

Alliance with FibroGen
- HIF-PH inhibitors -

April 28, 2006
Astellas Pharma Inc.



FG-2216 (YM311) Product Profile



- Mechanism
 - Induction of erythropoiesis by HIF-PH* inhibition
 - *Hypoxia-inducible factor prolyl-4-hydroxylase: Degradation enzyme related to EPO production
 - Indications
 - Chronic kidney disease (CKD) anemia (dialysis and pre-dialysis)
 - Chemotherapy-induced anemia (CIA)
 - Cancer related anemia (CRA), etc.
 - Characteristics
 - Low molecule compound
 - Broader effect
 - Greater access for patients
 - Lower cost therapy
 - Areas
 - Europe (newly licensed) and Japan
 - Development stage
 - US and Europe: P-II
 - Japan: P-I
- *Hypoxia Inducible Factor - prolyl hydroxylase

Fruits of Our Proactive Licensing Activities

■Product profile:

Excellent clinical data

Low molecule compound

Convenient to take

First oral EPO inducer in the world

■Business Contributions:

Synergy effects with urology and transplants areas

High unmet medical needs

High growth potential of EPO market

Expansion of our Rx business in Japan and Europe

Sustainable growth after 2011

FG-2216 in Europe



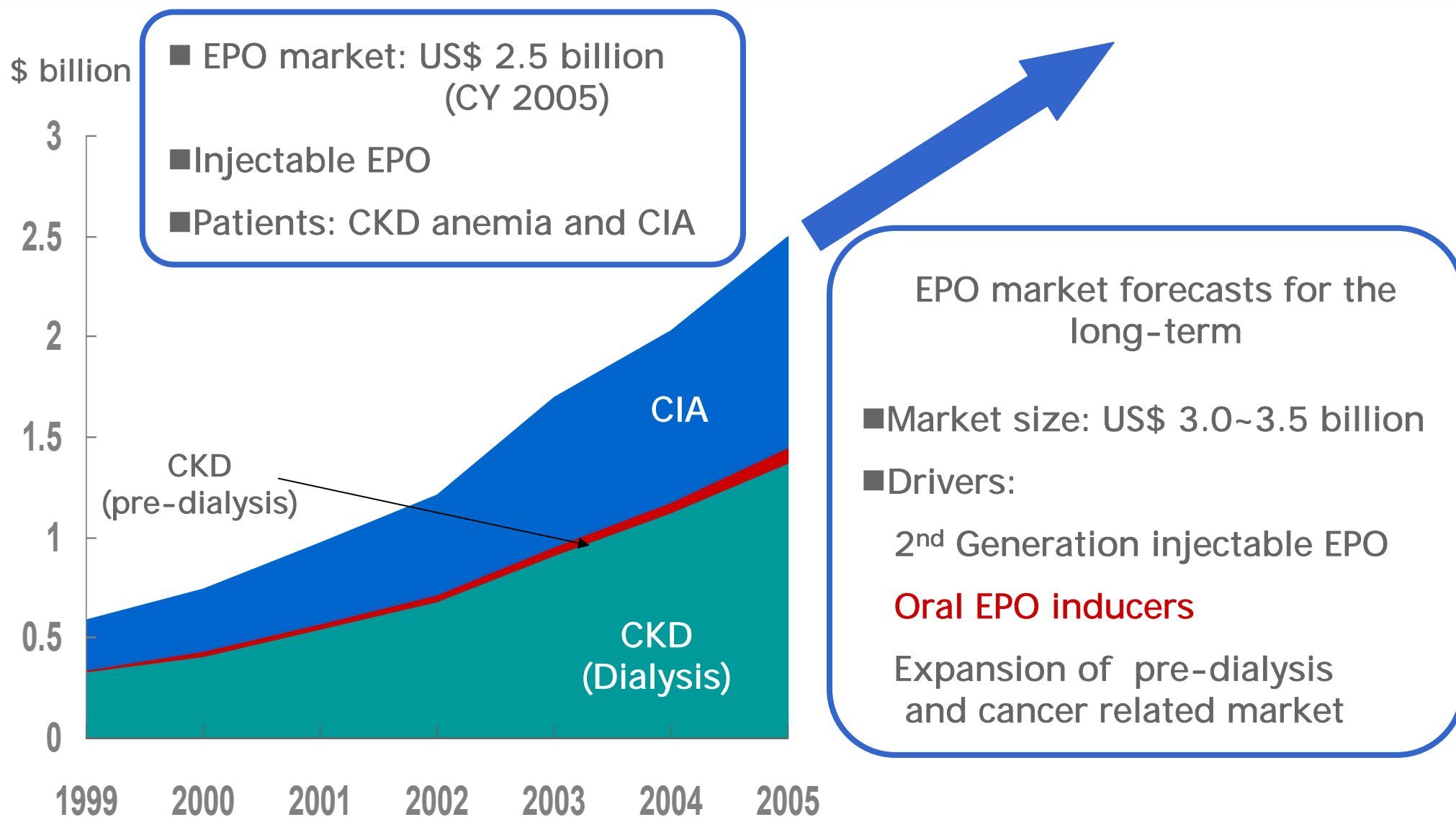
- Indications: Chronic kidney disease (CKD) anemia (dialysis / pre-dialysis),
Chemotherapy-induced anemia (CIA),
Cancer related anemia, etc.
- Status P-II in the US and Europe by FibroGen
Astellas will join development program with FibroGen
in the US and Europe in 1H of FY2006
- Launch 2011 - 12 (expected)
- Sales potential
50 billion yen as early as possible after launch
Peak sales 80 - 100 billion yen (EU5)

