May 11, 2016

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Financial Results of Astellas for Fiscal Year 2015 (IFRS)

Japan, May 11, 2016 – Astellas Pharma Inc. (hereinafter referred to as "the Company") today announced the financial results for fiscal year 2015 (FY2015) ended March 31, 2016.

Consolidated financial results for FY 2015 (April 1, 2015 – March 31, 2016) (core basis)

(Millions of yen)

	FY2014	**FY2015**	Change (%)
Sales	1,247,259	**1,372,706**	+125,447 (+10.1%)
Core operating profit	216,500	**267,456**	+50,956 (+23.5%)
Core profit for the year	153,244	**198,802**	+45,558 (+29.7%)
Basic core earnings per share (yen)	69.37	**92.12**	+22.75 (+32.8%)

Cautionary statement regarding forward-looking information

This press release includes forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual financial results may differ materially depending on a number of factors, including adverse economic conditions, currency exchange rate fluctuations, adverse legislative and regulatory developments, delays in new product launches, the pricing and product initiatives of competitors, the inability of the Company to market existing and new products effectively, interruptions in production, infringements of the Company's intellectual property rights and the adverse outcome of material litigation.

1. Analysis of business performance and financial position

(1) Analysis of business performance

1) Overview of consolidated financial results for FY2015

<Consolidated financial results (core basis [(Note)])>

Consolidated financial results (core basis) in FY2015 showed increases in sales, core operating profit and core profit for the year, as follows.

Consolidated financial results (core basis)

(Millions of yen)

	FY2014	**FY2015**	Change (%)
Sales	1,247,259	**1,372,706**	+125,447 (+10.1%)
Core operating profit	216,500	**267,456**	+50,956 (+23.5%)
Core profit for the year	153,244	**198,802**	+45,558 (+29.7%)
Basic core earnings per share (yen)	69.37	**92.12**	+22.75 (+32.8%)

Research and development (R&D) expenses

(Millions of yen)

	FY2014	**FY2015**
R&D expenses	206,594	**225,665**

(Note) The Company discloses financial results on a core basis as an indicator of its recurring profitability. Certain items reported in financial results on a full basis that are deemed to be non-recurring items by the Company are excluded as non-core items from these financial results on a core basis. These adjusted items include impairment losses, gain/loss on sales of property, plant and equipment, restructuring costs, loss on disaster, a large amount of losses on compensation or settlement of litigations and other legal disputes, and other items that are deemed to be excluded based on the Company's judgment. A reconciliation table between results on a full basis and results on a core basis is provided on page 3 of the "Supplement Documents for Results FY2015.

Impact of exchange rate on financial results

The exchange rates for the yen in FY2015 are shown in the table below. The resulting impacts were a ¥26.1 billion increase in sales and a ¥9.5 billion increase in core operating profit compared with if the exchange rates of FY2014 were applied.

Average rate	FY2014	**FY2015**	Change
US$/¥	110	**120**	¥10 (Weakening of yen)
€/¥	139	**133**	¥6 (Strengthening of yen)

Change from beginning to end of period	FY2014	**FY2015**
US$/¥	¥17 (Weakening of yen)	**¥7 (Strengthening of yen)**
€/¥	¥11 (Strengthening of yen)	**¥3 (Strengthening of yen)**

Sales

Consolidated sales in FY2015 increased by 10.1% compared to those in the previous fiscal year ("year-on-year") to ¥1,372.7 billion.

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

Sales by region

*Sales by region calculated according to locations of sellers.

<Japan>

Sales in Japan decreased by 0.3% year-on-year to ¥497.2 billion. Sales in the Japanese market increased by 0.3% year-on-year to ¥483.0 billion.

- There was growth in sales of products including XTANDI, OAB treatments Vesicare and Betanis, Prograf, the anti-inflammatory and anti-pain drug Celecox, Symbicort for the treatment of bronchial asthma, Suglat for the treatment of type 2 diabetes and Micardis for the treatment of hypertension.
- On the other hand, sales of products, including Lipitor for the treatment of hypercholesterolemia and Gaster for the treatment of peptic ulcer and gastritis declined, mainly due to the impact of generics.

<The Americas>

Sales in the Americas increased by 26.1% year-on-year to ¥455.1 billion. The sales on a U.S. dollar basis increased by 15.4% year-on-year to US$3,788 million.

- In addition to the sales of XTANDI, overall sales of OAB treatments VESIcare and Myrbetriq grew.
- Sales of the pharmacologic stress agent Lexiscan increased, and new products azole antifungal CRESEMBA contributed to increased sales.

<EMEA*>

Sales in EMEA increased by 5.1% year-on-year to ¥329.3 billion. The sales on a euro basis increased by 10.0% year-on-year to €2,484 million.

- In addition to XTANDI and overall OAB treatments Vesicare and BETMIGA, sales of Prograf and others grew.

* EMEA: Europe, Middle East and Africa.

<Asia and Oceania>

Sales in Asia and Oceania increased by 22.8% year-on-year to ¥91.1 billion.

- Products such as Prograf and Harnal for the treatment of functional symptoms of benign prostatic hyperplasia showed growth in sales.
- In addition, XTANDI and overall OAB treatments Vesicare and BETMIGA contributed to increased sales.

Core operating profit / Core profit for the year

- The increase in sales and a decrease in the cost-to-sales ratio resulted in a gross profit of ¥1,037.1 billion, up 13.5% year-on-year. The cost-to-sales ratio decreased 2.3 percentage points year-on-year to 24.4%, owing to changes in the product mix and other factors.
- Selling, general and administrative expenses increased by 10.6% year-on-year to ¥500.4 billion, which, in addition to increased co-promotion fee of XTANDI in the US, was partly due to the foreign exchange rate impact.
- R&D expenses were ¥225.7 billion, up 9.2% year-on-year, which, in addition to increased expenses related to progress of development projects, was partly due to the foreign exchange rate impact. The R&D cost-to-sales ratio was 16.4%.
- Amortisation of intangible assets was ¥42.4 billion, up 9.6% year-on-year.

As a result of the above, core operating profit increased by 23.5% year-on-year to ¥267.5 billion. Meanwhile, core profit for the year increased by 29.7% year-on-year to ¥198.8 billion and basic core earnings per share increased by 32.8% year-on-year to ¥92.12.

<Consolidated financial results (full basis)>

Consolidated financial results on a full basis in FY2015 are shown in the table below. Sales, operating profit, profit before tax and profit for the year increased.

