; first half of fiscal 2017, 9.2%; second half of fiscal 2017, 66.7%)

\* An initiative was launched in the second half of fiscal 2017.

\*1. Career continuation program: In accordance with the concept of transitioning from a system for taking time off to a system that facilitates returning to work and enjoying an active career, this program provides support for active careers even when employees face time restrictions due to child-care responsibilities. The program provides educational opportunities for employees taking child-care leave, such as a Mini MBA program and language study; support for the use of babysitters after returning to work; etc. The program can be utilized by men or women.

\*2. Pre-paternity leave: The full name of this program is Special Childbirth Leave for Spouses. Under this program, employees can take leave during the period from the day of childbirth-related admission to a hospital, etc., until two weeks after the birth. This enables employees to accompany their spouse for hospital admission/discharge, to be present for the birth, etc.

\*3. New father paternity leave: This refers to the first five days of the paternity leave program (maximum of three years). If this leave is taken within eight weeks of the birth, childcare leave can also be taken again. This program promotes the participation of fathers in child-care, such as spending time together for children's events.



Managing Executive Officer Kuniyoshi Wada (left), Working Women's Empowerment Forum, Co-chairman, Izumi Kobayashi (right)

## 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. As of the end of March 2018, the labor union membership rate was 77.8%. Group management and the union regularly hold management meetings where the Company communicates its management policy and the two parties exchange information on workplace conditions, seeking to more fully understand each other. Members of the Management Council and various labor-management committees, etc., also contribute their views on separate issues, such as reevaluation of various working conditions and human resource systems, in order to realize an environment in which it is easier to work.



## Occupational Health and Safety

### Occupational Health and Safety Initiatives

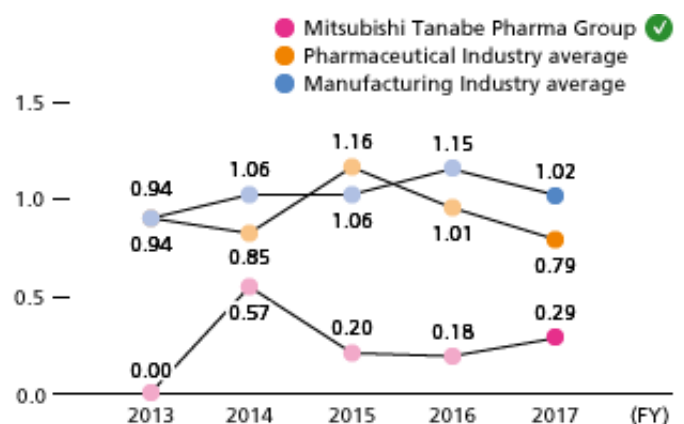
Aiming to promote environmentally friendly activities and to realize workplaces where employees can work in a healthy, enthusiastic, safety, and comfortable manner, the Group is strengthening its initiatives in the areas of Environment, Health, and Safety (EHS).

In particular, securing the safety of employees in business activities is our highest priority. Our objective for fiscal 2017 was a lost time injury frequency rate at all domestic Group worksites of less than 0.30%, and we implemented a range of initiatives.

To prevent accidents, it is important to continually strengthen Environmental & Safety management and to raise everyone's risk awareness in regard to safety in operations. Our safety training initiatives include 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 (autonomous solutions capabilities). In addition, we are also aggressively implementing activities in such areas as implementing countermeasures for vehicular accidents in sales and marketing activities and preventing damage from falls occurring in offices or while employees are on business trips or commuting.

In fiscal 2017, there were three accidents requiring absence from work in Japan (one at a laboratory and two at sales units) and one at a plant overseas. The lost time injury frequency rate at all domestic worksites was 0.29. 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.

### Lost Time Injury Frequency Rate



Lost time injury frequency rate:

Number of casualties due to accidents that require time off of work to one million actual work hours (excluding commuting injuries).

Calculation period:

For the Group, April to March the next year; for pharmaceutical industry averages and manufacturing industry averages, January to December.

Scope: Fiscal 2012 to fiscal 2015:

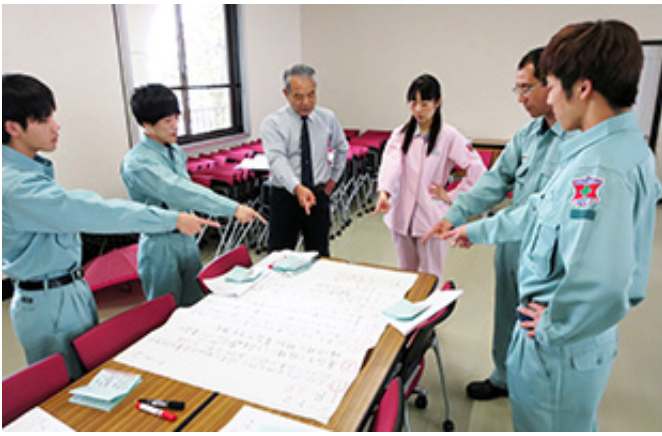
domestic Group plants and laboratories; fiscal 2016 and thereafter: all domestic Group worksites

Total working hours:

For fiscal 2015 and previous fiscal years, scope includes permanent employees, contract employees, temporary employees, and part-time employees. For employees working in plants, principally actual work hours. (For certain bases, calculated as work hours per day x number of business days x number of employees + overtime hours). For employees working in research facilities, calculated as work hours per day x number of business days x number of employees.

For fiscal 2016, for plants and research facilities, scope includes permanent employees, contract employees, temporary employees, and part-time employees. For employees working in plants, principally calculated as actual work hours. (For certain bases, calculated as work hours per day x number of business days x number of employees + overtime hours). For employees working in research facilities, calculated as work hours per day x number of business days x number of employees. For the Head Office, the Tokyo Head Office, and sales offices, which were added to the scope from fiscal 2016, includes permanent employees, contract employees, and temporary employees. Calculated as actual work hours.

For fiscal 2017, scope includes permanent employees, contract employees, and temporary employees. Excluding certain bases, for permanent employees and part-time employees, calculated as actual work hours; for temporary employees dispatched by personnel agencies, calculated as work hours per day x number of business days x number of employees. For certain bases, calculated as work hours per day x number of business days x number of employees + overtime hours).



Hazard prediction training:  
We are working to prevent accidents through training in the prediction of potential work hazards.

For the Group's results in fiscal 2017, third-party assurance has been received from KPMG AZSA Sustainability Co., Ltd. Indicators for which third-party assurance has been received have the third-party assurance mark: "✔". Please view the independent third-party assurance report on the Other-Related Information section on the CSR Top Page section.

### Kashima Office Receives Commissioner's Commendation from the Commissioner of the Fire and Disaster Management Agency as a Superior Hazardous Material Related Worksite

At the 2018 Hazardous Materials Safety Meeting, which was sponsored by the Fire and Disaster Management Agency (FDMA), the Japan Association for Safety of Hazardous Materials, and others, the Kashima Office (Osaka City) received a commendation from the Commissioner of the Fire and Disaster Management Agency as a superior hazardous material related worksite. The awards ceremony was held in Tokyo on June 4, 2018. This award is presented to worksites that do an especially superior job in regard to safety management in the handling of hazardous materials and to organizational safety management and safety education.

The Kashima Office has been located next to laboratory facilities and the Osaka Plant for many years. Although it handles a wide variety and large volumes of hazardous materials, the office has maintained a sustained record of no accidents, and as a result it received this commendation.

At the Kashima Office, the receipt of this award will serve as encouragement for further efforts in safety management and rigorous compliance.



Awards ceremony (Managing Executive Officer Kuniyoshi Wada from Mitsubishi Tanabe Pharma)



### Chemical Substance Safety Management

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

### Health Management Initiatives

In February 2018, we were recognized for the second consecutive year under the "Outstanding Enterprise in Health and Productivity Management—White 500" (large enterprise category), a recognition system that is promoted by the Ministry of Economy, Trade and Industry.

Based on health promotion initiatives, this system recognizes companies, medical corporations, and others that have done a particularly good job at health management. Evaluations are conducted for management philosophy, organizational structure, systems/policy implementation, and evaluation/improvement. Mitsubishi Tanabe Pharma's evaluation improved from the previous year, and in particular the Company received the highest evaluation in the industry for the item regarding understanding indicators for work hours/leave, etc.

On the other hand, as feedback following this recognition, we also received a comment that there was still room for improvement in regard to the prevention of lifestyle diseases, etc.

Moving forward, the Company will continue to consider health management to be an important issue for corporate management, and we will take steps to make additional progress in these activities in accordance with our health policy.

We will further strengthen activities related to the promotion of employee health, including our approach to working-style reforms. From fiscal 2017, we have highlighted the issues of (1) promoting working-style reforms, (2) strengthening our mental health measures, (3) bolstering measures to prevent lifestyle-related diseases, and (4) cultivating health awareness among employees, and we are already implementing initiatives to address these areas.

### Working-Style Reforms

The Company considers the prevention of excessively long work hours and the usage of vacation days to be important issues for the realization of MTPC health management.

To advance these measures, in fiscal 2018 we will continue to promote the TM (Time Making) initiative.

In addition, to help employees to enjoy full lives with sustained health in body and mind, career advancement, time with their families, and work-life balance, we work to decrease overtime through such means as reducing work, increasing efficiency, and revising work processes. We also strive to ensure that employees take vacation days in a systematic, active manner.

<Fiscal 2018 objectives>

We will aim to achieve the following objectives: average percentage of paid vacation days taken of 65% or more, number of paid vacation days taken of 15 days or more for all employees, five consecutive days of paid vacation taken by managers, and Groupwide total working hours down 10% year on year.

### 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.



## Strengthening Measures to Address Mental Health

We are working to support the prevention and early discovery of mental health issues. For self-care initiatives, we promote awareness of stress through the stress check surveys. For supervisor-led initiatives, all group managers are learning from case studies using a mental health guidebook so that employees who have taken mental health related leave can return to the workforce in a smooth manner. In addition, to create workplaces in which employees can work with enthusiasm, we conducted multifaceted analyses of the stress check organizational analysis results and various survey results, identified essential problems, and linked this understanding to workplace initiatives while exchanging opinions with departments and related companies.

In August 2017, we introduced EAP\* at offices that do not have mental health physicians, and enhanced the support system for rapid response to mental health issues and for return to work. From fiscal 2018, this has been introduced at all worksites.

\* EAP: Employee Assistance Program (mental health service originating in the U.S. Support for employees from external, certified counselors.)

## Strengthening Measures to Prevent Lifestyle-Related Diseases

As one part of health management initiatives, from September 2017 we introduced a health support system utilizing ICT, and we are distributing wearable devices to employees who request them. Through the wearable devices, this system collects and accumulates a variety of data, such as number of steps, distance, calories consumed, heart rate, and sleep quality. In this way, we have established a framework that helps employees to use their own activities in managing their health.

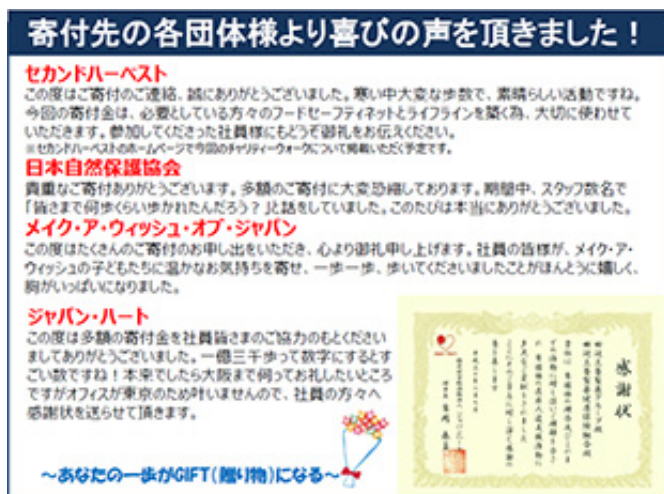
From November 2017, working together with the health insurance association, we implemented an event for employees who are utilizing wearable devices. Employees formed voluntary teams to participate in the Charity Walk — Your Steps Become Gifts event, and donations were made to social contribution organizations based on the cumulative total number of steps taken during the period. In accordance with the concept of walking for your own health and for those who need support, the number of participants increased significantly in comparison with previous team walking events.

In addition, many employees worked to promote their health by participating in the "Tanamin GO to the world" walking event. In this event, participants collect local versions of the Company's Tanamin character while visiting the Group's worksites around the world on a virtual, Internet-based field.

Moreover, in 2017 we started a three-year smoking cessation program to promote the move to non-smoking offices. In the first year, we designated one day a week as a no-smoking day. From fiscal 2018, the second year, a policy of no-smoking during work hours is being instituted at all worksites, and we are closing smoking rooms that do not meet standards for division of workplaces into smoking and non-smoking areas. In fiscal 2019, we will aim for a complete smoking ban in buildings. Smoking has a significant influence on cancer and other lifestyle-related diseases, and among Japanese it is the number one cause of death from non-communicable disease. According to the Ministry of Health, Labour and Welfare, there have been reports that there are up to 15,000 deaths per year due to passive smoking.

As a life sciences company, we have taken the lead with measures to completely eliminate smoking within the Company, and we are advancing the three-year smoking cessation program. The objectives of this program are to eliminate passive smoke exposure in the workplace and to prevent damage to employee health from smoking.





Words of thanks from those receiving donations



Contributions also made to PickALS, a U.S. ALS patient organization. (Presentation ceremony: At Group company office in New Jersey)

## Surveying Employee Attitudes

Since fiscal 2011, the Mitsubishi Tanabe Pharma Group has implemented employee 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 2017, many items recorded year-on-year gains. In particular, improvement was recorded in the item regarding how the Company values its employees. The overall indicator for management philosophy and management policies and corporate culture reached a record-high level. 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 and to implement career formation measures for professionals. In addition, we will take steps to establish workplaces in which diverse employees are able to work in a healthy, energetic, and active manner.



## VOICE

### Establishment of Tanabe Palm Service Co., Ltd., a Special Subsidiary — Aiming for a Society in Which Everyone Can Enjoy Active Careers



Yoichi Fukuda

Tanabe Total Service Co., Ltd.  
Tanabe Palm Service Co., Ltd.  
President & Representative Director

"As a member of the Mitsubishi Tanabe Pharma Group, we will strive to contribute to the realization of a society in which all people support others, respect diversity, and can enjoy healthy lifestyles." This is the management philosophy of Tanabe Palm Service Co., Ltd., which was established in April 2017 and recognized as a special subsidiary company in December 2017.

In April 2018, six new employees joined the company. Our 24 people (including 16 employees with physical or mental health challenges) are working with a fundamental approach of mutually recognizing the individuality of others, helping others, and emphasizing teamwork. In this way, we strive to grow each day, with today better than yesterday, and tomorrow better than today, and to experience the sense of joy that results from being trusted.

We are starting with a focus on office services for general affairs and human resources, and moving forward we will expand our operations and handle a wider range of tasks. Each individual will strive to support others and to provide even better service to our customers. By actively advancing the employment of people with physical or mental health challenges, we will strive to create a workplace in which people can experience the joys of rewarding work and growth. In this way, we will aim to be a company that contributes to an abundant society in which everyone can enjoy active careers. I would like to ask for your continued support and understanding.



## Environmental Management

### Environment & Safety Policy

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

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

### Code of Conduct for the Environment and Safety

In conformity with the overriding principle that safety is paramount, we strive to prevent disasters occurring at workplaces and to implement adequate precautions and preparations against all contingencies, including occupational accidents and disasters.

We also take continuing steps to reduce the impact of our corporate activities on the natural environment and we are fully committed to community environmental conservation activities.

## Environment & Safety Policy

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

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

### Basic Approach to the Environment

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

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

## Initiatives to Address the SDGs

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015. The SDGs are shared goals that should be achieved by 2030 around the world, including in developed countries, and there are calls for initiatives targeting the achievement of these goals. From the 17 SDGs, the Mitsubishi Tanabe Pharma Group has selected goals 6, 7, 12, 13, and 15 for special emphasis in the Group's environmental activities.



### Goal 6

Ensure access to water and sanitation for all



### Goal 7

Ensure access to affordable, reliable, sustainable and modern energy for all



### Goal 12

Ensure sustainable consumption and production patterns



### Goal 13

Take urgent action to combat climate change and its impacts



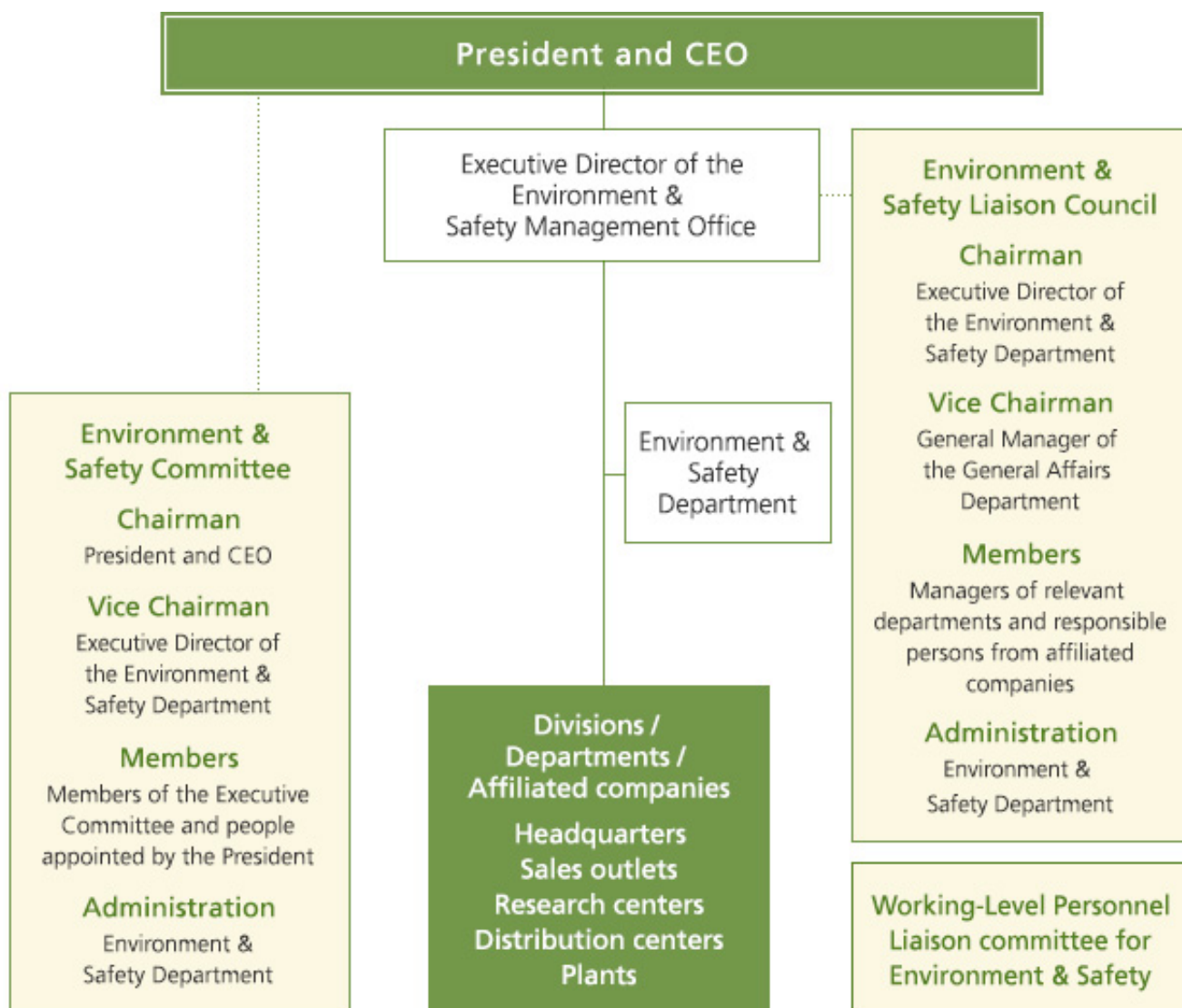
### Goal 15

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

## Environmental Management Promotion 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. The Group is working to appropriately and smoothly implement environmental and safety activities. Moreover, the Environment & Safety Liaison Council has been established to further strengthen collaboration with Group companies in environmental and safety activities. The council promotes environmental management on a Groupwide basis in Japan and overseas, such as planning and implementing countermeasures for issues relating to the environment and safety. In this way, we are promoting the management of environmental issues both inside and outside Japan. In addition, in the General Affairs Department the Company has established the Environment & Safety Management Office as a specialized unit with overall responsibility for environmental and safety management. Through close ties with the frontlines, the division supports strengthened frontline capabilities and the development of a safety culture. In this way, the Company is working to prevent the occurrence or recurrence of accidents related to the environment and safety.

Mitsubishi Tanabe Pharma's Environment & Safety Management Promotion Structure



## ISO 14001 Certifications

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 also implementing appropriate environmental management in accordance with such factors as the location and the extent of the environmental burden associated with business activities.

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

## Environmental Compliance

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

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

## Environmental Audits

Environment-related departments periodically conduct environmental audits at manufacturing and research facilities in Japan and overseas to confirm such matters as the status of compliance with environment-related laws and regulations, the tracking of environmental burdens, and the status of initiatives to reduce those burdens. In these audits, we use original check sheets to evaluate from a unified perspective the status of each worksite's implementation in regard to legally required matters and internal rules. In addition, measures to address matters that were indicated in the previous audit and the status of management of environment-related facilities. In addition, through these processes opinions are exchanged in a close manner between worksites and environment-related departments, thereby fostering a unified understanding of the current state of affairs. At the same time, we are working to foster the advance identification of potential environmental risks at worksites and to consider countermeasures. Furthermore, in overseas audits, we periodically audit EHS compliance through external specialist organizations.

In fiscal 2017, environmental audits were conducted at 6 domestic worksites (Yokohama Office, Toda Office, Kashima Office, Onoda Plant, Yoshitomi Plant, Tanabe Seiyaku Yoshiki Factory Co., Ltd.), and at 1 overseas worksite (P.T. Tanabe Indonesia). No items were indicated as entailing major legal violations or environmental risk at any of the worksites. On the other hand, there were incidents of worksites with record-keeping deficiencies, etc., regarding certain environment-related rules, which were confirmed on a priority basis for domestic worksites. However, support and follow-up initiatives by environment-related departments have resulted in steady improvements. Moreover, the Minamata Convention has taken effect, and revisions have been made to the Waste Management and Public Cleansing Law regarding mercury-related waste. We are also taking steps to confirm that each worksite is responding appropriately to these revisions.



Environmental audit at Tianjin Tanabe Seiyaku  
(September 2017)



## ～ Advancing Initiatives with the Aim Establishing a KAITEKI Environment ～

To respond to the recent increase in societal demands regarding the environment, health, and safety, in fiscal 2017 Tianjin Tanabe Seiyaku Co., Ltd. restructured its EHS management system. An environment and safety office was established as a general supervisory unit, and full-time staff members were assigned.

In regard to the environment, Tianjin Tanabe Seiyaku acquired ISO14001 certification in 2009, and in fiscal 2017 the company completed the transition to the 2015 version and re-registration. In these ways, Tianjin Tanabe Seiyaku is working to strengthen its management system. Moreover, the company has formulated rules for the prevention of unforeseen environmental accidents and established measures to minimize the impact on the environment from unforeseen accidents. In facilities, Tianjin Tanabe Seiyaku has increased low-nitrogen combustion equipment and achieved a year-on-year reduction of approximately 35% in NOx emissions volume. Furthermore, the company was also able to reduce the additional amount of taxes from an environmental conservation tax that took effect in China from January 2018.

