Astellas Pharma Inc.

Jefferies Global Healthcare Conference in New York

June 3, 2026

Event Summary

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Naoki Okamura	Chief Executive Officer (CEO)
Tadaaki Taniguchi	Chief Research and Development Officer (CRDO)

Presentation

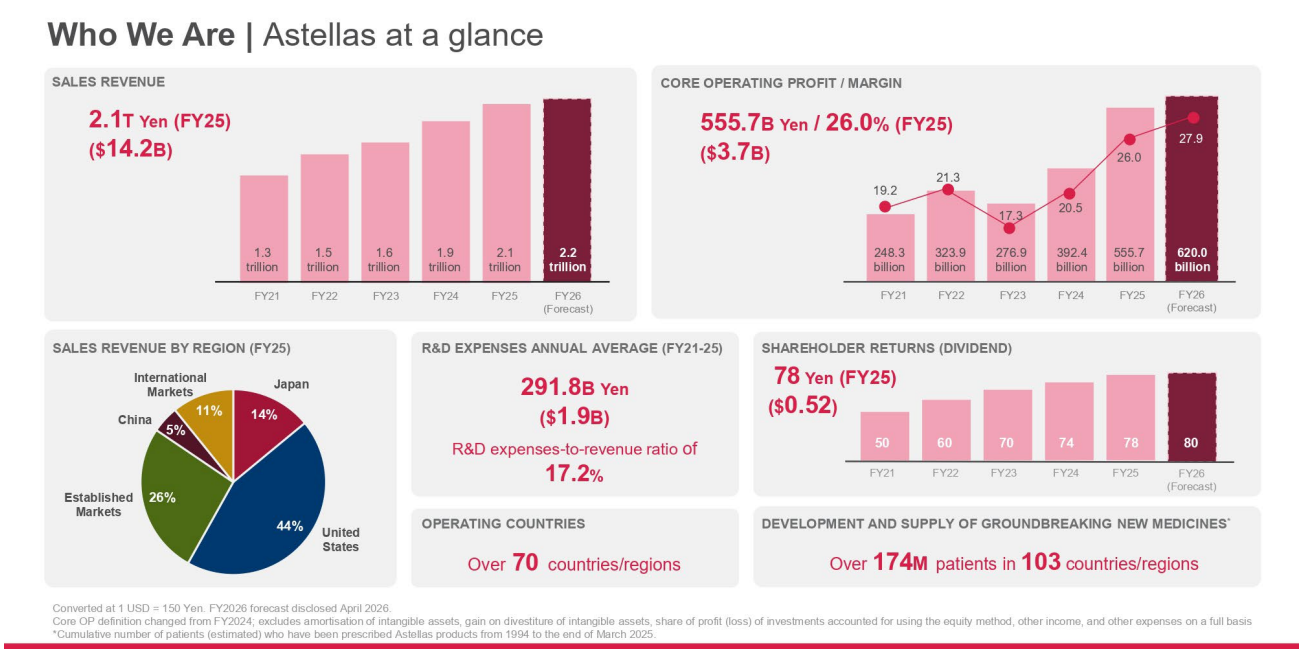
Barker: Okay. Welcome, everybody, to Jefferies' Global Healthcare Conference in New York. My name is Steve Barker, and I cover Japanese pharma stocks for Jefferies out of Tokyo. It's my pleasure to introduce Astellas Pharmaceuticals this morning, represented by President and CEO, Naoki Okamura. Good morning. Also, we have Chief Research and Development Officer, Tadaaki Taniguchi.

Good morning. Thank you very much for joining us. I think we have some slides, and hopefully, we'll have some time for some Q&A at the end. Okamura-san, the floor is yours.

Okamura: Thanks very much, Steve. I'm Naoki Okamura, President and Chief Executive Officer of Astellas Pharma. Thank you very much for joining us this morning.

We just released the new five-year Corporate Strategic Plan, or CSP2026, last week. Let me go through very quickly the material of which a complete set of information will be available at our website.

