astellas
Leading Light for Life

Astellas
CSR Report 2007

Approach to editing CSR Report 2007

CSR Report 2007 is a report on the environment, society and economy issued by the Astellas Group (Astellas), which is centered on Astellas Pharma Inc.

We assumed that our readership would consist of our customers, shareholders, employees, members of local communities, and others who are affected by our business activities or have an interest in the Company. We have included figures and tables where appropriate, with the aim of making this report easy to read and understand.

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

CONTENTS

Significant changes up to April 1, 2007

In fiscal 2006, Astellas sold off its investments in Hoshienu Pharma Inc. and overseas manufacturing subsidiaries. The Company also carried out the integration of its production operations, and closed one of its offices.

The impact of these changes on our environmental performance was as stated below.

Accompanying the exclusion of some production companies from the scope of consolidation, we retrospectively restated our performance data on the energy used and the volume of carbon dioxide (CO_2) emissions generated by the production facilities included in the scope of consolidation. This resulted in a significant change from past data collected, and, therefore, a change in the data on energy utilization and CO_2 emissions that was included in last year's edition of this report.

Key changes	Description of change
Sold off overseas production plants	The Munich Plant (in Germany), Kerry Plant (in Ireland)* and Carugate Plant (in Italy) were sold off in January 2007.
Offices closed	Our Doshomachi Office was closed in October 2006.
Closing of Production Division at Kiyosu Facilities	We closed the Nagoya Plant, and the production of pharmaceutical intermediates done there was transferred to our Toyama Plant in March 2007.
Sale of production company in Japan	Sale of Hoshienu Pharma Inc. (Gojo Plant and Takatori Plant) in March 2007
Consolidation of Group companies	Three Group companies (Astellas Tokai Co., Ltd., Astellas Shizuoka Co., Ltd. and Astellas Clinical Supply Co., Ltd.) were consolidated and combined with Astellas Tokai in April 2007.

* Referred to as Astellas Pharma GmbH Plant in last year's report

Scope of Report

This report covers economic activities of the companies included in our consolidated accounting, and other activities of the companies and business premises listed below. (Business premises are identified by their facility or plant names.)

Astellas Pharma Inc.
Head Office, Hasune Office, Doshomachi Office, Miyukigaoka Research Center, Tokodai Research Center, Tokyo Research Center, Kiyosu Facilities, Takahagi Facilities, Yaizu Facilities, Kashima Facilities, branch/sales offices*
* The report on the performance of our branches and sales offices only reflects the volume of gasoline consumed by company vehicles used in marketing and the results of our "green" purchasing efforts.

Domestic group companies
Astellas Tokai Co., Ltd. (Yaizu Plant, Nishine Plant, Fuji Plant),
Astellas Toyama Co., Ltd. (Toyama Plant, Takaoka Plant, Nagoya Plant),
Astellas Pharma Chemicals Co., Ltd.,

Overseas group companies
North America: Astellas Pharma Manufacturing, Inc. (Grand Island Plant), Astellas Pharma Technologies, Inc. (Norman Plant)
Europe: Astellas Pharma Europe B.V. (Meppel Plant), Astellas Ireland Co., Ltd. (Dublin Plant, Kerry Plant)
Asia: Astellas Pharma (China) Inc. (Shenyang Plant)

Reporting period

The report covers the period April 1, 2006 to March 31, 2007. Name changes resulting from measures such as consolidations and the creation of new companies are as of April 1, 2007. Performance data for overseas subsidiaries and work-related accident reports cover the period from January 1 to December 31, 2006.

Guidelines employed in the preparation of the report

The Astellas CSR Report 2007 was prepared following our in-house manual on the preparation of environmental reports, developed in accordance with the guidelines issued in 2003 by the Ministry of the Environment.

Message

Astellas exists on the basis of the trust it earns from society. We are moving toward fulfillment of our Vision 2015 goals, which were set as landmarks on the road to building public trust and employee pride in the Company.

President & CEO

Masafumi Nogimori

Masafumi Nogimori

Astellas announced Vision 2015 in fiscal 2006. This plan, which presents our key strategies and policies, was created to leverage Astellas' strengths and to address the question of what kind of presence the company should have in the world. The plan introduces the term "Global Category Leader," and in effect, is a guide to how this goal can be achieved. A large number of diseases exist for which either no therapeutic drug has been discovered or those that are available are inadequate. Astellas' goal is to achieve competitive superiority in this highly specialized field by providing high value-added products on a global basis. Concurrent with this business model, we have begun CSR-based management, a mission-critical system designed to enable us to win the trust of society, create a special character for the company, and build enterprise value in a comprehensive manner.

Astellas defines its mission as that of supporting people's health and lives, and sees its role as creating and providing state-of-the-art pharmaceutical products. We also recognize that drugs directly impact people's health and lives; our existence as a business would not be possible without the trust of society. Therefore, while remaining aware of the necessity of harmonizing the needs of people, society, and the world, we recognize the need to strengthen our corporate character as a member of society. By doing so, we will be able to win the trust of society.

With this in mind we have implemented CSR-based management, a strategy that clarifies how we should manage the Company, and introduces approaches that will enable us to refine the humanitarian attributes of the company as well as its economic and social characteristics. In addition, we have established "Society's Trust" and "Employees' Pride" as verbal drivers indicative for the promotion of CSR-based management. The two slogans serve as watchwords signifying the trust that Astellas must win from society and the pride that employees should have in the Astellas brand as they work.

While maintaining a mutually beneficial relationship with society, a company must seek to contribute to the sustainability of society as a whole. Based on these concepts, in fiscal 2006, Astellas singled out five fields in CSR-based management for designation as high-priority areas of social responsibility. We have begun to direct our efforts to solving problems in these fields in which we have special responsibilities. These five fields are the environment, the economy, society, employees, and compliance.

Astellas will continue to treat its relationship with people, society, and the global environment as a matter of the greatest importance in CSR-based management. The Company will report on the particulars of these activities in its CSR Report. We ask for your understanding and support of these efforts.

June 2007

President & CEO

Masafumi Nogimori

Interview by Yuko Nakamura

The manufacturing of pharmaceuticals has always been an industry of great social importance.

Nakamura: Companies in various industries are increasingly placing primary importance squarely on CSR. We would like to get your definition of CSR within the context of a pharmaceutical company. Could you share your thoughts on any special aspects of CSR for a company like Astellas, which positions new drug discovery as a core activity?

Nogimori: Our industry has a necessarily strong interconnectivity with society as a whole because our business is directly linked to human health, and, accordingly, our products are required to be highly reliable. Astellas' business is rooted in research and development. If a drug is effective, it will necessarily have side effects. We have to balance these two aspects of drugs as we proceed with development. From the very first stages of research, we must firmly base our activity on ethical considerations.

For this reason, we must have a solid organizational structure, and of course, the accumulation of data is vital. It is likely to appear as though, when it comes to medicines, all you have to do is deliver the products. However, even more important is the information you provide as you deliver them. Our very existence depends on reliability. Therefore, our mission as a pharmaceutical company is to deliver important information along with reliable products.

Nakamura: It would appear that pharmaceutical companies had been engaged in CSR-type activities long before the words behind the acronym "CSR" came into use...

Nogimori: Of course we must have basic ideas and systems in place in order to fulfill our main activity in the pharmaceutical business, which is delivering safe drugs to the market. CSR is closely intertwined with much of our daily work related to our core business activity — developing and marketing pharmaceutical products — and providing information. We perform this work in a standardized way. We can consider that the long history of this work means that basically we have created the essentials. Additionally, Astellas has launched CSR-based management. This involves reassuring shareholders and earning their trust. To do this we need a management system with the pharmaceutical products business as its inner ring encircled by another ring or area of management.

For Astellas, CSR is an area of management that lies in between these two rings.

Nakamura: Do you have the feeling that something has changed since you now have CSR as a new ring surrounding your core pharmaceutical products business?

Nogimori: I think that honesty is required of us as a corporation. A corporation is much like a person. We believe that a company has a distinctive character or personality just like a person. A company that does not constantly refine and enhance this corporate character will not make progress. By enhancing its character, a company can win a further measure of trust from society. This effort is tied to the pride the employees take in their company. Astellas has introduced the idea that we must enhance the human quality of our approach to business, as well as the economic and social aspects. It is apparent that we face many challenges.

Nakamura: Mr. Nogimori, you chair the Company's CSR Committee yourself, don't you?

Nogimori: That's right. Our philosophy is that CSR is the essence of our corporate management. This work does not amount to merely deciding what the General Affairs & CSR Department should be doing. It involves discussing the effort that envelops all of the Company's business activities. We cannot move ahead if top management does not take the lead.

Astellas is not involved in any business that would force us to compromise on compliance.

Nakamura: Your company positions compliance and risk management as the basis for CSR-based management. Please tell us about your Company's compliance philosophy.

Nogimori: Last year, Astellas compiled Vision 2015. As the expression of the fundamental philosophy we have developed, this plan encapsulates our vision of the type of company we aim to become. At a meeting held to explain this vision, I stated, "Astellas is not involved in any business that would force us to compromise on compliance." Compliance does not merely mean obeying laws. Pharmaceutical companies must also adhere to various regulations. More broadly, compliance means that every individual employee must base his or her activity on ethical corporate principles, and the Company as a whole must do likewise. Putting things that way helps us renew our awareness that the very existence of the enterprise depends on our being trusted. We have made it abundantly clear that compliance takes precedence over business.

Nakamura: Next, could you tell us about the Company's approach to risk management and drug safety — the other pillars of CSR-based management? With pharmaceuticals, even when you bring to the market a product that you feel is perfectly designed, you have to be aware that the effects

of and reactions to a given drug will vary depending on the person receiving it. It is difficult to anticipate and prevent every undesirable reaction. It seems to me that, from the CSR standpoint, there are many cases in which the Company's response to a problem is crucial.

Nogimori: For Astellas, from the research and development stage onward, product development and information accumulation are synonymous. Our safety efforts include the accumulation of data from studies using animals and human subjects. As a matter of course, the data gathered in clinical development is incorporated into our new drug application materials, and this is reflected in the product information. Nevertheless, once a product is on the market, the number of users suddenly increases, which means that side effects that couldn't have been predicted in the clinical development stages may appear. Our medical representatives constantly collect information from doctors after a product is put on the market. This series of activities guarantees the reliability of our pharmaceutical products.

Nakamura: You have told us about the characteristics of your company's CSR work. How do you go about bringing CSR-based management ideas to all employees?

Nogimori: We fully and repeatedly explain the ideas. We put forward our basic position on CSR in the Vision, and we provide specific content in the CSR Report. In addition, our CSR sections conduct periodic training and circulate information. We expect results from those in charge at each work site and middle management. The results of their efforts soon become clearly apparent. CSR-based management is intended to cover all of the Company's activity. This gives me opportunities to relentlessly talk about CSR at various meetings, to the point where CSR is constantly on every employee's mind.

Nakamura: Please tell us about your company's efforts to protect the environment.

Nogimori: The environment is an important area of activity in CSR. Some environmental problems are issues to be addressed by our plants and places of business and the respective regional communities. On the other hand, issues such as global warming must be addressed at the global level. From its inception in 2005 through merger, Astellas has created and vigorously implemented action plans to address these issues. It might be noted, in particular, that the volume of CO_2 emissions in fiscal 2006 reached the target level established for fiscal 2010.

We want to supply our excellent products directly to those who need them.

Nakamura: Finally, what's your outlook regarding the crucial task of increasing enterprise value?

Nogimori: In our management philosophy, increasing enterprise value is positioned as part of our Corporate Mission. To my mind, there are two basic ways we can go about raising enterprise value. One is through business activity, and the other is by building a reputation as a company. As for the business approach to augmenting enterprise value, we must create products that benefit patients. Then to the fullest extent possible, through our own efforts, we must supply these products to the people of the world and thereby earn an appropriate level of profit. The first priority is to find ways to fortify the Company's own research and development capabilities. As for the other area,

reputation, this essentially means earning a strong reputation for trustworthiness among the general public. The key to succeeding in this area is to soundly implement CSR-based management. The Company must create a solid brand. The name Astellas must become more widely known. We would like large numbers of people to know that "That's the kind of work this company is doing." Toward this end, we have created a new slogan, "We can change tomorrow." These words embody the inspiration to every Astellas employee to continue the challenge of creating state-of-the-art pharmaceutical products that are truly needed, to continue our resolute fight against disease, and to work with shared hope and determination. This brand image is very important. Our brand should help build a spirit of unity within the Company and enable all employees to share a common philosophy. I hope that this slogan will convey these ideas to guide our work in all situations and circumstances. Leveraging Astellas' strengths will enable us to bring truly outstanding products to the market. This will become the basis for the Company's transformation into a global pharmaceutical corporation, marketing products resulting from Japan-based research and development.

Thoughts after concluding the interview

Representative Director,
Simultaneous interpreter and translator
Kuno Co., Ltd.

Ms. Yuko Nakamura

Mr. Nogimori said, "The toughest thing I've faced since becoming company president is being in the limelight, in front of so many people." His talk on CSR was quietly spoken, but with great passion, exuding a warmth and sincerity of character. The way in which "corporate character" was discussed in the interview indicates it will be built upon the character of, first of all, the company president, as well as the individual characters of each and every employee. The President and the staff of the General Affairs & CSR Department did not use the expression "CSR initiatives." Instead the idea that is clearly conveyed is that CSR is not an adjunct to, but an integral part of management that is being worked into the Company's basic business activities. One gets the sense that at Astellas, fertile soil has been prepared in which CSR can take firm root.

astellas

Leading Light for Life

Superior pharmaceuticals that promise a healthier and
more enriched life for people all over the world
That is Astellas' earnest wish. Our challenge, our vision, and our mission are
to illuminate the future and constantly seek a better life for all.
As a global pharmaceutical company, Astellas is determined
to be the "Leading Light for Life."

This corporate message directly reflects our business philosophy (raison d'être):
"Contribute toward improving the health of people around the world
through the provision of innovative and reliable pharmaceutical products."

The Astellas corporate brand mark is depicted by the "Flying Star," a beautiful shining star moving toward the future. This corporate 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.

Introducing Astellas Pharma Inc.

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

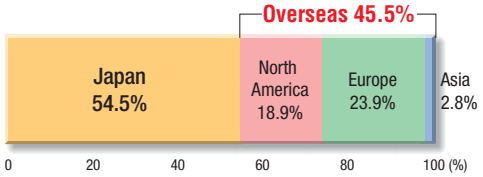
Astellas Pharma will seek to aggressively develop its business as a global pharmaceutical company, but with a unique Japanese perspective that helps improve the health of people around the world through the provision of innovative and reliable pharmaceutical products. At the same time, Astellas aims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

Company outline (as of March 31, 2007)

Founded: April 1923
Capital: ¥103 billion
President: Masafumi Nogimori
Head office: 3-11, Nihonbashi-Honcho 2-chome,
Chuo-ku, Tokyo 103-8411, Japan

Principal areas of business are the manufacture, sale, import and export of pharmaceuticals.

● **Percentage of sales by operational base (FY2006)**

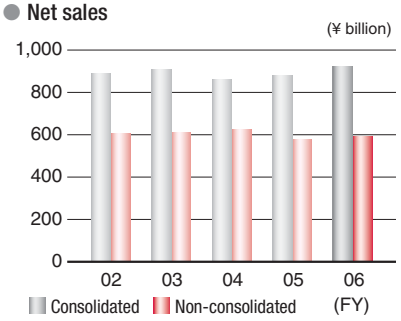


● **Major indexes**

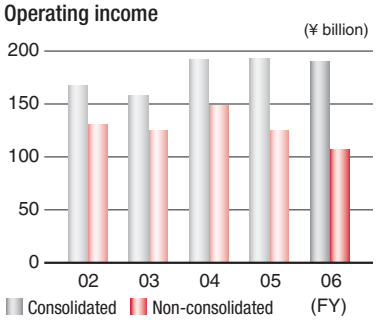
Operating income margin	20.7%
Ordinary income margin	21.5%
Net income to sales ratio	14.3%
Cost to sales ratio	30.9%
R&D expenses to sales ratio	18.2%
Equity ratio*	74.7%
Earnings per share	¥244.07
Return on equity	11.3%

*Equity ratio = Net assets, after deduction of minority interests, as a percentage of total assets

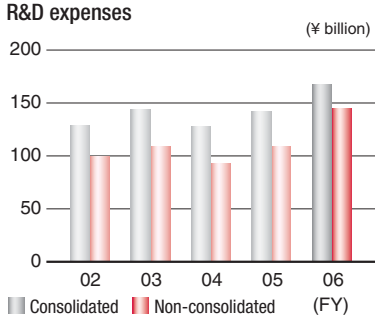
● Net sales



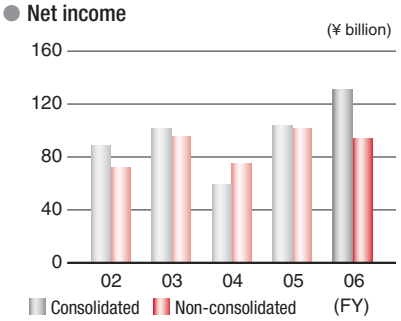
● Operating income



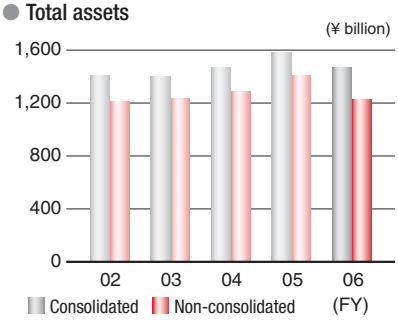
● R&D expenses



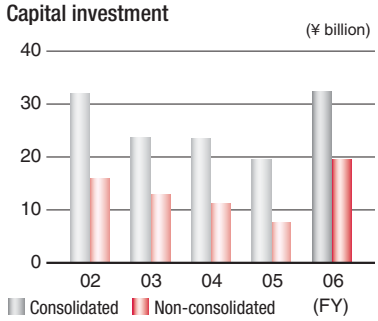
● Net income



● Total assets



● Capital investment



● Employees

FY	2002	2003	2004	2005	2006
Consolidated	17,608	16,898	15,024	14,965	13,889
Non-consolidated	8,712	7,733	7,577	6,380	5,996

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

Sales of our main ethical drugs

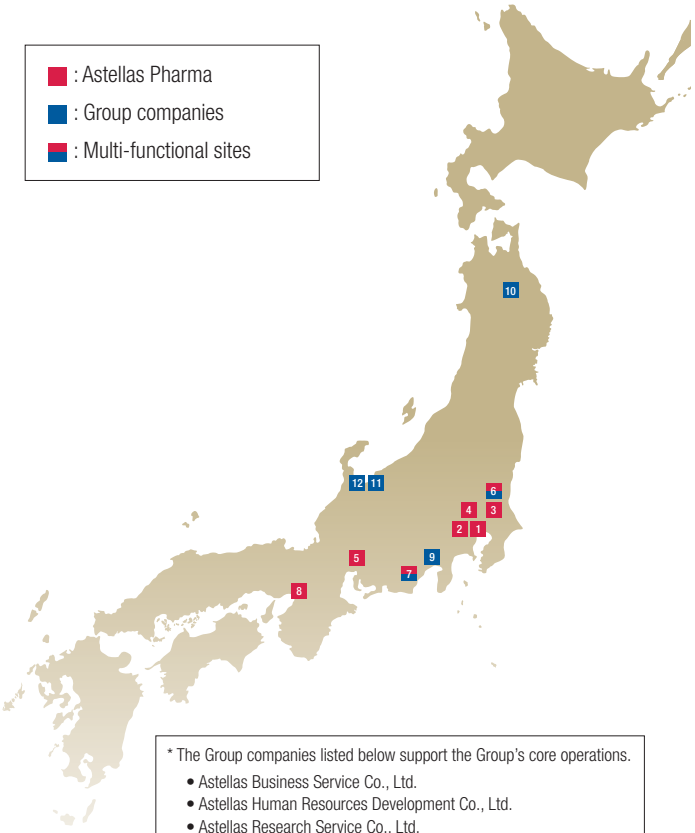
(¥ billion)

	Name	Effect	Sales (consolidated)
Global products	Prograf®	Immunosuppressant	175.4
	Harnal®	Treatment of functional symptoms associated with benign prostatic hyperplasia	127.0
	Vesicare®	Overactive bladder treatment	36.2
	Funguard®/Mycamine®	Echinocandin antifungal injections	16.5
	Protopic®	Atopic dermatitis treatment	14.7
	Name	**Effect**	**Sales**
Domestic main products	Lipitor®	Hypercholesterolemia treatment	94.7
	Gaster®	Treatment for peptic ulcers and gastritis	62.2
	Micardis®	High blood pressure treatment	50.3
	Myslee®	Hypnotic	19.4
	Seroquel®	Schizophrenia treatment	16.8
	Cefzon®	Cephalosporin antibiotic	14.7
	Luvox®	Antidepressant	11.1

Main facilities (Astellas Pharma and main Group companies)

Astellas Pharma

Facility	Location	Function
1 Head Office	Chuo-ku, Tokyo	Office
2 Hasune Office	Itabashi-ku, Tokyo	Development
3 Miyukigaoka Research Center	Tsukuba, Ibaraki	Research
3 Tokodai Research Center	Tsukuba, Ibaraki	Research
4 Tokyo Research Center	Itabashi-ku, Tokyo	Research
5 Kiyosu Facilities	Kiyosu, Aichi	Research
6 Takahagi Technology Center	Takahagi, Ibaraki	Research
7 Yaizu Technology Center	Yaizu, Shizuoka	Research
8 Kashima Facilities	Yodogawa-ku, Osaka	Research
Branch/sales offices	Nationwide	Sales



* The Group companies listed below support the Group's core operations.

