

Sound economic activities provide value to society, and securing legitimate profit through such activities is the *raison d'être* of a company. Astellas has established a business model for becoming a global category leader that can provide maximum added value for people seeking health in the specific diseases and fields it targets. We will work to achieve this by utilizing a management system that uses economic value-added as an indicator. We also intend to secure legitimate profit, carry out the proper payment of taxes and distribute appropriate dividends to our shareholders.

We also recognize that Astellas' social responsibilities with respect to procurement activities call for the building of partnerships with suppliers who can carry out business activities in a fair and transparent manner, as well as initiatives that aim to develop sustainability and increased enterprise value for each party. It is for these reasons that we are implementing CSR procurement.

## CSR initiatives for procurement activities

As a declaration of our execution of procurement activities based on compliance, Astellas has established a basic policy on procurement activities involving suppliers, and has worked at strengthening its relationship of mutual trust with suppliers. We began our CSR procurement initiatives in fiscal 2008, and through these activities we hope to build a sound partnership with suppliers.

### Procurement initiatives

To carry out procurement activities in a fair and transparent manner, it is necessary for purchasing staff to comply with the our basic policy on procurement activities involving suppliers as a code for self-regulation, and to conduct themselves according to the Purchasing Staff Code of Conduct, which embodies the basic policy. Astellas carries out internal audits and supplier surveys to monitor the penetration of the basic policy, and received responses from 150 companies in fiscal 2008. In the responses from suppliers showing their perspectives on the compliance of Astellas purchasing staff with the basic policy, "above average" stood at 98% or above for all categories.

#### Basic policy on procurement activities involving suppliers

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|--|---|
| <b>1</b> Comply with the law and corporate ethical standards | <b>5</b> Do not accept inappropriate payments |
| <b>2</b> Maintain partnerships                               | <b>6</b> Observe strict confidentiality       |
| <b>3</b> Make selections based on economic rationality       | <b>7</b> Promote CSR procurement              |
| <b>4</b> Practice fairness and impartiality                  |   |

\*The complete text can be viewed on the Astellas website.

### CSR procurement initiatives

In addition to our own activities, a sound partnership with suppliers is crucial for Astellas to carry out corporate activities with integrity. For this reason, we have begun the following three CSR procurement initiatives in accordance with our basic policy, to request understanding and cooperation with respect to Astellas' basic stance on CSR. In January 2009 we created the Astellas CSR Procurement Guidebook, and informed approximately 260 direct suppliers in Japan (from which materials are directly procured) of our intention to implement CSR procurement. In addition to holding explanatory meetings, we also carried out a survey regarding the status of CSR initiatives. In the future we plan to expand this to include indirect and equipment suppliers. The results of the survey will be used as scoring materials for the selection of suppliers, and if it is judged through the survey that any serious problems exist, we will request cooperation with the implementation of CSR procurement by calling for improvements to be made.

Our CSR procurement initiatives started in Japan, and we plan to eventually expand them globally, in conformity with the laws and customs of each country.

#### Basic policy for CSR procurement

- To build a sound network for business activities, Astellas requests that suppliers cooperate with our CSR activities, as they are business partners in our procurement activities. (Details will be added under the CSR procurement principles)
- Astellas will use assessments of supplier CSR initiatives for selecting suppliers.
- We may carry out investigations of suppliers, either in written form or in the form of visits, in order for us to confirm the status of CSR initiatives.

### CSR procurement principles

#### I. Comply with laws and regulations, and promote CSR

- Compliance with all related laws and regulations
- Fair corporate activities based on corporate ethical standards
- Guaranteed information security
- Encouragement and promotion of CSR activities

#### II. Respect human rights and ensure appropriate employment conditions

- Respect for workers' individual rights, and the prohibition of child labor
- Appropriate employment conditions based on labor laws

