Please direct inquiries concerning CSR Report 2011 to:
General Affairs & CSR
Astellas Pharma Inc.
2-3-11, Nihonbashi-Honcho,
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/en/
Editorial Policy

In publishing this CSR Report 2011, Astellas Pharma Inc. ("Astellas" or "the Company") is endeavoring to provide, in an easy-to-understand manner, an overview and details of the Company to those who are affected by its business activities and to its wide-ranging stakeholders who have an invested interest. Through this Report, which encompasses the means by which Astellas is fulfilling its corporate social responsibility (CSR), the Company is also seeking to meet its commitment to accountability. Our priority in drawing up this Report has been to introduce specific examples of our proactive efforts to address outstanding issues, achieve objectives and implement initiatives in accordance with our basic policy on CSR management. We have included figures and tables where appropriate with the aim of making this Report both easy to read and understand. Environmental performance numerical values of less than a whole unit have been rounded. Accordingly, the sum of such values may not conform exactly with the total figures given.

Full details of the Company’s business activities are provided in several of its investor relations tools, including the Company’s Business Results Report, Securities Report (Japanese only), and Overview of R&D Pipelines, which are posted on its website (http://www.astellas.com/en/). Accordingly, this Report contains only a brief overview of the Company’s business activities.

Information contained in this Report that is subject to assurance by KPMG AZSA Sustainability Co., Ltd. has been indicated by an "Assurance Mark.”

Report Boundary

Wherever possible, the Report covers the operations of all Group companies included in the Company’s consolidated financial statement both in and outside Japan. Depending on the item, however, the boundary of the Report may differ. In instances where a discrepancy arises, details will be specifically identified.

Furthermore, portions of environmental data include performance data of contracted parties in those cases where supply chain activities not directly undertaken by the Company impact the environment and society.

Reporting Period

The Report in principle covers the period from April 1, 2010 to March 31, 2011. Information on work-related accidents and performance data for overseas subsidiaries cover the period from January 1, 2010 to December 31, 2010. (Certain sections of the Report contain details of activities and initiatives both prior to and after identified reporting periods.)

Important Organizational Changes during the Term of the Report

Astellas acquired U.S.-based OSI Pharmaceuticals, Inc. in June 2010. In Japan, the Company established Astellas Pharma Tech Co., Ltd. in April 2011 following the merger of Astellas Tokai Co., Ltd., Astellas Toyama Co., Ltd., and Astellas Pharma Chemicals Co., Ltd., three production subsidiaries. With this initiative, the Company integrated the operations of six plants in Japan.

Guidelines

- GRI (Global Reporting Initiative)
- The CSR Report 2011 was also prepared with reference to the Environmental Reporting Guidelines (Fiscal Year 2007 Version) issued by Japan’s Ministry of the Environment.

Business Philosophy

Raison D’être

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 continuously tackle new challenges and create 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.

Sustainable values drive Astellas!

We are a global pharmaceutical company that is determined to be the "Leading Light for Life." 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: “Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products.”

The Astellas Brand Mark

The Astellas brand mark is depicted by the “Flying Star,” a beautiful shining star moving toward the future. This brand mark reflects the corporate vision of Astellas — to deliver hope and happiness to all for a healthy life, supported by state-of-the-art science, technology and new insights. The red color represents an enriched and healthy lifestyle that embodies “quality of life,” while the gray text expresses credibility in state-of-the-art science and technology.
As the medical needs of society continue to grow, the role played by pharmaceutical companies expands without limit. Against this backdrop, Astellas has chosen the continuous discovery of new drugs as its mission from among a host of business categories. In determining a true direction and path to follow, the Company is guided by an unwavering aspiration to help patients smile once again. To this end, Astellas engages in activities that ensure the Company evolves in a virtuous cycle and seeks to identify the steps necessary to further enhance enterprise value. We spoke to Masafumi Nogimori, President and CEO, on the topic of corporate social responsibility covering a variety of aspects including CSR-based management, the environment, and human resource diversity.

Promoting CSR-Based Management

Ekberg: I have been told that you chaired the Company’s CSR Committee for six years. Having led the Company in this particular field of activity, could you please explain to us the Company’s basic stance on CSR-based management?

Nogimori: Looking back to 2005 when Astellas first emerged in its current form, there was a significant groundswell of opinion toward evaluating enterprise value using economic indicators. At the same time, however, there were also emerging signs that the basic structure of the economy was under considerable stress. Due largely to the growing prominence of certain issues including global warming combined with structural economic flaws, society’s scrutiny of the corporate sector began to shift to areas outside the economic sphere. Against this backdrop, our fundamental stance toward CSR-based management was greatly influenced by two core considerations.

The first consideration focused on the Company’s responsibility to its stakeholders. As a matter of course, we have always recognized that an underlying function of a company is to generate a consistent stream of profits through its business activities. As we embarked on a new phase of our ongoing evolution and journey five years ago, we took the time to again reassess the critical need to fulfill our obligations toward stakeholders including patients, society, and the global environment. The second core consideration is compliance. From a management and business perspective, I am convinced that there are no instances where a breach of legal and regulatory requirements can be justified. Every why has a wherefore, and I strongly believe that corporate misconduct is a disease that threatens the very life of a company. The threat of disease is all around us. In addition to taking all necessary daily care, it is imperative that we undergo regular medical examination to ensure continuous sound health. Adopting a positive and robust attitude is also a key preventive measure against disease.

Keeping in mind the Company’s employees who take great pride in the Astellas brand, I have attempted over the past six years to guide our CSR endeavors based on a corporate culture grounded in integrity. In this manner, we have taken significant strides in enhancing our enterprise value.

Aiming to become an R&D-driven global pharmaceutical company contributing to people’s health

Masafumi Nogimori, President and CEO

Note:
1. The WIND (Women’s Innovative Network for Diversity) Project
2. The Ambassador Program

Interviewer: Satoko Ekberg

A director of E-Square Inc. Part-time lecturer at the Graduate School of Environmental Studies, Tohoku University. Mentally engaged in corporate development, she has been contributing to activities as well as educational materials and internal information development.
In putting into practice our business activities, we actively apply with integrity.

Astellas has positioned its CSR-based management objectives at the heart of its business philosophy. While business growth remains an essential component of the Company’s business philosophy, Astellas is aware that a single-minded focus on improving product development and business indicators is insufficient to garner the trust and confidence of stakeholders including customers, employees, the environment, society, and shareholders and to enhance enterprise value. Those objectives can only be achieved through interaction with society and the environment and efforts that contribute to society’s sustainable development.

We take steps to ensure that our Charter of Corporate Conduct, which lays the foundation for all of our corporate activities, is aligned closely with CSR concerns. Essential countermeasures are incorporated into the Company’s activities in its efforts to fulfill CSR. This enables Astellas to better interact with stakeholders with integrity.

In putting into practice our business activities, we actively apply the environmental and social criteria imposed under such internationally accepted standards as ISO14001 and ISO26000. In addition, we ensure that details of our activities are disclosed in an appropriate and timely manner and promote interactive dialogue with society and markets.

### Our Concept and Understanding of CSR-Based Management

- **Business Philosophy**
  - **Raison d’être**
  - **Mission**
  - **Values**
  - **VISION 2015**

- **CSR-based management**

- **Astellas Charter of Corporate Conduct**

  Astellas is always checking its activities from a CSR perspective.

### The Five Fields of CSR-Based Management

- **Customers, shareholders, business partners, and competitors**
  - Fostering value
  - Financial profits
  - Shareholder return
  - Fair dealings, etc.

- **Employees**
  - Providing value
  - Human resources
  - Human rights

- **Environment**
  - Low-impact activities
  - Contributing to solving environmental issues, etc.

- **Society**
  - Local communities, the global community, NGOs
  - Partnership, social issues

- **Economy**
  - Voluntary action
  - Management system
  - Economic value added

### Astellas Global CSR Policy

Through CSR-based management, Astellas is working to be recognized by society for its overall enterprise value, which includes not only profitability, but also its responsibilities that consider the economy, society and humanity.

We facilitate an ongoing dialogue with the public and put a high priority on integrity in our dealings with all our stakeholders as we work to fulfill our social responsibilities to maintain the trust of our stakeholders and inspire pride in our employees. With this as our guiding principle, we are tailoring our CSR-based management to take into account five perspectives: 1) Employees; 2) Society; 3) The Environment; 4) The Economy; and 5) Compliance.

**Employees**

A company's responsibility towards employees is to establish a positive relationship with the public and help to create a sustainable society. We are actively working to incorporate an understanding of the various issues facing society — as well as the needs and diversified values of the general public — in our corporate activities. We will continue contributing to the good of society and help to create a dialogue with various communities. At the same time, we will openly disclose the details of our corporate activities and provide our stakeholders with adequate explanations.

**Environment**

A company's environment is one of the key factors to be taken into consideration. Astellas is working to fulfill our environmental responsibilities by actively engaging in activities that respect the environment and society.

**Economy**

A company's responsibility towards the economy is to contribute to the sustainable development of the global economy.

**Compliance**

A company's compliance with international ethical standards ensures the trust of public shareholders and the general public.
Our CSR-Based Management

CSR-Based Management Priority Issues

At Astellas, we believe that CSR-based management requires constant reviews of corporate activities from a CSR perspective to provide products and services that are helpful to customers and of service to society and to capitalize on our own strengths to address the problems facing society. Given that CSR-based management is designed to enable us to embody our business philosophy, we have defined specific priority issues in accordance with the status of our business activities taking into consideration the need to ensure a sustainable society on the basis of the ten provisions of the Astellas Charter of Corporate Conduct, which sets out our business philosophy in the form of specific corporate behavior. The level of issue priority is assessed from three perspectives: disparities compared with the Charter of Corporate Conduct, relations with stakeholders, and legal and social expectations in connection with social issues. Looking ahead, the Company will work to fulfill its accountability through disclosure of its CSR Report. In addition to areas of particular interest to stakeholders, Astellas will provide details of issues that are likely to impact its decisions.

Method for Specifying Priority Issues

- **Step 1** - Disparities compared with the Charter of Corporate Conduct
  The Astellas Charter of Corporate Conduct sets the standard for the Company from ten different perspectives, including business ethics. The challenges facing us are thus identified based on the gap between the standard and the current reality.

- **Step 2** - Relations with stakeholders
  Relations are clarified using the CSR-based management matrix created from two different viewpoints of social responsibility and stakeholders, with reference to the CSR Promotion Tool developed by Nippon Keidanren (Japan Business Federation).

- **Step 3** - Legal and social expectations in connection with social issues
  The issues facing society are classified into areas where Astellas has an obligation, areas where Astellas can make an indirect contribution, and areas involving politics, for marshaling the agenda for CSR-based management.

- **Step 4** - Review and verification
  Issues that have been appropriately classified will be reviewed and verified once every several years. This review and verification process will entail the decision whether to introduce additional issues or strengthen initiatives depending on the status of initiatives implementation progress and any changes to society. At the same time, Astellas seeks advice and opinions on these issues from outside the Company so as to determine and specify those priority issues that require disclosure.

In order to contribute to the overall sustainability of society, Astellas has drawn up a vision for fiscal 2015. Authorized by the CSR Committee in fiscal 2006, we identified our corporate social responsibilities across five different fields of CSR-based management. We have been addressing issues based on an order of priority (steps 1 to 3), and in fiscal 2009 we undertook a thoroughgoing review to identify and include new issues as well as areas where our activities needed to be bolstered taking into consideration changes in the nature of society and the status of initiative implementation (step 4).

More recently in fiscal 2010, we solicited the views of independent third parties, and based on existing issues specified additional and new priorities outlined briefly as follows.

<table>
<thead>
<tr>
<th>Priority Issues</th>
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<th>Previously Specified Issues</th>
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<tbody>
<tr>
<td>Compliance</td>
<td>Promoting business ethics, Product Liability Strengthening corporate governance</td>
<td>Compliance of the Company’s activities with statutory and regulatory requirements is built on its prevailing sense of integrity and high ethical standards. Embedded in its products and services, this spirit helps deliver customer peace of mind while enhancing enterprise value. Strengthening of corporate governance, introduction of management systems, extension and enrichment of helpline functions, participation in the United Nations Global Compact, fostering of a corporate culture of integrity, strengthening of the global management framework.</td>
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<td>Work-life balance</td>
<td>Developing human resources, Promoting opportunities that enable women to excel</td>
<td>Employing women are an integral component of the Company and one of its key stakeholders. They are in fact the Company’s very essence and substance. Response to the falling birthrates and gender equality are areas in which companies are frequently called to take direct action. Work-life balance is one of the most important issues in society. The challenge facing us is to identify specific issues in the society field that encompass a broader scope of activity.</td>
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<td>Environment</td>
<td>Continuous improvement in environmental protection activities, Addressing biodiversity concerns</td>
<td>There is increasing pressure on Astellas to actively participate in efforts aimed at addressing environmental issues from a social sustainability perspective. At the same time, environmental issues fall within the scope of the Company’s risk management in the natural conduct of its business activities. In this context, Astellas has specified activities designed to protect and improve the global environment and ongoing compliance with emission control regulations as priority issues.</td>
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<td>Society</td>
<td>Responding to global issues, Participating in local community events, Supporting medical science growth and development</td>
<td>Addressing the host of issues identified for attention, employment of people with disabilities and CSR-based purchasing were addressed through specific activities in other fields. Accordingly, efforts to actively contribute to society as a good corporate citizen have been positioned as the core priority issue in the society field. Astellas is cognizant of the need to identify specific issues in the society field that encompass a broader scope of activity including local community participation.</td>
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<tr>
<td>Economy</td>
<td>Creation of new drugs, CSR-based purchasing</td>
<td>Consistent with our vision, efforts to contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products, Astellas has formulated an overarching vision that underpins the Company’s ongoing contribution. Moving forward, Astellas is engaging in activities that seek to realize this vision. The Company also recognizes that one of its corporate social responsibilities is to solicit the support of stakeholders including suppliers.</td>
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Maintaining integrity and upholding the highest ethical standards represent the core of the Company’s decision-making criteria and the essence of its corporate culture.

For a company to carry out its business activities on a sustainable basis, it is necessary that it and its individual employees act in accordance with the expectations of society. Compliance at its most fundamental level entails strict adherence to statutory and regulatory requirements. At the same time, the extent to which company and individual employee activities conform to generally-accepted social norms and customs are increasingly being brought into question and scrutinized. In this context, it is imperative that activities be undertaken with a complete understanding and awareness of any and all business ethics.

Astellas pledges to remain an organization that both embraces and practices the beliefs of its business philosophy to always manage its business with the highest sense of ethics. It is with this unwavering commitment that Astellas has positioned business ethics as much more than simply a single field within its CSR-based management model. Without exception, business activities are therefore based on a broad understanding of compliance encompassing both strict observance of laws and regulations as well as the maintenance of high ethical standards.

By the same token, business ethics are not merely educational tools to be used by a company. They are a set of self-determined standards upon which all business activities stand. It is vital that each and every employee apply business ethics as the basis for their conduct and collectively to ensure the company’s steadfast adherence.

With the aspiration of contributing toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products, Astellas places the utmost emphasis on creating products and providing information that instills decisions and actions underpinned by high ethical standards. This aspiration can only be achieved when the Company earns the trust and confidence of medical practitioners, patients, and society.

In every facet of its business activities from product research and development, through production to the provision of information to customers, it is critical that all concerned Astellas employees maintain a deep understanding, commitment and practice of business ethics.
Compliance

Promoting Business Ethics

Taking into consideration its own unique set of circumstances and its understanding of societal issues at hand, Astellas remains constantly aware of the importance of strictly adhering to a code of business ethics. Our goal therefore is to instill a corporate culture in which each and every employee chooses to act in accordance with this code. Looking ahead, we will cultivate a workplace environment in which individual employees maintain high ethical standards when acting on their own initiative. At the same time, we will nurture a corporate culture of integrity grounded in an acute awareness of business ethics to serve as the basis for our business activities.

As a matter of course, Astellas has continued to adopt a broad concept of compliance that entails adhering strictly not only to a wide variety of internal and external rules as well as statutory and regulatory requirements, but also to generally accepted social norms and customs based on high ethical standards. At the same time, the Company has taken ongoing steps to ensure this concept of compliance is increasingly understood and accepted throughout its organization.

Astellas has established a helpline that individual employees can use at any time for advice, rather than attempting to tackle problems themselves. The helpline can be contacted if an employee witnesses any conduct that may be in violation of business ethics, or if an employee is instructed to act in possible violation of business ethics. In addition, the Company has established a sexual harassment counseling office independent of the helpline. In fiscal 2010, the helpline and counseling office received 42 and 4 inquiries, respectively, a combined total of 46 inquiries. In specific terms, 26 inquiries were related to sexual harassment issues, five for possible accounting impropriety and two were of a legal nature. Moreover, two inquiries related to dealings with the civil service, two were regarding personal information, two related to business entertainment and seven were of a sundry nature.

