



# CSR Report 2011

<http://www.astellas.com>

Changing tomorrow

## Astellas Pharma Inc.

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



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## Editorial Policy

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

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



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

## Report Boundary

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

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

## Reporting Period

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

## Important Organizational Changes during the Term of the Report

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

## Guidelines

- GRI (Global Reporting Initiative)  
The CSR Report 2011 was prepared in compliance with the Sustainability Reporting Guidelines (Version 3.1) published by the Global Reporting Initiatives (GRI). Astellas believes that its CSR Report 2011 satisfies the GRI Application Level B+ for reporting standards. A GRI Content Index is posted on the Company's website: (<http://www.astellas.com/en/corporate/csr/report.html>)
- The CSR Report 2011 was also prepared with reference to the Environmental Reporting Guidelines (Fiscal Year 2007 Version) issued by Japan's Ministry of the Environment.

Date of Issue: English version in October 2011, Japanese version in June 2011  
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Superior pharmaceuticals that provide the promise of a healthier and more enriched life to 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: "Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products."

### The Astellas Brand Mark

The Astellas brand mark is depicted by the "Flying Star," a beautiful shining star moving toward the future. This brand mark reflects the corporate vision of Astellas — to deliver hope and happiness to all for a healthy life, supported by state-of-the-art science, technology and new insights. The red color represents an enriched and healthy lifestyle that embodies "quality of Life," while the gray text expresses credibility in state-of-the-art science and technology.

## Business Philosophy

### Raison D'être

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

- To go beyond all others in exploring and tapping the potential of the life sciences.
- To 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.



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

Masafumi Nogimori,  
President and CEO

**As the medical needs of society continue to grow, the role played by pharmaceutical companies expands without limit. Against this backdrop, Astellas has chosen the continuous discovery of new drugs as its mission from among a host of business categories. In determining a true direction and path to follow, the Company is guided by an unwavering aspiration to help patients smile once again. To this end, Astellas engages in activities that ensure the Company evolves in a virtuous cycle and seeks to identify the steps necessary to further enhance enterprise value. We spoke to Masafumi Nogimori, president and CEO, on the topic of corporate social responsibility covering a variety of aspects including CSR-based management, the environment, and human resource diversity.**

**Ekberg:**

Thank you for speaking with us today. First, what are your thoughts on the Great East Japan Earthquake that occurred on March 11, 2011, and what actions did the Company take in response?

**Nogimori:**

The magnitude of the recent earthquake was of an unprecedented scale, and again reminded us of the enormous devastation that natural disasters can cause. It also brought to bear to those of us who live in urban areas how much our lives depend on those in surrounding regions. Thankfully, the Company maintains a vigilant watch on potential risks and disasters taking into consideration wide-ranging contingencies. Guided by our business continuity plan (BCP), we were quick to confirm the safety of employees and their families, ascertain the status of damage to property, plant and equipment, and initiate recovery plans. While the enormity of the earthquake was beyond our expectations, I am confident that communication flows were adequate and that our response efforts went reasonably well. As a supplier of pharmaceuticals, our mission is to ensure that patients receive essential drugs as and when required. I intend to use this recent disaster as a valuable lesson and to ensure increasingly stringent risk management.

**Promoting CSR-Based Management**

**Ekberg:**

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

**Nogimori:**

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

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

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



**Ekberg:**

Please provide us with details of the Company's Global Category Leader (GCL) business model.

**Nogimori:**

The Global Category Leader concept is a key component of our VISION 2015. It embraces the aspiration of securing a leading position across the entire business process from research to sales in fields where the Company excels. Building on its established GCL positions in the fields of urology and transplantation, Astellas positioned oncology as a third target and pillar in 2010. The raison d'être of any pharmaceutical company is to fulfill the unmet expectations of patients. Amid a global operating environment that is increasingly characterized by its intense competition, we will maintain an unwavering focus on the continuous development of new ethical pharmaceuticals channeling management resources as appropriate.

**Specific CSR-Based Management Initiatives**

**Ekberg:**

What are your thoughts on work styles and human resource diversity?

**Nogimori:**

For our female and foreign employees, Astellas has initiated the WIND Project\*1 and Ambassador Program\*2, respectively. In an effort to expand employment opportunities to people with disabilities the Company established the Green Supply Support Office in April 2011. I am convinced that a collection of like-minded people, even when of the highest caliber, is not necessarily the best scenario for a company. Only through individuals with different backgrounds, experiences and skill sets can an organization truly ensure diversity and the vigorous communication required for development and growth. This diversity and communication is the wellspring for a robust company. My goal therefore remains to ensure a workplace environment in which each and every employee feels a sense of positive tension and enjoyment.

**Ekberg:**

In the context of the environment, what is your understanding of biodiversity?

**Nogimori:**

Delegates from across the world gathered in Nagoya last year for the Convention on Biodiversity summit. At this historic meeting, a set of international rules which address medium- and long-term targets for protecting and securing biodiversity and protocol on access to genetic resources and the fair and equitable sharing of the benefits arising from their use were adopted. This issue contains numerous uncertainties that have the potential to significantly impact business activities. I believe that a host of questions will need to be answered in the future. Undeniably, our actions have a direct impact on the global environment, which in turn is the root cause for any and all biodiversity issues. Astellas must first quantify the wide-ranging environmental loads that its activities impose on the environment, grasp its effect on biodiversity and adopt measures that will help alleviate damage

and deterioration. In accessing genetic resources, the Company has continued to build cooperative ties through Southeast Asia working in tandem with various parties to develop innovative pharmaceuticals. Moving forward, we will work diligently to act and respond appropriately guided by the principles of the Convention on Biological Diversity.

**Ekberg:**

I am told that Astellas engages in Changing Tomorrow Day activities.

**Nogimori:**

"Changing tomorrow" is a communication slogan that we use overseas. In 2010, our employees in the U.S. put forward the proposal of initiating a worldwide campaign within the Company to promote activities that contribute to society. This proposal provided the impetus for a Changing Tomorrow Day activity that was launched around the world in September and October 2010. I am told that of our 16,000-strong global workforce, some 7,700 employees participated in various events. Taking into consideration the unique attributes of each community, wide-ranging activities including the cleaning up of parks and donating of blood were undertaken. In certain areas, steps were also taken to provide assistance at welfare facilities.

**Toward Renewed Growth**

**Ekberg:**

In closing, I believe the Company has put forward five core messages to all employees. Could you please provide us with the relevant background and details?

**Nogimori:**

In analyzing the Company's strengths and weaknesses, Astellas is on the one hand recognized for its honesty of purpose and integrity, while on the other hand considered overly conservative. In order for us to overcome our current harsh operating environment and to enter a period of renewed growth, it is vital that we continue to harness our strengths while mastering our weaknesses. After vigorous deliberation by top management, we have put together Five Messages that encapsulate a set of commonly shared Group-wide values and guidelines which are essential for Astellas. Seven key words and phrases such as "Patient Focus," "Self-starter," and "Integrity" are defined in these messages. They are of paramount importance and not merely words on a page. They embrace the need for each and every employee to adopt a new mindset both in thought and action in order for us to progress to the next stage. I am convinced that all employees will put into practice these messages as they go about their daily duties. Through these collective efforts I am equally convinced that we will foster a unique Astellas corporate climate and culture.

**Ekberg:**

Again, thank you for taking the time to speak to us today.

**Notes:**

1. The WIND (Women's Innovative Network for Diversity) Project  
A project that aims to foster a good workplace environment for women, in which in turn all employees irrespective of gender can work with vigor and excitement. This entails the implementation of wide-ranging personnel systems that address the needs of various life's events, and steps to create a corporate culture while fostering an employee mindset that enables women to make the most of their capabilities.

2. The Ambassador Program  
An initiative aimed at promoting the globalization of human resources through programs that include the dispatch of foreign affiliates' employees at the Company's head office in Japan on a long-term basis.

**Interviewer**

**Satoko Ekberg**  
A director of E-Square Inc. Part-time lecturer at the Graduate School of Environmental Studies, Tohoku University. Mainly engaged in corporate-sector and university-related CSR education and training, lectures and seminars as well as educational material and internal communication development.



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

A means 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 the economy, society, and humanity\* so that we can exist not just as a market entity, but also as a valuable member of society.

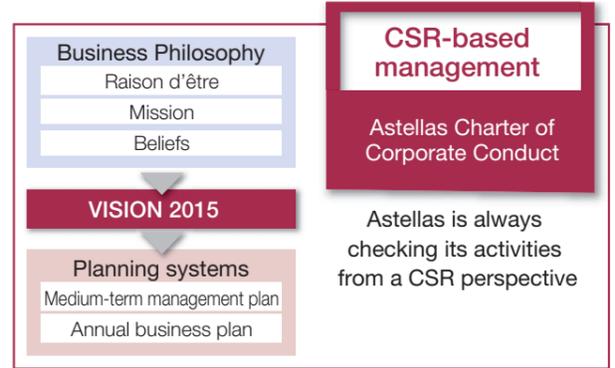
Astellas has positioned its CSR-based management objectives at the heart of its business philosophy.

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

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

In putting into practice our business activities, we actively apply

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



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

**Astellas Charter of Corporate Conduct**

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

- 1 Providing beneficial products**  
To fulfill our raison d'être — Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products — we shall provide products and services which benefit customers and society.
- 2 Maintaining high ethical standards**  
We shall ensure that all our relationships with stakeholders are sound and proper, based on high ethical standards.
- 3 Fulfilling disclosure requirements and transparency**  
We shall disclose relevant corporate information in a timely and appropriate manner not only to stakeholders but also to all members of society at large, thereby fulfilling our obligations regarding corporate accountability.
- 4 Fair and free competition**  
We shall promote appropriate competitive behavior in our business activities.
- 5 Ensuring sustainable benefits**  
We shall actively pursue management efficiency to ensure sustainable benefits for stakeholders.
- 6 Promoting employee welfare**  
We shall respect the universally recognized human rights of our employees as well as their diversity, individuality, and differences, and provide a safe work environment and fair treatment for all.
- 7 Respect for different cultures**  
In the management of our international businesses, we shall not only observe all applicable laws and regulations, but also respect the culture and customs of other nations.
- 8 Promoting environmental conservation**  
Recognizing that harmony between the global environment and our business activities is a prerequisite to our corporate existence, we shall proactively take measures to conserve the global environment.
- 9 Engaging in philanthropic activities**  
As good corporate citizens, we shall actively engage in charitable and other activities to benefit society.
- 10 Selecting ethical business partners**  
We shall not do business with others who break the law or fail to accept standards of responsible social behavior.

Senior management within the member companies of the Astellas Group fully recognize that they, first and foremost, must assume responsibility for implementing this Charter in the Group's actual business activities. Executives shall not only lead by example, but shall also take necessary action to ensure that all employees are aware of the Charter and to develop and implement internal systems and training that will ensure ethical corporate conduct at all times. In the event of a violation of the principles of this Charter, the company executives shall investigate the cause of the violation and implement reforms designed to prevent its recurrence. In addition to the timely disclosure of appropriate information regarding the violation, responsibility for the violation shall be attributed and disciplinary action taken, including against senior management, where necessary.

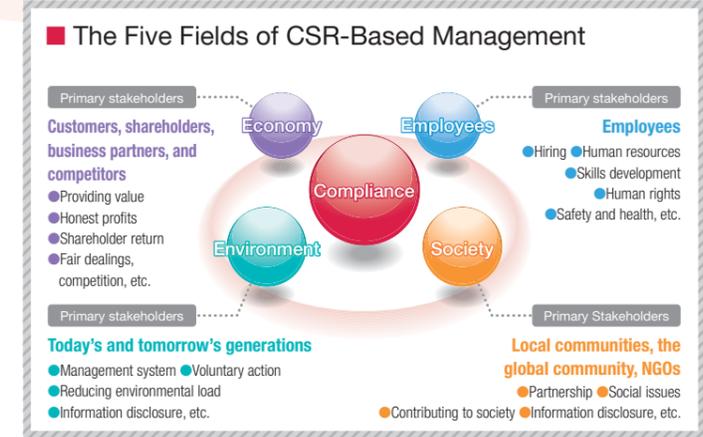
(Established April 1, 2005)

[Scope of Applicability]

This Charter applies to Astellas Pharma Inc. and all other member companies of the Astellas Group.

**The Five Fields of CSR-Based Management**

Five fields (employees, society, the environment, the economy, and compliance) make up Astellas' concept of CSR-based management. Compliance is considered fundamental to all business activities, and in its pursuit of corporate integrity, the Company has positioned compliance at the heart of its CSR-based management.



**Astellas Global CSR Policy**

Through CSR-based management, Astellas is working to be recognized by society for its overall enterprise value, which includes not only profitability, but also its responsibilities that consider the economy, society and humanity. We facilitate an ongoing dialogue with the public and put a high priority on integrity in our dealings with all our stakeholders as we work to fulfill our social responsibilities to maintain the trust of our stakeholders and inspire pride in our employees. With this as our guiding principle, we are tailoring our CSR-based management to take into account five perspectives: 1) Employees; 2) Society; 3) the Environment; 4) the Economy; and 5) Compliance.

**Employees**

Our employees are working to realize our business philosophy, and provide the driving force for the achievement of our corporate vision. We are working to enhance our human resources with the goal of improving employee satisfaction and engagement through high quality talent; career development and training and employee benefit systems which reflect the needs of employees. We are committed to fostering a safe and inclusive work environment that values and respects all employees and encourages them to reach their full potential, both personally and professionally. We also place a strong emphasis on respect for the intrinsic rights of our employees, the unique personalities of each individual, and the ethnic and cultural diversity of our workforce.

**Society**

A Company, as a member of society, must cultivate a positive relationship with the public and help to realize a sustainable society. We are actively working to incorporate an understanding of the various issues facing society — as well as the needs and the diversified values of the general public — into our corporate activities. We will continue contributing to the good of society and help to create a dialogue with various communities. At the same time, we will openly disclose the details of our corporate activities and provide our stakeholders with adequate explanations.

**Environment**

Finding an effective response to global environmental issues is the highest priority to ensure the continued existence of the human race, and should be given precedence over economic sustainability in the 21st century. We are corporate citizens, but we are also inhabitants of the Earth. We must keep this fact constantly in mind, and put a high priority on the fulfillment of our environmental responsibilities. In addition, as we undertake our corporate activities we must consider the needs of future generations, addressing issues over a long time-frame and from a global perspective.

**Economy**

A company's reason for existence is to conduct ethical business activity, provide values to all its stakeholders in various ways, and through its operations secure an appropriate level of profit. We are working to establish a business model of "Global Category Leader," in which we target focus illnesses and areas, with the aim of maximizing the value added of our products for people seeking health. We will work to achieve our goal of becoming the global leader in each of our focus categories by utilizing management methods based on economic value added as the indicator of management control. Simultaneously, we will make our best efforts to secure an appropriate level of profit and make adequate dividend payments to our shareholders.

**Compliance**

A company is an organic entity, with its own character or culture. Enhancement of that character is a proper responsibility for us as members of society. We must, therefore, endeavor to refine our corporate culture through honest relationships with our stakeholders. To this end, we have established a series of governance mechanisms to ensure not only that all employees strictly abide by all laws and regulations, but also that they respect internationally accepted rules, as well as differences in culture and customs in their overseas duties. They must also follow the dictates of their conscience and maintain high ethical standards.

(Established October 1, 2006)

**CSR-Based Management Priority Issues**

At Astellas, we believe that CSR-based management requires constant reviews of corporate activities from a CSR perspective to provide products and services that are helpful to customers and of service to society and to capitalize on our own strengths to address the problems facing society.

Given that CSR-based management is designed to enable us to embody our business philosophy, we have defined specific priority issues in accordance with the status of our business activities taking into consideration the need to ensure a sustainable society on the basis of the ten provisions of the Astellas Charter of Corporate

Conduct, which sets out our business philosophy in the form of specific corporate behavior.

The level of issue priority is assessed from three perspectives: disparities compared with the Charter of Corporate Conduct, relations with stakeholders, and legal and social expectations in connection with social issues. Looking ahead, the Company will work to fulfill its accountability through disclosure of its CSR Report. In addition to areas of particular interest to stakeholders, Astellas will provide details of issues that are likely to impact its decisions.

**Method for Specifying Priority Issues**

- Step 1 ■ Disparities compared with the Charter of Corporate Conduct**  
The Astellas Charter of Corporate Conduct sets the standard for the Company from ten different perspectives, including business ethics. The challenges facing us are thus identified based on the gap between the standard and the current reality.
- Step 2 ■ Relations with stakeholders**  
Relations are clarified using the CSR-based management matrix created from two different viewpoints of social responsibility and stakeholders, with reference to the CSR Promotion Tool developed by Nippon Keidanren (Japan Business Federation).
- Step 3 ■ Legal and social expectations in connection with social issues**  
The issues facing society are classified into areas where Astellas has an obligation, areas where Astellas is expected to make a contribution, areas where Astellas can make an indirect contribution, and areas involving politics, for marshalling the agenda for CSR-based management.
- Step 4 ■ Review and verification**  
Issues that have been appropriately classified will be reviewed and verified once every several years. This review and verification process will entail the decision whether to introduce additional issues or strengthen initiatives depending on the status of initiatives implementation progress and any changes to society. At the same time, Astellas seeks advice and opinions on these issues from outside the Company so as to determine and specify those priority issues that require disclosure.

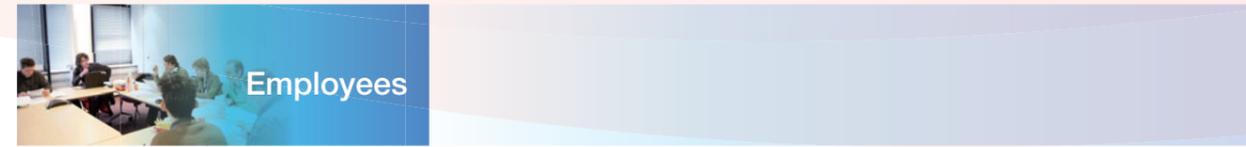
In order to contribute to the overall sustainability of society, Astellas has drawn up a vision for fiscal 2015. Authorized by the CSR Committee in fiscal 2006, we identified our corporate social responsibilities across five different fields of CSR-based management. We have been addressing issues based on an order of priority (steps 1 to 3), and in fiscal 2009 we undertook a thoroughgoing review to identify and include new issues as well

as areas where our activities needed to be bolstered taking into consideration changes in the nature of society and the status of initiative implementation (step 4).

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



Priority Issues	Reasons for Specifying as Priority Issues	Previously Specified Issues
Promoting business ethics Product Liability Strengthening corporate governance	Compliance of the Company's activities with statutory and regulatory requirements is built on its preexisting sense of integrity and high ethical standards. Embodied in its products and services, this spirit helps deliver customer peace of mind while enhancing enterprise value.	Strengthening of corporate governance, introduction of management systems, extension and enrichment of helpline functions, participation in the United Nations Global Compact, fostering of a corporate culture of integrity, strengthening of the global management framework



Priority Issues	Reasons for Specifying as Priority Issues	Previously Specified Issues
Work-life balance Developing human resources Promoting opportunities that enable women to excel Providing a safe workplace environment Respect for universally recognized human rights	Employees are an integral component of the Company and one of its key stakeholders. They are in fact the Company's very essence and substance. Response to the falling birthrate and gender equality are areas in which companies are frequently called to take direct action. Work-life balance is an issue of considerable importance in survey reports issued by the Japan Institute for Social and Economic Affairs. Building on existing issues that arose from the aforementioned conditions and circumstances, priority issues were identified taking into consideration such factors as third-party opinions and CSR initiatives.	Gender equality, response to the falling birthrate, child care and nursing care leave programs, actions for non-regular employees, employment of aged persons, implementation of occupational health and safety activities, elimination of excessive work, mental health improvement, Volunteer Leave Program, increase of the ratio of leave taken, work-life balance, promotion of diversity, employment of people with disabilities



Priority Issues	Reasons for Specifying as Priority Issues	Previously Specified Issues
Creation of new drugs CSR-based purchasing	Consistent with our raison d'être, to contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products, Astellas has formulated an overarching vision that underpins the Company's ongoing contribution. Moving forward, Astellas is engaging in activities that seek to realize its vision. The Company also recognizes that one of its corporate social responsibilities is to solicit the support of stakeholders including suppliers.	Accomplishment of VISION 2015, increase in dialogues with shareholders, CSR-based purchasing



Priority Issues	Reasons for Specifying as Priority Issues	Previously Specified Issues
Responding to global issues Participating in local community events Supporting medical science growth and development	Among the host of issues identified for attention, employment of people with disabilities and CSR-based purchasing were addressed through specific activities in other fields. Accordingly, efforts to actively contribute to society as a good corporate citizen has been positioned as the core priority issue in the society field. Astellas is cognizant of the need to identify specific issues in the society field that encompass a broader scope of activity including local community participation.	Employment of people with disabilities, supply chain management, information disclosure and communication, support for employees' volunteer activities, actions to address social issues, the United Nations Millennium Development Goals, CSR-based purchasing



Priority Issues	Reasons for Specifying as Priority Issues	Previously Specified Issues
Promoting measures to combat global warming Continuous improvement in environmental protection activities Addressing biodiversity concerns	There is increasing pressure on Astellas to actively participate in efforts aimed at addressing environmental issues from a social sustainability perspective. At the same time, environmental issues fall within the scope of the Company's risk management in the natural conduct of its business activities. In this context, Astellas has specified activities designed to protect and improve the global environment and ongoing compliance with emission control regulations as priority issues.	Continuous improvement in environmental protection activities, supply chain management, dialogues with stakeholders, construction and strengthening of a global management framework, measure to combat global warming, biodiversity, environmental impacts of pharmaceutical products

# Compliance



- Number of reports on adverse drug reactions (fiscal 2008) **35,294**<sup>\*1</sup>
- Number of voluntary product recalls initiated by pharmaceutical manufacturers (fiscal 2010) **145**<sup>\*2</sup>
- Number of medical accidents relating to drug use (January 2010 to December 2010) **139**<sup>\*2</sup>

<sup>\*1</sup> Source: "Annual Health, Labour and Welfare Report 2009-2010" issued by Japan's Ministry of Health, Labour and Welfare  
<sup>\*2</sup> Source: The Pharmaceuticals and Medical Devices Agency website

**Maintaining integrity and upholding the highest ethical standards represent the core of the Company's decision-making criteria and the essence of its corporate culture.**