Summary of Agreement



■Date	April 28, 2006	
■Compounds	FG-2216/FG-4592 and all other HIF compounds for anemia to be developed by FibroGen	
■Licensed from	FibroGen Inc. (U.S.)	
■Indications	All potential indications developed by FibroGen in the U.S.	
■Astellas rights	Packaging (manufactured by FibroGen) Exclusive marketing rights and sub-license rights in all EU member nations, adjacent EU nations including CIS and Turkey, Middle East and South Africa Joint Development in Europe (Astellas) and US (FibroGen)	
■Economic conditions		
	Upfront payment	US\$300 million (Amounts will be booked as R&D expenses in FY2006. Five installments)
	Milestone payments	Total US\$465 million
	Before filing	Total US\$130 million (R&D expenses)
	Upon/after filing	Total US\$335 million (asset capitalization, 8 year-amortization)
	Development costs	All specific development costs in Europe and half of common costs in Europe and U.S. borne by Astellas
	Equity investment in FibroGen	US\$50 million

EPO Market Forecasts in Europe (EU5)



Number of EPO Treated Patients for Anemia in EU5



CKD dialysis

- Number of patients currently reached 250 thousands and will increase to 500 thousands in the future
- Anemia prevalence in CKD dialysis patients is approximately 90% .
- 80-90% in CKD dialysis patients are treated by EPO therapy

CKD pre-dialysis

- Number of patients currently reached 600 thousands and will increase to 700 thousands in the future
- Anemia prevalence in CKD pre-dialysis patients is approximately 40% .
- However, number of CKD pre-dialysis patients treated by EPO is very low

