Financial Results for 1Q/FY2015

Ending March 31, 2016

July 31, 2015

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

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Financial Results for 1Q/FY2015 (Core Basis)

(Billion YEN)

FY2015: From Apr. 2015 through Mar. 2016

	1Q/FY2014 Results	1Q/FY2015 Results	Change %	FY2015 Forecasts	Progress per Forecasts %
Sales	295.2	343.7	+16.4%	1,362.0	25.2%
COGs as % of sales	76.0 25.7%	90.1 26.2%	+18.6%		
SG&A expenses as % of sales	96.9 32.8%	118.7 34.5%	+22.4%		
R&D expenses as % of sales	47.6 16.1%	56.0 16.3%	+17.5%	229.0 16.8%	24.4%
Amortisation of intangible assets	8.9	10.9	+22.8%		
Share of profits of associates and joint ventures	0.2	-0.2	-208.6%		
Core operating profit	66.0	67.8	+2.8%	238.0	28.5%
Core profit for the period	46.4	45.0	-3.0%	170.0	26.5%

Exchange Rates (YEN)

[Average for terms]	1Q/FY2014	1Q/FY2015	Change	FY2015 Forecasts
USD	102	121	19 weakening of YEN	120
EUR	140	134	6 strengthening of YEN	125

[Change from beginning to end of terms]	1Q/FY2014	1Q/FY2015
USD	2 strengthening of YEN	2 weakening of YEN
EUR	3 strengthening of YEN	7 weakening of YEN

Depreciation and amortisation
-1Q/FY2014: 15.5
-1Q/FY2015: 17.4

Forex impact
-Sales: +17.3
-Core operating profit: +1.8

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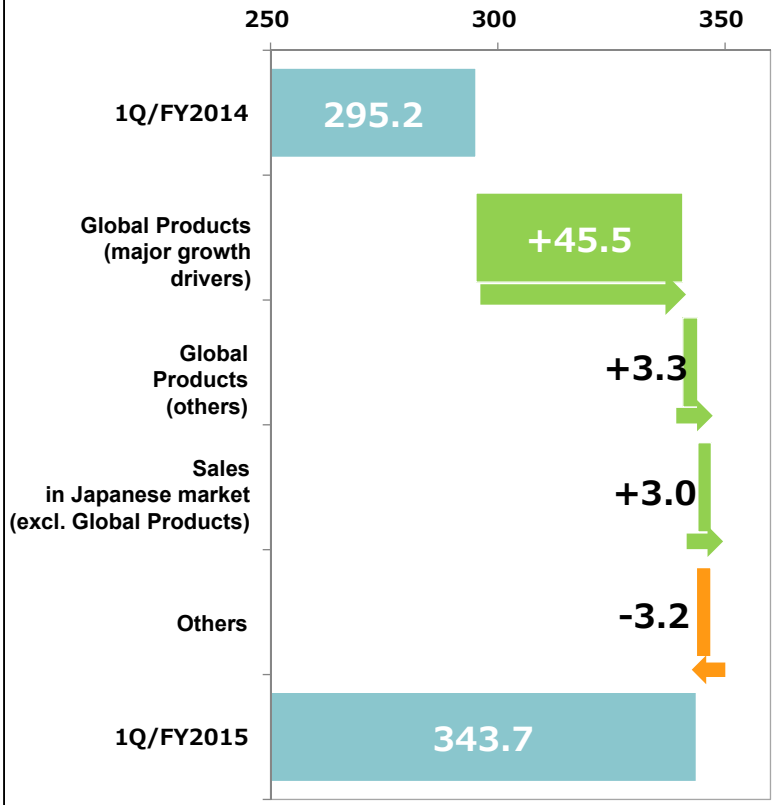
Results of 1Q/FY2015: Analysis of Change in Sales (vs. 1Q/FY2014)



Sales: +48.5

Forex impact: +17.3

- XTANDI +35.7/ Vesicare and Betanis/Myrbetriq/BETMIGA +9.8
- Eligard -0.6/ Harnal +0.5/ Prograf +3.3/ Funguard/MYCAMINE +1.4/ Protopic -1.4/
- New Products and Growing Products +8.4/ Micardis +1.5/ Lipitor -1.3/ Gaster -0.8
- Scan +4.2/ Tarceva -0.4/ Other EMEA* products etc. -6.9

*Europe, Middle East and Africa

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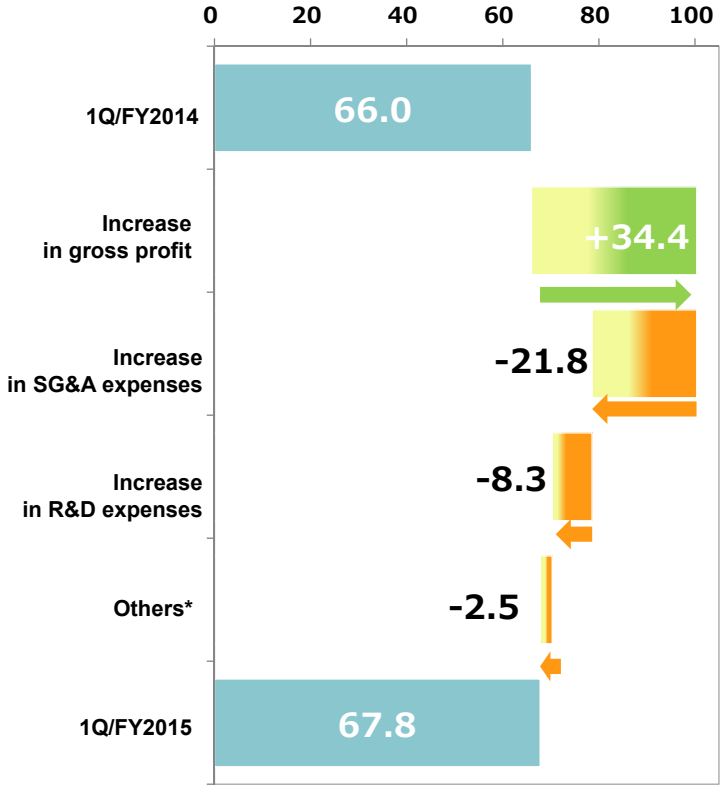
Results of 1Q/FY2015: Analysis of Change in Core Operating Profit (vs. 1Q/FY2014)



(Billion YEN)

Core operating profit: +1.8

Forex impact: +1.8

Increase in sales: +48.5
Increase in COGs: -14.1
Increase in COGs ratio: +0.5ppt (25.7%→26.2%)
- Change in product mix etc.: -0.7ppt
- Forex impact on elimination of unrealized gain: +1.2ppt

- Cost for co-promotion of XTANDI in US
- Forex impact etc.

