astellas
Leading Light for Life

CSR Report 2008

http://www.astellas.com/jp/

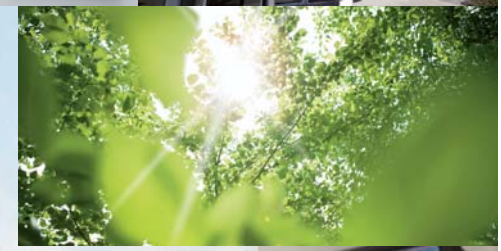
Changing tomorrow

Astellas Pharma Inc.

Changing tomorrow

These words represent the determination with which Astellas undertakes the development of pharmaceuticals. We are working to create new pharmaceuticals to help all patients in their fight to regain their health. Our hope is that they can overcome illness and smile once again, with peace in their hearts.

Contents



"Changing tomorrow"

We are determined to change the future, a task which we take to heart.
We will work hard to change gears, for a brighter tomorrow.

The Astellas Group was established three years ago. Fiscal 2007 was a major turning point for Astellas. This was the year when the Group achieved an operating income of ¥250 billion, which was pledged at the time of its inception. We have completed the first phase of organizational reform, which we have been carrying out since the time of our merger. In Europe and Asia, we carried out a full structural reform of operations, to streamline overlapping functions and expand our presence in these markets.

Turning to the current business environment, the substance patent for the immunosuppressant Prograf®, one of our major products, expired in the U.S. market in April 2008. This year is thus the starting point for establishing a new position in that market. In short, we are positioning fiscal 2008 as the year for changing gears, to firmly establish a presence in the global market. To this end, we will work to steadily achieve progress in the development of new product candidates and take advantage of all opportunities for growth. We intend to pursue more ambitious targets, and will make every effort to overcome any challenges we may face. Our largest challenge at present is the development of new drugs. We will work to enhance our product development capabilities, while concentrating resources in our six priority therapeutic areas of inflammation/immunology, urology, infectious diseases, CNS (central nervous system)/pain, diabetes and cancer.

In fiscal 2006, we drafted our long-term vision for 2015 called "Vision 2015," formulating various policies and strategies after considering the types of challenges we will be likely to encounter. We introduced "CSR-based management" as an important mechanism for achieving the goals of the new vision. In fiscal 2007, among initiatives for employees (one of the important fields of CSR-based management) we have begun introducing changes to our work environment, raising employee awareness and promoting a corporate culture that allows employees to create more diversified working styles. We launched the new "WIND project" (Women's Innovative Network for Diversity) as a first project aimed at making better use of our human resources.

In the environmental field, fiscal 2008 is the first year of the first commitment period of the Kyoto Protocol on global warming. This topic was discussed as the most important issue at the G8 Hokkaido Summit, held in July 2008. The matter of global warming requires immediate action. Astellas' measures to counter global warming include the drafting of numerical targets for the reduction of greenhouse gas emissions by fiscal 2020, and the clarification of our intended direction and stance for future measures, in addition to the activities already underway as part of our current program ending in fiscal 2010. Fiscal 2008, therefore, will be the year for changing gears, especially in terms of CSR-based management for the realization of Vision 2015.

Astellas has chosen the slogan "Changing tomorrow," and is communicating this message to the general public through the media and other means. These words represent each and every employee's determination to deliver high-value-added pharmaceuticals to patients fighting illness, and to continue making drugs that meet patients' requirements. We will work to maintain good relations with people, society and the environment, while continuing to make a difference to the future of patients fighting illness.

We appreciate your understanding and your ongoing support.

August 2008

Masafumi Nogimori

Masafumi Nogimori
President & CEO

Introducing Astellas Pharma Inc.

Astellas is a pharmaceutical company with ethical pharmaceuticals as its core business. It is competitive not only in Japan, but also in global markets, thanks to its superior R&D capabilities and efficient in-house sales force.

The Company will seek to aggressively develop its business as a global pharmaceutical company, but with a unique Japanese perspective that helps improve the health of people around the world through the provision of innovative and reliable pharmaceutical products. At the same time, it aims to achieve sustained growth in its enterprise value.

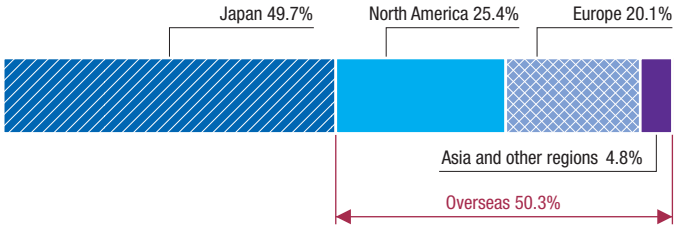
Company outline

(as of March 31, 2008)

Founded	April 1923
Capital	¥103 billion
President	Masafumi Nogimori
Head office	3-11, Nihonbashi-Honcho 2-chome, Chuo-ku, Tokyo 103-8411, Japan
Principal areas of business	Manufacture, sale, import and export of pharmaceuticals
Employees	13,666 (on a consolidated basis)

Percentage of sales by operational base

(FY2007)



Domestic main products

(¥ billion)

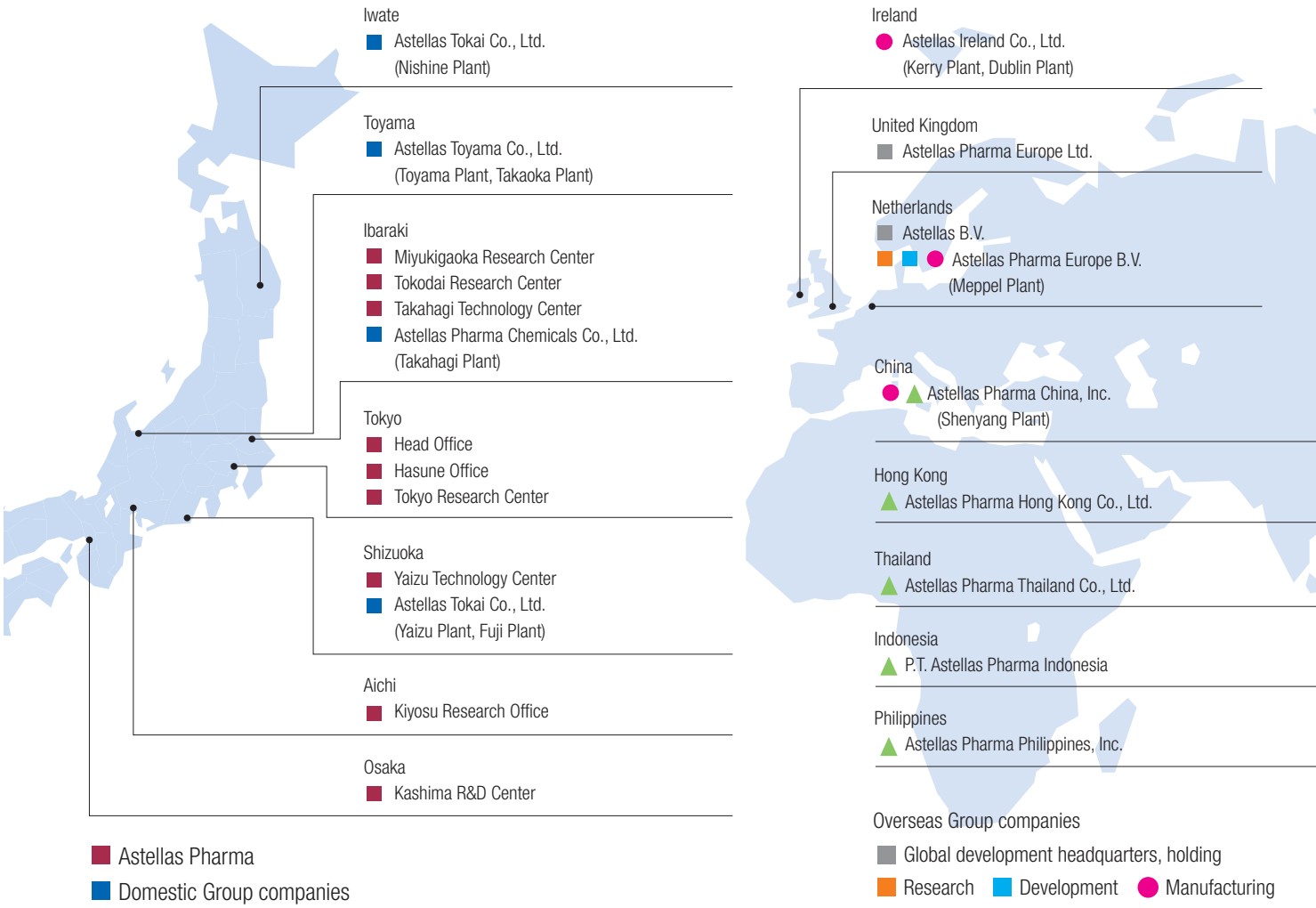
Name	Effect	Domestic sales
Lipitor®	Hypercholesterolemia treatment	97.7
Micardis®	Treatment for hypertension	62.6
Gaster®	Treatment for peptic ulcers and gastritis	60.9
Myslee®	Hypnotic	21.5
Seroquel®	Antipsychotic	19.2
Cefzon®	Cephalosporin antibiotic	14.5
Luvox®	Antidepressant	11.0

Global products

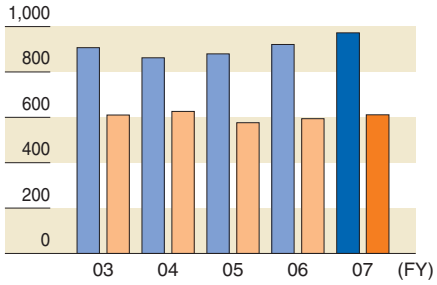
(¥ billion)

Name	Effect	Sales (consolidated)
Prograf®	Immunosuppressant	203.0
Harnal®	Treatment of functional symptoms associated with benign prostatic hyperplasia	122.4
Vesicare®	Overactive bladder treatment	60.1
Funguard®/ Mycamine®	Candin antifungal injections	17.8
Protopic®	Atopic dermatitis treatment	16.4

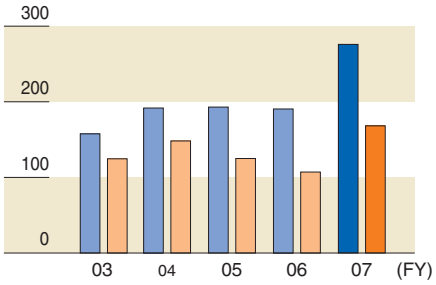
Main facilities (Astellas Pharma and main Group companies)



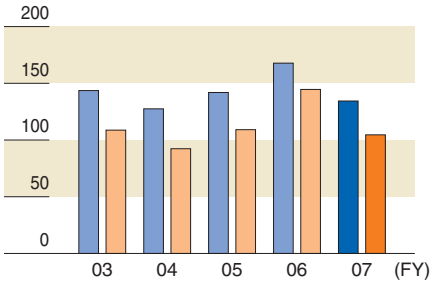
Net sales (¥ billion)



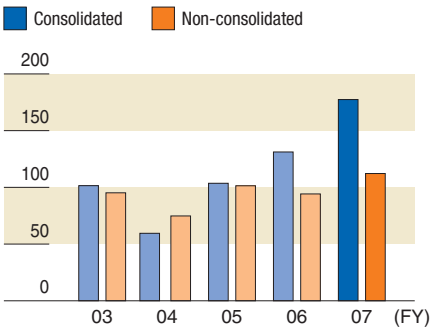
Operating income (¥ billion)



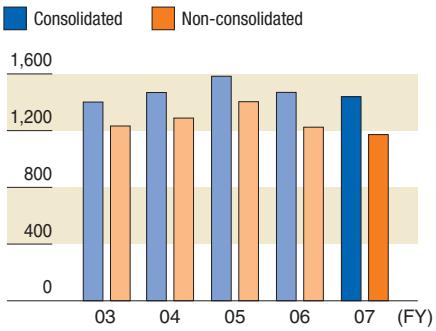
R&D expenses (¥ billion)



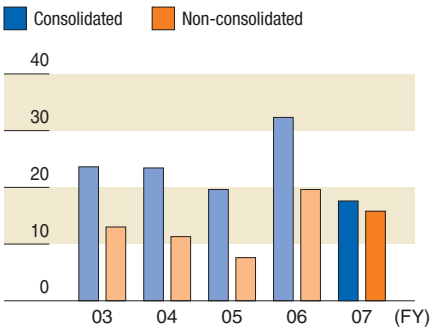
Net income (¥ billion)



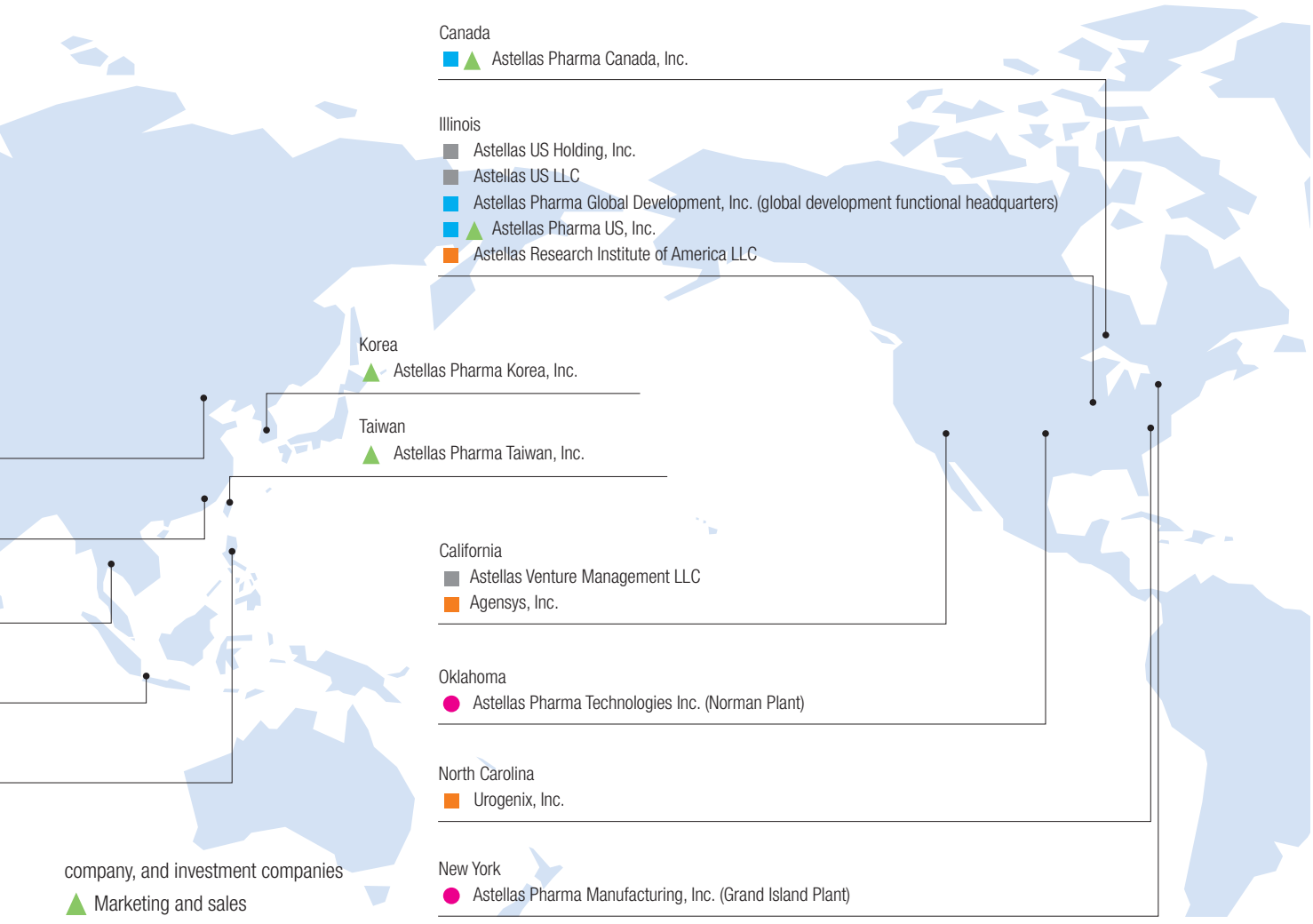
Total assets (¥ billion)



Capital investment (¥ billion)



Note: Astellas Pharma Inc. was created through the merger of Yamanouchi Pharmaceutical Co., Ltd. and Fujisawa Pharmaceutical Co., Ltd. on April 1, 2005. Please view the economic indicators up to fiscal 2004 as rough values for reference only, as the figures shown are simply aggregates of the results posted separately by Yamanouchi and Fujisawa.



Management policy

astellas
Leading Light for Life

Superior pharmaceuticals that promise a healthier and more enriched life for people all over the world. That is Astellas' earnest wish. Our challenge, our vision, and our mission are to illuminate the future and constantly seek a better life for all.

As a global pharmaceutical company, Astellas is determined to be the "Leading Light for Life." This corporate message directly reflects our business philosophy (raison d'être): "Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products."

Business Philosophy

The Astellas philosophy has three elements — raison d'être, mission and beliefs. This business philosophy expresses Astellas' stance of aiming to contribute to the health of people around the world through the provision of highly effective and trustworthy pharmaceuticals, while continuously increasing the Company's enterprise value.

Raison d'Etre

Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products

- To go beyond all others in exploring and tapping the potential of the life sciences.
- To continue tackling new challenges and creating innovative pharmaceutical products.
- To deliver quality products along with accurate information and retain solid credibility among customers.
- To support healthy living for people around the world.
- To continue shining on the global pharmaceutical field.

Mission

Sustainable enhancement of enterprise value

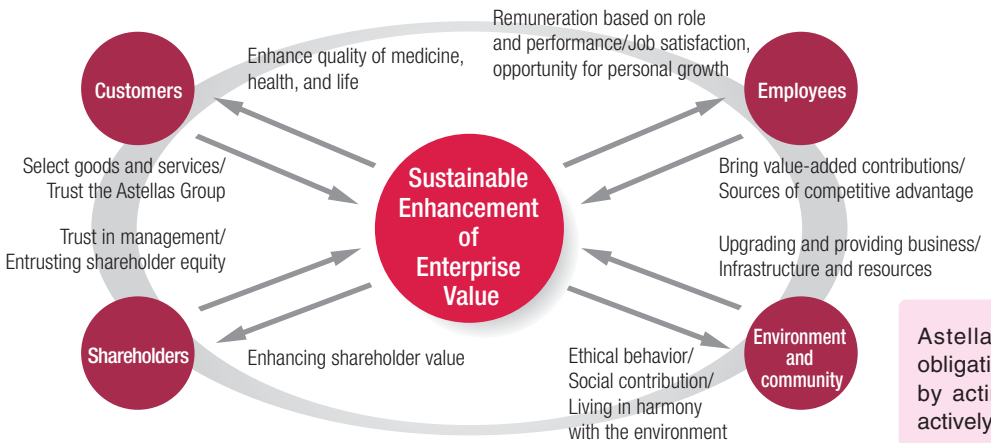
- Astellas will seek to enhance its enterprise value in a sustainable manner.
- Astellas will seek to be the company of choice among all its stakeholders, including its customers, shareholders, employees, and the global community. Astellas will strive to gain the trust of all stakeholders and thereby enhance its enterprise value.

Beliefs

Our "beliefs" provide the code of conduct we prize at all times. Astellas will always be a group of people who act upon these beliefs.

- High Sense of Ethics: We will always manage our business with the highest sense of ethics.
- Customer Focus: We will always seek to understand customer needs and our focus will always be on achieving customer satisfaction.
- Creativity: We will not be complacent and will always seek to innovate to create new value.
- Competitive Focus: Our eyes will always be directed to the outside world, and we will continue to create better value faster.

Interaction between Astellas and its stakeholders



Astellas promises to perform its obligations toward all stakeholders by acting ethically and seeking to actively disclose information.

Charter of Corporate Conduct

The Astellas Group seeks to enhance its enterprise value in a sustainable manner through its worldwide business activities and to gain the trust of all stakeholders, including its customers, shareholders, employees, and the global community. To achieve this, we must not only continuously provide stakeholders with value through our business activities, but we must also proactively take measures to ensure legal compliance and corporate accountability and to conserve the environment, based on our recognition of our corporate social responsibility.

This Charter states the Astellas Group's business philosophy (raison d'être, mission, and beliefs) in concrete terms of specific business conduct, and clarifies for our business partners, customers, and society how we will conduct ourselves in our activities.

Charter of Corporate Conduct (Established April 1, 2005)

The member companies of the Astellas Group shall observe both the spirit as well as the letter of all laws and regulations applying to their activities and conduct themselves in accordance with the following ten principles based on high ethical standards.

1 **Providing beneficial products**
To fulfill our raison d'être — "Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products" — we shall provide products and services which benefit customers and society.

2 **Maintaining high ethical standards**
We shall ensure that all our relationships with stakeholders are sound and proper, based on high ethical standards.

3 **Fulfilling disclosure requirements and transparency**
We shall disclose relevant corporate information in a timely and appropriate manner not only to stakeholders but also to all members of society at large, thereby fulfilling our obligations regarding corporate accountability.

4 **Fair and free competition**
We shall promote appropriate competitive behavior in our business activities.

5 **Ensuring sustainable benefits**
We shall actively pursue management efficiency to ensure sustainable benefits for stakeholders.

6 **Promoting employee welfare**
We shall respect the universally recognized human rights of our employees as well as their diversity, individuality, and differences, and provide a safe work environment and fair treatment for all.

7 **Respect for different cultures**
In the management of our international businesses, we shall not only observe all applicable laws and regulations, but also respect the culture and customs of other nations.

8 **Promoting environmental conservation**
Recognizing that harmony between the global environment and our business activities is a prerequisite to our corporate existence, we shall proactively take measures to conserve the global environment.

9 **Engaging in philanthropic activities**
As good corporate citizens, we shall actively engage in charitable and other activities to benefit society.

10 **Selecting ethical business partners**
We shall not do business with others who break the law or fail to accept standards of responsible social behavior.

Management policy

Vision 2015

In order to realize our business philosophy of contributing toward the improvement of the health of people around the world through the provision of innovative and reliable pharmaceutical products, Vision 2015 has been drawn up to show how Astellas must look in the year 2015, and the guideline and strategies to achieve this.

The future profile of Astellas

High level of value-added
In response to unmet medical needs*, we will generate valuable ethical pharmaceuticals and will continue to provide high levels of value-added to our products.

Global category leader
We will establish a solid business infrastructure on a global scale by maintaining a strong ability to generate products in specific categories and continuing to deliver high value-added products to the market.

The people of Astellas
Astellas will gather together people who share an intense awareness of purpose, and are quick to make decisions and implement actions. They will have the expertise to triumph over the competition, the ability to accommodate changes in their environment, and networking abilities that allow them to incorporate external strengths. These people will provide Astellas with a competitive advantage and allow us to continue to achieve a high level of success.

Corporate culture based on integrity
We will build a corporate culture with integrity to assertively deliver on our social responsibilities.

The Astellas brand
In this way, the Astellas "brand" will provide customers, society in general, and shareholders with an established presence and a reputation for trustworthiness, and employees will work with a feeling of pride in the Company.

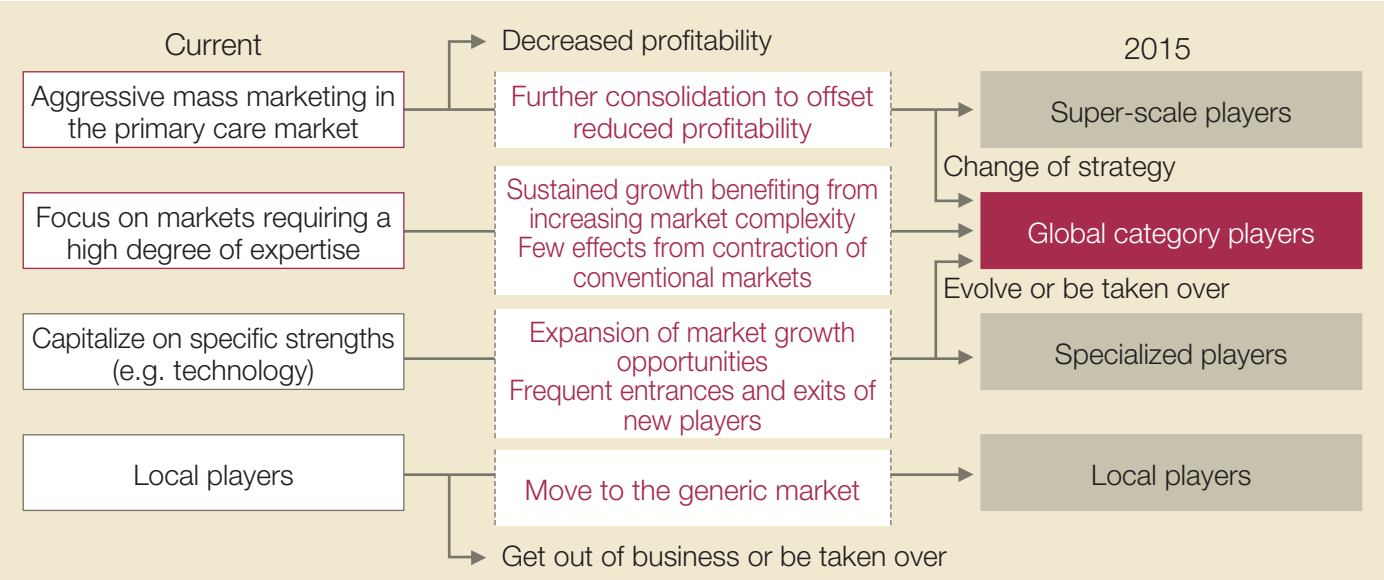
* : "Unmet Medical Needs" refers to cases in which there is no effective medical treatment, despite strong demand from patients and physicians.

Astellas aims to be a global category leader

Even now there are a large number of diseases for which either no therapeutic drug has been discovered or for which those that are available are inadequate. Moreover, the treatment of many diseases requires a high degree of expertise. We expect that growth in these highly specialized fields will bring a significant change to the structure of the pharmaceuticals market by 2015. The market will change from the current structure — in which scale is the most important competitive factor — into a complicated structure whereby the competitive advantage will be achieved through the realization of unrivaled strength in a variety of fields.

Astellas aims to achieve competitive superiority by providing value-added products on a global basis in several categories requiring a high degree of expertise. To this end, we are working to create a business model whereby we become the "Global Category Leader" in select categories.

The positioning of Astellas' targeted "Global Category Leader" categories



Systems for realizing Vision 2015

To realize Vision 2015, we promote these three systems.

Three systems

1 Human resources management system

Astellas has identified human resources development as its most important issue, and is tackling this with competitive investment.

2 Management control system

Astellas will build a system to achieve an appropriate level of management control to allow it to realize faster and better decision-making based on the required information.

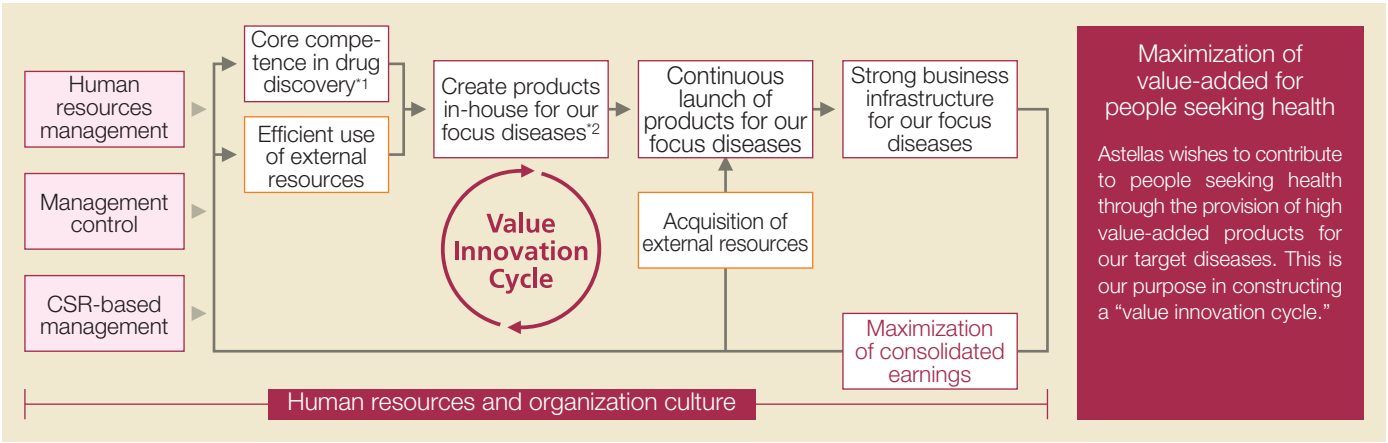
3 CSR-based management

Astellas will clarify its corporate social responsibility and promote the CSR-based management to establish a system to fulfill it.

