astellas
Leading Light for Life

Notice: This is a translation of a notice in Japanese and is made solely for the convenience of foreign shareholders. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

[Translation]

Notice of Convocation of the 10th Term Ordinary General Meeting of Shareholders

Date and Time:

10:00 a.m. on Wednesday, June 17, 2015
(Admission commences at: 9 a.m.)

Place:

"AOI," the 2nd Floor of PALACE HOTEL TOKYO
1-1-1 Marunouchi, Chiyoda-ku, Tokyo

Matters to be resolved:

- First Proposal: Appropriation of Retained Earnings
- Second Proposal: Election of Seven (7) Directors
- Third Proposal: Election of One (1) Audit & Supervisory Board Member
- Fourth Proposal: Provision of Bonus to Directors
- Fifth Proposal: Provision of Remuneration to Directors through Stock Compensation Scheme

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Astellas Pharma Inc.
Securities Code: 4503

(Securities Code 4503)

May 26, 2015

To: Shareholders

Notice of Convocation of the 10th Term Ordinary General Meeting of Shareholders

Dear Madam/Sir:

You are hereby notified that the 10th Term Ordinary General Meeting of Shareholders of Astellas Pharma Inc. (the "Company") will be held as stated below. You are cordially invited to attend the meeting.

In the event that you are unable to attend the aforesaid meeting, you may exercise your voting rights either by mail or by electronic method (via Internet, etc.). In that case, the Company cordially requests you to study the Reference Materials for General Meeting of Shareholders attached below and exercise the voting rights before 5:00 p.m. on Tuesday, June 16, 2015.

Yours faithfully,

By: Yoshihiko Hatanaka
Representative Director,
President and CEO
Astellas Pharma Inc.
2-5-1, Nihonbashi-Honcho, Chuo-ku
Tokyo, Japan

Particulars

1. Date and Time: 10:00 a.m. on Wednesday, June 17, 2015
(Admission commences at: 9:00 a.m.)

2. Place: "AOI," 2nd Floor of Palace Hotel Tokyo
1-1-1 Marunouchi, Chiyoda-ku, Tokyo

3. Purpose:

Matters to be reported:

1. Report on the Business Report, Consolidated Financial Statements and Financial Statements for the 10th Term Fiscal Year (from April 1, 2014 to March 31, 2015);
2. Report on the Results of Audit by Accounting Auditors and the Audit & Supervisory Board for Consolidated Financial Statements for the 10th Term Fiscal Year (from April 1, 2014 to March 31, 2015)

Matters to be resolved:

First Proposal: Appropriation of Retained Earnings
Second Proposal: Election of Seven (7) Directors
Third Proposal: Election of One (1) Audit & Supervisory Board Member
Fourth Proposal: Provision of Bonus to Directors
Fifth Proposal: Provision of Remuneration to Directors through Stock Compensation Scheme

When exercising voting rights, the Company cordially requests that shareholders understand the following points:

1. In case that voting rights are exercised both by return of the Voting Right Exercise Form and by electronic method (via Internet, etc.), only the vote registered by electronic method (via Internet, etc.) will be recognized as valid.
2. In case that voting rights are redundantly exercised by the same method, only the last vote will be recognized as valid.
3. In case that no representation of either approval or disapproval is made when exercising voting rights, it shall be counted as a vote of approval.

- End -

[Exercise of Voting Rights via Internet]

In case that a shareholder intends to exercise his or her voting rights via Internet, please access the following designated website for exercising voting rights. Please enter the "vote exercising code" and "password" written on the enclosed Voting Right Exercise Form. Then, please indicate your approval or disapproval to the items on the agenda by following the instructions on the display screen.
Exercise of voting rights is also possible by using the full browser function of mobile phones including smart phones, but please be advised that the website may not be accessible by certain models of mobile phone.

Website for Exercise of Voting Rights
http://www.web54.net

Notes:

- In case that voting rights are exercised both via Internet and by the Voting Right Exercise Form, only the vote registered via Internet will be recognized as valid.
- In case that voting rights are redundantly exercised via Internet, only the last vote will be recognized as valid.
- Any connection charges to be incurred with the exercise of voting rights via Internet payable to Internet providers and telecommunication carriers must be borne by the shareholder exercising such rights.
- Handling of password:
  (1) The password is a means to identify the person exercising voting rights as a shareholder of the Company. Please pay careful attention to keep the password safe.
  (2) In order to prevent illegal use by persons other than shareholders and falsification of the contents of the votes, the Company cordially requests that shareholders change the password written on the enclosed Voting Right Exercise Form to a new password chosen and registered by the shareholder by accessing the designated website for exercising voting rights.
  (3) The vote exercising code and password written on the enclosed Voting Right Exercise Form (including the password which has been changed and registered by the shareholders) shall be effective only for this Ordinary General Meeting of Shareholders. (For the next Ordinary General Meeting of Shareholders, a new vote exercising code and password shall be issued.)
  (4) No telephone inquiries concerning the password can be answered.

System requirements for the use of the website

The following are the system requirements for the use of the designated website for exercising voting rights:

- Display resolution of "800 (width) x 600 (height) (SVGA)" or higher.
- The following software must be installed:
  - Microsoft® Internet Explorer Ver.5.01 SP 2 or higher
  - Adobe® Acrobat® Reader® Ver.4.0 or higher; or Adobe® Reader® Ver.6.0 or higher (Only in the case to view the Reference Materials for General Meeting of Shareholders and the Business Report.)

For questions about how to exercise voting rights on the website, please call:

Website Support: 0120-652-031
Sumitomo Mitsui Trust Bank, Limited
Business Hours: from 9:00 a.m. to 9:00 p.m.

To institutional investors:

In addition to the exercise of voting rights via Internet stated above, only when the advance application is made, institutional investors may use the Electronic Voting Platform operated by ICJ, Inc. which is a company owned by the Tokyo Stock Exchange, Inc., and other companies.

Reference Materials for General Meeting of Shareholders

Proposal and Matters for Reference

First Proposal: Appropriation of Retained Earnings

The Company is working steadily towards increasing corporate value on a continual basis and, as a consequence, improving its return to shareholders. While putting priority on business investment to assure future growth, the Company will strive to increase dividend payments stably and continuously, taking into consideration the dividend on equity attributable to owners of parent (DOE) and other factors, based on medium- to long-term profit growth on a consolidated basis.

Under this policy, the year-end dividend for the fiscal year under review is proposed to be as described below. As a result, the Company's annual dividend is ¥30 per share, including the interim dividend of ¥14 per share.

(1) Type of dividend assets:
Cash

(2) Matters concerning the allotment of dividend assets and the total amount thereof:
¥16 per share of common stock of the Company
Total amount: ¥35,090,264,240

(3) Date when the dividend of retained earnings takes effect:
June 18, 2015 (Thursday)

Second Proposal: Election of Seven (7) Directors

The terms of office of Mr. Masafumi Nogimori, Mr. Yoshihiko Hatanaka, Mr. Yoshiro Miyokawa, Dr. Naoki Aikawa, Mr. Yutaka Kase, Mr. Hironobu Yasuda, and Ms. Etsuko Okajima as Directors will expire at the close of this Ordinary General Meeting of Shareholders.

Therefore, it is proposed that seven (7) Directors be elected.

The candidates for Directors are as follows:

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company		Number of shares of the Company owned
1	Masafumi Nogimori (December 21, 1947) Reelection	April 1970: June 1997: July 1998: June 2000: April 2001: June 2001: June 2003: June 2004: April 2005: June 2006: June 2011:	Joined Fujisawa Pharmaceutical Co., Ltd. Member of the Board, Fujisawa Pharmaceutical Co., Ltd. President, Fujisawa GmbH Resigned as Member of the Board, Fujisawa Pharmaceutical Co., Ltd. Corporate Vice President, Fujisawa Pharmaceutical Co., Ltd. Corporate Vice President, Associate Executive Director of Ethical Pharmaceuticals and Director of Pharmaceutical Planning, Fujisawa Pharmaceutical Co., Ltd. Corporate Senior Vice President and Director of Global Corporate Strategies Planning, Fujisawa Pharmaceutical Co., Ltd. Member of the Board, Fujisawa Pharmaceutical Co., Ltd. Corporate Executive Vice President and Member of the Board, Fujisawa Pharmaceutical Co., Ltd. Executive Vice President and Representative Director of the Company President & CEO and Representative Director of the Company Chairman and Representative Director of the Company (present post)	74,655 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
2	Yoshihiko Hatanaka (April 20, 1957) Reelection	April 1980: Joined Fujisawa Pharmaceutical Co., Ltd. April 2003: Director of Corporate Planning, Fujisawa Pharmaceutical Co., Ltd. April 2005: Vice President of Corporate Planning, Corporate Strategy Division of the Company June 2005: Corporate Executive and Vice President of Corporate Planning, Corporate Strategy of the Company April 2006: Corporate Executive of the Company and President & CEO, Astellas US LLC and President & CEO, Astellas Pharma US, Inc. June 2008: Senior Corporate Executive of the Company and President & CEO, Astellas US LLC and President & CEO, Astellas Pharma US, Inc. April 2009: Senior Corporate Executive of the Company Corporate Strategy and Corporate Finance (CFO & CSTO) June 2011: President & CEO and Representative Director of the Company (present post)	16,000 shares
3	Yoshiro Miyokawa (December 28, 1952) Reelection	April 1975: Joined the Company January 2003: Vice President of Business Process Reengineering of the Company April 2005: Vice President of Post Merger Integration Operation of the Company June 2005: Corporate Executive and Vice President of Post Merger Integration Operation of the Company September 2005: Corporate Executive and Vice President of Business Innovation of the Company April 2006: Corporate Executive and Vice President of Human Resource, Corporate Administration Division of the Company April 2007: Corporate Executive and Vice President of Human Resource of the Company April 2008: Corporate Executive of the Company, Corporate Administration (CAO) June 2008: Senior Corporate Executive of the Company, Corporate Administration (CAO) June 2011: Executive Vice President and Senior Corporate Executive of the Company, Corporate Administration (CAO) June 2013: Executive Vice President and Representative Director of the Company, Corporate Administration and Compliance (CAO & CCO) (present post)	21,645 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
4	Yutaka Kase (February 19, 1947) Candidate for outside Director Reelection	May 1970: Joined Nissho Iwai Corporation June 2001: Executive Officer, Nissho Iwai Corporation April 2003: Managing Executive Officer and Director, Nissho Iwai Corporation April 2004: Senior Managing Executive Officer and Representative Director, Sojitz Corporation August 2004: Executive Vice President and Representative Director, Sojitz Corporation April 2007: President and Representative Director, Sojitz Corporation April 2012: Chairman and Representative Director, Sojitz Corporation (present post) June 2013: Director of the Company (present post) (Status of significant concurrent positions at other organizations) Chairman and Representative Director, Sojitz Corporation (Number of years as an outside Director) Two (2) years at the close of this Ordinary General Meeting of Shareholders (Rate of attendance in meetings of the Board of Directors) 16/17 meetings (94.1%)	0 share
5	Hironobu Yasuda (December 13, 1950) Candidate for outside Director Reelection	April 1978: Public Prosecutor, Tokyo District Public Prosecutors Office April 2004: Public Prosecutor, Tokyo High Public Prosecutors Office January 2005: Chief Appeals Judge (Director of Tokyo Regional Tax Tribunal) January 2009: Chief Prosecutor, Yamaguchi District Public Prosecutors Office June 2010: Public Prosecutor, Supreme Public Prosecutors Office October 2010: Registered as an attorney-at-law (Dai-ichi Tokyo Bar Association) January 2012: Partner, Seiryo Law Office (present post) June 2013: Director of the Company (present post) (Status of significant concurrent positions at other organizations) Partner, Seiryo Law Office (Number of years as an outside Director) Two (2) years at the close of this Ordinary General Meeting of Shareholders (Rate of attendance in meetings of the Board of Directors) 17/17 meetings (100%)	0 share

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
6	Etsuko Okajima (May 16, 1966) Candidate for outside Director Reelection	April 1989: Joined Mitsubishi Corporation January 2001: Joined McKinsey & Company, Inc., Japan March 2002: Joined GLOBIS Management Bank, Inc. July 2004: Executive Officer, GLOBIS Corporation July 2005: President and Representative Director, GLOBIS Management Bank, Inc. June 2007: Established ProNova Inc. President and Representative Director, ProNova Inc. (present post) June 2014: Director of the Company (present post) June 2014: External Director, MARUI GROUP CO., LTD. (present post) (Status of significant concurrent positions at other organizations) President and Representative Director, ProNova Inc. External Director, MARUI GROUP CO., LTD. (Number of years as an outside Director) One (1) year at the close of this Ordinary General Meeting of Shareholders (Rate of attendance in meetings of the Board of Directors) 14/14 meetings (100%)	0 share
7	Yoshiharu Aizawa (April 7, 1946) Candidate for outside Director New Candidate	April 1975: Fellow, Department of Internal Medicine, School of Medicine, Keio University April 1980: Assistant Professor, Department of Preventive Medicine and Public Health, School of Medicine, Kitasato University October 1983: Associate Professor, Department of Preventive Medicine and Public Health, School of Medicine, Kitasato University April 1994: Professor, Department of Preventive Medicine and Public Health, School of Medicine, Kitasato University July 2004: Chairperson of School of Medicine, Kitasato University July 2006: Dean of School of Medicine, Kitasato University July 2009: Vice President, Kitasato University July 2010: Executive Trustee, The Kitasato Institute April 2012: Professor Emeritus, Kitasato University (present post) (Status of significant concurrent positions at other organizations) Professor Emeritus, Kitasato University	0 share

(Notes) 1. The candidate for outside Director Ms. Etsuko Okajima is registered by the name of Etsuko Mino in her family register.

2. The candidates have no special interest in the Company.

3. Mr. Yutaka Kase, Mr. Hironobu Yasuda, Ms. Etsuko Okajima, and Dr. Yoshiharu Aizawa are candidates for outside Director and satisfy the required conditions for independent director stipulated by Tokyo Stock Exchange, Inc., and the Company's criteria on the independence of outside Directors and outside Audit & Supervisory Board Members. Thus, they are registered as independent director with the stock exchange. The

Company's criteria on the independence of outside Directors and outside Audit & Supervisory Board Members can be found on the following website.

https://www.astellas.com/en/corporate/pdf/inde_std_outside_en.pdf

4. Items of particular note with respect to the candidates for outside Director are as follows:

(1) Reasons why the Company recommends these persons as candidates for outside Director and why it considers they can perform their duties appropriately as outside Director are as follows:

- Mr. Yutaka Kase: This candidate currently plays a key role as the outside Director for the management of the Company from an independent position. The Company considers that he will exercise his abundant experience in corporate management to the management of the Company in the future as well; thus the Company requests that the shareholders elect him as outside Director.
- Mr. Hironobu Yasuda: This candidate currently plays a key role as the outside Director for the management of the Company from an independent position as an attorney-at-law. The Company considers that he will exercise his abundant specialized knowledge and experience to the management of the Company in the future as well; thus the Company requests that the shareholders elect him as outside Director.
- Ms. Etsuko Okajima: This candidate currently plays a key role as the outside Director for the management of the Company from an independent position. The Company considers that she will exercise her abundant experience in corporate management to the management of the Company in the future as well; thus the Company requests that the shareholders elect her as outside Director.
- Dr. Yoshiharu Aizawa: The Company considers that he will exercise his abundant specialized knowledge and experience to the management of the Company from an independent position as a doctor of medicine; thus the Company requests that the shareholders newly elect him as outside Director.

(2) Agreement to limit outside Director's liability:
In order to enable each outside Director to exercise his or her duty to the full extent as expected, the Company has provided in the Articles of Incorporation that the Company may enter into an agreement with each outside Director to limit his or her liability for damages under Article 423, Paragraph 1 of the Corporate Law, to the minimum amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit outside Director's liability). Currently, the Company has entered into such agreements with all of the outside Directors of the Company. If the reelection of Mr. Yutaka Kase, Mr. Hironobu Yasuda, and Ms. Etsuko Okajima is approved, the Company will maintain the agreement to limit their respective liabilities and, if the election of Dr. Yoshiharu Aizawa is approved, the Company will enter into the same agreement to limit his liability.

Third Proposal: Election of One (1) Audit & Supervisory Board Member

In order to strengthen and enhance the Company's audit system, it is proposed that the number of Audit & Supervisory Board Member is increased by one and that one (1) additional Audit & Supervisory Board Member be newly elected. This proposal has been approved by the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows:

Name	Resume and position at the Company	Number of shares of the Company owned
Hitoshi Kanamori (August 1, 1954) Candidate for outside Audit & Supervisory Board Member New Candidate	April 1984: Public Prosecutor, Tokyo District Public Prosecutors Office April 1985: Public Prosecutor, Yamagata District Public Prosecutors Office April 1988: Public Prosecutor, Niigata District Public Prosecutors Office April 1990: Public Prosecutor, Tokyo District Public Prosecutors Office April 1992: Registered as an attorney-at-law (Tokyo Bar Association) June 1993: Partner, SANNO LAW OFFICE (present post) April 2005: Visiting Professor, University of Tsukuba Law School (Status of significant concurrent positions at other organizations) Partner, SANNO LAW OFFICE	0 share

(Notes) 1. The candidate has no special interest in the Company.

2. The candidate is a candidate for outside Audit & Supervisory Board Member and satisfies the required conditions for independent auditor stipulated by Tokyo Stock Exchange, Inc., and the Company's criteria on the independence of outside Directors and outside Audit & Supervisory Board Members. Thus he is registered as independent audit & supervisory board member with the stock exchange. The Company's criteria on the independence of outside Directors and outside Audit & Supervisory Board Members can be found on the following website.

   https://www.astellas.com/en/corporate/pdf/inde_std_outside_en.pdf

3. Items of particular note with respect to the candidate for outside Audit & Supervisory Board Member are as follows:

   (1) Reasons why the Company recommends this person as candidate for outside Audit & Supervisory Board Member and why it considers he can perform his duties appropriately as outside Audit & Supervisory Board Member are as follows:

   Mr. Hitoshi Kanamori has thorough knowledge of corporate legal affairs as an attorney-at-law, and the Company considers that he will exercise his abundant experience as an attorney-at-law to the audit work of the Company from an independent position; thus the Company requests that the shareholders newly elect him as outside Audit & Supervisory Board Member.

   (2) Agreement to limit outside Audit & Supervisory Board Member's liability:
   In order to enable each outside Audit & Supervisory Board Member to exercise his or her duty to the full extent as expected, the Company has provided in the Articles of Incorporation that the Company may enter into an agreement with each outside Audit & Supervisory Board Member to limit his or her liability for damages under Article 423, Paragraph 1 of the Corporate Law, to the minimum amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit outside Audit & Supervisory Board Member's liability). Currently, the Company has entered into such agreements with all of the outside Audit & Supervisory Board Members of the Company. If the election of Mr. Hitoshi Kanamori is approved, the Company will enter into the same agreement to limit his liability.

4. The candidate was appointed as a substitute Audit & Supervisory Board Member at the 6th Term Ordinary General Meeting of Shareholders held on June 20, 2011, and the effectiveness of the appointment continues until the beginning of this Ordinary General Meeting of Shareholders.

Fourth Proposal: Provision of Bonus to Directors

Taking into consideration the consolidated business results and other things, the Company proposes that the bonus in the amount of ¥140,950,000 be paid to three (3) Directors as a group (except outside Directors) who were in office at the end of the fiscal year under review.

