Financial Results for 3Q/FY2013 Ending March 31, 2014

February 3, 2014
Yasumasa Masuda
Senior Corporate Executive,
Chief Financial Officer
Astellas Pharma Inc.

Cautionary Statement Regarding Forward-Looking Information

This material includes forward-looking statements based on assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties.

Actual financial results may differ materially depending on a number of factors including adverse economic conditions, currency exchange rate fluctuations, adverse legislative and regulatory developments, delays in new product launch, pricing and product initiatives of competitors, the inability of the company to market existing and new products effectively, interruptions in production, infringements of the company's intellectual property rights and the adverse outcome of material litigation.

This material contains information on pharmaceuticals (including compounds under development), but this information is not intended to make any representations or advertisements regarding the efficacy or effectiveness of these preparations, promote unapproved uses in any fashion nor provide medical advice of any kind.

Financial Results for 3Q/FY2013 (Cumulative)

3Q/FY2013: From Apr. through Dec. 2013

(Billion YEN)

	3Q/ FY2012	3Q/ FY2013	Change	FY2013 Forecasts#	Progress per Forecasts
Net Sales	755.1	887.4	+17.5%	1,155.0	76.8%
COGs as % of Sales	245.6 32.5%	272.8 30.7%	-		
R&D Expenses as % of Sales	134.1 17.8%	155.9 17.6%	+16.3%	212.0	73.6%
Other SG&A	240.3	306.5	+27.5%		
Operating Income	135.0	152.0	+12.6%	170.0	89.4%
Ordinary Income	136.4	148.5	+8.9%	170.0	87.4%
Net Income	84.6	81.4	-3.7%	100.0	81.5%

#Announced with 2Q/FY2013 financial results in Nov. 2013

Special gains and losses (net): -29.6
-Restructuring costs (reshaping research framework, succession of Fuji Plant)
-Impairment loss of patents etc.

Depreciation and amortization
-3Q/FY2013: 45.7
(3Q/FY2012: 34.2)

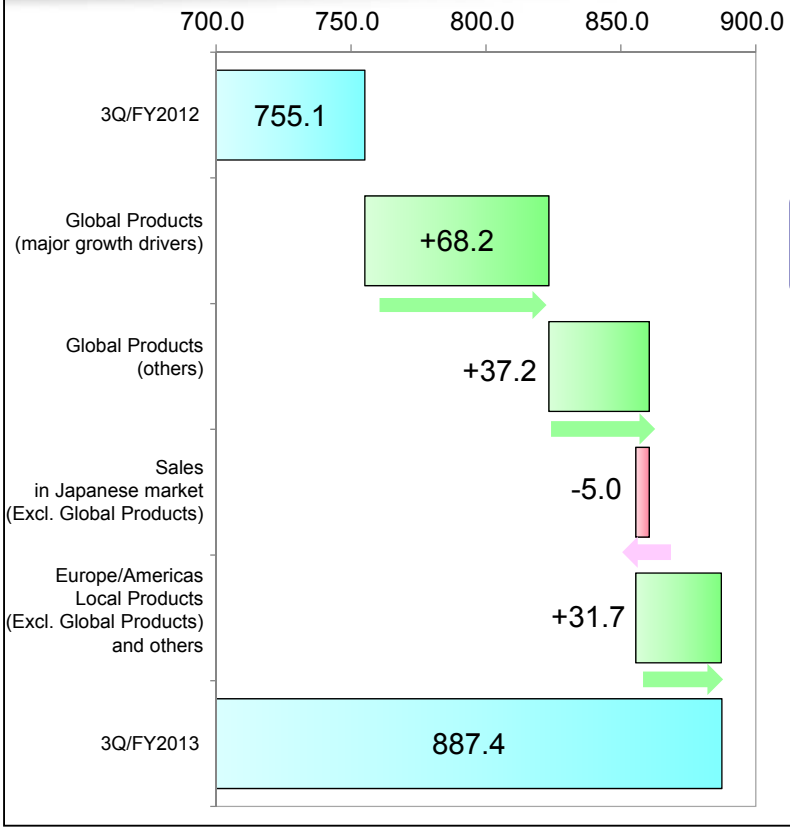
Amortization of goodwill
-3Q/FY2013: 4.3
(3Q/FY2012: 8.7)

◆ Exchange Rates (YEN)

[Average for terms]	3Q/FY2012	3Q/FY2013	Change	FY2013 Forecasts
USD	80	99	19 weakening of YEN	99
EUR	102	132	30 weakening of YEN	130

[Change from beginning to end of terms]	3Q/FY2012	3Q/FY2013
USD	4 weakening of YEN	11 weakening of YEN
EUR	5 weakening of YEN	24 weakening of YEN

Results of 3Q/FY2013: Analysis of Change in Sales (vs. Previous Year)



Sales: +132.2

Forex impact: +96.8

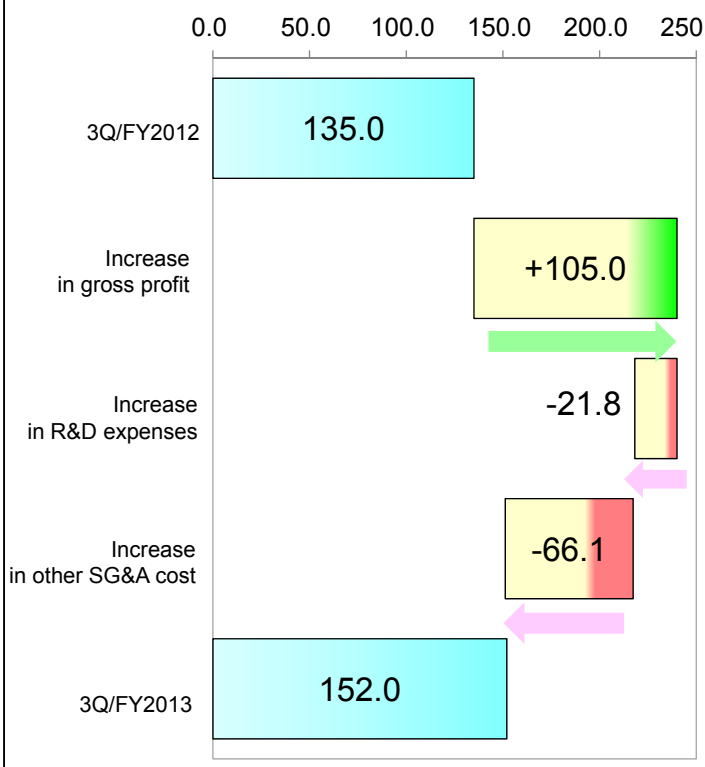
1) Global Products (major growth drivers): +68.2
Vesicare +21.7/Mirabegron +15.3/XTANDI +31.0

2) Global Products (others): +37.2
Prograf +18.5/Harnal +5.6/Funguard +4.5/
Protopic +5.5/Eligard +2.9

3) Sales in Japanese market:
(Excl. Global Products): -5.0
New Products and Growing Products +16.4/
Micardis +5.4
Lipitor -5.6/Gaster -3.1/Myslee -3.4/Seroquel -7.3

4) Europe/Americas Local Products
(Excl. Global Products) and others: +31.7
Scan +9.7/Tarceva +7.4/
Other European products: Approx. +15.0

Results of 3Q/FY2013: Analysis of Change in Operating Income (vs. Previous Year)