Recently, legislation against improper and corrupt behavior including bribery has become increasingly stringent. In specific terms, U.S. authorities’ oversight of solicitor behavior toward foreign government officials has become extremely severe under the U.S. Foreign Corrupt Practices Act. Recognized as the world’s most austere anti-corruption legislation and with the broadest scope, the UK Bribery Act, enacted on July 1, 2011, is another example of the trend toward increased concern.

In this regard, Astellas has established its Business Ethics Policy, guided by this policy, each and every Astellas employee working in and outside Japan strives to behave in accordance with the five ethical principles of integrity, respect, responsibility, fairness and transparency. Maintaining an acute and unwavering awareness of these five principles serves to ensure equitable behavior while preventing improper act and corruption including bribery. In Japan, education and training emphasizes the need for individuals to discipline themselves through constant self-reflection. In the United States and Europe, where legislative requirements are more austere, considerable weight is placed on training that aims to prevent any corruption and bribery. Recognizing, however, that the lack of integrity and fairness in any one country has the potential to impact the Group’s companies worldwide, Astellas is considering introducing more globally focused training and a variety of appropriate initiatives in this field.
Product Liability

A great deal of time and procedural effort are required from the development of a particular pharmaceutical through to its eventual release for sale. Only in ensuring the integrity of all procedural processes can Astellas secure the confidence and trust of consumers on the efficacy and safety of a new medication. Moreover, ensuring the supply of products distinguished by their stable quality is an absolute prerequisite. Following the release of a product, we need to collect information on adverse effects and quality problems and issue warnings and appropriate information to medical professionals as and when required. Furthermore, we are tasked with the important duty of reflecting requests from patients and medical professionals in product improvements and the development of new products.

Ethical Considerations in R&D

The Use of Specimens Derived from Humans

We have established an Ethics Review Board on Human Tissue Research, based on specific policy guidelines including the Ethics Guidelines for Human Genome/Gene Analysis Research and the Ethical Guidelines for Clinical Research issued by the Japanese government. 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, deliberates on the ethical acceptability of research on human genome and tissue samples.

Activities at the Development Stage

Human Rights in Clinical Research

Astellas does not engage in clinical research in countries that are not a party to the Declaration of Helsinki (2008)2 and ICH Guidelines3, in undertaking clinical research, personal information and the human rights of patients must be protected when conducting clinical trials. Likewise, drug safety and data reliability must be assured. Therefore, we have established an in-house Institutional Board, which includes outside doctors and lawyers. The board checks and monitors the ethical and scientific appropriateness of clinical trial plans.

Activities at the Research Stage

Product Recalls

When the safety, efficacy or quality of a product is brought into question, pharmaceutical companies are obliged to promptly disclose all details to medical institutions and to voluntarily initiate a product recall. In those cases where a pharmaceutical company fails to voluntarily initiate a product recall or its actions are deemed insufficient, the Minister of Japan’s Health, Labour and Welfare Ministry or the relevant prefectural governor can order a recall to prevent any incidence or further expansion of harm as a result of an unsafe product. Voluntary recalls are undertaken based on three levels of severity from Class I (use of the product is likely to cause a health hazard) to Class III (use of the product is unlikely to cause a health hazard).

In fiscal 2010, the Company undertook a Class II product recall of its Sotralan 100 mg tablets (Talamide hydrochloride) and Gramil 25 mg and 50 mg tablets (Tapirod hydrochloride). These products failed to comply with approval standards following dissolution testing of products 30 months after manufacture. The potential for damage to human health due to delays in dissolution is considered serious. To this end, Astellas has not received any report of damage to human health.

Compliance

Initiatives for Ensuring the Reliability of Medicine

Astellas recognizes that its most important task is to deliver high-quality products that undergo a continuous process of improvement throughout the entire product lifecycle as well as relevant quality products that undergo a continuous process of improvement.

Initiatives for Ensuring Reliability

Ensuring the efficacy and safety of pharmaceuticals requires a system and methods that comply with laws and guidelines. Our research, development, manufacturing, and other related departments set out specific procedures for complying with laws and guidelines. We are also building a structure that is capable of accumulating correct records while objectively evaluating the status of procedural compliance and data. Astellas recognizes that these steps and the evaluation of information pertaining to efficacy and safety as well as the provision of information to medical professionals to ensure correct pharmaceutical use are a vital component in securing trust and confidence. At Astellas, functions for ensuring reliability from research and development through manufacturing to post-marketing study are centralized. We have, in other words, established a system to achieve objective reliability at all stages. We are working to ensure the efficacy, safety, and reliability of our pharmaceutical products by auditing test and research facilities, checking records and other documents, and collaborating closely with regulatory authorities, medical professionals and other relevant parties in sharing information and accurately identifying risks.

Astellas QA (Quality Assurance) Policy

Astellas QA Policy is applied to the whole Astellas Group under the Corporate Raison d’Etre “Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products.”

- To meet customer requirements and acquire customer’s confidence
- To comply with current regulatory requirements and the Astellas QA Manual
- To assure the high quality products throughout their life cycle using scientific and risk-based approach
- To distribute products with Astellas quality activities developed under the concept ‘Quality is built up during development stage and built in throughout the manufacturing process’ and ‘Quality is an integral part of every employee’s duties.

Basic Policy Regarding Quality Assurance

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- To ensure the supply of products distinguished by their stable quality is an absolute prerequisite. Following the release of a product, we need to collect information on adverse effects and quality problems and issue warnings and appropriate information to medical professionals as and when required. Furthermore, we are tasked with the important duty of reflecting requests from patients and medical professionals in product improvements and the development of new products.

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It goes without saying that drugs must be effective and have a good safety profile, but many patients also want drugs that are easy to take and easy to handle. Tablets and capsules are, for instance, difficult to take if they are too large, and hard to handle if they are too small. The appropriate size and shape therefore needs to be considered. Thought is also required for patients who find it difficult to take medication with water.

Astellas has developed an orally disintegrating tablet formulation that takes into consideration the two primary concerns of easy to take and easy to handle. Focusing on the aspect of administration, these tablets utilize ingredients that essentially dissolve in water. Accordingly, they do not leave a powdery sensation in the mouth when taken.

Astellas has continued to take the opinions of medical professionals and patients into consideration when determining the size and shape of tablets. In light of these opinions, we have developed tablets that quickly dissolve even in small amounts of water by using our proprietary technologies. This initiative has been applied to various products. Moving forward, the Company will continue to engage in activities that enhance patient convenience.

Before drugs are prescribed to patients in a clinical setting, the drug name, dosage, administration route and many other points are checked to prevent the prescription of wrong drugs and wrong drug names. The administration of the right drug, at the right dose, at the right time is the first step to improving patient adherence. The industry is making efforts in this regard.

Astellas strives to realize its business philosophy, which encompasses its Raison d’être, Mission and Beliefs. At the same time, the Company is bolstering corporate governance by putting in place the appropriate structure and systems, strengthening its internal control system and establishing standards of conduct for its employees as well as a set of business ethics and principles. Through these means, we are working to create a corporate governance structure that ensures the transparency of management and further enhances our accountability to the public.

It is also important that patients know the differences in the various administration routes available, and choose the one that suits them. Among these, Astellas has developed a unique orally disintegrating tablet formulation that quickly dissolves in the mouth with no need for water.

Astellas’ Orally Disintegrating Tablets

Development Concept

Easy to take
- Time required to dissolve in the mouth: less than 30 seconds
- A refreshing sensation with no feelings of grittiness

Easy to handle
- Hardness: Set taking into consideration PTP* removal
- Size: Around 8mm (careful thought given to ease of handling)
- Applicability with automated dispensing apparatus (stability in the context of temperature and moisture)

*Push-through-Pack (PTP) for tablets and capsules

To Encourage Proper Use

Before drugs are prescribed to patients in a clinical setting, the drug name, dosage, administration route and many other points are checked to prevent the prescription of wrong drugs and wrong usage. Patients also feel more secure if they can easily confirm the drug name, dosage and administration route and many other points.

To minimize confusion in the handling of drugs, Astellas is working to make the markings on drug packaging easier to understand and the use of a new barcode display system, we are endeavoring to

Methods for Preventing Medical Error

1. New barcode display
2. Printing alignment (easy identification even when sheets become separated)
3. Display of company name and logomark
4. Efficacy display
5. Dosage and administration time
6. Product name and content

Information on Adverse Effects

Information concerning adverse effects of pharmaceuticals is reported by medical institutions and companies, collected and sorted via research by groups such as the Pharmaceuticals and Medical Devices Agency. The information provides a basis for us to revise precautions and other materials included with our products to further assure safe use. In fiscal 2010, we made 42 revisions to our precautions. Information on adverse effects that immediately needs to be distributed to medical institutions is distributed by the pharmaceutical company as urgent safety information (doctor’s letter). In fiscal 2010, no urgent safety information was distributed regarding Astellas products.
Recognizing that employees are central to creating enterprise value, Astellas maintains a workplace environment that allows employees to fulfill their work, family and social responsibilities.

We recognize that the value created by employees is in effect the very value of the enterprise. Only through its employees can a company hope to attain sustainable development and growth. At the same time, employees are the most affected by shifts in a company’s strategies and activities. For these very reasons, Astellas is cognizant of its responsibilities to employees as primary stakeholders.

Astellas strives to enrich its human resources and works to provide human resource management, training and development as well as welfare and benefit systems that raise employee satisfaction. Furthermore, by respecting employees’ individual rights and personalities we foster a safe, discrimination-free workplace environment. Through these means, we are endeavoring to remain an appealing and attractive company.

We are conscious that in ensuring a safe and pleasant workplace environment, each and every employee is better positioned to carry out their tasks with an increased sense of motivation. We hold high expectations that this will in turn create a virtuous cycle in which we will further enhance our enterprise value and deliver products and services with increased value thereby raising the satisfaction of customers.

Taking the aforementioned into consideration, Astellas has formulated its human resources vision, which clarifies employees’ desired talents, to help realize its business philosophy. At the same time, the Company has identified its human resources policies, which outline its thoughts toward the human resource management systems required to best support employees as well as providing opportunities for employee growth. Moreover, Astellas recognizes that forging its own unique corporate culture carries the same weight and importance as upgrading and expanding its human resource systems and workplace environment. Accordingly, the Company is working to harness its inherent strengths to foster a unique corporate culture referred to as the Astellas Way by transforming each and every employee’s mindset and behavior, while further enhancing its human resource systems and workplace. In specific terms, top management has outlined Five Messages to foster this Astellas Way. Employees are steadily incorporating these messages into their daily activities so that they can take personal ownership of efforts to bring about a transformation and change. Positioned at the heart of Five Messages are seven key words and phrases. These seven key words and phrases clarify the Company’s emphasis on “Patient Focus,” “Enthusiasm,” “Challenge,” “Innovation,” “Results,” “Self-starter” and “Integrity,” and define the values to be shared by all Group members globally.

Complementing each of the aforementioned, Astellas is actively adopting new human resource systems that help improve personnel development and working conditions while supporting work-life balance. Unless otherwise stated, we present several initiatives undertaken in Japan as follows.
Development and Training of Self-Starters

Astellas recognizes that its employees are the driving force behind its ongoing growth. While deeply valuing its employees and their contributions, the Company is also endeavoring to foster human resources who actively pursue new challenges. In principle, employees are called upon to adopt a self-starter stance. At the same time, Astellas provides its employees with wide-ranging opportunities to further their careers and capabilities. In accepting fresh challenges, employees are offered the chance to learn new languages and to undertake other distance learning programs. The Company also provides opportunities directly related to workplace duties and tasks.

Creating the Ideal Workplace

Astellas is endeavoring to foster a workplace in which all employees can concentrate on their work with a sense of security. The Company recognizes that in nurturing an ideal environment and offering a wide range of welfare and benefit programs that help balance work and personal lives, employees are better placed to carry out their tasks with vigor and to take full advantage of their capabilities.

The effective use of human resources is also a part of our management strategy. In this context, we promote diversity management in an effort to attract a broad spectrum of employees boasting unique backgrounds. This focus on diversity is consistent with the Company’s goal of creating a new set of values and promoting business innovation.

Well aware that work-life balance and diversity are closely related, Astellas will continue to undertake a range of initiatives that focus on these two themes.

Work-Life Balance

Individual employee roles and performance form the foundation of Astellas’ human resources evaluation system. Getting the most out of employee capabilities, we have introduced various work schedule systems that acknowledge diverse working styles including the flexible working hours system, the De facts work system for outside work and the Discretionary work system. In this manner, the Company is giving employees the discretion to set working hours to suit their professional duties. In fiscal 2010, over 90% of both our male and female workforce was covered by the aforementioned or other systems.

In addition, Group companies in Japan have adopted the Flexible working hours system. Approximately 66% including men and women can avail themselves of this system.

We have management staff to not fail in the scope of work schedule systems and are accordingly not included in the preceding data.

Plan period: April 1, 2007 to March 31, 2012 (five years)

<table>
<thead>
<tr>
<th>Various Work Schedule Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Introduce new working arrangements to ensure a better balance between child-care and work during the term of the plan</td>
</tr>
<tr>
<td>- Introduce support measures that facilitate the smooth return to work of employees after completing child-care leave</td>
</tr>
<tr>
<td>- Introduce support measures that contribute to the improvement of work-life balance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work-Life Balance</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Creation of the Ideal Workplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>- As a key component of its human resources vision, Astellas has identified its ideal conceptual image of its human resources desired vision, Astellas has identified its ideal concept</td>
</tr>
<tr>
<td>- As a Group-wide organization that strives to foster employees that are called upon to adopt a self-starter stance. At the same time, Astellas provides its employees with wide-ranging opportunities to further their careers and capabilities. In accepting fresh challenges, employees are offered the chance to learn new languages and to undertake other distance learning programs. The Company also provides opportunities directly related to workplace duties and tasks.</td>
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<td>- In addition, Group companies in Japan have adopted the Flexible working hours system. Approximately 66% including men and women can avail themselves of this system.</td>
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<tr>
<td>- Plan period: April 1, 2007 to March 31, 2012 (five years)</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
</tbody>
</table>
Astellas continues to introduce programs that support employees during major events in their lives including marriage, child rearing, injury and retirement. Collectively, these programs help create an environment in which employees can concentrate on their work with a sense of security. While conditions apply to certain programs, details of representative examples are presented briefly as follows.

### Programs That Address Major Events in Employees’ Lives

#### Programmes To Address Major Events in Employees’ Lives

**Marriage**

Astellas introduced a system specifically for sales personnel to help bring them closer to their spouses if they work far away from home. Subject to certain conditions, this system helps sales personnel plan to marry another full-time employee of Astellas, or another employee, to work in areas where they can live with their spouse. Four employees made use of this system in fiscal 2010.

**Childbirth and Child Raising**

Astellas offers as many as ten-day holidays in addition to the regular maternity leave and child care leave, and also has a program in place to support a smooth transition back to work after an employee takes child care leave. We also let sales-related employees use Company vehicles for transporting their children to and from day care centers and other locations until the third year of elementary school. Eligible employees are also permitted to work entirely or partially at home, under the Working at Home Program.

**Post-Retirement and Post-Resignation Options**

Astellas has introduced an extended employment system that allows employees who have met criteria for excellence in special skills and expertise to continue working on a yearly contract basis past the age of 60. In fiscal 2010, 90% of the people who applied for this system were accepted and remained employed on a contract basis. Moreover, employees that decided to leave the Company due to certain events, such as child raising, nursing care or a spouse getting transferred to a different location, may register in advance to apply for reemployment after their situation changes. Under this program, Astellas prioritizes their hiring when more personnel are needed. In fiscal 2010, this program helped one person find employment again at Astellas.

**Prevention of Overwork**

Since overwork can lead to physical and mental health problems, Astellas has set targets for Group companies and business divisions to reduce the number of employees who consistently work long hours, encourage employees to take paid annual leave, and ensure that employees do not work for more than 60 hours a week. In fiscal 2010, the number of employees who consistently work long hours declined by 38% in fiscal 2010, compared with the previous fiscal year.

**Supporting Volunteer Activities**

We have introduced systems for supporting employees who engage in volunteer work. Our Volunteer Leave Program allows for up to five days of leave to be taken each year to support participation in activities in social welfare, environmental protection, disaster relief, and international cooperation, and for the acquisition of knowledge and technical skills necessary for volunteer activities.

The Volunteer Leave of Absence System also supports an employee’s volunteer activities over the long term, and allows employees to take special leave to register and donate.

**Sickness and Injury Leave**

An unexpected illness or injury can be a life-changing event. While employees often recover from using paid annual leave over a brief period, a system is needed to support employees during a longer period recuperation from an illness or injury.

In fiscal 2010, 60 employees participated in the Short-Term Disability Leave. The Short-Term Disability Leave of up to 30 business days shall be granted when an employee requires additional or continued hospitalization and/or recuperation at home after receiving medical treatment for one month or more. This leave shall commence immediately after one month.