CIA

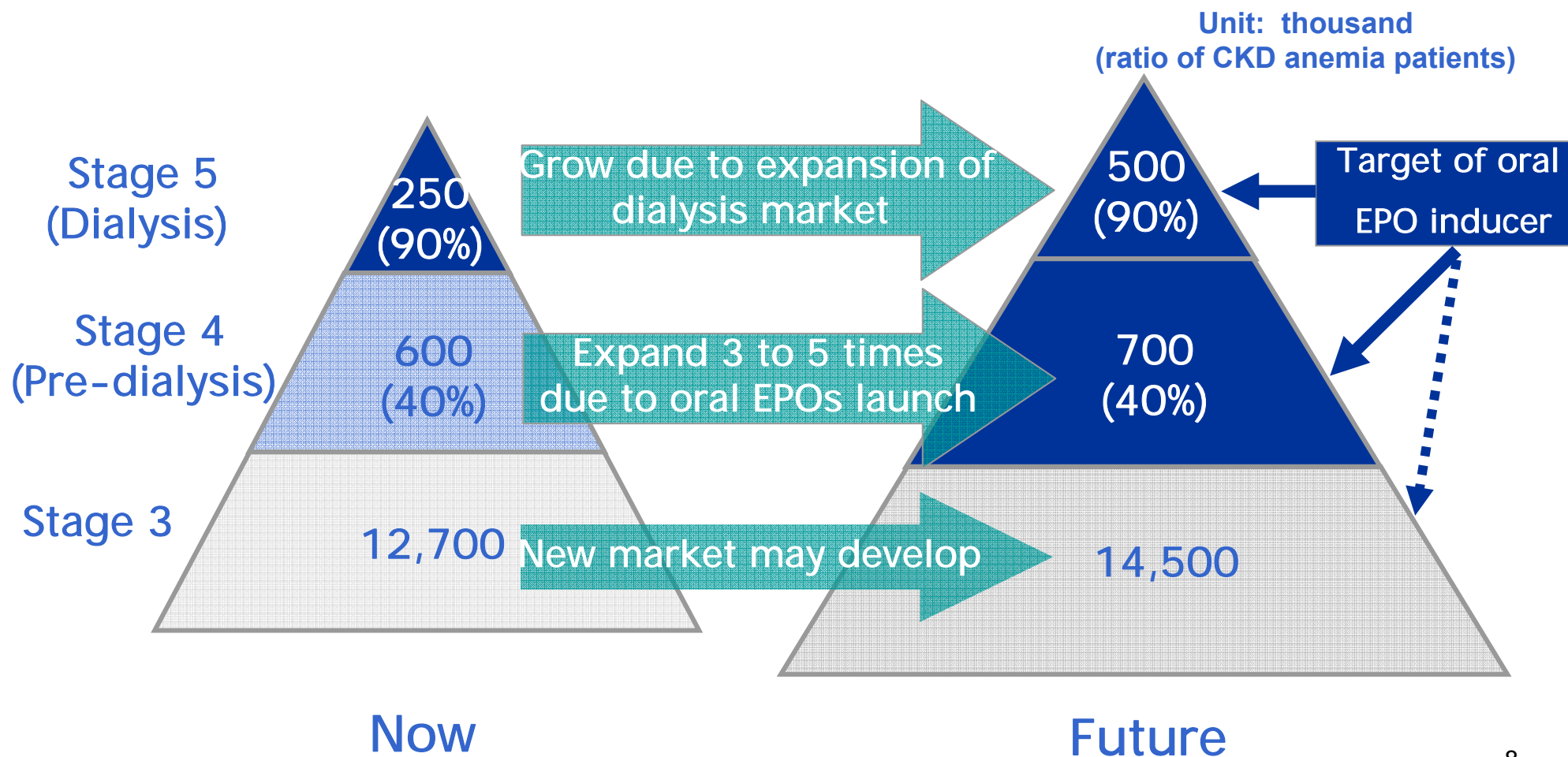
- Number of patients currently reached 2.1 million and will increase to 4.3 million in the future
- Anemia prevalence in CIA patients is approximately 60% .
- 20-30% in CIA patients are treated by EPO therapy

Notes

- 1) In-house estimate based on various outside research
- 2) EU5 includes UK, France, German, Italy and Spain

Number of CKD Patients by Stage in Europe (EU5)

Launch of an oral EPO inducer expected to expand the pre-dialysis market after 2011



YM311 in Japan



- Indications Chronic kidney disease anemia (dialysis/ pre-dialysis),
Chemotherapy-induced anemia,
Cancer related anemia, etc.

- Status P-I

Oral single administration of YM311 showed
dose dependent increase of plasma EPO

- Launch Middle of 2010s (expected)

- Market size Approximately 140 billion yen (FY2005)

- Number of patients 400 thousands (CKD)

- Sales potential 30 - 50 billion yen (peak sales)