- Astellas Business Service Co., Ltd.
- Astellas Human Resources Development Co., Ltd.
- Astellas Research Service Co., Ltd.
- Astellas Marketing and Sales Support Co., Ltd.
- Lotus Estate Co., Ltd.
- Analytical Science Laboratories, Inc.

Domestic group companies

Company	Facility	Location	Function
Astellas Tokai Co., Ltd.	7 Yaizu Plant	Yaizu, Shizuoka	Manufacturing
	9 Fuji Plant	Fuji, Shizuoka	
	10 Nishine Plant	Hachimantai. Iwate	
Astellas Toyama Co., Ltd.	11 Toyama Plant	Toyama, Toyama	Manufacturing
	12 Takaoka Plant	Takaoka, Toyama	
Astellas Pharma Chemicals Co., Ltd.	6	Takahagi, Ibaraki	Manufacturing

Overseas group companies

North America

Company (Facility)	Location	Function
Astellas US Holding, Inc.	15 Illinois	Holding company
Astellas US LLC		Headquarters
Astellas Pharma US, Inc.		Development, marketing and sales
Astellas Research Institute of America LLC		Research
Astellas Pharma Manufacturing, Inc. (Grand Island Plant)	16 New York	Manufacturing
Astellas Pharma Technologies, Inc. (Norman Plant)	17 Oklahoma	Manufacturing

Europe/Asia

Company (Facility)	Location	Function
Astellas B.V.	18 Netherlands	Holding company
Astellas Pharma Europe B.V. (Meppel Plant)		R&D and manufacturing
Astellas Pharma Europe Ltd.	19 UK	Headquarters
Astellas Ireland Co., Ltd. (Kerry Plant) (Dublin Plant)	20 Ireland	Manufacturing
Astellas Pharma China, Inc. (Shenyang Plant)	21 China	Manufacturing, marketing and sales

Research and development

Research and development aiming to secure sustainable medium- and long-term growth by creating a continuous stream of epoch-making drugs, Astellas is energetically implementing a policy that assigns the highest priority to research and development.

Drug discovery research

Astellas has targeted six categories (urology, inflammation/immunology, infectious diseases (viral infections), central nervous system (CNS)/pain, diabetes, and cancer), as its most important R&D categories, in consideration of the unmet medical needs and market potential in these categories, and the Company's research potential in these fields. The Company is further reinforcing its basic technologies, such as genomic technology for the generation of new pharmaceuticals, and is building a new platform for the development of antibody drugs in addition to the drug discovery research based on its expertise in chemical synthesis and fermentation. Further, to raise productivity in drug discovery, the Company decided to integrate the drug discovery research function in Tsukuba City and its R&D functions in Kashima (Osaka). As a part of these measures, Astellas has begun construction of new buildings at its Miyukigaoka Research Center in Tsukuba City.

Clinical development

Astellas prioritizes its clinical development projects and allocates its resources efficiently to accelerate development and achieve faster commercialization. In fiscal 2006, we received approval for the products outlined below. Progress is being made in clinical development of several new candidate drugs in Japan, the U.S. and Europe.

The Company is also working to enhance its product line through proactive in-licensing activities, as well as by strengthening its in-house research and development activities.

Approvals acquired

Vesicare® (overactive bladder treatment)	April 2006 in Japan
Celecox® (selective COX-2 inhibitor)	January 2007 in Japan
Prograf® (lupus nephritis as an added indication)	January 2007 in Japan
Funguard® (preventive administration, etc., as an added indication)	January 2007 in Japan
Vaprisol® (indicated as added therapy for hyponatremia)	February 2007 in U.S.

Providing information to medical practitioners

Pharmaceuticals are valuable only to the extent that doctors and pharmacists are provided with information on their use, efficacy, and safety, and that patients properly use them.

Our medical representatives (MRs) provide pharmaceutical information. Company MRs visit medical institutions to provide doctors and pharmacists with technical information, not only about the beneficial aspects of our products, but about the risks as well, so that they may be used properly.

MRs also play a role in collecting information on the efficacy and safety of actual prescriptions, information that can not be obtained during the R&D phase. They also provide medical institutions with evaluations based on the results of this effort.

With 22 branch offices and 161 sales offices in Japan, Astellas' 2,400 MRs provide information to medical sites nationwide. (Worldwide we have 4,900 MRs.)

To back up this MR activity, Astellas has also introduced systems that enable medical professionals to obtain basic information on products 24 hours a day; these include Astellas Medical Net, a website for medical professionals; and a fax-based service, Pharmaceutical Information BOX. In addition, an e-mail magazine with information on treatments is available to medical professionals on request.

Our Drug Information (DI) Center handles inquiries from medical professionals, general consumers, and patients and their families, about taking medicines, and their safety, effectiveness, and efficacy. Additionally, the Center provides our sales departments with feedback received when handling inquiries. This helps the Company provide more comprehensive products and services.

In fiscal 2006, the cumulative number of inquiries about pharmaceuticals received by the DI Center reached 69,882.

Topics

Efforts to improve product recognition

One measure we take to prevent incorrect use of medicines is to provide clear indications of product name and ingredient substance amounts on all tablets and capsules. The products have different colored markings to indicate different dosage amounts. This makes it easier for patients to distinguish between the different types of products. Technical tasks remain, such as those related to the use of the product indication space and improvement of post-printing inspection accuracy. The new marking system is not yet available on all products. We are continuing our efforts in this area.

Example — Starsis® tablets

- Markings include product name and ingredient amounts (from code number to katakana marking)
- The color of each is changed to indicate ingredient amounts (30 mg tablets are white)

Starsis® tablets

A global pharmaceutical company that helps to keep everyone healthy

Astellas' aim is to be a positive force for all patients fighting illness. In order to respond to the desires of all our stakeholders — starting with patients and their families, those in the healthcare field, shareholders, employees and local communities — we continue to take up the challenge at an even faster speed.

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

Astellas' action criteria are based on four commitments — a high sense of ethics, customer focus, creativity, and a competitive focus. By acting in accordance with these commitments, we aim to win the trust of all our stakeholders — our customers, shareholders, employees, and society at large.

Business Philosophy

Established April 1, 2005

Raison d'Etre

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

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

Mission

Sustainable enhancement of enterprise value

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

Beliefs

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

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

Charter of Corporate Conduct

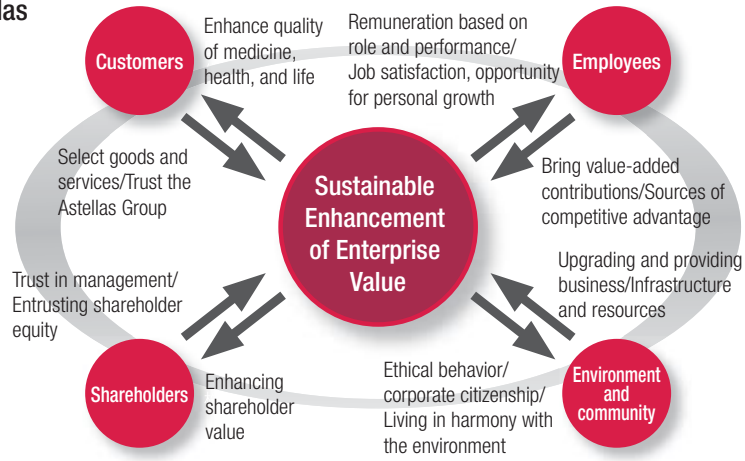
Established April 1, 2005

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

1. **Providing beneficial products**
2. **Maintaining high ethical standards**
3. **Fulfilling disclosure requirements and transparency**
4. **Fair and free competition**
5. **Ensuring sustainable benefits**
6. **Promoting employee welfare**
7. **Respect for different cultures**
8. **Promoting environmental conservation**
9. **Engaging in philanthropic activities**
10. **Selecting ethical business partners**

**For details, see the Astellas website.
(http://www.astellas.com/global/about/charter/index.html)**

Interaction between Astellas and its stakeholders



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

Vision 2015

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

Astellas aims to become a global category leader

Astellas has chosen "Global Category Leader" (GCL) as its business model. We aim to be a GCL — a company that leads the market in several categories where high unmet medical needs exist and where a high degree of expertise is required. A GCL shows higher competitiveness by providing value-added products globally, and takes over the position of leader in a category.

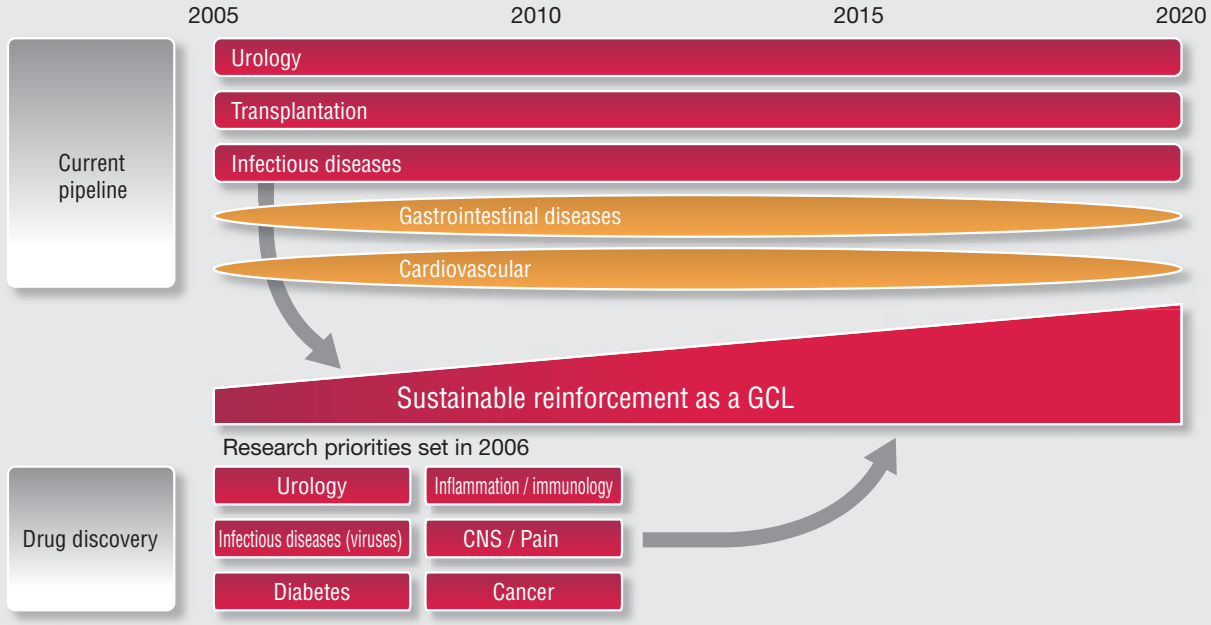
Systems to realize Vision 2015

Astellas will promote the three systems shown below to achieve Vision 2015

- Astellas has identified human resources development as its most important issue, and is tackling this with competitive investment.
- Astellas will create the optimal management control system based on necessary information for decision making in a faster and better manner.
- Astellas will clarify its corporate social responsibilities and promote CSR-based management as a system to fulfill them.

Vision 2015

Steps to becoming a GCL



Our CSR-based management

Astellas is promoting CSR-based management as a key method to be used to reach the goals set in Vision 2015, to realize the business philosophy, and to positively meet social responsibilities.

We created our Charter of Corporate Conduct and positioned it as Astellas' CSR policy to implement our Business Philosophy at the operational level, making it clear that we will meet our social responsibilities by operating with the highest level of integrity.

The Company also created a CSR-based management policy in order to convey CSR-based management ideals in a form easily understood by employees.

Definition of CSR-based management at Astellas

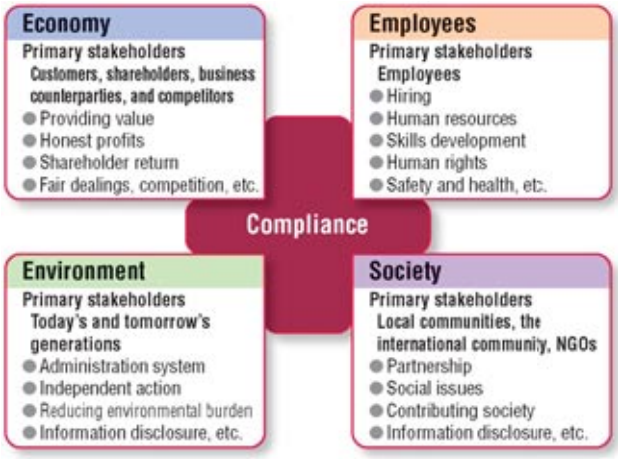
Astellas' definition of CSR-based management is as follows:

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

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

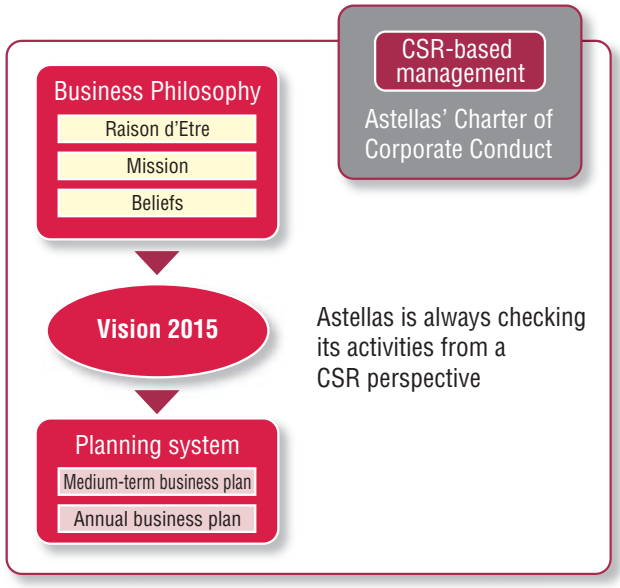
The five fields of CSR management

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



Positioning of CSR-based management

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



Approach to CSR promotion

We believe that the following are the key areas of Astellas' social responsibility. Each area is part of Astellas' raison d'être, mission and beliefs. In other words, we believe that Astellas' fulfillment of its social responsibility and its work to realize its philosophy are one and the same.

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

The three systems in CSR-based management

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

Three systems

Promote a corporate culture with integrity based on compliance

—We will develop a compliance philosophy that adheres not only to the law, but also to the principles of corporate ethics.

—Corporate activities based on compliance shall permeate and be inculcated in every department and every employee.

—We will verify that compliance is entrenched throughout the company.

Introduce international principles and systems to promote environmental, safety, and social activities

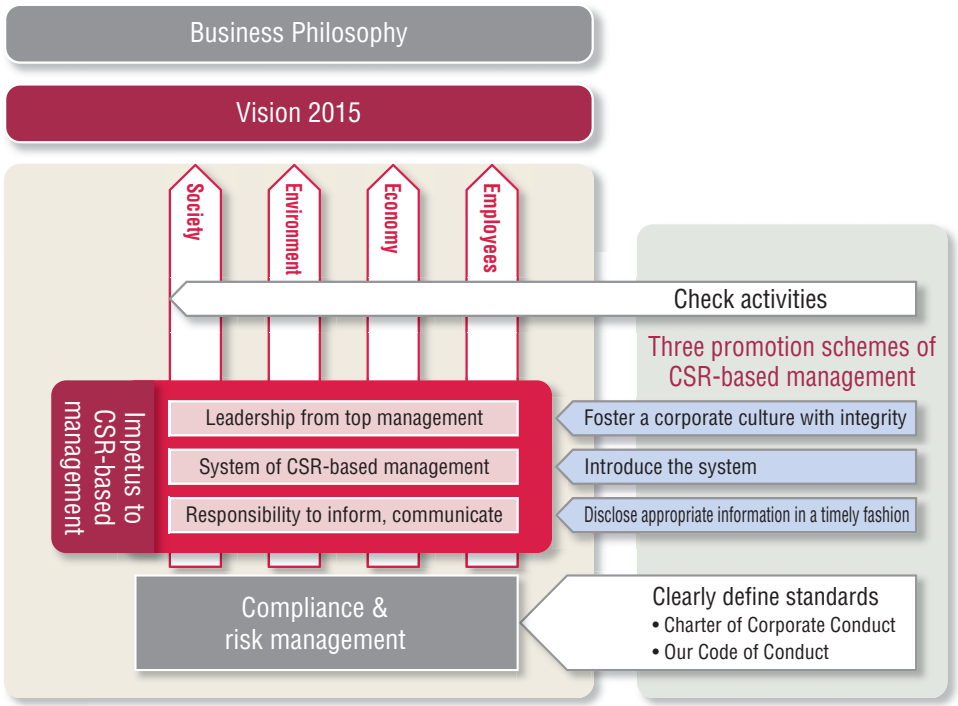
—We support international principles of corporate behavior.

—We will adopt public standards, for example ISO standards, for the environmental, health and safety, and social activities.

In order to meet the demand for transparency in corporate activities, disclose management information as and when appropriate and encourage dialogue with local communities and market participants

—We actively disclose management information and information on environmental and social activities to our stakeholders (financial reports, business reports, CSR reports, annual reports, etc.).

—In each facility, we inculcate practices in information disclosure and dialogue with the community (disclosure of information in major facilities and at the group company level).



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

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

Our Code of Conduct

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

Our Code of Conduct

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

I. Basic Code of Conduct

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

II. Code of Conduct towards Principal Stakeholders

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

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

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

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

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

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

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

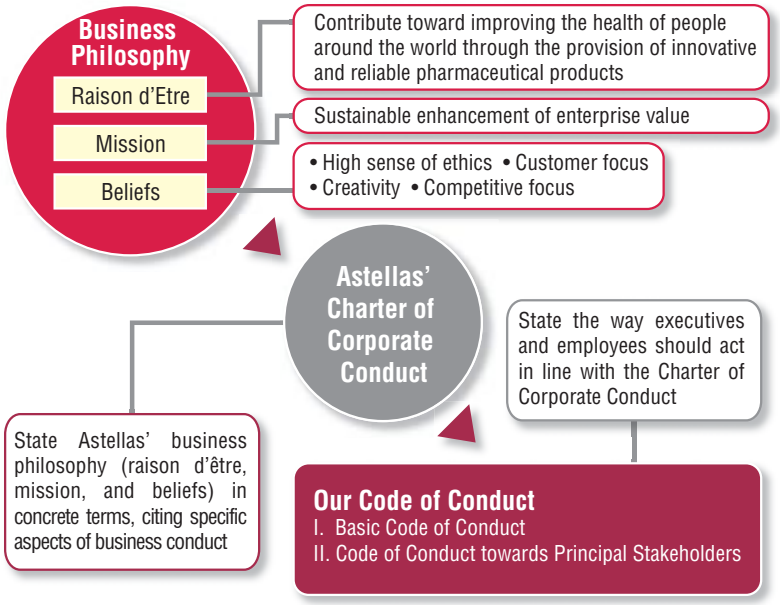
8. Conduct towards the Environment
- We will remain fully conscious of the impact of the company's day-to-day business activities on the local community and the Earth's environment, and undertake environmental-conservation activities.
- We will make active efforts to ensure efficient use of resources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

Our Definition of Compliance

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

Charter of Corporate Conduct and Our Code of Conduct

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



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

"C-file" booklet

Portable "C-file"

The "C" in "Astellas C-file" stands for the C's in CSR, Compliance, Charter, and Code of Conduct.

Compliance promotion system

The CSR Committee deliberates and decides on Astellas' policies, plans, and measures related to compliance, which are then distributed to each department by the director in charge of compliance and the CSR department. Furthermore, items that commonly apply throughout Astellas are then passed on to group companies overseas, and a request is made that these items be reflected in their own compliance efforts.