If more time is needed than allowed under the Short-Term Disability Leave, Astellas offers support systems including medical treatment benefits provided by Kyosai-kai (a mutual aid association for regular employees) and income indemnity insurance for employees with long-term disabilities—a group insurance benefit.
Employees

Occupational Safety and Health (OSH)

Securing employee safety in the workplace is a crucial component of Astellas’ management philosophy. Astellas considers a pleasant workplace as essential for its employees, who are key Company stakeholders, and its ability to fulfill its corporate social responsibilities.

According to the International Labour Organization (ILO), every year approximately 337 million people worldwide fall victim to some form of occupational accident, while over 2.3 million people lose their lives to occupational injury or illness. From mining fields to chemical plants, and from offices to the frontlines of business, occupational accidents and illness cause more disabling injuries and death than all global deaths due to AIDS, tuberculosis, and HIV.

Fortuitously, since its inception in 2005, Astellas has not experienced any accidents leading to loss of life. However, the number of incidents with the potential to cause a major accident is not few. In line with the prevention of such occupational disasters, Astellas is promoting initiatives to ensure the safety of its working environment by further stressing the importance for minimizing workplace mishaps and hazards. Initiatives also include the consideration of countermeasures and the elimination of various activities and operations associated with certain risks based on accumulated experience. In addition, the Company is implementing a safety education curriculum and working to boost on-the-job skills through interdepartmental/facility collaboration. Also, continuous support for the fostering of health and safety managers with specialized skills along with training are essential to ensure employees follow set procedures on a daily basis.

Going forward, the Company will share information regarding occupational safety and disaster prevention throughout the Group, with the idea that facilities will be able to utilize this information including disaster case examples to lower risk on an ongoing basis.

- **Safety Action Plan (Fiscal 2010)**

  - Prevent work-related accidents and injury
  - Develop a safety education curriculum for employees
  - Implement system for early detection of accidents
  - Improve safety management system for maintenance and improvement

- **Occupational Safety and Health Management**

  - Conduct regular inspections of workplace safety
  - Assess the status of occupational health
  - Conduct risk assessment and identify risks

- **Emergency Management**

  - Create and maintain disaster response plans
  - Conduct regular disaster drills and exercises

- **Chemical Substance Management**

  - Ensure strict management of hazardous chemicals
  - Conduct regular inspections of chemical substance storage and use

Astellas’ safety management structure was established to promote efforts aimed at the prevention of work-related injuries. Therefore, its basic function is to focus on the prevention of risks with the potential to cause major injury or disaster and in the event of such disaster to enable injury and damage to be minimized. In specific terms, environmental and safety committees established within each of the Company’s facilities fundamentally operate in accordance with a set of principles, under the leadership of the President and Chief Executive Officer (CEO), to ensure that the various activities and operations associated with certain risks due to workplace mishaps and hazards are carefully maintained and come under regular review.

In fiscal 2010, the Group has acquired OHSAS18001 certification at its Takahagi Technology Center, Dublin and Kerry plants.

- **Severity Rate of Work-Related Injuries**

  - 0.006

- **Chemical Substance Management**

  - Ongoing

- **Occupational Safety and Health Management**

  - Ongoing

- **Emergency Management**

  - Ongoing

Astellas’ Charter of Corporate Conduct above all respects the human rights, personalities and individuality of all of its employees. More specifically, it strictly enforces adherence with international rules and local laws in its conduct of global-scale business, stipulates respect for individual culture and custom, and instills a mutual understanding among all of its Group companies of the importance for the respect for human rights. Astellas likewise maintains the Astellas Business Ethics Policy that consists of five ethical principles to be shared among its employees. The policy specifies recognition and tolerance for the views and contributions of each and every employee while stressing the importance of respect for individuality.

Based on these principles, the Company maintains human resources policies that specifies a fair employment and placement process that hires based on qualifications while seeking proper placement of personnel without discrimination based on race, nationality, gender or age. Astellas is also promoting the creation and operation of a human resource management system.

The Astellas Labor Union comprises employees from both Astellas and a number of domestic consolidated Group companies*, and is a member of the Japanese Federation of Energy and Chemistry Workers Unions. As of March 31, 2011, the number of union members stood at 5,085. The union’s headquarters is located at the Company’s Headquarters with branch offices located at principal facilities. The Management Council, the Workplace Council and the Health and Safety Committee serve as labor-management negotiation bodies that provide advice, exchange opinions based on their unique perspectives and share a mutual understanding and recognition of labor and management themes.

- **Status of Occupational Accidents**

  The status of occupational accidents in Japan in fiscal 2010 is presented in the table on page 25, where results are shown to be on par with levels in the previous fiscal year. Overall, the Company was successful in firmly establishing accident prevention measures and is confident in achieving its goal of maintaining a steady status level on a year-to-year basis.

  We began to look at the status of occupational accidents overseas in fiscal 2010. There were five incidents recorded including one case of a shoulder injury due to repetitive motion on the job, which took 135 days to heal, resulting in a 3.15 frequency rate and a 0.093 severity rate of work-related injuries. The most common incidents were accidents involving falls and becoming caught within equipment parts. The Company will seek to further reinforce accident prevention measures and operational rules more thoroughly.

- **Safety Action Plan (Fiscal 2011)**

  In regard to Astellas’ management system, risk assessment and chemical substance management mechanisms, the Company has decided to remove occupational safety and health management and chemical substance management from the 2011 Safety Action Plan based on the success of continuous improvement initiatives in these areas. The action plan will therefore primarily focus on promoting risk assessment and achieving numerical targets for the severity rate of work-related injuries.

  - **Severity Rate of Work-Related Injuries**

    - Prevent the incidence of major occupational accidents while maintaining a severity rate of work-related injuries at or below 0.005 at all domestic facilities and overseas plants

  - **Risk Assessment**

    - Assess all business operations to identify risks in all areas as well as establish self-regulations to reduce such risk

- **Relationship with the Labor Union**


  The Astellas Labor Union comprises employees from both Astellas and a number of domestic consolidated Group companies*, and is a member of the Japanese Federation of Energy and Chemistry Workers Unions. As of March 31, 2011, the number of union members stood at 5,085. The union’s headquarters is located at the Company’s Headquarters with branch offices located at principal facilities. The Management Council, the Workplace Council and the Health and Safety Committee serve as labor-management negotiation bodies that provide advice, exchange opinions based on their unique perspectives and share a mutual understanding and recognition of labor and management themes.

  How then the Company fulfills its social responsibility in the field of employee relations is how the Company contributes to the recognition of employee human rights in terms of discrimination, health and safety, working conditions, and education and training. Respect for human rights is a fundamental business issue that requires constant attention in all aspects of activity in which employees are involved.

### Data

#### Where Our Employees Work

<table>
<thead>
<tr>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Full-time employees</td>
<td>4,649</td>
<td>2,628</td>
</tr>
<tr>
<td>Key management staff</td>
<td>390</td>
<td>214</td>
</tr>
<tr>
<td>Other staff</td>
<td>2,325</td>
<td>1,298</td>
</tr>
<tr>
<td>Temporary staff</td>
<td>308</td>
<td>170</td>
</tr>
<tr>
<td>Total</td>
<td>7,516</td>
<td>4,094</td>
</tr>
</tbody>
</table>

#### Group companies in Japan

<table>
<thead>
<tr>
<th>Group companies in Japan</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astellas Pharma Inc.</td>
<td>1,222</td>
<td>617</td>
<td>605</td>
</tr>
<tr>
<td>Other full-time employees</td>
<td>27</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>1,249</td>
<td>632</td>
<td>617</td>
</tr>
</tbody>
</table>

#### Group companies in North and South America

<table>
<thead>
<tr>
<th>Group companies in North and South America</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharma Inc.</td>
<td>2,656</td>
<td>1,372</td>
<td>1,284</td>
</tr>
<tr>
<td>Astellas Pharma Inc.</td>
<td>32</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>2,688</td>
<td>1,389</td>
<td>1,299</td>
</tr>
</tbody>
</table>

#### Group companies in Europe

<table>
<thead>
<tr>
<th>Group companies in Europe</th>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>3,395</td>
<td>1,787</td>
<td>1,608</td>
</tr>
<tr>
<td>Asia</td>
<td>1,231</td>
<td>671</td>
<td>560</td>
</tr>
<tr>
<td>Total</td>
<td>4,626</td>
<td>2,458</td>
<td>2,168</td>
</tr>
</tbody>
</table>

**Notes:**
- Figures for Japan include employees on trial. Figures for other staff include term contract employees and part-time. Figures for staff outside Japan are for full-time staff only.
- From FY2010, FY2011, and FY2012, the reports do not include new business company entities.

#### Length of service (years)

<table>
<thead>
<tr>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Astellas Pharma Inc.</td>
<td>15.4</td>
<td>15.8</td>
</tr>
<tr>
<td>Group companies in Japan</td>
<td>23.0</td>
<td>23.5</td>
</tr>
<tr>
<td>Average</td>
<td>17.0</td>
<td>17.2</td>
</tr>
</tbody>
</table>

#### Number of employees who left the company

<table>
<thead>
<tr>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Astellas Pharma Inc.</td>
<td>1,131</td>
<td>619</td>
</tr>
<tr>
<td>Group companies in Japan</td>
<td>3,279</td>
<td>1,592</td>
</tr>
<tr>
<td>Total</td>
<td>4,410</td>
<td>2,201</td>
</tr>
</tbody>
</table>

#### Incidence of Work-Related Injuries in Japan

<table>
<thead>
<tr>
<th>FY2008</th>
<th>FY2009</th>
<th>FY2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of work-related injuries</td>
<td>41</td>
<td>31</td>
</tr>
<tr>
<td>Frequency rate of work-related injuries</td>
<td>0.35</td>
<td>0.25</td>
</tr>
<tr>
<td>Severity rate of work-related injuries</td>
<td>0.003</td>
<td>0.001</td>
</tr>
</tbody>
</table>

**Notes:**
- The frequency rate of work-related injuries in fiscal 2009 was revised following a review of hours worked.
- The severity rate of work-related injuries is calculated based on 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.

### Major Programs (Japan)

#### Life Event Program

<table>
<thead>
<tr>
<th>Program</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Injury</td>
<td>Short-Term Disability Leave</td>
</tr>
<tr>
<td>Injury (Female)</td>
<td>pediatric leave of 140 days when a child is born, paid leave of up to 8 weeks when a child is born, and paid leave of up to 2 weeks when a child dies.</td>
</tr>
<tr>
<td>Injury (Male)</td>
<td>male employees may take up to 6 weeks of paid leave.</td>
</tr>
<tr>
<td>Injury (Other)</td>
<td>paid leave of up to 2 weeks for the death of a child.</td>
</tr>
<tr>
<td>Injury (Other)</td>
<td>other measures such as ¥200,000 paid leave for the death of a child's child or when the child is born.</td>
</tr>
<tr>
<td>Injury (Other)</td>
<td>¥3,000 per day and ¥90,000 per year.</td>
</tr>
<tr>
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</tr>
<tr>
<td>Injury (Other)</td>
<td>¥3,000 per day and ¥90,000 per year.</td>
</tr>
</tbody>
</table>

#### Nursing care

<table>
<thead>
<tr>
<th>Program</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing care</td>
<td>full-time employees may take up to 6 weeks of paid leave.</td>
</tr>
<tr>
<td>Nursing care</td>
<td>male employees may take up to 5 weeks of paid leave.</td>
</tr>
<tr>
<td>Nursing care</td>
<td>female employees may take up to 5 weeks of paid leave.</td>
</tr>
<tr>
<td>Nursing care</td>
<td>employees who work at least 80 hours per month may take up to 5 weeks of paid leave.</td>
</tr>
</tbody>
</table>

#### Other Programs (Japan)

#### Other Programs (Japan)

<table>
<thead>
<tr>
<th>Program</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Programs</td>
<td>employees taking child raising leave.</td>
</tr>
<tr>
<td>Other Programs</td>
<td>employees taking child raising leave.</td>
</tr>
<tr>
<td>Other Programs</td>
<td>employees taking child raising leave.</td>
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<td>Other Programs</td>
<td>employees taking child raising leave.</td>
</tr>
</tbody>
</table>

**Notes:**
- The number of employees taking leave from fiscal 2010. This figure excludes cases where the term of leave was not completed by the end of each fiscal year. In other words, it is limited to cases which ended within the fiscal year.
In the battle against today’s incurable diseases, Astellas is committed to creating new drugs that will bring about change to the lives of many tomorrow.

Pharmaceuticals are in general classified into two broad categories: ethical drugs for which a physician’s prescription is required, and pharmaceuticals that can be purchased over the counter at pharmacies. Ethical drugs are further divided into brand (original) and generic drugs.

Discovering a new drug is as much an art as it is a process requiring a considerable investment of time, money and effort. Critical to this art or process is the ability to uncover a new substance and to then confirm its efficacy and safety through detailed research and development. It is not uncommon for this research and development to take nine to 17 years at a cost of several billions of yen. Even with this, the probability of success is said to be around 0.004%. While the risks associated with discovering new drugs are clearly enormous, success considerably alleviates suffering by addressing unmet needs.

Generic drugs must contain the same active ingredients as the original formulation and become available once the patent protections afforded to the original developer have expired. By association, the period and costs for development are significantly lower for generic drugs compared with new drugs resulting in a reduced sales price. This helps alleviate the financial burden of patients.

Astellas selectively channels management resources toward its ethical drugs business and strives to consistently discover new drugs that will help change the lives of patients tomorrow in an effort to realize its business philosophy of contributing toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products. Bringing innovative pharmaceuticals to the market not only alleviates the suffering of patients from diseases for which there were previously no cures, but also creates opportunities for future marketing as generic or over-the-counter (OTC) drugs.

While the launch of new drugs worldwide has helped provide effective treatments for a number of illnesses, there remain a large number of diseases including cancer and complications with diabetes (unmet medical needs) for which appropriate drugs are yet to be found.

Astellas is taking up this challenge of addressing unmet medical needs and working diligently to deliver as quickly as possible new drugs that will alleviate pain and suffering.
Astellas’ business philosophy is to contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products. To this end, we aim to be a leader in the markets in which we focus our resources, and select the fields of disease we research instead of pursuing scale. We call this business model “global category leader (GCL).” Astellas hopes to improve the health of people around the world by finding new treatments for patients with unmet medical needs, thereby fulfilling the wishes of these patients and their families. To become a GCL, Astellas concentrates its resources on drug discovery research in five fields: urology, immunology and infectious diseases, oncology, neuroscience, and diabetes mellitus complications and metabolic diseases. The Company is consolidating its technology platforms necessary to more efficiently develop antibody drugs in addition to its traditional drug discovery research centered on synthetic low molecules1 and natural products2. Of these fields, Astellas has already established a leading global position in urology and transplantation (immunology), and has set its sights on oncology as the next GCL. Moving forward, Astellas aims to stay actively engaged in new drug business fields as an R&D-driven pharmaceutical company.

Astellas’ Five Prioritized Therapeutic Categories

- Urology
- Immunology and infectious diseases
- Transportation
- Oncology
- Neuroscience
- Diabetes Mellitus (DM) complications and metabolic diseases

The Astellas Global Research Network

- Exploratory Research
  - Molecular Medicine Research Laboratories
  - Chemistry Research Laboratories
  - Analysis & Pharmacokinetics Research Laboratories
  - Drug Metabolism Research Laboratories
  - Bioimaging Research Laboratories
  - Drug Safety Research Laboratories
  - Pharmacology Research Laboratories
  - Applied Pharmacology Research Laboratories
- Development Research
  - Astellas Research Institute of America LLC
  - Astellas Research Laboratories
  - Astellas Research Laboratories
  - Urogenix, Inc.
  - Alphadex, LLC
  - Pfenex Therapeutics LLC

Collaboration with academia and venture companies in Japan and overseas

Global Category Leader (GCL)

Astellas aims to sustainably enhance corporate value across multiple highly specialized fields by providing products on a global basis, establishing competitive advantage as a global leader and maximizing value-added for all people who wish to become healthy.

Focus on the ethical pharmaceuticals business

Anticipating growth through technological innovation amid inherent unmet medical needs

Focus on the new drug business

The business model in which we can most effectively harness our strengths (existing assets and competences)

Focus on in-house research and development

The drug discovery and clinical development functions are the core competencies of a GCL and the source of future competitive advantage

Business philosophy (Raison d’être)

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

1. Synthetic low molecules are chemically synthesized compounds with a molecular weight of between several hundred to several thousand in pharmaceuticals.
2. Natural products are chemical substances cultivated from the incubation of mold and bacteria.
Prograf® immunosuppressant (tacrolimus hydrate)

Prograf® is an immunosuppressant used to prevent rejection in organ transplants, including the kidney, liver, heart, lung, pancreas, and bone marrow. The rejection of an organ after a transplant has been a major problem that has puzzled researchers and caused complications for patients since the start of the 20th century. This immunosuppressant, which effectively and safely suppresses this rejection reaction, was originally discovered in 1993 in actinomycete bacteria in soil at Mt. Tsukuba in Japan. Prograf® works by suppressing the activation of T-lymphocytes associated with organ transplant rejection within cytokine proteins. This drug was very well-received in Europe and the U.S., where organ transplants frequently occur. Indications for the drug have expanded to include liver, kidney, and bone marrow transplantations. It has also played a major role in organ transplants in Japan which are becoming more common.

