



Astellas CSR Report 2006



Approach to editing CSR Report 2006

CSR Report 2006 is a report on the environment, society and economy issued by the Astellas Group (Astellas), which is centered on Astellas Pharma.

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

aim of making this report easy to read and understand.

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

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● Significant changes up to April 1, 2006

We pulled out of the reagent and home care businesses and transferred our active pharmaceutical ingredient manufacturing functions to a new company. The effect on environmental performance and CSR content has been minimal.

All outstanding shares of its fully owned OTC business subsidiary, Zepharm Inc., have been sold to a firm outside our Group (the sale was completed on April 13). With the establishment of an active pharmaceutical ingredient production company, all manufacturing is now handled by production subsidiaries.

Key changes	Description of Change
Exit from the home care business	Consigned home care business to Teijin Pharma Ltd., and effectively pulled out of that business (June 2005)
Exit from the health-care business	Pulled out of healthcare businesses such as laboratory reagents and clinical laboratory test reagents (September 2005)
Spin-off of production divisions	Established Astellas Pharma Chemicals Co., Ltd. by converting Takahagi Facilities' production division into a separate company (April 2006)
Osaka Plant closed	Closed Osaka Plant at Astellas Toyama Co., Ltd. (March 2006)
Exit from the OTC business	Sold outstanding shares of Zepharm to an entity outside the Group (April 2006)

● Scope of Report

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

Astellas Pharma Inc.

Nihonbashi Office, Hasune Office, Doshomachi Office, Miyukigaoka Research Center, Tokodai Research Center, Tokyo Research Center, Kiyosu Facilities, Takahagi Facilities, Yaizu Facilities, Kashima Facilities, branch/sales offices

Domestic group companies

Astellas Tokai Co., Ltd. (Yaizu Plant, Nishine Plant), Astellas Shizuoka Co., Ltd. (Fuji Plant), Astellas Toyama Co., Ltd. (Toyama Plant, Takaoka Plant, Osaka Plant, Nagoya Plant), Astellas Pharma Chemicals Co., Ltd., Hoshienu Pharmaceuticals Co., Ltd. (Gojo Plant, Takatori Plant)

Overseas group companies

North America: Astellas Pharma Manufacturing, Inc. (Grand Island Plant), Astellas Pharma Technologies, Inc. (Norman Plant)
Europe: Astellas Pharma Europe B.V. (Meppel Plant), Astellas Pharma GmbH (Munich Plant, Kerry Plant), Astellas Ireland Co., Ltd. (Dublin Plant, Kerry Plant), Astellas Pharma S.p.A. (Carugate Plant)
Asia: Astellas Pharma (China) Inc. (Shenyang Plant)

● Reporting period

The report basically covers the period April 1, 2005 to March 31, 2006. Name changes resulting from measures such as consolidations and the creation of new companies are as of April 1, 2006.

● Corresponding guidelines in the preparation of the report

The CSR Report 2006 conforms to the Ministry of Environment's environmental report guidelines, and was prepared in accordance with the Environmental Report Preparation Procedure Report drafted by Astellas Pharma.



Astellas can be likened to a living organism, being made up of employees who function like the cells that make everything possible. The Company is supported by the trust of its many stakeholders, including customers, shareholders and other investors, and the local communities in which it operates.

Toichi Takenaka, Ph.D.
President & CEO

A handwritten signature in black ink that reads "Toichi Takenaka".

One year has quickly gone by since Astellas was founded in April 2005. We spent the year shaping this new entity, and I am satisfied with the speed with which we integrated the operations of the two founding companies, and with what we were able to accomplish. I believe that the various measures we have taken have shown the world the direction in which Astellas is heading and the role it wants to play in the global community. All the while, we have been preparing to enable Astellas to take flight in its second year and beyond. I feel confident that we have taken the important first steps.

Our Business Philosophy (raison d'être) is "Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products." Astellas' mission is to achieve sustained growth in enterprise value while realizing this philosophy. To attain these goals, we must improve the Company's economic value, obtain the trust of all stakeholders including customers, shareholders and employees, and gain their recognition of Astellas' value as a company from all perspectives. For these reasons, we have used the merger as an opportunity to begin CSR-based management, and have carefully debated the stance we must take. In promoting CSR-based management, we have defined it as "management that works to maintain and improve enterprise value with a holistic approach encompassing economic, social and humanistic qualities," and have positioned the Charter of Corporate Conduct as the standard for judgment. Usually, the so-called "triple bottom line" of society, the environment and the economy are cited as the components of CSR.

At Astellas, we believe that the employee is a key stakeholder and the driving force for realizing our philosophy. Because of this, we have designated the employee as a separate factor independent from the social component. Adding compliance, this makes a total of five components. We look at these as the fields of CSR-based management.

We have achieved some success with some of these, such as the environment and compliance, because of the accomplishments of the founding companies before their merger. However, others have not yet been dealt with sufficiently from a CSR-based management perspective, and we have achieved differing degrees of progress in these fields. From now on, we will check corporate management against the Charter of Corporate Conduct standard, analyze discrepancies between current conditions and the Charter, and proactively study our relationships with stakeholders and the demands made on us in the area of social responsibility. In these ways, we will continue to develop CSR-based management in every field.

I believe that by faithfully and continuously fulfilling our social responsibilities and contributing to environmental protection and the economy, we will gain the trust of our employees and other stakeholders, and that this will be linked to the pride that each and every employee feels in working for the company. We will proactively and aggressively promote CSR-based management, and disclose our activities on an ongoing basis through our CSR Reports.

We request your understanding and further support in our pursuit of these endeavors.

June 2006



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

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

Introducing Astellas Pharma Inc.

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

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

Company outline (as of March 31, 2006)

Founded: April 1923

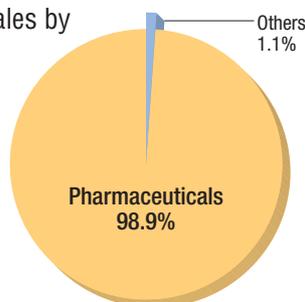
Capital: 102,985 million yen

President: Toichi Takenaka

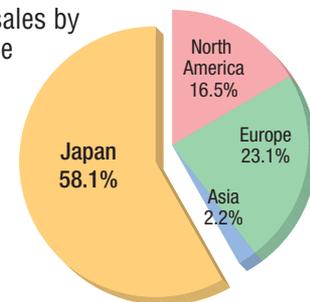
Head office: 3-11, Nihonbashi-Honcho 2-chome, Chuo-ku, Tokyo 103-8411, Japan

Principal areas of business are the manufacture, sale, import and export of pharmaceuticals, quasi-drugs, foods.

● Percentage of sales by segment (FY2005)



● Percentage of sales by operational base (FY2005)



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

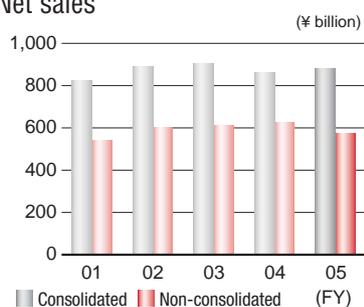
Note: Astellas Pharma Inc. was created through the merger of Yamanouchi Pharmaceutical Co., Ltd. and Fujisawa Pharmaceutical Co., Ltd. on April 1, 2005. Please view the economic indicators up to fiscal 2004 as rough values for reference only, as the figures shown are simply aggregates of the results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



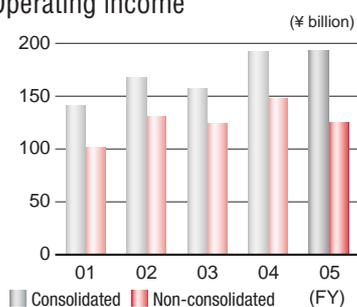
● Employees

FY	2001	2002	2003	2004	2005
Consolidated	17,311	17,608	16,898	15,024	14,965
Non-consolidated	8,891	8,712	7,733	7,577	6,380

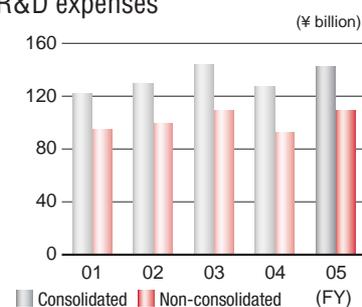
● Net sales



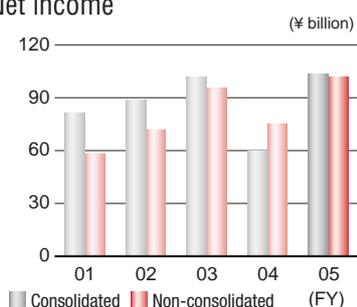
● Operating income



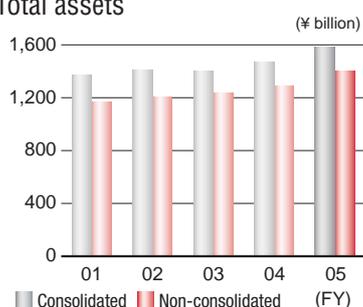
● R&D expenses



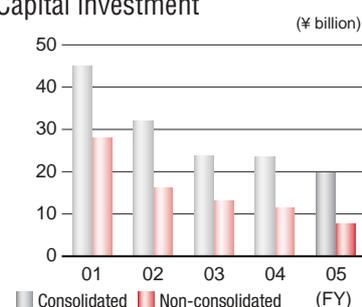
● Net income



● Total assets



● Capital investment

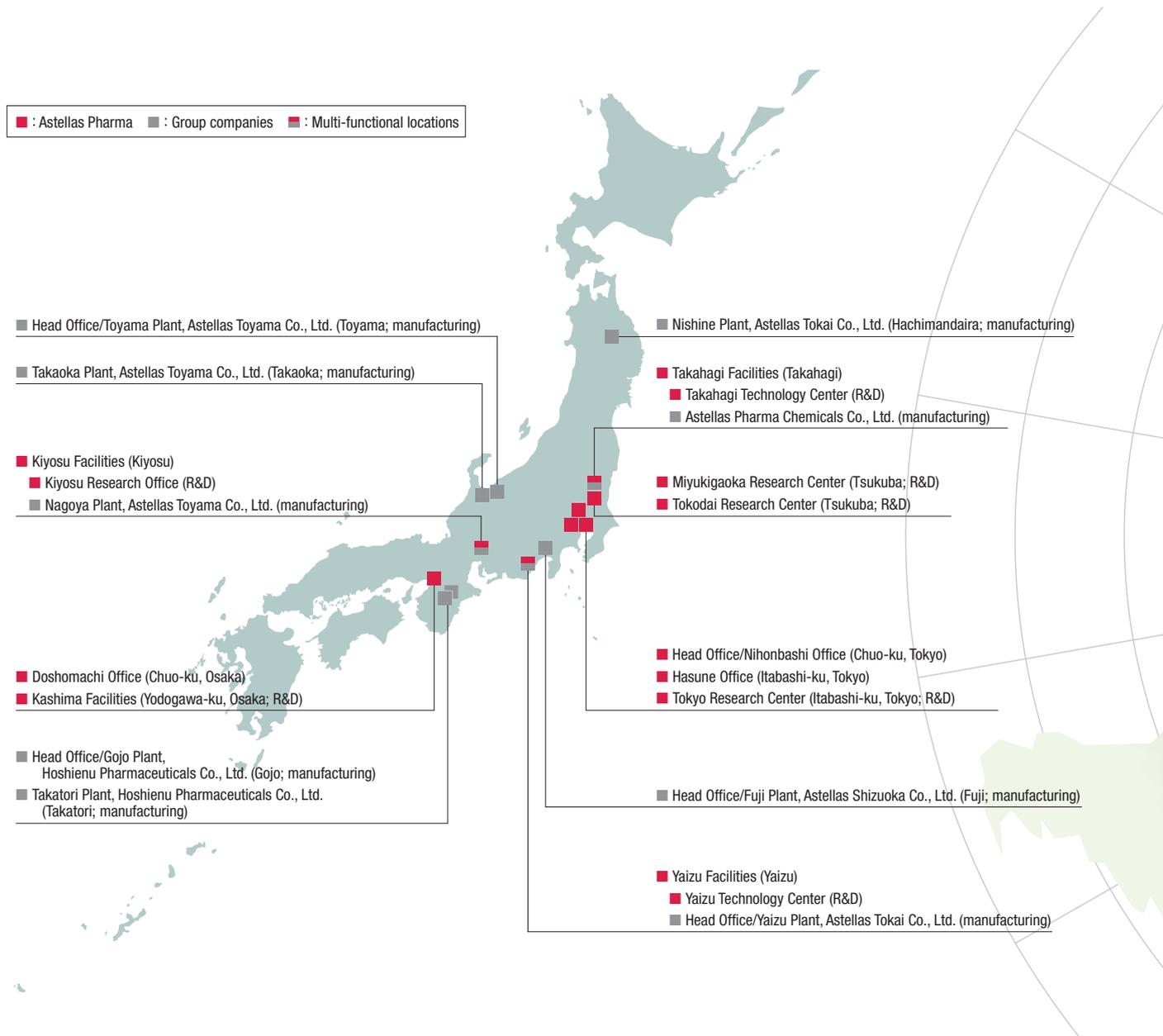


Sales of our main ethical drugs

(¥ billion)

	Name	Effect	Sales (consolidated)
Global products	Prograf®	Immunosuppressant	145.9
	Harnal®	Treatment of functional symptoms associated with benign prostatic hyperplasia	137.8
	Funguard®/Mycamine®	Echinocandin antifungal injections	15.2
	Vesicare®	Overactive bladder treatment	14.8
	Protopic®	Atopic dermatitis treatment	14.4
Domestic main products	Lipitor®	Hypercholesterolemia treatment	91.5
	Gastor®	Treatment for peptic ulcers and gastritis	68.8
	Micardis®	High blood pressure treatment	37.3
	Cefzon®	Cephalosporin antibiotic	18.4
	Myslee®	Hypnotic	17.1
	Seroquel®	Schizophrenia treatment	15.2
	Luvox®	Antidepressant	10.3

Main facilities (Astellas Pharma and main Group companies)



◆ Japan

The above are our main business premises in Japan. The Takahagi, Yaizu and Kiyosu facilities are multifunctional facilities combining research and manufacturing. Not shown are 22 branches and 161 sales offices around Japan.

The group companies listed below also support corporate operations.

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



◆ North America

In North America, Astellas US LLC is responsible for headquarters operations, and Astellas Pharma US, Inc. for development and sales, both under the umbrella of the holding company Astellas US Holding, Inc. Additionally, Astellas Pharma Manufacturing, Inc. and Astellas Pharma Technologies, Inc. handle manufacturing, while Astellas Research Institute of America LLC handles research.

◆ Asia

In Asia, Astellas Pharma China, Inc. handles sales, and we have group companies in Korea, the Philippines, Thailand and Indonesia. Astellas Pharma China, Inc. also manufactures at its Shenyang Plant.

◆ Europe

In Europe, Astellas Pharma Europe Ltd. is responsible for headquarters operations under the umbrella of the holding company Astellas B.V. Astellas Pharma Europe B.V. handles research headquarters operations, while Astellas Pharma GmbH conducts development related to transplants. Manufacturing is handled by Astellas Pharma Europe B.V. (Meppel Plant), Astellas Ireland Co., Ltd. (Dublin and Kerry Plants), Astellas Pharma GmbH (Munich and Kerry Plants), and Astellas Pharma S.p.A. (Carugate Plant).

A global pharmaceutical company contributing to keeping everyone healthy

Astellas' aim is to be a global firm that aids each individual patient fighting an illness. In order to respond to the desires of all our stakeholders, starting with patients and their families, those in the healthcare field, shareholders, employees and regional society we continue to take up the challenge at an even faster speed.

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

Astellas' action criteria are based on four beliefs: "a high sense of ethics," "customer focus," "creativity," and a "competitive focus." Through actions in accordance with these beliefs, we strive to win the trust of all our stakeholders — our customers, shareholders, employees, and society at large.

Business Philosophy

Established April 1, 2005

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

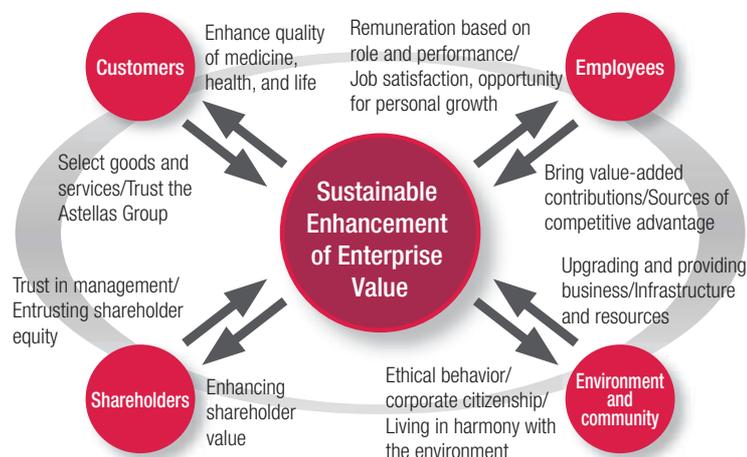
- Astellas will seek to enhance its enterprise value in a sustainable manner.
- Astellas will seek to be the company of choice among all its stakeholders, including its customers, shareholders, employees, and the global community. Astellas will strive to gain the trust of all stakeholders and thereby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

● Interaction between Astellas and its stakeholders



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

Charter of Corporate Conduct

Established April 1, 2005

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

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

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.

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.

Our CSR-based management

A company exists to provide products or services of value to society. Our overriding aspiration is to create innovative medicines that benefit patients and respond to customers' needs. Achieving this goal in markets throughout the world is our *raison d'être*.

To do this, we must obtain the trust of all stakeholders, including customers, shareholders, and employees, and society as a whole. We want our presence and enterprise value to be recognized on this basis as we seek an honest profit through our operations.

Based on the above, we concluded that realizing our Business Philosophy meant proactively fulfilling our social responsibilities, and we therefore began CSR-based management. We created our Charter of Corporate Conduct and positioned it as Astellas' CSR policy to implement our Business Philosophy at the operational level, making it clear that we will meet our social responsibilities by operating with the highest level of integrity.

Definition of CSR-based management at Astellas

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

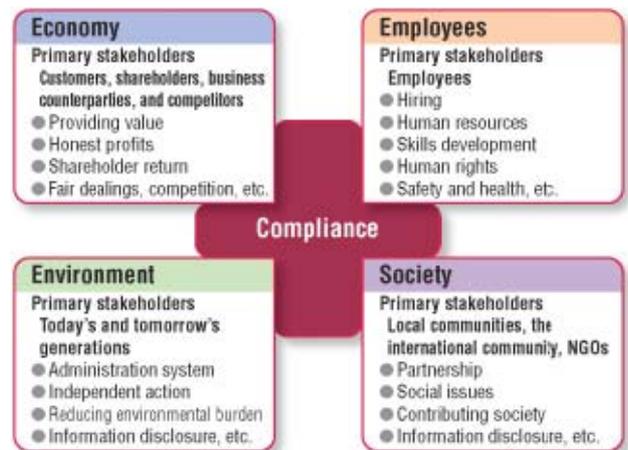
A management program through which we strive toward sustained enhancement of enterprise value while remaining acutely aware of our social responsibilities and taking a broad view that considers economics, society, and humanity so that we can exist not just as a market entity, but also as a meaningful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

Corporate humanity

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

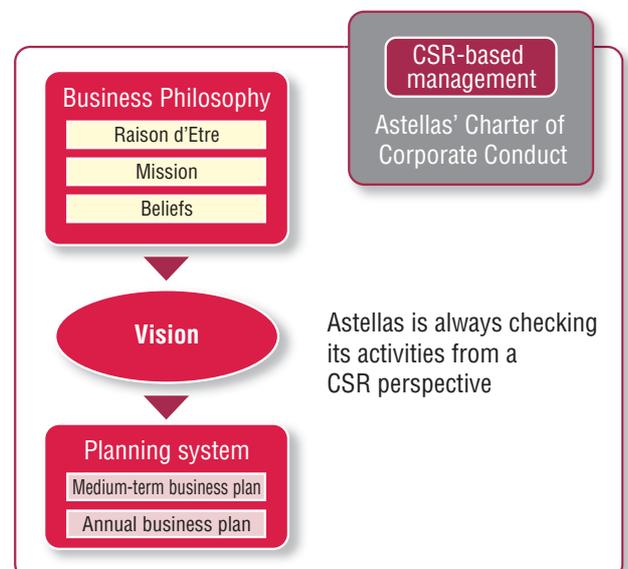
The five fields of CSR management

Environment, economy and society, the "triple bottom line," are generally cited as the constituent factors of CSR. Astellas has designated its employees as a separate factor independent of "society," and added "compliance" as another factor to make a total of five. We look at these as the fields of CSR-based management. Without compliance, we could not demonstrate our integrity, and CSR-based management would be dubious at best. Accordingly, we positioned compliance as the very foundation of CSR-based management. The other four fields are inseparably tied to compliance as they are practiced.



Positioning of CSR-based management

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



Approach to CSR promotion

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

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

The three driving forces and three systems in CSR-based management

To implement CSR-based management, all of Astellas' business activities must be rooted in CSR. For this, driving forces, particularly leadership from top management, are

needed, along with mechanisms for CSR-based management. The CSR Committee, headed by the top management, is responsible for specific CSR measures.