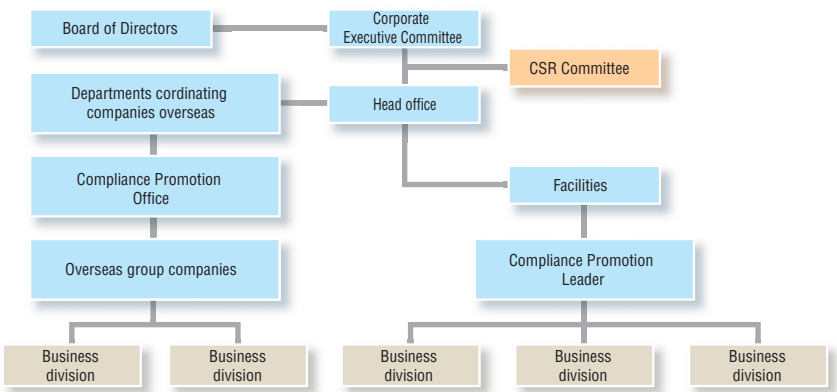
Compliance promotion leaders

Compliance promotion leaders (95 in all) have been appointed for each domestic department in the Astellas Group to disseminate ideas on compliance at each facility and workplace. Assistants have been appointed where necessary to assist the compliance promotion leaders.

The main role of the compliance promotion leaders and assistants is to provide compliance-related consulting and instruction for all members of the department, to act as a contact person for the CSR department, and to distribute compliance-related information provided by the CSR department to all members of the department.

In May 2006, the Compliance Promotion Leader Conference was held at Astellas Head Office for all compliance promotion leaders. The conference was a forum for sharing information on various issues, including the Charter of Corporate Conduct and Our Code of Conduct, thoughts on compliance at Astellas, the place of compliance in business, and examples of compliance both within and outside of Astellas. There were also group discussions on compliance-related topics in each department and compliance-related presentations. The Compliance Promotion Leader Conferences are expected to be held regularly.

● Compliance promotion system



● Compliance Promotion Leader Conference

❖ Education and training

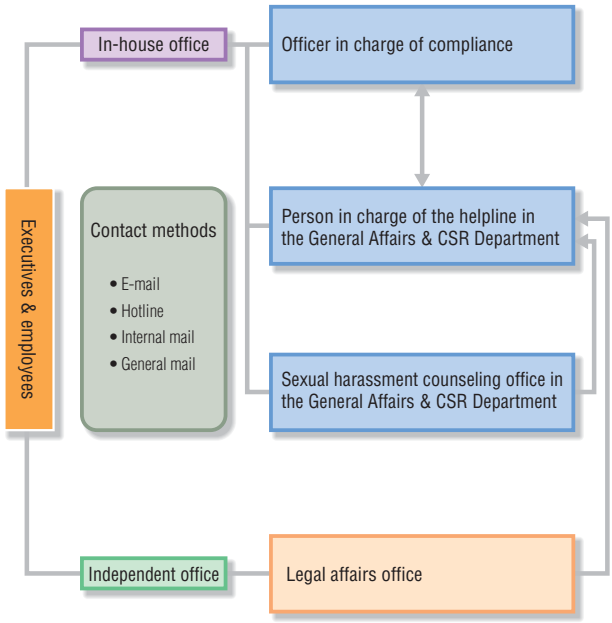
In fiscal 2006, compliance promotion leaders and the General Affairs & CSR Department personnel conducted a program of lectures and small-group discussions involving all Group employees in Japan (including temporary staff). This training involved beneficial exchanges of opinions between lecturers and trainees. Participants in this small-group bidirectional compliance training program use a case study approach, referring to actual examples of the need for compliance in their work. Lively debates are conducted, and accepting differences of opinion is encouraged to ensure that the discussions are useful and that mutual understanding is furthered. In the final part of the training, each employee at the respective work site presents what is felt to be a dilemma. The participants share information and help one another solve the issues involved. In addition, as was the case last year, new employees are provided C-file training.

❖ Helpline

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

Therefore, a helpline has been created to provide counseling and solutions related to these kinds of problems. This system makes it possible for all employees to directly contact the director in charge of compliance by e-mail, regular mail, or phone. Female staff are assigned to the sexual harassment counseling office, to provide counseling and handle reports of sexual harassment, because this makes it easier for female employees to seek counseling. In addition to the above items, the helpline can also be used for a wide range of issues, including questions and proposals related to compliance. The identity of employees using the helpline is kept strictly confidential, and retaliatory actions, workplace threats, and harassment of an employee that has used the helpline are strictly forbidden. The helpline was contacted 77 times in fiscal 2006 by persons with questions, and for consultations.

● Outline of the helpline



❖ Personal information protection system

Astellas has established an in-house system in line with various guidelines to comply with the Law on Personal Information Protection.

In-house system

* Appointment of officer in charge
* Establishment and announcement of policy on personal information protection
* Establishment of personal information protection rules
* Announcement of purpose of use
* Creation of an inquiry office

The Company has also created a Personal Information Protection Manual that sets forth specific rules for the handling of personal information. All employees have been instructed to carry at all times the Personal Information Protection Card, an abridged version of the Personal Information Protection Manual. Efforts are also being made to strengthen the personal information protection system by holding, when necessary, department- and job-specific explanatory meetings.

Personal Information Protection Card

Partial leak by "Winny" of business-related information (including personal information)
An incident occurred where the business-related information of some customers, including personal information, was leaked by "Winny," a file exchange program used in PCs personally owned by employees of a domestic Group company. Although no inappropriate use of information was verified, Astellas considers any breach of information a serious matter. Appropriate steps have been taken to strengthen the security of our information systems and prevent similar information-related incidents in the future.

It takes ten years or more from the time a candidate compound is discovered or created to its approval by the Ministry of Health, Labor and Welfare (MHLW), thus clearing the way for the launch of a new pharmaceutical product. The pharmaceutical company first conducts research in the laboratory, including genetic research. Various tests are then carried out, both in vitro and employing lab animals, and finally, clinical tests are conducted on patients to prove the pharmaceutical's efficacy and safety. Astellas employs a system with strict safety standards at the stages of research and development that simultaneously takes human rights into account and gives consideration to animals.

Flow of R&D for pharmaceuticals

Basic research	Non-clinical trials	Clinical trials	Application for approval	Post-marketing surveillance
This is the stage at which research is conducted to discover or chemically create new substances and components that will become the source of a pharmaceutical product. Various chemical and physical processes and biotechnology are used. Recently, methods using genome information (genetic information) have been employed.	The efficacy and safety of candidate substances are examined using cultured cells and lab animals. Research is conducted on ADME (absorption, distribution, metabolism and excretion), and on stability and quality of the substances.	Efficacy and safety for human beings is assessed during this stage. Useful compounds become investigational new drugs (IND) at this stage. After the doctor receives the informed consent of both healthy people and patients, clinical trials are cautiously conducted while checking safety. This is done in the following three stages: **Phase I clinical trial:** Safety, including side-effects, are checked on a small number of healthy volunteers **Phase II clinical trial:** Usage and dosage are examined while checking the efficacy and safety on a small number of patients **Phase III clinical trials:** Efficacy and safety are checked on a large number of patients	Application for approval is filed with the MHLW. The application is examined by experts, and if the investigational new drug (IND) is determined to be useful, it is approved as a pharmaceutical.	By collecting data on usage by large numbers of patients at medical institutions such as hospitals, efforts are made to identify and examine side-effects that were not detected at the development stage or through efficacy investigations.

Consideration of human rights in genetic research

Deciphering the human genome (all human genes) will dramatically increase our understanding of the relationship between genes and biological functions or diseases. Genetic research is expected to enable the development of innovative pharmaceuticals and to design pharmaceuticals and treatments that fit individual genetic information. However, human genetic research raises ethical concerns about collecting and managing information related to samples such as blood, tissue, and individual genetic information. At Astellas, we have established a Human Tissue Research Ethics Investigative Committee based on ethical guidelines for human genome/gene analysis research. This committee, which is made up of members of the public and experts in various fields such as ethics, law, and the natural sciences, as well as our employees, deliberates on ethical questions and recommends appropriate action related to the analysis of the human genome and tissue samples.

Consideration of human rights in clinical trials

It is necessary to improve reliability, safety, and test quality, and protect the personal information and human rights of patients when conducting clinical trials required for the development of pharmaceuticals, post-marketing clinical trials and surveillance.

Astellas has established a Clinical Trial Investigative Committee that includes outside doctors and lawyers. This committee checks and monitors the ethical and scientific appropriateness of clinical trial plans.

Astellas uses both newspapers and the Internet to provide information related to trial subjects in compliance with the Japan Pharmaceuticals Manufacturers Association methods and rules concerning appropriate dissemination of information for efficient recruitment of subjects (Notification No. 65 of the Inspection and Guidance Division, Pharmaceutical and Medical Safety Bureau, dated June 30, 1999).

Ethical considerations related to animal tests

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

Information disclosure

Astellas provides information in various other formats to inform the general public of the Company's mission and beliefs. Information on Astellas' corporate activities is also available on the Company's website. A range of information, including Astellas' management policy, business activities, environmental information, and IR information can be found on Astellas' website. (http://www.astellas.com)

Starting in fiscal 2005, in accordance with the recommendation of the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) to increase the transparency of clinical trials, we established a disclosure policy for making public information about clinical trials and their results. We have made clinical trial results and planning information publicly available on a database on the Internet.

● Investor Relations

● Environmental information

Site with advice on OAB

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

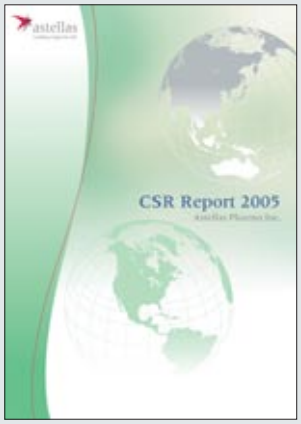
Disease and ailment information guide

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

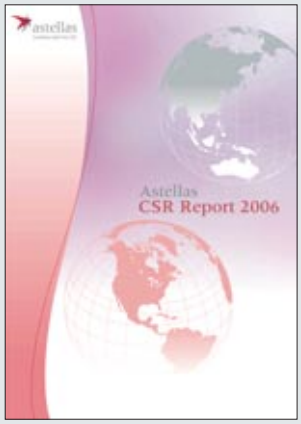
The annual CSR Report is compiled to report to all stakeholders — customers, shareholders and other investors, employees, and the government — on our environmental and safety initiatives and other activities related to the social responsibilities we must fulfill.

We plan to begin issuing site reports for major production and research facilities, covering their environmental and safety activities as a way to provide more information to the people living in the vicinity.

● CSR Report 2005



● CSR Report 2006



Social contributions

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

Flying Star Fund

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

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

Every year since 1997, the Fund has donated a number of wheelchair vans to welfare facilities. In fiscal 2006, seven vans were donated to seven facilities. Donations are made through the Zenshiren (National Federation of the Physically Disabled and their Parents).

A donated wheelchair van

Donation of ambulances on First Aid Day

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

As part of its social contribution activities, Astellas has donated ambulances to local emergency forces every year since 1970 for a total of 36 times as of 2006. The four ambulances donated in fiscal 2006 (two of which were high-grade ambulances) brought the total to 204 vehicles (26 high-grade).

A donated ambulance

Patient Association Support Project

Astellas is involved in the Patient Association Support Project, which provides support for those suffering from disease, as well as their families. Recruitment for this activity, called "Starlight Partners," is handled by means of internal appeals within the Company. Support is given to patients' self-help associations in the form of fund-raising for activities, training of peer supporters, training in the handling of accounting software, joining the associations as sponsoring members, and providing materials for events.

In fiscal 2006, activities were supported with funds on 21 occasions.

Basic training of peer supporters

Training in the handling of accounting software

Peer Supporters

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

Citizens' courses

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

At the second Astellas Good Life Forum, held in Osaka in March 2007, lectures were given on the themes "Forgetfulness or Dementia: How to Prevent Senility" and "Hanako's Cheerful Life." The speakers offered advice about mental health and how to prepare for a healthy senior life. After each forum, a booklet is created and sent to participants on request.

Good Life Forum

Astellas' Health Support Line

The "Health Support Line" established in 1996 provides advice by nurses via telephone in response to health concerns and questions. The consultation is free, and more detailed advice can be provided by specialists if desired. (Advice from specialists is provided once every two months, and all inquiries are by appointment. However, the support line does not offer diagnoses.) The support line responded to 8,029 inquiries in fiscal 2006.

Health information on the radio

Since 1996, a ten-minute daily radio program broadcast Monday through Friday, called "*Astellas Pharma Ashita mo Genki*" ("Healthy Tomorrow") in the Tokyo and Nagoya areas, and "*Astellas Pharma Sukoyaka Life*" ("Healthy Life") in western Japan, has been providing accurate and useful information on health and disease. Astellas hopes to increase interest in health and promote the correct use of medicines through this program.

In addition, information on diseases, such as lifestyle-related illnesses, is also provided, including what to look for when checking your own health. Further information is available on our Japanese website.

Support for Japan Organ Transplant Network

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

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

In 2006, the third year of the program, activities to raise awareness about transplants and appeal to the general public included creating and distributing wristbands, holding live charity events, and placing advertisements on subways. With the belief that saving even one more person's life is important, Astellas intends to continue to contribute to this campaign to promote organ transplants and help recipients return to everyday lives.

Donor cards

Support for employee participation in charity events

Astellas feels that it is important for employees to be involved in volunteer activities that contribute to people's health.

On August 20, 2006, eight employees participated in "Ride for the Roses," a cycling event held in Utrecht, Holland. On the day of the race, Utrecht was hit by heavy rain, but all members of the Astellas team finished the race. Our participation in the event began in 2005, the year Astellas was founded, when an employee collected donations from family and colleagues in order to participate. The following year, with the help of the Company public relations department, we were able to recruit more participants to join and form an Astellas team. We provided the team with expense money and uniforms as a way of showing support. The Company will continue to provide support for the volunteer activities of our employees.

Ride for the Roses

Once a testicular cancer victim himself, American cycling champion Lance Armstrong organized Ride for the Roses as an international charity cycling event. Funds raised from participants' entry fees, sales revenue, and donations all go to the Dutch Cancer Foundation.

Academic support activities

As a pharmaceutical company focused on R&D, Astellas supports research in various scientific fields, particularly medical science and pharmacology. Currently, the group has established three research foundations, and is supporting the development of basic science and life sciences by supporting study-abroad programs for young researchers.

Name of foundation	Business objectives
Astellas Foundation for Research on Metabolic Disorders* (Established 1969)	To promote the discovery of pharmaceutical resources and engage in associated basic and applied research and development, thus contributing to progress in medicine, pharmaceutics, and other related sciences. **http://www.astellas.com/jp/byoutai/index.html**
Astellas U.S. Foundation	To encourage research in medicine, pharmaceutics, and other sciences; promote cultural interchange between Japan and the U.S.; protect the global environment; contribute to community development and human welfare
Astellas Europe Foundation	To contribute to medicine, pharmaceutics and related fields

* In April 2007, the Astellas Foundation for Research on Metabolic Disorders absorbed the Astellas Foundation for Research on Medicinal Resources.

Topics

Establishment of a course funded by Astellas

In April 2007, "Astellas Drug Creation, Theory and Science" a course funded by Astellas, was created within the Research Department of the University of Tokyo Graduate School of Pharmacology. Using genome science as a foundation, the course will cover the application of research in chemical biology and theoretical approaches to the science of creating medicines. Astellas co-chairman Toichi Takenaka, Ph.D. will serve as a lecturer in the instructional part of the course. Mr. Takao Isogai, President of the Reverse Proteomics Research Institute, Co., Ltd., will oversee the research part of the course.

- **Course term: April 2007 through March 2012 (five years)**

Chemical biotechnology
An academic field in which organic compounds are studied as keys to deepening our understanding of physiology and disease.

Interacting with the local community

As a Company involved in saving lives, Astellas works to not only provide superior medicines but also actively interacts with other members of the communities in areas where its plants and offices are located.

Cooperation with local communities

Miyukigaoka Research Center
Science program for elementary school children
(Chibikko Hakase 2006)

Toyama Plant
Setting up a booth at the Toyama City Welfare Rally Flea Market

Yaizu Facilities
Discussing environmental issues with local residents

Fuji Plant
Tree planting at the foot of Mt. Fuji

Takaoka Plant
Offering lectures for the residents of the prefecture

Beautification

Kashima Facilities
Street cleanup in Osaka

Takaoka Plant
Beach cleanup

Takahagi Facilities
Neighborhood cleanup

Nishine Plant
Neighborhood cleanup

Tokodai Research Center
Cleanup campaign in local park

Toyama Plant
Beach cleanup

Facilities visit

Kashima Facilities
Junior high school students visit research center

Toyama Plant
High school students tour plant

Fuji Plant
Nursing school students visit plant

Our labor union's contributions to society

The Astellas Labor Union's Statement of Philosophy states, "Our aim is to contribute to the happiness of the people around us by using our unity and the abundance of ideas of our individual members and their families." The union accomplishes this by participating in activities and voluntary work that contribute to society.

It believes that, "By interacting with people and society outside the job, the individuals who make up the union gain an invaluable chance to broaden their horizons." Toward this end, the union has set up a Social Contribution Committee at its headquarters and each branch to lead the volunteer work done with regional or local communities. Some of the activities undertaken to contribute to society are outlined below.

Independent social contributions and voluntary activity undertaken by the union

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

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

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

Cooperation in the Company's social contribution activities

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

The union also supports the individual volunteer efforts of members by providing information and insurance plans for participants.

Hunger-Free World (HFW)
An NGO (non-profit corporation) engaged in international cooperative activity to help build a world without hunger and poverty

Conducting a charity auction, "AC ☆ FESTA 2006" (Yaizu Facilities)

Employees at the Yaizu Facilities sought to help create a pleasant work environment by holding an enjoyable event, "AC ☆ Festa 2006," which makes a small contribution to society and helps build warm relationships based on trust and communication among the staff.

On the day of the event, employees participated in sports events, a flea market, a bazaar, and a charity auction. There was also a play area for children, an area for sporting competitions, and food and drink stands. Proceeds from the bazaar, flea market, and auction were donated to the Ashinaga Ikuei Kai.

* Regarding "AC," the "A" stands for "Astellas," and the "C" represents both "communication" and "cooperation."

Safety and health initiatives for employees

Efforts on behalf of employees

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

Safety and health initiatives

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

In practice, our initiatives in the area of safety and health have much in common with our environmental protection efforts. Therefore our policies and management systems address these two areas of activity in a comprehensive manner. To learn more about our policies and organizational structures in the area of safety and health, please refer to the section on Environmental Initiatives starting on page 31.

❖ Astellas' position and aims in its safety and health activities (from "Environmental and Safety Guidelines")

Compliance with laws, regulations and internal guidelines	●Understand legal requirements and respond appropriately ●Establish in-house controls and management standards and goals pertaining to matters related to social responsibilities
Safety and health management	●Build a management system and promote organizational measures and planning activities (with the aim of responding to social requirements and raising operational efficiency, and securing third-party approval and certification if necessary) ●Carry out risk assessments and ongoing efforts for improvements ●Gather and share information on accidents and disasters to prevent similar accidents and disasters from occurring ●Conduct regular internal audits
Harmful substances management	●Provide a healthy work environment by preventing exposure to harmful substances ●Convert information on the safety aspects of chemical substances into a database and take other measures to ensure thorough controls on use and disposal ●Implement proper control and utilization of poisonous substances, narcotics, psychotropic drugs, radioactive substances, biohazards, etc.
Control of sensory nuisances and response to complaints	●Provide a healthy work environment by specifying and adopting proper countermeasures for sources of sensory nuisances ●Respond to employee complaints and proposals pertaining to safety and health
Response to accidents and emergencies	●Create and share specific accident and disaster response manuals ●Improve capability to minimize damage in times of disaster by setting up disaster-prevention organizations, associated infrastructure and management procedures ●Establish and verify the effectiveness of communications systems and response methods for all conceivable types of accidents and emergency situations
Management of facilities and vehicles	●Identify safety risks related to facility structures, functions, etc.; set up signs and warnings to promote awareness and vigilance in regard to dangers ●Properly manage and maintain equipment, such as forklifts, which could cause accidents and physical injuries; ensure proper education and training of personnel working with such equipment ●To prevent accidents at work sites, establish safety standards for operation of vehicles used on premises
Cooperation with local communities	●Regularly disclose information on safety and health, and build and maintain a good relationship with the local community
Education and training	●Establish a post with full-time responsibility for safety and health management, and continuously train personnel to ensure availability of qualified personnel to meet the needs of each facility ●Conduct planned education and training programs with the aim of raising awareness of safety and health issues ●Promote self-education for management personnel

Safety Action Plan (results in fiscal 2006)

In fiscal 2006, goals were established regarding safety and health management and cooperation with local communities, and measures were taken in these areas.