- Cost for development project
- Forex impact etc.

* Amortisation of intangible assets and share of profits of associates and joint ventures

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Financial Results for 1Q/FY2015 (Full Basis)

(Billion YEN)

	1Q/FY2014 Results	1Q/FY2015 Results	Change %	FY2015 Forecasts	Progress per Forecasts %
Sales	295.2	343.7	+16.4%	1,362.0	25.2%
COGs as % of sales	76.0 25.7%	90.1 26.2%	+18.6%		
SG&A expenses as % of sales	96.9 32.8%	118.7 34.5%	+22.4%		
R&D expenses as % of sales	47.6 16.1%	56.0 16.3%	+17.5%	229.0 16.8%	24.4%
Amortisation of intangible assets	8.9	10.9	+22.8%		
Share of profits of associates and joint ventures	0.2	-0.2	-208.6%		
Other income	2.7	1.3	-53.2%		
Other expense	18.1	7.2	-60.4%		
Operating profit	50.6	61.9	+22.4%	238.0	26.0%
Financial income	1.8	6.0	+230.4%		
Financial expense	2.1	0.3	-86.9%		
Profit before tax	50.3	67.7	+34.6%	239.0	28.3%
Profit for the period	35.9	44.6	+24.4%	170.0	26.2%

Other expense: 7.2
- Loss on sales and disposal of property, plant and equipment: 6.6 (Buildings of Kashima Office etc.)

Financial income: 6.0
- Gain on sales of available-for-sales financial assets: 5.5 (Gain on sales of securities etc.)

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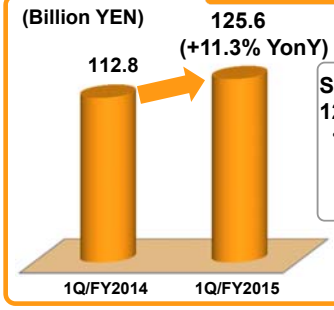
Sales by Region (Local Currency Basis)

Calculated based on the location of the seller

Sales increase in all the regions of Japan, Americas, EMEA and Asia/Oceania

Japan

(Billion YEN)



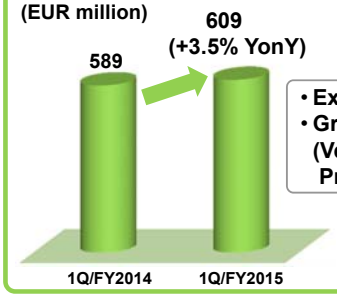
Sales in Japanese market: 122.2 bn YEN (+12.1% YonY)
- Growth of New Product Group and Growing Product Group exceeding generic impact



EMEA*

*Europe, Middle East and Africa

(EUR million)

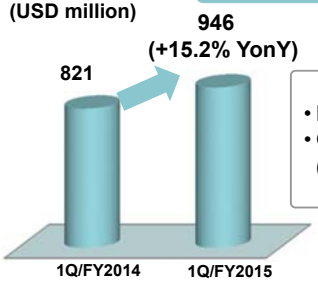


- Expansion of XTANDI
- Growth of OAB treatments (Vesicare and BETMIGA) and Prograf



Americas

(USD million)

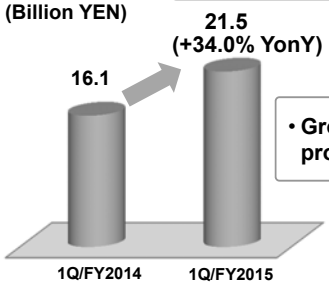


- Expansion of XTANDI
- Growth of OAB treatments (VESIcare and Myrbetriq)



Asia/Oceania

(Billion YEN)



+17.5% YonY (Excl. forex impact)

- Growth of all the mainstay products



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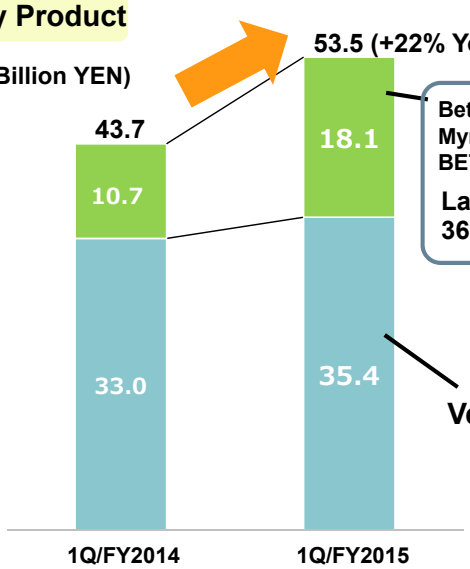
Overactive Bladder Franchise in Urology

Continuous sales increase in OAB franchise (Vesicare and Betanis/Myrbetriq/BETMIGA)

Total sales of Vesicare and Betanis/Myrbetriq/BETMIGA

by Product

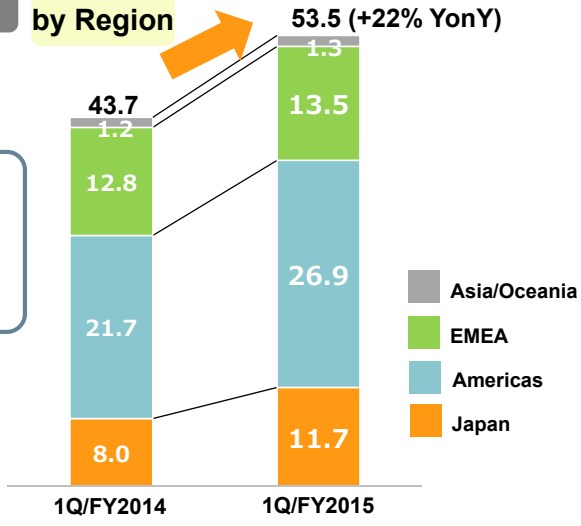
(Billion YEN)



Betanis (Japan)
Myrbetriq (Americas)
BETMIGA (EMEA etc.)
Launched in 36 countries/areas

Vesicare

by Region



Growth rate in total sales of Vesicare and Betanis/Myrbetriq/BETMIGA [YonY]

-Japan: +47%
-Americas: +4% (USD basis)
-EMEA: +10% (EUR basis)
-Asia/Oceania: +4% (Excl. forex impact)