❖ The three driving forces

● Leadership from top management

The realization of our Business Philosophy, which is the springboard of corporate governance, and CSR-based management are one and the same. We drive this point home by repeatedly conveying it throughout the Company.

● System of CSR-based management

We are building a compliance-based system of CSR-based management and establishing a governance mechanism that will properly check business activities from a CSR perspective.

● Responsibility to inform, communicate

We proactively disclose information about our corporate activities, and to better promote CSR-based management, we engage in interactive communication with stakeholders.

❖ Three systems

● Promote a corporate culture with integrity based on compliance

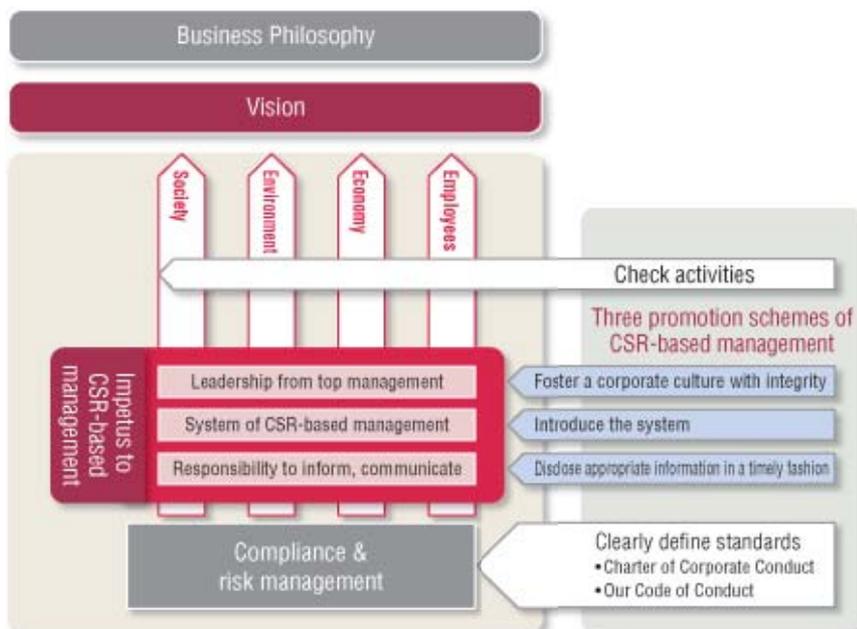
- We will develop a compliance philosophy that adheres not only to the law, but also to the principles of corporate ethics.
- Corporate activities based on compliance shall permeate and be inculcated in every department and every employee.
- We will verify that compliance is entrenched throughout the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

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

- We support international principles of corporate behavior.
- We will introduce public standards, for example ISO standards, for the environmental, health and safety, and social responsibility.

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

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



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

Environmental and Safety Policy

Our Environmental and Safety Policy was established on the basis of the clauses pertaining to the environment and safety shown in the Charter of Corporate

Conduct, of which there are seven. The policy applies to all domestic and foreign Group companies.

Established April 1, 2005

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 due regard for employees' health and safety. Environmental and safety issues are recognized as key elements of our corporate management and are considered for every aspect of the business.

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

Environmental and Safety Guidelines

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

● Environmental and Safety Guidelines (established April 1, 2005)

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

● Standards for action in the area of environment and safety



An Environmental Plan and a Safety Action Plan are formulated for each year as well as for the medium term. These plans are reflected in the action plans that the domestic and overseas Group companies establish, and actions are taken toward achieving these plans.

Environmental Action Plan

In fiscal 2005, we succeeded in reducing landfill waste, achieving our reduction targets for a second straight year. Regarding our initiative to increase the percentage of low-pollution vehicles used by our sales staff, which is one of our green purchasing programs, we achieved the emission reduction target of 50% or more of total 75%-equivalent low-pollution vehicles*.

In our Environmental Action Plan of fiscal 2006, we have broadened the scope of application of our global warming prevention targets to include our overseas operations. Previously, these targets had applied only to our operating

bases in Japan. In addition, we added chloroform to our list of chemical substances subject to management (aimed at reducing air pollutant emissions), and set numerical targets. Although we have already met our waste management targets, we have not yet completed analysis and assessment of our zero-emissions initiatives. Therefore, in fiscal 2006 we intend to carry on with our current plans.

*There are three types of low-pollution vehicles. The pollutant emission-level reductions of these vehicles are 75%, 50% and 25% from the levels of standard vehicles. Decreases in the number of vehicles with 25% or 50% reductions in emission levels are translated into 75%-reduction vehicle "equivalents" (hereinafter 75%-equivalent low-pollution vehicles). The method for conversion appears on page 30.

Safety Action Plan

In fiscal 2005, we completed development of a risk management system as a part of our Safety Action Plan. Regarding targets for chemical substances management, we have introduced systems for responding to emergencies and accidents during the transportation of materials such as waste and chemical substances. For each production facility, we have introduced the safety management system, but have yet to complete deployment of such systems at our research facilities. Regarding the

systematic implementation of risk management measures, we must work on developing specific methodologies.

In the current term, we will continue working to achieve the targets included in our Safety Action Plan. Amid a rising incidence of accidents in the workplace, we plan to put top priority on the introduction and the continuous fine-tuning of a safety and hygiene system, and make progress in developing a risk assessment program.

❖ Fiscal 2006 Environmental Action Plan

April 1, 2006

Item	Action Plan
1. Global warming prevention Reduction of CO ₂ emissions (Note)	<ul style="list-style-type: none"> Reduce CO₂ emissions by 20% or more from fiscal 1996 levels by fiscal 2010. Reduce CO₂ emissions of Astellas Group domestic operations to a level below the fiscal 1990 level by fiscal 2010 (a 22% reduction compared with fiscal 1996) Reduce CO₂ emissions of the overseas production facilities to below the fiscal 1996 level by fiscal 2010
2. Resource conservation Green purchasing	<ul style="list-style-type: none"> Increase the percentage of general items, such as office supplies and copier paper, acquired through green purchasing, to 90% or more on a monetary basis by fiscal 2007 Increase the percentage of low-pollution vehicles used by our sales staff to 90% or more of total vehicles purchased, and to 50% or more of 75%-equivalent low-pollution vehicles by fiscal 2007
3. Chemical substances management Reducing harmful air pollutant emissions	<ul style="list-style-type: none"> Reduce atmospheric emissions of dichloromethane by 95% or more from fiscal 1995 levels by fiscal 2010 Reduce atmospheric emissions of formaldehyde by 95% or more from fiscal 1999 levels by fiscal 2010 Reduce atmosphere emissions of chloroform by 20% or more from fiscal 2003 levels by fiscal 2007
4. Waste management Reducing landfill waste	<ul style="list-style-type: none"> Keep reducing landfill waste levels 90% or more from fiscal 1990 levels
5. Cooperation with local communities Information disclosure	<ul style="list-style-type: none"> Release environmental information by each principal facility by fiscal 2007

Note: Groupwide CO₂ emission targets have priority.

❖ Fiscal 2006 Safety Action Plan

April 1, 2006

Item	Action Plan
1. Safety management	<ul style="list-style-type: none"> Construct a safety management system at each principal facility and commence activities by fiscal 2007 Prepare and begin to implement a concrete risk assessment action plan concerning safety, hygiene, and disaster prevention by fiscal 2007
2. Cooperation with local communities	<ul style="list-style-type: none"> Release information related to safety for each principal facility by fiscal 2007

Fiscal 2005 initiatives

Progress in Environmental Action Plan

Item	Action plan	Fiscal 2005 performance	Page
Global warming prevention	<ul style="list-style-type: none"> Reduce CO₂ emissions to below fiscal 1990 level by fiscal 2010 	<ul style="list-style-type: none"> CO₂ Emission volume: 162,000 tons (compared with fiscal 1990: +8%) 	21
Resource conservation	<ul style="list-style-type: none"> Increase the percentage of general items, such as office supplies and copier paper, acquired through green purchasing, to 90% or more on a monetary basis by fiscal 2007 Increase the percentage of low-pollution vehicles used by our sales staff to 90% or more of total vehicles purchased, and to 50% or more of 75%-equivalent low-pollution vehicles by fiscal 2007 	<ul style="list-style-type: none"> Green purchasing percentage: 83% Ratio of low-pollution vehicles Number of vehicles: 80% 75%-equivalent low-pollution vehicles: 69% 	30
Chemical substances management	<ul style="list-style-type: none"> Reduce atmospheric emissions of dichloromethane by 95% or more from fiscal 1995 levels by fiscal 2010 Reduce atmospheric emissions of formaldehyde by 95% or more from fiscal 1999 levels by fiscal 2010 	<ul style="list-style-type: none"> Atmospheric emissions: 77 tons (compared with fiscal 1995: -87%) Atmospheric emissions: 0.6 tons (compared with fiscal 1999: -77%) 	23
Waste management	<ul style="list-style-type: none"> Reduce landfill waste by 90% or more from fiscal 1990 levels by fiscal 2007 	<ul style="list-style-type: none"> Landfill waste volume: 570 tons (compared with fiscal 1990: -95%) 	25
Cooperation with local communities	<ul style="list-style-type: none"> Release environmental information by each principal facility by fiscal 2007 	<ul style="list-style-type: none"> Disclosed information for four of the nine targeted facilities 	42

Progress in Safety Action Plan

Item	Action Plan	Fiscal 2005 performance	Page
Safety management	<ul style="list-style-type: none"> Construct a safety management system at each principal facility and commence activities by fiscal 2007 Prepare and begin to implement a concrete risk assessment action plan concerning safety, hygiene, and disaster prevention by fiscal 2007 	<ul style="list-style-type: none"> Completed construction of safety management systems at production facilities; began studying the possibility of developing a unified system for research facilities Began planned implementation in some facilities 	31
Preparedness and response to accidents and emergencies	<ul style="list-style-type: none"> Develop a risk management system incorporating methods of response and organizational and contact structures for work-related accidents and emergency situations by fiscal 2005 	<ul style="list-style-type: none"> Put in place an accident and emergency communication system at all facilities 	31
Chemical substances management	<ul style="list-style-type: none"> Introduce systems to respond to emergencies and accidents related to the transport of materials such as waste and chemical substances for each principal facility by fiscal 2005 	<ul style="list-style-type: none"> Put in place an accident and emergency response system at all facilities 	31
Cooperation with local communities	<ul style="list-style-type: none"> Release information related to safety for each principal facility by fiscal 2007 	<ul style="list-style-type: none"> Disclosed information for four of the nine targeted facilities 	42

❖ Principal initiatives other than environmental and safety action plans

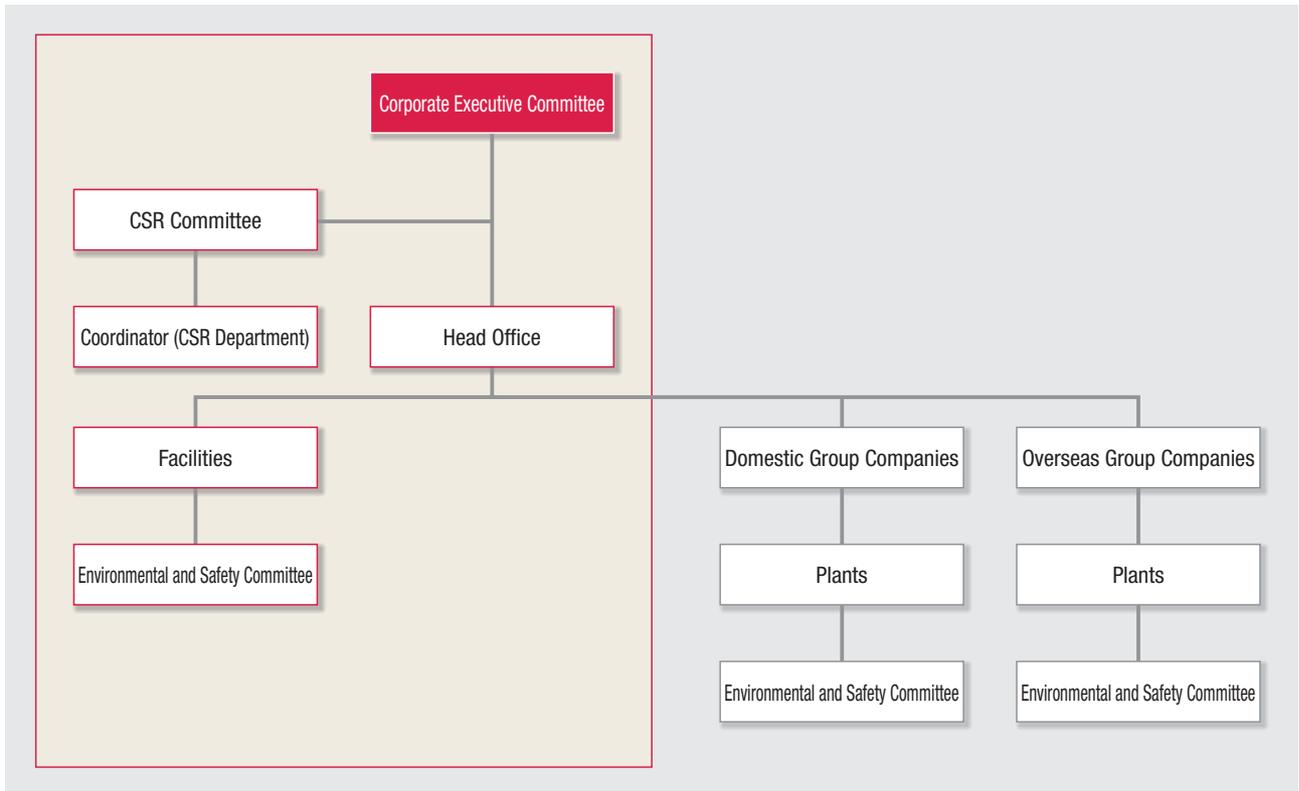
	Item	Fiscal 2005 performance	Page
Environmental accounting	Environmental accounting creation and public disclosure	<ul style="list-style-type: none"> •Environmental accounting for fiscal 2005 •Environmental conservation costs: investment in equipment: ¥667 million; costs: ¥1,945 million; economic benefit: ¥1,288 million 	20
	Environmental management system	<ul style="list-style-type: none"> •Audited 12 domestic facilities on site, audited 9 overseas facilities by examining documents •Examined environmental and safety activities in the office division (3 facilities) 	17
Environmental management system	Education, development and training	<ul style="list-style-type: none"> •Conducted group training for personnel responsible for environment and safety at domestic facilities •Implemented corporate environmental e-learning 	18
	Environmental communication	<ul style="list-style-type: none"> •Cleanup of rivers, beaches and areas around our facilities •Tree planting •Welcoming company tours 	45
Reducing environmental burden	Air, water and soil	<ul style="list-style-type: none"> •BOD emissions (from fiscal 2004): reduced by 15 tons •Air pollutant emissions (from fiscal 2004): NOx – reduced by 8 tons •SOx – reduced by 3 tons 	27
	Waste management	<ul style="list-style-type: none"> •Waste generation volume: reduced by 360 tons (from fiscal 2004) •Recycling of organic solvents: 11,000 tons •Recycling of sludge: 1,290 tons (62% of generated volume) 	25
		•Container and packaging recycling cost burden: ¥20.1 million (420 tons)	30
	Management of chemical substances	<ul style="list-style-type: none"> •Released volume of materials for which notification is required under the Law concerning management of chemical substances (from fiscal 2004): reduced by 12 tons (12%) from previous fiscal year 	24
	Accidents and complaints	<ul style="list-style-type: none"> •Environmental accidents: No accidents at any facilities •Complaints: Complaints related to vibrations at one facility 	29
	CO ₂ emissions during sales, marketing and distribution	<ul style="list-style-type: none"> •Sales vehicle CO₂ emissions: 8,729 tons-CO₂ (gasoline consumption: 3,762 kl) •CO₂ emissions during distribution: 1,536 tons-CO₂ (gasoline consumption: 662 kl) 	19
Safety initiatives	Work-related injuries	<ul style="list-style-type: none"> •Incidents: 45 •Frequency and severity: frequency rate: 0.44, severity rate: 0.011 	32
	Employee health	<ul style="list-style-type: none"> •Measures to prevent excessive work •Mental health measures 	32

❖ Initiatives other than environment and safety

	Item	Fiscal 2005 performance	Page
	Compliance	<ul style="list-style-type: none"> •Compliance training: 99% of targeted personnel have completed training •Conducted compliance promotion leader conferences (twice) •Helpline use: 75 cases, which include advice and counseling 	33
	Hiring and benefits	<ul style="list-style-type: none"> •Astellas' human resources management and welfare system •Percentage of physically disabled employees in the workforce: 1.86% (down 0.02% from fiscal 2004) 	37
	Social contributions	<ul style="list-style-type: none"> •Academic support activities •Donated vans for transporting wheelchair-bound passengers from the social contribution fund (Flying Star Fund) •Donated ambulances •Supplied information for medical professionals •Opened facilities to the public, sponsored sporting events •Sponsored citizens' health courses •Promoted culture 	41

Astellas has established environmental and safety management structures at its major facilities.

Organization



Environmental and safety management system

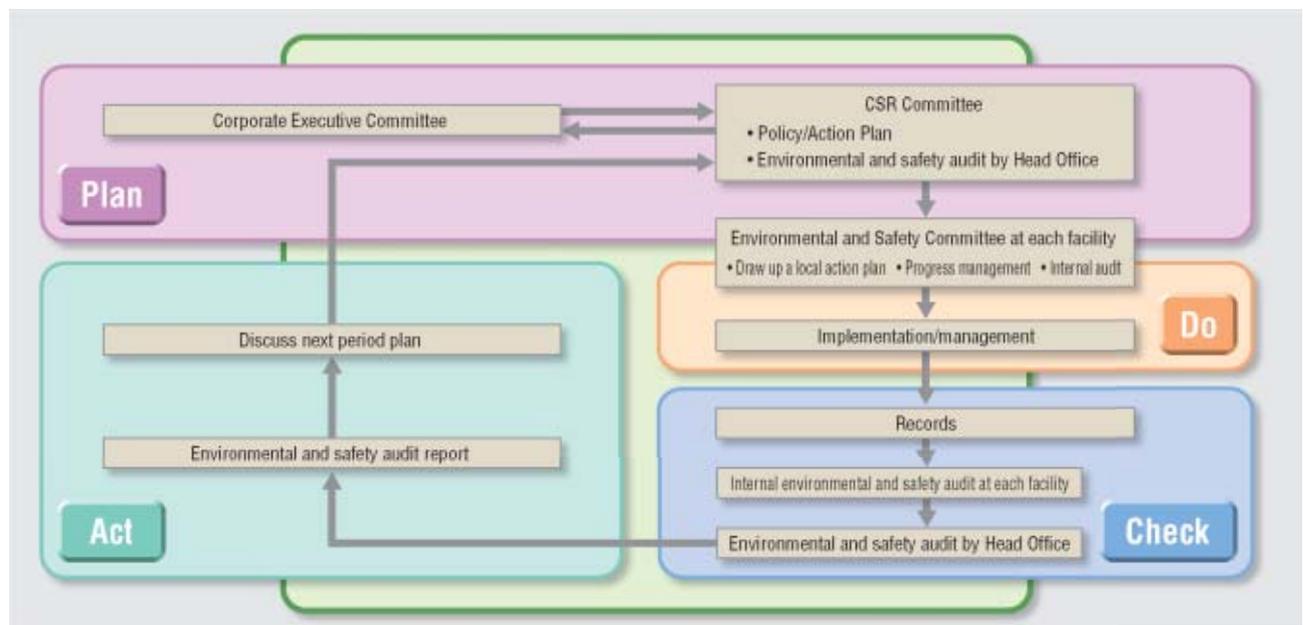
The CSR Committee deliberates and decides on Astellas' policy, plans, and measures related to environment and safety; each facility acts according to the action plans; the results are evaluated with an environmental and safety audit by our head office (officer in charge of CSR, head auditor); and the CSR Committee's deliberations on these results are reflected in the decisions on the plans and

policies for the next fiscal period.

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

All of Astellas' major domestic and overseas production facilities have obtained ISO 14001 certification.

❖ Flow of the environmental management system



● ISO 14001 certification

Astellas Pharma Chemicals Co., Ltd.	Takahagi Facilities	Acquired certification in July, 1998
Astellas Tokai Co., Ltd.	Yaizu Plant	Acquired certification in Oct., 2000
	Nishine Plant	Acquired certification in Feb., 2001
Astellas Shizuoka Co., Ltd.	Fuji Plant	Acquired certification in Dec., 2000
Astellas Toyama Co., Ltd.	Toyama Plant	Acquired certification in Mar., 2000
	Takaoka Plant	Acquired certification in Nov., 2000
Astellas Pharma Manufacturing Inc.	Grand Island Plant	Acquired certification in Nov., 2002
Astellas Pharma Europe B.V.	Meppel Plant	Acquired certification in Jan., 2001
Astellas Ireland Co., Ltd.	Dublin Plant	Acquired certification in Mar., 1997
	Kerry Plant	Acquired certification in Dec., 2003
Astellas Pharma GmbH	Munich Plant	Acquired certification in Jan., 2004
	Kerry Plant	Acquired certification in July, 2001
Astellas Pharma (China) Inc.	Shenyang Plant	Acquired certification in Oct., 2001

ISO 14001

ISO 14001 is an international standard for environmental management issued by the ISO, the International Organization for Standardization, in September 1996. It is based on certification. Companies that have incorporated an environmental management system into their management system and are voluntarily taking the environment into consideration in their operations are eligible for certification.

