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Astellas Pharma Inc.
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The status of corporate governance of Astellas Pharma Inc. (“Astellas” or the “Company”) is as follows:

I Basic Views on Corporate Governance, and Basic Information on Capital Structure, Corporate Attributes, and Other Matters

1. Basic Views Updated

The Company’s raison d'être is to contribute to improving the health of people around the world through the provision of innovative and reliable pharmaceutical products. The Company aims to sustainably enhance corporate value by being chosen and trusted by all stakeholders. With this business philosophy, we work to ensure and strengthen the effectiveness of corporate governance from the following perspectives:

1) Ensuring transparency, appropriateness and agility of management; and
2) Fulfillment of our fiduciary duties and accountability to shareholders and appropriate collaboration with other stakeholders.

The Company has established the “Corporate Governance Guidelines” which identifies the fundamental concept and guidelines of the Company’s corporate governance. Please refer to the Company’s website. (http://www.astellas.com/en/corporate/pdf/governance_guideline_en.pdf)

[Reasons for not implementing the following principles of the Corporate Governance Code] Updated

[Principle 3-1-5]
Until this fiscal year, regarding the candidates for outside Directors and outside Audit & Supervisory Board Members, the Company has included the reasons for them to be elected as candidates in the “Notice of Convocation of the Ordinary General Meeting of Shareholders.” From the next fiscal year, regarding the candidates for internal Directors and internal Audit & Supervisory Board Members, the Company is planning to include the reasons for them to be elected as candidates in the “Notice of Convocation of the Ordinary General Meeting of Shareholders.”
[Supplementary Principle 3-2-2-3]
[Supplementary Principle 4-4-1]
[Supplementary Principle 4-8-1]
[Supplementary Principle 4-8-2]

The Company has not been able to fully implement the principles concerning the guarantee of cooperation between outside Accounting Auditors and outside Directors [Supplementary Principle 3-2-2-3]; the guarantee of cooperation between Audit & Supervisory Board Members or the Audit & Supervisory Board and outside Directors and outside Audit & Supervisory Board Members [Supplementary Principle 4-4-1, 4-8-2]; and the regular meeting which consists only of outside Directors [Supplementary Principle 4-8-1].
From this fiscal year, a meeting which consists only of outside Directors and outside Audit & Supervisory Board Members is planned to be hosted regularly. Through the meeting, it is expected that a frank and constructive exchange of opinions will be facilitated among them. Meanwhile, the meeting is also expected to be a chance to enhance cooperation between outside Directors, outside Audit & Supervisory Board Members, and full-time Audit & Supervisory Board Members, outside Accounting Auditors and others.
[Principle 4-11]
[Supplementary Principle 4-11-3]
The Company has conducted irregular surveys to outside Directors and outside Audit & Supervisory Board Members concerning the operation of the Board of Directors, and has been making corresponding improvements based on their opinions. From the next fiscal year, through the implementation of self-assessment by each Director, as the Board of Directors, we will analyze and evaluate the overall effectiveness of the Board of Directors and disclose a summary of the results.

[Disclosure based on each principle of the Corporate Governance Code] **Updated**

[Principle 1-4]
The Company does not hold shares of other companies except in cases where such shareholdings are deemed to contribute to medium- to long-term increase of the Company's enterprise value. The rationale of each shareholding is examined annually by the Board of Directors from the viewpoint of the Company's medium- to long-term business strategies. The Company sells the shares for which there is insufficient rationale of shareholding.
With regard to the exercise of voting rights of strategic shareholdings, the Company appropriately exercises them judging from the viewpoint of increasing shareholders values of the issuing company, on the condition that such exercise of the voting rights contributes to increasing the Company's enterprise value.
[Principle 1-7]
The Company endeavors to prevent Directors, officers and other personnel concerned from using their positions in order to enter into transactions that conflict with the interests of the Company or the common interests of its shareholders.
Directors intending to engage in transactions with the Company for themselves or for a third-party must receive the approval of the Board of Directors for the said transaction in accordance with the Board of Directors Policy.
[Principle 3-1]
(1) Business Philosophy, Business Strategies, Management Plan
The Company’s business philosophy is composed of three basic principles - “raison d'être,” “mission” and “beliefs,” which is published on the Company’s website.
http://www.astellas.com/en/corporate/philosophy/
The Company has formulated the VISION, which is published on the Company’s website.
http://www.astellas.com/en/corporate/vision/index.html
The Company has formulated and published the business plan spanning the three-year planning period from FY2015 to FY2017 on the Company’s website.
http://www.astellas.com/en/ir/library/pdf/StrategicPlan2017_en.pdf
(2) The Basic Views and Guidelines of the Corporate Governance
The basic views and guidelines are identical to those listed under “I.1 Basic Views” of this report or in “Corporate Governance Guidelines” (http://www.astellas.com/en/corporate/pdf/governance_guideline_en.pdf) of the Company.

(3) Policies and Procedures regarding Remunerations for Directors and Audit & Supervisory Board Members
Remunerations for Directors and Audit & Supervisory Board Members are so designed as to enable the Company to recruit and retain talents, and to make the remuneration levels and structures fully commensurate with the responsibilities of the position. The Company endeavors to improve the objectivity of decisions on remuneration levels through measures such as the use of survey data from specialist third-party companies.

<Remunerations for internal Directors>
Remunerations are fundamentally based upon contributions to sustainable improvements in business performance and enhancements in enterprise value, and are composed of a fixed amount basic remuneration, bonuses, and stock compensation. The Company appropriately links Remunerations with business performance.