Creation of a value innovation cycle

A value innovation cycle is the business flow required for Astellas to grow in the market as a global category leader. By creating the value innovation cycle we will be able to provide high levels of value-added for people seeking health. Astellas aims for sustainable enhanced enterprise value through the diligent utilization of this cycle.

Astellas' value innovation cycle



*1 Core competence: Business capabilities which other companies cannot duplicate
*2 Focus diseases: Diseases for which there is a high level of unmet medical needs, and in which a high degree of expertise is required in the execution of marketing activities. Diseases for which there is a high level of unmet medical needs tend to require specialized treatment. Sales staff must be highly proficient in these areas as the sales activities conducted in each targeted medical category require a high level of expertise with regard to the particular disease and the corresponding medical treatment.

Our CSR-Based Management

To uphold our Business Philosophy, it is necessary to actively fulfill our social responsibilities. In line with this thinking, we are promoting CSR-based management as a system through which to realize the goals specified in Vision 2015.

We have drawn up a Charter of Corporate Conduct, which expresses our Business Philosophy at the operational level and declares that we will fulfill our social responsibilities through corporate activities undertaken with the highest degree of integrity. We have positioned it as a guideline for implementing CSR-based management. In addition, we have formulated our basic thinking into a "Global CSR Policy," which has been broken down into five fields of CSR-based management, and are now working to raise awareness of this new policy Companywide.

Definition of CSR-based management at Astellas

A management program through which we strive toward sustained enhancement of enterprise value while remaining acutely aware of our social responsibilities and taking a broad view that considers economics, society, and humanity so that we can exist not just as a market entity, but also as a meaningful member of society.

Corporate humanity

A concept that considers a company as being an organic entity — a corporation with a personality — and that enhancement of this personality is a proper responsibility for us as members of society. Therefore, it is important to aspire to enhance the company's personality through honest relationships with stakeholders.

Positioning of CSR-based management

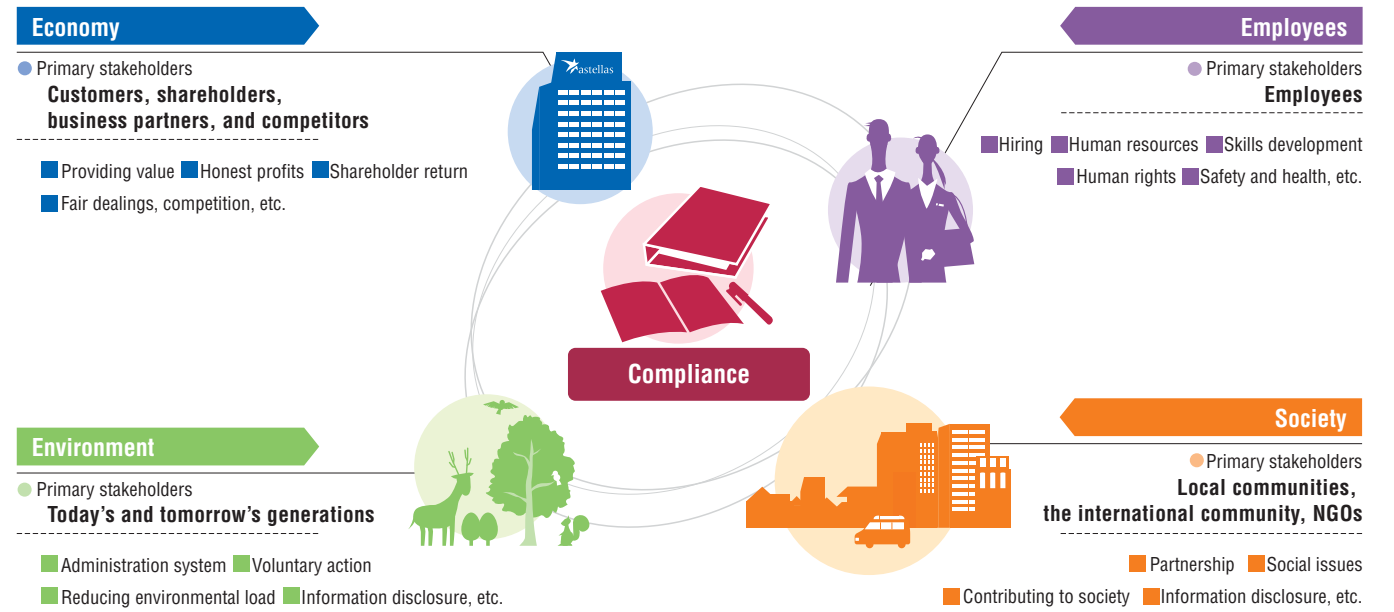
Astellas thinks of CSR-based management as the way business is conducted. It means that all business activity is checked from the CSR perspective. Because of this, we positioned the Charter of Corporate Conduct, which is also our CSR policy, as our standard for judgment. Astellas always checks its business activities from a CSR perspective. We wish not only to benefit patients and provide socially useful products and services, but also to utilize our particular strengths and unique qualities in helping to solve social issues.

The five fields of CSR-based management

We look at five factors (employees, environment, economy, society, and compliance) as the fields of CSR-based management. Without compliance, we could not demonstrate our integrity, and CSR-based management would be dubious at best. Accordingly, we positioned compliance as the very foundation of CSR-based management. The other four fields are inseparably tied to compliance as they are practiced.

Positioning of CSR-based management

The five fields of CSR-based management



Approach to CSR promotion

The five areas of activity shown to the right are the key areas of Astellas' social responsibility. Each area is governed by the three key elements of Astellas' Business Philosophy, namely its Raison d'Etre, Mission and Beliefs.

- Developing unique and highly useful drugs
- Providing value to stakeholders
- Creating enterprise value
- Emphasizing communication with customers and employees
- Checking business activities from the CSR perspective

The three systems in CSR-based management

To implement CSR-based management, all of Astellas' business activities must be rooted in CSR. For this, driving forces, particularly leadership from top management, are needed, along with mechanisms for CSR-based management. The CSR Committee, headed by the top management, is responsible for specific CSR measures.

Three systems

1 Promote a corporate culture with integrity based on compliance

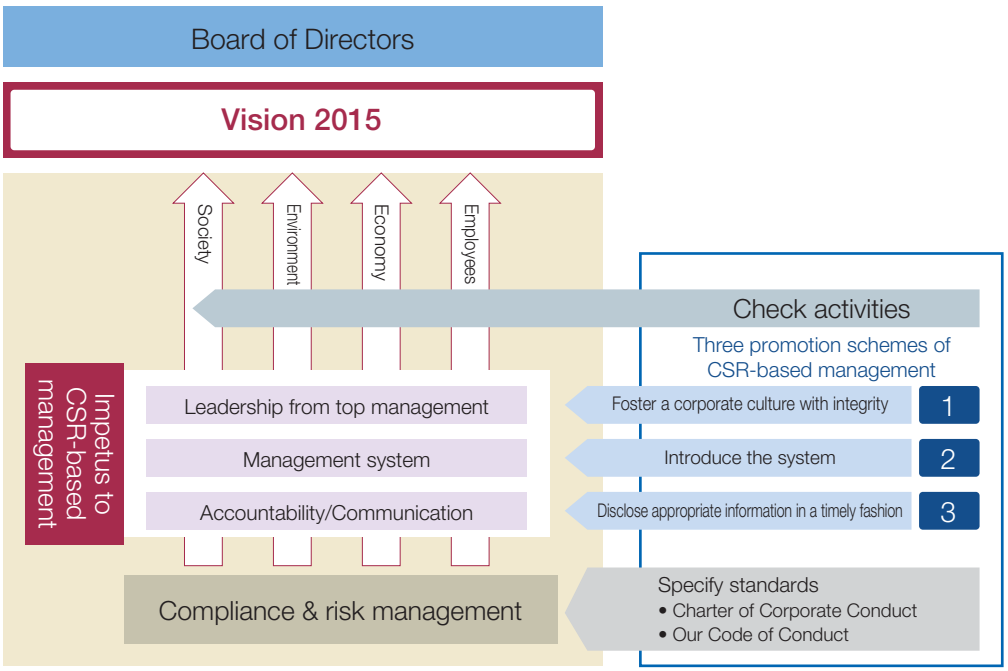
— We will develop a compliance philosophy that adheres not only to the law, but also to the principles of corporate ethics.
— Corporate activities based on compliance shall permeate and be inculcated in every department and every employee.
— We will verify that compliance is entrenched throughout the company.

2 Introduce international principles and systems concerning environmental, safety, and social activities

— We support international principles of corporate behavior.
— We will adopt public standards, for example ISO standards, for environmental, health and safety, and social activities.

3 In order to meet the demand for transparency in corporate activities, disclose management information as and when appropriate and promote interaction with society and the market

— We actively disclose management information and information on environmental and social activities to our stakeholders (financial reports, business reports, CSR reports, annual reports, etc.).
— In each facility, we inculcate practices in information disclosure and dialogue with the community (disclosure of information in major facilities and at the group-company level).



Product-related initiatives

"Changing tomorrow" with cutting-edge, reliable medical pharmaceutical products to help all people fight illness

Since aspirin was launched on the market in the late 19th century, epoch-making new drugs have been released one after another, targeting illnesses for which no treatment previously existed. Even today, many patients remain dissatisfied with the existing treatments for cancer and neuropsychiatric disorders, among others.

Astellas provides value to society, and works to create innovative and extremely useful pharmaceuticals that meet the needs of such patients, with the aim of relieving people worldwide from suffering and contributing to the maintenance of good health.

Thus, Astellas, as a research-oriented global pharmaceutical company, is making efforts to understand the mechanism behind illnesses and the causes of illnesses that remain unknown. In this way, we will continue working to pioneer new territory.

Priority therapeutic areas
•Urology •Diabetes •Cancer
•Inflammation/immunology
•Infectious diseases (viruses) •CNS/pain

We have designated six medical fields as our priority therapeutic areas, taking into account the extent of unmet medical needs, future market growth potential, and feasibility. In the areas of inflammation and urology, we already hold a leading position worldwide in immunosuppressants for organ transplantation and the treatment of urinary disorders.

Exploratory research

This is the stage in which research is undertaken to discover or chemically create new substances which may serve as the seeds of future drugs through the examination of the mechanisms by which illness comes about and by studying the genes, proteins involved and so on for clues. Various chemical and physical processes and biotechnology are employed. Recently, methods using genome information (genetic data) have also been employed.

Optimization research

In exploratory research, compounds that have been discovered are evaluated in terms of their strength of efficacy, safety, metabolism, and physical properties, and after being evaluated with regard to numerous aspects, a selection is made. The stage of optimization research is primarily the phase for creating new drug candidate components suitable for new pharmaceutical products.

Non-clinical research

The efficacy and safety of candidate substances are examined using cultured cells and lab animals. Research is conducted on ADME (absorption, distribution, metabolism and excretion), and on stability and quality of the substances.

Clinical development

Efficacy and safety for human beings is assessed during this stage. Useful compounds become investigational new drugs (IND) at this stage. After receiving the informed consent of both healthy subjects and patients, clinical trials are cautiously conducted while checking safety. This is done in the following three stages:
Phase I clinical trial: Safety, including side-effects, are checked on a small number of healthy volunteers
Phase II clinical trial: Usage and dosage are examined while checking the efficacy and safety on a small number of patients
Phase III clinical trials: Efficacy and safety are checked on a large number of patients

Consideration of human rights in R&D

Exploratory research and optimization research raises ethical concerns about collecting and managing information related to samples such as blood, tissue, and individual genetic information.

At Astellas, we have established an Ethics Review Board on Human Tissue Research based primarily on ethical guidelines for human genome/gene analysis research. This committee, which is made up of members of the general public and experts in various fields such as ethics, law, and the natural sciences, as well as our employees, deliberates on the ethical acceptability and scientific validity of the research, and then recommends appropriate action related to the analysis of human genome and tissue samples.

It is necessary to protect the personal information and human rights of patients when conducting clinical trials, post-marketing clinical trials and surveillance.

Astellas has established an In-house Institutional Review Board that includes outside doctors and lawyers. This board checks and monitors the ethical and scientific appropriateness of clinical trial plans.

Ethical considerations related to animal tests

The relevant authorities in every country require various tests to ensure the efficacy and safety of new pharmaceuticals before they can be launched, and, given the current state of scientific technology, it is impossible to conduct these tests without using animals. Astellas conducts these tests based on the highest legal and ethical standards. Along with setting policies on animal testing from a perspective of harmonizing the scientific and animal welfare points of view, the Animal Research Committee strictly examines the four R's: replacement (the possibility of replacing the animal test), reduction (reducing the number of animals used to a minimum), refinement (refining measures to eliminate unnecessary suffering of the animal), and responsibility (being responsible for sufficiently explaining the predictability and significance of the experiment). It then recommends whether to conduct animal testing or not.

Assuring the reliability of our pharmaceutical products on a global basis

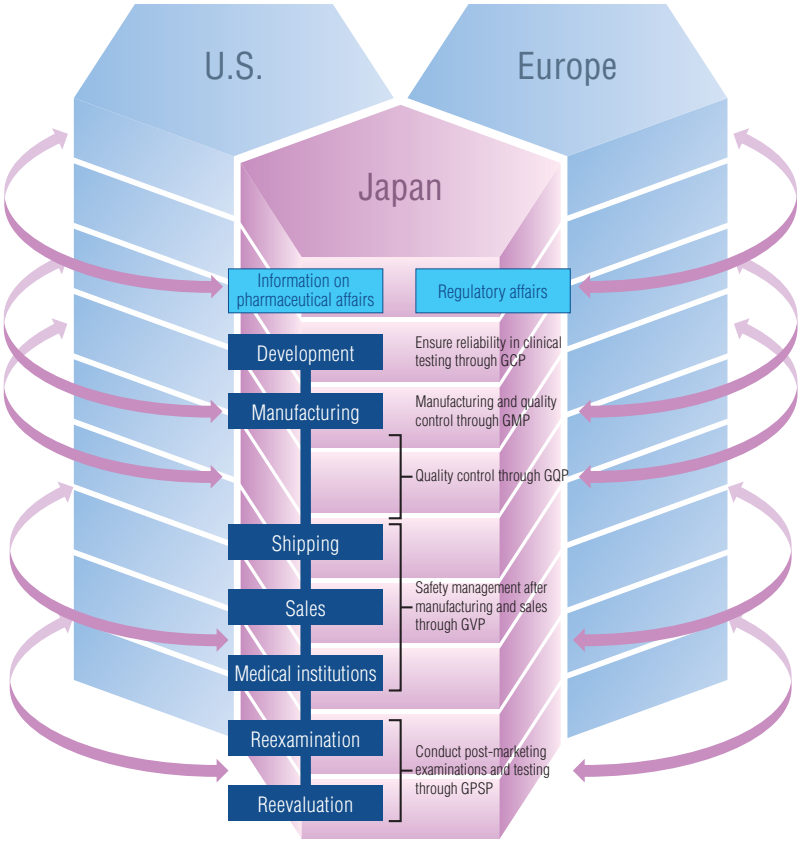
A high degree of reliability is required for pharmaceutical products, as they directly influence human life and health. Therefore, the assurance of product reliability is one of our most important social responsibilities.

Pharmaceutical companies deliver not only pharmaceutical products, but also the proper accompanying information. Only then can it be used as "medicine." The reliability of pharmaceutical products depends on the assurance of product quality, its efficacy, and its safety. To this end, a variety of information must be collected and analyzed, and the risks must be responded to in a swift and accurate manner. Finally, information must be provided on the medication's proper usage.

To ensure the reliability of pharmaceutical products, each country has introduced various regulations and set standards. Not only must we comply with regulations and standards, we must also ensure close collaboration in the sharing of information and the accurate identification of risks.

We have centralized the reliability assurance function within the Astellas headquarters for the entire product development process, beginning at the R&D stage and continuing through a product's market launch. We make every effort to ensure the reliability of the R&D data, while working to create a global product quality assurance system and provide high quality products worldwide for all stages of the product life cycle. We make available information regarding a product's efficacy and safety in a timely manner to the regulatory authorities in each country, and submit reports to the relevant medical personnel. We conduct post-marketing surveillance of pharmaceutical products and create materials describing correct usage. By presenting these findings at academic conferences and publishing them as medical research papers we are able to develop a system for ensuring the reliability of our pharmaceutical products worldwide.

Japan-centered global reliability assurance system



GCP (Good Clinical practice)

Assurance that international quality standards are met in clinical testing

Regarding clinical trials that involve the participation of human subjects, this standard has been established to ensure not only that the clinical trial data is reliable (credible), but also that all laws and regulations pertaining to clinical trials are being observed and the rights, safety and well-being of trial subjects are protected.

GMP (Good Manufacturing Practice)

Control and management of manufacturing and quality control testing of pharmaceutical products

In pharmaceuticals manufacturing, this control standard governs the entire production process to ensure the provision of high-quality products complying with approved specifications, and covers the entire process from raw material procurement to final product shipment. In addition, this standard aims to minimize mistakes resulting from human error in terms of the installation of equipment at plants or the construction of new facilities.

GQP (Good Quality Practice)

Assurance of quality control for pharmaceutical products

A standard to assure the appropriate quality control of pharmaceutical products, which constitutes a precondition for the undertaking of the manufacture and sale of pharmaceutical products.

GVP (Good Vigilance Practice)

Assurance of post-marketing safety management for pharmaceuticals

In the post-marketing safety management of pharmaceuticals, this standard applies to the collection and study of information on the quality, efficacy, safety and proper use of drugs, and to the implementation of measures for safety assurance principally stipulated in a handling manual.

GPSP (Good Post-Marketing Study Practice)

Implementation of post-marketing study control of pharmaceutical products

This standard applies to the gathering of data and the preparation of documents used for the reexamination and reevaluation of pharmaceutical products.

Product-related initiatives

Monozukuri (product creation) based on management systems for the environment, safety and quality control

Astellas has a responsibility to maintain a stable supply of high-quality products for patients who require pharmaceuticals and medical doctors. Moreover, the Company recognizes its additional major responsibility to protect the environment and ensure the safety of its employees in the research, production and supply of pharmaceuticals.

Astellas has established management systems for the environment, safety and quality control, and is working on a steady supply of high-quality and effective pharmaceuticals.

The Company maintains three engineering process development facilities, as well as 12 pharmaceutical plants. We undertake our task of *monozukuri* on a global basis, which includes the conducting of research on production methods for new drugs, and research targeted at drug commercialization, as well as the production of investigational new drugs used in clinical trials.

Technology Development

Establishment of a method for producing bulk pharmaceuticals

We develop the best production process, and establish the technology for producing pharmaceuticals in bulk. "The optimal process" means the realization of stable production at a low cost, simultaneously allowing for a reduced environmental load and improvements in safety.

Formulation design

In addition to realizing a drug's stability, reliability in production, and yield improvements, we must design drug formulations after determining the appropriate dosages for patients, as well as the ease of administration and identification. Following the product's launch on the market, we must work together with the marketing department and other departments to ensure that our customers' needs are being met.

Technology transfer from labs to plants

This stage serves as a bridge between the research and development stage and the production stage. Drawing on the technological development information available thus far, improvements are made to the production facilities and to the production process at pharmaceuticals plants in Japan and overseas.

Product supply

Manufacturing of pharmaceutical intermediates

Pharmaceutical products start with raw materials, and involve several steps aimed at producing chemical compounds (bulk pharmaceuticals). The substances at this stage are called pharmaceutical intermediates. Intermediates, like pharmaceutical products, must allow for stable production and high quality, and various kinds of technology are utilized.

Production of bulk pharmaceuticals

The primary components of pharmaceutical products are called bulk pharmaceuticals. They are the key components of pharmaceuticals, and as such must allow for steady production, a stable supply, high quality and high yields. Other considerations generally include a low environmental burden with regard to the energy and other resources employed in the production of bulk pharmaceuticals, and it is important to take safety precautions for the employees involved in their production.

Production of formulations

Bulk pharmaceuticals, as the primary components, are processed and made into tablets, capsules, and injection form. It is necessary to prevent foreign matter from entering the batch during the manufacturing process, and careful attention must be paid during this process. Shipments are made following a final inspection to confirm product quality.

Technology development to reduce the environmental load

In the production of pharmaceuticals, a variety of chemical substances are employed, and these are emitted into the atmosphere and bodies of water during the production process. As part of its environmental protection measures, Astellas undertakes technology development aimed at reducing the environmental load from early in the product development stage through the entire production process.

For example, in our research on drug compound technologies, substitutes are sought for harmful substances, or else the amount used is decreased. Degradability of drug candidate compounds at a wastewater processing facility is currently under investigation. Such research will help the management to decide their future investments in plant and equipment for environmental preservation, and to identify key issues as swiftly as possible.

Cultivating new drugs through dialogue with doctors, pharmacists and patients

The true value of pharmaceuticals is realized only when they can be administered to the patient in the appropriate manner by doctors and pharmacists who have been provided with information about usage, efficacy, safety, and so on.

Our Medical Representatives (MRs) provide specialized medical information to doctors and pharmacists regarding appropriate use of our pharmaceuticals, as well as the inherent risks.

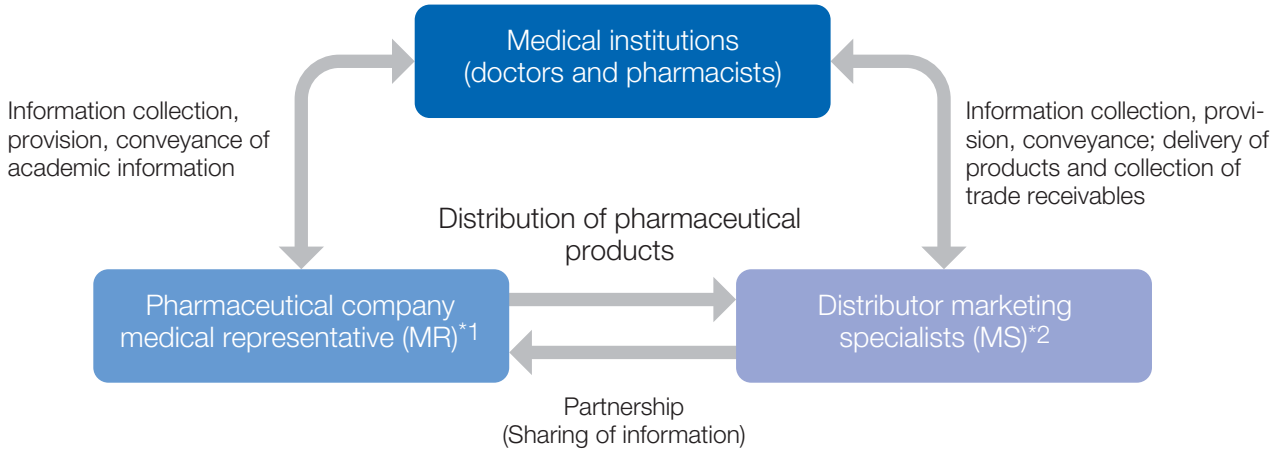
With regard to efficacy and safety, we gather information that was not available during the research and development stage, and our medical representatives serve the important role of conveying information about the analysis of post-marketing surveillance surveys to medical institutions.

Astellas maintains a network of 22 branches and 161 other sales offices in Japan. Approximately 2,400 MRs are responsible for providing information to medical facilities nationwide. (Astellas has roughly 5,000 MRs working actively on a global basis).

To support the activities of our MRs, we have created "Astellas Medical Net," a website for medical service providers, and fax information via the "Medical Product Information Box" service. These are the systems we have introduced to make available to medical providers our basic product information on a 24-hour basis. At the request of medical service providers, we send the details of medical treatments and other related information via an email newsletter.

Inquiries regarding drug dosage, safety, efficacy and effects can be made directly by medical service providers, patients or their families to the Drug Information Center. These inquiries are used in-house as feedback, to improve our services.

In fiscal 2007, the Drug Information Center received a total of 73,651 inquiries related to prescription drugs.



*1 "Medical Representative" is "a person who, as a representative of a company, provides information on the quality, efficacy and safety of the company's prescription drugs based on interviews with professionals working in pharmaceutical institutions, with the aim of ensuring that pharmaceutical products are taken in the correct dosage and distributed in the proper manner." (This definition was taken from the Medical Information Representative Training Center's educational training course.) In 1997, the MR job category was officially established as a post requiring certification. This position requires training and the mastery of a fixed curriculum of basic knowledge. Certification is granted following the successful completion of an examination administered by the Medical Information Representative Training Center.

*2 "Marketing Specialist" is a salesperson working for mass retailers.

Test categories for MR certification

1. Illness & treatment
2. Pharmacology
3. Practical pharmacy
4. A general introduction to medical pharmaceuticals (MR ethics, a general introduction to pharmaceutical products, legal regulations, the distribution of medical pharmaceuticals, and related medical systems)
5. PMS (Post-marketing surveillance)
6. Package inserts (The basic vocabulary of package inserts)

Compliance initiatives

Charter of Corporate Conduct and Our Code of Conduct

“The courage to stop, the courage to make someone else stop, the courage to change”

(Compliance slogan, the result of in-house submissions)

At Astellas, compliance lies at the heart of all corporate activities, including CSR initiatives, and is the basic precondition for earning the trust of the general public.

Corporations must develop a compliance philosophy that is based not only on adherence to laws, but also on social norms and customs and the corporation’s own situation. Astellas does not regard compliance simply as an educational tool. The Company’s position is that all of its business activity should clearly reflect its compliance philosophy, and that every employee’s actions must follow this philosophy as a guide.

Compliance poster

Charter of Corporate Conduct and Our Code of Conduct

Astellas has clarified its commitment to fulfilling its social responsibilities through corporate activities that show a high level of integrity based on the Charter of Corporate Conduct, which more concretely expresses the concept of our business philosophy. One particularly important principle is to stress the importance of high ethical standards as we progress towards realizing our management concepts. We believe this is the most fundamental of all. Since corporate activity amounts to the cumulative work activities of each executive and employee, how executives and employees should act is clearly stated in Our Code of Conduct, which is based on the Charter of Corporate Conduct. Each point in the Code of Conduct begins with the word “We.” This usage makes it clear that all executives and employees promise to act towards all Astellas stakeholders in the manner prescribed.

The Charter of Corporate Conduct and Our Code of Conduct were compiled into a single pamphlet entitled “Astellas C-file,” which was distributed to all executives and employees and posted on the Internet. Applied at all domestic and overseas facilities, Astellas’ Charter of Corporate Conduct was distributed to Group companies overseas, which are also required to undertake compliance-related initiatives. Since laws and customs differ from country to country, the Code of Conduct was distributed to Group companies overseas as reference material only, with a request that they establish their own codes of conduct when necessary.

The Charter of Corporate Conduct and Our Code of Conduct were compiled into a single pamphlet entitled “Astellas C-file,” which was distributed to all executives and employees.

“C-file” booklet

Portable “C-file”

The “C” in “Astellas C-file” stands for the C’s in CSR, Compliance, Charter, and Code of Conduct.