Environmental and safety assessment system

In order to produce and sell pharmaceutical products, it is necessary to obtain government approval for each product. Since governmental approval also covers production methods and packaging specifications, when there are changes in either approved production methods or packaging, new approval must be obtained even if the changes are related to work safety or reducing the environmental impact. This entails substantial time and costs. Therefore, Astellas has introduced an Environmental and

Safety Assessment System as a tool that requires efforts to minimize the environmental burden at all stages, including research and development, production, distribution, and disposal.

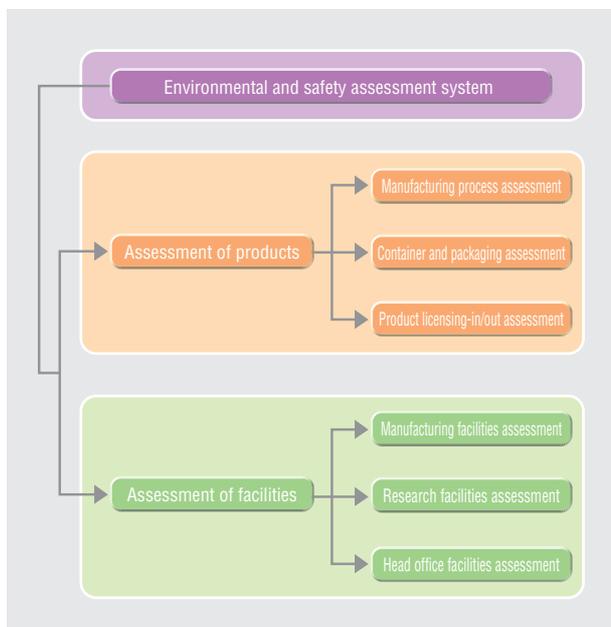
Furthermore, the Environmental and Safety Assessment System requires an examination of the environmental impact when facilities larger than a certain scale are to be built and an examination of whether land to be purchased is contaminated.

Operation of the environmental and safety assessment system

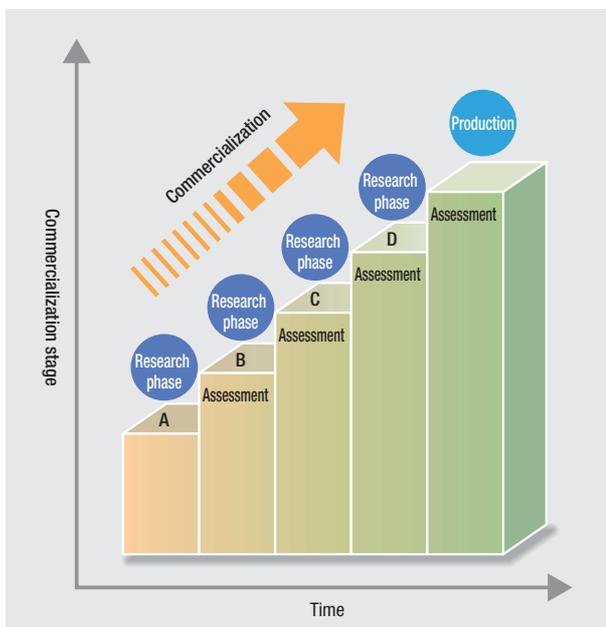
An assessment team conducts environmental and safety assessments in stages for the development of products and when new facilities are to be built. The results are discussed at a meeting, and the decisions reached determine

whether development of the product can move on to the next stage, the facility should be built, or the land purchased.

● Composition of the environmental and safety assessment system



● Diagram of environmental and safety assessment system



Environmental and safety audits

The chief auditor is the officer in charge of CSR. Audit teams for each facility consist mainly of members of the CSR department. The teams conduct environmental and safety audits.

Regarding the frequency of audits, domestic audits are conducted on-site once a year, and for overseas audits, an audit by examining documentation is conducted once a year, and on-site audits are done once every two or three years.



On-site audits

Standards for environmental and safety audits

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

Environmental and Safety Audit Items

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

Environmental and safety audit report and response

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

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

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

Fiscal 2005 environmental and safety audit

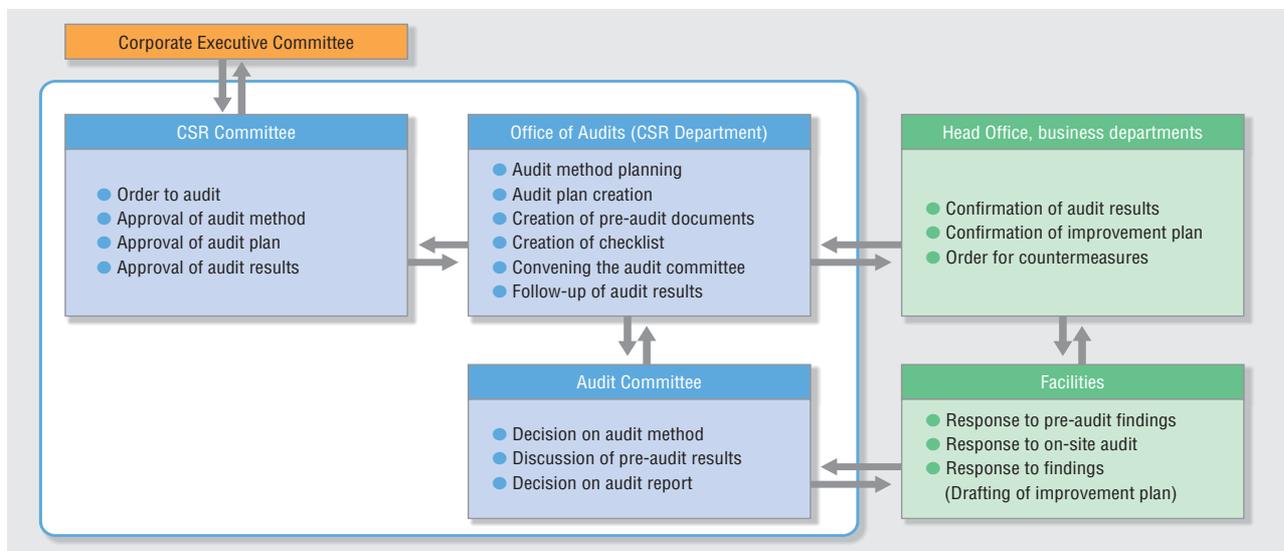
In fiscal 2005, Astellas implemented its first unified standard environmental and safety audit. We visited 12 domestic production and research facilities and audited overseas facilities by examining documents. We also conducted an examination of the three domestic office facilities.

We identified three minor incidents of nonconformance

and 66 items involving environment and safety that needed improvement. Measures have been implemented at the facilities to correct all of them.

Starting in fiscal 2006, we will visit overseas facilities in turn, and also perform full-scale audits of our domestic office facilities.

Environmental and safety audit procedures



Education, development and training

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

In fiscal 2005, we conducted training for employees responsible for domestic offices in June and for those engaged in the implementation of environmental and safety activities in February. Attendees worked on strategies to carry out environmental and safety policies, plans and guidelines, and they shared information on issues faced by the facilities and specific measures taken.

Aside from these, we have planned and are conducting employee training sessions and training tailored to each facility.

We regularly educate and train in regard to steps to be taken during emergencies and disasters. We also check during training sessions whether employees can follow these steps and whether the steps are adequate. We held training sessions at production and research facilities on countermeasures against leakage at outdoor tanks and pipelines, verification of the effectiveness of the emergency contact network and emergency shut-off valves (for preventing abnormal discharge), among other topics.

● Employee education and development

- Implemented e-learning “ecology courses”
- Provided environmental and safety information through environmental bulletins

● Education and training at individual facilities

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



● Environmental and safety workers’ training



● Fire extinguisher training (Takahagi Facilities)



● Chemical leakage response training (Kashima Facilities)



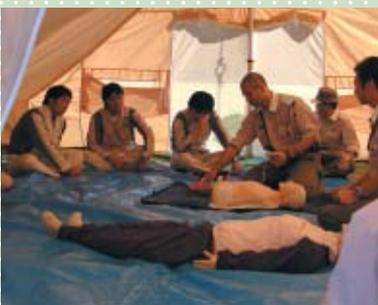
● Evacuation drill using escape chute (Yaizu Facilities)



● Fire extinguisher training (Tokodai Research Center)



● Fire hose drills (Hasune Office)



● First aid training (Nishine Plant)

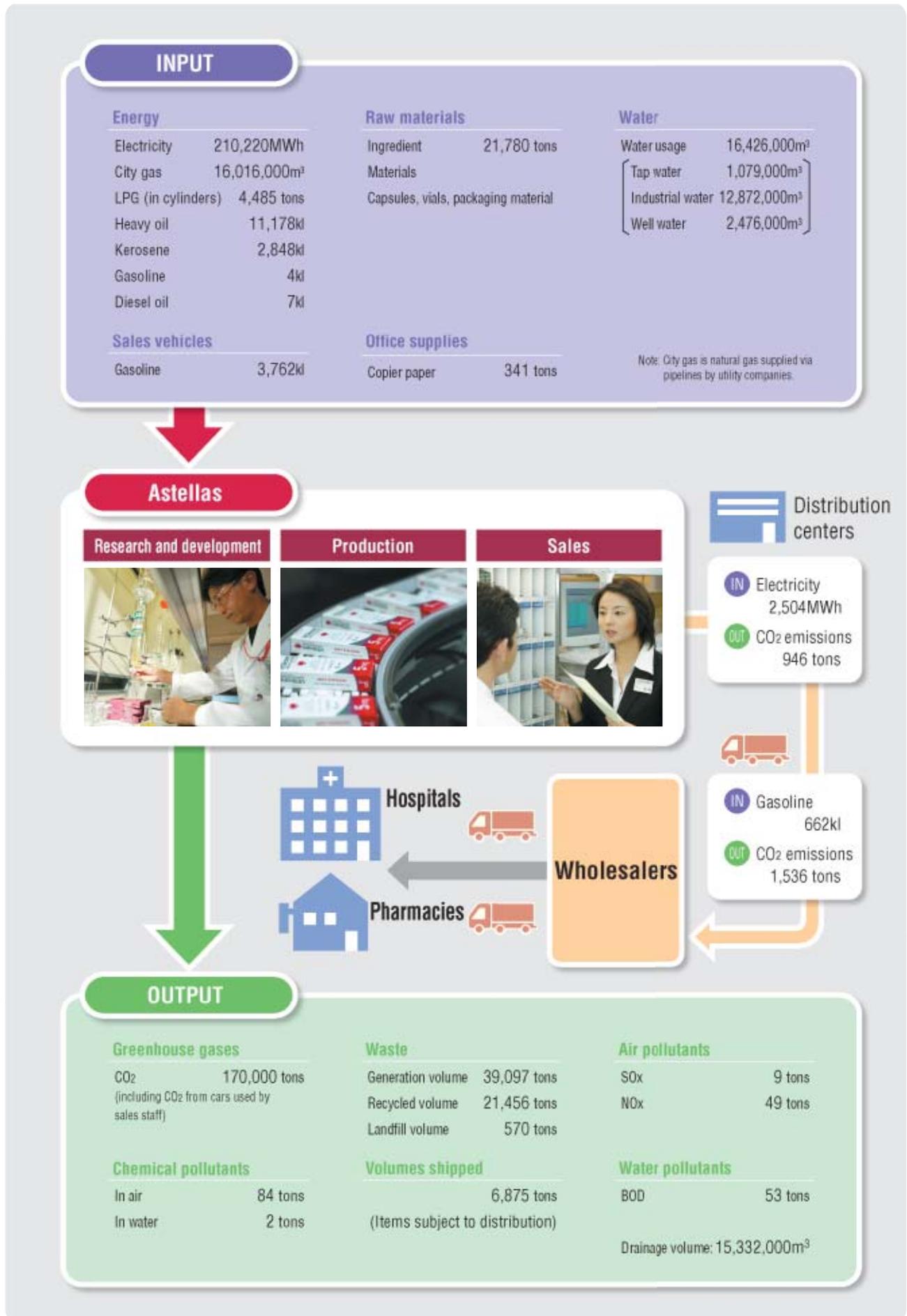


● Earthquake drills (Yaizu Facilities)



● Firefighting skills contest (Takaoka Plant)

Interaction between Astellas and the environment



Environmental accounting

We established unified standards for Astellas based on the Ministry of the Environment's environmental accounting guidelines, then calculated the economic benefits, the effect of environmental conservation, and the cost involved (investment and expenses). Among the environmental benefits we achieved were reduction of CO₂ emissions, elimination of

specified CFCs at the Takaoka Plant (equipment updates), reduction of waste, and reduction of BOD and phosphor from wastewater. With respect to economic benefit, we saved 1,288 million yen by recycling chemicals and reducing energy use and waste.

● Method for aggregating environmental accounts

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

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

Benefits of environmental conservation: Items that can be quantitatively expressed

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

❖ Environmental conservation costs

(million yen)

Category		Major activities	Environmental conservation costs	
			Investments	Expenses
(1) Business area costs			655	1,509
Pollution prevention	Prevention of air pollution	Management of facilities such as incinerators and boilers	130	74
	Prevention of water pollution	Management of waste water processing, preventive measures against the release of pollutants	53	222
	Soil contamination prevention	Soil surveys, soil contamination countermeasures	1	36
	Noise, odor, and vibration prevention	Periodic measurement of noise, noise reduction measures	9	32
	Others	Dealing with asbestos	0	10
Subtotal			193	375
Global environmental conservation	Prevention of global warming	Energy conservation activities, introduction of energy efficient equipment and processes	370	227
	Prevention of ozone depletion	Reduction of emissions of specified CFCs	0	19
	Chemical substances management	Management of chemicals, measures for the reduction of emissions	37	92
	Others		0	2
Subtotal			406	339
Resource circulation	Efficient use of waste material	Recycling of waste	11	264
	Water conservation	Reducing water usage	0	0
	Waste processing	Self-processing of waste, outsourcing	44	525
	Others	Measures related to illegal dumping of waste	0	6
Subtotal			55	794
(2) Upstream/downstream costs		Expense of product package design and outsourcing recycling of packaging	0	35
(3) Administration costs		Operation of environmental management system, environmental measurements, education and training	7	288
(4) R&D costs		Development and improvements in environmental technology	5	80
(5) Social activity costs		Socially constructive activities, community outreach activities, landscape maintenance	0	12
(6) Environmental remediation costs		Recovery from environmental accidents	0	20
Total			667	1,945
Total environmental conservation cost, excluding environment damage cost			667	1,925

❖ Economic benefits

(million yen)

Category	Description	Value
a. Resource conservation	* Cost saving by recycling of solvents	657
b. Sale of recyclable waste	* Revenue from sale of solvents, used paper, and metal waste	37
c. Energy conservation	* Reduction in lighting and heating expenses through introduction of energy-efficient equipment and energy conservation activities	241
d. Reduction in waste processing expenses	* Reduction in processing expenses from the reduced volume of waste * Reduction in energy expenses from burning waste on-site * Reduction in processing expenses from the reduction of waste generated	353
Total		1,288

❖ Benefits of environmental conservation

Initiatives	Benefits of environmental conservation
Waste water processing repairs and maintenance	Reduction of phosphor emission: 8 tons
Upgrade of equipment using specified CFCs	Elimination of specified CFCs at the Takaoka Plant: 6,750kg
Recycling and reuse of organic solvents	Raw material savings, waste reduction: 7,512 tons
Energy conservation and global warming prevention measures (e.g., switch to pump inverters)	466 tons-CO ₂ 10,797GJ

Note: We have listed only those items that can be quantitatively expressed.

Environmental impact

1. Energy conservation and global warming prevention

Action
Plan

- Reduce CO₂ emissions to below fiscal 1990 level by fiscal 2010

Astellas considers preventing global warming, an environmental problem that all mankind faces in the 21st century, to be one of the most important environmental conservation issues that the Group is working on. Global warming cannot be solved without patient effort by governments, corporations and citizens, each in their own way. It must be addressed over a long period of time.

In fiscal 2005, we set numerical goals and worked on reducing CO₂ emissions from energy use at domestic facilities.

Emissions from this source peaked in fiscal 2002 and have gradually decreased ever since. But emissions for fiscal 2005 are still 8% (12,000 tons) more than for fiscal 1990. The main reasons are increased production, expansion of R&D facilities, and increased air conditioning use due to facilities having to conform to GMP and GLP regulations. We will continue to work toward the targets in our environmental action plan by investigating more efficient research and production systems while promoting the use of fuels that generate a smaller amount of CO₂ emissions, and the introduction of energy-saving equipment.

CO₂ emissions from energy use (including overseas production facilities) for fiscal 2005 came to 214,000

tons, a 4% reduction from fiscal 1996. Because global warming must be addressed at a global level, we are setting global as well as domestic targets starting this coming fiscal year.

GLP (Good Laboratory Practices)

These are standards for conducting appropriate safety tests that make use of animals and appear in the Experiment Standards for Non-Clinical Trials of Pharmaceutical Safety. In Japan, the Japan Pharmaceuticals Manufacturers Association established a Code of Conduct for Animal Experiments of Medicine Safety in 1980, and based on this, a system of self-regulation was created. In 1982, the Ministry of Health and Welfare (presently the Ministry of Labor, Health and Welfare), issued a Director-General of the Pharmaceutical Affairs Bureau notification on GLP standards, which came into effect in 1983. The provisions of the Pharmaceutical Affairs Law with respect to GLP standards were revised in 1996, with implementation starting in 1997.

GMP (Good Manufacturing Practices)

This establishes requirements for a broad range of categories, including quality management, production and facility management, in order to produce effective, safe and high-quality pharmaceuticals. The requirements appear in the Standards for the Management of Production and Quality of Pharmaceuticals, which became effective in the same year as the 1980 revision to the Pharmaceutical Affairs Law.

Energy consumption

The amount of energy used in fiscal 2005 was equivalent to 3,492,000 giga-joules (GJ), which was 16% (476,000 GJ) more than in the reference year of 1990, but 7% (245,000 GJ) less than that used in fiscal 2004.

The main reason for the decrease in energy use in fiscal 2005 was our fiscal 2004 reexamination of the product lineup at the Kiyosu and Takahagi Facilities, which resulted in the suspension of production of one product at each facility. The effect of this was felt throughout fiscal 2005.

About 59% of the energy used was in the form of electricity, and the majority of this was for air conditioning equipment and refrigerators used by the production and research departments to control temperature and humidity. Turning to other energy sources, the amount of heavy oil used has declined. For our boiler fuel, we are systematically switching over from heavy oil to natural gas, which has a much lower level of emissions of atmospheric pollutants such as sulfur oxide and carbon dioxide. In fiscal 2005, we completed fuel conversion for the boilers at our Fuji plant, and plan conversion at the Yaizu Facilities in fiscal 2006.

When calculating the calorific value for energy used, Astellas uses a conversion coefficient provided by the Agency for Natural Resources and Energy.

Amount of CO₂ generated through energy consumption

In fiscal 2005, 162,000 tons of CO₂ was generated, which was 8% (12,000 tons) more than in the reference year of 1990, but 7% (12,000 tons) less than in fiscal 2004.

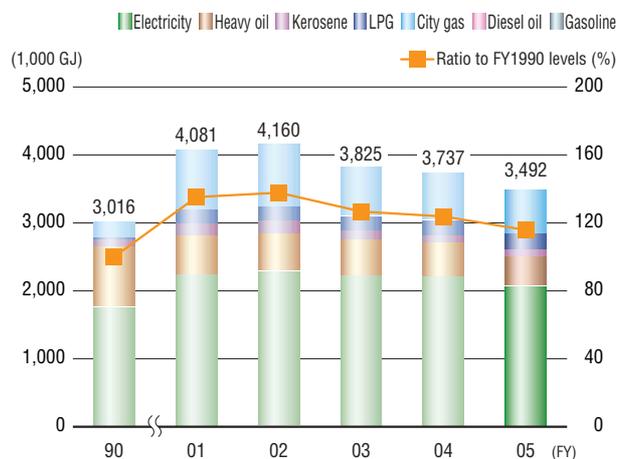
The target of reducing the amount of CO₂ to 1990 levels was included in the Environmental Action Plan. In order to reach this goal and continue efforts after fiscal 2010, Astellas will expand the introduction of energy-saving equipment and the use of fuels that generate less CO₂. The group also feels that it is necessary to examine the efficiency of corporate activities in all business fields, which could lead to restructuring research and production facilities, reexamining product lineups, and altering production processes and energy conservation plans from the research and development phase.

The calculation of the amount of CO₂ from the use of energy employs a conversion coefficient that appears in the enforcement ordinance of the Law Concerning the Promotion of Measures to Cope with Global Warming in Japan.