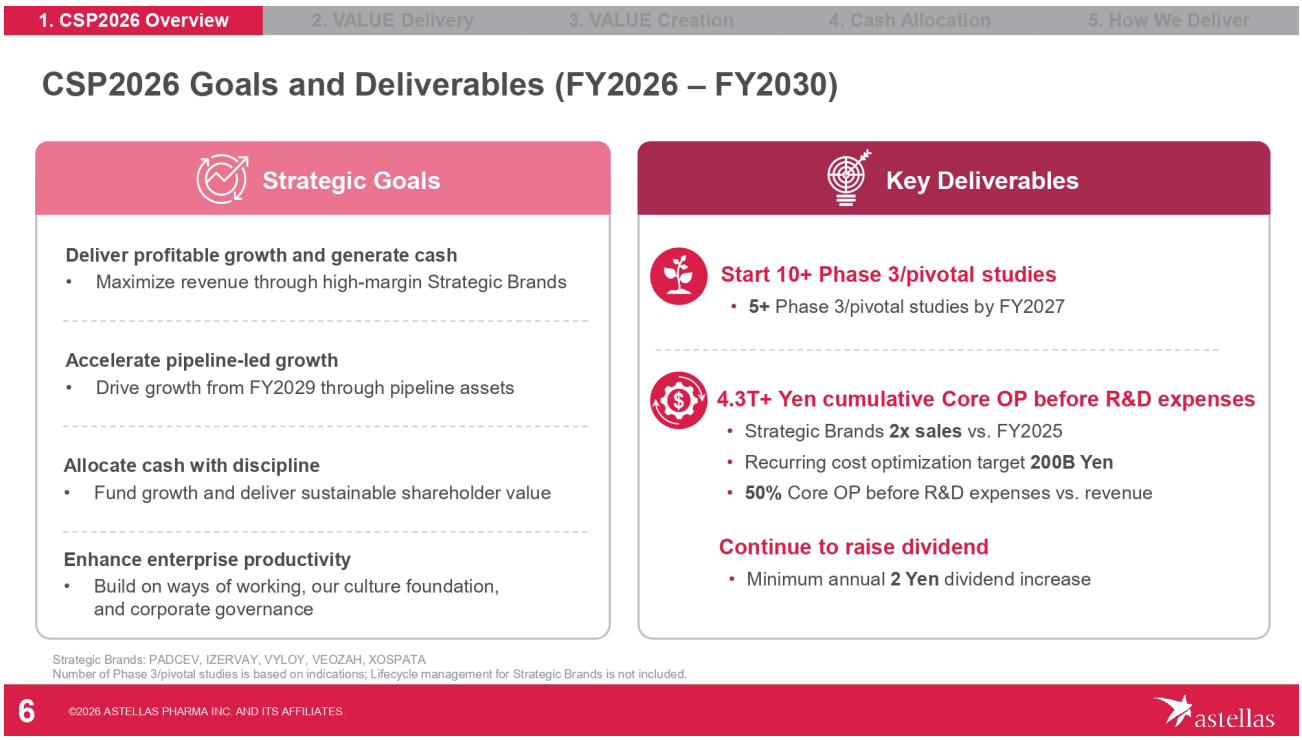
We have a vision that says we try to turn innovative science into VALUE for patients. We define this VALUE, the all-capital VALUE, very clearly, which is outcomes that truly matter to patients divided by the cost to the entire healthcare system to deliver those outcomes. Astellas aims to create and deliver that all-capital VALUE for patients.



This is kind of at-a-glance of Astellas. We achieved record high revenue in FY2025, which is JPY2.1 trillion revenue. For your information, our fiscal year runs from April to March next year, so FY2025 means the fiscal year ended March 31, 2026.

With that, we have a 26% core operating profit margin. It is growing very nicely. We are operating in 70-plus countries, in regions, but we are headquartered in Tokyo. We are listed on the Tokyo Stock Exchange, but we believe we are a truly global company, as more than 85% of our revenue comes from outside of Japan. For us, innovation is our lifeline. Therefore, we reinvested 17% of our revenue to research and development for the past five years.