Business Philosophy

- Raison d’Etre — Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products
- Mission — Sustainable enhancement of enterprise value
- Beliefs — • High sense of ethics • Customer focus • Creativity • Competitive focus

▼

Astellas’ Charter of Corporate Conduct

State Astellas’ business philosophy (raison d’être, mission, and beliefs) in concrete terms, citing specific aspects of business conduct

▼

Our Code of Conduct

I Basic Code of Conduct

II Code of Conduct towards Principal Stakeholders

State the way executives and employees should act in line with the Charter of Corporate Conduct

Our Code of Conduct

Our Code of Conduct

Our Code of Conduct is composed of the "Basic Code of Conduct" common to all stakeholders, and the stakeholder-specific "Code of Conduct towards Principal Stakeholders."

I Basic Code of Conduct

1. We will strive to observe laws and regulations, company rules, industry rules, norms of social behavior, etc., and to enhance our sense of ethics constantly.
2. We will not simply content ourselves with "corporate logics" and "industry logics," but will maintain sound social judgment.
3. We recognize that sales and profits can be won based on a high sense of ethics, and will act accordingly. In the event of a conflict between generating sales or profits and behaving in an ethical manner, we will always opt for ethical behavior.
4. We will maintain sound and normal relations with all stakeholders.
5. We will respect other people's human rights, personality and individuality, and not engage in any improper discrimination or harassment.
6. We will protect company property, including information assets, in accordance with company rules and similar regulations, and handle it correctly.
7. We will appropriately manage and use all personal information, confidential information and information on intellectual property, etc., obtained from stakeholders in accordance with laws and regulations, company rules and similar regulations.

II Code of Conduct towards Principal Stakeholders

1 Conduct towards Customers

- We will endeavor, in all business activities, from research and development to production, sales, and post-marketing surveillance, to identify the customer needs of patients, healthcare practitioners, and others.
- We will conduct research for, and develop, the most advanced pharmaceuticals, provide high-quality and safe products together with useful information, and endeavor constantly to increase customer satisfaction.

2 Conduct towards Shareholders

- We will disclose timely and appropriate information to shareholders, to enable them to gain a correct understanding of Astellas.
- We will make effective use of the capital that shareholders entrust to the company to help increase enterprise value.

3 Conduct towards Employees

- We will respect not only other employees' human rights and safety, but also the personality and individuality of each as a colleague, so as to create pleasant workplace environments.
- We will create workplaces in which people respect and support each other, by creating an open-minded working environment.

4 Conduct towards Suppliers

- We will respect suppliers as important partners, maintaining relationships as equals based on contracts.
- We will conduct fair and transparent business with suppliers based on objective criteria governing each transaction.

5 Conduct towards Our Industry

- We will engage in free and fair market competition in accordance with the rules.
- We will respect other companies' rights and property, and will take the greatest possible care with respect to the methods of obtaining and handling external information.

6 Conduct towards the World of Politics and Public Administration

- We will understand the mission and responsibilities (to serve the public good) of public servants, politicians, etc., and maintain impartial, transparent and sound relations with them.
- We will perform faithfully our legal and other obligations with respect to accounting records, reporting, notifications, and tax payments to public agencies, etc.

7 Conduct towards Society

- We will attach importance to communication with local communities and society, and will contribute actively to society from each of their perspectives.
- We will observe local laws and respect local cultures and customs, both within Japan and overseas, to build mutual trust with people.
- We will maintain a resolute stance towards antisocial forces and organizations that pose a threat to social order and stability.

8 Conduct towards the Environment

- We will remain fully conscious of the impact of the company's day-to-day business activities on the local community and the Earth's environment, and undertake environmental-conservation activities.
- We will make active efforts to ensure efficient use of resources and energy, and to reduce and recycle waste, so as to reduce the burden on the environment.

Our Definition of Compliance

To sustain its activities, Astellas believes it to be crucial that the Company and each of its employees meet the standards for appropriate behavior that they are expected to live up to as members of society. Therefore, compliance does not simply refer to adherence to laws. We interpret it in the broader sense of corporate ethics, asking whether our corporate behavior and individual behavior are in line with the norms and standards generally adopted by society. This means that individual employees must take responsibility for their actions and exercise self-discipline. This is fundamental to compliance.

Compliance initiatives

Compliance promotion system

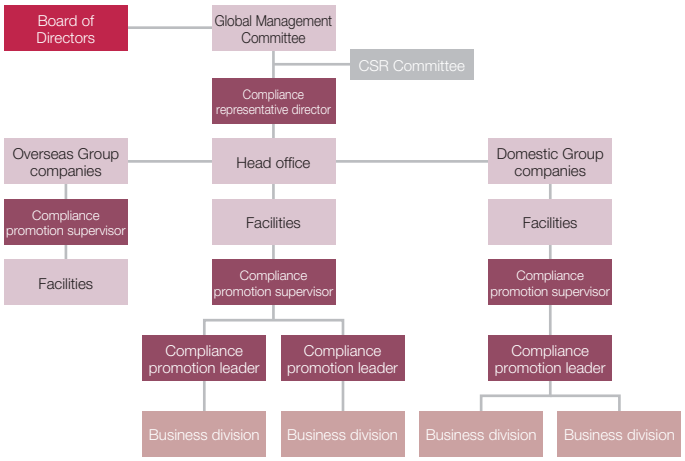
Compliance promotion system

The CSR Committee deliberates and decides on Astellas' policies, plans, and measures related to compliance, which are then distributed to each department by the director in charge of compliance and the CSR department.

Furthermore, items that commonly apply throughout Astellas are then passed on to group companies overseas, and a request is made that these items be reflected in their own compliance efforts.

Compliance promotion leaders (90 in all) have been appointed for each domestic department in the Astellas Group to disseminate ideas on compliance at each facility and workplace. Assistants have been appointed where necessary to assist the compliance promotion leaders. The main role of the compliance promotion leaders and assistants is to provide compliance-related consulting and instruction for all members of the department, to act as a contact person for the CSR department, to conduct compliance-related training, and to distribute compliance-related information provided by the CSR department to all members of the department.

Compliance promotion system

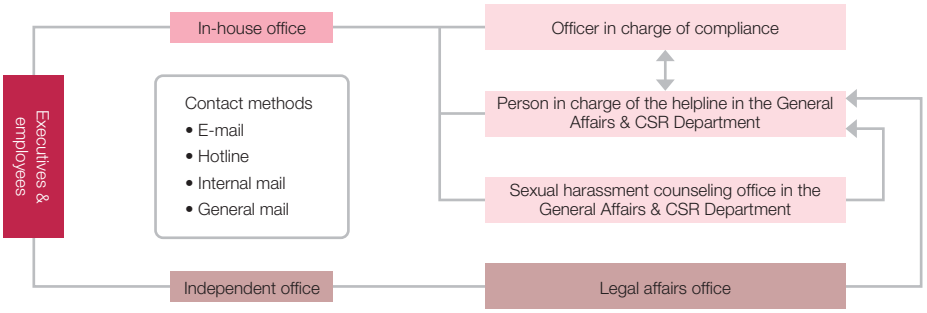


Helpline

Since corporate activity consists of the overlapping work assignments of individuals, all employees, including executives, are required to be responsible for their own actions and adhere to the Code of Conduct and the Charter of Corporate Conduct. If an employee witnesses acts that are in violation of either the code or the charter, or is ordered to act in violation of these rules of conduct, or suspects that his/her own actions may have been a violation of these rules, and if that employee were to keep the matter private, this would result in considerable damage to the Company, the individual and society. In addition, sexual harassment is a major violation to the Code of Conduct, and is clearly forbidden by employment rules.

Therefore, a helpline has been created to provide counseling and solutions related to these kinds of problems. This system makes it possible for all employees to directly contact the director in charge of compliance by e-mail, regular mail, or phone. Female staff are assigned to the sexual harassment counseling office, to provide counseling and handle reports of sexual harassment, because this makes it easier for female employees to seek counseling. In addition to the above items, the helpline can also be used for a wide range of issues, including questions and proposals related to compliance. The identity of employees using the helpline is kept strictly confidential, and retaliatory actions, workplace threats, and harassment of an employee that has used the helpline are strictly forbidden. In fiscal 2007, the helpline was contacted 80 times, and the sexual harassment counseling office was contacted 5 times.

Outline of the helpline



Compliance Promotion Activities

The fundamental requirement for good compliance is that each employee possess self-discipline. It is important to provide education and training on an ongoing basis to motivate employees to practice self-discipline.

In fiscal 2007, we conducted a program group-wide to raise awareness about compliance issues. All the employees at each workplace in Japan, after being shown a mini-drama on the theme of compliance, were asked to discuss in groups the examples they had seen.

We also introduced dialogue-type training sessions in small numbers in which the Compliance Promotion Leader serves as lecturer, exchanging views with the listeners on compliance topics. The training format for both activities is the case method approach, which utilizes familiar situations as examples and relies on group discussions, through which participants recognize the differences in their thinking, and reflect on their own actions. Such activities help to raise awareness about the need for compliance.

We organize various types of training sessions: we hold periodic meetings for Compliance Promotion Leaders, provide training for new employees, and offer basic training for our sales staff. We also make compliance-related information available via our intranet.

Among our new initiatives for fiscal 2007, we designated October as "Compliance Promotion Month." We made posters employing slogans submitted by our employees, and displayed these in various sites within

the Company during this campaign. To ascertain the level of awareness with regard to compliance and to assist in the development of future compliance measures, we conducted a company-wide survey for the first time in fiscal 2007. According to the survey, awareness of compliance was high, but there were discrepancies in the degree of understanding between the different generations. It was evident that it would be necessary to promote a deeper understanding of compliance issues in general, and introduce measures that help employees to see how compliance relates to their actions.

With regard to compliance initiatives being introduced overseas, the Asia International Division is working closely with the compliance representatives of our sales companies in Asia. In fiscal 2007, the compliance staff in the General Affairs and CSR Department created a "C-file" for Asia, which was distributed in Indonesia, China, Taiwan and the Philippines.

In North America, Astellas US LLC has set up a Compliance Committee and appointed a Chief Compliance Officer, issued a compliance guidebook, and provides both general information sessions as well as more in-depth, specialized training programs. The U.S. company also monitors compliance risk and operates an oversight system.

In Europe, Astellas Pharma Europe Ltd. has appointed a Chief Compliance Officer, and has drafted its own Code of Ethics based on Our Charter of Corporate Conduct and distributed this document to all its employees.

Dialogue-type training in small groups

Procurement Initiatives

Purchasing staff members, who interact with numerous suppliers, are required to observe ethical business standards to maintain favorable relations with them, treating them fairly and impartially. At Astellas, we undertake procurement in line with compliance considerations, and have drafted a basic policy for our procurements from suppliers, which is aimed at contributing to the achievement of a steady increase in enterprise value. Based on this policy, we then drew up a separate code of ethics and standards for our purchasing staff and made this information known to all purchasing staff members. We have confirmed their complete understanding through follow-up surveys on internal auditing. In this way, we are working to achieve fair and impartial transactions with a high degree of transparency in purchasing, to further strengthen our suppliers' trust in us.

Basic policy for procurement activities involving suppliers

1. Comply with the law and corporate ethical standards	• Observe all laws and regulations, and act in accordance with prescribed social norms in a highly ethical manner.
2. Maintain partnerships	• Respect all suppliers as important partners, maintain integrity in all dealings with them, and work to foster cooperative and reliable relations.
3. Make selections based on economic rationality	• Select suppliers fairly and impartially, based on economic rationality, and ensure that these business relationships are transparent and appropriate.
4. Practice fairness and impartiality	• Do not treat any particular supplier unfairly.
5. Do not accept inappropriate payments	• Do not give or receive inappropriate gifts (money, physical objects, entertainment/wining & dining, and other benefits), exploiting a superior position or your purchasing authority. Such gifts are prohibited.
6. Uphold confidentiality agreements	• Strictly observe the confidentially of all information received from suppliers.
7. Promote CSR procurement	• Conduct procurement activities with a CSR perspective, making sure that all suppliers observe laws and regulations and give consideration to environmental issues.

CSR Procurement Initiatives

It is indispensable for us to be able to supply high-quality pharmaceuticals to patients on a steady basis, and ensure their reliability, maintaining cooperative relationships with our suppliers and production outsourcing partners. Astellas has built ties of trust with its suppliers and considers them to be important partners. Therefore, Astellas wants its suppliers and production outsourcing partners to understand the Company's basic thinking on CSR, and to cooperate in its CSR initiatives by observing all international laws and regulations, upholding social norms, and making social contributions. Future decisions with regard to suppliers will be made not only on the basis of product, price, delivery schedules, and business performance, but also taking into account the supplier's CSR initiatives. To this end, we plan to draft CSR Procurement standards, and discuss these standards with our suppliers. We eventually plan to apply this CSR requirement to all suppliers of products, services, and equipment.

Requests to business partners for CSR procurement

1. The construction of a compliance promotion system and the observance of relevant laws and regulations (antimonopoly legislation, subcontract law, the Commercial Code, patent law, etc.)
2. Respect for human rights and occupational safety and health considerations (the prohibition of discrimination, the prohibition of child/forced labor, occupational safety and health management, enforcement of minimum wage, observance of legal working hours and the worker's right to organize, etc.)
3. Responsible concern for the environment (creation of an environmental management system, efforts for environmental preservation and resource conservation)
4. Cooperation with society (dialogue with the local community, information disclosure, social contributions)

Social contribution initiatives

Astellas' wish for health — for individuals, society and the Earth

If individuals and communities can work together as one, through these joint efforts we can change tomorrow. We are making continuous efforts to promote dialogue with communities.

In "Our Code of Conduct," Astellas has declared its commitment to actively implementing social contribution initiatives as a good corporate citizen. We conduct our corporate activities taking into account the needs of society and social norms, as well as current social issues, and believe it is important to propose means for creating new value for society. Our social contribution activities embody this thinking.

Basic Philosophy on Social Contribution Activities

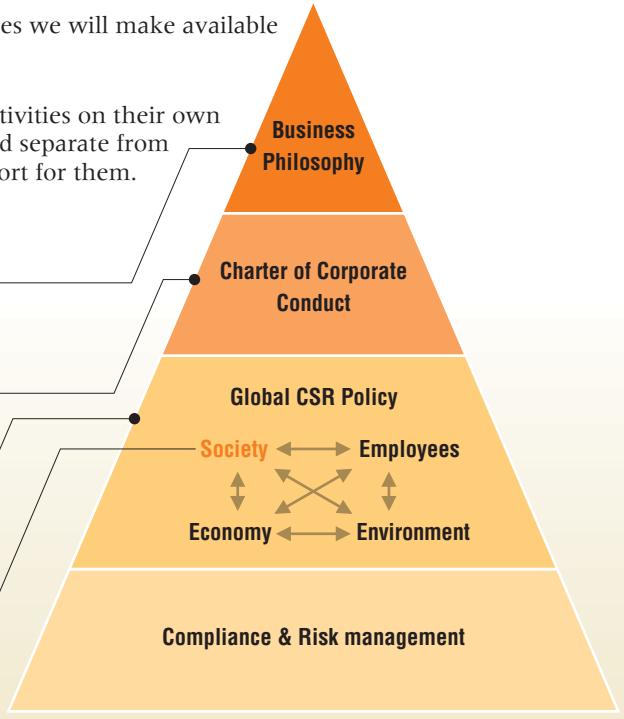
1. Astellas aims to undertake social contribution activities which draw on its unique features as a pharmaceutical company, and pays attention to the sustainability of society as a whole. The Company expects that its activities are being well received by members of the local communities in which it operates, and are raising the motivation of its employees.
2. As a pharmaceutical company, our approach will be to focus on distinctive activities that can be ongoing. We will not be offering something for everyone. Instead, we will put priority on activities related to our main or peripheral businesses, as well as activities that encourage the cultivation of ties with the local community, respond to requests from society, including the international community, or address humanitarian concerns. We aim to promote activities that reflect the distinctive features of Astellas and its values.
3. We will proactively undertake social initiatives after considering requests from the general public from a CSR perspective.
4. In conducting social contribution activities, we will first give adequate consideration to any attendant risks, then make a selection and formulate the appropriate means for their implementation. In addition, we will conduct periodic reviews of these activities.
5. To ensure the transparency of our social contribution activities we will make available information about these activities whenever possible.
6. Individual employees may take part in social contribution activities on their own initiative (volunteer activities). These activities are considered separate from company-sponsored activities, but Astellas will provide support for them.

- Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products
- Sustainable enhancement of enterprise value
- Beliefs (high sense of ethics, customer focus, creativity, competitive focus)

Astellas proactively engages in social contribution activities as a good corporate citizen.

Astellas aims to be esteemed not only for its economic contribution but also for its social contributions and its sense of humanity.

Help promote a sustainable society by undertaking corporate activities that constitute a proactive response to social needs, personal values and pertinent social issues.



Social contribution activities

Astellas promotes activities that contribute to the good of society and that help create a dialogue with local communities in various fields, including medical care, healthcare, welfare, environment, and culture. In addition, the Company actively contributes to regional cultural development and academic support activities, including aid for research in the fields of medicine and pharmacology.

Support for "Save the Children"

Through its European Foundation, Astellas provided support to "Save the Children," an international non-governmental organization (NGO), for a two-year period ended in December 2007. The aid was used to fund a measles eradication project for children in post-war Liberia. The project included the nurturing of medical staff, the import and completion of customs procedures for medical vehicles for dispensing inoculations and vaccinations for measles, the purchase of motorcycles and helmets, and provision of driving instruction. By the project's end, more than 36,000 children had been vaccinated. Another project, conducted through the Holland-based Liliane Foundation, provides medical equipment and opportunities for medical treatment to children in Kenya suffering from epilepsy.

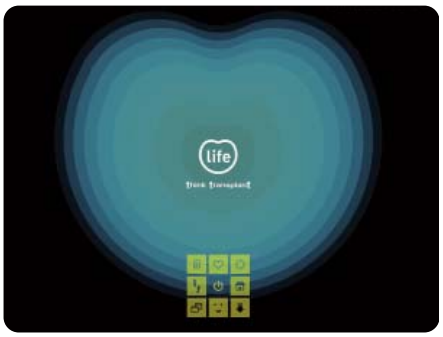
Save the Children
This private, international non-government organization (NGO) extends aid to children. The projects aim to resolve the problems of children crushed by poverty, illness, violence and discrimination, and are being conducted worldwide. Initiatives carried out by independent organizations in 28 countries consist of activities pursued under the name of this NGO. Utilizing the world's largest network, Save the Children conducts its operations in more than 120 countries.

Support for Japan Organ Transplant Network

Compared to Europe or the U.S., very few organ transplants are performed in Japan, but patients waiting for an organ transplant are increasing every year. The number of transplants in Japan remains negligible because of public indifference about organ transplants and a low percentage of people with donor cards.

The "Think Transplant" campaign was organized in the spring of 2004 to raise awareness about organ transplants and encourage people to think about transplants. The campaign was led by the Japan Organ Transplant Network, to which Astellas gives its full support.

In fiscal 2007, the fourth year of the project, we formed a tie-up with FM radio stations for a live charity event to raise public awareness about organ transplants. Then, through a tie-up with Yahoo!Japan, we established the Yahoo!Organ Transplant Campaign site. We sponsored the event "Yahoo!Live Talk," featuring talks by various artists to raise awareness about organ transplants among young people. With the belief that saving even one more person's life is important, Astellas intends to continue contributing to this campaign to promote organ transplants and help recipients return to their normal everyday lives.

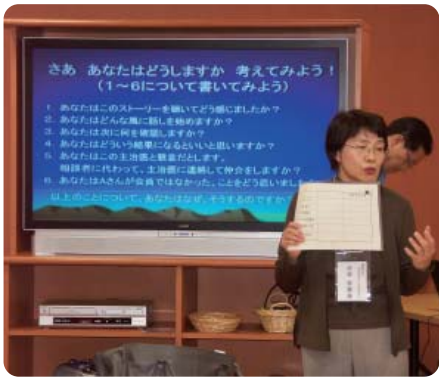


"Think Transplant" campaign

Patient Association Support Project

Astellas is involved in the Patient Association Support Project, which provides support for those suffering from disease, as well as their families. Recruitment for this activity, called "Starlight Partners," is handled by means of internal appeals within the Company. Support is given to patients' self-help associations in the form of fund-raising for activities, training of peer supporters, training in the handling of accounting software, joining the associations as sponsoring members, and providing materials for events. In fiscal 2007, activities were supported with funds on 29 occasions. Through the efforts of the Astellas USA Foundation, we are actively involved in Patient Association Support Projects for organ transplant recipients, patients suffering from incontinence, and female heart disease patients.

Peer Supporters
In this program, patients are brought together for counseling and discussion with peers, persons who have had the same affliction and gone through the same experience. The peers can provide valuable psychological counseling by helping patients to find answers to their own questions.



Basic training of peer supporters

Our contribution to society

Social contribution activities

Employee participation in social contribution activities

The Flying Star Fund was launched in Japan in 1996, primarily by employees wanting to make a sustainable social contribution, at however modest a level, by helping improve people's health and welfare.

Employees freely participate in this fund at their own discretion. Approximately 3,800 Astellas Group employees currently contribute to the fund. Each individual gives ¥100 monthly. The Company matches this amount, and the total funds are disbursed as an annual donation.

Every year since 1997, the Fund has donated a number of wheelchair vans to welfare facilities. In fiscal 2007, seven vans were donated to seven facilities. Donations are made through the Zenshinren (National Federation of the Physically Disabled and their Parents).

At Astellas Pharma Europe Ltd., employees voluntarily take part in the activities of charity organizations, and the Astellas Europe Foundation supports their efforts.

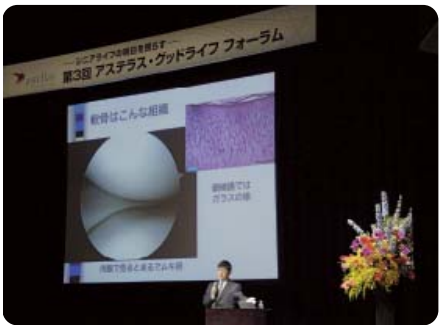
A donated wheelchair van

Donation of ambulances on First Aid Day

Ambulances were donated to four local governments throughout Japan on First Aid Day, September 9. Primarily due to the aging population, the number of cases of ambulances being dispatched is rising. Also, due to traffic congestion, travel times from the initial call for help to arrival at a treatment facility have been increasing. For this reason, there is a growing need for high-grade ambulances equipped to provide emergency treatment.

As part of its social contribution activities, Astellas has donated ambulances to local emergency teams every year since 1970 for a total of 37 times as of 2007. The four ambulances donated in fiscal 2007 (three of which were high-grade ambulances) brought the total to 208 vehicles (29 high-grade).

Citizens' courses



Good Life Forum

Astellas Good Life Forums are held as regular events designed to help people live a healthy and full life and actively enjoy their later years under the theme "Brightening tomorrow's senior life." Lectures are given by medical specialists and celebrities.

At the third Astellas Good Life Forum, held in Nagoya in March 2008, lectures were given on the themes of "Goodbye to Stiff Shoulders and Back Pain," and "Advice on how to live life for a bright future — the life of dare-devil Eiji Bando." After each forum, a booklet is created and sent to participants on request.

Provision of Health Information

General interest in health is rising, and having the correct information regarding health and diseases is expected to contribute to the early detection of illnesses and the prescription of the proper medications. From 1996, Astellas has been providing health information through radio programs broadcast in the Kanto/Tokai region ("Also Healthy Tomorrow" — Astellas Pharma) and in the Kansai/Chugoku region ("For a Healthy Life" — Astellas Pharma).

In addition, we set up a health telephone hotline, allowing people with health concerns to call and speak with nurses. In fiscal 2007, this service received 8,059 inquiries.

We also make available information on urinary and sleep disorders in newspapers, and post information about lifestyle-related illness on the Astellas website, allowing people to conduct a self-check.

Self check for sleep disorders

For details on our health information radio program and health telephone hotline http://www.astellas.com/jp/csr/index.html

Academic support activities

As a pharmaceutical company focused on R&D, Astellas supports research in various scientific fields, particularly medical science and pharmacology. We support the advancement of theorization of drug discovery science through the promotion of joint research activities at Kyoto University's Innovation Center for Immunoregulation Technologies and Drugs of the Next Generation, and by funding a course entitled "Chemical Biology for Drug Discovery." The course, which is based on genome science, was created within the Research Department of the University of Tokyo Graduate School of Pharmacology.

In addition, the group has established both in Japan and overseas three research foundations which undertake academic support activities.

We facilitate the development of basic science and life sciences by supporting research in Japan as well as study-abroad programs for young researchers through the Astellas Foundation for Research on Metabolic Disorders. Astellas Europe Foundation has granted a fund for academic awards (the Astellas Award and the Astellas Prize) to a prestigious academic association in Europe. These awards promote the advancement of life science research in the fields of transplantation, urological devices, and overactive bladder treatments. Astellas USA Foundation also offers academic awards and undertakes other academic support activities.

Our labor union's contributions to society

The Astellas Labor Union's Statement of Philosophy states, "Our aim is to contribute to the happiness of the people around us by using our unity and the abundance of ideas of our individual members and their families." The union accomplishes this by participating in activities and volunteer work that contribute to society. It believes that, "By interacting with people and society outside the job, the individuals who make up the union gain an invaluable chance to broaden their horizons." Toward this end, the union has set up a Social Contribution Committee at its headquarters and each branch to lead the volunteer work done with regional or local communities. Some of the activities undertaken to contribute to society are outlined below.

Regarding the volunteer activities of individual employees, the Company extends its support by providing information and covering their volunteer insurance.

1 Independent social contributions and voluntary activity undertaken by the union

- The union contributes to the Ashinaga Ikuei Kai (scholarship association), which supports the continuing education of children who have lost parents due to traffic accidents or suicide. This includes donations and participation in the "Ashinaga P-Walk 10," a charity walk.
- Support for the NGO Hunger-Free World through the collection of used postcards and the solicitation of donations.
- Volunteer work and contributions to the bazaar for *Hinode Taiyo No Ie*, a social welfare institution for people with mental disabilities.
- Efforts by each branch to build ties with the local community include beach cleanups, charity auctions, etc.

2 Activities contributing to society through central labor organizations (Rengo, JEC Rengo, Chemical Workers, UIZ*, The Federation of Pharmaceutical Labor Unions, etc.)

- Astellas union members participated in events sponsored by the Federation of Pharmaceutical Labor Unions' Committee on Contributing to Society. Events include the Social Contribution Forum, Emergency Response and Rescue Forum and the International HIV Conference.

*The Japanese Federation of Textile, Chemical, Food, Commercial, Service and General Workers' Unions.

3 Cooperation in the Company's social contribution activities

- Flying Star Fund and collection of used stamps and prepaid cards for charity.

Topics

Letter of appreciation for regional contributions by the Fuji Plant

The Fuji Plant, as part of its social contribution activities, has been contributing to the welfare of Fuji City for many years. With regard to these activities, the Fuji Plant was awarded a letter of appreciation from the Fuji City Council of Social Welfare, during Fuji City's 35th Conference on Social Welfare held on November 8, 2007. Then, on November 12, the mayor expressed his appreciation for the plant's contributions to facilities for the mentally and physically disabled, which have been continuing for many years. This time the gifts include refrigerators, water heaters, and storage shelves. These activities will be ongoing. In this way, we are keeping in step with Fuji citizens active in the health industry.

The mayor of Fuji City expresses his appreciation.

感謝状
アステラス東海株式会社 様
あなたは平素から社会福祉に深い
ご理解をよせられ このたびは本市の
福祉行政の充実とその事業推進の
ため特別なご寄付を賜わりました
ここに深く感謝の意を表します
平成十九年十一月十二日
富士市長 鈴木 尚

Letter of appreciation from the mayor

感謝状
アステラス東海株式会社
富士工場 様
あなたは長年にわたり本会に
対してご芳志を寄せられ社会
福祉事業の推進に多大な
貢献をされました
よってその功績を称え記念品を
贈り深く感謝の意を表します
平成十九年十一月八日
社会福祉法人富士市社会福祉協議会
会長 廣瀬 巖

Letter of appreciation from Fuji City Council of Social Welfare

Our contribution to society

Social contribution activities

Interaction with the local community

As a "Good Corporate Citizen," Astellas undertakes a variety of activities to build strong ties with the local community. We conduct the following activities, taking into account the distinctive features of each facility and local area.