OAB: Overactive Bladder

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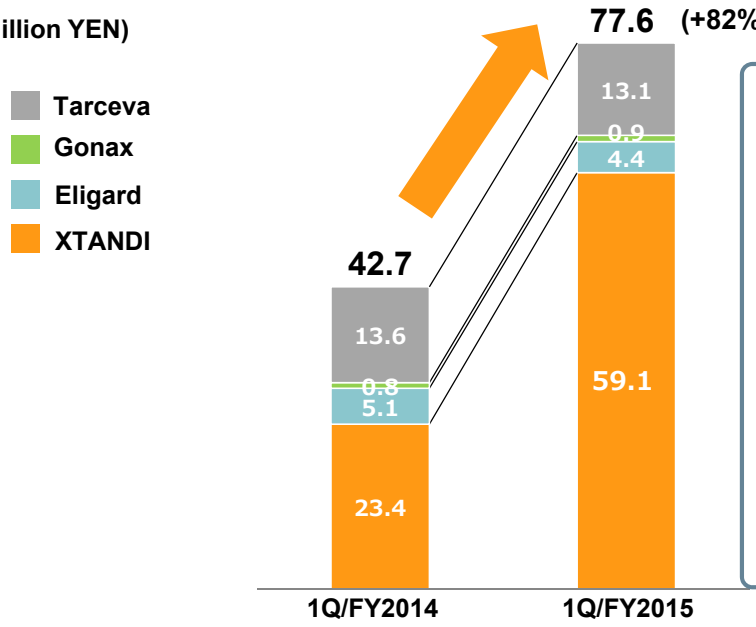
Oncology Franchise

Significant expansion of oncology franchise driven by XTANDI

Total sales of XTANDI, Tarceva, Eligard and Gonax

(Billion YEN)



XTANDI
- Japan: 6.8 billion Yen
- Americas: USD 307 million
- EMEA: EUR 109 million
- Asia/Oceania: 0.4 billion Yen

Launched in 41 countries/areas

Eligard
- EMEA: EUR 33 million
  -9% YonY (EUR basis)

Tarceva-related revenues
- USD 108 million
  -18% YonY (USD basis)

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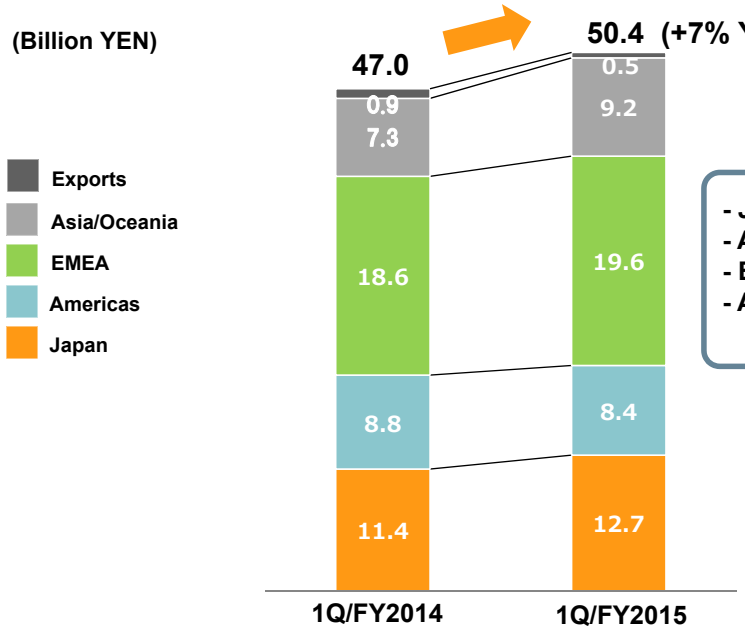
Transplantation Franchise

Maintaining global sales by growth in Japan, EMEA, and Asia/Oceania

Total sales of Prograf and Advagraf/Graceptor/ASTAGRAF XL

(Billion YEN)



[YonY]
- Japan: +11%
- Americas: -20% (USD basis)
- EMEA: +10% (EUR basis)
- Asia/Oceania: +9% (Excl. forex impact)

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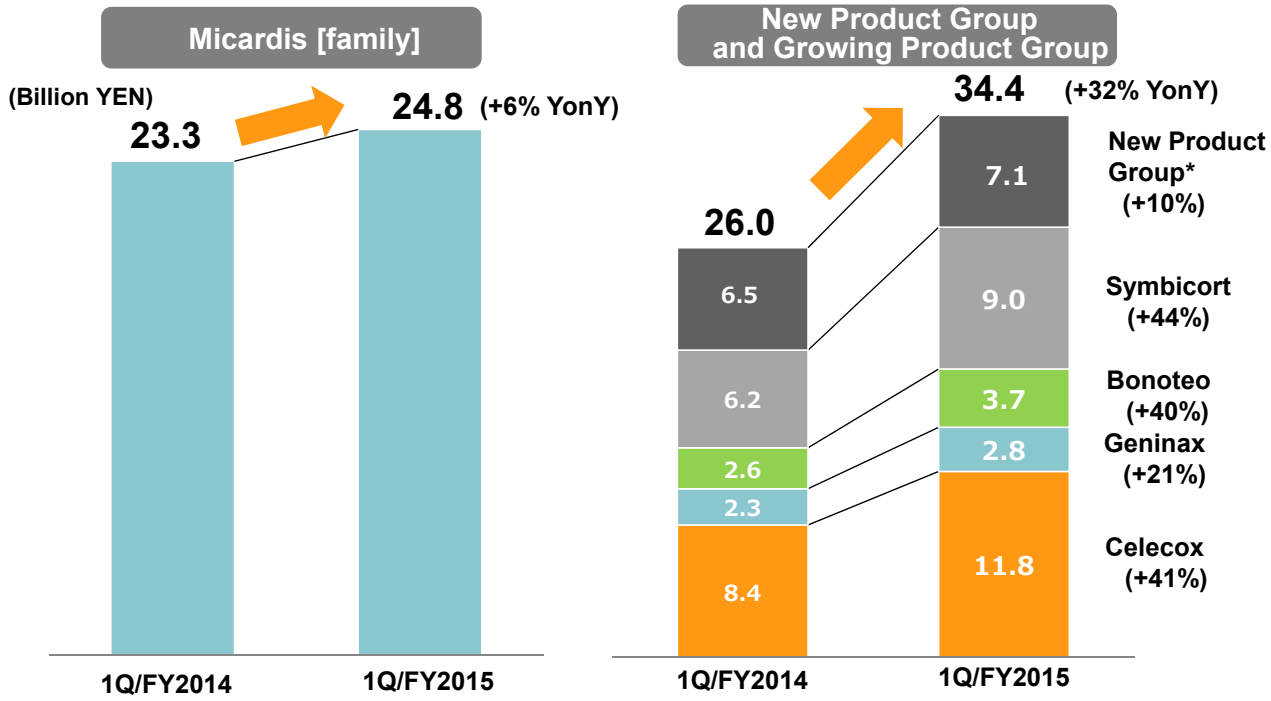
Major Products in Japan (Excluding Global Products)