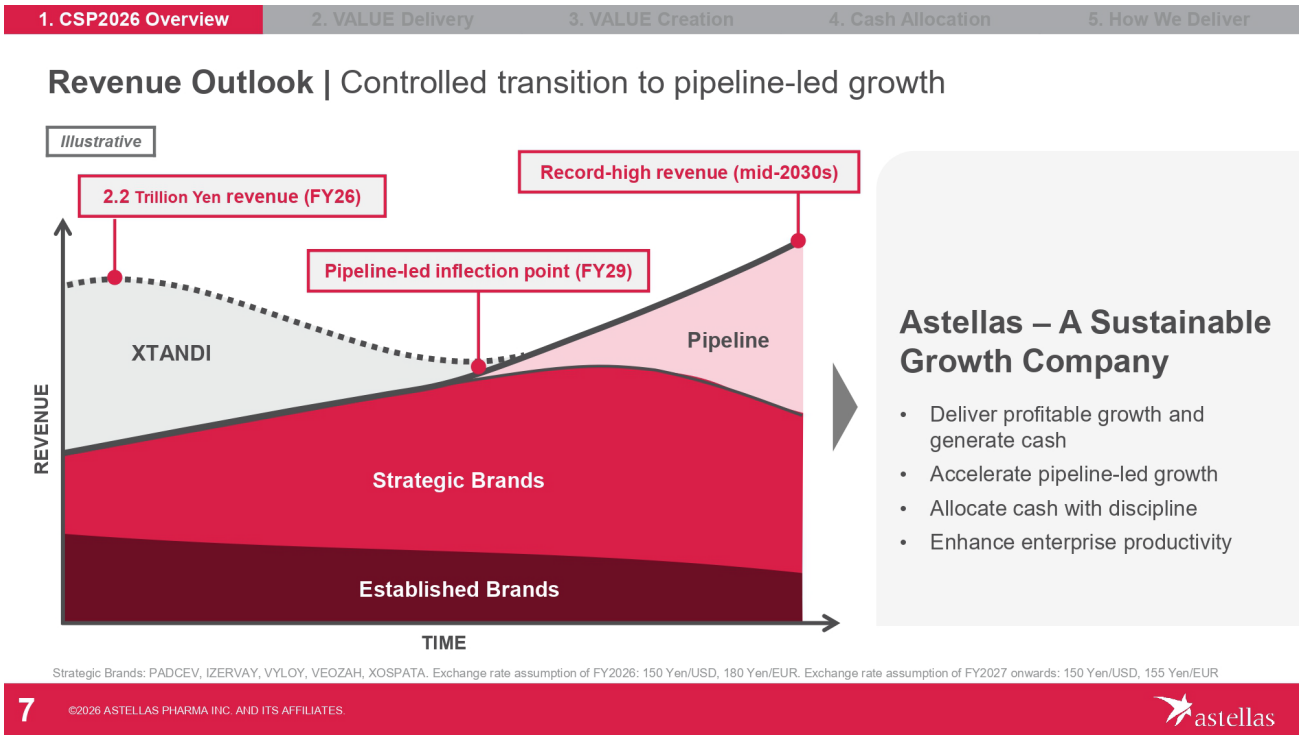
This is the nutshell of our Corporate Strategic Plan 2026. We are trying to make Astellas a Sustainable Growth Company by delivering profitable growth and generating cash, reinvesting that cash to accelerate our pipeline-led growth. We established a discipline to allocate how we allocate cash, and we continuously enhance our enterprise productivity so that we can create and deliver greater VALUE faster.



We set four strategic goals for the CSP2026. As I mentioned, we will try to deliver profitable growth and generate sufficient cash to reinvest that to accelerate our pipeline-led growth. We have very strong discipline to how we allocate cash between investment versus shareholder return. We restlessly enhance our enterprise productivity.

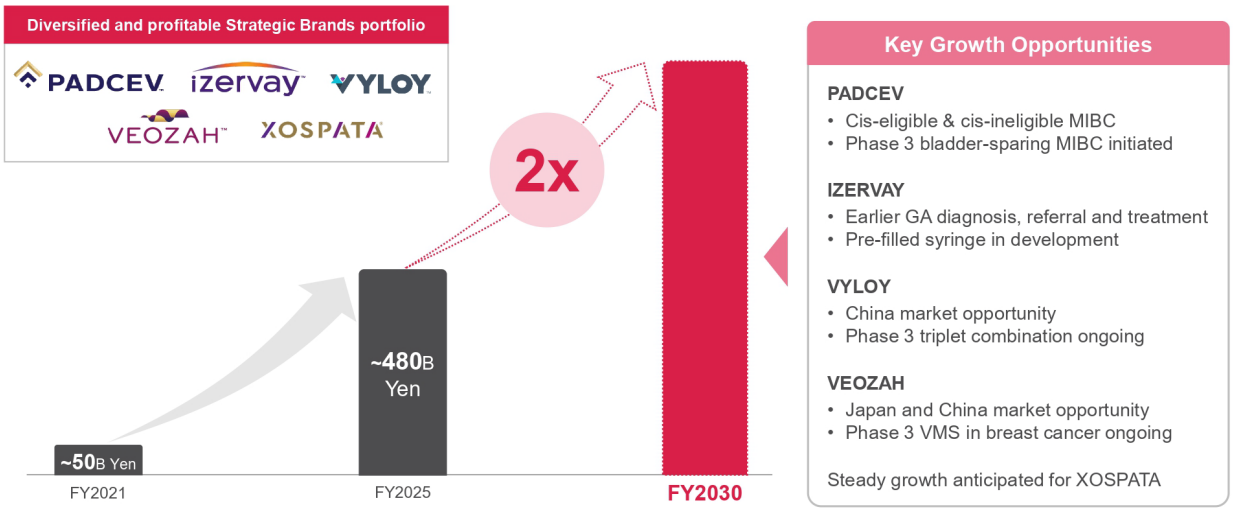
Some of the key deliverables, to confirm, we are achieving those strategic goals. In the research and development area, we are aiming to start 10-plus Phase III or pivotal studies during the CSP2026 period. We say 10-plus, but out of that, 5-plus will come within FY2027, so in a two-year time frame.

In terms of the financial guidelines, we will try to double the sales of the five Strategic Brands, which I will touch upon later. We try to do recurring cost optimization commitment, JPY200 billion at the end of CSP2026. We try to establish the profitability structure of; we can maintain the 50% core operating profit before research and development. In other words, we try to establish ourselves to maintain the 30% core operating profit after spending 20% on research and development.