Vesicare® overactive bladder treatment (solifenacin succinate)

Vesicare® is usually used to treat overactive bladders. It was initially launched in Europe in 2004, and is currently sold in more than 60 countries. An overactive bladder is a condition where an individual suddenly needs to urinate, constantly goes to the restroom, or suddenly needs to urinate, thus partially or fully obstructing the flow of urine. The disease varies by person, but it can cause severe disruption to daily activities because urination can no longer occur effortlessly without conscious effort.

Harnal® is a treatment for urination disorders (tamsulosin hydrochloride)

Harnal® is a treatment for urination disorders usually associated with benign prostatic hyperplasia (BPH), such as decreased unitary pressure, frequent nighttime urination, and constant urge to urinate. Available in around 90 countries, Harnal® has established a firm position as one of the leading drugs in this field.

Vesicare® overactive bladder (solifenacin succinate)

Vesicare® is usually used to treat overactive bladders. It was originally discovered in 1993 in actinomycete bacteria in soil at Mt. Tsukuba in Japan. Vesicare® works by relaxing the muscularis in the bladder, making it easier to store urine in the bladder. Easing the symptoms of an overactive bladder helps people go about their daily lives in comfort, raising their quality of life.

Harnal® – Treatment for functional symptoms of benign prostatic hyperplasia

Harnal® was first introduced in 1993 as a drug with the unique biosynthesis. It is sold in some 30 countries and regions. This highly efficacious and thoroughly safe candin-type antifungal agent has a new mechanism that inhibits cell wall biosynthesis, the site in some 50 countries and regions.

Funguard® is used to treat overactive bladders. It was initially launched in Europe in 2004, and is currently sold in more than 60 countries. An overactive bladder is a condition where one suddenly needs to urinate, constantly goes to the restroom, or suddenly needs to urinate but does not make it to the toilet in time. An overactive bladder can happen to people with and without benign prostatic hypertrophy. It is said that one in eight men and women aged 40 or older have symptoms of an overactive bladder. Vesicare® relieves excessive uncontrollable contraction on the bladder, making it easier to store urine in the bladder. Easing the symptoms of an overactive bladder helps people go about their daily lives in comfort, raising their quality of life.

Harnal® – Treatment for functional symptoms of benign prostatic hyperplasia

Harnal® was first introduced in 1993 as a drug with the unique biosynthesis. It is sold in some 30 countries and regions. This highly efficacious and thoroughly safe candin-type antifungal agent has a new mechanism that inhibits cell wall biosynthesis, the site in some 50 countries and regions.

Funguard® – Candin-type antifungal agent

Funguard® is a candid-type antifungal agent. It acts by blocking the mycotic elements in bladder smooth muscles to improve symptoms such as urgency, frequency, and urge incontinence associated with overactive bladder. Launched in Europe in 2006, it is now marketed in over 70 countries.

Protopic® – Treatment for atopic dermatitis

Protopic® is the world’s first immunoregulatory ointment for the treatment of atopic dermatitis. By inhibiting the production of cytokine proteins in the body, Protopic® lowers the incidence of allergic reactions caused by the overproduction of cytokine proteins in atopic dermatitis. It is available in approximately 70 countries.

Global Leading Products

Vesicare® – Treatment for overactive bladder

Vesicare® acts by blocking the mycotic elements in bladder smooth muscles to improve symptoms such as urgency, frequency, and urge incontinence associated with overactive bladder. Launched in Europe in 2006, it is now marketed in over 70 countries.

Funguard® – Candid-type antifungal agent

Funguard® is a candid-type antifungal agent. It acts by blocking the mycotic elements in bladder smooth muscles to improve symptoms such as urgency, frequency, and urge incontinence associated with overactive bladder. Launched in Europe in 2006, it is now marketed in over 70 countries.

Protopic® – Treatment for atopic dermatitis

Protopic® is the world’s first immunoregulatory ointment for the treatment of atopic dermatitis. By inhibiting the production of cytokine proteins in the body, Protopic® lowers the incidence of allergic reactions caused by the overproduction of cytokine proteins in atopic dermatitis. It is available in approximately 70 countries.

Leading Products in Japan

- **Gastrointestinal and musculoskeletal system**
  - Gastre – treatment for peptic ulcers and gastritis
  - Coxat – the selective COX-2 inhibitor
  - Immuno® – treatment for dermatitis-associated inflammatory bowel diseases
  - Bronasal – treatment for osteoporosis

- **Circulatory system and diabetes**
  - Lupetin® – treatment for hyperglycemia
  - Micron® – treatment for hypertension
  - Micron® – a treatment for hypertension
  - Steras® – a treatment for post-radial arterial antihypertensive agent
  - Domet® – a treatment for chronic arterial occlusion

- **Urological system**
  - Vesicare® – treatment for overactive bladder
  - Harnal® – treatment for functional symptoms of benign prostatic hyperplasia

- **Central nervous system**
  - Mysil® – hypnoliptin
  - Lusco® – antidepressant
  - Sereno® – antipsychotic for treatment of schizophrenia
  - [Immune system, allergers]
    - Prograf® – immunosuppressant
    - Pfizer® – treatment for atopic dermatitis
    - Zymogen® – treatment for adult bronchial asthma
  - [Infectious diseases & products for hospitals]
    - Fungaree® – candid-type antifungal agent
    - Terpact® – glycopeptide antibiotic
    - Cefzone® – oral cephalosporin
    - Cefzone® – oral antibiotic
    - Bacto® – adhesive for use with living tissue
    - Geno® – oral quinoline antibiotic
    - Nasea® – anti-emetic for treatment of atopic dermatitis
  - [Others]
    - Lipitor® – a treatment for hypercholesterolemia
    - Celecox® – the selective COX-2 inhibitor
    - Luvox® – anti-depressant

Leading Products in North America

- **Gastrointestinal and musculoskeletal system**
  - Leisvlux® – pharmacologic stress agent
  - Adderall® – pharmacologic stress agent
  - Mylex® – treatment for prostate
  - Vapride® – treatment for hyperglycemia
  - Zyrtec® – treatment for allergy

- **Antihypertensive**
  - Amodia – antihypertensive agent
  - Wafarin® – anticoagulant

- **Leading Products in Europe**
  - Eligla® – treatment for advanced prostate cancer
  - Loece® – topical corticosteroid
  - Zyrtec® – treatment for acute urination
  - Zyrtec® – treatment for dry skin

Leading Products in Japan

- **Leading Products in North America**
  - Leisvlux® – pharmacologic stress agent
  - Adderall® – pharmacologic stress agent
  - Mylex® – treatment for prostate
  - Vapride® – treatment for hyperglycemia
  - Zyrtec® – treatment for allergy

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  - Amodia – antihypertensive agent
  - Wafarin® – anticoagulant

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  - Eligla® – treatment for advanced prostate cancer
  - Loece® – topical corticosteroid
  - Zyrtec® – treatment for acute urination
  - Zyrtec® – treatment for dry skin
**Overview of the R&D Pipeline**

Astellas is active in increasing the number of new drug candidates in such fields as immunology (transplantation), urology, oncology and infectious diseases where patients report poor levels of satisfaction with treatment. Both on a global basis, where development is undertaken simultaneously in multiple countries and regions including Japan, the Americas, Europe and Asia, and locally, where development is undertaken in a single specific region, the Company has several candidate drugs at the clinical testing phase awaiting filing and approval. Products filed or approved in fiscal 2010 are listed as follows. Astellas’ R&D pipeline is updated on a quarterly account settlement basis or at each R&D meeting. Details are posted on the Company’s website.

### Global Development

<table>
<thead>
<tr>
<th>Product Name</th>
<th>Therapeutic Target</th>
<th>Region</th>
<th>Dosage Form</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vesicare OD Tablet</td>
<td>Urginary frequency, urinary incontinence or urgency associated with an overactive bladder</td>
<td>Japan</td>
<td>Oral (slowly disintegrating formulation)</td>
<td>New formulation (ingested without water)</td>
</tr>
</tbody>
</table>

**Filed**

<table>
<thead>
<tr>
<th>Generic Name</th>
<th>Therapeutic Target</th>
<th>Region</th>
<th>Dosage Form</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telavancin</td>
<td>Complicated skin and soft tissue infections</td>
<td>Europe</td>
<td>Injection</td>
<td>Introduced from Theravance, Inc.</td>
</tr>
<tr>
<td>Niosomal pneumonia</td>
<td></td>
<td>US, Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mirabegron</td>
<td>Urginary frequency, urinary incontinence or urgency associated with an overactive bladder</td>
<td>Japan</td>
<td>Oral</td>
<td>In-house</td>
</tr>
</tbody>
</table>

### Local Development

<table>
<thead>
<tr>
<th>Development Code No., Generic Name</th>
<th>Therapeutic Target</th>
<th>Region</th>
<th>Dosage Form</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASP8825 Restless legs syndrome</td>
<td></td>
<td>Japan</td>
<td>Oral</td>
<td>Introduced from Xenoport, Inc.</td>
</tr>
<tr>
<td>Minodronate (Intermittent administration)</td>
<td>Osteoporosis</td>
<td>Japan</td>
<td>Oral</td>
<td>New formulation in-house (jointly developed with Ono Pharmaceutical Co., Ltd.)</td>
</tr>
<tr>
<td>Aclotamide</td>
<td>Functional dyspepsia</td>
<td>Japan</td>
<td>Oral</td>
<td>Introduced from Zeria Pharmaceutical Co., Ltd.</td>
</tr>
<tr>
<td>Degarelix</td>
<td>Prostate cancer (One month formulation)</td>
<td>Japan</td>
<td>Injection</td>
<td>Introduced from Ferring Pharmaceuticals</td>
</tr>
<tr>
<td>Elexartan</td>
<td>Hyperphosphatemia in patients with chronic kidney disease on dialysis</td>
<td>Japan</td>
<td>Oral</td>
<td>Introduced from Flysia, Inc./Ajinom Inc.</td>
</tr>
<tr>
<td>Cakcollect</td>
<td>Anti-inflammatory and analgesic effects in post-operation, post-trauma, and post-tooth extraction</td>
<td>Japan</td>
<td>Oral</td>
<td>New indication introduced from Fujisawa Inc.</td>
</tr>
<tr>
<td>Venlasartan</td>
<td>Atrial fibrillation</td>
<td>U.S.A.</td>
<td>Injection</td>
<td>Introduced from Cardiome Pharma Corp.</td>
</tr>
<tr>
<td>Fidaxomycin</td>
<td>Clostridium difficile infection</td>
<td>Europe</td>
<td>Oral</td>
<td>Introduced from Optimer Pharmaceuticals, Inc.</td>
</tr>
</tbody>
</table>

**Approved**

**CSR-Based Procurement**

To ensure procurement activities based on compliance, we at Astellas have established a basic policy for procurement activities involving suppliers in order to build relationships of mutual trust with suppliers as our business partners. We also undertake measures for CSR procurement (seeking suppliers’ cooperation with our CSR activities) globally to build a sound network for business activities.

### Procurement Initiatives

To carry out procurement activities in a fair and transparent manner, it is necessary for purchasing staff to comply with our basic policy for 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 regular supplier surveys to monitor compliance with the basic policy for procurement activities, and received responses from 198 companies in fiscal 2010. In the responses from suppliers on the compliance of Astellas’ purchasing staff with the basic policy, “above average” was achieved in more than 96% of cases for all categories. This was a sound result when compared with responses from the previous year (94%). We took seriously those problems pointed out in the survey and advised related parties to act with care.

**Basic Policy for Procurement Activities Involving Suppliers**

1. Comply with the law and corporate ethical standards
2. Maintain partnerships
3. Make selections based on economic rationality
4. Practice fairness and impartiality

**CSR Procurement Initiatives**

To carry out corporate activities with integrity, it is necessary to promote CSR by involving the entire network, including suppliers, as our important business partners, as well as to act on our own. To this end, Astellas sought suppliers’ cooperation in CSR-based procurement and distributed a questionnaire to them based on the CSR procurement guiding principles below.

In Japan, we delivered the Astellas CSR Procurement Guidebook*, and the Questionnaire Regarding CSR Activities to approximately 400 companies, including our direct suppliers and major suppliers of indirect materials and equipment. We also conducted similar surveys in the Americas, Europe, and Asia by sending questionnaires to a total of about 270 companies (including suppliers of direct and indirect materials). Their survey responses allowed us to confirm that all of our suppliers, including those overseas, are engaging in CSR activities.

Furthermore, in order to promote a deeper understanding and acceptance of the CSR-based management to which Astellas aspires, the Company is taking wide-ranging action on a global basis including a full review of the details of standard purchasing agreements in each region.

* The Astellas CSR Procurement Guidebook can be accessed from the following website.


**CSR Procurement Guiding Principles**

I. Compliance with laws and promotion of CSR
   - Compliance with relevant laws and rules
   - Fair business operations based on ethical standards
   - Maintenance of information security
   - Encouragement and promotion of CSR activities

II. Respect for human rights and fair employment practices
   - Respect for human rights and prohibition of child labor
   - Employment consistent with labor-related laws

III. Management of occupational health and safety practices
   - Maintenance of a safe workplace environment, and the management of occupational health and safety practices

IV. Responsible environmental and sustainability-related practices
   - Reduction of the global environmental impact, and contribution to sustainability

V. Social contribution initiatives
   - Participation in and support for social contribution activities
To contribute to worldwide health, Astellas is actively supporting the development of medical science. Working for the benefit of patients and their families, we are striving to resolve those issues that confront local and global communities.

To ensure the transparency of our social contribution activities we will make available information about these activities whenever possible.

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.

We will proactively undertake social initiatives with a CSR focus after considering requests from the general public.

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.

Individual employees may take part in social contribution activities on their own initiative. These volunteer activities are considered separate from Company-sponsored activities, but Astellas provides support for them.
Working to Resolve Global Issues

One element of the Astellas Group business philosophy is its raison d’être to “contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products.” Supporting efforts to resolve issues that continue to challenge the international community such as those undertaken by the Millennium Development Goals (MDGs)* are therefore a concern to Astellas as a global pharmaceutical business and responsible world citizen. As we aim to maximize the effects of these efforts, we are focusing our support on hygiene and medical-related aspects within our field in the provision of ethical drugs. Accordingly, Astellas has concentrated its commitment to the fourth, fifth and sixth MDGs, namely “reducing child mortality,” “improving maternal health” and “combating HIV/AIDS, malaria and other diseases,” respectively.

*Millennium Development Goals are a series of eight time-bound targets with a deadline of 2015 drafted under the United Nations Millennium Declaration that was adopted in September 2000 and builds upon a decade of major United Nations conferences and summits.

Helping Develop Medical Sciences

Three Astellas Foundations (Overseas)

With the addition of the Asia and Oceania Foundation to complement the European and USA Foundations that have been active since 1993, Astellas now has three overseas Foundations, as of March 2011. The Foundations share the mutual goal of promoting the advancement of medical sciences and healthcare, yet act independently and in consideration of the needs in their respective regions.

Astellas USA Foundation

The Astellas USA Foundation is committed to supporting programs and activities that contribute to the health and happiness of society. Its efforts specifically target the five following areas.

The Foundation’s five principal areas of interest are:

- Quality of care and access for patients
- Health policy development in the United States
- Basic scientific research in areas of future therapeutic interest to Astellas
- Grassroots and community organisations that focus on local needs in areas where Astellas has offices (Dearfield, Illinois; Santa Monica, California; Research Triangle Park, North Carolina; etc.)
- Cultural initiatives that strengthen cultural and social ties between the United States and Japan

In fiscal 2010, the Astellas USA Foundation supported the educational enrichment programs offered by the Midtown Educational Foundation (MEF). MEF provides thousands of neglected urban youths between the ages of eight and eighteen in Chicago with rigorous academic training, structured character education and enriching extracurricular opportunities covering sports to the arts. The overarching goal is to provide children with valuable experiences with integrity in order to allow them to grow up to be healthy adults.

Astellas European Foundation

The Astellas European Foundation supports programs and activities that work toward the advancement of healthier societies. As such, every year the Foundation grants the Astellas Award to significant contributors in the medical sciences and the Astellas Prize to those contributing to basic scientific and medical research in the fields of urology and transplantation.

The European Foundation is also an active charity sponsor, offering support to humanitarian activities taken on by NGOs to help advance improvements in the use and quality of healthcare. The Foundation is likewise a long committed contributor to the independent children’s charity Save the Children.