#### III. Conduct safety management in the workplace

- Ensuring a safe working environment, and undertaking safety management

#### IV. Give consideration to the environment and sustainability

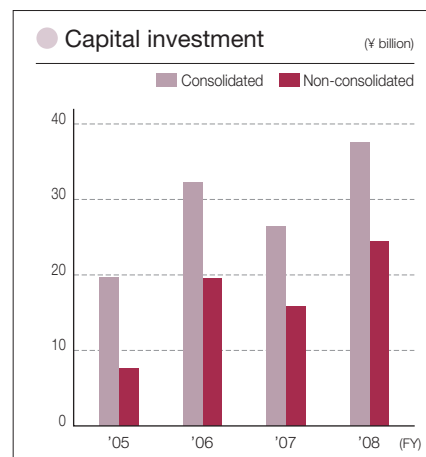
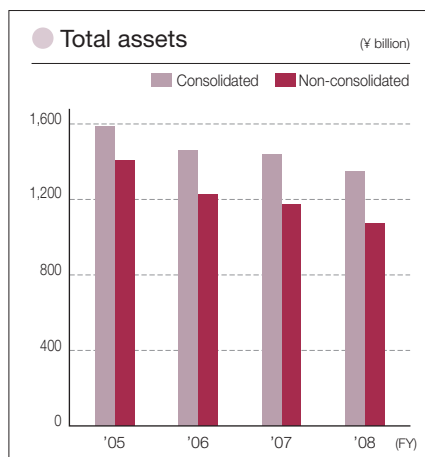
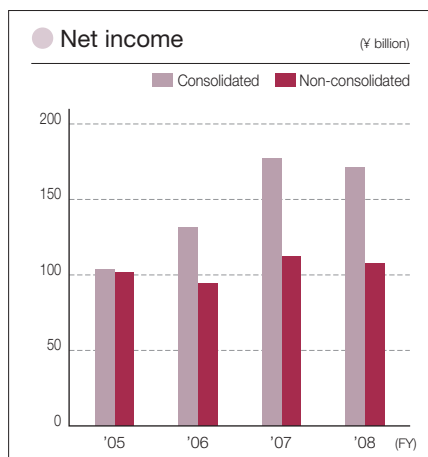
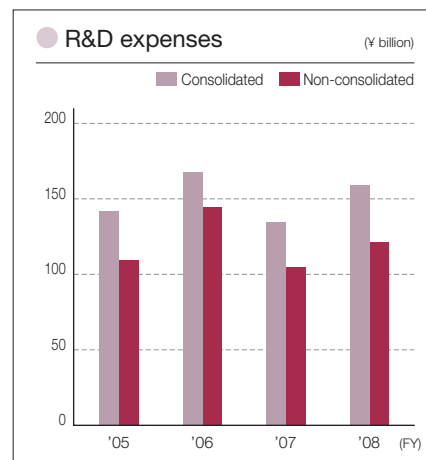
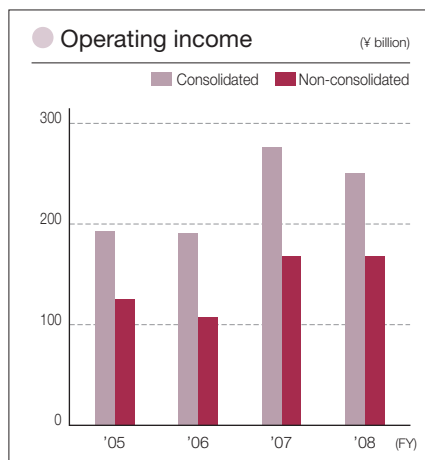
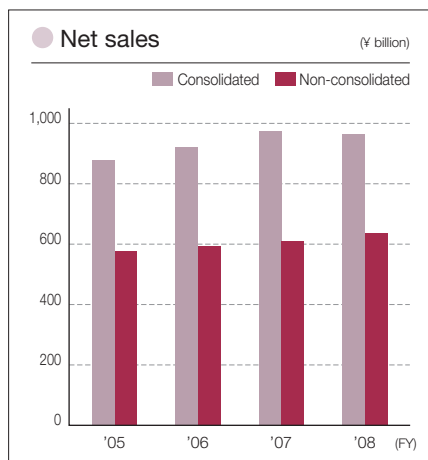
- Reducing the global environmental load and contributing to the creation of a sustainable society