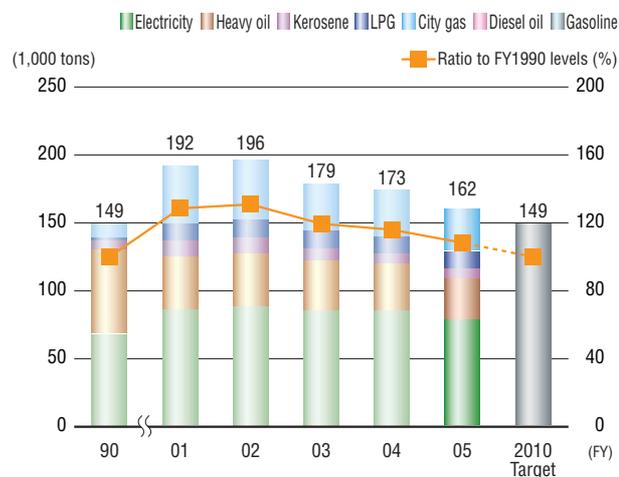
Joule

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

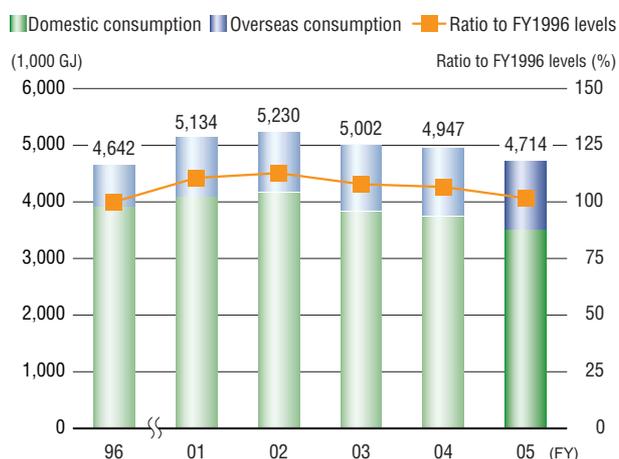
● Energy consumption (domestic)



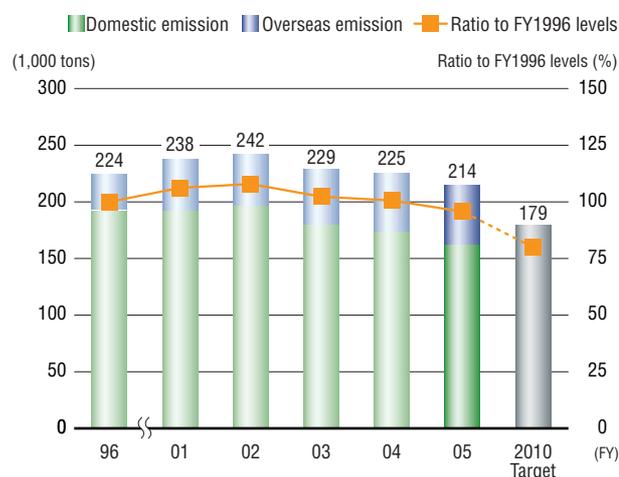
● CO2 emissions (domestic)



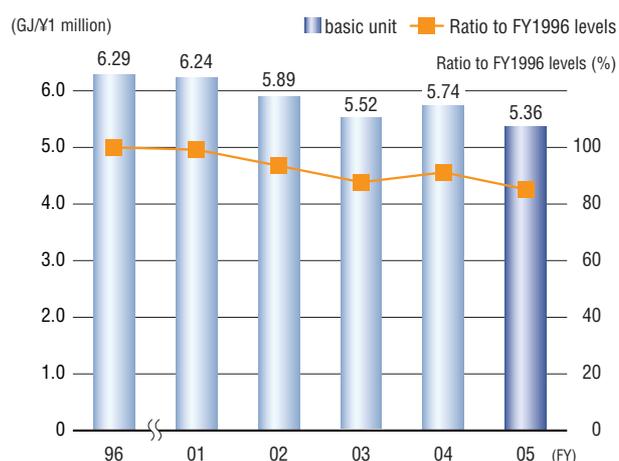
● Energy consumption (global)



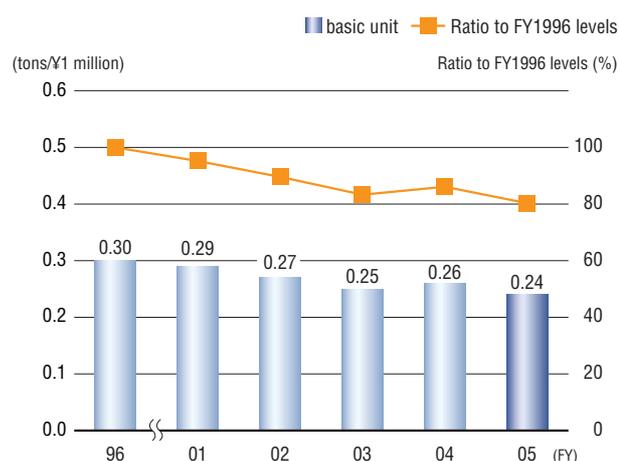
● CO2 emissions (global)



● Energy consumption per sales unit (global)



● CO2 emissions per sales unit (global)



● Conversion coefficient to calorific value and CO2

Fuel	Conversion factor	
	Calorific value	CO2
Electricity	9.83 GJ/MWh	0.378 tons/MWh
Heavy oil	39.1 GJ/kl	2.71 tons/kl
Kerosene	36.7 GJ/kl	2.49 tons/kl
LPG	50.2 GJ/ton	3.00 tons/ton
City gas	41.1 GJ/1,000m ³	1.96 tons/1,000m ³
Diesel oil	38.2 GJ/kl	2.62 tons/kl
Gasoline	34.6 GJ/kl	2.32 tons/kl

Topics

Small through-flow boiler introduced in the Fuji Plant

We took out the large boiler, which used heavy oil and kerosene, and replaced it with a small through-flow boiler that burns natural gas.

The fuel conversion resulted in a reduction of CO₂ emissions and air pollutants.



2. Chemical substance management

Action Plan

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

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

Beginning in fiscal 2006, we are setting additional targets for reductions in atmospheric release of chloroform.

"Green" Chemistry

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

VOCs: Volatile organic compounds

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

Measures to reduce atmospheric emission of chemical substances

Our Action Plan has set numerical targets for reducing atmospheric emissions of dichloromethane and formaldehyde, two highly used chemicals. In fiscal 2005, 5,304 tons of dichloromethane were used, 77 tons of which were released into the air. This was an 87% (520 tons) reduction of atmospheric emissions compared with the reference year of fiscal 1995.

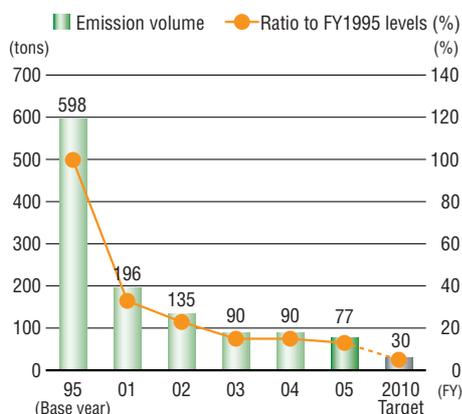
Dichloromethane is mainly used as a solvent in the synthesis and formulation of pharmaceuticals, and Astellas is working on the development of alternative processes that do not use dichloromethane by establishing a policy of avoiding the use of the chemical in new processes and requiring the assessment of new products under development starting from the initial research and development stage.

Furthermore, in production that already makes use of dichloromethane, the group has taken steps to change the processes to prevent the release of the chemical into the atmosphere. This is expected to greatly reduce amounts released into the atmosphere.

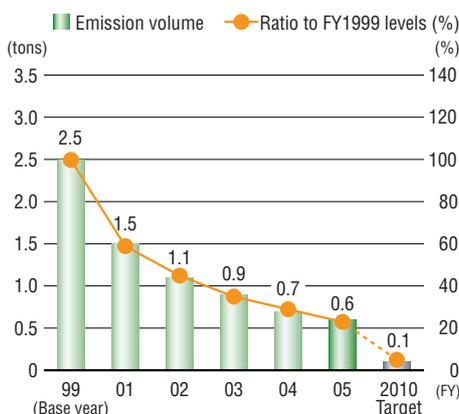
In fiscal 2005, 142 tons of the formaldehyde were used, 0.6 tons of which were released into the air, which was a 77% (1.9 tons) reduction of atmospheric release compared with the reference year of fiscal 1999. Formaldehyde is mainly used for equipment sterilization in the production process for injectable agents. We believe further reduction measures are necessary. This includes reviewing sterilization processes that use formaldehyde, introducing equipment to eliminate atmospheric releases, and reviewing the product line.

In Japan, to more strictly limit the emission of VOCs, amendments to the Air Pollution Control Law went into effect on April 1, 2006. Although the Company's plants are currently not covered by mandatory legislation, we have been requested to voluntarily undertake any possible measures to reduce emissions. As the law covers nearly all volatile organic compounds, Astellas will work together with industry associations in its formulation of specific countermeasures.

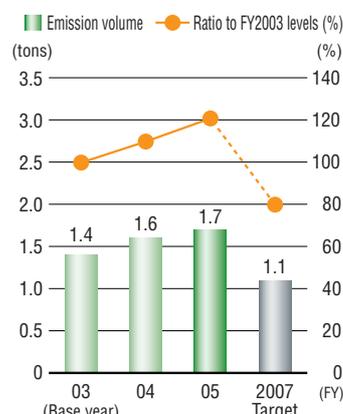
● Atmospheric emissions of dichloromethane



● Atmospheric emissions of formaldehyde



● Atmospheric emissions of chloroform

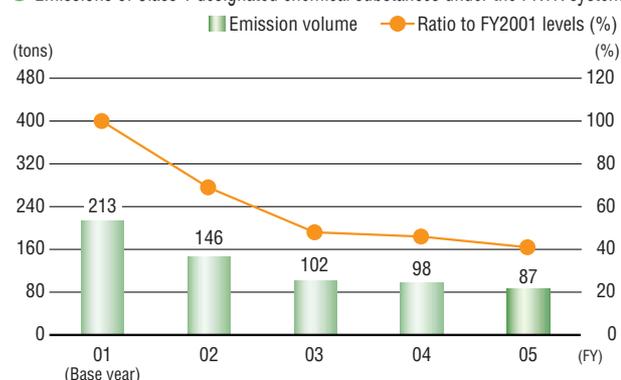


PRTR (Pollutant Release and Transfer Register) survey

The total volume of release of chemicals designated by the PRTR system has been steadily decreasing since 2001. By the end of fiscal 2005, the release of these chemicals came to 59% less than that of fiscal 2001. Information on the release and transfer of chemicals that required notifications in fiscal 2005 is as follows.

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

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



PRTR system

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

● Fiscal 2005 statistics on material requiring notification under the PRTR system

Substance name	Number of facilities reporting	Volume handled	Volume released			Volume treated	Volume removed	Volumes transferred	
			Air	Water	Soil			Waste	Sewerage
Acetonitrile	8	37.833	1.221	0.072	0.000	9.595	8.553	18.391	0.001
Ethylene glycol	3	76.609	0.010	0.000	0.000	0.000	79.584	0.015	0.000
Xylene	5	23.762	0.209	0.000	0.000	0.000	10.735	12.818	0.000
Chloroform	4	41.786	1.712	0.000	0.000	0.000	0.000	40.074	0.000
Salicylaldehyde	1	53.441	0.000	0.000	0.000	46.779	0.000	6.662	0.000
1, 4-dioxane	1	6.863	0.015	0.000	0.000	0.000	6.819	0.029	0.000
Dichloromethane	5	2,709.869	76.942	0.003	0.000	1,764.339	322.877	545.708	0.000
N, N-dimethylformamide	4	767.033	4.051	0.000	0.000	3.855	178.477	580.650	0.000
Thiourea	2	46.107	0.000	0.000	0.000	8.648	37.459	0.000	0.000
Toluene	2	33.450	0.119	0.004	0.000	0.000	17.318	16.009	0.000
Pyridine	1	1.098	0.000	0.000	0.000	0.000	0.850	0.248	0.000
Benzene	1	10.690	0.003	0.001	0.000	0.000	0.000	10.685	0.000
Boron and its compounds	2	10.588	0.000	2.314	0.000	0.000	0.000	8.274	0.000
Formaldehyde	1	141.759	0.104	0.000	0.000	7.569	27.598	106.488	0.000
Manganese and its compounds	1	101.432	0.000	0.000	0.000	0.000	0.000	101.432	0.000
Trichlorofluoromethane (CFC11)	1	6.410	0.000	0.000	0.000	0.000	0.000	6.410	0.000
Dioxins	2	—	1.557	0.081	0.000	0.000	0.000	0.893	0.000

Notes:

* Amounts in the table are tons/year. For dioxins, the units are mg-TEQ/year (an explanation of dioxins and dioxin units is given on page 27).

* The number of facilities refers to the number of plants and laboratories that handle one ton or more of class 1 designated chemical substances annually, or half a ton or more of special class 1 designated chemical substances.

* Volume treated refers to the amount of the chemical that was transformed into another substance through a chemical reaction, incorporated in other products that were removed from the premises, or disposed of through recycling by businesses.

* Volume removed through processing refers to the amount of the chemical that was transformed into another substance through incineration, neutralization, or degradation at the facility.

PCB-contaminated waste material

The Japan Environmental Safety Corporation (JESCO) is to construct and operate regional treatment facilities to treat PCB waste in Japan, and this has already begun at the Northern Kyushu, Toyota and Tokyo facilities. By

October 2007, so will the Osaka and Hokkaido facilities. Astellas stores PCB waste at eight facilities. Some facilities have begun making reservations for disposal. We will continue to systematically dispose of PCB waste.

● State of PCB-contaminated waste storage

Classification	Category	Number or volume
Stored	High-pressure condenser	258
	Fluorescent lamp ballasts	6,351
	PCB-contaminated oil	152 (Liters)
	High voltage transformer	15
	PCB incrustation	2kg
In use	Fluorescent lamp ballasts, transformers	1,027

PCB (Polychlorinated Biphenyl)

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

3. Waste management

Action Plan

- Reduce landfill waste by 90% or more from fiscal 1990 levels by fiscal 2007

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

In fiscal 2005, the amount of landfill waste was 570 tons, a reduction of 95% from the amount in the reference year of 1990. The Group, therefore, met its numerical target. In the next fiscal year, we plan to recycle some of our inorganic sludge, which should further reduce landfill

waste. We will maintain our current targets, however, as we anticipate reassigning production among our facilities.

We will continue activities to reach zero emissions, while keeping abreast of changes in conditions.

Zero emissions

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

Waste generation and landfill volume

Approximately 39,100 tons of waste material was generated in fiscal 2005. This was 360 tons less than that in fiscal 2004. Waste oil accounted for 52% of this volume; waste acids and alkalis for 36%; sludge for 5%; and other waste material for 7%.

The main reason for the decrease in waste generation in fiscal 2005 was our fiscal 2004 reexamination of the product lineup at the Kiyosu and Takahagi Facilities, which resulted in the suspension of production of one product at each facility. The effect of this was felt throughout fiscal 2005.

We were able to reduce landfill waste in fiscal 2005 by 530 tons compared to fiscal 2004. The main reason is that the effect of our recycling surplus activated sludge at

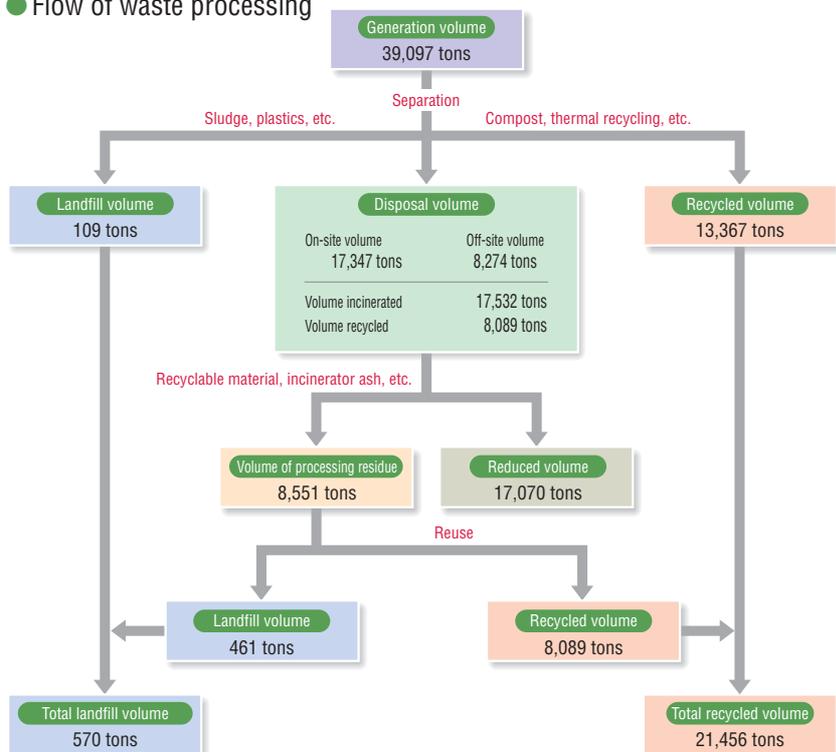
our Toyama and Takaoka Plants in fiscal 2004 carried over through fiscal 2005.

The volume of waste whose disposal (which includes processing, recycling, and final disposal) was outsourced was 21,800 tons in fiscal 2005, a decrease of 1,000 tons from fiscal 2004. Of the total amount of waste generated, 55% was recycled, which was 2% more than the previous fiscal year.

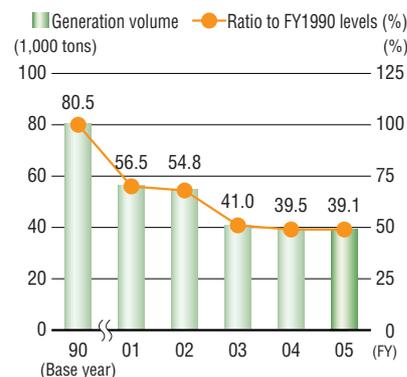
While the sludge accounted for only 5% of waste generated, it accounted for 67% of landfill waste.

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

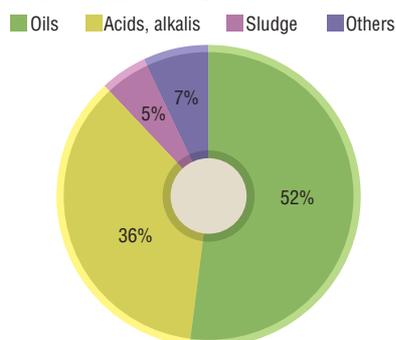
● Flow of waste processing



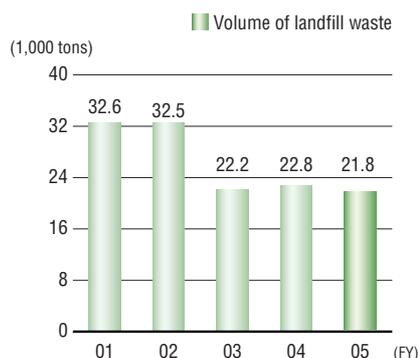
● Generation volume



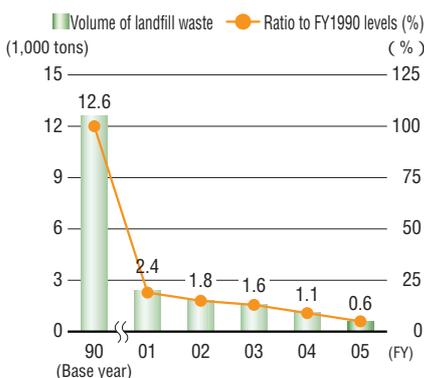
● Generated waste



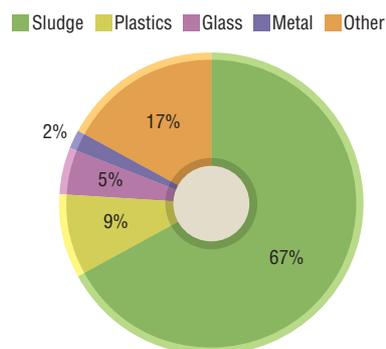
● Volume of waste processing outsourced



● Volume of landfill waste



● Breakdown of landfill waste



Waste recycling

■ Sludge recycling

There was no additional type of sludge that became possible to recycle in fiscal 2005, but we did recycle (into compost, etc.) 62% (1,290 tons) of generated sludge. We are studying the possibility of recycling some of our inorganic sludge, and plan to implement this beginning the coming fiscal year.

■ Recycling of organic solvents

Among the organic solvents used in the production of pharmaceuticals, a large amount of these solvents are either recycled and reused (material recycling), or are used as fuel when incinerating waste material (thermal recycling). In fiscal 2005, an estimated 11,000 tons of organic solvents

were recycled. Material recycling accounted for 68% (7,512 tons) and thermal recycling accounted for 32% (3,488 tons).

■ Other recycling activities

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

Communication with waste material contractors

One problem related to waste material is illegal dumping. Recognizing its responsibility to properly dispose of waste materials, Astellas feels it is important to build a relationship of trust with contractors who handle their transport and disposal. Based on this concept, we drew up guidelines with common criteria on what is required of waste material

contractors. Astellas, as a generator of waste, is working to improve the level of waste material processing in cooperation with its contractors based on these guidelines and through continual communication.

Topics

At our Takaoka Plant, we developed a simple device to recycle the fiber drums (drum-shaped cardboard containers) that come in as containers of raw materials. This device efficiently separates the cardboard body from the metal mouth ring. Because we feel that recognition of our environmental efforts motivates our employees, our Takaoka Plant has applied for a patent for this device.