Items totaling of ¥20.2 billion, including impairment losses for property, plant and equipment, and net foreign exchange losses, which are not included in a core basis, were recorded in "other expense." In addition, gain on sales of available-for-sale financial assets of ¥12.3 billion was recorded in "finance income." "Other expense" and gain on sales of available-for-sale financial assets in the previous fiscal year were ¥43.3 billion and ¥5.1 billion, respectively.

Consolidated financial results (full basis)

(Millions of yen)

	FY2014	**FY2015**	Change (%)
Sales	1,247,259	**1,372,706**	+125,447 (+10.1%)
Operating profit	185,663	**248,986**	+63,322 (+34.1%)
Profit before tax	189,683	**261,770**	+72,087 (+38.0%)
Profit for the year	135,856	**193,687**	+57,831 (+42.6%)
Basic earnings per share (yen)	61.50	**89.75**	+28.25 (+45.9%)
Comprehensive income	169,499	**130,881**	-38,619 (-22.8%)

2) Other

The Company has been pursuing initiatives geared towards achieving sustainable growth over the mid- to long-term, and in May 2015 accordingly released its three-year Strategic Plan 2015–2017 which sets forth three main strategies geared toward: “Maximizing the Product Value,” “Creating Innovation” and “Pursuing Operational Excellence.”
The following are the main initiatives taken in FY2015.

<Initiatives for Maximizing the Product Value>

We have been taking steps toward maximizing the Company’s OAB franchise comprised of Vesicare and Betanis / Myrbetriq / BETMIGA, and also maximizing its oncology franchise centered on XTANDI. We also obtained approval for new products, including the aforementioned in various countries and launched sales of such products.
In January 2016, we have extended the agreement with Nippon Boehringer Ingelheim Co., Ltd. pertaining to the sale and co-promotion in Japan for Micardis family such as Micardis and Micamlo to March 31, 2018, which is an expansion of 1 year 3 months.

<Initiatives for Creating Innovation>

With respect to our strategy of creating innovation, we have been further enhancing our capabilities to deliver innovative medicine while actively advancing into new opportunities.
In February 2016, we acquired Ocata Therapeutics, Inc. * (US) (Ocata), a biotechnology company focused on the research and development of cell therapy for ophthalmology, and made it a consolidated subsidiary of the Company. Going forward, we will strive to create new value, combining Ocata’s capability of cell generation for therapy with our R&D platform.
*The company name has changed to Astellas Institute for Regenerative Medicine in May 2016.

In addition, we are actively taking advantage of collaboration with external partners with the aim of acquiring innovation. The following are the major alliances made during FY2015.

- In April 2015, the Company announced the signing a memorandum of understanding with MSD K.K. for co-development and co-commercialization of combination product of Suglat and selective DPP-4 inhibitor JANUVIA in Japan.
- In April 2015, the Company entered into an option agreement with The University of Texas MD Anderson Cancer Center (US) regarding research and development of a monoclonal antibody drug for patients with acute myeloid leukemia.
- In April 2015, the Company entered into an agreement with Potenza Therapeutics, Inc. (US) for exclusive research and development collaboration geared towards building a portfolio of immuno-oncology therapeutics. The agreement includes an option that allows for the future acquisition of Potenza by the Company.

- In May 2015, Kanyos Bio, Inc. (US) was established with the aim of creating therapeutic drugs for treating type 1 diabetes and celiac disease, based on technology for the induction of antigen-specific immune tolerance owned by Anokion SA (Switzerland), and entered into an agreement with Kanyos for research collaboration focused on the discovery of said therapeutic drugs, which includes option for Astellas to acquire Kanyos.
- In July 2015, the Company initiated collaborative research with the National Institute of Advanced Industrial Science and Technology (AIST), utilizing Astellas' own protein-ligand complex structural information and AIST's highly advanced IT drug-discovery technologies.
- In September 2015, the Company entered into a license and collaboration agreement with Chromocell Corporation (US) for the development and commercialization of new therapeutics to treat neuropathic pain and other pain conditions.
- In October 2015, the Company entered into an exclusive worldwide agreement with Immunomic Therapeutics, Inc. (US) for the LAMP-vax products for the treatment or prevention of wide-range of allergic diseases in humans.
- In December 2015, Agensys, Inc. (Agensys), a subsidiary of the Company entered into a global license agreement with Bellicum Pharmaceuticals, Inc. (US), granting Bellicum rights to develop and commercialize adoptive cell therapies, including CAR-T cells, using Prostate Stem Cell Antigen (PSCA) developed at Agensys.
- In January 2016, the Company entered into a license agreement with CLINO Ltd. for the worldwide development and commercialization of a gene therapy, Adeno-associated Virus-modified Volvox channelrhodopsin-1 (AAV-mVChR1) to treat retinitis pigmentosa.
- In March 2016, the Company and Mitsubishi Tanabe Pharma Corporation concluded an agreement for sharing their respective approximately 250,000 compounds selected from their respective compound libraries to further accelerate drug discovery research of innovative new drugs.

With respect to clinical development, we have been accelerating the speed by concentrating management resources on high-priority projects. The following are the main development advances made during FY2015.

Global Development project

- With respect to Vesicare (generic name: solifenacin succinate, development code: YM905), the Company submitted an application for approval in Europe in September 2015 for the indication of overactive bladder in pediatric patients of 5-18 years.
- With respect to XTANDI (generic name: enzalutamide) tablets, the Company submitted applications for approval in the US in February 2016 and in Europe in March 2016, respectively.

Local Development projects by region

Japan

- With respect to Irribow (generic name: ramosetron hydrochloride, development code: YM060) for the treatment of diarrhea-predominant irritable bowel syndrome, the Company obtained approval in May 2015 for the additional indication of diarrhea-predominant irritable bowel syndrome in females, allowing the use of the product for female patients as well as male patients.
- With respect to Cimzia (generic name: certolizumab pegol) for the treatment of adult patients with rheumatoid arthritis, the Company obtained approval in May 2015 for the additional indication which allows the use of the product for rheumatoid arthritis* in patients without previous treatment with anti-rheumatic drugs.