Steady growth of New Product Group and Growing Product Group



*New Product Group: Total sales of main products launched from April 2012 onward (ARGAMATE, Kiklin, Regnite, Gonax, Cimzia, Acofide and Suglat)

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R&D Pipeline

Robust Pipeline of Astellas

Phase 1	Phase 2	Phase 3	Filed
mirabegron (Pediatric)	roxadustat (JP)	solifenacin (Pediatric, US/EU)	bixalomer (Not on dialysis, JP)
ASP5633	YM311 (FG-2216) (Renal anemia, EU)	solifenacin/mirabegron (US/EU/Asia)	capsaicin (Peripheral neuropathic pain in diabetic patients, EU)
ASP2205	bixalomer (Granule formulation, JP)	roxadustat (Anemia associated with CKD, EU)	ASP7374 (Seasonal influenza, JP)
ASP6282	ASP8232 (Diabetic nephropathy: EU)	enzalutamide (M0 CRPC, M0 BCR, US/EU/Asia)	evolocumab (Hypercholesterolemia, JP)
YM311 (JP)	enzalutamide (Breast cancer, HCC, US/EU)	degarelix (3-month, JP)	
ASP6858	ASP8273 (NSCLC, JP/Asia)	ASP2215 (AML, US/EU/JP/Asia)	
AGS-16C3F	ASP0113 (VCL-CB01) (CMV SOT, US/EU)	ASP0113 (VCL-CB01) (CMV HCT, US/EU/JP)	
ASG-22ME	ASKP1240 (Transplant, US)	ASP015K (Rheumatoid arthritis, JP)	
ASP1707 (Prostate cancer, EU)	ASP015K (Rheumatoid arthritis, US/EU)	quetiapine (BPD, JP)	
ASG-15ME	ASP8477 (Neuropathic pain, EU)	romosozumab (Osteoporosis, JP)	
ASP5878	ASP3662 (PDPN, US)	linaclotide (IBS-C, JP)	
ASP8273 (US)	ASP1707 (Endometriosis, EU/JP)	fidaxomicin (Infectious enteritis: JP, pediatric: EU)	
AGS67E	linaclotide (Chronic constipation, JP)	isavuconazonium sulfate (Candidemia, US)	
ASP4132	ASP8232 (Diabetic macular edema: US)		
ASP2215 (NSCLC, US/JP/Asia)	ipragliflozin (Type 1 diabetes, JP)		
blinatumomab	ASP7373 (Influenza H5N1, JP)		
ASKP1240 (JP)	CK-2127107 (Spinal muscular atrophy, US)		
ASP5094			
ASP3662 (Alzheimer)			
ASP7962			
ASP4345			
ASP4070			

Therapeutic area:

- Urology, Nephrology
- Oncology
- Immunology, Neuroscience
- Others
- New molecular entity

Outline of the projects are shown. Please refer to pipeline list for details including target disease.

NSCLC: Non-small cell lung cancer, HCC: Hepatocellular carcinoma, CMV: Cytomegalovirus, SOT: Solid organ transplant, PDPN: Painful diabetic peripheral neuropathy, CKD: Chronic kidney disease, M0 CRPC: Non-metastatic castration-resistant prostate cancer, M0 BCR: Non-metastatic biochemical recurrence, AML: Acute myeloid leukemia, HCT: Hematopoietic cell transplant, BPD: Bipolar disorders, IBS-C: Irritable bowel syndrome with constipation

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Steady Progress in Development

Summary of changes from May to July

P1 Entry → P2 Entry → P3 Entry → Filing → Approval

ASP4070/ JRC2-LAMP-vax
Pollinosis caused by Japanese red cedar
Japan

CK-2127107
Spinal muscular atrophy
US

capsaicin patch
NGX-4010
CHMP positive opinion in July 2015
Peripheral neuropathic pain in diabetic patients
Europe

Cimzia/
certolizumab pegol
Approved in May 2015
Disease modifying anti-rheumatic drugs (DMARD)-naive rheumatoid arthritis
Japan

Irribow/
ramosetron
Approved in May 2015
Diarrhea-predominant irritable bowel syndrome in female patients
Japan

Discontinuation

P3 project: beraprost sodium/ YM533 (Japan/Asia)
Chronic renal failure (primary glomerular disease or nephrosclerosis)
(Sufficient results for filing were not obtained in the Phase 2b/3 study.)

CHMP: Committee for Medicinal Products for Human Use

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Oncology Pipeline

Stage in the most advanced territory

	Project	Target Cancer	Characteristics	P1	P2	P3	Filed
Small molecule	**Enzalutamide (XTANDI)**	Prostate cancer (M0 CRPC, M0 BCR), Breast cancer (BC), Hepatocellular carcinoma	Androgen receptor inhibitor	M0 CRPC, M0 BCR	BC, HCC		
	Degarelix (Gonax)	Prostate cancer	1st GnRH antagonist in Japan	3-month: JP			
	ASP2215	Acute myeloid leukemia, Non-small cell lung cancer	FLT3/AXL inhibitor	AML	NSCLC		
	ASP8273	Non-small cell lung cancer	Mutant-selective irreversible EGFR inhibitor				
	ASP1707	Prostate cancer*1	Oral GnRH antagonist				
	ASP5878	Solid tumors	FGFR inhibitor				
	ASP4132	Advanced cancer					
Antibody	**AGS-16C3F**	Renal cancer	Antibody utilizing ADC (target: ENPP3)				
	ASG-22ME	Solid tumors	Antibody utilizing ADC (target: Nectin-4)				
	ASG-15ME	Bladder cancer	Antibody utilizing ADC (target: SLITRK6)				
	AGS67E	Lymphoid malignancy	Antibody utilizing ADC (target: CD37)				
	AMG 103 blinatumomab	Acute lymphoblastic leukemia	Anti-CD19 BiTE				

*1: P2 for indication of endometriosis

ADC: Antibody-drug conjugate

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Enzalutamide: Development Progress