Cooperation with local communities

Toyama Plant
Participating in a Toyama community bazaar

Fuji Plant
Sponsoring the 12th Astellas Kid's Free Kick Tournament

Kerry Plant
Sponsoring a contest for local children to design an environmental calendar

Takaoka Plant
Making the grounds available for cherry blossom viewing parties

Fuji Plant
Tree planting at the foot of Mt. Fuji

Beautification

Nihonbashi Facilities
Campaign to stop littering

Yaizu Facilities
Cleanup campaign

Hasune Facilities
Cleanup campaign in a local park

Kiyosu Research Office
"Eco Walking" — A cleanup & walking event

Kashima R&D Center
Cleanup campaign

Facilities visits

Takaoka Plant
Factory tour for local residents

Meppel Plant
Factory tour for employees' families and friends

Toyama Plant
Visit to plant by high school students

Communication with the larger community

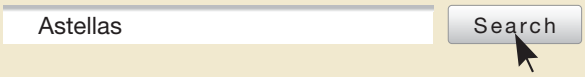
Information disclosure

To enhance transparency concerning its activities and widely inform the general public of its mission and beliefs, Astellas works to share information in diverse ways and communicate with the larger community. Information on Astellas' corporate activities is also available on the Company's website. A range of information, including Astellas' management policy, business activities, environmental information, IR information, and health-related information can be found on Astellas' website at: (http://www.astellas.com).

In the future, we will encourage individual plants and other facilities to disclose their own information and promote dialogue with members of their neighboring communities and local markets.

Investor relations

Environmental information



Site with advice on OAB

This site provides advice in a Q&A format, and addresses the symptoms that could indicate the condition often known as "overactive bladder" or OAB: A sudden and overwhelming need to urinate, in which the sufferer is forced to urinate much more frequently than the average person, and sometimes fails to get to the bathroom in time.

Disease and ailment information guide

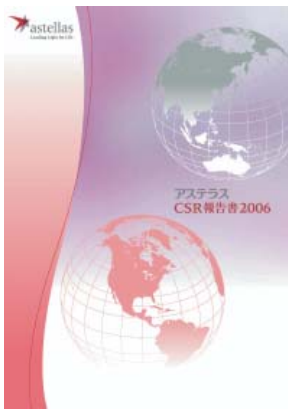
Edited under the supervision of specialists, this site provides medical information and pages enabling simple self-checks for persons afflicted with such symptoms or ailments as high blood pressure, hyperlipemia, diabetes, atopic dermatitis, hay fever, branchial asthma and other allergies, gastritis, stomach ulcers, reflux esophagitis, and depression.

CSR Report

The annual CSR Report is compiled to report to all stakeholders — customers, shareholders and other investors, employees, and the government — on our environmental and safety initiatives and other activities related to the social responsibilities we must fulfill.

We plan to have our major production and research facilities will issue site reports covering their environmental and safety activities to enhance information disclosure in their local communities.

CSR Report 2005



CSR Report 2006

CSR Report 2007

Employee welfare

Our human resources system and welfare programs

As the driving force for putting Astellas' business philosophy into practice, employees are the stakeholders most deeply involved in Company efforts. Therefore, Astellas positions "Employees" as one of the most important factors in CSR based-management. Along with showing respect for human rights, character and individual personality, the Company strives to provide workplaces that are safe and easy to work in. As a response to social issues such as the trend toward fewer children and an aging population, gender equality, and the employment of disabled persons, the Company views all Human Resources (HR) practices to attract, motivate and reward employees, as an inseparable part of its contribution to society.

Human resources vision

Our human resources and organizational structure are the driving forces of Astellas' "Value Innovation Cycle." Astellas views the maximum development and utilization of the capabilities and potential of the people it has brought together as essential to the realization of its Vision 2015 goals. Astellas has clarified for employees and its corporate organizations the desired talents and organizational features it envisages:

Astellas' desired talent

■ "Speed" in outperforming competitors

We carry through our jobs with speed which always goes beyond competitors in our particular field.

■ "Innovations" responding to changes in the environment

We continuously display innovation, by anticipating changes, and taking necessary risks.

■ "Professionalism" to gain competitive advantages

We continuously demonstrate high performance with professionalism to overcome competitors.

■ "Networking" to further develop strength

We incorporate and make use of information and resources from both within and outside the company to contribute to improved business outcomes.

Astellas' desired organization

■ Agile and highly productive organizational structure

Agility	The organization makes constant structural changes to align with its business environment, vision and strategy.
Efficiency	A lean organization which always has optimum organizational layers, and spans of control.

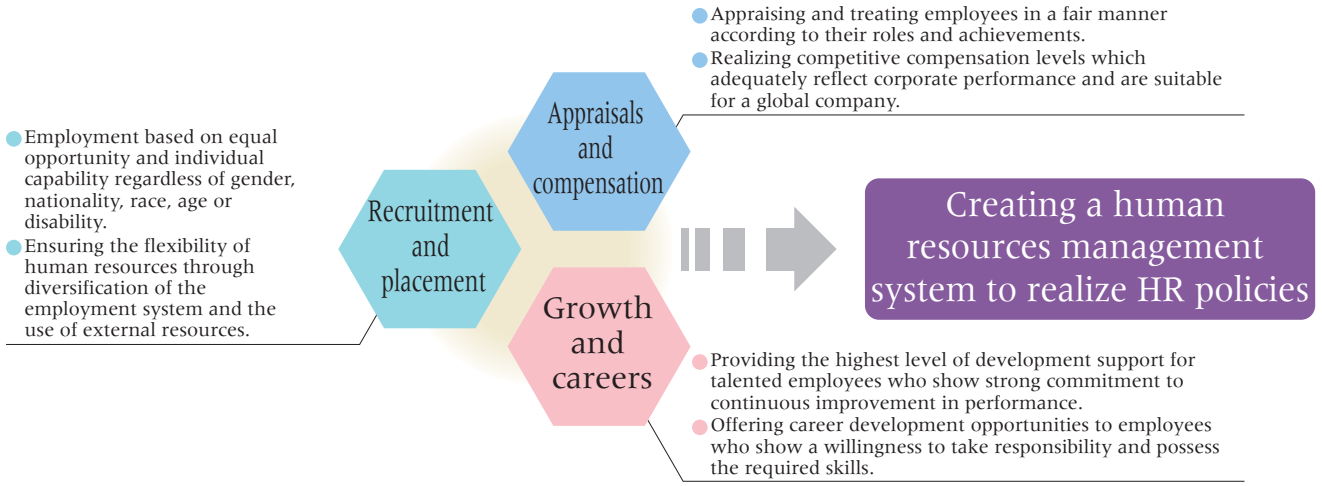
■ An organizational spirit committed to continued high performance

Clarity	The organization has a clear vision, strategy and policy that are clearly communicated and understood by members.
Objectives	With clear standards and objectives, all members are proactively working towards their goals.
Responsibility	The necessary authority is delegated to members to fulfill their roles using their own judgment and responsibility.
Flexibility	Without being excessively bound by precedent or fearing risk, members are able to face challenges, and to think and act in flexible ways.
Fairness	The diversity of values among members is respected, and their roles and performance are fairly appraised and treated.
Teamwork	Members are proud to belong to the organization, and work together in mutual trust.

Human resources policies

Human resources are indispensable for our achievement of the challenging goals contained in Vision 2015. The HR system at Astellas must properly motivate employees who continue to show an excellent performance in their own fields, and create a system for enabling our many talented staff members to tackle challenges. Each of the interrelated systems we are creating and implementing must be adjustable and consistent with the Company's overall objectives. To realize our vision of HR management, the policies guiding the functions must be clarified.

Human resources policies



Work environment

Enabling employees to dedicate maximum effort

Based on the ideal of work-life balance, we create a work environment that enables employees to concentrate on their work.

Providing a safety net for employees

Even the most results-producing employees may find themselves requiring extended leaves of absence due to injury or illness, or to care for family members. In such circumstances, we provide a safety net, so that they can take extended leaves of absence without having to worry about their jobs.

Offering a workplace with a focus on health, safety and order

Astellas has established in-house rules, including labor and safety regulations, and employment guidelines to ensure that its employees are physically and mentally fit, and that they are motivated individuals who can devote themselves to their work. We are also taking steps to prevent the occurrence of gender biases, sexual harassment and power harassment, to provide a healthy working environment.

Relationship with the Labor Union

Astellas Pharma and members of the Astellas Group operating in Japan have signed a labor agreement with the Astellas Labor Union, comprising approximately 4,900 members. Through this agreement, the two sides acknowledge that the Company and the Union are on an equal footing, and they are working to build sound labor-management relations. The Company and the labor union jointly hold meetings with the Management Council, the Central Safety Council, the Personnel System Council, and the division management councils as required, to review and improve working conditions and ensure the sound conduct of operations.

Composition of the labor force

The different forms of employment can be seen in the chart at the right, which illustrates the composition of the Astellas workforce as of March 31, 2007.

In view of the increasing diversification of employment situations, we have adopted a unified approach to compliance training as well as a safety and health activity program. All employees take part in the same type of activity regardless of the manner in which they are employed. For those engaged in production and research areas involving risks due to the use of potentially harmful chemicals, as well as physical dangers (including possible fires), thorough training is provided to avoid accidents and injuries. In this way, the Company is working to create an optimal labor force management system that corresponds to the diversification of employment situations.

Employee Classifications		FY2007		
		Total	Male	Female
Astellas Pharma	Full-time employees	5,367	4,557	810
	Managerial positions	1,808	1,774	34
	New graduates	65	31	34
	Mid-career hires	53	47	6
	Other staff	52	33	19
	Contracted staff	397	32	365
	Total	5,816	4,622	1,194
Domestic Group Companies	Full-time employees	1,642	991	651
	Managerial positions	341	320	21
	Other staff	392	86	306
	Contracted staff	361	50	311
	Total	2,395	1,127	1,268
Overseas Group Companies	Employees	6,213	—	—

Employee welfare

Our human resources system and welfare programs

To make optimal use of their capabilities, employees require a safety net that will enable them to dedicate themselves to their work even when faced with such contingencies as pregnancy, injury or healthcare for family members. Such developments have a direct impact on an employee's performance, and consequently it is necessary to find ways to enhance the employee's productivity and strike a balance between work and private-life responsibilities. We have developed the following employee welfare system with these considerations in mind.

Work schedule systems

Flexible working hours system

This system gives employees the flexibility to choose when they start and finish work each day. From fiscal 2008, it will become possible for employees engaged in child raising or nursing care to work fewer hours on some days under this system.

Outside de facto working hours system

This is applicable for sales-related work performed outside the office. Under this system, employees are considered to have worked their scheduled number of working hours regardless of the actual number of hours worked.

Discretionary working system

This system applies to researchers and staff with a certain amount of responsibility. Under this system, an employee's work performance is evaluated largely on the contribution they make to the company. Employees are compensated for a fixed number of hours regardless of the actual number of hours worked.

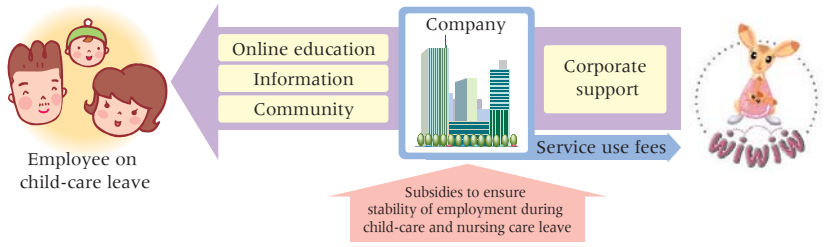
Note: Employees must meet specified criteria to be eligible for leave offered under these systems.

Vacation and leave

Maternity and child-care leave

The employee is able to take the leave until the child is three years old. We have also introduced a system for reduced working hours for employees raising children. Employees qualify for this system until their child begins elementary school. In the event that an employee makes use of the child-care leave, that person may feel concern about the possibility of skill deterioration due to a lack of information while away from the workplace, or upon reentry back into the workplace. To prevent this anxiety, we lend employees taking child-care leave a PC, and have begun a system for providing updates with regard to company information, self-study, and communication with company staff. Separate from this, there is the "WIWIW" service offered by the Kyosaikai, an employees' voluntary association. ("WIWIW," which refers to the Women's network connecting Woman and Woman over the Internet, is a program to support women returning to the workplace.)

The WIWIW mechanism



Ministry of Health, Labor and Welfare
Japan Institute of Workers' Evolution

Usage of existing system

		Usage		
		FY2005	FY2006	FY2007
Paid leave	Percentage used	52.1%	47.4%	50.5%
Maternity leave	Employees	50	50	58
Child-care leave	Women	69	79	67
	Men		1	1
	Average days used (Women)	0	395	204
	Average days used (Men)	262	2	365
Reduced working hours to raise children	Employees	—	46	31
	Average days used	43	352	151
Special leave	Employees	336	219	391
	Average days used		3	3
Nursing care leave	Employees	185	6	0
	Average days used	2	72	0
Reduced working hours for nursing	Employees		0	0
Recovery leave	Employees	3	13	47
Bone marrow donor special leave	Employees	160	0	1

Special leave

In the event that an employee's child, spouse, or parent suffers injury or illness, the employee is allowed up to five days (per year) of special leave — separate from the normal annual leave allowance — to allow him/her to care for the indisposed family member.

Nursing care leave

Astellas has introduced a nursing leave system where employees can take time off (up to a year) to aid in the home care of family members. It is also possible to work one hour less a day without taking leave.

Recovery leave

If continued hospitalization or home care is necessary after receiving one month of treatment for the same disease or injury, employees can take up to one extra month of leave for recovery.

Bone marrow donor special leave

Out of respect of an employee's desire to donate bone marrow, a system has been created so that special leave can be taken to register and donate bone marrow.

Registration for reemployment

Medical Representatives who previously were forced to resign from their jobs due to responsibilities involving child raising, nursing care for family members or the transfer of a spouse to a new work location, can now register for reemployment. These individuals can be rehired as necessary, with preference given to seniority.

Addressing social issues in employment

In Japan, social issues affecting employment include the declining birthrate and the growing elderly population, and the questions of how men and women can work cooperatively in a partnership format for the benefit of society, how to balance one's work and one's private life, how to provide employment opportunities for the disabled, and how to address the growing disparity in income levels between regular and non-regular employees. Against this backdrop, we are working to devise measures to accommodate non-full-time employees. Astellas recognizes this to be a matter of diversity in the broadest sense (i.e. the diversity of individuals). To this end, we are studying measures to accommodate non-full-time employees, and are preparing in-house systems.

Launch of Our WIND Project

The diversity of human resources includes differences in race, nationality, gender, and age. In Japan, we are experiencing changes in the work environment. Changes in corporate culture and employee awareness enable women to make fuller use of their capabilities in the workplace. We believe that such changes will help Astellas to strengthen its overall competitiveness. With this in mind, we launched the WIND (Women's Innovative Network for Diversity) Project in November 2007. This project is led by the President, and involves the staff of all the Company's departments. The Wind Project, which aims to enhance the diversity of the Company's corporate culture, is undertaking the following activities.

Creating a new corporate culture/change employees' thinking

- Foster a corporate culture that values diversity
- Encourage a corporate culture that recognizes the importance of providing support for dealing with life's contingencies (child-raising, nursing care for the elderly) in balance with work responsibilities

Create various personnel systems

- Expand measures for supporting employees with child-raising and nursing care responsibilities, etc.

Allow women to pursue a wider variety of career paths

- Ensure that women are assigned to work in the Company's various departments
- Increase the number of women in management positions (with responsibility for overseeing subordinates)
- Increase the number of women serving as role models

WIND
Women's Innovative Network for Diversity

The letter "W" represents motivated employees, regardless of their gender, and also expresses the image of an invigorating wind.

Astellas Pharma's action plan

As part of an initiative to support the next generation of employees, Astellas launched its new action plan on May 28, 2007, and received the approval of the Ministry of Health, Labor and Welfare of Japan. We have devised initiatives for our new action plan and are in the process of implementing them.

Action Plan

Implementation period: April 1, 2007 to March 31, 2012

Targets	Measures	Fiscal 2007 initiatives up to April 2008
During this period, reduce the number of annual predetermined work hours.	Take effective steps to achieve a real balance between work and private life by reducing the number of annual predetermined work hours, after careful examination of this topic.	The following measures, introduced in April 1, 2007 to support those employees returning from child-raising or nursing care leave, are being implemented under the program name "Child-Raising (Nursing Care) Returnees Support Program." •Preparation of interviewing rules for before, during and after taking leave •Leasing of PCs for employees taking leave •Introduction of WIWIW support program for employees returning to the workplace after taking private leave for healthcare or child-raising purposes From April 1, 2008, employees engaged in child raising or nursing care, and who work fewer hours, are now given a choice between using this system and our ordinary flexible working hours system.
During this period, introduce a new work format that facilitates the fulfillment of both work and child-raising duties.	The management and the labor union will jointly investigate various work formats, with the twin aims of raising productivity and achieving a better balance between work and private life.	
During this period, introduce measures to support reentry into the workplace.	Investigate reentry support measures, taking into account the characteristic features of job category.	

Employment of disabled persons

In fiscal 2007, disabled employees accounted for 1.78% of our workforce, which is slightly below the statutory requirement of 1.8%. This is largely attributable to the impact of the introduction of early retirement incentives, which led to a reduction in the total number of employees. We are making efforts to create a workplace suitable for disabled persons, so as to achieve the statutory requirement. We are currently considering new policies that will enable us to raise the percentage of disabled employees in the workplace to 2.0%, which will be the statutory requirement in the future.

Percentage of disabled employees		
FY2005	FY2006	FY2007
1.86	1.81	1.78

Employee welfare

Preparing a safe working environment

Because ensuring the health and safety of its employees is a fundamental component of business, Astellas makes every effort to provide a safe and comfortable working environment for all its employees and is establishing a system to prevent work-related injuries and improve employee health.

In practice, our initiatives in the area of safety and health have much in common with our environmental protection efforts. Therefore our policies and management systems address these two areas of activity in a comprehensive manner. To learn more about our policies and organizational structures in the area of safety and health, please refer to the section on Environmental Initiatives starting on page 33.

Health improvement measures

Initiatives to prevent overwork

We have put programs in place to prevent health problems caused by overwork, which are designed to reduce excessive overtime, encourage employees to take annual paid vacations, and in general, maintain their health.

As a means of managing working hours, we have created and implemented a system designed to prevent overwork. The system is designed to track the hours of work reported by the employee against the employee's officially recorded in/out times triggered by the employee's ID card. We can tell from this data the hours an employee is working and how long he or she has been with the Company (and in our health management system). The manager in charge of the work unit is informed when an employee is working too many hours, and the employee's hours of work are adjusted as needed. When the managed hours of work exceed internal standards, the Company responds with health management measures such as having the employee meet with an industry doctor. Planned paid vacations are input to our paid vacation registry every three months and employees are encouraged to schedule and take paid vacations.

Mental health care initiatives

Because mental health problems can be caused by occupational stress, a planned, ongoing effort is required to alleviate stress in the workplace.

For this reason, the Company implements various measures in collaboration with the labor and health insurance unions. We promote self-care and care from others on the line, provide care from the health staff at the place of work, and help with care from institutions outside the Company. We also strive to make the workplace as pleasant as possible and provide long range planning for each level of need.

Category	Concrete efforts
Self-care	•Provide employees with mental health education during their training period after joining the Company •Enable employees to seek counseling, and provide access to consultations inside and outside the Company •Distribute the "Communications from the Heart" pamphlet on self-management using the Overwork Control System •Teach self-management for preventing overwork conditions
Care from the line	•Conduct mental health training as part of training offered to new employees •Make available (in-house and externally) consultation services for employees, enabling them to speak with mental health professionals
Care from corporate health staff, others at workplace	•Assigned three industry doctors (psychiatrists) to Eastern Japan, Western Japan, and Tsukuba areas •Work with mental health practitioners assigned to provide for internal needs; Care from institutions outside Company
Care from institutions outside the Company	•Contract with Employee Assistance Program for external counseling services

Medical consultations

Encouraging employees to manage their own health is important because it helps them stay in good health and helps prevent adverse effects on business operations.

To comply with legal requirements for general health examinations, Astellas provides regular checkups for employees up to the age of 35, and in association with the Company's health insurance union, it provides a complete series of examinations designed for the middle-aged to verify that those 35 and older are in the best of health. Along with checkups at the time of employment and checkups for employees being assigned overseas, we offer voluntary examinations that are not legally required. These are conducted six months after the regular checkup or the examination for middle-aged employees. Legally required checkups include special health examinations for employees who handle organic solvents or other hazardous materials or are exposed to ionized radiation. In addition, the Company provides special biosafety health examinations for persons handling pathogens, clinical materials, or test animals, as checkups are not legally required in such cases.

		rate (%)		
		FY2005	FY2006	FY2007
Medical checkup	Initial checkup	97.4	100.0	98.6
	Regular checkups	97.7	98.7	97.9
	Checkups for middle-aged employees	99.6	99.7	99.8
	Voluntary checkups	39.1	46.4	48.9
	Checkups for employees assigned overseas	94.9	97.6	100.0
	Special checkups	99.9	100.0	100.0

Safety Action Plan

Astellas drafts a Safety Action Plan annually, incorporating measures primarily aimed at preventing work-related injuries and accidents. The details of this plan are reflected in the measures adopted by the individual plants and research facilities operated in Japan by Astellas Group members, and activities are being taken systematically for the prevention of worked-related injuries.

Results in fiscal 2007

1 Safety management system

Action Plan: Prepare and begin to implement a concrete risk assessment action plan concerning safety, hygiene, and disaster prevention by fiscal 2007

It is important to maintain a high level of awareness of issues concerning occupational safety and hygiene, especially at production and research facilities where employees are exposed to potential danger. Difficulty in seeing the benefits of safety activities, and employee complacency, can lead to a drop in awareness and sensitivity to dangers and risks. This is viewed as one factor in major accidents. Accordingly, we continually make improvements to our safety management systems, and conduct identification and assessment of any latent safety and health risks relating to either equipment or work operations, so as to minimize risk.

In fiscal 2007, the manufacturing departments and the research departments conducted risk assessments, and drafted measures to reduce risk. In the future, we will review our methods for conducting risk assessments, enlarge the scope of our assessments, and continue making further improvements.

2 Preparedness and response to accidents and emergencies

Action Plan: Periodically review the risk management system, incorporating organizations, emergency communication networks, and the appropriate methods for responding to all conceivable accidents and emergency situations

As well as preventing accidents, we must also minimize the damage caused by any accident or disaster that might occur. For this reason, each major facility has established organizations and internal and external communications networks to prepare for response to emergencies. We are also conducting fire and earthquake drills and other training exercises to be prepared for all conceivable disasters.

In fiscal 2007, we set as goals periodic reviews of and improvements to our communication networks and emergency procedures. Instead, we confirmed that the network would fail to function effectively in the case of an emergency, and that communication duties should be reassigned. In the future, we will continue working to create a risk management system to ensure that there will be no oversights in the notification of an emergency situation, and no failures to implement the proper procedures.

3 Severity rate of work-related injuries

Action Plan: Prevent the occurrence of major work-related accidents and continue to achieve a frequency rate of work-related injuries of 0.005 or lower

To prevent accidents in the workplace, it is necessary to confirm that continuous improvements are being made to ensure the effectiveness of the safety management system, and that progress is being made in the reduction of work-related accidents and injuries.

At Astellas, we have set a numerical target for the severity rate of work-related injuries*1 as represented by the number of days of absence from work due to injuries, and are implementing measures to prevent injuries.

In fiscal 2007, the severity rate of work-related injuries*2 was 0.001, which is below our target of 0.005.

Although we have achieved our targets, there have been cases which could have led to major accidents, as well as examples of near-misses (steps were taken just in time to prevent an accident from happening). Thus, we are encouraging plants to share information about accidents and continuing efforts to improve risk assessments.

Work-related injuries

	FY2005	FY2006	FY2007
Number of work-related injuries	45	41	34
Frequency of work-related injuries	0.44	0.35	0.25
Severity of work-related injuries	0.011	0.003	0.001

*1 Frequency rate of work-related injuries

This rate shows the number of employee deaths or injuries resulting from work-related accidents per million hours of work. The larger the number, the more frequently work-related injuries occur.

In 2007, the frequency rate of work-related injuries occurring in the manufacture of pharmaceuticals was 1.41.

*2 Severity rate of work-related injuries

This rate shows the number of days absent from work due to work-related injuries per thousand hours worked. The higher the number, the greater the severity of the injury. The indicator of the frequency of work-related injuries is the frequency rate.

The severity rate for work-related injuries in fiscal 2007 was 0.02.

4 Cooperation with local communities

Action Plan: Release information related to safety and health for each principal facility by fiscal 2007

In fiscal 2007, our major facilities in Japan have published environmental reports and disclosed their safety and health information, and thus this target has been achieved.

Employee welfare

Safety Action Plan

Other initiatives

1 Preparedness and response to accidents and emergencies

Along with preventing accidents, we must also minimize the damage caused by any accident or disaster that might occur. For this reason, each major facility has established organizations and internal and external communications networks to prepare for responding to emergencies. We are also conducting fire and earthquake drills and other training exercises to be prepared for all conceivable disasters.

Although each principal facility completed setting up an emergency communications network, in some cases messages were not appropriately communicated in a timely manner, and procedures were not executed in the proper order. For these reasons, from fiscal 2007 on, regular reviews of procedures and emergency communications networks, and plans for improvements in maintenance will be part of our safety action plan.

In addition, it has long been necessary to develop and install standard procedures for responses to fires, earthquakes and other disasters. This has to be done to ensure that proper actions will be taken, according to set procedures, in the event a disaster occurs. For this reason, each of our facilities conducts evacuation and firefighting drills.

Drill on handling a defibrillator at Nihonbashi Facilities

Emergency response drills using a rescue carrier mat at the Tokodai Research Center

Fire drills at Kiyosu Research Office

Drills for responding to a leakage of organic solvent at the Takaoka Plant

2 Harmful chemical substances management

Astellas has devised measures to prevent workers from being exposed to the harmful chemical substances they handle. These include providing information on harmful substances and ensuring that employees are aware of the dangers involved; providing employees with protective equipment; improving work procedures; and taking steps such as closing off facilities.

A management system to enable a quick and appropriate response to accidents has been set up. This includes a system for remote monitoring of work sites to allow immediate response to accidents and emergency situations.

In the event of an accident during the transportation of chemicals, delays in initial responses and incomplete information on the material being transported could delay containment efforts and cause major problems. To prevent this, drivers and other related parties must take appropriate steps, which include providing information to the authorities, such as fire departments. Our guidelines require that emergency contact cards, which contain environmental and safety information as well as contact information, be provided when outsourcing transportation of chemicals and waste material.

In fiscal 2007, all of our research laboratories surveyed the management status of harmful chemical substances, such as test drugs and bulk pharmaceuticals, stored on their premises, and studies were commenced on identifying ways to improve their chemical management systems.

3 Education and training

Safety and health education and training is conducted as part of the group training programs offered by the CSR Office, together with environment-related education. This training is supplemented by training sessions carried out at each of our plants.

The group training programs focus on daily safety and health initiatives, and training is offered to the individuals in charge of health initiatives and their supervisors. Participants are informed of our policies on health and hygiene initiatives, to fully understand our environmental plans and all kinds of guidelines with regard to these topics. In addition, participants share information on the pressing issues facing each facility and the specific countermeasures being implemented. At each facility, we notify the employees about our action plan on a regular basis, and raise awareness about safety, health and environmental considerations. In this way, we work to undertake periodic and systematic training of our staff.

In addition, via the Company's intranet, we make available an environmental newsletter, and each factory operates its own notice board as a means of providing information concerning safety, health and hygiene, and environmental issues.

