Astellas Pharma Inc.

The 17th Term Annual Shareholders Meeting

June 20, 2022

Event Summary

[Company Name]	Astellas Pharma Inc.
[Company ID]	4503-QCODE
[Event Language]	JPN
[Event Type]	Shareholders Meeting
[Event Name]	The 17th Term Annual Shareholders Meeting
[Date]	June 20, 2022
[Number of Pages]	28
[Time]	10:00 - 11:54 (Total: 114 minutes)
[Venue]	“Banquet Room Fuyo” Hotel New Otani Tokyo
[Number of Speakers]	20 (including 11 Directors)

Yoshihiko Hatanaka	Representative Director, Chairman of the Board
Kenji Yasukawa	Representative Director, President, and CEO
Naoki Okamura	Representative Director, Executive Vice President, Chief Strategy Officer
Mamoru Sekiyama	Outside Director
Hiroshi Kawabe	Outside Director
Tatsuro Ishizuka	Outside Director
Takashi Tanaka	Outside Director
Toru Yoshimitsu	Director, Full-time Audit & Supervisory Committee Member
Hiroo Sasaki	Outside Director, Audit & Supervisory Committee Member
Haruko Shibumura	Outside Director, Audit & Supervisory Committee Member
Raita Takahashi	Outside Director, Audit & Supervisory Committee Member
Fumiaki Sakurai	Chief Administrative Officer and Chief Ethics & Compliance Officer

Yukio Matsui	Chief Commercial Officer
Yoshitsugu Shitaka	Chief Scientific Officer
Minoru Kikuoka	Chief Financial Officer
Catherine Levitt	General Counsel
Hideki Shima	Chief Manufacturing Officer
Shigeki Tanaka	Head of Japan-Asia development
Eriko Sakurai	Candidate for Outside Director
Mika Nakayama	Candidate for Outside Director, Audit & Supervisory Committee Member

Presentation

Yasukawa: Good morning. I am Kenji Yasukawa, President of Astellas Pharma Inc. Thank you very much for taking time out of your busy schedule to attend this Annual Shareholders Meeting of Astellas today. I will preside as the Chairman of this meeting, according to the Articles of Incorporation.

The 17th Annual Shareholders Meeting of Astellas Pharma, Inc. is now in session.

As previously announced, this meeting is held for both shareholders who are attending the meeting venue and those who are attending online. In order to prevent the spread of COVID-19, we will make every effort to ensure that the proceedings of today's meeting will proceed smoothly and promptly. Your cooperation is highly appreciated.

Now, as stated on page two of the Notice of Convocation as the purpose of today's meeting, I would like to present matters to be reported and proposals one, two, and three, which are the matters to be resolved. Additionally, I would like to report that the required quorum has already been met for all matters to be resolved at this meeting.

The proceedings of today's meeting will be conducted in the order shown on the slide.

First, I will report on the matters to be reported and explain the matters to be resolved. After that, I would like to answer questions from the shareholders in three parts.

First, we will answer advanced questions from shareholders in accordance with the method provided in the Notice of Convocation. Next, we will receive all comments from shareholders attending the meeting venue, including questions, comments, and motions regarding the matters to be reported and the matters to be resolved. And finally, we will respond to questions and comments from shareholders attending online.

Please refer to page nine of the Notice of Convocation on how to submit questions when attending online.

Questions from shareholders attending the meeting online will be accepted from the time of the opening of the meeting until the completion of responses to the advanced questions. Around 40 minutes is expected to be available for the reception of the questions.

Once we have completed our deliberations, we will move on to the voting of the proposals. At that time, I will inform you of the time to vote on the proposals. As stated on page eight of the Notice of Convocation, motions to be addressed will be limited to those submitted by shareholders attending the meeting venue, including motions on all matters regarding the Annual Shareholders Meeting procedures and proposals.

As such, motions submitted by shareholders attending online will not be accepted. Thank you for your understanding.

A non-Japanese officer is also on stage today. Please be advised that when they give their answers, they will do so through an interpreter.

Now, prior to the deliberation of the matters to be reported and the proposals, the Audit and Supervisory Committee will present the audit report. The Audit and Supervisory Committee will report collectively, including Independent Auditor’s Report on the consolidated financial statements.

Director Yoshimitsu, please.

Yoshimitsu: I am Yoshimitsu, a full-time Audit and Supervisory Committee member. On behalf of the Audit and Supervisory Committee, allow me to report the results of deliberation at the meeting of the Audit and Supervisory Committee.

The results of the audit of the Director's performance of their duties during the Company's 17th term business year are described in the audit report of the Audit and Supervisory Committee on page 113 of the Notice of Convocation.

We confirm that the Business Report and the related supplementary schedules accurately present the position of the Company in conformity with the relevant laws and regulations and the Articles of Incorporation of the Company.

We confirm that no misconduct or a material fact constituting a violation of any laws or regulations, or the Articles of Incorporation was found with respect to the Directors in the performance of their duties.

We confirm that the resolution of the Board of Directors relating to the internal control system is reasonable. There are no matters to be pointed out regarding the details of the Business Report and Directors' performance of their duties on the internal control system.

Next, regarding the audit of the consolidated financial statements, financial statements, and the related supplementary schedules, we received a report and explanation from the financial auditor, Ernst & Young ShinNihon LLC, as shown on pages 106 through 112 of the Notice of Convocation titled Independent Auditor's Report.

We examined the independence of the financial auditor, their auditing methods, and the quality control system and confirm that the methods and results of the audit carried out with respect to the consolidated financial statements, nonconsolidated financial statements, and the supplementary schedules are appropriate.

That concludes my report on the results of our audit regarding the Directors' performance of their duties during the 17th term business year.

Yasukawa: We will now move on to the report on Business Reports, consolidated financial statements, and nonconsolidated financial statements.

The Business Report for the fiscal year under review is as shown on pages 37 through 99 of the Notice of Convocation and on the Company's website. The consolidated and nonconsolidated financial statements are on pages 100 through 105 of the Notice of Convocation and on the Company's website.

Now, let me present a summary of our consolidated financial results for the 17th term business year, and a review of the first year of our Corporate Strategic Plan 2021.

This page is a disclaimer. Please be noted that the information we are about to explain contains forward-looking statements, which may differ from actual results.

First of all, I would like to give you an overview of our consolidated financial results for FY2021. Financial results on a core basis are adjusted from a full basis to exclude nonrecurring special factors and to show the Company's true earnings power.

Consolidated results for the period under review showed an increase in revenue and a decrease in profit. Revenue increased YoY, while core operating profit and core profit decreased YoY. Revenue totaled

JPY1,296.2 billion, up 3.7% from the previous business year, the first revenue increase in three years since FY2018.