*The region where the study is performed

	Study Phase/Region*	Target	Design	P1	P2	P3	Filed
Prostate cancer	**P3 US/EU/Asia [PROSPER study]**	**M0 CRPC** Non-metastatic CRPC	Placebo-controlled, n=1,500	**First Patient In: Nov. 2013**			
	P3 US/EU/Asia [EMBARK study]	**M0 BCR** Non-metastatic prostate cancer, biochemical recurrence	To compare with ADT and combination, n=1,860	**First Patient In: Jan. 2015**			
Breast cancer	**P2 US/EU**	**Triple-negative** Advanced, androgen receptor-positive, triple-negative breast cancer	Open-label, n=118	**Full data presented at ASCO 2015**			
	P2 US/EU	**ER/PgR positive** Advanced breast cancer that is ER positive or PgR positive and HER2 normal	Placebo-controlled, in combination with exemestane, n=240	**Last Patient In: Mar. 2015**			
	P2 US/EU	**HER2 positive** Advanced, androgen receptor-positive, HER2 positive/ER negative breast cancer	Open-label, n=80	**First Patient In: Sep. 2014**			
HCC	**P2 US/EU**	**Hepatocellular carcinoma**	Placebo-controlled, n=144	**First Patient In: Planned in 3Q/FY15**			

ADT: Androgen-deprivation therapy, ER: Estrogen receptor, PgR: Progesterone receptor, HER2: Human epidermal growth factor receptor 2

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Enzalutamide: Full Data in Phase 2 Study in TNBC Presented at ASCO 2015

Study design

Target	Advanced androgen receptor positive TNBC patients (n=118)
Design	Open-label (single agent)
Primary endpoint	Clinical benefit rate at 16 weeks Evaluable patients: > 10% AR staining in tumor cells and a post-baseline assessment.

TNBC: Triple negative breast cancer
ASCO: American Society of Clinical Oncology
ITT: Intent-to-treat

Clinical benefit in evaluable and ITT populations

	Evaluable Patients (n = 75)	ITT Patients (n = 118)
Primary Endpoint		
CBR16, **%** (95% CI) n	**35%** (24, 46) n = 26	**25%** (17, 33) n = 29
Secondary Endpoints		
CBR24, **%** (95% CI) n	**29%** (20, 41) n = 22	**20%** (14, 29) n = 24
CR or PR, **%** n	**8%** n = 6	**6%** n = 7

Evaluable = AR IHC ≥ 10% and ≥ 1 post-baseline tumor assessment;
ITT = AR IHC > 0% by central assessment and received ≥ 1 dose of enzalutamide.
Data cutoff 24 March 2015.
Traina *et al*, Abstract #1003, ASCO Annual '15 Meeting, presented on June 1st

- **Enzalutamide showed clinical activity in patients with "AR positive" TNBC**
- **Safety data appear consistent with the known profile of enzalutamide**

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ASP2215: Preliminary Data in Phase 1/2 Study Presented at ASCO 2015 (1)

Study design

Population	Patients with relapsed or refractory (R/R) acute myeloid leukemia (AML) (n=198)
Design	Open-label , Phase1/2 study 24 patients in dose escalation part, 174 patients in dose expansion part
Endpoint	Primary: Safety, tolerability and PK Secondary: Response rate, overall survival, event free survival, and leukemia free survival

Clinical response by mutation status

Response	FLT3 Mutated		FLT3 Wild Type
	20–450 mg	≥80 mg	20–450 mg
	n=127	n=106	n=57
CR	8 (6.3)	7 (6.6)	0
CRp	5 (3.9)	5 (4.7)	1 (1.8)
CRi	39 (30.7)	38 (35.8)	2 (3.5)
PR	14 (11.0)	11 (10.4)	2 (3.5)
CRc (CR+CRp+CRi)	52 (40.9)	50 (47.2)	3 (5.3)
ORR (CRc+PR)	66 (52.0)	61 (57.5)	5 (8.8)

Data presented as n (%). CR indicates complete remission; CRc, composite complete remission; CRi, complete remission with incomplete hematologic recovery; CRp, complete remission with incomplete platelet recovery; ORR, overall response rate.
Levis *et al*, Abstract #7003, ASCO Annual '15 Meeting, presented on May 30th

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ASP2215: Preliminary Phase 1/2 Data Presented at ASCO 2015 (2)

Conclusions

- ASP2215 was well tolerated up to 300 mg per day in patients with R/R AML
- ASP2215 was associated with consistent, potent, and sustained inhibition of FLT3
- Composite CR rate of 47% was observed in subjects with a FLT3 mutation treated at ≥80 mg
- Median duration of response was 18 weeks across all doses and median overall survival was approximately 27 weeks at ≥80 mg in FLT3 mutation positive patients
- While combination studies in newly diagnosed AML patients are ongoing, randomized phase 3 trials of ASP2215 (120 mg/day) are planned

Preparing Phase 3 study in patients with relapsed or refractory AML with FLT3 mutation comparing ASP2215 to salvage chemotherapy

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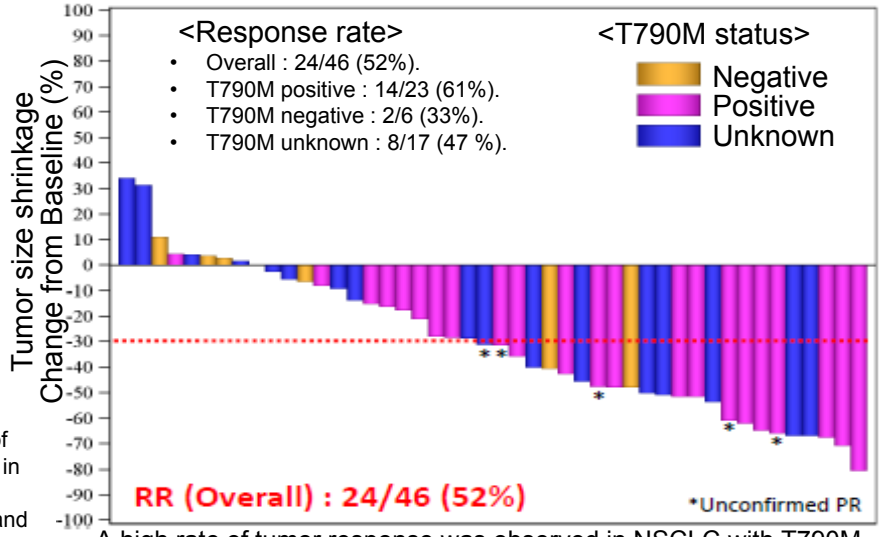
ASP8273: Updated Results of Phase 1/2 Study in Japan Presented at ASCO 2015

Study design

Population	Non-small cell lung cancer (NSCLC) with EGFR activating mutations previously treated with EGFR-TKIs
Design	Open-label, dose escalation
Primary endpoint	Safety and tolerability, MTD and/or RP2D

RR: Response rate (based on ≥ 30% of best percentage change from base line in target legion).
PR: Partial response. Both confirmed and un-confirmed responses are included.
Data cutoff : 24th Feb. 2015.