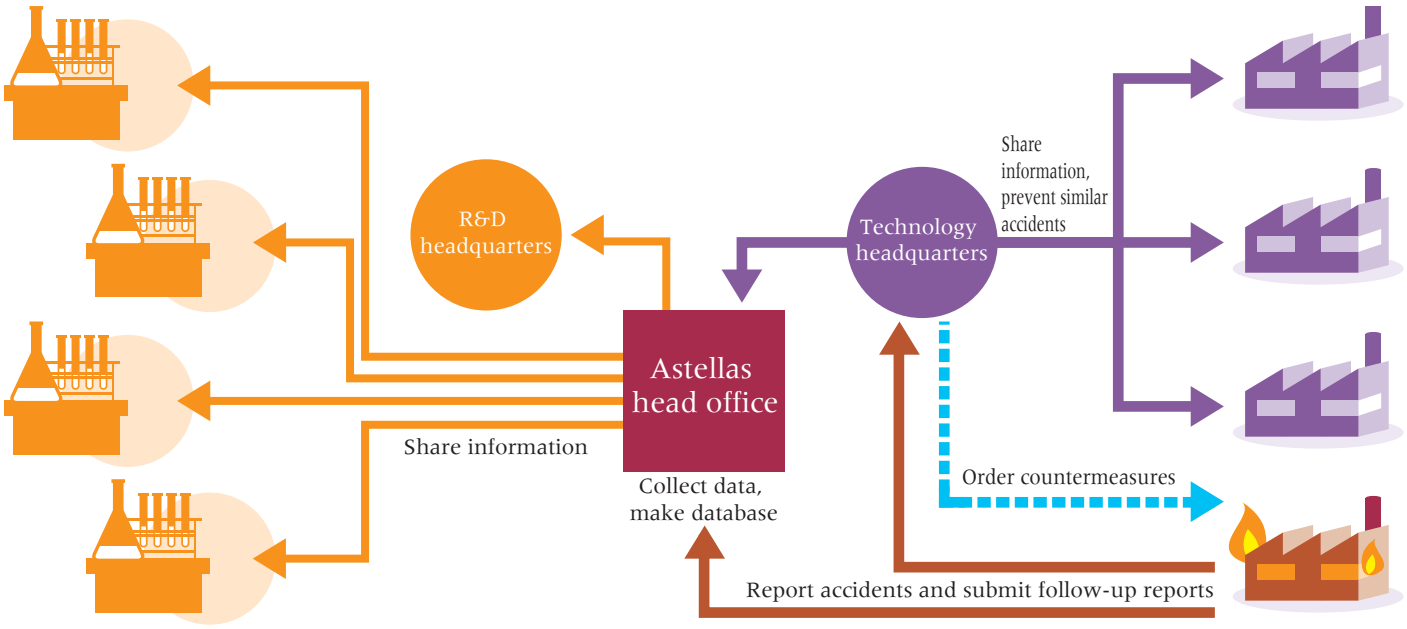
New employee training at the Kashima R&D Center

- Education on the plant's policies and management system operations
- Study session on safety management systems
- Training on the proper handling of chemical substances
- Specialist training and the cultivation of certified personnel
- Hosting explanatory sessions covering the emergency communication network, emergency response procedures and our basic policy. Sessions are held for permanent plant staff and construction-related staff, the staff that deliver bulk pharmaceuticals, and workers entrusted with waste processing duties.

4 Network-wide notification of emergencies and accidents

To prevent accidents and emergencies in the workplace, each facility has created its own safety management system, and continuously makes improvements, following the PDCA (Plan-Do-Check-Act) cycle. Each facility is then responsible for notifying the other facilities about the cause of a particular accident, and must simultaneously undertake an investigation of the work procedures and equipment, as well as inform them of previously devised measures thought useful in preventing the occurrence of similar accidents.

At Astellas, information regarding accidents that occur at any of our facilities or near-misses is collected, entered into a database, and shared among our other facilities. The information is reflected in the activities of our various plants and research laboratories. At each facility, the accident reports are analyzed and investigations conducted to enable reviews of work procedures and modifications of production equipment. Below is the flowchart showing the flow of information in the event of an accident at one of the Group's factories.



Safety Action Plan (for fiscal 2008)

Following on the achievements under our Fiscal 2007 Safety Action Plan and the occurrence of new issues, we have devised the items below for inclusion in our Fiscal 2008 Safety Action Plan.

1 Workplace Safety and Occupational Hygiene Management

- Review safety management system at regular intervals for maintenance and improvement.
- Identify all risks at each business site concerning workplace safety, occupational hygiene, security and disaster prevention, and establish objectives and targets with the aim of reducing the likelihood of materialization of risks by the end of fiscal 2009.

2 Response to Accidents and Emergencies

- Continuously work to effect improvements in the risk management system, including organizations, communications networks, and methods of responding to all conceivable accidents and emergency situations.

3 Severity rate of work-related injuries

- Continually work to keep the severity rate of work-related injuries at 0.005 or lower.

4 Chemical substance management

- Establish a comprehensive and effective system for managing hazardous chemical substances from procurement through disposal by the end of fiscal 2009.

Environmental initiatives

Environmental and Safety Policy

Astellas recognizes that harmonizing corporate activities with global environmental concerns is a key management priority. Aiming to help reduce the environmental load, we have set numerical targets to contribute to global warming mitigation efforts, chemical substance management, and resource conservation, and are working to achieve these targets.

Environmental activities, which are being undertaken systematically on an organizational basis, are expected to have a substantial effect. To ensure their success, we have set clear guidelines for basic policy and the stance we need to take. Based on this policy and these guidelines, we draw up an environmental action plan each year, specifying the activities to be implemented during that year.

Considering that global warming is an urgent issue that transcends national borders and will have an effect on future generations, we have drawn up the Medium-Term Targets for Global Warming Countermeasures separately from our action plan, to clarify our safety and environment blueprint for Astellas in 2015.

In practice, our safety and health initiatives have much in common with our environmental protection efforts. Therefore, our policies and guidelines address these areas of activity in a comprehensive manner. This section features a discussion of policies and mechanisms common to both environmental and safety & health initiatives.

Environmental and Safety Policy

Our environmental and safety policy, which indicates Astellas' basic stance on environmental and safety issues, was established on the basis of the clauses pertaining to environmental and safety issues specified in the Charter of Corporate Conduct. The policy applies to all domestic and foreign Group companies, and forms the basis of all our corporate activities.

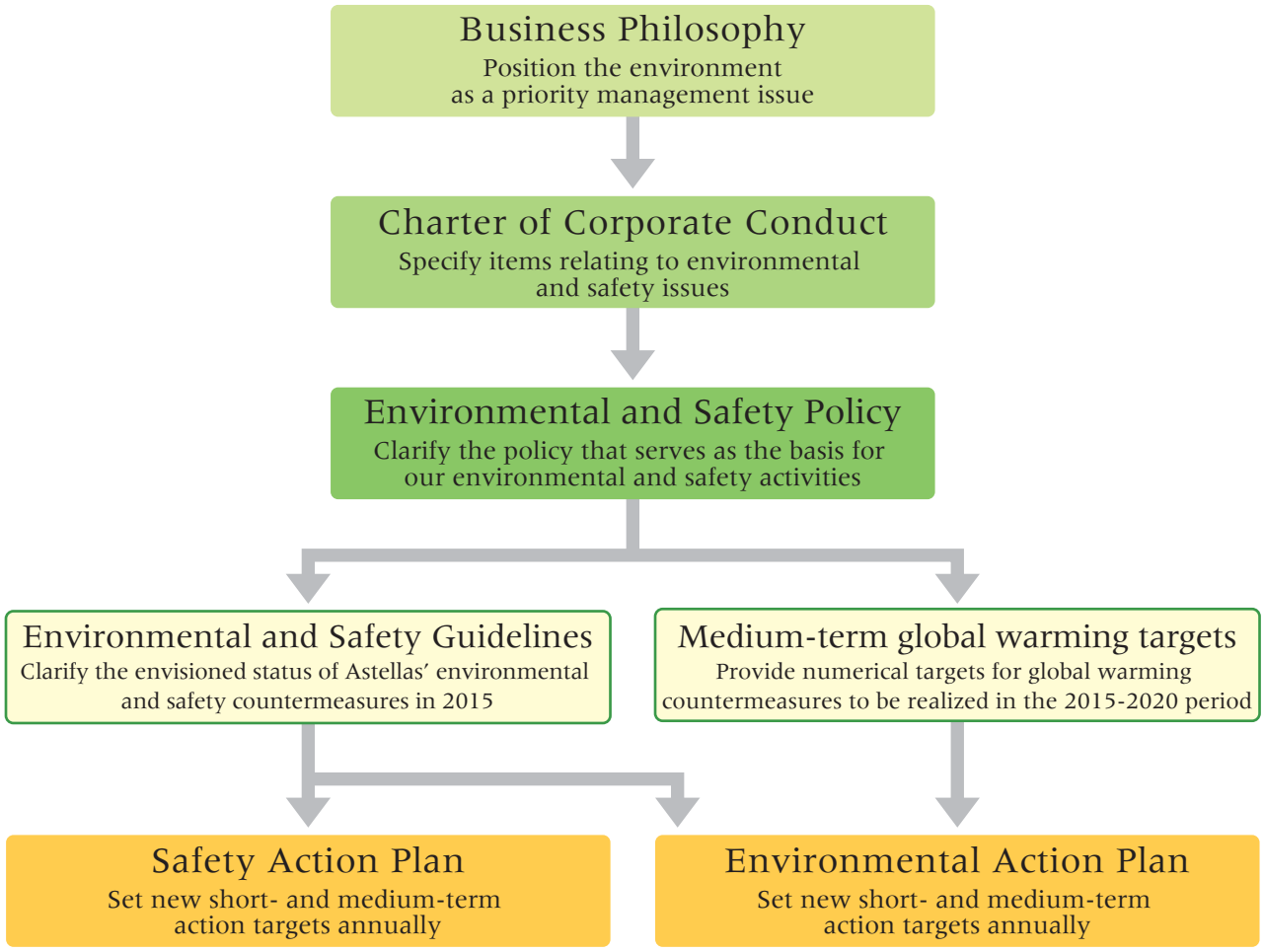
Astellas, as a life science corporation that contributes towards improving the health of people all over the world, conducts business activities in harmony with the global environment and with due regard for employees' health and safety. Environmental and safety issues are recognized as key elements of our corporate management and are considered for every aspect of the business.

1. We not only strive to comply with applicable laws and regulations relating to environmental protection and occupational safety & health, but also proactively aim to achieve stringent standards, setting ourselves higher targets than those required by regulations.
2. We have established environmental and occupational health & safety management systems, which demonstrates our commitment to continual improvement through organized activities.
3. We regularly assess the potential environmental impacts and safety risks for all our business operations and make sustained efforts to reduce those potential impacts and risks through our environmental and safety objectives and targets.
4. We develop effective products and technologies that harmonize well with environmental and safety considerations.
5. We promote the implementation of activities that aim to reduce the potential risks that may give rise to environmental pollution or occupational accidents. These activities also ensure that in the event of an emergency we can act promptly and appropriately in order to minimize damage.
6. We provide continual training in environmental and safety education for all employees so that they can keep abreast of environmental and safety issues and embrace their social responsibility.
7. We are committed to social and corporate accountability and openly communicate environmental and safety information in a timely and appropriate manner to our stakeholders.

Established April 1, 2005

Rules of conduct governing environment and safety activities

At Astellas, the environment is positioned as one of our five high-priority areas of social responsibility. To conscientiously fulfill our responsibilities to the environment, we adhere to the following environmental and safety standards in our implementation of specific measures and initiatives.



Environmental and Safety Guidelines

Our Environmental and Safety Guidelines provide unified standards to be upheld in our implementation of environmental and safety measures. These guidelines indicate the stance Astellas should aim for in the future.

These guidelines describe that envisioned status of various countermeasures in qualitative terms. The period for realizing numerical targets and the actual numerical targets are set out separately in our short- and medium-term action plans, updated annually.

In the environmental and safety audit conducted by the Head Office, auditors use these guidelines as the criteria for their evaluation of the activities of each facility.

Until fiscal 2007, Astellas' Guidelines comprised 55 clauses, focusing on the stance that Astellas should aim for in 2010. However, the majority of facilities, particularly the Company's production bases, had already achieved these targets. Therefore, we have drawn up a new set of Environmental and Safety Guidelines (80 clauses), envisioning the stance that Astellas should aim for in fiscal 2015.

Environmental and Safety Guidelines (established April 1, 2005)

1	Compliance with laws, regulations and internal guidelines	7 clauses
2	Environmental and safety management	7 clauses
3	Risk management, preparedness and response to accidents and emergencies	11 clauses
4	Management of facilities and vehicles	7 clauses
5	Development of products and techniques	7 clauses
6	Education, training and motivation	6 clauses
7	Global warming prevention and resource conservation	8 clauses
8	Chemical substance management	9 clauses
9	Waste management	4 clauses
10	Pollution control for air, water and soil	7 clauses
11	Control of sensory nuisance sources and preparedness and response to complaints	3 clauses
12	Social contribution	7 clauses

Environmental initiatives

Organizational structure and assessment system

Environmental and safety management system

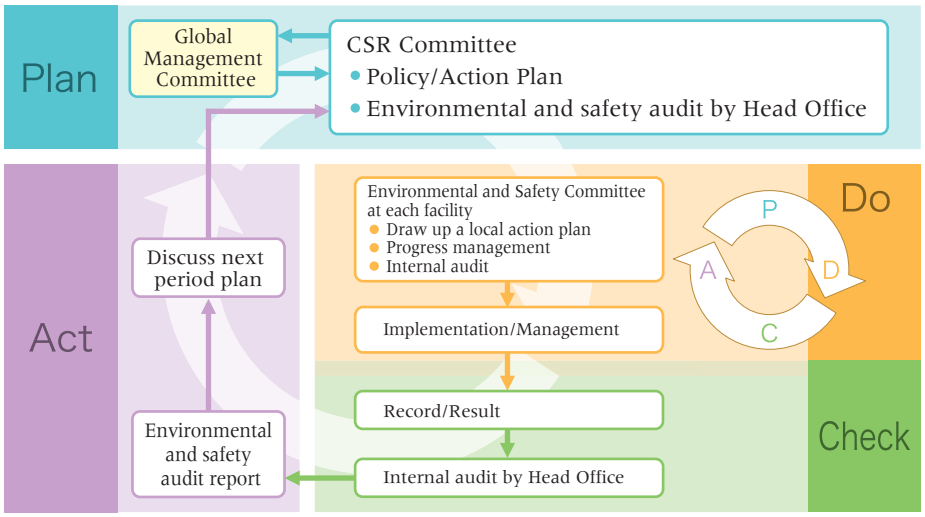
Organizational structure and management system

The CSR Committee deliberates and decides on Astellas' policy, action plans and measures related to environmental preservation and workplace safety. The results of these deliberations are then communicated through the Astellas Head Office and reflected in the activities of all our plants, offices and laboratories. Each plant, office, or laboratory also follows the PCDA (Plan-Do-Check-Act) cycle by establishing its own action plan emphasizing the work of its environmental and safety committee and by conducting internal audits, performance reviews and reevaluations.

The executive in charge of CSR takes the initiative for a companywide audit of environmental and safety activities. The results are then submitted to the CSR Committee, and utilized in the formulation of plans and policies for the next year's Action Plan. Thus, the PDCA cycle serves as an effective mechanism for the environmental management system at Astellas.

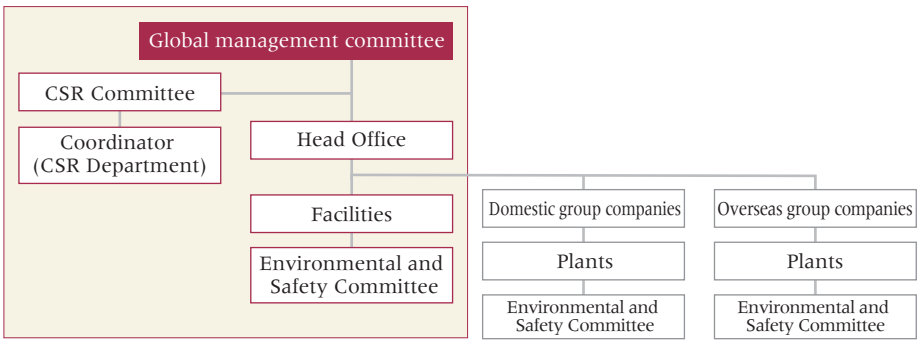
We have obtained ISO 14001 certification (an international standard for environmental management) for all plants and facilities in Japan and overseas, except for our Norman Plant in the U.S. The Norman Plant is now taking the necessary steps to acquire the certification. The Takahagi Facilities have also acquired certification for the OHSAS 18001 (an international standard for occupational safety and health management) in addition to the ISO 14001 certification.

Flow of the environmental management system



Organization

Astellas Pharma



Environmental and safety audits

To ascertain the status of Astellas' overall environmental and safety activities, the executive officer in charge of CSR acts as chief auditor and heads an audit team, which conducts a companywide audit of environmental and safety activities. Audits by examining documentation are conducted annually at our facilities in Japan and overseas. In Japan, on-site audits are conducted once a year, while overseas audits are performed once every two or three years.

Environmental and safety audits cover some items selected from our Environmental and Safety Guidelines. Total scores and scores for progress made for each item are tabulated to determine the extent to which the guidelines' targets have been achieved and identify urgent issues to be resolved. The individual facilities are required to submit reports containing concrete remedial measures. A questionnaire on remedial measures is distributed to check the progress of the measures, and the progress is confirmed in the next year's environmental and safety audit.

Environmental and safety audit report and response

During environmental and safety audits, topics related to such issues as the progress towards reaching targets set forth in our Environmental and Safety Guidelines, the extent to which the Environmental Action Plan and Safety Action Plan have been implemented, and responses to environmental and safety risks are selected and included in the environmental and safety audit report, which is submitted to the chairman of the environmental and safety committee at each facility. Each facility then submits an improvement plan related to the audit report. Implementation of the improvement plan is checked through an examination of the relevant documents and an environmental and safety audit conducted the following fiscal year. In addition, a comparative analysis of the audit results is conducted in order to clarify problems related to environmental and safety measures. This is reported to top management and reflected in management policy.

Fiscal 2007 environmental and safety audits

In fiscal 2007, on-site environmental and safety audits were conducted at seven domestic production and research facilities, and two domestic offices. We identified four minor incidents of non-conformance and 40 items involving environmental and safety matters that needed improvement. The individual facilities involved have devised countermeasures to remedy the situation.

Overseas, we conducted on-site environmental and safety audits for our Norman Plant, located in Oklahoma, and identified three items showing room for improvement. In addition, an audit by examining documentation was conducted for four domestic production plants and five overseas production plants.

In fiscal 2008, we plan to conduct on-site audits for all of our domestic plants, research facilities and offices, and two overseas plants.

On-site audit underway at Norman Plant
Our Norman Plant strictly controls the use of chemical substances, and conducts tornado emergency evacuation drills to enhance workplace safety and hygiene.

Environmental and safety assessment system

The total environmental load resulting from the production, sale, distribution and disposal of products can usually be approximated at the research and development stages. With regard to the production and sales of pharmaceutical products, it is necessary to obtain government approval for each product. Since government approval also covers production methods and packaging specifications, when there are changes in either approved production methods or packaging, new approval must be obtained even if the changes are related to work safety or reducing the environmental impact. This entails substantial time and costs.

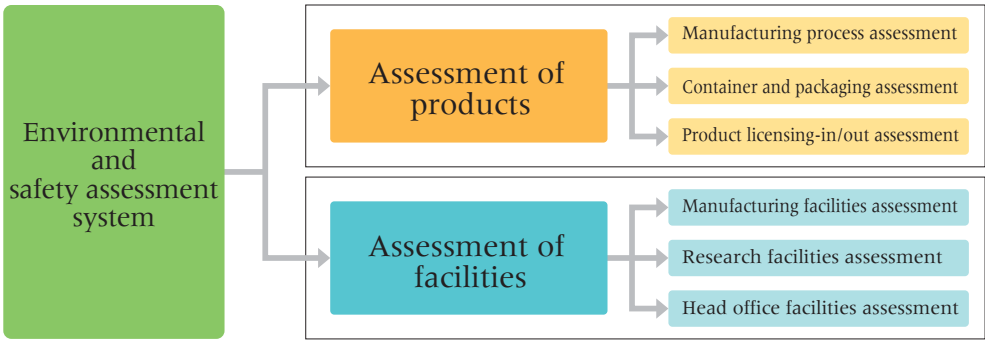
Concerning energy consumption during the production stage, the discharge of chemical substances into the environment, waste management, and safety countermeasures, the commencement of production of a new product may necessitate changes in existing equipment and control systems, in which case new capital investment would be required.

Therefore, Astellas has introduced an environmental and safety assessment system as a tool that requires efforts to minimize the environmental load at all stages, including research and development, production, distribution, and disposal.

Under this assessment system, we examine issues such as the reduction of air pollutant emissions and the excessive use of packaging and various safety measures prior to the commencement of commercial-scale production.

Furthermore, the environmental and safety assessment system requires an examination of the environmental impact when facilities larger than a certain scale are to be built and an examination of whether land to be purchased is contaminated.

Composition of the environmental and safety assessment system



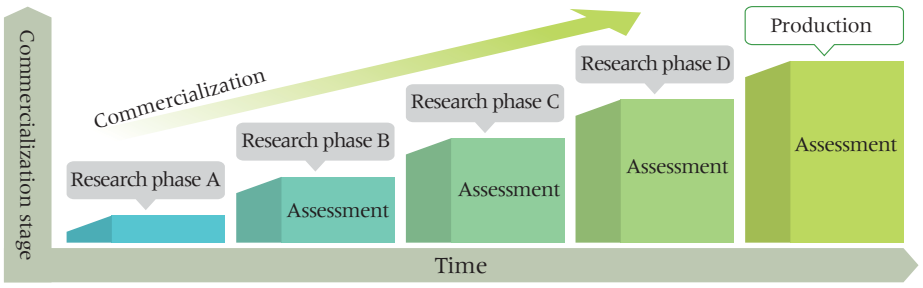
Operation of the environmental and safety assessment system

An assessment team conducts environmental and safety assessments in stages for the development of products and when new facilities are to be built. The results determine whether development of the product can move on to the next stage, a facility should be built, or land purchased.

Specifically, the assessment must identify raw materials or processes that might have a negative impact on the environment or employee health. The progress on remedial measures must be assessed, and action plans evaluated. Countermeasures being considered are evaluated in the subsequent stages of the assessment.

Regarding new construction of facilities over a certain scale and the expansion of existing facilities, we are required to predict the environmental impact that plant or facility construction, installation, and utilization will have on the local region. An assessment was carried out prior to the construction of the new building at the Miyukigaoka Research Center, confirming the incorporation of energy-saving technologies, the assurance of worker safety during the construction process, and the enforcement of proper controls over the release of chemical substances into the atmosphere.

Diagram of environmental and safety assessment system



Environmental initiatives

Environmental accounting

We established unified standards for Astellas based on the Ministry of the Environment's environmental accounting guidelines, then calculated the economic benefits of environmental conservation activities and the cost involved (investment and expenses). The effects of our environmental conservation efforts included reductions of carbon-dioxide (CO_2) emissions, waste materials, and NOx emissions. With respect to economic benefit, we saved 911 million yen by recycling chemicals and reducing energy use and waste.

Method for aggregating environmental accounts

Scope of aggregation: Astellas' domestic production departments, research departments, and Head Office

Environmental conservation cost: Total of labor and other costs and investment in and depreciation of equipment for environmental conservation activity

Benefits of environmental conservation: Items that can be quantitatively expressed

Economic benefit: Total of items such as reduced costs that can be expressed in monetary terms, reduced energy consumption, and reduced expenses for outsourced waste processing

(million yen)

Category	Major activities		Investments	Expenses
Business area costs			219	1,475
Pollution prevention	Prevention of air pollution	Management of facilities such as incinerators and boilers	54	314
	Prevention of water pollution	Management of wastewater processing, preventive measures against the release of pollutants	63	256
	Soil contamination prevention	Soil surveys, soil contamination countermeasures	37	27
	Noise, odor, and vibration prevention	Periodic measurement of noise, noise reduction measures	5	16
	Others	Dealing with asbestos	32	49
	Subtotal		190	662
Global environmental conservation	Prevention of global warming	Energy conservation activities, introduction of energy-efficient equipment and processes	29	349
	Prevention of ozone depletion	Reduction of emissions of specified CFCs	0	9
	Chemical substances management	Management of chemicals, measures for the reduction of emissions	0	37
	Others	Other environmental preservation costs	0	2
	Subtotal		29	397
Resource circulation	Efficient use of waste material	Recycling of waste	0	173
	Water conservation	Reducing water usage	0	0
	Waste processing	Self-processing of waste, outsourcing	0	201
	Others	Measures related to illegal dumping of waste	0	42
	Subtotal		0	416
Upstream/downstream costs		Expense of product package design and outsourced recycling of packaging	0	37
Administration costs		Operation of environmental management system, environmental measurements, education and training	1	270
R&D costs		Development and improvements in environmental technology	4	81
Social activity costs		Socially constructive activities, community outreach activities, landscape maintenance	0	8
Environmental remediation costs		Recovery from environmental accidents	0	21
Total			224	1,892
Total environmental conservation cost, excluding environment damage cost			224	1,870

Economic benefits

(million yen)

Category	Description	Value
Sale of recyclable waste	Revenue from sale of solvents, used paper, and metal waste	7
Reduction in waste processing expenses	Reduced waste disposal costs through recycling, reduced storage, and in-house incineration	324
Resource conservation	Cost saving through recycling of solvents	541
Energy conservation	Reduction in lighting and heating expenses through introduction of energy-efficient equipment and energy conservation activities	38
Total		911

Benefits of environmental conservation

(million yen)

Initiatives	Benefits of environmental conservation	
Adopted pump inverters, improved air conditioning controls, etc., to reduce energy consumption	Energy saving	34,135 GJ/year
Global warming countermeasures included changes in fuels used, adoption of pump inverters	Reduction of CO_2 emissions	10,187 t-CO_2
Recycling and reuse of organic solvents	Reduction of raw material consumption and waste	3,871 tons
Use of paints with optical catalyst properties	Reduction of NOx emissions	4 kg

Note: The above list contains only those items that may be calculated using an established formula.

Environmental Performance Index

In recent years, the environmental performance index has been increasingly adopted as a means of showing the relationship between corporate economic activities (as expressed by added value and sales) and the environmental load resulting from those activities. The effects of using such an indicator may be seen in relation to our medium-term targets, in terms of improvements in the total amount of environmental load. At Astellas, we are working to determine the environmental load of our overall business activities, and through the analysis of this data, to then devise an appropriate environmental action plan. We have put our own in-house developed environmental performance index to use in creating well-balanced environmental preservation activities.

In fiscal 2007, the environmental performance index was 55, which marks a 45-point improvement from the base year (fiscal 2005) and 12 points better than the previous fiscal year.

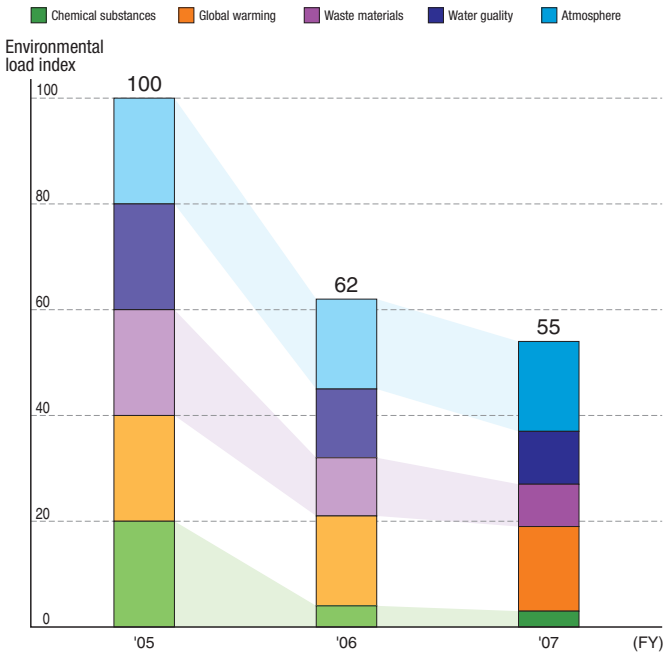
Environmental performance index

On the whole, the coefficients are the economic value generated by a business activity, which includes the added value created, and the impact of those activities on the environment. The environmental performance index integrates individual environmental loads and multiple environmental loads (the environmental impact) into a single numerical value.