Additionally, Astellas Pharma Europe employees possess an ingrained sense of charity and actively collect donations among themselves. Naturally, the Foundation also contributes to these causes.

Astellas Foundation for Research on Metabolic Disorders (Japan)

The Astellas Foundation for Research on Metabolic Disorders is dedicated to life science research, in particular fostering drug discovery, the development of treatment methods and research into their practical realization, as well as developments in national health and medical treatment and the advancement of therapeutic drugs. Hoping to inspire original, pioneering and groundbreaking research, the Foundation focuses its support on researchers particularly those who are independent, female, new to teaching, or just back from overseas study, while also providing financial aid for studying abroad.

Note: On April 1, 2010 the Foundation for Research on Metabolic Disorders registered as a public interest incorporated foundation to become the Astellas Foundation for Research on Metabolic Disorders.

Society
Participating in the Community

Changing Tomorrow Day
Global Initiatives as a Corporate Citizen

Astellas celebrated its fifth anniversary on April 1, 2010. To commemorate this day of establishment, the Company gave employees the opportunity to contribute to their local communities based on the theme of health and the environment.

"Changing tomorrow" reflects the resolve of each of Astellas’ employees as the Company takes on the challenge of new drug development to truly fulfill needs in the medical field. Likewise, the slogan is an expression of courage and hope that connects all those fighting illness and disease, while simultaneously signifying Astellas’ ability to shape its own future.

In fiscal 2010, over 7,700 Astellas employees worldwide took part in volunteer activities during Changing Tomorrow Day. While benefitting local communities, Changing Tomorrow Day also proved to be a boon to volunteers by affording them the opportunity to learn firsthand about interaction and coexistence within their respective communities.

While continuing to participate in these activities, Astellas looks forward to increasing its participation in each of the local communities where it operates with the confidence of preserving its good standing with society. Changing Tomorrow Day and other related activities are sure to continue to raise community awareness among employees.

Employees in Japan chose to serve their communities through a variety of volunteer tasks. Some participated in activities set up by NPOs, others took part in local cleanups, blood donations, giving research center tours and providing hands-on experience in product test and experimentation labs. Cleanup jobs took place in approximately 80 locations throughout Japan, both in and around Astellas’ operating neighborhoods as well as in areas such as world natural heritage sites. Employees who took part had positive things to say about volunteering, such as feeling a sense of accomplishment in contributing to the community and having a heightened sense of awareness for things in their neighborhood that had previously gone unnoticed in their daily lives.

Under Astellas’ environment theme, social contribution activities largely took on a greenish hue and included reforestation at the La Mesa Watershed in the metropolitan area of Manila, the Philippines, and seedling preservation in the metropolitan area of Bangkok, Thailand. Reforestation efforts were also made at Khao Yai National Park, a world natural heritage site located northeast of the Thai capital of Bangkok. Reforestation at the La Mesa Watershed, the last remaining forest and water resource in the metropolitan area of Manila, the Philippines, and seedling distribution in India as a way of showcasing environmental conservation. In Taiwan, we held lectures on “Sleep and Health” at a welfare facility and other health-related activities. These were among several other activities, including volunteer efforts that were eagerly implemented throughout the Asian region where social consciousness is high.

In England, volunteers participated in activities directed toward children such as teaching elementary school children about healthy cooking and eating and helping with renovation work at a special school for children with language and communicative disabilities. Employee feedback included comments such as, “It was a great opportunity to make a difference to our local community” and “working with the children was energizing, uplifting and a privilege.” In Ireland, social contribution activities were directed toward the environment. Employees volunteered to take part in a cleanup of a river bank walk located in a nature reserve along the plant boundary and erected public information boards for easy identification of the flora and fauna in the nature reserve. In addition, a student-painting contest was held to benefit the Irish Kidney Association. Winning paintings were reproduced to make calendars whose sales were donated to the Kidney Association fund. Similarly a winter festival themed painting contest for employees’ children was held in Poland. Winning paintings were used to make Christmas cards whose sales were donated for the purchase of medical equipment used to save children’s lives. In Hungary, Astellas collaborated with an organ transplant foundation to establish “Astellas Transplanted Children Day.” On this day, Astellas brought transplant and healthcare specialists together with donor recipient children and those in line for donations along with their families to discuss the delicate process of organ and tissue transplantation.

In addition, a student-painting contest was held to benefit the Irish Kidney Association. Winning paintings were reproduced to make calendars whose sales were donated to the Kidney Association fund. Similarly a winter festival themed painting contest for employees’ children was held in Poland. Winning paintings were used to make Christmas cards whose sales were donated for the purchase of medical equipment used to save children’s lives. In Hungary, Astellas collaborated with an organ transplant foundation to establish “Astellas Transplanted Children Day.” On this day, Astellas brought transplant and healthcare specialists together with donor recipient children and those in line for donations along with their families to discuss the delicate process of organ and tissue transplantation.

Support for Emergency Medical Service (Japan)

Motivated to enhance Japan’s healthcare environment and remain committed to its raison d’être of “providing innovative and reliable pharmaceutical products,” Astellas began a long tradition of donating ambulances to local fire departments in 1970. Today, with Japan’s quickly graying society and the widening range of disaster risks, the number of ambulances dispatched and patients transported via ambulance continues to grow. Moreover, due to the decreasing number of medical centers along with their growing specialization, trends in the time taken to transport patients via ambulances have risen over the long term. On this basis, demand for adequate emergency treatment during transportation has also seen a steady rise. Therefore, the need for “high-grade” ambulances that facilitate emergency treatment utilizing a wide range of medical equipment has become increasingly vital. In fiscal 2010, Astellas donated three such high-grade vehicles.

In fiscal 2010, Astellas made its 40th donation bringing the cumulative total number of ambulances donated to 219. 40 of this total were high-grade vehicles. In addition, we received many messages of appreciation from all of the communities in which efforts took place. At the same time, over 90% of employee volunteers strongly expressed their desire to be involved again next year.

Activities in Japan

Shiretoko saosome cleanup (Hokkaido)
Tsukuba Kids Hakasa little doctors (Tsukuba Research Center)
Green Ribbon Running Festival (Tokyo)
Welfare facility cleanup (Sendai)

Activities in the Americas

From Canada to Brazil and in between, in other words extending beyond the Chicago metropolitan area where Astellas Pharma US is located to include the US states of Illinois, California, North Carolina and Oklahoma, over 1,300 Astellas employees simultaneoulsy participated in a range of volunteer activities in a single day-long event.

We received many messages of appreciation from all of the communities in which efforts took place. At the same time, over 90% of employee volunteers strongly expressed their desire to be involved again next year.

Canada: Afforestation activities for environmental conservation
Canada: Afterschool classes
Canada: Food for distribution

Chicaco: Kids Active Fest
Chicaco: Bagging of charity food for distribution
Santa Monica: Beach cleanup

Activities in Europe

England: Cooking classes
Ireland: Nature reserve cleanup and environmental preservation
Poland: Blood donation
Austria: Field trips for children with disabilities

Activities in Asia

Philippines: La Mesa Watershed forestation activities
Thailand: Khao Yai National Park reforestation
Taiwan: Lecture presentations and assistance with routine activities at a welfare facility
India: Seedling distribution in Mumbai

Activities in the Americas

Motivated to enhance Japan’s healthcare environment and remain committed to its raison d’être of “providing innovative and reliable pharmaceutical products,” Astellas began a long tradition of donating ambulances to local fire departments in 1970. Today, with Japan’s quickly graying society and the widening range of disaster risks, the number of ambulances dispatched and patients transported via ambulance continues to grow. Moreover, due to the decreasing number of medical centers along with their growing specialization, trends in the time taken to transport patients via ambulances have risen over the long term. On this basis, demand for adequate emergency treatment during transportation has also seen a steady rise. Therefore, the need for “high-grade” ambulances that facilitate emergency treatment utilizing a wide range of medical equipment has become increasingly vital. In fiscal 2010, Astellas donated three such high-grade vehicles.

In fiscal 2010, Astellas made its 40th donation bringing the cumulative total number of ambulances donated to 219. 40 of this total are high-grade vehicles.
Supporting Patients and Their Families (Japan)

Astellas is assisting patient associations in their efforts to support patients and their families. Activities include establishing an advisory board, essentially a group of professional outside counselors, screening patient associations that receive support and offering any and all support that patients or family members may require.

**Starlight Partners Activities (Patient Association Support Project)**

Astellas is assisting patient associations in their efforts to support patients and their families. Activities include establishing an advisory board, essentially a group of professional outside counselors, screening patient associations that receive support and offering any and all support that patients or family members may require.

**Starlight Partners Activities (Patient Association Support Project)**

Astellas is assisting patient associations in their efforts to support patients and their families. Activities include establishing an advisory board, essentially a group of professional outside counselors, screening patient associations that receive support and offering any and all support that patients or family members may require.

**Support Activities**

- **Funding by Accepting Applications**
  - Astellas provides funds needed for activities that support the independent development of patient associations. More specifically, our support targets the promotion of self-reliance and human resource development for leaders and association members. Applications accepted once a year.
  - Fiscal 2010: 46 organizations received aid

- **Peer Support Training Program**
  - Helping to foster self-reliant development for patient associations, Astellas holds peer support training sessions to bring attention to the peer support concept as well as nurture the skills of current peer supporters. Additionally, Astellas hopes to create an environment in which the organizations are able to exchange ideas and support each other.
  - Held three times a year nationwide.
  - Fiscal 2010: Held in Takamatsu, Osaka and Okinawa with 40 organizations and 67 people in attendance.

- **Instructor Dispatch**
  - Astellas dispatches instructors to two patient associations or patient family groups yearly that independently host training and study sessions. Additionally, Astellas hopes to create an environment in which the organizations are able to exchange ideas and support each other.
  - Fiscal 2010: Held in Yamanashi and Kobe with 2 organizations and 49 people in attendance.

- **Event Materials**
  - The Company does all that it can to cooperate with patient associations in organizing and executing events. One such effort is the provision of event materials such as pens and notebooks.
  - Fiscal 2010: Provided to 41 organizations.

For further details, visit Astellas’ social contribution activities website.


**Flying Star Fund**

The Flying Star Fund was begun in September 1996 as a sustainable social contribution endowment for the betterment of health and welfare for all. The Flying Star Fund receives contributions from employees who opt to participate by donating 100 yen of every paycheck and currently comprises 5,300 Astellas Group employees in Japan. The total amount of employee contributions is calculated, matched by Astellas and finally added to the fund for donation annually.

- **Wheelchair Accessible Van Donations**
  - In 1997, the Company began annual donations of wheelchair accessible vehicles, and in fiscal 2010 donated to “Sangokkan Kurushii” in Kurushii City, Aomori Prefecture, as well as five other facilities. A total of 159 vans have been donated since 1997.

- **For the Benefit of Children Fighting Against Illness**
  - The Flying Star Fund celebrated its 15th anniversary and helped brighten the spirits of hospitalized children by providing donations for the services provided by the three following associations. Each of the groups visits pediatric wards to either share unique toys or provide clown entertainment. Astellas again called on the services of these groups to give support to victims of the Great Eastern Japan Earthquake that occurred on March 11, 2011.

- **Japan Clinklowns Association**
- **Japan Hospital Clown Team**
- **Japan Good Toy Committee (Photo)**

- **Improving Health Literacy**

**Astellas Website** [http://www.astellas.com/jp/](http://www.astellas.com/jp/) (available only in Japanese)

- **Self Diagnosis Guide**
  - Introduces a variety of illnesses along with symptoms, causes and treatments as well as FAQs in an easy to digest format.

- **Astellas Pharmaceutical Guide**
  - Provides information for the proper administration of pharmaceuticals to patients and their families using Astellas’ ethical pharmaceuticals.

- **Radio Programs on Health Information**

- **“For a Healthy Life” — Astellas Pharma**
  - Monday – Friday
  - Kanto Region: TBS radio (954kHz) 10:45–11:45, 14:45–15:45
  - Chubu Region: CBC radio (150MHz) 10:00–11:00

- **“For a Healthy Life” — Astellas Pharma**
  - Monday – Friday
  - Kansai Region: ABC radio (100MHz) 11:45–12:45

**Note:** The Astellas Health Support Line allows people with health concerns to call and receive advice from nurses. Currently, the Health Support Line can only accommodate inquiries in Japanese.
Recognizing the environment as an important stakeholder, Astellas strives to resolve environmental issues to ensure the health of people everywhere.

Astellas understands the importance of the healthy environment as a building block to realize sustainable development. Fully recognizing the particularly undermining issues related to biodiversity and climate change, Astellas has set medium- to long-term targets that take into consideration the anticipated direction of the international community up to 2050. Additionally, Astellas is taking steps to ensure full compliance with laws and regulations in the prevention of environmental pollution on both a local and global scale.

Astellas considers the fulfillment of its corporate social responsibility toward the environment as a priority theme in realizing its business philosophy. In advancing corporate activities in harmony with the environment, the Company is working to depict its ideal self from a long-term and global perspective, while taking in a view toward future generations. At the same time, it remains committed to addressing issues in its local communities as it aims for a symbiotic coexistence with society.
Message

Our responsibility is to promote CSR management for the benefit of current and future generations.

Yoshio Miyokawa
Senior Corporate Executive, CSR Director

Astellas implements a management system that is based on its responsibility to society. The basic philosophy behind a CSR-based management is the effort taken to address the wide range of issues that face our society, and the initiative taken to fulfill our role in developing sustainability for society and the world at large. Accordingly, the environment is a point of focus for Astellas’ CSR management. The underlying concept is that sound business activities are impossible if the health of our local and global environments cannot be maintained.

“Resource and energy problems” such as shortages in food, water and energy, as well as global warming and biodiversity issues that fall under “global environment problems” are all matters that humankind is slated to overcome. While the former is recognized as a profound issue that directly affects our daily lives, the latter is harder to conceive until we eventually come to realize the devastating damage we’ve done.

In the grand scheme of things, both can be rendered as environmental issues. Furthermore, from the local to global level a range of new issues are continually exposed. It is apparent that increased resource consumption and environmental load stemming from the increase in the population and the greater desire for abundant living, particularly when considering the dramatic growth of economic activity in emerging nations, will have an impact on the global environment. A rise in population means a rise in demand for food and by association a significant rise in demand for land and water resources. Furthermore, the escalation of environmental pollution due to population concentration in cities, in addition to higher energy demands accompanying economic progress is forecast to actualize the depletion of a variety of resources. As the survival of humankind shifts under pressure, there is no easy answer to our environmental struggles. In light of these circumstances, the entire international community must work hand in hand to overcome our environmental afflictions.

At the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) held in Nagoya in October, both the Strategic Plan of the Convention on Biological Diversity or the “Aichi Target” regarding international efforts after 2010 and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization were adopted. At the 10th Conference of the Parties to the Convention on Biological Diversity or the “Aichi Target” regarding international efforts after 2010 and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization were adopted. Recognizing the importance of biodiversity, Astellas organized the direction of its future efforts in line with the fundamental philosophy of biodiversity, by integrating all environmental issues, including the prevention of pollution, into this single concept. Astellas’ environment-directed efforts, centered on biodiversity, going forward will be measured according to a biodiversity index that will express the overall effect of its business activities on the environment. Environmental issues as individual components will be used as reference points for this index, and achievement targets for fiscal 2020 have been newly set.

Turning specifically to global warming, although the Company had previously been able to steadily reduce its volume of greenhouse gas emissions, emissions volume in fiscal 2010 decreased only marginally compared to the previous fiscal year. Because we can no longer expect meaningful results from existing energy-saving measures, it is necessary to clarify more in-depth countermeasures.

In an overview of the progress we made toward environmental issues in fiscal 2010, Astellas was unable to devise viable solutions for controlling air pollutants and thus found it difficult to achieve numerical targets in this area. In contrast, the Company showed consistent results in several other areas including resource circulation and pollution prevention. Overall, Astellas made positive progress and is moving in the right direction.

The Great Eastern Japan Earthquake that struck on March 11, 2011 gave the world a glimpse of the menace of nature. In the coming decade, environmental countermeasures will need to take a broader stance to include business continuity and risk management in addition to the pursuit of resource efficiency against a backdrop of global environmental topics such as biodiversity, global warming, resource depletion and other significant changes expected to impact international affairs.

Astellas’ environmental initiatives are the cornerstone of its CSR-based management and are indispensable to the health of its management of business. The promotion of environmental conservation measures is considered essential to the Company’s allegiance in fulfilling its social responsibility as a corporate citizen. Astellas is committed to this and will not waver.

I ask for your continued understanding and steadfast support in order to fulfill our role in developing sustainability for society and the world at large. Accordingly, the environment is a point of focus for Astellas’ CSR management.

Based on this idea, in fiscal 2010, Astellas organized the direction of its future efforts in line with the fundamental philosophy of biodiversity, by integrating all environmental issues, including the prevention of pollution, into this single concept. Astellas’ environment-directed efforts, centered on biodiversity, going forward will be measured according to a biodiversity index that will express the overall effect of its business activities on the environment. Environmental issues as individual components will be used as reference points for this index, and achievement targets for fiscal 2020 have been newly set.