This is a very illustrative revenue forecast. This year, FY2026, is going to be the highest revenue year with JPY2.2 trillion. We have the slightly gradually decreasing XTANDI sales. Therefore, we hit the inflection point in FY2029 to go back to the pipeline-led growth. As I mentioned, we are aiming to achieve the record-high revenue at mid-2030s, but actually, I would like to emphasize the bold solid black line, which shows that the Strategic Brands as well as pipeline-led growth have already started, and it continues to go with the strong growth of the Strategic Brands. Then, on top of that, we will have the pipeline programs coming out of our pipeline.

Strategic Brands Growth | 2x Sales vs. FY2025



VEOZAH: Approved as "VEOZA" in ex-US. Cis: Cisplatin, MIBC: Muscle-invasive bladder cancer, GA: Geographic atrophy, VMS: Vasomotor symptoms
Actual exchange rate of FY2025: 151 Yen/USD, 175 Yen/EUR. Exchange rate assumption of FY2030: 150 Yen/USD, 155 Yen/EUR

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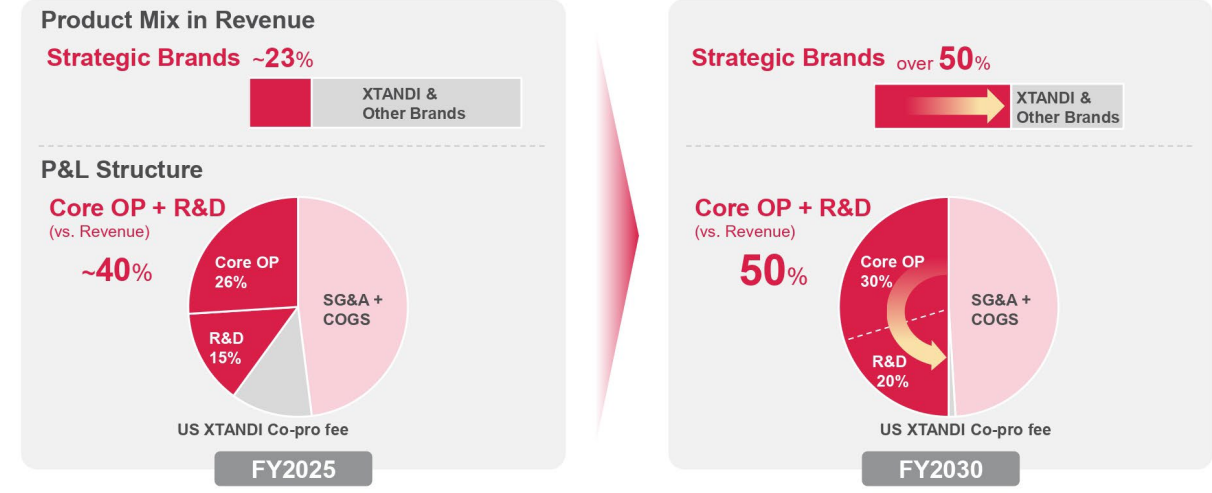
Let me go first to this one. When we say Strategic Brands, we have PADCEV for bladder cancer, IZERVAY for geographic atrophy, secondary to age-related macular degeneration, VYLOY for gastric cancer, VEOZAH for vasomotor symptoms for menopausal women, and XOSPATA for AML.

Actually, during the CSP2021, the previous five-year strategic plan period, the sales of these five Strategic Brands have grown almost 10x. We are trying to continue the strong growth of those five Strategic Brands to double the sales of those five. It is, of course, the expansion of the geography for the current indication, but at the same time, we are doing the life cycle management type of additional indications or the additional formulation for some of those products, so we are looking at those as the key growth opportunities.

Profitability Outlook | Shift to high-margin Strategic Brands drives profitability

Illustrative



Actual exchange rate of FY2025: 151 Yen/USD, 175 Yen/EUR. Exchange rate assumption of FY2030: 150 Yen/USD, 155 Yen/EUR