In addition to strengthening its environmental management, Tianjin Tanabe Seiyaku continues to advance recyclable item collection activities and building site greening activities. Moving forward, the company will continue to implement initiatives targeting the establishment of a KAITEKI environment.



Deputy Chief Wu Zheng (left) and Mr. Zhao Jian (right) from Tianjin Tanabe Seiyaku's Environment & Safety Department

## Environmental Education

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

We continue to draw on outside lecturers to implement semi-annual education and training that is specialized yet can be put into practice immediately by employees in charge of environmental management affairs at each worksite. We are working to maintain and increase the specialized skills and knowledge of these employees regarding environmental management. Training participants have evaluated these initiatives highly. In addition, each organizational unit is taking the lead in the implementation of education fostering basic knowledge and awareness regarding the environment.

Fiscal 2017 education and training instituted  
by environment-related departments for people responsible for environment-related issues

- Training for people responsible for waste management  
[Participants] People responsible for waste management at domestic Group worksites  
[Date of implementation] June 2017  
[Content] Differences in interpretation of laws and regulations related to waste management, management of mercury waste
- Training in environment-related chemical substance laws and regulations  
[Participants] People in charge of environment-related chemical substance management at domestic Group worksites  
[Date of implementation] October 2017  
[Content] Laws and regulations and internal regulations for environment-related chemical substances (CFCs, PRTR/VOC, asbestos, mercury)

## Addressing Environmental Risks

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

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

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

## Status of Environmental Accidents/Problems and Compliance with Environment-Related Laws and Regulations

In fiscal 2017, there were no incidents of environmental accidents or problems at the Group's worksites in Japan and overseas. Also, there were no major violations of environment-related laws and regulations.

Moving forward, the Group will continue working to implement rigorous environmental compliance, to prevent the occurrence of environmental accidents or problems, and to follow environment-related laws and regulations.

## 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 2017 were ¥56 million in investments and ¥725 million in running costs. The economic benefit of environmental conservation measures was ¥5 million.

### Environmental Conservation Costs (millions of yen)

Item	Invested	Expended
Pollution prevention	56	305
Global environmental protection	0	52
Recycling and reuse of resources	0	175
Upstream and downstream activities	0	21
Administrative activities	0	163
Research and development	0	0
Community activities	0	1
Environmental damage compensation	0	9
<b>Total</b>	<b>56</b>	<b>725</b>

### Environmental Conservation Effects

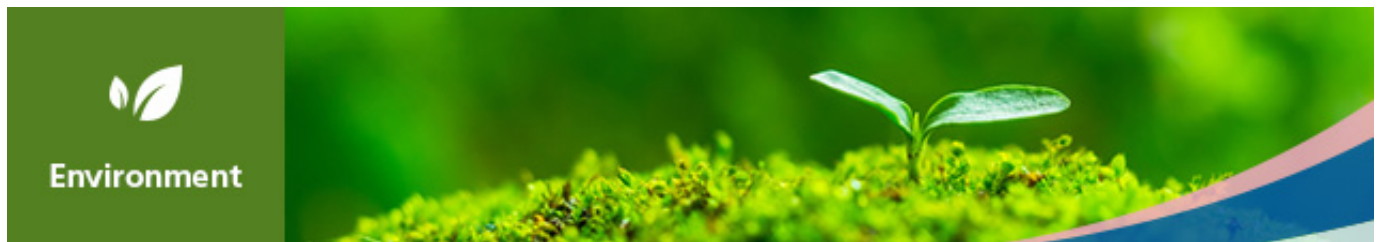
Reduction of environmental impact		Quantity reduced
Global environmental protection	Greenhouse gas emission reduction	138 (t-CO <sub>2</sub> )

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

Details of initiatives	Economic effect
Sales of valuable materials	1.4
Electric consumption reduced through energy-saving measures	2.5
Reduction in expenses through energy-saving and recycling measures	0.9
<b>Total</b>	<b>4.8</b>

Notes regarding calculations for fiscal 2017 data:

- Data was calculated according to the Environmental Accounting Guidelines (2005 edition) published by the Ministry of the Environment of Japan.
- Calculation period: April 1, 2017 to March 31, 2018
- Scope: All Group worksites in Japan.
- Calculation methods:
  - Simple method for amount invested (25%, 50%, 75%, 100%);
  - Depreciation is calculated based on the legally defined service life of applicable items; and
  - The full amounts for non-depreciation costs are posted only if 100% environment related
- Method of tallying and assessing "Effects on the environmental preservation measures":
  - Only material effects based on conclusive grounds for each environmental measure are tallied and assessed; and
  - 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).



## Medium-Term Environmental Action Plan

### Revision of the Medium-Term Environmental Action Plan

We revised the details of the Medium-Term Environmental Action Plan (2016-2020) in consideration of changes that have occurred since the plan was formulated, such as changes in the status of our business activities in Japan and overseas, changes in capital investment and other business plans, the demands of external stakeholders.

In particular, in "energy conservation and global warming mitigation," which is the Group's most important environment-related theme, in fiscal 2016 we achieved the numerical target for CO<sub>2</sub> emission reductions, and accordingly we established a new target.

<Details of Revisions>

Energy conservation / prevention of global Warming

- Increased domestic and global numerical targets.
- Included offices and expanded the scope to all worksites.

Reduction of waste, effective use of water resources

- Established "effective use of water resources" as a new theme
- Established domestic and global numerical targets for water usage volume (production/research bases).

Controlling emissions of chemical substances

- Due to changes in production site business plans, reduced numerical targets related to emissions of toluene to the environment.

## Medium-Term Environmental Action Plan and Results

### Medium-Term Environmental Action Plan / Principal Results in Fiscal 2017

Area	Objectives	Principal Initiatives and Results in Fiscal 2017
Energy conservation and global warming mitigation	<ul style="list-style-type: none"> <li>🌱 Reduce CO<sub>2</sub> emissions (production/research bases, offices) for fiscal 2020 by at least 40% in domestic group and by at least 35% in global compared to the fiscal 2010 level</li> <li>🌱 Promote the grasp of the supply chain CO<sub>2</sub> discharge</li> <li>🌱 Promote appropriate management of Freon</li> </ul>	<ul style="list-style-type: none"> <li>🌱 CO<sub>2</sub> emissions*               <ul style="list-style-type: none"> <li>Domestic group:                   <ul style="list-style-type: none"> <li>37% reduction (vs. fiscal 2010)</li> <li>(9% reduction (vs. fiscal 2016))</li> </ul> </li> <li>Global:                   <ul style="list-style-type: none"> <li>29% reduction (vs. fiscal 2010)</li> <li>(7% reduction (vs. fiscal 2016))</li> </ul> </li> </ul> </li> <li>* The amount of fuel used in sales vehicles is not included in the total</li> <li>🌱 For supply chain CO<sub>2</sub> emissions, scope 3 emissions in categories 1, 2, 3, 4, 5, 6, 7, and 12 were tracked, calculated, and disclosed in the CSR Activities Report.</li> </ul>
Reduction of waste, effective use of water resources	<ul style="list-style-type: none"> <li>🌱 Domestic Group:               <ul style="list-style-type: none"> <li>Promote zero emissions (final waste disposal rate of less than 0.5%) and continually reduce waste and emissions output and final waste disposal</li> </ul> </li> <li>🌱 Fulfill the responsibility of a waste discharging enterprise for handling waste correctly and ensuring proper treatment by contractors</li> <li>🌱 In comparison with fiscal 2010, reduce water usage volume (production and research bases) by 15% or more, both in Japan and overseas, by fiscal 2020.</li> </ul>	<ul style="list-style-type: none"> <li>🌱 Amount of waste generated by domestic Group operations: 106% increase (vs. fiscal 2016)</li> <li>🌱 Final waste disposal rate for domestic Group operations: 0.37%</li> <li>🌱 Advanced manifest digitalization</li> <li>🌱 Improved internal evaluation standards for waste processing contractors and implemented rigorous evaluations</li> <li>🌱 Amount of water used               <ul style="list-style-type: none"> <li>Domestic group:                   <ul style="list-style-type: none"> <li>40% reduction (vs. fiscal 2010)</li> <li>(33% reduction (vs. fiscal 2016))</li> </ul> </li> <li>Global:                   <ul style="list-style-type: none"> <li>41% reduction (vs. fiscal 2010)</li> <li>(33% reduction (vs. fiscal 2016))</li> </ul> </li> </ul> </li> </ul>
Chemical substance emissions reductions	<ul style="list-style-type: none"> <li>🌱 Properly manage chemical substances and continually reduce their discharge into the environment</li> <li>🌱 Reduce the discharge of toluene by more than 30% by fiscal 2020 in comparison with fiscal 2010</li> </ul>	<ul style="list-style-type: none"> <li>🌱 Handling volumes               <ul style="list-style-type: none"> <li>▪ PRTR substances: Reduction (26% reduction vs. fiscal 2016)</li> <li>▪ VOC (excluding PRTR substances): Increase (49% increase vs. fiscal 2016)</li> </ul> </li> <li>Emissions to the environment (atmosphere or public water bodies)               <ul style="list-style-type: none"> <li>▪ PRTR substances: Reduction (44% reduction vs. fiscal 2016)</li> <li>▪ VOC (excluding PRTR substances): Reduction (21% reduction vs. fiscal 2016)</li> </ul> </li> <li>🌱 Emissions of toluene to the environment:               <ul style="list-style-type: none"> <li>Decrease of 34% (vs. fiscal 2010) due to reduction in handling volume and reevaluation of scope</li> </ul> </li> </ul>

<p>Preservation of biodiversity</p>	<ul style="list-style-type: none"> <li>🌱 Understand the relationship between business activities and biodiversity and promote biodiversity initiatives</li> </ul>	<ul style="list-style-type: none"> <li>🌱 Advanced environmental conservation activities, such as planting at Ikoma Mountain (Osaka Prefecture) and natural woodland conservation in the Hachioji Takiyama Area (Tokyo Prefecture).</li> </ul>
<p>Enhancement of environmental management</p>	<ul style="list-style-type: none"> <li>🌱 Improve environment-related risk management at company facilities</li> <li>🌱 Maintain zero environmental accidents</li> </ul>	<ul style="list-style-type: none"> <li>🌱 Implemented environmental audits by environment-related departments Subject: 6 domestic production and research bases, 1 overseas production base</li> <li>🌱 Implemented environmental education and training for people in charge at each base Themes: waste management, chemical substance management</li> <li>🌱 No environmental accidents, record of zero accidents maintained</li> </ul>



## Overview of Environmental Impact / Third-Party Assurance

### Environmental Information — Scope of Disclosure and Third-Party Assurance

In the CSR Activities Report, the Group tracks and discloses environmental information for all of the bases of Mitsubishi Tanabe Pharma 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 principal environmental performance indicators under "Input and Output for the Group."

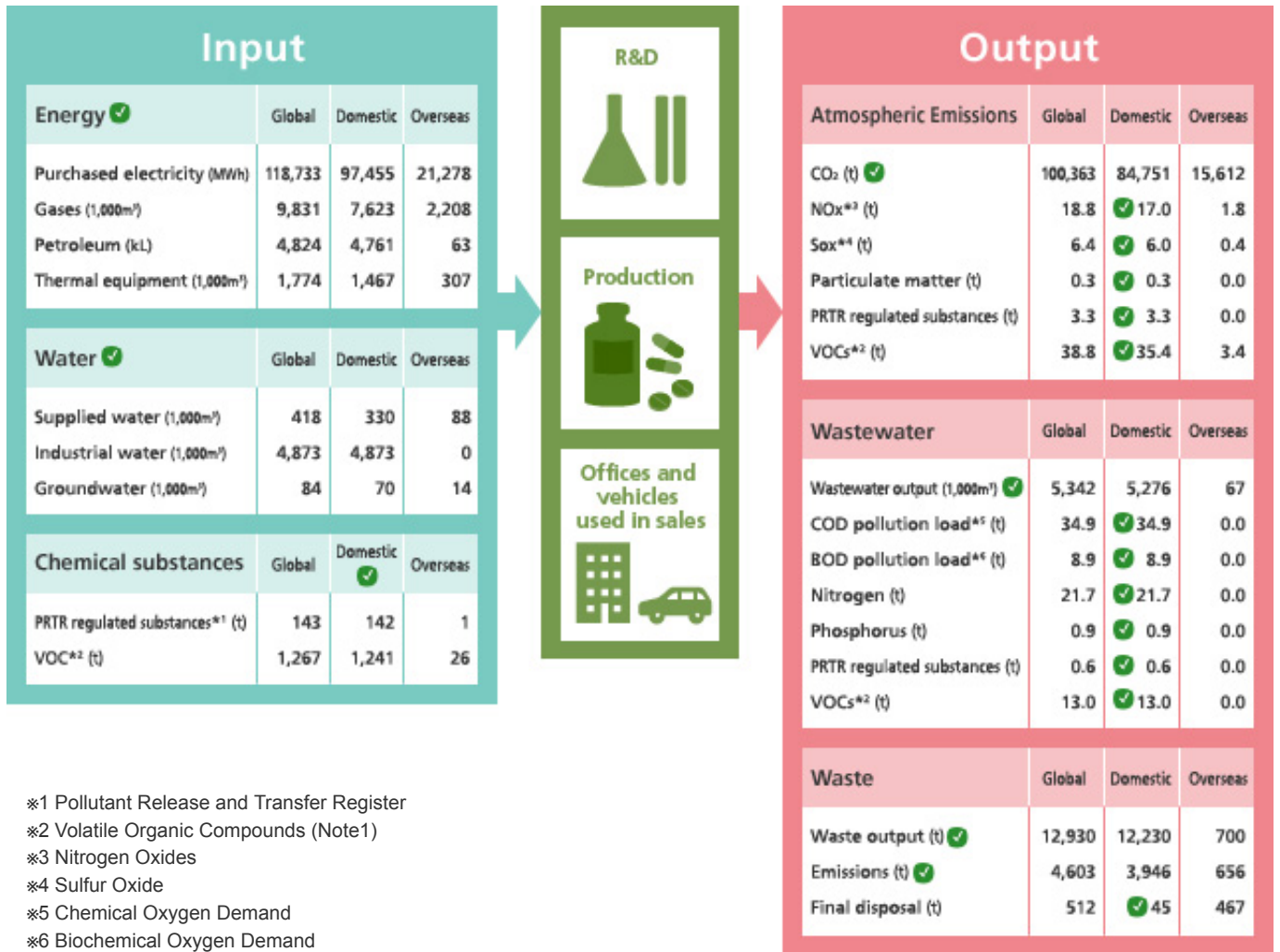
(Note) Environmental performance indicators for which assurance has been received have the third-party assurance mark: "✔".  
Please view the independent third-party assurance report on the other-related information section of the CSR web site.

Companies subject to environmental information collection and disclosure

Domestic: Mitsubishi Tanabe Pharma Corporation, Mitsubishi Tanabe Pharma Factory Ltd., Bipa Corporation, Tanabe Seiyaku Yoshiki Factory Co., Ltd., Yoshitomiyakuhin Corporation, Tanabe Seiyaku Hanbai Co., Ltd., Tanabe Total Service Co., Ltd., Tanabe Palm Service Co., Ltd.

Overseas: 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.

## Input and Output for the Group



- ※1 Pollutant Release and Transfer Register
- ※2 Volatile Organic Compounds (Note1)
- ※3 Nitrogen Oxides
- ※4 Sulfur Oxide
- ※5 Chemical Oxygen Demand
- ※6 Biochemical Oxygen 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/overseas)

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

### <Domestic>

- Research bases (Toda Office, Yokohama Office, Kashima Office)
- Production bases (Mitsubishi Tanabe Pharma Factory, Osaka Plant, Onoda Plant, Yoshitomi Plant (Note 2); Tanabe Seiyaku Yoshiki Factory, Bipha)
- Offices (Head Office, Tokyo Head Office, branches and sales offices, Yoshitomiyaohin, Tanabe Seiyaku Hanbai, Tanabe Total Service, Tanabe Palm Service)

### <Overseas>

- Research bases (Tanabe Research Laboratories U.S.A., Medicago R&D)
- Production bases (Taiwan Tanabe Seiyaku Co., Ltd., Tianjin Tanabe Seiyaku Co., Ltd., Mitsubishi Tanabe Pharma Korea Co., Ltd., P.T. Tanabe Indonesia, Medicago, Inc., Medicago USA Inc.)
- Offices (MTPC Holdings Canada Inc.)

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

(Note 1) VOCs exclude PRTR substances.

(Note 2) The previous year's environmental performance data totals for the Yoshitomi

Plant include data for other companies located in the Yoshitomi district. However, for this fiscal year, only the data for the Yoshitomi Plant is shown. This was done in order to calculate and disclose the Group's environmental burden in a more-appropriate manner.

This revision had the effect of reducing water usage volume by 2,054 thousand m<sup>3</sup> for river water and 226 thousand m<sup>3</sup> for ground water.

In regard to chemical substances, for PRTR substances, we achieved reductions of 50.7t in handling volume, 0.2t in emissions into the atmosphere, and 1.7t in emissions in to public water bodies. For VOCs (excluding PRTR substances), we achieved reductions of 35.4t in handling volume and 2.5t in emissions to public water bodies. The wastewater treatment facilities are also used to treat wastewater from other companies located in the Yoshitomi district, and the related data for other companies is included in the Yoshitomi Plant data. In addition, the same applies to air pollutants from boilers and electric generators used on a district-wide basis. The principal performance data for the Yoshitomi Plant, including data for other companies, is as follows.

### Output

Atmosphere : NOx 12 tons; SOx 5.8 tons; particulate matter 0.2 tons

Wastewater : COD pollution load 23 tons; nitrogen 19 tons; phosphorus 0.7 tons

Waste : Waste output 3.7 thousand tons; emissions 0.8 thousand tons; final disposal 1.2 tons

## Calculation Standards for Environmental Performance Indicators

### Input

Environmental Performance Indicator	Unit	Calculation Method
<b>[Energy]</b>		
Purchased electricity	MWh	Amount of electricity purchased from electric utility companies
Gases	m <sup>3</sup>	Amount of gas purchased (city gas, LPG)
Petroleum	kL	Amount of oil purchased (heavy oil, diesel, kerosene, gasoline)
Thermal equivalent	GJ	<ul style="list-style-type: none"> <li>• [(annual usage amounts of electricity, fuel oil, and gas) × unit calorific value for each type of energy]</li> <li>• Unit calorific values are based on the Regulation for Enforcement of the Law Regarding the Rationalization of Energy Use</li> </ul>
<b>[Water]</b>		
City water/industrial water	m <sup>3</sup>	Amount of supplied water and industrial water used
Fresh surface water (lakes, rivers, etc.)	m <sup>3</sup>	Amount of fresh surface water used
Ground water	m <sup>3</sup>	Amount of ground water used
Amount of water used	m <sup>3</sup>	Total amount of city water/industrial water, fresh surface water, and ground water used
<b>[Chemical substances]</b>		
PRTR substances	Tons	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Handling volumes 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 4.2).</li> </ul>
VOCs (excluding PRTR substances)	Tons	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Handling volumes 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 4.2).</li> </ul>

## Output

Environmental Performance Indicator	Unit	Calculation Method
<b>[Atmosphere]</b>		
CO <sub>2</sub>	Tons	<ul style="list-style-type: none"> <li>Total of CO<sub>2</sub> emissions from energy (fuel, electricity) and CO<sub>2</sub> emissions from the use of gasoline in sales vehicles</li> <li>The amount of CO<sub>2</sub> emissions from energy = [(amount of each type of fuel used × unit calorific value for each type of fuel × CO<sub>2</sub> emissions factor for each type of fuel) + amount of purchased electricity used × CO<sub>2</sub> emissions factor for each electric utility company]</li> <li>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</li> <li>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<sub>2</sub> Emissions From Fuel Combustion (IEA 2016)," from the International Energy Agency )</li> </ul>
NO <sub>x</sub>	Tons	<ul style="list-style-type: none"> <li>For facilities that produce soot/smoke for which measurement of NO<sub>x</sub> in exhaust gas is mandatory under the Air Pollution Control Law</li> <li>(NO<sub>x</sub> concentration in exhaust gas × annual exhaust gas volume)</li> </ul>
SO <sub>x</sub>	Tons	<ul style="list-style-type: none"> <li>For facilities that produce soot/smoke for which measurement of SO<sub>x</sub> in exhaust gas is mandatory under the Air Pollution Control Law</li> <li>(SO<sub>x</sub> concentration in exhaust gas × annual exhaust gas volume)</li> </ul>
Particulate matter	Tons	<ul style="list-style-type: none"> <li>For facilities that produce soot/smoke for which measurement of particulate matter in exhaust gas is mandatory under the Air Pollution Control Law</li> <li>(particulate matter concentration in exhaust gas × annual exhaust gas volume)</li> </ul>
PRTR regulated substances	Tons	<ul style="list-style-type: none"> <li>For PRTR substances for which each worksite has an annual handling volume of 100 kg or more, total amount released to the atmosphere.</li> <li>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 4.2).</li> </ul>
VOCs (excluding PRTR regulated substances)	Tons	<ul style="list-style-type: none"> <li>For VOCs for which each worksite's annual handling volume is 100 kg or more, total amount of released to the atmosphere.</li> <li>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 4.2).</li> </ul>
<b>[Waste water]</b>		
Waste water volume	m <sup>3</sup>	<ul style="list-style-type: none"> <li>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.)</li> </ul>
COD pollution load	Tons	<ul style="list-style-type: none"> <li>COD pollution load for worksites that are required to measure it under the Water Pollution Control Law</li> <li>(COD concentration in water discharged from worksites × annual waste water volume released to public water bodies)</li> </ul>
BOD pollution load	Tons	<ul style="list-style-type: none"> <li>BOD pollution load for worksites that are required to measure it under the Water Pollution Control Law</li> <li>(COD concentration in water discharged from worksites × annual waste water volume released to public water bodies)</li> </ul>

Environmental Performance Indicator	Unit	Calculation Method
Nitrogen	Tons	<ul style="list-style-type: none"> <li>▪ Nitrogen pollution load for worksites that are required to measure it under the Water Pollution Control Law</li> <li>▪ (nitrogen concentration in water discharged from worksites × annual waste water volume discharged to public water bodies)</li> </ul>
Phosphorus	Tons	<ul style="list-style-type: none"> <li>▪ Phosphorus pollution load for worksites that are required to measure it under the Water Pollution Control Law</li> <li>▪ (phosphorus concentration in water discharged from worksites × annual waste water volume discharged to public water bodies)</li> </ul>
PRTR regulated substances	Tons	<ul style="list-style-type: none"> <li>▪ For PRTR substances for which each worksite's annual handling volume is 100 kg or more, the total amount released to public water bodies.</li> <li>▪ 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 4.2).</li> </ul>
VOCs (excluding PRTR regulated substances)	Tons	<ul style="list-style-type: none"> <li>▪ For VOCs for which each worksite's annual handling volume is 100 kg or more, the total amount released to public water bodies.</li> <li>▪ 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 4.2).</li> </ul>
<b>[Waste]</b>		
Waste output	Tons	Volume of industrial waste and general commercial waste
Emissions	Tons	<ul style="list-style-type: none"> <li>▪ Volume of industrial waste and general commercial waste for which processing was consigned to external enterprises</li> <li>▪ (volume of waste output - reduction in volume due to intermediate processing at worksites, such as dehydration)</li> </ul>
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



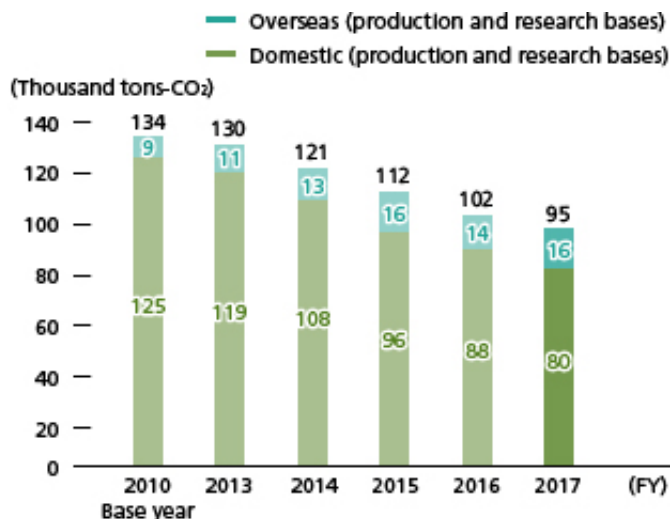
## Initiatives in Energy Conservation and Global Warming Mitigation

### CO<sub>2</sub> 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. As a climate change initiative, the Group has positioned "energy conservation and global warming mitigation" as its most important environmental theme. Under the Medium-Term Environmental Action Plan, we are aiming to reduce Group CO<sub>2</sub> emissions for fiscal 2020 by at least 40% in Japan and at least 35% worldwide, in comparison with fiscal 2010. To that end, at all worksites, including offices as well as production and research bases, the Group is implementing energy conservation initiatives aligned with locations and business activities. In these ways, we are working to reduce greenhouse gas emissions.