Sales of XTANDI and key strategic products which support our growth expanded, offsetting a decline in sales due to the termination of sales agreements and divestiture. Gross profit was JPY1,043.1 billion, up 4% YoY. SG&A expenses were JPY548.8 billion, up 8.8% from the previous year.

We aggressively invested in company-wide projects to promote innovation and ensure the success of our human resources, digital transformation, and maximizing the value of new products.

On the other hand, the rapid JPY depreciation at the end of the fiscal year, combined with our response to various geopolitical issues ultimately led to a higher-than-expected increase in SG&A expenses.

While our basic policy is to place the highest priority on investments for long-term growth and future efficiency, we will continue to thoroughly review costs that do not contribute to the Company's competitiveness and value enhancement in addition to using our management resources more efficiently.

R&D expenses totaled JPY246 billion, up 9.6% from the previous year. As a result, the core operating profit was JPY244.7 billion, down 2.6% YoY.

Next is the consolidated results on a full basis.

Revenue, operating profit, profit before tax, and profit increased across the board. Results on a full basis include revenues and expenses that were excluded as nonrecurring items when reconciling to results on a core basis. Operating profit on a full basis was JPY155.7 billion, up 14.4% YoY. Profit on a full basis was JPY124.1 billion, an increase of 2.9% YoY.

Next, I will explain the activities and results of the current fiscal year, the first year of the Corporate Strategic Plan 2021.

In May last year, we announced the Corporate Strategic Plan 2021, a new five-year management plan starting from FY2021. In order to realize our vision of “On the forefront of health care change to turn innovative science into VALUE for patients”, the Corporate Strategic Plan 2021 will continue the basic strategies of the Corporate Strategic Plan 2018.

While continuing with the basic strategies of the Corporate Strategic Plan 2018, we will aim for even a higher level by evolving and developing each strategy and enhancing the ability to execute them. Specifically, we envisioned the ideal state of our company, which we aim to achieve from a long-term perspective.

Beyond the Corporate Strategic Plan and set strategic goals that will serve as the core to achieve it, we then set organizational health goals to create an appropriate environment to enhance our ability to execute those strategies and foster a better corporate culture.

The organizational health goals are guidelines for Astellas to dramatically improve its ability to execute and transform itself into an organization of sustainable growth and innovation. We also set performance targets that we believe we can reach when all these goals are achieved.

Today, let me explain the results of our activities during the current fiscal year, in line with our strategic objectives.

In the Corporate Strategic Plan 2021, we set four strategic goals. Strategic goal one is to enable patients to achieve better outcomes.

For XTANDI and our key strategic products, XOSPATA, PADCEV, Evrenzo, fezolinetant, zolbetuximab, and AT132, in which we invest management resources with priority and drive medium- to long-term growth, we are developing and executing optimal regulatory submission plans and sophisticated launch plans to ensure that each product can maximize the potential value.

I will explain the sales for this term of XTANDI and key strategic products that support Astellas growth.

Sales of XTANDI were JPY534.3 billion, up by 16.6% YoY. The Company worked on strengthening the initiatives for optimal NHI prices and to be reimbursed and seeking further expansion of prospections in the early-stage prostate cancer market by utilizing a robust database on clinical trials accumulated after launch, and this led to an increase in sales in all the regions we have launched the product.

Next is XOSPATA. Sales were JPY34.1 billion, up by 42.9% YoY. As a new option for AML treatment, we have worked on penetrating the product into hematologists and oncologists, improving the product awareness and execution rate of testing of gene mutation targeted by XOSPATA, which led to an increase in sales in each region.

Next, PADCEV sales were JPY21.7 billion, up by 69.5% YoY. Especially in the US, it has become a recommended treatment option for the indication that has been approved up to now and led to further penetration into the market.

Moreover, this term has obtained approval on additional indications this term, which led to seeking further penetration into new patients and resulted in an increase in sales. Evrenzo sales was JPY2.6 billion, up 131.5% YoY. Sales in Japan increased.

Next, I will explain the main progress in the development of key strategic products.

XTANDI in Europe obtains approval regarding additional indication for metastatic hormone-sensitive prostate cancer. PADCEV in the US obtained approval regarding additional indication for early treatment line of metastatic urothelial cancer.

Moreover, in Europe, it obtained approval this April as monotherapy for metastatic urothelial cancer with treatment history, and a recommendation for manufacturing and marketing was adopted. And in Japan also, it has obtained approval for manufacturing, and marketing as a treatment drug for metastatic urothelial cancer with treatment history.

Fezolinetant in Phase III clinical trial, targeting women with moderate-to-severe last slow motor neurolysis associated with menopause was able to confirm the data that will support filing for approval in the US and Europe from now.

As for gene therapy drug, AT132 for patients with x-linked myotubular myopathy, it has received a notice from US FDA to suspend the clinical trial Phase I and II due to a serious adverse event.

Strategic goal two is to translate innovative science into proven value. We executed the Focus Area approach, which is our R&D strategy, and continue to explore innovation and take on the challenge of innovative drug discovery.

This slide shows the main progress on the Focus Area approach for this term.

This term, they were in total nine new drug candidates that have started penetration for clinical trial as a result of progress in research.

One each from our Primary Focus, gene regulation, immuno-oncology, blindness and regeneration, and mitochondrial biology, and five from Primary Focus Candidates and others. Furthermore, there were two from the Primary Focus, immuno-oncology, one from mitochondrial biology, and one from Primary Focus Candidates that newly entered the clinical trial stage.

On the other hand, there were no early-stage development projects, for which we were able to confirm the mode of action of the drug efficacy during the clinical trial.

During the Corporate Strategic Plan 2021, we moved forward tens of several promising projects that came out from each Primary Focus to the clinical trial stage, and we're going to work on the determination of clinical efficacy during the strategic plan period. Therefore, we will continue to focus on this in FY2022.

Strategic goal three is “Advance the Rx+® business”. We consider the Corporate Strategic Plan 2021 term is the stage for initiatives towards business creation is going to bear fruit. Therefore, we aim to convert several of the projects.

As for the main progress for these terms, our Rx+® program, as shown on the left side of the slide, ASP5354, a program for intraoperative ureter visualization using the fluorescent substance, has shown good efficacy and safety in a Phase II study.

On the right-hand side of the slide, the MYHOLTER II, a data analysis algorithm for Holter electrocardiography using artificial intelligence was launched as a service by M. Heart, our collaborative partner, making the first commercialization of our Rx+® business.

Strategic goal four is to strengthen our efforts to improve sustainability. Our activities are based on our sustainability philosophy, which is to improve the sustainability of society and Astellas together while taking ESG into consideration. In particular, we will focus on improving “Access to Health” and the environment as key themes with the aim of earning the trust of our stakeholders.