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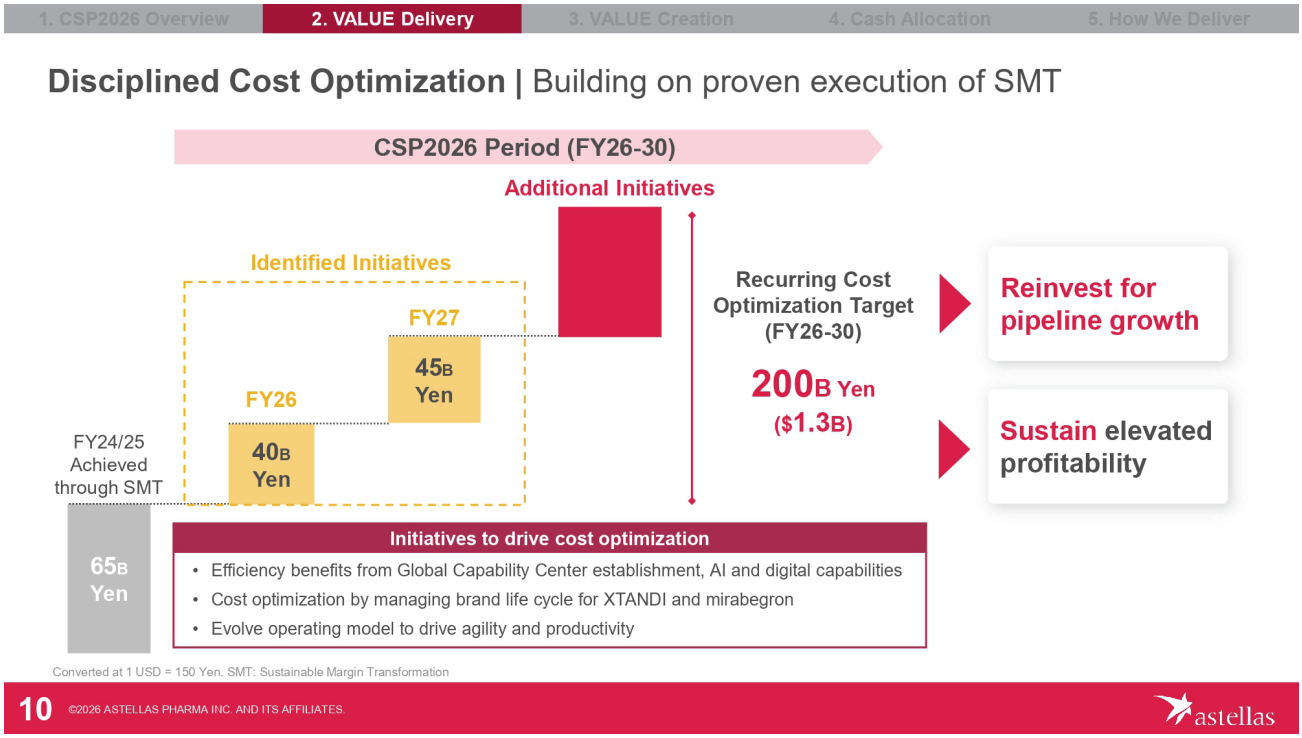
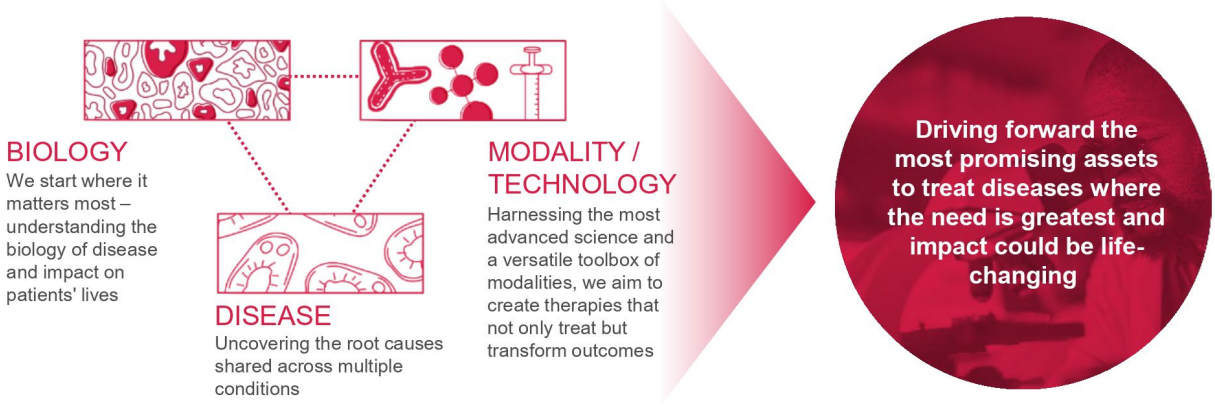
Because of the growth of Strategic Brands, weight of the Strategic Brands used to be 23% back in FY2025, but it is growing. XTANDI is declining. In 2030, the Strategic Brands will represent more than 50% of our revenue. Those Strategic Brands are almost fully owned or internally developed, so we don't have to pay any royalty or milestone payments to third parties. Therefore, the shift of the weight of those Strategic Brands, 23% to 50%, means we can improve the profitability structure. On the right-hand side pie chart, you can see the red one, core operating profit plus R&D, can represent 50% of the revenue.



On top of that, we are committed to continuing our cost optimization initiatives and already committed JPY40 billion in FY2026 and JPY45 billion in FY2027. We have identified all the measures and initiatives so that we can get to that point. On top of that, we continue the additional initiatives throughout the period of CSP2026 so that, in the coming five years in aggregate, we are aiming to achieve a JPY200 billion recurring cost optimization target, including the JPY85 billion that we have already identified.