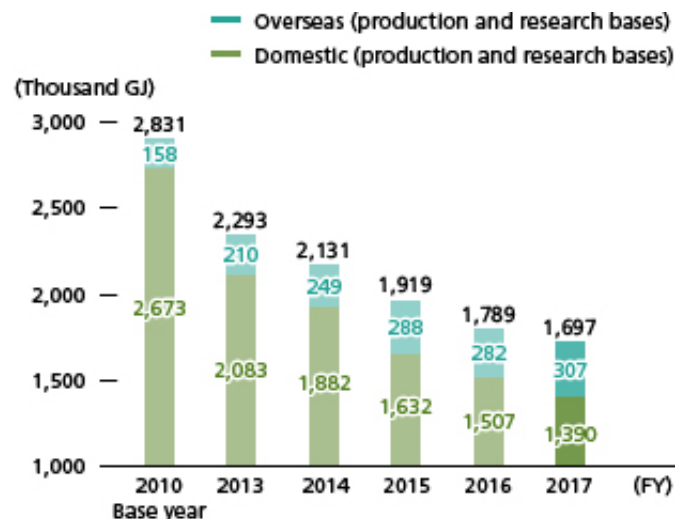
In fiscal 2017, the Group's CO<sub>2</sub> emissions were 79,500 tons in Japan and 15,600 tons overseas, for worldwide total 95,200 tons. Compared to fiscal 2010, these are declines of 37% in Japan and 29% worldwide, and compared to fiscal 2016, these figures represent declines of 9.2% in Japan and 6.5% worldwide. In fiscal 2017, we revised the standards for calculating energy usage at Mitsubishi Tanabe Pharma Factory Ltd.'s Yoshitomi Plant, and we advanced energy-saving activities at each worksite. In addition, business operations ceased at Bipha Corporation. As a result, we were able to reduce energy use at domestic worksites. On the other hand, energy use at overseas production and research bases increased by 9% from fiscal 2016. However, we were able to reduce energy use and CO<sub>2</sub> emissions volume on a worldwide basis.

#### CO<sub>2</sub> Emissions



\* The amount of fuel used in sales vehicles is not included in the total

#### Energy used



\* The amount of fuel used in sales vehicles is not included in the total

## Strengthening Energy Management

To reduce energy use and CO<sub>2</sub> emissions volume, the Group's domestic worksites are stepping up energy management initiatives in accordance with the Act on the Rational Use of Energy. The Group is working to strengthen energy management at Mitsubishi Tanabe Pharma Corporation and Mitsubishi Tanabe Pharma Factory Ltd., which have been designated as Specified Business Operators under the Act on the Rational Use of Energy, as well as at Tanabe Seiyaku Yoshiki Plant, and other affiliated companies.

At Mitsubishi Tanabe Pharma, the Kashima, Toda, and Yokohama offices have been appointed as Class I Designated Energy Management Factories. In fiscal 2017, energy used, on a crude oil equivalent basis, was down 4% year on year, to 13,180 kl, and CO<sub>2</sub> emissions were down 5% year on year, to 26,000 tons-CO<sub>2</sub>. In addition, we achieved a 3% 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. The Toda Office switched its heat source for hot water generation from a gas-fired absorption-type chilled and hot water generator to a steam heat exchanger, and the Yokohama Office updated its packaged air conditioning system. As a result, we achieved a 4% reduction in energy use at these three offices, which account for 88% of energy use for all offices.

At Mitsubishi Tanabe Pharma Factory Ltd., the Onoda Plant and Yoshitomi Plant are Class I Designated Energy Management Factories. In fiscal 2017, in comparison with the previous fiscal year, energy use at Mitsubishi Tanabe Pharma Factory Ltd. was down 1% and CO<sub>2</sub> emissions were down 3%.

Energy use and CO<sub>2</sub> emissions for the two Specified Business Operators as well as Tanabe Seiyaku Yoshiki Plant and Bipa Corporation (business operations ceased as of the end of September 2017) for fiscal 2016 and fiscal 2017 are shown below.

### Mitsubishi Tanabe Pharma

Worksites	Crude oil equivalent (kl)		CO <sub>2</sub> emissions (tons-CO <sub>2</sub> )	
	FY2016	FY2017	FY2016	FY2017
Kashima Office	4,420 (1,240)	4,360 (1,200)	8,880	8,780
Toda Office	4,840 (1,020)	4,470 (950)	9,530	8,660
Yokohama Office	2,840 (900)	2,730 (900)	5,610	5,310
Osaka Headquarters	450 (230)	420 (220)	890	840
Tokyo Head Office	210 (130)	210 (140)	400	400
Branches and sales outlets	940 (570)	970 (580)	1,990	1,970
Other	40 (20)	20 (10)	70	40
<b>Total</b>	<b>13,740 (4,110)</b>	<b>13,180 (4,000)</b>	<b>27,370</b>	<b>26,000</b>

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 <sub>2</sub> emissions (tons-CO <sub>2</sub> )	
	FY2016	FY2017	FY2016	FY2017
Onoda Office	13,410 (2,860)	13,630 (2,900)	33,970	34,230
Yoshitomi Office	8,140 (1,920)	7,650 (1,690)	18,010	16,220
Total	21,550 (4,780)	21,280 (4,590)	51,980	50,450

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 <sub>2</sub> emissions (tons-CO <sub>2</sub> )	
	FY2016	FY2017	FY2016	FY2017
Tanabe Seiyaku Yoshiki Factory	480 (220)	450 (210)	990	940

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 <sub>2</sub> emissions (tons-CO <sub>2</sub> )	
	FY2016	FY2017	FY2016	FY2017
Bipha	3,100 (520)	940 (100)	7,290	2,160

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. Companies were divided into classes based on their periodic reports for fiscal 2017. We were evaluated as a superior company in regard to energy-saving initiatives, and for the third consecutive year we were evaluated as an S-class company.

We have established an energy management promotion system on a Groupwide basis, including the Specified Business Operators, and we periodically hold energy conservation promotion liaison committee meetings. At these meetings, we confirm changes in worksite energy consumption and CO<sub>2</sub> emissions. In addition, we discuss energy conservation and electricity-saving measures and formulate initiatives. In these ways, we are working to reinforce energy management on a Groupwide basis.

## Initiatives with Company Vehicles

We are also implementing environmentally friendly initiatives in our sales and marketing activities. For the Company and Yoshitomiya Corporation, the total number of vehicles used for sales staff working outside the office was 1,965 at the end of fiscal 2017. Of these, there were 1,451 hybrid vehicles, which accounted for 74% 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 2017, CO<sub>2</sub> emissions from gasoline use in sales activities were 5,170 tons, with the Company's portion down by 1.6% year on year. Including the gasoline used by Company vehicles at the Head Office, etc., CO<sub>2</sub> emissions were 5,210 tons, with the Company's portion down by 1.4% year on year. In the future, we will continue to 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 parties.
- Scope 3: Indirect emissions other than those covered in scope 2 (emissions by other parties involved with the activities of the business).

For fiscal 2017, scope 1 and 2 are presented for all domestic Group worksites and for overseas Group worksites (production and research bases). For scope 3, calculations 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 3 overseas Group worksite energy use has been added, and the disclosed data has been expanded. For example, category 4 also includes greenhouse gas emissions from shipment of sales promotion items, etc., from contract warehouses to branches, sales offices, etc.

### Scope 1

Scope of calculation

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


Calculation of greenhouse gas emissions		Greenhouse gas emissions (tons-CO <sub>2</sub> )	
		FY2016	FY2017
Domestic	Use of fuel at worksites	26,030	24,451
	Use of gasoline in vehicles used in sales activities, etc	4,773	5,210
	Leakage of CFCs at worksites*	690	759
	(Domestic total)	31,493	30,420
Overseas	Use of fuel at worksites	3,954	5,357
Global 		35,447	35,777

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







## Scope 2

Scope of calculation  
Same as Scope 1

Calculation of greenhouse gas emissions		Greenhouse gas emissions (tons-CO <sub>2</sub> )	
		FY2016	FY2017
Domestic	Use of electricity at worksites	61,594	55,089
Overseas	Use of electricity at worksites	10,211	10,254
Global 		71,805	65,343

## Scope 3

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

Category		Greenhouse gas emissions (tons-CO <sub>2</sub> )	Calculation method
1	Purchased goods and services 	517,342	Calculated from purchase prices of raw materials and products in Japan, which are multiplied by emissions unit values from Ministry of the Environment database <sup>1</sup>
2	Capital goods 	17,504	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 <sup>1</sup>
3	Fuel- and energy-related activities not included in Scope 1 or 2 	10,273	Calculated from amount of energy used at domestic Group worksites, which is multiplied by emissions unit values from Ministry of the Environment database <sup>1</sup> or emissions unit values from Carbon Footprint database <sup>2</sup>
4	Transport and delivery (upstream) 	3,330	Calculated from transportation ton-kilometers for shipments from plants to distribution centers, shipments from distribution centers to wholesalers, and shipments from sales-promotion item warehouses to branches, sales offices, etc., using the ton-kilometer method in the greenhouse gas emission calculation and reporting manual from Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry. Calculated from electricity used for storage management at distribution centers, multiplied by the actual emissions factor indicated in the emissions factors for electric power enterprises announced by the Ministry of the Environment and the Ministry of Economy, Trade and Industry on December 21, 2017.

5	Waste generated in operations ✔	3,289	Calculated from the amounts of waste, by type, from domestic Group worksites (production and research bases, Head Office/Tokyo Head Office, distribution centers), which are multiplied by emissions unit values from Ministry of the Environment database <sup>1</sup>
6	Business travel	934	Calculated from number of employees, which is multiplied by emissions unit values from Ministry of the Environment database <sup>1</sup>
7	Employee commuting	1,166	Calculated from amounts of transportation costs paid by transportation district, which are multiplied by emissions unit values from Ministry of the Environment database <sup>1</sup>
12	End-of-life treatment of sold products	439	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 <sup>1</sup>

1. Ministry of the Environment database: database on emissions unit values for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain (Ver. 2.5)

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

## Controlling Fluorocarbons Emissions

The Group is working to respond appropriately to the Fluorocarbon Emission Control Law (Act on Rational Use and Proper Management of Fluorocarbons) and to prevent leaks of fluorocarbons. We strictly observe standards for the installation of equipment containing fluorocarbons, and steadily implement a range of inspections. In addition, when disposing of equipment containing fluorocarbons, we are working to implement steady recovery/destruction of fluorocarbons.

In fiscal 2017, at the Group's domestic production and research bases, the volume of fluorocarbons recovered and destroyed was 865 kg, and the leakage volume was 365 kg (759 tons-CO<sub>2</sub>: calculated using GWP coefficients). The leakage volumes for Group companies were all below the threshold for reporting to the national government.

## Energy-Saving Initiatives at Worksites and Offices

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

Each year, the entire Group continues to implement energy-saving campaigns in the summer and winter, when energy use increases, as well as the Ministry of the Environment's lights down campaign on the day of the summer solstice and on July 7. In energy-saving campaigns, we are promoting such measures as setting appropriate air conditioning temperatures, turning off unnecessary lighting, and endorsing the Cool Biz and Warm Biz campaigns. In fiscal 2017, in recognition of supply chain effects, we endorsed water-saving initiatives that lead to indirect reductions in the amount of electricity used at water purification and sewage treatment plants, and we also recommended eco-driving measures that leverage the characteristics of hybrid vehicles. For these campaigns, we distribute an original poster to help enable the worksites to take the lead in the implementation of energy-saving activities. These activities have been effective, and the Cool Biz and Warm Biz campaigns have become established practices at each worksite.

At the Kashima Office (Yodogawa-ku, Osaka City), which has been certified and registered as a Ministry of Land, Infrastructure, Transport and Tourism Excellent Ecological Commuter Office, rather than using their own cars or motorcycles, employees are commuting by means of transportation with low environmental burdens, such by trains, buses, or other public transportation; bicycles; or walking. The objectives of this initiative are to contribute to the prevention of global warming by limiting CO<sub>2</sub> emissions from commuting and to promote the health of employees.

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



Campaign poster: Lights down in the summer and winter

## Road-watering Event

A road-watering event was held at the Tokyo head office on August 4, 2017.

Together with neighboring companies and people in the community, we have held this activity each year from 2012 as a countermeasure to the urban heat island effect, as a global warming countermeasure, and as an event that activates the local community.

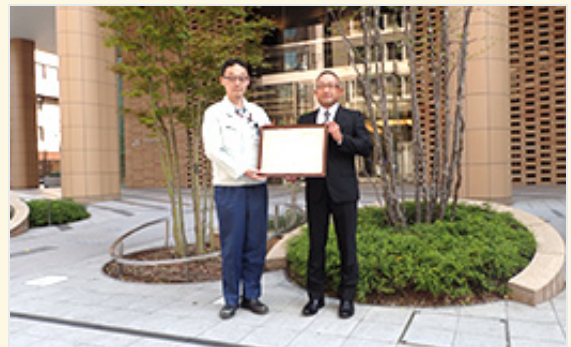
The water that was sprinkled on the road was recycled water from the Bureau of Sewerage, Tokyo Metropolitan Government. In this way, we are working to help participants deepen their understanding of and interest in limited water resources and the preciousness of water while experiencing the cool sensation resulting from the sprinkling of the water. This event also promotes awareness of environmental issues, such as the prevention of global warming.



## Receipt of Award Under Kansai Eco-Office Encouragement Award Program

In March 2018, the Company's Head Office won the Fiscal 2017 Kansai Eco-Office Award under the Kansai Eco-Office Encouragement Awards program.

The Kansai Eco-Office Award is sponsored by the Union of Kansai Governments, which comprises multiple prefectures and ordinance-designated cities in the Kansai region. Under this award system, worksites that are conducting superior initiatives in the area of environmentally friendly activities are selected from among worksites participating in the Kansai Eco Office Declaration movement (approximately 1,800 worksites are registered, including the Head Office and the Kashima Office). The receipt of this award reflects high evaluations for our achievement of reduced CO2 emissions volumes through the introduction of advanced energy-saving facilities in the Head Office building and the greening of the grounds and rooftop, as well as for aggressive CSR activities that contribute to the prevention of global warming through planting activities.



Award certificate



## Reduction of Waste, Effective Use of Water Resources

### Reduction and Appropriate Management of Waste

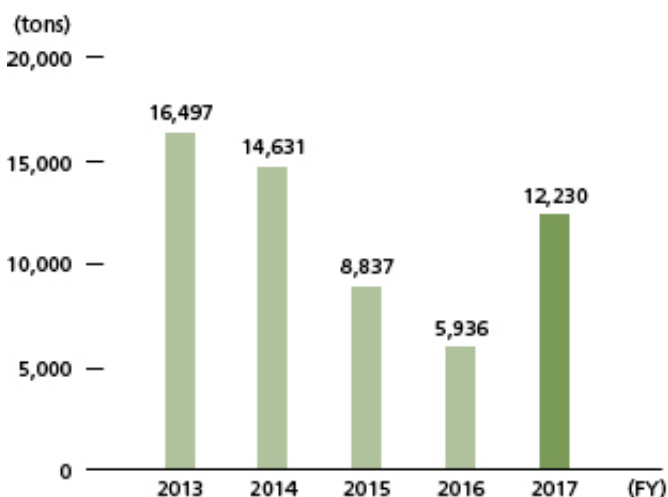
Reduction of waste is an objective included in the Group's Medium-Term Environmental Action Plan. Moreover, we are advancing the 3 R's for waste (reduce, reuse, recycle), and at domestic bases we are aiming to achieve the target of zero emissions, which is a final waste disposal rate (amount of final waste disposed / total amount of waste generated × 100) of less than 0.5%.

In fiscal 2017, the amount of waste generated at domestic bases (production and research bases, Head Office, Tokyo Head Office, distribution centers) was 12,230 tons, a significant increase of 106% from the previous fiscal year. The principal reasons were higher production volume, an increase in emissions from activated sludge from wastewater processing facilities, an increase in unnecessary equipment, fixtures, etc., due to plant closure, and the new addition of the Head Office and Tokyo Head Office to the scope. The amount of final waste disposed was 45 tons, an increase of 134% year on year. However, the final waste disposal rate was 0.37%, and we achieved zero emissions.

On the other hand, at overseas production and research bases, the amount of waste generated was 700 tons, an increase of 9% year on year. From fiscal 2017, in addition to amounts generated, emissions are also subject to third-party assurance. In this way, we are working to increase data precision and ensure data reliability.

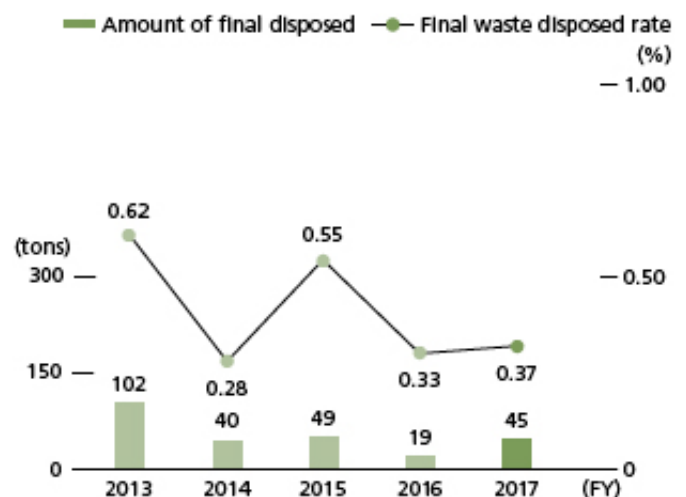
As a waste-discharging enterprise, we are taking steps to advance the appropriate management of waste. These include concluding agreements with contractors for the collection, conveyance, and processing of waste; issuing manifests; and implementing on-site surveys, etc., of disposal contractors. We have transitioned to digital manifests at all of the Group's 8 major worksites — six domestic plants and research bases, the Head Office, and the Tokyo Head Office. In addition, we utilize outside lecturers for collective educational initiatives once a year. We are working to enhance the capabilities of the people in charge of waste management at each worksite.

Amount of Waste Generated (Domestic) ✓



\* From fiscal 2017, the Head Office and Tokyo Head Office are included in the scope.

Amount of Final Waste Disposed (Domestic) ✓



\* From fiscal 2017, the Head Office and Tokyo Head Office are included in the scope.

## **Disposal of Polychlorinated Biphenyl (PCB) Waste**

The Group continues advancing the disposal of PCB waste. In fiscal 2017, we completed processing of 439 fluorescent light ballasts and small amounts of oil and waste containing PCBs (both of which had high PCB concentrations).

To complete the disposal of high-concentration PCBs in an appropriate, within the legally stipulated disposal period, we implemented a resurvey of products that use PCBs at each worksite. As a result, we discovered 3 fluorescent light ballasts and 17 mercury lamp ballasts coming under the category of products using PCBs. The fluorescent light ballasts have already been removed and are in storage as waste, and we plan to remove the mercury lamp ballasts when lighting equipment is changed in fiscal 2018.

## **Effective Use of Water Resources and Measures to Address Water-Related Risks**

The Group's domestic worksites (production and research bases, Head Office, Tokyo 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. We continue working to reduce and optimize water usage.

From fiscal 2017, the Group has added "effective use of water resources" as a new theme in the Medium-Term Environmental Action Plan. In addition, we have announced the objective of reducing water usage volume by fiscal 2020 (production and research bases) by 15% or more in comparison with fiscal 2010, both in Japan and worldwide.

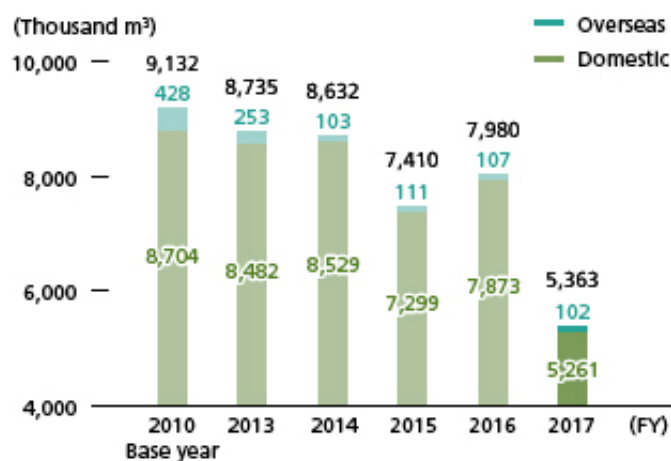
In comparison with fiscal 2010, in fiscal 2017, water usage volume (production and research bases) was reduced by 40%, to 5,261 thousand m<sup>3</sup>, in Japan, and by 41%, to 5,363 thousand m<sup>3</sup>, worldwide. The calculation method for the Yoshitomi Plant's water usage volume was revised, and as a result the previous year's total includes data for other companies located in the Yoshitomi district. However, for this fiscal year only the data for the Yoshitomi Plant is recorded. Usage at the Yoshitomi Plant, which accounts for more than one-third of domestic usage, was down 82% year on year. In addition, Bipha's business operations were ceased. As a result, we achieved a significant decline for the Group overall.

In recent years, companies have been called on to address water-related risks, including drought and flooding, which are thought to be associated with climate change, as well as global water usage increases and wastewater regulations. Moving forward, we will continue to check and identify water-related risks that influence business continuity and take steps to establish countermeasures.