Operating Income: +17.0

Forex impact: +19.1

Increase in sales: +132.2
Increase in COGs: -27.1
} Increase in gross profit: +105.0
Decrease in COGs ratio: -1.8ppt (32.5%→30.7%)
-Change in product mix etc.: -2.6ppt
-Forex impact on elimination of unrealized gain: +0.8ppt

Increase in R&D expenses: -21.8
-Mainly forex impact

Increase in other SG&A cost: -66.1
-Cost for oncology business in the US/Europe
-Cost for strengthening sales force in emerging markets
-Cost for product launches

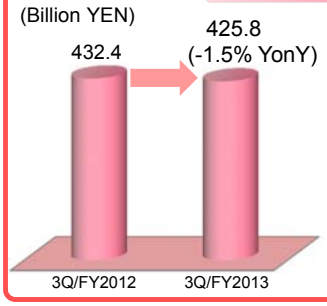
Sales by Region (Local Currency Basis)

Calculated based on the location of the seller

Sales increased steadily in Americas, Europe and Asia while sales decreased slightly in Japan

Japan

(Billion YEN)



Sales in Japanese market: 415.0 bn YEN (-0.4%)

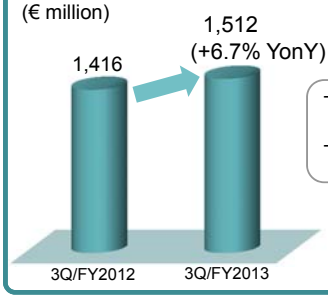
-Only slight decrease because of expansion in major growing products and new products in spite of generic impact



Europe

Incl. Middle and Near East / Africa

(€ million)



-Growth of new products, (XTANDI and BETMIGA)
-Expansion of Vesicare and Mycamine



Americas

($ million)



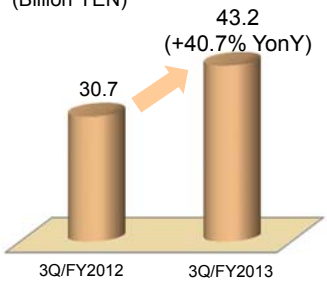
-Contribution of new products (XTANDI and Myrbetriq)
-Growth of Vesicare and Tarceva



Asia

Incl. Oceania

(Billion YEN)



+11.7%
(Excl. forex impact)

-Growth in all major products

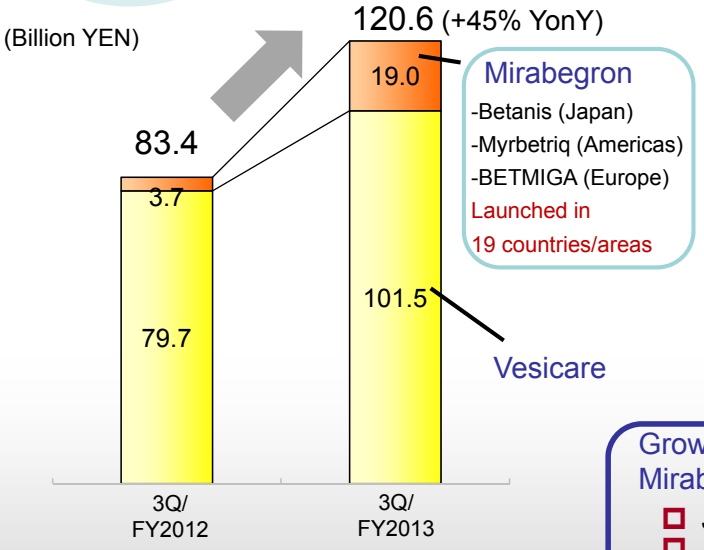


Overactive Bladder Franchise in Urology

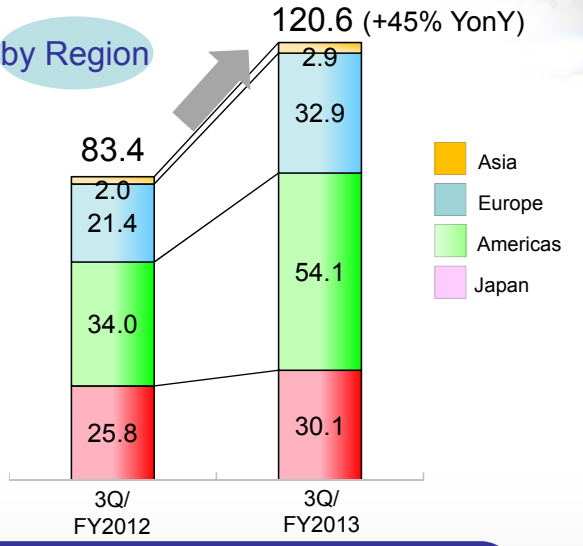
Sales expansion driven by Vesicare growth and Mirabegron contribution

Total sales of Vesicare and Mirabegron

by Product



by Region



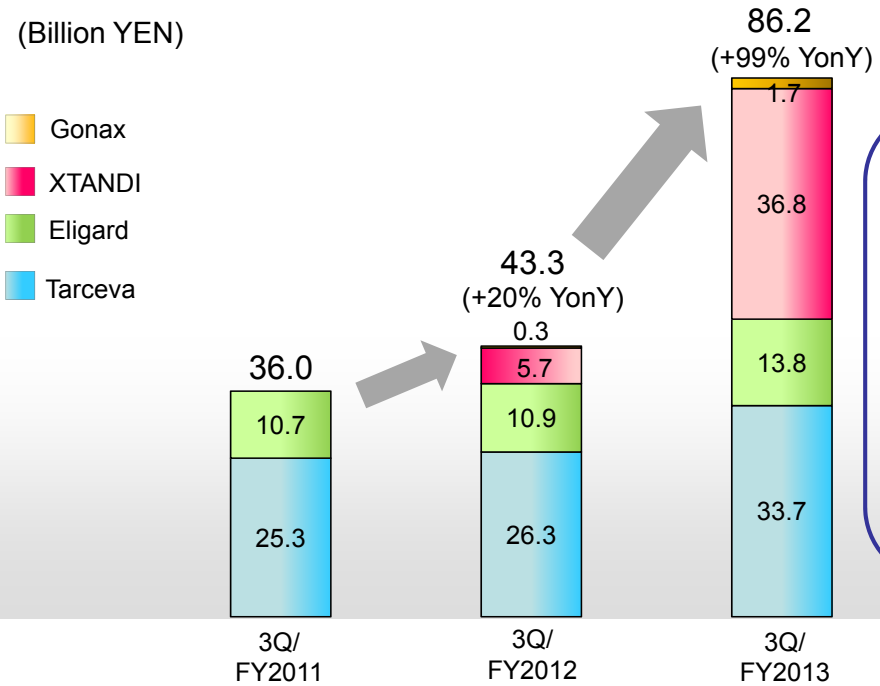
Growth rate in total sales of Vesicare and Mirabegron [YonY]

- Japan: +17%
- Americas: +28% (USD basis)
- Europe: +19% (EUR basis)
- Asia: +17% (Excl. forex impact)