Interaction between Astellas and the Environment

Japan

<table>
<thead>
<tr>
<th>INPUT</th>
<th>OUTPUT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
<td><strong>Manufacturing</strong></td>
</tr>
<tr>
<td>Electricity: 2,087 MWh</td>
<td></td>
</tr>
<tr>
<td>Diesel oil: 672 kL (estimate)</td>
<td></td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td><strong>Sales</strong></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Water: 14,460 thousand m³</td>
<td></td>
</tr>
<tr>
<td><strong>Pollutants</strong></td>
<td><strong>Waste materials</strong></td>
</tr>
<tr>
<td>CO₂: 23,059 thousand t</td>
<td></td>
</tr>
<tr>
<td>NOx: 21 tons</td>
<td></td>
</tr>
<tr>
<td>VOC: 16 tons</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy</strong></td>
<td><strong>Manufacturing</strong></td>
</tr>
<tr>
<td>Electricity: 1,734 MWh</td>
<td></td>
</tr>
<tr>
<td>Diesel oil: 667 kL</td>
<td></td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td><strong>Sales</strong></td>
</tr>
<tr>
<td>Water: 349 thousand m³</td>
<td></td>
</tr>
<tr>
<td><strong>Pollutants</strong></td>
<td><strong>Waste materials</strong></td>
</tr>
<tr>
<td>CO₂: 0.75 thousand t</td>
<td></td>
</tr>
<tr>
<td>NOx: 11 tons</td>
<td></td>
</tr>
<tr>
<td>VOC: 20 tons</td>
<td></td>
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<td></td>
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</tbody>
</table>
Measures to Address Global Warming

Global warming is an environmental problem that threatens the very survival of the human race. Lessening and neutralizing the threat of global warming requires active involvement on all levels, including by national governments, local governments, corporations and citizens. The Cancun Agreement, adopted at the 16th Conference of the Parties of the United Nations Framework Convention on Climate Change (COP16), held in Mexico in December 2010, declares that a framework in which major emitters participate will be sought to collectively reduce greenhouse gas emissions. It is also acknowledged that peak oil* is inevitable and that also from the perspective of energy security, a transition to a low-carbon society is the foremost environmental issue of the 21st century, a problem that cannot be avoided by the human race.

Astellas understands that global warming could become a major obstacle to the continuation of corporate activity, and considers it one of management’s most important problems to address.

Fixing the problem of global warming will require a prolonged, sustained effort, and for this reason, international society has agreed that industrialized countries should target a reduction in greenhouse gases of at least 80% by 2050 from current levels. Alongside this vision, the Astellas Group has set a common goal over the medium term to reduce CO2 emissions by 35% or more from fiscal 2005 levels by the end of fiscal 2020. We are striving to achieve this goal through strategic capital investment and ongoing efforts to conserve energy.

The Action Plan covers activities at all of our facilities in Japan, and activities at our manufacturing plants overseas.

Our greenhouse gas emissions in fiscal 2010 amounted to 202 kilotons on a global basis, a reduction of 1.5%, or 3 kilotons, from the previous fiscal year. However, this reduction is attributable to a change in the CO2 emissions coefficient for purchased electricity, and our actual energy consumption has increased due to new facilities installed at the Tsukuba Research Center and Toyama Technology Center of Astellas Pharma Tech Co., Ltd. While overseas emissions declined slightly compared with the previous fiscal year, this decrease was mainly attributable to the absence of the three months’ worth of energy usage at the former Grand Island Plant in NY which was included in fiscal 2009 figures.

In Japan, one issue is that the commercial & residential and transport sectors have increased their emissions of greenhouse gases. In addition to the Action Plan for reducing greenhouse gases, which covers all activities at Astellas, the Company has set individual numerical targets for its domestic sales vehicles and offices to reduce CO2 emissions by fiscal 2015.

At Astellas, we have been changing our fleet of 2,000 leased sales vehicles to hybrid vehicles since fiscal 2008, and as of the end of fiscal 2010, 1,620 of our 2,645 sales vehicles (61.2%) are now hybrid vehicles. In fiscal 2010, we also started using five electric vehicles on a trial basis to see if they can actually be used for marketing activities.

CO2 emissions from gasoline used in our sales vehicles totaled 7,117 tons in fiscal 2010, a reduction of 3.0% or 223 tons from the previous fiscal year. Compared with fiscal 2005, the base year for the Action Plan, CO2 emissions are down 18.5%. Another 1,007 tons of CO2 need to be cut in order to reach our goal, which we believe is achievable if the switch to hybrid vehicles proceeds on schedule.

Our offices used a total of 17,050 MWh of electricity in fiscal 2010, including more than 160 marketing offices throughout Japan and the Headquarters. CO2 emissions amounted to 5,384 tons, a reduction of 16.6% from the volume emitted in the base year of the Action Plan. In fiscal 2011, we think electricity usage will come in lower than the Action Plan level, as we expect lower electricity consumption at the Headquarters and Hasune Office owing to the aftereffects of the Great Eastern Japan Earthquake.

Astellas has been drawing up measures to reduce greenhouse gases on a yearly basis. The annual targets are to lower CO2 emissions arising from energy usage at existing facilities by at least 1% a year, and to lower greenhouse gases by 5,000 tons on an annual basis through strategic investments.

In fiscal 2011, we anticipate an increase in energy usage owing to the expansion of facilities at our research laboratories, but we expect investments made in fiscal 2010, such as in fuel switch, to have an impact in fiscal 2011 and lead to lower emissions of greenhouse gases. Nevertheless, we believe a more sophisticated strategy is needed for conserving energy and ensuring a stable supply of energy.

Environmental Action Plan

- Reduce CO2 emissions generated through sales activities by 30% or more from fiscal 2005 levels by the end of fiscal 2015 (Japan)
- Reduce CO2 emissions caused by our office electricity consumption by 20% or more from 2005 levels by the end of fiscal 2015 (Japan)

Greenhouse gas emissions (Global)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kilotons</td>
<td>207</td>
<td>204</td>
<td>202</td>
<td>203</td>
<td>201</td>
</tr>
</tbody>
</table>

Greenhouse gas emissions (Japan)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kilotons</td>
<td>207</td>
<td>204</td>
<td>202</td>
<td>203</td>
<td>201</td>
</tr>
</tbody>
</table>

Greenhouse gas emissions (Outside Japan)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kilotons</td>
<td>207</td>
<td>204</td>
<td>202</td>
<td>203</td>
<td>201</td>
</tr>
</tbody>
</table>

Reduction of greenhouse gases by 35% or more from fiscal 2005 levels by the end of fiscal 2020 (global)

Reduction of greenhouse gases in Japan by 30% or more from fiscal 2005 levels by the end of fiscal 2020

Reduction of greenhouse gases at overseas production facilities by 45% or more from fiscal 2005 levels by the end of fiscal 2020

Greenhouse gas emissions generated through sales activities by 30% or more from fiscal 2005 levels by the end of fiscal 2015 (Japan)

CO2 emissions coefficient used to calculate CO2 emission from electricity use

<table>
<thead>
<tr>
<th>Year</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kilotons</td>
<td>207</td>
<td>204</td>
<td>202</td>
<td>203</td>
<td>201</td>
</tr>
</tbody>
</table>

* Peak oil: the point at which oil production exceeds production from new reserves.
In fiscal 2009, Astellas established the Global Warming Prevention Committee as a special task force under the CSR Committee made up for top management, because we thought our ongoing energy conservation measures at individual business facilities would be insufficient for achieving the level of reductions in greenhouse gases required in the future for companies.

The Global Warming Prevention Committee proposes strategies to be implemented by the entire Astellas Group, in addition to energy conservation measures to be taken by each business facility. The Committee also formulates measures for achieving the medium- and long-term numerical targets of Astellas. In addition to the technological measures such as the installation of energy-saving equipment, the agenda of the Global Warming Prevention Committee includes policy measures such as efficient production and research systems and economic means such as domestic carbon credit and other emissions trading.

### Investment Plan for Preventing Global Warming

Action against global warming is an important management issue in our new medium-term management plan that ends in fiscal 2014. It includes our decision to have the Global Warming Prevention Committee play the key role in formulating medium- and long-term action plans and investment plans for the entire Astellas Group and to have our Headquarters lead implementation of strategic measures. We invested approximately ¥900 million in fiscal 2010 for measures drawn up by the Global Warming Prevention Committee, separately from energy conservation measures of individual business facilities. As a result of these investments, we forecast a reduction in greenhouse gas emissions by 3,823 tons. Management has decided to invest ¥700 million in fiscal 2011 in a bid to lower greenhouse gases by 10,310 tons.

<table>
<thead>
<tr>
<th>Item</th>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Amount (¥ million)</td>
<td>Reduction (projection) (tons of CO2)</td>
</tr>
<tr>
<td>Energy conversion</td>
<td>559</td>
<td>2,066</td>
</tr>
<tr>
<td>Introduction of advanced technologies such as heat pumps</td>
<td>130</td>
<td>719</td>
</tr>
<tr>
<td>Introduction of facilities for wind power generation and photovoltaic power generation</td>
<td>87</td>
<td>48</td>
</tr>
<tr>
<td>Introduction of energy monitoring systems</td>
<td>109</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>920</td>
<td>3,823</td>
</tr>
</tbody>
</table>

* The effect including investment from fiscal 2012 onward

### Global Warming Prevention Frame Work

When formulating the Global Warming Prevention Frame Work, the Environment Committee decided to lower greenhouse gases by 10,310 tons. We have already completed our projects for reducing greenhouse gas emissions. In fiscal 2010, we established the Global Warming Prevention Committee as a special task force under the CSR Committee. We also formated measures for preventing global warming in fiscal 2010. In addition, we have decided to actively install energy-saving technologies and equipment across the entire Astellas Group.

- Our manufacturing plants, research laboratories and offices take various actions to lower the volume of greenhouse gas emissions. In order to reduce CO2 emissions originated from energy consumption, we have installed high-efficiency equipment and switched to different fuels, measures we think will have a significant impact.

### Measures for reducing greenhouse gas emissions considered by Astellas

- **Investing in renewable energy**
  - At the Kerry Plant in Ireland, we started construction of a wind power generator (maximum output 800kW) in April 2011. We have also decided to install a woodchip biomass boiler, and the next step is to begin construction after getting approval from the local authorities. We plan to finish these two projects in 2012. In Japan, we installed solar power generators at the new research wing at the Tsukuba Research Center.

- **Utilizing energy monitoring systems**
  - We have been installing energy monitoring systems at the Takahagi Facilities, Yazu Facilities, Fuji Plant and other locations.

- **Using existing renewable energy**
  - Fuel oil, piped gas and LPG (used in boilers) all produce the same heat but emit different volumes of CO2. We are therefore switching to fuels that emit less CO2 as a way of preventing global warming. Astellas has changed the fuel it uses in its boilers from fuel oil to city gas at all bases able to use city gas, and is looking for different fuels for business facilities unable to use city gas. In fiscal 2010, Tsukuba Biotechnology Research Center began using city gas in its boilers instead of kerosene, as the supply of city gas became available.

- **Utilizing various renewable energy technologies**
  - Heat pump devices, which use heat in the air, are effective means of improving the efficiency of energy usage. Astellas actively installs heat pump devices during scheduled upgrades to air conditioning facilities and when new facilities are built. In fiscal 2010, we installed heat pump devices on our air conditioners at Takahagi Facilities and the Tsukuba Biotechnology Research Center.

- **Utilizing advanced technologies such as heat pumps**
  - Heat pump devices, which use heat in the air, are effective means of improving the efficiency of energy usage. Astellas actively installs heat pump devices during scheduled upgrades to air conditioning facilities and when new facilities are built. In fiscal 2010, we installed heat pump devices on our air conditioners at Takahagi Facilities and the Tsukuba Biotechnology Research Center.

- **Introducing new initiatives**
  - We took pride in our efforts to conserve energy in our daily activities through the participation of all our employees. Each business facility has been installing equipment and taking other actions to conserve energy usage.

- **Our Efforts to Reduce Emissions of Greenhouse Gases**
  - Fuel oil, piped gas and LPG (used in boilers) all produce the same heat but emit different volumes of CO2. We are therefore switching to fuels that emit less CO2 as a way of preventing global warming. Astellas has changed the fuel it uses in its boilers from fuel oil to city gas at all bases able to use city gas, and is looking for different fuels for business facilities unable to use city gas.

- **Installing advanced technologies such as heat pumps**
  - Heat pump devices, which use heat in the air, are effective means of improving the efficiency of energy usage. Astellas actively installs heat pump devices during scheduled upgrades to air conditioning facilities and when new facilities are built. In fiscal 2010, we installed heat pump devices on our air conditioners at Takahagi Facilities and the Tsukuba Biotechnology Research Center.

- **Utilizing energy monitoring systems**
  - We have been installing energy monitoring systems at the Takahagi Facilities, Yazu Facilities, Fuji Plant and other locations.

- **Using renewable energy**
  - Renewable energy, such as solar and wind power, is one of the most effective ways to combat global warming, so we have decided to proactively use these technologies where feasible. At the Kerry Plant in Ireland, we started construction of a wind power generator (maximum output 800kW) in April 2011. We have also decided to install a woodchip biomass boiler, and the next step is to begin construction after getting approval from the local authorities. We plan to finish these two projects in 2012. In Japan, we installed solar power generators at the new research wing at the Tsukuba Research Center.
Effective Use of Water Resources

Since the effective use of water resources is one indication of how biodiversity is affected, Astellas has set numerical targets for reducing water usage. In fiscal 2010, the Astellas Group used 14,109 thousand m³ of water worldwide, a decrease of 2.3% (331 thousand m³) from the previous fiscal year, and a 16.9% reduction compared with the base year of our Action Plan, Japan accounted for 97.5% of this water volume, and cooling was the main purpose for using this water.

Preventing Pollution

The international community has reached an agreement on minimizing the harmful effects that the production and use of chemical substances have on people’s health and the environment by 2020, and initiatives regarding the control of chemical substances are being carried out around the world. Astellas is implementing measures to limit effects on employees, regional communities, and the global environment by, for example, developing production methods that do not use hazardous chemical substances as a way of preventing environmental pollution, occupational health hazards, and damage to the health of residents in nearby areas.

Environmental Action Plan

- Reduce atmospheric emissions of chloroform by 70% or more from fiscal 2003 levels (Japan)
- Reduce atmospheric emissions of volatile organic compounds (VOCs) by 25% or more compared to fiscal 2006 levels by fiscal 2015 (Japan)

In our CSR report last year, we reported that atmospheric emissions of chloroform had been reduced by more than 70% from fiscal 2003 levels as a result of installing chloroform removal equipment at the Tsukuba Research Center. This figure was calculated based on the basic performance characteristics of the removal equipment that was installed. In a follow-up examination, however, we determined that when several organic solvents had mixed together and infiltrated the removal equipment, its performance would degrade to a level that was below our expectations of equipment installation. After recalculating the atmospheric emissions of chloroform, we found that emissions were 42.7% higher than the base year in fiscal 2009 and 54.0% higher than the base year in fiscal 2010. We looked for a new and more effective way of removing chloroform, but came to the conclusion that a better method does not exist currently. We therefore decided that it was impossible to achieve the chloroform reduction target set in the Action Plan. From the next fiscal year onward, we will not formulate a separate action plan for chloroform removal, and will include it in the action plan for overall atmospheric emission reduction categories as a VOC.

Atmospheric emissions of VOCs totaled 102 tons in fiscal 2010, a reduction of 30 tons year on year, owing mainly to reductions in the volume of methyl alcohol used at the Kiyosu Research Office. However, further reductions are needed in order to achieve targets in the Action Plan. Astellas has put in motion specific plans to achieve targets in the Plan, such as installing equipment to suppress emissions in processes that use large amounts of VOCs.

In fiscal 2010, the biochemical oxygen demand (BOD) burden was 17 tons, a reduction of 10.7% from the previous year (please see P61). We will continue to work at reducing this affliction on the water environment, such as by appropriately operating wastewater treatment facilities.

Water Pollution

Chemical substances released into public water bodies from manufacturing processes may have an adverse impact on the ecosystem, so we have been examining methods from the R&D stage to lower emissions into the environment as much as possible. At the same time, we study the impact that our pharmaceuticals have on the ecosystem, for example by evaluating the ease at which drug candidate substances break down in the natural environment (biodegradability).