  * Although Cimzia can be used to patients with high risk of progression of structural damage even they have not received prior treatment with anti-rheumatic drugs, evaluate patient's conditions and judge the necessity for use of this agent carefully, after referring to recent guidelines and so on.
- With respect to Kiklin (generic name: bixalomer, development code: ASP1585) for the treatment of hyperphosphatemia, the Company submitted an application for approval in September 2015 for granule formulation.
- With respect to Repatha (generic name: evolocumab, development code: AMG 145), a LDL cholesterol-lowering medication, Amgen Astellas BioPharma KK, which is co-developing the drug with the Company, obtained approval in January 2016 for the indication of familial hypercholesterolemia (FH) and hypercholesterolemia*.

  *Approved indication: Familial Hypercholesterolemia, Hypercholesterolemia. Only when patients who have high risk in cardiovascular events and do not adequately respond to HMG-CoA Reductase Inhibitors.

  * The official guidance of point to consideration regarding Repatha under the coverage of National Health Insurance is issued by Medical Affairs Division of Ministry of Health, Labour and Welfare.
- In February 2016, the Company submitted a new drug application for a guanylate cyclase-C (GC-C) receptor agonist, linaclotide (generic name, ASP0456) for the indication of the irritable bowel syndrome with constipation (IBS-C) in adults.
- With respect to Kiklin (generic name: bixalomer) for the treatment of hyperphosphatemia, the Company obtained approval in February 2016 for the additional indication which allows the use of the product for patients suffering from chronic kidney disease who are not receiving dialysis as well as those on dialysis.

EMEA

- With respect to Qutenza (generic name: capsaicin) for the treatment of peripheral neuropathic pain, the Company obtained approval in August 2015 for the additional indication which allows the use of the product for patients suffering diabetic peripheral neuropathic pain as well as those with non-diabetic peripheral neuropathic pain.

<Initiatives for Pursuing Operational Excellence>

We have been continuing to engage in initiatives in anticipation of changing environments from various perspectives with the aims of creating organizations and systems capable of resiliently responding to changing environments and further improving quality and efficiency of operations. The following are the main initiatives taken in FY2015.

Continually enhance organization structure

- In July 2015, the Company established the Real World Informatics and Analytics (RWI) function in the aim of making available the big data that was previously deployed in the respective functions or departments, and concentrating this capability as a single dedicated function, in order to maximize big data utilization in the Company.
- The Company changed to a new Sales (Medical Representative (MR)) structure in Japan as of October 1, 2015. This will allow MR to provide more accurate medical information based on the flow of patient treatment by each region and by each individual medical institution. The previous product specific representative system categorized by therapeutic area was changed to a system in which each MR, in principle, provide information on all products of Astellas. A therapeutic area specialist was newly introduced in three therapeutic areas (oncology, immunology and transplantation).

Optimal reallocation of resources

- In October 2015, the Company succeeded to Maruishi Pharmaceutical Co., Ltd. of the manufacturing and marketing approval for suxamethonium muscle relaxant which the Company manufactures and markets in Japan.
- In October 2015, the Company entered into an agreement with MicroBiopharm Japan Co., Ltd. (MBJ), under which the business of Kiyosu Plant (Aichi), the manufacturing site, is transferred to MBJ. In April 2016, the business of Kiyosu plant was transferred to MBJ.
- In FY2015, the Company entered into an agreement with TOA EIYO LTD. (TOA EIYO), under which the manufacturing and marketing approval for Cibenol for the treatment of arrhythmia which the Company manufactures and markets in Japan is succeeded to TOA EIYO. In April 2016, the Company succeeded it to TOA EIYO.
- In November 2015, the Company entered into an Asset Purchase Agreement, under which Astellas transfers its global dermatology business to LEO Pharma A/S (Denmark). In April 2016, the Company transferred this business to LEO Pharma A/S. The companies will work together for the transition of business while continuing supply of products.
- In January 2016, a Malaysia-based subsidiary, Astellas Pharma Malaysia Sdn. Bhd. was established in Malaysia, and it began operation in April 2016. In addition, an umbrella organization that is responsible for overseeing operations in the South East and South Asia regions (SESA Umbrella Organization) was established and began operation in April 2016. These efforts were carried out to increase both the quality and efficiency of operations in the South East and South Asia regions.

3) Consolidated business forecasts for FY2016

<Consolidated business forecasts (core basis)>

The definitions of core basis financial results are provided on page 2 of this financial results report.

Consolidated business forecasts (core basis)

(Millions of yen)

	FY2015 Results	**FY2016 Forecasts**	Change (%)
Sales	1,372,706	**1,350,000**	-22,706 (-1.7%)
Core operating profit	267,456	**270,000**	2,544 (1.0%)
Core profit for the year	198,802	**199,000**	198 (0.1%)
Basic core earnings per share (yen)	92.12	**93.65**	1.53 (1.7%)

(Note) The forecast of the basic core earnings per share is calculated based on the number of issued shares (excluding treasury shares) at the ended of FY2015.

Expected exchange rate for FY2016	**¥110/US$**	**¥125/€**
Exchange rate for FY2015	¥120/US$	¥133/€

The forecasts for the fiscal year ending March 31, 2017 (FY2016) (core basis) are shown in the table above.
Sales are anticipated to decrease, and core operating profit and core profit for the year are anticipated to increase compared with FY2015. The yen is anticipated to strengthen against the U.S. dollar and the euro compared with FY2015, and the fluctuations in the exchange rate is anticipated to cause a ¥71.7 billion decrease in sales and a ¥22.3 billion decrease in core operating profit compared with if the exchange rates of FY2015 were applied.
If the business forecasts are converted by applying the exchange rate of FY2015, sales and core operating profit for the year are anticipated to increase approximately by 4% and 9%, respectively.

Sales

The sales forecast is ¥1,350.0 billion (down 1.7% year-on-year). Negative impacts due to the foreign exchange rate impact as well as the NHI drug price revision in Japan enforced in April 2016 are anticipated.
In addition to anticipated continuous global sales growth for XTANDI, our growth driver, due to the growth of Betanis / Myrbetriq / BETMIGA, global sales of OAB treatments including Vesicare are forecasted to grow steadily.

The impact on sales from the transfer of the global dermatology business implemented in April 2016 is anticipated to be immaterial.

Sales by region

In the Japanese market, we forecast a decrease in sales due to a NHI drug price revision. In addition to sales of the OAB treatments Vesicare and Betanis, sales of products such as Celecox, Symbicort and Suglat are anticipated to grow continuously. On the other hand, sales are forecasted to decrease for products such as XTANDI and Micardis (including Micombi and Micamlo) due to the NHI drug price revision, and sales for Lipitor and Gaster are anticipated to decrease due to the impact of generics.