●Accomplishments under Action Plan

Safety management: Safety management systems were nearly completed at each major facility, and activities commenced. The planned activities to achieve ongoing improvements will begin in fiscal 2007.

1. Building a safety management system

Action Plan

- Construct a safety management system at each principal facility and commence activities by fiscal 2007
- Prepare and begin to implement a concrete risk assessment action plan concerning safety, hygiene, and disaster prevention by fiscal 2007

It is important to maintain a high level of awareness of issues that can be a source of physical danger at production and research facilities. Difficulty in seeing the benefits of safety activities, and employee complacency, can lead to a drop in awareness and sensitivity to dangers and risks. This is viewed as one factor in major disasters. While expanding the safety management system to research and production departments, in order to reduce risks, Astellas is implementing measures to uncover potential safety risks at facilities and during operations, and is conducting risk assessments.

In fiscal 2006, along with conducting a review of safety and health management systems at research departments as well as production departments, the Company moved ahead with preparing management documents, and safety and health management systems were nearly completed.

We have made progress in developing mechanisms and methods for risk assessments, and have identified some of the potential dangers and sources of harm. From fiscal 2007, identifying the sources of potential danger or harm will be a priority. Plans are being implemented to lower risks.

2. Cooperation with local communities

Action Plan

- Release information related to safety and health for each principal facility by fiscal 2007

The Company feels that disclosing information on safety and health is an important part of the efforts made by our facilities to obtain the understanding of surrounding communities regarding their activities. Accordingly, Astellas has made disclosing safety and health information part of the Action Plan defined by each production or research facility. In fiscal 2006, six of our facilities included safety and health information in their published environmental reports.

Safety Action Plan (plan for fiscal 2007)

Along with continuing work on items not completed, the Company's Action Plan for fiscal 2007 sets new quantitative targets for activities related to responses to accidents, emergencies and work accidents.

The Action Plan for fiscal 2005 called for setting up organizations and communication networks to enable appropriate responses to all conceivable accidents or emergency situations, and for creating risk management systems that would include response procedures. Subsequently, it was felt that some ongoing reviews, including plans for communications networks and responses to emergencies, were insufficient. Therefore, another Action Plan was drafted. As for the severity rate of work-related injuries and our preparedness and preventive measures for work accidents, we have extended our continuous record of zero work accidents as our performance indicator.

❖ Fiscal 2007 Safety Action Plan

Established April 1, 2007

Items	Action Plan
Safety management	● Prepare and begin to implement a concrete risk assessment plan for safety, hygiene, and disaster prevention by fiscal 2007.
Response to accidents and emergencies	● Develop and continuously strive for improvements in a risk management system, incorporating organizations, communications networks, and methods of responding to all conceivable accidents and emergency situations.
Severity rate of work-related injuries	● In an effort to prevent serious work-related accidents, Astellas will continually work to keep the severity rate of 0.005 or lower as its goal for work-related injuries.
Cooperation with local communities	● Release information related to safety and health at each principal facility by fiscal 2007.

Other initiatives

1. Harmful chemical substances management

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

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

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

2. Preparedness and response to accidents and emergencies

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

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

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

Drill on handling a defibrillator at Tokodai Research Center

Evacuation drill at Tokyo Research Center

Training in extinguishing fires at Takahagi Facilities

Drill on evacuation from upper floor of building at Kiyosu Facilities

3. Health improvement measures

Initiatives to prevent excessive work

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

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

Planned paid vacations are input to our paid vacation registry every three months and employees are encouraged to schedule and take paid vacations.

Mental health care initiatives

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

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

Category	Concrete efforts
Self-care	●Provide employees with mental health education during their training period after joining the Company ●Enable employees to feel free about seeking counseling, and provide access to consultations inside and outside the Company ●Distribute the "Communications from the Heart" pamphlet on self-management using the Overwork Control System ●Teach self-management for preventing overwork conditions
Care from the line	●Provide managers education on mental health measures as a form of risk management ●Establish rules on rehabilitation
Care from corporate health staff, others at workplace	●System with three industry doctors (psychiatrists), assigned to Eastern Japan, Western Japan, and Tsukuba areas ●Work with mental health practitioners assigned to provide for internal needs
Care from institutions outside Company	●Contract with EAP (Employee Assistance Program) for external couseling services

Medical consultations

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

To comply with legal requirements for general health examinations, Astellas provides regular checkups for employees up to the age of 35, and in association with the Company's health insurance union, it provides a complete series of examinations designed for the middle-aged to verify that those 35 and older are in the best of health. Along with checkups at the time of employment, and checkups for employees being assigned overseas, we offer voluntary examinations that are not legally required. These are conducted six months after the regular checkup or the examination for middle-aged employees.

Legally required checkups include special health examinations for employees who handle organic solvents or other hazardous materials or are exposed to ionized radiation. In addition, as checkups are not legally required, the Company provides special biosafety health examinations for persons handling pathogens, clinical materials, or test animals.

● Medical checkup rate

	rate (%)	
	FY2005	FY2006
Initial checkup	97.4	100
Regular checkups	98.7	98.7
Checkups for middle-aged employees	99.6	99.7
Voluntary checkups	39.1	46.4
Checkups for employees assigned overseas	94.9	97.6
Special checkups	99.9	100

4. Work-related injuries

In 2006, 41 work-related injury cases occurred at the Company. The frequency of work-related injuries was 0.35, and the severity rate was 0.003 — both representing a decline from the previous year. However, we did experience several near misses and mishaps that did not lead to work-related injuries. Along with implementing our safety and health management system to reduce dangers and sources of damage, we have set a new, lower numerical indicator for the severity rate as a goal to help reinforce efforts to prevent work-related accidents.

● Work-related injuries

	2005	2006
Number of work-related injuries	45	41
Frequency of work-related injuries	0.44	0.35
Severity of work-related injuries	0.011	0.003

Note: The data on work-related injuries is for the calendar year.

Accident at Miyukigaoka
In a draft chamber explosion caused by a greater-than-expected chemical reaction, a researcher at our Miyukigaoka Research Center was injured by flying pieces of glass that penetrated slits in a front shutter. The injury did not result in the employee missing work. The Company reported the accident to the Labor Standards Bureau, took steps to pinpoint its cause, and studied ways to prevent any further occurrence.

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

In 2006, the frequency rate of work-related injuries occurring in the manufacture of pharmaceuticals was 1.19.

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

The severity rate for work-related injuries in fiscal 2006 was 0.09.

A wide range of human resources was the most important resource that Astellas acquired when it was created in 2005. Astellas views the maximum development and utilization of the capabilities and potential of the people it has brought together as essential to the realization of its Vision 2015 goals.

Furthermore, our welfare and benefits system is designed to provide an environment in which employees can enjoy fulfilling lives both at work and at home, and make the most of their abilities. While providing a workplace where employees can focus on their work without distractions, the welfare and benefits system also serves as a safety net, giving employees a stronger feeling of security.

Human resources policies

Human resources and organizational structure will be the driving forces behind the Company's development into a global category leader. Astellas envisages the desired talent and organization as follows.

Astellas' desired talent

"Speed" in outperforming competitors

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

"Innovations" responding to changes in the environment

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

"Professionalism" to gain competitive advantages

We continuously demonstrate high performance with professionalism to overcome competitors.

"Networking" to further develop strength

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

Astellas' desired organization

Agile and highly productive organizational structure

Agility — The organization makes constant structural changes to align with its business environment, vision and strategy.

Efficiency — A lean organization which always has optimum organizational layers, and spans of control.

An organizational spirit committed to continued high perfomance

Clarity — The organization has a clear vision, strategy and policy that are clearly communicated and understood by members.

Objectives — With clear standards and objectives, all members are proactively working towards their goals.

Responsibility — The necessary authority is delegated to members to fulfill their roles using their own judgment and responsibility.

Flexibility — Without being excessively bound by precedent or fearing risk, members are able to face challenges, and to think and act in flexible ways.

Fairness — The diversity of values among members is respected, and their roles and performance are fairly appraised and treated.

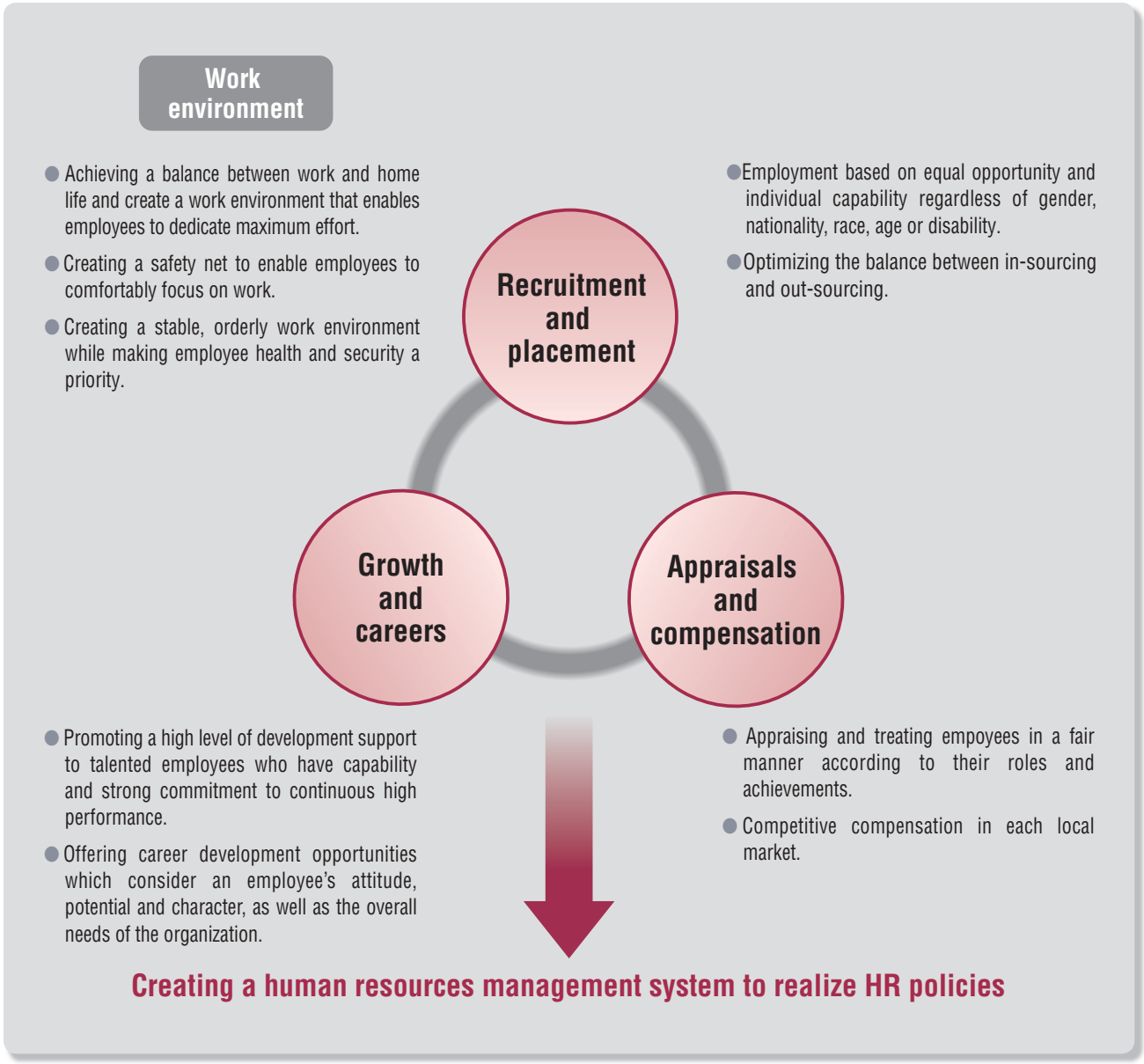
Teamwork — Members are proud to belong to the organization, and work together in mutual trust.

Our policies to realize our human resources vision

Astellas aggressively invests in the development of its human resources. This is positioned as the Company's most important task.

Faced with significant challenges in the human resources environment in the midst of change, the Company is developing HR management systems designed to stimulate employees to become the best in their particular business field. We recognize the need for a system that enables a large number of talented employees to pursue stretch challenges.

Each of the interrelated systems we are creating and implementing must be adjustable and consistent with the Company's overall objectives. To realize our vision for HR management, the policies guiding the functions must be clarified.



Composition of the labor force

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

In view of this situation, we have adopted a unified approach to compliance training as well as a safety and health activity program. All employees take part in the same type of activities regardless of the manner in which they are employed.

We are creating a management system that can effectively utilize the diverse capabilities of our employees. This includes education and training for those in production and research areas involving risks due to the use of potentially harmful chemicals. Thorough training is provided in avoiding accidents and injuries, including preventing fires and exposure to harmful substances.

Employee Classifications	Astellas Pharma			Domestic Group Companies		
	Total	Male	Female	Total	Male	Female
Regular full-time employees	5,950	4,988	962	1,454	901	553
Managerial positions	1,901	1,873	28	286	271	15
New employees	32	23	9	–	–	–
Mid-career hires	4	2	2	–	–	–
Other staff	46	22	24	492	122	370
Contracted staff	380	23	357	299	53	246
Total:	6,376	5,033	1,343	2,245	1,076	1,169

Work schedule systems

Under Astellas' human resource management system, evaluations are based on the role and performance of each employee. We have introduced the following work schedule alternatives to support a variety of working patterns and permit discretion in work schedules based on roles and responsibilities. In addition, domestic group companies have introduced their own systems based on the concepts underlying the following systems.

Flex-time system	This system is applied to employees who have not attained a certain level of responsibility regarding their work, excluding sales. The system gives employees the flexibility to choose when they start and finish work each day based on a scheduled number of working hours per month, and taking into consideration business plans.
Outside de facto working hours system	This is applicable for sales-related work performed outside the office. For employees who have a better understanding than their superiors of their customers, this system gives them discretion in setting their working time-frames; under this system, employees are considered to have worked their scheduled number of working hours regardless of the actual number of hours worked.
Discretionary working system	This system applies to researchers and staff with a certain amount of responsibility. Under this system, an employee's work performance is evaluated largely on the contribution they make to the company. It is similar to the "outside de facto working hours system" in that employees are compensated for a fixed number of hours, although actual hours worked do not necessarily coincide with this amount.

Vacation and leave

Maternity and child-raising leave

To support mothers, Astellas has established a child-raising leave system that combines the statutory maternity leave and time considerations for pregnancy health exams and child-raising time. The employee is able to take the leave until the child is three years old. We have also introduced a system for reduced working hours for employees raising children. Employees qualify for this system until their child begins elementary school.

Nursing care leave

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

Nursing leave

Astellas has introduced a nursing leave system where employees can take time off (up to a year) to aid in the home care or rehabilitation of family members. If the total number of days is to be less than 93, the leave must be taken consecutively. If the leave is to be greater than 93 days, the employee can take leave in one-month increments. It is also possible to work one hour less a day without taking leave.

Special care leave

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

Bone marrow donor special leave

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

Vacation and leave		Usage	
		FY2005	FY2006
Paid leave	Percentage used	52.1%	47.4%
Maternity leave	Employees	50	50
Child-raising leave	Women	69	79
	Men	0	1
	Average days used (Women)	262	395
	Average days used (Men)	–	2
Reduced working hours to raise children	Employees	43	46
	Average days used	336	352
Nursing care leave	Employees	185	219
	Average days used	2	3
Nursing leave	Employees	3	6
	Average days used	160	72
Reduced working hours for nursing	Employees	0	0
Special care leave	Employees	12	13
Bone marrow donor special leave	Employees	0	0

Addressing social issues in employment

At Astellas, we believe that initiatives related to social issues are part of CSR.

We are identifying the employment-related issues in Japan that we, as a pharmaceutical company, should address, and establishing internal systems to deal with them. These issues include the declining birthrate and the aging of the population, gender equality, and employment of physically disabled persons.

Measures to deal with the declining birthrate and aging population

The rapidly aging population and lower birthrate have led to concerns about the social impact, such as reduced community vigor and declining economic vitality resulting from higher social insurance costs and a smaller workforce. This is a social problem that must be promptly addressed. Laws have been enacted to maintain and create a vigorous, rich society. These include the Law for Basic Measures to Cope with a Declining Fertility Society, the Law for Measures to Support the Development of the Next Generation, and the Law to Partially Amend the Law Concerning Stabilization of Employment of Older Persons.

In accordance with the principles underlying this legislation, in April 2005 the Company established and began implementing a two-year general business owner's Action Plan based on the Ministry of Health, Labor and Welfare's "Action Plan Establishment Guidelines." In April 2007, we began implementing the newly created plan. In April 2006, we had introduced a system for ongoing employment of seniors. We intend to strengthen the system for employing seniors, and to create an employment environment conducive to both work and child-rearing, allowing people to continue to work as long as they have the desire and ability.

Astellas Pharma's action plan

Planning period: April 1, 2005 to March 31, 2007
Application for approval has been submitted.

Targets	Measures	Fiscal 2005 initiatives up to April 2006
During the planning period, have at least one male employee take child-rearing leave.	Provide information to employees over the intranet and foster an atmosphere in which it is easy to take child-rearing leave.	Activities to broaden understanding and support of paternity leave (FY 2005)
By April 2006, increase the length of time that an employee can work reduced hours for child rearing until the child enters elementary school.	Reform the present system after confirming employees' needs	In April 2006, eligibility period extended until the child enters elementary school
By April 2006, implement measures to reduce the amount of overtime work to eliminate excessive work.	Establish a management system to reduce overtime work based on Ministry of Health, Labor and Welfare standards related to the prevention of the adverse effects on health of excessive work.	Introduction of overwork prevention system (FY 2005)

Measures for gender equality

Everyone agrees that the creation of an environment where men and women can participate on an equal footing, giving expression to their individual abilities regardless of gender, is a crucial aspect of building our 21st century society. This idea has taken form in the Basic Law for a Gender-equal Society.

Astellas does not discriminate on the basis of gender in its hiring. However, given that this issue requires evaluation from a long-term perspective, we carry out joint labor-management studies of issues that should be addressed from the standpoint of equality of participation.

In fiscal 2006, we held our first JJ Forum (forum for female employees) for women working as MRs and in other positions. A discussion of women's issues followed a lecture given by an outside speaker.

● Purposes of JJ Forum

- To develop ideas for medium- and long-term career design
- To consider measures to address issues related to the work environment for women
- Creating opportunities to build networks

Employment of disabled persons

In fiscal 2006, disabled employees accounted for 1.81% of our workforce, a 0.05 percentage-point decline from the previous year. Although this percentage meets the statutory requirement (1.8), there has been a decline since fiscal 2004, and more effort is needed in this area.

	FY03	FY04	FY05	FY2006
Percentage of disabled employees in the workforce	Yamanouchi 1.70	1.88	1.86	1.81
	Fujisawa 1.72			

Astellas has clearly indicated that it will work to protect the environment and promote safety and health within the framework of its Business Philosophy and Charter of Corporate Conduct. To translate these goals into concrete action, we have set clear guidelines for basic policy and the stance we need to take. Based on this policy and these guidelines, all Group companies, domestic and abroad, have established action plans for the environment and safety, and are making efforts to strengthen their management structure and to engage in organized and continuous activities.

In practice, our safety and health initiatives have much in common with our environmental protection efforts. Therefore our policies and guidelines address these areas of activity in a comprehensive manner. This section features a discussion of mechanisms common to both environmental and safety & health initiatives, and also reports on the results of our environmental protection efforts. The results of our efforts in the area of safety and health are reported in the section starting on page 23.

Environmental and Safety Policy

Our Environmental and Safety Policy was established on the basis of the clauses pertaining to the environment and safety shown in the Charter of Corporate Conduct, of which there are seven. The policy applies to all domestic and foreign Group companies.

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

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

Established April 1, 2005

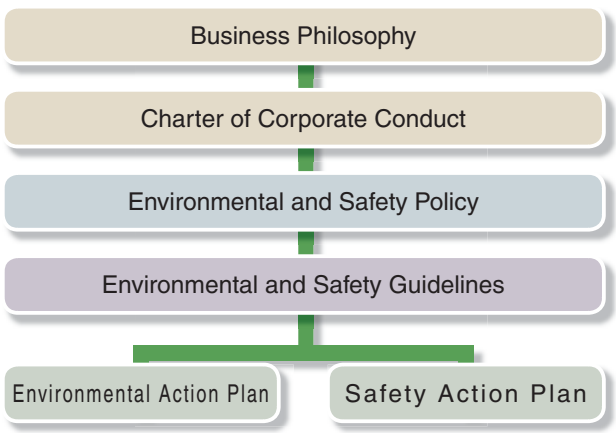
Environmental and Safety Guidelines

The stance that Astellas should aim for in fiscal 2010 is clearly shown as unified standards in the Environmental and Safety Guidelines. In addition, Astellas Corporate Head Office uses the Guidelines as indices when it conducts its environmental and safety audit to evaluate the activities at each facility.