Fifth Proposal: Provision of Remuneration to Directors through Stock Compensation Scheme

The remunerations to the Directors of the Company (except outside Directors) have consisted of basic remunerations, bonuses, and stock options under the stock-linked compensation plan. However, this time, the Company proposes to revise the compensation system for Directors and newly introduce a performance-linked stock compensation scheme (hereinafter the "Scheme") under which delivery of the Company's shares to the Directors (except outside Directors) will be conducted based on the level of attainment of the medium-term management targets and others. Accordingly, no more stock options under the stock-linked compensation plan will be issued hereafter.

The Scheme is introduced to the Directors (except outside Directors) for the purpose of increasing their awareness of contributing to the sustainable growth in business results and corporate value, and the Company considers that the introduction of the Scheme is appropriate.

The Company proposes to pay the Directors (except outside Directors) the remuneration under the Scheme in each fiscal year starting from the 11th term fiscal year (from April 1, 2015 to March 31, 2016). The amount and contents, etc. of such remuneration under the Scheme are as described in the "Amount and Contents, etc. of Remuneration under the Scheme" below.

With respect to this proposal, the Company requests the shareholders' approval for the remuneration to the Directors (except outside Directors), in addition to the remuneration to the Directors as a group (an amount not exceeding ¥550,000,000 per year), which was approved at the 92nd Ordinary General Meeting of Shareholders held on June 24, 2005.

When the Second Proposal (Election of Seven (7) Directors) is approved as originally proposed, the total number of Directors (except outside Directors) at the close of this Ordinary General Meeting of Shareholders shall be three (3).

Amount and Contents, etc. of Remuneration under the Scheme

(1) Overview of the Scheme

The Scheme is the stock compensation scheme, under which the Company's shares are acquired through a trust using the money contributed by the Company (as described in (2) below) and delivery of the Company's shares (as described in (4) below) to the Directors of the Company (except outside Directors; the same shall apply hereinafter only in this proposal) will be conducted through such trust based on the level of attainment of the medium-term management targets and others.

(2) Maximum Amount of Money Contributed by the Company

With respect to the three consecutive fiscal years (initially, three fiscal years from the fiscal year ending March 31, 2016 to the fiscal year ending March 31, 2018; hereinafter the "Applicable Period"), the Company contributes, in the initial fiscal year of each Applicable Period, the sum of money up to ¥350 million as the funds for the remuneration to the Directors, and establishes ("establish" includes the continuous use of the existing Trust by extending the trust period of the Trust; the same shall apply hereinafter only in this proposal) a trust with a trust period of approximately three years designating the Directors who satisfy the beneficiary conditions as beneficiaries (hereinafter the "Trust"). The Trust, in accordance with the instructions of the trust administrator, acquires the Company's shares on the stock market using the money entrusted.

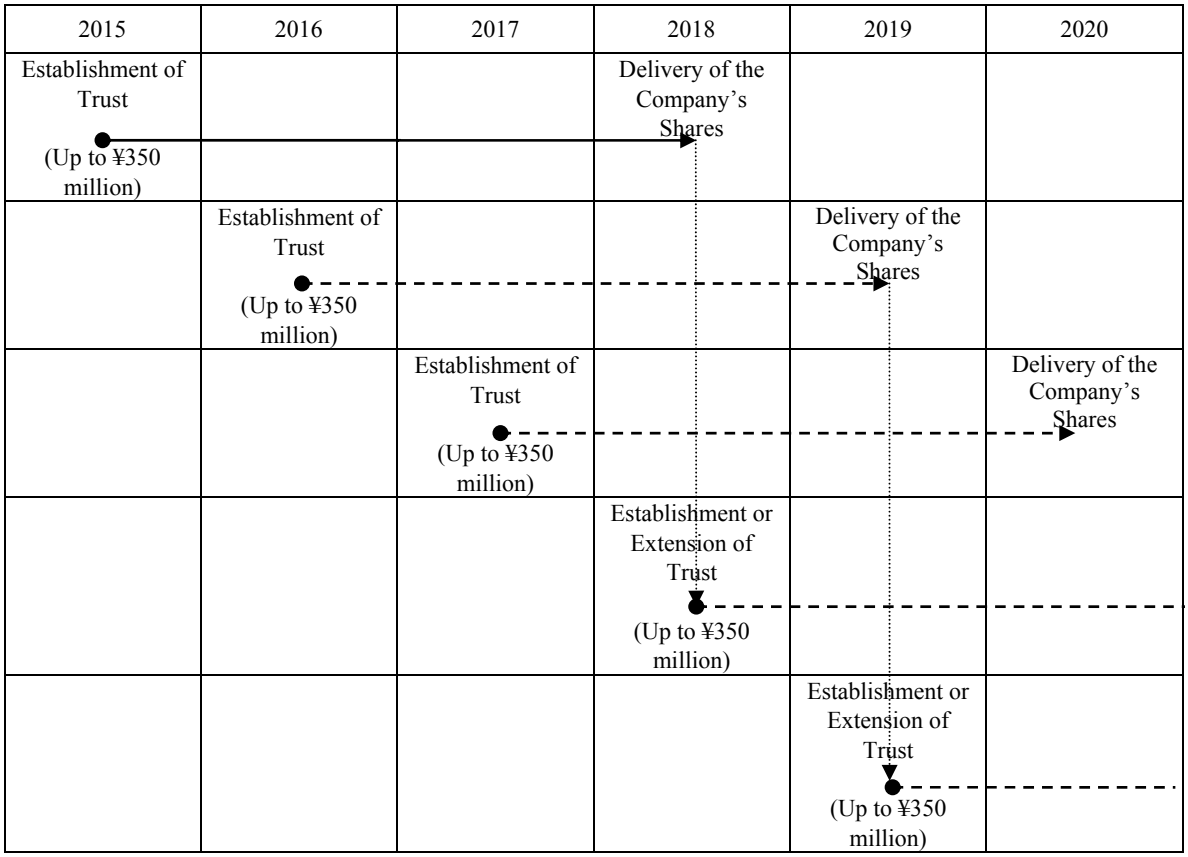
Specifically, with respect to the Trust which will be established in the fiscal year ending March 31, 2016, the three fiscal years from the said fiscal year to the fiscal year ending March 31, 2018 shall be the Applicable Period for the Trust, and the Company contributes the sum of money up to ¥350 million in the initial fiscal year of the said Applicable Period and allocates points (as described in (3) below) to the Directors and conducts delivery of the Company's shares to them during the trust period.

Furthermore, the Company may pay the Directors the remuneration under the Scheme by establishing a new Trust with a trust period of approximately three years in each fiscal year after the fiscal year ending March 31, 2016. In such case, the Company designates the three fiscal years from the establishment of each new Trust as the Applicable Period, and contributes the sum of money up to ¥350 million in the initial fiscal year of the said Applicable Period, and allocates points to the Directors and conducts delivery of the Company's shares to them during the trust period.

In addition, at the expiration of the trust period of each Trust, the Company may continuously use the existing Trust in order to pay the remuneration under the Scheme to the Directors by making changes to the trust agreement and additional entrustments to the Trust in lieu of establishing a new Trust. In such case, the Company extends the trust period of the Trust by the period equal to the initial trust period and designates the three fiscal years following such extension as the Applicable Period. The Company makes an additional contribution within the range of the total amount of ¥350 million in the initial fiscal year of such Applicable Period, and it continues allocating points to the Directors and conducting delivery of the Company's shares to them during the extended trust period.

The number of the Trust that can be established per year shall be one, and up to three Trusts may coexist if the Trust is established every year.

For your reference, the following chart shows the overview explained above.



(3) Calculation Method and Upper Limit of the Number of Company's Shares Acquired by Directors

The number of the Company's shares to be delivered to the Directors under the Scheme (including the number of the Company's shares to be converted into cash in accordance with (4) below) shall be determined, using a specific calculation formula, on the basis of the points allocated based on the level of attainment of the medium-term management targets and others, with 1 point corresponding to 1 share of the Company's share. In the event that the number of the Company's shares belonging to the Trust increases or decreases due to stock split, gratis allotment or stock consolidation, etc., the number of the Company's shares to be delivered per point shall be adjusted by means of a reasonable method.

Basic points shall be allocated to the eligible individuals who are in office as of July 1 of the year in which the Trust is established (as of September 1, 2015 as to the Trust established in FY 2015) in accordance with the following formula.

(Formula for the calculation of basic points)

Basic amount determined based on rank	÷	Average closing price of the Company's shares on Tokyo Stock Exchange in June of the year in which the Trust is established (in August of 2015 as to the Trust established in FY 2015)

* Any fractions of less than one shall be discarded.
* The basic amount levels shall be determined based on the contents of business execution and the responsibilities of each individual, as well as by considering a balance with other monetary compensation, etc., so as to function soundly as the medium- to long-term incentive plan.

Those who remain in office as eligible individuals for the Scheme on the first June 1 after the termination of the Applicable Period of the Trust shall receive from the Trust the delivery of the Company's shares in numbers corresponding to the points calculated according to the formula below.

Basic points x Performance-linked coefficient

* Any fractions of less than one shall be discarded.
* The performance-linked coefficient shall be determined within a range of 0 to 200% based on the level of attainment of the pre-determined, consolidated operating targets for sales, core operating profit ratio, ROE, etc. for the last fiscal year of Applicable Period of each Trust. Evaluation of the level of attainment of operating targets shall be reported to and determined by the Board of Directors after deliberation by the Compensation Committee.

The total number of the Company's shares to be delivered to the Directors (including the number of the Company's shares to be converted into cash in accordance with (4) below) from the relevant Trust during the trust period of each Trust shall be up to the number (any fractions of less than one shall be discarded) derived by dividing ¥350 million by the average closing price of the Company's shares on Tokyo Stock Exchange in June of the year in which the relevant Trust is established (in August of 2015 as to the Trust established in FY 2015).

(4) Method and Period for Delivery of the Company's Shares to Directors

A Director who has met the beneficiary conditions under the Scheme shall receive delivery of the Company's shares corresponding to the allocated points around the first June after the termination of the Applicable Period of the Trust. Delivery of the Company's shares refers to the receipt by Directors of half of the number of the Company's shares corresponding to the allocated points from the Trust (provided that shares less than one unit shall be converted into cash within the Trust and the cash equivalent to the amount of conversion will be received), and the receipt by Directors of the cash equivalent to the remaining half after conversion into cash within the Trust.

In the event that a Director retires during the trust period (excluding voluntary retirement or dismissal), such Director may, as a general rule, receive the delivery of the Company's shares in numbers corresponding to the points that have been allocated up to the time of retirement. Furthermore, in the event that a Director becomes deceased during the trust period, as a general rule, the Company's shares shall be converted into cash in numbers corresponding to the points which have been allocated to the Director up to that time within the Trust, and the cash equivalent to the amount of conversion shall be received by the Director's heir from the Trust.

(5) Voting Rights in the Company's Shares within the Trust

In order to maintain a neutral position vis-a-vis management, no voting rights shall be exercised on the Company's shares within the Trust during the trust period.

(6) Other Contents, etc. of the Scheme

Other contents and details, etc. concerning the Scheme shall be resolved by the Board of Directors of the Company each time the Trust is established.

- End -

[Attachment]

Business Report (April 1, 2014 to March 31, 2015)

1. Matters concerning Present State of the Astellas Group (Corporate Group)

(1) Overview and Results of Operations of the Astellas Group

- During the fiscal year under review (from April 1, 2014 to March 31, 2015, hereinafter "FY2014"), the business environment surrounding the pharmaceutical industry continued to face severe conditions due to implementation of government policies to restrain medical expenditures and the tightening up of new drug application reviews implemented in each country, not only in developed countries but also in emerging economies.

- Under such business circumstances, we actively developed the global business from research and development, manufacturing, and marketing for the purpose of creating highly value-added and innovative new drugs in fields where high unmet medical needs exist, and providing such drugs continuously to the world.

1) Summary of Consolidated Business Results

<Consolidated financial results (core basis)>

The Company has applied the International Financial Reporting Standards (hereinafter "IFRS") to the consolidated financial statements effective from the financial results for FY2013 (from April 1, 2013 to March 31, 2014). In line with the Company's change to IFRS, the Company discloses financial results on a core basis as an indicator of its recurring profitability. Certain items reported in financial results on a full basis that are deemed to be non-recurring items by the Company are excluded as adjusted items from these financial results on a core basis. These adjusted items include impairment losses, gain (loss) on sales of property, plant and equipment, restructuring costs, loss on disaster, a large amount of losses on compensation or settlement of litigation and other legal disputes, and other items that the company judges should be excluded.

Consolidated financial results (core basis) in FY2014 are shown in the table below. Sales, core operating profit and core profit for the year increased.

Consolidated financial results (core basis)

	Business results of the fiscal year under review (FY2014)	Fluctuation (increase/decrease)
Sales	¥1,247.3 billion	¥107.4 billion increase (9.4% increase)
Core operating profit	¥216.5 billion	¥30.2 billion increase (16.2% increase)
Core profit for the year	¥153.2 billion	¥20.4 billion increase (15.4% increase)

The exchange rates for the yen in FY2014 are shown in the table below. The resulting impacts were a ¥47.7 billion increase in sales and a ¥18.0 billion increase in core operating profit.

Exchange rate

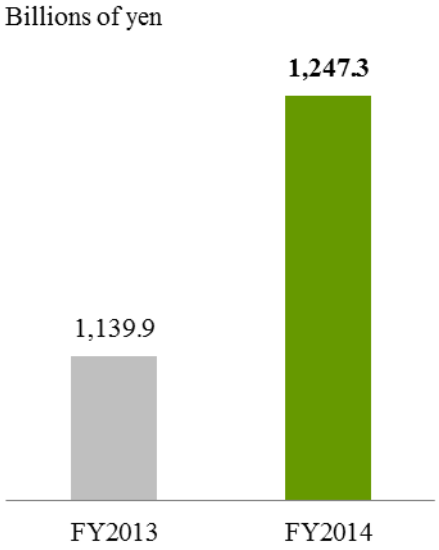
Average rate	FY2013	**FY2014**	Fluctuation
US$/¥	¥100	**¥110**	+¥10
€/¥	¥134	**¥139**	+¥4

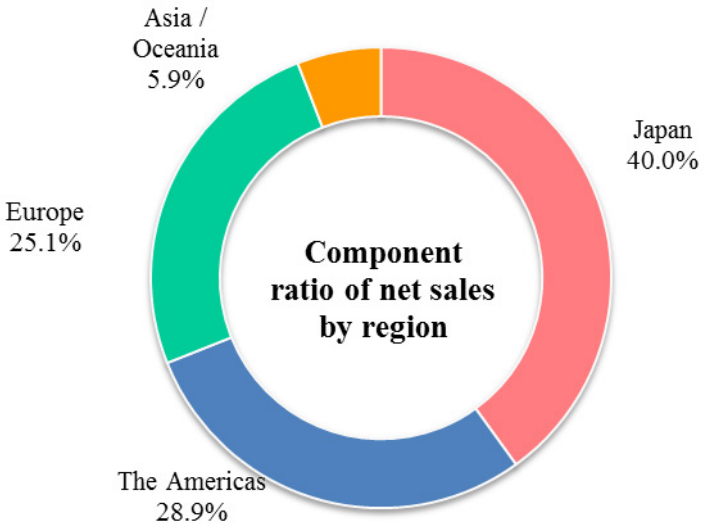
Change from beginning to end of period	FY2013	**FY2014**
US$/¥	¥9 (Weakening of yen)	**¥17 (Weakening of yen)**
€/¥	¥21 (Weakening of yen)	**¥11 (Strengthening of yen)**

(i) Sales

Consolidated sales increased by 9.4% compared to the previous fiscal year ("year-on-year"), to ¥1,247.3 billion.

- In addition to a new product, XTANDI for the treatment of prostate cancer, sales of overactive bladder (OAB) treatments Vesicare and Betanis / Myrbetrig / BETIMIGA grew. Additionally, sales of products including Prograf, an immunosuppressant, increased.





Sales by region

* Sales by region calculated according to locations of sellers.

Sales in Japan decreased by 6.0% year-on-year to ¥498.7 billion.

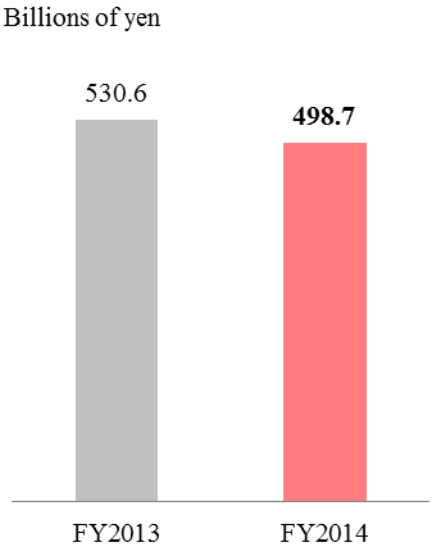
Sales in the Japanese market decreased by 6.6% year-on-year to ¥481.7 billion. The impacts of National Health Insurance (NHI) drug price revision enforced in April 2014, generics and other factors caused overall sales to decline year-on-year.

- In addition to Betanis, new products such as Cimzia for the treatment of adult patients with rheumatoid arthritis and Gonax for the treatment of prostate cancer showed growth in sales. Additionally, there were contributions from sales of the selective SGLT2 inhibitor Suglat and XTANDI, which were launched in April and May 2014, respectively.

- On the other hand, sales of products declined, including Lipitor for the treatment of hypercholesterolemia, Seroquel for the treatment of schizophrenia, Myslee for the treatment of insomnia, Gaster for the treatment of peptic ulcer and gastritis, and Harnal for the treatment of functional symptoms of benign prostatic hyperplasia, mainly due to the impacts of NHI drug price revision and generics.

- Furthermore, there were decreases in sales of products including the anti-inflammatory and anti-pain drug Celecox, Symbicort for the treatment of bronchial asthma and

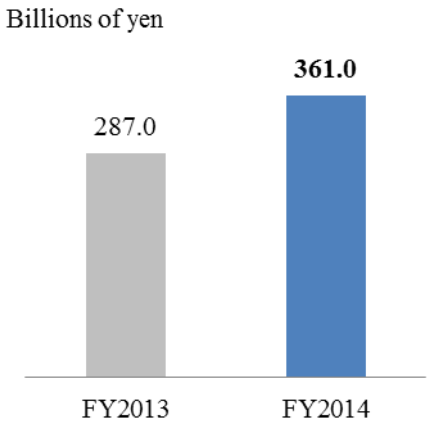
Bonoteo for the treatment of osteoporosis, partly reflecting temporary fluctuations in supply and demand conditions before and after the consumption tax hike implemented in April 2014.



Sales in the Americas increased by 25.8% year-on-year to ¥361.0 billion.

Sales on a local currency basis increased by 14.7% year-on-year to US$3,284 million.

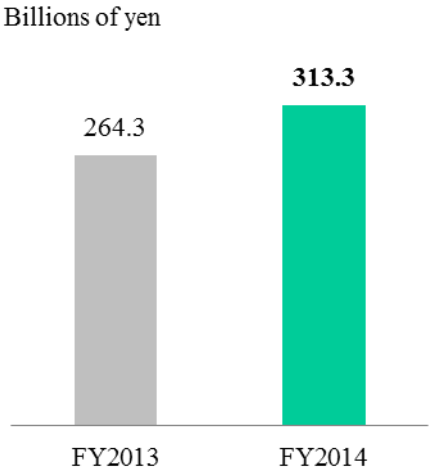
- In addition to the sales of XTANDI, overall sales of OAB treatments VESIcare and Myrbetriq grew.
- Additionally, there were increases in sales of Prograf and income from anticancer drug Tarceva and others.