Oncology Franchise

Expansion of oncology franchise driven by contribution of XTANDI

Total sales of XTANDI, Tarceva, Eligard and Gonax



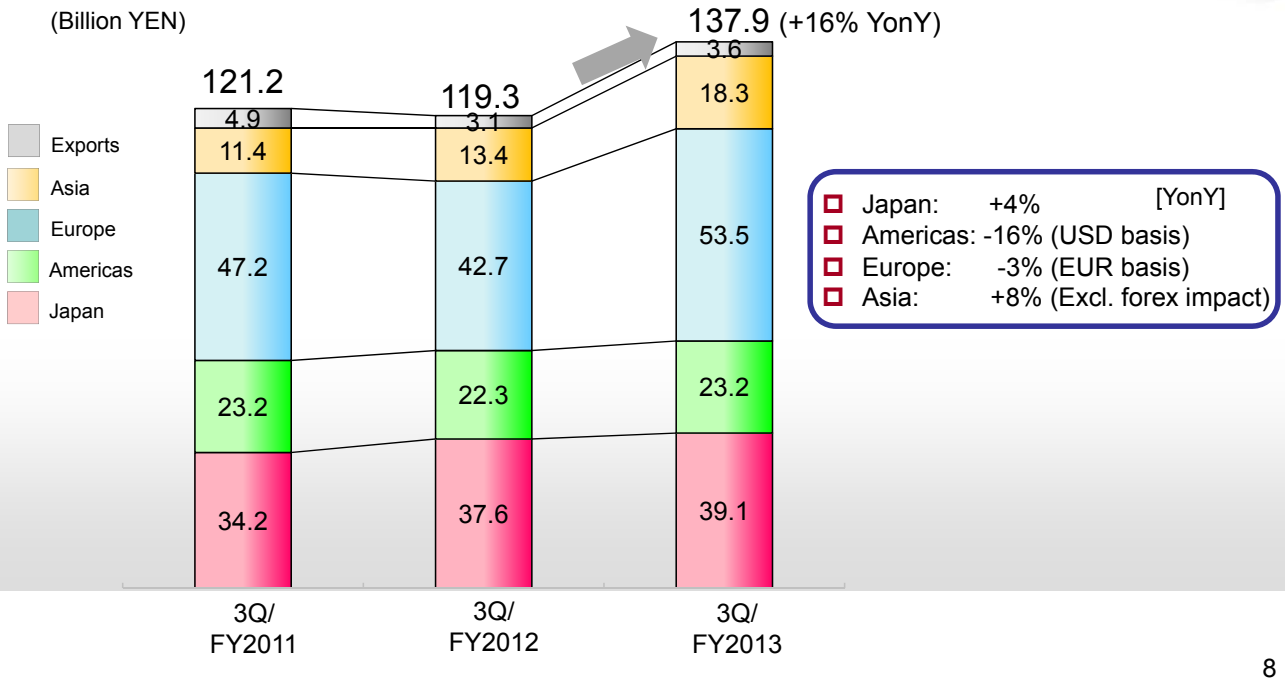
- XTANDI
  - -Americas: 322 million USD
  - -Europe: 36 million EUR

  Launched in 19 countries/areas
- Eligard
  - Europe: 104 million EUR
  - -2% Yon Y (EUR basis)
- Tarceva-related revenues
  - 340 million USD
  - +3% YonY (USD basis)

Transplantation Franchise

Maintaining global sales by growth in Japan and Asia

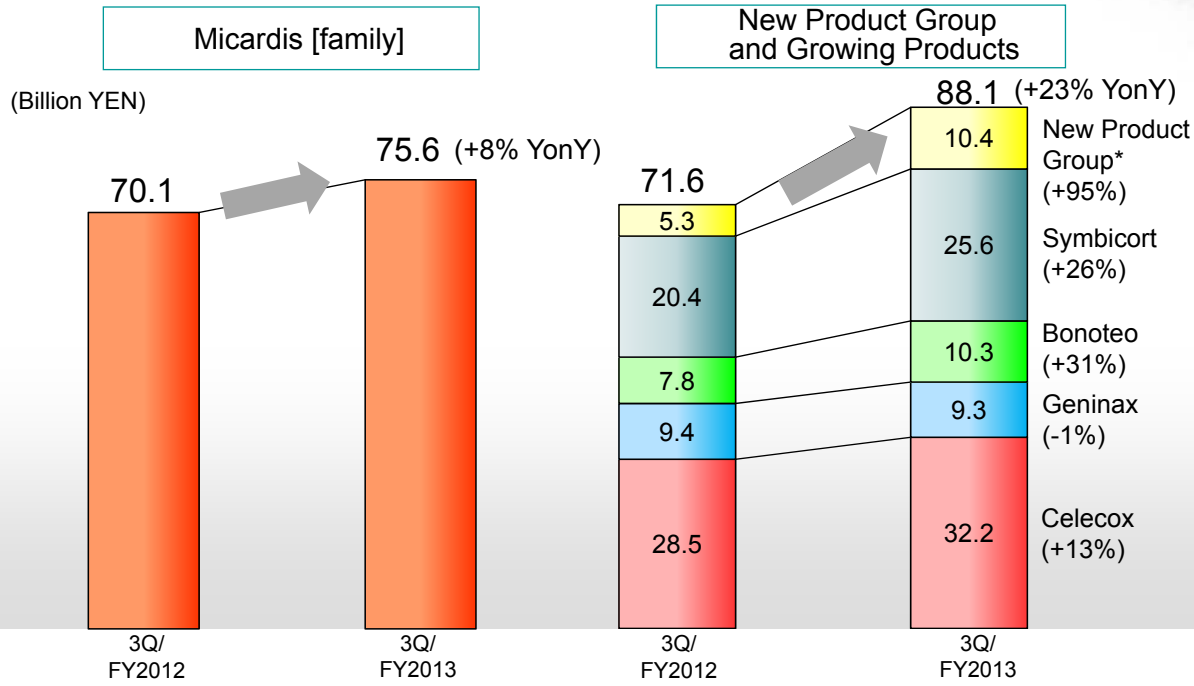
Total sales of Prograf and Advagraf/Graceptor/ASTAGRAF XL



- Japan: +4% [YonY]
- Americas: -16% (USD basis)
- Europe: -3% (EUR basis)
- Asia: +8% (Excl. forex impact)

Major Products in Japan (Excluding Global Products)

Steady sales expansion in Growing Products and New Product Group



*New Product Group: Total sales of products launched within the last 3 years (Argamate, Kiklin, Regnite, Gonax, Cimzia and Acofide)

Forecasts for FY2013

(Billion YEN)

	FY2013 Forecasts# (Previous announcement)	FY2013 New Revised Forecasts	Change
Net Sales	1,155.0	1,155.0	0
R&D Expenses as % of Sales	212.0 18.4%	212.0 18.4%	0
Operating Income	170.0	170.0	0
Ordinary Income	170.0	170.0	0
Net Income	100.0	95.0	-5.0

#Announced with 2Q/FY2013 financial results in Nov. 2013

◆Exchange rates [Average for Terms] (YEN), unchanged from the previous forecast

USD	99.4	99.4
EUR	130.0	130.0

- No change from forecasts announced in Nov. 2013 for Net Sales, Operating Income and Ordinary Income

- Downward revision by 5.0 billion YEN for Net Income forecast announced in Nov. 2013

Revision by incorporating impairment loss of patents (booked in 3Q) and gain on sale of real estate (expected to be booked in 4Q) etc., which were not factored in the forecasts previously announced

Profit Distribution Policy

- Top priority on investment for growth of Rx business
- Dividends to be increased continuously based on mid- and long-term growth
- Share buybacks to be implemented in a flexible manner

	FY2011	FY2012	FY2013 (Forecasts)
EPS	169.38 YEN	180.40 YEN	211.44 YEN*
Dividends per Share	125 YEN	130 YEN	135 YEN
ROE	7.7%	8.0%	-
DOE	5.7%	5.7%	-
Share Buybacks**	-	10.8 million shares (49.3 billion YEN)	Implemented in a flexible manner*
Cancellation of Treasury Stock	-	-	11 million shares (Cancelled in May 2013)

Interim dividend for FY2013: 65 YEN per share

* Acquired own shares of 29.9 billion YEN (5,030 thousand shares) from Nov. 5, 2013 to Dec. 12, 2013. Recalculated the EPS.