Environmental and Safety Guidelines (established April 1, 2005)

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

Standards for action in the area of environment and safety



Environmental accounting

We established unified standards for Astellas based on the Ministry of the Environment's environmental accounting guidelines, then calculated the economic benefits of environmental conservation activities and the cost involved (investment and expenses). The effects of our environmental conservation efforts included reductions of carbon-dioxide (CO_2) emissions, waste materials, and NOx emissions. With respect to economic benefit, we saved 1,193 million yen by recycling chemicals and reducing energy use and waste.

● Method for aggregating environmental accounts

Scope of aggregation: Astellas' domestic production departments, research departments, and Head Office
Environmental conservation cost: Total of labor and other costs and investment in and depreciation of equipment for environmental conservation activity
Benefits of environmental conservation: Items that can be quantitatively expressed
Economic benefit: Total of items such as reduced costs that can be expressed in monetary terms, reduced energy consumption, and reduced expenses for outsourced waste processing.

❖ Environmental conservation costs

(million yen)

Category		Major activities	Environmental conservation costs	
			Investments	Expenses
Business area costs			530	1,259
Pollution prevention	Prevention of air pollution	Management of facilities such as incinerators and boilers	57	122
	Prevention of water pollution	Management of waste water processing, preventive measures against the release of pollutants	98	261
	Soil contamination prevention	Soil surveys, soil contamination countermeasures	45	31
	Noise, odor, and vibration prevention	Periodic measurement of noise, noise reduction measures	7	24
	Others	Dealing with asbestos	7	16
	Subtotal		214	453
Global environmental conservation	Prevention of global warming	Energy conservation activities, introduction of energy-efficient equipment and processes	180	245
	Prevention of ozone depletion	Reduction of emissions of specified CFCs	2	14
	Chemical substances management	Management of chemicals, measures for the reduction of emissions	15	61
	Others	Other environmental preservation costs	0	1
	Subtotal		197	322
Resource circulation	Efficient use of waste material	Recycling of waste	119	197
	Water conservation	Reducing water usage	0	0
	Waste processing	Self-processing of waste, outsourcing	0	242
	Others	Measures related to illegal dumping of waste	0	45
	Subtotal		119	484
Upstream/downstream costs		Expense of product package design and outsourcing recycling of packaging	0	14
Administration costs		Operation of environmental management system, environmental measurements, education and training	17	332
R&D costs		Development and improvements in environmental technology	11	70
Social activity costs		Socially constructive activities, community outreach activities, landscape maintenance	0	10
Environmental remediation costs		Recovery from environmental accidents	0	22
Total			557	1,708
Total environmental conservation cost, excluding environment damage cost			557	1,686

❖ Economic benefits

(million yen)

Category	Description	Value
Sale of recyclable waste	* Revenue from sale of solvents, used paper, and metal waste	13
Reduction in waste processing expenses	* Reduced waste disposal costs through recycling, reduced storage, and doing our own incineration	378
Resource conservation	* Cost saving by recycling of solvents	720
Energy conservation	* Reduction in lighting and heating expenses through introduction of energy-efficient equipment and energy conservation activities	81
Total		1,193

❖ Benefits of environmental conservation

Initiatives	Benefits of environmental conservation	
Adopted pump inverters, improved air conditioning controls, etc., to reduce energy consumption	Energy saving	33,705GJ
Global warming countermeasures included changes in fuels used, adoption of pump inverters	Reduction of CO_2 emissions	10,151 tons
Recycling and reuse of organic solvents	Reduction of CO_2 emissions	3,196 tons
Reuse of plastic containers	Reduction of plastic waste	15 tons
Use of paints with optical catalyst properties	Reduction of NOx emissions	4kg

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

Environmental Action Plan

Our Environmental Action Plan, which includes single-year and medium-term goals, calls for updates on progress achieved in the year under review. The achievements are taken into account in the formulation of the Environmental Action Plan for the following fiscal year. These plans are reflected in the action plans that the domestic and overseas Group companies establish, and actions are taken toward achieving these plans.

Environmental Action Plan (results for fiscal 2006)

In fiscal 2006, we set goals and took action in five areas: global warming prevention, resource conservation, chemical substance management, waste management and cooperation with local communities.
(The results of our activities are presented on the next page.)

● Accomplishments under the Action Plan

- Management of chemical substances: Quantitative targets were set and efforts made to reduce atmospheric emissions. Among the three chemical substances managed, we reached our target for dichloromethane reduction four years in advance.
- Waste management: For the third consecutive year we reached our target for the reduction of the volume of waste materials subject to final disposal.
- Resource conservation activities: Resource conservation activities included continuing to switch to low-pollution vehicles for use by our sales staff. For the second consecutive year, we reached our target for increasing the percentage of vehicles that achieve a 75%-level of reduction over standard vehicles, and have nearly reached our target for the number of low-pollution vehicles introduced.
- Global warming countermeasures: We reached our target for reducing CO_2 emissions in Japan four years ahead of schedule.

Environmental Action Plan (revised for fiscal 2007)

The Company's Fiscal 2007 Action Plan includes a new target for reduction of CO_2 emissions in Japan and zero-emission targets for waste management. Also, we decided that the target set for fiscal 2007 for reducing chloroform atmospheric emissions would be too difficult to achieve. Accordingly, we reset the target for fiscal 2009, and raised the reduction target. The Company plans to introduce new equipment to ensure that the new target is reached.

❖ Fiscal 2007 Environmental Action Plan

April 1, 2007

Item	Action Plan
Global warming prevention	•Reduce CO_2 emissions by 20% or more from fiscal 1996 levels by the end of fiscal 2010 •**Reduce CO_2 emissions by 8.6% or more from fiscal 1990 level by the end of fiscal 2010 in Japan (a 28.8% reduction compared with fiscal 1996)** •Reduce CO_2 emissions at overseas facilities to below the fiscal 1996 level by the end of fiscal 2010
Resource conservation	•Increase the percentage of general items, such as office supplies and copier paper, acquired through green purchasing, to 90% or more on a monetary basis by fiscal 2007
Chemical substance management	•Reduce atmospheric emissions of formaldehyde by 95% or more from fiscal 1999 levels by fiscal 2010 •**Reduce atmosphere emissions of chloroform by 70% or more from fiscal 2003 levels by fiscal 2009**
Waste management	•**Curb the volume of waste materials subject to final disposal to 1% or less of total generation, or 2% or less of total emissions by the end of fiscal 2010 (Waste materials that cannot be recycled, such as pharmaceutical goods, are not included in this calculation.)**
Cooperation with local communities	•Release environmental information groupwide (i.e. at each principal facility) by the end of fiscal 2007

Note: Items in bold represent new initiatives, taken from the Fiscal 2007 Environmental Action Plan.

Fiscal 2006 initiatives

❖ Progress in Environmental Action Plan

Item	Action plan	Fiscal 2006 performance	Page
Global warming prevention	• Reduce CO_2 emissions by 20% or more from fiscal 1996 levels by fiscal 2010 * Reduce CO_2 emissions of Astellas Group domestic operations to a level below the fiscal 1990 level by fiscal 2010 (a 22% reduction from fiscal 1996) * Reduce CO_2 emissions of the overseas production facilities to below the fiscal 1996 level by fiscal 2010	• CO_2 emission volume: 195 thousand tons • Domestic: 142 thousand tons • Overseas: 53 thousand tons	39
Resource conservation	• Increase the percentage of general items, such as office supplies and copier paper, acquired through green purchasing, to 90% or more on a monetary basis by fiscal 2007 • Increase the percentage of low-pollution vehicles used by our sales staff to 90% or more of total vehicles purchased, and to 50% or more of 75%-equivalent low-pollution vehicles by fiscal 2007	• Green purchasing percentage: 85.0% • Ratio of low-pollution vehicles Number of vehicles: 89.8% 75%-equivalent low-pollution vehicles: 80.9%	48
Chemical substance management	• Reduce atmospheric emissions of dichloromethane by 95% or more from fiscal 1995 levels by fiscal 2010 • Reduce atmospheric emissions of formaldehyde by 95% or more from fiscal 1999 levels by fiscal 2010 • Reduce atmosphere emissions of chloroform by 20% or more from fiscal 2003 levels by fiscal 2007	• Atmospheric emissions: 9 tons (compared with fiscal 1995: –98.5%) • Atmospheric emissions: 0.3 tons (compared with fiscal 1999: –89.8%) • Atmospheric emissions: 6 tons (compared with fiscal 2003: –15.3%)	41
Waste management	• Keep reducing landfill waste levels 90% or more from fiscal 1990 levels	• Landfill waste volume: 326 tons (compared with fiscal 1990: –97.4%)	43
Cooperation with local communities	• Release environmental information by each principal facility by fiscal 2007	• Disclosed information for six of the eight targeted facilities	17

❖ Other initiatives

Item		Fiscal 2006 performance	Page
Environmental accounting	Environmental accounting creation and public disclosure	• Environmental accounting for fiscal 2006 Environmental preservation costs Equipment investment: ¥ 557 million Costs: ¥1,708 million Economic benefit: ¥1,193 million	32
Environmental management system	Environmental and safety audits	• Audited 10 domestic facilities and 1 overseas facility on site, audited 5 overseas facilities by examining documents	37
	Education, development and training	• Conducted group training for personnel responsible for environment and safety at domestic facilities	38
	Environmental communication	• Cleanup of rivers, neighborhoods and beaches • Welcoming company tours • Tree planting • Opening some company facilities to the public (grounds, gymnasium, tennis court)	21
Reducing environmental burden	Air, water and soil	• BOD emissions (from fiscal 2005): reduced by 34.2% (18 tons) • Air pollutant emissions (from fiscal 2005): SOx – reduced by 38.1% (3.5 tons) NOx – reduced by 5.5% (3 tons) • Soil contamination studies: Miyukigaoka Research Center, Takahagi Office	45
	Waste management	• Waste generation volume: reduced by 14,609 tons (from fiscal 2005) • Recycling of organic solvents: 6,460 tons • Recycling of sludge: 1,800 tons (72.9% of generated volume)	43
	Management of chemical substances	• Released volume of materials for which notification is required by law concerning management of chemical substances (from fiscal 2005): reduced by 81.8% (74 tons) from previous fiscal year	41
	Accidents and complaints	• Accidents related to the environment: One case in which foul odor was generated • Complaints: Two cases of complaints about noise; one about foul odors	47
	CO_2 emissions during sales, marketing and distribution	• Sales vehicle CO_2 emissions: 8,248 tons-CO_2 (gasoline consumption: 3,555 kl) • CO_2 emissions during distribution: 1,736 tons-CO_2 (gasoline consumption: 663 kl)	35

Interaction between Astellas and the environment (Figures for FY2006)

INPUT

Energy

Electricity	194,622MWh
Gas	20,237 thousand m³
LPG (in cylinders)	2,206 tons
Heavy oil	4,922kl
Kerosene	2,138kl
Gasoline	63kl
Diesel oil	264kl

Raw materials

Ingredient	13,311 tons

Materials: Capsules, vials, packaging materials

Water

Water usage	15,227 thousand m³
Tap water	888 thousand m³
Industrial water	12,699 thousand m³
Well water	1,639 thousand m³

Sales vehicles

Gasoline	3,555kl

Office supplies

Copier paper	323 tons

Note: "Gas" is natural gas supplied via pipelines by utility companies.

Astellas

Research and development | Production | Sales



Distribution centers

IN Electricity 2,088MWh
OUT CO_2 emissions 789 tons

IN Gasoline 663kl
OUT CO_2 emissions 1,736 tons (Estimates)

Hospitals
Pharmacies
Wholesalers

OUTPUT

Greenhouse gases

CO_2	150 thousand tons

(including CO_2 from cars used by sales staff)

Waste

Generation volume	24,223 tons
Recycled volume	12,095 tons
Landfill volume	326 tons

Air pollutants

SOx	6 tons
NOx	46 tons

Chemical pollutants

In air	16 tons
In water	0.2 tons

Volumes shipped

7,160 tons
(Items subject to distribution)

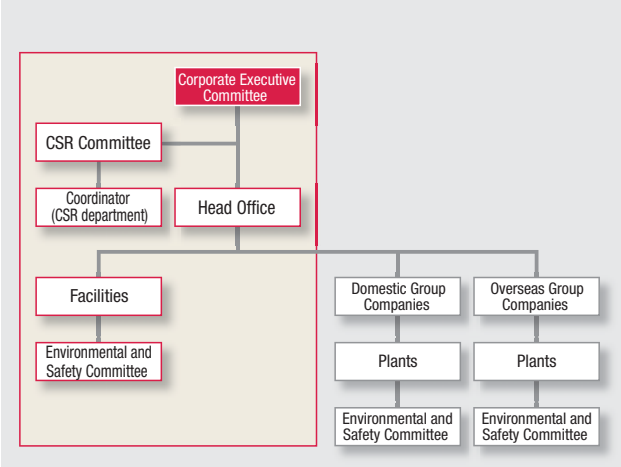
Water pollutants

BOD	35 tons

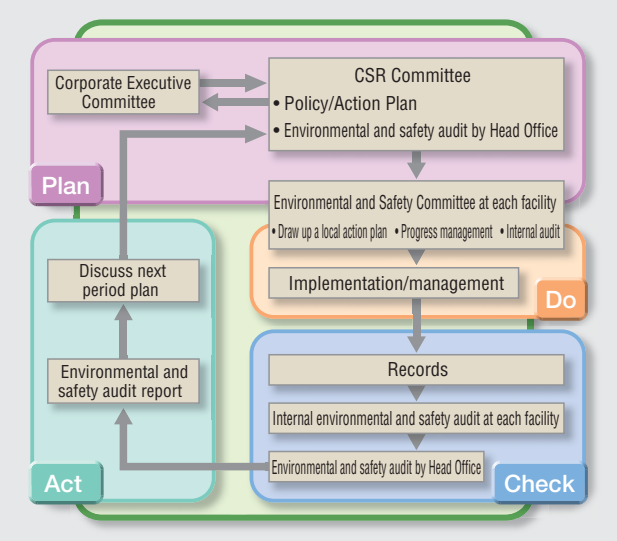
Drainage volume: 14,958 thousand m³

Environmental and safety organizational structure

Organization



Flow of the environmental management system



Environmental and safety management system

The CSR Committee deliberates and decides on Astellas' policy, plans, and measures related to the environment and safety; each facility acts according to the action plans; the results are evaluated with an environmental and safety audit by our head office; and the CSR Committee's deliberations on these results are reflected in the decisions on the plans and policies for the next fiscal period.

Each facility also follows the PDCA cycle by establishing its own action plan emphasizing the work of its environmental and safety committee and by conducting internal audits, performance reviews and reevaluations.

ISO 14001 certification

Astellas Pharma Chemicals Co., Ltd.	Takahagi Facilities	Acquired certification in July 1998
Astellas Tokai Co., Ltd.	Yaizu Plant	Acquired certification in Oct. 2000
	Nishine Plant	Acquired certification in Feb. 2001
	Fuji Plant	Acquired certification in Dec. 2000
Astellas Toyama Co., Ltd.	Toyama Plant	Acquired certification in Mar. 2000
	Takaoka Plant	Acquired certification in Nov. 2000
Astellas Pharma Manufacturing Inc.	Grand Island Plant	Acquired certification in Nov. 2002
Astellas Pharma Europe B.V.	Meppel Plant	Acquired certification in Jan. 2001
Astellas Ireland Co., Ltd.	Dublin Plant	Acquired certification in Mar. 1997
	Kerry Plant	Acquired certification in Dec. 2003
Astellas Pharma (China) Inc.	Shenyang Plant	Acquired certification in Oct. 2001

Environmental and safety assessment system

In order to produce and sell pharmaceutical products, it is necessary to obtain government approval for each product. Since governmental approval also covers production methods and packaging specifications, when there are changes in either approved production methods or packaging, new approval must be obtained even if the changes are related to work safety or reducing the environmental impact. This entails substantial time and costs. Therefore, Astellas has introduced an environmental and safety assessment system as a tool that requires efforts to minimize the environmental burden at all stages, including research and development, production, distribution, and disposal.

Under this assessment system, before commercial-scale production can be commenced, a full on-site examination must be made of safety measures relating to the minimization of emissions of substances that are deemed to cause atmospheric pollution, and avoidance of an excessive use of packaging.

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

Operation of the environmental and safety assessment system

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

Composition of the environmental and safety assessment system

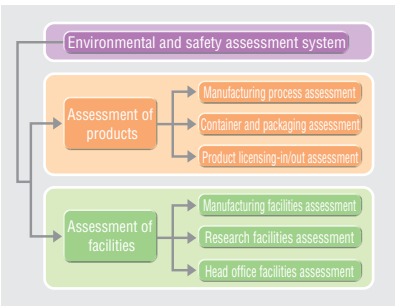
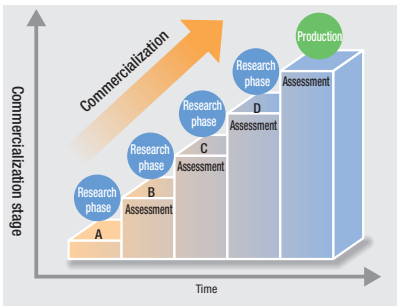


Diagram of environmental and safety assessment system



Environmental and safety audits

The chief auditor is the officer in charge of CSR. Audit teams for each facility consist mainly of members of the CSR department. The teams conduct environmental and safety audits. Regarding the frequency of audits, domestic audits are conducted on-site once a year. For overseas audits, an audit by examining documentation is conducted once a year, and on-site audits are done once every two or three years.

Standards for environmental and safety audits

Based on our Environmental and Safety Guidelines, the environmental and safety audits examine set items that each place of business is expected to focus on in its environmental and safety activities. A checklist is used to grade these activities according to four grades. A perfect score for each item is 100. Total scores and scores for progress made for each item are tabulated to provide the basis for the evaluation of each facility.

Environmental and Safety Audit Items

Environmental and safety management system, response to legal requirements, response to risks, education and training, facility maintenance and management, chemical management, waste management, energy conservation, social contributions, environmental and safety performance, etc.

Environmental and safety audit report and response

During environmental and safety audits, topics related to such issues as the progress towards reaching targets set forth in our Environmental and Safety Guidelines, the extent to which the Environmental Action Plan and Safety Action Plan have been implemented, and responses to environmental and safety risks are selected and included in the environmental and safety audit report, which is submitted to the chairman of the environmental and safety committee at each facility. Each facility then submits an improvement plan related to the audit report.

Implementation of the improvement plan is checked through an examination of the relevant documents and an environmental and safety audit conducted the following fiscal year.

In addition, a comparative analysis of the audit results is conducted in order to clarify problems related to environmental and safety measures. This is reported to top management and reflected in management policy.

Fiscal 2006 environmental and safety audit

In fiscal 2006, on-site environmental and safety audits were conducted at 11 domestic production and research facilities, two domestic offices, and one overseas facility. Documents were used for audits of overseas facilities that were not visited.

We identified five minor incidents of nonconformance and 77 items involving environmental and safety matters that needed improvement. Correction measures have been implemented at all the facilities.

❖ Shenyang Plant Audit

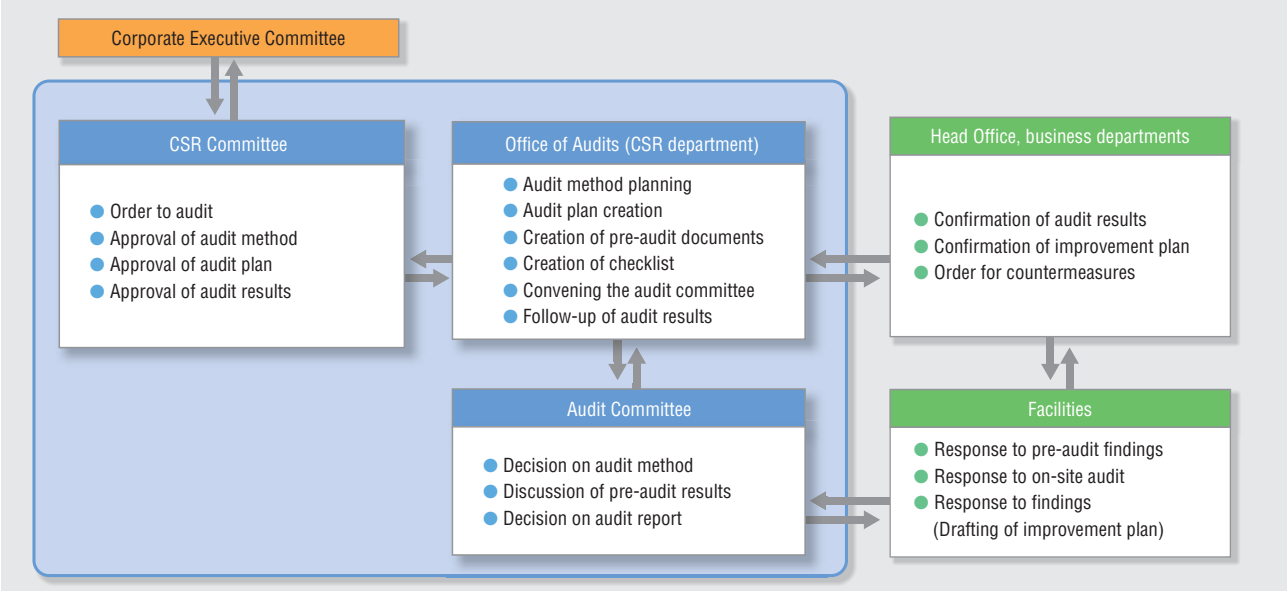
We conducted a hearing with the persons responsible for environmental protection, safety and health efforts at the Shenyang Plant, and discussed pertinent issues.