In the Americas, we forecast a decrease in sales due mainly to the foreign exchange rate impact, while sales on a local currency basis are anticipated to increase.

Sales of XTANDI are forecasted to continue growing. On the other hand, sales of OAB treatment VESIcare and Myrbetriq, and other products including Lexiscan are forecasted to decrease due mainly to the foreign exchange rate impact.

In EMEA, we forecast an increase in sales. Sales of XTANDI are forecasted to expand while sales of OAB treatment Vesicare and BETMIGA are forecasted to decrease due mainly to foreign exchange rate impact.

In Asia and Oceania, we forecast a decrease in sales, while sales on a local currency basis are anticipated to increase. Although sales of XTANDI, as well as sales of OAB treatment Vesicare and BETMIGA, the Candin-type antifungal agent Mycamine are forecasted to continue growing, sales of Prograf and Harnal are anticipated to decrease due to the impact from foreign exchange rate.

The impacts on sales in the respective region from the transfer of the global dermatology business are expected to be positive in Japan and EMEA but negative in the Americas and Asia and Oceania.

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Core operating profit/ Core profit for the year

Although we forecast a fall in the cost-to-sales ratio as a result of changes in product mix and other factors, gross profit is anticipated to decrease owing to a decrease in sales.

Concerning selling, general and administrative (SG&A) expenses, although co-promotion fee of XTANDI in the US among other expenses are forecasted to increase, by considering our continuous efforts to achieve expense efficiency, as well as the foreign exchange rate impact, which works on reducing the expenses and other factors, we forecast the SG&A expenses to sales ratio to stay about level with FY2015.

We project R&D expenses of ¥231.0 billion (up 2.4% year-on-year) and a R&D expenses to sales ratio of 17.1% (compared with 16.4% in FY2015).

In addition to the above, an impact of increase due to the transfer of the global dermatology business is anticipated in core operating profit.

As a result, we project a core operating profit of ¥270.0 billion (up 1.0% year-on-year).

Core profit for the year is forecasted at ¥199.0 billion (up 0.1% year-on-year) and basic core earnings per share is forecasted at ¥93.65 (up 1.7 % year-on-year).

<Consolidated business forecasts (full basis)>

Consolidated business forecasts (full basis)

(Millions of yen)

	FY2015 Results	**FY2016 Forecasts**	Change (%)
Sales	1,372,706	**1,350,000**	-22,706 (-1.7%)
Operating profit	248,986	**267,000**	18,014 (7.2%)
Profit before tax	261,770	**268,000**	6,230 (2.4%)
Profit for the year	193,687	**197,000**	3,313 (1.7%)
Basic earnings per share (yen)	89.75	**92.71**	2.96 (3.3%)

(Note) The forecast of the basic earnings per share is calculated based on the number of issued shares (excluding treasury shares) at the ended of FY2015.

Expected exchange rate for FY2016	**¥110/US$**	**¥125/€**
Exchange rate for FY2015	¥120/US$	¥133/€

(2) Analysis of financial position

1) Assets, equity and liabilities

An overview of the consolidated statement of financial position as of March 31, 2016 and the main changes from the end of the previous fiscal year are shown below.

Assets

Total assets as of March 31, 2016 saw an increase of ¥5.8 billion compared to the end of the previous fiscal year to ¥1,799.3 billion.

<Non-current assets> ¥901.8 billion (an increase of ¥74.2 billion)

- Other intangible assets increased by ¥43.4 billion compared to the end of the previous fiscal year to ¥339.2 billion.

<Current assets> ¥897.5 billion (a decrease of ¥68.4 billion)

- Cash and cash equivalents decreased by ¥36.4 billion compared to the end of the previous fiscal year to ¥360.0 billion.

Equity

Total equity as of March 31, 2016 saw a decrease of ¥58.7 billion compared to the end of the previous fiscal year to ¥1,259.2 billion, making the ratio of owners' equity to gross assets 70.0%.

- While profit for the year stood at ¥193.7 billion, the Company paid ¥69.6 billion of dividends of surplus and acquired ¥120.1 billion of own shares.
- Cancellation of treasury shares totaling ¥49.6 billion (38 million shares) was carried out on May 29, 2015.

Liabilities

Total liabilities increased by ¥64.5 billion compared to the end of the previous fiscal year to ¥540.1 billion.

<Non-current liabilities> ¥126.8 billion (an increase of ¥72.0 billion)

<Current liabilities> ¥413.4 billion (a decrease of ¥7.5 billion)

- Due mainly to the recording of deferred income related to the transfer of the global dermatology business, other non-current liabilities increased by ¥58.4 billion to ¥77.6 billion and other current liabilities increased by ¥27.7 billion to ¥121.1 billion compared to the end of the previous fiscal year, respectively.

2) Cash flow

Cash flows from operating activities

Net cash flows from operating activities increased year-on-year by ¥126.1 billion to ¥313.7 billion.

- Proceeds from the transfer of the global dermatology business were ¥88.2 billion, among others.

Cash flows from investing activities

Net cash flows used in investing activities was ¥147.1 billion, an increase in outflow of ¥75.6 billion year-on-year.

- Purchases of property, plant and equipment used cash of ¥33.5 billion, purchase of intangible assets used cash of ¥84.6 billion, and purchase of shares of subsidiaries due to acquisition of Ocata Therapeutics, Inc. used cash of ¥42.7 billion, while proceeds from sales of available-for-sale financial assets provided cash of ¥16.7 billion.

Cash flows from financing activities

Net cash flows used in financing activities was ¥193.5 billion, an increase in outflow of ¥72.4 billion year-on-year.

- Dividends paid totaled ¥69.6 billion, an increase in outflow of ¥7.5 billion year-on-year. Other outflow included cash of ¥120.1 billion used for the acquisition of own shares.

As a result of the above, cash and cash equivalents totaled ¥360.0 billion as of March 31, 2016, a decrease of ¥36.4 billion compared to the end of the previous fiscal year.