Fiber drum dismantler at the Takaoka Plant

4. Air and water conservation

To conduct business in harmony with local communities and win their trust, Astellas is working to limit the release of pollutants by establishing stricter self-regulations (related to major environmental issues such as air and water quality) than are legally required or specified in agreements. In addition, we are working to reduce the risk of contamination

resulting from leaks of environmental pollutants due to accidents or emergencies through various measures to minimize the possibility of such leaks. This includes the use of strengthened monitoring, emergency cutoff devices, and emergency escape tanks.

Air pollutants

In fiscal 2005, NOx emissions totaled 49 tons and SOx emissions reached 9 tons. We are reducing the amount of SOx emissions by such means as changing the fuel used in

boilers and ending the use of incinerators at facilities. Astellas intends to systematically convert to fuels that contribute to solving the problem of global warming.

Measures related to incinerators

Incinerators are used to burn waste such as solvents from the production process. Incineration produces SOx, NOx and dioxins. At present, three incinerators are operated by domestic facilities: a liquid waste incinerator at the Takaoka Plant, and liquid waste and general waste incinerators at the Takahagi Facilities.

The dioxin levels in the exhaust emitted from these incinerators are all within the allowable limits. However, we decided to terminate the use of the general waste incinerator because measured levels in some business years were a significant fraction of the maximum allowed under the standards.

● Amount of dioxins in the exhaust gas of incinerators

(ng-TEQ/m³N)

Facility locations	FY	2001	2002	2003	2004	2005
Takahagi	Municipal waste incinerator	0.0055	3.4	0.35	2.6	1.6
	Liquid waste incinerator	0.000012	0.0047	0.014	0.00083	0.0014
Takaoka	Liquid waste incinerator	0.00034	0.000053	0.00032	0.000058	0.00072
Standard		10	10	10	10	10

Water quality management

In fiscal 2005, 16,426,000 m³ of water were used, which was 10% (1,763,000 m³) less than fiscal 2004. In addition, the amount of BOD emissions (organic water pollutant emissions) was 53 tons, down 22% (15 tons) from fiscal 2004. The main causative factor in the reduction in water usage and BOD emissions was the termination of production of fermented products at the Takahagi and Kiyosu facilities in November and December 2004, respectively. The reduction in water usage also led to a drop in the amount of well water usage by 32% (1,159,000 m³).

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

We release wastewater into rivers, the sea and sewerage systems. This may lead to the accidental release of harmful material, polluting rivers and seas and reducing

Fuel conversion

Heavy oil, natural gas and LPG have different sulfur content levels, and release differing amounts of CO₂ to obtain the same calorific value. Fighting atmospheric pollution requires conversion to lower sulfur fuels, and fighting global warming requires switching from coal and heavy oil to natural gas and natural energy. Changing from heavy oil to natural gas and LPG is an effective way to alleviate both atmospheric pollution and global warming.

SOx (Sulfur Oxides)

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

NOx (Nitrogen Oxides)

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

Dioxins

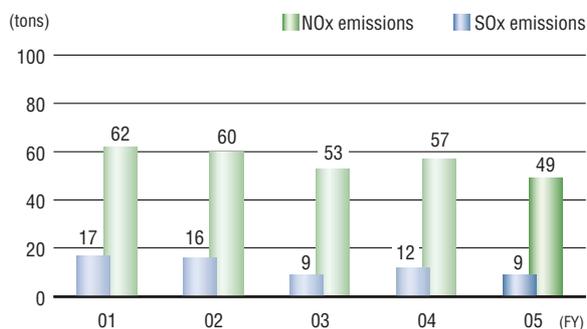
These are not a single chemical substance, but a general name for a group of chemical compounds. Dioxins can be broadly divided into polychlorinated dibenzo-para-dioxin (75 varieties) and polychlorinated dibenzofuran (135 varieties); generally, coplanar PCB (14 varieties) are also now considered dioxins.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

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

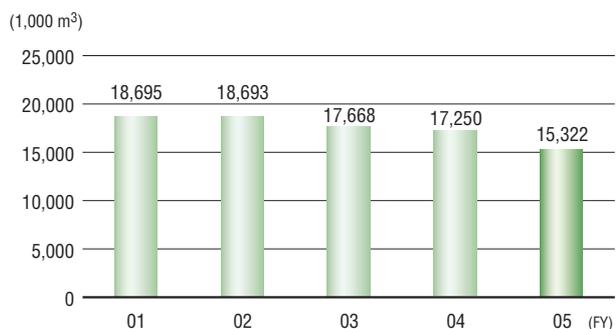
BOD (Biochemical Oxygen Demand)

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

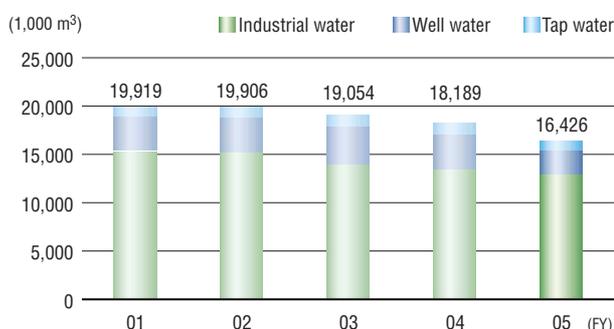
● Air pollutants



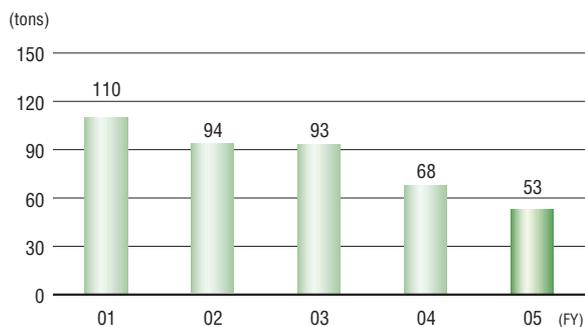
● Drainage volume



● Water consumption



● BOD emissions



5. Measures related to soil and ground water contamination

The Soil Contamination Countermeasures Law, which went into effect in February 2003, is not generally applicable to land that is continually used for corporate activities. However, there are concerns that if contaminated land is left as it is, it could possibly be harmful to the health of local residents and lead to continuous exposure to harmful materials by employees. Even when not legally required to do so, Astellas has decided it is vital to limit health risks as much as possible.

Criteria related to such issues as determining when to conduct a soil contamination survey, implementing risk-reducing measures if soil contamination is detected, and notifying government authorities are set as guidelines in

line with the Soil Contamination Countermeasures Law. Based on these guidelines, Astellas conducts soil surveys at facilities where projects such as the destruction of old facilities and building of new ones are being conducted, and at facilities that are open to the public, such as squares and grounds. In addition, these same guidelines set environment-related decision criteria for the purchase of land.

The following is a summary of results of soil surveys and risk-reducing measures taken for land where soil contamination has been detected.

● Results of soil contamination surveys and countermeasures

Facilities	Land surveyed	Pollutants	Level of contamination	Countermeasures
Toyama Plant	Land prior to purchase	Arsenic	Content amount is 3.6 times the allowable amount	Area covered with 50cm of new soil
		Lead	Leaching amount is 9 times the allowable amount Content is 2.2 times the allowable amount	The soil is replaced in areas with an amount five times or greater than the allowable limit, and other areas are covered with 50cm of new soil.
		Fluorine	Leaching amount 1.3 times the allowable amount	The soil was replaced, and covered with 50cm of new soil
		Total mercury	Leaching amount 4.4 times the allowable amount	The soil was replaced, and covered with 50cm of new soil
	Exercise area	—	No contamination	—
Takaoka Plant	Square	—	No contamination	—
	Exercise area	—	No contamination	—
	Land for future plant	—	No contamination	—
Fuji Plant	Land after plant was torn down	Arsenic	Leaching amount is 3.3 times the allowable amount	Area covered with 50cm of new soil
		Fluorine	Leaching amount is 1.5 times the allowable amount	Area covered with 50cm of new soil
	Exercise area	—	No contamination	—
Hoshienu	Purchased land	—	No contamination	—
Kiyosu Facilities	Land after plant was torn down	—	No contamination	—

Note: Notifications of the level of contamination at sites expected to be purchased for the Toyama Plant and at plots where old facilities were demolished at the Fuji Plant were made to the authorities. However, it has been confirmed that the groundwater used for drinking in the surrounding area is not contaminated.

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

State of compliance with emission standards

In fiscal 2005, there were two cases in which the BOD and COD concentrations and pH in rainwater drainage at the Miyukigaoka Research Center were over the limits

specified in agreements. Investigation revealed that these were temporary incidental occurrences, and did not warrant a special response.

Environmental accidents and lawsuits

There were no environmental accidents and lawsuits in fiscal 2005. There were also no fines or other penalties related to environmental problems.

● Environmental accidents and lawsuits (summary)

	FY2001	FY2002	FY2003	FY2004	FY2005
Accidents	None	None	None	(Osaka Plant) An abnormal (degradation) reaction occurred during the drying process of a pharmaceutical intermediate. A stench and smoke were emitted into the atmosphere. Three students at a nearby junior high school and 25 employees complained of physical discomfort, including eye pain. All recovered subsequently.	None
Lawsuits	None	None	None	None	None
Fines/charges	None	None	None	None	None

Pharmaceutical intermediates

Pharmaceuticals start as raw materials, and are gradually built up through various manufacturing processes. For example, consider the case where the initial compound is A, which is built up to compound B, and then C, and finally to the desired compound D, the pharmaceutical. Compounds B and C are called pharmaceutical intermediates of compound D.

Environment-related complaints

In fiscal 2005, there was one complaint related to vibrations at the Kiyosu Facilities. These vibrations were due to work on the demolition of the facilities. We limited the heavy equipment being used for the construction and reevaluated operating methods.

Astellas considers measures related to sensory pollution such as noise, offensive odors, and vibrations as an

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

● Environment-related complaints (number)

Complaints	FY2001	FY2002	FY2003	FY2004	FY2005
Noise	0	0	2 (Takaoka, Yaizu)	1 (Tokyo)	0
Odors	0	0	0	0	0
Vibrations	0	0	0	0	1 (Kiyosu)
Others	0	0	0	0	0
Total	0	0	2	1	1

Note: Kiyosu = Kiyosu Facilities, Takaoka = Takaoka Plant, Yaizu = Yaizu Facilities, Tokyo = Tokyo Research Center

Chemical substance management violations

The following instances of violations occurred in fiscal 2005, due to misinterpretation of laws and regulations by research facilities handling chemicals, among other causes. We have made sure all facilities that handle

chemicals share information, that issues involved in all similar incidents were properly addressed, and that employee training has been implemented.

Psychoactive drug handling violation (Tokyo Research Center)

Astellas has made the proper notification of the Tokyo Research Center as a site that handles psychoactive drugs. We received notice from the Tokyo Bureau of Social Welfare and Public Health that as our subsidiary Astellas Research Service Co., Ltd. also handles such drugs there, that facility must file a notification on this as well. We duly filed the notification.

Unauthorized transfer of reagents between researchers (Miyukigaoka Research Center)

Phenylmethylaminopropane hydrochloride, a laboratory reagent whose transfer, even between registered researchers, is controlled, was transferred between researchers at this facility without authorization. The Pharmaceutical Division of Ibaraki Prefecture informed us of this violation, and we complied with their remedial instructions.

Working environment measurement violation at a research facility (Kiyosu Facilities)

The Industrial Safety and Health Law requires that the concentration of organic solvents at a work site be measured when such solvents are used indoors. We received notice from the Labor Standards Inspection Office that periodic measurements were not being performed at a work site. We took remedial action and reported back to the Office.

7. Environmental conservation efforts by offices

Action Plan

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

Our office divisions and sales & marketing divisions are also working to create an organizational system to promote environmental activities and committees to discuss environmental action plans, and to establish numerical targets and other measures. Although some progress was made in the formation of committees, these divisions lag behind the production and research divisions in terms of organizational effort. As the impact on the environment is

expected to worsen due to increases in the number of offices and personnel, it is imperative that these divisions step up their efforts.



Green purchasing

Astellas has set guidelines on promoting green purchasing, which require that products and services that minimize environmental impact be given priority when purchasing office supplies and copier paper, raw materials, and items such as product packaging. Numerical targets are set related to the percentage of daily office supplies (including copier paper) and low-pollution vehicles used for sales activities purchased through green purchasing.

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

products be given priority in purchasing. We are working to meet our target for low-pollution vehicles by systematically replacing vehicles.

Our green procurement rate for fiscal 2005 was 83%. The rate was over 90% for copier paper, but only 74% for office supplies. We will work to meet our targets by focusing more effort on improving the green procurement rate for office supplies.

1,968 vehicles, or 80% of the 2,455 vehicles used by sales staff, were low-pollution vehicles (see the table below).

● Green purchasing of office supplies

FY	2004	2005
Purchasing ratio (%)	82	83
Applicable product purchase amount	85,137	81,489
Target product purchase amount	103,991	98,187

Green purchasing

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

● Introduction of low-pollution vehicles

FY		2001	2002	2003	2004	2005
Number of vehicles used for sales		2,364	2,467	2,690	2,517	2,455
Low-pollution vehicle (Units)	75% low-pollution vehicles	45	176	754	1,042	1,526
	50% low-pollution vehicles	23	35	51	75	61
	25% low-pollution vehicles	368	500	659	471	381
	Total	436	711	1,464	1,588	1,968
Introduction rate (%)	Number of vehicles	18	29	54	63	80
	*Conversion to 75% low-pollution vehicles	8	15	37	49	69

* Conversion to 75% low-pollution vehicles is done in the following manner:

75%-equivalent low-pollution vehicles = number of 75% low-pollution vehicles + number of 50% low-pollution vehicles x 1/2 + number of 25% low-pollution vehicles x 1/3

Package recycling expenses

Though some containers and packaging for pharmaceutical products are disposed of by the consumer, the Container and Packaging Recycling Law (Law for Promotion of Sorted Collection and Recycling of Containers and Packaging) burdens the manufacturer with the cost of recycling these waste products. In fiscal 2005, the total amount of glass, plastic, and paper from our products discarded by end users was estimated to be around 420 tons. The cost of recycling was around 20 million yen.

● Recycling cost based on the Container and Packaging Recycling Law

FY	Required amount of outsourced remerchandising (tons)			Recycling expenses (10,000 yen)
	Glass containers	Plastic containers	Paper containers	
2001	155	198	73	2,034
2002	96	281	25	2,244
2003	152	361	34	2,768
2004	179	433	48	3,595
2005	0	355	64	2,010

Note: The above table shows the actual costs incurred by Astellas.

Because ensuring the health and safety of its employees is a fundamental component of business, Astellas is working to provide a safe and comfortable working environment. The group is establishing a system to prevent work-related injuries and improve employee health. To ensure that each and every employee is both physically and mentally healthy and active, an Environmental and Safety Action Plan has been established on the basis of the Environmental and Safety Policy, and systematic efforts are being made to reach this goal.

1. Building a safety management system

Action Plan

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

It is important to maintain a high level of awareness of issues that can be a source of physical danger at production and research facilities. Difficulty in seeing the benefits of safety activities, and employee complacency, can lead to a drop in awareness and sensitivity to dangers and risks. This is viewed as one factor in major disasters. While

expanding the safety management system to research and production departments, in order to reduce risks, Astellas is implementing measures to uncover potential safety risks at facilities and during operations, and is conducting risk assessments.

2. Preparedness and response to accidents and emergencies

Action Plan

- Develop a risk management system incorporating methods of response and organizational and contact structures for work-related accidents and emergency situations by fiscal 2005

When a work-related accident occurs, it is possible that workers or members of the public in the surrounding area could be exposed to further danger, depending on the scale of the accident. Therefore, while it is important to prevent accidents, it is also necessary to minimize possible damage caused by any accident that does occur. In fiscal 2005, we established both an internal and an external contact network, and developed an organization to respond to emergencies. We will periodically verify their effectiveness. In anticipation of large-scale disasters such as

earthquakes, we established a company-wide phone communication network using satellite-based mobile phones, and verified its effectiveness.



Checking the satellite-based mobile phone network

3. Chemical substances management

Action Plan

- Introduce systems to respond to emergencies and accidents related to the transport of materials such as waste and chemical substances for each principal facility by fiscal 2005

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

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

In the event of an accident during the transportation of chemicals, delays in initial responses and incomplete information on the material being transported could delay containment efforts and cause major problems. To prevent this, drivers and other related parties must take appropriate steps, which include providing information to the authorities, such as fire departments. Our guidelines

require that emergency contact cards, which contain environmental and safety information as well as contact information, be provided when outsourcing transportation of chemicals and waste material.

In fiscal 2005, some offices had not yet begun introducing emergency contact cards. We are investigating adoption beginning in the coming fiscal year by sharing experiences from the facilities that have already adopted them.

Topics — Dealing with asbestos

We tested buildings owned by Astellas and buildings we lease for our sales offices for spray-applied asbestos. Where asbestos was detected, we investigated surface deterioration and shedding. There was no shedding in any of the buildings where asbestos was detected. We have implemented measures to prevent asbestos shedding in some of the buildings. For the remaining buildings, we will consider the state of the deterioration and take measures as appropriate.

4. Health improvement measures

It goes without saying that our health-improvement measures should contribute to maintaining employees' health, and we believe they will help prevent a deterioration in corporate activity. At a time of dramatic changes in the structure of society and employment systems, many people suffer from stress, feelings of insecurity, and other concerns that have increased physical and mental burdens at the workplace. Therefore, companies

must undertake more aggressive efforts for employee health management.

In the future, efforts for health management and promotion will not be limited to early detection through physical examinations and treatment. They will also emphasize the prevention of illness. These efforts will be made by the entire Astellas Group in cooperation with health insurance companies and our labor unions.

Mental health care initiatives

Because in many cases, mental illness is caused by stress at the workplace, it is necessary for the organization to systematically take steps to improve the overall mental health of staff.

In fiscal 2005, we are providing an over-the-counter service where employees can obtain expert counseling about issues that worry them. Our in-house individual consultation with industry doctors (psychiatrists) and external care through the Employee Aid Program (EAP) together provide a counseling system not only for employees, but for the whole family. We conducted training concerning mental health for managers and distributed a booklet called "Communication from the Heart" to all employees.



Mental health training at the Tokodai Research Center

Initiatives to prevent excessive work

It is said that the risk of health problems increases with the amount of time one works in excess of regular hours. We believe that reducing overtime, promoting annual paid vacations, and thorough health maintenance measures will help prevent health problems.

Therefore, we manage work hours using an overwork prevention system. With this system, we look at both work hours reported by employees and the time they report to and leave work, which we obtain from employee badges that incorporate an IC card. If either

indicates that an employee has worked more than a set number of hours, we take health maintenance measures such as giving the employee an appointment with an industry doctor. The system reports time in/out information to each employee, overwork information to managers, and adjusts work assignments where appropriate.

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

Health checkups

To maintain health, it is important to keep track of employees' health status. We hold regular checkups of all employees and special checkups for employees who handle organic solvents and other hazardous material.

● Health checkup rate

	Fiscal 2005 checkup rate (%)
Checkup upon start of employment	97.4
Regular checkups	98.7
Checkups for middle-aged employees	99.6
Voluntary checkups	39.1
Checkups for employees assigned overseas	94.9
Special checkups	99.9

*Rounded off to two decimal points.

5. Work-related injuries

In fiscal 2005, there were 45 cases of work-related injuries. The frequency rate was 0.44, and severity rate was 0.011, a large increase from fiscal 2004. There were also a fair number of "near misses" that did not lead to work-related injuries.

We believe that some of this is due to haste and unfamiliarity caused by changes in the work environment as a result of our merger. We are resolved to putting in place a

workplace culture that goes back to safety-first basics, to raise employee consciousness, and to place the highest priority on safety.

Work-related injuries at the Miyukigaoka Research Center

A temporary worker from an agency inhaled sodium lauryl sulfate and developed acute bronchitis (as a result of which the worker missed nine days of work). We were investigated by the Labor Standards Inspection Office and received remedial instructions. (Reporting of work-related injuries is handled by the manpower agency.)

Frequency rate of work-related injuries

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

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.

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

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

Astellas has clarified its commitment to fulfilling its social responsibilities through corporate activities that show a high level of integrity based on the Charter of Corporate Conduct, which more concretely expresses the concept of our business philosophy. Since corporate activity amounts to the cumulative work activities of each executive and employee, how executives and

employees should act is clearly stated in Our Code of Conduct, which is based on the Charter of Corporate Conduct. Each point in the Code of Conduct begins with the word "We." This usage makes it clear that all executives and employees promise to act towards all Astellas stakeholders in the manner prescribed.

Our Code of Conduct

In the Astellas' Charter of Corporate Conduct, Astellas shows the conduct we should adopt when translating our business philosophy into reality, and has clearly set out that such conduct should be put into practice faithfully in the roles and responsibilities of the senior management. Corporate activity is the aggregation of the business

activities of each individual officer and employee, and therefore we have laid down how officers and employees should conduct themselves to realize our business philosophy in the form of "Our Code of Conduct," based on the Astellas' Charter of Corporate Conduct.

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

I. Basic Code of Conduct

1. We will strive to observe laws and regulations, company rules, industry rules, norms of social behavior, etc., and to enhance our sense of ethics constantly.
2. We will not simply content ourselves with "corporate logics" and "industry logics," but will maintain sound social judgment and conduct ourselves with integrity.
3. We recognize that sales and profits can be won based on a high sense of ethics, and will act accordingly. In the event of a conflict between generating sales or profits and behaving in an ethical manner, we will always opt for ethical behavior.