**Excluding amounts for the buyback of shares consisting less than one unit.

astellas
Leading Light for Life

R&D Pipeline

astellas
Leading Light for Life

Status of Astellas' Pipeline

:In-house, new molecular entity :In-house, additional indication or additional formulation :Licensed-in Red: Changes from the previous announcement

	Filed	P3	P2	P1
Urology		solifenacin (Pediatric, EU/US) solifenacin/mirabegron (EU/US/Asia)	ASP3652 (BPS/IC, EU) ASP4901 (AKP-002, BPH, JP)	ASP0306 ASP3652 (JP) ASP6432
Immunology (including Transplantation) and Infectious Diseases		certolizumab pegol (MTX-naive RA, JP) isavuconazole (Aspergillosis, candidemia, EU/US) fidaxomicin (Infectious enteritis, JP) ASP0113 (CMV reactivation in HCT, EU/US) ASP7374 (Influenza, JP)	ASKP1240 (Transplant, US) ASP015K (RA, JP) ASP7373 (Influenza, JP) ASP0113 (SOT, EU/US, HCT, JP)	ASKP1240 (JP)
Oncology	enzalutamide (PC, JP)	enzalutamide (PC, (Pre-chemo, EU/US/JP/Asia, non-metastatic, EU/US/Asia)) erlotinib (NSCLC etc., US) degarelix (3-months, JP) rilotumumab (Gastric cancer, JP)	linsitinib (OC, US) tivozanib (BC, CRC, EU/US) enzalutamide (BC, EU/US)	AGS-16M8F/AGS-16C3F ASG-22ME ASP1707(PC, EU) ASP9853, ASG-15ME, ASP2215, ASP5878, AMG337, ASP8273
Neuroscience		quetiapine (BPD, JP) capsaicin (PDN, EU)	ASP8477 (Neuropathic pain etc., EU)	ASP9226, ASP3662 ASP7962
DM Complications and Kidney Diseases, Others		roxadustat (Anemia associated with CKD, EU) beraprost (Chronic renal failure, JP/Asia) bixalomer (Hyperphosphatemia in patients not on dialysis, JP) ramosetron (IBS Female, JP) nateglinide (Diabetes, JP) romosozumab (Osteoporosis, JP) evolocumab (Hyperlipidemia, JP)	roxadustat (Anemia associated with CKD, JP) YM311 (Renal anemia, EU) linaclotide (IBS, JP) ASP1707 (Endometriosis, EU/JP) ASP7991 (SHPT, JP)	ASP7991 YM311 (JP) ASP8232 ASP3325 CK-2127107

BPS/IC: Bladder pain syndrome/Interstitial cystitis, BPH: Benign prostatic hyperplasia, MTX: Methotrexate, RA: Rheumatoid arthritis, CMV: Cytomegalovirus, HCT: Hematopoietic cell transplant, SOT: Solid organ transplant, PC: Prostate cancer, NSCLC: Non-small cell lung cancer, OC: Ovarian cancer, BC: Breast cancer, CRC: Colorectal cancer, BPD: Bipolar disorders, PDN: Peripheral diabetic neuropathy, CKD: Chronic kidney disease, IBS: Irritable bowel syndrome, SHPT: Secondary hyperparathyroidism

Changes in Pipeline Status Since November 2013 <Approval and Stage-up>

■ Approval

Product Name (Generic Name)	Target Disease	Area	Stage	Changes
Dormicum (midazolam)	Sedation during surgery and procedures for dental, oral and maxillofacial care	Japan	Approved	Approved in Japan in Dec. 2013 (new indication).
Suglat (ipragliflozin)	Type 2 diabetes	Japan	Approved	Approved in Japan in Jan. 2014.

■ Stage-up

Code No. Generic Name	Target Disease	Area	Stage	Changes
fidaxomicin	Infectious enteritis (bacterial target: *Clostridium difficile*)	Japan	P3	Entered into P3 in Japan.
AMG 102 rilotumumab	Gastric cancer	Japan	P3	Entered into P3 in Japan.
ASP7991	Secondary hyperparathyroidism	Japan	P2	Entered into P2 in Japan.

astellas
Leading Light for Life

Changes in Pipeline Status Since November 2013 <New>

■ New P1

Code No.	Target Disease	Stage	Changes
AMG 337	Gastric cancer	P1	Initiated P1/2 study in Japan.
ASP8273	Cancer	P1	Entered into P1.
ASP7962	Osteoarthritis, Chronic low back pain	P1	Entered into P1.

astellas
Leading Light for Life

Changes in Pipeline Status Since November 2013 <Discontinuation etc.>

■ Discontinuation

Code No.	Target Disease	Stage	Reason for Discontinuation
ASP3026	Cancer	P1	Discontinued for strategic reasons.

■ Discontinuation in a part of indications

Code No. Generic name	Target Disease	Area	Stage	Reason for Discontinuation
erlotinib	Non-small cell lung cancer (~~Adjuvant,~~ combination with MetMAb), Pediatric ependymoma	US	P3	- Discontinued the development in adjuvant non-small cell lung cancer, as the P3 study did not meet it's primary endpoint. - Other development programs are ongoing.
FK949E quetiapine	Depressive episode in bipolar disorders (BPD)	Japan	P3	- Discontinued the development in major depressive disorder, as the P2 study in Japan did not demonstrate the expected efficacy. - The development for depressive episode in BPD is ongoing.
	~~Major depressive disorder~~	~~Japan~~	~~P2~~	

astellas
Leading Light for Life

Oncology Pipeline

	Project	Target Cancer	Characteristics	P1	P2	P3	Filed
Small molecule	Enzalutamide (XTANDI)	Prostate cancer (PC) (pre-chemo, non-metastatic), Breast cancer (BC)	Androgen receptor inhibitor	PC: Japan Pre-chemo: EU/US/JP/Asia Non-Metastatic: EU/US/Asia BC:US/EU			
	Erlotinib (Tarceva)	NSCLC (combination with MetMAb), Pediatric ependymoma	HER1/EGFR tyrosine kinase inhibitor	US			
	Degarelix (Gonax)	Prostate cancer	1st GnRH antagonist in Japan	3-months: JP			
	Tivozanib ASP4130	Colorectal cancer, Breast cancer,	Potent, selective, long half-life inhibitor of VEGF receptors 1, 2 and 3	EU/US			
	Linsitinib ASP7487 (OSI-906)	Ovarian cancer	IGF-1R/IR tyrosine kinase inhibitor	US			
	ASP1707	Prostate cancer*	Oral GnRH antagonist				
	ASP9853	Cancer					
	ASP2215	Cancer					
	ASP5878	Cancer					
	AMG 337	Gastric cancer	MET inhibitor	JP			
	ASP8273	Cancer					
Antibody	Rilotumumab AMG 102	Gastric cancer	Anti-HGF monoclonal antibody	JP			
	AGS-16M8F/ AGS-16C3F	Renal cancer	Antibody utilizing ADC (target: ENPP3)				
	ASG-22ME	Solid tumors	Antibody utilizing ADC (target: Nectin-4)				
	ASG-15ME	Bladder cancer	Antibody utilizing ADC (target: SLITRK6)				