YM311 Summary of Agreement in Japan



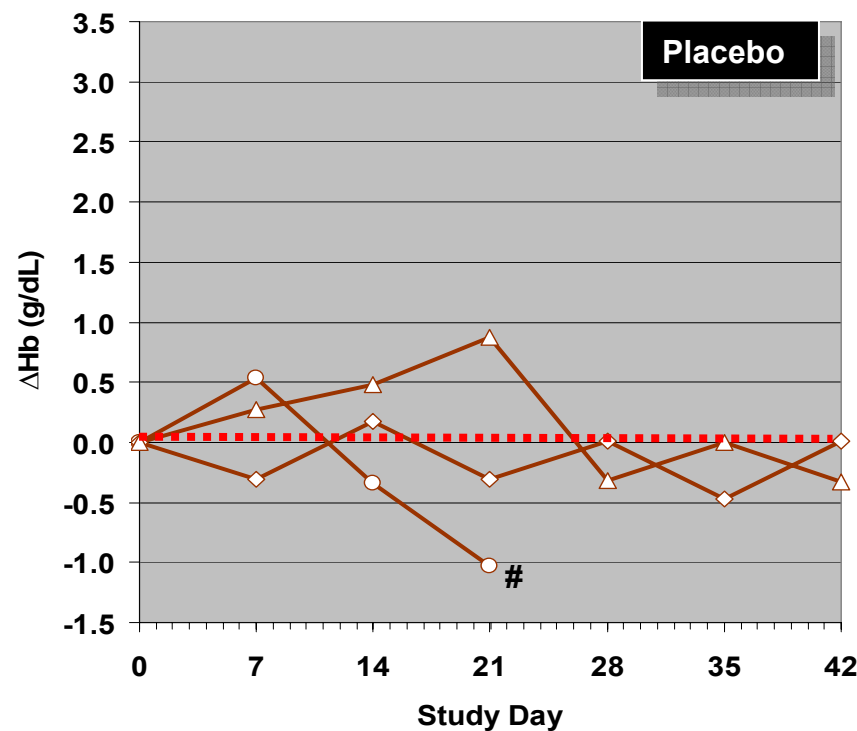
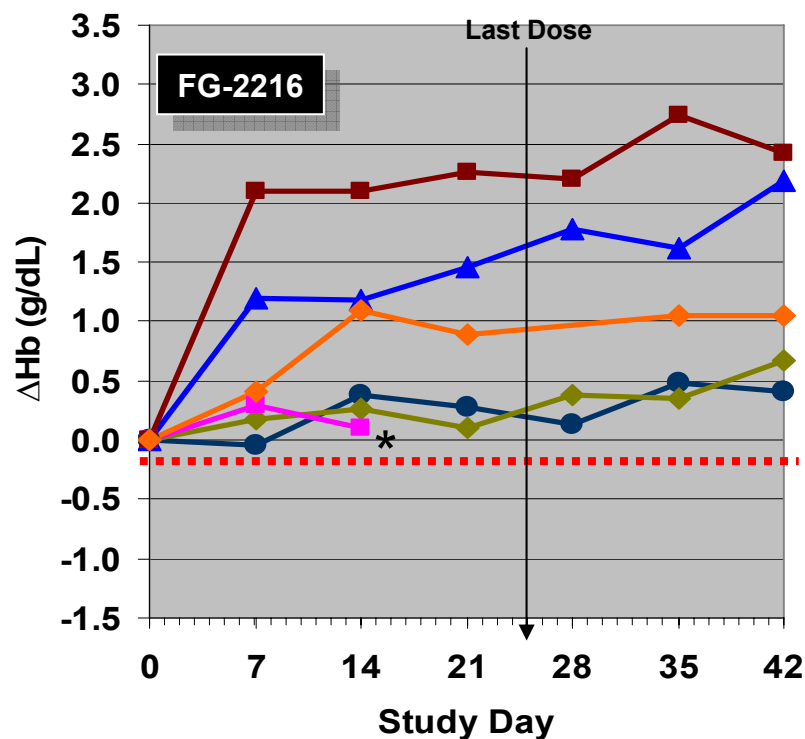
■Date	June 1, 2005	
■Compounds	FG-2216/FG-4592 and other HIF compounds for anemia developed by FibroGen from now on	
■Licensed from	FibroGen	
■Astellas rights	Packaging Exclusive marketing right in Japan Exclusive development right	
■Economic conditions		
	Upfront payment	US\$27.5 million
	Milestone payments	Total US\$140 million (max)
	Before filing	Total US \$35 million (R&D expenses)
	Upon/after filing	Total US\$ 105million (asset capitalization)
	Equity investment in FibroGen	US\$30.5 million

Phase 2a (rHuEPO-naïve):

Mean and Individual Hb Response to FG-2216 (6 mg/kg Low Dose) vs. Placebo



Treatment Group	Mean Baseline Hb (g/dL)	Mean Hb Change (g/dL) from Baseline Day 42 (or last value carried forward)
FG-2216, 6 mg/kg (n=6)	9.6	1.3
Placebo (n=3)	9.6	-0.4



* Patient was withdrawn from the study due to an unrelated adverse event

Patient was withdrawn from the study due to hemoglobin decrease

Cautionary statement regarding forward-looking information

This material includes forward-looking statements based on assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties. 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 launch, 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.

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