4. We will maintain sound and normal relations with all stakeholders.
5. We will respect other people's human rights, personality and individuality, and not engage in any improper discrimination or harassment.
6. We will protect company property, including information assets, in accordance with company rules and similar regulations, and handle it correctly.
7. We will appropriately manage and use all personal information, confidential information and information on intellectual property, etc., obtained from stakeholders in accordance with laws and regulations, company rules and similar regulations.

II. Code of Conduct towards Principal Stakeholders

1. Conduct towards Customers

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

2. Conduct towards Shareholders

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

3. Conduct towards Employees

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

4. Conduct towards Suppliers

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

5. Conduct towards Our Industry

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

6. Conduct towards the World of Politics and Public Administration

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

7. Conduct towards Society

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

8. Conduct towards the Environment

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

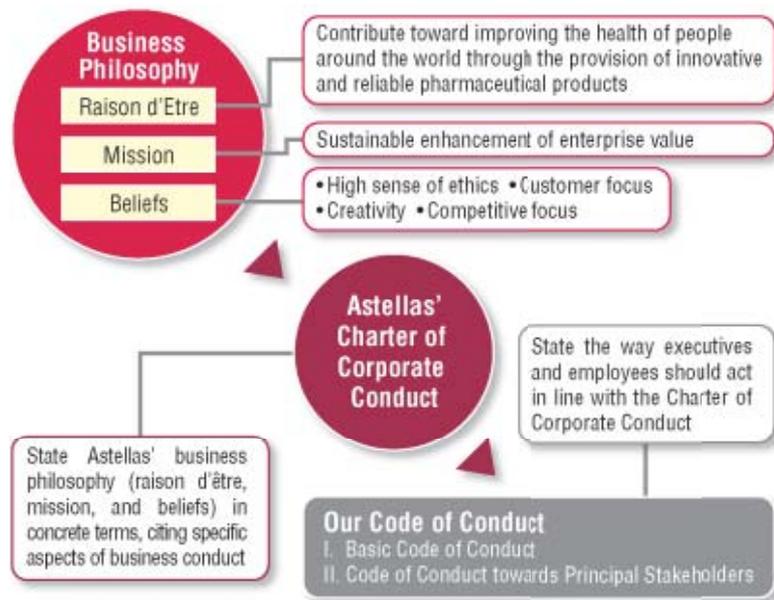
● Our Definition of Compliance

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

Charter of Corporate Conduct and Our Code of Conduct

The Charter of Corporate Conduct and Our Code of Conduct were compiled into a single pamphlet entitled "Astellas C-file," which was distributed to all executives and employees and published on the Internet. Applicable at all domestic and overseas facilities, Astellas' Charter of Corporate Conduct was distributed to Group companies overseas,

which are also required to undertake compliance-related initiatives. Since laws and customs differ from country to country, the Code of Conduct was distributed to Group companies overseas as reference material only, with a request that they establish their own codes of conduct when necessary.



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



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

Compliance promotion system

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

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

Compliance promotion leaders

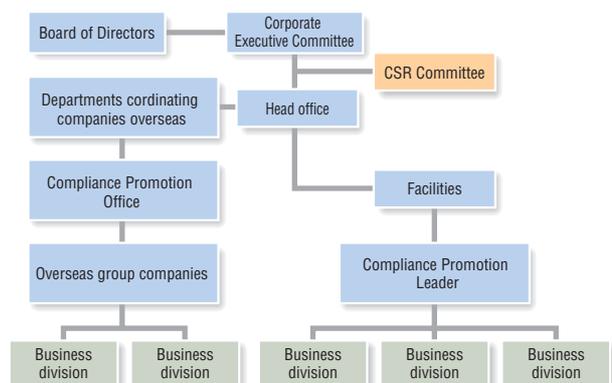
Compliance promotion leaders (126 in all) have been appointed for each domestic department to disseminate Astellas' ideas on compliance at each facility and workplace.

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

In June 2005 and March 2006, the Compliance Promotion Leader Conference was held at Astellas Head

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

Compliance promotion System



Compliance Promotion Leader Conference



❖ Education and study activities

In fiscal 2005, training using C-file (“C-file training”) and other compliance education, and an e-learning program that made use of an intranet were provided for all domestic Astellas Group executives and employees. Participants in compliance education submitted a signed declaration that they understood and would put into practice Astellas’ compliance initiatives. We also carried out programs to raise consciousness about compliance using internal newsletters and other media.

Percentage of staff participating in C-file training and submitting declaration	99%
Percentage of staff participating in e-learning	99%



E-learning screen



Internal newsletter “Astellas Way”

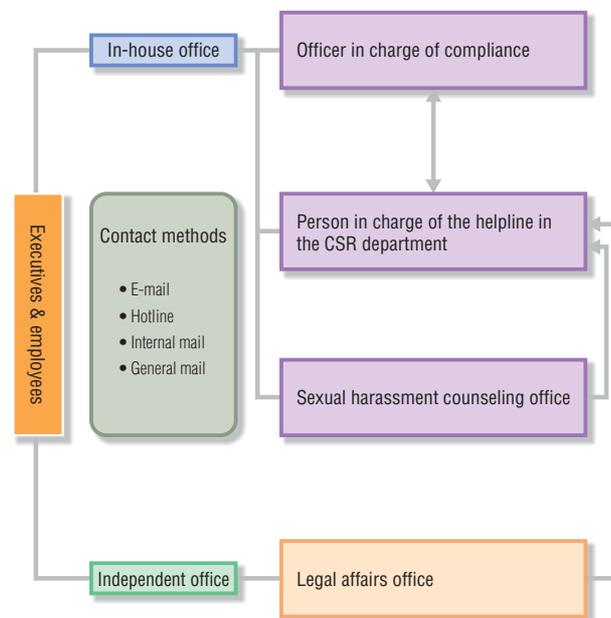
❖ Helpline

Since corporate activity is the overlapping work of individuals, all employees, including executives, are required to be responsible for their own actions and adhere to the Code of Conduct. If an employee is ordered to perform an action that he or she believes is a violation of the Charter of Corporate Conduct or Code of Conduct, and if the employee simply does whatever he or she was ordered to do, this would be damaging to Astellas, the individual, and society. Sexual harassment is a major violation of the Code of Conduct and clearly forbidden by employment rules.

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

The helpline was contacted 75 times in fiscal 2005 by persons with questions, and for consultations.

● Outline of the helpline



❖ Personal information protection system

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

In-house system

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

The Company has also created a Personal Information Protection Manual that sets forth specific rules for the handling of personal information. All employees have been instructed to carry at all times the Personal Information Protection Card, an abridged version of the Personal Information Protection Manual. Efforts are also

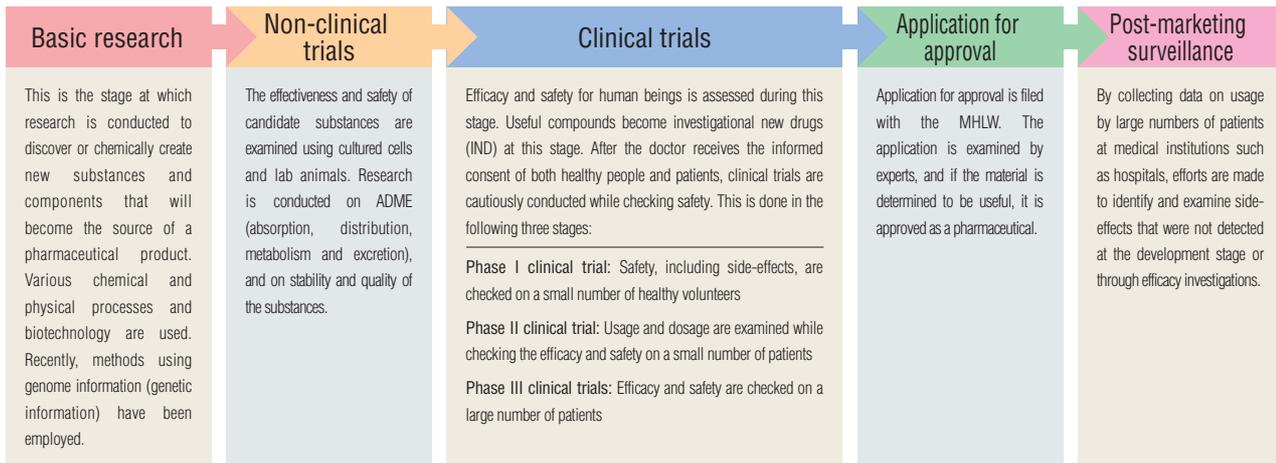
being made to strengthen the personal information protection system by holding, when necessary, department- and job-specific explanatory meetings.



Personal Information Protection Card

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

❖ Flow of R&D for pharmaceuticals



Consideration of human rights in genetic research

Deciphering the human genome (all human genes) will dramatically increase our understanding of the relationship between genes and biological functions or diseases. Genetic research is expected to enable the development of epoch-making pharmaceuticals and to design pharmaceuticals and treatments that fit individual genetic information. However, human genetic research raises ethical concerns about collecting and managing information related to samples such as blood, tissue, and individual genetic information.

At Astellas, we have established a Human Tissue Research Ethics Investigative Committee based on ethical guidelines for human genome/gene analysis research. This Committee, which is made up of members of the public and experts in various fields such as ethics, law, and the natural sciences, deliberates on ethical questions and recommends appropriate action related to the analysis of the human genome and tissue samples.

Consideration of human rights in clinical trials

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

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

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

Ethical considerations related to animal tests

The relevant authorities in every country require various tests to ensure the efficacy and safety of new pharmaceuticals before they can be launched, and, given the current state of scientific technology, it is impossible to conduct these tests without using animals. Astellas conducts these tests based on the highest legal and ethical standards. Along with setting policies on animal testing, from a perspective of harmonizing the scientific and animal welfare points of view, the Animal Test Committee

strictly examines the four R's: replacement (is it possible to replace the animal test), reduction (reducing the number of animals used to a minimum), refinement (refining measures to eliminate unnecessary suffering of the animal), and responsibility (being responsible for sufficiently explaining the predictability and significance of the experiment). It then recommends whether to conduct animal testing or not.

Employees are important stakeholders — the people who put Astellas’ business philosophy into practice. Astellas wants employees who can carry out their missions and fulfill their roles with the aim of contributing to the enhancement of the Company’s enterprise value, thereby winning society’s trust.

In order to have a solid organization which attracts and inspires employees like these to actively contribute their best efforts, skills and abilities to the Company, Astellas is endeavoring to establish effective systems for performance evaluation and compensation, human resources development, and staffing.

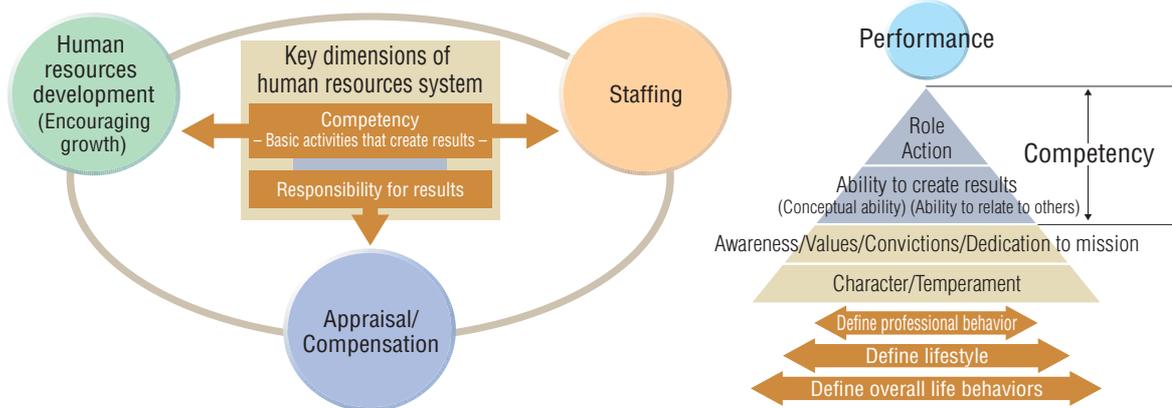
Furthermore, our welfare and benefits system is designed to provide an environment in which employees can enjoy fulfilling lives both at work and at home, and make the most of their abilities. While providing a workplace where employees can focus on their work without distractions, the welfare and benefits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



● Human resources policy

(1) Competency at Astellas

Competency is the action/ability to achieve continuous excellent results (enterprise value) in the performance of the employee’s job. On the basis of its business philosophy, Astellas defines competency as activity (in the course of daily work) that is optimal in delivering individual performance and results, and as the ability to create results that embody such activity. Human resources development is used to design and offer a variety of programs around each competency, and work assignments are based on criteria designed to put the right person in the right place. Unlike systems that evaluate potential or existing skills, this competency-centric human resources system can be described as evaluating behavior linked to results.



Human resources development

- Designing measures to support career building and development of competencies, based on responsibility and self-development
- Promoting individual growth of employees by education-minded managers with coaching skills
- Offering active career-development opportunities to employees who continuously achieve a strong performance and improve their competence

Appraisal/Compensation

- Appraisals and compensation (based on an employee’s responsibilities and performance) that are fair and reasonable
- Variable compensation that adequately rewards an employee’s performance based on management by objectives
- Competitive compensation that reflects corporate performance as a leading company

Staffing

- Staff assignments based on a rational organization plan that maximizes corporate and department performance
- Realizing appropriate placement and skill-matching from various perspectives and multiple factors based on performance and competencies
- Providing employees with the opportunity to select roles that are appropriate and take into consideration their ambitions, based on a clear career plan

(2) Welfare and benefits

- Building a system that helps employees lead fulfilling lives at work and at home
- Improving and maintaining workplace safety and the physical and mental health of employees
- Creating a safety net to enable employees to comfortably focus on work



Poster promoting the use of “name-plus-san”

Astellas considers an employee’s title as an indicator of his or her role. To create an open organization and an environment in which employees respect each other’s individuality, employees address their superior officers not by the person’s title, but with the person’s name followed by “san,” which is the Japanese equivalent of Mr. and Ms. This is the case with both executives and newly-hired entry-level employees. Astellas wants to create a friendly and energetic company by fostering open relationships where employees use the same polite form of address used in general society, rather than the extremely formal, hierarchical system of addressing superiors that has been the general practice up to now.

Providing opportunities for employee growth

People are the driving force behind the growth of any enterprise. To ensure that we are a company where everyone has the opportunity and is highly motivated to do his or her job, we make available a wide range of human resources development programs, founded on career development guidance and competency reinforcement, making it possible for individuals to fully apply their diverse skills.



The aim of our Job Challenge program, which emphasizes the individual's wishes and appropriateness of jobs in the context of a clear career plan, is to provide greater freedom in choosing roles and thereby promote self-development and motivation to grow while lending increased vigor to the organization. This also helps us discover those in the organization with outstanding potential, mentor them, and leverage their talents.

Job Challenge program at Head Office

Internal recruiting program

Program for units to recruit necessary staff from within the organization based on their needs

Internal free agent program

Program allowing transfers when an individual's declaration of free agency based on his or her desire to accept new challenges matches the personnel requirements of a particular unit of the organization

Global career entry program

Program to uncover and select young staff from throughout the organization who have the potential to serve as the core of our future businesses globally

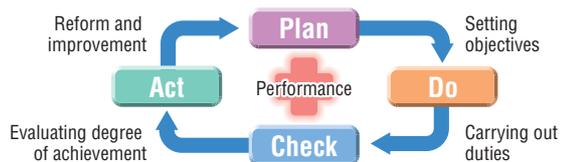
Operating a fair human resources management system

We have introduced a system for job evaluation, as well as performance appraisals. In this, expectations regarding employees' work and performance are clearly stated based on a job grading system, and fair and reasonable work and performance evaluations are conducted. The system includes individual interviews to ensure that evaluations are accurate and reasonable, to explain each employee's evaluation results, and to provide sufficient opportunity for discussion.

Training is conducted so that managers fully understand the system, and opportunities are created to deepen the mutual understanding between the manager and employees being evaluated by bringing them together. In Astellas' human resources management system, there is

no discrimination regarding the gender of employees. Work assignments are based on the concept of assigning the right people to the right positions to maximize performance for the organization and to make the fullest use of everyone's abilities, experience, and aptitude.

Management by objectives-based PDCA cycle



Composition of the labor force

The following gives a breakdown of Astellas' workforce in Japan as of March 31, 2006.

Regular full-time employees account for 93% of Astellas Pharma's work force and 69% of the Astellas Group's workforce in Japan. Diversification of employment patterns is gaining momentum. Taking this into consideration, Astellas works to create a workplace that is conducive to productive work by providing extensive training related to safety and environmental protection activities, while promoting compliance awareness for all domestic employees. We are also working to develop a

management system enabling a diverse and flexible workforce, which includes reducing work-related risks and providing education and training for employees in production and research areas that do involve risks. This includes providing training on preventing work-related accidents, including fires and explosions, and exposure to harmful chemical substances.

	Regular full-time employees	Other employees	Contract staff	Total
Astellas Pharma	6,304	76	411	6,791
Domestic Astellas Group	1,843	544	300	2,687

Topics

Early retirement programs

This is one of the core strategies Astellas is pursuing to promote global Group management and improve overall Group competitiveness. Under this approach, we are proceeding with plans to optimize our workforce to deliver further efficiencies in our manufacturing organization. One element in this approach is an early retirement program that was accepted by 110 employees at

Astellas Toyama and by 50 at Astellas Shizuoka. In addition, we have decided to transfer the functions of the Doshomachi Office to Head Office as of October 1, 2006, and early retirement with benefits will be offered to a yet-to-be-determined number of employees at that office.

Work schedule systems

Under Astellas' human resource management system, evaluations are based on the role and performance of each employee. We have introduced the following work schedule alternatives to support a variety of working

patterns and permit discretion in work schedules based on roles and responsibilities. In addition, domestic group companies have introduced their own systems based on the concepts underlying the following systems.

Flex-time system

This system is applied to employees who have not attained a certain level of responsibility regarding their work, excluding sales. The system gives employees the

flexibility to choose when they start and finish work each day based on a scheduled number of working hours per month, and taking into consideration business plans.

Outside de facto working hours system

This is applicable for sales-related work performed outside the office. For employees who have a better understanding than their superiors of their customers, this system gives them discretion in setting their working time-frames; under this system, employees are considered to have worked their scheduled number of working hours regardless of the actual number of hours worked.

Discretionary working system

This system applies to researchers and staff with a certain amount of responsibility. Under this system, an employee's work performance is evaluated largely on the contribution they make to the company. It is similar to the "outside de facto working hours system" in that employees are compensated for a fixed number of hours, although actual hours worked do not necessarily coincide with this amount.

Vacation and leave

Maternity and child-raising leave

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

Childcare leave

As one part of our child-raising support, if a child who has not yet entered elementary school is injured or becomes ill, employees can take up to five days of childcare leave, which is separate from the annual regular paid leave.

Nursing leave

Building a society where the elderly can live comfortably and all citizens can enjoy a long life is an urgent issue for Japan, and companies have to create systems to respond to the aging of the population.

Astellas has introduced a nursing leave system where employees can take time off (up to a year) to aid in the home care or rehabilitation of family members if the need arises. If the leave is greater than three months but within the one-year period, the employee can take leave in one-month periods when needed (however, when the number of days is less than 93, this is set by law.) It is also possible to work one hour less a day without taking leave.

Special care leave

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

Bone marrow donor special leave

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

Usage of vacation and leave

	Usage
Paid leave	Percentage used: 52%
Childcare leave	Employees: 185 Total days used: 453
Reduced working hours to raise children	Employees: 41 Average days used: 172
Maternity leave	Employees: 50
Child-raising leave	Employees: 70 Average days used: 141
Nursing leave	Employees: 3 Average days used: 160
Reduced working hours for nursing	None
Bone marrow donor special leave	None

Efforts to address social issues in employment

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

We are identifying the employment-related issues in Japan that we as a pharmaceutical company should address,

and establishing internal systems to deal with them. These issues include the declining birthrate and the aging of the population, gender equality, and employment of physically disabled persons.

Measures to deal with declining birthrate and aging population

Japan's total fertility rate in 2004 was 1.29, which, coupled with longer life spans, is considered certain to result in an aging society with fewer young people. The rapidly aging population and lower number of children have led to concerns about social impact, such as reduced community vigor and declining economic vitality resulting from higher social insurance costs and a smaller workforce. This is a social problem that must be promptly addressed.

Laws have been enacted to maintain and create a vigorous, rich society. These include the Law for Basic Measures to Cope with a Declining Fertility Society, the Law for Measures to Support the Development of the Next Generation, and the Law to Partially Amend the Law Concerning Stabilization of Employment of Older Persons. In line with the principles underlying such

legislation, and as a first step in fulfilling our responsibility as a pharmaceutical company, we have introduced a system for ongoing senior employment and have developed a general business owner's action plan in line with the Ministry of Health, Labor and Welfare's Action Plan Establishment Guidelines. We intend to expand our programs for employing seniors and to create an employment environment where work can coexist with child-raising, allowing people to continue to work as long as they have the desire and ability. We are also studying possible enhancements and development of new programs.

Total fertility rate (TFR)

This is a demographic indicator that statistically expresses the average number of children born in a given population. This indicator makes it possible to determine if the future population will naturally increase or decline. It is calculated on the basis of the total number of babies born to females between the ages of 15 and 49.