The Shenyang Plant employees are taking proactive environmental measures, such as using treated wastewater for watering lawns.

Conducting hearings

Verification of effectiveness of wastewater treatment facility

Environmental and safety audit procedures



Education, development and training

Education, development and training related to the environment and safety consists of group training arranged by the CSR department, and training conducted by the individual facilities.

Group training included sessions for managers in charge of facilities and employees responsible for various areas of work. Along with ensuring that everyone was knowledgeable about environmental and safety policies, plans and guidelines, the participants shared information on issues faced by the facilities and specific measures being taken.

We held training sessions and drills at production and research facilities on countermeasures for chemical leaks at outdoor tanks and pipelines, verification of the effectiveness of the emergency communications networks and emergency shut-off valves (for preventing abnormal discharges).

Educational activity includes sending information to all employees via the intranet, and posting the Ecology Gazette.

Education and training at individual facilities

- Training on environmental and safety policies and management systems
- Study groups on ISO 14001 environmental management systems
- Training in the handling of chemicals
- Special training for environment & safety workers; support for certification
- Explanatory meetings regarding policies and the emergency contact system responses for our outsourced service providers who regularly work at our facilities, construction-related workers, raw material suppliers, and workers involved in the outsourced processing of waste materials


Group training at the General Affairs & CSR Department


Drill on cleanup of chemical substances discharged into hallway (Kiyosu Facilities)


Drill on preventing leaked solvents from being discharged in the building (Miyukigaoka Research Center)


Recovery drill assuming brine (used as coolant) overflow at Takahagi Facilities

Topics

Responsible Care Award Received

Our Kerry Plant received the 2006 Prize for Responsible Care, awarded by the Pharmaceutical Manufacturers Association of Ireland.

The plant was recognized for its success in cutting costs through efforts in four areas: reduction of waste materials; ongoing environmental activities in the community; use of energy-efficient air conditioning and lighting equipment; and reuse of treated wastewater. The Kerry Plant won the Comprehensive Award (grand prize) and the Award in the Energy Management Division.

Environmental impact

1. Energy conservation and global warming prevention

Action Plan

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

*Reduce CO_2 emissions of Astellas Group domestic operations to a level below the fiscal 1990 level by fiscal 2010 (a 22% reduction compared with fiscal 1996)

*Reduce CO_2 emissions of the overseas production facilities to below the fiscal 1996 level by fiscal 2010

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

To do this, we have set global numerical targets for reducing CO_2 emissions, adding targets for overseas facilities to those already set at domestic facilities.

To reach targets for fiscal 2006, the Company still needs an 8% reduction (17 thousand tons) on a global basis. Domestically, however, we have already reached our target for fiscal 2010, four years in advance. This was due to progress made in fuel conversion and to the closure of production facilities.

We expect future energy utilization to increase as we expand research facilities. However, we can also expect efficiency gains from consolidating facilities and other measures. Therefore, the Company has set new targets and will make a new effort to reduce domestic CO_2 emissions from fiscal 2007.

As for greenhouse gas emissions other than CO_2, emissions generated by energy utilization, in accordance with the Law Concerning the Promotion of Measures to Cope with Global Warming, our Takaoka Plant reported that 5,153 tons of CO_2 were emitted from its incinerator.

Fuel conversion

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

Law on global warming

Under Japan's Law Concerning the Promotion of Measures to Cope with Global Warming, a framework has been established to enable the nation, regional public associations, businesses, and citizens alike to join forces in adopting global warming countermeasures. The Law, which was enacted in 1998 and revised in 2005, requires parties that emit large volumes of greenhouse gases (six types, notably CO_2, methane and nitrogen oxide) to submit reports on the emission volumes.

Energy consumption

The amounts of energy consumed in fiscal 2006 are indicated below (as calorific values).

In Japan, the primary reason for the decrease in energy consumption was the closure of some of our production facilities (former Osaka Plant and Nagoya Plant).

About 60% of the energy used by domestic facilities was in the form of electricity, and the majority of this was for air conditioning equipment and refrigerators used by the production and research departments to control temperature and humidity. In non-electrical energy, the amount of heavy oil used has declined. Progress is also being made in converting from fuel oil to natural gas, which produces less CO_2 and air pollutants such as sulfur dioxide. In fiscal 2006, we converted to this fuel source for the boilers at our Yaizu Facilities*.

When calculating the calorific value of energy consumed, Astellas uses the conversion factor explained on page 50.

* Specifically, Yaizu Plant and Yaizu Technology Center

In Japan	3,218 tera-joules (down 8.2% from previous year; 18.2% decrease from 1996; 6.0% increase from 1990)
Overseas	942 tera-joules (down 5.5% from previous year; 80.2% increase from 1996).
Total	4,160 tera-joules (down 7.6% from previous year; 6.6% decrease from 1996)

Joule

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

Volume of CO_2 discharged due to energy use

The volume of CO_2 discharged in fiscal 2006 is summarized below.

In Japan, in addition to the factors that led to a decrease in energy consumption, the main factor in the decrease achieved in CO_2 emissions was the fuel source conversion carried out at our Yaizu Facilities.*

While the volume of CO_2 discharged through energy use is on a steady downward trend, the Company intends to continue to introduce energy-efficient equipment and convert to fuels that emit low amounts of CO_2. We also see the need to make changes, from the research stage on, in our production processes. This will include reconsidering the items we produce, restructuring our research and production facilities, and carefully studying ways and means of optimizing efficiency in each business field.

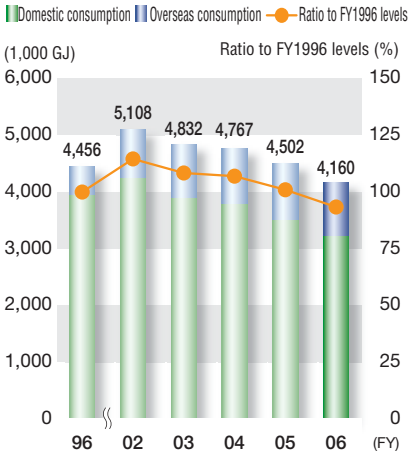
To enable readers to grasp the progress being made toward the goals set in the Environmental Action Plan, this report provides data on calorific volumes for each type of energy and data on the volume of CO_2 discharged from the use of energy by using a conversion coefficient (see page 50) adopted in 2002 when the law on global warming was enacted. Rather than for each year or facility, the data is presented in a unified way, as a rule, based on the first Environmental Action Plan (for fiscal 2005).

For this reason, the total volume of CO_2 discharged based on mandatory reports filed by each facility will be different(estimate using revised coefficent: 147 thousand tons of CO_2).

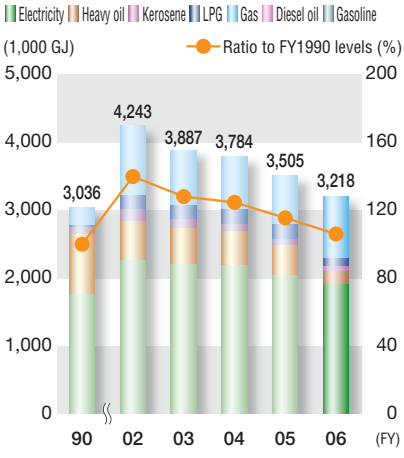
* Specifically, Yaizu Plant and Yaizu Technology Center

In Japan	142 thousand tons (down 12.2% from previous year; 26.4% decrease from FY1996; 5.5% decrease from FY1990)
Overseas	53 thousand tons (down 5.4% from previous year; 76.4% decrease from FY1996).
Total	195 thousand tons (down 10.5% from previous year; 12.5% decrease from FY1996)

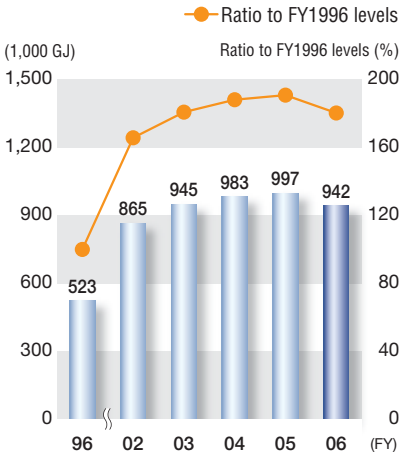
Energy consumption (global)



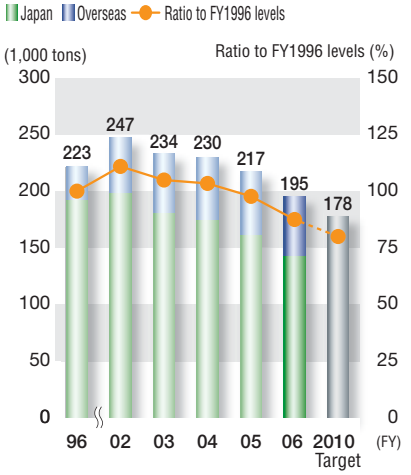
Energy consumption (Japan)



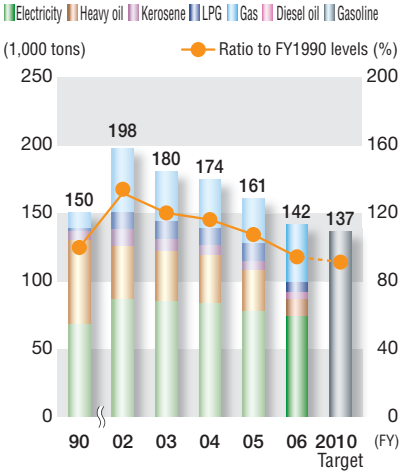
Energy consumption (overseas)



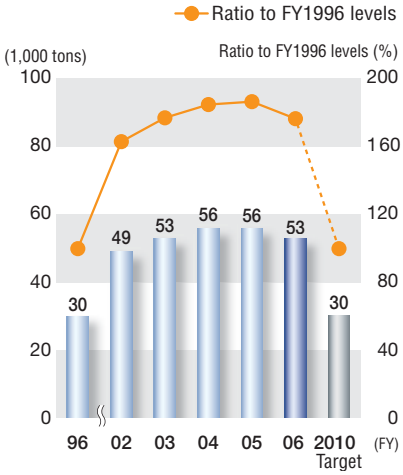
CO_2 emissions (global)



CO_2 emissions (Japan)



CO_2 emissions (overseas)



2. Chemical substance management

Action Plan

- Reduce atmospheric emissions of dichloromethane by 95% or more from fiscal 1995 levels by fiscal 2010
- Reduce atmospheric emissions of formaldehyde by 95% or more from fiscal 1999 levels by fiscal 2010
- Reduce atmospheric emissions of chloroform by 20% or more from fiscal 2003 levels by fiscal 2007

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

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

Measures to reduce atmospheric emission of chemical substances

The volumes of the chemicals targeted in the plan for reducing chemical atmospheric emissions (dichloromethane, formaldehyde, chloroform) discharged in fiscal 2006 are shown in the table below. The target for reduction of dichloromethane emissions was reached four years in advance.

Substance	Volume utilized (tons)	Emissions (tons)	Reduction from previous year	Reduction from base year
Dichloromethane	434	9	88.7% (68 tons)	98.5% from FY1995 (589 tons)
Formaldehyde	99	0.3	56.0% (0.3 tons)	89.8% from FY1999 (2 tons)
Chloroform	40	6	7.5% (0.4 tons)	15.3% from FY2003 (1 tons)

The main reason for the decrease in atmospheric discharge of dichloromethane was the closure of facilities that were using dichloromethane (the former Osaka Plant). For products that were being made there, the Company is developing production methods that do not require the use of dichloromethane, and is outsourcing production as needed.

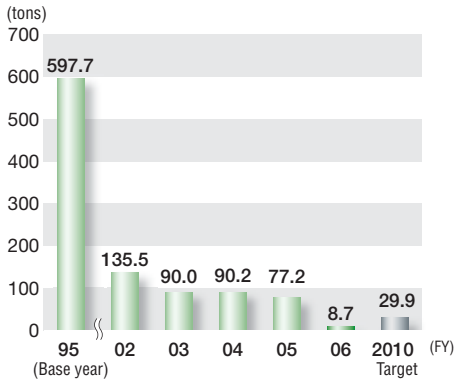
Formaldehyde is mainly used for sterilization in the production of such items as injectable solutions. We believe further reduction measures are necessary. This includes reviewing sterilization processes that use formaldehyde, introducing equipment to eliminate atmospheric releases, and reviewing the product line.

Chloroform is mainly used by our research departments. Part of the dichloromethane reduction is due to the increased use of substitute substances. For future reductions, we plan to primarily rely on introducing equipment that will curb atmospheric emissions.

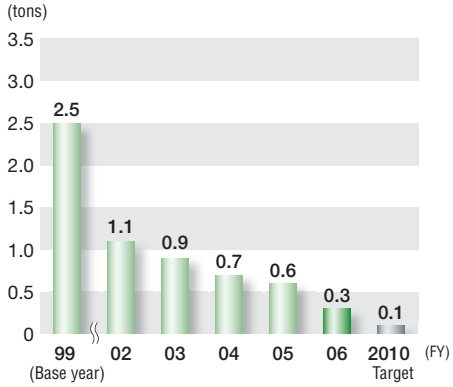
Also, volatile organic compounds (VOCs) have been subject to regulations set forth in the Air Pollution Control Law that went into effect in April 2006. Although the Company's plants are currently not covered by requirements for mandatory reports, we have been requested to voluntarily take any possible measures to reduce emissions. Along with actively participating in surveys and analyses undertaken in cooperation with industry associations, Astellas intends to study specific measures it can take on its own.

VOCs: Volatile organic compounds
VOCs is a generic term for chemicals that evaporate easily into the air. Through chemical change in air, VOCs are one of the causes of suspended particulate matter and photochemical oxidants polluting the atmosphere. High-emission facilities must report to the appropriate authority.

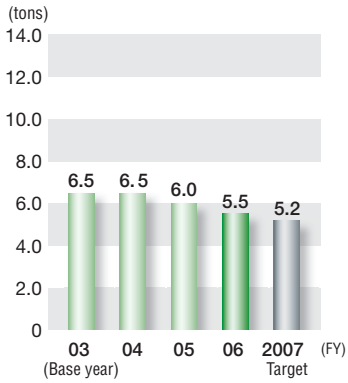
● Atmospheric emissions of dichloromethane



● Atmospheric emissions of formaldehyde



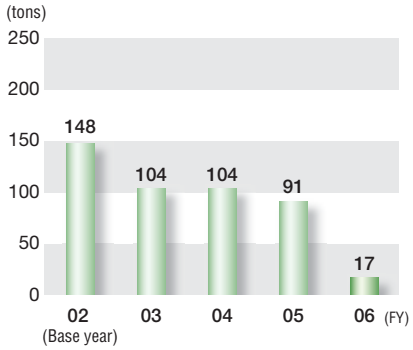
● Atmospheric emissions of chloroform



PRTR (Pollutant Release and Transfer Register) survey

The group has set numerical targets for reducing atmospheric release of dichloromethane, formaldehyde, and chloroform, which are chemicals designated by the PRTR system. Astellas is also working to reduce the use, transfer, and release of other designated chemicals, and to prevent and reduce risks related to environmental contamination, work-related injuries, and damage to human health caused by hazardous chemicals. Information on the release and transfer of chemicals that required notifications in fiscal 2006 is as follows.

Emissions of Class 1 designated chemical substances under the PRTR system



PRTR system

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

Fiscal 2006 statistics on material requiring notification under the PRTR system

Substance name	Number of facilities reporting	Volume handled	Volume released			Volume treated	Volume removed	Volumes transferred	
			Air	Water	Soil			Waste	Sewerage
Acetonitrile	8	36.077	1.802	0.193	0.000	0.000	6.800	27.271	0.012
Ethylene glycol	2	3.195	0.005	0.000	0.000	0.000	3.190	0.000	0.000
Xylene	3	17.064	0.110	0.000	0.000	0.000	16.631	0.322	0.000
Chloroform	3	38.844	5.484	0.000	0.000	0.000	0.000	33.359	0.000
Salicylaldehyde	1	38.971	0.000	0.000	0.000	34.444	0.000	4.527	0.000
1, 4-dioxane	1	5.130	0.015	0.000	0.000	0.000	5.115	0.000	0.000
Dichloromethane	4	433.616	8.636	0.000	0.000	182.074	236.138	6.767	0.000
N, N-dimethylformamide	3	169.681	0.024	0.000	0.000	0.000	166.867	2.789	0.000
Thiourea	1	11.950	0.000	0.000	0.000	7.440	4.510	0.000	0.000
Toluene	2	32.969	0.218	0.004	0.000	0.000	18.261	14.483	0.000
Formaldehyde	1	98.427	0.018	0.000	0.000	5.365	21.236	71.808	0.000
Manganese and its compounds	1	75.680	0.000	0.000	0.000	0.000	0.000	75.680	0.000
Dioxins	2	—	0.302	0.000	0.000	0.000	0.000	1.672	0.000

Notes:
* Amounts in the table are tons/year. For dioxins, the units are mg-TEQ/year (an explanation of dioxins and dioxin units is given on page 46).
* The number of facilities refers to the number of plants and laboratories that handle one ton or more of class 1 designated chemical substances annually, or half a ton or more of special class 1 designated chemical substances.
* Volume treated refers to the amount of the chemical that was transformed into another substance through a chemical reaction, incorporated in other products that were removed from the premises, or disposed of through recycling by businesses.
* Volume removed through processing refers to the amount of the chemical that was transformed into another substance through incineration, neutralization, or degradation at the facility.

PCB-contaminated waste material

The Japan Environmental Safety Corporation (JESCO) is to construct and operate regional treatment facilities to treat PCB waste in Japan, and this has already begun at the Northern Kyushu, Toyota and Tokyo facilities. By October 2007, so will the Osaka and Hokkaido facilities. Astellas stores PCB waste at eight facilities. Some facilities have begun making reservations for disposal. We will continue to systematically dispose of PCB waste.

State of PCB-contaminated waste storage

Classification	Category	Number or volume
Stored	Condensers	260
	Electric current breakers	1
	Fluorescent lamp ballasts	7,029
	PCB-contaminated oil	152 (liters)
	High voltage transformers	21
	PCB incrustation	2kg
In use	Fluorescent lamp ballasts, transformers	257

PCB (Polychlorinated Biphenyl)

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

3. Waste management

Action Plan

● Keep reducing landfill waste levels 90% or more from fiscal 1990 levels

In Japan, the remaining years of availability of landfill waste sites are limited, and reducing the amount of landfill waste is one of the most important measures related to waste management. Under these conditions, Astellas has set numerical targets for the amount of landfill waste, and is working on the three R's (reduce, reuse, recycle) at each of its facilities.

In fiscal 2006, the amount of landfill waste was 326 tons, 97% less than the amount in the reference year of 1990. The Group has met its numerical targets since fiscal 2004. Zero-emission targets have been set for fiscal 2007, and new efforts are under way.

The term "waste material" used in this report refers to material generated in the course of business activity, industrial waste that is no longer needed, general waste, and material that was sold or transferred for use as a resource.

Astellas' definition of Zero Emissions
- For landfill waste it is 1% of the volume of waste generated, and, for volume discharged, it is less than 2%.
- It should be noted that medical products that are difficult to recycle are not included in the calculations.

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

Waste generation and landfill volume

The amount of waste material generated has decreased due to the closing of some of our production departments (former Osaka Plant and Nagoya Plant).

Waste oil accounted for 49% of the volume generated; waste acids and alkalis 34%; sludge, 7%; other waste material, 10%.

The Company was able to achieve a decrease in landfill volumes by such measures as making some of the inorganic sludge generated at the Takaoka Plant recyclable. In this way, we were able to meet Action Plan targets for the third consecutive year since fiscal 2004.