<Remunerations for outside Directors and Audit & Supervisory Board Members (including outside Audit & Supervisory Board Members)>
Remunerations are composed of a fixed amount basic remuneration only.
Remunerations for each Director are determined by resolutions of the Board of Directors within a total ceiling amount approved by the General Meeting of Shareholders, and Remunerations for each Audit & Supervisory Board Member are also determined by the deliberations of the Audit & Supervisory Board Members within a total ceiling amount approved by the General Meeting of Shareholders. Through the deliberations of the Compensation Committee, the Company enhances the transparency and objectivity of the deliberation process for Remunerations for Directors.

(4) Policies and Procedures for Nominating Candidates for Directors and Audit & Supervisory Board Members
Through the deliberations of the Nomination Committee, the Company enhances the transparency and objectivity of the nomination process for candidates for Director and Audit & Supervisory Board Member.
When nominating candidates for outside Directors or outside Audit & Supervisory Board Members, the Company, as a general rule, nominates the candidates who are considered to be independent from the Company and without risk of conflict of interest with general shareholders, based on the Company's "Independence Standards for outside Directors and outside Audit & Supervisory Board Members."
The terms of the Company's "Independence Standards for outside Directors and outside Audit & Supervisory Board Members" are identical to those stated in this report. Please also refer to the Company's website. (http://www.astellas.com/en/ir/library/pdf/independencestandards.pdf)

<Policies and procedures for nominating candidates for Directors>
All of the Company's Directors are subject to election by resolution of a General Meeting of Shareholders each year. When nominating candidates for Directors, efforts are made to ensure that the composition of the Board of Directors is diverse and well-balanced from the perspectives of expertise and experience and so forth.
Candidates for Directors are nominated by resolution of the Board of Directors with due respect to the opinions of the Nomination Committee.

<Policies and procedures for nominating candidates for Audit & Supervisory Board Members >
When nominating candidates for Audit & Supervisory Board Members, efforts are made to ensure that the composition of the Audit & Supervisory Board is diverse and well-balanced from the perspectives of expertise and experience and so forth, including a person with appropriate knowledge of finance and accounting.
Candidates for Audit & Supervisory Board Members are nominated by resolution of the Board of Directors with due respect to the opinions of the Nomination Committee. Proposals regarding the election of Audit & Supervisory Board Members are subject to the agreement of the Audit & Supervisory Board before submission to the General Meeting of Shareholders.
[Supplementary Principle 4-1-1]
The Board of Directors principally serves the oversight function of the execution of business and ensures the transparency and appropriateness of management. Furthermore, the Board of Directors makes decisions on

important business execution in addition to establishing "Corporate Decision Authority Policy" to ensure the agility of management and clarify the responsibility and authority for the execution of business by Executive Officers and others.

[Principle 4-8]

The Company adopts the organizational structure of “Company with Audit & Supervisory Board” (or Company with Kansayaku Board). Outside Directors and outside Audit & Supervisory Board Members (Kansayaku) constitute the majority of the Board of Directors and the Audit & Supervisory Board, respectively.

[Principle 4-9]

When nominating candidates for outside Directors and outside Audit & Supervisory Board Members, the Company, as a general rule, nominates the candidates who are considered to be independent from the Company and without risk of conflict of interest with general shareholders, based on the Company's “Independence Standards for outside Directors and outside Audit & Supervisory Board Members.” (http://www.astellas.com/en/ir/library/pdf/independencestandards.pdf)

[Principle 4-11-1]

The Board of Directors, in consideration of diversity and balance from the perspectives of expertise and experience and so forth, is composed of a number of Directors appropriate to facilitate agility. Board of Directors meetings are chaired by the Director and Chairman of the Board. In order to ensure decision-making from a broader viewpoint and objective oversight of the execution of business, the Board of Directors is composed of a majority of outside Directors.

[Principle 4-11-2]

With regard to the status of significant concurrent positions at other organizations of Directors, Audit & Supervisory Board Members, or the candidates thereof, the Company discloses the information in the “Notice of Convocation of the Ordinary General Meeting of Shareholders” each year.

[Principle 4-14-2]

The Company supports active deliberations at the Board of Directors and Audit & Supervisory Board by providing to Directors and Audit & Supervisory Board Members the information they need to fulfill their roles and responsibilities. In particular, the Company implements training programs for newly elected outside Directors and newly elected outside Audit & Supervisory Board Members, through which they are provided with industry information pertaining to the Company, the Company's business strategies, and other information necessary for them to fulfill their roles and responsibilities.

With respect to particularly important matters, among matters to be submitted to the Board of Directors, the Company works to ensure active deliberations at the Board by providing a forum in advance for sharing information about such matters with Directors and Audit & Supervisory Board Members, including outside Directors and outside Audit & Supervisory Board Members.

[Principle 5-1]

The Company implements the following to promote constructive dialogue with its shareholders.

The Company:

1) works, to a reasonable extent, to promote dialog further with shareholders through opportunities such as individual interviews and briefing meetings in addition to the General Meeting of Shareholders;
2) endeavors to feedback opinions received through such dialogues to Directors, Audit & Supervisory Board Members and personnel concerned, and endeavors to appropriately reflect such opinions in the Company's activities;
3) appoints an Executive Officer responsible for investor relations and overseeing dialogue with shareholders overall and establishes an investor relations department as well as the Corporate Disclosure Committee composed of members from various departments, in order to promotes the timely and appropriate disclosure of corporate information as well as dialogue with shareholders; and
4) ensures that personnel concerned with material non-public information manage said information in precise accordance with the Company's internal policies in order to avoid the selective disclosure of such information to a limited group of capital market participants.