Sales in Europe* increased by 18.6% year-on-year to ¥313.3 billion.
* This category includes the Middle East and Africa in addition to Europe.

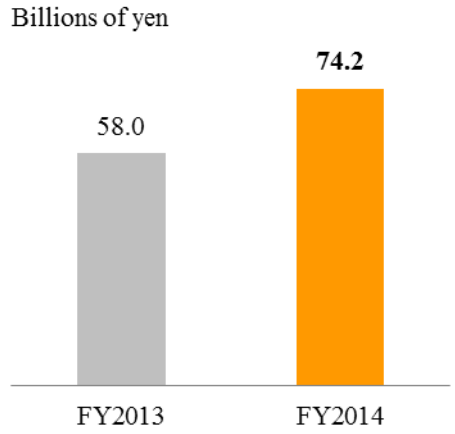
Sales on a local currency basis increased by 14.8% year-on-year to €2,258 million.

- In addition to XTANDI and overall OAB treatments Vesicare and BETMIGA, sales of Prograf, the Candin-type antifungal agent Mycamine and others grew.



Sales in Asia and Oceania increased by 28.0% year-on-year to ¥74.2 billion.

- Products such as Prograf, Harnal and Vesicare showed growth in sales, resulting in an increase in revenue.



(ii) Core operating profit / Core profit for the year

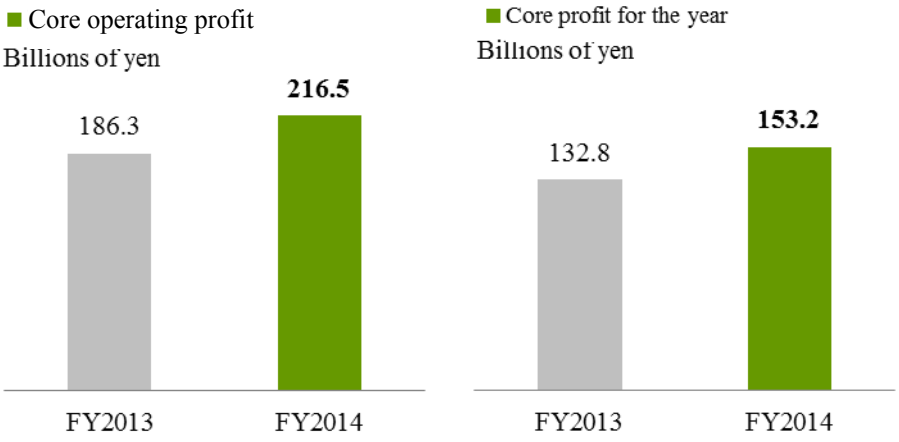
Core operating profit increased by 16.2% year-on-year to ¥216.5 billion.
Core profit for the year increased by 15.4% year-on-year to ¥153.2 billion.

- The increase in sales and a fall in the cost-to-sales ratio resulted in a gross profit of ¥914.1 billion, up 12.9% year-on-year. The cost-to-sales ratio fell 2.3 percentage points year-on-year to 26.7%, owing to changes in product mix and other factors.

- Selling, general and administrative expenses increased by 14.0% year-on-year to ¥452.5 billion, which in addition to the foreign exchange rate impact, was partly due to increased expenditures for co-promotion of XTANDI in the US.

- Research and development (R&D) expenses were ¥206.6 billion, up 7.9% year-on-year, which in addition to the foreign exchange rate impact, was partly due to increased expenses related to progress of development projects. The R&D cost-to-sales ratio was down 0.2 percentage points year-on-year to 16.6%.

- Amortization of intangible assets was ¥38.7 billion, up 7.4% year-on-year.



<Consolidated financial results (full basis)>

Consolidated financial results on a full basis in FY2014 are shown in the table below. Sales, operating profit, profit before tax and profit for the year increased.

Items excluded from the results on a core basis including impairment losses for other intangible assets, net foreign exchange losses, restructuring costs and litigation costs at a total of ¥43.3 billion (compared to ¥81.0 billion in the previous fiscal year) were recorded in "Other expense."

Comprehensive income decreased.

Consolidated financial results (full basis)

	Business results of the fiscal year under review (FY2014)	Fluctuation (increase/decrease)
Sales	¥1,247.3 billion	¥107.4 billion increase (9.4% increase)
Operating profit	¥185.7 billion	¥68.9 billion increase (59.0% increase)
Profit before tax	¥189.7 billion	¥67.7 billion increase (55.5% increase)
Profit for the year	¥135.9 billion	¥45.0 billion increase (49.5% increase)
Comprehensive income	¥169.5 billion	¥12.6 billion decrease (6.9% decrease)

2) R&D activities

The Astellas Group is aiming for mid- to long-term sustainable growth through the continuous and early creation of new drugs that are innovative and useful in therapeutic areas where no effective drugs are available and unmet medical needs exist.

To achieve this, we have made it our top priority to strengthen our ability to generate innovative drugs.

(i) Initiatives in drug discovery research

In drug discovery research, we aim to create innovative drugs, promoting the Precision Medicine approach, which is based on the molecular target and diagnostic workup, and proactively making use of leading-edge technologies and knowhow through alliances with outside organizations. In the field of regenerative medicine, in addition to the regenerative medicine research and development we already carry out, we will engage in full-scale research for cell therapy, which involves the utilization of cells themselves in medical treatment. As part of these efforts, in April 2014, we established the "Regenerative Medicine Unit" as a new organization to specialize in research of regenerative medicine and cell therapy. In April 2015, we reorganized this unit into the "Regenerative Medicine Labs" to reinforce research function. Furthermore, in order to strengthen our work in the area of drug repurposing*, which we have hitherto carried out in each disease area or in a function-led manner at Drug Discovery Research, we established the Drug Repurposing & Application Management in April 2015 .

We seek to optimize the allocation of R&D resources while reinforcing our ability to generate innovative drugs to accelerate the development of new drugs. Specifically, our R&D reshaping is centered on four themes: "integrating and reinforcing our drug discovery

research functions," "expanding our use of external cutting-edge science," "targeting new therapeutic areas and drug discovery platform technologies," and "accelerating drug discovery." In the area of identifying and obtaining external innovation opportunities during the preclinical development stage, we continued to deliver steady results during FY2014, including collaborations with academia and other sectors, in efforts led by Drug Discovery Research and Astellas Innovation Management.

While collaborating with various fields related to medical treatment such as surgery and preventive care, we are carrying out efforts centered on the innovative drug business to provide patients with value that has never before existed. In October 2014, a unit of the specialization was reorganized under a new department called "Pharma Breakthrough." In April 2015, this department was renamed "Evolving Medical Solutions" to more accurately reflect the department's mission.

* Drug repurposing is the work of overcoming issues it was initially unable to resolve by taking a multifaceted approach to existing drugs, or pharmaceutical candidates for which research and development was stopped, and seeking new value for them.

(ii) Initiatives and progress with major projects in clinical development

In tandem with moves to further reinforce our global development framework, we accelerates the pace of product development by focusing resources on high-priority projects. The followings are the main development advances made during FY2014.

(Clinical Development Outside of Japan)

- For XTANDI for the treatment of prostate cancer (generic name: enzalutamide), an additional indication was approved in the US in September 2014 for the treatment of men with metastatic castration-resistant prostate cancer who have not received chemotherapy. We also submitted a variation to amend the Marketing Authorization Application in Europe in April 2014 and this was approved in December 2014.
  .

- For CRESEMBA (generic name: isavuconazonium sulfate), an azole antifungal agent, we submitted an application for approval in the US in July 2014 for the treatment of invasive aspergillosis and invasive mucormycosis, and this was approved in March 2015.

- We submitted an application for approval in Europe in December 2014 for Qutenza (generic name: capsaicin), a peripheral neuropathic pain treatment, for the additional indication of peripheral neuropathic pain in diabetic patients.

- For the anticancer drug Tarceva (generic name: erlotinib), the US Food and Drug Administration determined that the submitted pediatric data met their Written Request and the exclusivity period has been extended to May 2019.

(Clinical Development in Japan)

- We submitted an application in May 2014 for approval for the recombinant influenza HA vaccine ASP7374 for the indication of the prevention of influenza.

- In June 2014, an application for approval for additional indication regarding Cimzia (generic name: certolizumab pegol), for the treatment of rheumatoid arthritis in patients without previous treatment with anti-rheumatic drugs was submitted.

- In July 2014, an application for approval for additional indication regarding Starsis (generic name: nateglinide), a fast-acting postprandial hypoglycemic agent, for the treatment of type 2 diabetes in combination with DPP-4 inhibitors was submitted.

- With respect to Irribow (generic name: ramosetron hydrochloride), for the treatment of diarrhea-predominant irritable bowel syndrome, we submitted an application in July 2014 for the additional indication of diarrhea-predominant irritable bowel syndrome in females.

- For XTANDI (generic name: enzalutamide), the "Precaution regarding indication" item of the package insert was revised in October 2014. The sentence "Efficacy and safety of the drug have not been established in patients with prostate cancer who have not received chemotherapy" was deleted.

- We obtained approval for 4-HPPD inhibitor Orfadin (generic name: nitisinone) for the indication of hereditary tyrosinemia type 1 in December 2014.

- In March 2015, we submitted an application for approval regarding Kiklin (generic name: bixalomer), a treatment for hyperphosphatemia, for the additional indication of hyperphosphatemia in patients not on dialysis with chronic kidney disease.

- With respect to Evolocumab (generic name, development code: AMG 145), an LDL cholesterol-lowering treatment, an application for approval was submitted in March 2015 by Amgen Astellas BioPharma KK, which is co-developing the drug.

(iii) Initiatives for alliances with outside organizations, etc. in R&D

- In April 2014, we announced to join a consortium established by the Lieber Institute for Brain Development (US) together with several pharmaceutical companies to identify new treatments for neuropsychiatric disorders.

- In August 2014, we entered into a joint research and license agreement with Cancer Research UK (UK) to find new drug targets for the treatment of various cancers, including pancreatic cancer.

- In October 2014, we entered into a joint research agreement with Harvard Medical School (US) focused on identifying and verifying the pathologic mechanism for retinitis pigmentosa, with the aim to provide a new treatment option with a view of a gene therapy.

- In November 2014, we entered into a joint research agreement (including option rights for development and commercialization) with Dana-Farber Cancer Institute (US) focusing on research and development for small molecule inhibitors of oncogenic K-Ras for the treatment of lung cancer and various other forms of cancer.

- Also in November 2014, we entered into a collaboration agreement with Proteostasis Therapeutics, Inc. (US) focusing on the research, development and commercialization aimed at creating therapeutic candidates to treat genetic diseases, etc. associated with protein structural defects by modulation of unfolded protein response pathways of the endoplasmic reticulum, which is an organelle.

- In December 2014, we made an amendment to our collaboration agreement with Cytokinetics, Incorporated (US) focusing on the research, development and commercialization of skeletal muscle activators, which we entered into in June 2013. With this amendment to the collaboration agreement, the scope of the collaboration for fast skeletal troponin activators including CK-2127107, which was previously limited to non-neuromuscular indications, was extended to add spinal muscular atrophy (SMA) and other neuromuscular indications.

- In January 2015, we entered into an exclusive license agreement with Immunomic Therapeutics, Inc. (US) focusing on the development and commercialization in Japan of JRC2-LAMP-vax, a vaccine created by Immunomic Therapeutics, Inc. and currently developed by that company as a treatment for allergies induced by Japanese red cedar pollen.

- In February 2015, we entered into an agreement with The National University Corporation Osaka University to establish a joint research chair with a view to develop fundamental technologies for next-generation cell therapies and brining those technologies to practical use.

- In December 2014, Janssen Biotech, Inc. (US), with which we entered into a license agreement in October 2012 to develop and commercialize ASP015K, Astellas' oral Janus Kinase (JAK) inhibitor worldwide except Japan, exercised its right to terminate the said agreement. As a result, the agreement was terminated on

January 15, 2015. We regained all rights that had been granted to Janssen Biotech, Inc. upon the effective date of the termination.

- In October 2014, we exercised our right to terminate the license agreement entered into in April 2008 with CoMentis, Inc. (US) focused on worldwide, exclusive joint research, development and commercialization of beta-secretase inhibitors for Alzheimer's disease. We returned all rights we had been granted under the license agreement to CoMentis, Inc. in April 2015.

(iv) Initiatives to optimize the allocation of resources, etc.

- In September 2014, Pfizer Japan Inc. and we agreed to terminate the distribution and co-promotion agreement in Japan we entered into in October 2011 for Caduet, a combination drug of hypertension treatment and hypercholesterolemia treatment. The said distribution and co-promotion agreement was terminated on March 31, 2015, and distribution was transferred to Pfizer Japan Inc. effective April 1, 2015.

- In January 2015, we entered into an agreement with OrphanPacific, Inc. to succeed the manufacturing and marketing approval for products including the human somatomedin C Somazon for Injection (generic name: mecasermin), which we manufacture and market in Japan, to OrphanPacific, Inc.

3) Present state of CSR management

The Astellas Group's business philosophy is composed of its "raison d'être," "mission," and "beliefs." The Astellas Group's raison d'être is to "Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products," its mission is "sustainable enhancement of corporate value," and its beliefs, which provide its standards of conduct, are based on the following four elements: high sense of ethics, customer focus, creativity, and competitive focus.

The Astellas Group has established the "Astellas Charter of Corporate Conduct" which concretely describes the conduct to realize its business philosophy, and it has established the "Astellas Global Code of Conduct" as a Group-wide compliance standard. By acting sincerely in line with these standards, the Astellas Group aims to be an enterprise worthy of being selected and trusted by all its stakeholders.

(Note) CSR: Corporate Social Responsibility

(2) Changes in Assets and Income and Loss:

IFRS

Items	7th term fiscal year (FY2011)	8th term fiscal year (FY2012)	9th term fiscal year (FY2013) (Previous fiscal year)	10th term fiscal year (FY2014) (Fiscal year under review)
Sales	－	¥981.9 bil.	¥1,139.9 bil.	¥1,247.3 bil.
Operating profit	－	¥121.6 bil.	¥116.8 bil.	¥185.7 bil.
Profit before tax	－	¥127.1 bil.	¥122.0 bil.	¥189.7 bil.
Profit for the year	－	¥92.5 bil.	¥90.9 bil.	¥135.9 bil.
Basic earnings per share	－	¥40.27	¥40.45	¥61.50
ROE (attributable to owners of the parent)	－	8.0%	7.4%	10.5%
Total assets	－	¥1,565.3 bil.	¥1,653.1 bil.	¥1,793.6 bil.
Equity attributable to owners of the parent	－	¥1,174.6 bil.	¥1,268.5 bil.	¥1,317.9 bil.
R&D expenses	－	¥159.1 bil.	¥191.5 bil.	¥206.6 bil.
R&D cost-to-sales ratio	－	16.2%	16.8%	16.6%

J- GAAP

Items	7th term fiscal year (FY2011)	8th term fiscal year (FY2012)	(Reference) 9th term fiscal year (FY2013) (Previous fiscal year)	10th term fiscal year (FY2014) (Fiscal year under review)
Net sales	¥969.4 bil.	¥1,005.6 bil.	¥1,164.5 bil.	−
Operating income	¥131.5 bil.	¥153.9 bil.	¥177.3 bil.	−
Ordinary income	¥135.1 bil.	¥157.2 bil.	¥170.8 bil.	−
Net income	¥78.2 bil.	¥82.9 bil.	¥92.4 bil.	−
Net income per share	¥33.88	¥36.08	¥41.15	−
ROE	7.7%	8.0%	8.4%	−
Total assets	¥1,400.6 bil.	¥1,445.6 bil.	¥1,551.8 bil.	−
Net assets	¥1,018.1 bil.	¥1,062.0 bil.	¥1,140.1 bil.	−
R&D expenses	¥189.8 bil.	¥182.0 bil.	¥214.6 bil.	−
R&D expenses to net sales ratio	19.6%	18.1%	18.4%	−

(Notes) 1. Starting in FY2013, Consolidated Financial Statements are prepared in accordance with the IFRS in pursuant to the provisions of Article 120, Paragraph 1 of the Corporate Accounting Regulations.

2. The Company conducted a stock split of common stock at a ratio of 5 for 1 with an effective date of April 1, 2014. Basic earnings per share and net income per share are calculated assuming that the stock split was conducted at the beginning of FY2011. Basic earnings per share and net income per share are calculated using the average number of shares of common stock in issue during the fiscal year and presented by rounding numbers to the nearest second decimals, i.e., discarding four hundredths (4/100) or less and rounding up five hundredths (5/100) or more.

3. ROE=Return On Equity

(3) Capital Expenditures

During the fiscal year under review, the Astellas Group implemented augmentation of production equipment (including the construction of the new formulation facilities of the Yaizu Technology Center of Astellas Pharma Tech Co., Ltd., a production subsidiary of the Company) and reshaping of the research bases.

<Capital Expenditures>

9th term fiscal year (Previous fiscal year)	10th term fiscal year (Fiscal year under review)	Fluctuation (increase/decrease)
¥25.7 billion	¥30.6 billion	¥4.9 billion increase (19.1 % increase)

(4) Financing of the Astellas Group

Not applicable.

(5) Issues to be Addressed by the Astellas Group

Based on its business philosophy, the Astellas Group has established a management vision of how Astellas should be in the long term and the conduct that will be necessary to realize that. The Astellas Group aims for continued improvement of corporate value continuously creating high value-added new products and delivering such products to all people wishing for health.

We are currently formulating a management plan for the three-year-period starting with FY2015 as more concrete measures aimed at realizing this vision. The plan will be announced on May 26, 2015.

1) Initiatives to build resilience for sustainable growth

In recent years, the business environment surrounding the pharmaceutical industry has been changing at an unprecedented rate of acceleration. Under such circumstances, in order to resiliently respond to changes in the environment and ensure medium- to long-term growth, We are emphasizing work to “Maximize the value of products,” “Create innovation” and “Pursue operational excellence” as strategic initiatives, and will continue its efforts to address these issues.

(i) Maximize the value of products

We will address this issue through means such as maximizing our overactive bladder franchise by cultivating Betanis / Myrbetriq / BETMIGA, strengthening the business base in the field of oncology through the global growth of XTANDI, maintaining our position of leadership in transplantation with Prograf and Graceptor / Advagraf / ASTAGRAF XL, and continuously launching new products in each region.

(ii) Create innovation

We will continue efforts to reinforce our ability to generate innovative drugs and increase productivity in research and development. Working together with researchers who are leaders in cutting-edge science across the world, we aim to create network research frameworks that allow agile development of research activities based at the optimum research laboratories and to continue generate much more innovation. Furthermore, we will

push ahead with initiatives to continue to provide new value to patients from not only the viewpoint of therapeutic areas, but also the viewpoint of new technologies and modalities.

(iii) Pursuit of operational excellence

With the aim of developing and strengthening a business and operation foundation capable of nimbly responding to sudden changes in the environment, we have hitherto worked to enhance operational excellence and efficiency with the use of external resources. Going forward, we will continue to construct more efficient and high quality organizations and systems that support strategies and to implement initiatives in anticipation of future changes.

2) Policy of returns to shareholders

We are working steadily towards increasing corporate value on a continual basis and, as a consequence, improve our return to shareholders. While putting priority on business investment to assure future growth, we will strive to increase dividend payments stably and continuously based on mid- to long-term profit growth, and in addition we will flexibly acquire our own shares to further increase capital efficiency and shareholder return.

3) Strengthening of Global Management Structure

The Astellas Group has established a global management structure, and will work further to enhance it in the future.