Water Usage (production and research bases) (unit: thousand m<sup>3</sup>)

		2010	2013	2014	2015	2016	2017 <span style="color: green;">✔</span>
Domestic	City water/industrial water	1,070	591	480	362	342	318
	Fresh surface water (lakes, rivers, etc.)	7,488	7,797	7,945	6,835	7,302	4,873
	Ground water	146	94	104	103	229	70
	Subtotal	8,704	8,482	8,529	7,299	7,873	5,261
Overseas	City water/industrial water					95	88
	Fresh surface water (lakes, rivers, etc.)	428	253	103	111	0	0
	Ground water					12	14
	Subtotal	428	253	103	111	107	102
Global	Total	9,132	8,735	8,632	7,410	7,980	5,363

Water Usage Volume  
(Production and Research Bases) ✔



\* For fiscal 2017, the categories have been changed from "city water," "industrial water" and "ground water" to "city water/industrial water," "fresh surface water (lakes, rivers, etc.)," and "ground water." In regard to water for industrial use that has taken from a river without processing, the category has been changed to river water for past years as well.

The previous year's data includes data for other companies located in the Yoshitomi district. However, for this fiscal year, only the data for the Yoshitomi Plant is shown. This had the effect of reducing water usage volume by 2,054 thousand m<sup>3</sup> for river water and 226 thousand m<sup>3</sup> for ground water.



## Initiatives to Prevent Pollution and Reduce Environmental Burdens

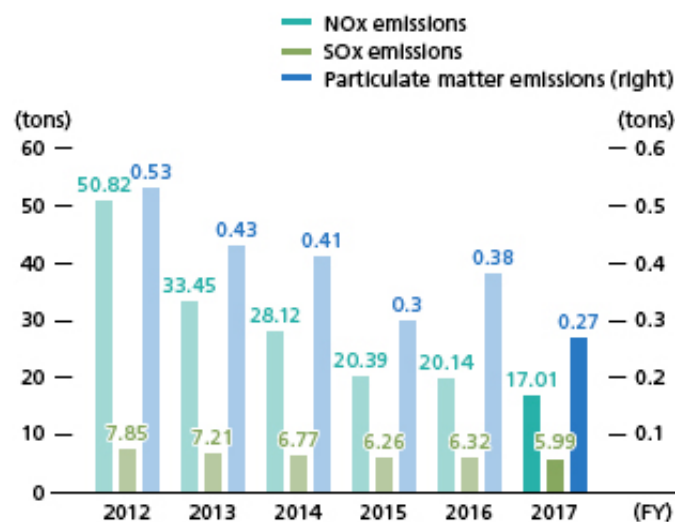
### Prevention of Air Pollution

The Group's production and research bases in Japan and overseas have boilers and other facilities that produce soot/smoke. We measure the levels of air pollutants (NOx, SOx, particulate matter) in the exhaust gas emitted from facilities that produce soot/smoke, and we confirm that those levels are within legal standards.

At the Group's domestic production and research bases, we have taken steps to convert from boilers fueled by heavy oil and kerosene, which result in high levels of air pollutant emissions, to boilers fueled by city gas, which has low levels of emissions. We have completed this conversion at our bases, other than two bases at which there is no supply of city gas in the worksite area. In fiscal 2017, year-on-year declines in emissions of air pollutants were recorded for all indicators.

Emissions of air pollutants (NOx, SOx, particulate matter) from domestic production and research bases are subject to third-party assurance from fiscal 2017.

Emissions of Air Pollutants 



\* In regard to the Yoshitomi Plant boilers and electric generators, other companies located in the Yoshitomi district also use steam, etc., and the related air pollutant data also includes data from other companies. The Yoshitomi Plant's emissions of air pollutants, which include data from other companies, were as follows: NOx, 11.81 tons; SOx, 5.81 tons; and particulate matter, 0.22 tons

### Prevention of Water Pollution

Among the Group's domestic and overseas production and research bases, three plants — the Onoda Plant, the Yoshitomi Plant, and P.T. Tanabe Indonesia's Bandung Plant — discharge wastewater into public water bodies (rivers, oceans). At these plants, within the worksite, we adjust the pH of the wastewater prior to discharge and implement detoxification processing through activated sludge treatment, etc. In this way, we are strictly observing standards for discharge to public water bodies and working to prevent water pollution. In addition, at other production and research bases that discharge wastewater into the sewer system, we control the mixture of harmful substances into the wastewater, and adjust the pH. In this way, we are strictly observing standards for discharge into the sewer system.



Total emissions of water pollutants (BOD, COD, nitrogen, phosphorus) into public water bodies from domestic Group worksites are shown below. In fiscal 2017, increases in emissions volumes were recorded for all indicators due to higher production volumes at plants. From this report, BOD, COD, nitrogen, and phosphorus are indicators subject to third-party assurance and are newly disclosed.

Pollution load due to emissions to public water bodies from the Group's domestic worksites

(FY)	2013	2014	2015	2016	2017
BOD (tons)	14.64	9.68	16.77	7.75	8.85
COD (tons)	38.58	41.94	31.15	31.37	34.9
Nitrogen (tons)	26.32	22.11	15.32	17.38	21.66
Phosphorus (tons)	1.54	1.15	1.08	0.84	0.93

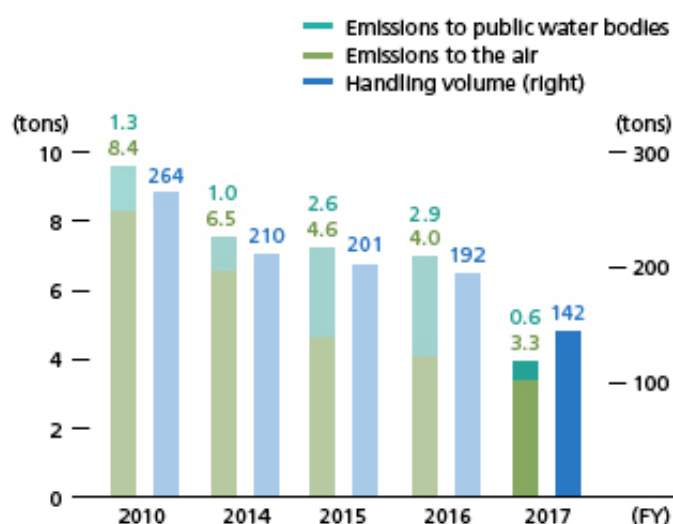
## Reducing Emissions of Chemical Substances into the Environment

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. In addition, in the Medium-Term Environmental Action Plan, we have set the target of reducing emissions of toluene to the environment by 30% or more by fiscal 2020 in comparison with fiscal 2010.

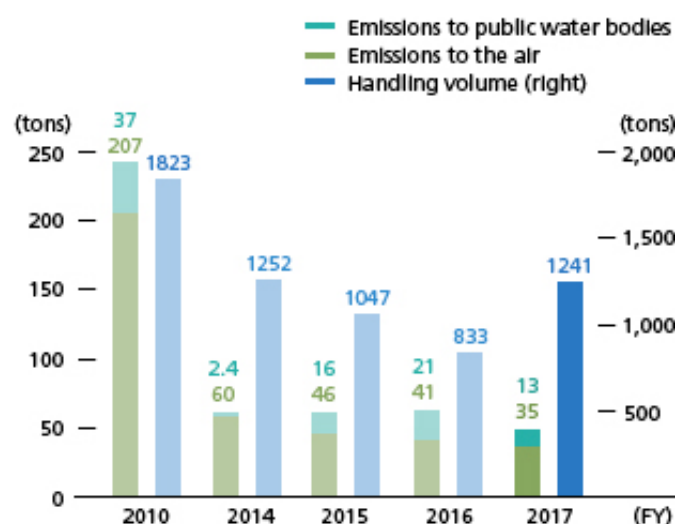
In regard to the handling volume of regulated chemical substances in fiscal 2017 at domestic production and research bases, the PRTR total was 142 tons (down 26% year on year), and the VOC total excluding PRTRs was 1,241 tons (up 49% year on year). For emissions into the atmosphere, the PRTR total was 3.3 tons (down 19% year on year), and the VOC total excluding PRTRs was 35 tons (down 13% year on year). For emissions to public water bodies, the PRTR total was 0.6 tons (down 19% year on year), and the VOC total excluding PRTRs was 13 tons (down 37% year on year). Due to the revision of the method of tracking handling volumes and emissions volumes at the Yoshitomi Plant, the volume of emissions to the environment recorded a substantial decline. On the other hand, the VOC handling volume of overseas production and research bases increased substantially to 26 tons, five times the handling volume in the previous year.

We have announced a numerical target for emissions of toluene to the environment, which were 2.4 tons, a decrease of 37% in comparison with fiscal 2010.

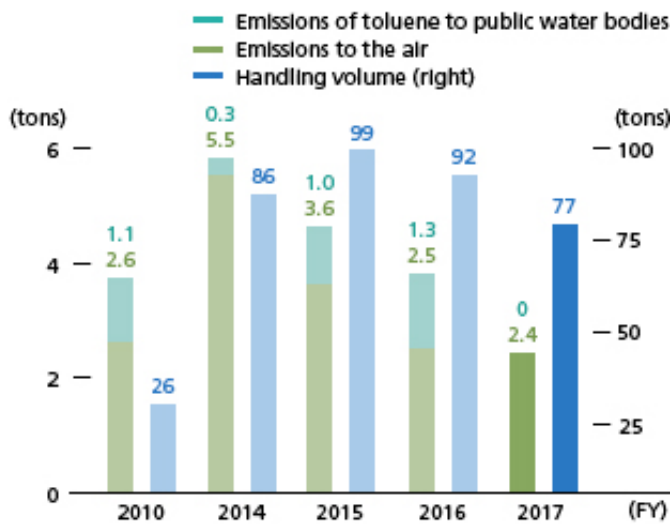
### Emission of PRTR



### Emission of VOC (excluding PRTRs)



## Emission of toluene



Note: Data was calculated according to the Manual for PRTR Release Estimation Methods (Ver. 4.2) published by the METI and the Ministry of the Environment

## Soil and Ground Water Contamination — Prevention and Countermeasures

At Group production and research bases, we implement thoroughgoing measures to prevent soil and ground water contamination from leakage of chemical substances. For land owned by the Group, we implement surveys of past usage conditions (land use history surveys) and work to understand the level of risk related to soil contamination. In addition, in the construction and demolition of buildings, we work closely with the supervisory authorities, and implement soil surveys and ground water surveys through the methods stipulated by the Soil Contamination Countermeasures Act. In the unlikely event that contamination is confirmed, we respond through the implementation of appropriate measures, such as removal of the contamination.

In regard to the ground water pollution that was discovered at the Yoshitomi Plant (Chikujo, Fukuoka Prefecture) in fiscal 2013, we implemented sustained cleanup initiatives through ground water pumping, and we are implementing periodic ground water analyses. For one continuous year from March 2016, the concentration of pollutants in ground water was below regulatory standards. With the agreement of the supervisory authorities, we halted ground water pumping. However, in measurements taken in June 2017, we obtained results that showed the concentration of pollutants was above regulatory standards, and accordingly we restarted ground water pumping. In measurements taken after the restart of ground water pumping, the concentration of pollutants has remained below regulatory standards.



## Initiatives for the Preservation of Biodiversity

### ■ Fundamental Approach to the Preservation of Biodiversity

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

### ■ Biodiversity Preservation Activities

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

In fiscal 2017, we worked to control emissions of greenhouse gases and environmental burdens due to our business activities. In addition, with the ABS Guidelines taking effect, we worked to foster understanding of the content of the guidelines within the Group. Furthermore, in collaboration with NPOs and local governments, we continue to implement environmental conservation activities on the outskirts of Osaka Prefecture and Tokyo Prefecture. Through these activities, the Group is working to preserve biodiversity.

- Controlling Emissions of Greenhouse Gases by Promoting Energy Conservation in Business Activities
- Reducing environmental burdens from business activities, including burdens on the atmosphere, water bodies, soil, and ecosystems
- Promoting internal awareness of the "Guidelines on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (ABS Guidelines)" (effective date August 20, 2017).
- Tokyo Greenship Action woodland conservation activities in Tokyo Prefecture (May 2017)
- Planting activities through Ikoma Mountain Range "Folding Screen of Flowers" Project in Osaka Prefecture (November 2017)

## Initiatives in Local Communities (environmental conservation activities)

### Tokyo Greenship Action

In cooperation with companies and NPOs, Tokyo Prefecture is participating in Tokyo Greenship Action environmental conservation activities conducted in natural woodland conservation areas. One of these activities was held in May 2017 in the Hachioji Takiyama Satoyama Conservation Area, which is designated by Tokyo Prefecture as a conservation area. Together with Tokyo Prefecture and Shizen Kankyo Academy, an NPO, a total of 39 Group employees and family members implemented activities to conserve and restore natural woodlands

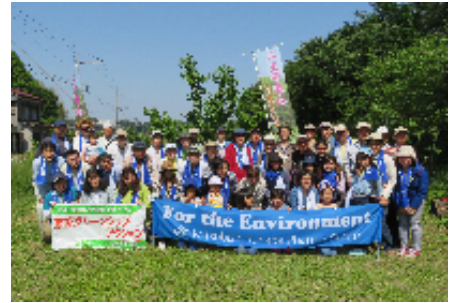
The participants observed nature in the woodlands, which extends over an irrigated rice field area and a thickly wooded area. By experiencing cutting bamboo plants, making a bamboo fence, chopping wood, and harvesting wild plants, the participants learned about the importance of conserving and restoring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



Wild plant harvesting / wild plant cuisine



Making a bamboo fence



### Ikoma Mountain Range “Folding Screen of Flowers” Project

The Ikoma Mountain Range “Folding Screen of Flowers” Project, which is an environmental event sponsored by Osaka Prefecture, was held in November 2017 in Kashiwara City. A total of 47 Group employees and family members participated. This event, which is held every year, combines hiking and planting activities. The participants planted mountain cherry trees and Japanese hydrangea as they walked along the Tatsuta Kodo ancient road while viewing the woodlands, which had started to take on fall colors.

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



Planting activities



Tatsudo Kodo Satoyama Park



## Promotion of Environmental Communication

### Participation in Environmental Information Disclosure Program

In evaluating companies, the importance of ESG (Environment, Society, Governance) information is increasing. In this setting, the Ministry of the Environment is implementing an environmental information disclosure program with the aim of establishing a society in which companies that aggressively conduct environmental activities receive appropriate evaluations from investors, etc., as well as appropriate funding. This verification project is advancing the establishment of a platform that facilitates the active use of corporate environmental information by investors, and it is fostering dialogue between companies and investors based on ESG information, centered on environmental information. The Company has continually participated in this program since fiscal 2014. In fiscal 2017, we updated our environment information and engaged in dialogue with investors using the provided systems and tools.

### Support for Regional Environmental Activities

As one part of its corporate citizenship initiatives, the Group provides support for regional environmental activities. In fiscal 2017, we supported five environmental events sponsored by Shijonawate City, the Minoh Mountain Patrol, and others. We provided Aspara Drink to the participants. In addition, Group employees and their family members participated in multiple events and worked together with other participants to implement these activities.

For information about Greening of Office Surroundings, please [click here](#)



Minoh mountain cleaning event  
(Minoh City, December 2)

## Receipt of Excellence Award in the 21st Environmental Communication Awards

In February 2018, the Mitsubishi Tanabe Pharma Corporate Report 2017 and CSR Activities Report 2017 received the Excellence Award in the Environmental Report Section of the 21st Environmental Communication Awards.

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

The Company provides an overview of its major environmentally friendly initiatives in the Corporate Report 2017. In addition, in the CSR Activities Report 2017, we provide detailed disclosure of the results of our environmental management system and our activities targeting the achievement of the objectives in the Medium-Term Environmental Action Plan. We have also worked to ensure reliability by acquiring third-party assurance in regard to principal environmental performance indicators. These initiatives were highly evaluated.





## VOICE

### Working Toward the Realization of a Sustainable, Environmentally Friendly Society



**Tetsuto Hayashi**  
Vice President, Head of  
Environment & Safety  
Management Office,  
General Affairs Department

In recent years, the environment has been a focus of attention around the world, including ESG (Environment, Society, Governance) and the SDGs (Sustainable Development Goals). In its corporate activities, the Group also maintains an awareness of the environment as it implements its daily operations.

In particular, we are aggressively taking steps to advance the reduction of environmental burdens, such as reducing CO<sub>2</sub> emissions and energy conservation activities. We recently set a new target for the effective use of water resources, and we are working with environmental conversation on a global basis. On the other hand, employees, family members, and retirees are implementing social contribution activities through participation in planting at Ikoma Mountain and woodlands conservation in the Hachioji Takiyama Area.

Moving forward, I would like to see even more environmentally friendly activities that promote the realization of a sustainable society.



## Promotion of Fair Operating Practices

### Initiatives for Fair Business Practices

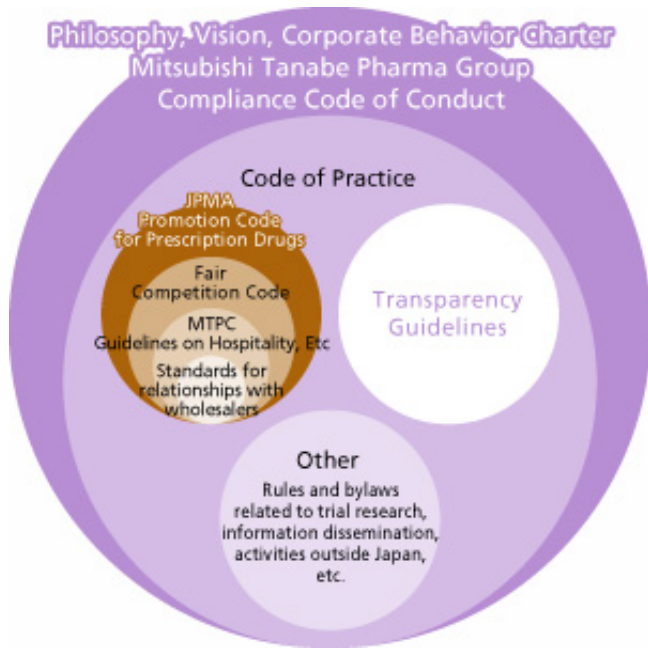
The Corporate Behavior Charter of the Group states that we will strive to maintain high ethical standards and place priority on fairness and integrity in all activities. In addition, the Declaration of Compliance expresses our commitment to conducting transactions in a fair manner based on open competition 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 not so-called "sales promotion." Rather, it is defined as the provision, collection, and transmission of pharmaceutical information to and from healthcare professionals and the advancement of the proper use and spread of those ethical pharmaceuticals based on that information. Life sciences companies are called on to maintain high ethical standards. The Promotion Code for Prescription Drugs (Japan Pharmaceutical Manufacturers Association) clearly states the code of behavior that must be followed as a matter of course when life sciences companies conduct promotional activities for ethical drugs. In accordance with the Promotion Code for Prescription Drugs, the Company has formulated the Mitsubishi Tanabe Pharma Promotion Code for Prescription Drugs (revised April 2018).

The Mitsubishi Tanabe Pharma Group follows the Mitsubishi Tanabe Pharma Promotion Code for Prescription Drugs 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, such as money, goods, services, etc., provided as an inducement to engage in transactions so as to ensure autonomous and rational decisions (purchasing, prescribing) by healthcare professionals, etc., as well as fair competition among businesses. The Code has its legal basis in the Act against Unjustifiable Premiums and Misleading Representations.

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

The Mitsubishi Tanabe Pharma Group adheres strictly to the Code, the Notifications, 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 "research and development expenses," "academic research support expenses," and "manuscript/writing fees, etc." In addition, in August 2014 the Company formulated guidelines for managing conflicts of interest with medical and research institutions, etc. We have established principles for avoiding problems with conflicts of interest and a system for managing conflicts of interest, and we are working to operate this system in an appropriate manner.

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

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

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



## Prevention of Bribery and Corruption

### Initiatives to Prevent Bribery and Corruption

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

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

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

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

### 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, officers and employees cooperate closely with specialized external institutions, such as the police, etc.

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



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## Protection of Intellectual Property

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



## Promotion of CSR Procurement

To fulfill our corporate social responsibilities throughout the entire supply chain, up to and including companies (suppliers) that provide services necessary to sustain business activities, we are implementing a range of initiatives while formulating action principles for procurement departments, as described below.

### ■ Action Principles

Employees involved in procurement operations are working to implement CSR procurement in accordance with various 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), prices, and management capabilities (continuity). In addition, for existing suppliers we continually implement reevaluation initiatives with consideration for our supplier selection standards.

### ■ Establishing a Sustainable Supply Chain

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

### ■ Training on Laws and Regulations for Procurement

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, the Industrial Safety and Health Act, the Subcontract Act, and laws and regulations related to importing and exporting. In this way, we are working to maintain a high level of awareness about observing related laws and regulations.



## VOICE

### Aiming to be a Company that is Trusted by Society — Assuring Transparency by Implementing Accurate Information Disclosure



Hiroko Izawa  
General Affairs Department

At all stages, from drug R&D to the provision and collection of information after manufacturing and sale, it is necessary to work in cooperation with healthcare institutions and healthcare professionals, centered on patients. I believe that it is important to ensure a high level of transparency in those relationships in order to achieve a broad understanding from society in regard to our implementation of business activities in accordance with high ethical standards. In that regard, information about the provision of various funding to medical institutions and organizations has been disclosed on our website since 2012. Under the Clinical Research Act, which came into effect in April 2018, from the viewpoint of conflicts of interest, pharmaceutical companies are required to widely disclose the provision of funds to institutions, etc., related to research. Companies are being called on to provide an even higher level of transparency.

Moving forward, we will continue to implement information disclosure aligned with changes in society and will aim to be a company that is trusted by society.



## Research & Development

### Basic Approach to Discovery Research

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

To that end, we will advance "R&D process reforms" and conduct discovery research with a focus on "expansion of medical and discovery technologies." Specifically, we will step up the utilization of open innovation with academic institutions and venture companies in Japan and overseas. We will also advance collaboration within the MCHC Group. In these ways, we will strive to contribute to healthy lifespans by working with a sense of speed to discover the drugs of the future, which will aim not only at the treatment of disease but also at prevention, remission, and complete cures.

### Refractory Disease Initiatives

ALS is an idiopathic, progressive disease in which the principal symptoms are muscular atrophy and muscle weakness. In Japan, it has been designated as a refractory disease by the Ministry of Health, Labour and Welfare. There are said to be about 20,000 ALS patients in the U.S., with ALS emerging in 5,000 to 6,000 people every year. However, there was only one type of ALS treatment agent in the world, and a new type of ALS treatment agent was eagerly awaited. In June 2015, 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). To facilitate the delivery of edaravone as an ALS treatment agent to as many patients as possible around the world, we have filed applications in Switzerland (April 2017) and Canada (December 2017). The Company entered into a joint research agreement (November 2017) with Order-made Medical Research Inc. (President & Representative Director: Yasufumi Murakami, Head Office: Kashiwa, Chiba Prefecture) and Trans Chromosomics Inc. (President & CEO: Mitsuo Oshimura, Head Office: Yonago, Tottori Prefecture). The agreement is for joint research related to therapeutic antibodies for neurodegenerative disorders, including ALS.