Focus Area Approach | Pursue innovation to create and deliver VALUE



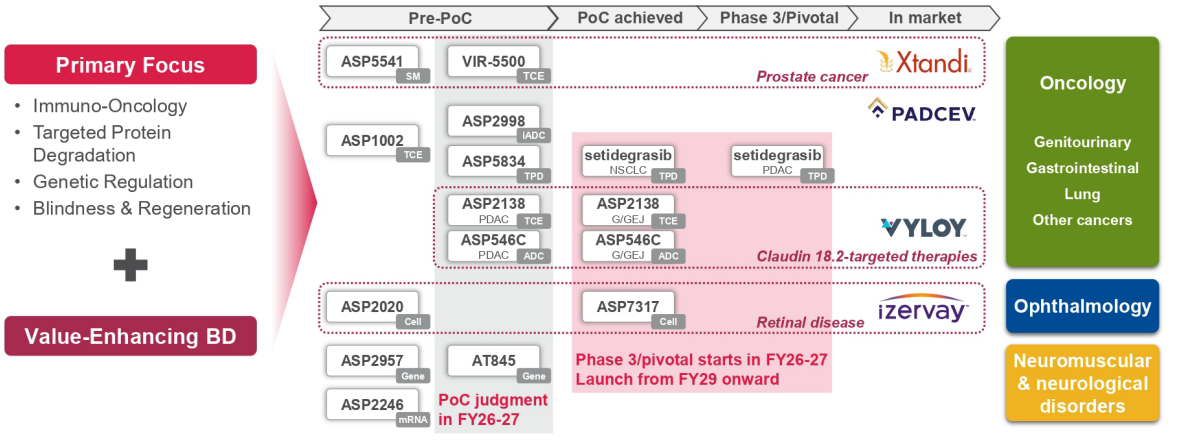
Let me turn to the research and development. We take a relatively unique research and development approach, what we call Focus Area Approach. We start with the biology, with the strong disease linkage, try to identify the best modality of the technology platform to address that biology. Finally, we try to figure out which is the best patient population to benefit from the combination of biology and modality.

Our Pipeline | Drive growth from FY2029 through pipeline assets

R&D investment for acceleration
- Average base spending 20% vs. revenue
- Additional investment up to 5%

FY26-30: Start **10+** Phase 3/pivotal studies
- **5+** Phase 3/pivotal studies by FY27

Pipeline revenue potential in mid-2030s: ~1 Trillion Yen



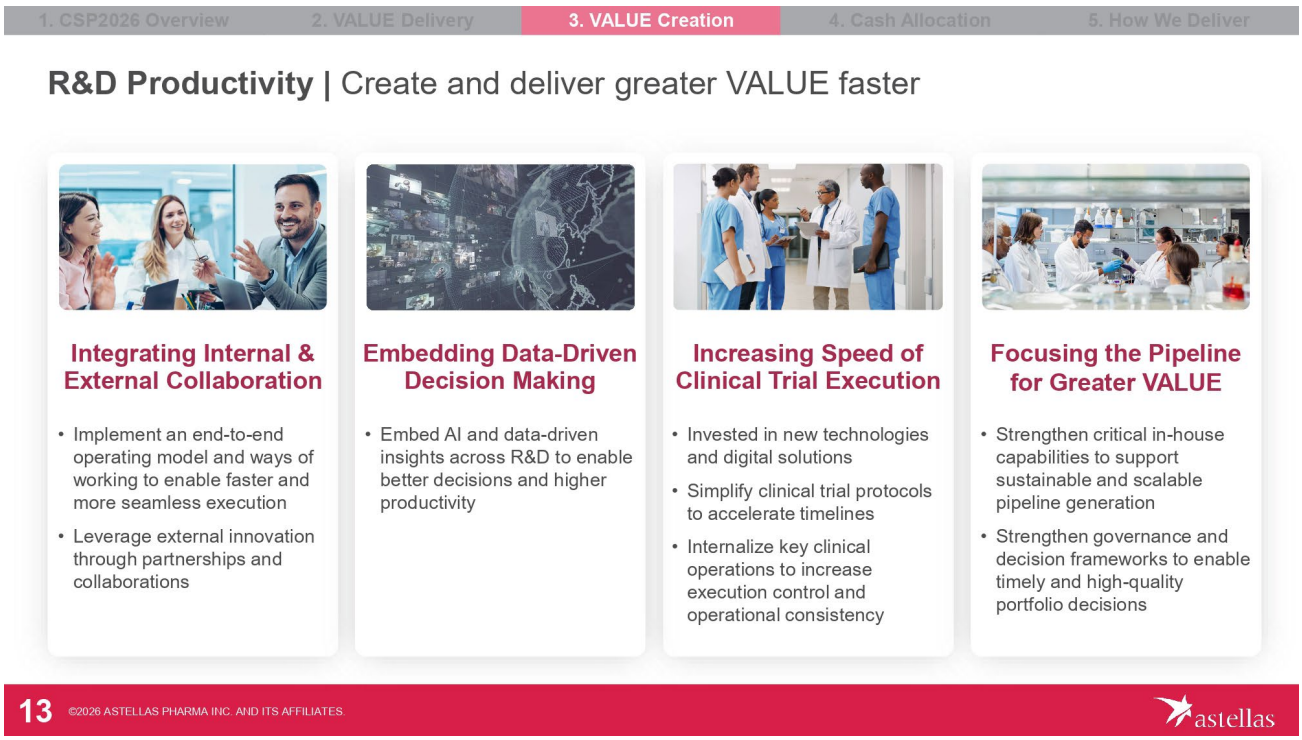
Number of Phase 3/pivotal studies is based on indications; Lifecycle management for Strategic Brands is not included. (i)ADC: (immunostimulatory) Antibody-drug conjugate, BD: Business development, G/GEJ: Gastric/gastroesophageal junction, mRNA: messenger RNA, NSCLC: Non-small cell lung cancer, PDAC: Pancreatic ductal adenocarcinoma, PoC: Proof of concept, SM: Small molecule, TCE: T-cell engager, TPD: Targeted protein degrader