Cash flow indicators

	FY2013	FY2014	FY2015
Ratio of owners' equity to gross assets (%)	76.7	73.5	70.0
Ratio of owners' equity to gross assets on a fair market value basis (%)	165.2	240.6	176.7
Cash flows to interest-bearing liabilities ratio (%)	0.0	0.0	0.0
Interest coverage ratio (times)	–	–	–

- Ratio of owners' equity to gross assets: equity attributable to owners of parent / total assets
- Ratio of owners' equity to gross assets on a fair market value basis: market capitalization / total assets
- Cash flows to interest-bearing liabilities ratio: interest-bearing liabilities / cash flows
- Interest coverage ratio: cash flows / interest payment

(Notes)

1. Each indicator is calculated using financial data on a consolidated basis.
2. Market capitalization is calculated based on the total number of issued shares (after eliminating treasury share).
3. Cash flows from operating activities are used as cash flows.

4. Of all liabilities included in the consolidated statement of financial position, those on which the Company pays interest are computed as interest-bearing liabilities.

(3) Profit distribution policy and dividends for FY2015 and FY2016

The Company is working aggressively towards increasing corporate value on a continual basis and, as a consequence, improves its return to shareholders. While putting priority on business investment to assure future growth, the Company will strive to increase dividend payments stably and continuously, taking into consideration the dividend on equity attributable to owners of parent (DOE) and other factors based on medium- to long-term profit growth on a consolidated basis. Further, the Company will flexibly acquire its own shares whenever necessary to further increase capital efficiency and shareholder return.

The annual dividend for FY2015 is planned to be ¥32 per share (including a year-end dividend of ¥16 per share) to shareholders, yielding a DOE of 5.4 %.

As a part of profit distribution to its shareholders and as measures of its capital policy, the Company implemented acquisition of own shares from the stock market of 68 million shares, which amounted to ¥119.3 billion, during the fiscal year under review.
Further, the Company decided to cancel 68 million shares of its treasury share.

The Company anticipates that the annual dividend in FY2016 will be ¥34 per share (composed of interim dividend of ¥17 per share and a year-end dividend of ¥17 per share).

(4) Risk factors

The main risks that could significantly impact the business results and financial position of the Astellas Group are outlined below.

Inherent Uncertainties in Pharmaceutical R&D

In general, the probability of discovering a promising compound through drug discovery research is not high. Further, it takes a large amount of investment and a great deal of time to successfully launch a new product after discovery of a new compound. However, it may be necessary to discontinue clinical development if the effectiveness of a drug is not proven as initially expected, or if safety issues arise. In addition, pharmaceuticals are subject to legal restrictions in each country, thus authorization from local regulatory authorities is a prerequisite for a product launch in each country. It is difficult to accurately foresee if and when approvals for new products can be obtained. The Astellas Group’s research and development activities are subject to these inherent risks.

Sales-related Risk

The pharmaceutical industry operates in a highly competitive environment characterized by rapid technological innovation. The launch of competitive products by rivals could impact the Astellas Group’s business results significantly.

Intellectual Property (IP) Risk

The Astellas Group's business benefits from the protection of many patents. Although the Astellas Group manages intellectual property rights properly and is vigilant against third-party violation of such rights, the adverse impact on the Astellas Group's business results of actual IP violations may still be substantial. The Astellas Group's business results are also subject to the outcome of litigation undertaken by the Astellas Group to protect patents where infringement has occurred.
While the Astellas Group strives to ensure that its actions do not infringe the IP rights of other parties, there is a risk of litigation in the event of any inadvertent violations. Such litigation could also impact the Astellas Group's business results significantly.

Risks Relating to Product Side Effects and Safety

Any problems arising due to serious side effects or other safety issues that are caused by the Astellas Group's products could impact the Astellas Group's business results significantly.

Pharmaceutical Regulatory Risk

The ethical pharmaceutical business is governed by a wide variety of regulations in each country. In Japan, for example, the authorities periodically revise the NHI drug prices. Governments in developed countries in particular continue to adopt measures aimed at containing medical expenditures. Any trend toward stricter regulations governing the development, production and distribution of pharmaceuticals is a factor that could impact business results.

Environment-related Risks

The Astellas Group is careful to observe laws and regulations relating to environmental or health and safety issues, and has instituted internal standards that aim to exceed most statutory requirements. Despite such precautions, the costs involved in the unlikely event of a business-related incident causing a serious breach of compliance in this area could impact the Astellas Group's business results significantly.

Foreign Exchange Rate Fluctuations

The Astellas Group's business results and financial position are subject to the impact of exchange rate fluctuations due to the Astellas Group's extensive international operations.

In addition to the risks outlined above, the Astellas Group is exposed to a wide range of business-related risks, including but not limited to (1) general commercial litigation, (2) delays or suspension of manufacturing activities due to natural disasters or other factors, and (3) partial dependence on licensing or sales agreements relating to pharmaceuticals developed by other companies.

2. Management policies

(1) Basic management policy

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

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

(2) Medium- and long-term management strategy and issues to be addressed

<VISION>

The Company's VISION indicates where it needs to create value and what kind of action it should take in order to continue realizing further growth over the long term. Through its core area of strength, the innovative drug business, the Company is pursuing initiatives, which is "on the forefront of healthcare change to turn innovative science into value for patients."

The environment surrounding healthcare is changing in a constant and drastic way. As a result of efforts to contain rising healthcare costs by governments, trends including the increasing influence of the payer and promotion of generic drugs are accelerating. On the other hand, there are still many diseases where existing therapies do not provide satisfactory treatment, and there is a need to continue developing innovative medicines. With scientific and technological advances, the application of new treatment modalities and drug discovery technologies is advancing, while governments have created regulatory systems for review of innovative drugs.

The Company views these changes in the environment as opportunities to pursue, and will create innovative medicines and medical solutions that utilize its strengths.

<Strategic Plan 2015-2017>

The Company has organized the strategies to ensure its sustainable growth over the medium- to long-term as the three-year "Strategic Plan 2015-2017," covering the period from fiscal 2015 to fiscal 2017. In order to overcome the impact of the patent expiry for the mainstay products between 2018 and 2020 and to realize further sustainable growth over the long-term, the Company continues to focus on three main strategies: "Maximizing the Product Value," "Creating Innovation," and "Pursuing Operational Excellence."

Maximizing the Product Value:

In order to realize sustainable growth during and after the period of the strategic plan and to reinforce the Company's earnings base, the Company will make efforts to maximize the value of the products that have been realized through our investments to date.

- While focusing on the Company's growth driver, XTANDI and the OAB franchise, comprised of Vesicare and Betanis / Myrbetriq / BETMIGA, with the aim of maximizing the value of the products, the Company is focusing on the transplantation area, the Company's primary earnings base.
- The Company focuses on implementation of sales strategies tailored to each region's situation, giving priority to the allocation of management resources to new and growth products.