2. Capital Structure

Percentage of shares owned by foreign shareholders	30% or more

[Major shareholders]

Name	Number of shares held (shares)	Ratio to total (%)
The Master Trust Bank of Japan, Ltd. (trust account)	126,462,000	5.59
State Street Bank and Trust Company	124,420,649	5.50
Japan Trustee Services Bank, Ltd. (trust account)	106,931,400	4.73
Nippon Life Insurance Company	64,486,035	2.85
JP Morgan Chase Bank 385147	53,280,100	2.35
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	49,408,260	2.18
State Street Bank West Client - Treaty 505234	30,417,225	1.34
The Chase Manhattan Bank 385036	29,457,900	1.30
The Bank of New York Mellon SA/NV 10	29,061,534	1.28
State Street Bank and Trust Company 505225	26,437,889	1.16

Existence of controlling shareholders (excluding parent company)	-
Existence of parent company	None

Supplementary Explanation

Although the Company has received the Statements of Large-Volume Holdings (including the Change Report), since the actual number of shares as of March 31, 2015 cannot be confirmed, such figures have not been listed in the above list of major shareholders.

Name
Total number of persons who submit the report and joint holders (persons)
Number of shares held (thousand shares)
Ratio of number of shares held to total number of issued shares (%)
Date of submission
Effective date of duty to report
Remarks

Mitsubishi UFJ Financial Group, Inc.
4
24,041
5.14
June 20, 2011
June 13, 2011
Change Report

FIL Investments (Japan) Limited
1
113,727
5.03
August 22, 2014
August 15, 2014
Statements of Large-Volume Holdings

BlackRock Japan Co., Ltd.
8
113,782
5.04
September 19, 2014
September 15, 2014
Statements of Large-Volume Holdings

Note: The Company conducted a stock split of common stock at a ratio of 5 for 1 on April 1, 2014. However, the number of shares for Mitsubishi UFJ Financial Group corresponds to that before the stock split.

3. Corporate Attributes

Stock exchange listings and market segment	Tokyo, First section
Fiscal year-end	March
Category of business	Pharmaceutical
Number of employees at the end of the previous fiscal year (consolidated)	1,000 or more
Net sales of the previous fiscal year (consolidated)	¥1 trillion or more
Number of consolidated subsidiaries at the end of the previous fiscal year	50 or more and less than 100

4. Guidelines for Measures to Protect Minority Shareholders in the Event of Transactions with Controlling Shareholders

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5. Other Special Conditions that May Have Material Impact on Corporate Governance

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II Organization of Management for Operational Decision-making, Execution and Supervision, and Other Corporate Governance Structures

1. Matters Pertaining to the Structure, Operation, etc. of the Organization

Form of the organization	The Company with Audit & Supervisory Board

[Matters pertaining to Directors]

Number of Directors stipulated in the Articles of Incorporation	No limit for the number of members
Terms of office of Directors stipulated in the Articles of Incorporation	1 year
Chairman of the Board of Directors	Chairman (excluding the case where the Chairman concurrently serves as President)
Number of Directors	7
Appointment of outside Directors	Appointed
Number of outside Directors	4
Number of independent Directors among outside Directors	4

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Yutaka Kase	From another company											
Hironobu Yasuda	Attorney-at-law											
Etsuko Okajima	From another company											
Yoshiharu Aizawa	Scholar											

* Selection criteria regarding relationship with the Company

* "○" when the Director presently falls or has recently fallen under the category;
"△" when the Director fell under the category in the past

* "●" when a close relative of the Director presently falls or has recently fallen under the category;
"▲"when a close relative of the Director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director/Audit & Supervisory Board Member
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a

legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which the Company's outside Directors/Audit & Supervisory Board Members are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Relationship with the Company (2)

Name	Independent Director	Supplementary information on applicable item(s)	Reasons for appointment
Yutaka Kase	○	-	The Company considers that Mr. Kase will exercise his abundant experience in corporate management to the management of the Company from an independent position. Mr. Kase has satisfied the Company's independence standards for outside Directors and outside Audit & Supervisory Board Members and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that he may not cause conflicts of interest with general shareholders, and therefore has designated him as independent Director.
Hironobu Yasuda	○	-	The Company considers that Mr. Yasuda will exercise his abundant specialized knowledge and experience to the management of the Company from an independent position as an attorney-at-law. Mr. Yasuda has satisfied the Company's independence standards for outside Directors and outside Audit & Supervisory Board Members and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that he may not cause conflicts of interest with general shareholders, and therefore has designated him as independent Director.

Name	Independent Director	Supplementary information on applicable item(s)	Reasons for appointment
Etsuko Okajima	○	-	The Company considers that Ms. Okajima will exercise her abundant experience in corporate management to the management of the Company from an independent position. Ms. Okajima has satisfied the Company's independence standards for outside Directors and outside Audit & Supervisory Board Members and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that she may not cause conflicts of interest with general shareholders, and therefore has designated her as independent Director.
Yoshiharu Aizawa	○	-	The Company considers that Dr. Aizawa will exercise his abundant specialized knowledge and experience to the management of the Company from an independent position as a doctor of medicine. Dr. Aizawa has satisfied the Company's independence standards for outside Directors and outside Audit & Supervisory Board Members and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that he may not cause conflicts of interest with general shareholders, and therefore has designated him as independent Director.

Establishment of a discretionary committee equivalent to a Nomination Committee or Compensation Committee	Established

Status of the Establishment of a Discretionary Committee, Composition and Attributes of Chairperson

	Committee's name	All committee members	Full-time members	Internal Directors	Outside Directors	Outside Experts	Others	Chair-person
Committee corresponding to Nomination Committee	Nomination Committee	5	0	2	3	0	0	Outside Director
Committee corresponding to Compensation Committee	Compensation Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation

The Company has established the Nomination Committee and the Compensation Committee, a majority of which are outside Directors and which are chaired by outside Directors, respectively as advisory bodies to the Board of Directors in order to improve the transparency and objectivity of the deliberation process of human resources (regarding election and dismissal of Directors, Corporate Executives and Audit & Supervisory Board Members) and the remuneration system (regarding the remuneration for Directors and Corporate Executives).