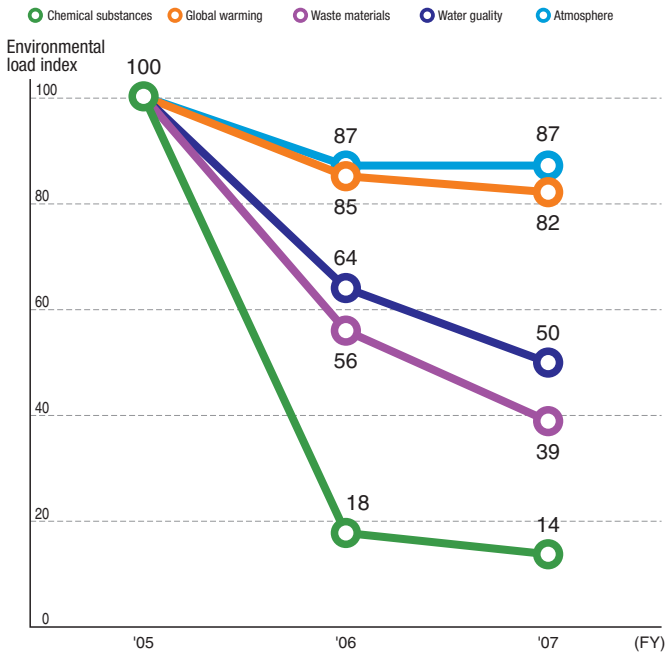
Factors used in determination of the environmental performance index and methods of calculation

Environmental load	Employ the following factors in determining the environmental impact of our business activities
	Chemical substances: Atmospheric discharge volume of PRTR Class 1 designated chemical substances Global warming: CO_2 emissions Waste materials: Final disposal volume Water quality: BOD discharge volume Atmosphere: Total soot and dust, NOx and SOx emissions
Environmental load intensity	The intensity is calculated by dividing the environmental load of each environmental factor category by the sales of that category for that fiscal year.
	Environmental load intensity of chemical substances (A) = Discharge volume of PRTR designated chemical substances/Sales Environmental load intensity of greenhouse gases (B) = CO_2 emissions/Sales Environmental load intensity of waste products (C) = Volume of final waste disposal/Sales Environmental load intensity of water pollutants (D) = BOD discharge volume/Sales Environmental load intensity for air pollutants (E) = Total emission volume of soot, NOx, SOx/sales
Environmental performance index	A relative value with the total environmental load intensity in the base year (fiscal 2006) at 100. Environmental load intensity of the five environmental factors is set at 20 for each factor (with the total for the five being 100). Calculate the value of the environmental load intensity for the fiscal year divided by that for the base year by multiplying by 20.
	Eco-efficiency index = $20 \times (A/A_0 + B/B_0 + C/C_0 + D/D_0 + E/E_0)$ Environmental load intensity for the base fiscal year: A_0, B_0, C_0, D_0, E_0 Environmental load intensity for the fiscal year being evaluated: A, B, C, D, E

Environmental performance index



Relative change in the environmental load index by factor



Environmental initiatives

Interaction between Astellas and the environment

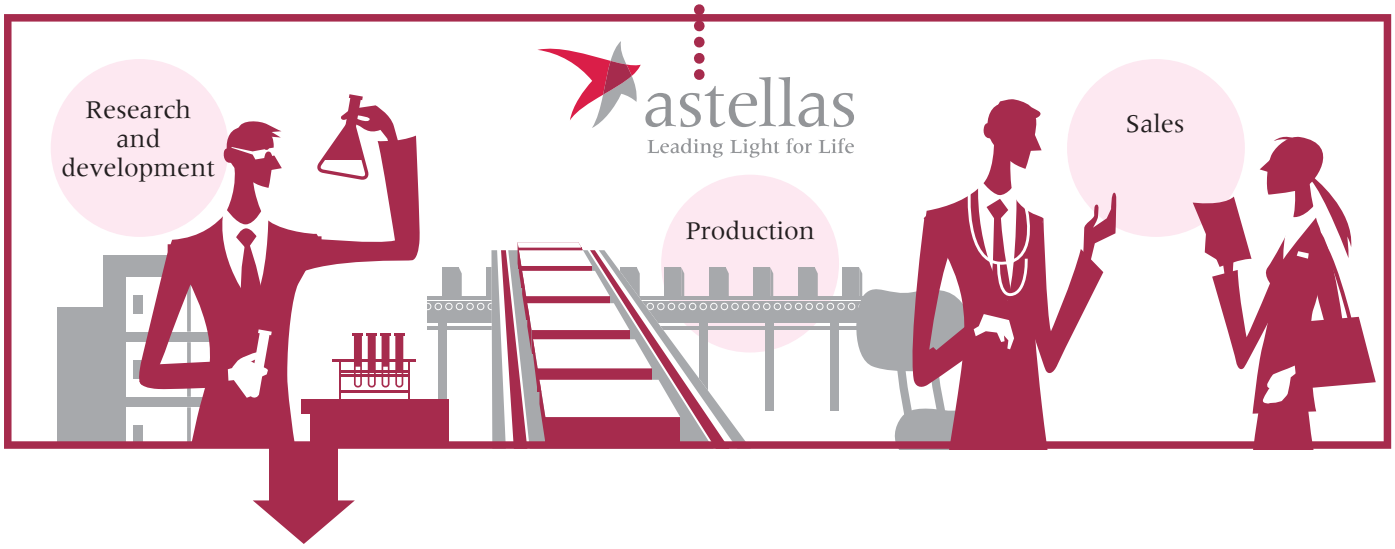
Japan

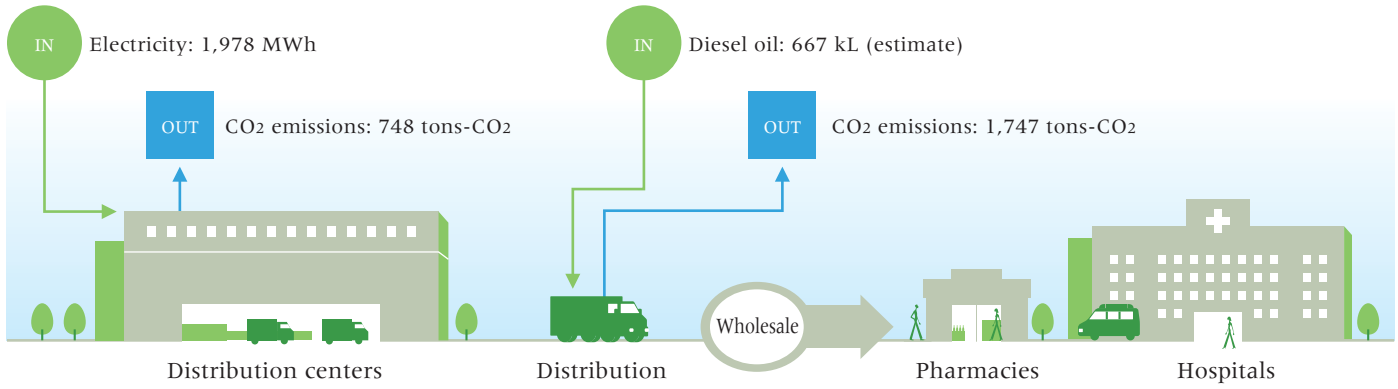
INPUT

Energy	Electricity	193,879 MWh
	Gas	20,558 thousand m^3
	LPG	2,248 tons
	Heavy oil	4,975 kL
	Kerosene	1,414 kL
	Diesel oil	8 kL
	Gasoline	6 kL
	Gasoline used by sales vehicles	3,522 kL
Raw materials	Pharmaceutical ingredients	11,261 tons
	Reagent, materials*1	—
Water	Total water usage	15,065 thousand m^3
	Tap water	955 thousand m^3
	Industrial water	12,617 thousand m^3
	Well water	1,493 thousand m^3
Office supplies	Copier paper	263 tons

OUTPUT

Greenhouse gases	CO_2*2	149 thousand tons
Air pollutants	SOx	6 tons
	NOx	48 tons
	VOCs	106 tons
Water pollutants	BOD	28 tons
	Drainage volume	14,338 thousand m^3
Waste materials	Generation volume	19,495 tons
	Recycled volume	9,910 tons
	Landfill volume	237 tons
Chemical substances*3	In air	13 tons
	In water	0.4 tons
Volumes shipped	Items subject to domestic distribution	7,444 tons





Notes:
*1 Test drugs, capsules, packaging materials, etc. (Unable to determine the weight)
*2 Includes emissions from sales vehicles (8,171 tons)
*3 Substances specified under the PRTR (Pollutant Release and Transfer Register) Law

U.S.A

INPUT

Norman Plant

Energy	Electricity	24,500 MWh
	Gas	2,904 thousand m^3
Water	Tap water	157 thousand m^3
Raw materials	Chemical substances	3.4 tons

OUTPUT

Greenhouse gases	CO_2	20,618 tons-CO_2
Air pollutants	SOx	—
	NOx	—
Water pollutants	BOD	5 tons
Chemical substances	In air	0.7 tons
Waste materials	Generation volume	63 tons
	Recycled volume	0.5 tons

Grand Island Plant

Energy	Electricity	7,154 MWh
	Gas	942 thousand m^3
Water	Tap water	30 thousand m^3
Raw materials	Chemical substances	—

Greenhouse gases	CO_2	6,217 tons-CO_2
Air pollutants	SOx	—
	NOx	—
Water pollutants	BOD	—
Chemical substances	In air	—
Waste materials	Generation volume	51 tons
	Recycled volume	1 tons

Europe (Ireland and the Netherlands)

INPUT

Dublin Plant

Energy	Electricity	6,838 MWh
	Gas	733 thousand m^3
	Diesel oil	4 kL
Water	Tap water	94 thousand m^3
	Well water	13 thousand m^3
Raw materials	Chemical substances	648 tons

OUTPUT

Greenhouse gases	CO_2	5,956 tons-CO_2
Air pollutants	SOx	0.2 tons
	NOx	7 tons
Water pollutants	BOD	0.9 tons
Chemical substances	In air	3 tons
Waste materials	Generation volume	93 tons
	Recycled volume	45 tons

Kerry Plant

Energy	Electricity	7,771 MWh
	Diesel oil	849 kL
Water	Tap water	31 thousand m^3
Raw materials	Chemical substances	2 tons

Greenhouse gases	CO_2	7,191 tons-CO_2
Air pollutants	SOx	5 tons
	NOx	5 tons
Water pollutants	BOD	—
Chemical substances	In air	0.001 tons
Waste materials	Generation volume	241 tons
	Recycled volume	138 tons

Meppel Plant

Energy	Electricity	12,463 MWh
	Gas	833 thousand m^3
Water	Tap water	18 thousand m^3
Raw materials	Chemical substances	109 tons

Greenhouse gases	CO_2	7,363 tons-CO_2
Air pollutants	SOx	—
	NOx	—
Water pollutants	COD	5 tons
Chemical substances	In air	0.8 tons
Waste materials	Generation volume	664 tons
	Recycled volume	199 tons

China

INPUT

Shenyang Plant

Energy	Electricity	1,730 MWh
	Diesel oil	10kL
	Steam	23,008 GJ
Water	Tap water	27 thousand m^3
Raw materials	Chemical substances	0.5 tons

OUTPUT

Greenhouse gases	CO_2	3,417 tons-CO_2
Air pollutants	SOx	—
	NOx	—
Water pollutants	BOD	0.03 tons
Chemical substances	In air	0.01 tons
Waste materials	Generation volume	154 tons
	Recycled volume	9 tons

Note: A dash indicates that these figures were not available at the time of writing.

Environmental initiatives

Environmental Action Plan

Our Environmental Action Plan, which provides single-year and medium-term goals, includes a report on progress achieved in the previous fiscal year as well as a review of social needs. The previous year's achievements are then taken into account in the formulation of the Environmental Action Plan for the following fiscal year. These plans are reflected in the action plans that the domestic and overseas Group companies draw up, and steps are taken to achieve these goals.

In fiscal 2007, we achieved our goals included under the heading of "Cooperating with local communities," and eight of our facilities have issued environmental reports, primarily aimed at the local government and local community.

In contrast, we failed to meet the numerical targets contained in our Environmental Action Plan with 88% for office supplies and copier paper in the category of "Resource conservation."

Progress in Environmental Action Plan

Item	Fiscal 2007 Action Plan	Fiscal 2007 performance
Global warming prevention	• Reduce CO_2 emissions by 20% or more from fiscal 1996 levels by fiscal 2010 * Reduce CO_2 emissions by 8.6% or more from fiscal 1990 level by fiscal 2010 in Japan (a 28.8% reduction compared with fiscal 1996) * Reduce CO_2 emissions at overseas facilities to below the fiscal 1996 level by the end of fiscal 2010	• CO_2 emission volume: 192 thousand tons (compared with fiscal 1996: -14.1%) • Domestic: 141 thousand tons (compared with fiscal 1990: -6.0%, compared with fiscal 1996: -26.9%) • Overseas: 51 thousand tons (compared with fiscal 1996: -67.1%)
	—	Decided to gradually change over to hybrid cars for the 2,000 cars under leasing contracts for sales activities.
Resource conservation	• Increase the percentage of general items such as office supplies and copier paper acquired through green purchasing, to 90% or more on a monetary basis by fiscal 2007	• Green purchasing percentage: 87.8% (Failed to achieve Action Plan target)
	—	—
Chemical substance management	• Reduce atmospheric emissions of formaldehyde by 95% or more from fiscal 1999 levels by fiscal 2010 • Reduce atmosphere emissions of chloroform by 70% or more from fiscal 2003 levels by fiscal 2009	• Atmospheric emissions: 0.3 tons (compared with fiscal 1999: -89.5%) • Atmospheric emissions: 5 tons (compared with fiscal 2003: -23.4%)
Waste management	• Curb the volume of waste materials subject to final disposal to 1% or less of total generation, or 2% or less of total emissions by the end of fiscal 2010 (Waste materials that cannot be recycled, such as pharmaceutical goods, are not included in this calculation.)	Landfill volume: 1.03% of total generation 2.01% of total emissions
Cooperation with local communities	• Release environmental information groupwide (i.e. at each principal facility) by fiscal 2007	Issued an environmental report at eight facilities*, and achieved Action Plan targets *Eight facilities: Nishine Plant, Takahagi Facilities, Tsukuba Facilities (Miyukigaoka Research Center, Tokodai Research Center), Kashima R&D Center, Fuji Plant, Yaizu Facilities, Toyama Plant, and Takaoka Plant.

Other initiatives

Item		Fiscal 2007 performance	Page
Environmental accounting	Environmental accounting creation and public disclosure	• Environmental accounting for fiscal 2007 Environmental preservation costs Equipment investment: ¥224 million Costs: ¥1,892 million Economic benefit: ¥911 million	37
Environmental management system	Guidelines	• Revised the Environmental and Safety Guidelines Astellas' plants and facilities had nearly achieved the 2010 targets, so guidelines were updated incorporating targets for 2015.	34
	Environmental and safety audits	• Environmental audits are conducted at 19 facilities in Japan and overseas (On-site audits and examinations of paperwork) Conducted at nine facilities in Japan and one facility overseas (Paperwork audits only) Conducted at four facilities in Japan and five facilities overseas	35
	Education, development and training	• Conducted group training for personnel responsible for environment and safety at domestic facilities	31
	Environmental communication	• Cleanup of beaches, rivers and sites nearby our plants and facilities • Tree planting	23
	Soil contamination	• Soil contamination studies: Yaizu Facilities, Fuji Plant, Kashima R&D Center	52
	Environmental efficiency	• Environment Efficiency Index*: Compared with base year (fiscal 2005) Down 45.4 points * Calculated by converting measures to numerical values for five environmental factors (Greenhouse gases, chemical substances, waste materials, water pollutants, air pollutants)	38

Regarding office supplies and copier paper, we have been unable to obtain sufficient information to accurately assess the extent to which the products procured comply with green purchasing objectives due to the industry-wide falsification of used paper content. For this reason, we did not set new numerical values. However, we will continue to take environmental concerns into account in our purchasing of office supplies, and to make environment-related information available in our purchasing system.

In fiscal 2008, we have begun implementing measures on items included in our list of Global Warming Countermeasures. For example, we are working to reduce CO_2 emissions from the gasoline used in the cars of our sales staff. In the management of chemical substances, we are working to reduce VOC discharges. With regard to resource conservation, we have set numerical targets for the reduction of water used in our business operations.

Fiscal 2008 Action Plan	Page
■ Reduce CO_2 emissions by 20% or more from fiscal 1996 levels by fiscal 2010 • Reduce CO_2 emissions of Astellas group domestic operations by 8.6% or more from 1990 levels by fiscal 2010 (a 28.8% reduction from fiscal 1996) • Reduce CO_2 emissions of the overseas production facilities to below the fiscal 1996 level by fiscal 2010 Note: Global targets have priority. Global	43
■ Reduce CO_2 emissions generated through sales activities by 30% or more from fiscal 2005 levels by the end of fiscal 2015. In Japan	46
■ Continue green procurement and provide environment-related information through the effective utilization of the Company's purchasing system. In Japan	53
■ Reduce water consumption by 20% or more from fiscal 2005 levels by the end of fiscal 2015. Global	51
■ Reduce atmospheric emissions of formaldehyde by 95% or more from fiscal 1999 levels by fiscal 2010 ■ Reduce atmosphere emissions of chloroform by 70% or more from fiscal 2003 levels by fiscal 2009 ■ Reduce atmosphere emissions of VOC by 25% or more from fiscal 2006 levels by fiscal 2015 In Japan	47
■ Curb the volume of waste materials subject to final disposal to 1% or less of total generation, or 2% or less of total emissions by the end of fiscal 2010 (Waste materials that cannot be recycled, such as pharmaceutical goods, are not included in this calculation.) In Japan	49
■ Eight facilities continue to issue environmental reports. In Japan	—

Water usage	FY2005	FY2007
Tap water	1,597 thousand m^3	1,313 thousand m^3
Industrial water	12,882 thousand m^3	12,617 thousand m^3
Groundwater	2,492 thousand m^3	1,506 thousand m^3
Total	16,971 thousand m^3	15,436 thousand m^3

Note: "Global" means activities by both domestic and overseas Astellas group companies,whereas "in Japan" means activities by domestic group companies alone.

Item		Fiscal 2007 performance	Page
Reducing environmental burden	Air and water	• BOD emissions (from fiscal 2006): reduced by 19.0% (7 tons) • Air pollutant emissions (from fiscal 2006): SOx — increased by 6.9% (0.4 ton), NOx — increased by 3.5% (2 tons)	51
	Waste management	• Waste generation volume (from fiscal 2006): reduced by 19.5% (4,728 tons) • Recycling of organic solvents: 4,855 tons • Recycling of sludge: 866 tons (64.1% of generated volume)	49
	Management of chemical substances	• Released volume of materials for which notification is required by law concerning management of chemical substances (from fiscal 2006): reduced by 17.8% (3 tons) • VOC emissions (from fiscal 2006): increased by 24.3% (21 tons)	47
	CO_2 emissions during sales, marketing and distribution	• Sales vehicle CO_2 emissions: 8,171 tons-CO_2 (gasoline consumption: 3,522 kL) • CO_2 emissions during distribution: Transport stage (estimated total) 1,747 tons-CO_2 (Diesel oil: 667kL) Warehouses: 748 tons-CO_2 (Electricity: 1,978kWh) * Excluding transportation from plants to warehouses	46
	Accidents and complaints	• Accidents related to discharge standards: The pH level of water discharged at the Nishine Plant exceeded regulated levels. • Complaints: Several complaints of construction vehicles obstructing traffic during the construction of a new research building at the Miyukigaoka Research Center; complaints regarding noise levels at the Takaoka Plant.	54

Environmental initiatives

Activities to reduce the environmental load

1. Global warming prevention

Action Plan

- Reduce CO_2 emissions by 20% or more from fiscal 1996 levels by fiscal 2010

Reduce CO_2 emissions by 8.6% or more from fiscal 1990 level in Japan
(a 28.8% reduction compared with fiscal 1996)

Reduce CO_2 emissions at overseas facilities to below the fiscal 1996 level by the end of fiscal 2010

Note: Individual Action Plans give priority to plans being implemented on a global basis.

Astellas considers the prevention of global warming, an environmental problem that all mankind faces, to be one of the most important environmental conservation issues on which the Group is working. Global warming cannot be solved without patient effort by governments, corporations and citizens, each in their own way. It must be addressed over the long term.

The pharmaceutical industry has seen a 35% rise in CO_2 emissions since the fiscal 1990 level of 1,650,000 tons*. Further efforts to reduce emissions are required.

Astellas implements measures outlined in an action plan to curb CO_2 emissions generated in the course of its business activities, and new reduction targets are set annually. In Japan, we have already reduced our CO_2 emissions below the fiscal 1990 level, but we must make more aggressive efforts to counter global warming. With this in mind, in fiscal 2008 we have set medium-term targets for countering global warming as a long-term response to this issue to clarify our future direction.

We will use our medium-term targets as general indicators, while revising the actual numerical targets on an annual basis as part of our Action Plan, to be achieved in stages. We will simultaneously continue to bolster our global warming countermeasures through the introduction of new technologies, among other means.

*Compiled from data on the member companies of the Japan Pharmaceutical Manufacturers Association (fiscal 2006)

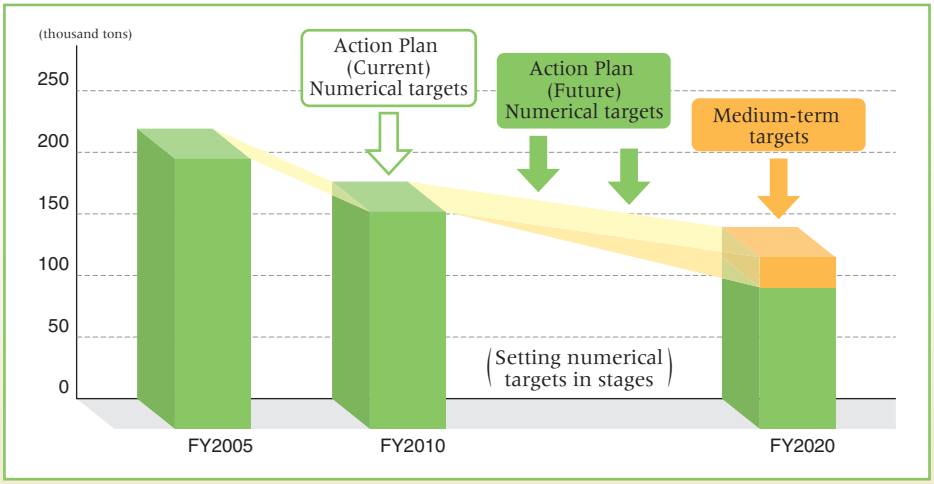
Medium-term targets of global warming countermeasures

Reduce greenhouse gas emissions by 35-45% from fiscal 2005 levels by the end of fiscal 2020
- In Japan, reduce emissions of greenhouse gases by 30-40% from fiscal 2005 levels by the end of 2020
- At overseas production bases, reduce greenhouse gas emissions by 45-55% from fiscal 2005 levels by the end of fiscal 2020

Reduce office electricity consumption by more than 20% from the fiscal 2005 level by the end of 2015 (Japan)

Set targets and implement measures to cut CO_2 emissions generated in-house in the transportation of Astellas products (Japan)

In the process of achieving the medium-term targets of Astellas' global warming countermeasures



Energy consumption

The amounts of energy consumed in fiscal 2007 are indicated below (as calorific values).

Astellas has six production bases in Japan (of which two are multi-functional facilities combining a technological research base and manufacturing facilities). We have six more overseas, for a total of 12 production bases. Regarding our main research bases, five of our research centers are located in Japan. Of our six overseas bases, five are drug formulation production plants, which consume less energy than facilities producing bulk pharmaceuticals. In Japan, the majority of our plants produce bulk pharmaceuticals, which consumes much energy. Consequently, the ratio of energy consumption for our domestic and overseas facilities is 8:2.

In Japan, by the end of fiscal 2006 we discontinued production involving fermentation following a product review. We closed some plants, and introduced more efficient boilers following a conversion to fuels that generate less CO_2. Through such measures we reduced energy consumption. No major initiatives, however, were introduced in fiscal 2007, and consequently energy consumption remained at the previous year's level.

We expect a slight reduction in energy consumption at our production bases in fiscal 2008. On the other hand, we expect a rise in energy consumption at our research bases because of the commencement of operation of the new research building at the Miyukigaoka Research Center in the middle of fiscal 2008. The Tokyo Research Center will be closed at the end of fiscal 2008, and some departments of the Kashima R&D Center will be transferred to the Miyukigaoka Research Center. After these changes, we can expect a decline in energy consumption at our research facilities.

Overseas, energy consumption declined after we discontinued production of health foods at our Norman Plant in the middle of fiscal 2006.

By energy category, electricity accounted for 61% of all energy consumed on a global basis. The majority of electricity was used by the air conditioning systems used to regulate temperatures and moisture, and the freezers used in the production department and research departments. As for non-electrical energy, progress is being made in the conversion of boilers from fuel oil to natural gas, which produces less CO_2 emissions and air pollutants such as sulfur dioxide. As a result, the dependence on heavy oil is declining.

The conversion of boiler fuel has been nearly completed for the facilities where piping gas is a viable option. We will continue to look for ways to achieve fuel conversion, such as through the installment of natural gas tanks. With regard to electricity, which is the largest source of energy consumed, we plan to introduce new energy-saving technologies with an eye toward achieving further reductions in energy consumption.

When calculating the calorific value of energy consumed, Astellas uses the conversion coefficients explained on page 46.

Fuel conversion

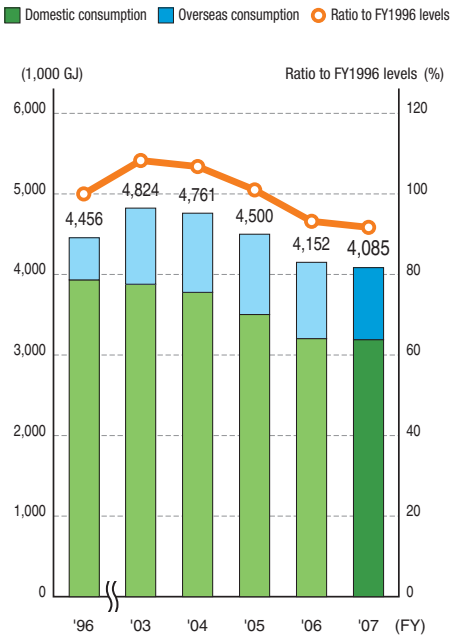
The use of heavy oil, piping gas and LPG used in boilers to obtain equal amounts of heat will generate different volumes of sulfur content and release differing amounts of CO_2. We aim to switch to fuels that generate less CO_2 as a countermeasure for global warming. Furthermore, the Company intends to convert to fuels with lower sulfur content as a countermeasure for atmospheric pollution. Changing from heavy oil to piping gas and LPG is an effective way to alleviate both atmospheric pollution and global warming.

Total	4,085 tera-joules (down 1.6% from previous year; 8.3% decrease from 1996)
In Japan	3,191 tera-joules (down 0.4% from previous year; 18.9% decrease from 1996; 5.1% increase from 1990)
Overseas	844 tera-joules (down 5.6% from previous year; 71.0% increase from 1996)

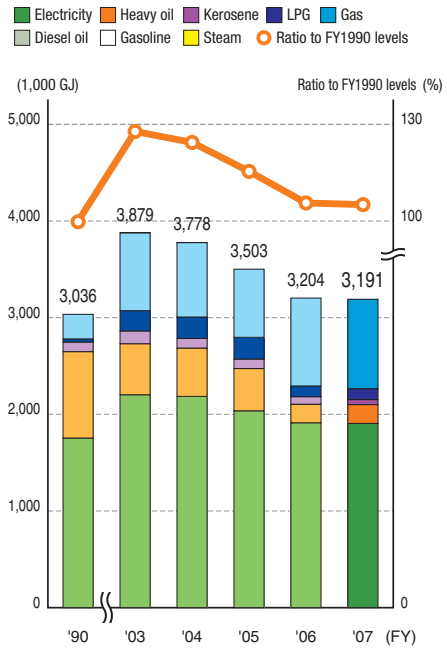
Joule

This is a unit of heat energy and is calculated by multiplying each type of energy by a conversion coefficient. The amount of energy used is converted into a calorific value. One tera-joule is equivalent to 1,000 billion joules.