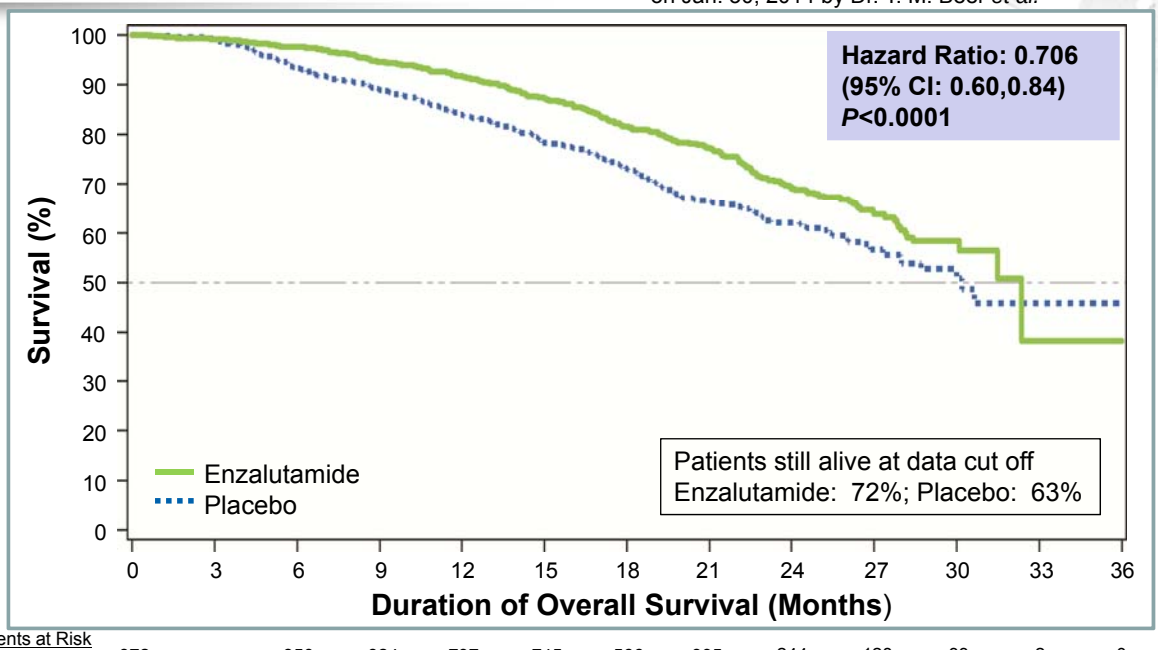
*P2 for indication of endometriosis NSCLC: Non-small cell lung cancer, ADC: Antibody-drug conjugate

Enzalutamide: Development Progress

Study	Target	Design	P1	P2	P3	Filed
P3 EU/US [AFFIRM study]	Post-chemo Metastatic castration-resistant prostate cancer (CRPC)	Placebo-controlled, n=1,199	Study completed. Launched in US, EU etc.			
P1/2 JP	Post-chemo Metastatic CRPC	Open-label, n=46	Filed: May 24, 2013 (for prostate cancer, priority review granted)			
P3 EU/US/JP/Asia [PREVAIL study]	Pre-chemo Metastatic CRPC	Placebo-controlled, n=1,717	Obtained interim analysis results: Oct. 2013. Preparing for filing.			
P3 EU/US/Asia [PROSPER study]	M0 CRPC Non-Metastatic CRPC	Placebo-controlled, n=1,500	First Patient In: Nov. 2013			
P2 EU/US [TERRAIN study]	Pre-chemo Metastatic CRPC	To compare with bicalutamide, n=375	Completed enrollment: Jul. 2013			
P2 US [STRIVE study]	Pre-chemo Metastatic or non-metastatic CRPC	To compare with bicalutamide, n=400	Ongoing			
P2 US	Neoadjuvant therapy Undergoing prostatectomy	Monotherapy or combo with leuprolide or dutasteride, n=50	Last Patient Out: Nov. 2013			
P2 EU	Hormone-naive Progressive prostate cancer	Open-label, n=67	Completed			
P2 US/EU	Breast Cancer Advanced, androgen receptor-positive, triple-negative breast cancer	Open-label, n=80	First Patient In: Jun. 2013			
P2 US/EU	Breast Cancer Advanced breast cancer that is estrogen receptor positive or progesterone receptor positive and human epidermal growth factor receptor 2 normal	Placebo-controlled, in combination with exemestane, n=240	First Patient In: Dec. 2013			

Enzalutamide: Efficacy Results in PREVAIL study (Overall Survival)

Excerpt from the presentation material in the ASCO-GU on Jan. 30, 2014 by Dr. T. M. Beer *et al.*



Patients at Risk													
Enzalutamide	872	863	850	824	797	745	566	395	244	128	33	2	0
Placebo	845	835	781	744	701	644	484	328	213	102	27	2	0

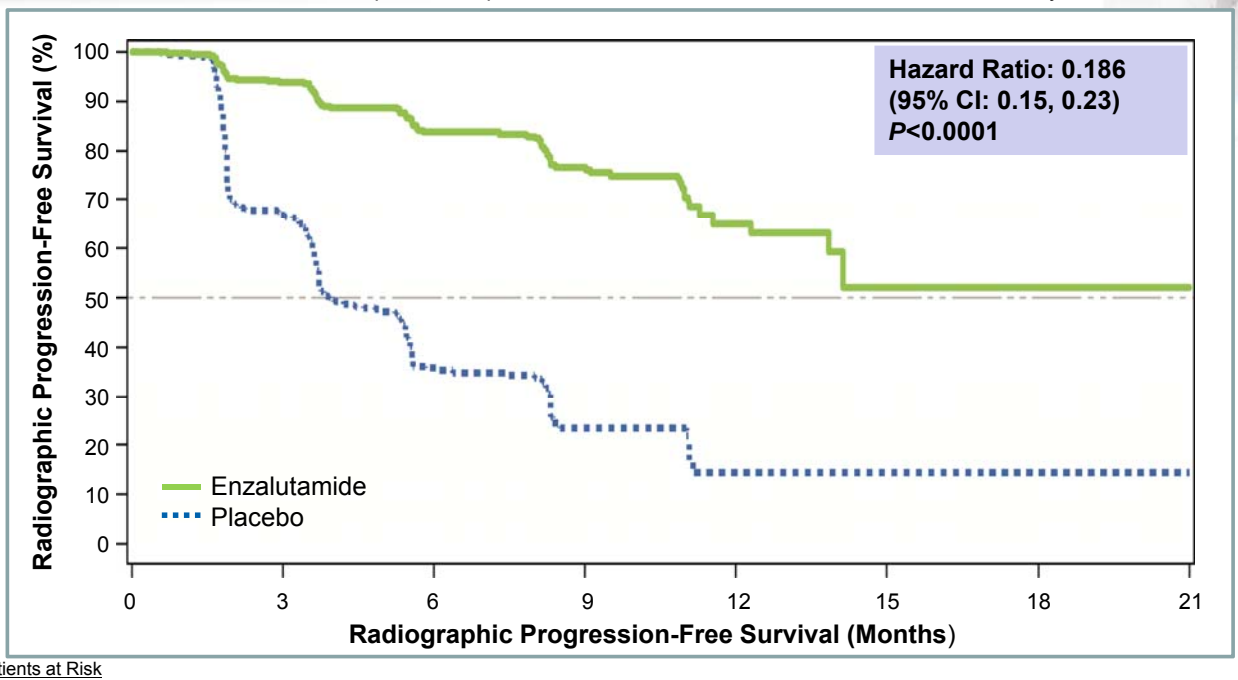
Estimated median OS, months (95% CI): Enzalutamide: 32.4 (30.1, NYR); Placebo: 30.2 (28.0, NYR)

NYR = Not Yet Reached

-Enzalutamide reduced the risk of death by 29% compared with placebo.
-This benefit was observed despite substantial use of subsequent therapies (40% in the enzalutamide and 70% in the placebo groups.)