Today, I would like to explain our initiatives of improving access to our products for patients. We received requests for our drugs from patients around the world who have exhausted their treatment options but cannot obtain our drugs through normal means.

For patients, for a variety of reasons, are unable to obtain prescriptions for our products, we consider and implement programs to improve the availability of our products from the drug development stage through post-launch.

For example, we have the International Pharmacy Program. This is a program that allows products approved and marketed in major countries to be imported and used in other unapproved countries under certain conditions. As a result, PADCEV is currently available for import in more than 50 countries.

Through various other programs, we are providing much-needed products to patients suffering from serious and life-threatening diseases.

In the Corporate Strategic Plan 2021, we have set numerical targets that represent what we believe we can achieve when all four strategic goals we have described are achieved. All of these targets are to be achieved by FY2025.

The first is to achieve sales of JPY1.2 trillion or more for expanding and key strategic products. The second is to enhance the portfolio of developed products to the point where sales of products created through the Focus Area approach are expected to reach JPY50 billion or more in FY2030. The third is to achieve a core operating margin of 30% or more.

By achieving these performance goals, we aim to become a company that is recognized by the stock market as having a market capitalization of JPY7 trillion as of FY2025. After completing the first year of the Corporate Strategic Plan 2021, we believe that we have made overall progress in line with the plan and that the achievement of the performance targets outlined here is fully feasible.

This slide explains our shareholder return policy. There is no change in our existing policy of placing the highest priority on business investment to achieve growth and to make stable and sustainable dividend increases based on medium- to long-term profit growth.

During the period of the Corporate Strategic Plan 2021, we will aim to pay a higher level of dividends based on a solid profit growth forecast. For FY2022, we expect to increase dividends by JPY10 to JPY60. We hope that this dividend increase will serve as a beginning to boost the increase in the market capitalization of the Company's shares.

We are committed to staying at “On the forefront of health care changes and translating innovative science into VALUE for patients”. We look forward to your continued support in the years ahead.

This concludes my reporting.

Now, I would like to explain the matters to be resolved in order.

Proposal one is a partial amendment to the Articles of Incorporation. The reasons for and details of this proposal are as stated on pages 13 to 15 of the Notice of Convocation.

To amend the Articles of Incorporation in order to prepare for the introduction of the system of electronic provision of reference documents for the shareholder meeting as stipulated in the provisions of the revised Companies Act, which will come on September 1, 2022.

For details of the electronic delivery system, please refer to the information and leaflet enclosed with the Notice of Convocation.

Proposal two, the election of six Directors who are not Audit and Supervisory Committee Members. The term of office of all seven current Directors who are not Audit and Supervisory Committee Members will expire at the close of this Annual Shareholders Meeting.

Therefore, the Company proposes the election of six Directors who are not Audit and Supervisory Committee Members. The candidates are Kenji Yasukawa, Naoki Okamura, Mamoru Sekiyama, Hiroshi Kawabe, Takashi Tanaka, and Eriko Sakurai.

Four of the candidates, Mamoru Sekiyama, Hiroshi Kawabe, Takashi Tanaka, and Eriko Sakurai are candidates for outside Director.

Therefore, if this proposal is approved, there will be six Directors who are not Audit and Supervisory Committee Members, and four of them will be outside directors.

Upon the conclusion of this Annual Shareholders Meeting, two of the current Directors who are not Audit and Supervisory Committee Members, Yoshihiko Hatanaka and Tatsuro Ishizuka, will retire from the Board of Directors.

Brief personal histories of each candidate are as indicated on pages 16 through 27 of the Notice of Convocation.

The third item on the agenda is the election of three Directors who are Audit and Supervisory Committee Members.

At the conclusion of this Annual Shareholders Meeting, the term of office of current three Directors who are Audit and Supervisory Committee Members, Toru Yoshimitsu, Hiroo Sasaki, and Raita Takahashi, will expire.

Therefore, the Company proposes the election of three Directors as Audit and Supervisory Committee Members. The candidates are Toru Yoshimitsu, Raita Takahashi, and Mika Nakayama. Two of the candidates, Raita Takahashi and Mika Nakayama, are candidates for outside directors.

Haruko Shibumura will continue to serve as an outside director and Audit and Supervisory Committee Member.

Therefore, if this proposal is approved, there will be four Directors who are Audit and Supervisory Committee Members, three of whom will be outside directors. The Company has obtained the consent of the Audit and Supervisory Committee for this proposal.

Brief personal histories of the candidates and other information are provided on pages 28 through 33 of the Notice of Convocation.

This concludes the explanation of the matters to be resolved at this Annual Shareholders Meeting.

Question & Answer

Yasukawa [Q]: Next, we would like to answer the questions that we received from the shareholders in advance. We have received a total of five questions at this time.

The first question is, please explain the current situation and the impact on short-term business performance due to the change in the domestic sales structure in April 2022.

Matsui, Chief Commercial Officer, will answer this question.

Matsui [A]: This is Matsui, Chief Commercial Officer. I would like to answer your question.

Our Domestic Sales Division established new sales departments based on therapeutic areas and products, specifically solid tumors, blood cancer, rheumatoid arthritis, and specialty care, with the aim of providing and collecting more specialized information.

In addition, to support these activities, we reviewed all the head office functions of the sales organization and established two new departments, the Digital Communication department and the Commercial Excellence department. We have shifted to a new sales organization structure.

Since the organization change was made in April, we have not yet been able to fully examine the effects of the change. And it is too early to say how it will affect our short-term business performance. But we think the new structure is up and running smoothly and is functioning well.

We expect that the new system will enable us to continue to provide patients with the value of our pharmaceutical products even in the midst of drastic changes in the internal-external environment.

Thank you. I hope this answers your question.

Yasukawa [Q] Next, the second question. Other expenses excluded on a core basis of JPY104.3 billion, excluding AT132, ASP2390, and ASP1951, would still amount to about JPY50 billion. What kind of expenses are these? Is this regarding the results of FY2021?

Kikuoka, Chief Financial Officer, will answer this question.

Kikuoka [A]: My name is Kikuoka. I am Chief Financial Officer. I would like to answer this question.

As stated on page 40 of the Notice of Convocation, we recorded impairment losses totaling JPY47.7 billion for AT132, ASP2390, and ASP1951 in the fourth quarter of FY2021.

In addition, other expenses incurred from the first to the third quarter include an impairment loss of JPY21.5 billion due to the termination of the development of the DNA vaccine ASP0892.

JPY15.8 billion and additional retirement benefits related to the early retirement incentive plan for employees of the Company and domestic group companies, and an increase in the fair value of contingent consideration of JPY7 billion due to the revision of the development plan for zolbetuximab for pancreatic adenocarcinoma.

This concludes my answer.

Yasukawa [Q]: Moving on to the third question. Could you share with us the progress of your gene therapy program for glaucoma?