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, by introducing themes and technologies from outside the Company, we are working to increase the speed of R&D activities.

In October 2017, together with Astellas Pharma Inc. and Daiichi Sankyo Company, Limited, we started a program called JOINUS to discover new therapeutic drugs using drug-repositioning compound libraries. Through screening of these compound libraries based on advanced, innovative assays that leverage the strengths of academia, we expect to see an increase in collaboration that will lead to the development of new disease treatment agents. In addition, in June 2017 we started the second phase of external collaboration through the provision of funding for the Global Health Innovative Technology Fund (GHIT Fund), which spans the government, corporate, and civil sectors and specializes in global healthcare R&D. Through the GHIT Fund, the Company had previously provided its compound library to Medicine for Malaria Venture, a research institution for new anti-malaria drugs. Multiple promising hit compound groups have been acquired. Moving forward, the Company will continue working to fulfill an original role in addressing issues in the field of global health.

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

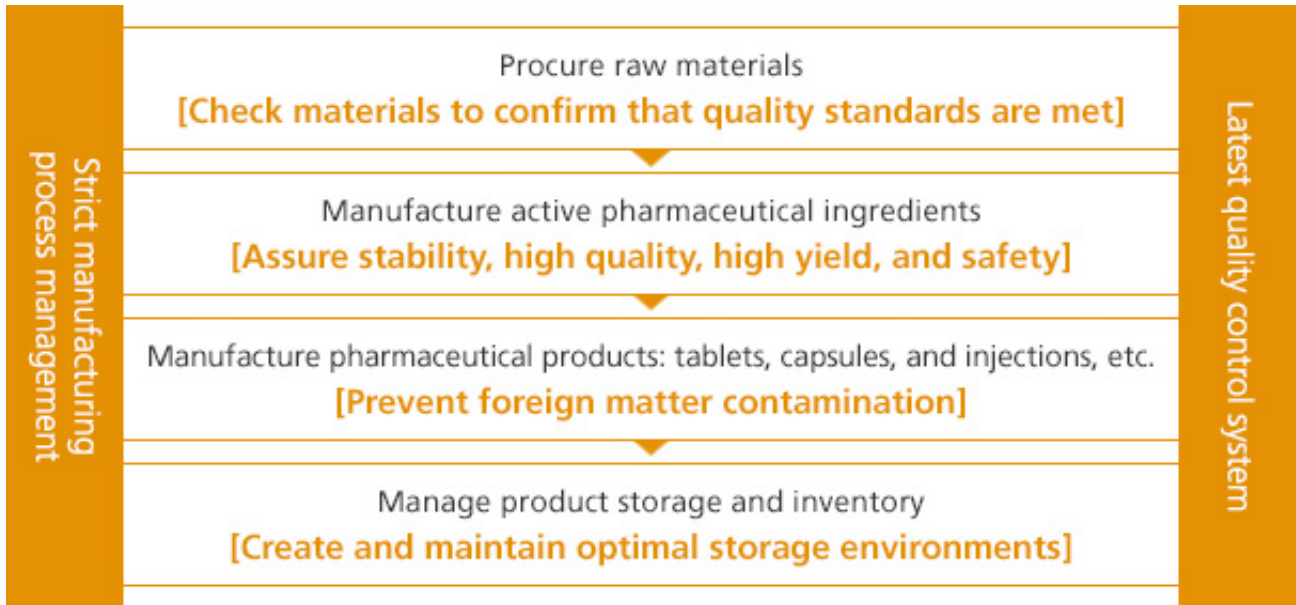
### Pharmaceutical Manufacturing Process

Mitsubishi Tanabe Pharma continuously strives to improve and attain high quality manufacturing, thus supplying premium quality products which patients and healthcare professionals can use safely and with peace of mind. As one facet of those initiatives, the Production Technology & Supply Chain Management Division closely works together with the Group's manufacturing plants, from the early development stages up to the market launch of new pharmaceutical products. The division also collaborates in the development of production technologies designed to enhance quality and reduce manufacturing costs. In addition, at the Group's manufacturing plants (three in Japan and four overseas) and partnering subcontracted manufacturers, we are currently networking a Global Supply Chain Management system which will ensure a stable product supply for the growing market population around the world.

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

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

The Company strictly manages product quality through acceptance test of raw materials that are procured both domestic and global, its manufacturing method and testing method of active pharmaceutical ingredients and pharmaceuticals in accordance with good manufacturing practices (GMP). In the manufacturing of pharmaceuticals, we draw on the wide range of technologies and original know-how that we have cultivated over many years as a global pharmaceutical enterprise.



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

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

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

#### Measures to Prevent Medical Errors

##### Printing the product name on both sides of tablets

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



Canalia Combination Tablets include the product name on the tablets.

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

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



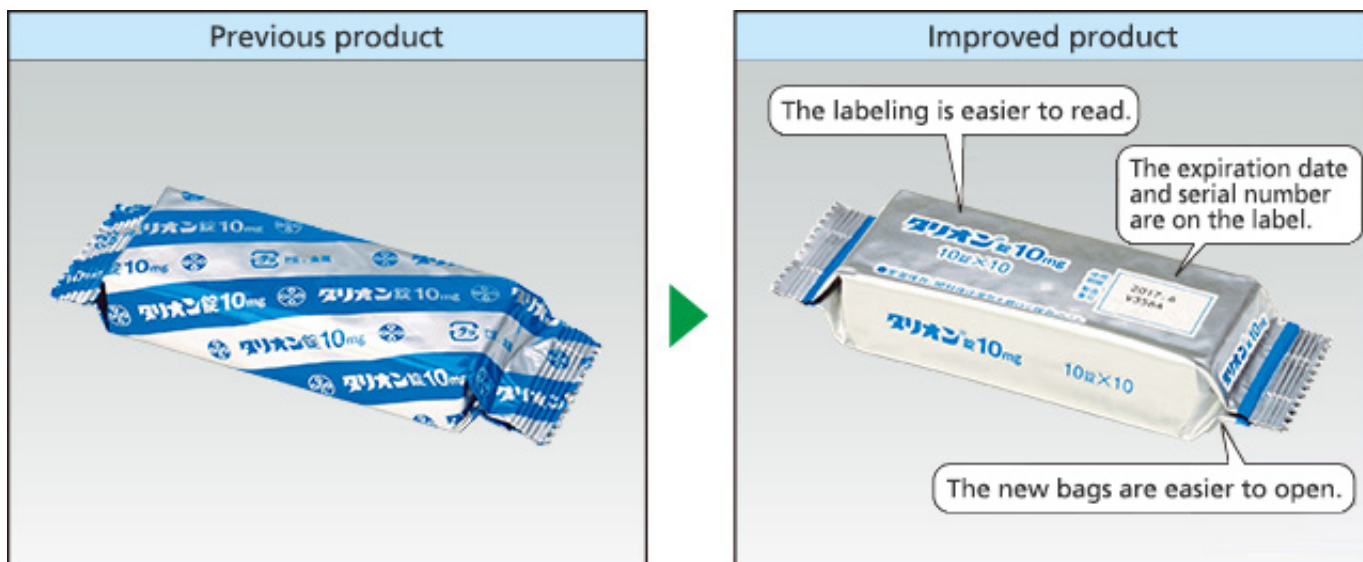
Example of a product name and content displayed on each pocket

## Measures to Make Drugs Easier to Use

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

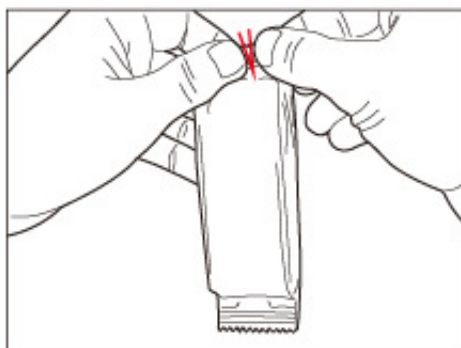
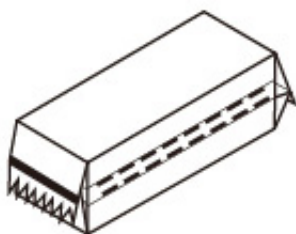
We are also working actively to improve the ease of use of pharmaceuticals. Medical institutions provided feedback that the aluminum bags containing the pharmaceutical packaging sheets (PTP sheets) were difficult to open and it was not easy to take out the product. In response, we worked in cooperation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

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

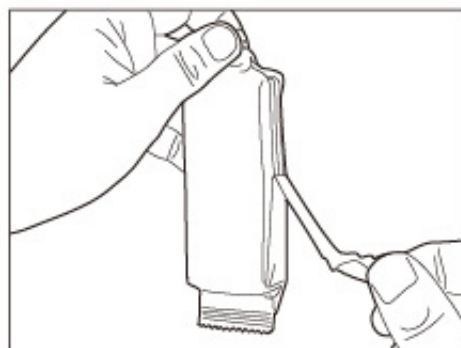


(Talion Tablets 10mg 10-tablet PTP sheets)

<Easier to open!>



1. Tear an opening.



2. Pull down.

(Perforations were added on the side.)

### Using Packaging Initiatives to Provide Explanations of How to Take Medicine

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



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



From the QR code



### Manufacturing System in Asia Other than Japan

In Asia, we have manufacturing/sales bases in China, South Korea, Taiwan, and Indonesia, and we provide products that meet the quality standards and market needs in each country.

The pharmaceutical markets in the ASEAN region are expected to record strong growth. To meet this growing demand, P.T. Tanabe Indonesia has increased its 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.

Mitsubishi Tanabe Pharma Korea Co., Ltd., a local company in South Korea, is manufacturing high-quality injections and other pharmaceuticals as a PIC/s GMP level manufacturing facility. It is providing an ongoing supply not only to South Korea but also to Europe, Japan, and China. In addition, we are working to make social contributions in order to create a better environment. These initiatives include carrying out environmental improvement activities by reducing air pollutants in emissions and implementing measures to prevent pollutants; advancing energy-saving, etc., through the use of high-efficiency electrical equipment; and actively participating in campaigns to create attractive industrial parks for the purpose of environmental improvement in local communities.

Furthermore, in China Tianjin Tanabe Seiyaku is manufacturing oral preparations for the domestic market. For Herbesser tablets and other products manufactured and sold by Tianjin Tanabe Seiyaku, production and testing technologies have been transferred from Japan and they are produced with the same technologies and the same quality.

In the future, the Group will continue working to expand business in Asia, a growth market. By providing a stable supply of high-quality products, we will strive to continue contributing to people's health and to establish a position as a socially responsible company.

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



Mitsubishi Tanabe Pharma Korea's Hyangnam Plant



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 drugs even in crisis situations, such as a major disaster. In addition, even if one distribution center becomes inoperable at any time, the other distribution center will be able to provide a continued supply of pharmaceuticals to customers.

The distribution centers employ an inventory control system that accurately and carefully monitors incoming and outgoing shipments and inventory control procedures in lot units. The introduction of the inventory control system enables the Company to appropriately store and control 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 distribution center facilities and equipment. In this way, we aim to enhance the skills of each employee and to reduce human error. At the same time, by heightening awareness of pharmaceutical distribution extending all the way to the patient, we are working to build a system that can maintain a secure, safe, and stable supply of drugs.

## Quality Control in the Distribution Process

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

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

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



## Information Provision

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

The Mitsubishi Tanabe Pharma Group employs about 1,500 medical representatives (MRs) in Japan (excluding specialized MRs). 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 March 2018, Mitsubishi Tanabe Pharma co-sponsored the Nikkei Health Seminar 21 held by newspaper publisher Nikkei Inc. This seminar covered shingles, which involves skin rash, varicella-shaped inflammation, and intense, lasting pain. The participants heard presentations from experts, and learned that shingles is an infectious disease that can be prevented. In addition, in the panel discussion, topics included points to be paid attention to in patients' daily lives, and the participants deepened their understanding of the pathology of shingles and of the importance of prevention through vaccination. Moving forward, the Company will continue to provide disease information by holding seminars.



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 through TV commercials and websites. Of these, the Hifu No Koto Site provides information to support self-medication, based on the opinions of experts, such as doctors and pharmacists. The site has been accessed by many people, and currently it is one of Japan's largest skin-related portal sites.



Mitsubishi Tanabe Pharma's website on dermatological issues (Japanese only)

## Overseas Marketing Activities

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

Radicava was approved as a treatment agent for ALS in the U.S. in May 2017 and launched in August. It is marketed by Mitsubishi Tanabe Pharma America. The Searchlight Support initiative was established to provide support to patients who have been prescribed Radicava. In line with the needs of each patient who has been prescribed Radicava, the programs provided through Searchlight Support will include treatment management, insurance reimbursement support, and 24/7 clinical nursing hotline support. In these ways, we are supporting ALS patients.

In March 2018, sales of diabetes treatment agent Canaglu began through local companies Taiwan Tanabe Seiyaku and Tai Tien Pharmaceuticals. In April 2018, sales symposiums were held in Taiwan's three largest cities. A key opinion leader (KOL) was invited from Japan, and a meeting was held to provide the latest knowledge. There was a lively question period, and we learned about the high level of interest in Canaglu. In this way, the Group will strive to continue to contribute to the health of people around the world providing a wide range of support and high-quality information, including the latest information, that meets the needs of patients.





## Providing Information through Websites

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

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



Health support website (Japanese only)

## Providing Comprehensive Information through the Medical Information Center

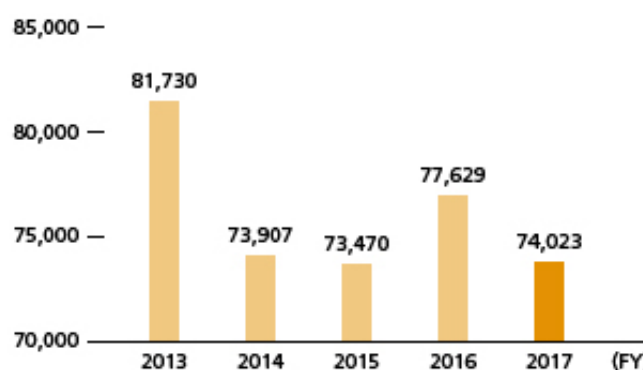
Mitsubishi Tanabe Pharma has established its own Medical Information Center to respond directly to inquiries from patients and healthcare professionals (physicians, pharmacists, wholesalers, and others). For patients, this is the only company information center. With a motto of "reliable, accurate, and 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.

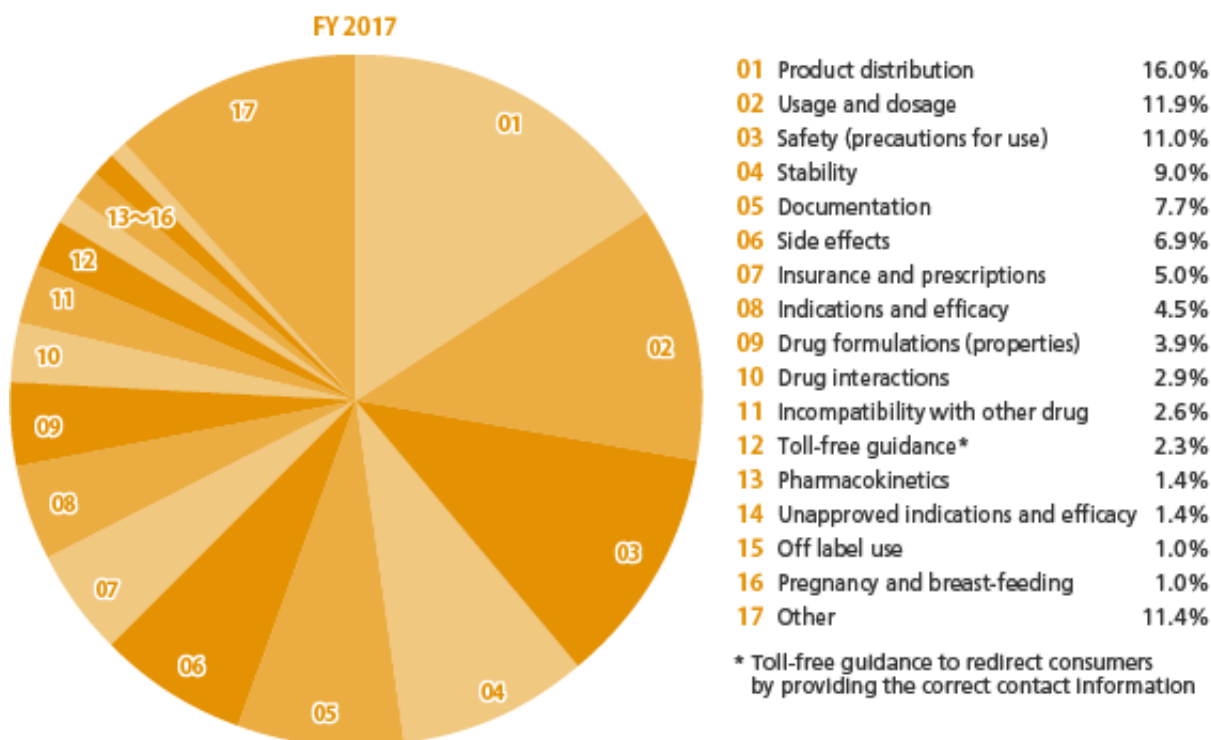
In addition, since October 2017 we have been building a framework for effectively sharing within the Company the valuable information that is collected by the center. We are working to reflect customer feedback in the further improvement of products and in the future discovery of new products.

Number of Inquiries to the Medical Information Center



The center is a part of the "Ikuyaku. Integrated Value Development Division," which was split off from the Sales and Marketing Division. The center has been given the mission of medically 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





## 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 are providing 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

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

## 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 these activities help prevent the expansion of adverse reactions from new drugs and promote appropriate usage on the medical front lines.

Radicut (Japan product name), which was discovered by the Company, was approved in Japan in 2001 as treatment agent for the acute stage of cerebral infarction and has been in use for more than 15 years. Subsequently, it acquired an additional indication in Japan for ALS in 2015, and it was approved as an ALS treatment agent in South Korea in December 2015 and in the U.S. in May 2017 (U.S. product name: Radicava). Currently, we are advancing global initiatives with a view to other countries and regions. When Radicava is used overseas, it is used in a medical environment that is different from that in Japan, and accordingly it will be necessary to exercise caution in safety management.

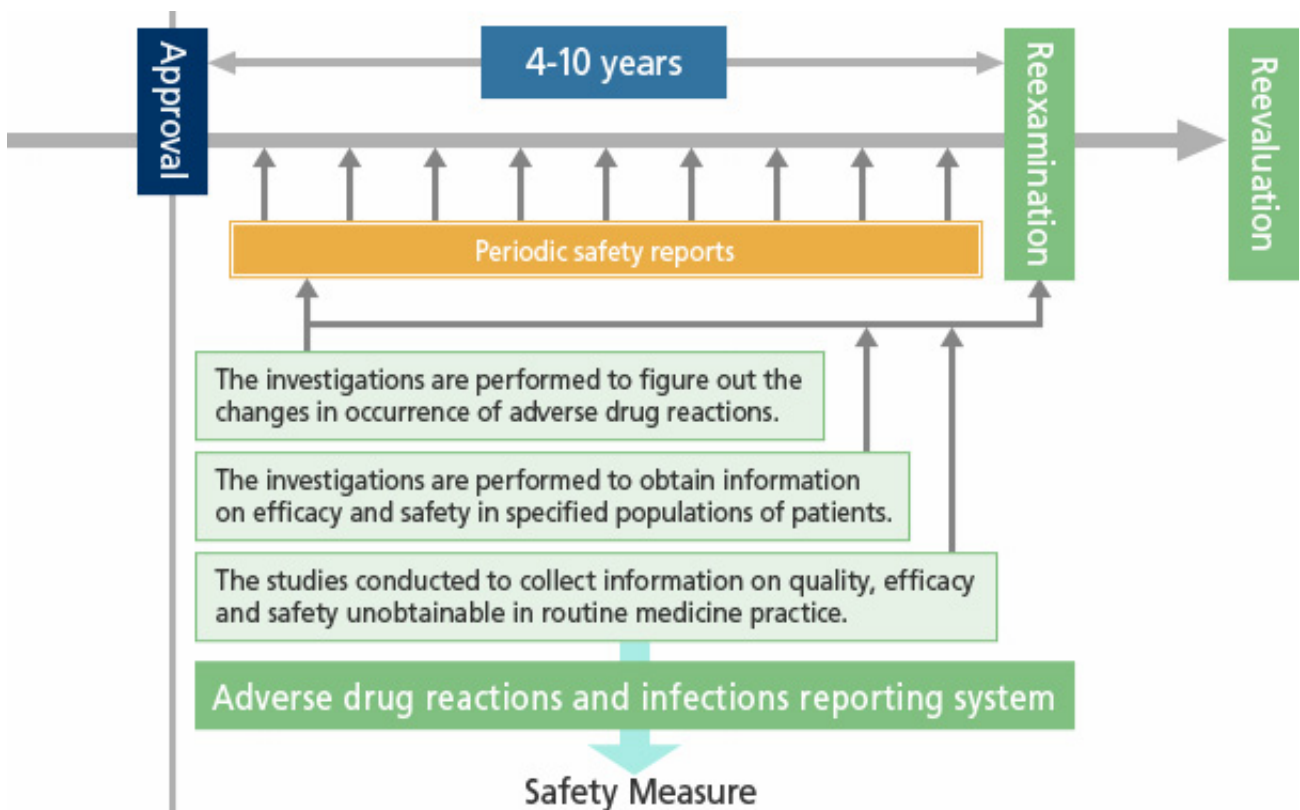
Based on the abundant safety information that we have accumulated in regard to Radicut, we have valuable experience in promoting proper use. Making full use of that experience, and giving consideration to the overseas regulatory and medical environments, we will work to collect and provide safety information 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 actual manufacturing practice and the description in the Marketing Approval Certificate, 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 collaboration with production bases and reinforce checking systems, and we will regularly confirm the actual Manufacturing Practice and the description in the Marketing Approval Certificate. In addition, through collaboration with related in-house units, we will ensure that we have an appropriate system for change management implementation. Furthermore, in accordance with self checks conducted by manufacturing plants and surveys conducted by Mitsubishi Tanabe Pharma, we will work to rectify/improve the situation if there are any deficiencies, implement thoroughgoing measures to prevent a recurrence, and secure pharmaceutical quality.

## Pharmaceutical Safety Education

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

In fiscal 2017, we conducted training on variety of themes, such as pharmaceutical safety using lessons learned from incidents of health problems caused by pharmaceuticals, pharmaceutical benefits and risks, pharmaceutical company activities implemented to appropriately manage pharmaceutical risk, etc. We discussed what could be done by people who work at pharmaceutical companies. By learning from past drug induced suffering, we renewed our pledge to prevent the recurrence of drug induced suffering, and re-recognized the need for risk sensitivity and an ethical viewpoint in daily activities. In addition, we re-recognized the importance of always acting with the highest priority on the safety of patients in all our business activity processes, including being aware that pharmaceutical safety management is a social duty of pharmaceutical companies and doing our utmost to advance appropriate usage.