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

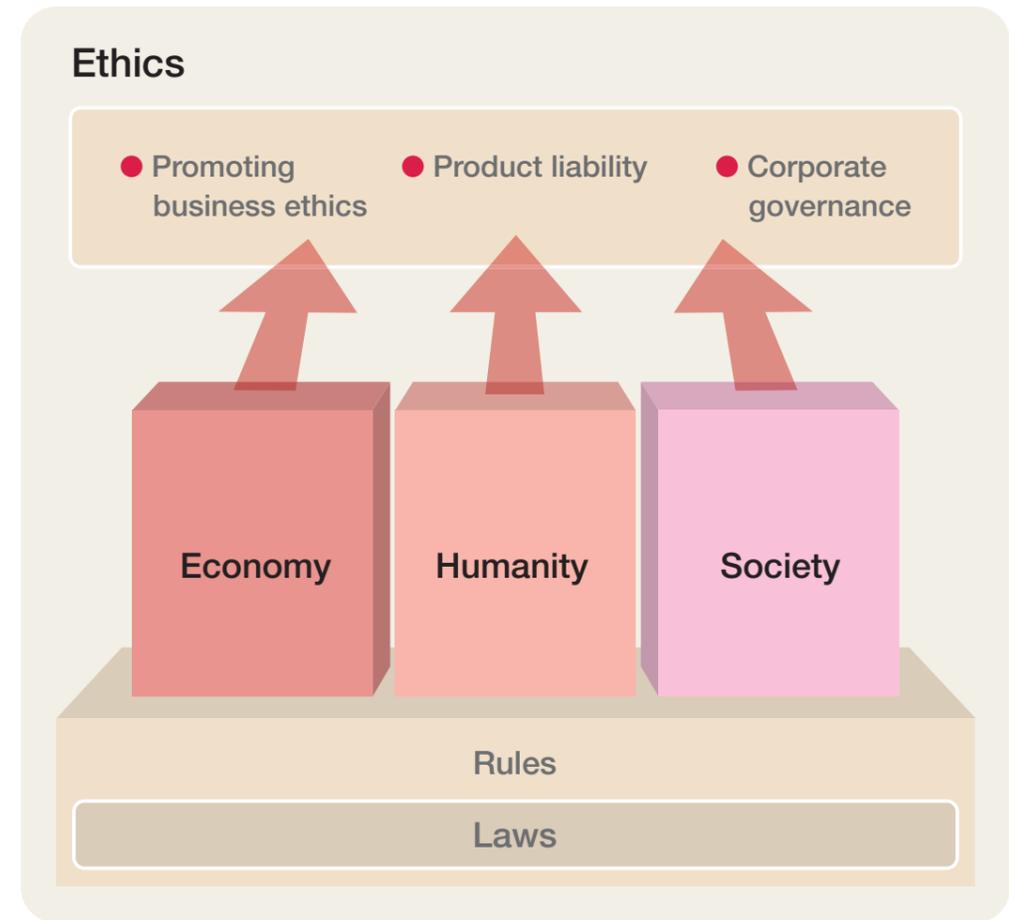
Astellas pledges to remain an organization that both embraces and practices the beliefs of its business philosophy to always manage its business with the highest sense of ethics. It is with this unwavering commitment that Astellas has positioned business ethics as much more than simply a single field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

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

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

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

## The Compliance Field

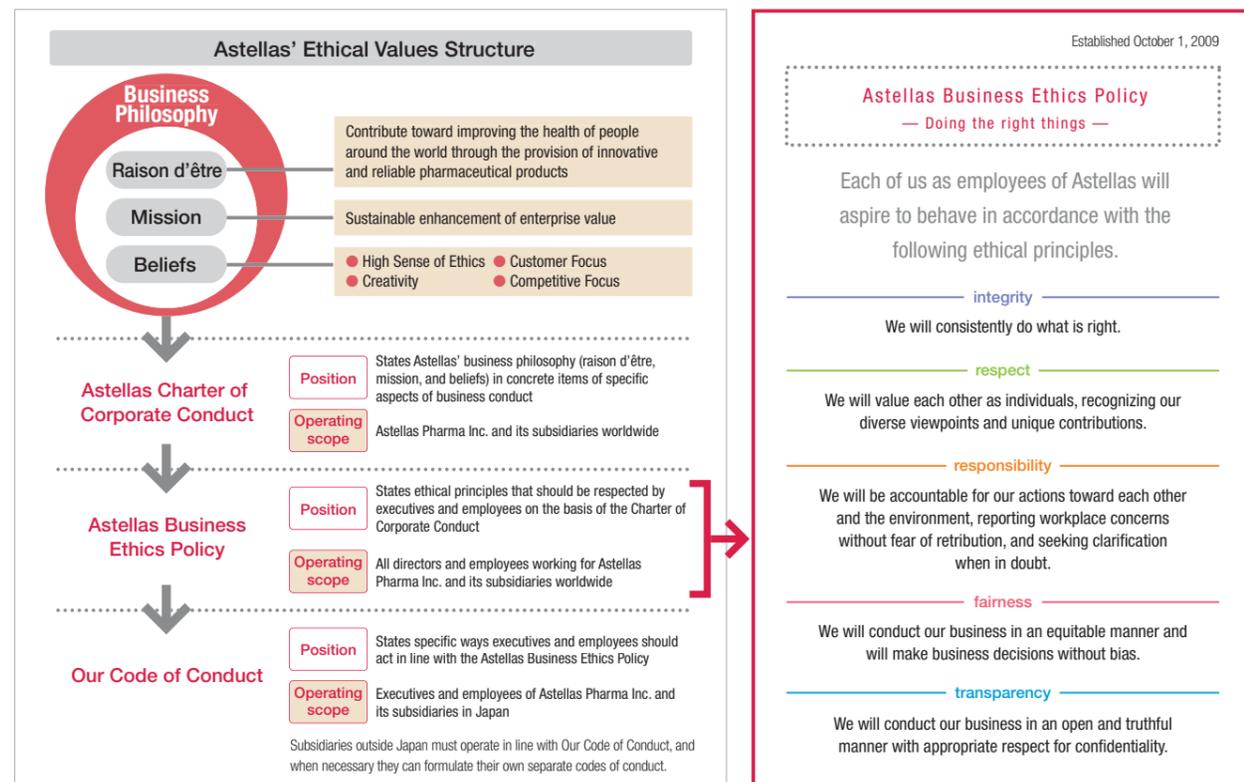


# Promoting Business Ethics

Taking into consideration its own unique set of circumstances and its understanding of societal issues at hand, Astellas remains constantly aware of the importance of strictly adhering to a code of business ethics. Our goal therefore is to instill a corporate culture in which each and every employee chooses to act in accordance with this code. Looking ahead, we will cultivate a workplace

environment in which individual employees maintain high ethical standards when acting on their own initiative. At the same time, we will nurture a corporate culture of integrity grounded in an acute awareness of business ethics to serve as the basis for our business activities.

## Ethical Structure



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

Despite these efforts, we have fallen short in our endeavors to break completely away from the confusion surrounding the narrower definition of compliance as adhering simply to laws and regulations. As a result, and in order to better clarify compliance in its broadest sense, Astellas placed greater emphasis on a sense of ethics, adopting and incorporating the term "business ethics" to avoid any possibility of ambiguity.

## Guide to Business Ethics Published in October 2010

In Japan, we reviewed our Code of Conduct taking into consideration the ethical principles outlined in the Astellas Business Ethics Policy and issued the "Shiori" (Guide) to Business Ethics in October 2010. The Japanese characters for "shiori," or guide can also be written as "breaking branches." The etymology of "shiori" is derived from an understanding that travelers walking a trail can be guided by such things as broken branches.

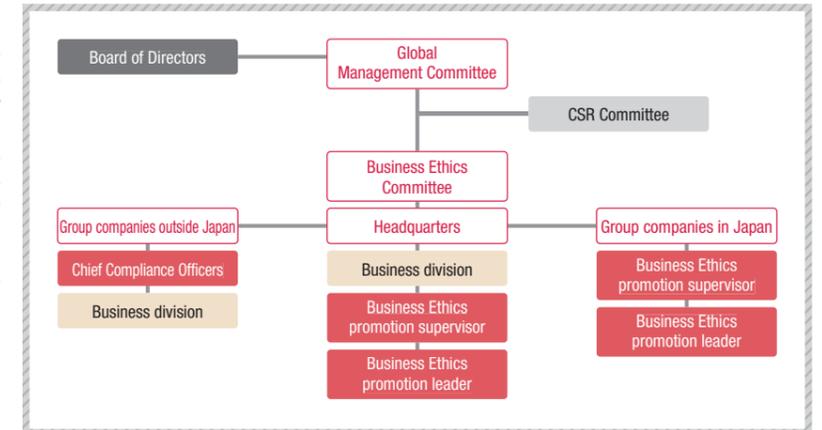
The naming of this publication, the "Shiori" to Business Ethics, is therefore intended to emphasize the direction and signposts that employees are required to follow in reaching correct decisions and engaging in appropriate conduct.



## Business Ethics Promotion System

Chaired by the Chief Business Ethics Executive, the Business Ethics Committee has been established to enhance the Company's business ethics promotion system, and to better respond to individual issues. This Committee continues to deliberate on plans, making decisions on how best to increase awareness and understanding throughout the Group. Business Ethics promotion supervisors and Business Ethics promotion leaders have also been appointed to each division. In addition to clarifying the person responsible for business ethics in each division, efforts are being made to take tangible steps toward building a corporate culture of integrity.

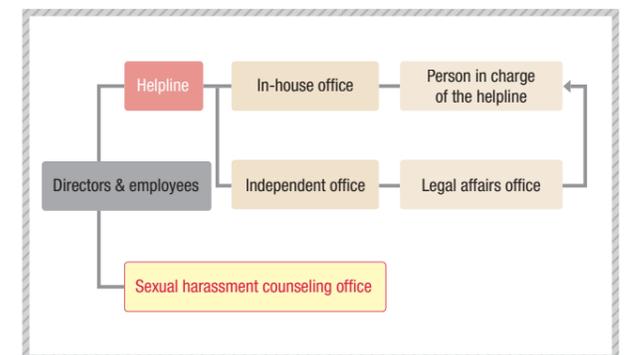
### Business Ethics Promotion System



## Business Ethics Helpline (Japan)

Astellas has established a helpline that individual employees can use at any time for advice, rather than attempting to tackle problems themselves. The helpline can be contacted if an employee witnesses any conduct that may be in violation of business ethics, or if an employee is instructed to act in possible violation of business ethics. In addition, the Company has established a sexual harassment counseling office independent of the helpline.

In fiscal 2010, the helpline and counseling office received 42 and 4 inquiries, respectively, a combined total of 46 inquiries. In specific terms, 26 inquiries were related to power or sexual harassment issues, five for possible accounting impropriety and two were of a legal nature. Moreover, two inquiries related to dealings with the civil service, two were regarding personal information, two related to business entertainment and seven were of a sundry nature.



## Initiatives for Preventing Improper Act and Corruption including Bribery

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

In this regard, Astellas has established its Business Ethics Policy. Guided by this policy, each and every Astellas employee working in and outside Japan aspires to behave in accordance with the five ethical principles of integrity, respect, responsibility,

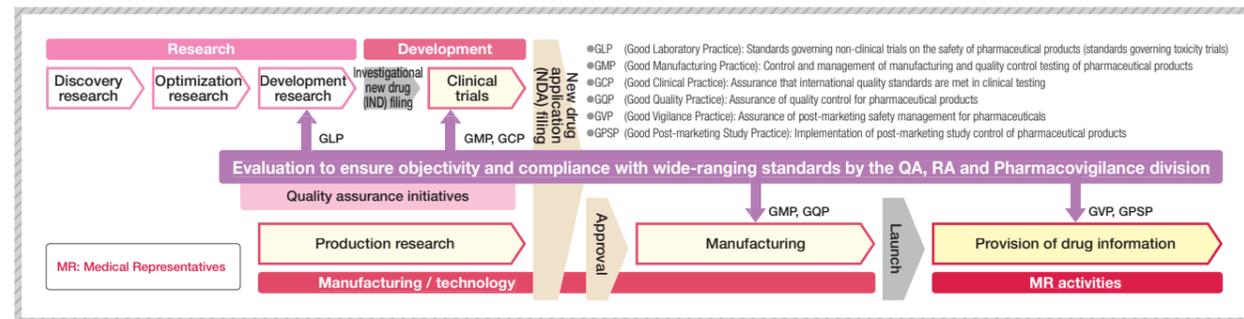
fairness and transparency. Maintaining an acute and unwavering awareness of these five principles serves to ensure equitable behavior while preventing improper act and corruption including bribery. In Japan, education and training emphasizes the need for individuals to discipline themselves through constant self reflection. In the United States and Europe, where legislative requirements are more austere, considerable weight is placed on training that aims to prevent any corruption and bribery. Recognizing, however, that the lack of integrity and fairness in any one country has the potential to impact the Group's companies worldwide, Astellas is considering introducing more globally focused training and a variety of appropriate initiatives in this field.

# Product Liability

## Initiatives for Ensuring the Reliability of Medicine

A great deal of time and procedural effort are required from the development of a particular pharmaceutical through to its eventual release for sale. Only in ensuring the integrity of all procedural processes can Astellas secure the confidence and trust of consumers on the efficacy and safety of a new medication. Moreover, ensuring the supply of products distinguished by their stable quality is an absolute prerequisite. Following the release of a product, we need

to collect information on adverse effects and quality problems and issue warnings and appropriate information to medical professionals as and when required. Furthermore, we are tasked with the important duty of reflecting requests from patients and medical professionals in product improvements and the development of new products.



## Initiatives for Ensuring Reliability

### Basic Policy Regarding Quality Assurance

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

supplied worldwide under the Astellas brand are the products of the Company's quality assurance policy and the efforts of employees throughout the Astellas Group to enhance efficacy and safety.

### Astellas QA (Quality Assurance) Policy

**Astellas QA Policy is applied to the whole Astellas Group under the Corporate Raison d'Étre "Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products."**

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

Ensuring the efficacy and safety of pharmaceuticals requires a system and methods that comply with laws and guidelines.

Our research, development, manufacturing, and other related departments set out specific procedures for complying with laws and guidelines. We are also building a structure that is capable of accumulating correct records while objectively evaluating the status of procedural compliance and data. Astellas recognizes that these steps and the evaluation of information pertaining to efficacy and safety as well as the provision of information to medical professionals to ensure correct pharmaceutical use are a vital

component in securing trust and confidence.

At Astellas, functions for ensuring reliability from research and development through manufacturing to post-marketing study are centralized. We have, in other words, established a system to achieve objective reliability at all stages. We are working to ensure the efficacy, safety, and reliability of our pharmaceutical products by auditing test and research facilities, checking records and other documents, and collaborating closely with regulatory authorities, medical professionals and other relevant parties in sharing information and accurately identifying risks.

## Ethical Considerations in R&D

### Activities at the Research Stage

#### The Use of Specimens Derived from Humans

We have established an Ethics Review Board on Human Tissue Research, based on specific policy guidelines including the Ethics Guidelines for Human Genome/Gene Analysis Research and the Ethics Guidelines for Clinical Research issued by the Japanese government. This committee, which is made up of members of the general public and experts in various fields such as ethics, law, and the natural sciences, deliberates on the ethical acceptability of research on human genome and tissue samples.

#### Animal Testing

Under existing laws and based on current development in science and technologies, research into pharmaceuticals requires experimentation on animals. Therefore, we have set policies on animal testing that attempt to balance scientific and animal concerns. We have also established the IACUC (Institutional Animal Care and Use Committee), which determines whether to conduct animal testing by strictly evaluating the possibility of substituting with non-animal tests, reduction of the number of animals used, elimination of animal suffering and improvement of breeding environments, as well as accountability in conducting tests on the global basis. Astellas has put in place significantly high standards with respect to the control and use of animals in its testing. As an indication of the seriousness with which the Company strives to achieve and maintain these standards, Astellas acquired AAALAC\*1 accreditation at all of its animal testing facilities in Japan. The Company is currently in the preparatory stages of acquiring accreditation at its overseas facilities.

#### The Fair and Equitable Use of Genetic Resources

The Tenth Conference of the Parties to the Biodiversity Convention established a set of international rules governing the use of genetic resources including microorganisms as well as flora and fauna and the allocation of profits derived from their application. Astellas has benefited greatly from the use of genetic resources in the development and creation of a wide range of products. The Company is therefore well aware of the importance of genetic resources and is a willing participant and advocate of these rules. Reflecting our commitment and stance, we have joined forces with the National Institute of Technology and Evaluation (NITE) to search for new microorganisms in Vietnam, putting our findings to industrial use

centered on drug discovery. The Company's participation in this collaborative research program is being conducted according to the framework NITE has built up jointly with the Government of Vietnam and is a cooperative relationship as prescribed by the Convention on Biological Diversity.

In similar fashion to this initiative in Vietnam, Astellas has undertaken joint research with local companies in Singapore and Malaysia. Looking ahead, the Company will continue to link its research into microorganisms to the development of innovative pharmaceuticals.

### Activities at the Development Stage

#### Human Rights in Clinical Research

Astellas does not engage in clinical research in countries that are not a party to the Declaration of Helsinki (2008)\*2 and ICH Guidelines\*3. In undertaking clinical research, personal information and the human rights of patients must be protected when conducting clinical trials. Likewise, drug safety and data reliability must be assured. Therefore, we have established an in-house Institutional Board, which includes outside doctors and lawyers. The board checks and monitors the ethical and scientific appropriateness of clinical trial plans.

\*1 AAALAC (The Association for Assessment and Accreditation of Laboratory Animal Care)

AAALAC is an international private, nonprofit organization that promotes the humane treatment of animals through voluntary accreditation and assessment programs. Studies are undertaken both from the scientific and ethical standpoints to verify the quality of animal control and use programs.

\*2 The Declaration of Helsinki

The Declaration of Helsinki was developed by the World Medical Association (WMA), as a set of ethical principles for the medical community regarding human experimentation, and is widely regarded as the cornerstone document of human research ethics.

\*3 ICH Guidelines

The International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) brings together the regulatory authorities and pharmaceutical industries of Japan, the United States and Europe. A set of guidelines has been established drawing on information and data collection relating to quality, efficacy and safety essential in the approval of pharmaceuticals. These guidelines incorporate scientific as well as ethical concerns.

## Product Recalls

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

in a serious health hazard or death) to Class III (use of the product is unlikely to cause a health hazard).

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

## Product Liability

### Initiatives for Enhancing Convenience

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

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

#### Astellas' Orally Disintegrating Tablets

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

#### Development Concept

##### Easy to take

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

##### Easy to handle

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

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

### To Encourage Proper Use

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

Astellas is working to minimize confusion in the handling of drugs when administering them so as to reduce the burden on patients,

doctors, nurses and pharmacists. In addition to actively promoting the use of a new barcode display system, we are endeavoring to make the markings on drug packaging easier to understand and mark product names directly onto tablets. Complementing these efforts to help prevent medical error, the Company is implementing a variety of measures including ways to better identify the name and content of individual drugs even when PTP sheets are separated.

#### Methods for Preventing Medical Error

- New barcode display
- Printing alignment (easy identification even when sheets become separated)
- Display of company name and logomark
- Efficacy display
- Dosage and administration time
- Product name and content



### Information on Adverse Effects

Information concerning adverse effects of pharmaceuticals is reported by medical institutions and companies, collected and sorted via research by groups such as the Pharmaceuticals and Medical Devices Agency. The information provides a basis for us to revise precautions and other materials included with our products to further assure safe use. In fiscal 2010, we made 42 revisions to

our precautions. Information on adverse effects that immediately needs to be distributed to medical institutions is distributed by the pharmaceutical company as urgent safety information (doctor's letter). In fiscal 2010, no urgent safety information was distributed regarding Astellas products.

## Corporate Governance

### Basic Stance

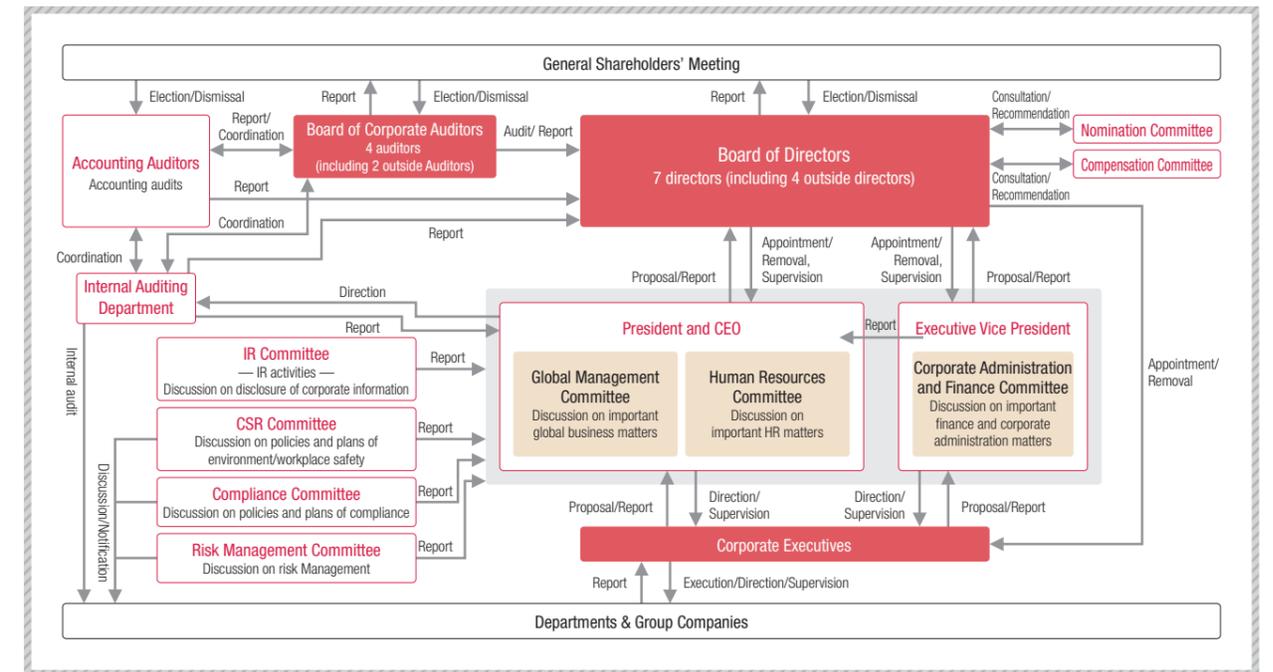
Astellas strives to realize its business philosophy, which encompasses its Raison d'être, Mission and Beliefs. At the same time, the Company is bolstering corporate governance by putting in place the appropriate structure and systems, strengthening its internal control system and establishing standards of conduct for

its employees as well as a set of business ethics and principles. Through these means, we are working to create a corporate governance structure that ensures the transparency of management and further enhances our accountability to the public.

### Corporate Governance Structure

Astellas employs a corporate officers system to achieve a clear separation between the performance of directors and corporate officers. Strategic decision-making and the operational supervision of management is performed by the Company's directors, while the execution of day-to-day operational decisions is carried out by corporate officers. The Board of Directors currently consists of seven members, of whom four are outside directors who bring a broad perspective. The Board of Auditors, consisting of four statutory auditors, of whom two are outside auditors,

is charged with the responsibility of auditing the performance of directors. The Company has set up the Nomination Committee and the Compensation Committee, as advisory councils to the Board of Directors, to further improve the transparency and objectivity of the deliberation process with respect to the nomination and removal of members of the Board, Corporate Auditors and Corporate Officers, and compensation-related issues with respect to Board members and Corporate Officers.



# Employees



- Total number of pharmaceutical company employees in Japan: **158,000** (fiscal 2007)\*<sup>1</sup>
- Total number of pharmaceutical company employees worldwide: **1,364,000** (leading 25 companies, 2009)\*<sup>2</sup>

<sup>\*1</sup> Source: Survey of the Prescription Pharmaceuticals Industry of Japan, Ministry of Health, Labour and Welfare  
<sup>\*2</sup> Source: DATA BOOK 2011, the Japan Pharmaceutical Manufacturers Association

## Recognizing that employees are central to creating enterprise value, Astellas maintains a workplace environment that allows employees to fulfill their work, family and social responsibilities.