Shitaka, Chief Scientific Officer, will answer this question.

Shitaka [A]: This is Shitaka, Chief Scientific Officer. I would like to answer your question. Our gene therapy program for glaucoma is currently in the research stage. And the Astellas Gene Therapies, which serves as our core center for gene therapy, is diligently conducting various preclinical studies to select candidates for clinical development.

Please note that we do not disclose the details on the progress of projects in the research stage for the sake of competition with other companies. Thank you. I hope this answers your question.

Yasukawa [Q]: Next is the fourth question. It appears that a number of development items are failing. Where is the problem? Are there any promising development candidates to replace them in the future after XTANDI's patent expires?

The Chief Medical Officer, due to personal reasons, was not able to leave the United States. Therefore, this question will be answered by Tanaka, who is in charge of the Development Division.

Tanaka [A]: I am Tanaka, General Manager of the Development Division. I will answer the question.

As for the candidates that will replace XTANDI after its patent expires, we plan to make up for XTANDI sales in the medium term with strategic products such as XOSPATA, PADCEV, fezolinetant, and zolbetuximab, which are considered to be key strategic products and progressing well.

In order to achieve further long-term growth, the Company is engaged in research and development activities based on the Focus Area approach. The programs resulting from the Focus Area approach are in the early stage of development, prior to determining the efficacy of the drug in humans. We see the question that many development items are failing. However, in general, it is during the stage of development that the risks are the highest.

The animal models used in preclinical trials are not the same as human diseases, and clinical trials may show unexpected toxicity or may not be able to confirm the expected efficacy. This is especially apparent when pursuing entirely new disease targets and utilizing innovative technologies. To manage such risks appropriately, we have a fairly broad initial R&D portfolio covering a variety of mechanisms and technologies.

In FY2021, unfortunately, no programs have had validated efficacy in the clinical trials. However, several new programs have been created that have newly entered the clinical trial settings and have begun preparations for clinical trials, and we are confident that our Focus Area approach is producing positive results.

This concludes my answer.

Yasukawa [Q]: Next is the last question. I cannot agree with the plan to introduce the technology with big pharma in the US because they put the highest priority on profit and do not care what happens to the rest as long as they can make a profit, and they have no consideration for patients and the general public. There are many excellent research institutes in Japan, so we want you to give priority to the domestic approach and domestic research.

Okamura, Chief Strategy Officer, will answer your question.

Okamura [A]: This is Okamura, Chief Strategy Officer. I would like to answer your question.

First of all, let me mention that we have not introduced any technology or product with big pharma in recent years, except in cases where our partner was later acquired by a big pharma. For example, XTANDI's long-lasting partner Medivation was acquired by Pfizer in the summer of 2016. So that is a typical example.

When forming alliances, whether in Japan or overseas, our decision criteria are: first, that a pipeline or technology is extremely innovative and competitive in order to maximize value for patients.

Second, it is in line with our strategy. And third, it will contribute to our sustainable growth and profit.

These three are used as our decision criteria.

We have been actively pursuing R&D alliances with universities and other companies by leveraging our presence in Japan. For example, the ASP9801 oncolytic virus with an immune-stimulating gene that is currently in the clinical trial stage is the technology introduced by Tottori University in March 2018. As mentioned in the Business Report earlier, Rx+® business program, ASP5354, is with Mie University and Nagoya University. We introduced technology to them.

Recently, especially in recent years, Japanese universities and companies have become more active in their partnership activities in an environment that facilitates the growth of start-ups originating in Japan is gradually being created.

We will continue to position Japan as one of the most important centers of innovation, while actively considering partnerships on a global basis. Thank you very much. I hope this answers your question.

Yasukawa [M]: Those were the answers to the questions received in advance. For those shareholders who submitted the questions in advance, thank you very much.

As I mentioned in the beginning, with this, we would like to end receiving questions and comments from the shareholders attending online.

From now, we would like to receive questions, comments, and motions matters to be reported and the mattersfrom the shareholders in this venue. Afterward, we would like to answer the questions and comments received for towards the matters to be reported and the matters to be resolved from the shareholders attending online, and afterward, we would like to only vote on each item. May we proceed this way?

(Shareholders applauded)

Thank you very much. We will proceed in such a manner.

For those of you in this venue, who would like to ask a question, please raise your hand. I will be appointing you. For the shareholders that I have appointed, the staff members will guide you to the microphone stand set in this room. Please identify your attendance card number, and then state your question or comment. You do not need to say your name.

As I mentioned in the beginning, the current meeting is streamed live to the shareholders attending online. For those of you who are asking questions, please understand that there are shareholders listening to your questions who are not present in this venue. We kindly ask you to limit your question to one. After you're finished asking your questions, please return to your seats.

Now, for the shareholders who would like to ask a question, please raise your hand.

So, the shareholder close to number two. Can you please ask your question?

[Summary of Question]: In Japan, I think that it will be difficult to conduct clinical trials in the future due to the declining population. In addition, the environment and capacities are different in Europe and the United States, such as immigration policies and the healthcare system. I think it may be necessary to reorganize the healthcare industry in Japan and collaborate with foreign companies more. I would like to know what direction and strategies Astellas is planning to take on this matter.

Yasukawa [A]: Thank you very much for your question. Due to the population decline, it must be difficult to conduct clinical trials in Japan. What do we think about reorganizing the industry and consider a partnership with foreign-affiliated companies to improve the number of clinical trials conducted, was this your question?

I will explain first. And then, Tanaka will add comments.

When we plan a clinical trial for a new compound, we do not only plan it in Japan. We plan it on a global basis for a comprehensive clinical trial. Therefore, I do not think that we are inferior to foreign-affiliated companies in that sense.

Regarding the partnership with foreign-affiliated companies, mainly for the anticancer drugs, if we do not see a sufficient level of efficacy with monotherapy in a clinical trial, we consider a combination therapy partnering with other companies.

There are many cases that could be a win-and-win situation. So, in this sense, there is no problem partnering with such companies.

I would like to ask Tanaka, the General Manager of the Development Division to add comments.

Tanaka [A]: I'm Tanaka from the Development Division. Thank you for your question. As you have pointed out, population in Japan is declining, it may be difficult to conduct clinical trials here.

In Astellas, we have three major development sites in the United States, China, and Japan. So, as Yasukawa mentioned, we choose the most appropriate region in the world when we conduct a clinical trial or start the development.

Since we have a very close relationship with doctors, we actively develop global drugs from the initial stage in Japan. In that sense, we are not inferior in terms of development capabilities compared to global pharma companies in the United States or Europe.

Again, we are accelerating the development in Japan and other Asian countries, and also utilizing all the capabilities of Astellas optimally, for a development of global drugs.

Thank you very much. Any other questions?

Yasukawa [M]: So, the shareholder sitting close to number four, please.