- In April 2015, the Executive Committee, chaired by the President and CEO, was established for decision-making on significant issues in global management of the Astellas Group. In addition, the Japan Management Committee, chaired by the Executive Vice President, was established for decision-making on significant corporate governance issues of the Company and its affiliates in Japan. Accordingly, the Global Management Committee, the Corporate Administration & Finance Committee and the Global Human Resources Committee were dissolved.

- In order to build an optimal management system capable of speedy and precise decision-making, we have been promoting a system called “Matrix Management,” under which we manage each division of Drug Discovery Research, Medical and Development, and Technology based on their respective functions from a global viewpoint, while the Sales & Marketing Division is managed on a local basis.

- In April 2013, Global Pharmacovigilance and Global Medical Affairs were put under the control of the Chief Medical Officer. In April 2014, Global Development, Global Regulatory Affairs, Global Clinical and Research Quality Assurance and Global Quality Assurance were also put under the control of the Chief Medical Officer. Furthermore, in April 2015, Global Marketing Strategy, which had formerly been under the control of Product & Portfolio Strategy, was moved directly under the President and CEO, while Global Business Development was reorganized and the functions of product launch, and cultivating and negotiating business partnerships, which had formerly been undertaken by the group companies in each of the regions of Japan, US and Europe, were concentrated in Business Development of the Company. In addition, in terms of major IT functions of Japan, US and Europe, a global system is in place which reports to Information Systems of the Company.

- We have established the CSR Committee that discusses policies and plans of important activities for the purpose of fulfilling our social responsibilities (such as issues on environment, safety and health, and social contribution activities) and the Global Compliance Committee that discusses global compliance policies and plans. In addition, in April 2015, we established the Global Risk Management Office, as part of the global risk management system, while abolishing the IR Committee and establishing the Corporate Disclosure Committee, which discusses issues relating to the disclosure of corporate information.

<Top Management Structure>

(As of April 1, 2015)

	Current Position	Department in-charge
President and CEO	Yoshihiko Hatanaka	Internal Auditing, Drug Discovery Research, Technology, Sales & Marketing, Asia/Oceania Business, EMEA Operations, Americas Operations, Global Marketing Strategy
Executive Vice President	Yoshiro Miyokawa	External Relations, General Affairs, Human Resources, Legal & Compliance, Executive Office
Chief Financial Officer	Yasumasa Masuda	Corporate Finance and Control, Accounting & Tax, Corporate Communications, Procurement, Information Systems
Chief Strategy Officer	Kenji Yasukawa	Corporate Planning, Product and Portfolio Strategy, Business Development, Innovation Management, Evolving Medical Solutions, Intellectual Property
Chief Medical Officer	Sef Kurstjens	Global Development, Global Pharmacovigilance, Medical Affairs, Global Regulatory Affairs, Global Clinical and Research Quality Assurance, Global Quality Assurance

<Global Management Structure>

(As of April 1, 2015)

		Executive Committee	Japan Management Committee
Issues for Deliberation / Members		Significant issues in global management of the Astellas Group	Significant corporate governance issues of the Company and its affiliates in Japan
President and CEO	Yoshihiko Hatanaka	◎Chairman	
Executive Vice President	Yoshiro Miyokawa	◎	○ Chairman
Chief Financial Officer	Yasumasa Masuda	◎	
Chief Strategy Officer	Kenji Yasukawa	◎	
Chief Medical Officer	Sef Kurstjens	◎	
Senior Vice President, Drug Discovery Research	Wataru Uchida	○	
President, Global Development	Bernie Zeiher	○	
Senior Vice President, Technology	Mitsunori Matsuda	○	
Senior Vice President, Sales & Marketing	Yukihiko Sato	○	
Senior Vice President, Asia/Oceania Business	Masatoshi Kuroda	○	
President and CEO, EMEA Operations	Ken Jones	○	
President and CEO, Americas Operations	Masao Yoshida	○	
Vice President, Corporate Planning	Chikashi Takeda		○
Vice President, Corporate Finance and Control	Yasuo Sakae		○
Vice President, Human Resources	Fumiaki Sakurai		○
Vice President, Legal & Compliance	Kazunori Okimura		○

(Note) In the Executive Committee, the mark "◎" signifies a standing member and "○" signifies an extended member. In the Japan Management Committee, the mark "○" signifies a committee member.

<Committee Structures and Issues for Deliberation>

(As of April 1, 2015)

Global Compliance Committee	CSR Committee	Corporate Disclosure Committee
Global compliance policy creation, promotion and implementation	CSR activities policy creation and evaluation	Creation of disclosure policy on corporate information, etc.

(6) Principal Business (as of March 31, 2015)

Research, development, manufacture and sale of pharmaceuticals

(7) Principal Offices and Plants (as of March 31, 2015)

	Name and location	
Japan	Headquarters (Head Office)	Chuo-ku, Tokyo
	Sales & Marketing	Sapporo Branch (Sapporo-shi, Hokkaido), Tohoku Branch (Sendai-shi, Miyagi Prefecture), Kanetsu Branch (Taito-ku, Tokyo), Saitama Branch (Saitama-shi, Saitama Prefecture), Chiba Branch (Chiba-shi, Chiba Prefecture), Tokyo Branch (Chuo-ku, Tokyo), Yokohama Branch (Yokohama-shi, Kanagawa Prefecture), Nagoya Branch (Nagoya-shi, Aichi Prefecture), Kyoto Branch (Kyoto-shi, Kyoto), Osaka Branch (Osaka-shi, Osaka), Kobe Branch (Kobe-shi, Hyogo Prefecture), Chugoku Branch (Hiroshima-shi, Hiroshima Prefecture), Shikoku Branch (Takamatsu-shi, Kagawa Prefecture), Kyushu Branch (Fukuoka-shi, Fukuoka Prefecture)
	Research & Development	Tsukuba Research Center, Tsukuba Biotechnology Research Center (Tsukuba-shi, Ibaraki Prefecture), Takahagi Technology Center (Takahagi-shi, Ibaraki Prefecture), Yaizu Technology Center (Yaizu-shi, Shizuoka Prefecture), Kashima Office (Osaka-shi, Osaka)
	Manufacturing*	Takahagi Technology Center (Takahagi-shi, Ibaraki Prefecture), Toyama Technology Center (Toyama-shi, Toyama Prefecture), Yaizu Technology Center (Yaizu-shi, Shizuoka Prefecture), Kiyosu Plant (Kiyosu-shi, Aichi Prefecture), Takaoka Plant (Takaoka-shi, Toyama Prefecture), Nishine Plant (Hachimantai-shi, Iwate Prefecture)
Overseas	Sales & Marketing*	The Americas: United States, Canada and Brazil Europe: United Kingdom, Germany, France, Italy, Spain, Russia, and other countries Asia/Oceania: The People's Republic of China, Korea, Taiwan, Australia, and other countries
	Research & Development*	United States, The Netherlands
	Manufacturing*	United States, Ireland, The Netherlands, The People's Republic of China

(Notes) 1. The mark "*" shows the location of the Company's each subsidiary.

2. In May 2014, we relocated functions including the Clinical Development, QA (Quality Assurance) & RA (Regulatory Affairs) and Pharmacovigilance from the Hasune Office in Itabashi-ku, Tokyo to an office building close to Astellas' headquarter in Nihonbashi, Chuo-ku, Tokyo.

3. As of April 1, 2014, the business at the Fuji Plant, one of the manufacturing bases of the Company's production subsidiary, was succeeded to Nichi-Iko Pharmaceutical Co., Ltd.

(8) Principal Subsidiaries (as of March 31, 2015)

Name of subsidiary	Paid-in capital	Percentage of voting rights (%)	Outline of business
Astellas Pharma US, Inc.	US$ 10	100.0*	Sale of pharmaceuticals
Astellas Pharma Europe Ltd.	US$ in millions 137	100.0*	Sale of pharmaceuticals
Astellas Pharma China, Inc.	CNY in millions 299	100.0	Manufacture and sale of pharmaceuticals
Astellas Pharma Global Development, Inc.	US$ 10	100.0*	Development of pharmaceuticals
Astellas Ireland Co., Ltd.	US$ in thousands 4,500	100.0*	Development, manufacture and sale of pharmaceuticals
Astellas Pharma Tech Co., Ltd.	¥ in millions 100	100.0	Manufacture and sale of pharmaceuticals

(Notes) 1. The number of consolidated subsidiaries including six (6) principal subsidiaries stated in the table above totals seventy-nine (79) and that of affiliated companies accounted for by the equity method is five (5).

2. The figures with a mark "*" include the shares owned indirectly.

(9) Important Business Reorganizations

The business at the Fuji Plant, one of the manufacturing bases of the Company's production subsidiary Astellas Pharma Tech Co., Ltd., was succeeded to Nichi-Iko Pharmaceutical Co., Ltd. as of April 1, 2014.

(10) Important Alliance for Technology (as of March 31, 2015)

1) License agreements – license in

Licensor	Country	Type of technologies
Pfizer Inc.	United States	Technology for atorvastatin (Lipitor) Technology for celecoxib (Celecox)
AstraZeneca UK Limited	United Kingdom	Technology for quetiapine fumarate (Seroquel)
Ajinomoto Pharmaceuticals Co., Ltd.	Japan	Technology for nateglinide (Starsis)
FibroGen, Inc.	United States	Technology for YM311 (FG-2216), ASP1517 (FG-4592) and other oral anemia treatments with similar mode of action
XenoPort, Inc.	United States	Technology for gabapentin enacarbil (Regnite)
Ferring International Center SA	Switzerland	Technology for degarelix (Gonax)
Toyama Chemical Co., Ltd.	Japan	Technology for garenoxacin (Geninax)
Ilypsa, Inc.	United States	Technology for bixalomer (Kiklin)
Kyowa Hakko Kirin Co., Ltd.	Japan	Technology for Anti-CD40 mAb
Zeria Pharmaceutical Co., Ltd.	Japan	Technology for acotiamide (Acofide)
Regeneron Pharmaceuticals, Inc.	United States	Technology for VelocImmune
CoMentis, Inc.	United States	Technology for beta-secretase inhibitors
Medivation Inc.	United States	Technology for enzalutamide (XTANDI)
Ironwood Pharmaceuticals, Inc.	United States	Technology for linaclotide
Basilea Pharmaceutica International Ltd.	Switzerland	Technology for isavuconazonium sulfate (CRESEMBA)
UMN Pharma Inc.	Japan	Technology for cell culture based influenza vaccines
Vical Incorporated	United States	Technology for vaccine designed to control cytomegalovirus (CMV) reactivation in transplant recipients
UCB Pharma, S.A.	Belgium	Technology for certolizumab pegol (Cimzia)
Amgen Inc.	United States	Technology for AMG145, AMG785, AMG102, AMG337 and AMG103
Cytokinetics, Incorporated	United States	Technology for skeletal muscle activators
Proteostasis Therapeutics, Inc.	United States	Technology for therapies modulating the unfolded protein response
Immunomic Therapeutics, Inc.	United States	Technology for vaccine for Japanese red cedar pollinosis, JRC2-LAMP-vax
HealthCare Royalty Partners	United States	Technology for treatment of peripheral neuropathic pain, Qutenza

Licensor	Country	Type of technologies
Merck & Co., Inc.	United States	Technology for fidaxomicin (DIFICLIR)
TOLMAR Inc.	United States	Technology for treatment of advanced prostate cancer Eligard
Gilead Sciences, Inc.	United States	Technology for Amphotericin B (AmBisome)
Gilead Palo Alto, Inc.	United States	Technology for regadenoson (Lexiscan)
Seattle Genetics, Inc.	United States	Technology for ADC
Ambrx Inc.	United States	Technology for new ADC

(Notes) 1. The following license-in agreements were terminated.
- License-in agreement regarding technology for tyrosine kinase inhibitor, entered into with AVEO Pharmaceuticals, Inc. (United States)
- License-in agreement regarding technology for adenocin (Adenoscan), entered into with King Pharmaceuticals, Inc. (United States)

2. The license-in agreement regarding technology for beta-secretase inhibitors, entered into with CoMentis, Inc. (United States), which we exercised our right to terminate in October 2014, came to an end in April 2015.

3. While the license-in agreement regarding technology for AKP-002, entered into with ASKA Pharmaceutical Co., Ltd., remains effective at the end of the fiscal year under review, it has been eliminated from the above table as the development of AKP-002 has been terminated.

4. The name Cubist Pharmaceuticals, Inc. (United States) has been replaced by Merck & Co., Inc., due to the acquisition of the former by the latter.

2) License agreements – license out

Licensee	Country	Type of technologies
Boehringer Ingelheim International GmbH	Germany	Technology for tamsulosin OCAS
Cephalon, Inc.	United States	Technology for Bendamustine Hydrochloride
Mundipharma International	Bermuda Islands	Technology for Bendamustine Hydrochloride
SymBio Pharmaceuticals Limited	Japan	Technology for Bendamustine Hydrochloride
Cilag GmbH International	Switzerland	Technology for Bendamustine Hydrochloride
F. Hoffmann-La Roche Ltd	Switzerland	Technology for erlotinib

(Note) The following license-out agreement was terminated.
- License-out agreement regarding technology for ASP015K, entered into with Janssen Biotech, Inc. (United States)

3) Distribution and other agreements

Licensor	Country	Contents of contracts
Toa Eiyo Ltd.	Japan	Distribution of Toa Eiyo pharmaceutical products
Toray Industries, Inc.	Japan	Distribution of “Dorner”
Sanofi K.K.	Japan	Distribution of “Myslee”
Nippon Boehringer Ingelheim Co., Ltd.	Japan	Distribution of “Micardis” (including “Micombi,” “Micamlo,” etc.)

Licensor	Country	Contents of contracts
AstraZeneca AB	Sweden	Distribution and co-promotion agreement for "Symbicort" of AstraZeneca AB
Maruho Co., Ltd.	Japan	Promotion and exclusive distribution agreement in Japan for "Protopic ointment" of the Company
Sanwa Kagaku Kenkyusho Co., Ltd.	Japan	Distribution and co-promotion agreement for "ARGAMATE" of Sanwa Kagaku Kenkyusho Co., Ltd. Co-promotion agreement for "Kiklin" of the Company
Kotobuki Pharmaceutical Co., Ltd.	Japan	Co-operation agreement in Japan for "Suglat" of the Company and Kotobuki Pharmaceutical Co., Ltd.
MSD K.K.	Japan	Co-promotion agreement for "Suglat" of the Company and Kotobuki Pharmaceutical Co., Ltd.
Genentech, Inc.	United States	Co-development and Co-business agreement for "Tarceva" of the Company

(Note) The following distribution and other agreement was terminated.

- Distribution and co-promotion agreement, entered into with Pfizer Japan Inc. (Japan), for its "Caduet"

4) Other collaboration agreements

Licensor	Country	Contents of contracts
Mitobridge, Inc. (former Mitokyne, Inc.)	United States	The Company will collaborate with Mitobridge, Inc. for joint research and development in the area of mitochondria-related diseases for 5 years from October 2013, with exclusive right to acquire Mitobridge, Inc. during the term with certain payments.
ClearPath Development Company	United States	The Company will incur the development expense of virosome vaccine technology for respiratory syncytial virus until the end of proof-of-concept study, with exclusive rights to acquire the subsidiary of ClearPath Development Company conducting the development with certain payments.

(11) Major Litigations, etc.

1) Prograf Litigation

Astellas Pharma US, Inc., one of the Company's indirect US subsidiaries, was named as a defendant in 2011 in several separate lawsuits brought by plaintiffs in various federal courts on behalf of themselves and proposed classes of all direct and indirect purchasers of Prograf. These lawsuits involve allegations that under the federal antitrust laws and various state laws, Astellas Pharma US, Inc. misused the Citizen Petition process for the sole purpose of delaying the approval of generic tacrolimus by the U.S. Food and Drug Administration, thereby injuring the plaintiffs. In June 2011, the US Judicial Panel on Multi-District Litigation ordered that the cases be consolidated before the U.S. District Court for the District of Massachusetts. In January 2015, Astellas Pharma US, Inc. settled all claims brought against it by the direct purchaser plaintiffs. The cases filed by the indirect purchasers are still pending and are being

vigorously defended.

2) Tarceva Government Investigation

In November 2011, OSI Pharmaceuticals, LLC, one of the Company's indirect US subsidiaries, received a subpoena from the U.S. Department of Justice, represented by the U.S. Attorney's Office in San Francisco, California, requesting documents and other information concerning the promotion, marketing and sale of Tarceva in the U.S. The investigation is civil and criminal in nature. OSI Pharmaceuticals, LLC is in the process of responding to the subpoena, and OSI Pharmaceuticals, LLC is continuing to cooperate fully with the investigation.

(12) Employees (as of March 31, 2015)

Number of employees	Year to year increase or decrease
17,113	536 decrease

(13) Principal Lenders (as of March 31, 2015)

Not applicable.

(14) Other Important Matters concerning Present State of the Astellas Group

Not applicable.

2. **Matters concerning Present State of the Company** (as of March 31, 2015)

(1) Matters concerning Shares of Common Stock

1) Total number of shares authorized to be issued by the Company:
9,000,000,000 shares

2) Total number of shares issued:
2,259,823,175 shares (including 66,681,660 shares of treasury share)

3) Number of shareholders: 73,962

4) Top ten (10) principal shareholders:

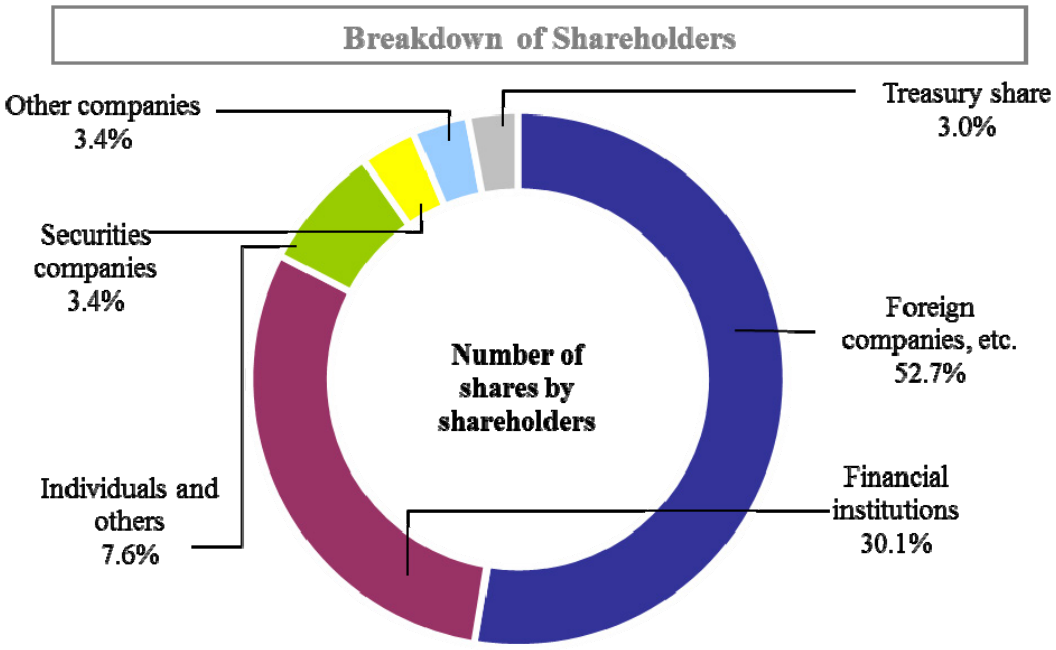
Name of shareholder	Number of shares held (Thousand)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	126,462	5.76
State Street Bank and Trust Company	124,420	5.67
Japan Trustee Services Bank, Ltd. (trust account)	106,931	4.87
Nippon Life Insurance Company	64,486	2.94
JP Morgan Chase Bank 385147	53,280	2.42
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	49,408	2.25
State Street Bank West Client - Treaty 505234	30,417	1.38
The Chase Manhattan Bank 385036	29,457	1.34
The Bank of New York Mellon SA/NV 10	29,061	1.32
State Street Bank and Trust Company 505225	26,437	1.20

(Notes) 1. The Company holds 66,681,660 shares of treasury share, but it is not included in the above list of principal shareholders.