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

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

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

Taking the aforementioned into consideration, Astellas has formulated its human resources vision, which clarifies employees' desired talents, to help realize its business philosophy. At the same time, the Company has identified its human resources

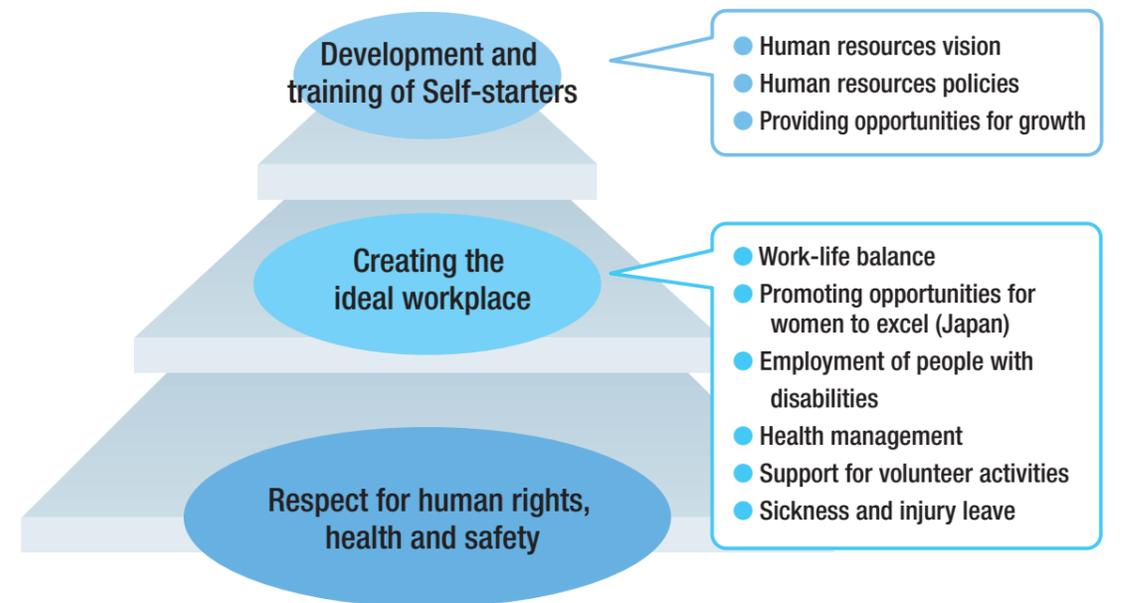
policies, which outline its thoughts toward the human resource management systems required to best support employees as well as providing opportunities for employee growth.

Moreover, Astellas recognizes that forging its own unique corporate culture carries the same weight and importance as upgrading and expanding its human resource systems and workplace environment. Accordingly, the Company is working to harness its inherent strengths to foster a unique corporate culture referred to as the Astellas Way by transforming each and every employee's mindset and behavior, while further enhancing its human resource systems and workplace. In specific terms, top management has outlined Five Messages to foster this Astellas Way. Employees are steadily incorporating these messages into their daily activities so that they can take personal ownership of efforts to bring about a transformation and change. Positioned at the heart of Five Messages are seven key words and phrases. These seven key words and phrases clarify the Company's emphasis on "Patient Focus," "Enthusiasm," "Challenge," "Innovation," "Results," "Self-starter" and "Integrity," and define the values to be shared by all Group members globally.

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

### Employee Field

**Our employees are both stakeholders and the driving force behind our business philosophy and corporate vision. In this regard, our development, training and benefit systems are designed to reflect employee needs. Deeply respecting and valuing its employees, Astellas places considerable emphasis on a workplace environment that engenders a strong sense of security and well-being.**



## Development and Training of Self-Starters

Astellas recognizes that its employees are the driving force behind its ongoing growth. While deeply valuing its employees and their contributions, the Company is also endeavoring to foster human resources who actively pursue new challenges. In principle, employees are called upon to adopt a self-starter stance. At the same time, Astellas provides its employees with wide ranging

opportunities to further their careers and capabilities. In accepting fresh challenges, employees are offered the chance to learn new languages and to undertake other distance learning programs. The Company also provides opportunities directly related to workplace duties and tasks.

### Human Resources Vision

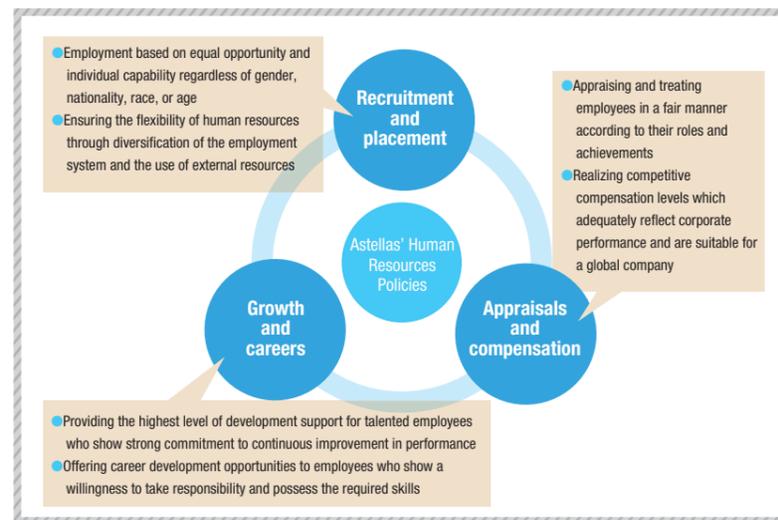
As a key component of its human resources vision, Astellas has identified its ideal conceptual image of its human resources desired talents. This image clarifies the direction for employee career building and is outlined in the diagram at right.

Astellas' desired talent



### Human Resources Policies

Opportunities for growth coupled with the highest quality human resource structure and systems are essential for employees to make the most of their capabilities and potential and for the Company to evolve and grow. Based on this understanding, Astellas has put forward specific human resources policies that carefully examine the steps that the Company must take to genuinely support its employees. Drawing on its findings, Astellas is building the necessary human resource structure and systems while endeavoring to ensure appropriate implementation.



### Providing Opportunities for Growth

The Astellas Group maintains a wide range of training programs and formats run on an individual company and headquarter basis. As a Group-wide organization that strives to foster employees that show considerable promise, the Company has established the Astellas Business School. This Business School is in broad terms structured into two tiers, the Astellas Growth Program (AGP)\*, which encompasses general education and training, and the Astellas Professional Program (APP), which focuses more on specialist skills and areas. In overall terms, the AGP covers personnel

in their first five years of employment. Thereafter, the focus shifts toward employees that exhibit considerable promise with training taking on a more specialist nature. Astellas also offers the Job Challenge Program for employees who take the initiative to seek out new opportunities. Divisions seeking to fill a particular need look for personnel from the Company's internal resources. When the requirement of a particular division matches the aspirations of an employee, the appropriate in-house transfer is affected.

\* Eligibility extends to employees who have joined the Company after fiscal 2005.

## Creating the Ideal Workplace

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

The effective use of human resources is also a part of our

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

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

### Work-Life Balance

#### Various Work Schedule Systems

Individual employee roles and performance form the foundation of Astellas' human resources evaluation system. Getting the most out of employee capabilities, we have introduced various work schedule systems that acknowledge diverse working styles including the Flexible working hours system, the De facto work system for outside work and the Discretionary work system. In this manner, the Company is giving employees the discretion to set working hours to suit their professional duties. In fiscal 2010,

over 90% of both our male and female workforce was covered by the aforementioned or other systems.

In addition, Group companies in Japan have adopted the Flexible working hours system. Approximately 60% including men and women can avail themselves of this system.

Note: Key management staff do not fall within the scope of work schedule systems and are accordingly not included in the preceding data.

#### Child-Care Support Initiatives

Our society is facing a substantially declining birth rate, and we need to support families raising children and promote the creation of an environment with far fewer barriers. Companies, too, are required to take initiatives for a harmonious balance between work and child care.

Astellas acquired the Kurumin Mark in 2007, certifying its compliance with the Act on Advancement of Measures to Support Raising Next-Generation Children.

Communication is a key component of our child-care and child-raising support endeavors. In an effort to facilitate the easy and smooth return to work after completing maternity or child-care leave, Astellas holds a variety of support events for the benefit of employees while still on leave. These events help provide

up-to-date information concerning the Company, opportunities to undertake personal development and training as well as details and access to new programs.

In addition to the support provided under corporate agreements with companies that provide baby sitting services, and daycare financial assistance including support when returning to work, Astellas offers such diverse child-care support programs as extensions to the terms of the Shortened Work Hours for Childcare Program and the Working at Home Program.

Details and progress under the General Employer Action Plan for creating an environment facilitating work and family-life balance and communicating it to employees formulated by the Company in 2007 (required by law) are presented briefly as follows.

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

Targets	Measures	Results Up to Fiscal 2010
Reduce annual scheduled working hours during the term of the plan	Consider steps to effectively reduce scheduled working hours in an effort to substantively improve work-life balance; undertake measures to reduce annual scheduled working hours	Introduced Family Friday (FFDay), which shortens working hours by one hour and 45 minutes on Fridays from April 1, 2009; For branches and sales offices shortened work hours by 15 minutes each day while increasing the number of annual leave days. As a result, achieved a reduction in annual working hours of approximately 80 hours.
Introduce new working arrangements to ensure a better balance between child care and work during the term of the plan	Promote multifaceted discussions between labor and management focusing on work styles and arrangements that increase productivity while improving work-life balance	Extended the terms of the Shortened Work Hours for Childcare Program (up to the start of fourth year of elementary school) from October 1, 2008; Introduced the Working at Home Program from October 1, 2009; In fiscal 2010, 139* employees decided to use this program. * Actual data for Astellas on a non-consolidated basis.
Introduce support measures that facilitate the smooth return to work of employees after completing child-care leave	Consider measures that support employees returning to work taking into consideration the characteristics of individual duties and tasks	Held a number of events to provide employees undertaking maternity and child-care leave with information and access to new programs each year from fiscal 2008; Instituted Financial Assistance for Daycare and paid leave programs for employees returning to work after completing maternity or child-care leave.

A list of programs at Astellas, plus a short description together with their usage, is shown on page 26.

Programs That Address Major Events in Employees' Lives



Astellas continues to introduce programs that support employees during major events in their lives including marriage, child raising, injury and retirement. Collectively, these programs help create an environment in which employees can concentrate on their work with a sense of security. While conditions apply to certain programs, details of representative examples are presented briefly as follows.

Marriage

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

Nursing Care Support

The Company has several programs for supporting an employee with family members that need nursing care. Since Japan has an aging population, an increasing number of families have relatives in need of nursing care. Astellas has a program that allows employees to take nursing care leave for up to a year in order to care for a family member.

Childbirth and Child Raising

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

Post-Retirement and Post-Resignation Options

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

Note: A list of programs at Astellas, plus a short description together with their usage, is shown on page 26.

Promoting Opportunities for Woman to Excel (Japan)



Diversity among human resources includes differing ethnic groups, nationalities, genders, and age, and issues vary according to country and region. Recognizing that diversity in terms of gender could be improved, Astellas launched its diverse human resource initiatives by first considering the active roles of women in the workforce. We must change our work environment, employee awareness and corporate culture to enable women to more completely utilize their abilities at work. We also have to overcome issues that make it more difficult for people from diverse backgrounds to demonstrate their abilities. We believe these initiatives will help Astellas strengthen its overall competitiveness. To this end we established Diversity & Inclusion Group in fiscal 2008, so as to implement change management to raise awareness and to encourage new behavior among employees, managers, and

women themselves. At the same time, we also reformed our business processes and the structures and operations of our human resource management systems in a broader restructuring. We closed the Diversity & Inclusion Group in fiscal 2010, but kept its core mission alive as we moved toward a structure able to take on a more diverse range of initiatives in the planning and operation of employee programs.

Women make up 23.1% of Astellas' workforce, an increase of 0.9 of a percentage point from the previous fiscal year. Moreover, 4.1% of key management staff are held by women, a year-on-year improvement of 0.6 of a percentage point. The turnover rate for female employees was 1.6% in fiscal 2010, a decrease of 1.0 percentage point from last year.

Employment of People with Disabilities



Astellas believes that one of its social responsibilities is to provide people with disabilities with work opportunities suitable to their skills and abilities, so that they can pursue independent lifestyles and actively participate in society. We have striven to create appropriate work environments and established a special subsidiary in order to achieve this goal. In fiscal 2010, people with disabilities accounted for 1.90% of the workforce, reflecting an increase in hiring at Group companies and business divisions.

As a new initiative, a Group subsidiary created Green Supply Support Office in April 2011 that will look after the greenery around the Tsukuba Research Center, recycle used office paper, and grow flowers, shrubs and trees, while undertaking other activities. Fifteen new Green Staff have been hired for their independence under this initiative.



People with disabilities employed

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
People with disabilities employed as a percentage of workforce	1.81%	1.78%	1.84%	1.79%	1.90%

Health Management

Medical Checkups



In addition to legally required health checkups and special health examinations, Astellas offers voluntary examinations and biosafety health examinations for those who handle pathogens or clinical materials.

Follow-ups after a health examination are a key component of its health management program, and the Company encourages employees to take a second health examination if a more precise diagnosis or retesting is deemed necessary.

As a result of health examinations, 28% of our employees required retesting or a more precise checkup in fiscal 2010. Of

these, 9% have not been retested, a figure that has not changed much since last year.

We will enhance our follow-ups on employees with health risks, and encourage them to proactively managing their own health, through such methods as early retesting. Health Insurance Association recommends walking more, stopping tobacco use and dieting as ways to improve health, ideas embodied in its health enhancement program. In fiscal 2010, 1,558 employees participated in this program.

Mental Health Care



Mental health problems can arise due to a variety of factors, such as stress from work or daily life. Astellas has a system in place for employees to seek counseling with psychiatrists or help through the independent Employee Assistance Program (EAP)\*1. We also offer mental health checkups, and based on a survey in

fiscal 2010, the risk of a mental health problem was about 10% lower among employees at Astellas than the national average\*2. Since it is important to have objective data on stress levels in one's own business division, Astellas used the results of the survey to enhance the training of its managers in fiscal 2010.

\*1 A part of the Employee Assistance Program, which helps employees with mental health issues.  
\*2 This figure comes from a stress examination that is based on a simple questionnaire on occupational stress published by the Ministry of Health, Labour and Welfare. Results that are lower than the national average are regarded as relatively good.

Prevention of Overwork

Since overwork can lead to physical and mental health problems, Astellas has set targets for Group companies and business divisions to reduce the number of employees who consistently work long hours, encourage employees to take paid annual leave, and

improve management of working hours. As a result, the number of employees who consistently work long hours declined by 38% in fiscal 2010, compared with the previous fiscal year.

Supporting Volunteer Activities

We have introduced systems for supporting employees who engage in volunteer work.

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

The Volunteer Leave of Absence System also supports an employee's volunteer activities over the long term, and allows

leaves of absence of up to three years.

The Bone-Marrow Registration Leave Program reflects our respect of employees' wishes to donate their bone marrow. The system lets employees take special leave to register and donate.

The Changing Tomorrow Day (page 39), which was launched in fiscal 2010, is our effort to encourage all employees to participate in volunteer activities. It has led to a higher awareness of volunteering among our employees.

Sickness and Injury Leave



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

In fiscal 2010, 60 employees participated in the Short-Term Disability Leave. The Short-Term Disability Leave of up to 30 business days shall be granted when an employee requires additional or continued hospitalization and/or recuperation at home after

receiving medical treatment for one month or more. This leave shall commence immediately after one month.

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

## Occupational Safety and Health (OSH)

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

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

Fortunately, since its inception in 2005, Astellas has not experienced any accidents leading to loss of life. However, the number of incidents with the potential to cause a major accident is not

few. In line with the prevention of such occupational disasters, Astellas is promoting initiatives to ensure the safety of its working environments by further stressing the importance for minimizing accidents due to workplace mishaps and hazards. Initiatives also include the consideration of countermeasures and the elimination of various activities and operations associated with certain risks based on accumulated experience. In addition, the Company is implementing a safety education curriculum and working to boost on-the-job skills through interdepartmental/facility collaboration. Also, continuous support for the fostering of health and safety managers with specialized skills along with training are essential to ensure employees follow set procedures on a daily basis.

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

### Safety Action Plan (Fiscal 2010)

Occupational Safety and Health (OSH) Management	<ul style="list-style-type: none"> <li>Review safety management system at regular intervals for maintenance and improvement</li> <li>Initiatives to reduce risk by establishing autonomous management standards for specific risks identified in risk assessments</li> </ul>
Response to accidents and emergencies	<ul style="list-style-type: none"> <li>Continuously work to effect improvements in the risk management system, including organizations, communication networks, and methods of responding to all conceivable accidents and emergency situations</li> </ul>
Severity rate of work-related injuries	<ul style="list-style-type: none"> <li>Create global standards for work-related injuries, and based on these standards, gain a full understanding of work-related injuries</li> <li>Continually work to keep the severity rate of work-related injuries at 0.005 or lower</li> </ul>
Chemical substance management	<ul style="list-style-type: none"> <li>Duly implement a comprehensive and effective system for managing hazardous chemical substances from procurement through disposal</li> </ul>

Astellas' safety management structure was established to promote efforts aimed at the prevention of work-related injuries. Therefore, its basic function is to focus on the prevention of risks with the potential to cause major injury or disaster and in the event of such disaster be able to minimize injury and damage. In specific terms, environmental and safety committees established within each of the Company's facilities fundamentally operate in accordance with items put forth by the CSR Committee, while drafting and implementing their own strategies in response to individual issues. Safety management is also carried out through internal facility audits as well as conducts checks based on audits completed by

the Head Office's Safety Control Department. Astellas is likewise making progress toward international standard certification as stated in its Environmental and Safety Guidelines, and as of 2010 the Group has acquired OHSAS18001 certification at its Takahagi Technology Center, Dublin and Kerry plants.

Additionally, accident and emergency response procedures are carefully maintained and come under regular review. Likewise, testing for efficacy of function within a training setting is essential. With the aim of minimizing the disaster level of emergency situations, Astellas continuously reviews emergency response procedures and systems as well as takes a variety of countermeasures into consideration for the complete elimination of certain issues.

Among the many chemical substances in use at Astellas' research laboratories and plants, some are classified as hazardous and others strictly managed by the law. As such, it is necessary that the Company have in place a structure to both manage the handling of these substances, from procurement to disposal, in accordance with all applicable laws, as well as assure the safety of employees that come in contact with such chemical substances. Research laboratories and plants in Japan adopted a Reagent Management System in 2009 through which the systematic management of safety data and set legal guidelines is now possible. In fiscal 2010, a system for evaluating the status of its operations was added.

### Status of Occupational Accidents

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

We began to look at the status of occupational accidents

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

### Safety Action Plan (Fiscal 2011)

In regard to Astellas' management system, risk assessment and chemical substance management mechanisms, the Company has decided to remove occupational safety and health management and chemical substance management from the 2011 Safety Action

Plan based on the success of continuous improvement initiatives in these areas. The action plan will therefore primarily focus on promoting risk assessment and achieving numerical targets for the severity rate of work-related injuries.

Severity Rate of Work-Related Injuries	Prevent the incidence of major occupational accidents while maintaining a severity rate of work-related injuries at or below 0.005 at all domestic facilities and overseas plants
Risk Assessment	Assess all business operations to identify risks in all areas as well as establish self-regulations to reduce such risk

## Respect for Human Rights

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

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

Preserving respect for human rights within the Company's supply chain is equally vital. As such, the Company requests cooperation from suppliers in following its principle of respect for human rights and fair employment practices clearly stated in its CSR Procurement Guiding Principles that specifies establishment of proper conditions for employment based on respect for human rights, prohibition of child labor, and adherence to labor-related laws. Astellas believes that fair and honest procurement conduct shall in turn lead to happiness for all those involved in its business activities and simultaneously improve the sustainability of society at large.

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

### Relationship with the Labor Union

The Astellas Labor Union comprises employees from both Astellas and a number of domestic consolidated Group companies\*, and is a member of the Japanese Federation of Energy and Chemistry Workers Unions. As of March 31, 2011, the number of union members stood at 5,085. The union's headquarters is located within the Company's Headquarters with branch offices located at principal

facilities. The Management Council, the Workplace Council and the Health and Safety Committee serve as labor-management negotiation bodies that provide advice, exchange opinions based on their unique perspectives and share a mutual understanding and recognition of labor and management themes.

\* Companies that participate in the Astellas Labor Union include: Astellas Pharma Inc., Astellas Business Service Co., Ltd., Astellas Learning Institute Co., Ltd., Astellas Marketing and Sales Support Co., Ltd., Astellas Research Technologies, Co., Ltd., Astellas Pharma Tech Co., Ltd., Astellas Analytical Science Laboratories, Inc., and Lotus Estate Co., Ltd.

Data

Where Our Employees Work



(People)

		FY2008			FY2009			FY2010		
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Astellas Pharma Inc.	Full-time employees	5,473	4,649	824	5,576	4,689	887	5,695	4,719	976
	Key management staff	1,934	1,895	39	2,021	1,972	49	2,097	2,037	60
	Other full-time employees	3,539	2,754	785	3,555	2,717	838	3,598	2,682	916
	Other staff	92	73	19	92	78	14	124	108	16
	Temporary staff	405	40	365	430	46	384	467	125	342
	Total	5,970	4,762	1,208	6,098	4,813	1,285	6,286	4,952	1,334
Group companies in Japan	Full-time employees	1,716	1,030	686	1,882	1,116	766	1,930	1,143	787
	Key management staff	357	332	25	379	345	34	392	350	42
	Other full-time employees	1,359	698	661	1,503	771	732	1,538	793	745
	Other staff	373	81	292	429	110	319	421	117	304
	Temporary staff	451	96	355	409	115	294	369	98	271
	Total	2,540	1,207	1,333	2,720	1,341	1,379	2,720	1,358	1,362
	North and South America		2,318			2,375			2,429	
	Europe		3,390			3,775			3,992	
	Asia		1,031			1,151			1,412	

Note: Figures for Japan include employees on loan. Figures for other staff include term-contract employees and part-timers. Figures for staff outside Japan are for full-time staff only.

		FY2008			FY2009			FY2010		
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Length of service (years)	Astellas Pharma Inc.	15.4	15.8	12.9	15.5	16.0	12.5	15.8	16.5	12.5
	Group companies in Japan	22.0	23.5	19.8	20.1	21.5	18.0	19.6	20.7	18.1
	Average	17.0	17.2	16.0	16.6	17.1	15.1	16.8	17.3	15.0
Average age	Astellas Pharma Inc.	40.1	41.0	36.4	40.5	41.3	36.2	40.7	41.7	36.0
	Group companies in Japan	44.6	46.1	42.3	44.0	45.2	42.1	43.8	44.8	42.4
	Average	41.3	41.9	39.1	41.4	42.0	39.0	41.5	42.3	38.9
Number of employees who left the company	Astellas Pharma Inc.	113	77	36	115	91	24	89	72	17
	Group companies in Japan	50	25	25	47	28	19	39	27	12
	Total	163	102	61	162	119	43	128	99	29

(People)

		FY2008			FY2009			FY2010		
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Astellas Pharma Inc.	New graduates	120	73	47	183	104	79	207	109	98
	Mid-career hires	80	70	10	76	59	17	32	24	8
Group companies in Japan	New graduates	0	0	0	25	13	12	53	34	19
	Mid-career hires	119	64	55	192	98	94	39	22	17



Incidence of Work-Related Injuries in Japan

	FY2006	FY2007	FY2008	FY2009	FY2010
Number of work-related injuries	41	31	26	27	33
Frequency rate of work-related injuries*1	0.35	0.25	0.31	0.37	0.31
Severity rate of work-related injuries*2	0.003	0.001	0.001	0.002	0.001

Notes: 1. The frequency rate of work-related injuries in fiscal 2009 was revised following a review of hours worked.  
2. Accidents beyond the Company's control, including work-related injuries that occur outside the Company's premises on days when the subject employee is absent from work, are not included in the preceding table. There were four such incidents in fiscal 2010. The cumulative total number of days absent from work was 46.

\*1 Frequency rate of work-related injuries  
This rate shows the number of employee deaths or injuries resulting from work-related accidents causing leave of absence per million hours of work. The larger the number, the more frequently work-related injuries occur.

\*2 Severity rate of work-related injuries  
This rate shows the number of days absent from work due to work-related injuries per thousand hours worked. The higher the number, the greater the severity of the injury.