This is a very busy slide, but when we have a triangle of biology, modality and disease, we call it our primary focus. Once we establish the triangle, we believe we can produce multiple projects from that triangle. We have now four Primary Focuses with the Value-Enhancing BD activities together. We have built up a robust pipeline now.

If you look at the pink box at the center of the slides, you have four programs coming out of our Primary Focus that have achieved the clinical PoC and are moving into the Phase III clinical study or the pivotal study in the coming, say, two years. It's not that obvious, but there's a gray box under the pre-PoC arrow, which is getting closer to the clinical PoC judgment in FY2026 and FY2027. If successful, they are moving quickly to the later-stage clinical development. We are hoping to gain JPY1 trillion revenue in the mid-2030s from all those pipeline programs.

I would like to emphasize that sometimes our Focus Area Approach is very fragmented, doing this and that separately, but eventually, we are aiming to really establish the franchise, for example, the prostate cancer, starting from XTANDI and moving to the newer innovative products in prostate cancer. We also established the Claudin 18.2 franchise with the monoclonal antibody bispecific and ADC.

We are doing the same for the ophthalmology, IZERVAY, on the market, but ASP7317, which is the cell therapy targeting the same indication, coming into the later-stage clinical study. We have universal donor cell technology applied cell therapy in the pre-PoC stage.



In the R&D, it is critical for us to continuously improve the productivity by integrating the internal and external collaboration. We have introduced a new working operating model, which has empowered small cross-functional team responsible and accountable for the end-to-end process from the drug discovery research to the end of the life cycle. We are quickly embedding the data-driven decision-making. We are increasing the speed of clinical trial execution by internalizing critical capabilities and using all those technologies. Of course, we have been constantly going through the ruthless prioritization of the programs based on the VALUE that we can create.

BD Focus | Pursue value-enhancing BD with target and discipline

Value-Enhancing BD
Actively pursue as the core BD approach

- **Proactively strengthen the pipeline** through acquiring synergistic assets
- Focus on **moderately derisked assets** and **pre-defined therapeutic areas/modalities** to **add value** through our established capabilities