## VOICE

**We will take on the challenge of creating new value in the fields of medicine and healthcare.**



Yurika Kino  
Future Design Department

With the objective of fostering "disruptive innovation" in the pharmaceutical business, the Future Design Department is advancing a transformation to a data-driven company with a view to the use of medical big data. In addition, utilizing AI, IoT, and other digital technologies, we will work to create new treatment methods that transcend the pharmaceutical industry's conventional pharmaceutical categories. In fiscal 2018, we will start an accelerator program. With the key words of "creating the future of healthcare," we will build a business model that transcends the conventional pharmaceutical business framework and strive to contribute to the happiness and health of patients and those around them.

We are also participating as a theme leader company in #thinkexpo2025, a project to foster ideas for supporting Osaka's bid for the World Expo 2025. When Osaka's bid for the Expo was announced, it was stated that through the World Expo 2025, Japan would become a frontrunner in the achievement of the SDGs and contribute to global sustainable development. The Mitsubishi Tanabe Pharma team is aiming for Goal 3 of the SDGs — Ensure healthy lives and promote well-being for all at all ages. Our young employees are generating ideas targeting adoption at the Social Innovation Forum and commercialization in the Future Design Department.

Aiming for Around the Pill, Beyond the Pill, we will take on the challenge of creating new value in the fields of medicine and healthcare through combinations with technologies and businesses that were not a part of the conventional pharmaceutical business.

\* SDGs refers to the Sustainable Development Goals for achievement by 2030 that were adopted by the United Nations in 2015.



## Declaration on Corporate Citizenship

### Declaration on Corporate Citizenship

The Mitsubishi Tanabe Pharma Group aims "to contribute to the healthier lives of people around the world through the creation of pharmaceuticals and to be a global research-driven pharmaceutical company that is trusted by communities." In addition to contributing to society through the pharmaceutical business, we 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



## Contributing to Medical Treatment and Welfare

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

### Support for Intractable Disease Patient Organizations

#### The Mitsubishi Tanabe Pharma Tenohira Partner Program

The Company believes in the importance of developing new drugs for refractory diseases and providing support for patients with diseases and their families. Accordingly, in 2012 we established the Mitsubishi Tanabe Pharma Tenohira Partner Program. This program provides aid for the activities of associations and support groups for patients with intractable diseases. These organizations work to improve patients' medical treatment, education, and career prospects and to enhance their quality of life. In fiscal 2017, support was provided to 17 organizations.

Meetings were held on October 19, 2017 (Head Office) and October 25, 2017 (Tokyo Head Office), to report on the fiscal 2016 activities of organizations receiving assistance under the Tenohira Partner Program (15 organizations, 19 people). At these meetings, participants shared opinions about the possibilities of "collaboration" that transcends disease, common problems, asking for outside volunteers, etc. The daily lives of patients and their families are irreplaceable and should not simply be spent fighting disease. The Tenohira Partner Program strives to support people fighting disease, to assist them in finding more joy and satisfaction in their lives, and to help them realize their dreams and hopes for the future. On that basis, we will continue to offer support. In fiscal 2018, we established a framework for "small-amount grants" for organizations that have recently started and do not yet have extensive track records of activities, and we provided support to 21 organizations.



Meeting to report on support operations



Free discussion



## Volunteer Projects in the Company's 10th Year — Using the 10-Year Turning Point to Demonstrate Our Gratitude to Society

In October, 2017, the Company marked the 10th anniversary of its establishment. We formulated a plan to encourage employees to leverage this turning point to make a leap forward, and we launched the Decade-Milestone Project (DMP), which will be implemented on a Companywide basis. As one part of the DMP initiative, we implemented a volunteer project to support patients with ALS, for which the Company provides a treatment agent. This event was planned as an opportunity to demonstrate our gratitude to society, which has supported the Company's growth, and to facilitate volunteer activities. Comments from employees who participated included "Through interaction with patients who have intractable diseases, such as ALS, I was impressed with the courage of those who are fighting these diseases," and "This opportunity increased my own motivation in regard to drug discovery."

### Participation in "Walk to Defeat ALS"

In June and October 2017, Group company employees and family members from Japan and the U.S. participated in the Walk to Defeat ALS, an event sponsored by the ALS Association, an organization for patients with ALS.

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 not only to contribute to charity but also to experience support activities in the U.S. together with friends from MTPA and to cultivate the spirit of advocacy.



Ribbon-cutting ceremony



Participating employees from Japan and the U.S.



Employees walking together in matching t-shirts

## Trade Yells Project — Inviting ALS Patients to a Baseball Game

On August 2, 2017, we invited ALS patients to Kyocera Dome as part of an ALS disease education project. This project, which was a one-day sponsor of the Orix Buffaloes game, was based on the idea of helping ALS patients to relax and enjoy watching a baseball game. In line with the idea of Company employees and patients mutually cheering and yelling at the game, this initiative was named the "Trade Yells Project." The event was very lively, with a total of 74 people participating, including patients and their families, healthcare professionals, and Company volunteer staff. The Company's original character, Tanamin, also participated. The objectives of this event were to enhance the understanding of ALS among the many people who came to watch the baseball game and to see smiles on the faces of patients and their families. We were able to achieve those objectives, and the employees who participated all enjoyed the day. We received expressions of gratitude and thanks from the patients who participated in the project, which was an opportunity for us to recognize once again the importance of social contribution.



First pitch ceremony with patients and their families



Children taking commemorative photographs with Tanamin at the ALS education booth



Company volunteers

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

On May 26, 2017, as one part of corporate citizenship activities, we donated OTC medicines, etc., to Kodomo-nokuni (Children's Land) in Yokohama City. Kodomo-no-kuni is a natural amusement park that utilizes a thickly wooded area of approximately 100 hectares in the Tama Hills area of Yokohama City. It was opened in 1965 in commemoration of the wedding of His Majesty the Emperor. Since 1971, for 46 consecutive years the Company has contributed OTC products and made other contributions to Kodomo-no-kuni.

Mr. Matsumura, the manager of the General Affairs Department, expressed thanks for the receipt of a large quantity of pharmaceuticals each year. He said that injuries are an unavoidable part of children playing in nature, and that the medicines donated by the Company were very helpful.

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



Donation of OTC drugs



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

## Participating in the "Osaka Great Santa Run"

Since 2014, the Company has supported the Osaka Great Santa Run, a charity event for children who are fighting disease. At the event, which was held on December 3, 2017, we provided Aspara Drink, a Company product, to participants. Sixteen employees and family members participated as distribution volunteers/runners. The volunteers were kept busy opening and then disassembling the cases of Aspara Drink and distributing the drinks to runners who were drawing near to the goal line. When distributing the drinks, the volunteers enjoyed the feedback from runners, such as "Thank you," "I am very pleased," and "It was delicious." Volunteers and participants were able to enjoy a sense of unity.

\* The Osaka Great Santa Run is a charity event in which certain participants wear Santa Claus costumers, run around Osaka Castle Park, and distribute Christmas presents to children who are fighting disease. The Christmas presents were delivered to children in hospitals, principally in Osaka Prefecture.



A photograph corner with the Company's original character Tanamin was very popular.



Volunteers enjoying the activities.



Osaka Castle Park was filled with people in Santa Claus costumes.

## Participating in the Tough Mudder Race

On April 28, 2018, a total of 19 Mitsubishi Tanabe Pharma Europe Ltd. (MTPE) employees and family members participated in the Tough Mudder Race, a charity event held in the suburbs of London, England. MTPE collected donations from the race participants, employees, family members, and friends, and donated a total of £ 2,900 (approximately 440,000 yen) to the Meningitis Research Foundation and the Alzheimer's Society, which were selected from a number of charity organizations that received donations through the sponsoring of this event. In addition, the challenging race involves clearing 24 obstacles while running a course of about 20 kilometers with uphill and downhill sections. Teamwork is the key for obstacles that cannot be cleared by a person trying on their own. Participants wore t-shirts made for this event, which fostered a sense of unity. It was cold on the day of the event, with a high temperature of 10 degrees Celsius. Nonetheless, many colleagues from MTPE showed up and provided strong support for the participants, and after five hours of hard effort, everyone crossed the goal line. Participation in this charity event further strengthened the connections among employees.

\* In the UK, at the London Marathon and other sporting events, donations are always collected for charitable organizations. In addition, there are also events in which the right to participate is based on donations to charitable organizations.





## Blood Donation

According to the Japanese Red Cross, about 3,000 patients in Japan receive blood transfusions each day. Because the blood that is used cannot be artificially produced or stored for long periods of time, in order to secure the blood that is needed for transfusions, there is said to be a need for approximately 15,000 people to donate blood each day.

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

Overseas, Tanabe Indonesia's Bandung Plant is participating in blood donation activities in cooperation with the Indonesian Red Cross Society. Donation activities were implemented four times in fiscal 2017, and more than 190 employees cooperated in the donation of blood.



Blood donation at the Yoshitomi Plant



Blood donation site at P.T. Tanabe Indonesia

## Contributing to Developing Countries

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

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

In May 2015, through the GHIT Fund, the Company provided its pharmaceutical compound library (50,000 compounds) to 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, we will continue working to contribute to the health of people around the world, including contributions to the treatment of infectious diseases in the developing world.

## TABLE FOR TWO (TFT)

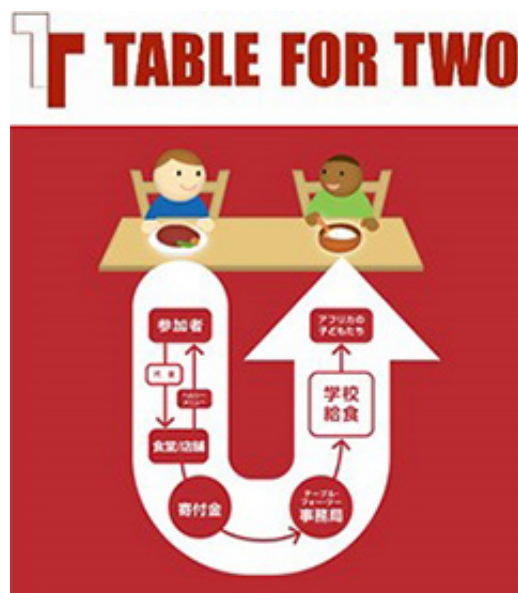
TFT is a social contribution activity that originated in Japan. It is aimed at simultaneously resolving the problems of hunger in developing countries and the problems of obesity and lifestyle-related diseases in industrially developed countries. At the employee cafeterias, when employees eat low-calorie meals that help prevent obesity, through TABLE FOR TWO International, ¥20 of the price is allocated to the cost of school meals in developing countries, such as countries in Africa. Twenty yen is the amount of money needed to provide one meal in a developing country. We have introduced the TFT Program at the employee cafeterias at the Head Office and the Kashima Office (Osaka City). Also, at worksites, we have installed TFT vending machines, and a portion of the sales of drinks purchased from these machines is used to provide meals for children in developing countries.

Employees have given high evaluations to this initiative, in which they can readily participate and which enables children in developing countries and employees to improve their health at the same time.

In fiscal 2017, ¥135,858 was donated, and the cumulative total donated since the start of the activity reached ¥380,000. The school meals that are provided through donations are expected not only to help resolve hunger among children but also to increase school attendance rates and grades, lead to gains in the children's fundamental strength, and help prevent disease. In this way, these meals are playing an important role in helping to eliminate poverty. Moving forward, we will continue this initiative to help resolve hunger and poverty among children in developing countries.

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

FY	Contributions from the TFT menu	Contributions from TFT vending machines	Total
2017	¥115,980 (5,799 meals)	¥19,878 (994 meals)	¥135,858 (6,793 meals)



TFT framework



Food for children in Africa



TFT vending machines

**T** 加島食堂での給食寄付  
**1万食達成!**

**Thank you for your TABLE FOR TWO**

みなさんの温かいご支援が**1万食**に達しました。今後もTFTへのご参加をお願いします。

TFTメニューを選ぶと、アフリカの子供たちの給食1食分寄付されます

In January 2018, the Kashima Office reached 10,000 donated meals.

**感謝状**

ブロンズサポーター  
田辺三菱製茶株式会社様

皆さまからお寄せいただいたTABLE FOR TWOへのご支援により、飢餓や栄養不足にさらされているアジア、アフリカの多くの子どもたちに、温かい給食と未来への希望を届ける事ができました。継続的な力強いご支援・ご協力に心より感謝申し上げます。

2017年6月


 特定非営利活動法人  
**TABLE FOR TWO International**  
 代表理事 小 峯 真 久

Letter of thanks from TFT.

## 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 sold 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. The price of polio vaccine is only ¥20 per person. One book that is sitting on a shelf can protect two children from polio.

In fiscal 2017, as a result of aggressive initiatives at each worksite, the amount of donations reached ¥223,056, about 1.4 times the level in the previous year and equivalent to polio vaccines for 11,153 people. Moreover, from fiscal 2017, in addition to donations from employees, the Company is also participating in vaccine support through matching gifts. (Same amount: ¥223,155 donation). We will continue support activities as we aim for a future in which children in developing countries live healthy lives and have smiles on their faces.

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
2017	¥223,056 (employees) ¥223,056 (company matching)	11,153 doses 11,153 doses
Total	¥877,373	43,869 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



## 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), with the cooperation of a social welfare organization of Yodogawa, Osaka City, since 2013 the grounds have been provided for CP soccer tournaments and events, centered on the Osaka PAZ, a team based in Osaka. At the March 2018 tournament, which was the fifth time the tournament was held, people with intellectual and mental disabilities joined the teams, and eight teams participated, an increase of two teams from the previous year. There was also an inter-league match with local junior high school soccer athletes. In these ways, the scope of exchange with local residents was expanded in a way that transcends disabilities. Comments from the participating teams included "I am glad we were able to hold this match," "I am looking forward to next year," and "I would like to participate next time too." 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.



Together with CP soccer athletes



Employees were also active as referees (blue jacket)

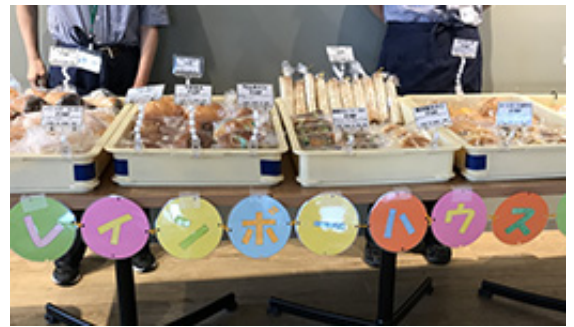


## Sales of Fresh-Baked Bread by Welfare Services Facility for People with Disabilities

Once every two months, the Head Office and the Kashima Office (Osaka) have been supporting direct sales of fresh-baked bread and cookies that are made at a welfare services facility for people with disabilities. At the Tokyo Head Office, 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.



(Head Office) Employees look forward to sales day



(Tokyo Head Office) The wide range of delicious bread was very popular



## Advancing Medicine and Pharmacology

### Support for Research Foundations

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

#### SENSIN Medical Research Foundation

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

In fiscal 2017, the foundation provided 100 grants with a total amount of ¥133.0 million. For further information about the supported research and grant recipients, please refer to the foundation's website. (<https://www.smr.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 2017, the foundation provided 129 grants with a total amount of ¥73.0 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 the Environment

### Greening of Office Surroundings

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

Fiscal 2017 greening and beautification activities

Worksite	Program name
Head Office	<ul style="list-style-type: none"> <li>Osaka Marathon Clean-Up Operation (office surroundings)</li> </ul>
Kashima Office	<ul style="list-style-type: none"> <li>Osaka Marathon Clean-Up Operation (office surroundings)</li> </ul>
Yokohama Office	<ul style="list-style-type: none"> <li>Hama-Road Supporter (office surroundings)</li> </ul>
Onoda Office	<ul style="list-style-type: none"> <li>Clean-up Japan Campaign (office surroundings)</li> </ul>
Yoshitomi Office	<ul style="list-style-type: none"> <li>Marine Day seashore cleaning (sponsored by Yoshitomi Town)</li> <li>Clean Operation (office surroundings)</li> </ul>
Hokkaido Branch	<ul style="list-style-type: none"> <li>Safety and cleaning event sponsored by neighborhood association of offices at Kita-Ichijo Street</li> </ul>
Chiba Branch	<ul style="list-style-type: none"> <li>Volunteer cleaning of exteriors at Chiba Chuo Twin Building and Chuo Park</li> </ul>
Shikoku Branch	<ul style="list-style-type: none"> <li>Clean Operation (office surroundings)</li> </ul>
Tanabe Seiyaku Yoshiki Factory	<ul style="list-style-type: none"> <li>Hida City zero garbage activities</li> <li>Cutting grass at the river near the office</li> </ul>
Taiwan Tanabe Seiyaku	<ul style="list-style-type: none"> <li>Cleaning activities in the area around the Hsinchu Industrial Park</li> <li>Seashore cleaning volunteer activity</li> </ul>
Tanabe Indonesia	<ul style="list-style-type: none"> <li>Planting and gardening in the area around the plant</li> </ul>
Mitsubishi Tanabe Pharma Korea	<ul style="list-style-type: none"> <li>Campaign create a beautiful pharmaceutical industrial park</li> <li>Cleaning activities at the plant and surrounding area on environment day</li> </ul>



Osaka Marathon Clean-Up Operation (Head Office)



Osaka Marathon Clean-Up Operation (Kashima Office)



Clean-up Japan Campaign (Onoda Office)



This was the 38th time this event was held, and 152 employees and family members participated (Yoshitomi Plant).



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



Campaign create a beautiful pharmaceutical industrial park (Mitsubishi Tanabe Pharma Korea Co., Ltd.)



Seashore cleaning volunteer activity (Taiwan Tanabe Seiyaku Co.,Ltd., Hsinchu Plant)



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 First Place in Environmental Beautification Awards

At the Hsinchu Industrial Park, where Taiwan Tanabe Seiyaku has a plant, some companies participate in cleaning activities near the site (national jurisdiction area: adjoining sidewalk, etc.) In fiscal 2017, our Hsinchu Plant participated in these activities and was awarded first place (previous year: 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). The top two in each region were entered in the Taiwan industrial region contest, and we received a prize for fourth place. Moving forward, we will continue to aggressively participate in environmental beautification activities, and in the future, we will aim to further improve our rank.



The awards ceremony



Awards object



## Contributing to the Advancement of Local Communities

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

### Mitsubishi Tanabe Pharma Historical Museum

In May 2015, the Company opened the Mitsubishi Tanabe Pharma Historical Museum on the second floor of the Head Office in Doshomachi, Osaka, which is known as the "pharmaceutical district." Visitors can learn about the history of the Company, which was founded in 1678, and the history and culture of Doshomachi. In addition, using 3D images and touch panels, visitors can learn about such topics as the structure of the human body and how pharmaceuticals work. In the three years since its opening, more than 20,000 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 :<https://www.mtpc-shiryokan.jp/en/>

## Yoshitomi Summer Festival

In August 2017, the Yoshitomi Plant (Fukuoka Prefecture) hosted the Yoshitomi Summer Festival, which is a venue for exchange with members of the local community, on the grounds of the plant. The August 2017 festival was the 44th time this regular local event was held. With perfect weather on the day of the festival, more than 2,100 local residents, employees, and their family members gathered. The day was filled with a variety of performances, including summer Obon dances by children, children's dancing, Taiko drumming, 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.

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



Dazzling dance stage



Children always enjoy visiting the store.



The crowd cheered for the grand finale fireworks show.

## Regional Activation Initiatives in Pharmaceutical District / Doshomachi

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

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

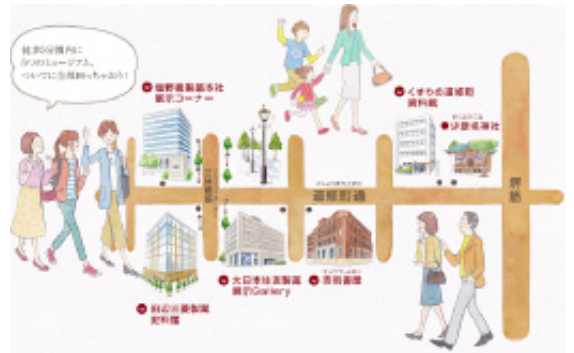
Furthermore, as an everyday initiative, in cooperation with other Doshomachi exhibition facilities related to pharmaceuticals, we are rolling out a publicity activity under the name Doshomachi Museum Street. The community will work to provide information so that large numbers of people visit Doshomachi,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



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



Rakugo event offered in collaboration with the Shinno-sai Festival



Doshomachi Museum Street



## Collaborating with Regional Organizations

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

In fiscal 2017, to maintain and develop the community, centered on Doshomachi, we worked in collaboration with Osaka City and local communities and discussed proposals for rules and road maintenance. There are plans to eliminate telephone poles / electrical wires on Doshomachi streets in order to reduce damage in the event of a large earthquake and enhance the scenery. For these plans, the aim is to complete street work in Doshomachi (2-chome, 3-chome) in fiscal 2020. We will work to advance this project while coordinating with government entities, related authorities, local neighborhoods, land owners, and related companies.

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, for members we sponsored a yakuzen (cooking with herbal medicine) class, and for the public we also sponsored open lectures about anti-aging. In these ways, we worked to foster exchange, and a large number of participants enjoyed these events.

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.



The Doshomachi Club

WEB (Japanese only) : <https://doshomachi-club.org/>



The third ordinary general meeting was attended by local town councils, companies, organizations, tenants, individuals and other members.



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



## Activities Addressing Social Needs

### Developing the Next Generation

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

#### Educational Activities at Schools

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. At the Kashima Office, each year Company employees visit nearby junior high schools as lecturers to provide lessons about the business operations of pharmaceutical companies. In scientific experiments, students show great interest as they watch orally disintegrating tablets break down in water. Moving forward, we would like children, who will support the next generation, to understand the enjoyment, satisfactions, challenges, and value of work.



Company employee wears a lab coat to deliver a lecture.

## 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, four students participated in a workplace experience event for the Osaka Higashi Junior High School and learned about the operational administration of the Company's Historical Museum. The students created the Mitsubishi Tanabe Pharma Doshomachi Historical Museum Story, which is narrated by the Company's original character Tanamin, and this is available for viewing on the museum's web site.



Four friends enjoy work-site experience learning initiative at the Mitsubishi Tanabe Pharma Historical Museum (Head Office)



Elementary school students are transfixed by the use of a robot in packaging operations (Yoshitomi Plant)



Students were also able to experience TV conferencing (Toda Office)



Students from Furukawa Junior High School learn about the process of making pharmaceuticals, etc. (Tanabe Seiyaku Yoshiki Factory Co., Ltd.)

## Disaster Reconstruction Aid

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

### Support for Areas in Northern Kyushu Damaged by Torrential Rains

To assist in the relief efforts for people in northern Kyushu affected by the torrential rains that started on July 5, 2017, and to help in the reconstruction of the affected areas, the Company donated ¥3 million through the Community Chest of Fukuoka, a social welfare corporation.

### Support for Areas Damaged by the Earthquake in Northern Osaka Prefecture

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

## Support for Areas Affected by Torrential Rains in July 2018

To assist in the relief efforts for people affected by torrential rains in western Japan in July 2018, and to help in the reconstruction of the affected areas, the Company donated ¥5 million through Japan Platform, a specified nonprofit corporation. Furthermore, donations were collected from employees, and the Company and the labor union made matching gifts. In addition, to support the volunteer activities of employees in the regions affected, we are promoting the utilization of a volunteer leave system and paying up to ¥20,000 for transportation expenses.