[Summary of Question]: In addition to chemotherapy, new treatment options such as robotic surgery and heavy ion beam therapy are available to treat for prostate cancer. What is the advantage of XTANDI over them? Is there still room for growth in XTANDI?

Yasukawa [A]: Thank you for the question. In prostate cancer, other than drug treatment, surgery and other options are available for patients. So, where does XTANDI have the potential to grow? That is how I understood your question.

I will answer first, and then Matsui, Chief Commercial Officer, will add comments.

Prostate cancer is a slow progressing cancer. If you detect it early, there are very few cases where people die from prostate cancer in advanced countries.

Other than chemotherapy, there are XTANDI and other cutting-edge drugs in the market. As you mentioned, surgery is also advanced. But the surgery or radiation therapy does not completely kill the cancer cells. After surgery, it may relapse in some cases. In that case, we suspect that the prostate cancer is no longer a regional cancer, unfortunately. If it becomes an invasive or a metastatic cancer, you will need the drug treatment, and drug treatment might be the best option at that stage. The fight against cancer is long, patients need multiple options of treatment. So, XTANDI and other drugs will contribute to elongating the life of the patients.

It's been 10 years since we launched XTANDI. Initially, it was for a late stage prostate cancer. We first collected data in that stage, and then started the life cycle management, including the evidence of the efficacy and safety of the early stages as well. So now, it has the indication for wide range of patients and is reimbursed in many countries, XTANDI sales are still growing around the world.

Matsui, Chief Commercial Officer, will talk about more specific sales plan.

Matsui [A]: I'm Matsui, Chief Commercial Officer. Thank you very much for your question. Let me respond. As Yasukawa just mentioned, if I may add, new data of XTANDI for treating early-stage patients, including the data from our clinical trials and also the data from physicians, was presented at the ASCO recently, American Society of Clinical Oncology, how it impacts on the survival rate when using XTANDI on early-stage patients.

As Yasukawa mentioned, being able to use XTANDI in the early stage, it expands the treatment options for patients. And with chemo and other treatment, the quality of life is often not achieved, and we understand that unmet needs exist there. So by showing the quality-of-life data and the longer survival rate data to doctors, we think we can provide better life and better treatment options to patients around the world. Thank you. I hope this answers your question.

Yasukawa [M]: Any other questions? The shareholder sitting close to the stand that says number two in the center of the room.

[Summary of Question]: I would like to know about the economic benefits of drug discovery research using robots.

Yasukawa [M]: Thank you very much for your question. Please now return to your seat. So, it's a question related to how the research is done.

Shitaka, Chief Scientific Officer, will answer that question.

Shitaka [A]: My name is Shitaka, Chief Scientific Officer. I would like to answer your question. As you have mentioned, the drug discovery research of our company utilizes AI or robotics, and we're promoting digital drug discovery. With that, we are trying shortening the period to identify the candidate or reducing the number of hours required for the work.

The optimization of the compound usually takes two years but we can reduce that to one year. Also we'll be able to conduct a biological test by using robotics that cannot be usually done by humans.

For Economic benefits, currently, we don't have that much of a large number of robots implemented. So, in terms of the economic impact, it’s not that large yet. However, we would like to establish a system where we can economically benefit by promoting this. That concludes my answer. Thank you.

Yasukawa [M]: Thank you. Any other questions? So, the shareholder sitting close to number two.

[Summary of Question]: I would like to know your current efforts of proving information to medical sites in variety ways such as MR, MSL, and online MR.
(MR: Medical Representative, MSL: Medical Science Liaison)

Yasukawa [M]: Thank you for the question. There are multiple sales channels existing in Astellas, so your question is how we combine them to work as an organization.

So, Matsui, Chief Commercial Officer, will answer this question.

Matsui [A]: I am Matsui, Chief Commercial Officer. Thank you very much for the question. Let me answer the question. So, this was also mentioned in the advanced question earlier. We established new sales departments based on therapeutic areas and products. In addition, we are putting efforts to enhance our digital channels and the collaboration with medical affairs. In order to do that, we have established the Commercial Excellence department and the Digital Communication department.

With this new organization, we are more capable to cater to the physicians' needs. For example, we have many ways to interact with them, through face-to-face, e-mail, symposium, etc. So we analyze their preference of interaction, sometimes use AI to understand the pattern of their thinking and behaviors. And we feed this back to MR.

By doing this, MR is capable of providing information to meet the physician's needs. Not only face-to-face, and not only digital, but we are trying to find the best combination of these, and also utilizing AI to provide information in the best way possible. We are making efforts every day. I hope this answers your question. Thank you.

Yasukawa [M]: Any other questions? The shareholder close to the number four stand, please go over to the microphone stand.

[Summary of Question]: (Question 1) Regarding the core-based consolidated business results, it was explained that core operating profit and core profit decreased due to geopolitical reasons. Is it correct to understand that something unexpected happened? Can I assume that operating profit and profit will also increase if sales increase in the future? (Question 2) Please tell us how you measure the outcomes and how to use the outcomes regarding the VALUE on page 42 of the Notice of Convocation.

Yasukawa [A]: Thank you very much. There were two questions. The first is regarding last fiscal year's performance result. There was an increase in revenue but a decline in profit. Main reasons are due to geopolitical reasons and the control of SG&A, but you'd like to know the details. And the other question is how we measure VALUE. I will explain the first question. And I would like Okamura, Chief Strategy Officer, to answer the second question.

First of all, rapid JPY depreciation has been occurring in the last several months. Yen depreciation should have a positive impact on us because our financial reports are yen-dominated. However, the rapid JPY depreciation occurred at the very end of the FY2021.

It impacted mainly on our procuring and manufacturing business, there was not enough time to actually sell those manufactured products. Therefore, the JPY depreciation had a negative impact on us in FY2021.

And the other issue was due to the Ukraine-Russia war. Adding those two regions makes up about slightly less than 2% of the total sales, this has caused a slight impact on us. We instructed the employees in Ukraine to place priority on their safety, supported them to leave the country.

There was some impact from procuring materials too. Up to several years ago, the procurement of raw materials or manufacturing products was largely focused on saving the cost, but due to geopolitical reasons, we cannot just focus on saving the cost. We needed to also consider the stable manufacturing and stale drug supply globally. Therefore, the increase in the cost of raw materials and the change in how we hold inventories were the reasons too.

As I have explained before, we also made some investment on the initiatives of Organizational Health Goals, and clinical trials of post-PoC products, fezolinetant and zolbetuximab, are on track, and we also invested on the launch activities for these products around the world.

All of this together has led to the increase in SG&A, but we are confident that these are necessary investment for future growth, and this happened due to the temporally reasons such as the war and the rapid JPY depreciation.

I hope I answered your first question. Now moving on to the second question.