Antitumor activity of ASP8273



A high rate of tumor response was observed in NSCLC with T790M.
Goto *et al,* Abstract #8014, ASCO Annual '15 Meeting, presented on June 1st

- **ASP8273 has been well tolerated across 25-400 mg dose levels**
- **Preliminary data showed anti-tumor activity of ASP8273 in NSCLC both EGFR activating mutations and T790M mutation**

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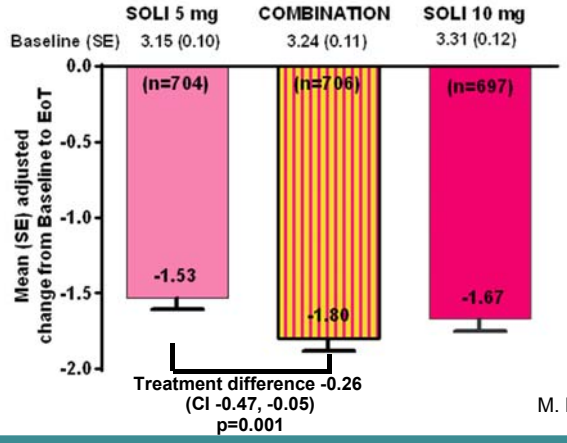
Solifenacin/Mirabegron: BESIDE Study Results Presented at AUA

Study Design

Purpose	To investigate the value of add-on therapy of mirabegron to solifenacin
Target	Incontinent OAB subjects not adequately treated with solifenacin alone (n=2,174)
Design	Double-blind placebo and active controlled, 12 week, add-on treatment
Treatment arms	3 arms -Solifenacin low dose (5 mg) -Solifenacin high dose (10 mg) -Combination of solifenacin 5 mg and mirabegron (50 mg; first 4 weeks on 25 mg)

Primary efficacy endpoint: change from baseline to EoT in mean number of incontinence episodes/24 h



Adjusted change from Baseline and 95% CIs for pair-wise comparisons were derived from an ANCOVA model with treatment group, sex, age group (<65, ≥65 years), geographic region and 4 week incontinence episode reduction group (<50%, ≥ 50%) as fixed factors and mean number of incontinence episodes/24h at Baseline as covariate. P-values for pair-wise comparisons are from a separate stratified rank ANCOVA model. P<0.05 indicates superiority in favour of treatment group with the largest improvement. Full Analysis Set (FAS): randomized subjects who took ≥1 dose of study treatment, reported ≥ 1 micturition at baseline and post-baseline, and ≥ 1 incontinence episode at baseline. EoT=end of treatment. CI=95% confidence interval. SE=standard error

M. Drake et *al,* Abstract #PII-LBA9, AUA 2015 presented on May 17

Completed enrollment in Phase 3 SYNERGY Study

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CK-2127107: Preparing Phase 2 in SMA

Spinal Muscular Atrophy (SMA)

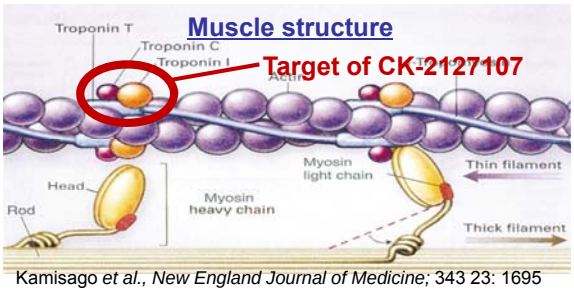
- Estimated incidence is 1 in 6,000 to 1 in 10,000 live births and carrier frequency for genetic mutation of 1/40-1/60
- SMA is characterized by 4 types

Type	Prognosis
Type I (Infantile)	Life expectancy is no more than 2 years from birth
Type II (Intermediate)	Prognosis varies greatly. Respiratory issues are major concern.
Type III (Juvenile)	Life expectancy is near normal but with mobility impairment and issues
Type IV (Adult)	Gradual weakness in the proximal muscles of the extremities resulting in mobility issues

D'Amico, A *et al. Orphanet Journal of Rare Diseases,* 6:71. (2011)

CK-2127107

- Novel skeletal muscle activator
- CK-2127107 slows the rate of calcium release from the regulatory troponin complex of fast skeletal muscle fibers, leading to an increase in skeletal muscle contractility.



Kamisago *et al., New England Journal of Medicine;* 343 23: 1695

Phase 2 Study

- Plan to start 2H/FY2015
- Target type II, III, and IV SMA patients
- Randomized, double-blind design
- Exploratory trial, assessing skeletal muscle strength, including respiratory function and mobility

CYTOKINETICS

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FY2015 Progress of Late Phase Compounds

>>>: Progress since April 2015

	Phase 3	Filing	Approval	Launch
US	XTANDI VESIcare ASP0113 EB178 CRESEMBA ASP2215			
Europe	roxadustat XTANDI Vesicare ASP0113 EB178 Difficlir ASP2215	Qutenza New indication		
Japan	ASP7374 Kiklin New indication evolocumab	New indication New indication		CIMZIA (certolizumab pegol) Irribow®
	Seroquel Gonax romosozumab fidaxomicin ASP0113 ASP015K linaclotide ASP2215			
Asia	XTANDI, Eligard, BETMIGA, Suglat, Feburic were approved and launched in Asian countries			

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Initiatives to Build Resilience for Sustainable Growth

Achieving Sustainable Growth (Strategic Plan 2015-2017)

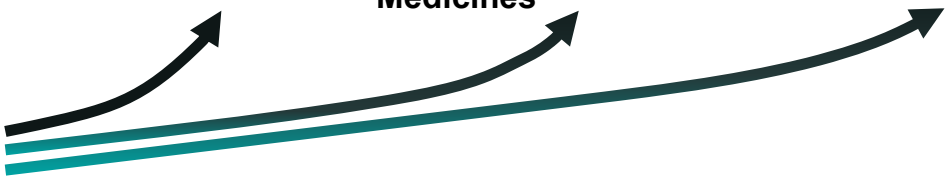
**New products will drive mid-term growth;
Sustainable growth will be reinforced by continuous selective investment in innovation and strengthening of the business foundation**