2. The percentage of shares held are calculated to the total number of issued shares excluding treasury share (2,193,141,515 shares) and presented by discarding the numbers down to the third decimal.

5) Other important matters concerning shares:

- The Company conducted a stock split of common stock at a ratio of 5 for 1 with an effective date of April 1, 2014.
- The Company implemented a cancellation of 25,000,000 shares of treasury share on May 30, 2014.



(2) Matters concerning Subscription Rights to Shares

1) Present status of subscription rights to shares as of March 31, 2015:

- Total number of subscription rights to shares: 8,426 (Notes) 1
- Type and number of shares to be issued upon exercise of subscription rights to shares:
  3,305,400 shares of common stock of the Company (Notes) 1

All subscription rights to shares have been delivered as the stock options. The Company plans to use treasury share when the subscription rights to shares are exercised and does not intend to issue new shares (i.e. no increase in the total number of the Company's shares issued).

Items	Subscription rights to shares issued in August 2005 (issued on August 31, 2005)	Subscription rights to shares issued in February 2007 (issued on February 13, 2007)	Subscription rights to shares issued in August 2007 (issued on August 10, 2007)
Resolution date of issuance:	August 24, 2005	January 26, 2007	July 26, 2007
Number of subscription rights to shares (Notes) 1:	133	287	400
Type and number of shares to be issued upon exercise of subscription rights to shares (Notes) 1, 4:	66,500 shares of common stock (500 shares per subscription right to shares)	143,500 shares of common stock (500 shares per subscription right to shares)	200,000 shares of common stock (500 shares per subscription right to shares)
Amount to be paid for subscription rights to shares to be offered:	Free of charge	¥500,900 per subscription right to shares (Notes) 2	¥463,900 per subscription right to shares (Notes) 2
Amount of cash to be contributed upon exercise of subscription rights to shares (Notes) 4:	¥500 per subscription right to shares	¥500 per subscription right to shares	¥500 per subscription right to shares
Exercise period of subscription rights to shares:	From September 1, 2005 through June 24, 2025 (both inclusive)	From February 14, 2007 through June 27, 2026 (both inclusive)	From August 11, 2007 through June 26, 2027 (both inclusive)
Conditions for exercise of subscription rights to shares:	(Notes) 3	(Notes) 3	(Notes) 3

Items	Subscription rights to shares issued in September 2008 (issued on September 16, 2008)	Subscription rights to shares issued in July 2009 (issued on July 8, 2009)	Subscription rights to shares issued in July 2010 (issued on July 8, 2010)
Resolution date of issuance:	August 29, 2008	June 23, 2009	June 23, 2010
Number of subscription rights to shares (Notes) 1:	443	794	1,063
Type and number of shares to be issued upon exercise of subscription rights to shares (Notes) 1, 4:	221,500 shares of common stock (500 shares per subscription right to shares)	397,000 shares of common stock (500 shares per subscription right to shares)	531,500 shares of common stock (500 shares per subscription right to shares)
Amount to be paid for subscription rights to shares to be offered:	¥398,000 per subscription right to shares (Notes) 2	¥294,200 per subscription right to shares (Notes) 2	¥244,000 per subscription right to shares (Notes) 2
Amount of cash to be contributed upon exercise of subscription rights to shares (Notes) 4:	¥500 per subscription right to shares	¥500 per subscription right to shares	¥500 per subscription right to shares
Exercise period of subscription rights to shares:	From September 17, 2008 through June 24, 2028 (both inclusive)	From July 9, 2009 through June 23, 2029 (both inclusive)	From July 9, 2010 through June 23, 2030 (both inclusive)
Conditions for exercise of subscription rights to shares:	(Notes) 3	(Notes) 3	(Notes) 3

Items	Subscription rights to shares issued in July 2011 (issued on July 5, 2011)	Subscription rights to shares issued in July 2012 (issued on July 5, 2012)	Subscription rights to shares issued in July 2013 (issued on July 4, 2013)
Resolution date of issuance:	June 20, 2011	June 20, 2012	June 19, 2013
Number of subscription rights to shares (Notes) 1:	1,155	1,175	707
Type and number of shares to be issued upon exercise of subscription rights to shares (Notes) 1, 4:	577,500 shares of common stock (500 shares per subscription right to shares)	587,500 shares of common stock (500 shares per subscription right to shares)	353,500 shares of common stock (500 shares per subscription right to shares)
Amount to be paid for subscription rights to shares to be offered:	¥267,700 per subscription right to shares (Notes) 2	¥304,800 per subscription right to shares (Notes) 2	¥505,300 per subscription right to shares (Notes) 2
Amount of cash to be contributed upon exercise of subscription rights to shares (Notes) 4:	¥500 per subscription right to shares	¥500 per subscription right to shares	¥500 per subscription right to shares
Exercise period of subscription rights to shares:	From July 6, 2011 through June 20, 2031 (both inclusive)	From July 6, 2012 through June 20, 2032 (both inclusive)	From July 5, 2013 through June 19, 2033 (both inclusive)
Conditions for exercise of subscription rights to shares:	(Notes) 3	(Notes) 3	(Notes) 3

Items	Subscription rights to shares issued in July 2014 (issued on July 3, 2014)
Resolution date of issuance:	June 18, 2014
Number of subscription rights to shares (Notes) 1:	2,269
Type and number of shares to be issued upon exercise of subscription rights to shares (Notes) 1, 4:	226,900 shares of common stock (100 shares per subscription right to shares)
Amount to be paid for subscription rights to shares to be offered:	¥127,900 per subscription right to shares (Notes) 2
Amount of cash to be contributed upon exercise of subscription rights to shares (Notes) 4:	¥100 per subscription right to shares
Exercise period of subscription rights to shares:	From July 4, 2014 through June 18, 2034 (both inclusive)
Conditions for exercise of subscription rights to shares:	(Notes) 3

(Notes) 1. The total number of subscription rights to shares, the number of subscription rights to shares and the number of shares to be issued upon exercise of subscription rights to shares as stated above are shown by remaining numbers as of March 31, 2015.

2. The subscription rights to shares stated above (excluding the subscription rights to shares issued in August 2005) were delivered on the condition that the remuneration debts the Company owes to the allotees and the amounts payable for the subscription rights to shares to be offered were offset against each other.

3. Conditions for the exercise of the subscription rights to shares stated above are as follows:

   (1) The holder may, in principle, only exercise the rights for the period of ten (10) years after the date immediately following the date when they lose their positions as both Directors and Corporate Executives of the Company.

   (2) Each subscription right to shares may not be partially exercised.

4. The Company conducted a stock split of common stock at a ratio of 5 for 1 on April 1, 2014; and the above numbers of shares to be issued upon exercise of subscription rights to shares and the amounts of cash to be contributed upon exercise of subscription rights to shares, excluding those relating to the subscription rights to shares issued in July 2014, have been adjusted for the stock split.

2) State of subscription rights to shares held by the Directors and Audit & Supervisory Board Members as of March 31, 2015, which have been delivered in consideration of performance of their duty:

	Allotee	Number of persons	Number of subscription rights to shares (remaining numbers)	Type and number of shares to be issued upon exercise of subscription rights to shares
Subscription rights to shares issued in February 2007	Directors (excluding outside Directors)	3	113 units	56,500 shares of common stock
Subscription rights to shares issued in August 2007	Directors (excluding outside Directors)	3	112 units	56,000 shares of common stock
Subscription rights to shares issued in September 2008	Directors (excluding outside Directors)	3	158 units	79,000 shares of common stock
Subscription rights to shares issued in July 2009	Directors (excluding outside Directors)	3	244 units	122,000 shares of common stock
Subscription rights to shares issued in July 2010	Directors (excluding outside Directors)	3	285 units	142,500 shares of common stock
Subscription rights to shares issued in July 2011	Directors (excluding outside Directors)	3	367 units	183,500 shares of common stock
Subscription rights to shares issued in July 2012	Directors (excluding outside Directors)	3	362 units	181,000 shares of common stock
Subscription rights to shares issued in July 2013	Directors (excluding outside Directors)	3	218 units	109,000 shares of common stock
Subscription rights to shares issued in July 2014	Directors (excluding outside Directors)	3	790 units	79,000 shares of common stock
Total			2,649 units	1,008,500 shares of common stock

(Notes) 1. The subscription rights to shares held by the Directors include those distributed as consideration of performance of duties as Corporate Executives prior to assuming the position of Director.

2. The Company conducted a stock split of common stock at a ratio of 5 for 1 on April 1, 2014; and the above numbers of shares to be issued upon exercise of subscription rights to shares, excluding the number relating to the subscription rights to shares issued in July 2014, have been adjusted for the stock split.

3) State of subscription rights to shares delivered to employees of the Company during the fiscal year under review in consideration of performance of their duty:

	Allotee	Number of persons	Number of subscription rights to shares	Type and number of shares to be issued upon exercise of subscription rights to shares
Subscription rights to shares issued in July 2014	Corporate Executives	20	1,479 units	147,900 shares of common stock

(3) Matters concerning Directors and Audit & Supervisory Board Members:

1) Basic policy and system of corporate governance:

The Company strives to improve its corporate governance system based on the basic policy of maximizing its corporate value, improving business transparency and fulfilling accountability requirements to society.

The Company has introduced the Corporate Executives System. This system clearly separates the roles of the Directors, who are in charge of management decision-making and supervising business execution, from the roles of the Corporate Executives, who are in charge of business execution.

In respect of the Board of Directors, it now comprises seven (7) members including four (4) outside Directors, in order to promote the decision-making and supervise business execution from a broader viewpoint.

In addition to these measures, the Company adopted the Audit & Supervisory Board Members System. Under this system an Audit & Supervisory Board is established, being comprised of four (4) members, including two (2) outside Audit & Supervisory Board Members.
Each Audit & Supervisory Board Member audits the performance of duties by the Directors.

2) Names and other information:

Position	Name	Responsibility and status of significant concurrent positions, if any
Chairman and Director (Representative Director)	Masafumi Nogimori	
President & CEO and Director (Representative Director)	Yoshihiko Hatanaka	
Executive Vice President and Director (Representative Director)	Yoshiro Miyokawa	Corporate Administration and Compliance
Director	Naoki Aikawa	Professor Emeritus, Keio University
Director	Yutaka Kase	Chairman and Representative Director, Sojitz Corporation
Director	Hironobu Yasuda	Partner, Seiryo Law Office
Director	Etsuko Okajima	President and Representative Director, ProNova Inc. External Director, MARUI GROUP CO., LTD.
Full-time Audit & Supervisory Board Member	Go Otani	
Full-time Audit & Supervisory Board Member	Tomokazu Fujisawa	
Audit & Supervisory Board Member	Shigeru Nishiyama	Professor, Graduate School of Commerce, Waseda University Outside Audit & Supervisory Board Member, PIGEON CORPORATION

Position	Name	Responsibility and status of significant concurrent positions, if any
Audit & Supervisory Board Member	Toshiko Oka	President and CEO, PricewaterhouseCoopers Deals Advisory Inc. Independent Director, Netyear Group Corporation

(Notes) 1. Dr. Naoki Aikawa, Mr. Yutaka Kase, Mr. Hironobu Yasuda and Ms. Etsuko Okajima are outside Directors and registered as independent directors with the Tokyo Stock Exchange, Inc.

2. Dr. Shigeru Nishiyama and Ms. Toshiko Oka are outside Audit & Supervisory Board Members and are registered as independent auditors with the Tokyo Stock Exchange, Inc.

3. Notes to be particularly mentioned for each Audit & Supervisory Board Member are as follows:

Dr. Shigeru Nishiyama is a certified public accountant and obtained an MBA at The Wharton School, University of Pennsylvania and is now a faculty member of the Graduate School of Commerce, Waseda University. He has substantial knowledge of finance and accounting.

Ms. Toshiko Oka is currently serving as President and CEO of PricewaterhouseCoopers Deals Advisory Inc. and is a Concurrently Appointed Lecturer on M&A Practices of the Graduate School of Global Business, Meiji University. She has substantial knowledge of finance and accounting.

4. Director who assumed the office of Director during the fiscal year under review is as follows:

Director: Etsuko Okajima (assumed on June 18, 2014)

5. Audit & Supervisory Board Members who assumed the office of Audit & Supervisory Board Member during the fiscal year under review are as follows:

Audit & Supervisory Board Member: Tomokazu Fujisawa (assumed on June 18, 2014)

Audit & Supervisory Board Member: Toshiko Oka (assumed on June 18, 2014)

6. Director who retired during the fiscal year under review is as follows:

Director: Kanoko Oishi (retired on June 18, 2014)

7. Audit & Supervisory Board Members who retired during the fiscal year under review are as follows:

Audit & Supervisory Board Member: Seigo Kashii (resigned on June 18, 2014)

Audit & Supervisory Board Member: Yukiko Kuroda (retired on June 18, 2014)

3) Amounts of remunerations:

With basic policy of contributing to continued growth of business results and improved corporate value of the Company, the remunerations to Directors and Audit & Supervisory Board Members of the Company are designed to enable the Company to attract and retain competent persons, and maintain sufficient remuneration standards and system to meet duties and responsibilities of the Directors and Audit & Supervisory Board Members. In establishing the remuneration standards, the Company has improved the objectivity by using, among other things, research data issued by an outside research company.

The remunerations to Directors consist of three components, namely, basic remunerations to be fixed, bonuses and stock options, and outside Directors receive only basic remunerations to be fixed. In order to enhance transparency in the deliberation process on which the amount of remunerations is actually decided, the Company has established the Compensation Committee, a majority of the members of which are outside Directors, as an advisory body of the Board of Directors.

Audit & Supervisory Board Members (including outside Audit & Supervisory Board Members) receive only basic remunerations to be fixed.

Remunerations to Directors and Audit & Supervisory Board Members for the fiscal year under review are as follows:

Items	Directors		Audit & Supervisory Board Members		Total	
	Number of persons	Amount	Number of persons	Amount	Number of persons	Amount
Annual basic remuneration (outside Directors, outside Audit & Supervisory Board Members)	8 [5]	¥329 mil. [¥48 mil.]	6 [3]	¥112 mil. [¥24 mil.]	14 [8]	¥441 mil. [¥72 mil.]
Bonus (outside Directors, outside Audit & Supervisory Board Members)	3 [–]	¥141 mil. [–]	– [–]	– [–]	3 [–]	¥141 mil. [–]
Remuneration for stock option scheme as stock-linked compensation plan (outside Directors, outside Audit & Supervisory Board Members)	3 [–]	¥103 mil. [–]	– [–]	– [–]	3 [–]	¥103 mil. [–]
Total (outside Directors, outside Audit & Supervisory Board Members)		¥574 mil. [¥48 mil.]		¥112 mil. [¥24 mil.]		¥685 mil. [¥72 mil.]

(Notes) 1. The ceiling amount of remuneration to the Directors as a group was resolved to be an amount not exceeding ¥550,000,000 per year (but not including the portion of salary paid in the capacity of employee) at the 92nd Ordinary General Meeting of Shareholders of the Company held on June 24, 2005.

2. The ceiling amount of remuneration to the Audit & Supervisory Board Members as a group was resolved to be an amount not exceeding ¥150,000,000 per year at the 76th Ordinary General Meeting of Shareholders of the Company held on June 29, 1989.
3. The amount of "Annual basic remuneration" includes the amount paid to one (1) outside Director and two (2) Audit & Supervisory Board Members (including one (1) outside Audit & Supervisory Board Member) who retired at the close of the 9th Term Ordinary General Meeting of Shareholders held on June 18, 2014.
4. The amount of "Bonus" is a planned amount that will be paid in addition to the annual basic remuneration to Directors, on the condition that the proposal, "Provision of Bonus to Directors" is approved and resolved as originally proposed to the 10th Term Ordinary General Meeting of Shareholders of the Company.
5. The amount of "Remuneration for stock option scheme as stock-linked compensation plan" is an amount of the compensation for performance of duties by the Directors during the fiscal year under review, which was provided to the Directors, in addition to the annual basic remuneration, after approval of General Meetings of Shareholders of the Company, in order to offset against the amount payable by the Directors to the Company for delivery of stock option as stock-linked compensation plan on July 4, 2013 and July 3, 2014.

4) Matters concerning outside Directors:

(i) Outside Directors' significant concurrent positions at other organizations and the relationship of such organizations with the Company:

Name	Status of concurrent position
Naoki Aikawa	Professor Emeritus, Keio University
Yutaka Kase	Chairman and Representative Director, Sojitz Corporation
Hironobu Yasuda	Partner, Seiryo Law Office
Etsuko Okajima	President and Representative Director, ProNova Inc. External Director, MARUI GROUP CO., LTD.

(Note) There is no significant business relation between the Company and the above organizations where concurrent positions are held.

(ii) Activities at the Board of Directors:

Name	Activities
Naoki Aikawa	Attended all of the 17 meetings of the Board of Directors held during the fiscal year under review, and provided opinions from the perspective of a doctor of medicine.
Yutaka Kase	Attended 16 out of the 17 meetings of the Board of Directors held during the fiscal year under review, and provided opinions based on his abundant experience as business manager.
Hironobu Yasuda	Attended all of the 17 meetings of the Board of Directors held during the fiscal year under review, and provided opinions from a legal perspective as an attorney-at-law.
Etsuko Okajima	Attended all of the 14 meetings of the Board of Directors held after she took office as Director during the fiscal year under review, and provided opinions based on her abundant experience as business manager.

(iii) Matters concerning agreement to limit outside Director's liability:
The Company has stipulated in the Articles of Incorporation that it can enter into an agreement with each outside Director to limit his or her liability for damages under Article 423, Paragraph 1 of the Corporate Law, to the minimum amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit outside Director's liability), enabling outside Directors to sufficiently fulfill expected roles. The Company has entered into the agreement with all of the outside Directors.

5) Matters concerning outside Audit & Supervisory Board Members:

(i) Outside Audit & Supervisory Board Members' significant concurrent positions at other organizations and the relationship of such organizations with the Company:

Name	Status of concurrent position
Shigeru Nishiyama	Professor, Graduate School of Commerce, Waseda University Outside Audit & Supervisory Board Member, PIGEON CORPORATION
Toshiko Oka	President and CEO, PricewaterhouseCoopers Deals Advisory Inc. Independent Director, Netyear Group Corporation

(Note) There is no significant business relation between the Company and the above organizations where concurrent positions are held.

(ii) Activities at the Board of Directors and the Audit & Supervisory Board:

Name	Activities
Shigeru Nishiyama	Attended all of the 17 meetings of the Board of Directors and all of the 15 meetings of the Audit & Supervisory Board held during the fiscal year under review, and provided opinions from the perspective of a scholar of business administration and a professional certified public accountant.
Toshiko Oka	Attended all of the 14 meetings of the Board of Directors and all of the 11 meetings of the Audit & Supervisory Board held after she took office as Audit & Supervisory Board Member during the fiscal year under review, and provided opinions based on her abundant experience as business manager.