Okamura [A]: My name is Okamura, Chief Strategy Officer. Thank you very much for your question.

I believe you would like to know how we are incorporating the idea of VALUE into our daily business. As stated in the Notice of Convocation, in order to realize our vision “being on the forefront of healthcare change to turn innovative science into VALUE for patients”, we have adopted the concept of “Return of Investment” by Prof. Porter from the Harvard Business School.

So we use a fraction to explain VALUE. The numerator is the outcomes that matter to patients, and the denominator is the entire cost that healthcare system must bear to deliver those outcomes. That is how we interpret VALUE. To calculate the cost and outcomes, it is impossible to make detailed calculation from the initial stage of R&D using various detailed information. So, at the early stage of R&D, the outcomes and costs are divided into several elements in a qualitative way. We compare and conduct the analysis whether it's superior, inferior, or the same to the standard of care at that time. And as the development progresses, we look at the outcome how superior it is, compared to the standard of care. This means, we use the data we generate to measure VALUE.

So, we constantly ask ourselves “what is the target? how are our products superior/inferior to others? what do we need to improve?”, from the very beginning of the R&D.

Pharmaceutical companies tend to be very good at improving the outcome and yes, that is our strength. However, considering sustainable health care, we need to consider how we can make the cost, the denominator, smaller.

For the denominator, the cost of the health care system, there are direct costs such as the cost of medicines, surgery, and hospitalization. And also, there are indirect costs such as the cost of managing the hospitals or the cost of maintaining the universal insurance system we have in Japan. And more example, if a patient needs to visit the hospital once a week because that patient cannot go alone and family members have to go with them, that might put burden on that family. So, in that sense, the cost that we describe here includes the cost of families or caregivers of patients.

Therefore, a treatment that requires to go to the hospital once a week is less costly than a treatment that requires to be hospitalized for a month. Or if the form of drug is an oral drug that you can take by yourself, it creates more VALUE than an injection that you need to receive at the hospital. So, these are the things that we consider when calculating VALUE we can provide.

Yasukawa [M]: Any other questions? So, the shareholder sitting close to number two, please.

[Summary of Question]: (Request 1) I would like to ask the chairman to introduce and greet the three retired Directors. (Request 2) I would like to ask for your greetings regarding the two candidates for new Directors. (Question 1) Please tell us about the impact on business by the lockdown in China due to COVID-19. (Question 2) I would like to know about the impact of the earthquake that occurred in Ishikawa Prefecture on the day before the Annual Shareholders Meeting, June 19, 2022, on the business.

Yasukawa [A]: Thank you very much. First, I will talk about what kind of Directors they were, the ones that are resigning at this meeting. And you would like them to say a few words. Secondly, you would like newly appointed Directors to make comments. And also, question about the impact of China's lockdown on our business, and the impact of the earthquake yesterday.

I will answer about the impact of the earthquake happened yesterday in the Noto Peninsula. This had a seismic intensity of 6, but in Toyama and Takaoka where out factories are located, had a seismic intensity of 2 or 3. We did not hear of any damage at this point.

Now, the China lockdown impact on our business. Matsui, Chief Commercial Officer, will explain.

Matsui [A]: So, this is Matsui, Chief Commercial Officer. Thank you very much for your questions. Let me answer them. As you mentioned, the lockdown in Shanghai, Beijing, and other areas is restricting our activities. But in China, more than Japan or the US, they are actively using digital tools and meeting remotely.

So yes, it's true that we have restrictions there, but we have not stopped our sales and marketing activities. In the short-term, we are not seeing any negative impacts on our business yet. For our new products, especially the ones that we are trying to grow in China, such as XTANDI and XOSPATA, and the product that has been in the market for a while, tacrolimus, which is still supporting our business, no short-term negative impact was observed. I believe this is because we have a very strong trusting relationship with our physicians. But as you mentioned, our activities are restricted. We will keep conducting our activities and also follow the government's instructions. Thank you.

Yasukawa [A]: So, now I would like to share my comments for two resigning members. First, Chairman Hatanaka.

Since 2004, right before Fujisawa and Yamanouchi merger had occurred, he led and managed so well that the merger had become very successful. As you have probably seen in the media, but this became one of the most successful cases of a merger in Japan, and he was the key person who made this happen.

So, from 2011 to 2017, he was the CEO. After the merger, he focused on how Astellas can compete equally with global pharmaceutical companies, laid the foundation of the Astellas we have now during his 7 years as the CEO.

He contributed greatly on our old and new business model, globalization, and also creating and penetrating the vision. Not just that, but he took relentless, continuous efforts as JPMA Chairman to raise the presence of the healthcare industry.

The Audit and Supervisory Committee member Sasaki, he is one of the few Board members from the academia. At Board of Directors meetings, he gave us many valuable inputs utilizing his expertise of accounting, business, and sociology. We are very grateful for him.

Director Ishizuka is also stepping down this time. He had rich experience on Corporate Management. So for the strategies we propose, he gave us inputs such as risk evaluation. He was also very interested in the progress of our strategies. He fulfilled the role of a board, we thank him for his contribution.

So, if I could ask one word from each, please.

Hatanaka [A]: I am Hatanaka, Director. Allow me to say a few words.

As Yasukawa said earlier, my seven-years of presidency was creating the foundation of Astellas' strategies and directions that we have now.

In addition to that, in 2018, the governance structure of the Board was strengthened aiming to have faster decision-making, the Audit and Supervisory Committee was established.

And my work through Keidanren has also contributed to improve the position of Astellas in the industry, now Astellas can make suggestions and recommendations on the healthcare industry to the government. Thank you.

Yasukawa [M]: Thank you. Then, I would like to ask Director Ishizuka and the Audit and Supervisory Committee member Sasaki in that order.

Ishizuka [A]: This is Ishizuka. So, as Yasukawa just said, I came from a very different industry. I did business both in Japan and outside of Japan. I had no experience in pharmaceutical business, but I truly believe Astellas is the company that always pursues providing VALUE for patients. I saw Astellas' strong passion to find cure for diseases through collaboration with colleagues and stakeholders in the world.

I hope I made some contributions to Astellas through the development of the mid-term-plan, Corporate Strategic Plan, by discussing with the Board members and Top Management. We focused both on internal and external stakeholders, including patients and shareholders. Thank you very much.

Yasukawa [M]: Audit and Supervisory Committee member Sasaki, please.

Sasaki [A]: I am Sasaki, Audit and Supervisory Committee member. I will step down today, but it has been exactly four years since I became a member of the Board. As Hatanaka just said, there was a change in the organizational structure back then, and I became a member of the newly formed Audit and Supervisory Committee.