Employment Extension System

Employees are able, at their request, to continue in employment with the Company beyond the normal retirement age.

Astellas Pharma's action plan

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

Plan contact

Targets	Measures	Fiscal 2005 initiatives
During the planning period, have at least one male employee take child-rearing leave.	Provide information to employees over the intranet and foster an atmosphere in which it is easy to take child-rearing leave.	Activities to broaden understanding and support of paternity leave
By April 2006, increase the length of time that an employee can work reduced hours for child rearing until the child enters elementary school.	Reform the present system after confirming employees' needs	In April 2006, eligibility period extended until the child enters elementary school
By April 2006, implement measures to reduce the amount of overtime work to eliminate excessive work.	Establish a management system to reduce overtime work based on Ministry of Health, Labor and Welfare standards related to the prevention of the adverse effects on health of excessive work.	Introduction of overwork prevention system (See text on p. 32)

Measures for gender equity

Japan has seen a variety of measures designed to promote gender equality ever since this ideal was written into the Constitution, but we are aware that a number of outstanding issues remain.

Everyone agrees that the creation of an environment where men and women can participate on an equal footing, giving expression to their individual abilities regardless of gender, is a crucial aspect of building our 21st

century society. This idea has taken form in the Basic Law for a Gender-equal Society.

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

Employment of physically disabled persons

In fiscal 2005, physically disabled employees accounted for 1.86% of our workforce, a 0.02% decline from the previous year, but 0.06% above the statutory requirement.

We intend to make an aggressive effort to hire physically disabled persons in the future.

Percentage of physically disabled employees in the workforce

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

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

Academic support activities

As a pharmaceutical company focused on R&D, Astellas supports research in various scientific fields, particularly medical science and pharmacology. Currently, the group has established four research foundations, and is

supporting the development of basic science and life sciences by supporting study-abroad programs for young researchers.

Name of foundation	Year of establishment	Business objectives
Astellas Foundation for Research on Metabolic Disorders	1969	To shed light on how diseases originate and how they can be treated, in particular by clarifying the relationship between therapeutic drugs and an organism's metabolism; to engage in pioneering development in new fields related to treating disease and the functioning of pharmaceutical compounds, thereby contributing to people's health, the development of medicine and progress in therapeutic drugs
Astellas Foundation for Research on Medicinal Resources	1946	To promote the discovery of pharmaceutical resources and engage in basic and applied research on their development, thus contributing to progress in medicine, pharmaceuticals, and other related sciences, and to the welfare of humankind
Astellas U.S. Foundation	1993	To encourage research in medicine, pharmaceuticals, and other sciences; promote cultural interchange between Japan and the U.S.; protect the global environment; contribute to community development and human welfare
Astellas Europe Foundation	1993	To contribute to medicine, pharmaceuticals and related fields

Other support for worthy causes

Flying Star Fund

The Flying Star Fund was launched in 1996, primarily by employees wanting to make a sustainable social contribution, at however modest a level, by helping improve people's health and welfare. Participation is at our employees' discretion, and each individual gives ¥100 monthly. The Company matches this amount, and the total funds are disbursed once a year as an annual donation.

Every year since 1997, the Fund has donated a number of wheelchair vans to welfare facilities. In fiscal 2005, seven vans were donated to seven facilities. The facilities chosen for donations provide living assistance, training, and work for persons with physical disabilities.

The donated vans are used to transport members to and from the facilities, and to outside training sites.

Number of wheelchair vans donated by the Flying Star Fund

Vans donated in fiscal 2005	7
Cumulative number of donated vans	125

* Donated through the Zenshiren (National Federation of the Physically Disabled and their Parents).

Donation of ambulances on First-Aid Day

Ambulances were donated to four local governments throughout Japan on First Aid Day, September 9. As part of our social contribution activities, ambulances have been donated to local emergency services each year since 1970. The four ambulances donated in fiscal 2005 (two of which were high-grade ambulances) brought the total to 200 vehicles (24 high-grade).

Our long-running ambulance donation project was honored in 2005 when we received the Award of Merit in Emergency Services for our contribution to building local organizations for providing emergency services.



Award ceremony

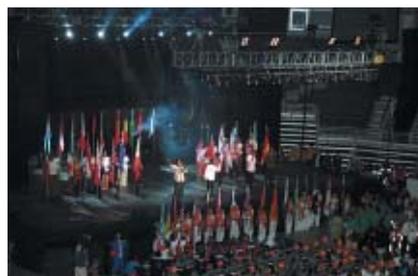
Patient Association Support Project

Astellas took the opportunity of its merger to choose to be involved in the Patient Association Support Project, which provides support for those suffering from disease, as well as their families. In fiscal 2005, after grasping on-site needs and reviewing the project plan, we convened the

first meeting of the Advisory Board, a body comprised primarily of external experts. In fiscal 2006 we will put in place a dedicated team and commence full-fledged activities.

Sponsorship of World Transplant Games

As a way to contribute to progress in medical transplants worldwide, we sponsor the World Transplant Games. Participants are transplant recipients who have been able to resume healthy lives. The Games advertise the importance and excellence of transplant medicine by showing how people who were once on the verge of death are now energetically enjoying sports.



Opening ceremony of the World Transplant Games

Support of Transplant Adventure Camps for Kids

In Europe, we sponsor the Transport Adventure Camps for Kids (TACKERS). TACKERS is a camp held annually, where children from around the world who have undergone transplants are invited and provided an opportunity to meet others with similar experiences. In fiscal 2005, the camp was again held in Anzere, Switzerland, with 60 children from 24 countries participating. The goal of the

camp is to develop independence in the children by letting them take on new challenges, as well as create a support network for them.



Information disclosure

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

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

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

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

Topics

● Support for Katrina victims

Many people were victims of Hurricane Katrina, which devastated the southern United States. To help provide relief for the victims, local employees collected donations from individuals, and our U.S.

subsidiary made a donation matching the amount raised. The Group as a whole also made contributions to the American Red Cross.

● Land donation by Astellas Pharma Technologies, Inc.

Astellas Pharma Technologies, Inc. donated a parcel of land from its site at the request of the Hospital Foundation in the city of Norman, Oklahoma, where the company is located.

The absence of an emergency response center in the southern part of Norman had forced emergency teams to travel long distances, a problem which the establishment of a center on the donated land solved. This donation was greatly appreciated by the city and its residents.



Newspaper article on the land donation in Norman

Providing information on medical products

Information for medical professionals

Pharmaceuticals are valuable only to the extent that doctors and pharmacists are provided with sufficient information on their use, efficacy, and safety, and that they are properly used by patients. Our medical representatives (MRs) visit medical institutions to provide doctors and pharmacists with technical information, not only about the good aspects of our products, but about the risks as well, so that they may be used properly. MRs also play a role in collecting information on the efficacy and safety of actual prescriptions that could not be obtained during the R&D phase, and they provide medical institutions with the results of evaluations and other feedback.

With 22 branch offices and 161 sales offices in Japan, Astellas' 2,500 MRs provide information to medical locations nationwide. (Worldwide we have 4,800 MRs.) Our MRs distribute a wide range of information on pharmaceuticals to users on the healthcare frontline, and pass on information they receive and requests from medical professionals to our research and development departments.

Recently, medical professionals have come to demand a wider range of high-quality information related to ethical

pharmaceuticals. Therefore, employing various channels, we ensure that our MRs are equipped with all the information they need to support their efforts.

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

The Drug Information (DI) Center handles inquiries from medical professionals, general consumers, and patients and their families, about how to take medicines, as well as their safety and efficacy. The Center provides sales departments with information it gets from inquiries and strives to provide fuller services.

In fiscal 2005, the Center received 69,469 inquiries from outside the Company related to ethical pharmaceuticals for treatment.

Astellas' Health Support Line

The "Health Support Line" established in 1996 provides advice by nurses via telephone in response to health concerns and questions. The consultation is free, and more detailed advice can be provided by specialists if desired. (Advice from specialists is provided once every two

months, and all inquiries are by appointment. However, the support line does not offer diagnoses.) The support line responded to 9,581 inquiries in fiscal 2005.

Health information on the radio

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

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

Citizen's courses

Under the theme "Brightening tomorrow's senior life," our "Astellas Good Life Forums" are designed to help people live a healthy and full life and actively enjoy their later years.

At the first Astellas Good Life Forum in Tokyo in March 2006, two speakers, a medical expert and a celebrity with a perspective close to that of the ordinary person, presented advice about mental health and how to prepare for healthy senior life. We intend to continue holding these forums in major cities across Japan.



Good Life Forum

Promoting culture

Astellas cosponsored a Hokusai exhibition at the Tokyo National Museum and the Arthur M. Sackler Gallery in the United States.

The works of Katsushika Hokusai (1760-1849) extend beyond his famed *ukiyo*e prints to a wealth of drawings and books of woodblock prints. This was the largest exhibition of

his works since that in Vienna in 1901.

We hope our sponsorship made a modest contribution to research on this valuable cultural legacy.



Hokusai exhibition

● Union activities

Philosophy of the Astellas labor union

Seeking a happier life for members, their families, and those around them, the union is dedicated to the ideal of joining the valuable ideas of each individual in harmony.

The Astellas Labor Union was established in October 2005 after the merger that formed Astellas in April 2005. This was the result of careful discussions between the labor unions at the former Fujisawa Pharmaceutical and Yamanouchi Pharmaceutical, which agreed to respect each other's organization and coordinate activities.

The two unions, their traditions both reaching back nearly six decades, joined into one union, carrying on the legacy of their histories and honoring each other's approach, taking an objective view of the changes in the environment and preparing to deal with the issues

before them. The union intends to move ahead and foster a new culture, thinking about what should be done to create an environment in which Astellas employees can work energetically.

With change on a global scale now unfolding in the pharmaceutical industry, a labor union is extremely important both internally and externally for a company like Astellas, which is striving to become a Japan-based, R&D-driven global enterprise.

● Labor Union's contributions to society

Through the participation of individual members who value mutual assistance, the labor union at Astellas contributes to society from various perspectives, as households, organizations, and members of society. Among these, the union contributes to society with the goal of developing socially independent employees, fostering independent action and harmony with the surrounding community, and building a society in which everyone can live enjoyably and fruitfully.

In particular, the union contributes to the Ashinaga Scholarship Society, which supports the continuing education of children who have lost parents due to traffic accidents or suicide. The union has also expanded its support by participating in the "Ashinaga P-Walk 10," a charity walk held throughout Japan.

Union members also took part in visits to the Higashimurayama factory of "Tokyo Colony," a social welfare corporation, and hands-on volunteer training at *Hinode Taiyo No Ie*, a social welfare institution for people with mental disabilities (located in Hinode-Machi, Tokyo).

In addition to the activities outlined above, we are also aggressively cooperating with the social contribution

activities led by a federation of pharmaceutical labor unions, participating in technical training about emergency response and rescue at the Social Contribution Emergency Response Forum, as well as sending many volunteers to the International AIDS Conference held in Kobe.

At the Social Contribution Forum in Osaka, whose theme was HIV and disabilities, union members had the opportunity to experience being confined to a wheelchair and being blind, using a blindfold.



Tokyo Colony, a social welfare organization, on a study visit to the Higashimurayama factory

Interacting with the local community

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

Beautification



● Kiyosu Facilities
Cleanup walk



● Kashima Facilities/
Doshomachi Office
Suma Beach cleanup



● Kashima Facilities
Street cleanup in Osaka



● Doshomachi Office
Street cleanup in Osaka

Cooperation with local communities



● Fuji Plant
Boys' and girls' penalty kick competition



● Hoshienu Pharmaceuticals
A visit by the Kids' Police to
promote traffic safety

● Toyama Plant
Children's soccer tournament



● Takaoka Plant
Cherry blossom viewing outing



● Tokyo Research Center
Snow removal from surrounding roads



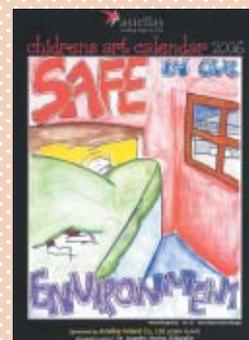
● Yaizu Facilities
Consultations with local residents



● Shenyang Plant
Environmental campaign



● Kerry Plant (Astellas Ireland)
Creating environmental calendars with local children



■ Environmental protection and tree planting



● Fuji Plant
Planting beech groves at the foot of Mt. Fuji



● Nishine Plant
Making bird houses for wild birds



● Shenyang Plant
Planting trees around the factory

■ Training and plant tours



● Nihonbashi Office
High school students visit the Company



● Takaoka Plant
Middle school students visit the factory



● Nishine Plant
Elementary school children tour the factory



● Hasune Facilities
High school students tour the Company



● Tokodai Research Center
Provided bacteria strains to Ibaraki Nature Museum for exhibit



● Miyukigaoka Research Center
Plant tour for elementary school students sponsored by Asahi Elementary School Newspaper



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



● Promoting the Chibikko Hakase program

Environmental performance data for each principal facility

● Environmental performance data for principal domestic facilities

■ Nishine Plant

Manufacturing facilities

- Address
Obuke Dai-2-Chiwari 154-13, Hachimantai-shi, Iwate
- Site area
341,808 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	9,208	8,941	8,522	8,807	9,669
	Heavy oil	kl	2,160	2,016	1,977	2,108	2,057
	Kerosene	kl	6	6	5	5	5
	LPG	Tons	—	—	—	—	—
	City gas	1,000 m ³	—	—	—	—	—
	Total	1,000 GJ	175	167	161	169	176
CO2 emissions from energy use		Tons	9,348	8,858	8,592	9,058	9,248
Air pollutants	NOx	Tons	5	4	4	4	3
	SOx	Tons	2	2	2	3	3
Water usage	Tap water	1,000 m ³	—	—	—	—	—
	Industrial use	1,000 m ³	—	—	—	—	—
	Well water	1,000 m ³	257	291	242	202	178
	Total	1,000 m ³	257	291	242	202	178
Drainage water		1,000 m ³	257	291	242	202	178
BOD emissions		Tons	1	1	1	1	1
Waste	Generation	Tons	315	286	248	359	481
	Landfill	Tons	31	10	7	9	6

■ Takahagi Facilities

Combined R&D and manufacturing facilities

- Address
Akahama 160-2, Takahagi-shi, Ibaraki
- Site area
136,682 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	21,100	23,310	19,091	16,395	13,540
	Heavy oil	kl	3,130	3,323	2,910	2,581	2,136
	Kerosene	kl	4	3	4	—	—
	LPG	Tons	11	7	7	9	9
	City gas	1,000 m ³	—	—	—	—	—
	Total	1,000 GJ	330	360	302	263	217
CO2 emissions from energy use		Tons	16,500	17,845	15,139	13,220	10,947
Air pollutants	NOx	Tons	7	7	5	5	4
	SOx	Tons	7	7	2	2	1
Water usage	Tap water	1,000 m ³	47	41	38	35	34
	Industrial use	1,000 m ³	2,831	2,831	3,006	2,861	2,787
	Well water	1,000 m ³	—	—	—	—	—
	Total	1,000 m ³	2,878	2,873	3,044	2,896	2,821
Drainage water		1,000 m ³	3,103	3,103	3,111	3,103	2,924
BOD emissions		Tons	5	5	5	5	5
Waste	Generation	Tons	3,746	4,003	2,665	1,849	1,860
	Landfill	Tons	76	249	57	30	29

■ Fuji Plant

Manufacturing facilities

- Address
Nakagawara 88, Fuji-shi, Shizuoka
- Site area
96,500 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	22,102	22,967	19,120	18,288	15,724
	Heavy oil	kl	4,038	4,377	3,438	3,296	2,240
	Kerosene	kl	648	521	146	152	140
	LPG	Tons	—	—	—	—	—
	City gas	1,000 m ³	7,111	6,343	1,068	1,024	1,677
	Total	1,000 GJ	691	678	372	356	316
CO2 emissions from energy use		Tons	34,849	34,356	19,005	18,231	15,653
Air pollutants	NOx	Tons	14	13	7	8	3
	SOx	Tons	2	2	0.3	2	1
Water usage	Tap water	1,000 m ³	201	199	150	145	127
	Industrial use	1,000 m ³	5,505	5,247	3,804	3,486	3,074
	Well water	1,000 m ³	30	3	8	5	1
	Total	1,000 m ³	5,736	5,450	3,962	3,637	3,202
Drainage water		1,000 m ³	5,374	5,331	4,161	3,459	3,171
BOD emissions		Tons	34	34	40	18	11
Waste	Generation	Tons	9,568	14,810	1,319	1,410	819
	Landfill	Tons	370	130	27	19	22

■ Yaizu Facilities

Combined R&D and manufacturing facilities

- Address
Ozumi 180, Yaizu-shi, Shizuoka
- Site area
178,743 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	29,100	30,205	30,972	30,939	32,414
	Heavy oil	kl	3,857	4,177	4,812	4,522	4,406
	Kerosene	kl	0.3	0.3	—	—	—
	LPG	Tons	2,020	1,838	1,874	1,826	1,671
	City gas	1,000 m ³	11	15	46	21	227
	Total	1,000 GJ	539	553	589	573	584
CO2 emissions from energy use		Tons	27,534	28,280	30,460	29,467	29,652
Air pollutants	NOx	Tons	10	10	11	14	13
	SOx	Tons	5	5	4	5	4
Water usage	Tap water	1,000 m ³	244	282	399	355	332
	Industrial use	1,000 m ³	—	—	—	—	—
	Well water	1,000 m ³	628	620	657	608	631
	Total	1,000 m ³	872	902	1,056	963	962
Drainage water		1,000 m ³	768	825	958	926	935
BOD emissions		Tons	2	3	2	2	1
Waste	Generation	Tons	637	470	709	867	452
	Landfill	Tons	26	132	21	75	78

■ Kiyosu Facilities

Combined R&D and manufacturing facilities

- Address
Nakagawara 156, Kiyosu-shi, Aichi
- Site area
21,931 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	13,380	14,037	14,088	12,045	6,143
	Heavy oil	kl	711	—	—	—	—
	Kerosene	kl	—	—	—	—	—
	LPG	Tons	—	—	—	—	—
	City gas	1,000 m ³	2,996	3,902	4,049	2,937	817
	Total	1,000 GJ	283	298	305	239	94
CO2 emissions from energy use		Tons	12,859	12,957	13,263	10,309	3,923
Air pollutants	NOx	Tons	2	2	2	2	1
	SOx	Tons	0.2	—	—	—	—
Water usage	Tap water	1,000 m ³	15	19	20	19	12
	Industrial use	1,000 m ³	—	—	—	—	—
	Well water	1,000 m ³	2,482	2,497	2,901	2,695	1,572
	Total	1,000 m ³	2,496	2,516	2,921	2,714	1,584
Drainage water		1,000 m ³	2,420	2,452	2,425	2,627	1,226
BOD emissions		Tons	8	5	6	7	4
Waste	Generation	Tons	2,335	2,383	3,004	3,506	1,645
	Landfill	Tons	594	37	7	5	5

■ Toyama Plant

Manufacturing facilities

- Address
Kojin-machi 2-178, Toyama-shi, Toyama
- Site area
192,753 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	24,090	25,155	24,160	23,146	23,367
	Heavy oil	kl	—	—	—	—	—
	Kerosene	kl	—	—	—	—	—
	LPG	Tons	—	—	—	—	—
	City gas	1,000 m ³	2,304	2,690	2,578	2,483	2,851
	Total	1,000 GJ	331	358	343	330	347
CO2 emissions from energy use		Tons	13,622	14,784	14,188	13,616	14,421
Air pollutants	NOx	Tons	5	5	6	5	7
	SOx	Tons	—	—	—	—	—
Water usage	Tap water	1,000 m ³	121	136	135	139	151
	Industrial use	1,000 m ³	2,028	2,273	2,223	2,292	2,222
	Well water	1,000 m ³	—	—	—	—	—
	Total	1,000 m ³	2,148	2,409	2,358	2,430	2,373
Drainage water		1,000 m ³	1,756	1,750	1,980	2,170	2,079
BOD emissions		Tons	4	3	2	3	2
Waste	Generation	Tons	8,926	5,362	3,011	2,604	4,894
	Landfill	Tons	657	512	544	229	18

■ Takaoka Plant

Manufacturing facilities

- Address
Toidesakae-machi 30, Takaoka-shi, Toyama
- Site area
134,996 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	18,896	19,646	20,100	23,757	24,577
	Heavy oil	kl	531	415	354	261	310
	Kerosene	kl	—	—	—	—	—
	LPG	Tons	2,079	2,318	2,289	2,576	2,798
	City gas	1,000 m ³	—	—	—	—	—
	Total	1,000 GJ	311	326	326	373	394
CO2 emissions from energy use		Tons	14,818	15,507	15,426	17,414	18,526
Air pollutants	NOx	Tons	7	7	7	7	7
	SOx	Tons	0.1	0.1	0.5	0.7	0.3
Water usage	Tap water	1,000 m ³	117	128	131	141	128
	Industrial use	1,000 m ³	4,166	4,162	4,209	4,114	4,150
	Well water	1,000 m ³	124	132	116	98	74
	Total	1,000 m ³	4,407	4,423	4,456	4,352	4,351
Drainage water		1,000 m ³	3,916	4,006	3,843	3,860	4,030
BOD emissions		Tons	11	8	7	6	6
Waste	Generation	Tons	19,553	18,315	18,494	16,742	16,641
	Landfill	Tons	342	526	583	480	290