(iii) Matters concerning agreement to limit outside Audit & Supervisory Board Member's liability:
The Company has stipulated in the Articles of Incorporation that it can enter into an agreement with each outside Audit & Supervisory Board Member to limit his or her liability for damages under Article 423, Paragraph 1 of the Corporate Law, to the minimum amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit outside Audit & Supervisory Board Member's liability), enabling outside Audit & Supervisory Board Members to sufficiently fulfill expected roles. The Company has entered into the agreement with all of the outside Audit & Supervisory Board Members.

6) Other important matters:
Mr. Hitoshi Kanamori was appointed as a substitute outside Audit & Supervisory Board Member at the 6th Term Ordinary General Meeting of Shareholders of the Company held on June 20, 2011, in order to prepare for the case that the number of outside Audit & Supervisory Board Members falls below the minimum number provided by laws and regulations.

7) Names of Corporate Executives (except Directors who serve as Corporate Executives) and other information:

Position	Name	Responsibility or major occupation
Senior Corporate Executive	Masao Yoshida	President and CEO, Americas Operations
	Yasumasa Masuda	Chief Financial Officer (CFO)
	Kenji Yasukawa	Chief Strategy Officer (CSTO)
	Masaru Imahori	Vice President, External Relations
Corporate Executive	Mitsunori Matsuda	Senior Vice President, Technology
	Yukihiko Sato	Senior Vice President, Sales & Marketing
	Chihiro Yokota	Senior Vice President, Development
	Wataru Uchida	Senior Vice President, Drug Discovery Research
	Masatoshi Kuroda	Senior Vice President, Asia/Oceania Business
	Hirofumi Seki	Vice President, Technology Planning & Administration, Technology
	Yoshihiro Minami	General Marketing Compliance Officer (Japan)
	Shoji Yokota	Vice President, Technological Product Management, Technology
	Takahisa Iizuka	Vice President, Sales Promotion, Sales & Marketing
	Kenji Sumi	General Manager, Tokyo Branch, Sales & Marketing
	Makoto Takeuchi	Divisional Senior Vice President, Research Administration, Drug Discovery Research
	Atsushi Kamide	Vice President, Product Marketing, Sales & Marketing
	Kiyotaka Hayashi	General Manager, Osaka Branch, Sales & Marketing
	Kazunori Okimura	Vice President, Legal & Compliance
	Akihiko Iwai	Vice President, Research Portfolio & Science, Drug Discovery Research
	Chikashi Takeda	Vice President, Corporate Planning

(4) Matters concerning Accounting Auditor:

1) Name: Ernst & Young ShinNihon LLC

2) Amount of remuneration:

	Amounts payable
1. The amount of remunerations paid to Accounting Auditor for the fiscal year under review:	¥165 mil.
2. Total amount of cash and other material benefits payable to Accounting Auditor by the Company and its subsidiaries:	¥171 mil.

(Notes) 1. The amount of remunerations for auditing pursuant to the Corporate Law and the amount of remunerations for auditing pursuant to the Financial Instruments and Exchange Act are not divided in the Auditing Agreement concluded between the Company and the Accounting Auditor. Also, it is practically impossible to state separately, so the amount stated in 1 above represents the total amount paid by the Company.

2. Out of the important subsidiaries of the Company, Astellas Pharma US, Inc., Astellas Pharma Europe Ltd., Astellas Pharmaceutical (China) Co., Ltd., Astellas Pharma Global Development, Inc. and Astellas Ireland Co., Ltd., have been audited by accounting auditors other than the Company's Accounting Auditor.

3. The Company has commissioned the Accounting Auditor to perform mainly the "advisory services regarding the development of rules," which are services other than the services set forth in Article 2, Paragraph 1 of the Certified Public Accountants Law. The Company pays consideration for such services to the Accounting Auditor.

3) Policy for deciding the dismissal or non-reappointment of the Accounting Auditor:

In the event that the Accounting Auditor falls under any event for dismissal provided for in Article 340, Paragraph 1 of the Corporate Law, the Audit & Supervisory Board will dismiss the Accounting Auditor with the unanimous consent of Audit & Supervisory Board Members or determine the proposal for the dismissal of the Accounting Auditor to be submitted to the Ordinary General Meeting of Shareholders based on the resolution of the Audit & Supervisory Board. In addition, the Audit & Supervisory Board will determine the proposal concerning non-reappointment of the Accounting Auditor to be submitted to the Ordinary General Meeting of Shareholders, among other things, based on the evaluation of the Accounting Auditor's independence and expertise, and appropriateness and validity of the Accounting Auditor's activities.

3. **Systems to Ensure the Appropriate Execution of Business** (as of April 1, 2015)

The Company has set out basic policies regarding the following systems to ensure that the Company's business is duly executed.

(1) System concerning the Performance of Duties

1) System to Ensure the Efficient Performance of the Duties of Directors

- The Company has introduced the Corporate Executives System that clearly separates the roles of the Directors, who have management decision-making and business execution supervisory functions, and the roles of Corporate Executives, who are responsible for the execution of business.
- Meetings of the Board of Directors will be held once every month as a general rule, and extraordinary meetings of the Board of Directors will be held when necessary.
- The Company has established the Executive Committee and the Japan Management Committee, and discusses material matters concerning business strategies, product strategies, cooperate management, and personnel of the Company and the Astellas Group companies.
- The Company has established regulations concerning each of the committees mentioned above and the "Regulations for Decision Making" to clarify the powers and positioning of each committee and the top management as well as the decision-making process.
- The Company has developed the personnel and organization systems to enable the efficient execution of business, and has also appointed officers in charge of each of the departments or functions with clarification of their responsibilities and powers.

2) System for Maintaining and Controlling Information regarding the Performance of Duties by Directors

- The "Astellas Group Record Management Policy" and the "Record Management Control Regulations" have been established, based on which the Company will control and maintain, in an appropriate manner, the information regarding the performance of duties by the Directors.
- The Company has established systems to ensure that all documents and materials concerning important management matters, such as minutes of the meetings of the Board of Directors, the Executive Committee and the Japan Management Committee, are available for inspection by the Directors and the Audit & Supervisory Board Members when necessary.

(2) Regulations and other Systems regarding Risk (Risk of Loss) Management

In order to conduct risk management properly as a whole group, the Company has categorized the risks into "risks relating to strategic management decision-making (risks relating to business opportunities)" and "risks relating to appropriate and efficient business conduct (risks relating to the performance of business activities)." Each department and unit of the Company and the Astellas Group companies will proactively put the Company's risk management initiatives into practice and promote risk mitigation within the Group and the proper response to such risks through the following activities:

- With respect to the measures dealing with risks relating to business opportunities, each department and unit will implement such measures within the scope of its powers and roles, upon clarification of the rules and standards for decision-making. Among these risks, matters concerning material risks will be decided upon deliberation by the Executive Committee and the Board of Directors.
- With respect to the measures dealing with risks relating to the performance of business activities, the Company has established 1) the "Global Risk Management Office" for responding to global risks to identify global risks, and devise and implement optimum methods of risk management in cooperation with each regional risk management office, and 2) the "Risk Management Committee" for responding to the risks within the domestic Group companies to identify risks, and device and implement optimum methods of risk management. Matters relating to the important risk management measures, for both global and domestic Group companies described above, will be decided upon deliberation by the Executive Committee and the Board of Directors.
- In order to enhance the effectiveness of risk management operations, the Company will formulate separate policies and manuals for matters such as disaster control, crisis management, business continuity plan, information security, and personal information protection according to the characteristics and details of the risks involved.

(3) Compliance System (System to Ensure that the Performance of Duties by Directors and Employees Comply with the Laws, Regulations, and the Articles of Incorporation)

The Company has established the "Astellas Charter of Corporate Conduct" and the "Astellas Global Code of Conduct" as core standards of compliance for officers and employees of the Company and the Astellas Group companies.

The Company sees compliance not only as observing the law but also acting in accordance with prescribed social norms in a highly ethical manner. We are taking the following steps to create a system for promoting and spreading compliance in a broad sense as a whole group.

- The Company has established the "Global Compliance Committee" that grasps current situations of compliance and discusses policies and plans accordingly for the Company and the Astellas Group companies as a whole. The regional Compliance Committees have also been established to discuss matters concerning compliance in individual regions.
- Under the control of the Chief Compliance Officer, Legal & Compliance will, with concerned departments of the Company and the Astellas Group companies, carry out the devising, promotion, and increasing awareness of the specifics of the plans for global compliance. In addition, through continuous training and other measures, we will create a structure in which each officer and employee of the Company and the Astellas Group companies can practice compliance when acting on their own initiative.
- The Company has established a "helpline" in each region so that questions, consultation, reports, proposals and the like concerning compliance may be made. Callers may also consult with an outside office (a law firm, etc.). The Company has also established a system that any material information will be reported, in a timely manner, to the Chief Compliance Officer. In dealing with such actions, confidentiality will be strictly maintained and unfair treatment of any person who has accessed the helpline or other contacts is strictly prohibited.

(4) System for Disclosure and Management of Information

- The Company discloses corporate information to all of its customers, shareholders, community and other stakeholders in a timely, proper and fair manner. The Company also actively engages in dialogue with them and reflects their comments in its business activities properly. Through disclosure and dialogue, the Company is committed to further enhance its transparency and strive to build and maintain a trust relationship with its stakeholders.
- Based on the basic stance above, the Company has established the "Disclosure Policy" and the "Corporate Disclosure Committee" that promotes and manages disclosure activities.
- The Company has established rules concerning the handling of material information acquired in the course of the duties by the officers and employees to prevent violations of the laws and regulations and to ensure the appropriate management of information.

(5) System to Ensure the Reliability of Financial Report

- The Company will establish and operate the internal control system for consolidated financial report in accordance with standards generally accepted to be fair and reasonable in Japan, in order to ensure improved reliability of the financial report, and assess the effectiveness in an appropriate way.
- In accordance with the "Regulations for Internal Control Assessment of Financial Report" formulated by the Board of Directors, internal control assessment is implemented for consolidated financial reports, under the direction of the President and CEO, who is responsible for the global internal control system.

(6) Group Management System (System to Ensure the Appropriate Execution of Business by the Corporate Group Composed of the Company and its Subsidiaries)

The Company engages in appropriate control and operation of the Astellas Group companies. With this in mind, the Company has taken the following actions in order to maintain and build a sound relationship between it and the Astellas Group companies:

- The Company will apply the "Astellas Charter of Corporate Conduct" and the "Astellas Global Code of Conduct" to all of the Astellas Group companies, and it will ensure that all persons concerned are fully aware of these policies and the code of the conduct of each Astellas Group company that are based on these policies.
- The Company has established a system in which matters concerning performance of the duties by the Directors of the Astellas Group companies will be reported to the Company through functional line managers.
- The Company will create clear rules regarding the composition of executives and decision-making authority at the Astellas Group companies to ensure the efficient execution of duties by the Directors of the Group companies. The Company, as necessary, provides support for indirect operations such as accounting and carries out group finance for the Astellas Group companies.
- As mentioned above, the Astellas Group will tackle risk management and compliance matters as a whole group.

- The “Internal Auditing Policy” will be co-owned by all the Astellas Group companies and the internal audit system over the Group will be prepared.

(7) Internal Audit System

The Company has established the Internal Auditing, which is independent from the ordinary business execution departments and is under the direct control of the President and CEO, to develop the internal audit system of the Company and the Astellas Group companies, and takes the following actions:

- The Internal Auditing will review and evaluate the effectiveness and efficiency of the systems and structures in the various management activities of the Company and the Astellas Group companies, put together an audit report, and submit the results of such review and evaluation to the President and CEO, officers and departments concerned. The report concerning the overall annual audit results will be made to the Board of Directors and Accounting Auditor.
- The Company will comply with the “Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics” and other regulations as a pharmaceutical company, and conduct its business with a mission to provide effective and safe products with a high level of expertise through a fair organization structure. To this end, the Company has built a tiered-control structure separated by different functions in all the Astellas Group companies; namely, the tiers consist of self-control on site, expert control by departments related to RA and QA, and the internal audit by the independent internal auditing departments.
- The Internal Auditing will promote improvement in the quality of the internal audits through collaboration with the relevant expert departments, such as holding the Internal Auditors General Meeting.
- With respect to the Astellas Group companies in Europe and the United States, etc., which are noted by the companies as having a significant effect on the consolidated business results, the companies have established independent internal auditing departments for each company, and hold an Overseas Group Internal Audit Meeting among the internal auditing departments.

(8) System to Ensure Effective Audits by the Audit & Supervisory Board Members

The Company takes the following actions as a "company with an Audit & Supervisory Board" to enable the Audit & Supervisory Board Members to carry out their audit effectively.

1) Matters concerning Assisting Employees where the Audit & Supervisory Board Members Require Employees Assisting their Duties to be Assigned

- Full-time staff will be assigned to assist the Audit & Supervisory Board Members to carry out their duties, so that the audit by the Audit & Supervisory Board Members will be properly executed.

2) Matters concerning Independence from the Directors of the Employees Assisting the Audit & Supervisory Board Members and Effectiveness of Directions Given to Such Employees

- Full-time staff who assists the Audit & Supervisory Board Members is independent from the Directors and carries out his or her duties under the direct control of the Audit & Supervisory Board Members.
- The appointment, evaluation, transfer, and other matters concerning full-time staff will require the prior consent of the Audit & Supervisory Board Members.

3) System concerning Report of the Directors and Employees to the Audit & Supervisory Board Members and Other Systems concerning Report to the Audit & Supervisory Board Members

- The Company has established a system to ensure that the Audit & Supervisory Board Members, at any time, can access monthly reports and quarterly reports regarding the execution of duties by the Directors of the Company and the Astellas Group companies.
- The Directors and Corporate Executives will regularly and when necessary make a report to the Audit and Supervisory Board Members of the status of execution of their business relating to departments or functions (including the Astellas Group companies) they are responsible for.
- The Internal Auditing, Legal & Compliance, and the General Affairs, etc. will each hold a meeting to make reports to the Audit & Supervisory Board Members on a regular basis and will report their current statuses and provide the necessary information with respect to matters such as internal audits, compliance, internal reporting, and risk management of the Company and the Astellas Group companies.

4) System to Ensure that Informants do not Risk Unfavorable Treatments due to their Reporting to the Audit & Supervisory Board Members

- The Company prohibits any unfavorable treatments to the officers or employees of the Company and the Astellas Group companies who reported to the Audit & Supervisory Board Members of the Company or the Astellas Group companies, because of their reporting.

5) Matters concerning Policies to Treat Costs Incurred by the Audit & Supervisory Board Members for the Execution of Duties

- The Company has established a system that a related department prepares budgets and performs payment of costs incurred by the Audit & Supervisory Board Members for the execution of their duties.

6) Other Systems to Ensure Effective Audits by the Audit & Supervisory Board Members

- Pursuant to Audit & Supervisory Board Policy, material matters pointed out by each Audit & Supervisory Board Member at the regular meetings of the Audit & Supervisory Board held each month or the extraordinary meetings held when necessary will be reported at the meetings of the Board of Directors.
- The Audit & Supervisory Board Members will attend the Executive Committee meetings and the Japan Management Committee meetings, where execution of the Company's important business will be discussed, and also attend other meetings that the Audit & Supervisory Board Members consider as important. In case that the Audit & Supervisory Board Members are not available to attend these meetings, full-time staff who assist the Audit & Supervisory Board Members will attend as observer by order of the Audit & Supervisory Board Members.
- The persons (departments) of the Company and the Astellas Group companies subject to be audited will cooperate so that the Audit & Supervisory Board Members may perform the audits in an appropriate manner in accordance with the Auditing Standards of Audit & Supervisory Board Members established by the Audit & Supervisory Board.

(9) System to Exclude Anti-social Forces

The Company and the Astellas Group companies will, as a solid organization, take a resolute attitude against any antisocial forces and groups that threaten the order and security of society, and never accept unjust and illegal requests. Also, the Company and the Astellas Group companies will take the following measures to ensure non-involvement with such forces and groups:

- Clearly declaring in the "Astellas Charter of Corporate Conduct" that the Astellas Group will take a resolute attitude against antisocial forces and groups, based upon which to exclude any relation with such forces and groups.
- With close cooperation with the police and other related parties, establishing the solid system that will enable the Company to actively collect necessary information as to anti-social forces and groups, as well as to take actions as the entire Astellas Group.
- Continually implementing the enlightenment activities, such as trainings relating to compliance and risk management, etc. to officers and employees, so as to exclude any influence of anti-social forces and groups.

(Note)
1. The amounts stated in the business report are presented by rounding any amount less than the specified units, i.e., disregarding four tenths (4/10) or less and rounding up five tenths (5/10) or more. The numbers of shares stated in the business report are presented by disregarding any number of shares less than the specified units. In addition, unless otherwise specifically noted, the changes in comparison with the previous fiscal year and other ratios are presented by rounding numbers to the nearest first decimals, i.e., disregarding four tenths (4/10) or less and rounding up five tenths (5/10) or more.
2. Tables, graphs, and pictures are presented only for reference purposes.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(As of March 31, 2015)

(Millions of yen)

Accounts	10th term fiscal year As of March 31, 2015	(Reference) 9th term fiscal year As of March 31, 2014
Assets		
Non-current assets		
Property, plant and equipment	202,869	191,451
Goodwill	136,337	116,766
Other intangible assets	295,844	280,120
Trade and other receivables	15,588	―
Investments in associates and joint ventures	2,007	1,808
Deferred tax assets	51,199	45,530
Other financial assets	110,091	94,961
Other non-current assets	13,685	9,179
Total non-current assets	827,621	739,816
Current assets		
Inventories	156,907	135,228
Trade and other receivables	332,923	332,639
Income tax receivable	6,918	2,710
Other financial assets	59,908	35,406
Other current assets	12,732	12,068
Cash and cash equivalents	396,430	391,374
Sub total	965,819	909,424
Assets held for sale	139	3,868
Total current assets	965,958	913,292
Total assets	1,793,578	1,653,108

(Millions of yen)

Accounts	10th term fiscal year As of March 31, 2015	(Reference) 9th term fiscal year As of March 31, 2014
Equity and liabilities		
Equity		
Share capital	103,001	103,001
Capital surplus	176,822	176,822
Treasury shares	(86,997)	(54,535)
Retained earnings	905,083	864,830
Other components of equity	220,007	178,359
Total equity attributable to owners of the parent	1,317,916	1,268,476
Total equity	1,317,916	1,268,476
Liabilities		
Non-current liabilities		
Trade and other payables	90	64
Deferred tax liabilities	38	2
Retirement benefit liabilities	30,059	27,184
Provisions	4,817	4,264
Other financial liabilities	626	749
Other non-current liabilities	19,142	11,681
Total non-current liabilities	54,771	43,944
Current liabilities		
Trade and other payables	226,602	187,032
Income tax payable	14,124	13,237
Provisions	85,423	66,407
Other financial liabilities	1,339	1,062
Other current liabilities	93,403	72,950
Total current liabilities	420,890	340,688
Total liabilities	475,662	384,632
Total equity and liabilities	1,793,578	1,653,108

CONSOLIDATED STATEMENTS OF INCOME

(April 1, 2014 to March 31, 2015)

(Millions of yen)

Accounts	10th term fiscal year From April 1, 2014 to March 31, 2015	(Reference) 9th term fiscal year From April 1, 2013 to March 31, 2014
Sales	1,247,259	1,139,909
Cost of sales	(333,197)	(330,628)
Gross profit	914,062	809,281
Selling, general and administrative expenses	(452,522)	(397,018)
Research and development expenses	(206,594)	(191,460)
Amortisation of intangible assets	(38,664)	(36,000)
Share of profits of associates and joint ventures	217	1,451
Other income	12,503	11,582
Other expense	(43,339)	(81,029)
Operating profit	185,663	116,806
Finance income	7,097	6,827
Finance expense	(3,078)	(1,658)
Profit before tax	189,683	121,975
Income tax expense	(53,827)	(31,100)
Profit for the year	135,856	90,874
Profit attributable to:		
Owners of the parent	135,856	90,874
Non-controlling interest	—	—
Total	135,856	90,874

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(April 1, 2014 to March 31, 2015)

(Millions of yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Subscription rights to shares	Foreign currency translation adjustments
As of April 1, 2014	103,001	176,822	(54,535)	864,830	2,110	147,660
Comprehensive income						
Profit for the year	–	–	–	135,856	–	–
Other comprehensive income	–	–	–	–	–	29,645
Total comprehensive income	–	–	–	135,856	–	29,645
Transactions with owners of the parent						
Acquisition of treasury shares	–	–	(58,229)	–	–	–
Disposals of treasury shares	–	–	369	(185)	(176)	–
Cancellation of treasury shares	–	–	25,398	(25,398)	–	–
Dividends	–	–	–	(62,146)	–	–
Share-based payments	–	–	–	–	307	–
Transfer	–	–	–	(7,874)	–	–
Total transactions with owners of the parent	–	–	(32,462)	(95,603)	131	–
As of March 31, 2015	103,001	176,822	(86,997)	905,083	2,241	177,306

	Equity attributable to owners of the parent				Total equity
	Other components of equity			Total	
	Fair value movements on available-for-sale financial assets	Remeasurements of defined benefit plans	Total		
As of April 1, 2014	28,588	–	178,359	1,268,476	1,268,476
Comprehensive income					
Profit for the year	–	–	–	135,856	135,856
Other comprehensive income	11,872	(7,874)	33,643	33,643	33,643
Total comprehensive income	11,872	(7,874)	33,643	169,499	169,499
Transactions with owners of the parent					
Acquisition of treasury shares	–	–	–	(58,229)	(58,229)
Disposals of treasury shares	–	–	(176)	8	8
Cancellation of treasury shares	–	–	–	–	–
Dividends	–	–	–	(62,146)	(62,146)
Share-based payments	–	–	307	307	307
Transfer	–	7,874	7,874	–	–
Total transactions with owners of the parent	–	7,874	8,005	(120,059)	(120,059)
As of March 31, 2015	40,461	–	220,007	1,317,916	1,317,916

Notes to Consolidated Financial Statements

1. Notes to Important Matters as the Basis to Prepare for Consolidated Financial Statements

(1) Standards used to prepare consolidated financial statements
Consolidated financial statements of the Group are prepared based on International Financial Reporting Standards ("IFRS"), in accordance with Article 120, Paragraph 1 of the Corporate Accounting Regulations. These consolidated financial statements omit part of the disclosure items required under IFRS, in accordance with the second sentence of the paragraph.