## Implementing Sales Events for Products from Tohoku and Kumamoto

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



Tohoku Market (Head Office)



Fukushima Prefecture Mascot Kibitan makes an appearance (Tokyo Head Office)

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

In March 2018, the Company cooperated with the Japanese Red Cross Society's "We Will Never Forget" ~ Link to the Future Disaster Damage Prevention/Reduction 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 and to increase awareness of disasters that could occur in the future.

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



Implementing information provision activities while wearing project badges



Posters and the "I Will Not Forget" initiative



## VOICE

### Taking on the Challenge of the Tough Mudder Charity Event, Working Together With Friends, and a Feeling a Special Sense of Achievement



Mr Ash Rahman  
Senior Project Manager,  
Clinical Operations,  
Clinical Development

Over the past year I have tried to increase my fitness and become healthier along with many individuals at Mitsubishi Tanabe Pharma Europe (MTPE). As part of my fitness goal I wanted to enter Tough Mudder challenge, but I knew that it would be amazing to complete the course as part of a team. As MTPE was also planning a team building event in 2018, after a short period, we quickly managed recruit a team of 15 MTPE colleagues and named ourselves "Mudderbishi Pharmas". We then had tailor made blue T-shirts ordered with Tanamin logos "Go for it" on our sleeves designed by Dr.Yo Azuma, and a fundraising website ready for our chosen charities designed by Ms.Rachel Guttridge.

Tough Mudder is a 10 mile run with over 20 epic obstacles, both natural and man-made. It's about camaraderie, challenging yourself and your team and achieving something extraordinary. (If you have the chance to do it, you should!)

MTPE colleagues, friends and family raised in total over £ 2,900 for Meningitis Research Foundation and the Alzheimer's Society. This is above and beyond our target of £ 2,000.

Both of these charities are really close to our hearts. A member of our team, and his wife tragically lost their son Myles to Meningitis. We hope that what we're doing will help raise awareness of this terrible disease and will fund research to help children like Myles and their families. Alzheimer's is also a disease that has hurt those dear to us, and we hope to help raise money to help all those who are sufferers and their loved ones.

We all have our own social responsibilities towards each other at home, in our communities and at work. I hope we can continue these efforts and turn this into an annual tradition at MTPE. I very much look forward to the next event in 2019!



## 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.

#### Dow Jones Sustainability Indices (DJSI)

The DJSI are socially responsible investment indices developed by Dow Jones and RobecoSAM. Corporate sustainability is evaluated each year based on economic, environmental, and social factors, and companies with superior overall performance are selected as component companies. In September 2018, Mitsubishi Tanabe Pharma was selected for the first time for DJSI Asia Pacific, the Asia Pacific subset of the DJSI.



#### 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 six times, including in 2018.



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 three 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. Following 2017, Mitsubishi Tanabe Pharma was selected for the second consecutive year.



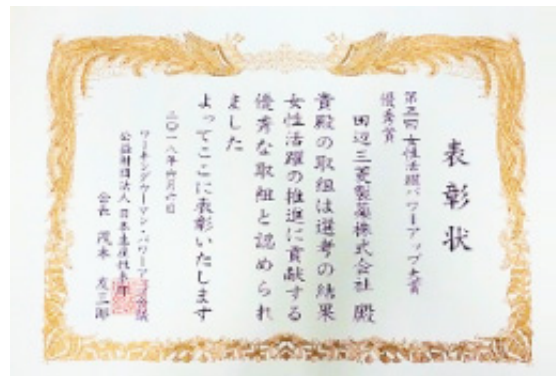
Acquisition of Certification as a Leading Company in the Support of Active Careers for Women

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



### Receipt of Award of Excellence at the 3rd Working Women Empowerment Awards

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



### Receipt of Award at Yokohama Global Warming Countermeasures Awards

In accordance with city regulations, under the Yokohama City global warming countermeasure plan, the city awards companies that have implemented superior initiatives to control greenhouse gas emissions. In fiscal 2015, the Yokohama Office received an award for its achievement of a 10% year-on-year reduction in a CO<sub>2</sub> emissions intensity indicator through the efficient operation of air conditioning equipment and energy-saving measures.



### Receipt of Excellence Award in the Environmental Report Section of the 21st Environmental Communication Awards

The purpose of the Environmental Communication Awards is to promote initiatives by companies and other organizations in the fields of environmental management and environmental communications and to enhance the quality of environmental information disclosure by recognizing excellent environmental reports and environmental activity reports. This award program is jointly sponsored by the Ministry of the Environment and the Global Environmental Forum. The *Mitsubishi Tanabe Pharma Corporate Report 2017* and the *CSR Activities Report 2017* received the Excellence Award in the Environmental Report Section.



### Receipt of Award Under Kansai Eco-Office Encouragement Award Program

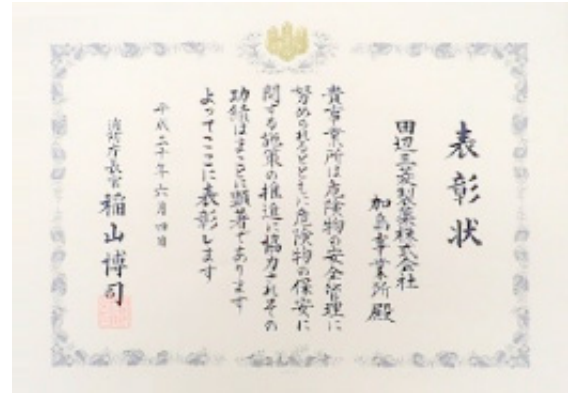
The Kansai Eco-Office Award is sponsored by the Union of Kansai Governments, which comprises multiple prefectures and ordinance-designated cities in the Kansai region. Under this award system, worksites that are conducting superior initiatives in the area of environmentally friendly activities are selected from among worksites participating in the Kansai Eco Office Declaration movement. We received the award due to high evaluations of our achievement of CO<sub>2</sub> emissions volume reductions through the introduction of advanced energy-saving facilities in the Head Office building and the greening of the grounds and rooftop, as well as our aggressive CSR initiatives that contribute to the prevention of global warming through planting activities.





Kashima Office Receives Commissioner's Commendation from the Commissioner of the Fire and Disaster Management Agency as a Superior Hazardous Material Related Worksite

At the 2018 Hazardous Materials Safety Meeting, which was sponsored by the Fire and Disaster Management Agency (FDMA), the Japan Association for Safety of Hazardous Materials, and others, the Kashima Office (Osaka City), received a commendation from the Commissioner of the Fire and Disaster Management Agency as a superior hazardous material related worksite. This award is presented to worksites that do an especially superior job in regard to safety management in the handling of hazardous materials and to organizational safety management and safety education.



**Data**

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

Item	Data		
	FY2017	FY2016	FY2015
<b>Corporate Governance</b>			
Corporate Governance System			
Management System			
↳ Number of meetings of Executive Committee	Generally at least twice a month	Generally at least twice a month	Generally at least twice a month
↳ Number of directors	10	9	8
↳ (of which, outside directors)	3	3	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	401 million yen	486 million yen	442 million yen
<b>Risk Management</b>			
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
<b>Compliance</b>			
Compliance Promotion System			
Number of compliance promotion managers and personnel	136	168	200
Number of meetings of compliance promotion managers and personnel	Semiannually	Semiannually	Semiannually
Compliance Training			
List of Training Sessions			
↳ Companywide sessions			
↳ Times held	Once a year	Once a year	Once a year
↳ Number of participants	5,870	6,121	6,543
↳ Divisional sessions			
↳ Times held	Once a year	Once a year	Once a year
↳ Number of participants	5,888	6,236	6,071

↳ Top management seminars			
↳ Times held	1	1	1
↳ Number of participants	15	27	27
↳ New employee training			
↳ Times held	2	1	1
↳ Number of participants	April: 78 October: 40 (MRs only)	84	94
↳ Compliance understanding check			
↳ Times held	Twice a year	Twice a year	–
↳ Number of participants	February: 5,370 July: 5,730	February: 6,333 July: 5,740	–
Hotlines			
Number of Hotline Consultations			
↳ Workplace environment	13	–	–
↳ Treatment	6	–	–
↳ Embezzlement/breach of trust	0	–	–
↳ Laws, regulations, rules	7	–	–
↳ Other	5	–	–
↳ Total	31	–	–
Implementation of Employee Attitude Survey			
Frequency of Monitoring Compliance Awareness	Once a year	Once a year	Once a year
↳ Number of responses	5,297	5,401	6,224
↳ Response rate	94.0%	87.5%	90.4%

## Human Rights

Item	Data		
	FY2017	FY2016	FY2015
Initiatives for Employees			
Initiatives to Raise Human Rights Awareness			
Number of Entries in Human Rights Slogan Campaigns	210	353	353
Human Rights Awareness Promotion Committee			
↳ Number of headquarters committee members	12	9	10
↳ By region / by district	17	24	24

## Labor Practices

Item	Data		
	FY2017	FY2016	FY2015
Human Resources Development			
Basic Human Resources Policy			
Number of Employees (as of March 31)			
↳ Consolidated	7,187	7,280	8,125
↳ Unconsolidated	4,222	4,239	4,780
↳ Men	3,232	3,263	3,730
↳ Women	990	976	1,050

Number of new graduates hired *Entering company on April 1 of following year			
└ Men	30	34	28
└ Women	33	29	33
Number of mid-career employees hired	36	—	—
└ Men	35	—	—
└ Women	1	—	—
Number of Temporary Employees *MTPC Group (Japan)	252	343	297
Average Age of Employees	44.9	44.6	45.0
Average Years of Continuous Service for Employees	19.8	19.6	20.7
Employee turnover rate (excluding retired employees) *MTPC Group (domestic)	1.00%	1.73%	2.24%
<b>Promoting Diversity</b>			
<b>Actively Utilizing Diverse Human Resources</b>			
Number of Employees by Region			
└ Japan	5,233	5,473	6,325
└ North America	525	465	377
└ EMEA (Europe, Middle East, Africa)	191	102	130
└ Asia / Oceania	1,238	1,240	1,293
Percentage of Female Employees with Second Qualification or Higher (as of April 1)			
└ Number at Second Qualification or Higher *Equivalent to subsection managers	15.1%	13.8%	12.8%
└ Managers	7.8%	6.7%	5.4%
Percentage of Female Employees	20.2%	23.0%	22.0%
Number of Temporary Employees *MTPC Group (Japan)	252	343	297
<b>Supporting People with Disabilities in the Workplace</b>			
Employment Rate of People with Disabilities * Fiscal 2017: MTPC Group (domestic); fiscal 2015 and fiscal 2016: MTPC (non-consolidated)	2.08%	2.09%	2.43%
<b>Work-Life Balance Considerations</b>			
Utilization of Leave and Shorter Workdays for Child Care *MTPC Group (domestic)			
└ Child-care leave	100	53	59
└ Men	50	7	3
└ Women	50	46	56
└ Shorter workdays for child care	121	87	112
Utilization of Leave and Shorter Workdays for Nursing Care *MTPC Group (domestic)			
└ Nursing-care leave	2	2	1
└ Shorter workdays for nursing care	0	2	7
Usage of Paid Vacation Days *MTPC Group (domestic)			
└ Average number of days used	13.1	12.4	12.9
└ Average rate of use	61%	58%	60%
<b>Building Sound Labor-Management Relations</b>			
Employee turnover rate (as of March 31) *MTPC Group (domestic)	77.8%	77.7%	78.0%

Occupational Health and Safety			
Occupational Health and Safety Initiatives			
Rate of Accidents Causing Absence from Work			
└ Mitsubishi Tanabe Pharma Group	0.29	0.18	0.20
└ Pharmaceutical industry average	0.79	1.01	1.16
└ Manufacturing industry average	1.02	1.15	1.06
Industrial Accident Severity Rate *	0.0044	0.0002	0.0045
Number of Deaths due to Industrial Accidents	0	0	0
Percentage Receiving Health Examinations	95.8%	99.4%	72.7%
Percentage Receiving Stress Checks	100%	92%	82%

\* 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)

## Environment

Item	Data		
	FY2017	FY2016	FY2015
Environmental Management			
ISO 14001 Certifications			
Number of Sites with ISO 14001 Certification			
└ Domestic	2	2	2
└ Overseas	3	3	3
Environment-related Accidents / Problems and Status of Environment-related Legal and Regulatory Compliance			
Number of Environmental Accidents	0	0	0
Number of Environmental Incidents	0	0	1
Amount of Environmental Misconduct Fines	0 yen	0 yen	0 yen
Environmental Accounting			
Environmental Conservation Costs			
└ Invested			
└ Pollution prevention	56 million yen	12 million yen	8 million yen
└ Global environmental protection	0 million yen	156 million yen	1 million yen
└ Recycling and reuse of resources	0 million yen	13 million yen	2 million yen
└ Upstream and downstream activities	0 million yen	0 million yen	0 million yen
└ Administrative activities	0 million yen	22 million yen	3 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	0 million yen	8 million yen
└ Total	56 million yen	203 million yen	22 million yen
└ Expended			
└ Pollution prevention	305 million yen	307 million yen	327 million yen
└ Global environmental protection	52 million yen	51 million yen	41 million yen
└ Recycling and reuse of resources	175 million yen	147 million yen	227 million yen
└ Upstream and downstream activities	21 million yen	24 million yen	30 million yen
└ Administrative activities	163 million yen	181 million yen	236 million yen

└ Research and development	0 million yen	0 million yen	0 million yen
└ Community activities	1 million yen	1 million yen	0 million yen
└ Environmental damage compensation	9 million yen	10 million yen	10 million yen
└ Total	725 million yen	720 million yen	871 million yen
Environmental Conservation Effects			
└ Global environmental protection			
└ Greenhouse gas emission reduction	138 tons-CO <sub>2</sub>	937 tons-CO <sub>2</sub>	77 tons-CO <sub>2</sub>
Economic Effects Resulting from Environmental			
└ Conservation Measures	1.4 million yen	0.7 million yen	3.1 million yen
└ Sales of valuable materials	2.5 million yen	44.2 million yen	2.2 million yen
└ Electricity consumption reduced through energysaving measures	0.9 million yen	0 million yen	0 million yen
└ Total	4.8 million yen	44.9 million yen	5.3 million yen
Medium-Term Environmental Action Plan			
Medium-Term Environmental Action Plan			
Rate of Reduction in CO <sub>2</sub> Emissions in Comparison with Benchmark Year			
└ Domestic	37% (Compared with FY2010)	31% (Compared with FY2010)	52% (Compared with FY2005)
└ Global	29%	25%	—
Reduction Ratio of CO <sub>2</sub> Emissions Compared to the Previous Fiscal Year			
└ Domestic	9%	9%	12%
└ Global	7%	9%	—
Rate of Reduction in Amount of Waste Generated in Comparison with the Previous Fiscal Year (Domestic)	-106%	33%	40%
Final Waste Disposal Rate (Domestic)	0.37%	0.33%	0.55%
Rate of Reduction in Wastewater Output in Comparison with Benchmark Year			
└ Domestic	40% (Compared with FY2010)	10% (Compared with FY2010)	16% (Compared with FY2005)
└ Global	41%	13%	19%
Reduction Rate of Wastewater Output in Comparison with the Previous Fiscal Year			
└ Domestic	33%	-8%	14%
└ Global	33%	-8%	14%
Rate of Reduction in Handling Volume of Chemical Substances in Comparison with the Previous Fiscal Year			
└ PRTR substances	26%	4%	7%
└ VOCs (excluding PRTR substances)	-49%	20%	17%
Reduction Ratio of Chemical Substances Emissions in Comparison with the Previous Fiscal Year			
└ PRTR substances	44%	4%	4%
└ VOCs (excluding PRTR substances)	21%	1%	11%
Reduction Ratio of Toluene Emissions in Comparison with the Previous Fiscal Year	34%	-3%	—
Number of Group Worksites for which Environmental Safety Audits Were Conducted			
└ Domestic	6	7	7
└ Overseas	1	3	4
Number of Environmental Accidents	0	0	0
Number of Environmental Incidents	0	0	1

Overview of Environmental Impact / Third-Party Assurance

Input and Output at Group Worksites in Japan			
Input			
└ Energy			
└ Purchased electricity			
└ Domestic	97,455MWh	105,716MWh	110,426MWh
└ Overseas	21,278MWh	20,477MWh	21,224MWh
└ Global	118,733MWh	126,193MWh	131,650MWh
└ Gases			
└ Domestic	7,623,000 m <sup>3</sup>	8,709,000 m <sup>3</sup>	11,081,000 m <sup>3</sup>
└ Overseas	2,208,000 m <sup>3</sup>	1,791,000 m <sup>3</sup>	1,636,000 m <sup>3</sup>
└ Global	9,831,000 m <sup>3</sup>	10,500,000 m <sup>3</sup>	12,717,000 m <sup>3</sup>
└ Petroleum			
└ Domestic	4,761kL	4,272kL	3,750kL
└ Overseas	63kL	60kL	63kL
└ Global	4,824kL	4,332kL	3,813kL
└ Thermal equivalent			
└ Domestic	1,467,000 GJ	1,578,000 GJ	1,710,000 GJ
└ Overseas	307,000 GJ	282,000 GJ	288,000 GJ
└ Global	1,774,000 GJ	1,860,000 GJ	1,998,000 GJ
└ Water			
└ Supplied water / Industrial water			
└ Domestic	330,000 m <sup>3</sup>	342,000 m <sup>3</sup>	188,000 m <sup>3</sup>
└ Overseas	88,000 m <sup>3</sup>	95,000 m <sup>3</sup>	—
└ Global	418,000 m <sup>3</sup>	437,000 m <sup>3</sup>	—
└ River water			
└ Domestic	4,873,000 m <sup>3</sup>	7,302,000 m <sup>3</sup>	7,008,000 m <sup>3</sup>
└ Overseas	0,000 m <sup>3</sup>	0,000 m <sup>3</sup>	—
└ Global	4,873,000 m <sup>3</sup>	7,302,000 m <sup>3</sup>	—
└ Ground water			
└ Domestic	70,000 m <sup>3</sup>	229,000 m <sup>3</sup>	103,000 m <sup>3</sup>
└ Overseas	14,000 m <sup>3</sup>	12,000 m <sup>3</sup>	—
└ Global	84,000 m <sup>3</sup>	241,000 m <sup>3</sup>	—
└ Chemical Substances			
└ PRTR substances			
└ Domestic	142 tons	192 tons	201 tons
└ Overseas	1 tons	0.49 tons	—
└ Global	143 tons	193 tons	—
└ VOCs (excluding PRTR substances)			
└ Domestic	1,241 tons	833 tons	1,047 tons
└ Overseas	26 tons	5 tons	—
└ Global	1,267 tons	838 tons	—

Output			
└ Atmospheric Emissions			
└ CO <sub>2</sub>			
└ Domestic	84,751 tons	92,397 tons	100,836 tons
└ Overseas	15,612 tons	14,165 tons	16,137 tons
└ Global	100,363 tons	106,562 tons	116,973 tons
└ NO <sub>x</sub>			
└ Domestic	17.0 tons	20.1 tons	20.4 tons
└ Overseas	1.8 tons	2.4 tons	4.0 tons
└ Global	18.8 tons	22.5 tons	24.4 tons
└ SO <sub>x</sub>			
└ Domestic	6.0 tons	6.3 tons	6.3 tons
└ Overseas	0.4 tons	0.4 tons	0.8 tons
└ Global	6.4 tons	6.7 tons	7.1 tons
└ Particulate matter			
└ Domestic	0.3 tons	0.4 tons	0.3 tons
└ Overseas	0.0 tons	0.0 tons	0.1 tons
└ Global	0.3 tons	0.4 tons	0.4 tons
└ PRTR substances			
└ Domestic	3.3 tons	4.0 tons	4.6 tons
└ Overseas	0.0 tons	0.0 tons	—
└ Global	3.3 tons	4.0 tons	—
└ VOCs (excluding PRTR substances)			
└ Domestic	35.4 tons	41 tons	39 tons
└ Overseas	3.4 tons	0.0 tons	—
└ Global	38.8 tons	41 tons	—
└ Wastewater			
└ Wastewater output			
└ Domestic	5,276,000 tons	7,621,000 m <sup>3</sup>	7,850,000 m <sup>3</sup>
└ Overseas	67,000 m <sup>3</sup>	65,000 m <sup>3</sup>	62,000 m <sup>3</sup>
└ Global	5,342,000 m <sup>3</sup>	7,686,000 m <sup>3</sup>	7,912,000 m <sup>3</sup>
└ COD pollution load			
└ Domestic	34.9 tons	31.4 tons	31.2 tons
└ Overseas	0.0 tons	0.6 tons	—
└ Global	34.9 tons	32.0 tons	—
└ BOD pollution load			
└ Domestic	8.9 tons	7.8 tons	16.8 tons
└ Overseas	0.0 tons	0.0 tons	—
└ Global	8.9 tons	7.8 tons	—
└ Nitrogen			
└ Domestic	21.7 tons	17 tons	15 tons
└ Overseas	0.0 tons	0.0 tons	—
└ Global	21.7 tons	17 tons	—



└ Phosphorus			
└ Domestic	0.9 tons	0.8 tons	1.1 tons
└ Overseas	0.0 tons	0.0 tons	—
└ Global	0.9 tons	0.8 tons	—
└ PRTR substances			
└ Domestic	0.6 tons	2.9 tons	2.6 tons
└ Overseas	0.0 tons	0.0 tons	—
└ Global	0.6 tons	2.9 tons	—
└ VOCs (excluding PRTR substances)			
└ Domestic	13.0 tons	21 tons	16 tons
└ Overseas	0.0 tons	0.0 tons	—
└ Global	13.0 tons	21.0 tons	—
└ Waste			
└ Waste output			
└ Domestic	12,230 tons	5,936 tons	8,837 tons
└ Overseas	700 tons	640 tons	—
└ Global	12,930 tons	6,576 tons	—
└ Emissions			
└ Domestic	3,946 tons	2,648 tons	3,711 tons
└ Overseas	656 tons	626 tons	—
└ Global	4,603 tons	3,274 tons	—
└ Final disposal			
└ Domestic	45 tons	19 tons	49 tons
└ Overseas	467 tons	464 tons	—
└ Global	512 tons	483 tons	—
<b>Initiatives in Energy Conservation and Global Warming Mitigation</b>			
<b>CO<sub>2</sub>Emissions Reduction Targets and Results</b>			
<b>CO<sub>2</sub>Emissions</b>			
└ Domestic	80,000 tons-CO <sub>2</sub>	88,000 tons-CO <sub>2</sub>	95,000 tons-CO <sub>2</sub>
└ Overseas	16,000 tons-CO <sub>2</sub>	14,000 tons-CO <sub>2</sub>	16,000 tons-CO <sub>2</sub>
└ Global	95,000 tons-CO <sub>2</sub>	102,000 tons-CO <sub>2</sub>	111,000 tons-CO <sub>2</sub>
<b>Energy Consumption</b>			
└ Domestic	1,390,000 GJ	1,506,000 GJ	1,632,000 GJ
└ Overseas	307,000 GJ	282,000 GJ	288,000 GJ
└ Global	1,697,000 GJ	1,788,000 GJ	1,920,000 GJ
<b>Reduction Rate of Energy Consumption in Comparison with Benchmark Year</b>			
└ Domestic	48% (Compared with FY2010)	44% (Compared with FY2010)	44% (Compared with FY2005)
└ Global	40% (Compared with FY2010)	37% (Compared with FY2010)	—

