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News Release

Astellas Announces Transfer of U.S. Manufacturing Subsidiary to Avara

Tokyo, August 4th, 2016 -- Astellas Pharma Inc. (TSE: 4503, President and CEO: Yoshihiko Hatanaka, "Astellas") today announced that Astellas' US holding company, Astellas US Holding, Inc. ("Astellas US Holding"), has transferred its wholly owned manufacturing subsidiary Astellas Pharma Technologies, Inc. (Location: Norman, OK, USA, "APT") to Avara Norman Pharmaceutical Services, Inc. (Headquarters: Norwalk, CT, USA, "Avara"). Astellas Pharma Technologies, Inc. will be renamed Avara Pharmaceutical Technologies, Inc.

"We sincerely thank the Astellas Pharma Technologies employees in Norman for their dedication over many years of service. In addition, I am very grateful for the way they have kept our operation running smoothly through the last months of uncertainty as we searched for the right buyer -- and we wish them the best as they transition to Avara," said Mitsunori Matsuda, president of Technology at Astellas. "We have confidence that Avara is the right company to oversee the continuing supply of the Astellas products that are made at the facility, as well as the fulfillment of capacity use at and capabilities of the facility. We look forward to working with Avara as the new owner of the facility to ensure the continuous supply of our products for the patients who need them."

Astellas is engaged in ongoing efforts to create organizations and systems that can flexibly respond to rapidly changing environments and work toward higher quality and efficiency of operations. In the areas of manufacturing and technology, Astellas strives to promote the establishment of a stable manufacturing system that will efficiently realize the steady supply of high-quality drugs through the effective use of external resources and the strengthening of Astellas' own internal functions. As a part of these efforts, Astellas has transferred APT, which owns the plant used for the formulation and packaging of certain Astellas pharmaceutical products, to Avara.

Under the terms of the transaction, APT employees will remain employed at the site, and the plant will continue to manufacture certain Astellas products on a contract basis.

Astellas expects to continue to source a stable supply of high-quality products from the facility under the oversight of Avara.

Deloitte Corporate Finance served as financial advisor to Astellas in connection with the transaction.

1. Financial terms of this deal

Financial terms including the value of this acquisition are not disclosed.

2. Outline of APT and the Norman Plant

■ Astellas Pharma Technologies, Inc.

Location	:	Norman, OK, USA
Representative	:	Brian McLellan, President
Capital	:	100% owned by US holding company, Astellas US Holding, Inc.
Business description	:	Manufacturing of pharmaceutical products

■ Norman Plant

Site area	:	Approx.810,000 m^2
Building area	:	Approx.29,000 m^2
Total number of employees	:	Approx.200 (as of June 2016)

3. Outline of Transferee

Company name	:	Avara Norman Pharmaceutical Services, Inc.
Head office	:	Norwalk, CT, USA
Representative	:	Timothy C. Tyson, Chairman, Chief Executive Officer
Capital	:	Avara US Holdings, Ltd. 100%
Business description	:	Contract manufacturing of pharmaceutical products

In line with the transfer of APT, Astellas expects approximately ¥9.0 billion of one-time expenses including impairment loss of plant and equipment, among others, for the second quarter ending September 30, 2016. Astellas doesn't revise the full-year consolidated business forecasts for FY2016 (April 1, 2016 to March 31, 2017) announced in May 2016.

About Astellas

Astellas Pharma Inc., based in Tokyo, Japan, is a company dedicated to improving the health of people around the world through the provision of innovative and reliable pharmaceutical products. We focus on Urology, Oncology, Immunology, Nephrology and Neuroscience as prioritized therapeutic areas while advancing new therapeutic areas and discovery research leveraging new technologies/modalities. We are also creating new value by combining internal capabilities and external expertise in the medical/healthcare business. Astellas is on the forefront of healthcare change to turn innovative science into value for patients. For more information, please visit our website at www.astellas.com/en.

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Cautionary Notes

In this press release, statements made with respect to current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Astellas. These statements are based on management's current assumptions and beliefs in light of the information currently available to it and involve known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to: (i) changes in general economic conditions and in laws and regulations, relating to pharmaceutical markets, (ii) currency exchange rate fluctuations, (iii) delays in new product launches, (iv) the inability of Astellas to market existing and new products effectively, (v) the inability of Astellas to continue to effectively research and develop products accepted by customers in highly competitive markets, and (vi) infringements of Astellas' intellectual property rights by third parties.

Information about pharmaceutical products (including products currently in development) which is included in this press release is not intended to constitute an advertisement or medical advice.

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