■ Miyukigaoka Research Center

R&D facilities

- Address
Miyukigaoka 21, Tsukuba-shi, Ibaraki
- Site area
126,663 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	23,083	22,245	23,801	23,220	22,659
	Heavy oil	kl	—	—	—	—	—
	Kerosene	kl	2,348	2,494	1,675	928	730
	LPG	Tons	—	—	—	—	—
	City gas	1,000 m ³	2,177	2,223	2,894	3,220	3,210
	Total	1,000 GJ	403	402	414	395	381
CO2 emissions from energy use		Tons	18,839	18,976	18,840	17,400	16,674
Air pollutants	NOx	Tons	5	5	5	5	4
	SOx	Tons	—	—	—	—	—
Water usage	Tap water	1,000 m ³	90	86	83	82	87
	Industrial use	1,000 m ³	184	181	172	169	170
	Well water	1,000 m ³	—	—	—	—	—
	Total	1,000 m ³	274	267	255	251	257
Drainage water		1,000 m ³	274	167	167	142	154
BOD emissions		Tons	8	6	5	4	7
Waste	Generation	Tons	255	408	497	549	459
	Landfill	Tons	19	22	44	60	25

Environmental performance data for each principal facility

● Environmental performance data for principal domestic facilities

■ Tokodai Research Center

R&D facilities

- Address
Tokodai 5-2-3, Tsukuba-shi, Ibaraki
- Site area
34,328 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	6,845	6,583	6,721	6,184	6,461
	Heavy oil	kl	—	—	—	—	—
	Kerosene	kl	1,512	1,607	1,622	1,474	1,648
	LPG	Tons	5	6	7	6	6
	City gas	1,000 m ³	—	—	—	—	—
	Total	1,000 GJ	123	124	126	115	124
CO2 emissions from energy use		Tons	6,369	6,511	6,603	6,031	6,565
Air pollutants	NOx	Tons	2	2	1	1	2
	SOx	Tons	—	—	—	—	—
Water usage	Tap water	1,000 m ³	64	63	61	55	52
	Industrial use	1,000 m ³	—	—	—	—	—
	Well water	1,000 m ³	4	7	8	10	4
	Total	1,000 m ³	68	70	69	66	57
Drainage water		1,000 m ³	68	70	69	66	56
BOD emissions		Tons	2	1	1	1	1
Waste	Generation	Tons	169	208	274	239	202
	Landfill	Tons	25	14	15	18	14

■ Tokyo Research Center

R&D facilities

- Address
Azusawa 1-1-8, Itabashi-ku, Tokyo
- Site area
16,747 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	8,720	8,041	8,418	8,626	7,062
	Heavy oil	kl	—	—	0.2	0.2	0.2
	Kerosene	kl	122	129	125	123	122
	LPG	Tons	—	—	—	—	—
	City gas	1,000 m ³	1,474	1,513	1,551	1,557	1,316
	Total	1,000 GJ	151	146	151	153	128
CO2 emissions from energy use		Tons	6,489	6,326	6,534	6,620	5,555
Air pollutants	NOx	Tons	3	3	3	3	2
	SOx	Tons	—	—	—	—	—
Water usage	Tap water	1,000 m ³	36	41	39	41	32
	Industrial use	1,000 m ³	19	19	20	44	31
	Well water	1,000 m ³	40	38	38	17	14
	Total	1,000 m ³	95	97	97	102	77
Drainage water		1,000 m ³	66	84	80	81	63
BOD emissions		Tons	3	3	3	2	2
Waste	Generation	Tons	279	268	217	279	309
	Landfill	Tons	88	46	12	8	19

■ Kashima Facilities

R&D facilities

- Address
Kashima 2-1-6, Yodogawa-ku, Osaka-shi, Osaka
- Site area
43,860 m²



Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	37,403	36,406	36,167	37,760	36,329
	Heavy oil	kl	—	—	—	—	—
	Kerosene	kl	—	—	—	—	—
	LPG	Tons	—	—	—	—	—
	City gas	1,000 m ³	5,417	5,557	5,446	5,610	5,682
	Total	1,000 GJ	590	586	579	602	591
CO2 emissions from energy use		Tons	24,755	24,653	24,345	25,269	24,870
Air pollutants	NOx	Tons	2	2	2	2	4
	SOx	Tons	—	—	—	—	—
Water usage	Tap water	1,000 m ³	149	144	127	122	115
	Industrial use	1,000 m ³	529	457	460	448	438
	Well water	1,000 m ³	—	—	—	—	—
	Total	1,000 m ³	678	600	587	570	553
Drainage water		1,000 m ³	685	608	622	606	498
BOD emissions		Tons	33	26	19	20	15
Waste	Generation	Tons	10,054	7,508	9,648	10,315	10,906
	Landfill	Tons	29	31	35	33	36

■ Hoshienu Pharmaceuticals

Takatori Plant

Gojo Plant

Manufacturing facilities

Manufacturing facilities



- Address
Shimotosa 495-1,
Takatori-cho, Nara
- Site area
4,543 m²

- Address
Sugawa-cho 1380,
Gojo-shi, Nara
- Site area
12,000 m²

Item		Unit	FY01	FY02	FY03	FY04	FY05
Energy	Electricity	MWh	1,364	1,684	1,394	2,310	2,953
	Heavy oil	kl	—	—	—	—	—
	Kerosene	kl	74	79	84	94	173
	LPG	Tons	0.2	0.1	0.1	0.1	0.1
	City gas	1,000 m ³	—	—	—	—	—
	Total	1,000 GJ	16	19	17	26	35
CO2 emissions from energy use		Tons	701	834	737	1,107	1,547
Air pollutants	NOx	Tons	0.1	0.1	0.1	0.2	0.3
	SOx	Tons	—	—	—	—	—
Water usage	Tap water	1,000 m ³	10	8	8	8	9
	Industrial use	1,000 m ³	—	—	—	—	—
	Well water	1,000 m ³	—	—	—	—	3
	Total	1,000 m ³	10	8	8	8	12
Drainage water		1,000 m ³	10	8	8	8	9
BOD emissions		Tons	0.01	0.04	0.02	0.06	0.13
Waste	Generation	Tons	47	132	36	26	36
	Landfill	Tons	11	8	4	4	2

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

■ Nishine Plant

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Dichloromethane (methylene chloride)	43.857	3.239	0.000	0.000	40.588	0.000	0.030	0.000

■ Takahagi Facilities

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	7.217	0.001	0.003	0.000	0.000	7.213	0.000	0.000
Ethylene glycol	39.302	0.002	0.000	0.000	0.000	39.300	0.000	0.000
1,4-dioxane	6.863	0.015	0.000	0.000	0.000	6.819	0.029	0.000
Dichloromethane	14.039	0.016	0.003	0.000	0.000	0.000	14.020	0.000
<i>N,N</i> -dimethylformamide	19.630	0.003	0.000	0.000	0.000	19.611	0.016	0.000
Toluene	32.864	0.119	0.004	0.000	0.000	17.318	15.423	0.000
Pyridine	1.098	0.000	0.000	0.000	0.000	0.850	0.248	0.000
Benzene	10.690	0.003	0.001	0.000	0.000	0.000	10.685	0.000
Dioxins	—	1.536	0.000	0.000	0.000	0.000	0.621	0.000

■ Fuji Plant

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Ethylene glycol	38.800	0.000	0.000	0.000	0.000	38.800	0.000	0.000
Xylene	1.724	0.009	0.000	0.000	0.000	1.715	0.000	0.000
Dichloromethane	9.744	0.182	0.000	0.000	9.560	0.000	0.002	0.000

■ Kiyosu Facilities

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	2.213	0.123	0.000	0.000	0.000	0.000	2.090	0.000

■ Toyama Plant

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	9.716	0.052	0.069	0.000	9.595	0.000	0.000	0.000
<i>N,N</i> -dimethylformamide	3.873	0.018	0.000	0.000	3.855	0.000	0.000	0.000

■ Takaoka Plant

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	1.361	0.022	0.000	0.000	0.000	1.340	0.000	0.000
Ethylene glycol	1.507	0.008	0.000	0.000	0.000	1.484	0.015	0.000
Salicylaldehyde	53.441	0.000	0.000	0.000	46.779	0.000	6.662	0.000
Dichloromethane	524.815	4.507	0.000	0.000	190.809	322.877	6.622	0.000
<i>N,N</i> -dimethylformamide	159.070	0.019	0.000	0.000	0.000	158.866	0.185	0.000
Thiourea	15.200	0.000	0.000	0.000	8.648	6.552	0.000	0.000
Trichlorofluoromethane	6.410	0.000	0.000	0.000	0.000	0.000	6.410	0.000
Boron and its compounds	3.490	0.000	2.314	0.000	0.000	0.000	1.176	0.000
Formaldehyde	141.759	0.104	0.000	0.000	7.569	27.598	106.488	0.000
Manganese and its compounds	101.432	0.000	0.000	0.000	0.000	0.000	101.432	0.000
Dioxins	—	0.022	0.081	0.000	0.000	0.000	0.272	0.000

■ Miyukigaoka Research Center

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	3.225	0.016	0.000	0.000	0.000	0.000	3.209	0.000
Xylene	6.436	0.000	0.000	0.000	0.000	6.423	0.013	0.000
Chloroform	26.400	1.030	0.000	0.000	0.000	0.000	25.370	0.000
Toluene	0.586	0.000	0.000	0.000	0.000	0.000	0.586	0.000

■ Tokodai Research Center

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	1.524	0.008	0.000	0.000	0.000	0.000	1.517	0.000
Xylene	12.514	0.000	0.000	0.000	0.000	0.000	12.514	0.000
Chloroform	5.760	0.225	0.000	0.000	0.000	0.000	5.535	0.000

■ Tokyo Research Center

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	1.104	0.237	0.000	0.000	0.000	0.000	0.866	0.001
Xylene	1.565	0.200	0.000	0.000	0.000	1.077	0.288	0.000
Chloroform	0.651	0.107	0.000	0.000	0.000	0.000	0.543	0.000

■ Kashima Facilities

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Acetonitrile	11.472	0.763	0.000	0.000	0.000	0.000	10.710	0.000
Chloroform	8.976	0.350	0.000	0.000	0.000	0.000	8.626	0.000
Dichloromethane	2,117.414	68.998	0.000	0.000	1,523.382	0.000	525.034	0.000
<i>N,N</i> -dimethylformamide	584.460	4.011	0.000	0.000	0.000	0.000	580.449	0.000
Thiourea	30.907	0.000	0.000	0.000	0.000	30.907	0.000	0.000
Boron and its compounds	7.098	0.000	0.000	0.000	0.000	0.000	7.098	0.000

■ Hoshienu Pharmaceuticals (Gojo Plant, Takatori Plant)

Material	Volume produced or used	Volume released			Volume consumed	Volume removed through processing	Volume transferred	
		Air	Water	Soil			Garbage	Sewage
Xylene	1.523	0.000	0.000	0.000	0.000	1.520	0.003	0.000

Yaizu Facilities is not listed since it does not handle notifiable amounts of material covered by the PRTR system.

Environmental performance data for each principal facility

● Environmental performance data for principal overseas facilities

■ Astellas Pharma Manufacturing, Inc. (Grand Island Plant)

● Energy/water

Year	2001	2002	2003	2004	2005
Electricity (MWh)	6,996	7,506	7,428	7,599	7,291
City gas (1,000 m ³)	0.4	1	1	1	1
CO ₂ emissions from energy use (tons)	2,645	2,839	2,810	2,875	2,758
Tap water (1,000 gallons)	9,826	9,504	10,011	10,064	10,549



■ Astellas Pharma Technologies, Inc. (Norman Plant)

● Energy/water

Year	2001	2002	2003	2004	2005
Electricity (MWh)	23,200	24,000	29,300	31,100	30,800
Diesel oil (kl)	8	8	8	7	15
City gas (1,000 m ³)	3,480	3,690	4,350	4,800	5,135
CO ₂ emissions from energy use (tons)	15,610	16,324	19,621	21,183	21,747
Tap water (1,000 m ³)	164	151	216	250	256



● Airborne pollutants

SO _x (tons)	0.1
NO _x (tons)	8

● Water pollutants

BOD (tons)	139
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■ Astellas Europe B.V. (Meppel Plant)

● Energy/water

Year	2001	2002	2003	2004	2005
Electricity (MWh)	9,300	9,701	10,465	9,774	10,797
City gas (1,000 m ³)	876	1,035	1,101	970	978
CO ₂ emissions from energy use (tons)	5,232	5,696	6,114	5,596	5,998
Tap water (1,000 m ³)	20	22	19	18	20



● Airborne pollutants

NO _x (tons)	0.5
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● Water pollutants

COD (tons)	51
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■ Astellas Ireland Co., Ltd. (Dublin Plant)

● Energy/water

Year	2001	2002	2003	2004	2005
Electricity (MWh)	6,115	6,410	6,602	6,441	6,900
City gas (1,000 m ³)	1,020	905	842	680	850
Heavy oil (kl)	7	5	4	4	11
CO ₂ emissions from energy use (tons)	4,330	4,210	4,156	3,779	4,304
Tap water (1,000 m ³)	105	105	105	112	109
Well water (1,000 m ³)	3	3	5	6	16



● Airborne pollutants

SO _x (tons)	0.2
NO _x (tons)	4

● Water pollutants

BOD (tons)	0.8
COD (tons)	13

● Atmospheric emissions of VOC

Methanol (tons)	0.59
Ethanol (tons)	2.691

● Chemical substances (tons)

Chemical name	Volume used	Volume released			Volume transferred Garbage	Volume consumed
		Air	Water	Soil		
Toluene	21.423	0.049	—	—	18.833	—

■ Astellas Ireland Co., Ltd. (Kerry Plant)

● Energy/water

Year	2001	2002	2003	2004	2005
Electricity (MWh)	6,352	6,392	6,472	7,557	8,693
Heavy oil (kl)	491	617	568	645	780
CO ₂ emissions from energy use (tons)	3,731	4,088	3,985	4,605	5,401
Tap water (1,000 m ³)	35	31	32	33	35

● Chemical substances (tons)

Chemical name	Volume used	Volume released			Volume transferred Garbage	Volume consumed
		Air	Water	Soil		
Ethanol	2.115	0.002	—	—	1.470	0.254

● Atmospheric emissions of VOCs

Ethanol (tons)	0.002
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■ Astellas Pharma GmbH (Munich Plant)

● Energy/water

Year	2001	2002	2003	2004	2005
Electricity (MWh)	5,772	5,842	6,198	5,892	5,267
City gas (1,000 m ³)	1,360	1,202	1,333	1,319	1,172
CO ₂ emissions from energy use (tons)	4,847	4,564	4,956	4,812	4,288
Tap water (1,000 m ³)	34	31	29	37	34



■ Astellas Pharma GmbH (Kerry Plant)

● Energy/water

Year	2001	2002	2003	2004	2005
Electricity (MWh)	8,850	8,902	8,734	9,225	8,903
Heavy oil (kl)	1,365	1,007	954	898	1,107
CO ₂ emissions from energy use (tons)	7,044	6,094	5,887	5,921	6,365
Tap water (1,000 m ³)	66	59	36	40	38

● Atmospheric emissions of VOCs (tons)

Dichloromethane	0.189
Acetone	1.627
Toluene	0.471
Tetrahydrofuran	0.088
Acetic ether	0.377
Cyclohexane	0.244

● Airborne pollutants

SO _x (tons)	10
NO _x (tons)	15

● Water pollutants

BOD (tons)	0.5
COD (tons)	5

● Chemical substances (tons)

Chemical name	Volume used	Volume released			Volume transferred Garbage	Volume consumed
		Air	Water	Soil		
Methanol	18.867	1.161	—	—	19.608	2.640
Cyclohexane	3.927	0.224	—	—	2.731	—
Chlorobenzene	27.027	0.377	—	—	16.737	9.576



■ Astellas Pharma China, Inc. (Shenyang Plant)

● Energy/water

Year	2001	2002	2003	2004	2005
Electricity (MWh)	1,901	1,942	1,916	1,962	1,801
Heavy oil (kl)	22	20	18	23	57
CO ₂ emissions from energy use (tons)	778	790	773	803	836
Tap water (1,000 m ³)	31	38	27	35	24

● Airborne pollutants

SO _x (tons)	0.1
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■ Astellas Pharma S.p.A. (Carugate Plant)

● Energy/water

Year	2001	2002	2003	2004	2005
Electricity (MWh)	—	—	3	3	3
City gas (1,000 m ³)	—	—	371	422	473
CO ₂ emissions from energy use (tons)	—	—	728	828	928
Tap water (1,000 m ³)	—	—	30	22	12



■ Product recalls

In fiscal 2005 we conducted voluntary recalls of the two items indicated below. Both were due to errors in labeling, and their use could not conceivably have caused health problems (Class III). Information about these recalls can be found on the website of the Ministry of Health, Labour and Welfare.

1. Succin® injection 2% (100mg)

(Generic name: Japanese Pharmacopoeia suxamethonium chloride injection)

● Reason

This recalled product, the container for which, under Article 50 of the Pharmaceuticals Law, should have been labeled “Caution: Use under doctor’s prescription,” was instead incorrectly labeled “Requires prescription” under the special labeling requirements of Article 211 of the Implementation Regulations of the Pharmaceuticals Law, and was shipped from distribution centers to wholesalers between April 25, 2005 and June 10, 2006.

● Specific danger to health

This recall was due to inappropriate labeling of the container, and there was no impact on drug quality, efficacy, or safety, nor is it conceivable that the problem might have led to misuse, meaning that there was no health danger in the use of the recalled product. There have also been no reports to date of damage to health.

● Lots and volume of recalled product

Lot: One lot (T001Y10)

Volume shipped: 3,660 containers (732 boxes containing 5 containers each)

2. Perdipine® injection 25mg

(Generic name: Japanese Pharmacopoeia nicardipine hydrochloride injection)

● Reason

This recalled product, the container for which, under Article 50 of the Pharmaceuticals Law, should have been labeled “Caution: Use under doctor’s prescription,” was instead incorrectly labeled “Requires prescription” under the special labeling requirements of Article 211 of the Implementation Regulations of the Pharmaceuticals Law, and was shipped from distribution centers to wholesalers between May 6, 2005 and June 10, 2006.

● Specific danger to health

This recall was due to inappropriate labeling of the container, and there was no impact on drug quality, efficacy, or safety, nor is it conceivable that the problem might have led to misuse, meaning that there was no health danger in the use of the recalled product. There have also been no reports to date of damage to health.

● Lots and volume of recalled product

Lots: 3 lots (T002Y10, T003Y01, T004Y01)

Volume shipped: 15,680 containers (3,136 boxes containing 5 containers each)

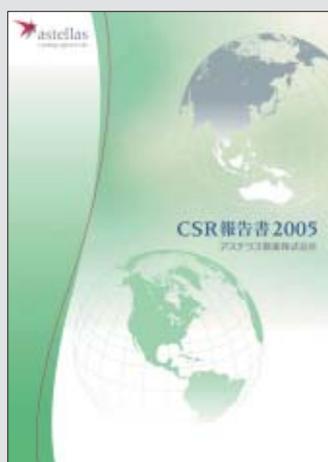
History of our environmental initiatives

While Astellas' history of environmental preservation initiatives began in fiscal 2005, it has inherited a long

history of measures taken by Yamanouchi and Fujisawa. The highlights are shown below.

FY	Major initiatives
1991	<ul style="list-style-type: none"> Creation of Integrated Environmental Activity Departments (Yamanouchi and Fujisawa both set up sections to deal with environmental protection)
1994	<ul style="list-style-type: none"> Creating a basic environmental policy (Yamanouchi created a Basic Environmental Policy) (Fujisawa drew up Environmental Action Guidelines and an Environmental Action Plan)
1996	<ul style="list-style-type: none"> Yamanouchi Ireland Co., Ltd., acquires BS7750 certification
1997	<ul style="list-style-type: none"> Yamanouchi Ireland Co., Ltd., acquires ISO 14001/EMAS certification
1998	<ul style="list-style-type: none"> Takahagi Facilities acquires ISO 14001 certification
1999	<ul style="list-style-type: none"> Nagoya Plant acquires ISO 14001 certification
	<ul style="list-style-type: none"> Environmental Report issued (Fujisawa)
2000	<ul style="list-style-type: none"> Toyama Plant acquires ISO 14001 certification Takaoka Plant acquires ISO 14001 certification Fuji Plant acquires ISO 14001 certification Yaizu Plant acquires ISO 14001 certification
2001	<ul style="list-style-type: none"> Environmental Report issued (Yamanouchi) Nishine Plant acquires ISO 14001 certification Yamanouchi Pharmaceutical (China) Co., Ltd. acquires ISO 14001 certification Fujisawa Deutschland GmbH (Kerry) acquires ISO 14001 certification
2002	<ul style="list-style-type: none"> Fujisawa Health Care Inc. Ltd. (Grand Island) acquires ISO 14001 certification
2003	<ul style="list-style-type: none"> Fujisawa Ireland Inc. Ltd. (Kerry) acquires ISO 14001 certification Fujisawa Deutschland GmbH (Munich) acquires ISO 14001 certification
2004	Conclusion of merger agreement between Yamanouchi and Fujisawa
2005	<p>Launch of Astellas</p> <p>Establishment of CSR Committee and CSR Department</p>

● CSR Report 2005



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

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