Major Programs (Japan)



Life Event	Program	Details	FY2008	FY2009	FY2010
Injury	Short-Term Disability Leave	The Short-term disability leave of up to 30 business days shall be granted when an employee requires additional or continued hospitalization and/or recuperation at home after receiving medical treatment for one month or more. This leave shall commence immediately after one month.	48	38	60
Nursing care	Family Leave for a Child, Spouse or Parent	Employees may take leave to care for indisposed family members up to a prescribed number of days. For employees with one child, the prescribed number of days is five, 10 days for an employee with two or more children, and five days for a spouse and/or a parent. Leave may be taken in units of half days.	440	564	627
	Nursing Care Holiday	For family members requiring nursing care, employees may take time off up to prescribed limits. In principle, leave of five days is given for care of one family member and 10 days for two or more family members (Leave may be taken in units of half days).	Program introduced in fiscal 2010		24
	Leave for Nursing Care	Employees may take up to one year of leave to care for a family member requiring nursing care. As a complementary support program, employees may participate in interviews prior to taking leave, during leave and after returning to work or borrow PCs to obtain information from the Company.	1 Average days used: 5	2 Average days used: 121	4 Average days used: 58
Child care, nursing care, transfer of a spouse	Shortened Work Hours for Nursing Care	Employees caring for family members in need of nursing care can benefit from reduced working hours for the duration of the nursing care. Working hours may be shortened by 25% of monthly working hours with the options of reductions by one hour, two hours, half days and full days on a quarterly basis. Employees may use this program multiple times. They may also use this option together with flexible working hours.	0 Average time period used: 0	0 Average time period used: 0	0 Average time period used: 0
	Registration for Reemployment	Regular employees who have to give up their jobs due to responsibilities involving child raising, nursing care for family members or the transfer of a spouse to a new work location can at the time of resignation register for reemployment due to changes in circumstances since leaving their jobs. These individuals will be given preference when hiring is necessary.	Number of reemployed-people 0	2	1
Marriage	Program for Helping Sales Personnel Live with Their Spouse When They Get Married	This program allows sales personnel to be dispatched to areas that allow them to live with their spouse where the person that they intend to marry fulfills certain preconditions.	Male: 7 Female: 5	Male: 8 Female: 9	Male: 2 Female: 2
Pregnancy and childbirth	Maternity Protection Leave	Units of leave from two weeks to three months can be taken when work is not possible due to pregnancy complication such as morning sickness, the danger of miscarriage, pregnancy-induced hypertension, and premature delivery, or when leave is necessary for preventing these problems, or recovering from injury caused by still birth or miscarriage which took place before the fourth month of pregnancy. This leave may be taken multiple times, for each leave from two weeks to three months.	1	5	7
	Leave of Absence Before and After Childbirth	Employees may request for six weeks leave prior to childbirth (14 weeks in the case of multiple births). In principle, employee may not return to work for a period of eight weeks after childbirth.	78	78	89
Child-raising	Paternity Leave	At the time a spouse is to give birth to a child, employees may take Paternity Leave up to five days as and when necessary. The total number of paternity leave days may be distributed over the period two weeks prior and up to eight weeks after childbirth.	Program introduced in fiscal 2010		225
	Leave for Child Care	Employees are able to take leave until the child is three years old.	Female: 87 Average days used: 374	115 329 days	125 374.4 days
	Time off for Infant Care	Female employees raising a child less than one year old may request for child raising time twice per day and 30 minutes for each time.	—	—	18
	Shortened Work Hours for Childcare	Employees may apply for shortened work hours. Options are available to shorten work hours by one or two hours (however, when combined with regulatory child-raising time, shortened work hours are limited to one hour).	53 Average days used: 404	65 522 days	88 449.5 days
	Use of the Company's Vehicles for Child Raising	Sales personnel may use the Company's vehicles to drop off and pick up children from daycare and other facilities.	Program introduced in fiscal 2010		Male: 1 Female: 3
Social contribution activities	Financial Assistance for Daycare	For employees seeking to return to work, financial assistance is provided to such employees if their children are not admitted to authorized nurseries. Financial assistance will be provided for costs of alternative daycare that exceed ¥80,000 per child (maximum amount: ¥160,000; term: six months). Financial assistance is also available to employees who have to move due to transfer.	—	2	3
	Paid Leave for Employees Returning to Work After Leave of Absence Before and After Childbirth/Leave for Child Care	A maximum of 10 days of annual paid leave is granted to employees returning to work after Leave of absence before and after childbirth/Leave for child care	—	16 Average days used: 8.5	12 Average days used: 6.8
	Working at Home	Under this program, the Company may permit employees to work at home for all or part of their scheduled working hours in consideration of each applicant's purpose, job content, quality, frequency of utilization of this program and desired period.	Male: — Female: —	Male: 45 Female: 31	Male: 97 Female: 45
Social contribution activities	Volunteer Leave/Leave of Absence	In support of the voluntary and proactive efforts of individual employees to contribute to society through volunteer activities, the Company's volunteer leave system allows for up to five days of leave to be taken each year. The volunteer leave of absence system can be used to take leave of absence of up to three years.	0	2	29
	Bone-Marrow Registration Leave	The bone-marrow registration leave program reflects the Company's respect for employees' wishes to donate bone marrow. The program allows employees to take special leave to register and donate.	3	3	0

Note: The number of users indicates those who used the system in each fiscal year. This figure excludes cases where the term of leave was not completed by the end of each fiscal year. In other words, it is limited to cases which ended within the fiscal year.

Other Programs (Japan)

Program	Details	Scope
Home help assistance	Employees who are members of Kyosaikai and who require the support of a home helper due to an injury to themselves and/or their spouses or other life event including childbirth may receive financial assistance from Kyosaikai to a maximum of ¥3,000 per day and ¥90,000 per year.	Female employees prior to and after childbirth Male employees
Child-raising assistance	In the event of unforeseen circumstances, employees requiring daycare, nursery or sitter services (including extended day care) may receive financial assistance to a maximum of ¥3,000 per day and ¥90,000 per year.	Employees raising children up to third year of elementary school
Nursing care assistance	Employees who are living with family members who require nursing care, who for unforeseen circumstances require the services of a nursing care facility or institution or a helper may receive financial assistance to a maximum of ¥3,000 per day and ¥90,000 per year.	Employees with family members who require nursing care
External support service (wiwiv)	The Company has introduced an online program to provide support in maintaining a rich and varied life while raising children and for the smooth transition back to work.	Employees taking child-raising leave

# Economy



- Pharmaceutical production in Japan: **¥8,120.0 billion**<sup>\*1</sup>
- Prescription drugs: **¥7,373.2 billion** (91%) ● Over-the-counter drugs: **¥749.2 billion** (9%)
- Rate of successful development: approximately 0.004% (The probability is **1: 25,482**)<sup>\*2</sup>

<sup>\*1</sup> Source: Annual Report on the Survey of Pharmaceutical Industry Production issued by Japan's Ministry of Labour, Health and Welfare  
<sup>\*2</sup> Source: DATA BOOK 2010 issued by the Japan Pharmaceutical manufacturers Association

**In the battle against today's incurable diseases, Astellas is committed to creating new drugs that will bring about change to the lives of many tomorrow.**

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

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

Generic drugs must contain the same active ingredients as the original formulation and become available once the patent protections afforded to the original developer have expired. By

association, the period and costs for development are significantly lower for generic drugs compared with new drugs resulting in a reduced sales price. This helps alleviate the financial burden of patients.

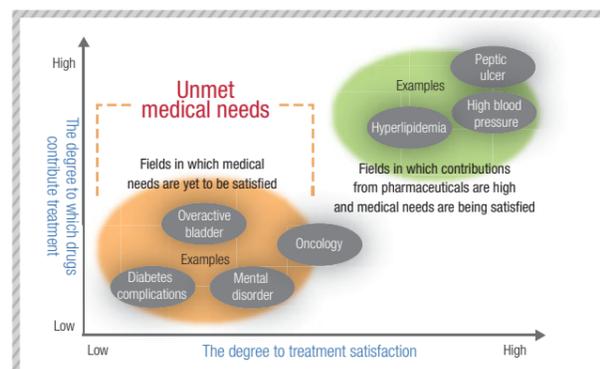
Astellas selectively channels management resources toward its ethical drugs business and strives to consistently discover new drugs that will help change the lives of patients tomorrow in an effort to realize its business philosophy of contributing toward improving the health of people around the world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

## Taking Up the Challenge of Addressing Unmet Medical Needs

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

Astellas is taking up this challenge of addressing unmet medical needs and working diligently to deliver as quickly as possible new drugs that will alleviate pain and suffering.

### Unmet Medical Needs



## The Business Field

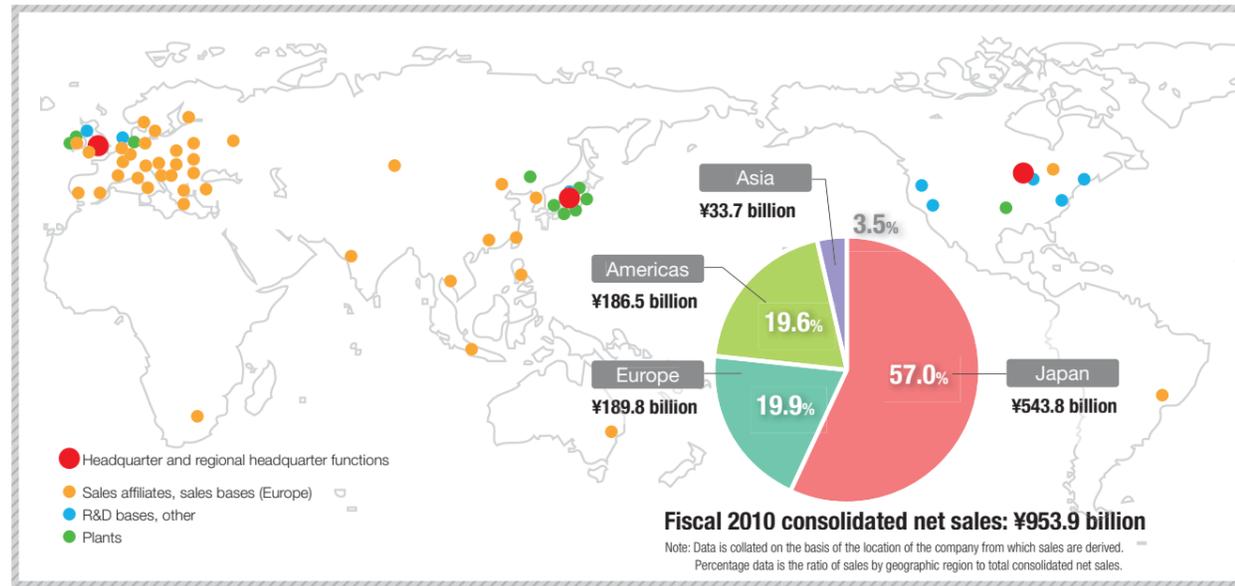
**In addition to the creation of new drugs, Astellas is promoting CSR-based procurement in partnership with major suppliers from the raw material procurement stage taking into consideration such factors as legal compliance, human rights, workplace health and safety and sustainable growth.**



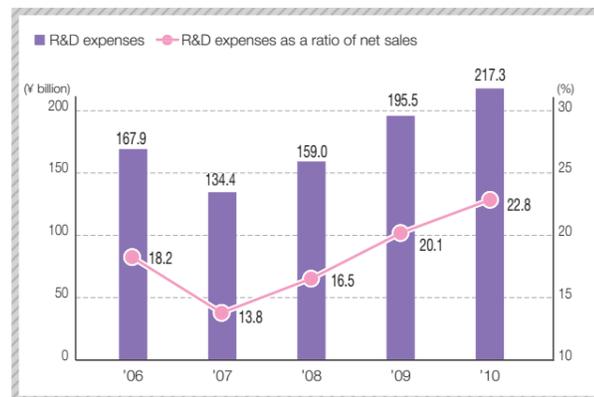
Economy

# Business Activity Highlights

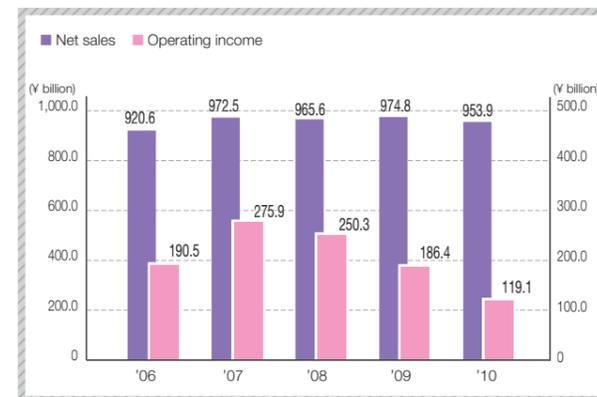
## Global Network



### R&D expenses



### Net sales, Operating income



## Distribution of Economic Value to Stakeholders

Stakeholders	FY2010 Distribution Amount (¥ billion)	Calculation Methods
Suppliers, Society	486.9	Cost of sales; selling, general and administrative expenses (excluding personnel expenses)
Employees	57.3	Personnel expenses (the sum total of salaries and wages, allowances, bonuses, employee welfare benefits and retirement benefit expenses)
Shareholders	57.7	Dividend of surplus
Governments and Administrative Authorities	19.1	Income taxes

Note: Retained earnings totaling ¥43.9 billion are not included in the above table. The distribution of business value to society was included in the distribution to suppliers due to its nominal amount.

# Our New Business Model

Astellas' business philosophy is to contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products. To this end, we aim to be a leader in the markets in which we focus our resources, and select the fields of disease we research instead of pursuing scale.

We call this business model "global category leader (GCL)." Astellas hopes to improve the health of people around the world by finding new treatments for patients with unmet medical needs, thereby fulfilling the wishes of these patients and their families.

To become a GCL, Astellas concentrates its resources on drug discovery research in five fields: urology, immunology and infectious diseases, oncology, neuroscience, and diabetes mellitus

complications and metabolic diseases. The Company is consolidating its technology platforms necessary to more efficiently develop antibody drugs in addition to its traditional drug discovery research centered on synthetic low molecules\*1 and natural products\*2.

Of these fields, Astellas has already established a leading global position in urology and transplantation (immunology), and has set its sights on oncology as the next GCL. Moving forward, Astellas aims to stay actively engaged in new drug business fields as an R&D-driven pharmaceutical company.

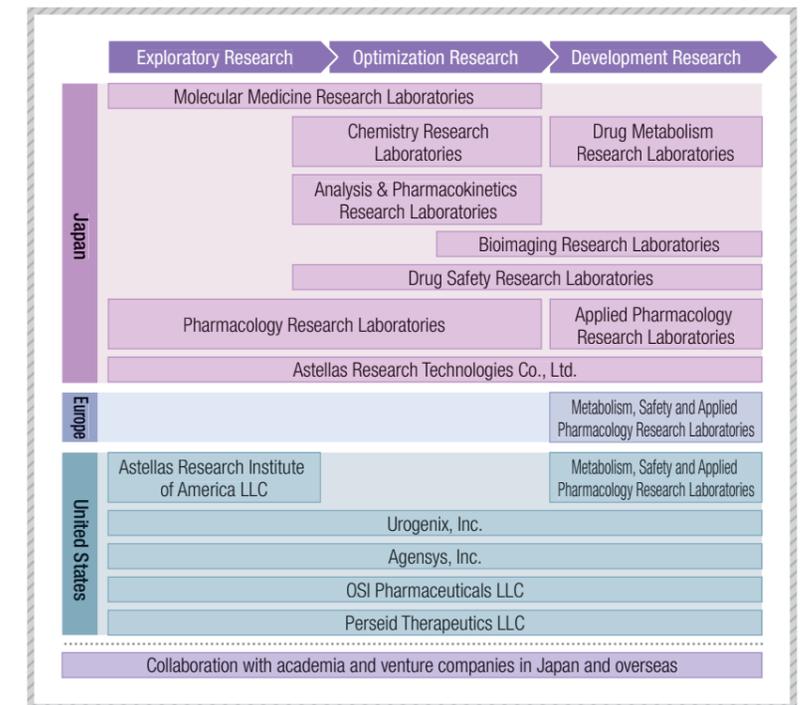
\*1 Synthetic low molecules are chemically synthesized compounds with a molecular weight of between several hundred to several thousand in pharmaceuticals.

\*2 Natural products are chemical substances cultivated from the incubation of mold and bacteria.

### Astellas' Five Prioritized Therapeutic Categories

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

### The Astellas Global Research Network



### Global Category Leader (GCL)

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

<b>Focus on the ethical pharmaceuticals business</b>	Anticipating growth through technological innovation amid inherent unmet medical needs	<b>Business philosophy (Raison d'être)</b>  Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products
<b>Focus on the new drug business</b>	The business model in which we can most effectively harness our strengths (existing assets and competencies)	
<b>Focus on in-house research and development</b>	The drug discovery and clinical development functions are the core competencies of a GCL and the source of future competitive advantage	

## Products in Our Main Therapeutic Areas

### Current Initiatives

#### Urology

##### Harnal® treatment for urination disorders (tamsulosin hydrochloride)

Harnal® is a treatment for urination disorders usually associated with benign prostatic hyperplasia.

Benign prostatic hyperplasia is a disease that affects a large number of middle-aged and elderly men, when the prostate gland, located near the bladder, enlarges and compresses the urethra, thus partially or fully obstructing the flow of urine. The disease varies by person, but it can cause severe disruption to

daily activities because urination can no longer occur effortlessly without conscious effort.

Harnal® was first introduced in 1993 as a drug with the unique characteristic of having preferential selectivity on receptors with a particularly large impact, from among the receptors along the smooth muscles of the prostate gland and urethra. The drug also helps people improve their quality of life.

##### Vesicare® overactive bladder treatment (solifenacin succinate)

Vesicare® is usually used to treat overactive bladders. It was initially launched in Europe in 2004, and is currently sold in more than 60 countries.

An overactive bladder is a condition where one suddenly needs to urinate, constantly goes to the restroom, or suddenly needs to urinate but does not make it to the toilet in time. An overactive bladder can happen to people with and without benign prostatic

hypertrophy. It is said that one in eight men and women aged 40 or older have symptoms of an overactive bladder.

Vesicare® relieves excessive uncontrollable contraction on the bladder, making it easier to store urine in the bladder.

Easing the symptoms of an overactive bladder helps people go about their daily lives in comfort, raising their quality of life.

#### Transplantation

##### Prograf® immunosuppressant (tacrolimus hydrate)

Prograf® is an immunosuppressant used to prevent rejection in organ transplants, including the kidney, liver, heart, lung, pancreas, and bone marrow.

The rejection of an organ after a transplant has been a major problem that has puzzled researchers and caused complications for patients since the start of the 20th century. This immunosuppressant, which effectively and safely suppresses this rejection reaction, was originally discovered in 1993 in actinomycete

bacteria in soil at Mt. Tsukuba in Japan.

Prograf® works by suppressing the activation of T-lymphocytes associated with organ transplant rejection within cytokine proteins. This drug was very well-received in Europe and the U.S., where organ transplants frequently occur. Indications for the drug have expanded to include liver, kidney, and bone marrow transplants. It has also played a major role in organ transplants in Japan which are becoming more common.

### Investor Relations

Astellas believes that the fundamental nature of investor relations is the timely and accurate disclosure of information with a high degree of transparency, and that this leads to a fair appraisal of its corporate value. The investor relations section of our website is a very important tool for providing information to our shareholders and investors, and we aim to make it even better. In addition to providing information, we emphasize bilateral communication with individual shareholders and investors. At the General Meeting of

Shareholders held in Tokyo in late June of each year, Astellas works to create an engaging atmosphere by sending out invitations early. Furthermore, to facilitate the smooth exercise of voting rights, shareholders can choose to exercise their voting rights over the Internet or conventional "postal mail" methods. Management holds briefing for individual shareholders and individual investors throughout Japan. In fiscal 2010, a briefing for individual shareholders was held in Nagoya in December.

### Global Leading Products



**Vesicare® – Treatment for overactive bladder**

(VESicare® in the U.S.)

Vesicare® acts by blocking the muscarinic receptors in bladder smooth muscle to improve symptoms such as urinary frequency, urgency and urge incontinence associated with overactive bladder. Launched in Europe in 2004, it is now marketed in over sixty countries.



**Prograf® – Immunosuppressant**

Prograf® is used to prevent rejection in organ transplants. It is sold in about ninety countries around the world. Used by many transplant recipients in the United States, where organ transplants are widely performed, Prograf® has built an enduring position in transplant medicine.



**Harnal® – Treatment for functional symptoms of benign prostatic hyperplasia**

(sold under the names Flomax®, OMNIC®, and Omnic Ocas® in Europe and the U.S.)  
This is an alpha-1 blocker for the smooth muscle of the prostate and urethra, which is used to treat the functional symptoms associated with benign prostatic hyperplasia (BPH), such as decreased urinary pressure, frequent nighttime urination, and constant urge to urinate. Available in around 90 countries, Harnal® has established a firm position as one of the leading drugs in this field.



**Funguard® – Candin-type antifungal agent**

(sold under the name Mycamine® in Europe and the U.S.)  
This highly efficacious and thoroughly safe candin-type antifungal agent has a new mechanism that inhibits cell wall biosynthesis. It is sold in some 30 countries and regions.



**Protopic® – Treatment for atopic dermatitis**

Protopic® is the world's first immunoregulatory ointment for the treatment of atopic dermatitis. By inhibiting the production of cytokine in the body, Protopic® lowers the incidence of allergic reaction, thus reducing the inflammation characteristic of atopic dermatitis. It is available in approximately 70 countries.

#### Leading Products in Japan

##### [Digestive system and musculoskeletal system]

Gaster® – treatment for peptic ulcers and gastritis  
Celecox® – the selective COX-2 inhibitor  
Iribow® – treatment for diarrhea-predominant irritable bowel syndrome  
Bonoteo® – treatment for osteoporosis

##### [Circulatory system and diabetes]

Lipitor® – a treatment for hypercholesterolemia  
Micardis® – a treatment for hypertension  
Micombi® – a treatment for hypertension  
Starsis® – fast-acting post-cibal antihyperglycemic agent  
Dorner® – a treatment for chronic arterial occlusion

##### [Urinary system]

Vesicare® – a treatment for overactive bladder  
Harnal® – a treatment for functional symptoms of benign prostatic hyperplasia

##### [Central nervous system]

Myslee® – hypnotic  
Luvox® – anti-depressant  
Seroquel® – antipsychotic for treatment of schizophrenia

##### [Immune system, allergies]

Prograf® – immunosuppressant  
Protopic® – treatment for atopic dermatitis  
Symbicort® – treatment for adult bronchial asthma

##### [Infectious diseases & products for hospitals]

Funguard® – candin-type antifungal agent  
Targocid® – glycopeptide antibiotic  
Cefzon® – oral cephalosporin  
Bolheal® – adhesive for use with living tissue  
Geninax® – oral quinolone antibiotic  
Nasea® – 5-HT<sub>3</sub> receptor antagonist-type antiemetic  
Milrila® – treatment for acute cardiac insufficiency  
Perdipine® – injectable calcium receptor antagonist

#### Leading Products in North America –

Lexiscan® – pharmacologic stress agent  
Adenoscan® – pharmacologic stress agent  
Amevive® – treatment for psoriasis  
Vaprisol® – treatment for euvoletic hyponatremia  
Ambisome® – systemic antifungal agent  
VIVATIV® – antibacterial agent

#### Leading Products in Europe –

Eligard® – treatment for advanced prostate cancer  
Locoid® – topical corticosteroid  
Zineryt® – treatment for acne  
Locobase® – treatment for dry skin

## Overview of the R&D Pipeline

Astellas is active in increasing the number of new drug candidates in such fields as immunology (transplantation), urology, oncology and infectious diseases where patients report poor levels of satisfaction with treatment. Both on a global basis, where development is undertaken simultaneously in multiple countries and regions including Japan, the Americas, Europe and Asia, and locally, where development is undertaken in a single specific region, the

Company has several candidate drugs at the clinical testing phase awaiting filing and approval.

Products filed or approved in fiscal 2010 are listed as follows. Astellas' R&D pipeline is updated on a quarterly account settlement basis or at each R&D meeting. Details are posted on the Company's website.