[Matters pertaining to Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum number of Audit & Supervisory Board Members stipulated in the Articles of Incorporation	No limit for the number of Audit & Supervisory Board Members
Number of Audit & Supervisory Board Members	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Independent Internal Auditing Departments

(Cooperation among Audit & Supervisory Board Members and Independent Internal Auditing Departments)
Audit & Supervisory Board Members and the Internal Auditing exchange information regarding the auditing plan at the beginning of each fiscal year. The audit results of the internal audits are explained by the Vice President of the Internal Auditing to Audit & Supervisory Board Members.
With the aim of strengthening the cooperation, Audit & Supervisory Board Members and Vice President of the Internal Auditing exchange information concerning auditing matters at a monthly regular meeting.

(Cooperation among Audit & Supervisory Board Members and Accounting Auditors)
Audit & Supervisory Board Members and Ernst & Young ShinNihon LLC as Accounting Auditors of the Company maintain close cooperation by confirming their respective annual auditing plans, and exchanging the audit results and important audit information.
Accounting Auditors shall report and explain the results of auditing pursuant to the Corporate Law and the Financial Instruments and Exchange Act to Audit & Supervisory Board Members at the time of quarterly and year-end financial settlements. Audit & Supervisory Board Members shall also report the results of auditing on operation conducted by them to Accounting Auditors as necessary for exchange of information.

(Cooperation among the Internal Auditing and Accounting Auditors)
Through regular exchange of information and opinions concerning matters including the proper execution and assessment of the internal system related to financial reporting, the Internal Auditing and Accounting Auditors endeavor to collaborate with each other to ensure proper internal control audits.

Appointment of outside Audit & Supervisory Board members	Appointed
Number of outside Audit & Supervisory Board members	3
Number of independent Audit & Supervisory Board Members among outside Audit & Supervisory Board members	3

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Shigeru Nishiyama	Scholar													
Toshiko Oka	From another company													
Hitoshi Kanamori	Attorney-at-law													

* Selection criteria regarding relationship with the Company

* "○" when the Director presently falls or has recently fallen under the category;
"△" when the Director fell under the category in the past

* "●" when a close relative of the Director presently falls or has recently fallen under the category;
"▲"when a close relative of the Director fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive Director or accounting advisor of the Company or its subsidiaries
c. Non-executive Director or executive of a parent company of the Company
d. Audit & Supervisory Board Member of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board Member
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board Member himself/herself only)
k. Executive of a company, between which the Company's outside Directors/Audit & Supervisory Board Members are mutually appointed (the Audit & Supervisory Board Member himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
m. Others

Relationship with the Company (2)

Name	Independent Audit & Supervisory Board Member	Supplementary information on applicable item(s)	Reasons for appointment
Shigeru Nishiyama	○	-	The Company considers that Mr. Nishiyama will exercise his abundant specialized knowledge and experience to the auditing of the Company from an independent position as a scholar of business administration and a professional certified public accountant. Mr. Nishiyama has satisfied the Company's independence standards for outside Directors and outside Audit & Supervisory Board Members and the required conditions for independent Audit & Supervisory Board Members stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that he may not cause conflicts of interest with general shareholders, and therefore has designated him as independent Audit & Supervisory Board Member.
Toshiko Oka	○	-	The Company considers that Ms. Oka will exercise her abundant experience in corporate management to the auditing of the Company from an independent position. Ms. Oka has satisfied the Company's independence standards for outside Directors and outside Audit & Supervisory Board Members and the required conditions for independent Audit & Supervisory Board Members stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that she may not cause conflicts of interest with general shareholders, and therefore has designated her as independent Audit & Supervisory Board Member.
Hitoshi Kanamori	○	-	The Company considers that Mr. Kanamori will exercise his abundant specialized knowledge and experience to the auditing of the Company from an

Name	Independent Audit & Supervisory Board Member	Supplementary information on applicable item(s)	Reasons for appointment
			independent position as an attorney-at-law. Mr. Kanamori has satisfied the Company's independence standards for outside Directors and outside Audit & Supervisory Board Members and the required conditions for independent Audit & Supervisory Board Members stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that he may not cause conflicts of interest with general shareholders, and therefore has designated him as independent Audit & Supervisory Board Member.

[Matters pertaining to independent Directors and Audit & Supervisory Board Members]

Number of independent Directors and Audit & Supervisory Board Members	7

	Other Matters related to Independent Directors and Audit & Supervisory Board Members

Regarding the relationship between the Company and independent Directors and Audit & Supervisory Board Members, matters that do not come into conflict with the independence standards of outside Directors and outside Audit & Supervisory Board Members of the Company described below are not stated in this report.

Independence Standards for outside Directors and outside Audit & Supervisory Board Members

Below are the independence standards for outside Directors and outside Audit & Supervisory Board Members of the Company. They will be deemed to have independence from the Company and no potential conflict of interest with ordinary shareholders if none of the following apply:

(1) Person engaged in business execution[1] of the Company or the Company's subsidiaries (collectively, "the Group"), or person who has been engaged in business execution of the Group at any time in the past 10 years (or for a period of 10 years before appointment to that post if the person has, at any time within the past 10 years, served as a non-executive Director, Audit & Supervisory Board Member or Accounting Advisor of the Group;

(2) Party for whom the Group is a major business partner[2] or a person engaged in business execution of such party;

(3) Major business partner of the Group[3] or a person engaged in business execution of such business partner;