Enzalutamide: Efficacy Results in PREVAIL study (Radiographic Progression-Free Survival)

Excerpt from the presentation material in the ASCO-GU on Jan. 30, 2014 by Dr. T. M. Beer *et al.*

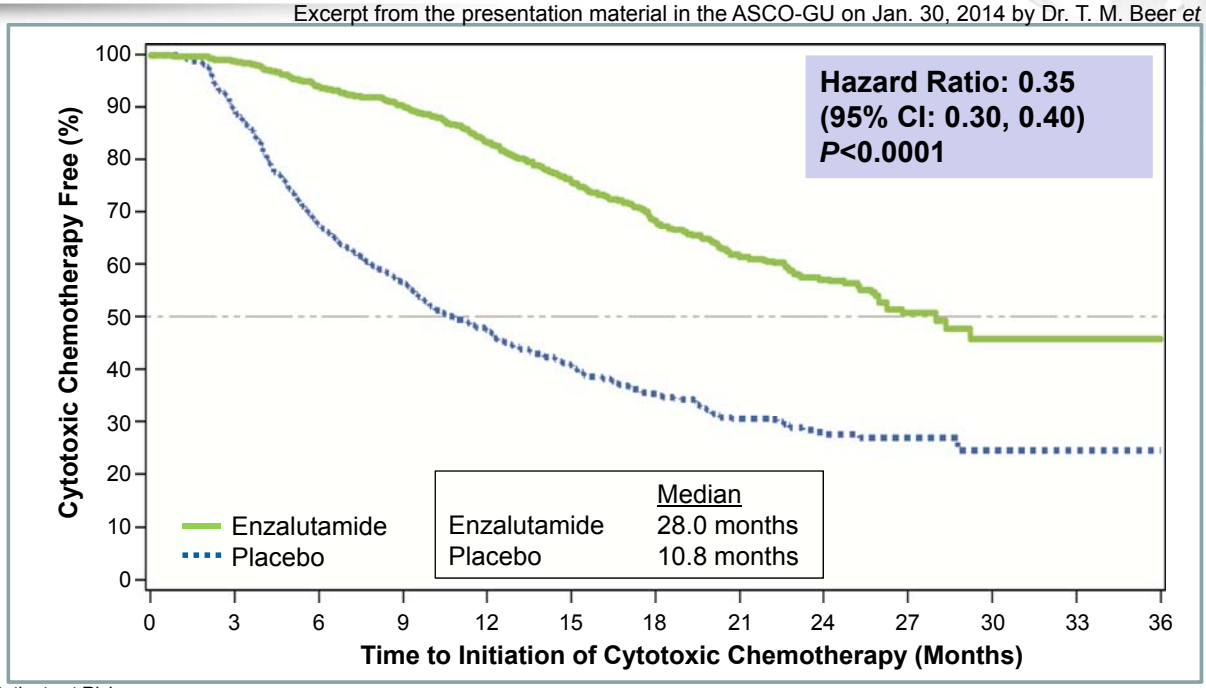


Patients at Risk								
Enzalutamide	832	514	256	128	34	5	1	0
Placebo	801	305	79	20	5	0	0	0

Enzalutamide reduced the risk of radiographic progression or death by 81% compared with placebo.

Enzalutamide: Efficacy Results in PREVAIL study (Time to Initiation of Chemotherapy)

Excerpt from the presentation material in the ASCO-GU on Jan. 30, 2014 by Dr. T. M. Beer *et al.*



Patients at Risk													
Enzalutamide	872	854	799	751	665	575	388	252	158	78	21	2	0
Placebo	845	734	518	415	324	257	165	103	64	25	9	0	0

Enzalutamide delayed median time to initiation of chemotherapy by 17 months compared with placebo.

Enzalutamide: Efficacy Results in PREVAIL study (PSA and Quality of Life)

Excerpt from the presentation material in the ASCO-GU on Jan. 30, 2014 by Dr. T. M. Beer *et al.*

	Enzalutamide (n=872)	Placebo (n=845)	Hazard Ratio *P* Value
Time to PSA progression,* median, months	11.2	2.8	0.169 <0.0001
Time to FACT-P global score decline†, median, months	11.3	5.6	0.625 <0.0001

	Enzalutamide (n=854)	Placebo (n=777)	*P* Value
Confirmed PSA response rates‡			
≥ 50% decline from baseline	78.0%	3.5%	<0.0001
≥ 90% decline from baseline	46.8%	1.2%	<0.0001

*PSA progression defined by PCWG2 criteria; † Functional Assessment of Cancer Therapy-Prostate decline defined as ≥10 point decrease in global score; ‡patients with baseline and ≥1 post-baseline PSA.
PCWG2=Prostate Cancer Working Group.

Enzalutamide provided significant benefit on PSA and quality of life endpoints compared with placebo.

Enzalutamide: Safety Results in PREVAIL study (1)

Excerpt from the presentation material in the ASCO-GU on Jan. 30, 2014 by Dr. T. M. Beer *et al.*

	Enzalutamide (n=871)	Placebo (n=844)
Duration of treatment, median, months	16.6	4.6
Adverse events	96.9%	93.2%
Serious adverse events	32.0%	26.8%
Grade 3+ adverse events	42.9%	37.1%
Time to first grade 3+ adverse events, median, months	22.3	13.3
Discontinuations due to adverse events	5.6%	6.0%
Adverse events leading to death	4.2%	3.8%

Enzalutamide: Safety Results in PREVAIL study (2)

Excerpt from the presentation material in the ASCO-GU on Jan. 30, 2014 by Dr. T. M. Beer *et al.*

Most Common Adverse Events* and Adverse Events of Interest

	All Grades (%)		Grade 3+ Events (%)	
	Enzalutamide (n=871)	Placebo (n=844)	Enzalutamide (n=871)	Placebo (n=844)
Fatigue	35.6	25.8	1.8	1.9
Back pain	27.0	22.2	2.5	3.0
Constipation	22.2	17.2	0.5	0.4
Arthralgia	20.3	16.0	1.4	1.1
Cardiac adverse events	10.1	7.8	2.8	2.1
Hypertension	13.4	4.1	6.8	2.3
ALT increased	0.9	0.6	0.2	0.1
Seizure	0.0†	0.1	0.0†	0.0

*At least 20% on enzalutamide and ≥2% more than placebo.
†one seizure occurred after the data cutoff date.

Enzalutamide was well-tolerated over a prolonged treatment period.

ASP7374: Positive Top-Line Results from Two Phase III studies for Preventing Seasonal Flu

- Double-blind study in subjects aged from 20 to 64 years

Study overview	Population	Healthy volunteers aged from 20 to 64 years
	Design, Arms	Double-blind study (Egg-derived vaccine, ASP7374)
	Number of subjects	900
	Primary endpoint	Immunogenicity

-The study showed non-inferiority of ASP7374 compared to the approved egg-derived trivalent inactivated vaccine in Japan.
-No major safety problem was observed.