Not only fulfilling the responsibilities as a Board member, but I also focused on how we could fulfill the purpose of the Audit and Supervisory Committee to enhance the Astellas' governance. Of course, not just me, but also other members of the Audit and Supervisory Committee worked hard to realize that. We had various discussions over the past four years, and I believe that it is finally fulfilling its purpose.

The Audit and Supervisory Committee should not act like a police. Being both members of a Board and the Audit and Supervisory Committee made me realize that the supervisory function is very important in order for the Company to have a healthy growth. While the basic principle of the Audit and Supervisory Committee is to prevent any inappropriate or illegal activities of the Company, but by strengthening the auditing function, the Company will be able to contribute to the society in a healthier manner and maximize the shareholders profit. And I think that is why we should strengthen the Audit and Supervisory Committee's role.

I think the governance has been strengthened in a very good, favorable way, I feel comfortable in stepping down. Thank you very much.

Yasukawa [M]: Thank you. Next, I would like Sakurai and Nakayama, the new Director candidates, to say a few words. Please wait for a moment, they will come up to the stage.

Eriko Sakurai [A]: I'm Eriko Sakurai, candidate for the Outside Director. I am very honored to have this opportunity to say few words even before I have been appointed.

I have worked for many years in a chemical company engaged in governance, research and development, and manufacturing, all globally. I believe the reasons why I was appointed for this position are the governance I have learned during my years in a chemical company and the experience I have as an Outside Director at the other company.

And one of the shareholders just mentioned earlier about the gender diversity. There was a study session for me, and I have met many people from Astellas. There were various nationalities and genders of employees, it was very clear to me that Astellas is a truly global company, even though it is based in Japan.

I was also able to see the internal processes of decision-making and O was able to recognize that Company truly values global governance. I will do my best to contribute to the Company. Thank you.

Nakayama [A]: I'm Nakayama, a candidate for the Audit and Supervisory Committee. I have worked in a chemical manufacturing company for 38 years. I resigned from that position last Friday. I believe that in terms of the objective of increasing corporate value through innovative technology is the same as that of my former company. Starting today, I would like to put my utmost effort, might not be much, into Astellas to achieve them. Thank you.

Yasukawa [M]: We answered all of your questions. We would like to take one more question from the venue. The shareholder who is sitting close to number four, please go ahead.

[Summary of Question]: About an tortious act that the shareholder alleged to have committed by the Company in the past.

Yasukawa [M]: There is no such fact that the Company committed the illegal act alleged by the shareholder.

Are there any other comments? Since there seems to be no more comments, I will close the questioning from the shareholders at the venue and now move to the questions and comments from shareholders attending online. We have received several questions and comments, we will prioritize and choose the questions that are related to the purpose of this meeting and serve the broad interest of the shareholders.

The moderator will now read out the questions and comments received from shareholders attending online, I will respond to them.

Moderator [M]: So, let me move on to the questions from the attendees online.

This meeting is possible for the shareholders to attend online and is being live-streamed. We have 180 shareholders attending online at the moment. Thank you very much.

So, let me read out the first question. Japanese pharmaceutical companies, Takeda, Daiichi Sankyo, and Shionogi are now developing vaccines and drugs to treat COVID-19. We do not hear your company name in the media. Do you have any plans to develop new drugs for COVID-19 or other infectious diseases?

Dr. Yasukawa, please.

Yasukawa [M]: Thank you for the question. So, Shitaka, Chief Scientific Officer, will answer.

Shitaka [A]: I am Shitaka, Chief Scientific Officer. Let me answer that question. So, due to our R&D strategy, we are not conducting any R&D aimed at vaccines or drugs against COVID-19.

On the other hand, we have been contributing and responding to resolve the issues related to COVID-19 pandemic by cooperating with external organizations such as providing drugs and compounds in response to requests from the government and participating in public-private partnerships.

We are also evaluating and studying the possibility of using our drugs that are in development or already in the market for the treatment of COVID-19. We will continue to contribute in our way, leveraging our strengths. Thank you.

Moderator [M]: This is the next question from the shareholder attending virtually. The COVID-19 pandemic is still not over, and life with COVID-19 is becoming somewhat normal. Under such circumstances, we often hear in the news that companies are exploring new ways of working. At Astellas, what kind of initiatives are conducted to work with COVID-19? And what future initiatives are you considering?

Yasukawa [M]: Thank you very much for your question. I would like to have Sakurai, Chief Administrative Officer, to answer this question.

Fumiaki Sakurai [A]: My name is Sakurai, Chief Administrative Officer. We had already introduced the new way of working even before the pandemic of COVID-19, allowing employees to combine work-from-home and work in the office in an appropriate manner, form the perspective work work-life-balance. Therefore, no major changes have occurred, and employees had adjusted quickly to the new ways of working.

On the other hand, the benefits of working in the office, such as, human resource development and the network building among employees, are also being reviewed. We consider the best balance of working-from-home and working in the office according to the characteristic of each department. We are aware of the benefits of working in the office, so trying to create a workplace that encourages employees to communicate more.

However, even after COVID-19 ends, we will not ask employees to return to their previous way of working, meaning working only in the office. I believe that our employees around the world can and will choose where and how they work to be most productive in their respective locations.

Moderator [M]: Next question from the shareholder attending online.

Regarding ESG, S is your core business, but regarding E, do you have any intentions to contribute to the global environment by expanding your business in the decarbonization, utilizing the knowledge and technology you've accumulated in the pharmaceutical business? Or, from the perspective of selection and concentration of business, are you not considering any business in the decarbonization field?

Yasukawa [A]: I will answer your question. As for now, we do not have any plans or ideas to conduct any business on decarbonization, utilizing our technology and knowledge we have accumulated in the pharmaceutical business. However, the environment is still a matter of concern for us. We buy only electricity produced by hydroelectric power, or we use wind power to generate most of the electricity for some factories overseas, such as in Ireland. In some places, geothermal power generation is also used. We are trying various ways to decarbonize our operations. We are also converting vehicles of our sales force to electric or hybrid. We would like to continuously come up with various ideas on decarbonization. I hope this answers your question.

Moderator [M]: The next question from the shareholder attending online. Please tell us about your specific digital transformation initiatives. Chairman Yasukawa, please.

Yasukawa [M]: Okamura, Chief Strategy Officer, will answer your question.

Okamura [A]: I'm Okamura, Chief Strategy Officer. Thank you for your question. and I will answer your question. I have already introduced the three elements of the Corporate Strategic 2021: Strategic Goals, Organizational Health Goals, and Performance Goals. In order to successfully execute these goals, we have established three important initiatives called critical enablers.

The first one is patient centricity, where Astellas always puts patients first. The second one is to enhance the organizational capability of our business model to turn innovation to value, and the third one is digital transformation. From drug discovery to commercialization, digital transformation is taking place everywhere in the value chain.

