Press Release

Astellas Reports the First Nine Months Financial Results of FY2016

- Sales decreased (-5.6%) on reported basis and increased approximately 3% on a constant currency basis; Increased core operating profit (+3.4%) and core profit (+4.6%)
- Sales of XTANDI® (enzalutamide) grew while overall overactive bladder (OAB) treatments decreased due to the impact of foreign exchange
- Sales in EMEA increased, and sales in Americas, Asia and Oceania decreased while increased on a constant currency basis. Sales in Japan decreased due to the impacts such as a National Health Insurance ("NHI") drug price revision
- Astellas continues to create a solid and resilient growth over the mid-to long-term
  - · Astellas completed acquisition of Ganymed Pharmaceuticals in December 2016

Tokyo, January 31, 2017 - Astellas Pharma Inc. (TSE: 4503, President and CEO: Yoshihiko Hatanaka, "Astellas") today announced financial results for three quarters of fiscal year 2016 ending March 31, 2017 ("FY2016").

"We achieved many milestones including acquisition of Ganymed Pharmaceuticals, a Germany-based pharma, last December. The acquisition of Ganymed will enable Astellas to further expand its oncology pipeline with a late stage antibody program for the treatment of gastroesophageal cancer," said Yoshihiko Hatanaka, President and CEO, Astellas. "We remain committed to creating innovative medical solutions and delivering value for stakeholders including patients, as we reinforce our strategic plan through maximizing the product value, creating innovation and pursuing operational excellence."

Consolidated Financial Results (April 1, 2016 – December 31, 2016) (core basis)

(Millions of yen)

	First nine months of FY2015	First nine months of FY2016	Change (%)
Sales	1,065,666	**1,005,587**	-60,079 (-5.6%)
Core operating profit	233,863	**241,837**	+7,974 (+3.4%)
Core profit for the period	169,379	**177,189**	+7,810 (+4.6%)
Basic core earnings per share (yen)	78.16	**83.62**	+5.46 (+7.0%)

Revenue Highlights for First Nine Months

Sales in the first nine months of FY2016 decreased by 5.6% compared to those in the corresponding period of the previous fiscal year ("year-on-year") and resulted in 1,005.6 billion yen. Sales decreased due to the impact of foreign exchange as well as the impact of the NHI drug price revision in Japan enforced in April 2016. On a constant currency basis, however, sales increased by approximately 3% year-on-year.

In terms of global products, sales of XTANDI® grew while sales of overall OAB treatments Vesicare® (solifenacin succinate) and Betanis® / Myrbetriq® / BETMIGA® decreased due to the impact of foreign exchange. Prograf® (tacrolimus) sales also decreased.

< Sales by Region[1] >

- Sales in **Japan** decreased by 4.2% year-on-year to 380.1 billion yen. Sales in the Japanese market decreased by 7.2% year-on-year to 358.2 billion yen mainly due to the impact of the NHI drug price revision. There was growth in sales of products including overall OAB treatments (Vesicare® and Betanis®), Celecox® (celecoxib), Symbicort® (budesonide and formoterol fumarate dihydrate) and Suglat® (ipragliflozin). Sales of XTANDI® decreased due to the impact of the NHI drug price revision. Sales of vaccines declined due to the continued impact of shipping restraints by the manufacturer in FY2015 (shipments of some of the products have

[1] Based on location of sellers

already recommenced). Revenues were impacted by the decline in sales of products including Lipitor® (atorvastatin calcium) and Gaster® (famotidine) mainly due to the impact of generics.

- Sales in the **Americas** decreased by 11.6% year-on-year to 308.1 billion yen; however sales on a U.S. dollar basis increased by 0.8% year-on-year to 2,889 million USD. The increase in sales of CRESEMBA® (isavuconazonium sulfate) contributed to the sales growth. Sales of products including XTANDI®, overall OAB treatments (VESIcare® and Myrbetriq®) and Lexiscan® (regadenoson) decreased due to the impact of foreign exchange, while the sales of each product on a US dollar basis increased. Sales of Prograf® decreased.

- **EMEA**[2] saw a 0.6% increase in sales year-on-year to 252.9 billion yen, with growth from XTANDI®. Sales on a euro basis increased by 14.6% year-on-year to 2,143 million euros. Sales of overall OAB treatments (Vesicare® and BETMIGA®) and Prograf® declined due to the impact of foreign exchange.

- In **Asia and Oceania**, sales decreased by 6.3% year-on-year to 64.5 billion yen, while the sales on a constant currency exchange rate basis increased by 9.5%. XTANDI® and overall OAB treatments (Vesicare® and BETMIGA®) contributed to the revenue growth. Sales of Prograf® and Harnal® (tamsulosin hydrochloride) declined mainly due to the foreign exchange impact.

Other Financial Highlights

Based on the transfer of the global dermatology business in April 2016, the sales and expenses of the transferred products were not included in the first nine months of FY2016; however the consideration for the business transfer was recognized as revenue over certain periods. As a result, there were certain positive impacts on sales and profit for the first nine months of FY2016.

Latest Strategic Highlights

Astellas continues to create sustainable growth over the mid-to long-term through the pursuit of three main strategies – “Maximizing the Product Value,” ” Creating Innovation” and “Pursuing Operational Excellence.” The company achieved multiple

[2] EMEA: Europe, the Middle East and Africa

accomplishments during the third quarter of FY2016 (October 1, 2016 – December 31, 2016) including the most recent highlights outlined below.

Maximizing the Product Value

- Continued to maximize the growth of the oncology franchise centered on XTANDI® and the OAB franchise comprised of Vesicare® and Betanis® / Myrbetriq® / BETMIGA® with new launches across various countries and growth in sales

Creating Innovation

- Advanced multiple strategic collaborations including:
  - Completion of acquisition of Ganymed Pharmaceuticals

Pursuing Operational Excellence

- Optimal allocation of resources:
  - Transfer of commercial rights for Qutenza (capsaicin 8% patch) to Grünenthal in in Europe, Middle East and Africa
- Continually enhance organization structure:
  - Outsourcing of facility and equipment management support in Japan, and dissolution of Astellas Business Service Company Limited

NOTE: For further information on the results, please refer to the reference documents: Financial Results, Supplementary Documents, Overview of R&D Pipeline and Presentation Material for Information Meeting available on the Astellas website.

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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.

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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