### Global Development

#### Approved

Product Name	Therapeutic Target	Region	Dosage Form	Remarks
Vesicare OD Tablet	Urinary frequency, urinary incontinence or urgency associated with an overactive bladder	Japan	Oral (orally disintegrating formulation)	New formulation (ingested without water) in-house

#### Filed

Generic Name	Therapeutic Target	Region	Dosage Form	Remarks
Telavancin	Complicated skin and soft tissue infections	Europe	Injection	Introduced from Theravance, Inc.
	Nosocomial pneumonia	US, Europe		
Mirabegron	Urgency, urinary frequency and urge urinary incontinence associated with an overactive bladder	Japan	Oral	In-house

### Local Development

#### Filed

Development Code No., Generic Name	Therapeutic Target	Region	Dosage Form	Remarks
ASP8825	Restless legs syndrome	Japan	Oral	Introduced from Xenoport, Inc.
Minodronate	Osteoporosis (Intermittent administration)	Japan	Oral	New formulation In-house (jointly developed with Ono Pharmaceutical Co., Ltd.)
Acotiamide	Functional dyspepsia	Japan	Oral	Introduced from Zeria Pharmaceutical Co., Ltd.
Degarelix	Prostate cancer (One month formulation)	Japan	Injection	Introduced from Ferring Pharmaceuticals
Bixalomer	Hyperphosphatemia in patients with chronic kidney disease on dialysis	Japan	Oral	Introduced from Ilypsa, Inc./ Amgen Inc.
Celecoxib	Anti-inflammatory and analgesic effects in post-operation, post-trauma, and post-tooth extraction	Japan	Oral	New indication Introduced from Pfizer Inc.
Vernakalant	Atrial fibrillation	U.S.A.	Injection	Introduced from Cardiome Pharma Corp.
Fidaxomicin	Clostridium difficile infection	Europe	Oral	Introduced from Optimer Pharmaceuticals, Inc.

## CSR-Based Procurement

To ensure procurement activities based on compliance, we at Astellas have established a basic policy for procurement activities involving suppliers in order to build relationships of mutual trust with suppliers as our business partners. We also undertake

measures for CSR procurement (seeking suppliers' cooperation with our CSR activities) globally to build a sound network for business activities.

### Procurement Initiatives

To carry out procurement activities in a fair and transparent manner, it is necessary for purchasing staff to comply with our basic policy for procurement activities involving suppliers as a code for self-regulation, and to conduct themselves according to the Purchasing Staff Code of Conduct, which embodies the basic policy. Astellas carries out internal audits and regular supplier surveys to monitor compliance with the basic policy for procurement

activities, and received responses from 198 companies in fiscal 2010. In the responses from suppliers on the compliance of Astellas' purchasing staff with the basic policy, "above average" was achieved in more than 96% of cases for all categories. This was a sound result when compared with responses from the previous year (94%). We took seriously those problems pointed out in the survey and advised related parties to act with care.

### Basic Policy for Procurement Activities Involving Suppliers

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

### CSR Procurement Initiatives

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

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

responses allowed us to confirm that all of our suppliers, including those overseas, are engaging in CSR activities.

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

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

**Web** [http://www.astellas.com/en/csr/pdf/csr\\_guide\\_en.pdf](http://www.astellas.com/en/csr/pdf/csr_guide_en.pdf)

### CSR Procurement Guiding Principles

#### I. Compliance with laws and promotion of CSR

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

#### II. Respect for human rights and fair employment practices

- Respect for human rights and prohibition of child labor
- Employment consistent with labor-related laws

#### III. Management of occupational health and safety practices

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

#### IV. Responsible environmental and sustainability-related practices

- Reduction of the global environmental impact, and contribution to sustainability

#### V. Social contribution initiatives

- Participation in and support for social contribution activities

## Society



- The mortality rate for children under five years of age in developing countries improved from **100** in every 1,000 children born in 1990 to **72** in every 1,000 children born in 2008, an improvement of **28%**.
- The use of insecticide-treated nets as a countermeasure against malaria by children in 26 countries across Africa has risen from **2%** in 2000 to **22%** in 2008.

Source: The U.N. Millennium Development Goals Report 2010

## Committed to confronting society's wide-ranging problems head on, Astellas is promoting mutual prosperity as an integral member of society.

Astellas' stance toward society is defined under several core components of its Charter of Corporate Conduct. In specific terms, to disclose relevant corporate information in a timely and appropriate manner not only to stakeholders but also to all members of society at large, thereby fulfilling its obligations regarding corporate accountability; and as a good corporate citizen to actively engage in charitable and other activities to benefit society. The Company commits itself in its CSR policy to incorporate society's needs and values as well as the issues that it faces into its corporate activities, and to propose ways of creating new added value for society. In its communication with the larger community, Astellas discloses information through various media and publications including its CSR and Annual reports as well as its website. At the same

time, the Company conducts briefing sessions for the benefit of individual shareholders and strives to forge deeper ties and communication with stakeholders by interacting with the communities to which it belongs.

In its efforts to address the many issues that confront society today, Astellas adopts a broad and comprehensive approach that encompasses both the local and global communities. Accordingly, the Company pursues both a positive and aggressive posture toward contributing to society and resolving its many problems. Astellas is in this regard dedicated to improving the health of people around the world.

In the sections that follow, the Company outlines details of a selection of its social contribution activities during fiscal 2010.

### Basic Philosophy on Social Contribution Activities

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

### The Field of "Society"

**To contribute to worldwide health, Astellas is actively supporting the development of medical science. Working for the benefit of patients and their families, we are striving to resolve those issues that confront local and global communities.**



## Working to Resolve Global Issues

One element of the Astellas Group business philosophy is its raison d'être to "contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products." Supporting efforts to resolve issues that continue to challenge the international community such as those undertaken by the Millennium Development Goals (MDGs)\* are therefore a concern to Astellas as a global pharmaceutical

business and responsible world citizen. As we aim to maximize the effects of these efforts, we are focusing our support on hygiene and medical-related aspects within our field in the provision of ethical drugs. Accordingly, Astellas has concentrated its commitment to the fourth, fifth and sixth MDGs, namely "reducing child mortality," "improving maternal health" and "combating HIV/AIDS, malaria and other diseases," respectively.

### United Nations Millennium Development Goals (MDGs)



- |  |   |
|--|---|
| <b>1</b> Eradicate extreme poverty and hunger      | <b>5</b> Improve maternal health                      |
| <b>2</b> Achieve universal primary education       | <b>6</b> Combat HIV/AIDS, malaria and other diseases  |
| <b>3</b> Promote gender equality and empower women | <b>7</b> Ensure environmental sustainability          |
| <b>4</b> Reduce child mortality                    | <b>8</b> Develop a global partnership for development |

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

### Reducing Child and Maternal Mortality Rates in Indonesia

With the goal of improving infant and maternal mortality rates in Indonesia, Astellas has donated birth centers and health clinics via the authorized health and medical NPO PH-Japan since fiscal 2009.

In fiscal 2010, Astellas donated a health center to the village of Susukan, which has a population of nearly 4,000 people and is located in the autonomous region of Tirtayasa, Serang. Since the opening of the facility, the health center has treated 372 patients and had 13 births in the five-month period between August and December 2010.

\*Villages most motivated to undertake improvements are selected at the behest of PH-Japan for endowment funding.

The cause of Indonesia's high infant and maternal mortality rate is believed to be due to impoverished communities where health care facilities are largely incomplete and have no midwives in residence, leaving traditional at-home birthing methods as the only option. Thanks to the donation of birthing facilities in fiscal 2009 and 2010, the villages of Pontang Legon and Susukan now have midwives in residence and are able to provide 24-hour birthing, medical and health services, specializing in prenatal, delivery and postnatal care.



Village dwelling



Susukan Village Birth Center and Health Clinic

### Support for the Malaria Prevention Project

The Astellas Europe Foundation supports the activities of the independent children's charity Save the Children. Building on support efforts in Tanzania in fiscal 2010, the Foundation plans to continue funding the malaria prevention project in the Lindi region of Tanzania in fiscal 2011. The funding will provide an awareness program and 15,000 insecticide treated nets, directly benefitting 15,000 children under five and 5,000 pregnant women.

## Helping Develop Medical Sciences

### Three Astellas Foundations (Overseas)

With the addition of the Asia and Oceania Foundation to complement the European and USA Foundations that have been active since 1993, Astellas now has three overseas Foundations, as of March 2011. The Foundations share the mutual goal of promoting

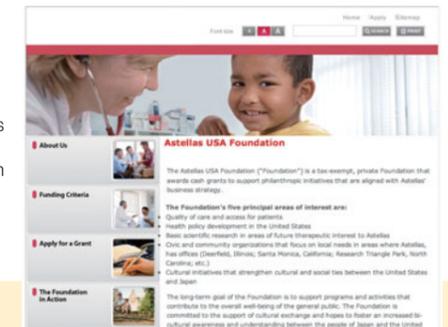
the advancement of medical sciences and healthcare, yet act independently and in consideration of the needs in their respective regions.

#### Astellas USA Foundation

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

#### The Foundation's five principal areas of interest are:

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



Web <http://www.astellususafoundation.org/>

In fiscal 2010, the Astellas USA Foundation supported the educational enrichment programs offered by the Midtown Educational Foundation (MEF). MEF provides thousands of neglected urban youths between the ages of eight and eighteen in Chicago with rigorous academic training, structured character education and

enriching extracurricular opportunities covering sports to the arts. The overarching goal is to provide children with valuable experiences with integrity in order to allow them to grow up to be healthy adults.

#### Astellas European Foundation

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

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

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



### Astellas Foundation for Research on Metabolic Disorders (Japan)

The Astellas Foundation for Research on Metabolic Disorders is dedicated to life science research, in particular fostering drug discovery, the development of treatment methods and research into their practical realization, as well as developments in national health and medical treatment and the advancement of therapeutic drugs. Hoping to inspire original, pioneering and groundbreaking

research, the Foundation focuses its support on researchers particularly those who are independent, female, new to teaching, or just back from overseas study, while also providing financial aid for studying abroad.

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

## Participating in the Community

### Changing Tomorrow Day Global Initiatives as a Corporate Citizen

Astellas celebrated its fifth anniversary on April 1, 2010. To commemorate this day of establishment, the Company gave employees

the opportunity to contribute to their local communities based on the theme of health and the environment.

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

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

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

#### Activities in Japan

Employees in Japan chose to serve their communities through a variety of volunteer tasks. Some participated in activities set up by NPOs, others took part in local cleanups, blood donations, giving research center tours and providing hands-on experience in product test and experimentation labs. Cleanup jobs took place in approximately 80 locations throughout Japan, both in and around Astellas’ operating neighborhoods as well as in areas such as

world natural heritage sites.

Employees who took part had positive things to say about volunteering, such as feeling a sense of accomplishment in contributing to the community and having a heightened sense of awareness for things in their neighborhood that had previously gone unnoticed in their daily lives.



Shiretoko seashore cleanup (Hokkaido)



Tsukuba Kids Hakase little doctors (Tsukuba Research Center)



Green Ribbon Running Festival (Tokyo)



Welfare facility cleanup (Sendai)

#### Activities in Asia

Under Astellas’ environment theme, social contribution activities largely took on a greenish hue and included reforestation at Khao Yai National Park, a world natural heritage site located northeast of the Thai capital of Bangkok, afforestation at the La Mesa Watershed, the last remaining forest and water resource in the metropolitan area of Manila, the Philippines, and seedling

distribution in India as a way of showcasing environmental conservation. In Taiwan, we held lectures on “Sleep and Health” at a welfare facility and other health-related activities.

These were among several other activities, including volunteer efforts that were eagerly implemented throughout the Asian region where social consciousness is high.



Philippines: La Mesa Watershed afforestation activities



Thailand: Khao Yai National Park reforestation



Taiwan: Lecture presentations and assistance with routine activities at a welfare facility



India: Seedling distribution in Mumbai

#### Activities in Europe

In England, volunteers participated in activities directed toward children such as teaching elementary school children about healthy cooking and eating and helping with renovation work at a special school for children with language and communicative disabilities. Employee feedback included comments such as, “It was a great opportunity to make a difference to our local community” and “working with the children was energizing, uplifting and a privilege.” In Ireland, social contribution activities were directed toward the environment. Employees volunteered to take part in a cleanup of a river bank walk located in a nature reserve along the plant boundary and erected public information boards for easy identification of the flora and fauna in the nature reserve. In addition, a student-painting contest was held to benefit the Irish

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



England: Cooking classes



Ireland: Nature reserve cleanup and environmental preservation



Poland: Blood donation



Austria: Field trips for children with disabilities

#### Activities in the Americas

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

day-long event.

We received many messages of appreciation from all of the communities in which efforts took place. At the same time, over 95% of employee volunteers strongly expressed their desire to be involved again next year.



Canada: Afforestation activities for environmental conservation



Chicago: Kids Active Fest sports contest



Santa Monica: Beach cleanup



Chicago: Bagging of charity food for distribution

### Support for Emergency Medical Service (Japan)

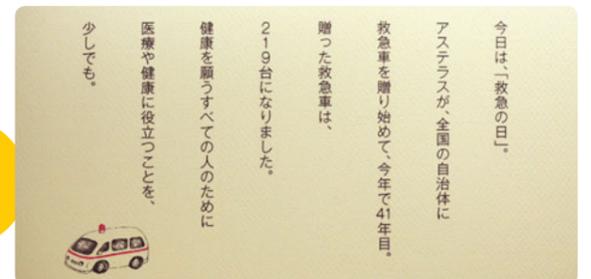
Motivated to enhance Japan’s healthcare environment and remain committed to its raison d’être of “providing innovative and reliable pharmaceutical products,” Astellas began a long tradition of donating ambulances to local fire departments in 1970. Today, with Japan’s quickly graying society and the widening range of disaster risks, the number of ambulances dispatched and patients transported via ambulance continues to grow. Moreover, due to the decreasing number of medical centers along with their growing specialization, trends in the time taken to transport patients via ambulances have risen over the long term. On this basis, demand for adequate emergency treatment during transportation has also

seen a steady rise. Therefore, the need for “high-grade” ambulances that facilitate emergency treatment utilizing a wide range of medical equipment has become increasingly vital. In fiscal 2010, Astellas donated three such high-grade vehicles.

In fiscal 2010, Astellas made its 40th donation bringing the cumulative total number of ambulances donated to 219. 40 of this total are high-grade vehicles.



Astellas in 120 Words

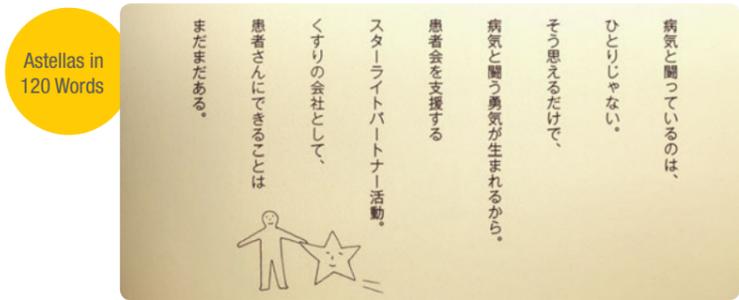


“Astellas in 120 Words; Ambulance Gift” TV commercial aired on September 9, 2010

# Supporting Patients and Their Families (Japan)

## Starlight Partners Activities (Patient Association Support Project)

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



"Astellas in 120 Words; Star Bond" TV commercial aired on November 12, 2010

### Support Activities

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

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

**Instructor Dispatch** Astellas dispatches instructors to two patient associations or patient family groups yearly that independently host training and study sessions.  
Fiscal 2010: Held in Yamanashi and Kobe with 2 organizations and 49 people in attendance

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

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

**Web** <http://www.astellas.com/jp/csr/community/kanjakai/index.html> (available only in Japanese)

Peer support training sessions



## Flying Star Fund

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

### Wheelchair Accessible Van Donations

In 1997, the Company began annual donations of wheelchair accessible vehicles, and in fiscal 2010 donated to "Sangokan Kuroishi" in Kuroishi City, Aomori Prefecture, as well as five other facilities. A total of 159 vans have been donated since 1997.

Donated wheelchair-accessible vehicles



### For the Benefit of Children Fighting Against Illness

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



Japan CliniClowns Association  
Japan Hospital Clown Team  
Japan Good Toy Committee (Photo)

\* Boxes filled with toys from around the world for circulation to hospital pediatric wards all over Japan

## Improving Health Literacy

Astellas Website <http://www.astellas.com/jp/> (available only in Japanese)

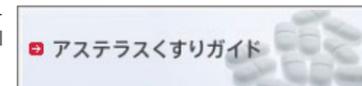
### Self Diagnosis Guide

Introduces a variety of illnesses along with symptoms, causes and treatments as well as FAQs in an easy to digest format



### Astellas Pharmaceutical Guide

Provides information for the proper administration of pharmaceuticals to patients and their families using Astellas' ethical pharmaceuticals



### Radio Programs on Health Information

Delivers useful and accurate information on timely health and disease-related topics chosen by physicians.

Program Name	Region	Radio Station	Frequency	Time
"Also Healthy Tomorrow" — Astellas Pharma	Kanto Region	TBS radio	(954kHz)	15:45-
	Shizuoka Region	SBS radio	(140kHz)	16:10-
	Chubu Region	CBC radio	(1053kHz)	14:30-

Program Name	Region	Radio Station	Frequency	Time
"For a Healthy Life" — Astellas Pharma	Kansai Region	ABC radio	(1008kHz)	11:43-
	Chugoku Region	RSK radio	(1494kHz)	15:30-

### Citizens' Public Lectures

#### Astellas Good Life Forum

"Brightening tomorrow's senior life" is the theme of a lecture series offered regularly by Astellas to help seniors lead full and healthy lives in their later years. Medical Professional and widely known public figures give lectures.

### Health Support Line

看護師に相談する  
健康に関する悩みや疑問に、経験豊かな看護師が、親切でわかりやすいアドバイスをいたします。(相談は無料です)

専門医に相談する  
ご希望の方は以下の5つの領域について、専門医による相談も受け付けています(2ヶ月ごとの予約制)。  
※相談室では診療は行っていません。(相談は無料です)

電話番号: 03-3244-6595  
受付時間: 月曜～金曜日 9:30～16:00(土日・祝日・会社休日を除く)

Note: The Astellas Health Support Line allows people with health concerns to call and receive advice from nurses. Currently, the Health Support Line can only accommodate inquiries in Japanese.

# Environment



## Humankind in a Day

- Births: **370** thousand people
- Deaths: **160** thousand people
- Difference: **220** thousand people increase
- Number of species that become extinct: **100**
- Amount of fresh water used: **150** million m<sup>3</sup>
- Rock: **60** million tons
- Crude oil: **80** million barrels
- Automobiles produced: **200,000**
- Food produced: **8** million tons
- Crude steel: **3.7** million tons
- Carbon dioxide: **80** million tons
- Automobiles disposed: **120,000**

Source: Ministry of the Environment Annual Report on the Environment, the Sound Material-Cycle Society and the Biodiversity in Japan 2010

Recognizing the environment as an important stakeholder, Astellas strives to resolve environmental issues to ensure the health of people everywhere.

Amid rapidly expanding globalization, threats to the security of humankind such as poverty, environmental destruction, conflict, and infectious disease are becoming increasingly apparent. In particular, ensuring access to clean water and air is an issue that directly impacts our existence. Overcoming the issue of preserving the health of our environment as above is considered to be the most pressing theme of the 21st century.

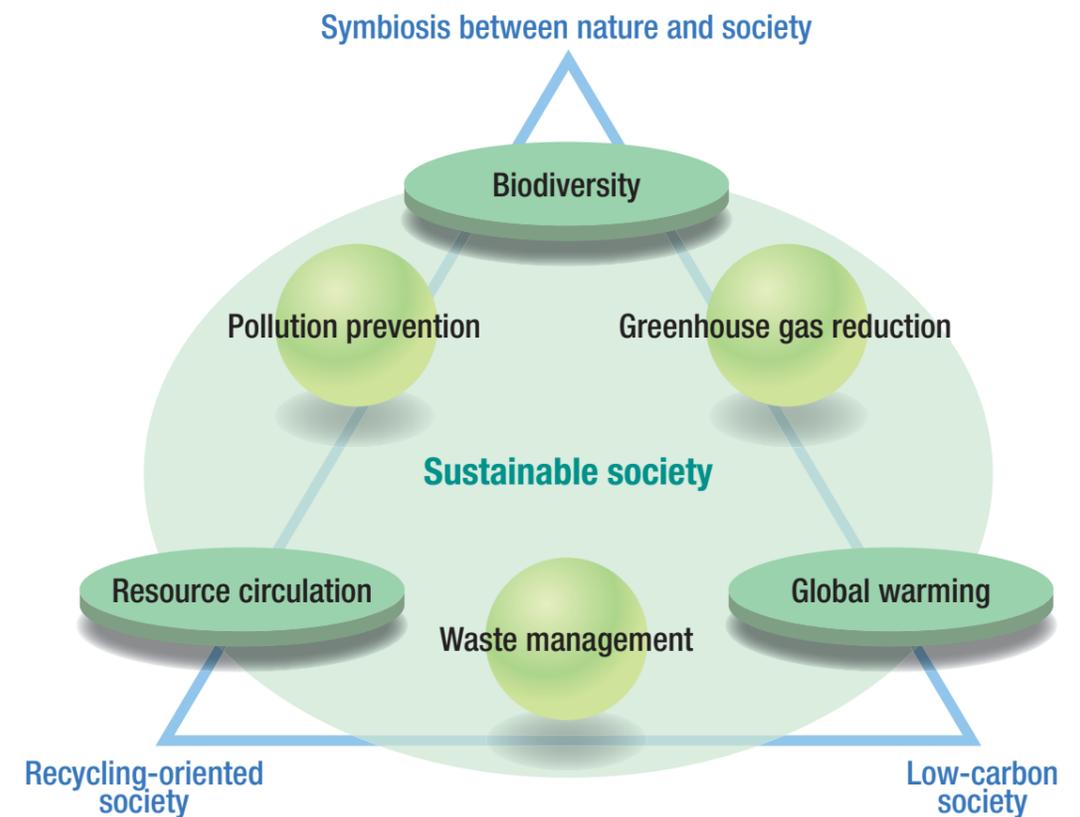
By 2050, the world population is expected to reach 9 billion and emerging nations are to realize double-digit economic growth. As it is very difficult to imagine a sustainable society based on the 20th century economy and lifestyles characterized by mass production, mass consumption, and mass disposal, we are in the midst of an essential step in finding a new way of being for society. Further, personal values also seem to be changing, with more people measuring quality of life not solely based on economic quality. Desires for a better society including the environment by the general public are thus increasing.

Meanwhile, against the backdrop of a deteriorating ecosystem and fewer resources available, constraints on corporate activities are anticipated to increase, on top of the dedication by corporations to fighting global warming as a matter of course. Environmental issues have become pending issues that all of humankind, countries, corporations and individuals cannot skirt around.

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

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

## The Environment



## Message

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



Yoshiro Miyokawa  
Senior Corporate Executive, CSR Director

Astellas implements a management system that is based on its responsibility to society.

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

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

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

At the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) held in Nagoya last October, both the Strategic Plan of the Convention on Biological Diversity or the "Aichi Target" regarding international efforts after 2010 and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity were reached. Recognizing our dependence on the bountifulness of our earth's ecosystem for the execution of corporate activities, not to mention the survival of humankind, reinforces our awareness of the role environmental efforts have in helping to maintain a healthy ecosystem.