Creating Innovation

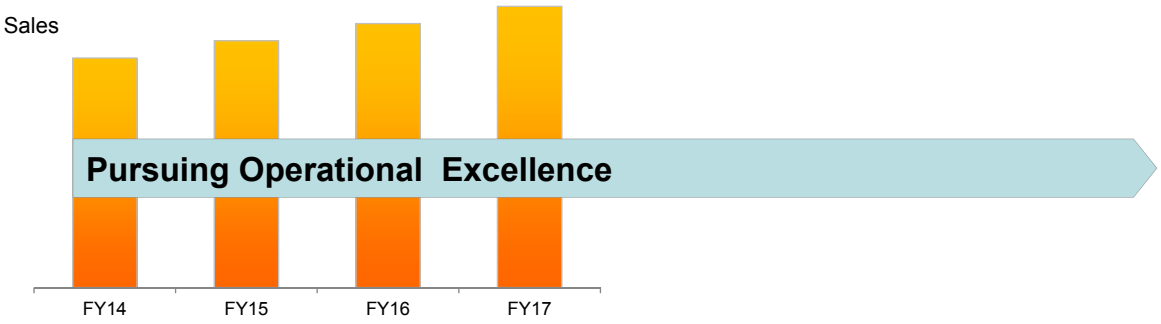
Maximizing the Product Value

Enhancing Capabilities to Deliver Innovative Medicines

Advancing into New Opportunities



Explore and capture external business opportunities through acquisition, collaboration and in-licensing



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Strategic Priorities for Sustainable Growth

Maximize the Product Value

Extension of growth drivers

- Maximize OAB franchise (extension of Vesicare+ Betanis/Myrbetriq/BETMIGA)
- Enhance oncology franchise (XTANDI sales growth, label expansion)
- New product launch in many countries

Create Innovation

Advancing into new therapeutic areas and novel technology platform

- Research collaboration with Anokion on immune tolerance therapeutics to develop products for autoimmune diseases
  - In a newly established Kanyos Bio, conducts joint-research
- Collaborative Research with AIST by utilizing highly advanced IT drug-discovery technologies
  - Aims for early discovery of compounds in the field of ophthalmology and nephrology

Pursue Operational Excellence

Creating organizations and systems that can respond to rapidly changing environments in advance

- Established Real World Informatics and Analytics (RWI) function
  - "Real-world data"- often referred to as "big data" is an important strategic priority relating to all the value chain from R&D to manufacturing and sales
  - Consolidated the functions and capabilities for the utilization of big data to one specialized organization
  - Promotes effective use of big data

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Continuous Introduction of New Products

(Efforts from April 2015 onward)

Approvals and launches in 4 regions

(Underlined items show updates from the previous announcement)

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Maximize the Product Value

EMEA

- **XTANDI:** Launch (Lebanon)
- **BETMIGA:** Launch (Croatia)
- **VESOMNI:** Launch (Finland)

Americas

- **XTANDI:** Launch (Uruguay, Brazil)
  Chemo-naive indication approval (Canada)
- **CRESEMBA:** Launch (US)
- **VESOMNI:** Launch (Argentina, Brazil)

Japan

- **Orfadin:** Launch
- **Cimzia:** DMARD-naive RA indication approval
- **Irribow:** Female indication approval

Asia/Oceania

- **XTANDI:** Launch (Philippines, Hong Kong), Approval (New Zealand)
  Chemo-naive indication approval (Republic of Korea)
- **Eligard:** Launch (Taiwan)
- **BETMIGA:** Launch (Singapore, Thailand)
- **Suglat:** Launch (Republic of Korea)
- **Feburic:** Approval (Thailand)

No. of countries/areas where the following have been launched:
Betanis/Myrbetriq/BETMIGA: 36
XTANDI: 41

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Develop New Therapeutic Areas and Novel Technology Platform

(●: Updates from the previous announcement)

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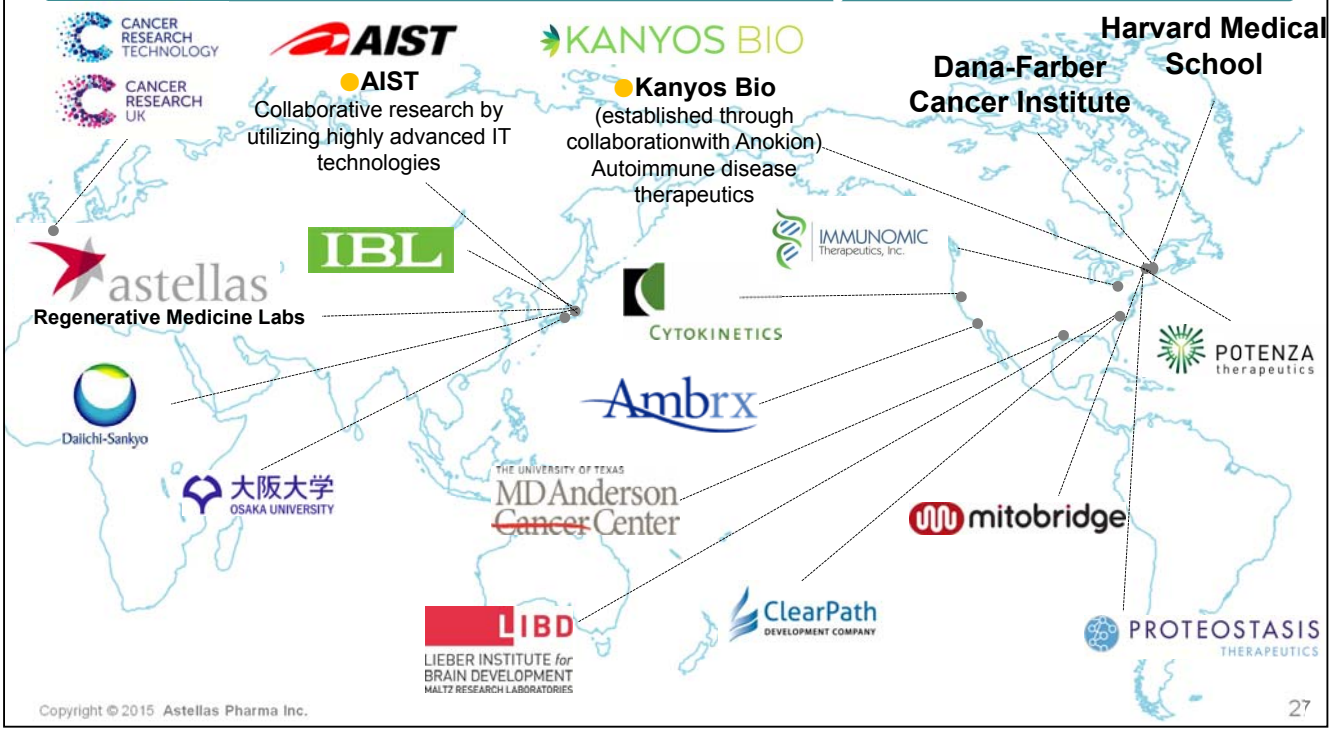
Create Innovation