(4) Consultant, accounting professional, or legal professional obtaining large amounts of money or other financial benefits[4], other than as remuneration of Director or Audit &Supervisory Board Member, from the Group (if such financial benefits are obtained by an incorporated entity, partnership or other organization, this item refers to a person belonging to such organization);

(5) Person belonging to an auditing firm performing statutory audits of the Group;

(6) Person receiving donations or grants above a certain threshold[5] from the Group (if the donations or grants are received by an incorporated entity, partnership or other organization, this item refers to a person engaged in business execution of such organization);
(7) Person engaged in business execution of a major financial institution[6] from which the Group has borrowings, or a person engaged in business execution of the parent company or subsidiary of such financial institution;
(8) Major shareholder[7] of the Group, or a person engaged in business execution of an incorporated entity that is a major shareholder of the Group;
(9) Person engaged in business execution of a company in which the Group is a major shareholder;
(10) Person engaged in business execution of a company accepting directors (whether full or part time) from the Group, or a person engaged in business execution of the parent company or subsidiary of such company;
(11) Person to whom any of Items (2) through (10) apply during the most recent 3 years; and
(12) Relative of a person to whom any of Items (1) through (11) apply (limited to a person in an important position[8]).[9]

1 "Person engaged in business execution" refers to a "person engaged in business execution" as defined in Section 2.3.6 of the Ordinance for Enforcement of the Companies Act, and includes both executive directors and employees. It does not include audit & supervisory board members.
2 "Party for whom the Group is a major business partner" refers to a business partner group (namely, a corporate group comprising a direct business partner, its parent company or subsidiary, or subsidiaries of the parent company; the same shall apply hereinafter.) that provides the Group with products or services for which the transaction value in the most recent business year exceeds 2% of such business partner group's annual consolidated sales.
3 "Major business partner of the Group" refers to a business partner group to which the Group provides products or services for which the transaction value in the most recent business year exceeds 2% of the Group's annual consolidated sales.
4 "Large amounts of money or other financial benefits" refers to money or other financial benefits in excess of ¥10 million, excluding remuneration of Director or Audit & Supervisory Board Member, for the most recent business year (if such financial benefits are obtained by an incorporated entity, partnership or other organization, it refers to money or other financial benefits in excess of 2% of such organization's total income for the most recent business year).
5 "Donations or grants above a certain threshold" refers to donations or grants in excess of the higher of ¥10 million on average for the most recent 3 business years or 2% of total income of such person/organization for the most recent business year.
6 "Major financial institution" refers to a financial institution from which total borrowings at the end of the most recent business year exceeds 2% of the Company's consolidated gross assets.
7 "Major shareholder" refers to a shareholder holding 10% or more of voting rights (including direct and indirect holdings).
8 "Person in an important position" refers to a director (excluding outside directors); executive officer; corporate executive; employee in a management position at the level of department head or higher; certified public accountant in an auditing firm or accounting office; attorney in a law firm; councillor, director, auditor or other officer in an incorporated foundation, incorporated association, educational institution or other incorporated entity; or other person objectively and reasonably deemed to be in a position of similar importance.
9 "Relative" refers to a spouse or person within the second degree of consanguinity.

[Matters pertaining to incentives]

Implementation of measures to grant incentives to Directors	Introduction of a performance-linked compensation scheme and a stock option system

	Supplementary Explanation

<Performance-linked compensation scheme (bonuses)>
The Company has introduced a short-term incentive compensation scheme, of which the compensation is based on the level of attainment of company-wide operating targets including the performance of net sales, operating profit ratio, and EVA in a single fiscal year.

<Performance-linked compensation scheme (stock compensation)>
Since fiscal year 2015, the Company has introduced a performance-linked stock compensation scheme (hereinafter "the Scheme"), for the purpose of increasing the awareness of contribution to the sustainable growth of the business results and corporate value. The Scheme is a medium- to long- term intensive-based compensation plan that is highly transparent and objective and closely linked with the Company's business results. The Scheme has employed a framework referred to as the executive compensation BIP (Board Incentive Plan) trust "hereinafter "BIP Trust"). The BIP Trust is an executive incentive plan modeled on Performance Share and Restricted Stock systems in the U.S. The BIP Trust acquires the Company's shares and conduct a delivery of the Company's shares to the Directors who have satisfied the beneficiary conditions as beneficiaries based on the performance-linked coefficient regarding the level of attainment of the medium-term management targets. The performance-linked coefficient shall be determined within a range of 0 to 200% based on the level of attainment of the predetermined consolidated operating targets for net sales, core operating profit ratio and ROE for the fiscal year ending 3 years later.
With the introduction of the Scheme, no additional stock-compensation type stock options will be issued from fiscal year 2015 onward.
<Stock Option Scheme>
Below are the status of stock options issued to current Directors of the Company (as of March 31, 2015):
(1) Issued on August 31, 2005
Number of subscription rights to shares: 92 (500 shares of the Company's common stock per subscription right to shares)
Number of allottees: 3
Issue price of subscription rights to shares: Without contribution
Amount to be paid in upon exercise of subscription rights to shares: ¥1 per share
(2) Issued on February 13, 2007
Number of subscription rights to shares: 113 (500 shares of the Company's common stock per subscription right to shares)
Number of allottees: 3
Issue price of subscription rights to shares: ¥1,001.8 per share
Amount to be paid in upon exercise of subscription rights to shares: ¥1 per share
(3) Issued on August 10, 2007
Number of subscription rights to shares: 112 (500 shares of the Company's common stock per subscription right to shares)
Number of allottees: 3
Issue price of subscription rights to shares: ¥927.8 per share
Amount to be paid in upon exercise of subscription rights to shares: ¥1 per share
(4) Issued on September 16, 2008
Number of subscription rights to shares: 158 (500 shares of the Company's common stock per subscription right to shares)
Number of allottees: 3