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

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

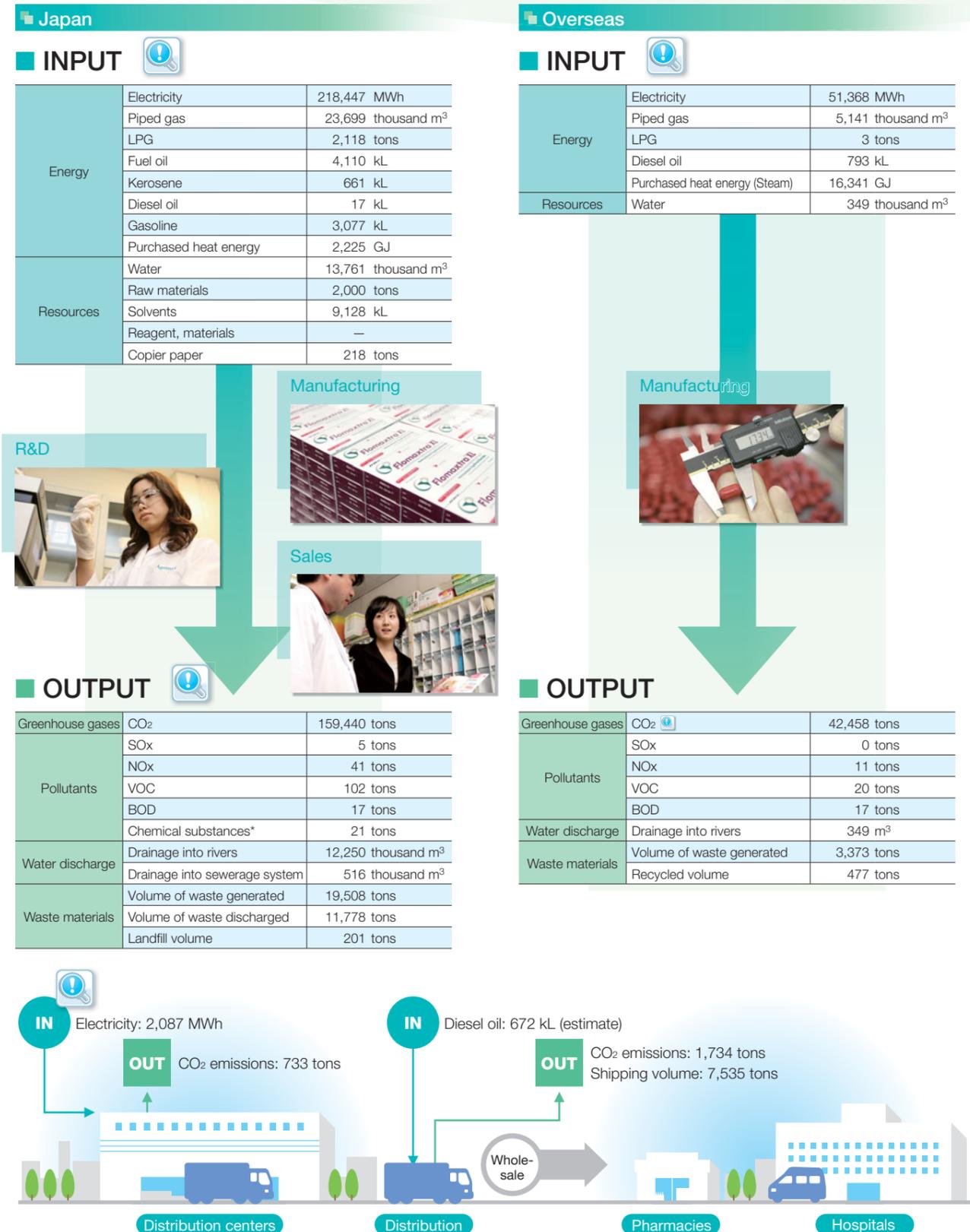
In an overview of the progress we made toward environmental issues in fiscal 2010, Astellas was unable to devise viable solutions for controlling air pollutants and thus found it difficult to achieve numerical targets in this area. In contrast, the Company showed consistent results in several other areas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

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

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

I ask for your continued understanding and steadfast support as we take on these many challenges.

## Interaction between Astellas and the Environment



\* Substances specified under the Pollutant Release and Transfer Register Law  
Note: A dash indicates that these figures were not available at the time of writing.

# Measures to Address Global Warming

Global warming is an environmental problem that threatens the very survival of the human race. Lessening and neutralizing the threat of global warming requires active involvement on all levels, including by national governments, local governments, corporations and citizens. The Cancun Agreement, adopted at the 16th Conference of the Parties of the United Nations Framework Convention on Climate Change (COP16), held in Mexico in December 2010, declares that a framework in which major emitters participate will be sought to collectively reduce greenhouse gas emissions. It is

also acknowledged that peak oil\* is inevitable and that also from the perspective of energy security, a transition to a low-carbon society is the foremost environmental issue of the 21st century, a problem that cannot be avoided by the human race.

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

\* Peak oil means that global oil production volume will inevitably peak one day and then decline.

## Reduction of Greenhouse Gases

### Environmental Action Plan

- Reduce emissions of greenhouse gases by 35% or more from fiscal 2005 levels by the end of fiscal 2020 (global)
  - Reduce emissions of greenhouse gases in Japan by 30% or more from fiscal 2005 levels by the end of fiscal 2020
  - Reduce emissions of greenhouse gases at overseas production facilities by 45% or more from fiscal 2005 levels by the end of fiscal 2020

Fixing the problem of global warming will require a prolonged, sustained effort, and for this reason, international society has agreed that industrialized countries should target a reduction in greenhouse gases of at least 80% by 2050 from current levels. Alongside this vision, the Astellas Group has set a common goal over the medium term to reduce CO<sub>2</sub> emissions by 35% or more from fiscal 2005 levels by the end of fiscal 2020. We are striving to achieve this goal through strategic capital investment and ongoing efforts to conserve energy.

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

Our greenhouse gas emissions in fiscal 2010 amounted to 202 kilotons on a global basis, a reduction of 1.5%, or 3 kilotons, from the previous fiscal year. However, this reduction is attributable to a change in the CO<sub>2</sub> emissions coefficient for purchased electricity, and our actual energy consumption has increased due to new facilities installed at the Tsukuba Research Center and Toyama Technology Center of Astellas Pharma Tech Co., Ltd. While overseas emissions declined slightly compared with the previous fiscal year, this decrease was mainly attributable to the absence of the three months worth of energy usage at the former Grand Island Plant in NY which was included in fiscal 2009 figures.

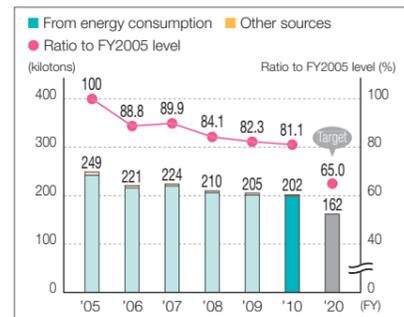
Global	202 kilotons (down 1.5% from the previous fiscal year; down 18.9% from FY2005)
Japan	159 kilotons (down 1.6% from the previous fiscal year; down 17.6% from FY2005)
Outside Japan	42 kilotons (down 1.0% from the previous fiscal year; down 23.5% from FY2005)

Astellas has been drawing up measures to reduce greenhouse gases on a yearly basis. The annual targets are to lower CO<sub>2</sub> emissions arising from energy usage at existing facilities by at least 1% year on year, and to lower greenhouse gases by 5,000 tons on an annual basis through strategic investments.

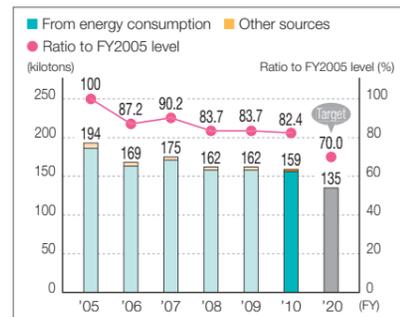
In fiscal 2011, we anticipate an increase in energy usage owing

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

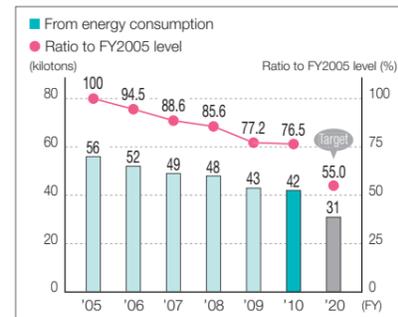
### Greenhouse gas emissions (Global)



### Greenhouse gas emissions (Japan)



### Greenhouse gas emissions (Outside Japan)



## Reduction of CO<sub>2</sub> Emissions from Offices and Marketing Activities

### Environmental Action Plan

- Reduce CO<sub>2</sub> emissions generated through sales activities by 30% or more from fiscal 2005 levels by the end of fiscal 2015 (Japan)
- Reduce CO<sub>2</sub> emissions caused by our office electricity consumption by 20% or more from 2005 levels by the end of fiscal 2015 (Japan)

In Japan, one issue is that the commercial & residential and transport sectors have increased their emissions of greenhouse gases. In addition to the Action Plan for reducing greenhouse gases, which covers all activities at Astellas, the Company has set individual numerical targets for its domestic sales vehicles and offices to reduce CO<sub>2</sub> emissions by fiscal 2015.

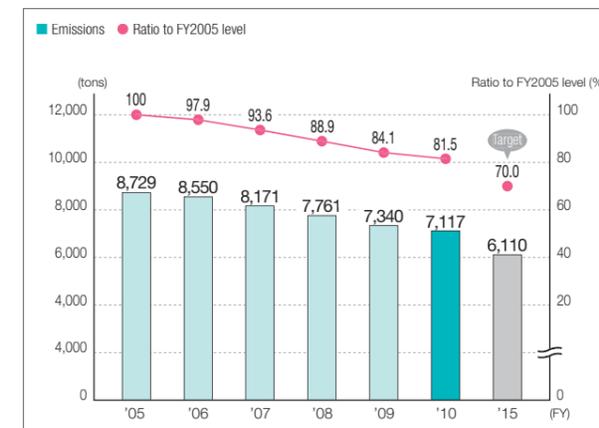
At Astellas, we have been changing our fleet of 2,000 leased sales vehicles to hybrid vehicles since fiscal 2008, and as of the end of fiscal 2010, 1,620 of our 2,645 sales vehicles (61.2%) are now hybrid vehicles. In fiscal 2010, we also started using five electric vehicles on a trial basis to see if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

CO<sub>2</sub> emissions from gasoline used in our sales vehicles totaled 7,117 tons in fiscal 2010, a reduction of 3.0% or 223 tons from the

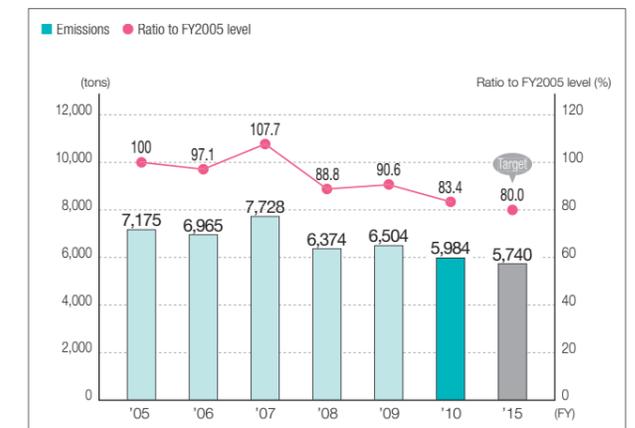
previous fiscal year. Compared with fiscal 2005, the base year for the Action Plan, CO<sub>2</sub> emissions are down 18.5%. Another 1,007 tons of CO<sub>2</sub> need to be cut in order to reach our goal, which we believe is achievable if the switch to hybrid vehicles proceeds on schedule.

Our offices used a total of 17,050 MWh of electricity in fiscal 2010, including more than 160 marketing offices throughout Japan and the Headquarters. CO<sub>2</sub> emissions amounted to 5,984 tons, a reduction of 16.6% from the volume emitted in the base year of the Action Plan. In fiscal 2011, we think electricity usage will come in lower than the Action Plan level, as we expect lower electricity consumption at the Headquarters and Hasune Office owing to the aftereffects of the Great Eastern Japan Earthquake.

### CO<sub>2</sub> emissions from sales vehicles



### CO<sub>2</sub> emissions due to electricity consumption at offices



### CO<sub>2</sub> emissions coefficient used to calculate CO<sub>2</sub> emission from electricity use

Page 63 explains the coefficients we used to convert energy usage into CO<sub>2</sub> emissions in fiscal 2010. For electricity used in Japan, we apply the CO<sub>2</sub> emissions coefficients published by the Federation of Electric Power Companies of Japan (FEPCJ), as shown in the chart below. The latest CO<sub>2</sub> emissions coefficient, however, becomes available from the FEPCJ only after we publish our CSR report, so we decided to use the coefficient for the previous year for fiscal 2009 onward. As a result, fiscal 2008 and fiscal 2009 have the exact same coefficients.

FY	2005	2006	2007	2008	2009	2010
Emissions coefficient (kg-CO <sub>2</sub> /kWh)	0.423	0.410	0.453	0.373	0.373	0.351

Changing the coefficient impacts the emissions of CO<sub>2</sub>, and a change in the electricity coefficient for fiscal 2010 has effected a reduction in CO<sub>2</sub> emissions of 4,806 tons.



## Global Warming Prevention Frame Work

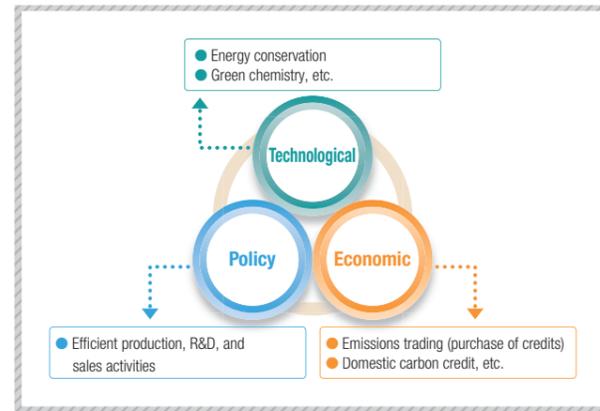
In fiscal 2009, Astellas established the Global Warming Prevention Committee as a special task force under the CSR Committee made up for top management, because we thought our ongoing energy conservation measures at individual business facilities would be insufficient for achieving the level of reductions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

The Global Warming Prevention Committee proposes strategies to be implemented by the entire Astellas Group, in addition

to energy conservation measures to be taken by each business facility. The Committee also formulates measures for achieving the medium- and long-term numerical targets of Astellas.

In addition to the technological measures such as the installation of energy-saving equipment, the agenda of the Global Warming Prevention Committee includes policy measures such as efficient production and research systems and economic means such as domestic carbon credit and other emissions trading.

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



### Organizational structure



## Investment Plan for Preventing Global Warming

Action against global warming is an important management issue in our new medium-term management plan that ends in fiscal 2014. It includes our decision to have the Global Warming Prevention Committee play the key role in formulating medium- and long-term action plans and investment plans for the entire Astellas Group and to have our Headquarters lead implementation of strategic measures. We invested approximately ¥900 million in fiscal

2010 for measures drawn up by the Global Warming Prevention Committee, separately from energy conservation measures of individual business facilities. As a result of these investments, we forecast a reduction in greenhouse gas emissions by 3,823 tons. Management has decided to invest ¥700 million in fiscal 2011 in a bid to lower greenhouse gases by 10,310 tons.

Item	Fiscal 2010		Fiscal 2011	
	Investment Amount (¥ million)	Reduction (projection) (tons of CO <sub>2</sub> )	Investment Amount (¥ million)	Reduction (projection) (tons of CO <sub>2</sub> )
Energy conversion	559	2,996	219	2,005
Introduction of advanced technologies such as heat pumps	130	779	215	616
Introduction of facilities for wind power generation and photovoltaic power generation	87	48	26	2,580*
Introduction of energy monitoring systems	109	—	99	—
Introduction of other equipment and/or facilities	35	—	160	5,111*
Total	920	3,823	719	10,312

\* The effect including investment from fiscal 2012 onward

## Our Efforts to Reduce Emissions of Greenhouse Gases

Our manufacturing plants, research laboratories and offices take various steps to lower the volume of greenhouse gas emissions. In order to reduce CO<sub>2</sub> emissions originated from energy consumption, we have installed high-efficiency equipment and switched to different fuels, measures we think will have a significant impact.

We also take pride in our efforts to conserve energy in our daily activities through the participation of all our employees. Each business facility has been installing equipment and taking other actions to conserve energy usage.

### Converting to Fuels that Emit Less CO<sub>2</sub>

Fuel oil, piped gas and LPG (used in boilers) all produce the same heat but emit different volumes of CO<sub>2</sub>. We are therefore switching to fuels that emit less CO<sub>2</sub> as a way of preventing global warming. Astellas has changed the fuel it uses in its boilers from fuel oil to city gas at all bases able to use city gas, and is looking for different fuels for business facilities unable to use city gas.

In fiscal 2010, Tsukuba Biotechnology Research Center began using city gas in its boilers instead of kerosene, as the supply of city gas became available.

Takahagi Facilities and the Nishine Plant have started working on the switch from fuel oil to LNG to fuel its boilers, finishing the installation of LNG tanks in fiscal 2010, and planning to finish the switchover in fiscal 2011.

### Installation of Heat Pump Devices

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

While ensuring a stable supply of electricity in the wake of the Great Eastern Japan Earthquake, we will continue to install heat pump devices.

### Introduction of an Energy Monitoring System

Understanding how we consume energy in detail does not directly reduce energy usage, but by monitoring our usage, we are able to cut down on wasteful practices and draw up new ideas to consume energy.

For this reason, we have been installing energy monitoring systems at the Takahagi Facilities, Yaizu Facilities, Fuji Plant and other locations.

### Using Renewable Energy

Renewable energy, such as solar and wind power, is one of the most effective ways to combat global warming, so we have decided to proactively use these technologies where feasible.

At the Kerry Plant in Ireland, we started construction of a wind power generator (maximum output 800kW) in April 2011. We have

also decided to install a woodchip biomass boiler, and the next step is to begin construction after getting approval from the local authorities. We plan to finish these two projects in 2012. In Japan, we installed solar power generators at the new research wing at the Tsukuba Research Center.

## Resource Circulation

Various initiatives are now being taken so as to create a society that recycles resources, and to move away from social and economic activity that encourages mass production, mass consumption, and mass disposal. Economic growth in the 20th century could not have been achieved without increased consumption of natural resources, mainly fossil fuels, which in turn increased the burden on the environment. This style of economic growth, however, will one day deplete all of our natural resources. It also leads to emissions of greenhouse gases due to the mass consumption of fossil fuels,

destroys the natural environment by overexploiting resources, and causes other serious environmental problems on a global scale on par with global warming and threats to the ecosystem. Our challenge is finding a way to sustain economic and social growth while reducing the amount of resources used.

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

### Effective Use of Water Resources

#### Environmental Action Plan

- Reduce water usage by 20% or more from fiscal 2005 levels by the end of fiscal 2015 (global)

Since the effective use of water resources is one indication of how biodiversity is affected, Astellas has set numerical targets for reducing water usage. In fiscal 2010, the Astellas Group used 14,109 thousand m<sup>3</sup> of water worldwide, a decrease of 2.3%

(331 thousand m<sup>3</sup>) from the previous fiscal year, and a 16.9% reduction compared with the base year of our Action Plan. Japan accounted for 97.5% of this water volume, and cooling was the main purpose for using this water.

### Waste Management

#### Environmental Action Plan

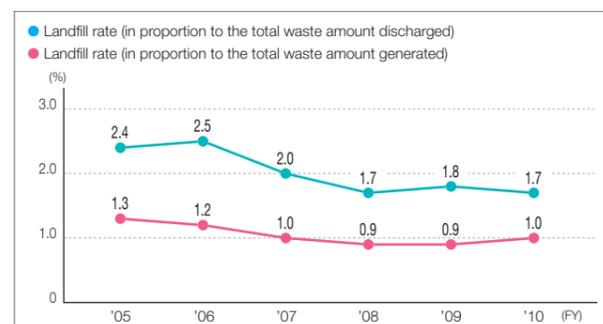
- Curb the volume of waste materials subject to final disposal to 1% or less of total generation, or 2% or less of total discharged (Japan)

Astellas believes that efforts to reduce waste landfill volume to as close to zero as possible will encourage the recycling of waste, and has set targets for the zero emission\* of waste at its domestic business facilities. Avoiding environmental pollution caused by hazardous waste from research laboratories and plants, and preventing the illegal dumping of waste are the key tenets of waste management. Astellas studies the appropriate method of waste

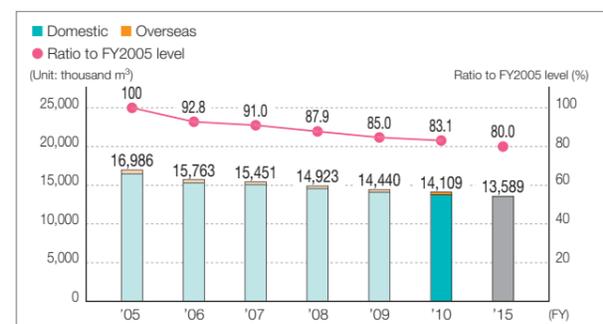
disposal in accordance with laws and regulations, and verifies that the waste is handled in a way that prevents damage to the environment. In fiscal 2010, landfill volume was 0.98% of total generation and 1.7% of the total discharged, maintaining zero emissions since fiscal 2008.

\* Our zero emissions do not include animal carcasses that cannot be recycled, and other waste that is difficult to recycle, such as pharmaceutical waste from our distribution centers.

#### Landfill rate (zero emissions)



#### Water usage



## Preventing Pollution

The international community has reached an agreement on minimizing the harmful effects that the production and use of chemical substances have on people's health and the environment by 2020, and initiatives regarding the control of chemical substances are being carried out around the world. Astellas is implementing

measures to limit effects on employees, regional communities, and the global environment by, for example, developing production methods that do not use hazardous chemical substances as a way of preempting environmental pollution, occupational health hazards, and damage to the health of residents in nearby areas.

### Air Pollution

#### Environmental Action Plan

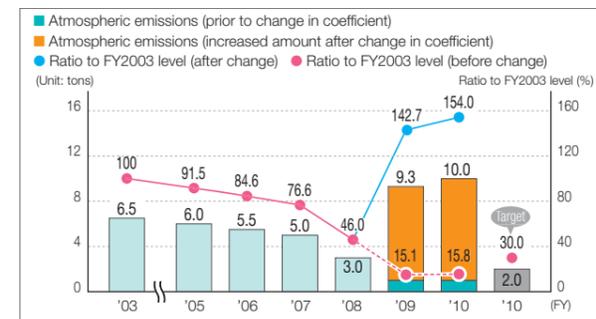
- Reduce atmospheric emissions of chloroform by 70% or more from fiscal 2003 levels (Japan)
- Reduce atmospheric emissions of volatile organic compounds (VOCs) by 25% or more compared to fiscal 2006 levels by fiscal 2015 (Japan)

In our CSR report last year, we reported that atmospheric emissions of chloroform had been reduced by more than 70% from fiscal 2003 levels as a result of installing chloroform removal equipment at the Tsukuba Research Center. This figure was calculated based on the basic performance characteristics of the removal equipment that was installed. In a follow-up examination, however, we determined that when several organic solvents had mixed together and infiltrated the removal equipment, its performance would degrade to a level that was below our expectations of equipment installation. After re-calculating the atmospheric emissions of chloroform, we found that emissions were 42.7% higher than the base year in fiscal 2009 and 54.0% higher than the base year in fiscal 2010. We looked for a new and more effective way of removing chloroform, but came to the conclusion that a

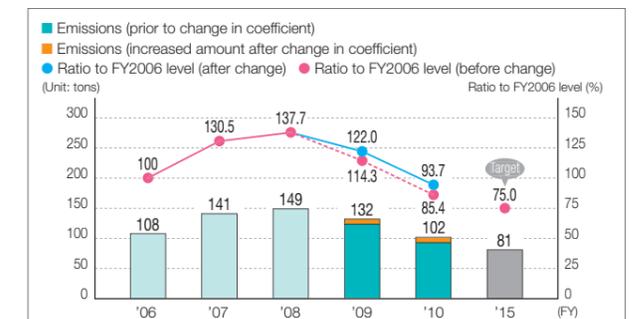
better method does not exist currently. We therefore decided that it was impossible to achieve the chloroform reduction target set in the Action Plan. From the next fiscal year onward, we will not formulate a separate action plan for chloroform removal, and will include it in the action plan for overall atmospheric emission reductions, categorized as a VOC.