Air Pollution

Environmental Action Plan

- Lower emissions of volatile organic compounds (VOCs) by 25% or more compared to fiscal 2006 levels by fiscal 2015 (Japan)

In our CSR report last year, we reported that atmospheric emissions of chloroform had been reduced by more than 70% from fiscal 2003 levels as a result of installing chloroform removal equipment at the Tsukuba Research Center. This figure was calculated based on the basic performance characteristics of the removal equipment that was installed. In a follow-up examination, however, we determined that when several organic solvents had mixed together and infiltrated the removal equipment, its performance would degrade to a level that was below our expectations of equipment installation. After recalculating the atmospheric emissions of chloroform, we found that emissions were 42.7% higher than the base year in fiscal 2009 and 54.0% higher than the base year in fiscal 2010. We looked for a new and more effective way of removing chloroform, but came to the conclusion that a better method does not exist currently. We therefore decided that it was impossible to achieve the chloroform reduction target set in the Action Plan. From the next fiscal year onward, we will not formulate a separate action plan for chloroform removal, and will include it in the action plan for overall atmospheric emission reduction categories as a VOC.

Atmospheric emissions of VOCs totaled 102 tons in fiscal 2010, a reduction of 30 tons year on year, owing mainly to reductions in the volume of methyl alcohol used at the Kiyosu Research Office. However, further reductions are needed in order to achieve targets in the Action Plan. Astellas has put in motion specific plans to achieve targets in the Plan, such as installing equipment to suppress emissions in processes that use large amounts of VOCs.

In fiscal 2010, the biochemical oxygen demand (BOD) burden was 17 tons, a reduction of 10.7% from the previous year (please see P61). We will continue to work at reducing this affliction on the water environment, such as by appropriately operating wastewater treatment facilities.

Resource Circulation

Various initiatives are now being taken so as to create a society that recycles resources, and to move away from social and economic activity that encourages mass production, mass consumption, and materialism. Economic growth in the 20th century could not have been achieved without increased consumption of natural resources, mainly fossil fuels, which in turn increased the burden on the environment. This style of economic growth, however, will one day deplete all of our natural resources. It also leads to emissions of greenhouse gases due to the mass consumption of fossil fuels, which destroys the natural environment by overexploiting resources, and causes other serious environmental problems on a global scale on par with global warming and threats to the ecosystem. Our challenge is finding a way to sustain economic and social growth while reducing the amount of resources used.

Astellas contributes to the creation of a recycling-oriented society by effectively utilizing water resources and recycling waste via reuse and material and thermal recycling.
Preserving Biodiversity

Global warming and biodiversity loss are two crucial environmental problems that must be addressed to ensure our survival. Countries around the world agreed to address these two problems in 1992 at the Earth Summit held in Rio de Janeiro in Brazil, and adopted the Framework Convention on Climate Change and the Convention on Biological Diversity. However, efforts have fallen far short of their original targets owing to considerable growth in the global economy and population, and the difficulty of objectively and subjectively measuring the impact of initiatives to preserve biodiversity.

In 2010, the Convention on Biological Diversity adopted targets for 2010 with the aim of significantly slowing the loss of biodiversity by 2010. In 2007, however, the Conference of Parties of United Nations Conventions declared that this target was unlikely to be achieved. At COP10 held in Nagoya in 2010, there was debate about initiatives to take after 2010, which led to the adoption of post-2010 biodiversity targets (Aichi Targets) in the form of short-term targets by 2020 and long-term targets for 2050. Regarding international rules about access to genetic resources and the fair and equitable distribution of their benefits, an agreement was reached on a basic outline in the Nagoya Protocol.

In line with this movement, many countries have drawn up national strategies with regard to biodiversity. Moreover, society has increasingly demanded that companies make a more concerted effort to preserve biodiversity.

Astellas is grateful for the benefits brought about by biological diversity, and understands that its business activities in all fields have an impact on the ecosystem. By working to lessen the impact of our business activities on the ecosystem, we contribute to sustaining and protecting biodiversity. Likewise, we hope to contribute to building a society that coexists with nature so that benefits from the ecosystem will always be available to everyone.

We strive to lessen our overall environmental impact on biodiversity by working to prevent global warming, minimize environmental pollution and promote resource recycling.

We are developing technologies that minimize the impact on the ecosystem, by lowering environmental burden and using as few natural resources as possible.

We handle genetic resources in accordance with international rules and the rules of the host countries.

We are broadening our efforts to preserve biodiversity with the aim of creating a sustainable society that coexists in harmony with nature. To this end, we promote discussion within society and among related parties, while reaching across national and geographical borders.

We are grateful for the benefits obtained from a healthy ecosystem, and we are diligently fostering a corporate culture that will always act out of respect for biodiversity and in a manner that is harmonious with corporate activities.

Biodiversity Index

According to the government’s National Biodiversity Strategy of Japan 2010, challenges concerning biodiversity loss are 1) species and habitat degradation due to excessive human activity and development, 2) degradation of satouchi-satoyama natural rural areas due to the insufficient level of management, 3) ecosystem disturbances caused by the introduction of alien species and chemical contamination, and 4) crisis caused by global warming. We believe it is difficult to directly take part in the prevention of satouchi-satoyama degradation due to the insufficient level of management through Astellas’ corporate activities, and therefore decided to exclude it from our biodiversity strategy. We narrowed the definition of the three other risks, framing them environmental pollution, resource consumption and global warming. We will use these categories as benchmarks to assess our efforts to preserve biodiversity.

The biodiversity index is an overall measurement of the impact our corporate activities have on biodiversity. Our Action Plan for fiscal 2011 sets the target with this index for fiscal 2020, which is double the fiscal 2005 level. This allows us to quantitatively assess our progress on lowering our impact on biodiversity and the effectiveness of our efforts. Currently, our biodiversity index reading is about 1.7 times the fiscal 2005 levels.

The environmental burden for each sub-category in the assessment fiscal year is divided by the corresponding burden in the base-year and then multiplied by the weight to derive the “biodiversity burden index.” The “biodiversity index” is calculated by dividing Astellas’ consolidated sales in the assessment fiscal year by the total of all the biodiversity burden index figures. Improvement can be determined by comparing this index to the base-year.

Search for microorganisms overseas in accordance with Convention on Biological Diversity

In a joint industrial-government project with the National Institute of Technology and Evaluation (NITE), Astellas initiated a joint research project that searches for new microorganisms in Vietnam and put them to industrial use centered on drug discovery. This collaborative project that Astellas will participate in is a framework for cooperative relationships that NITE created with the Vietnamese government in accordance with the Convention on Biological Diversity. We will jointly search, collect and isolate microorganisms in Vietnam and assess their potential for industrial use. This collaborative industrial-government research project, with the support of the Japanese government agency, provides access to biological genetic resources in Asia that would be too much of a burden for a single company to pursue after the Convention on Biological Diversity came into effect. It also ensures that the benefits from this access to genetic resources are distributed fairly and equitably.
Environment Management

In accordance with its Charter of Corporate Conduct, Astellas’ basic stance toward the environment as well as the health and safety of its employees is outlined under its Environmental and Safety Policy. The goals to which the Company aspires are also presented in its Environmental and Safety Guidelines. Both on a continuous and organizational basis, Astellas is engaging in activities that are designed to fulfill its obligations in each area. In addition, the Company has put forward specific medium-term targets under its Environmental and Safety Action Plan, for which prioritized issues are to be tackled. In light of the recent interest and actions taken by society toward biodiversity, Astellas has included biodiversity as a vital component of its Environmental and Safety Guidelines in an effort to again clarify and raise the bar regarding objectives for fiscal 2015.

Environmental and Safety Policy

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.

Established April 1, 2005

1. Compliance with laws, regulations and internal guidelines
   - 7 clauses
2. Environmental and safety management
   - 7 clauses
3. Risk management, preparation/response to accidents and emergencies
   - 11 clauses
4. Management of facilities and vehicles
   - 7 clauses
5. Development of products and technologies
   - 4 clauses
6. Education, training and motivation
   - 6 clauses
7. Biodiversity
   - 7 clauses
8. Global warming prevention and resource conservation
   - 8 clauses
9. Chemical substance management
   - 9 clauses
10. Waste management
    - 4 clauses
11. Pollution control for air, water and soil
    - 7 clauses
12. Control of sanitary assistance services and preparedness
    - 3 clauses
13. Social contribution
    - 7 clauses

Environmental and Safety Guidelines

To achieve the action plans, Company-wide initiatives as well as more specific programs developed by each facility are implemented. After performing Company-wide audits to confirm progress at each facility, we identify new issues and implement revisions. Operating the PDCA (Plan-Do-Check-Act) cycle on both a Company-wide and individual facility basis leads to a reduction in environmental load and overall risk.

Astellas has introduced an environmental and safety assessment system which requires the environmental load and all safety risks to be understood in advance and minimized at all stages, including production, distribution and disposal, during the research and development stages or when building or installing new facilities.

Organization

Environment and workplace safety programs are a key focus of CSR management. The CSR Committee deliberates and decides on policy, action plans and measures related to the environment and workplace safety. These policies and plans are commonly shared among all business facilities, which then establish their own policy and action plans according to the status of their activities. Energies are channeled toward achieving individual targets.

Environmental and Safety Management System

To ascertain the status of overall environment and safety activities at Astellas and the issues confronted by facilities, a Company-wide audit of environmental and safety activities is conducted in accordance with Environmental and Safety Guidelines. A written follow-up evaluation on the status of implementation is then conducted focusing on those issues uncovered, with audit confirmation undertaken the next fiscal year. Individual facilities and the headquarter departments responsible for environmental and safety issues share views on social needs and facilities issues. This ensures that Astellas policy is consistent, and is one of the main functions of the audit process.
### Environment

**Education and Training**

In addition to complying with statutory and regulatory requirements, Astellas recognizes the importance of autonomous initiatives that address the needs of society. In order to promote further improvements in environmental and safety activities, the Company encourages employees to take a correct understanding of their own roles and responsibilities. To this end, we are working to improve our skill base through a wide variety of training programs, including specialized education for employees engaged in roles requiring specialist knowledge and skills in areas such as environmental conservation or hazardous operations, and the development of employees professionally qualified in environmental, health and safety matters.

We also explain our policies and site rules to construction workers at our plants, raw materials suppliers and waste disposal contractors, and seek collaboration on our environmental and safety programs.

**Response to Accidents and Emergencies**

Being prepared for emergency situations caused by an accident or natural disaster can help to prevent an environmental catastrophe and minimize damage. Accordingly, we develop specific measures and procedures, conduct regular education sessions and training drills, and reconfirm and test the validity of our procedures, communication networks and the division of roles focusing particularly on risks that are recognized as a high priority. In this manner, we continue to work diligently to reduce environmental risk. The discharge of harmful substances could lead to the pollution of rivers and seas as well as cause problems at sewage treatment plants. This in turn could have a grave impact on regional communities. In preparation for accidents and emergency situations, we are therefore systematically implementing measures for the prevention of environmental pollution, including the installation of backup equipment, while working to reduce the risk of pollution. In addition, we are bolstering efforts to monitor operations and to measure the quality of water draining out of our plants to confirm compliance with relevant effluent standards.

**Compliance with Environmental Regulations**

In fiscal 2010, there were violations of effluent standards (Disodiumhexametaphosphate) at the Kashiwara R&D Center. We reported these violations to the government and applied preventive measures. Although violations occurred on two occasions, however, there were no violations after the implementation of these measures. Moreover, there have been no lawsuits or fines related to environmental issues over the past five years.

**Environment-Related Accidents and Complaints**

No environment-related accidents occurred in fiscal 2010. Over the past five years, there was one case of an abnormal color at the Takaoka Plant in fiscal 2006. The foul odor was caused by gasified acetate compounds dispersed into the atmosphere, but no adverse impact on human health was reported. In addition, there were no environment-related complaints.

**Soil Contamination Assessments**

Under the Soil Contamination Countermeasures Act and prefectural ordinances, soil contamination assessments are mandatory where projects for additional facilities exceed a certain scale or demolition of buildings is undertaken and collectively there is a change in the characteristics of the land. To date, Astellas has undertaken soil contamination assessments based on relevant laws and ordinances as well as related voluntary evaluation to determine the existence or otherwise of contamination. In the event contamination is identified, the Company has taken purification and other remedial measures. In fiscal 2009, an additional soil contamination survey was conducted following the closure and demolition of the former Tokyo Research Center. As a result of the survey, the contaminated areas were designated as contamination areas. This included three blocks (10m square) where total mercury (elution and content) and lead (content) were detected. In fiscal 2010, another block (10m square) was uncovered to have traces of Fluorine (elution). Excavation and other remedial measures. In addition, at the Tsukuba Research Center there were cases where total mercury (elution and content) and lead (content) were detected. In fiscal 2010, another block (10m square) where arsenic, fluorine, and boron, as well as other compounds were detected. As a result, all 13 blocks were designated contamination areas. The areas so designated have been earmarked for the construction of a welfare facility. Construction, however, is to be undertaken at locations where contaminants have not been detected across ground surfaces. On this basis, excavation and removal (of excavated soil) does not apply. Surplus earth to accumulate due to construction work, on the other hand, will be disposed of as contaminated soil in an appropriate manner.

**Background of the Environmental Action Plan**

With respect to drawing up the action plan, we have outlined what we want the Company to be from a long-term viewpoint, and we have set individual fiscal and medium-term goals as checkpoints. We undertake annual reviews, adding new items or setting even higher goals, based on progress under the Environmental Action Plan as well as changes in social conditions.

The background and history of each review of the Environmental Action Plan is presented briefly as follows.

### Environmental Action Plan (Fiscal 2011)

In the Environmental Action Plan established for fiscal 2011, the initiative to reduce chloroform atmospheric emissions introduced in the previous fiscal year’s plan was removed and included in the goal of reducing VOCs. In addition, in putting in place a biodiversity index as a comprehensive measure of our effort to reduce environmental load, we introduced the new category of biodiversity in our Environmental Action Plan.

1. **Measures to Address Global Warming**
   - Reduce emissions of greenhouse gases by 35% or more from fiscal 2005 levels by the end of fiscal 2020 (global)
   - Reduce emissions of greenhouse gases in Japan by 35% or more from fiscal 2005 levels by the end of fiscal 2020
   - Reduce emissions of greenhouse gases at overseas production facilities by 45% or more from fiscal 2005 levels by the end of fiscal 2020
   - Reduce CO2 emissions generated through sales activities by 30% or more from fiscal 2005 levels by the end of fiscal 2015

2. **Measures to Conserve Natural Resources (Global)**
   - Reduce water consumption by 20% or more from fiscal 2005 levels by the end of fiscal 2015

3. **Manage Chemical Substances (Japan)**
   - Reduce VOC emissions by 25% or more from fiscal 2006 levels by the end of fiscal 2015

4. **Measures to Dispose of Waste (Japan)**
   - Curb the volume of waste materials subject to final disposal by 1% or less of total generation, or 2% or less of total discharged

5. **Biodiversity (Global)**
   - Double the biodiversity index from the fiscal 2005 level by fiscal 2020

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</thead>
<tbody>
<tr>
<td>Measure: Reduce CO2 emissions</td>
<td>Achieved</td>
<td>Achieved</td>
<td>Transition</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Additional: Reduce CO2 emissions</td>
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<tr>
<td>Measure: Reduce greenhouse gases</td>
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<tr>
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<tr>
<td>Additional: Reduce water consumption</td>
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</tr>
</tbody>
</table>

**Environmental Action Plan**

- Reduce emissions of greenhouse gases by 35% or more from fiscal 2005 levels by the end of fiscal 2020 (global)
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- Reduce CO2 emissions generated through sales activities by 30% or more from fiscal 2005 levels by the end of fiscal 2015

### Measures to Address Global Warming

omissions generated through office electricity consumption by 20% or more from fiscal 2005 levels by the end of fiscal 2015
### Measures to Address Global Warming

#### CO2 emissions due to energy consumption

<table>
<thead>
<tr>
<th>Country</th>
<th>Japan</th>
<th>Overseas</th>
<th>Ratio to FY2005 level (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td>4,000</td>
<td>8,000</td>
<td>100</td>
</tr>
<tr>
<td>Overseas</td>
<td>2,000</td>
<td>4,000</td>
<td>100</td>
</tr>
</tbody>
</table>

**Key Points**
- Promoting the shift from required fuels to gas and electricity with respect to energy uses.
- As a result, the reduction is higher for CO2 emissions than for energy consumption.
- Electricity accounts for approximately 59.7% and 64.8% of total energy consumption in Japan and overseas, respectively. This reflects the high dependence on electricity for energy.

#### Breakdown of CO2 emissions by activity (Japan)

- Production activities accounted for around 70% of total CO2 emissions due to energy consumption in fiscal 1990. Reflecting significant growth in R&D activities, this percentage has fallen to a current level of around 50%.

#### Emissions of greenhouse gases due to other causes

- Greenhouse gases due to causes other than energy consumption are attributed to the CO2 emitted by the incineration of waste oil in liquid waste incinerators.