(2) Matters concerning the scope of consolidation:

Number of consolidated subsidiaries: 79

Name of principal consolidated subsidiaries:
Astellas US Holding, Inc., Astellas US LLC,
Astellas Pharma US, Inc., Astellas Pharma Global Development, Inc.,
Agensys, Inc., Astellas Pharma Technologies, Inc.,
Astellas US Technologies, Inc., Astellas B.V.,
Astellas Pharma Europe Ltd., Astellas Ireland Co., Ltd.,
Astellas Pharmaceutical (China) Co., Ltd., Astellas Pharma Korea, Inc.,
Astellas Pharma Taiwan, Inc., Astellas Pharma Tech Co., Ltd.

(3) Matters concerning the application of equity method:

The number of affiliated companies accounted for by the equity method: 5

(4) Notes to the scope of consolidation and the scope of application of equity method:

A company whose shares were sold out in the fiscal year under review has been excluded from the scope of application of equity method.

(5) Matters concerning accounting periods for consolidated subsidiaries:

All consolidated subsidiaries settle accounting on March 31 of each year, the same as the Company's settlement date.

(6) Matters concerning significant accounting policies:

(i) Valuation standards and methods for financial assets

- Non-derivative financial assets
Non-derivative financial assets are classified into "financial assets measured at fair value through profit or loss" ("financial assets at FVTPL"), "held-to-maturity investments," "loans and receivables," and "available-for-sale financial assets." The classification is determined based on the nature and purpose of the financial assets at the time of initial recognition.

(a) Financial assets at FVTPL
The Group classifies financial assets as FVTPL when the financial assets are either held for trading or designated as an FVTPL at initial recognition. Financial assets at FVTPL are measured at fair value, and any gain or loss resulting from changes in fair value, dividends, and interest income are recognized in profit or loss.

(b) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. The Group did not have any financial assets classified as held-to-maturity investments at the balance sheet date.

(c) Loans and receivables
Non-derivative financial assets with fixed or determinable payments not quoted in an active market are classified as loans and receivables.
Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment loss. Amortization incurred under the effective interest method is recognized in profit or loss.

(d) Available-for-sale financial assets
Non-derivative financial assets designated as available-for-sale financial assets or not classified as FVTPL, held-to-maturity investments or loans and receivables are classified as available-for-sale financial assets.
Subsequent to initial recognition, available-for-sale financial assets are measured at fair value, and any gain or loss resulting from changes in fair value are recognized in other comprehensive income.
Dividends on available-for-sale financial assets are recognized in profit or loss.
When available-for-sale financial assets are derecognized or determined to be impaired, the cumulative gain or loss that had been recognized in other comprehensive income is reclassified to profit or loss.

- Impairment of financial assets other than financial assets at FVTPL
Financial assets, other than those at FVTPL, are assessed for any objective evidence of impairment at the end of each quarter.
Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the financial assets and these events have adversely affected the estimated future cash flows of the financial assets that can be reliably estimated.

Objective evidence of impairment of financial assets includes:
• significant financial difficulty of the issuer or obligor;
• breach of contract, such as a default or delinquency in interest or principal payments;
• probability that the borrower will enter bankruptcy or other financial reorganization; or
• disappearance of an active market for the financial assets.

In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the equity instrument below its cost would be considered as objective evidence of impairment.

The Group assesses the existence of objective evidence of impairment for loans and receivables and held-to-maturity financial assets, individually for separately significant assets or collectively for assets with no individual significance. When there is objective evidence of impairment on those financial assets, the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate is recognized in profit or loss as an impairment loss.

The impairment loss is recognized through the allowance account for doubtful accounts, and the carrying amount of a loan and receivable is written off against the allowance account when it is subsequently considered uncollectible.
When an event occurring after the impairment was recognized causes the amount of the impairment loss to decrease, a reversal of the impairment loss is recognized in profit or loss.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognized in other comprehensive income is transferred to profit or loss. Any subsequent recovery in the fair value of an impaired equity instruments classified as available-for-sale financial assets is recognized in other comprehensive income.

- Derivatives
  The Group is engaged in derivative transactions and mainly uses foreign exchange forward contracts to manage its exposure to risks from changes in foreign exchange rate.
  Derivatives are initially recognized at fair value of the date when the derivative contracts are entered into and are subsequently measured at their fair values at the end of each quarter.
  Hedge accounting is not applied to the above derivative transactions at the end of the fiscal year and changes in the fair value of derivatives are immediately recognized in profit or loss.
  Financial assets and financial liabilities arising from derivatives are classified as either financial assets at FVTPL or financial liabilities at FVTPL.

(ii) Valuation standards and methods for inventories

Inventories are measured at the lower of cost and net realizable value.
The cost of inventories includes costs of purchase, costs of conversion and all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is calculated as the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to sell. Cost of inventories is calculated mainly using the first-in, first-out (FIFO) method.

(iii) Depreciation and depreciation methods of property, plant and equipment, intangible assets (excluding goodwill) and lease assets

- Property, plant and equipment
  Depreciation of an asset begins when it is available for use. The depreciable amount of items of property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of each component. The depreciable amount of an asset is determined by deducting its residual value from its cost.

  The estimated useful lives of major classes of property, plant and equipment are as follows:

Buildings and structures	2 to 60 years
Machinery and vehicles	2 to 30 years
Tools, furniture and fixtures	2 to 20 years

  The useful lives, residual values, and depreciation methods of property, plant and equipment are reviewed at the end of fiscal year, and changed, if any.

- Intangible assets (excluding goodwill)
  Intangible assets (excluding goodwill) are amortized over their estimated useful lives (2-25 years) on a straight-line basis beginning at the time when they are available for use. The estimated useful life of intangible assets is the shorter of the period of legal protection or its economic life, and it is also regularly reviewed.

- Leased assets
  Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or lease terms.

(iv) Basis for provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates of the obligations can be made. When the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligations.

(v) Accounting for defined benefit plans

Net defined benefit assets or liabilities are calculated as the present value of the defined benefit obligation less the fair value of plan assets and they are recognized in the consolidated statements of financial position as assets or liabilities.
The defined benefit obligation is calculated by using the projected unit credit method. The present value of the defined benefit obligation is calculated by the expected future payments using discount rate. The discount rate is determined by reference to market yield on high-quality corporate bonds

having maturity terms consistent with the estimated term of the related pension obligations.
Service cost and net interest expense (income) on the net defined benefit liabilities (assets) are recognized in profit or loss.
Actuarial gains and losses, the return on plan assets (excluding amounts included in net interest) and any change in the effect of the asset ceiling are recognized immediately in other comprehensive income under "Remeasurements of defined benefit plans," and transferred from other components of equity to retained earnings immediately.

(vi) Translation standards for foreign currency

- Functional and presentation currency
  The financial statements of an entity of the Group are prepared using the functional currency of the entity. The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company.

- Transactions in foreign currencies
  Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of transactions or an approximation of the rate.
  At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency using the exchange rates at the closing date and exchange differences arising from translation are recognized in profit or loss.

- Foreign operations
  Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rate at the end of fiscal year. Income and expenses are translated into Japanese yen using the average exchange rate for the period.
  Exchange differences arising on translating the financial statements of foreign operations are recognized in other comprehensive income. On the disposal of the interest in a foreign operation, the cumulative amount of the exchange differences is reclassified to profit or loss.

(vii) Matters concerning goodwill

Goodwill is carried at cost less any accumulated impairment losses.
Goodwill is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the business combination, and it is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. If, at the time of the impairment test, the recoverable amount of a cash-generating unit is less than its carrying amount, the carrying amount of the cash-generating unit is reduced to its recoverable amount, and the reduction is recognized in profit or loss as an impairment loss.
Impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or group of cash-generating units and then to the other assets pro rata on the basis of the carrying amount of each asset in the cash-generating unit or group of cash-generating units.
Any impairment loss recognized for goodwill is not reversed in a subsequent period.

(viii) Other significant matters for the preparation of consolidated financial statements

Treatment of consumption taxes is based on the tax-excluded method.

2. Notes to Consolidated Statements of Financial Position

(1) Allowance for doubtful accounts directly deducted from assets:

Trade and other receivables	¥2,495 million
Other financial assets (non-current)	¥14 million

(2) Accumulated depreciation and accumulated impairment losses of property, plant and equipment: ¥269,258 million

(3) Contingent liabilities:
- Guaranteed liabilities (guarantee for borrowings from financial institutions):

UNIGEN Inc.	¥800 million
Employees	¥737 million
Total	¥1,537 million

3. Notes to Consolidated Statements of Changes in Equity

(1) Matters concerning the type of shares issued and the total number thereof, and the type of shares of treasury shares and the total number thereof:

	Number of shares as of April 1, 2014 (Thousand shares)	Number of shares increased during the fiscal year under review (Thousand shares)	Number of shares decreased during the fiscal year under review (Thousand shares)	Number of shares as of March 31, 2015 (Thousand shares)
Shares issued				
Shares of common stock (Notes) 1, 2	456,964	1,827,858	25,000	2,259,823
Total	456,964	1,827,858	25,000	2,259,823
Treasury shares				
Shares of common stock (Notes) 3, 4	10,736	81,269	25,323	66,681
Total	10,736	81,269	25,323	66,681

(Notes) 1. The increase of 1,827,858 thousand in the total number of issued shares of common stock is due to the stock split of common stock at a ratio of 5 for 1 with an effective date of April 1, 2014.

2. The decrease of 25,000 thousand in the total number of issued shares of common stock is due to the cancellation of treasury shares in accordance with Article 178 of the Companies Act.

3. The details of the increase in shares of common stock of treasury shares are as follows:

- Increase due to the stock split of common stock at a ratio of 5 for 1 with an effective date of April 1, 2014: 42,945 thousand shares
- Acquisition of treasury shares based on the provisions of the Articles of Incorporation, in accordance with Article 165, Paragraph 2 of the Companies Act: 38,313 thousand shares
- Acquisition through purchase of shares constituting less than one unit: 10 thousand shares

4. The details of the decrease in shares of common stock of treasury shares are as follows:

- Cancellation of treasury shares, in accordance with Article 178 of the Companies Act: 25,000 thousand shares
- Disposition through sales of shares constituting less than one unit: 0 thousand shares
- Disposition through exercise of subscription rights to shares: 323 thousand shares

(2) Class and number of shares underlying each subscription right to shares at the end of the fiscal year under review (excluding rights whose exercise period has yet to begin):

Shares of common stock 3,305,400 shares

(3) Matters concerning dividends:

(i) Dividends paid:

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 18, 2014	Shares of common stock	31,236	70.00	March 31, 2014	June 19, 2014
Meeting of the Board of Directors held on October 31, 2014	Shares of common stock	30,910	14.00	September 30, 2014	December 1, 2014

(Note) The Company conducted a stock split of common stock at a ratio of 5 for 1 with an effective date of April 1, 2014. "Dividend per share" of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on June 18, 2014 shows the actual amount of dividends prior to the said stock split.

(ii) Dividends of which effective date will be the date in the next fiscal year, while the record date was the date during the fiscal year under review:

Resolution (scheduled)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 17, 2015	Shares of common stock	35,090	Retained earnings	16.00	March 31, 2015	June 18, 2015

4. Notes to Financial Instruments

(1) Financial risk management policy

The Group is exposed to financial risks associated with its business activities such as credit risk, liquidity risk and foreign exchange risk, and thus engages in risk management based on certain predetermined policies, etc. in order to mitigate these risks.

(2) Details and risks of financial instruments and risk management system

The Astellas Group deposits money only on financial institutions with high credit ratings.

The Group manages customers' credit risk, which is contained in accounts receivable (operating receivable), by appropriately examining the customers' financial situation and monitoring the credit period and outstanding accounts receivable. Monthly settlement status is also under control.

Most of the shares included in available-for-sale financial assets, which contain price volatility risk, are those related to the operation of the business. The Astellas Group has a system to grasp market values of listed shares on a monthly basis.

Derivative transactions are carried out in accordance with the Group's internal management policies and procedures. Trading conditions are ascertained on a monthly basis. The Astellas Group carries out derivative transactions only with financial institutions with high credit ratings in order to reduce the credit risk.

(3) Methods for calculating the fair values of financial instruments

- Financial assets at FVTPL

  Financial assets at FVTPL are composed mainly of short-term debt securities and forward foreign exchange contracts. Fair values of these financial assets are calculated based on the prices, etc. published by the relevant financial institutions.

- Loans and receivables

  As these are principally settled on a short-term basis, their book values are proximate to their fair values.

- Available-for-sale financial assets

  Fair values of marketable securities are calculated based on market values as of the balance sheet date. Fair values of non-listed shares are calculated based primarily on their discounted future cash flows.

- Cash and cash equivalents

  As these are redeemable within a short period of time, their book values are proximate to their fair values.

- Financial liabilities measured at amortized cost

  Financial liabilities measured at amortized cost comprise trade and other payables and other financial liabilities.

  As these are principally settled on a short-term basis, their book values are proximate to their fair values.

5. Notes to Per-Share Data

(1) Equity attributable to owners of the parent per share: ¥600.93
(2) Basic earnings per share: ¥61.50

BALANCE SHEETS
(as of March 31, 2015)

(Millions of yen)

Accounts	10th term fiscal year As of March 31, 2015	(Reference) 9th term fiscal year As of March 31, 2014
Assets		
Current assets	**472,791**	**500,767**
Cash on hand and in banks	13,012	8,515
Trade notes receivable	124	121
Trade accounts receivable	202,698	209,708
Marketable securities	91,530	134,992
Merchandise and finished goods	81,468	69,618
Raw materials and supplies	11,002	3,981
Deferred tax assets	44,942	41,041
Other	28,014	32,790
Fixed assets	**579,991**	**530,256**
Property, plant and equipment	**79,133**	**78,159**
Buildings	48,774	49,754
Structures	2,439	2,544
Machinery and equipment	4,159	5,591
Vehicles and other transportation equipment	0	1
Tools, furniture and fixtures	7,480	8,180
Land	9,898	9,932
Lease assets	991	1,146
Construction in progress	5,385	1,002
Other	7	9
Intangible fixed assets	**62,393**	**35,259**
Investments and other assets	**438,464**	**416,838**
Investment securities	68,476	59,274
Investment in subsidiaries and affiliates	321,792	321,282
Investments in capital of subsidiaries and affiliates	5,345	6,092
Long-term loans receivable	57	69
Deferred tax assets	7,135	19,274
Other	35,673	10,859
Allowance for doubtful receivables	(14)	(12)
Total assets	**1,052,782**	**1,031,023**

(Millions of yen)

Accounts	10th term fiscal year As of March 31, 2015	(Reference) 9th term fiscal year As of March 31, 2014
Liabilities		
Current liabilities	**306,023**	**205,009**
Trade accounts payable	82,425	79,138
Short-term loans payable	60,677	7,083
Lease obligations	365	397
Other accounts payable	109,772	79,292
Accrued expenses	17,651	16,089
Accrued income taxes	9,520	6,713
Deposit	18,860	11,273
Accrued bonus for directors	150	102
Allowance for sales rebates	3,243	3,959
Other	3,359	963
Long-term liabilities	**5,316**	**5,927**
Lease obligations	626	749
Accrued retirement benefits for employees	—	3,555
Other	4,691	1,623
Total liabilities	**311,340**	**210,937**
Net assets		
Shareholders' equity	**709,337**	**797,590**
Common stock	**103,001**	**103,001**
Capital surplus	**176,822**	**176,822**
Additional paid-in capital	176,822	176,822
Retained earnings	**516,511**	**572,302**
Legal reserve	16,827	16,827
Other retained earnings	499,684	555,475
Reserve for retirement benefits	900	900
Reserve for special depreciation	173	205
Reserve for advanced depreciation of fixed assets	1,445	1,375
General reserve	365,970	365,970
Retained earnings carried forward	131,196	187,025
Treasury shares	**(86,997)**	**(54,535)**
Valuation, translation adjustments and others	**29,864**	**20,387**
Unrealized holding gains on securities	29,864	20,387
Subscription rights to shares	**2,241**	**2,110**
Total net assets	**741,442**	**820,086**
Total liabilities and net assets	**1,052,782**	**1,031,023**

STATEMENTS OF INCOME

(April 1, 2014 to March 31, 2015)

(Millions of yen)