As Shitaka mentioned earlier, we are utilizing robots and AI to speed up the process of drug discovery. We call it Mahol-A-Ba. In the past, patients had to go to study sites to participate in clinical trials, but now we are using a method called Decentralized Clinical Trial to reduce that burden as much as possible. In the area of manufacturing, various data collected at factories are analyzed through AI, this leads to more efficient and safer manufacturing. As Matsui mentioned, we are also working to create a system that enables MR and MSL to contact healthcare professionals more efficiently and effectively.

Digital transformation is also progressing in the supporting functions of the Company. For example, we have introduced a system to unify all the processes globally that were disparate in each region to enable more efficient operations. We will be demonstrating the results of these efforts in the future.

In this world, we have to implement cyber security as well. If this is done manually by humans, the response would be very slow. So, we are utilizing digital to detect any suspicious network activities at an early stage, allowing us to act quickly and minimize the damage. I hope this answers your question.

Moderator [M]: So, next question from the shareholder attending online. The active utilization of DX is related to Strategic Goal 3. In Strategic Goal 3, only domestic strategies are mentioned, could you please tell us about the global development of this goal?

Yasukawa [M]: Yes. So, this question is about Rx+®. Okamura, Chief Strategy Officer, will answer that question.

Okamura [A]: This is Okamura, Chief Strategy Officer. Thank you very much for the question. The Rx+® business combines the knowledge and experience we have accumulated in the pharmaceutical business with innovative technologies from other fields to create new healthcare solutions. This business is very compatible with digital technology. Clinical trials are about to begin that will use a mobile application called digital therapeutics to help treat the disease.

Also, Iota Biosciences, the company we acquired in 2020, we are using their technology to develop a low-invasive small device that could be embedded in the body, collecting sensing information. Then, it would also send signals back to the nerves and other parts of the body. We are now working on a closed-loop system that the power can be supplied from the outside of the body so there is no need to carry around the batteries.

This may not be associated easily with the pharmaceutical company, but we are also trying to create games, especially video games. People enjoy video games, if we can use it to treat patients, this may help them to continue the treatment, even for patients who had difficulty continuing.

Another idea is to create a system where patients can immediately let people know when they are in need of help.

Rx+® projects may seem to be conducted only in Japan, but we are working on this from a global perspective. For example, Iota Biosciences is in San Francisco, US. I hope this answers your question.

Moderator [M]: Next question from the shareholder attending online, it seems that the contribution of XTANDI to your sales is quite high. What is the status of obtaining intellectual property rights, including the remaining time period? Will this fully contribute to the business?

Yasukawa [M]: This question will be answered by Matsui, Chief Commercial Officer.

Matsui [A]: I am Matsui, Chief Commercial Officer. Thank you very much for your question. First of all, the substance patents for XTANDI will expire in August 2027 in the United States, June 2028 in Europe, and July 2029 in Japan. From an IP perspective, we do not see any significant risk of the patent infringement, we believe we can grow its sales until the substance patents expire. Currently, the peak global sales of XTANDI are JPY600 billion to JPY700 billion, and we expect its further growth. That concludes my answer.

Moderator [M]: The next question from the shareholder attending online. Evrenzo's domestic sales seem to be struggling. How do you plan to fix the problems and get on the growth channel again?

Yasukawa [M]: Matsui, Chief Commercial Officer, will answer this question.

Matsui [A]: Yes. This is Matsui, Chief Commercial Officer. Thank you and let me answer this question. In FY2021, Evrenzo's sales grew but unfortunately it fell short of the forecast. After 14-day prescription limit on competitive product was lifted in September, their share in HIF-PH inhibitors increased more than expected.

In response to this, as I mentioned earlier, we have changed the domestic sales and marketing structure in FY22. This will allow more specialized MR to visit target facilities. In addition to strengthening the knowledge of MR, we will allocate more resources on the priority facilities in the market.

Additionally, we would like to expand our market share of NDD-CKD by also targeting the cardiologists who often treat renal anemia after the nephrologists. We intend to make a comeback through these initiatives. Thank you.

Moderator [M]: These are the questions from shareholders attending online.

Yasukawa [M]: This concludes answering the questions from shareholders attending online. All the questions submitted in advance or received from shareholders today will be posted on our website at a later date, except in cases where the questions are considered inappropriate to disclose such as personal information or trade secrets, etc.

As the Chairman, I believe that there has been a sufficient level of deliberation conducted, so I would like to move on to voting on the proposals. Is that okay?

(Shareholders applauded)

Thank you very much. Now, we would like to go into voting.

So, from here, I would like to ask you to vote in the next two minutes regarding the matters to be resolved.

The first proposal is the partial amendment to the Articles of Incorporation. The second proposal is the election of six Directors who are not Audit and Supervisory Committee Members. The third proposal is the election of three Directors who are Audit and Supervisory Committee Members.

Please vote. 30 seconds remaining till we close the voting process. Two minutes have passed, so we would like to end the voting.

For those shareholders at this venue, the staff members will come to collect your ballot, so please remove the ballot from your attendance card. Once we collect your ballots, we will ask for you to wait for two minutes, and we will notify you of the results. So, please remain seated.

The details of the voting for today will be disclosed in our Extraordinary Report. So, while you're waiting, please enjoy the video regarding our company's VISION.

[Video Plays]

Yasukawa [M]: Thank you very much for waiting. I would like to notify the results.

The first proposal, a partial amendment to the Articles of Incorporation, has been approved as originally proposed by an affirmative vote of more than two-thirds of the voting rights of shareholders, including shareholders who exercised voting rights beforehand in writing and via the Internet.

The second proposal, election of Directors who are not Audit and Supervisory Committee Members, has been approved as originally proposed by an affirmative vote of a majority of voting rights of shareholders, including shareholders who exercised voting rights beforehand in writing and via the Internet.

The third proposal, the election of three Directors who are Audit and Supervisory Committee Members, has been approved as originally proposed by an affirmative vote of a majority of voting rights of shareholders, including shareholders who exercised voting rights beforehand in writing and via the Internet.

With this, all the matters to be reported and the matters to be resolved for the 17th Annual Shareholders Meeting have been concluded. Here, we'd like to introduce the elected six Directors who are not Audit and Supervisory Committee Members: Kenji Yasukawa; Naoki Okamura; Mamoru Sekiyama; Hiroshi Kawabe; Takashi Tanaka; Eriko Sakurai.

Next, I would like to introduce the elected three Directors who are the Audit and Supervisory Committee Members: Toru Yoshimitsu; Raita Takahashi; Mika Nakayama.

With this, I would like to conclude the introduction of the Directors who are elected today. With this, we would like to conclude the meeting.

Thank you very much for your attendance today.

[END]

Document Notes

1. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
2. *This document has been transcribed based on interpreted audio provided by the Company.*

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