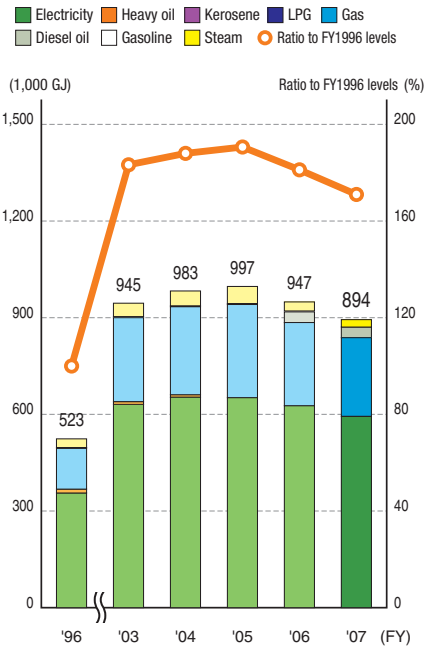
Energy consumption (global)



Energy consumption (Japan)



Energy consumption (overseas)



Activities to reduce the environmental load

Volume of CO_2 discharged due to energy use

The volume of CO_2 discharged in fiscal 2007 is summarized as follows.

In fiscal 2007, CO_2 emissions by the Astellas Group's domestic and overseas operations combined totaled 192,000 tons, down 4,000 tons or 2% from the previous year's level. Compared with the target (using fiscal 1996 as the base year), we must work to achieve a further reduction of 6% (13,000 tons).

A breakdown of our global CO_2 emissions shows our operations in Japan responsible for 70% of this total, compared with 30% for our overseas operations. Thus, our domestic operations account for the majority of our CO_2 emissions.

In Japan, the breakdown of CO_2 emissions by type of facility shows that production plants accounted for 62% and research centers for 35%. This marks an increase for research centers in comparison to fiscal 2003 levels (67% for plants, and 30% for research centers). Energy consumption volumes are indicated below. The new building at the Miyukigaoka Research Center is scheduled to begin operation in the middle of fiscal 2008. This is expected to temporarily increase the CO_2 emission level for research centers in fiscal 2008 and fiscal 2009. After that, we anticipate this level to decline as a result of the closure of the Tokyo Research Center and the integration of some divisions.

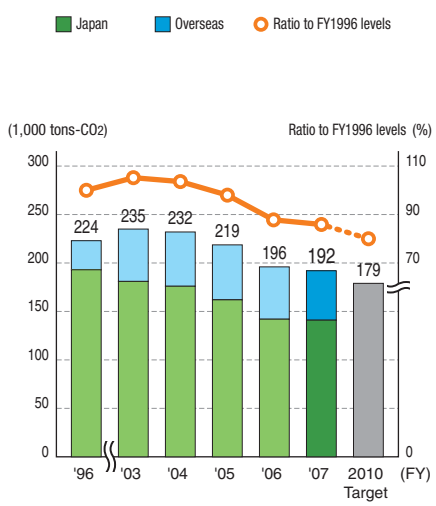
Overseas, energy consumption volume is highest at our Norman Plant. We recognize the need for action to raise energy efficiency.

The volume of CO_2 discharged through energy use is gradually decreasing. However, in the future we need to make further efforts to introduce energy-efficient equipment and convert to fuels that emit low amounts of CO_2. We also see the need to make changes from the research stage on, and in our production processes. This will include reconsidering the items we produce, restructuring our research and production facilities, and carefully studying ways and means of optimizing efficiency in each business field.

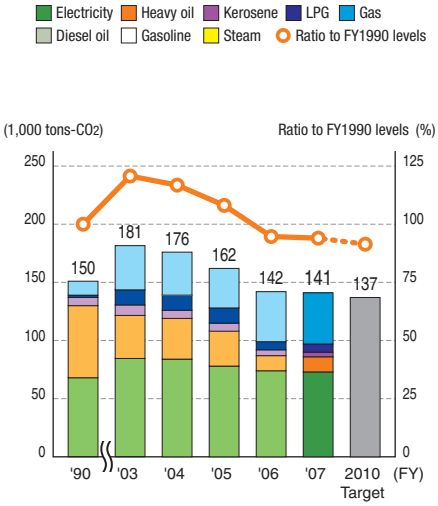
To enable readers to grasp the progress being made toward the goals set in the Environmental Action Plan, this report provides data on calorific values for each type of energy and data on the volume of CO_2 discharged in the consumption of energy by using the conversion coefficient set for a specified period, as explained on page 46. Rather than for each year or each facility, the data is presented in a unified manner, as a rule, based on the first Environmental Action Plan (for fiscal 2005).

Total	192 thousand tons (down 2.2% from previous year; 14.1% decrease from FY1996)
In Japan	141 thousand tons (down 0.7% from previous year; 26.9% decrease from FY1996; 6.0% decrease from FY1990)
Overseas	51 thousand tons (down 5.9% from previous year; 67.1% decrease from FY1996)

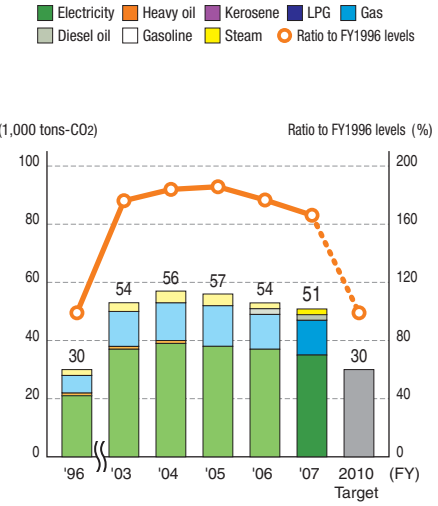
CO_2 emissions (global)



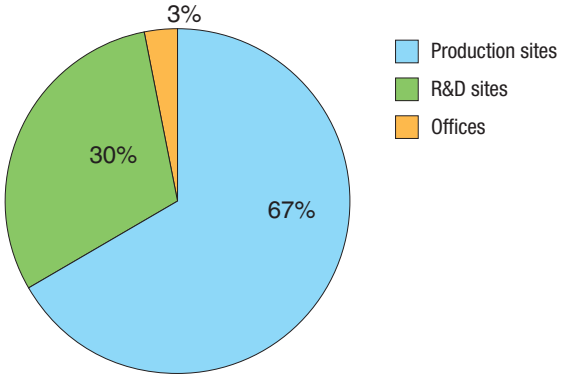
CO_2 emissions (Japan)



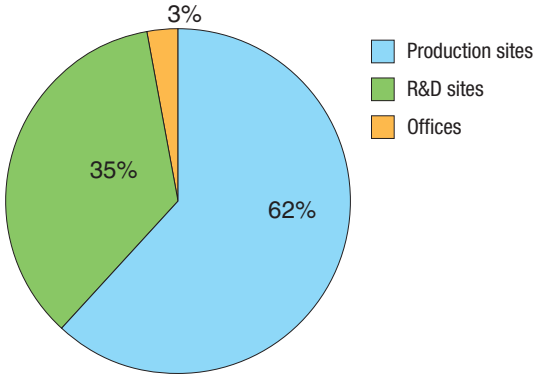
CO_2 emissions (overseas)



CO_2 emissions (Japan, FY2003)



CO_2 emissions (Japan, FY2007)



CO_2 emissions lying outside the scope of our Action Plan

The following lie outside the scope of our Action Plan for curbing CO_2 emissions: the energy consumed by branches, sales offices, and sales vehicles, and the energy used in the in-house transportation of products to distribution centers. In addition, the distribution function has been outsourced to a third party. As a result, the energy used in the distribution phase at the warehouse and in product transport as part of the distribution process is not included in the scope of this plan. Below appear the energy utilization volume data available to us at present.

		FY2005		FY2006		FY2007	
Gasoline consumption by sales staff		3,762 kL	8,729 tons-CO_2	3,450 kL	8,003 tons-CO_2	3,522 kL	8,171 tons-CO_2
Logistics	Electricity consumed in warehouses	2,504 MWh	946 tons-CO_2	2,088 MWh	789 tons-CO_2	1,978 MWh	748 tons-CO_2
	Light diesel oil used for transportation	662 kL	1,735 tons-CO_2	663 kL	1,736 tons-CO_2	667 kL	1,747 tons-CO_2

We began implementing measures in fiscal 2008 to reduce CO_2 emissions from the energy used to run our sales vehicles by more than 30% from the fiscal 2005 level, which is our target to be achieved by the end of fiscal 2015. Specific measures include the switch to 2,000 hybrid vehicles for the leased vehicles used in sales activities, and encouraging sales staff to use public transportation.

The energy used at branches and sales offices, as well as the energy used in-house for the transport of our products from the plant to the warehouse, have not yet been determined, as sufficient data is not available. In the future we will work on developing a means for collecting this data, with the intention of reflecting it in the numerical targets of our Action Plan.

Hybrid car

Conversion coefficients used in calculation of calorific values and CO_2 emissions

We have used the conversion coefficients appearing in the table below in the calculation of calorific values for electricity, different types of fuel, and CO_2 emissions in this report. In determining the progress of our action plans from year to year, we have fixed the conversion coefficient for a given period, as this would best help to clarify the results of the initiatives implemented during that period. Thus, in some cases, conversion coefficients vary from those used in the calculations of calorific values and CO_2 emissions provided by each plant as stipulated in the Global Warming Prevention Measures Law.

Conversion coefficient

By type of energy	Conversion factor	
	Calorific values*2	Carbon dioxide*3
Electricity*1	9.83 GJ / MWh	0.378 tons / MWh
Heavy oil (A)	39.1 GJ / kL	2.71 tons / kL
Kerosene	36.7 GJ / kL	2.49 tons / kL
LPG	50.2 GJ / ton	3.00 tons / ton
Gas	45.0 GJ / thousand m^3	2.15 tons / thousand m^3
Diesel oil	38.2 GJ / kL	2.62 tons / kL
Gasoline	34.6 GJ / kL	2.32 tons / kL
Coal (regular coal)	26.6 GJ / ton	2.41 tons / ton

*1 The conversion coefficients for calculating CO_2 emissions from the electricity used at our overseas plants differ from one country to another.

*2 The conversion coefficient used for calorific values was in accordance with the pertinent provision of the law on rationalization of energy use (enacted on December 27, 2002). The value for volume of gas consumed is indicated using conversion to a calorific unit, 45.0GJ/1000m^3N.

*3 The CO_2 conversion coefficient was revised in 2002 in accordance with revision of the global warming countermeasures law (enforcement ordinance enacted on December 26, 2002). The same enforcement ordinance was followed in the calculation for electricity utilization. In this case, an electric power discharge coefficient was used.

Greenhouse gas emissions

The table below shows greenhouse gas emissions (defined under Japan's Law Concerning the Promotion of Measures to Cope with Global Warming) from our facilities.

- Volume of CO_2 discharged due to energy use

Nishine Plant	9,906 tons-CO_2	Tokyo Research Center	4,300 tons-CO_2	Toyama Plant	16,900 tons-CO_2
Fuji Plant	12,100 tons-CO_2	Kashima R&D Center	25,740 tons-CO_2	Tokodai Research Center	5,400 tons-CO_2
Takaoka Plant	16,000 tons-CO_2	Takahagi Facilities	15,400 tons-CO_2	Kiyosu Research Office	4,677 tons-CO_2
Miyukigaoka Research Center	16,500 tons-CO_2	Yaizu Facilities	32,450 tons-CO_2	Hasune Facilities	2,550 tons-CO_2

- Volume of CO_2 discharged not due to energy use

Takaoka Plant	3,600 tons-CO_2

Environmental initiatives

Activities to reduce the environmental load

2. Chemical substance management

Action Plan

- Reduce atmospheric emissions of formaldehyde by 95% or more from fiscal 1999 levels by fiscal 2010
- Reduce atmospheric emissions of chloroform by 70% or more from fiscal 2003 levels by fiscal 2009

Leakage of chemical substances into the environment lead to environmental pollution, and the exposure of employees to high levels of chemicals can cause safety problems. For this reason, Astellas considers proper management of chemical substances and reductions in the amount of hazardous chemicals released into the environment to be important tasks in both its environmental conservation activities and safety and health activities. To prevent environmental pollution, work-related accidents, and damage to human health caused by chemical substances, Astellas conducts new product assessments from the initial stages of research and development, and promotes research on production processes based on "green" chemistry*. This research involves topics such as the development of production methods that do not use hazardous chemicals and production processes that limit the use of such chemicals as much as possible.

"Green" Chemistry

This refers to the production of useful chemical products by designing materials and reactions to minimize the use of harmful compounds and eliminate the release of these chemicals into the environment. Technologies and research that eliminate the creation of pollutants, not simply remove hazardous materials through incineration, are attracting a great deal of attention.

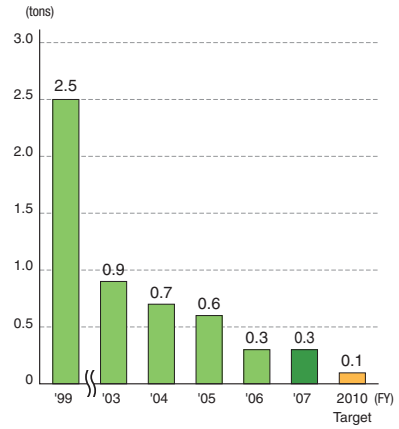
Measures to reduce atmospheric emission of chemical substances

The volumes of the chemicals targeted in the plan for reducing chemical atmospheric emissions (formaldehyde, chloroform) discharged in fiscal 2007 are shown in the table at the right.

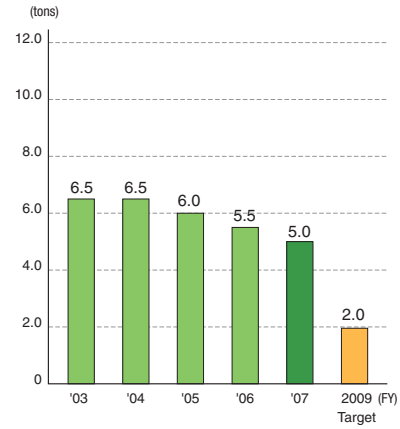
Formaldehyde is mainly used for sterilization in the production of such items as injectable solutions. We are reviewing the sterilization processes that use formaldehyde and introducing equipment to eliminate atmospheric releases.

Chloroform is mainly used by our research departments. We have decided to introduce equipment in the new tower at our Miyukigaoka Research Center which prevents the release of atmospheric emissions. Thus, emissions are expected to be reduced once this tower commences operation.

Atmospheric emissions of formaldehyde



Atmospheric emissions of chloroform



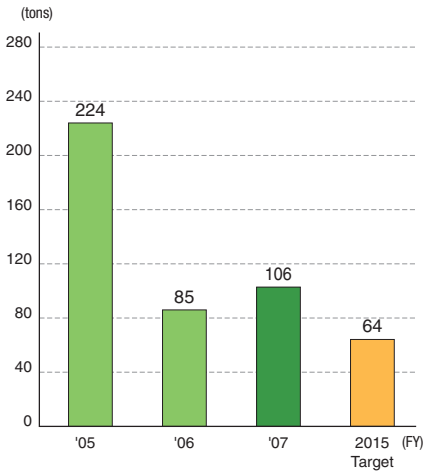
Reducing emissions of VOCs

At Astellas, none of our facilities are subject to mandatory reporting on volatile organic compounds (VOCs) as set forth in the Air Pollution Control Law. However, we have been voluntarily implementing measures to reduce emissions.

By reducing volumes used and introducing equipment to cut atmospheric emissions, we aim to lower VOC emissions by fiscal 2015 to a level that is more than 25% below the fiscal 2006 level.

In fiscal 2007, VOC emissions totaled 106 tons, which is 21 tons over the previous year's level. The rise is attributable mainly to an increase in organic solvents, in line with progress made in the development of process technologies. From now on, we will review production methods and our product lineup and introduce technologies for curbing VOC emissions, as well as implementing various measures to meet our Action Plan targets.

VOC emissions



VOCs: Volatile Organic Compounds

VOCs is a generic term for chemicals that evaporate easily into the air. Produced in the atmosphere by the reaction of certain chemicals to sunlight, VOCs are one of the causes of air pollution by suspended particulate matter and photochemical oxidants. High-emission facilities must report to the appropriate authority.

PRTR (Pollutant Release and Transfer Register) survey

Information on the release and transfer of harmful chemical substances that require notifications under the PRTR Law in fiscal 2007 are as follows.

Chemical substances covered by the PRTR Law are those that are recognized as potentially harmful to people and the eco-system. A total of 354 substances have been identified thus far.

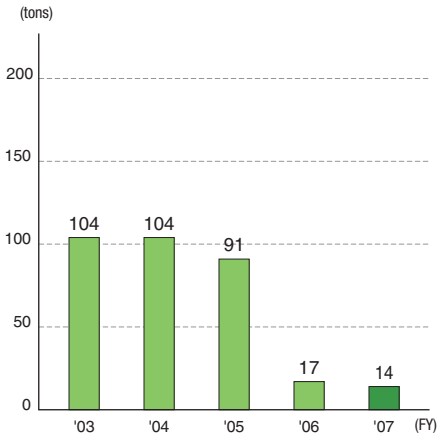
Through a PRTR survey, the legislators expect that each company has confirmed its PRTR emissions, and has specified the amount for transfer. Therefore, companies are expected to voluntarily undertake improvements required for the evaluation and management of these chemical substances.

Astellas closed the division that had previously used dichloromethane in production (the former Osaka Plant) in March 2006. Consequently, Astellas has shown a substantial decrease in emissions of dichloromethane since fiscal 2006.

PRTR system

PRTR system is a registry of the amounts of potentially harmful chemicals released into the air, land, or water, and the amount released as waste material. Chemical substances designated by the PRTR system are defined, in Japan, by the Law Concerning Reporting, etc. of Release to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management. The registry is created and then submitted to the central government.

Emissions of Class 1 designated chemical substances under the PRTR system



Fiscal 2007 statistics on material requiring notification under the PRTR system

Substance name	Number of facilities reporting	Volume handled	Volume released			Volume transferred	
			Air	Water	Soil	Waste	Sewerage
Acetonitrile	8	39.377	0.718	0.191	0.000	25.361	0.000
Ethylene glycol	2	13.166	0.005	0.000	0.000	0.000	0.000
Xylene	2	10.450	0.052	0.000	0.000	0.290	0.000
Chloroform	3	35.891	4.973	0.000	0.000	30.918	0.000
Salicylaldehyde	1	22.176	0.000	0.000	0.000	2.669	0.000
1, 4-dioxane	1	6.290	0.015	0.000	0.000	0.000	0.000
Dichloromethane	5	273.789	7.196	0.003	0.000	4.567	0.000
N, N-dimethylformamide	3	155.776	0.023	0.000	0.000	3.226	0.000
Thiourea	1	9.900	0.000	0.000	0.000	0.000	0.000
Toluene	1	28.170	0.144	0.004	0.000	0.118	0.000
Formaldehyde	1	58.163	0.011	0.119	0.000	41.516	0.000
Manganese and its compounds	1	25.790	0.000	0.123	0.000	25.667	0.000
Maleic anhydride	1	1.086	0.000	0.000	0.000	0.000	0.000
Dioxins	28	39.377	0.00030.71	0.00070.19	0.00000.00	0.302825.3	0.00000.00

Notes:
* Amounts in the table are tons/year. For dioxins, the units are mg-TEQ/year (an explanation of dioxins and dioxin units is given on page 51).
* The number of facilities refers to the number of plants and laboratories that handle one ton or more of class 1 designated chemical substances annually, or half a ton or more of special class 1 designated chemical substances.

PCB-contaminated waste material

The social infrastructure is now in place for the treatment of PCB waste in Japan, and five treatment facilities have commenced operation. Astellas stores PCB waste at eight facilities. In fiscal 2007, the Company completed disposal of the PCBs contained in 23 high-voltage capacitors.

We also analyzed some PCB oil (150L) which had been kept in storage until last year, and it turned out that the oil did not contain any PCBs. We will undertake treatment of PCB waste to the extent that the PCB treatment facilities' schedules permit.

PCB(Polychlorinated Biphenyl)

This is the common name of a group of chemical compounds formed by two benzene rings with 1 to 10 chlorine atoms attached. There are 209 different varieties depending on the number and location of the chlorine atoms. The compound is hard to break down when exposed to heat, which makes it a superior electrical insulator, and it is often used in heating media and condensers. Waste materials (including PCBs) that have been identified as having harmful effects, and those whose production was suspended are stored by local governments and businesses as stipulated by law.

State of PCB-contaminated waste storage

Classification	Category	Number or volume
Stored	Condensers	237
	Electric current breakers	1
	Fluorescent lamp ballasts	7,119
	PCB-contaminated oil	2L
	High-voltage transformers	24
	PCB incrustation	2kg
In use	Fluorescent lamp ballasts, transformers	232

Environmental initiatives

Activities to reduce the environmental load

3. Waste management

Action Plan

- Curb the volume of waste materials subject to final disposal to 1% or less of total generation, or 2% or less of total discharged by the end of fiscal 2010 (Waste materials that cannot be recycled, such as pharmaceutical goods, are not included in this calculation.)

In Japan, the remaining years of availability of landfill waste sites are limited, and reducing the amount of landfill waste is one of the most important measures related to waste management. "Zero emission" targets have been set for fiscal 2007, and Astellas is currently working on the three R's (reduce, reuse and recycle) at each of its facilities, aiming to reduce the amount of landfill waste.

In the future, the Company aims to reduce the generation of sludge and waste plastics, which constitute the majority of waste requiring final disposal, thereby achieving the objectives of its Action Plan.

The term "waste material" used in this report refers to material generated in the course of business activity, such as industrial waste, general waste, and material that was sold or transferred for use as a resource.

Zero emissions
The goal is to reduce the emission of waste material to effectively zero. In general, this is interpreted as eliminating emissions that are processed through final disposal.

Waste generation, waste discharged and landfill volume

The amount of waste material generated has decreased due to adjustments in production for a portion of products.

A breakdown of waste generation shows waste oil accounted for 45% of volume generated; waste acids and alkalis 38%; sludge, 7%, and other waste materials, 10%.

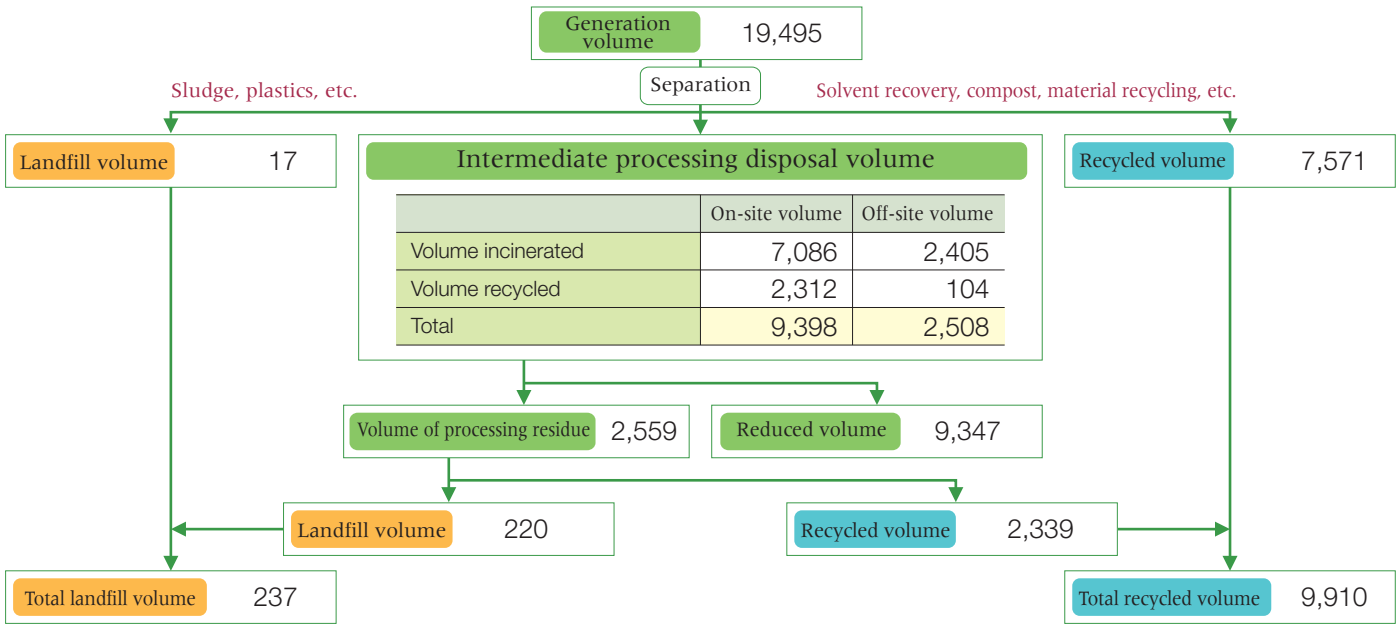
Waste discharged showed a slight decline from the previous year. A breakdown shows waste oil accounted for 62% of volume discharged; waste acids and alkalis 4%, sludge for 13%, and other waste materials for 20%.

The volume disposed of as landfill (not including waste pharmaceutical products and other difficult to recycle substances) totaled 197 tons, which constitutes 1.03% of the volume of waste generated and 2.01% of the volume discharged.

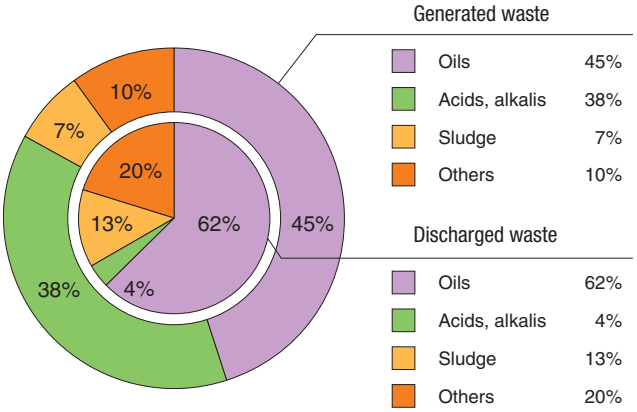
We will continue implementing measures to reach the objectives indicated in our action plan, and are currently in the process of reviewing our numerical targets with the aim of making them stricter.

	Includes disposal of pharmaceutical products	Does not include disposal of pharmaceutical products
Volume generated	19,495 tons	19,197 tons
Volume discharged (Volume generated by outside contractors)	10,097 tons	9,800 tons
Volume disposed of as landfill	237 tons	197 tons
Landfill volume/volume generated	1.22 %	1.03 %
Landfill volume/volume generated	2.35 %	2.01 %

Flow of waste processing (tons)

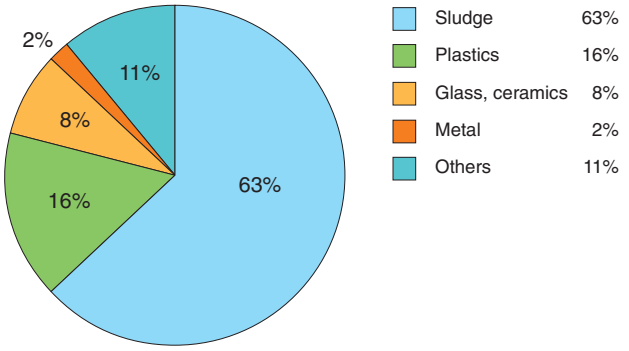


Breakdown of waste generated and discharged

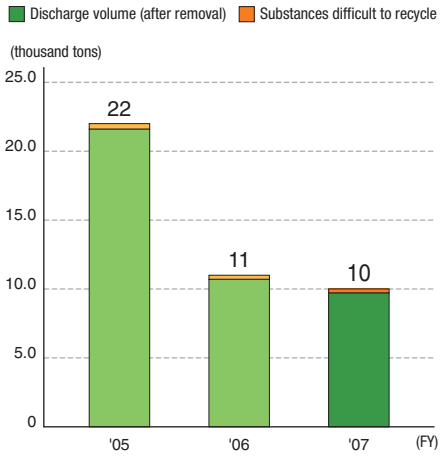


The aggregate of the above breakdown figures does not amount to exactly 100%, owing to the rounding of decimal places up or down.