### Chemical Substances

#### Emissions of Class 1 designated chemical substances under the PRTR system

<table>
<thead>
<tr>
<th>Substance name</th>
<th>Number of facilities reporting</th>
<th>Volume released (tons)</th>
<th>Volume transferred (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Air</td>
<td>Water</td>
</tr>
<tr>
<td>Acetobonate</td>
<td>0</td>
<td>38,866</td>
<td>0.411</td>
</tr>
<tr>
<td>Xylenes</td>
<td>1</td>
<td>4,398</td>
<td>0.000</td>
</tr>
<tr>
<td>Chromatones</td>
<td>3</td>
<td>49,214</td>
<td>10.032</td>
</tr>
<tr>
<td>Salicylaldehyde</td>
<td>1</td>
<td>21,028</td>
<td>0.000</td>
</tr>
<tr>
<td>Dichloromethane</td>
<td>3</td>
<td>254,781</td>
<td>6.511</td>
</tr>
<tr>
<td>Acetoxynitriles</td>
<td>0</td>
<td>107,200</td>
<td>0.008</td>
</tr>
<tr>
<td>Alkylalkylammoniums</td>
<td>0</td>
<td>138,924</td>
<td>0.016</td>
</tr>
<tr>
<td>Aldehydes</td>
<td>1</td>
<td>10,625</td>
<td>0.000</td>
</tr>
<tr>
<td>Methylglyoxal</td>
<td>1</td>
<td>2,361</td>
<td>0.000</td>
</tr>
<tr>
<td>Vinyl chloride</td>
<td>1</td>
<td>13,278</td>
<td>0.055</td>
</tr>
<tr>
<td>Hydrogen fluoride and its water-soluble salt</td>
<td>0</td>
<td>0.000</td>
<td>0.731</td>
</tr>
<tr>
<td>Formic acid</td>
<td>1</td>
<td>19,339</td>
<td>0.000</td>
</tr>
<tr>
<td>Hydrofluorocarbon compound</td>
<td>0</td>
<td>5,167</td>
<td>0.000</td>
</tr>
<tr>
<td>Formaldehyde</td>
<td>1</td>
<td>56,704</td>
<td>0.011</td>
</tr>
<tr>
<td>Manganese and its compounds</td>
<td>1</td>
<td>41,278</td>
<td>0.000</td>
</tr>
<tr>
<td>Naphthenes</td>
<td>1</td>
<td>40,000</td>
<td>0.000</td>
</tr>
<tr>
<td>Olefins</td>
<td>0</td>
<td>—</td>
<td>0.000</td>
</tr>
</tbody>
</table>

**Notes:** Amounts in the table are in tons/year. For dioxins, the units are mg-TEQ/year.

#### Key Points
- Materials requiring notification under the PRTR system were amended following revision to the PRTR Act.
- Results for fiscal 2010 cover materials after the aforementioned amendment.

| PRTR | Materials requiring notification under the PRTR system | PRTR Act amendments following revision to the PRTR Act | Fiscal 2010 results cover materials after the aforementioned amendment |

#### State of PCB-contaminated waste storage

<table>
<thead>
<tr>
<th>Status</th>
<th>Number or volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stored</td>
<td></td>
</tr>
<tr>
<td>High-voltage transformers</td>
<td>54</td>
</tr>
<tr>
<td>Electric current breakers</td>
<td>11</td>
</tr>
<tr>
<td>Fluorescent lamp ballasts</td>
<td>5</td>
</tr>
<tr>
<td>PCB-containing oil</td>
<td>1</td>
</tr>
<tr>
<td>PCB incineration</td>
<td>1</td>
</tr>
<tr>
<td>In use</td>
<td></td>
</tr>
<tr>
<td>Fluorescent lamp ballasts</td>
<td>5</td>
</tr>
</tbody>
</table>

**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 an inferior electrical insulator, and it is often used in heating media and capacitors. Production of PCBs was later banned due to their highly toxicity, and wastes containing PCBs are stored by local governments and businesses as stipulated by law.
### Environment

#### Numerical Data

##### Pollution Prevention

**Water pollutants**

- **BOD load**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Takahagi Facilities</td>
<td>0.00714</td>
<td>0.00699</td>
<td>0.00715</td>
<td>0.0145</td>
<td>0.00798</td>
<td>0.00964</td>
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<tr>
<td>Standard</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

**Drainage volume**

- **Rivers**

  - Standard: 5
  - Sewerage: 5

- **Sewerage**

  - Standard: 5
  - Sewerage: 5

##### Air pollutants

**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 oxygen is combined with nitrogen, which is contained in fossil fuels and in the air, during combustion. NOx is one of the causes of acid rain.

#### Dispose of Waste

- **Landfill waste volume**

  - Landfill volume: 18
  - Materials that cannot be recycled: 19,508

- **Volume of waste generated**

  - Generated volume: 19,508
  - Materials that cannot be recycled: 19,508

- **Volume of waste discharged**

  - Discharge volume: 18
  - Materials that cannot be recycled: 19,508

##### Waste processing flow

- **Separation**

  - Solvent recovery, compost, material recycling, etc.

- **Recycled volume**

  - Total: 7,813

- **Volume of residue**

  - 2,383

- **Reduced volume**

  - 9,254

- **Total landfill volume**

  - 183

- **Recycled volume**

  - 11,999

- **Total recycled volume**

  - 10,053

##### Packaging recycling initiatives

Although the majority of ethical pharmaceutical product packaging is disposed of by medical institutions, products prescribed by doctors are disposed of by households. In accordance with the Containers and Packaging Recycling Law, we bear the cost of recycling these waste packaging materials. In fiscal 2010 we estimated the total amount of bottles, plastic, and paper containers disposed of by households at 530 tons, and the relevant recycling cost amounted to approximately ¥21.8 million.

**Note:** Kiyosu = Kiyosu Research Office, Tokyo = Tokyo Research Center, Fuji = Fuji Plant, Takaoka = Takaoka Plant, Yaizu = Yaizu Facilities, Toyama = Toyama Technology Center

The number of cases is shown in the table. Single cases that drew several complaints are recorded as one case.
We calculate the cost of environmental conservation (sums invested and expenses) and the outcomes from such investment for each domestic facility at Astellas. In line with our standards set with reference to the environmental accounting guidelines issued by the Ministry of Environment.

Environmental conservation costs for fiscal 2010 were as follows: investments totaled ¥16 million and expenses ¥2,006 million, including depreciation cost. The main investment in pollution control included the maintenance of effluent treatment facilities, checks on and the laying of underground water pipes, and other related work. Regarding investments in global environmental conservation, we took steps to introduce fuel conversion, energy monitoring and related systems, which was included in the investment amount determined by the Global Warming Prevention Committees. The economic benefits of our environmental conservation measures totaled ¥761 million, including the sale of waste organic solvents and metals as well as the reduced costs for waste disposal. The table below summarizes trends over the past six years in our investment in environmental conservation and our environmental performance. The environmental remediation costs included in environmental expenses totaled ¥76 million and included expenses for purifying the contaminated soil at the former Tokyo Research Center.

### Environmental Accounting

#### Environment-related investment and expenses

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<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Investment Expenses</td>
<td>¥616M</td>
<td>¥2,006M</td>
<td>¥2,006M</td>
<td>¥2,006M</td>
<td>¥2,006M</td>
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<td>Investment</td>
<td>¥2,006M</td>
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<td>¥2,006M</td>
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<tr>
<td>Environmental remediation costs</td>
<td>¥76M</td>
<td>¥76M</td>
<td>¥76M</td>
<td>¥76M</td>
<td>¥76M</td>
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<tr>
<td>Social activity costs</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Environmental remediation costs</td>
<td>0</td>
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#### Environmental performance

<table>
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<tbody>
<tr>
<td>Energy</td>
<td>2,017GJ</td>
<td>2,019GJ</td>
<td>2,021GJ</td>
<td>2,023GJ</td>
<td>2,025GJ</td>
<td>2,027GJ</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
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<td>OUTPUT</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Numerical Data

#### Methods of Calculating Performance Data

**1. Methods for Calculating the Amount of Energy Used and Greenhouse Gas Emissions**

- Our overseas facilities use the CO2 emissions coefficients shown in the table on the left, except those shown in the table below.

**2. Estimated Performance Regarding Amounts of Energy Consumption and CO2 Emissions in Past Fiscal Years**

- We started calculating CO2 emissions from our branches, sales offices and training centers in fiscal 2009. Since we do not have the corresponding emissions data for fiscal 2008 and before, we substituted the 2009 emissions data into the data from fiscal 1990 to fiscal 2008 in our CSR Report 2010. The 2009 emissions data, however, relied on some estimates. Now that our 2010 emissions data for our branches, sales offices and training centers are based on actual data activity, we restated our CO2 emissions for fiscal 2010 and before, substituting the 2010 emissions data for the previous years’ data.

**3. Changes in Reporting Data for Past Fiscal Years**

- The Company uncovered an error in the information provided by tap water supplier included in the previous fiscal year’s report with respect to water usage at the Dublin Plant. As a result, data for the previous fiscal year’s report recorded in this report for the fiscal year under review has been amended (53 thousand m³). Water usage and drainage volume data for the Dublin Plant is 106 thousand m³.
**Independent Assurance Report**

To the President and Chief Executive Officer of Astellas Pharma Inc.

**Purpose and Scope**

We were engaged by Astellas Pharma Inc. (the “Company”) to provide limited assurance on its CSR Report 2011 (the “Report”) for the fiscal year ended March 31, 2011. The purpose of our assurance engagement was to express our conclusion, based on our assurance procedures, on whether:

- the environmental, social and economic performance indicators marked with this “indication” for the period from April 1, 2010 to March 31, 2011 included in the Report are presented, in all material respects, in accordance with the Company’s reporting criteria;
- all the material environmental information defined by the Japanese Association of Assurance Organizations for Sustainability Information (“J-SUS”) is included in the Report; and
- the Company’s self-declaration on the Global Reporting Initiative (“the GRI”) application level (B+) conforms to the application level criteria stipulated by the GRI.

The context of the Report is the responsibility of the Company’s management. Our responsibility is to carry out a limited assurance engagement and to express our conclusion based on the work performed.

**Criteria**

The Company applies its own reporting criteria as described in the Report. These are derived, among others, from Environmental Reporting Guidelines of the Ministry of the Environment and the Sustainability Reporting Guidelines 2006 of the GRI. We used these criteria to evaluate the Indicators. For the completeness of material environmental information, we used the “Criteria for Granting an Environmental Report Assurance and Registration Symbol” of J-SUS. For the GRI application level, we used the criteria stipulated by the GRI.

**Procedures Performed**

We conducted our engagement in accordance with “International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board, and the “Practical Guidelines of Sustainability Information Assurance Assurance” of J-SUS.

The limited assurance on the Report consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures. The level of assurance provided is not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Inquiries with the Company’s responsible personnel to obtain an understanding of its policy for the preparation of the Report.
- Reviews of the Company’s reporting criteria.
- Inquiries about the design of the systems and methods used to collect and process the Indicators.
- Analytical reviews of the Indicators.
- Examination, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and also a realization of the Indicators.
- Visit to the Company’s Kawasaki R&D Center selected on the basis of a risk analysis.
- Assessment of whether or not all the material environmental information defined by J-SUS is included in the Report.
- Evaluating the Company’s self-declared GRI application level against the application level criteria.
- Evaluating the overall statement in which the Indicators are expressed.

**Conclusion**

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that:

- the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report;
- all the material environmental information defined by J-SUS is not included in the Report; and
- the Company’s self-declaration on the GRI application level does not conform to the application level criteria.

We have no conflict of interest relationships with the Company that are specified in the Code of Ethics of J-SUS.

**Corporate Data**

<table>
<thead>
<tr>
<th>Company name</th>
<th>Net sales ¥953.9 billion (consolidated for the fiscal year ended March 31, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head office</td>
<td>2-3-11, Nihonbashi-Honcho, Chuo-ku, Tokyo 103-8411, Japan</td>
</tr>
<tr>
<td>Listed</td>
<td>¥703 billion (as of March 31, 2011)</td>
</tr>
<tr>
<td>Representative</td>
<td>Matsunori Nogimori, President and Chief Executive Officer (as of March 31, 2011)</td>
</tr>
<tr>
<td>Founded</td>
<td>1923</td>
</tr>
</tbody>
</table>

**Major consolidated subsidiaries**

- **Japan**
  - Astellas Pharma Tech Co., Ltd.
  - Astellas Business Services Co., Ltd.
  - Astellas Learning Institute Co., Ltd.
  - Astellas Research Technologies Co., Ltd.
  - Astellas Marketing and Sales Support Co., Ltd.
  - Lotus Estate Co., Ltd.
  - Astellas Analytical Science Laboratories, Inc.

- **Asia and Oceania**
  - Astellas Pharma China, Inc.
  - Astellas Pharma Hong Kong Co., Ltd.
  - Astellas Pharma Korea, Inc.
  - Astellas Pharma Taiwan, Inc.
  - Astellas Pharma Thailand Co., Ltd.
  - Astellas Pharma Philippines, Inc.
  - P.T. Astellas Pharma Indonesia
  - Astellas Pharma India Private Limited
  - Astellas Pharma Australia Pty. Ltd.

- **Americas**
  - Astellas US Holding, Inc.
  - Astellas US LLC (Regional headquarters)
  - Astellas Pharma US, Inc.
  - Astellas Pharma Global Development, Inc.
  - Astellas US Technologies, Inc.
  - Astellas Pharma Technologies, Inc.
  - Astellas Research Institute of America LLC
  - Urogenix, Inc.
  - Astellas Venture Management LLC
  - Astellas Pharma Canada, Inc.
  - Astellas Pharma Brazil Importacao e Distribuicao de Medicamentos Ltda.
  - Agemyx, Inc.
  - OSI Pharmaceuticals LLC

- **Europe**
  - Astellas B.V.
  - Astellas Pharma Europe Ltd. (Regional headquarters)
  - Astellas Pharma Europe B.V.
  - Astellas Ireland Co., Ltd.

**Scope of environmental information report**

<table>
<thead>
<tr>
<th>Company name</th>
<th>Factory</th>
<th>Facility</th>
<th>Location</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astellas Pharma Inc.</td>
<td>Nihonbashi Office</td>
<td>Chuo-ku, Tokyo</td>
<td>Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hasune Office</td>
<td>Itabashi-ku, Tokyo</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Takahagi Chemistry &amp; Technology Development Center</td>
<td>Takahagi, Ibaraki</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tsukuba Research Center</td>
<td>Tsukuba, Ibaraki</td>
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<td></td>
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<tr>
<td></td>
<td>Tsukuba Biotechnology Research Center</td>
<td>Tsukuba, Ibaraki</td>
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<tr>
<td></td>
<td>Yonezawa Pharmaceutical Research Center</td>
<td>Yonezawa, Niigata</td>
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<tr>
<td></td>
<td>Kyoto Research Office</td>
<td>Kiyomizu, Kyoto</td>
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<td></td>
<td>Kyushu R&amp;D Center</td>
<td>Yodogawa-ku, Osaka</td>
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<tr>
<td></td>
<td>Branches/Sales Offices</td>
<td>Till branches, 1BD sales offices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Astellas Pharma Tech Co., Ltd.</td>
<td>Nihonbashi Office</td>
<td>Chuo-ku, Tokyo</td>
<td>Sales &amp; marketing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Takahagi Technology Center</td>
<td>Takahagi, Ibaraki</td>
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<tr>
<td></td>
<td>Toyoaka Technology Center</td>
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<td></td>
<td>Full Plant</td>
<td>Fukui, Fukui</td>
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<tr>
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<td>Toyama Technology Center</td>
<td>Toyama, Toyama</td>
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<tr>
<td></td>
<td>Takamatsu Plant</td>
<td>Takamatsu, Kagawa</td>
<td></td>
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</tr>
<tr>
<td>Astellas Pharmacia Inc.</td>
<td>Shiga Plant</td>
<td>Ueda, Shiga</td>
<td>Manufacturing</td>
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<td></td>
<td>The Lido</td>
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<td></td>
<td>Dublin Plant</td>
<td>Dublin, Ireland</td>
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<td>Kerry Plant</td>
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<td></td>
<td>Astellas Pharma Europe B.V.</td>
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<tr>
<td></td>
<td>Mopel Plant</td>
<td>The Netherlands</td>
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<td></td>
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<tr>
<td>Astellas Pharma China, Inc.</td>
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<tr>
<td></td>
<td>Astellas Pharma Philippines, Inc.</td>
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</tbody>
</table>

**Note**

Operating sites throughout the report are in principle identified according to the name of each facility. In instances where there are multiple facilities on the same site, the following names may be applied.

- Takahagi Facilities: Takahagi Chemistry & Technology Development Center and Takahagi Technology Center
- Yaizu Facilities: Yaizu Pharmaceutical Research Center and Yaizu Technology Center

This symbol signifies that the report meets the criteria for the reliability of environmental information specified in the Criteria for Granting an Environmental Report Assurance and Registration Symbol by the Japanese Association of Assurance Organizations for Sustainability Information (http://j-sus.org/).

**Induced Assurance Report**

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
September 28, 2011