Creating Innovation:

The Company continues to make necessary and adequate investments for creating innovation, which is the wellspring of growth over the long term, through the active acquisition of cutting-edge science.

[Enhancing Capabilities to Deliver Innovative Medicines]

- In the drug discovery research, the Company undertakes dynamic research activities through its Network Research System which involves appointing optimal personnel and researchers from both inside and outside the Company (Best talent) in the optimal environments (Best place), based on the world's most innovative science (Best science).
- Through the promotion of diversification of R&D processes and optimal management resource allocation, the Company aims to create innovative drugs efficiently.

[Advancing into New Opportunities]

- In addition to the existing focus therapeutic areas, such as urology, oncology, immunology, nephrology and neuroscience, the Company will actively take on challenges in new therapeutic areas including muscle disease and ophthalmology, as well as new technologies and modalities including next-generation vaccines and cell therapies. While utilizing alliance opportunities with external partners that have strong expertise, the Company will strive to achieve long-term growth through investments in new innovation.

Pursuing Operational Excellence:

The Company pursues operational excellence with the aim of developing and strengthening a business and operation foundation to enhance its ability for corresponding to the rapidly changing business environment. In anticipation of such changes, the Company is working on various initiatives from a number of perspectives, such as "Optimal allocation of resources", "Effective utilization of external resources," "Continually enhance organization structure," "Strengthen core capabilities," and "Active response to various regulations and societal standard."

During the period of the strategic plan, the Company will strive to strengthen corporate disclosure system, including improvements of clinical trial data transparency, in addition to measures to further improve on the reliability of its products. Furthermore, the Company focuses on cost optimization as a way of raising operational quality and ensuring our spending is as efficient as possible.

Financial Guidance during the period of Strategic Plan:

ROE:	15% or more (Maintain and improve this level after the strategic plan period)
Consolidated Sales:	CAGR (%): Mid single-digit
Core Operating Profit:	CAGR that exceeds sales CAGR
R&D Expenses:	Higher than 17% against sales
Core EPS:	CAGR that exceeds core operating profit CAGR
DOE:	6% or more

(3) Numerical management targets

In order to sustainably enhance corporate value, the Company will not only concentrate on periodical profit and loss, such as operating profit, but also conduct business operations with a firm emphasis on making efficient use of the capital entrusted to the management. In accordance with this aim, the Company regards ROE to be an important indicator and aim to achieve ROE of 15% during the strategic plan period. The Company also strives to maintain and improve this level after the period.

3. Basic rationale for selecting accounting standard

Since the consolidated financial statements for the fiscal year ended March 31, 2014, the Astellas Group adopts the International Financial Reporting Standards ("IFRS"), as a means of enabling capital market participants to more readily compare the financial information on an international basis.

Consolidated Financial Statements
(1) Consolidated Statements of Income

（Millions of Yen）

	Fiscal year ended 31 March 2015	Fiscal year ended 31 March 2016
Sales	1,247,259	1,372,706
Cost of sales	(333,197)	(335,596)
Gross profit	914,062	1,037,110
Selling, general and administrative expenses	(452,522)	(500,359)
Research and development expenses	(206,594)	(225,665)
Amortisation of intangible assets	(38,664)	(42,387)
Share of profits (losses) of associates and joint ventures	217	(1,243)
Other income	12,503	1,689
Other expense	(43,339)	(20,159)
Operating profit	185,663	248,986
Finance income	7,097	14,411
Finance expense	(3,078)	(1,627)
Profit before tax	189,683	261,770
Income tax expense	(53,827)	(68,083)
Profit for the year	135,856	193,687
Profit attributable to:		
Owners of the parent	135,856	193,687
Earnings per share		
Basic（Yen）	61.50	89.75
Diluted（Yen）	61.40	89.62

(2) Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Fiscal year ended 31 March 2015	Fiscal year ended 31 March 2016
Profit for the year	135,856	193,687
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit plans	(7,874)	(6,276)
Sub total	(7,874)	(6,276)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	29,645	(45,172)
Fair value movements on available-for-sale financial assets	11,872	(11,358)
Sub total	41,517	(56,529)
Other comprehensive income, net of tax	33,643	(62,806)
Total comprehensive income	169,499	130,881
Total comprehensive income attributable to:		
Owners of the parent	169,499	130,881

(3) Consolidated Statements of Financial Position

(Millions of Yen)

	As of 31 March 2015	As of 31 March 2016
Assets		
Non-current assets		
Property, plant and equipment	202,869	200,955
Goodwill	136,337	150,660
Other intangible assets	295,844	339,202
Trade and other receivables	15,588	24,103
Investments in associates and joint ventures	2,007	2,435
Deferred tax assets	51,199	80,252
Other financial assets	110,091	89,424
Other non-current assets	13,685	14,769
Total non-current assets	827,621	901,801
Current assets		
Inventories	156,907	161,691
Trade and other receivables	332,923	327,599
Income tax receivable	6,918	16,403
Other financial assets	59,908	14,394
Other current assets	12,732	17,221
Cash and cash equivalents	396,430	360,030
Sub total	965,819	897,337
Assets held for sale	139	200
Total current assets	965,958	897,537
Total assets	1,793,578	1,799,338

(Millions of Yen)

	As of 31 March 2015	As of 31 March 2016
Equity and liabilities		
Equity		
Share capital	103,001	103,001
Capital surplus	176,822	176,903
Treasury shares	(86,997)	(157,111)
Retained earnings	905,083	973,054
Other components of equity	220,007	163,363
Total equity attributable to owners of the parent	1,317,916	1,259,209
Total equity	1,317,916	1,259,209
Liabilities		
Non-current liabilities		
Trade and other payables	90	1,599
Deferred tax liabilities	38	—
Retirement benefit liabilities	30,059	39,797
Provisions	4,817	7,083
Other financial liabilities	626	722
Other non-current liabilities	19,142	77,569
Total non-current liabilities	54,771	126,769
Current liabilities		
Trade and other payables	226,602	181,559
Income tax payable	14,124	19,312
Provisions	85,423	89,858
Other financial liabilities	1,339	1,505
Other current liabilities	93,403	121,126
Total current liabilities	420,890	413,359
Total liabilities	475,662	540,129
Total equity and liabilities	1,793,578	1,799,338