Pursue Best Science, Best Talent, Best Place with Network Research System



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Develop New Therapeutic Areas and Novel Technology Platform

Create Innovation

Research collaboration with Anokion for autoimmune disease therapeutics based on technology for the induction of immune tolerance (May 2015)

- In a newly established Kanyos Bio, Inc., aims for creating therapeutics for celiac disease and type 1 diabetes based on Anokion's proprietary technologies for the induction of antigen-specific immune tolerance

Collaborative research with National Institute of Advanced Industrial Science and Technology ("AIST") by utilizing highly advanced IT drug-discovery technologies (started in Apr. 2015)

- Aims for early discovery of compounds in the field of ophthalmology and nephrology by merging approximately 10,000 of protein-ligand complex structural information at Astellas and highly advanced IT drug-discovery technologies at AIST

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Profit Distribution Policy

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

	FY2013	FY2014	FY2015 (Forecast)
Core EPS	59.11 YEN	69.37 YEN	78.08YEN
Dividends per Share	27 YEN	30 YEN	32 YEN
ROE	7.4%	10.5%	-
DOE	5.0%	5.1%	-
Share Buybacks	25 million shares (30.0 billion YEN)	38 million shares (58.2 billion YEN)	Implemented in a flexible manner Bought back 20 million own shares* (35.6 billion YEN)
Cancellation of Treasury Shares	55 million shares	25 million shares	38 million shares (Cancelled on May 29, 2015)

-Figures from FY2013 have been restated in consideration of 5-for-1 stock split on April 1, 2014 for convenience purposes
*Conducted from May to July 2015, reflected to FY2015 forecast for Core EPS

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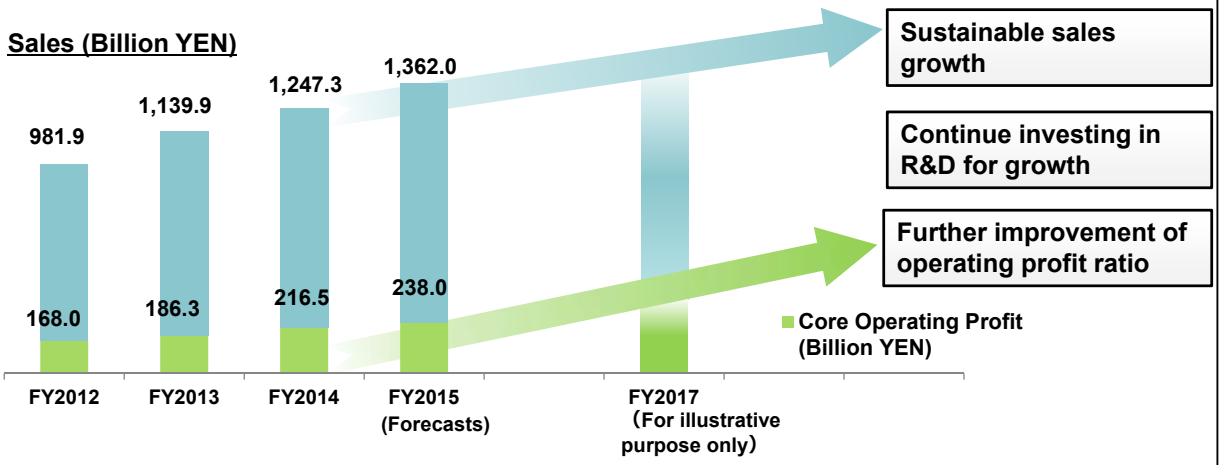
Realize Sustainable Growth

Resiliently respond to the changing environments and aim for sustainable growth



Maintain FY2015 forecasts announced in May 2015

- Driven by XTANDI and Vesicare+ Betanis/Myrbetriq/BETMIGA, business goes favorably
- Expenses in-line with our forecasts, pursuing further cost optimization

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Appendix

Reconciliation of Full Basis to Core Basis

Billion yen

Account item	FY14 APR. - JUN.			FY15 APR. - JUN.		
	Full basis	Adjustment	Core basis	Full basis	Adjustment	Core basis
Sales	**295.2**	**-**	**295.2**	**343.7**	**-**	**343.7**
Cost of sales	76.0	-	76.0	90.1	-	90.1
Gross profit	**219.2**	**-**	**219.2**	**253.6**	**-**	**253.6**
SG&A expenses	96.9	-	96.9	118.7	-	118.7
R&D expenses	47.6	-	47.6	56.0	-	56.0
Amortisation of intangible assets	8.9	-	8.9	10.9	-	10.9
Share of profits of associates and joint ventures	0.2	-	0.2	-0.2	-	-0.2
Other income *1	2.7	-2.7	-	1.3	-1.3	-
Other expense *1	18.1	-18.1	-	7.2	-7.2	-
Operating profit	**50.6**	**15.4**	**66.0**	**61.9**	**5.9**	**67.8**
Finance income *2	1.8	-0.9	1.0	6.0	-5.5	0.6
Finance expense *2	2.1	-2.0	0.1	0.3	-0.2	0.1
Profit before tax	**50.3**	**16.6**	**66.8**	**67.7**	**0.6**	**68.3**
Income tax expense	14.4	6.0	20.4	23.0	0.2	23.3
Profit for the period	**35.9**	**10.5**	**46.4**	**44.6**	**0.4**	**45.0**

***1. "Other income" and "Other expense" are excluded from Core results.**
"Other income" and "Other expense" include gain/loss on sale and disposal of property, plant and equipment, impairment losses for other intangible assets, restructuring costs and net foreign exchange gains/losses, etc.
***2. Gain/loss on sale of available-for-sale ("AFS") and impairment losses of AFS included in "Finance income" and "Finance expense" are excluded from Core results.**

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On the Forefront of Healthcare Change