Issue price of subscription rights to shares: ¥796 per share
Amount to be paid in upon exercise of subscription rights to shares: ¥1 per share
(5) Issued on July 8, 2009
Number of subscription rights to shares: 244 (500 shares of the Company's common stock per subscription right to shares)
Number of allottees: 3
Issue price of subscription rights to shares: ¥588.4 per share
Amount to be paid in upon exercise of subscription rights to shares: ¥1 per share
(6) Issued on July 8, 2010
Number of subscription rights to shares: 285 (500 shares of the Company's common stock per subscription right to shares)
Number of allottees: 3
Issue price of subscription rights to shares: ¥488 per share
Amount to be paid in upon exercise of subscription rights to shares: ¥1 per share
(7) Issued on July 5, 2011
Number of subscription rights to shares: 367 (500 shares of the Company's common stock per subscription right to shares)
Number of allottees: 3
Issue price of subscription rights to shares: ¥535.4 per share
Amount to be paid in upon exercise of subscription rights to shares: ¥1 per share
(8) Issued on July 5, 2012
Number of subscription rights to shares: 362 (500 shares of the Company's common stock per subscription right to shares)
Number of allottees: 3
Issue price of subscription rights to shares: ¥609.6 per share
Amount to be paid in upon exercise of subscription rights to shares: ¥1 per share
(9) Issued on July 4, 2013
Number of subscription rights to shares: 218 (500 shares of the Company's common stock per subscription right to shares)
Number of allottees: 3
Issue price of subscription rights to shares: ¥1,010.6 per share
Amount to be paid in upon exercise of subscription rights to shares: ¥1 per share
(10) Issued on July 3, 2014
Number of subscription rights to shares: 790 (100 shares of the Company's common stock per subscription right to shares)
Number of allottees: 3
Issue price of subscription rights to shares: ¥1,279 per share
Amount to be paid in upon exercise of subscription rights to shares: ¥1 per share

Allottees who are eligible for stock options	Internal Directors, employees

	Supplementary Explanation

The Company, since the fiscal year ended March 31, 2004, has introduced a stock option scheme for the purpose of increasing awareness of contribution to the growth of the Company. On March 31, 2005, the Company abolished the retirement grants system as a result of revising the remuneration structure for Directors and Corporate Executives. In its place, the Company has issued stock-compensation type stock options by way of issuing stock acquisition rights with an exercise price of ¥1 per share, to internal Directors and Corporate Executives, since the fiscal year ended March 31, 2006. The number of subscription rights to shares to be granted to different allottees is decided by resolution of the Board of Directors by taking into consideration the duties of different allottees and

their contribution to business performance. With the introduction of the Scheme since fiscal year 2015, no additional stock-compensation type stock options will be issued.

[Matters pertaining to remunerations for Directors]

Disclosure of individual Director's remuneration	Disclosure of those of certain Directors on an individual basis

The annual remuneration of Directors for the fiscal year ended March 31, 2015 is disclosed as follows:
Remunerations: ¥329 million (among which ¥48 million for outside Directors)
Bonuses: ¥141 million (excluding outside Directors)
Remuneration for stock-compensation type stock options: ¥103 million (excluding outside Directors)
The remuneration of certain Directors is disclosed in the Securities Report in accordance with laws and regulations.

Policy on determining remuneration amounts and calculation methods	Established

	Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

With basic policy of contributing to continued growth of business results and improved enterprise value of the Company, the remunerations for Directors and Audit & Supervisory Board Members are so designed as to enable the Company to recruit and retain talents, and to make the remuneration levels and structures fully commensurate with the responsibilities of the position.
The Company improves the objectivity of decisions on remuneration levels through measures such as the use of survey data from specialist third-party companies.

The remunerations to Directors consist of three components, namely, fixed amount basic remuneration, bonuses and stock compensation. Outside Directors receive only fixed amount basic remuneration.
In order to enhance transparency in the deliberation process of decision-making regarding actual amount of remunerations, the Company has established the Compensation Committee, a majority of which are outside Directors, as an advisory body to the Board of Directors.
Remunerations for Audit & Supervisory Board Members (including outside Audit & Supervisory Board Members) are composed solely of fixed amount basic remuneration.

[Systems to support outside Directors (outside Audit & Supervisory Board Members)]

The Executive Office as a point of contact provides support to outside Directors and outside Audit & Supervisory Board Members by providing both internal and external information including press releases, and scheduling meetings, etc. A dedicated staff will be assigned to assist the Audit & Supervisory Board Members to carry out their duties.
Exchange of information among outside Audit & Supervisory Board Members and full-time (internal) Audit & Supervisory Board Members is carried out at the monthly meeting of the Audit & Supervisory Board.
In addition, regarding specifically important issues, information which contributes to the deliberations at the Board of Directors meeting is to be exchanged through a meeting held as necessary which is attended by outside Directors and outside Audit & Supervisory Board Members.

2. Matters on functions of Business Execution, Audit, Oversight, Nomination, and Determination of Remuneration, etc. (Summary of the Current Corporate Governance System) Updated

The current status of the Company's corporate governance systems is as follows:
(Summary of the current corporate governance system)

▪The Company adopts the organizational structure of "Company with Audit & Supervisory Board." Outside Directors and outside Audit & Supervisory Board Members constitute the majority of the Board of Directors and the Audit & Supervisory Board, respectively.
▪The Board of Directors comprises seven persons (six males and one female) among which four of them are highly independent outside Directors. It principally serves the oversight function of the execution of business, and also makes decisions on important business execution.
▪The four outside Directors have satisfied the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc., and the Company's independence standards for outside Directors and outside Audit & Supervisory Board Members. In addition, the four outside Directors are independent Directors who may not cause conflicts of interest with general shareholders. The outside Directors will exercise their abundant specialized knowledge and experiences in corporate management, legal or medical field to supervise the execution of business from an independent position. (The Company's independence standards for independence of outside Directors and outside Audit & Supervisory Board Members are published on the Company's website. (http://www.astellas.com/en/ir/library/pdf/independencestandards.pdf)
▪As advisory bodies to the Board of Directors, the Company establishes the Nomination Committee and the Compensation Committee, a majority of which are composed of outside Directors, respectively, so as to ensure the transparency and objectivity of the deliberation process of human resources (regarding election and dismissal of Directors, Audit & Supervisor Board Members and Executive Officers, etc.) and remuneration systems (regarding remuneration for Directors and Executive Officers). Each Committee is chaired by outside Director.