(4) Consolidated Statements of Changes in Equity

(Millions of Yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Subscription rights to shares	Foreign currency translation adjustments
As of 1 April 2014	103,001	176,822	(54,535)	864,830	2,110	147,660
Comprehensive income						
Profit for the year	—	—	—	135,856	—	—
Other comprehensive income	—	—	—	—	—	29,645
Total comprehensive income	—	—	—	135,856	—	29,645
Transactions with owners of the parent						
Acquisition of treasury shares	—	—	(58,229)	—	—	—
Disposals of treasury shares	—	—	369	(185)	(176)	—
Cancellation of treasury shares	—	—	25,398	(25,398)	—	—
Dividends	—	—	—	(62,146)	—	—
Share-based payments	—	—	—	—	307	—
Transfers	—	—	—	(7,874)	—	—
Total transactions with owners of the parent	—	—	(32,462)	(95,603)	131	—
As of 31 March 2015	103,001	176,822	(86,997)	905,083	2,241	177,306
Comprehensive income						
Profit for the year	—	—	—	193,687	—	—
Other comprehensive income	—	—	—	—	—	(45,172)
Total comprehensive income	—	—	—	193,687	—	(45,172)
Transactions with owners of the parent						
Acquisition of treasury shares	—	—	(120,127)	—	—	—
Disposals of treasury shares	—	—	436	(248)	(187)	—
Cancellation of treasury shares	—	—	49,577	(49,577)	—	—
Dividends	—	—	—	(69,615)	—	—
Share-based payments	—	81	—	—	73	—
Transfers	—	—	—	(6,276)	—	—
Total transactions with owners of the parent	—	81	(70,114)	(125,717)	(115)	—
As of 31 March 2016	103,001	176,903	(157,111)	973,054	2,126	132,134

(Millions of Yen)

	Equity attributable to owners of the parent				Total equity
	Other components of equity			Total	
	Fair value movements on available-for-sale financial assets	Remeasurements of defined benefit plans	Total		
As of 1 April 2014	28,588	—	178,359	1,268,476	1,268,476
Comprehensive income					
Profit for the year	—	—	—	135,856	135,856
Other comprehensive income	11,872	(7,874)	33,643	33,643	33,643
Total comprehensive income	11,872	(7,874)	33,643	169,499	169,499
Transactions with owners of the parent					
Acquisition of treasury shares	—	—	—	(58,229)	(58,229)
Disposals of treasury shares	—	—	(176)	8	8
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	—	(62,146)	(62,146)
Share-based payments	—	—	307	307	307
Transfers	—	7,874	7,874	—	—
Total transactions with owners of the parent	—	7,874	8,005	(120,059)	(120,059)
As of 31 March 2015	40,461	—	220,007	1,317,916	1,317,916
Comprehensive income					
Profit for the year	—	—	—	193,687	193,687
Other comprehensive income	(11,358)	(6,276)	(62,806)	(62,806)	(62,806)
Total comprehensive income	(11,358)	(6,276)	(62,806)	130,881	130,881
Transactions with owners of the parent					
Acquisition of treasury shares	—	—	—	(120,127)	(120,127)
Disposals of treasury shares	—	—	(187)	1	1
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	—	(69,615)	(69,615)
Share-based payments	—	—	73	154	154
Transfers	—	6,276	6,276	—	—
Total transactions with owners of the parent	—	6,276	6,161	(189,588)	(189,588)
As of 31 March 2016	29,103	—	163,363	1,259,209	1,259,209

(5) Consolidated Statements of Cash Flows

(Millions of Yen)

	Fiscal year ended 31 March 2015	Fiscal year ended 31 March 2016
Cash flows from operating activities		
Profit before tax	189,683	261,770
Depreciation and amortisation	65,474	69,188
Impairment losses and reversal of impairment losses	10,329	9,310
Finance income and expense	(4,019)	(12,784)
(Increase) decrease in inventories	(18,150)	(11,873)
(Increase) decrease in trade and other receivables	3,912	(15,649)
Increase (decrease) in trade and other payables	31,756	(32,391)
Other	(23,048)	136,578
Cash generated from operations	255,937	404,149
Income tax paid	(68,251)	(90,412)
Net cash flows from operating activities	187,686	313,737
Cash flows from investing activities		
Purchases of property, plant and equipment	(24,159)	(33,512)
Proceeds from sales of property, plant and equipment	5,450	1,753
Purchase of intangible assets	(57,007)	(84,605)
Purchase of available-for-sale financial assets	(3,583)	(749)
Proceeds from sales of available-for-sale financial assets	9,739	16,747
Acquisition of a subsidiary, net of cash acquired	—	(42,653)
Interest and dividends received	2,291	2,797
Other	(4,207)	(6,827)
Net cash flows used in investing activities	(71,476)	(147,050)
Cash flows from financing activities		
Acquisition of treasury shares	(58,229)	(120,127)
Dividends paid to owners of the parent	(62,146)	(69,615)
Other	(744)	(3,736)
Net cash flows used in financing activities	(121,118)	(193,478)
Effect of exchange rate changes on cash and cash equivalents	9,966	(9,609)
Net increase (decrease) in cash and cash equivalents	5,057	(36,401)
Cash and cash equivalents at the beginning of the year	391,374	396,430
Cash and cash equivalents at the end of the year	396,430	360,030

(6) Notes to Consolidated Financial Statements

Notes on going concern assumption

Not applicable.

Basis of preparation

(1) Compliance with IFRS

The consolidated financial statements of Astellas Pharma Inc. and its subsidiaries (collectively, the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

(2) Basis of measurement

The Group's consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value.

(3) Presentation currency

The Group's consolidated financial statements are presented in Japanese yen, which is also functional currency of Astellas Pharma Inc. (the "Company"), and figures are rounded to the nearest million yen, except as otherwise indicated.

Changes in Accounting Policies and Accounting Estimates

The significant accounting policies adopted for the Group's consolidated financial statements for the fiscal year ended 31 March 2016 are the same as those applied for its consolidated financial statements for the fiscal year ended 31 March 2015, except for the new standard listed below.

The following accounting standard is newly applied by the Group from the fiscal year ended 31 March 2016. The standard does not have a material impact on the Group's consolidated financial statements.

IFRS		Summary of new standard
IAS 19	Employee Benefits	Clarification of accounting for contributions by employees or third parties

Business Combination

Information about the business combination that occurred during the fiscal year ended 31 March 2016 is as follows:

(1) Outline of the business combination

(i) Name and business description of the acquiree

Name of the acquiree: Ocata Therapeutics, Inc. ("Ocata") (The company name was changed to Astellas Institute for Regenerative Medicine in May 2016.)