Accounts	10th term fiscal year From April 1, 2014 to March 31, 2015	(Reference) 9th term fiscal year From April 1, 2013 to March 31, 2014
Net Sales	**634,487**	**635,949**
Cost of sales	**274,321**	**287,665**
Gross profit	**360,166**	**348,284**
Selling, general and administrative expenses	**315,834**	**290,050**
Operating income	**44,333**	**58,234**
Non-operating income		
Interest income and dividend income	1,020	57,138
Other	1,476	1,272
Total non-operating income	2,496	58,410
Non-operating expenses		
Interest expense	59	16
Other	1,909	2,007
Total non-operating expenses	1,968	2,022
Ordinary income	**44,860**	**114,622**
Special gains		
Gain on sales of fixed assets	1,379	5,422
Gain on sales of investment securities	4,061	4,299
Other	1,574	4,629
Total special gains	7,014	14,351
Special losses		
Loss on sales and disposal of fixed assets	964	3,825
Loss on impairment of fixed assets	286	1,449
Other	10,809	3,205
Total special losses	12,058	8,479
Income before income taxes	**39,816**	**120,493**
Income taxes — current	14,497	13,223
Income taxes — deferred	1,003	8,094
Total income taxes	15,501	21,317
Net income	**24,316**	**99,176**

CHANGES IN NET ASSETS
(April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity								
		Capital surplus		Retained earnings					
					Other retained earnings				
	Common stock	Additional paid-in capital	Total capital surplus	Legal reserve	Reserve for retirement benefits	Reserve for special depreciation	Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings carried forward
Balance as of April 1, 2014	103,001	176,822	176,822	16,827	900	205	1,375	365,970	187,025
Cumulative effects of changes in accounting policies									7,622
Restated balance as of March 31, 2014	103,001	176,822	176,822	16,827	900	205	1,375	365,970	194,647
Change during the fiscal year under review									
Provision of reserve for special depreciation						8			(8)
Reversal of reserve for special depreciation						(41)			41
Provision of reserve for advanced depreciation of fixed assets							70		(70)
Dividends of surplus									(62,146)
Net income									24,316
Acquisition of treasury shares									
Disposals of treasury shares									(185)
Cancellation of treasury shares									(25,398)
Net change of items other than shareholders' equity during the fiscal year under review									
Total change during the fiscal year under review	–	–	–	–	–	(32)	70	–	(63,451)
Balance as of March 31, 2015	103,001	176,822	176,822	16,827	900	173	1,445	365,970	131,196

(Millions of yen)

	Shareholders' equity			Valuation, translation adjustments and others		Subscription rights to shares	Total net assets
	Retained earnings Total retained earnings	Treasury shares	Total shareholders' equity	Unrealized holding gains on securities	Total valuation, translation adjustments and others		
Balance as of April 1, 2014	572,302	(54,535)	797,590	20,387	20,387	2,110	820,086
Cumulative effects of changes in accounting policies	7,622		7,622				7,622
Restated balance as of March 31, 2014	579,924	(54,535)	805,211	20,387	20,387	2,110	827,708
Change during the fiscal year under review							
Provision of reserve for special depreciation	–		–				–
Reversal of reserve for special depreciation	–		–				–
Provision of reserve for advanced depreciation of fixed assets	–		–				–
Dividends of surplus	(62,146)		(62,146)				(62,146)
Net income	24,316		24,316				24,316
Acquisition of treasury shares		(58,229)	(58,229)				(58,229)
Disposals of treasury shares	(185)	369	184				184
Cancellation of treasury shares	(25,398)	25,398	–				–
Net change of items other than shareholders' equity during the fiscal year under review				9,477	9,477	131	9,608
Total change during the fiscal year under review	(63,413)	32,462	(95,875)	9,477	9,477	131	(86,266)
Balance as of March 31, 2015	516,511	86,997	709,337	29,864	29,864	2,241	741,442

Notes to Financial Statements

1. Notes to Items of Significant Accounting Policies

(1) Valuation standards and methods for assets:

(i) Valuation standards and methods for securities:

Held-to-maturity debt securities:
Held-to-maturity debt securities are carried at amortized cost.

Investments in subsidiaries and affiliates:
Investments in subsidiaries and affiliates are carried at cost determined by the moving average method.

Investments in securities classified as other securities:
Marketable securities:
Marketable securities classified as other securities are carried at fair value as of the balance sheet date with changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. The cost of securities sold is calculated by the moving average method.

Non-marketable securities:
Non-marketable securities classified as other securities are stated at cost determined by the moving average method.

(ii) Valuation standards and methods for inventories:

Inventories held for the purpose of ordinary sales:
Inventories are stated at the lower of cost or market, cost being determined by the average method (the amounts stated in the balance sheets were calculated by the method to devaluate book values based on the reduction in profitability).

(2) Depreciation and amortization methods for fixed assets:

(i) Property, plant and equipment (excluding lease assets):
Straight-line method
The useful lives of property, plant and equipment are summarized as follows:

Buildings	2 to 50 years
Machinery and equipment	4 to 15 years
Tools, furniture and fixtures	2 to 20 years

(ii) Intangible fixed assets (excluding lease assets):
Straight-line method
With respect to software used in the Company, it is amortized by the straight-line method based on the useful lives (5 years) in the Company.

(iii) Lease assets:
Finance lease assets not involving the transfer of ownership
Depreciation is calculated on the straight-line method over the lease period as the useful life and assuming no residual value.

(3) Basis for significant allowances:

(i) Allowance for doubtful receivables:
The allowance for doubtful receivables is provided for possible losses on bad debts at an amount determined based on the historical experience of bad debts with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are facing financial difficulties.

(ii) Accrued bonus for directors:
The accrued bonus for directors is provided at an estimate of the amount to be paid for Directors and Audit & Supervisory Board Members of the Company.

(iii) Allowance for sales rebates:
The allowance for sales rebates is provided for sales rebates to be paid after the balance sheet date at an amount estimated based on the latest historical rebate ratio and the balance of accounts receivable and specified distributor inventory at the balance sheet date.

(iv) Accrued retirement benefits for employees:
Accrued retirement benefits for employees are provided for retirement benefits to be paid under defined benefit plans at an amount calculated by deducting the fair value of the pension plan assets from the retirement benefit obligations, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost as of the balance sheet date.

Actuarial gain or loss of the retirement benefit plan is amortized from the year following the year in which the gain or loss is recognized primarily by the straight-line method over the average remaining years of service of the employees. Prior service cost is amortized as incurred by the straight-line method over the average remaining years of service of the employees.

The retirement benefit plan of the former Yamanouchi Pharmaceutical Co., Ltd. and the retirement benefit plan of the former Fujisawa Pharmaceutical Co., Ltd. were integrated on October 1, 2006 and actuarial gain or loss of the retirement benefit plan of the former Fujisawa Pharmaceutical Co., Ltd. before the merger is amortized from the year following the year in which the gain or loss is recognized primarily by the straight-line method over the specified years (10 years) within the average remaining years of service of the employees. Prior service cost is amortized as incurred by the straight-line method over the specified years (10 years) within the average remaining years of service of the employees.

(4) Hedge accounting:

(i) Hedge accounting
All derivative transactions are principally hedged by a deferred hedge method. Provided, however, that other securities are hedged by a fair value method.

(ii) Hedging instruments and hedged items
Hedging instruments: Derivative transactions
Hedged items: Assets and liabilities of which income or loss may be caused by market fluctuations and cash flow fluctuations

(iii) Hedging policy
The Company has hedged derivative transactions from any risks arising from market fluctuations and cash flow fluctuations to a specified extent in accordance with the Company's internal policies and procedures for derivative transactions.

(iv) Assessment of hedge effectiveness
Deferred hedge effectiveness from the start of the hedge period to the determination of effectiveness is assessed by comparing the cumulative changes in market fluctuations or cash flow fluctuations of the hedging instruments with those with respect to the hedged items.

(5) Accounting for consumption taxes:

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

2. Notes to Changes in Accounting Policies

(Application of Accounting Standard for Retirement Benefits)
Effective from the fiscal year under review, the Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012, hereinafter "Retirement Benefits Accounting Standard") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015, hereinafter "Retirement Benefits Guidance"), in respect of the provisions specified in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standard and the main clause of Paragraph 67 of the Retirement Benefits Guidance, whereby the method of calculating retirement benefit obligations and service costs has been reviewed. Based on this review, the method of attributing expected retirement benefits to periods has been changed from straight-line basis to benefit formula basis, while the method of determining discount rates has been changed to the method using multiple discount rates reflecting the period up to the expected timing of retirement benefits payment.

In applying the Retirement Benefits Accounting Standard, etc., the amount of impact associated with the changes in the method of calculating retirement benefit obligations and service costs has been added to, or deducted from retained earnings at the beginning of the fiscal year under review, in accordance with the transitional

handling prescribed in Paragraph 37 of the Retirement Benefits Accounting Standard.

As a result, as of the beginning of the fiscal year under review, accrued retirement benefits for employees decreased by ¥3,555 million, prepaid pension cost included in "other" under "investments and other assets" increased by ¥8,225 million, and retained earnings increased by ¥7,622 million. Operating income, ordinary income, and income before income taxes for the fiscal year under review all decreased by ¥312 million.

3. Notes to Balance Sheets

(1) Accumulated depreciation of property, plant and equipment: ¥140,839 million

(2) Contingent liabilities:

- Guaranteed liabilities (guarantee for borrowings from financial institutions):

UNIGEN Inc.	¥800 million
Employees	¥737 million
Total	¥1,537 million

(3) Receivables from and payables to subsidiaries and affiliates:

Short-term receivables:	¥44,597 million
Short-term payables:	¥104,409 million

4. Notes to Statements of Income

Volume of transaction with subsidiaries and affiliates:

Sales:	¥117,392 million
Purchases:	¥49,661 million
Non-operating transactions:	¥695 million

5. Notes to Changes in Net Assets

Matters concerning the type of treasury share and the number of shares:

	Number of shares as of April 1, 2014 (Thousand shares)	Number of shares increased during the fiscal year under review (Thousand shares)	Number of shares decreased during the fiscal year under review (Thousand shares)	Number of shares as of March 31, 2015 (Thousand shares)
Shares of common stock (Notes) 1, 2	10,736	81,269	25,323	66,681
Total	10,736	81,269	25,323	66,681

(Notes) 1. The details of the increase in shares of common stock of treasury share are as follows:

- Increase due to the stock split of common stock at a ratio of 5 for 1 with an effective date of April 1, 2014: 42,945 thousand shares
- Repurchase of treasury share based on the provisions of the Articles of Incorporation, in accordance with Article 165, Paragraph 2 of the Companies Act: 38,313 thousand shares
- Acquisition through purchase of shares constituting less than one unit: 10 thousand shares

2. The details of the decrease in shares of common stock of treasury share are as follows:

- Cancellation of treasury share in accordance with Article 178 of the Companies Act: 25,000 thousand shares
- Disposition through sales of shares constituting less than one unit: 0 thousand shares
- Disposition through exercise of subscription rights to shares: 323 thousand shares

6. Notes to Tax Effect Accounting

Breakdown of deferred tax assets and deferred tax liabilities based on reasons are as follows:

Deferred tax assets:	
Loss on devaluation of securities:	¥1,903 million
Accrued retirement benefits for employees:	¥3,147 million
Depreciation and amortization of fixed assets:	¥19,457 million
Amortization of other assets:	¥640 million
Loss on impairment of fixed assets:	¥941 million
Accrued expenses:	¥4,873 million
Allowances:	¥1,066 million
Inventories:	¥7,986 million
Business taxes:	¥790 million
Advance payments:	¥16,784 million
Other:	¥24,968 million
Subtotal:	¥82,557 million
Valuation allowance:	(¥12,854 million)
Total:	¥69,703 million
Deferred tax liabilities:	
Unrealized holding gains on securities:	(¥13,549 million)
Prepaid pension cost	(¥2,674 million)
Reserve for advanced depreciation of fixed assets:	(¥680 million)
Reserve for special depreciation:	(¥81 million)
Other:	(¥641 million)
Total:	(¥17,626 million)
Net deferred tax assets:	¥52,077 million

7. Notes to Transaction with Affiliated Parties

Subsidiaries and affiliates

Type	Name of Company, etc.	Ownership of voting rights, etc. (Ownership percentage)	Relationship with affiliated parties	Details of transaction	Amount of transaction (Millions of yen)	Account	Balance as of the end of the fiscal term (Millions of yen)
Subsidiaries	Astellas B.V.	Direct ownership 100.0%	Borrowing of funds, sharing of concurrent positions by Directors and Audit & Supervisory Board Members	Borrowing of funds (Notes) 1	66,813	Short-term loans payable	60,297
Subsidiaries	Astellas Pharma Tech Co., Ltd.	Direct ownership 100.0%	Receipt of funds, sharing of concurrent positions by Directors and Audit & Supervisory Board Members	Receipt of funds through cash pooling system (Notes) 2	–	Deposit	16,677

Trade conditions and related policies:

(Notes) 1. Interest rates on the funds borrowed are reasonably determined based on market rates.

2. As the companies participating in the cash pooling system borrow and lend funds on a daily basis, such amount of transactions is not presented. Interest rates associated with such transactions are reasonably determined based on market rates.

8. Notes to Per-Share Data

(1) Net asset per share: ¥337.05
(2) Net income per share: ¥11.01

[Translation]

Report of Independent Auditors

May 8, 2015

The Board of Directors
Astellas Pharma Inc.

Ernst & Young ShinNihon LLC

Yoji Murohashi
Certified Public Accountant
Designated Limited Partner

Toshihiro Yoshida
Certified Public Accountant
Designated Limited Partner

Yasuhiro Kozaki
Certified Public Accountant
Designated Limited Partner

Masayuki Nakamura
Certified Public Accountant
Designated Limited Partner

Pursuant to Article 444, Section 4 of the Corporate Law, we have audited the consolidated statements of financial position, the consolidated statements of income, the consolidated statements of changes in equity and the notes to the consolidated financial statements of Astellas Pharma Inc. (the "Company") applicable to the fiscal year from April 1, 2014 through March 31, 2015.

Management's Responsibility for Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the second sentence of Article 120, Section 1 of the Corporate Accounting Regulations, which allows the omission of certain disclosures required by the designated International Financial Reporting Standards ("IFRS"), and for internal control that management determines is necessary to enable preparation of consolidated financial statements free of material misstatement due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.
An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit Opinion
In our opinion, the above stated consolidated financial statements, prepared with the omission of certain disclosures required by the IFRS pursuant to the second sentence of Article 120, Section 1 of the Corporate Accounting Regulations, present fairly, in all material respects, the financial position of Astellas Pharma Inc. and consolidated subsidiaries applicable to the fiscal year ended March 31, 2015.

Interest
We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

[Translation]

Report of Independent Auditors

May 8, 2015

The Board of Directors
Astellas Pharma Inc.

Ernst & Young ShinNihon LLC

Yoji Murohashi
Certified Public Accountant
Designated Limited Partner

Toshihiro Yoshida
Certified Public Accountant
Designated Limited Partner

Yasuhiro Kozaki
Certified Public Accountant
Designated Limited Partner

Masayuki Nakamura
Certified Public Accountant
Designated Limited Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Corporate Law, we have audited the balance sheets, the statements of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Astellas Pharma Inc. (the "Company") applicable to the 10th term fiscal year from April 1, 2014 through March 31, 2015.

Management's Responsibility for Financial Statements, etc.
Management is responsible for the preparation and fair presentation of these financial statements and related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for internal control that management determines is necessary to enable preparation of financial statements and related supplementary schedules free of material misstatement due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements and related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free of material misstatement.
An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit Opinion
In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position of Astellas Pharma Inc., applicable to the fiscal year ended March 31, 2015 in conformity with accounting principles generally accepted in Japan.

Interest
We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Law.

[Translation]

AUDIT REPORT

The Audit & Supervisory Board prepared and reported the following audit report regarding the performance of duties of Directors of the Company during the 10th term fiscal year from April 1, 2014 to March 31, 2015 after deliberations, based on the audit reports from each Audit & Supervisory Board Member.

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board :

The Audit & Supervisory Board established, among other things, the policy of audit and the assignment of duties, received a report from each Audit & Supervisory Board Member on execution and result of its audit, received reports from Directors and Accounting Auditor on their performance of duties, and requested additional explanations as necessary.

In conformity with the Audit Standards established by the Audit & Supervisory Board, and in accordance with, among other things, the policy of audit and the assignment of duties, each Audit & Supervisory Board Member made efforts to communicate with Directors, Internal Audit Department and other employees, collect information and maintain and improve the environment for audit. At the same time, each Audit & Supervisory Board Member attended meetings of the Board of Directors and other meetings as deemed important, received reports from the Directors and employees on their performance of duties, requested additional explanations as necessary, perused the documents whereby the important decisions were made, and examined the business and financial conditions at the head office and the principal offices.

Furthermore, with respect to the resolution of the Board of Directors on systems necessary to ensure that Directors' performance of their duties described in the Business Report complies with applicable laws and ordinances and Articles of Incorporation and any other system stipulated in Article 100, Paragraph 1 and 3 of the Ordinance for Enforcement of the Corporate Law as required to ensure appropriateness of operations of a Stock Company (Kabushiki Kaisha), and the systems developed based on such board resolution (internal control system), each Audit & Supervisory Board Member regularly received reports from Directors and employees, requested additional explanations as necessary, and expressed an individual opinion, on the establishment and operation of the systems.

With respect to subsidiaries, each Audit & Supervisory Board Member made efforts to communicate and exchange information with the Directors and Audit & Supervisory Board Members of subsidiaries, and received from subsidiaries reports on their respective business as necessary.

Based on the method stated above, each Audit & Supervisory Board Member examined the Business Report and the related supplementary schedules for the fiscal year under review.

In addition, each Audit & Supervisory Board Member monitored and verified whether the Accounting Auditor maintained the independent position and performed due audit, and received from the Accounting Auditor reports on the performance of the duties, and requested additional explanations as necessary. Each Audit & Supervisory Board Member also received a notice from the Accounting Auditor that it has established the "Systems to

ensure due execution of audit (matters prescribed in each item of Article 131 of the Corporate Accounting Regulations)" in accordance with, among other things, the "Quality Control Standards for Audit" (Business Accounting Board, October 28, 2005), and requested additional explanations as necessary.

Based on the method stated above, each Audit & Supervisory Board Member examined the financial statements (Balance Sheets, Statements of Income, Statements of Changes in Net Assets and Notes to Financial Statements) and the related supplementary schedules, and consolidated financial statements (Consolidated Statements of Financial Position, Consolidated Statements of Income, Consolidated Statements of Changes in Equity and Notes to Consolidated Financial Statements, all prepared with the omission of certain disclosures required by the IFRS pursuant to the second sentence of Article 120, Section 1 of the Corporate Accounting Regulations) for the fiscal year under review.

2. Results of Audit:
   (1) Results of audit of Business Report and other documents:

      1. We confirm that the Business Report and the related supplementary schedules accurately present the position of the Company in conformity with the relevant laws and ordinances as well as the Articles of Incorporation of the Company.

      2. We confirm that no misconduct or material fact constituting a violation of any laws or ordinances or the Articles of Incorporation of the Company was found with respect to the Directors in the performance of their duties.

      3. We confirm that the resolutions of the Board of Directors relating to the internal control system are reasonable. There are no matters to be pointed out regarding details of the Business Report and Directors' performance of their duties on internal control system.

   (2) Results of audit of financial statements and the related supplementary schedules:
   We confirm that the method and the results of the audit carried out by Ernst & Young ShinNihon LLC, Accounting Auditor of the Company, are reasonable.

   (3) Results of audit of consolidated financial statements:
   We confirm that the method and the results of the audit carried out by Ernst & Young ShinNihon LLC, Accounting Auditor of the Company, are reasonable.

May 8, 2015

The Audit & Supervisory Board of Astellas Pharma Inc.

Full-time Audit & Supervisory Board Member:
Go Otani (seal)
Full-time Audit & Supervisory Board Member:
Tomokazu Fujisawa (seal)
Outside Audit & Supervisory Board Member:
Shigeru Nishiyama (seal)
Outside Audit & Supervisory Board Member:
Toshiko Oka (seal)

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