#### V. Social contribution initiatives

- Participation in and support for social contribution activities

# Business overview

## Major Performance Indicators



## Marketing approval status

January 2009	Bonoteo® tablets 1mg (generic name: minodronic acid hydrate) - osteoporosis treatment	Approval granted (Japan)
	It is estimated that more than 10 million people in Japan suffer from osteoporosis (including undiagnosed patients), and it is expected that this number will continue to rise with the aging of the population. As elderly osteoporosis patients are particularly susceptible to becoming bedridden through fractures of bones such as the spine and femur neck, osteoporosis countermeasures are an important issue, not only in the field of medical care but also for society as a whole.	
July 2008	Graceptor® capsules (generic name: tacrolimus hydrate) - immunosuppressant	Approval granted (Japan)
	Graceptor maintains the same efficacy and safety as the Prograf® formulation for suppressing organ rejection after a transplant, and by making once-daily administration possible, we expect to be able to reduce the physical and mental strain placed on transplant patients who must take multiple drugs at the same time over an extended period. We also believe that this drug contributes to further improving long-term transplant results by increasing the convenience of taking drugs for patients, which will hopefully reduce the risk of dosages being forgotten.	
July 2008	Irribow® tablets (generic name: ramosetron hydrochloride) - diarrhea-predominant irritable bowel syndrome (IBS) treatment	Approval granted (Japan)
	Irritable bowel syndrome does not result from injury or disease. It is a functional disorder where gastrointestinal symptoms such as abdominal pain and discomfort, diarrhea, and constipation either continue for prolonged periods or grow worse and improve in cycles. It is estimated that approximately 12 million people in Japan suffer from irritable bowel syndrome, which is classified into three different forms characterized by repeated cycles of diarrhea, constipation, or both. Irribow® tablets have been recognized as effective in the treatment of diarrhea-predominant irritable bowel syndrome in males.	
April 2008	Mycamine® (generic name: micafungin sodium) - injectable antifungal agent	Approval granted (Europe)
	This is sold in Japan for the prophylaxis of candida infections under the product name "Funguard®," and is also sold in the U.S., China, Taiwan, and other Asian countries as "Mycamine®." Being granted approval in this new territory will allow us to provide a new option for the prophylaxis of infections in Europe.	
April 2008	Lexiscan™ (generic name: regadenoson) - pharmacologic stress imaging agent	Approval granted (U.S.)
	This is a drug for applying pharmacological stress in place of exercise stress when testing cardiac function. This enables patients who cannot tolerate exercise stress to undergo cardiac function tests.	

## Other information

### Inappropriate handling of regulated compounds

In our CSR reports to date, we have reported cases of the inappropriate handling of controlled substances at Astellas research laboratories. Whenever such cases of inappropriate handling have been discovered, we have taken steps to prevent recurrence, but other violations of regulations have unfortunately also come to light. We consider this a matter of grave concern, and we have carried out thorough investigations at all of our facilities at the behest of our president.

As a result, we have discovered the following cases of the inappropriate handling of substances used in the production of narcotics, psychotropics, and stimulants, as well as substances designated as being linked to chemical weapons.

Tsukuba Research Center (Miyukigaoka)	Narcotics (ketamine, etc.) and substances designated as being linked to chemical weapons (tris (2-chloroethyl) amine, etc.)
Tsukuba Research Center (Tokodai)	Narcotics (1- (3-chlorophenyl) piperazine, etc.) and raw materials for stimulants (phenylacetic acid)
Kashima R&D Center	Narcotics (4-methoxy-alpha-methylphenethylamine hydrochloride)
Tokyo Research Center	Narcotics (ketamine)
Takahagi Technology Center	Narcotics (1-benzylpiperidine, etc.) and psychotropics (chlordiazepoxide)
Takahagi Plant	Narcotics (4-methoxy-alpha-methylphenethylamine)

These substances were all used as chemical reagents for the purpose of research and quality control, but we now recognize that failures to confirm changing trends in regulations and insufficient management of substances in stock have led to these cases of inappropriate handling.

We have promptly reported the results of this survey to the Ministry of Health, Labor and Welfare, the Ministry of Economy, Trade and Industry, and the prefectural bodies that have jurisdiction over each of our facilities. We are also thoroughly investigating measures to prevent a recurrence under the strict guidance of the relevant authorities, introducing a chemical substance management system, and revising handling procedures, in addition to carrying out extensive employee training.

### Changes to performance data from the previous year

#### 1 Revision of past data for chemical substance management

Regarding the ethanol handled at the Fuji Plant, we have switched to a more accurate calculation method for atmospheric emissions, wastewater treatment volume, and recycling volume. Because of this, we have recalculated the data for past years using the new calculation method, causing the following changes to the numbers reported last year.

Revised environmental performance	Fiscal 2006	Fiscal 2007
VOC emissions	23-ton increase	36-ton increase

#### 2 Changes to data representation for the human resources management system and welfare and benefits

We included information on the composition of our labor force and the utilization of leave systems for previous fiscal years in last year's report, but in this year's report we are only including information for the current fiscal year, with a few exceptions. This is because it has become impossible to calculate the results for previous fiscal years using the current standards for aggregating the utilization status of each system due to the changes in the standards made in the reporting period.

#### 3 Changes to the data on work-related injuries

As the figures for work-related injuries in previous fiscal years included figures for companies which are no longer included in the scope of consolidation, we have retroactively revised the figures for the sake of comparison.

Note: Assurance was provided on the environmental performance indicators included in the Japanese-language original of **Astellas CSR Report 2009** by the independent assurance provider KPMG AZSA Sustainability Co., Ltd., a subsidiary of KPMG AZSA & Co.