Business description: Research and development of new therapies for ophthalmic diseases in the field of regenerative medicine

(ii) Acquisition date

February 10, 2016

(iii) Percentage of voting equity interests acquired

100%

(iv) Acquisition method

Tender offer to purchase all issued and outstanding shares of common stock in cash

(v) Primary reasons for the business combination

The Group strives to create a solid and resilient continuity of growth over the mid- to long-term through the pursuit of three main strategies of Strategic Plan 2015-2017 ("the Strategic Plan") - "Maximizing Product Value," "Creating Innovation" and "Pursuing Operational Excellence." Especially in "Creating Innovation," the Group recognises the importance of advancing into new opportunities in addition to enhancing capabilities to deliver innovative medicines. The Group added muscle diseases and ophthalmology to its focus disease areas for research and is promoting drug discovery research in those areas. Further, the Group invests proactively in regenerative medicine, particularly in cell therapy and next-generation vaccines as initiatives involving new technologies and new modalities.

Ocata is a clinical stage biotechnology company focused on the development and commercialization of new therapies in the field of regenerative medicine. Ocata has an advanced technology that can establish fully-differentiated cells from pluripotent stem cells. Ocata also has strengths in clinical studies for cell therapy.

The acquisition of Ocata represents the coming together of two companies with significant accomplishments and a shared commitment to develop innovative therapies that address the unmet medical needs of patients suffering from severe ophthalmic diseases. The acquisition also represents a step toward achieving the Strategic Plan. Further, acquiring Ocata will enable the Group to establish a presence in ophthalmology and a leading position in cell therapy.

Strategic rationale behind the acquisition:

- Establish presence in ophthalmology
- Establish a leading position in cell therapy by obtaining Ocata's world-class capability

(2) The fair values of assets acquired, liabilities assumed and purchase consideration transferred as at the date of the acquisition are as follows:

	(Millions of Yen)
Property, plant and equipment	151
Other intangible assets	17,456
Deferred tax assets	3,167
Cash and cash equivalents	1,084
Other assets	41
Other liabilities	(2,494)
Fair value of assets acquired and liabilities assumed (Net)	19,405
Goodwill	24,332
Total	43,737
Fair value of purchase consideration transferred	43,737

Certain items reflect provisional amounts based on reasonable information obtained at the end of the fiscal year as the purchase price allocation is incomplete.

Goodwill mainly comprises the value of expected synergies arising from the acquisition and future economic benefits, which is not separately recognised.

(3) Acquisition-related costs

Acquisition-related costs: 939 million yen

Acquisition-related costs were recognised in selling, general and administrative expenses in the Consolidated Statement of Income.

(4) Effect on the Consolidated Statement of Income

(i) Profit (loss) before tax of the acquiree since the acquisition date included in the Consolidated Statement of Income: (638) millions yen

(ii) Profit (loss) before tax of the combined entity for the fiscal year ended 31 March 2016 assuming the acquisition date had been at the beginning of the fiscal year (Unaudited): (5,357) million yen

Segment information

The main activities of the Group are the manufacture and sale of pharmaceutical products, and there are no separate operating segments. Therefore, the Group has a single reporting segment, “Pharmaceutical”.

Information about products and services

Sales by type of product and service are as follows:

(Millions of Yen)

	Fiscal year ended 31 March 2015	Fiscal year ended 31 March 2016
XTANDI	137,189	252,075
Prograf	194,712	203,556
Vesicare	135,241	135,638
Other	780,118	781,438
Total	1,247,259	1,372,706

Information about geographical areas

Sales and non-current assets by geographical areas are as follows:

Sales by geographical areas

(Millions of Yen)

	Fiscal year ended 31 March 2015	Fiscal year ended 31 March 2016
Japan	488,363	489,969
Americas	358,196	452,697
U.S.A. (included in Americas)	334,178	429,518
EMEA	320,973	334,572
Asia and Oceania	79,728	95,467
Total	1,247,259	1,372,706

（Notes） 1. Sales by geographical areas are categorised by country or areas based on the geographical location of customers.

2. Sales to the Middle East and Africa, previously included within “Asia, Oceania and other”, are now classified in “EMEA” to better reflect association with structure of the Group. The amounts of Fiscal year ended 31 March 2015 are also reclassified.

Non-current assets by geographical areas (Property, plant and equipment, goodwill and other intangible assets)

(Millions of Yen)

	As of 31 March 2015	As of 31 March 2016
Japan	308,426	370,894
Americas	286,413	281,544
U.S.A. (included in Americas)	286,100	281,311
EMEA	35,729	34,505
Asia and Oceania	4,481	3,874
Total	635,050	690,817

（Note） Non-current assets located in the Middle East and Africa, previously included within “Asia, Oceania and other”, are now classified in “EMEA” to better reflect association with structure of the Group. The amounts of Fiscal year ended 31 March 2015 are also reclassified.

Information about major customers

External customers that account for 10 percent or more of consolidated sales of the Group are as follows:

(Millions of Yen)

	Segment	Fiscal year ended 31 March 2015	Fiscal year ended 31 March 2016
McKesson Corporation	Pharmaceutical	126,308	156,245

Earnings per share

The basis of calculation of basic earnings per share and diluted earnings per share is as follows:

(Millions of Yen, except as otherwise indicated)

	Fiscal year ended 31 March 2015	Fiscal year ended 31 March 2016
Basis of calculating basic earnings per share		
Profit attributable to owners of the parent	135,856	193,687
Profit not attributable to ordinary shareholders of the parent	—	—
Profit used to calculate basic earnings per share	135,856	193,687
Weighted average number of shares during the year (Thousands of shares)	2,209,080	2,158,131
Basis of calculating diluted earnings per share		
Profit used to calculate basic earnings per share	135,856	193,687
Adjustment	—	—
Profit used to calculate diluted earnings per share	135,856	193,687
Weighted average number of shares during the year (Thousands of shares)	2,209,080	2,158,131
Subscription rights to shares (Thousands of shares)	3,406	3,175
Weighted average number of diluted ordinary shares during the year (Thousands of shares)	2,212,486	2,161,306
Earnings per share (attributable to owners of the parent):		
Basic (Yen)	61.50	89.75
Diluted (Yen)	61.40	89.62

Significant subsequent events

Not applicable.