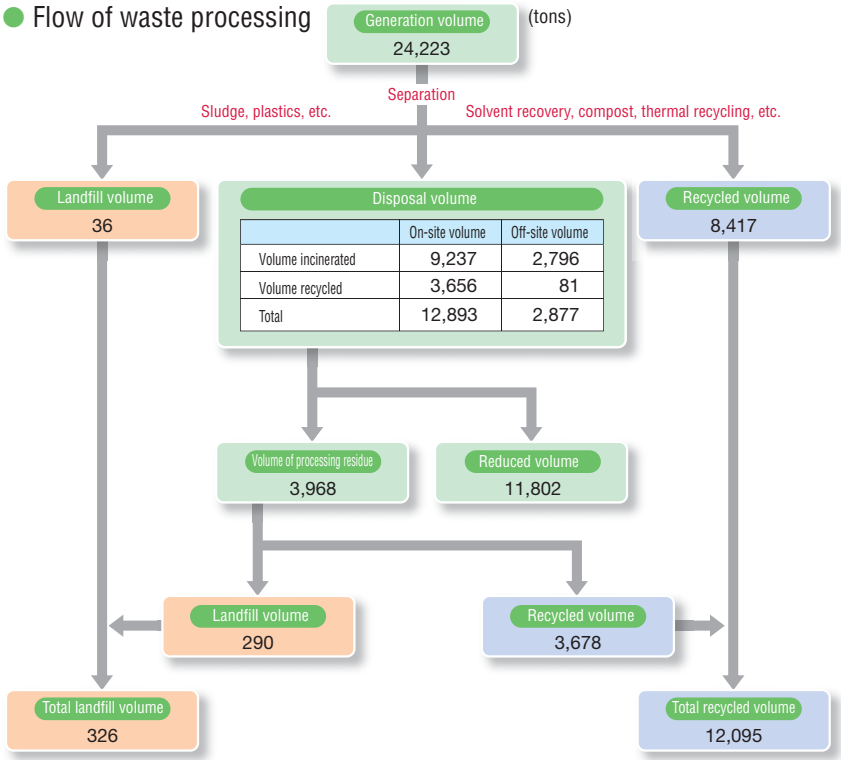
The volume of recycled waste material accounted for 50% of the waste material generated. The recycling rate dropped by 5 percentage points largely because of reduced use of organic solvents, a large portion of which is recycled.

While the sludge accounted for only 7% of waste generated, it accounted for 48% of landfill waste.

Therefore, in order for Astellas to reach its goal of zero emissions, it is necessary to make efforts to reduce the amount of sludge generated and increase the volume recycled.

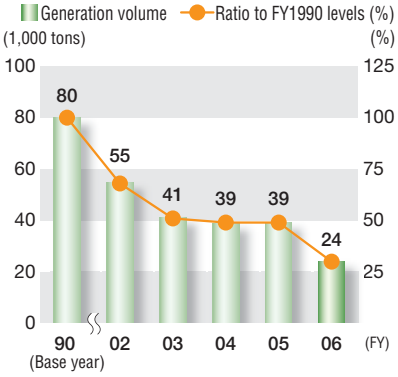
Volume generated	24,223 tons (down 14,609 tons from previous year)
Volume generated by outside contractors	11,330 tons (down 12,740 tons from previous year)
Volume disposed of as landfill	326 tons (down 242 tons from previous year; 97% reduction from FY1990)

● Flow of waste processing

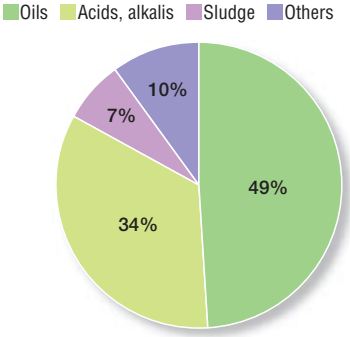


Disposal volume	On-site volume	Off-site volume
Volume incinerated	9,237	2,796
Volume recycled	3,656	81
Total	12,893	2,877

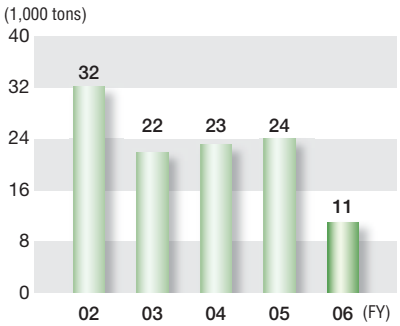
● Generation volume



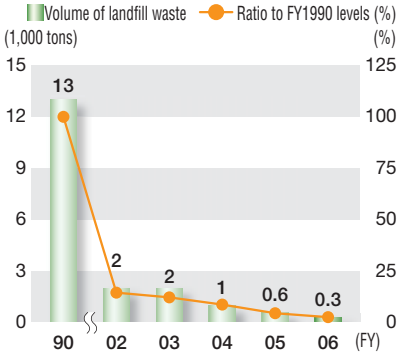
● Generated waste



Volume of waste processing outsourced

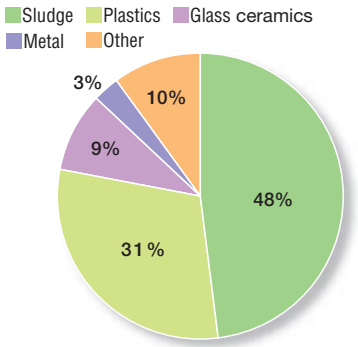


Volume of landfill waste



Note: Figures for FY2005 are approximately 2 tons higher than stated in the previous year's report, as a result of revisions made to correct a calculation mistake.

Breakdown of landfill waste



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

Waste recycling

Sludge recycling

In a new development, it became possible to recycle some of the inorganic sludge at the Takaoka Plant — 73% of the amount generated (1,800 tons). The sludge was recycled through such practices as converting it to fertilizer, and by reclamation of marketable substances.

Recycling of organic solvents

Among the organic solvents used in the production of pharmaceuticals, a large amount of these solvents are either recycled and reused (material recycling), or are used as fuel when incinerating waste material (thermal recycling). In fiscal 2006, an estimated 6,460 tons of organic solvents were recycled. Material recycling accounted for 76% (4,931 tons) and thermal recycling accounted for 24% (1,529 tons).

The decrease in the volume of recycled organic solvents was primarily due to the closing of some of the Company's production facilities and changes in products made, which led to reduced use of organic solvents.

Other recycling activities

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

Communication with waste material contractors

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

Topics

Toyama Plant receives Minister of Health, Welfare and Labor Award for promotion of 3Rs

The Toyama Plant received the Minister of Health, Welfare and Labor Award for Meritorious Service for the promotion of the 3Rs (reduce, reuse and recycle) in 2006. This award is given to organizations that achieve notable results and take the lead in efforts to reduce (curb waste generation), reuse, and recycle (convert to a usable resource), thereby acting as a pioneer in the creation of a recycling society. The award was given in recognition of the Toyama Plant's constant 3R efforts from the time it was established — efforts to reduce organic solvent waste and its work to make sludge recyclable through changes in production methods.

The awards ceremony where the Award for Meritorious Service was received for promotion of the 3Rs (reduce, reuse and recycle)

4. Air and water conservation

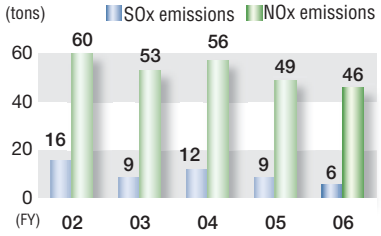
To conduct business in harmony with local communities and win their trust, Astellas is working to limit the release of pollutants by establishing stricter self-regulations (related to major environmental issues such as air and water quality) than are legally required or specified in agreements. We are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

Air pollutants

In fiscal 2006, NOx emissions totaled 46 tons and SOx emissions reached 6 tons. We are reducing SOx emissions by such means as changing the fuel used in boilers.

Astellas intends to systematically convert to fuels that contribute to solving the problem of global warming.

● Air pollutants



Measures related to incinerators

Incinerators are used to burn waste such as solvents from the production process. Incineration produces dioxins.

In September 2006, the general waste incinerator at our Takahagi Facilities was closed. This means that, currently, two incinerators are operated by domestic facilities: one liquid waste incinerator each at the Takaoka Plant and the Takahagi Facilities. The dioxin levels in the exhaust emitted from these incinerators are all within the allowable limits.

● Amount of dioxins in the exhaust gas of incinerators

Facility locations	FY	2002	2003	2004	2005	2006
Takahagi	Municipal waste incinerator	3.4	0.35	2.6	1.6	0.62
	Liquid waste incinerator	0.0047	0.014	0.00083	0.0014	0.00089
	Standard	10	10	10	10	10
Takaoka	Liquid waste incinerator	0.000053	0.00032	0.000058	0.00072	0.00019
	Standard	5	5	5	5	5

In previous reports, an amount of 10mg-TEQ/m^3 N, which is the allowable amount of dioxins in the exhaust gas of incinerators, was mistakenly reported under the "Standard" column for the Takaoka Plant.

Water quality management

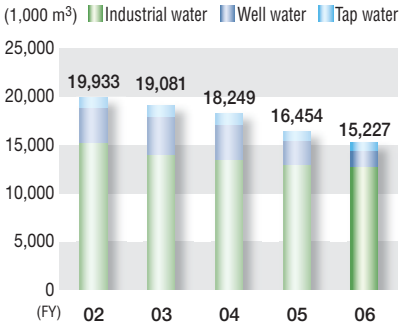
The volume of water used and the volume of wastewater for fiscal 2006 are shown in the table below.

Part of the decrease in the water utilization volume and BOD load was due to the closing of some of our production facilities (former Osaka Plant and Nagoya Plant).

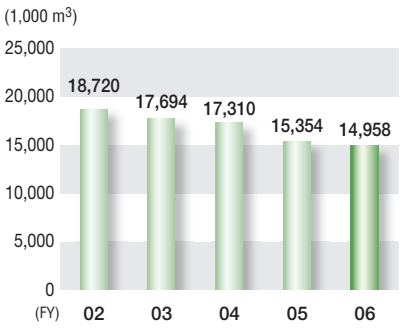
We release wastewater into rivers, the sea and sewerage systems. This may lead to the accidental release of harmful material, polluting rivers and seas and reducing the capacity of sewerage facilities. This may cause substantial harm to the local community. Because of this, Astellas considers wastewater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

Water utilization volume	Tap water	888 thousand m^3, down 19.2% (211 thousand m^3) from previous year
	Industrial water	12,699 thousand m^3, down 1.4% (183 thousand m^3) from previous year
	Groundwater	1,639 thousand m^3, down 33.7% (834 thousand m^3) from previous year
Wastewater		14,958 thousand m^3, down 2.6% (396 thousand m^3) from previous year
BOD load		35 tons, down 34.2% (18 tons) from previous year

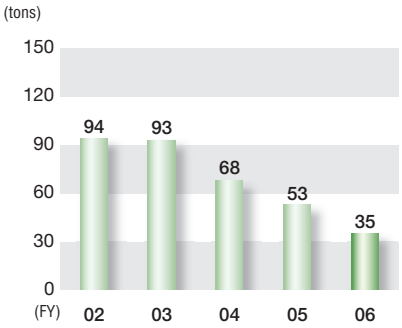
Water consumption



Drainage volume



BOD load



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

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

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

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

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

5. Measures related to soil and ground water contamination

Criteria related to such issues as determining when to conduct a soil contamination survey, implementing risk-reducing measures if soil contamination is detected, and notifying government authorities are set as guidelines in line with the Soil Contamination Countermeasures Law. Based on these guidelines, Astellas conducts soil surveys at facilities where projects such as the destruction of old facilities and building of new ones are being conducted, and at facilities that are open to the public, such as squares and grounds. In addition, these same guidelines set environment-related decision criteria for the purchase of land.

To date, measurements of soil contaminants have been taken at 14 lots. Results over the past three years are summarized below.

Up until fiscal 2005, soil contamination surveys were completed at three facilities, a total of seven lots.

In addition, regular groundwater and soil analyses are conducted and continuous monitoring is done at facilities that handle harmful chemical substances.

Results of soil contamination surveys and countermeasures (past three years)

Facilities	Land surveyed	Pollutants (level of contamination)	Countermeasures	FY
Kiyosu Facilities	Land after facilities were torn down	None	–	2005
Takahagi Facilities	Land after facilities were torn down	None	–	2006
Miyukigaoka Research Center	Land prior to purchase	None	–	2006
	Land after facilities were torn down	None	–	2006
Yaizu Facilities	Exercise area, green space	None	–	2006
	Unused area	None	–	2006
Tokodai Research Center	Land after facilities were torn down	None	–	2006

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

Compliance with emission standards

There were no cases of discharge standards being exceeded in fiscal 2006.

Environmental accidents and lawsuits

In fiscal 2006, an accident involving odor generation occurred at the Takaoka Plant during treatment of acetic anhydride.

It should be noted that no civil suit or fines resulted from this incident.

Summary of accident that generated odor

At the Takaoka Plant on October 11, 2006, the Company incinerated some unneeded acetic anhydride. Although the chemical was transferred to a special tank used for that purpose, a chemical reaction involving residual methanol and water occurred in the tank. The heat generated caused some gasification and some acetic acid compounds were emitted into the atmosphere. The workers sprayed the tank with water to cool it off, and the generation of gas was stopped about 40 minutes later. Although no one was injured, we did receive complaints about odors from three companies in the vicinity.

The reason for the accident was an elementary human error. We have subsequently instituted a preliminary checking mechanism to prevent a reoccurrence. A report on the accident was delivered to the local fire department and the Toyama prefecture authorities.

● Environmental accidents and lawsuits (summary)

	FY2002	FY2003	FY2004	FY2005	FY2006
Accidents	None	None	(Osaka Plant) An abnormal (degradation) reaction occurred during the drying process of a pharmaceutical intermediate. A stench and smoke were emitted into the atmosphere. Three students at a nearby junior high school and 25 employees complained of physical discomfort, including eye pain. All recovered	None	(Takaoka Plant) Odor
Lawsuits	None	None	None	None	None
Fines/charges	None	None	None	None	None

Environment-related complaints

In fiscal 2006, along with the complaint about the odor caused by the accident at the Takaoka Plant, we received a complaint about boiler exhaust noise at the Tokyo Research Center and a complaint about noise caused by steam exhaust from an air conditioner at our Fuji Plant. The Company took care of each of these problems by installing noise suppression devices.

Astellas considers measures related to sensory pollution such as noise, offensive odors, and vibrations as an extremely important topic that must be effectively addressed to build a relationship of trust with local communities. Environmental measurements are periodically taken to obtain an accurate grasp of conditions relating to the emission of noises, foul odors, and vibrations, and efforts are made to prevent such problems.

● Environment-related complaints (number)

Complaints	FY2002	FY2003	FY2004	FY2005	FY2006
Noise	0	2 (Takaoka, Yaizu)	1 (Tokyo)	0	2 (Tokyo, Fuji)
Odors	0	0	0	0	1 (Takaoka)
Vibrations	0	0	0	1 (Kiyosu)	0
Others	0	0	0	0	0
Total	0	2	1	1	3

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

Chemical substance management violations

Violations that occurred in fiscal 2006 at research facilities handling chemical materials are shown at right. We will strengthen our chemical substance management systems and make every effort to prevent a reoccurrence by conducting internal audits, education and training sessions.

Violation related to storage of reagent

(Tokodai Research Center)

The reagent phenylacetic acid must be supervised by certified personnel. The only employee with the proper certification retired, and subsequent to his retirement the chemical continued to be kept in the storage area. This matter was reported to the authorities in Ibaraki Prefecture, and the chemical was rendered harmless in the presence of an official from the prefecture's Chemical Business Section and subsequently disposed of.

7. Environmental conservation efforts by offices

Action Plan

- Increase the percentage of general items, such as office supplies and copier paper, acquired through green purchasing, to 90% or more on a monetary basis by fiscal 2007
- Increase the percentage of low-pollution vehicles used by our sales staff to 90% or more of total vehicles purchased, and to 50% or more of 75%-equivalent low-pollution vehicles by fiscal 2007

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

In fiscal 2006, progress was noted in the establishment of policies and plans at each facility. We will continue to make every effort to upgrade these activities.

Green purchasing

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

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

To promote green purchasing, we have included a list of products that meet the criteria in our green purchasing standards. We are recommending that these products be given priority in purchasing.

In fiscal 2006, the rate of green purchases of office supplies was 85%, a 2 percentage-point rise from the previous year.

In fiscal 2007, the final year left to meet the Action Plan target, we determined the focus should be on green purchasing of stationery goods.

We nearly met our Action Plan goals for introducing low-pollution vehicles, reaching 90% of the target number for low-pollution vehicles introduced and 81% of the target set for vehicles that would achieve a 75%-level of pollution reduction over standard vehicles. The Company intends to continue introducing low-pollution vehicles when it acquires vehicles for its sales staff.

Green purchasing of office supplies

FY	2004	2005	2006
Purchasing ratio (%)	81.9	83.0	85.0
Applicable product purchase amount (thousand yen)	85,137	81,489	66,015
Target product purchase amount (thousand yen)	103,991	98,187	77,631

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

Introduction of low-pollution vehicles

FY		2002	2003	2004	2005	2006
Number of vehicles used for sales		2,467	2,690	2,517	2,455	2,542
Low-pollution vehicle (Units)	75% low-pollution vehicles	176	754	1,042	1,526	1,931
	50% low-pollution vehicles	35	51	75	61	51
	25% low-pollution vehicles	500	659	471	381	301
	Total	711	1,464	1,588	1,968	2,283
Introduction rate (%)	Number of vehicles	28.8	54.4	63.1	80.2	89.8
	*Conversion to 75% low-pollution vehicles	14.6	37.1	49.1	68.6	80.9

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

Package recycling expenses

Although many containers and packaging for pharmaceutical products are disposed of by medical facilities, in the case of pharmaceuticals prescribed by hospitals, they are disposed of by consumers. For this reason the Container and Packaging Recycling Law (Law for Promotion of Sorted Collection and Recycling of Containers and Packaging) assigns the cost of recycling this waste to manufacturers. In fiscal 2006, the total amount of glass, plastic, and paper from our products discarded by end users was estimated to be around 540 tons. The cost of recycling was around 34 million yen.

Recycling cost based on the Container and Packaging Recycling Law

FY	Disposal amount (tons)			Recycling expenses (10,000 yen)
	Glass containers	Plastic containers	Paper containers	
2004	179	433	48	3,595
2005	0	355	64	2,010
2006	0	530	6	3,383

Notes 1: Since fiscal 2005, the results for OTC drugs have not been reflected in the results shown. In the results for fiscal 2005, in the calculations for the products of the former Yamanouchi, the period covered by the calculation was changed from the calendar year to the fiscal year, which means some of the data is for a three-month period (January-March).

2: Some of the data on paper containers for fiscal 2005 is erroneous. (Some data meant to be on aluminum is in the count, including some amounts pertaining to other companies.)