(Efforts to establish a system that enhances effective business execution)
▪As organs for handling execution of business, the Company establishes the Executive Committee and the Japan Management Committee for discussing important matters, and also appoints Executive Officers who are responsible for their respective assigned departments or functions. The responsibility and authority for the execution of business of the organs described above, the President and CEO and the Executive Officers are clearly stipulated in "Corporate Decision Authority Policy."
▪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 the divisions of Drug Discovery Research, Medical and Development, and Technology based on their respective functions, while the Sales & Marketing Division is managed on a local basis. In addition, the Executive Committee where important matters regarding the business of the Astellas Group are discussed is chaired by the President and CEO and consists of the top management members who are appointed as full-time members. At the Executive Committee, responsible persons from different functional lines of Drug Discovery Research, Global Development and Technology, as well as responsible persons from each local regions, serve as broader members and participate in necessary discussion upon request by the chairperson.
▪The Company has also established the Corporate Disclosure Committee where matters including disclosure of corporate information are discussed; the CSR Committee where matters including policies and plans of important activities for the purpose of fulfilling the Company's social responsibilities (such as issues on environment, safety and health, and social contribution activities) are discussed; the Global Risk Management Office to identify global risks, and implement optimum methods of risk management; and the Risk Management Committee to identify risks within the domestic Group companies, and device and implement optimum methods of risk management. On top of that, the compliance committees are established in each region, in addition to the establishment of the Global Compliance Committee where matters including global compliance policies and plans are discussed.

(Efforts to establish a system that enhances effective auditing by Audit & Supervisory Board Members)
▪The Audit & Supervisory Board comprises five persons (four males and one female) among which three of them are highly independent outside Audit & Supervisory Board Members. Each Audit & Supervisory Board Member audits the performance of duties by Directors.
▪The three outside Audit & Supervisory Board Members have satisfied the required conditions for independent Auditors stipulated by Tokyo Stock Exchange, Inc., and the Company's independence standards for outside

Directors and outside Audit & Supervisory Board Members. In addition, the three outside Audit & Supervisory Board Members are independent Audit & Supervisory Board Members who may not cause conflicts of interest with general shareholders. The outside Audit & Supervisory Board Members will exercise their abundant specialized knowledge and experiences in finance, accounting and corporate management to audit the performance of duties by Directors from an independent position.

▪The Audit & Supervisory Board Meeting is held once a month in principle. The auditing is carried out effectively by both full-time internal Audit & Supervisory Board Members who are familiar with the Company's issues and outside Audit & Supervisory Board Members who are highly independent and experienced in different fields with abundance of operational experience.

▪In addition, the assignment of dedicated staff to assist Audit & Supervisory Board Members to carry out their duties, together with the cooperation between Accounting Auditors and the Internal Auditing, strengthens the functionality of Audit & Supervisory Board Members.

3. Reason for Adopting the Current Corporate Governance System

(Reason for the selection of the current system)

The Company is working to develop and strengthen corporate governance systems (Refer to 2. above) to ensure transparency, appropriateness, and agility of management.

III Implementation Status of Measures for Shareholders and Other Stakeholders

1. Efforts to Vitalize the General Meeting of Shareholders and Facilitate the Exercise of Voting Rights

	Supplementary explanation
Early dispatch of the Convocation Notice of General Meeting of Shareholders	The General Meeting of Shareholders was held on June 17, 2015. Date of dispatch of the convocation notice: May 26, 2015. Disclosure on the website: May 22, 2015.
Scheduling of General Meeting of Shareholders avoiding the peak day* * the days on which many listed companies hold their general meetings of shareholders	The General Meetings of Shareholders have been scheduled on non-peak days since the Ordinary General Meeting of Shareholders held in June 2004.
Allowing electronic exercise of voting rights	Since the Ordinary General Meeting of Shareholders held in June 2006, the Company has adopted the electromagnetic means for exercising voting rights by participating in the electronic voting platform operated by ICJ, Inc., which is a company owned by the Tokyo Stock Exchange, Inc. and other companies.
Participation in the electronic voting platform and other measures to improve environment for exercise of voting rights by institutional investors	Since the Ordinary General Meeting of Shareholders held in June, 2006, the Company has adopted the electromagnetic means for exercising voting rights by participating in the electronic voting platform operated by ICJ, Inc., which is a company owned by the Tokyo Stock Exchange, Inc. and other companies.
Provision of the convocation notice (a summary) in English	The Company prepares the convocation notice in English, and publishes it on the Company's website.
Others	The General Meeting of Shareholders is vitalized through providing business reports on videos with narration. In addition, the exercise of voting rights is facilitated by publishing the convocation notice on the Company's website.