Reduction Rate of Energy Consumption Compared to the Previous Fiscal Year			
└ Domestic	8%	8%	14%
└ Global	5%	7%	—
Strengthening Energy Management			
Energy Consumed and CO <sub>2</sub> Emissions by Mitsubishi Tanabe Pharma			
└ Crude oil equivalent			
└ Kashima Research Center	4,360kL	4,420kL	4,650kL
└ Toda Research Center	4,470kL	4,840kL	5,110kL
└ Yokohama Research Center	2,730kL	2,840kL	3,040kL
└ Head Office	420kL	450kL	460kL
└ Tokyo Head Office	210kL	210kL	210kL
└ Branches and sales outlets	970kL	940kL	950kL
└ Other	20kL	40kL	1,230kL
└ Total	13,180kL	13,740kL	17,600kL
└ Reduction rate compared to the previous fiscal year	4%	22%	7%
└ CO <sub>2</sub> emissions			
└ Kashima Research Center	8,780 tons-CO <sub>2</sub>	8,880 tons-CO <sub>2</sub>	9,540 tons-CO <sub>2</sub>
└ Toda Research Center	8,660 tons-CO <sub>2</sub>	9,530 tons-CO <sub>2</sub>	10,100 tons-CO <sub>2</sub>
└ Yokohama Research Center	5,310 tons-CO <sub>2</sub>	5,610 tons-CO <sub>2</sub>	6,050 tons-CO <sub>2</sub>
└ Head Office	840 tons-CO <sub>2</sub>	890 tons-CO <sub>2</sub>	940 tons-CO <sub>2</sub>
└ Tokyo Head Office	400 tons-CO <sub>2</sub>	400 tons-CO <sub>2</sub>	400 tons-CO <sub>2</sub>
└ Branches and sales outlets	1,970 tons-CO <sub>2</sub>	1,990 tons-CO <sub>2</sub>	2,060 tons-CO <sub>2</sub>
└ Other	40 tons-CO <sub>2</sub>	70 tons-CO <sub>2</sub>	2,530 tons-CO <sub>2</sub>
└ Total	26,000 tons-CO <sub>2</sub>	27,370 tons-CO <sub>2</sub>	35,530 tons-CO <sub>2</sub>
Energy Consumed and CO <sub>2</sub> Emissions by Mitsubishi Tanabe Pharma Factory			
└ Crude oil equivalent			
└ Onoda Plant	13,630kL	13,410kL	14,060kL
└ Yoshitomi Plant	7,650kL	8,140kL	6,210kL
└ Total	21,280kL	21,550kL	20,270kL
└ CO <sub>2</sub> emissions			
└ Onoda Plant	34,230 tons-CO <sub>2</sub>	33,970 tons-CO <sub>2</sub>	35,060 tons-CO <sub>2</sub>
└ Yoshitomi Plant	16,220 tons-CO <sub>2</sub>	18,010 tons-CO <sub>2</sub>	15,030 tons-CO <sub>2</sub>
└ Total	50,450 tons-CO <sub>2</sub>	51,980 tons-CO <sub>2</sub>	50,090 tons-CO <sub>2</sub>
Energy Consumed and CO <sub>2</sub> Emissions by Bipha Corporation			
└ Crude oil equivalent	940kL	3,100kL	3,800kL
└ CO <sub>2</sub> emissions	2,160 tons-CO <sub>2</sub>	7,290 tons-CO <sub>2</sub>	9,080 tons-CO <sub>2</sub>
Energy Consumed and CO <sub>2</sub> Emissions by Tanabe Seiyaku Yoshiki Factory			
└ Crude oil equivalent	450kL	480kL	460kL
└ CO <sub>2</sub> emissions	940 tons-CO <sub>2</sub>	990 tons-CO <sub>2</sub>	960 tons-CO <sub>2</sub>

Initiatives with Company Vehicles			
Number of company vehicles	1,965	1,841	1,924
└ Hybrid vehicles	1,451	1,399	1,415
└ CO <sub>2</sub> emissions from gasoline use in sales activities	5,170 tons	4,743 tons	5,212 tons
└ Reduction rate of CO <sub>2</sub> emissions from gasoline use in sales activities compared to the previous fiscal year	1.6%	9.0%	5.0%
Greenhouse Gas Emissions in the Supply Chain			
Greenhouse Gas Emissions: Scope 1			
└ Domestic			
└ Use of fuel at worksites	24,451 tons-CO <sub>2</sub>	26,030 tons-CO <sub>2</sub>	29,207 tons-CO <sub>2</sub>
└ Use of gasoline in vehicles used in sales activities, etc.	5,210 tons-CO <sub>2</sub>	4,773 tons-CO <sub>2</sub>	5,252 tons-CO <sub>2</sub>
└ Leakage of CFCs at worksites	759 tons-CO <sub>2</sub>	690 tons-CO <sub>2</sub>	128 tons-CO <sub>2</sub>
└ Domestic total	30,420 tons-CO <sub>2</sub>	31,493 tons-CO <sub>2</sub>	34,587 tons-CO <sub>2</sub>
└ Overseas			
└ Use of fuel at worksites	5,357 tons-CO <sub>2</sub>	3,954 tons-CO <sub>2</sub>	3,848 tons-CO <sub>2</sub>
└ Global	35,777 tons-CO <sub>2</sub>	35,447 tons-CO <sub>2</sub>	38,435 tons-CO <sub>2</sub>
Greenhouse Gas Emissions: Scope 2			
└ Domestic			
└ Use of electricity at worksites	55,089 tons-CO <sub>2</sub>	61,594 tons-CO <sub>2</sub>	66,443 tons-CO <sub>2</sub>
└ Overseas			
└ Use of electricity at worksites	10,254 tons-CO <sub>2</sub>	10,211 tons-CO <sub>2</sub>	12,289 tons-CO <sub>2</sub>
└ Global	65,343 tons-CO <sub>2</sub>	71,805 tons-CO <sub>2</sub>	78,732 tons-CO <sub>2</sub>
Greenhouse Gas Emissions: Scope 3			
└ Purchased goods and services	517,342 tons-CO <sub>2</sub>	530,753 tons-CO <sub>2</sub>	529,767 tons-CO <sub>2</sub>
└ Capital goods	17,504 tons-CO <sub>2</sub>	40,959 tons-CO <sub>2</sub>	34,469 tons-CO <sub>2</sub>
└ Fuel- and energy-related activities not included in Scope 1 and 2	10,273 tons-CO <sub>2</sub>	9,128 tons-CO <sub>2</sub>	9,587 tons-CO <sub>2</sub>
└ Transportation and distribution (upstream)	3,330 tons-CO <sub>2</sub>	3,466 tons-CO <sub>2</sub>	692 tons-CO <sub>2</sub>
└ Waste generated from operations	3,289 tons-CO <sub>2</sub>	2,394 tons-CO <sub>2</sub>	2,867 tons-CO <sub>2</sub>
└ Business travel	934 tons-CO <sub>2</sub>	946 tons-CO <sub>2</sub>	1,056 tons-CO <sub>2</sub>
└ Employee commuting	1,166 tons-CO <sub>2</sub>	1,208 tons-CO <sub>2</sub>	1,336 tons-CO <sub>2</sub>
└ Disposal of sold products	439 tons-CO <sub>2</sub>	984 tons-CO <sub>2</sub>	970 tons-CO <sub>2</sub>
Reduction of Waste, Effective Use of Water Resources			
Reduction and appropriate management of waste			
Amount of Waste Generated (Domestic)	12,230 tons	5,936 tons	8,837 tons
Rate of Reduction in Amount of Waste Generated in Comparison with the Previous Fiscal Year	-106%	33%	40%
Amount of Final Waste Disposed (Domestic)	45 tons	19 tons	49 tons
Rate of Reduction in Amount of Final Waste Disposed	-134%	60%	-20%
Final Waste Disposal Rate	0.37%	0.33%	0.55%

Effective use of water resources and addressing water risk			
Water Usage Volume (Production and Research Bases)			
└ Domestic			
└ Service water/ water for industrial use	318,000 m <sup>3</sup>	342,000 m <sup>3</sup>	362,000 m <sup>3</sup>
└ River water	4,873,000 m <sup>3</sup>	7,302,000 m <sup>3</sup>	6,835,000 m <sup>3</sup>
└ Ground water	70,000 m <sup>3</sup>	229,000 m <sup>3</sup>	103,000 m <sup>3</sup>
└ Overseas			
└ Service water/ water for industrial use	88,000 m <sup>3</sup>	95,000 m <sup>3</sup>	
└ River water	0,000 m <sup>3</sup>	0,000 m <sup>3</sup>	111,000 m <sup>3</sup>
└ Ground water	14,000 m <sup>3</sup>	12,000 m <sup>3</sup>	
└ Global	5,363,000 m <sup>3</sup>	7,980,000 m <sup>3</sup>	7,410,000 m <sup>3</sup>
Initiatives to Prevent Pollution and Reduce Environmental Burdens			
Prevention of air pollution			
Emissions of air pollutants			
└ NOx	17.01 tons	20.14 tons	20.39 tons
└ SOx	5.99 tons	6.32 tons	6.26 tons
└ Particulate matter	0.27 tons	0.38 tons	0.30 tons
Prevention of water pollution			
Pollution load accompanying emissions to public water bodies from the Group's domestic worksites			
└ BOD	8.85 tons	7.75 tons	16.77 tons
└ COD	34.9 tons	31.37 tons	31.15 tons
└ Nitrogen	21.66 tons	17.38 tons	15.32 tons
└ Phosphorus	0.93 tons	0.84 tons	1.08 tons
Emissions to Public Water Bodies from the Group's Domestic Worksites			
└ BOD	-14%	54%	-73%
└ COD	-11%	-1%	26%
└ Nitrogen	-25%	-13%	31%
└ Phosphorus	-11%	22%	6%
Reducing Emissions of Chemical Substances into the Environment			
Amount of PRTR Class I Designated Chemical Substances Handled	142 tons	192 tons	201 tons
Reduction Rate Compared to the Previous Fiscal Year	26%	4%	7%
Air Emissions of PRTR Class I Designated Chemical Substances	3.3 tons	4.0 tons	4.6 tons
Reduction Rate Compared to the Previous Fiscal Year	19%	13%	31%
Public Water Emissions of PRTR Class I Designated Chemical Substances	0.6 tons	2.9 tons	2.6 tons
Reduction Rate Compared to the Previous Fiscal Year	79%	-12%	-160%
Amount of VOCs (Excluding PRTR Regulated Substances) Handled	1,241 tons	833 tons	1,040 tons
Reduction Rate Compared to the Previous Fiscal Year	-49%	20%	17%

Air Emissions of VOCs (Excluding PRTR Regulated Substances)	35 tons	41 tons	39 tons
Reduction Rate Compared to the Previous Fiscal Year	13%	12%	34%
Public Water Emissions of VOCs (Excluding PRTR Regulated Substances)	13 tons	21 tons	16 tons
Reduction Rate Compared to the Previous Fiscal Year	37%	-31%	-550%
Amount of Toluene Handled	77 tons	92 tons	99 tons
Air Emissions of Toluene	2.4 tons	2.5 tons	3.6 tons
Public Water Emissions of Toluene	0 tons	1 tons	1 tons

## Consumer Issues

Item	Data		
	FY2017	FY2016	FY2015
<b>Manufacturing and Supply Chain</b>			
Pharmaceutical Manufacturing Process			
Mitsubishi Tanabe Pharma Group's Global Manufacturing System			
└ Production plants in Japan	3	5	5
└ Production plants outside Japan	4	4	4
<b>Information Provision</b>			
MR's Responsibility: Collecting Data and Providing Information to Medical Institutions			
Number of General and Specialized Medical Representatives (MRs)	Approx. 1,500	Approx. 2,000	Approx. 2,000
Providing Comprehensive Information through the Medical Information Center			
Number of Inquiries to the Medical Information Center	74,023	77,629	73,470
<b>Quality and Reliability Assurance</b>			
Pharmaceutical Safety Education			
Pharmaceutical Safety Education (All Employees, Including Executive Officers)	Once a year	Once a year	Once a year
<b>Others</b>			
Improving Access to Medicines			
Participating in the Global Health Innovative Technology Fund (GHIT Fund)	○	○	○

## Community Involvement and Development

Item	Data		
	FY2017	FY2016	FY2015
<b>Contributing to Medical Treatment and Welfare</b>			
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	851 million yen

Contributing to Developing Countries			
TABLE FOR TWO (TFT)			
↳ Contributions from the TFT menu	5,799 meals	6,015 meals	4,799 meals
↳ Contributions from TFT vending machines	994 meals	509 meals	508 meals
Participating in Vaccine Support Activities			
↳ Amount of contributions	446,112 yen	155,576 yen	103,701 yen
↳ Polio vaccine (estimate)	22,306 doses	7,779 doses	5,185 doses
Advancing Medicine and Pharmacology			
Supporting Research through Foundations			
Grants of the SENSHIN Medical Research Foundation			
Grants for Pharmacopsychiatry Research			
↳ Basic research			
↳ Number of projects	20	25	24
↳ Amount	20 million yen	25 million yen	25 million yen
↳ Aid for young researchers			
↳ Number of projects	10	9	10
↳ Amount	10 million yen	9 million yen	10 million yen
↳ Ongoing aid for young researchers			
↳ Number of projects	1	—	—
↳ Amount	1 million yen	—	—
↳ Financial aid for education abroad			
↳ Number of projects	2	3	3
↳ Amount	10 million yen	6 million yen	6 million yen
Grants for Hematological Research			
↳ Basic research			
↳ Number of projects	20	24	24
↳ Amount	20 million yen	24 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
↳ Ongoing aid for young researchers			
↳ Number of projects	1	—	—
↳ Amount	1 million yen	—	—
↳ Financial aid for education abroad			
↳ Number of projects	2	3	3
↳ Amount	10 million yen	6 million yen	6 million yen
Grants for Circulatory Research			
↳ Basic research			
↳ Number of projects	20	24	24
↳ Amount	20 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
↳ Ongoing aid for young researchers			
↳ Number of projects	1	—	—
↳ Amount	1 million yen	—	—

↳ Financial aid for education abroad			
↳ Number of projects	2	3	3
↳ Amount	10 million yen	6 million yen	6 million yen
Grants for advanced research			
↳ Number of projects	1	—	—
↳ Amount	10 million yen	—	—
Special Projects			
↳ Number of projects	—	1	2
↳ Amount	—	10 million yen	20 million yen
↳ Total			
↳ Number of projects	100	112	109
↳ Amount	13 million yen	13 million yen	12.5 million yen
Grants of the Japan Foundation for Applied Enzymology			
↳ Grants for enzyme research			
↳ Number of projects	30	30	30
↳ Amount	22.5 million yen	22.5 million yen	22.5 million yen
Aid for young researchers			
↳ Researchers focused on determining causes and conditions of adult onset diseases			
↳ Number of projects	42	38	36
↳ Amount	15 million yen	14.5 million yen	14.95 million yen
↳ Researchers focused on vascular biology innovation			
↳ Number of projects	22	22	22
↳ Amount	10.5 million yen	10.5 million yen	10.5 million yen
↳ Researchers focused on vascular biology innovation			
↳ Number of projects	10	10	10
↳ Amount	10 million yen	10 million yen	10 million yen
↳ Front runner of future diabetes research			
↳ Number of projects	25	30	28
↳ Amount	15 million yen	15 million yen	14 million yen
↳ Total			
↳ Number of projects	129	130	127
↳ Amount	73 million yen	72.25 million yen	72.25 million yen
<b>Contributing to the Advancement of Local Communities</b>			
Number of Visitors to Historical Museum	6,446	6,402	8,160
Number of Visitors to the Yoshitomi Summer Festival	2,100	2,070	1,345
<b>Activities Addressing Social Needs</b>			
Amount of Donations Related to Social Contribution	1,153 million yen	1,500 million yen	1,349 million yen
Number of People Taking Days Off for Volunteer Activities	13	14	23

## GRI Standard Comparative Table

	Disclosure		Page
<b>General Disclosures</b>			
<b>1. Organizational profile</b>			
GRI 102 : General Disclosures 2016	102-1	Name of the organization	Corporate Data
	102-2	Activities, brands, products, and services	Corporate Data
	102-3	Location of headquarters	Corporate Data
	102-4	Location of operations	Network
			Group Companies
	102-5	Ownership and legal form	Corporate Data
	102-6	Markets served	Annual Securities Report (Overview of company, Status of businesses) (Japanese only)
			Corporate Report 2017, page5 The Power of Change
	102-7	Scale of the organization	Corporate Data
			Annual Securities Report (Overview of company, Status of businesses) (Japanese only)
			Corporate Report 2017, page5, 10 The Power of Change, Financial and Non-Financial Highlights
102-8	Information on employees and other workers	Data (Labor Practices)	
102-10	Significant changes to the organization and its supply chain	Annual Securities Report (Status of businesses) (Japanese only)	
102-11	Precautionary Principle or approach	Risk Management	
		Consumer Issues (Quality and Reliability Assurance)	
		Environmental Management	
		Medium-Term Environmental Action Plan	
		Initiatives in Energy Conservation and Global Warming Mitigation	
		Reduction of Waste, Effective Use of Water Resources	



	102-12	External initiatives	United Nations Global Compact
	102-13	Membership of associations	Japan Business Federation (Keidanren), The Federation of Pharmaceutical Manufacturers' Association of JAPAN (F P M A J), The Japan Pharmaceutical Manufacturers Association (JPMA), etc.
2. Strategy			
GRI 102 : General Disclosures 2016	102-14	Statement from senior decision-maker	Message from the Management
			Code of Conduct Message from the CEO
			Corporate Report 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			
GRI 102 : General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	Corporate Information (Philosophy and Vision, Corporate Behavior Charter)
			Code of Conduct
	102-17	Mechanisms for advice and concerns about ethics	Corporate Information (Establishment of Internal System to Address Improper Use of Public Research Expenses and Improper Research) (Japanese only)
			Compliance Human Rights (Initiatives for Employees)
4. Governance			
	102-18	Governance structure	Corporate Governance
	102-19	Delegating authority	Environmental Management (Environment & Safety Management Promotion Structure)
			Risk Management (Risk Management Structure)
	102-22	Composition of the highest governance body and its committees	Corporate Governance Corporate Governance Report
			Corporate Report 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	

GRI 102 : General Disclosures 2016

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 (Building Sound Labor-Management Relations)
		Data (Labor Practices)
102-42	Identifying and selecting stakeholders	Communicating with Principal Stakeholders

GRI 102 : General Disclosures 2016	102-43	Approach to stakeholder engagement	Communicating with Principal Stakeholders
			Human Rights Issues in the Value Chain (Consideration for local communities in production)
			Promotion of Environmental Communication (Participation in Environmental Information Disclosure Program)
			Promotion of CSR Procurement
102-44	Key topics and concerns raised	Occupational Health and Safety (Surveying Employee Attitudes)	
		Consumer Issues (Information Provision)	

#### 6. Reporting practice

GRI 102 : General Disclosures 2016	102-45	Entities included in the consolidated financial statements	Annual Securities Report (Business activities, Status of subsidiaries and affiliates) (Japanese only)
			Corporate Report 2017, page 92 Corporate Data / Investor Information
	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	Independent Third-Party Assurance Report

#### Material topics

#### Management Approach

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	Initiatives in Energy Conservation and Global Warming Mitigation
	201-3	Defined benefit plan obligations and other retirement plans	Annual Securities Report (Status of accounting ) (Japanese only)
	201-4	Financial assistance received from government	Annual Securities Report (Status of accounting ) (Japanese only)
Anti-corruption			
GRI 205 : Anti- corruption 2016	205-1	Operations assessed for risks related to corruption	Prevention of Bribery and Corruption
	205-2	Communication and training about anti-corruption policies and procedures	Prevention of Bribery and Corruption
			Compliance
205-3	Confirmed incidents of corruption and actions taken	Not applicable	
Anti-competitive Behavior			
GRI 206 : Anti- competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not applicable
Environmental			
Energy			
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	Overview of Environmental Impact /Third-Party Assurance
			Initiatives in Energy Conservation and Global Warming Mitigation
	302-4	Reduction of energy consumption	Initiatives in Energy Conservation and Global Warming Mitigation
Water			
GRI 303 : Water 2016	303-1	Water withdrawal by source	Overview of Environmental Impact /Third-Party Assurance
			Reduction of Waste, Effective Use of Water Resources (Effective Use of Water Resources and Measures to Address Water-Related Risks)
Biodiversity			
GRI 304 : Biodiversity 2016	304-3	Habitats protected or restored	Initiatives for the Preservation of Biodiversity

Emissions			
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Overview of Environmental Impact /Third-Party Assurance
			Initiatives in Energy Conservation and Global Warming Mitigation (Greenhouse gas emissions in the supply chain)
	305-2	Energy indirect (Scope 2) GHG emissions	Overview of Environmental Impact /Third-Party Assurance
			Initiatives in Energy Conservation and Global Warming Mitigation (Greenhouse gas emissions in the supply chain)
	305-3	Other indirect (Scope 3) GHG emissions	Initiatives in Energy Conservation and Global Warming Mitigation (Greenhouse gas emissions in the supply chain)
305-5	Reduction of GHG emissions	Initiatives in Energy Conservation and Global Warming Mitigation (Greenhouse gas emissions in the supply chain)	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Overview of Environmental Impact /Third-Party Assurance	
Effluents and Waste			
GRI 306 : Effluents and Waste 2016	306-1	Water discharge by quality and destination	Overview of Environmental Impact /Third-Party Assurance
	306-2	Waste by type and disposal method	Overview of Environmental Impact /Third-Party Assurance
			Reduction of Waste, Effective Use of Water Resources
306-3	Significant spills	Environmental Management	
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 (Labor Practices)
	401-3	Parental leave	Promoting Diversity (Initiatives to Reform Working Styles)
Data (Labor Practices)			

Occupational Health and Safety			
GRI 403 : Occupational Health and Safety 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 (Labor Practices)
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 to Raise Human Rights Awareness
Local Communities			
GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Contributing to the Advancement of Local Communities (Historical Museum, Doshomachi Museum Street, The Doshomachi Club, etc.)
Customer Health and Safety			
GRI 416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Consumer Issues
Marketing and Labeling			
GRI 417 : Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Consumer Issues (Information Provision)

## Explanation of Terms

### Appropriate use of pharmaceuticals

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

### Clinical trials

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

### Pharmaceuticals and Medical Devices Law

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

### E-learning

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

### 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.

## Independent Assurance Report

To the President and CEO of Mitsubishi Tanabe Pharma Corporation

We were engaged by Mitsubishi Tanabe Pharma Corporation (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with "✔" for the period from April 1, 2017 to March 31, 2018 included in its "CSR" website created on the web page of "<https://www.mt-pharma.co.jp/shared/show.php?url=../csr/report/index.html>" and thereunder (the "Report") for the fiscal year ended March 31, 2018.

### The Company's Responsibility

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

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board, 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 the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting one of the Company's research centers and a subsidiary selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

### Conclusion

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

### Our Independence and Quality Control

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

KPMG AZSA Sustainability Co., Ltd.  
Osaka, Japan  
August 24, 2018