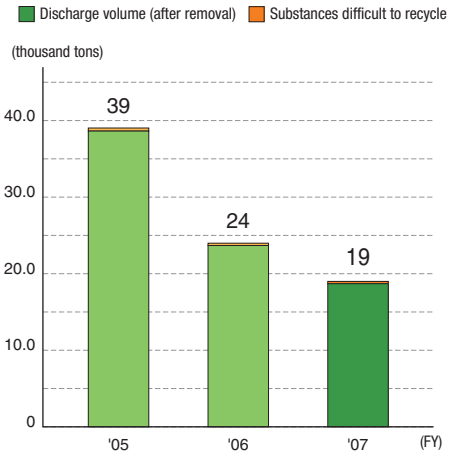
Breakdown of landfill waste



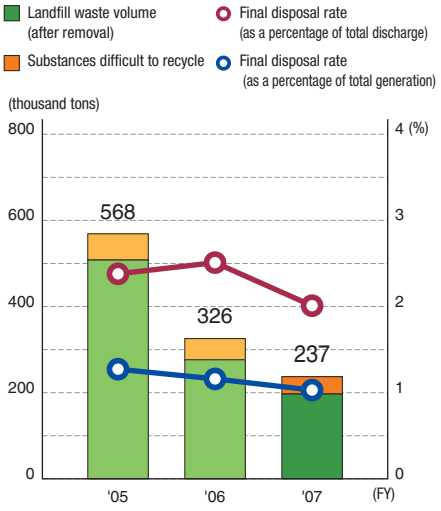
Volume of waste discharged



Volume of waste generated



Volume of waste disposed as landfill



Waste recycling

Sludge recycling

We are working to make organic sludge compost from the residue left over from the wastewater treatment process, and to recover the marketable materials from sludge in terms of inorganic sludge. In fiscal 2007, we were able to recycle 64% of the sludge in terms of the amount generated (866 tons).

Recycling of organic solvents

Among the organic solvents used in the production of pharmaceuticals, a large amount of these solvents are either recycled and reused (material recycling), or are used as fuel when incinerating waste material (thermal recycling). In fiscal 2007, an estimated 4,855 tons of organic solvents were recycled. Material recycling accounted for 77% (3,720 tons) and thermal recycling accounted for 23% (1,135 tons).

Other recycling activities

In addition, efforts are being made to recycle numerous other types of waste materials, including plastics, glass, metal, used paper, fluorescent lights, batteries, and reagent bottles.

Communication with waste material contractors

One problem related to waste material is illegal dumping. Recognizing its responsibility to properly dispose of waste materials, Astellas feels it is important to build a relationship of trust with contractors who handle their transport and disposal. Based on this concept, we drew up guidelines with common criteria on what is required of waste material contractors. Astellas, as a generator of waste, is working to improve the level of waste material processing in cooperation with its contractors based on these guidelines and through continual communication.

Activities to reduce the environmental load

4. Air, water and soil

To conduct business in harmony with local communities and win their trust, Astellas is working to limit the release of pollutants by establishing stricter self-regulations (related to major environmental issues such as air and water quality) than are legally required or specified in agreements. We are also working to reduce the risk of contamination resulting from leaks of environmental pollutants due to accidents or emergencies through various measures to minimize the possibility of such leaks. This includes the use of strengthened monitoring, emergency cutoff devices, and emergency escape tanks.

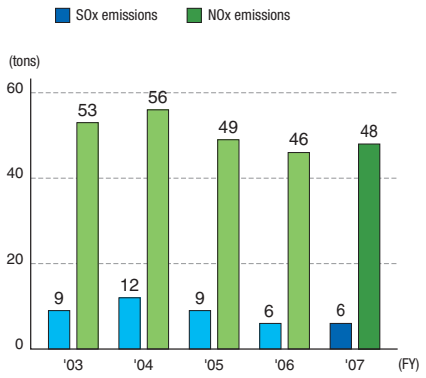
Air pollutants

In fiscal 2007, NOx emissions totaled 48 tons and SOx emissions reached 6 tons. There were no new cases in which changes in fuel were made, and for this reason SOx emissions remained at the previous year's level, while NOx emissions increased slightly. To help mitigate global warming, Astellas intends to systematically replace its fuels with more environmentally friendly ones.

SOx (Sulfur Oxides)
Sulfur oxides are produced when oxygen is combined with sulfur, which is a component of both oil and coal, during combustion. SOx is one of the causes of acid rain.

NOx (Nitrogen Oxides)
Nitrogen oxides are produced when nitrogen, which is contained in fossil fuels and in the air, combines with oxygen during combustion. NOx is one of the causes of acid rain.

Air pollutants



Measures related to incinerators

Incinerators are used to burn waste such as solvents from the production process. Incineration produces dioxins. Currently, two incinerators are operated by domestic facilities: one liquid waste incinerator each at the Takaoka Plant and the Takahagi Facilities. The dioxin levels in the exhaust emitted from these incinerators are all within the allowable limits.

Amount of dioxins in the exhaust gas of incinerators

(ng-TEQ/m³N)

Facility locations	FY	2003	2004	2005	2006	2007
Takahagi	Liquid waste incinerator	0.0014	0.00083	0.0014	0.00089	0.000015
	Standard	10	10	10	10	10
Takaoka	Liquid waste incinerator	0.00032	0.000058	0.00072	0.00019	0.000005
	Standard	5	5	5	5	5

Dioxins
These are not a single chemical substance, but a general name for a group of chemical compounds. Dioxins can be broadly divided into polychlorinated dibenzo-para-dioxin (75 varieties) and polychlorinated dibenzofuran (135 varieties); generally, coplanar PCBs (14 varieties) are also now considered dioxins.

Water quality management

The volume of water used and the volume of wastewater for fiscal 2007 are shown in the table below.

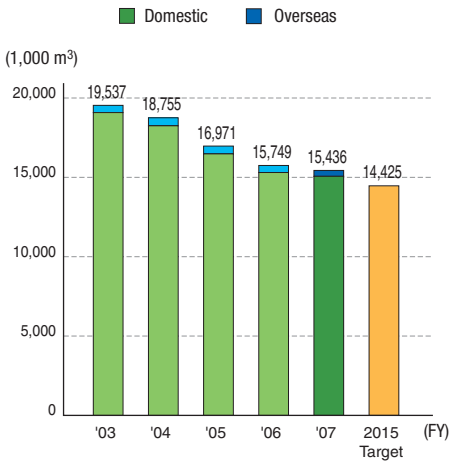
The volume of groundwater used decreased 9% from the previous year. The volume of tap water and industrial water also declined. The BOD (biochemical oxygen demand) load also fell 19% from a year earlier.

We release wastewater into rivers, the sea and sewerage systems. This may lead to the accidental release of harmful material, polluting rivers and seas and reducing the capacity of sewerage facilities. This may cause substantial harm to the local community. Because of this, Astellas considers wastewater issues and accidents as one of its major environmental risks. At each facility, stricter standards than those mandated under the Water Pollution Prevention Law have been set. Astellas carries out thorough management of wastewater treatment facilities, including measuring and monitoring water quality at drain ports. Furthermore, the Group is striving to prevent environmental pollution by systematically moving forward with the establishment of systems and backup facilities to reduce the environmental impact of waste.

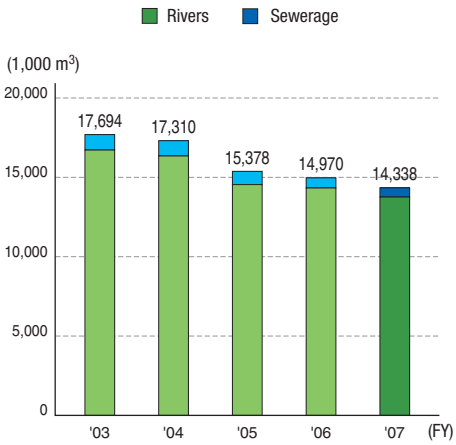
The effective use of water resources is a major challenge facing the global environment. Thus, from fiscal 2008, we are setting new targets for the reduction of water utilization volume, and will be implementing new measures.

Water utilization volume	Tap water	955 thousand m³, down 1.1% (11 thousand m³) from previous year
	Industrial water	12,617 thousand m³, down 0.6% (82 thousand m³) from previous year
	Groundwater	1,493 thousand m³, down 8.9% (146 thousand m³) from previous year
Wastewater		14,338 thousand m³, down 4.2% (631 thousand m³) from previous year
BOD load		28 tons, down 19.0% (7 tons) from previous year

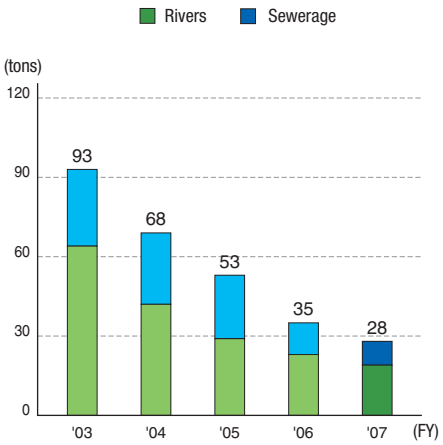
Water consumption



Drainage volume



BOD load



TEQ (Toxicity Equivalency Quantity)
Toxicity equivalency quantity (TEQ) is a value that converts the amount of dioxin into an equivalent amount of the most toxic material. Dioxins are a broad group of compounds, and since toxicity depends on the compound, a method that expresses the amount of dioxin as an equivalent amount of the most toxic substance is formally employed.

BOD (Biochemical Oxygen Demand)
This index gives the level of water pollution by organic matter, and shows the amount of oxygen (mg/L) consumed when water contaminants are oxidized by microorganisms. The larger the value, the greater the water contamination.

5. Measures related to soil contamination

Astellas meets all legal requirements and has voluntarily drafted guidelines in line with the Soil Contamination Countermeasures Law. Astellas conducts soil contamination investigations at sites where projects such as the destruction of old facilities and the building of new ones are being undertaken, as well as at its athletic grounds and parks. These same guidelines are applied in environment-related decision-making for the purchase of land. In addition, regular groundwater and soil analyses are conducted and continuous monitoring is performed at facilities that handle harmful chemical substances.

In fiscal 2007, we conducted soil contamination investigations at the parking lot at the Yaizu Facilities and on the Fuji Plant premises where an old building had been destroyed, and confirmed that there were no problems.

At the Kashima R&D Center, as part of construction to redevelop a former factory site, we conducted voluntary soil and groundwater contamination investigations following guidelines stipulated in an ordinance issued by the Osaka prefectural government. Investigations for soil contamination showed high levels of benzene, mercury, lead, arsenic, and fluorine. Contamination investigations for groundwater also showed high levels of benzene, lead, arsenic and fluorine which exceeded the permissible standards. There are no ordinary residences in the contaminated area, and the ground has been covered with asphalt and concrete. Thus, there is no detrimental effect on the health of employees and others living in the vicinity. However, we will implement countermeasures, effectively incorporating the advice of local government authorities.

In the past three years, soil contamination investigations were conducted at the Kiyosu Research Office, Takahagi Facilities, Miyukigaoka Research Center, Yaizu Facilities and Tokodai Research Center on the occasions of facility dismantling, land purchase and the creation of athletic grounds. Results confirmed that no contamination existed.

Results of soil contamination investigations and countermeasures (Fiscal 2007)

Facilities	Land surveyed	Pollutants (level of contamination)	Countermeasures
Yaizu Facilities	Parking	None	—
Fuji Plant	Land after facilities were torn down	None	—
Kashima R&D Center	Land after facilities were torn down and adjacent plots of land	• Soil: Elution volume (Comparison with maximum allowable contamination concentration) benzene (22 times), mercury (10 times), lead (6 times), arsenic (60 times), fluorine (2 times) • Groundwater: benzene (3 times), lead (1.2 times), arsenic (1.6 times), and fluorine (1.3 times)	• Soil: Excavation and removal of contaminated soil • Underground water: Volatilization of benzene as a result of exposure to air, promotion of biodegradable processing using microorganisms, followed by purification of the water using a water pumping device. Afterward, we continuously monitored the groundwater for a certain period.

Environmental initiatives

Activities to reduce the environmental load

6. Environmental initiatives by offices

Action Plan

- Increase the percentage of general items, such as office supplies and copier paper, acquired through green purchasing, to 90% or more on a monetary basis by fiscal 2007

Our office divisions and sales & marketing divisions are also working to create an organizational system to promote environmental activities and committees to discuss environmental action plans, and to establish numerical targets and other measures.

Green purchasing

Astellas has set guidelines on promoting green purchasing, which require that products and services that minimize environmental impact be given priority when purchasing office supplies and copier paper, raw materials, and items such as product packaging.

In the Action Plan, numerical targets were set for the purchase of general items such as office supplies, and for low-pollution vehicles used in sales activities.

To promote green purchasing, we have included a list of products that meet the criteria in our green purchasing standards. We have issued a purchase recommendation for these products on a priority basis.

In fiscal 2007, the final year of the Action Plan, the rate of green purchases of office supplies was 88%, which falls short of our targeted 90%. During the term, the falsification of data pertaining to the percentage of recycled paper was made public, which caused us difficulties in the selection of appropriate products for general office supplies. For this reason, we are unable to draft a new Action Plan for the time being. Nonetheless, we will continue to undertake green purchasing, effectively utilizing the purchasing system to provide environmental information.

We met our Action Plan goal for introducing low-pollution vehicles, reaching 90% of the target number for low-pollution vehicles and also 90% of the target set for vehicles that would achieve a 75%-level of pollution reduction compared with standard vehicles. We plan to set numerical targets for reducing CO_2 emissions from vehicles used by our sales staff, and implement appropriate measures.

Green purchasing of office supplies

FY	2005	2006	2007
Purchasing ratio (%)	83.0	85.0	87.8
Applicable product purchase amount (thousand yen)	81,489	66,015	57,950
Target product purchase amount (thousand yen)	98,187	77,631	66,019

Green purchasing
This refers to the preferential purchasing of items that cause a lower environmental load than products and services provided in the market. The central government passed a law that requires green purchasing by governmental bodies (Law on Promoting Green Purchasing).

Introduction of low-pollution vehicles

FY		2003	2004	2005	2006	2007
Number of vehicles used for sales		2,690	2,517	2,455	2,542	2,493
Low-pollution vehicle (Units)	75% low-pollution vehicles	754	1,042	1,526	1,931	2,243
	50% low-pollution vehicles	51	75	61	51	13
	25% low-pollution vehicles	659	471	381	301	180
	Total	1,464	1,588	1,968	2,283	2,436
Introduction rate (%)	Number of vehicles	54.4	63.1	80.2	89.8	97.7
	*Conversion to 75% low-pollution vehicles	37.1	49.1	68.6	80.9	92.6

* Conversion to 75% low-pollution vehicles is done in the following manner:
75%-equivalent low-pollution vehicles = number of 75% low-pollution vehicles + number of 50% low-pollution vehicles x 1/2 + number of 25% low-pollution vehicles x 1/3

Package recycling expenses

Although many containers and packaging for pharmaceutical products are disposed of by medical facilities, in the case of pharmaceuticals prescribed by hospitals, they are disposed of by consumers. For this reason the Container and Packaging Recycling Law (Law for Promotion of Sorted Collection and Recycling of Containers and Packaging) assigns the cost of recycling this waste to manufacturers. In fiscal 2007, the total amount of glass, plastic, and paper from our products discarded by end users was estimated to be around 524 tons. The cost of recycling was 30.29 million yen.

7. Adherence to emission standards and response to accidents and complaints

Compliance with emission standards

At the Nishine Plant, approximately 15m^3 of wastewater registering pH 8.6-9.2 (which exceeds the upper limit of pH8.6) flowed into a nearby river during fiscal 2007. Although we took the necessary procedures to respond to this warning of an abnormally high pH level in our wastewater, we had failed to carry out a final inspection of the drainage system. We had checked the condition of the river into which the wastewater had flowed, and had found no signs of abnormalities. We have since submitted a formal report to the authorities, introduced a new water interception device, and also installed equipment to provide continuous surveillance of the discharge outlet.

Environmental accidents and lawsuits

In fiscal 2007, there were no environment-related accidents or civil lawsuits. There were also no environment-related fines. Environment-related accidents not only have a major impact on the local community, but also a substantial impact on corporate activities in that plant operation is halted. We will do our best to prevent the occurrence of such accidents, and will introduce measures to minimize risk.

Environmental accidents and lawsuits (summary)

FY	2003	2004	2005	2006	2007
Accidents	None	Kashima R&D Center (formerly Osaka Plant) (Accidents involving an abnormal reaction)*1	None	Takaoka Plant (Odor)*2	None
Lawsuits	None	None	None	None	None
Fines/charges	None	None	None	None	None

*1 A foul-smelling gas produced through an abnormal reaction in the drying process was released into the atmosphere. Three students at a neighboring junior high school and 25 employees complained of eye pain and other symptoms. These individuals received treatment and have since fully recovered.
*2 On one occasion, employees incinerated maleic anhydride that was no longer needed. At that time, a chemical reaction between methanol and water was triggered in the receiving tank, creating a gaseous acetic compound which was released into the atmosphere. There were no reports of injury, but three complaints about the odor were received from companies in the vicinity.

Environment-related complaints

In fiscal 2007, along with the complaints about noise at the Takaoka Plant, we received complaints about the impact on traffic at the Miyukigaoka Research Center.

The complaints about the Takaoka Plant had to do with noise (a warning signal) being emitted during testing of emergency broadcasting equipment. The use of this warning signal was terminated immediately. With regard to the complaints received about the Miyukigaoka Research Center, construction vehicles were parked on the side of the road for the purpose of construction of the new research building. We responded to this problem by requesting the cooperation of the company to which the construction work has been entrusted.

Astellas considers measures related to sensory pollution such as noise, offensive odors, and vibrations as an extremely important topic that must be effectively addressed to build a relationship of trust with local communities. Therefore, we will continue to take environmental measurements periodically to obtain an accurate grasp of conditions relating to the emission of noises, foul odors, and vibrations, and make efforts to prevent such problems. Even if the measurements are within acceptable levels, we will work to maintain effective communication with the local community.

Environment-related complaints (number)

FY	2003	2004	2005	2006	2007
Noise	2 (Takaoka, Yaizu)	1 (Tokyo)	0	2 (Tokyo, Fuji)	1 (Takaoka)
Odors	0	0	0	1 (Takaoka)	0
Vibrations	0	0	1 (Kiyosu)	0	0
Others	0	0	0	0	1 (Miyukigaoka)
Total	2	1	1	3	2

Notes 1: Takaoka = Takaoka Plant, Yaizu = Yaizu Facilities, Tokyo = Tokyo Research Center, Fuji = Fuji Plant, Kiyosu = Kiyosu Research Office, Miyukigaoka = Miyukigaoka Research Center
2: The number of cases is shown in the table. Single cases that drew several complaints are recorded as one case.

Other information

Voluntary product recalls

In fiscal 2007, Astellas Pharma voluntarily recalled its Tathion® tablets 100mg (generic name: gluthatione tablets). As a Class II recall, damage to health occurring as a result of the temporary use of this product is not expected to be serious. Information about voluntary recalls is available on the website of Japan's Ministry of Health, Labor and Welfare.

Voluntary Recall Classes
The recalled item's potential health risk is indicated by the following Class I-III ratings.

Class I recall: The use of or exposure to the product in question will likely cause serious adverse health consequences up to and including death.

Class II recall: The use of or exposure to the product in question may cause temporary or medically reversible adverse health consequences where the probability of serious adverse health consequences is remote.

Class III recall: Although the use of or exposure to the product in question is not likely to cause adverse health consequences, it is deemed ineffective in treating the target medical condition.

Reason for recall

The results of dissolution tests on the Tathion® tablets 100mg (a long-term preservation product, Lot TO13RO1; Expiration date: January 2009) failed to meet approval standards. In the case of tests on other lots as well, the results of dissolution tests failed to meet approval standards prior to the expiration date for several of these lots. For this reason, Astellas has decided to recall 64 lots (105,263 packages) of products on the market.

Specific danger to health

It is thought that slow dissolution raises the possibility of delayed absorption. However, the quantitative value was within the standard, and it is not expected to significantly or materially influence the effectiveness of the treatment itself. Thus, the delay in the dissolution of the medicine poses no concern that damage to health could occur. In addition, there have been no reports to date of damage to health.

Editorial Policy

CSR Report 2008 is an annual report on the environment, society, the economy and compliance initiatives issued by the Astellas Group (Astellas), which is centered on Astellas Pharma Inc.

We assumed that our readership would consist of our customers, shareholders, employees, members of local communities, and others who are affected by our business activities or have an interest in the Company. Our priority has been the communication of specific CSR challenges, initiatives, targets, and policies, so as to convey the actual status of CSR activities. We have included figures and tables where appropriate, with the aim of making this report easy to read and understand.

The Group's economic activities are only outlined in this report because a summary of their business results, annual reports required by the Financial Products Exchange Law, and updates on the status of new drug development are made available as Investor Relations information on our website (http://www.astellas.com).

Names of our business facilities

In principle, we refer to each facility by its own name. However, in some cases, several companies are operating facilities on the premises of a single plant. In the case of such a shared production base, a single name is used. Please refer to the "Name" column of the table appearing on page 58.

Significant changes up to April 1, 2008

In fiscal 2007, there have been no major changes in terms of the transfer of operations (consolidations), the creation of new companies, plant closures, spin-offs or any other activities that might have had a material impact on our CSR performance.

Reporting Period

The report covers the period April 1, 2007 to March 31, 2008. Performance data for overseas subsidiaries and work-related accident reports cover the period from January 1 to December 31, 2007. Policy and plans included in this report are effective as of April 2008.

Guidelines employed in the preparation of the report

The Astellas CSR Report 2008 was prepared following our in-house manual on the preparation of environmental reports, developed in accordance with the guidelines issued in 2007 by the Ministry of the Environment of Japan.

The "Energy Utilization Volume" employed in this report is expressed as the amount of energy in heating value that was procured to ensure an adequate amount of energy required, principally for the manufacture of pharmaceuticals. (In the 2007 version, it was referred to as "Energy Input Volume.")

Environmental performance data for principal domestic facilities

In our CSR Report 2008, we have excluded the individual environmental performance data for principal domestic facilities, except for select data. The performance data of individual facilities will eventually be posted in Japanese on our website (http://www.astellas.com/jp/).

Changes in methods of calculating environmental performance

When creating this report, some of the calculation methods used to determine environmental performance were changed. As a result, for some facilities, the levels of energy utilization volumes and CO_2 emissions increased or decreased from the levels indicated in previous reports.

1. Changes relating to CO_2 emissions

Based on the results of surveys regarding the temperatures and pressures of piping natural gas at each of our plants and other facilities, the CO_2 emissions coefficient of 2.07 tons/1000 m^3 was changed to 2.15 tons/1000 m^3. This change has resulted in CO_2 emission volume figures for each year that are higher than those previously reported.

2. Changes in the calculation of the calorific value of natural gas at Kiyosu Research Office

Regarding the calorific values for piping gas used at the Kiyosu Research Office, we have revised the coefficients used to calculate the calorific, and have subsequently made changes. As a result, the calorific values reported on an annual basis for the Kiyosu Research Office are lower than those figures appearing in previous reports.

3. Revisions in the amount of gasoline and diesel oil used at the Kashima R&D Center

In fiscal 2006, there were some mistakes in the calculations of gasoline and diesel oil used at the Kashima R&D Center. We have made the necessary revisions. As a result, the energy utilization volume indicated for the Kashima R&D Center for fiscal 2006 is lower than reported in the previous year's CSR report.

Definition of VOCs in the report

Regarding the volatile organic compounds (VOCs) addressed in this report, the term VOCs refers to the VOCs set by the Japan Chemical Industry Association (JCIA), and the 100 leading VOC substances indicated by the Ministry of the Environment with a consumption volume of 100kg or more.

Scope of Report (FY2007 performance: mainly environment and safety)

Astellas Pharma and domestic group companies

Company	Facility	Location	Function	Description
Astellas Pharma Inc.*1	Nihonbashi Facilities	Chuo-ku, Tokyo	Head Office and other offices	Facility name
	Hasune Facilities	Itabashi-ku, Tokyo	Development	Facility name
	Miyukigaoka Research Center	Tsukuba, Ibaraki	Research	Facility name
	Tokodai Research Center	Tsukuba, Ibaraki	Research	Facility name
	Tokyo Research Center	Itabashi-ku, Tokyo	Research	Facility name
	Kiyosu Research Office	Kiyosu, Aichi	Research	Facility name
	Takahagi Technology Center	Takahagi, Ibaraki	Research	Takahagi Facilities*2
	Yaizu Technology Center	Yaizu, Shizuoka	Research	Yaizu Facilities*2
	Kashima R&D Center	Yodogawa-ku, Osaka	Research	Facility name
	Branch/sales offices	Nationwide Sales	Sales	Facility name
Astellas Tokai Co., Ltd.	Fuji Plant	Fuji, Shizuoka	Manufacturing	Facility name
	Yaizu Plant	Yaizu, Shizuoka	Manufacturing	Yaizu Facilities*2
	Nishine Plant	Hachimantai, Iwate	Manufacturing	Facility name
Astellas Toyama Co., Ltd.	Toyama Plant	Toyama, Toyama	Manufacturing	Facility name
	Takaoka Plant	Takaoka, Toyama	Manufacturing	Facility name
Astellas Pharma Chemicals Co., Ltd.	Takahagi Plant	Takahagi, Ibaraki	Manufacturing	Takahagi Facilities*2

*1: The Group companies listed below support the Group's core operations.
- Astellas Business Service Co., Ltd.
- Astellas General Education Co., Ltd.
- Astellas Research Service Co., Ltd.
- Astellas Marketing and Sales Support Co., Ltd.
- Lotus Estate Co., Ltd.
- Analytical Science Laboratories, Inc.

*2: "Facilities" refers to a multi-functional site at which both research and production operations are undertaken.

Overseas group companies

Company	Facility	Location	Function	Description
Astellas Pharma Manufacturing, Inc.	Grand Island Plant	New York, U.S.A	Manufacturing	Facility name
Astellas Pharma Technologies, Inc.	Norman Plant	Oklahoma, U.S.A.	Manufacturing	Facility name
Astellas Pharma Europe B.V. (The Netherlands)	Meppel Plant	Leiderdorp, The Netherlands	Manufacturing	Facility name
Astellas Ireland Co., Ltd.	Dublin Plant Kerry Plant	Dublin Kilorglin (Ireland)	Manufacturing	Facility name
Astellas Pharma China, Inc.	Shenyang Plant	Shenyang, China	Manufacturing	Facility name

Note: Assurance was provided on the environmental performance indicators included in the Japanese-language original of **Astellas CSR Report 2008** by the independent assurance provider KPMG AZSA Sustainability Co., Ltd., a subsidiary of KPMG AZSA & Co.

Astellas Pharma Inc.
3-11, Nihonbashi-Honcho 2-chome,
Chuo-ku, Tokyo 103-8411, Japan

■ Please direct inquiries concerning CSR Report 2008 to:
Astellas Pharma Inc. General Affairs & CSR Department
3-11, Nihonbashi-Honcho 2-chome, Chuo-ku,
Tokyo 103-8411, Japan
Tel: +81-3-3244-3027 Fax: +81-3-5201-6611

■ Our CSR Report can be viewed on our website:
http://www.astellas.com