2. IR Activities

	Supplementary explanation	Explanation by Representative
Preparation and publication of the Disclosure Policy	The Company establishes and publishes the Disclosure Policy in accordance with the basic guidelines of further improving transparency while also working to build and maintain relationships of trust with stakeholders, through the disclosure of information in a timely, appropriate, and fair manner to all stakeholders, as well as the initiation of dialogue with stakeholders.	
Regular investor briefings for individual investors	For the fiscal year ended March 31, 2015 (FY2014), 29 briefings to individual investors were held.	Available
Regular investor briefings for analysts and institutional investors	August 1, 2014 - Announcement of 1Q/FY2014 financial results (conference call) October 31, 2014 - Announcement of 2Q/FY2014 financial results (briefing) February 2, 2015 - Announcement of 3Q/FY2014 Financial results (conference call) May 11, 2015 - Announcement of FY2014 Financial results (briefing)	Available
Posting of IR materials on the website	The URL of the Company's IR: http://www.astellas.com/en/ir/ Materials published: securities reports, financial results, presentation materials, annual reports, notice of convocation and resolution of the General Meeting of Shareholders, business reports, etc.	
Establishment of a section (post) for investor relations	The IR Group is established under the Corporate Communications Department. The Corporate Disclosure Committee is established as well for cross-sectional discussions on matters related to information disclosure.	
Other	In October 2014, a briefing to individual shareholders was held in Nagoya.	

2. Measures to ensure due respect for stakeholders

	Supplementary explanation
Stipulation of internal rules, etc. for respecting the position of stakeholders	In accordance with the Company's philosophy, the Astellas Group aims to be an enterprise worthy of being selected and trusted by all the stakeholders including customers, shareholders, employees and community.
Implementation of Environmental Activities, CSR Activities etc.	The CSR Committee is established to carry out cross-sectional discussions concerning matters including policies and plans of important social contribution activities that are essential to fulfill social responsibilities. In addition, a CSR Planning Officer under the Corporate Planning Department is assigned to strengthen the global CSR plan which is linked to business strategies, and to strength the function of promotion.
Development of policies on information provision to stakeholders	The Disclosure Policy about information disclosure is established and publicly available.
Other	The Company prepares and discloses the status of engagement in CSR activities in the annual report.

IV Matters Pertaining to Internal Control System, etc.

1. Basic Views on the Internal Control System and its Development Status Updated

Systems to Ensure the Appropriate Execution of Business

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

1. System concerning the Performance of Duties

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

- The Company clearly separates the roles of the Directors, who serves the oversight function of the execution of business and makes decisions on important business execution matters, and the role of the President and CEO who is responsible for business execution, and the role of Executive Officers who are responsible for their respective assigned departments or functions (hereinafter "top management").
- 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 significant matters concerning business strategies, product strategies, business management, and personnel matters of the Company and the Astellas Group companies.
- The Company has established policies concerning each of the committees mentioned above and the "Corporate Decision Authority Policy" 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.

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 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 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 laws and regulations 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 has 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, appropriate 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 enhancing 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 policies concerning the handling of material information acquired in the course of the duties by the officers and employees to prevent violations of laws and regulations and to ensure the appropriate management of information.

5. System to Ensure the Reliability of Financial Reporting

- The Company will establish and operate the internal control system for consolidated financial reporting in accordance with standards generally accepted to be fair and reasonable in Japan, in order to ensure improved reliability of the financial reporting, and assess the effectiveness in an appropriate way.
- In accordance with the "Regulations for Internal Control Assessment of Financial Reporting" formulated by the Board of Directors, internal control assessment is implemented for consolidated financial reporting, 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 establish 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 applied to all the Astellas Group companies and the internal audit system over the Group will be developed.

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 and other regions, 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 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 Executive Officers 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 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 the responsible 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 the "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 in accordance with the instruction from 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.

2. Basic Views on Excluding Anti-social Forces and its Development Status

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.

V Other Matters

1. Adoption of Anti-takeover Measures

Adoption of anti-takeover measures	Not adopted

Supplementary Explanation

The Company has not adopted any anti-takeover measures.

2. Other Matters Concerning Corporate Governance System, etc.

Overview of the timely disclosure system

1. Guidelines of timely disclosure
   Astellas discloses information to all of its customers, shareholders, community and other stakeholders in a timely, appropriate, and fair manner. Astellas also actively engages in dialogue with them, and reflects their comments in its business activities properly. Through this disclosure and dialogue, Astellas is committed to further enhancing its transparency and strive to build and maintain a trust relationship with its stakeholders.
2. Internal system related to timely disclosure
   In order to ensure the transparency of business activities and to gain greater confidence from all of its stakeholders, Astellas set up the Corporate Disclosure Committee that promotes and manages disclosure activities. The Corporate Disclosure Committee is tasked with discussion on matters such as establishing, revising and operating the Disclosure Policy, disclosure strategy related to corporate information, and the appropriateness of disclosure activities. The Committee consists of a chairperson and cross-sectional members who are appointed by the President and CEO.
3. Methods of disclosure
   Astellas discloses information in accordance with related laws and regulations including the Financial Instruments and Exchange Act and other regulations set forth by the stock exchanges where the shares of the Company are listed. Material Information will be made public through the Timely Disclosure Network (TDnet) provided by the Tokyo Stock Exchange and, promptly after such public disclosure, made available via press releases and the Company's website. Information other than above will also be disclosed in a manner appropriate for the content.
4. Effective monitoring on the timely disclosure system
   Astellas ensures the effectiveness of the monitoring system which evaluates the operation and maintenance of the system related to the timely disclosure of information.
   With regard to the evaluation of internal control related to financial reporting, the independent internal auditing departments evaluate the Disclosure Policy related to the timely disclosure system as well as development and operation status of the Corporate Disclosure Committee as a company-wide internal control measure.
   When making timely disclosure information available to the public, the disclosure is to be reported in advance to all Directors and Audit & Supervisory Board Members.

Corporate Governance Structure (as of April 2015)