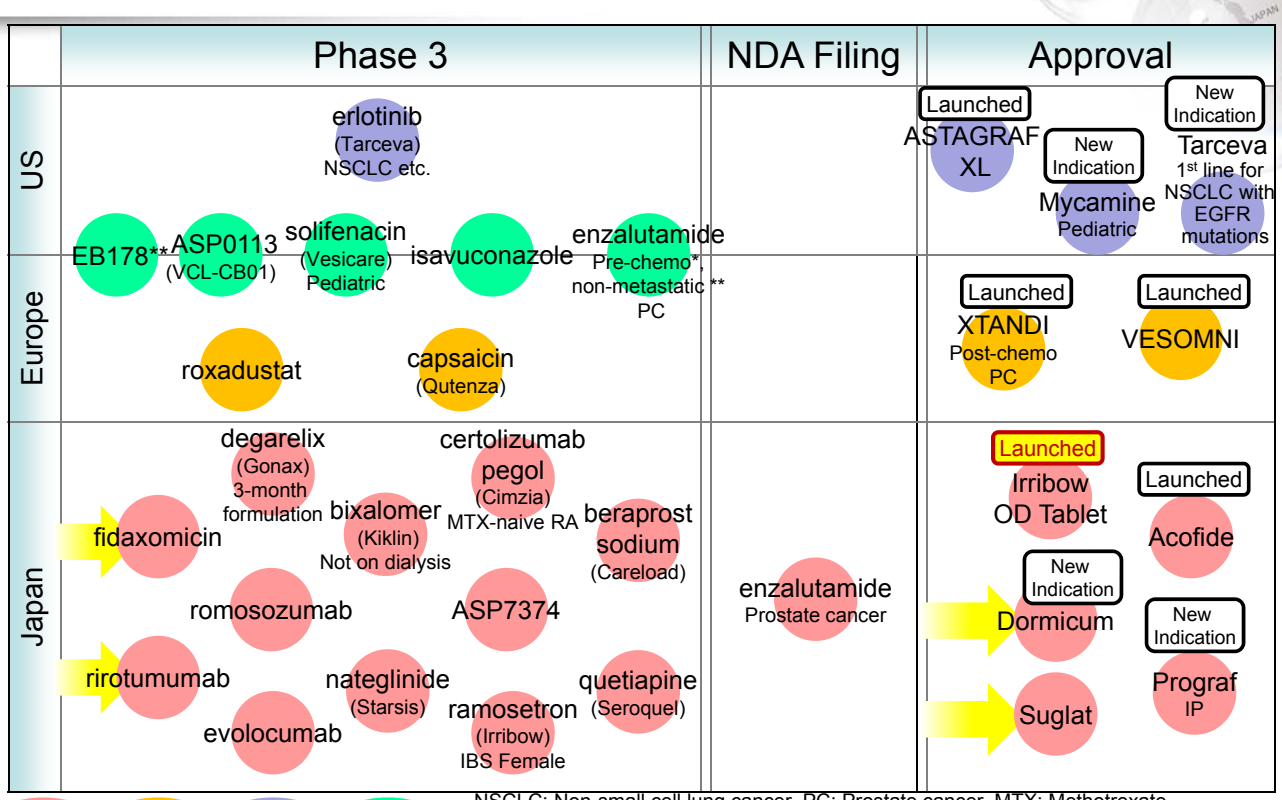
- Open-label study of intramuscularly-administered ASP7374 in subjects aged 61 and over

Study overview	Population	Healthy volunteers aged 61 and over
	Design, Arms	Open-label study (1 arm)
	Number of subjects	55
	Endpoint	Immunogenicity

-The study showed favorable immunogenicity of intramuscularly-administered ASP7374.
-No major safety problem was observed.

Plan to file in 2014 in Japan

FY2013 Progress of Late Phase Compounds



NSCLC: Non-small cell lung cancer, PC: Prostate cancer, MTX: Methotrexate, RA: Rheumatoid arthritis, IBS: Irritable bowel syndrome, OD: Orally disintegrating, IP: Interstitial pneumonia. *EU/US/JP/Asia, **EU/US/Asia

Initiatives to Build Resilience for Sustainable Growth

astellas
Leading Light for Life

Initiatives for Strategic Priorities

Maximize Value of New Products	Enhance further oncology franchise (XTANDI sales growth/additional indications) Maximize OAB franchise (Vesicare and Mirabegron) Introduce continuously new products
Enhance Innovation	Reshape research framework ● Utilize more external capabilities and resources (open innovation) ● Develop new therapeutic areas and modalities New initiatives ➢ Collaboration for research with Immuno-Biological Laboratories ➢ Strategic partnership with ClearPath
Pursue Operational Excellence	Optimize resource allocation and utilize external resources New initiatives ➢ Transfer comprehensively owned real estate to Mitsui Fudosan ➢ Transfer fermentation research-related assets to Taiho Pharmaceutical

Continuous Introduction of New Products

(Efforts from April 2013 onward)

■ Approvals and launches in 4 regions

(Updates from the previous announcement shown in red)

[Europe]
- ➢Jul. XTANDI launch*
- ➢Sep. VESOMNI launch

[Asia and Oceania]
- ➢May Australia Mycamine approval
- ➢Jun. Hong Kong Eligard launch
- ➢Aug. Malaysia Mycamine approval
- ➢Sep. Australia Mirabegron approval
- ➢Oct. South Korea XTANDI launch*
- ➢Oct. Indonesia PROGRAF XL launch (tacrolimus extended release capsules)
- ➢Nov. Thailand Eligard launch
- ➢Dec. Vietnam Eligard approval
- ➢Dec. Hong Kong/ South Korea Mirabegron approval
- ➢Dec. Singapore Mycamine approval

[Japan]
- ➢May Micamlo BP launch
- ➢Jun. Acofide launch
- ➢Jun. Prograf new indication
- ➢Sep. Bisono Tape launch
- ➢Sep. Dormicum new indication (Sedation during surgery and procedures for dental, oral and maxillofacial care)
- ➢Jan. Irribow OD Tablet launch (Irritable bowel syndrome)
- ➢Jan. Suglat approval (Type 2 diabetes)

[Americas]
- ➢Apr. Canada Myrbetriq launch
- ➢May US Tarceva new indication
- ➢Jun. US Mycamine new indication for pediatric patients
- ➢Jun. Canada XTANDI launch*
- ➢Aug. US ASTAGRAF XL launch (tacrolimus extended release capsules)
- ➢Sep. Argentina XTANDI approval*

No. of countries/areas where the following have been launched:
- ➢ **Mirabegron: 19**
- ➢ **XTANDI: 19**

*Metastatic castration-resistant prostate cancer in patients who have received chemotherapy

Develop New Therapeutic Areas and Modalities

Advance novel therapies for diseases and medical conditions associated with muscle weakness	• Collaboration for R&D and commercialization with Cytokinetics
Discover and develop novel drugs that improve mitochondrial functions	• Collaboration for R&D with Mitokyne (with exclusive right to acquire the company)
Apply recombinant human proteins produced using transgenic silkworms to medicine	• **Collaboration for research with Immuno-Biological Laboratories**
Develop RSV* vaccine	• **Strategic partnership with ClearPath for vaccine technologies from Mymetics**
Expand our commitment to regenerative medicine	• Initiation of full scale research for cell therapy

*RSV: Respiratory syncytial virus

Strategic Partnership with ClearPath to Build Vaccine Portfolio

Develop vaccine business through creative business scheme



astellas

Exclusive rights to acquire RSVC as well as further develop and commercialize vaccine

Fund development (through POC study completion)

ClearPath DEVELOPMENT COMPANY

Robust experience of vaccine clinical development

Manage/Operate

RSV Corporation ("RSVC")
Develop vaccine for RSV

In-license

MYMETICS

Cutting-edge virosome vaccine* technology

- **Upfront and milestone payments (up to $82 million)**
- **Royalty**

*The virosome vaccine consists of membrane nanoparticles containing the native key viral surface proteins that are targets of the immune system, but lack the genetic material required to cause infection.