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

#### Atmospheric emissions of chloroform



#### VOC emissions



### Water Pollution

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

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

#### \* Biochemical Oxygen Demand (BOD)

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.

# Preserving Biodiversity

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

In 2002, the Convention on Biological Diversity adopted targets for 2010 with the aim of significantly slowing the loss of biodiversity by 2010. In 2007, however, the Conference of Parties of United

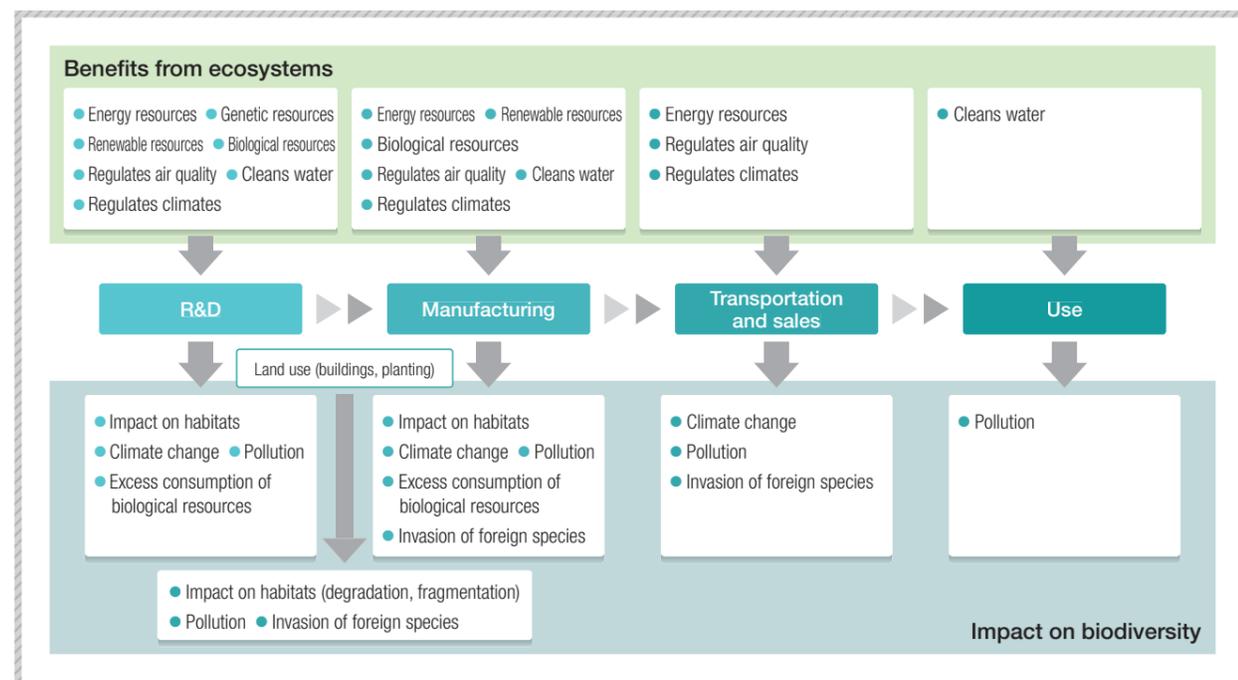
Nations Conventions declared that this target was unlikely to be achieved. At COP10 held in Nagoya in 2010, there was debate about initiatives to take after 2010, which led to the adoption of post-2010 biodiversity targets (Aichi Targets) in the form of short-term targets by 2020 and long-term targets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

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

## Our Basic Thinking About Biodiversity

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

- ◆ We strive to lessen our overall environmental impact on biodiversity by working to prevent global warming, minimize environmental pollution and promote resource recycling.
- ◆ We are developing technologies that minimize the impact on the ecosystem, by lowering environmental burden and using as few natural resources as possible.
- ◆ We handle genetic resources in accordance with international rules and the rules of the host countries.
- ◆ We are broadening our efforts to preserve biodiversity with the aim of creating a sustainable society that coexists in harmony with nature. To this end, we promote discussion within society and among related parties, while reaching across national and geographical borders.
- ◆ We are grateful for the benefits obtained from a healthy ecosystem, and we are diligently fostering a corporate culture that will always act out of respect for biodiversity and in a manner that is harmonious with corporate activities.



## Biodiversity Index

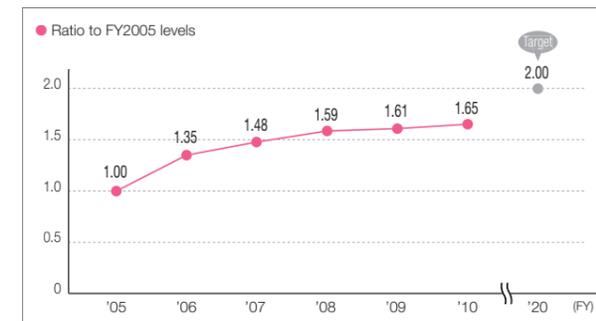


According to the government's National Biodiversity Strategy of Japan 2010, challenges concerning biodiversity loss are 1) species and habitat degradation due to excessive human activity and development, 2) degradation of *satochi-satoyama* natural rural areas due to the insufficient level of management, 3) ecosystem disturbances caused by the introduction of alien species and chemical contamination, and 4) crisis caused by global warming. We believe it is difficult to directly take part in the prevention of *satochi-satoyama* degradation due to the insufficient level of management through Astellas' corporate activities, and therefore decided to exclude it from our biodiversity strategy. We narrowed

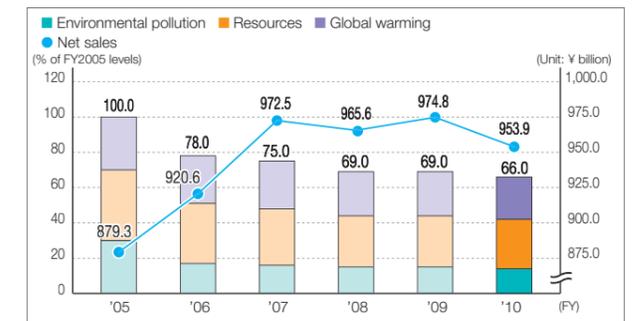
the definition of the three other risks, terming them environmental pollution, resource consumption and global warming. We will use these categories as benchmarks to assess our efforts to preserve biodiversity.

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

### Biodiversity index



### Biodiversity burden index and sales



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

$$\text{Biodiversity index} = \frac{\text{Consolidated sales in the assessment fiscal year}}{\sum \left[ \frac{\text{Burden in the assessment fiscal year}}{\text{Burden in the base year}} \times \text{Weight} \right]}$$

Categories	Sub-categories	Weight (%)
Environmental pollution	NOx, SOx emissions	10
	Chemical substance emissions	10
	BOD load	10
	(Subtotal)	(30)
Resource consumption	Water usage	20
	Biological raw material usage	10
	Landfill waste volume	10
	(Subtotal)	(40)
Global warming	Greenhouse gas emissions	30
	(Subtotal)	(30)
Total		100

## TOPICS

### Search for microorganisms overseas in accordance with Convention on Biological Diversity

In a joint industrial-government project with the National Institute of Technology and Evaluation (NITE), Astellas initiated a joint research project that searches for new microorganisms in Vietnam and put them to industrial use centered on drug discovery. This collaborative project that Astellas will participate in is a framework for cooperative relationships that NITE created with the Vietnamese government in accordance with the Convention on Biological Diversity. We will jointly search, collect and isolate microorganisms in

Vietnam and assess their potential for industrial use. This collaborative industrial-government research project, with the support of the Japanese government agency, provides access to biological genetic resources in Asia that would be too much of a burden for a single company to pursue after the Convention on Biological Diversity came into effect. It also ensures that the benefits from this access to genetic resources are distributed fairly and equitably.

# Environment Management

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



## Environmental and Safety Policy

Astellas, as a life science corporation that contributes towards improving the health of people all over the world, conducts business activities in harmony with the global environment and with due regard for employees' health and safety. Environmental and safety issues are recognized as key elements of our corporate management and are considered for every aspect of the business. Established April 1, 2005

- 1 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 demonstrate 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.

## 7 Biodiversity

- Astellas is working to identify and evaluate the dependence and impact of the product lifecycle from raw material procurement through to disposal on the ecosystem, and is collaborating with a variety of related parties so as to reduce the said environmental impact.
- Astellas is considering the development of a system to better visualize and comprehend its biodiversity activities in order to assess levels of impact on the ecosystem. Among a host of initiatives, this includes the measurement of the impact of its business activities on the environment using a set of biodiversity criteria.
- Astellas is promoting technological development encompassing "green chemistry" technologies with the aim of reducing the impact of its business activities on the ecosystem.
- Astellas is engaging in activities that help develop regional communities on a sustainable basis. To this end, the Company is actively fostering

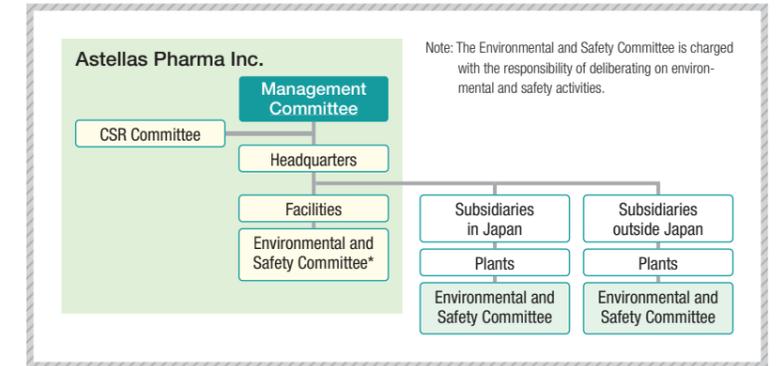
## Environmental and Safety Guidelines

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

- close ties and communication with local communities while assisting in the protection of specific plant and animal species and participating in traditional and cultural events.
- Astellas is supporting biodiversity endeavors not directly related to its business activities. This includes the protection of scarce flora and fauna as well as afforestation activities.
- Astellas is promoting employee education and training activities in an effort to enhance awareness toward the importance of maintaining biodiversity in light of the invaluable benefits that it brings.
- Astellas has put in place a set of in-house rules governing the appropriate use of genetic resources. These rules are based on internationally recognized statutory and regulatory requirements as well as guidelines.

## Organization

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

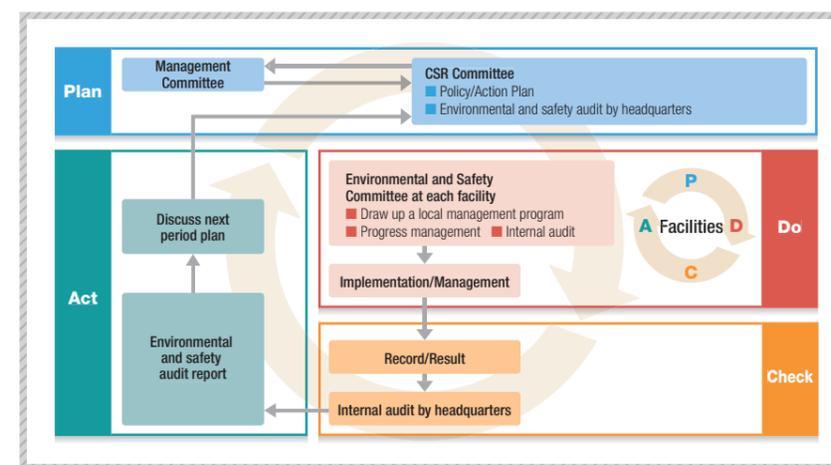


## Environmental and Safety Management System

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

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

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



Education and Training

In addition to complying with statutory and regulatory requirements, Astellas recognizes the importance of autonomous initiatives that address the needs of society. In order to promote further improvements in its environmental and safety activities, the Company acknowledges the critical need to ensure that all employees have a correct understanding of their own roles and responsibilities.

To this end, we are working to improve our skill base through a wide variety of training programs, including specialized education for employees engaged in roles requiring specialist knowledge

and skills in areas such as environmental conservation or hazardous operations, and the development of employees professionally qualified in environmental, health and safety matters.

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

Response to Accidents and Emergencies

Being prepared for emergency situations caused by an accident or natural disaster can help to prevent an environmental catastrophe and minimize damage. Accordingly, we develop specific measures and procedures, conduct regular education sessions and training drills, and reconfirm and test the validity of our procedures, communication networks and the division of roles focusing particularly on risks that are recognized as a high priority. In this manner, we continue to work diligently to reduce environmental risk.

The discharge of harmful substances could lead to the pollution of rivers and seas as well as cause problems at sewage treatment

plants. This in turn could have a grave impact on regional communities. In preparation for accidents and emergency situations, we are therefore systematically implementing measures for the prevention of environmental pollution, including the installation of backup equipment, while working to reduce the risk of pollution. In addition, we are bolstering efforts to monitor operations and to measure the quality of water draining out of our plants to confirm compliance with relevant effluent standards.

Compliance with Environmental Regulations

In fiscal 2010, there were violations of effluent standards (Dischlomethane concentration) at the Kashima R&D Center. We reported these violations to the government and applied preventive measures. In addition, at the Tsukuba Research Center there were two instances where pH levels of stormwater drainage exceeded agreed values. We reported these to the government and took

steps to complement ongoing monitoring measures. Over the past five years, effluent standards were exceeded once in each of fiscal 2007 and fiscal 2008 and three times in fiscal 2009. In each case, however, our responses have proved effective. Moreover, there have been no lawsuits or fines related to environmental issues over the past five years.

Environment-Related Accidents and Complaints

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

In addition, there were no environment-related complaints

lodged in fiscal 2010. Moving forward, we will work to prevent the occurrence of abnormalities such as noise, foul odors, and vibrations. We also intend to maintain appropriate levels of communication with local communities even when there is no violation of regulations.

Soil Contamination Assessments

Under the Soil Contamination Countermeasures Act and prefectural ordinances, soil contamination assessments are mandatory where projects for additional facilities exceed a certain scale or demolition of buildings is undertaken and collectively there is a change in the characteristics of the land. To date, Astellas has undertaken soil contamination assessments based on relevant laws and ordinances as well as related voluntary evaluation to determine the existence or otherwise of contamination. In the event contamination is identified, the Company has taken purification and other remedial measures.

In fiscal 2009, Astellas conducted a soil contamination survey following the closure and demolition of the former Tokyo Research Center. As a result of the survey, the certain sections were designated as contamination areas. This included three blocks (10m square) where total mercury (elution and content) and lead (content) were detected. Later in fiscal 2010, another block (10m square) was uncovered to have traces of Fluorine (elution). Excavation and

removal (of excavated soil) was undertaken for all blocks during fiscal 2010. By May 2011, the aforementioned designation for all blocks was extinguished.

In fiscal 2007, a voluntary survey at the Kashima R&D Center uncovered contamination at an old plant site for which purification was completed in fiscal 2009. In fiscal 2010, a survey at a research building vacant lot uncovered the contamination of 13 blocks (10m square) where arsenic, fluorine, and boron, as well as their compounds were detected. As a result, all 13 blocks were designated contamination areas. The areas so designated have been earmarked for the construction of a welfare facility. Construction, however, is to be undertaken at locations where contaminants have not been detected across ground surfaces. On this basis, excavation and removal (of excavated soil) does not apply. Surplus earth to accumulate due to construction work, on the other hand, will be disposed of as contaminated soil in an appropriate manner.

Background of the Environmental Action Plan

With respect to drawing up the action plan, we have outlined what we want the Company to be from a long-term viewpoint, and we have set individual fiscal and medium-term goals as checkpoints. We undertake annual reviews, adding new items or setting even

higher goals, based on progress under the Environmental Action plan as well as changes in social conditions. The background and history of each review of the Environmental Action Plan is presented briefly as follows.

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	To Fiscal 2011
Measures to address global warming	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Fiscal 2010 plan	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Fiscal 2020 plan	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Sales vehicle initiatives	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Office initiatives	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Measures to conserve natural resources	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Reduce water consumption	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Green procurement	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Introduce low-pollution vehicles	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Manage chemical substances	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Dichloromethane	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Chloroform	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Formaldehyde	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
VOC	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Measures to dispose of waste	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Reduce landfill waste	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Biodiversity	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Biodiversity index	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	
Issuance of site reports	Stage 1 plan		Achieved	Stage 2 plan (interim)		Transition	

Environmental Action Plan (Fiscal 2011)

In the Environmental Action Plan established for fiscal 2011, the initiative to reduce chloroform atmospheric emissions introduced in the previous fiscal year's plan was removed and included in the goal of reducing VOCs. In addition, in putting in place a

biodiversity index as a comprehensive measure of our effort to reduce environmental load, we introduced the new category of biodiversity in our Environmental Action Plan.

1. Measures to Address Global Warming

- Reduce emissions of greenhouse gases by 35% or more from fiscal 2005 levels by the end of fiscal 2020 (global)
  - Reduce emissions of greenhouse gases in Japan by 30% or more from fiscal 2005 levels by the end of fiscal 2020
  - Reduce emissions of greenhouse gases at overseas production facilities by 45% or more from fiscal 2005 levels by the end of fiscal 2020
- Reduce CO<sub>2</sub> emissions generated through sales activities by 30% or more from fiscal 2005 levels by the end of fiscal 2015
- Reduce CO<sub>2</sub> emissions generated through office electricity consumption by 20% or more from fiscal 2005 levels by the end of fiscal 2015

2. Measures to Conserve Natural Resources (Global)

- Reduce water consumption by 20% or more from fiscal 2005 levels by the end of fiscal 2015

3. Manage Chemical Substances (Japan)

- Reduce VOC emissions by 25% or more from fiscal 2006 levels by the end of fiscal 2015

4. Measures to Dispose of Waste (Japan)

- Curb the volume of waste materials subject to final disposal to 1% or less of total generation, or 2% or less of total discharged

5. Biodiversity (Global)

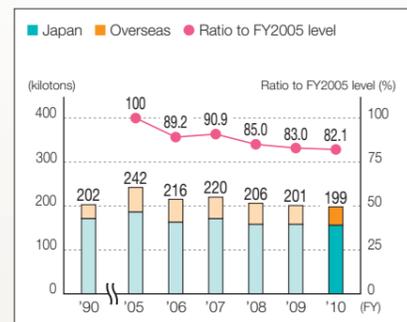
- Double the biodiversity index from the fiscal 2005 level by fiscal 2020

# Numerical Data

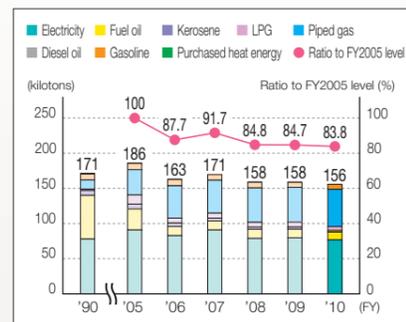
## Measures to Address Global Warming

### CO<sub>2</sub> emissions due to energy consumption

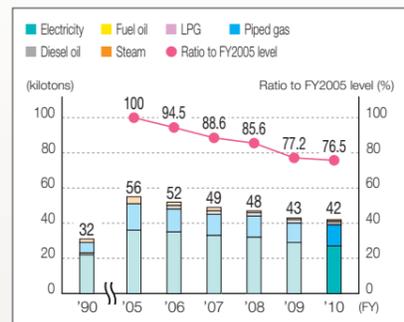
CO<sub>2</sub> emissions due to energy consumption (global)



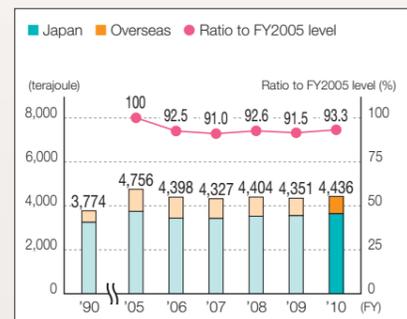
CO<sub>2</sub> emissions due to energy consumption (Japan)



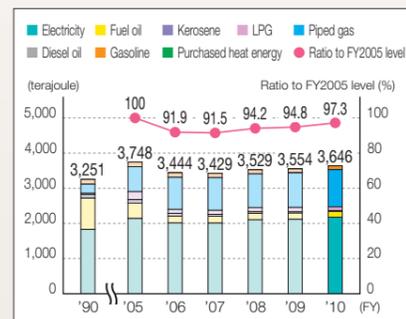
CO<sub>2</sub> emissions due to energy consumption (outside Japan)



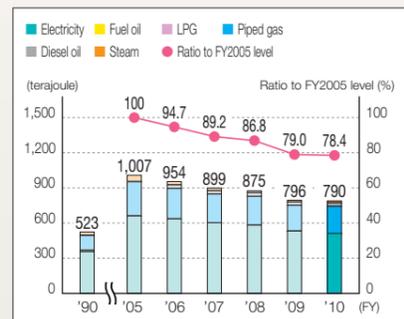
Energy consumption (global)



Energy consumption (Japan)



Energy consumption (overseas)

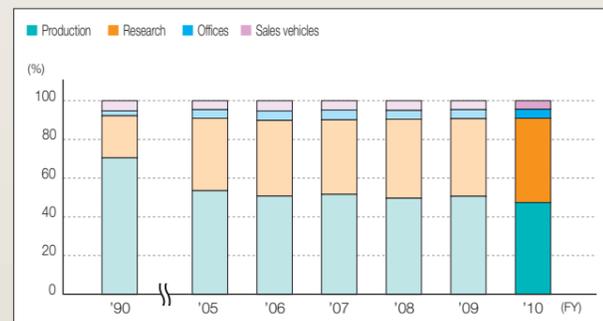


Key Points

- Promoting the shift from required fuels to gas and electricity with respect to energy use. As a result, the reduction is higher for CO<sub>2</sub> emissions than for energy consumption.
- Electricity accounts for approximately 59.7% and 64.8% of total energy consumption in Japan and overseas, respectively. This reflects the high dependence on electricity for energy.

### CO<sub>2</sub> emissions due to energy consumption by activity (Japan)

Breakdown of CO<sub>2</sub> emissions by activity (Japan)



Key Points

- Production activities accounted for around 70% of total CO<sub>2</sub> emissions due to energy consumption in fiscal 1990. Reflecting significant growth in R&D activities, this percentage has fallen to a current level of around 50%.

### Emissions of greenhouse gases due to other causes

CO<sub>2</sub> emissions due to causes other than energy consumption

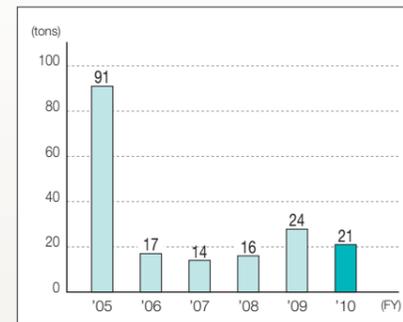


Key Points

- Greenhouse gases due to causes other than energy consumption are attributed to the CO<sub>2</sub> emitted by the incineration of waste oil in liquid waste incinerators.

## Chemical Substances

Emissions of Class 1 designated chemical substances under the PRTR system



Key Points

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

PRTR

The PRTR is a register of the amounts of potentially harmful chemicals released into the air, land, or water, and the amounts transferred as waste material, which are independently measured and aggregated by each company. In Japan, the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act) came into force in 2001 as the system under which companies submit the PRTR to the central government and disclose the information to the public.