● Environmental performance data for principal domestic facilities

Item		Unit	Nishine Plant					Takahagi Facilities				
			FY02	FY03	FY04	FY05	FY06	FY02	FY03	FY04	FY05	FY06
Energy	Electricity	MWh	8,941	8,522	8,807	9,669	9,946	23,310	19,091	16,395	13,540	14,715
	Heavy oil	kl	2,016	1,977	2,108	2,057	2,015	3,323	2,910	2,581	2,136	2,092
	Kerosene	kl	6	5	5	5	6	3	4	–	–	–
	LPG	Tons	–	–	–	–	–	7	7	9	9	7
	Gas	1,000m^3	–	–	–	–	–	–	–	–	–	–
	Total	GJ	166,936	161,268	169,239	175,741	176,787	359,535	302,028	262,546	217,264	227,014
CO_2 emissions from energy use		Tons	8,858	8,592	9,058	9,248	9,236	17,845	15,139	13,220	10,947	11,267
Air pollutants	NOx	Tons	4	4	4	3	3	7	5	5	4	4
	SOx	Tons	2	2	3	3	3	7	2	2	1	2
Water usage	Tap water	1,000m^3	–	–	–	–	–	41	38	35	34	39
	Industrial use	1,000m^3	–	–	–	–	–	2,831	3,006	2,861	2,787	2,693
	Well water	1,000m^3	291	242	202	178	150	–	–	–	–	–
	Total	1,000m^3	291	242	202	178	150	2,873	3,044	2,896	2,821	2,732
Drainage water		1,000m^3	291	242	202	178	150	3,103	3,111	3,103	2,924	2,884
BOD load		Tons	1	1	1	1	0	5	5	5	5	5
Waste	Generation	Tons	286	248	359	481	471	4,003	2,665	1,849	1,860	1,748
	Landfill	Tons	10	7	9	6	8	249	57	30	29	13

Item		Unit	Fuji Plant					Yaizu Facilities*				
			FY02	FY03	FY04	FY05	FY06	FY02	FY03	FY04	FY05	FY06
Energy	Electricity	MWh	22,967	19,120	18,288	15,724	16,257	30,205	30,972	30,939	32,414	32,219
	Heavy oil	kl	4,377	3,438	3,296	2,240	–	4,177	4,812	4,522	4,406	370
	Kerosene	kl	521	146	152	140	–	0	–	–	–	–
	LPG	Tons	–	–	–	–	–	1,838	1,874	1,826	1,671	–
	Gas	1,000m^3	6,484	1,092	1,047	1,629	2,759	18	45	20	222	5,280
	Total	GJ	709,019	376,922	361,327	320,623	284,009	553,312	588,700	573,491	584,799	568,783
CO_2 emissions from energy use		Tons	35,345	19,172	18,390	15,737	11,859	28,289	30,463	29,468	29,666	24,111
Air pollutants	NOx	Tons	13	7	8	3	2	10	11	14	13	13
	SOx	Tons	2	0	2	1	–	5	4	5	4	1
Water usage	Tap water	1,000m^3	199	150	145	127	116	282	399	355	331	323
	Industrial use	1,000m^3	5,247	3,804	3,486	3,074	3,025	–	–	–	–	–
	Well water	1,000m^3	3	8	5	1	–	620	657	608	630	580
	Total	1,000m^3	5,450	3,962	3,637	3,202	3,142	902	1,056	963	961	902
Drainage water		1,000m^3	5,331	4,161	3,459	3,171	3,105	825	958	926	935	1,012
BOD load		Tons	34	40	18	11	5	3	2	2	1	2
Waste	Generation	Tons	14,810	1,319	1,410	603	501	470	709	867	452	607
	Landfill	Tons	130	27	19	22	17	132	21	75	78	28

Item		Unit	Toyama Plant					Takaoka Plant				
			FY02	FY03	FY04	FY05	FY06	FY02	FY03	FY04	FY05	FY06
Energy	Electricity	MWh	25,155	24,160	23,146	23,367	21,618	19,646	20,100	23,757	24,577	20,182
	Heavy oil	kl	–	–	–	–	–	415	354	261	310	435
	Kerosene	kl	–	–	–	–	–	–	–	–	0	0
	LPG	Tons	–	–	–	–	–	2,318	2,289	2,576	2,798	2,192
	Gas	1,000m^3	3,003	2,876	2,771	2,809	2,695	–	–	–	–	–
	Total	GJ	382,433	366,934	352,222	356,110	333,788	325,742	326,365	373,033	394,240	325,498
CO_2 emissions from energy use		Tons	15,727	15,088	14,485	14,648	13,751	15,507	15,426	17,414	18,529	15,388
Air pollutants	NOx	Tons	5	6	5	7	5	7	7	7	7	6
	SOx	Tons	–	–	–	–	–	0	0	1	0	0
Water usage	Tap water	1,000m^3	136	135	139	151	123	128	131	141	128	86
	Industrial use	1,000m^3	2,273	2,223	2,292	2,222	2,320	4,162	4,209	4,114	4,150	4,135
	Well water	1,000m^3	–	–	–	–	–	132	116	98	74	13
	Total	1,000m^3	2,409	2,358	2,430	2,373	2,444	4,423	4,456	4,352	4,351	4,234
Drainage water		1,000m^3	1,750	1,980	2,170	2,079	2,232	4,006	3,843	3,860	4,030	4,072
BOD load		Tons	3	2	3	2	3	8	7	6	6	6
Waste	Generation	Tons	5,362	3,011	2,604	4,894	3,590	18,315	18,494	16,742	16,641	14,288
	Landfill	Tons	512	544	229	18	19	526	583	480	290	121

* Specifically, Yaizu Plant and Yaizu Technology Center

Item		Unit	Miyukigaoka Research Center					Tokodai Research Center				
			FY02	FY03	FY04	FY05	FY06	FY02	FY03	FY04	FY05	FY06
Energy	Electricity	MWh	22,245	23,801	23,220	22,659	22,542	6,583	6,721	6,184	6,461	6,156
	Heavy oil	kl	–	–	–	–	–	–	–	–	–	–
	Kerosene	kl	2,494	1,675	928	730	625	1,607	1,622	1,474	1,648	1,368
	LPG	Tons	–	–	–	–	–	6	7	6	6	6
	Gas	1,000m^3	2,208	2,874	3,198	3,188	2,960	–	–	–	–	–
	Total	GJ	409,553	424,775	406,236	392,988	377,742	124,033	125,983	115,257	124,306	111,081
CO_2 emissions from energy use		Tons	19,189	19,117	17,709	16,982	16,205	6,511	6,603	6,031	6,565	5,755
Air pollutants	NOx	Tons	5	5	5	4	7	2	1	1	2	3
	SOx	Tons	–	–	–	–	–	–	–	–	–	–
Water usage	Tap water	1,000m^3	86	83	82	87	79	63	61	55	52	50
	Industrial use	1,000m^3	181	172	169	170	166	–	–	–	–	–
	Well water	1,000m^3	–	–	–	–	–	7	8	10	4	4
	Total	1,000m^3	267	255	251	257	245	70	69	66	57	54
Drainage water		1,000m^3	167	167	142	154	147	70	69	66	56	54
BOD load		Tons	6	5	4	7	6	1	1	1	1	0
Waste	Generation	Tons	408	497	549	459	441	208	274	239	202	213
	Landfill	Tons	22	44	60	25	27	14	15	18	14	11

Item		Unit	Tokyo Research Center					Kiyosu Facilities				
			FY02	FY03	FY04	FY05	FY06	FY02	FY03	FY04	FY05	FY06
Energy	Electricity	MWh	8,041	8,418	8,626	7,062	6,462	14,037	14,088	12,045	6,143	5,803
	Heavy oil	kl	–	0	0	0	–	–	–	–	–	–
	Kerosene	kl	129	125	123	122	112	–	–	–	–	–
	LPG	Tons	–	–	–	–	–	–	–	–	–	–
	Gas	1,000m^3	1,550	1,589	1,595	1,349	1,117	3,989	4,139	3,002	835	786
	Total	GJ	153,522	158,846	161,101	134,609	117,925	317,518	324,768	253,492	97,958	92,396
CO_2 emissions from energy use		Tons	6,569	6,783	6,870	5,767	5,035	13,565	13,895	10,767	4,050	3,820
Air pollutants	NOx	Tons	3	3	3	2	1	2	2	2	1	1
	SOx	Tons	–	–	–	–	–	–	–	–	–	–
Water usage	Tap water	1,000m^3	41	39	41	32	25	19	20	19	12	13
	Industrial use	1,000m^3	19	20	44	31	28	–	–	–	–	–
	Well water	1,000m^3	38	38	17	14	11	2,497	2,901	2,695	1,572	881
	Total	1,000m^3	97	97	102	77	65	2,516	2,921	2,714	1,584	894
Drainage water		1,000m^3	84	80	81	63	52	2,452	2,425	2,627	1,226	876
BOD load		Tons	3	3	2	2	2	5	6	7	4	1
Waste	Generation	Tons	268	217	279	296	200	2,383	3,004	3,506	1,645	1,153
	Landfill	Tons	46	12	8	19	13	37	7	5	5	2

Item		Unit	Kashima Facilities				
			FY02	FY03	FY04	FY05	FY06
Energy	Electricity	MWh	36,406	36,167	37,760	36,329	29,343
	Heavy oil	kl	–	–	–	–	–
	Kerosene	kl	–	–	–	–	–
	LPG	Tons	–	–	–	–	–
	Gas	1,000m^3	5,319	5,212	5,369	5,439	4,450
	Total	GJ	597,214	590,083	612,806	601,854	500,456
CO_2 emissions from energy use		Tons	24,771	24,461	25,388	24,990	21,107
Air pollutants	NOx	Tons	2	2	2	4	3
	SOx	Tons	–	–	–	–	–
Water usage	Tap water	1,000m^3	144	127	122	115	7
	Industrial use	1,000m^3	457	460	448	438	321
	Well water	1,000m^3	–	–	–	–	–
	Total	1,000m^3	600	587	570	553	328
Drainage water		1,000m^3	608	622	606	498	337
BOD load		Tons	26	19	20	15	5
Waste	Generation	Tons	7,508	9,648	10,315	10,906	655
	Landfill	Tons	31	35	33	36	23

● Conversion factors used in calculations of calorific values and CO_2 emissions

By type of energy	Conversion factor	
	Calorific values *1	Carbon dioxide *2
Electricity	9.83GJ / MWh	0.378 tons / MWh
Heavy oil (A)	39.1GJ / kl	2.71tons / kl
Kerosene	36.7GJ / kl	2.49 tons / kl
LPG	50.2GJ / tons	3.00 tons / tons
Gas	45.0GJ / 1,000m^3	2.07 tons / 1,000m^3
Light oil	38.2GJ / kl	2.62 tons / kl
Gasoline	34.6GJ / kl	2.32 tons / kl
Coal (regular coal)	26.6GJ / tons	2.41 tons / tons

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

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

● Volumes of materials for which notification is required under the PRTR system that were released or transferred (units for figures in the table are tons/year; however for dioxins, the units are mg-TEQ/year)

Nishine Plant

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Dichloromethane (methylene chloride)	40.864	4.125	0.000	0.000	36.692	0.000	0.047	0.000

Takahagi Facilities

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	6.925	0.005	0.003	0.000	0.000	6.800	0.117	0.000
Ethylene glycol	1.962	0.002	0.000	0.000	0.000	1.960	0.000	0.000
1,4-dioxane	5.130	0.015	0.000	0.000	0.000	5.115	0.000	0.000
N,N-dimethylformamide	17.049	0.007	0.000	0.000	0.000	16.953	0.088	0.000
Toluene	30.655	0.161	0.004	0.000	0.000	18.261	12.229	0.000
Dioxins	–	0.295	0.000	0.000	0.000	0.000	0.296	0.000

Fuji Plant

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Dichloromethane	19.470	0.157	0.000	0.000	18.340	0.000	0.973	0.000

Yaizu Facilities**

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	3.607	0.541	0.180	0.000	0.000	0.000	2.886	0.000

Kiyosu Facilities

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	1.004	0.060	0.000	0.000	0.000	0.000	0.944	0.000

Toyama Plant

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	7.410	0.034	0.000	0.000	0.000	0.009	7.367	0.000
N,N-dimethylformamide	2.471	0.000	0.000	0.000	0.000	0.000	2.471	0.000

Takaoka Plant

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Ethylene glycol	1.233	0.003	0.000	0.000	0.000	1.230	0.000	0.000
Salicylaldehyde	38.971	0.000	0.000	0.000	34.444	0.000	4.527	0.000
Dichloromethane	371.639	4.011	0.000	0.000	127.042	236.138	4.447	0.000
N,N-dimethylformamide	150.161	0.017	0.000	0.000	0.000	149.914	0.230	0.000
Thiourea	11.950	0.000	0.000	0.000	7.440	4.510	0.000	0.000
Formaldehyde	98.427	0.018	0.000	0.000	5.365	21.236	71.808	0.000
Manganese and its compounds	75.680	0.000	0.000	0.000	0.000	0.000	75.680	0.000
Dioxins	–	0.007	0.000	0.000	0.000	0.000	1.376	0.000

Miyukigaoka Research Center

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	2.945	0.015	0.000	0.000	0.000	0.000	2.930	0.000
Xylene	5.516	0.000	0.000	0.000	0.000	5.502	0.014	0.000
Chloroform	24.653	4.931	0.000	0.000	0.000	0.000	19.723	0.000

Tokodai Research Center

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	1.902	0.010	0.000	0.000	0.000	0.000	1.893	0.000
Xylene	10.142	0.000	0.000	0.000	0.000	10.142	0.000	0.000
Chloroform	5.751	0.224	0.000	0.000	0.000	0.000	5.527	0.000

Tokyo Research Center

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	1.093	0.394	0.000	0.000	0.000	0.000	0.688	0.012
Xylene	1.406	0.110	0.000	0.000	0.000	0.987	0.308	0.000

Kashima Facilities

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	11.190	0.744	0.000	0.000	0.000	0.000	10.447	0.000
Chloroform	8.439	0.329	0.000	0.000	0.000	0.000	8.110	0.000
Dichloromethane	1.643	0.343	0.000	0.000	0.000	0.000	1.300	0.000
Toluene	2.314	0.058	0.000	0.000	0.000	0.000	2.254	0.000

* Some of the data in the report for fiscal 2005 covers items not covered by the previous regulations. In addition, the following mistakes were noted for the sites indicated: 1. Data on the volume of acetonitrile discharged in water at the Toyama Plant is erroneous in regard to volume treated. 2. Data on the volume of xylene discharged by the Tokodai Research Center is erroneous in regard to volume treated.
** Specifically, Yaizu Plant and Yaizu Technology Center

● Environmental performance data for principal overseas facilities

Item		Unit	Grand Island Plant					Norman Plant				
			FY02	FY03	FY04	FY05	FY06	FY02	FY03	FY04	FY05	FY06
Energy	Electricity	MWh	7,506	7,428	7,559	7,291	6,640	24,000	29,300	31,100	30,800	29,200
	Diesel oil	kl	–	–	–	–	–	8	8	7	15	7
	Gas	1,000m^3	810	818	946	901	809	2,927	3,451	3,808	4,074	3,411
	Steam	Tons	–	–	–	–	–	–	–	–	–	–
	Total	1,000GJ	110	110	117	112	102	368	447	477	487	441
CO_2 emissions from energy use		Tons	6,074	6,047	6,388	6,138	5,565	20,144	24,333	26,126	26,521	24,191
Air pollutants	NOx	Tons	*	*	*	*	*	*	*	4	8	7
	SOx	Tons	–	–	–	–	–	*	*	0	0	0
Water usage		1,000m^3	28	30	30	32	27	151	216	250	256	215
BOD load		Tons	*	*	*	*	*	*	*	34	55	14
COD load		Tons	*	*	*	*	*	*	*	*	*	*

Item		Unit	Meppel Plant					Dublin Plant				
			FY02	FY03	FY04	FY05	FY06	FY02	FY03	FY04	FY05	FY06
Energy	Electricity	MWh	9,701	10,465	9,774	10,797	11,745	6,410	6,602	6,441	6,900	6,549
	Diesel oil	kl	–	–	–	–	–	5	4	4	11	1
	Gas	1,000m^3	774	824	726	732	767	768	715	577	721	718
	Steam	Tons	–	–	–	–	–	–	–	–	–	–
	Total	1,000GJ	130	140	129	139	150	98	97	89	101	97
CO_2 emissions from energy use		Tons	5,939	6,383	5,871	6,341	6,838	5,698	5,708	5,322	5,931	5,674
Air pollutants	NOx	Tons	*	*	1	0	1	*	*	7	4	9
	SOx	Tons	–	–	–	–	–	*	*	0	0	0
Water usage		1,000m^3	22	19	18	20	20	109	110	118	124	195
BOD load		Tons	*	*	*	*	*	*	*	1	1	1
COD load		Tons	*	*	72	51	34	*	*	10	13	11

Item		Unit	Kerry Plant					Shenyang Plant				
			FY02	FY03	FY04	FY05	FY06	FY02	FY03	FY04	FY05	FY06
Energy	Electricity	MWh	6,392	6,472	7,557	8,693	7,897	1,942	1,916	1,962	1,801	1,786
	Diesel oil	kl	–	–	–	–	751	20	18	22	57	19
	Gas	1,000m^3	–	–	–	–	–	–	–	–	–	–
	Steam	Tons	7,854	7,231	8,216	9,938	1,150	8,676	7,762	8,350	8,902	8,928
	Total	1,000GJ	85	84	97	113	110	44	41	44	45	43
CO_2 emissions from energy use		Tons	5,608	5,538	6,423	7,483	7,237	3,721	3,463	3,659	3,767	3,664
Air pollutants	NOx	Tons	*	*	*	*	*	*	*	*	*	*
	SOx	Tons	–	–	–	–	*	*	*	0	0	0
Water usage		1,000m^3	31	32	33	35	32	38	27	35	24	25
BOD load		Tons	*	*	*	*	*	*	*	*	*	*
COD load		Tons	*	*	*	*	*	*	*	*	*	*

Notes 1: The SOx data is for light oil (no facility uses heavy oil).
2: An asterisk (*) indicates that the department responsible at Corporate Headquarters was unable to obtain the results. In the future, we will make every effort to obtain complete data.
3: We employed the conversion factor used in each country for the data on CO_2 emissions caused by the generation of electricity consumed.
4: The past error regarding gas used by the Grand Island Plant was corrected. In addition, we were able to compile data on the volume of steam utilized at our Shenyang Plant for the first time.

Voluntary Product Recalls

In fiscal 2006, Astellas Pharma voluntarily recalled two product items (Calomide® pills 250mg and Calomide® pills 500mg). It was not thought that the temporary use of either of these products would be medically harmful in terms of the possibility of curing an ailment, and it was not thought that any serious damage to health would occur (Class II). Information about these voluntary recalls can be found on the website of the Ministry of Health, Labor and Welfare (MHLW).

Calomide® pills 250mg and Calomide® pills 500mg (generic name: cobamide)

- Reason for recalls

In regard to the long-term stability trial test material (24-month development cycle) for the Calomide pills 250mg, it was felt that the dissolution test did not meet the standards required for approval; for other lots and other referenced products, the dissolution test showed that the products did not meet the standards required for approval in regard to the long-term stability trial test material (24-month development cycle). Also, the case was similar for the Calomide pills 500mg, for which there were different volume standards. The long-term stability trial test material (24-month development cycle) and other reference products did not meet the standards required for approval. For this reason we voluntarily recalled all lots of both products on the market (Calomide pills 250mg: 82 lots; Calomide pills 500mg: 44 lots).

- Specific danger to health

It is thought that slow dissolution raises the possibility of delayed absorption. The quantitative value was within the standard; it was thought that this was related to the delay in the dissolution of the medicine itself, and the concern arose that damage to health could occur. However, there have been no reports to date of damage to health.

Amicable settlement of lawsuit over gender discrimination in regard to wage differences

In March 2002, a lawsuit claiming gender discrimination due to differences in wages for men and women was filed by employees against the former Fujisawa Pharmaceutical Co., Ltd. at the Osaka District Court. In March 2007, a compromise was reached in court, and the case was settled.

Changes in methods of calculating environmental performance

When creating this report, some of the calculation methods used to determine environmental performance were changed. As a result, in some cases, the values reported in the past have been changed. The main effects of these changes are indicated below.

1. Data related to energy utilization volumes and CO_2 emissions

In regard to natural gas, the results of a study of units used until last year for heat generation (41.1GJ/1,000m^3) and of the CO_2 emission coefficient (1.96 tons/1,000m^3) resulted in these figures being increased to 45GJ/1,000m^3 and 2.07 tons/1,000m^3, respectively. These will be applied to past data. For this reason, CO_2 emissions from the use of gas are greater for each year.

2. Items related to atmospheric pollutants

In regard to the calculation of the SOx and NOx emitted from boilers, as a result of a study of the method used for data calculation, it was decided that the conventional method of using annual hours of operation as the basis for the calculation of annual gas emissions created the possibility of a discrepancy. Therefore, the methods used to calculate the results for fiscal 2006 were changed as indicated below. For incinerators, however, it was decided that using annual hours of operation as the basis for calculation of NOx emission volume was appropriate, so no change was made for that calculation.

Change in calculation of volume of SOx discharged: Content of heavy oil (percentage of sulfur, density) and annual heavy oil consumption is used to calculate SOx.

Change in calculation of volume of NOx discharged: Annual fuel utilization for each facility is used as the basis to determine total annual volume of gas discharged, and the NOx volume is calculated from that.

3. Items related to discharges of chemical substances

In regard to the volume of chloroform released into the atmosphere at the Miyukigaoka Research Center, the results of a model experiment conducted to determine the rate of discharge showed that the coefficient used prior to fiscal 2005 did not correspond to the facts of the case. Therefore the coefficient was changed (atmospheric emission coefficient: changed from 0.039 to 0.2).

For this reason, the volume of chloroform discharged into the atmosphere is greater than that stated in past reports.

4. Other revisions

Mistakes were discovered regarding the calculation of past report items, including data on waste management, preservation of atmosphere and water quality, and the discharged volume of substances required to be reported on in the PRTR system. Information on the particulars of these errors is included in the pages covering each of these items.

Note: An audit of the Japanese-language original of **Astellas CSR Report 2007** was conducted by the independent auditing company Azusa Sustainability Co., Ltd., a subsidiary of KPMG Azusa & Co.

Please direct inquiries concerning CSR Report 2007 to:

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

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

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