Adoption of International Financial Reporting Standards (IFRS)

Disclosure Plan for FY2013/2014 Financial Result Announcement

	FY2013 Financial Result Announcement	FY2014 Quarterly Financial Result Announcement	FY2014 Financial Result Announcement
Financial Results	IFRS J-GAAP	IFRS	IFRS
Financial Forecasts	FY2014 IFRS J-GAAP (for reference)	IFRS (when revised)	FY2015 IFRS

- FY2014 forecasts on J-GAAP basis will be disclosed for reference.
- Upon voluntarily adoption of IFRS, Astellas introduces a non-GAAP financial indicator, 'Core Operating Income', which demonstrates operating profitability on ordinary business basis.

Major Variances between IFRS and J-GAAP for Astellas

1. Intangible Assets

Payments to acquire products/ technologies are basically capitalized retrospectively.

- Amortized over economical term such as patent/agreement period upon product launch/availablity for use
- Impaired when judged unrecoverable

J-GAAP

◆Only payments at and after NDA will be capitalized.
（Others: R&D expenses）

IFRS

◆All payments will be capitalized.

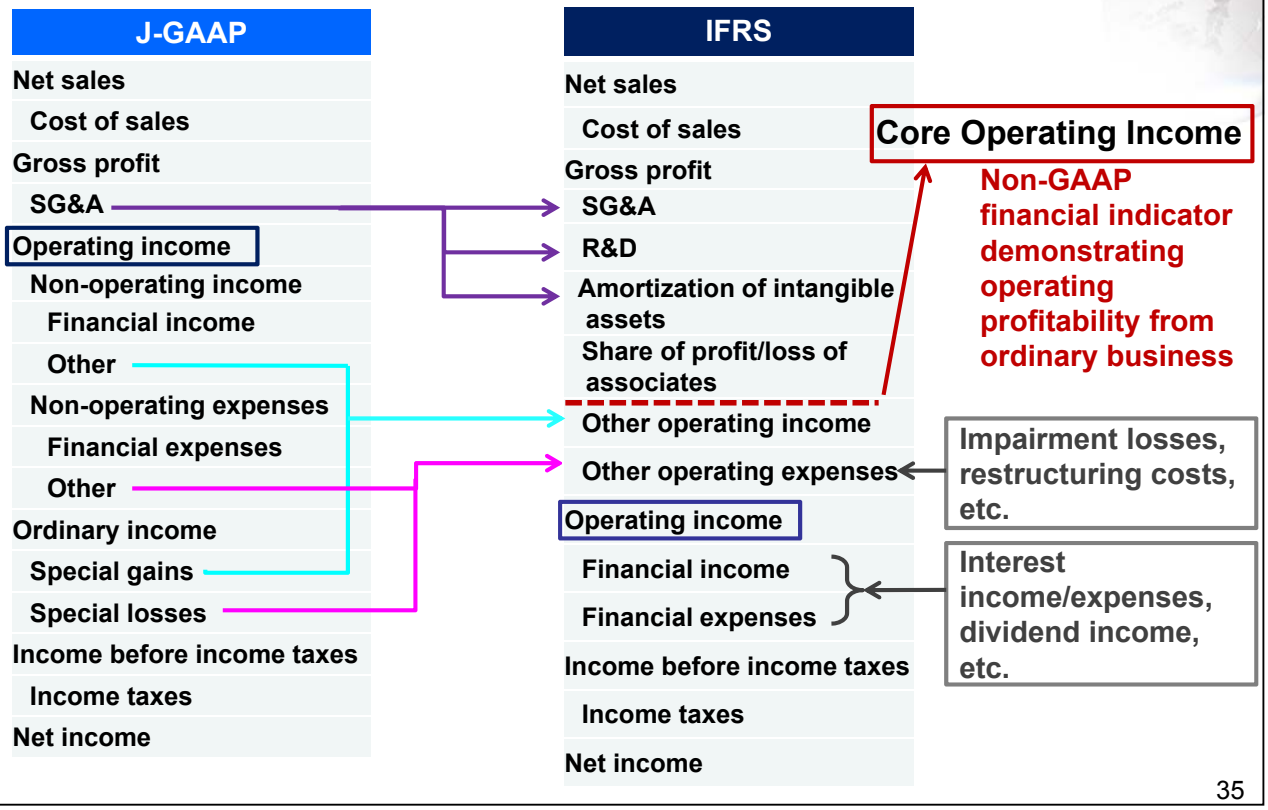
2. Goodwill

No longer amortized under IFRS

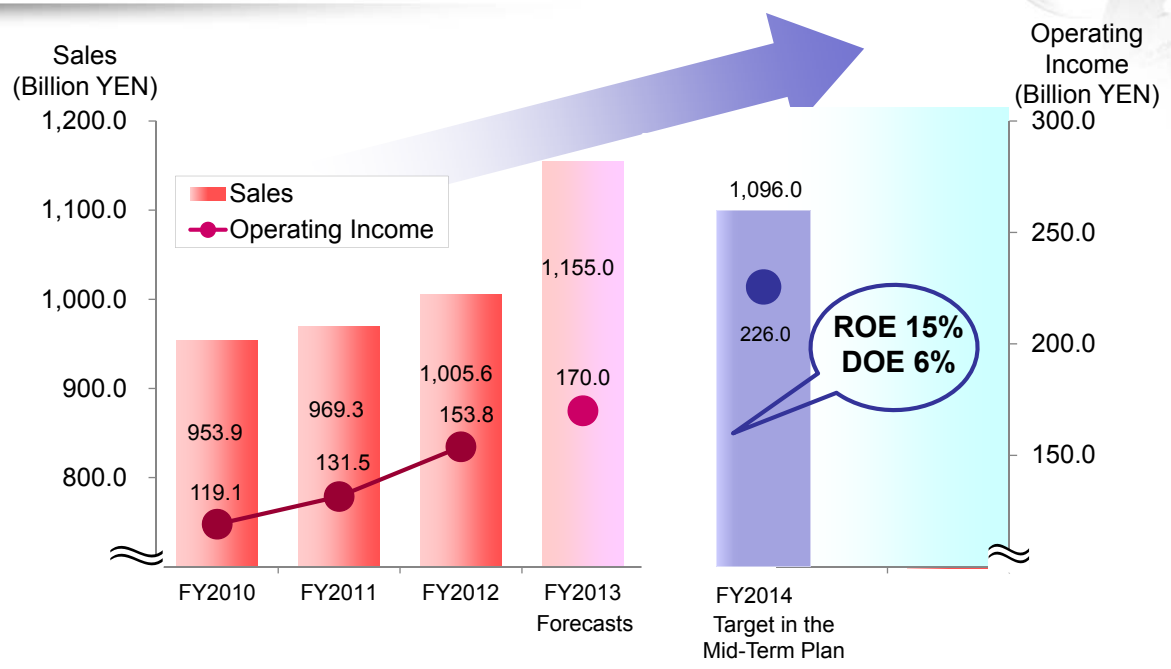
3. Presentation of special/non-operating items

Most of special/non-operating items will be considered for calculation of operating income

P/L Presentation Changes and Definition of Core Operating Income



Resiliently Respond to the Changing Environment and Aim for Sustainable Growth



No change in full year forecasts for Sales and Operating Income announced in Nov. 2013.

astellas
Leading Light for Life