Releases and transfers of PRTR chemical substances in fiscal 2010

Substance name	Number of facilities reporting	Volume handled	Volume released			Volume transferred	
			Air	Water	Soil	Waste	Sewerage
Acetonitrile	5	36.866	0.411	0.001	0.000	30.188	0.027
Xylene	1	4.909	0.000	0.000	0.000	0.000	0.000
Chloroform	3	40.947	10.032	0.000	0.000	30.915	0.000
Salicylaldehyde	1	21.709	0.000	0.000	0.000	2.297	0.000
Dichloromethane	3	254.787	7.751	0.000	0.000	3.069	0.000
N,N dimethylacetamide	1	107.993	0.008	0.000	0.000	8.461	0.000
N,N dimethylformamide	2	139.524	0.016	0.001	0.000	5.828	0.000
Thiourea	1	10.625	0.000	0.000	0.000	0.000	0.000
1, 2, 4- trimethylbenzene	1	7.363	0.000	0.000	0.000	0.000	0.000
Toluene	1	13.278	0.055	0.001	0.000	2.308	0.000
Hydrogen fluoride and its water-soluble salt	1	5.556	0.000	0.791	0.000	4.765	0.000
n-hexane	1	16.851	1.311	0.000	0.000	15.540	0.000
Boron compound	1	3.161	0.000	0.988	0.000	2.173	0.000
Formaldehyde	1	55.704	0.011	0.000	0.000	41.516	0.000
Manganese and its compounds	1	41.228	0.000	0.101	0.000	41.126	0.000
Methylnaphthalene	3	49.630	0.000	0.000	0.000	0.000	0.000
Dioxins	2	-	0.008	0.014	0.000	0.219	0.000

Notes: \* Amounts in the table are tons/year. For dioxins, the units are mg-TEQ/year.  
\* 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 Specific Class 1 designated chemical substances.

State of PCB-contaminated waste storage

Status	Category	Number or volume
Stored	High-voltage transformers	27
	Capacitors	235
	Electric current breakers	1
	Fluorescent lamp ballasts	7,385
	PCB-containing oil	16 L
In use	PCB incrustation	23 kg
	Fluorescent lamp ballasts	5

Key Points

- The treatment of PCB is now possible at certain facilities. In fiscal 2009, five capacitors were processed. There were no processable items in fiscal 2010.

PCB (Polychlorinated Biphenyl)

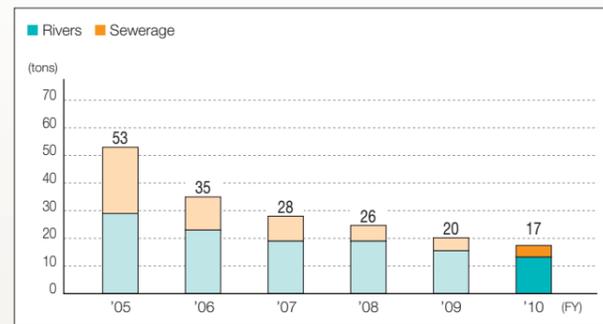
This is the common name of a group of chemical compounds formed by two benzene rings with 1 to 10 chlorine atoms attached. There are 209 different varieties depending on the number and location of the chlorine atoms. The compound is hard to break down when exposed to heat, which makes it a superior electrical insulator, and it is often used in heating media and capacitors. Production of PCBs was later banned due to their highly toxicity, and wastes containing PCBs are stored by local governments and businesses as stipulated by law.

# Numerical Data

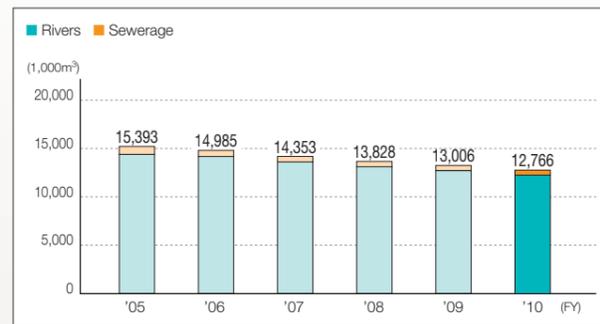
## ■ Pollution Prevention

### ● Water pollutants

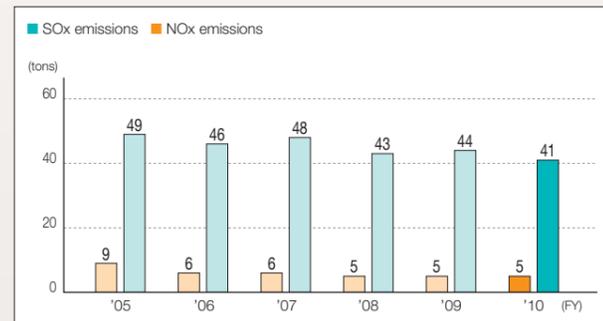
#### BOD load



#### Drainage volume



### ● Air pollutants



#### SOx (Sulfur Oxides)

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

#### NOx (Nitrogen Oxides)

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

#### Amount of dioxins in the exhaust gas of incinerators

Facility locations		(ng-TEQ/m³N)					
		FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Takahagi Facilities	Liquid waste incinerator	0.0014	0.00089	0.000015	0.00045	0.00028	0.00094
	Standard	10	10	10	10	10	10
Takaoka Plant	Liquid waste incinerator	0.00072	0.00019	0.000005	0.022	0.018	0.0000072
	Standard	5	5	5	5	5	5

#### Dioxins

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

#### TEQ (Toxicity Equivalency Quantity)

TEQ is a value that converts the amount of dioxin into an equivalent amount of its most toxic form. 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 dioxin is formally employed.

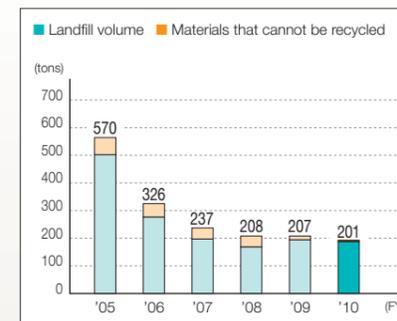
#### Environment-related complaints

Item	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Noise	0	2 (Tokyo, Fuji)	1 (Takaoka)	3 (Yaizu, Tokyo)	3 (Yaizu, Toyama)	0
Foul odors	0	1 (Takaoka)	0	0	0	0
Vibrations	1 (Kiyosu)	0	0	0	0	0

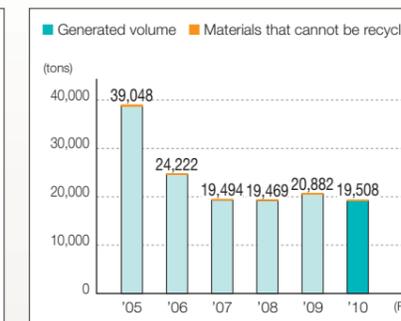
Note: Kiyosu = Kiyosu Research Office, Tokyo = Tokyo Research Center, Fuji = Fuji Plant, Takaoka = Takaoka Plant, Yaizu = Yaizu Facilities, Toyama = Toyama Technology Center  
The number of cases is shown in the table. Single cases that drew several complaints are recorded as one case.

## ■ Dispose of Waste

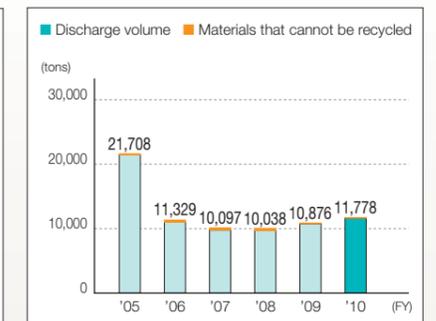
### Landfill waste volume



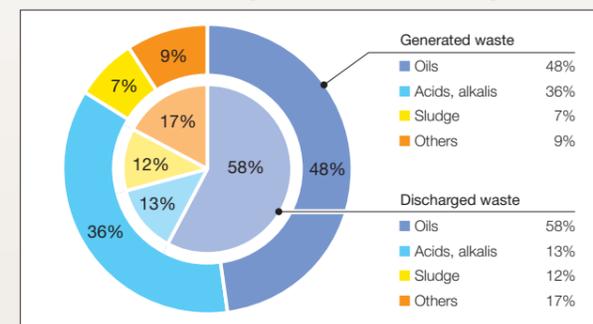
### Volume of waste generated



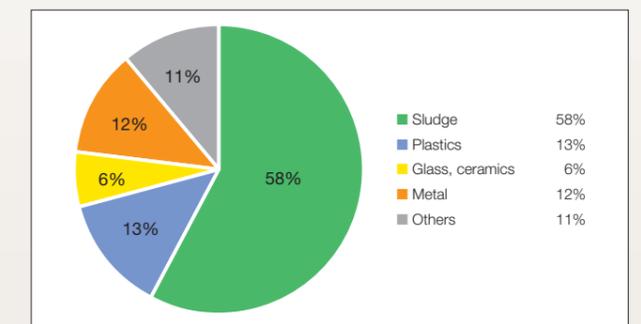
### Volume of waste discharged



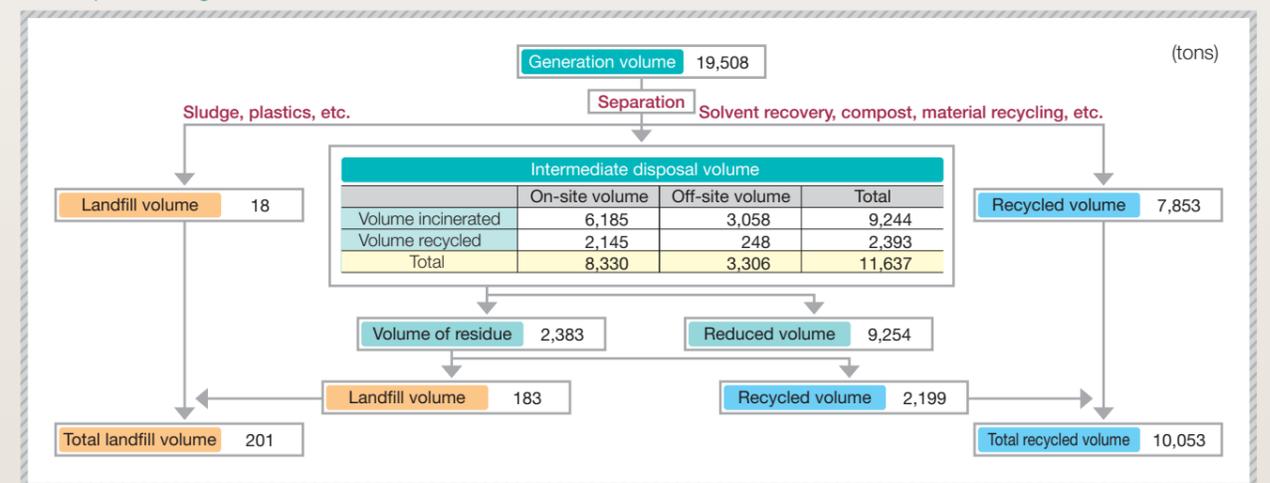
### Breakdown of waste generated and discharged



### Breakdown of landfill waste



### Waste processing flow



## ■ Packaging recycling initiatives

Although the majority of ethical pharmaceutical product packaging is disposed of by medical institutions, products prescribed by doctors are disposed of by households. In accordance with the Containers and Packaging Recycling Law, we bear the cost of

recycling these waste packaging materials. In fiscal 2010 we estimated the total amount of bottles, plastic, and paper containers disposed of by households at 530 tons, and the relevant recycling cost amounted to approximately ¥21.8 million.

# Numerical Data

## Biodiversity



			FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Net sales (¥ billion)			879.3	920.6	972.5	965.6	974.8	953.9
Environmental load	Environmental pollution	Volume of airborne pollutants released *1 (tons)	58	52	54	48	49	46
		Volume of chemical substances released (tons)	91	17	14	16	24	21
		BOD load (tons)	53	35	28	26	20	17
	Resource consumption	Water usage (thousand m <sup>3</sup> )	16,986	15,763	15,451	14,923	14,440	14,109
		Biological raw material usage*2 (tons)	688	634	636	541	595	520
		Landfill waste volume (tons)	570	326	237	208	207	201
Global warming	Volume of greenhouse gases released (thousand tons CO <sub>2</sub> )	249	221	224	210	205	202	
Biodiversity burden index	Environmental pollution	Volume of airborne pollutants released	10	9	9	8	9	8
		Volume of chemical substances released	10	2	2	2	3	2
		BOD load	10	7	5	5	4	3
		Total	30	17	16	15	15	14
	Resource consumption	Water usage	20	19	18	18	17	17
		Biological raw material usage	10	9	9	8	9	8
		Landfill waste volume	10	6	4	4	4	4
		Total	40	33	32	29	29	28
	Global warming	Volume of greenhouse gases released	30	27	27	25	25	24
		Total	30	27	27	25	25	24
		Total	100	77	75	69	69	66
		Biodiversity index	88	119	130	139	142	145
Comparison with base fiscal year			1.0	1.4	1.5	1.6	1.6	1.7

\*1 Total of the volumes of SO<sub>x</sub> and NO<sub>x</sub> released  
 \*2 The total volume of sugar, starch, lactose and related items used as principal raw materials exceeding one ton

## Methods of Calculating Performance Data

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

Type	Emissions coefficient	
	Calorific value	CO <sub>2</sub> emissions
Electricity	9.97 GJ/MWh	0.351*1 tons/MWh
Fuel oil	39.1 GJ/kL	2.71 tons/kL
Kerosene	36.7 GJ/kL	2.49 tons/kL
LPG	50.8 GJ/tons	3.00 tons/tons
LNG	54.6 GJ/tons	2.70 tons/tons
Piped gas	45.0 GJ/thousand m <sup>3</sup> N	2.24 tons/thousand m <sup>3</sup> N
Diesel oil	37.7 GJ/kL	2.58 tons/kL
Gasoline	34.6 GJ/kL	2.32 tons/kL
Heat	1.36 GJ/GJ	0.057 tons/GJ

Our overseas facilities use the CO<sub>2</sub> emissions coefficients shown in the table on the left, except those shown in the table below.

	Electricity*2	Steam
Norman Plant	0.570 tons/MWh	—
Dublin Plant / Kerry Plant	0.582 tons/MWh	—
Meppel Plant	0.387 tons/MWh	—
Shenyang Plant	0.787 tons/MWh	0.091 tons/GJ

\*1 To calculate the CO<sub>2</sub> emissions for fiscal 2010, we used the CO<sub>2</sub> emission intensity for fiscal 2009 because the latest CO<sub>2</sub> emission intensity of FEPC was unknown as of the date of issuance of our CSR Report in Japanese (June).  
 \*2 We used the CO<sub>2</sub> emission intensity by country for fiscal 2005, the base year for the Action Plan.

### 2. Estimated Performance Regarding Amounts of Energy Consumption and CO<sub>2</sub> Emissions in Past Fiscal Years

We started calculating CO<sub>2</sub> emissions from our branches, sales offices and training centers in fiscal 2009. Since we do not have the corresponding emissions data for fiscal 2008 and before, we substituted the 2009 emissions data into the data from fiscal 1990 to fiscal 2008 in our CSR Report 2010. The 2009 emissions data, however, relied on some estimates. Now that our 2010 emissions data for our branches, sales offices and training centers are based on actual activity data, we restate our CO<sub>2</sub> emissions for fiscal

2010 and before, substituting the 2010 emissions data for the previous years' data.

In similar fashion to the previous year, in order to calculate CO<sub>2</sub> emissions at our overseas facilities in fiscal 1990, a fiscal year for which results are unknown, we utilized the amount of our energy consumption in fiscal 1996, the earliest fiscal year for which we know the actual amount of energy consumption.

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

The Company uncovered an error in the information provided by tap water supplier included in the previous fiscal year's report with respect to water usage at the Dublin Plant. As a result, data for the previous fiscal year's report recorded in this report for the

fiscal year under review has been amended (53 thousand m<sup>3</sup>). Water usage and drainage volume data for the Dublin Plant is 106 thousand m<sup>3</sup>.

## Environmental Accounting

We calculate the cost of environmental conservation (sums invested and expenses) and the outcomes from such investment for each domestic facility at Astellas, in line with our standards set with reference to the environmental accounting guidelines issued by the Ministry of the Environment.

Environmental conservation costs for fiscal 2010 were as follows: investments totaled ¥616 million and expenses ¥2,006 million, including depreciation cost. The main investment in pollution control included the maintenance of effluent treatment facilities, checks on and the laying of underground water pipes, and other related work. Regarding investments in global environmental conservation, we took steps to introduce fuel conversion,

energy monitoring and related systems, which was included in the investment amount determined by the Global Warming Prevention Committee. The economic benefits of our environmental conservation measures totaled ¥761 million, including the sale of waste organic solvents and metals as well as the reduced costs for waste disposal. The table below summarizes trends over the past six years in our investment in environmental conservation and our environmental performance. The environmental remediation costs included in environmental expenses totaled ¥76 million and included expenses for purifying the contaminated soil at the former Tokyo Research Center.

### Environment-related investment and expenses

Category	FY2005		FY2006		FY2007		FY2008		FY2009		FY2010	
	Investment	Expenses										
Pollution prevention	193	375	214	453	190	662	211	614	161	461	177	712
Global environmental conservation	406	339	197	322	29	397	100	203	80	231	403	398
Resource circulation	55	794	119	484	0	416	2	411	1	340	6	345
Upstream/downstream costs	0	35	0	14	0	37	0	33	0	73	0	67
Administration costs	7	288	17	332	1	270	0	417	0	331	18	364
R&D costs	5	80	11	70	4	81	2	28	8	28	13	41
Social activity costs	0	12	0	10	0	8	0	7	0	6	0	3
Environmental remediation costs	0	20	0	22	0	21	0	21	0	141	0	76
Total	667	1,945	557	1,708	224	1,892	315	1,734	250	1,611	616	2,006

### Environmental performance

Category		FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
INPUT	Energy						
	Electricity	MWh	214,759	201,996	201,662	211,001	212,472
	Piped gas	thousand m <sup>3</sup>	15,827	20,364	20,721	21,401	21,982
	LPG	tons	4,495	2,216	2,258	2,255	2,301
	Fuel oil	kL	11,184	4,928	4,981	4,677	4,480
	Kerosene	kL	2,703	2,161	1,437	1,303	1,147
	Diesel oil	kL	8	7	10	9	16
	Gasoline	kL	3,767	3,692	3,528	3,353	3,174
	Purchased heat energy	GJ	2,225	2,225	2,225	2,225	2,225
	Resources						
Water	thousand m <sup>3</sup>	16,494	15,320	15,080	14,579	14,105	
Raw materials*	tons	21,780	13,311	11,261	10,481	12,630	
	L	—	—	—	—	—	
OUTPUT	Global warming	CO <sub>2</sub> emissions	thousand tons	194	169	175	162
	Air pollution	SO <sub>x</sub>	tons	9	6	6	5
		NO <sub>x</sub>	tons	49	46	48	43
		VOCs	tons	—	108	141	149
	Water pollution	BOD load	tons	53	35	28	26
		Drainage water	thousand m <sup>3</sup>	15,393	14,985	14,354	13,828
	Waste	Volume generated	tons	39,048	24,222	19,494	19,469
		Volume discharged	tons	21,708	11,329	10,097	10,038
		Landfill volume	tons	570	326	237	208

\* Raw materials and solvents have been tabulated separately from fiscal 2010

# Independent Assurance Report



## Independent Assurance Report

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

### Purpose and Scope

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

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

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

### Criteria

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

### Procedures Performed

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

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

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

### Conclusion

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

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

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

*KPMG AZSA Sustainability Co., Ltd.*

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



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

# Corporate Data

Company name	Astellas Pharma Inc.
Head office	2-3-11, Nihonbashi-Honcho, Chuo-ku, Tokyo 103-8411, Japan
Capital	¥103 billion (as of March 31, 2011)
Representative	Masafumi Nogimori, President and Chief Executive Officer (as of March 31, 2011)
Founded	1923

Net sales	¥953.9 billion (consolidated for the fiscal year ended March 31, 2011)
Number of employees	16,279 (consolidated as of March 31, 2011)
Professional institution affiliation	Japan Business Federation Federation of Pharmaceutical Manufacturers' Associations of Japan Japan Pharmaceutical Manufacturers Association

### ■ The Astellas Group (as of March 31, 2011)

The Astellas Group is comprised of Astellas Pharma Inc., its 82 consolidated subsidiaries and three equity-method affiliates for a total of 86 companies. Business activities encompass pharmaceuticals and related products.

### ■ Astellas' business operations

Astellas has established its own sales distribution channel that extends across more than 40 countries and regions worldwide including Japan, the Americas, Europe and South Africa. In addition to research and development bases in Japan, the U.S., and Europe, the Company maintains production facilities in Japan, the U.S., Europe and China.

### ■ Major consolidated subsidiaries

#### Japan

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

#### Americas

Astellas US Holding, Inc.  
Astellas US LLC (Regional headquarters)  
Astellas Pharma US, Inc.  
Astellas Pharma Global Development, Inc.  
Astellas US Technologies, Inc.  
Astellas Pharma Technologies, Inc.  
Astellas Research Institute of America LLC  
Urogenix, Inc.  
Astellas Venture Management LLC  
Astellas Pharma Canada, Inc.  
Astellas Farma Brasil Importacao e Distribuicao de Medicamentos Ltda.  
Agensys, Inc.  
OSI Pharmaceuticals LLC

#### Asia and Oceania

Astellas Pharma China, Inc.  
Astellas Pharma Hong Kong Co., Ltd.  
Astellas Pharma Korea, Inc.  
Astellas Pharma Taiwan, Inc.  
Astellas Pharma (Thailand) Co., Ltd.  
Astellas Pharma Philippines, Inc.  
P.T. Astellas Pharma Indonesia  
Astellas Pharma India Private Limited  
Astellas Pharma Australia Pty. Ltd.

#### Europe

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

### ■ Scope of environmental information report

Company name	Facility	Location	Function
Astellas Pharma Inc.	Nihonbashi Office	Chuo-ku, Tokyo	Headquarters
	Hasune Office	Itabashi-ku, Tokyo	Development
	Takahagi Chemistry & Technology Development Center	Takahagi, Ibaraki	Research
	Tsukuba Research Center	Tsukuba, Ibaraki	
	Tsukuba Biotechnology Research Center	Tsukuba, Ibaraki	
	Yaizu Pharmaceutical Research Center	Yaizu, Shizuoka	
	Kiyosu Research Office	Kiyosu, Aichi	
	Kashima R&D Center	Yodogawa-ku, Osaka	Sales & marketing
Branches/Sales Offices	18 branches, 160 sales offices		
Astellas Pharma Tech Co., Ltd.	Nishine Plant	Hachimantai, Iwate	Manufacturing
	Takahagi Technology Center	Takahagi, Ibaraki	
	Yaizu Technology Center	Yaizu, Shizuoka	
	Fuji Plant	Fuji, Shizuoka	
	Toyama Technology Center	Toyama, Toyama	
	Takaoka Plant	Takaoka, Toyama	
Astellas Pharma Technologies Inc.	Norman Plant	The U.S.	Manufacturing
Astellas Ireland Co., Ltd.	Dublin Plant	Ireland	
	Kerry Plant		
Astellas Pharma Europe B.V.	Meppel Plant	The Netherlands	Manufacturing
Astellas Pharma China, Inc.	Shenyang Plant	China	

Note: Operating sites throughout this report are in principle identified according to the name of each facility. In instances where there are multiple facilities on the same site, the following names may be applied. Takahagi Facilities: Takahagi Chemistry & Technology Development Center and Takahagi Technology Center; Yaizu Facilities: Yaizu Pharmaceutical Research Center and Yaizu Technology Center