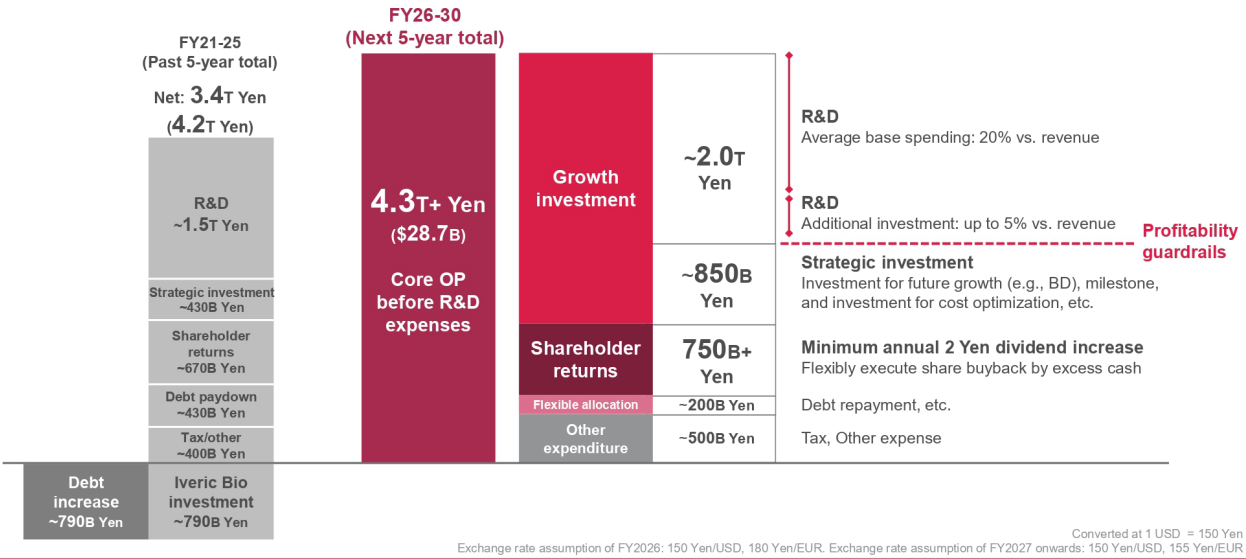
Rescue BD
Not pursued by default

- Protect near-term revenue through a large-scale asset/ company acquisition
- Focus on near-launch or marketed assets

BD: Business development

In Value-Enhancing BD, when we see the shape like this, people sometimes ask me, would you not go to the BD activities to fill that dip in the revenue curve? We decided that we don't do that. We call it rescue BD because it's a cash for cash flow type of transaction, and there are very limited opportunities for us to add value to those assets. So, we are focusing on the Value-Enhancing BD by proactively strengthening the pipeline that we have now or some technology platform that can really leverage our existing capabilities so that we can add value after we acquired the asset in our pipeline.

Disciplined Cash Allocation | Fund growth and deliver sustainable shareholder value

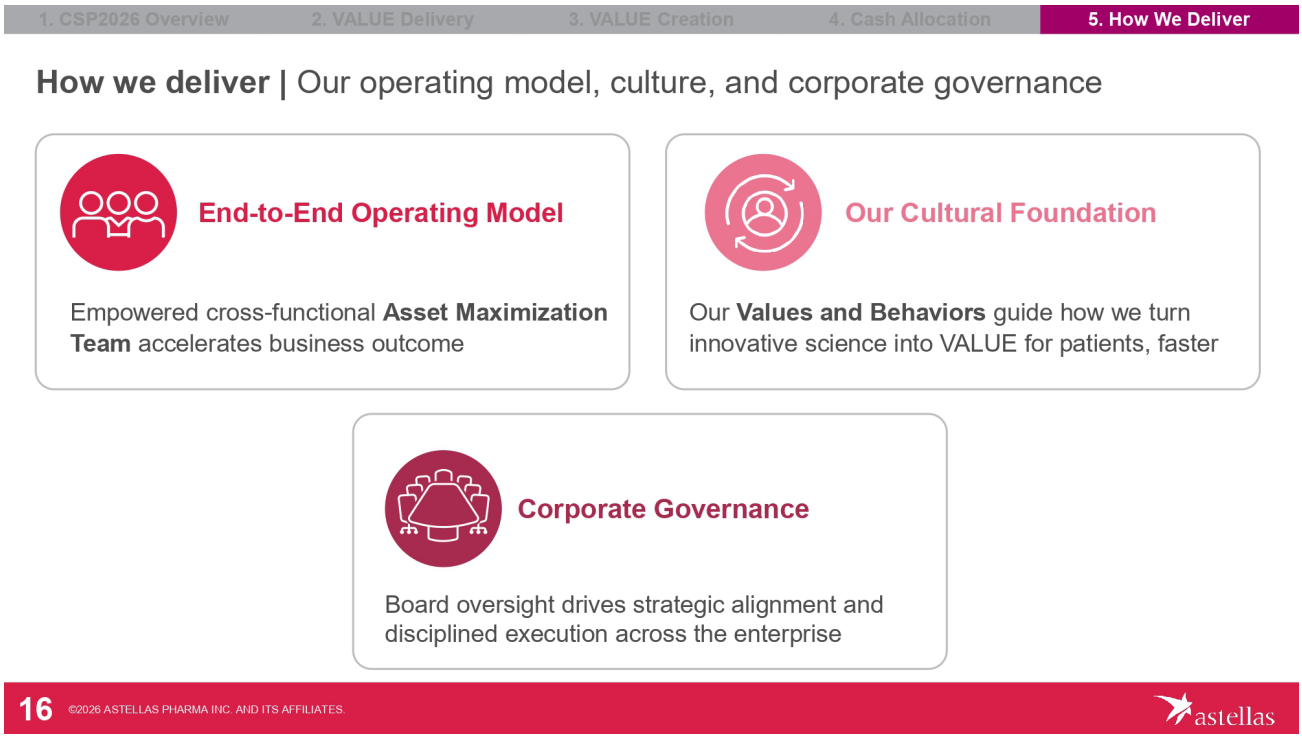


Converted at 1 USD = 150 Yen
Exchange rate assumption of FY2026: 150 Yen/USD, 180 Yen/EUR. Exchange rate assumption of FY2027 onwards: 150 Yen/USD, 155 Yen/EUR

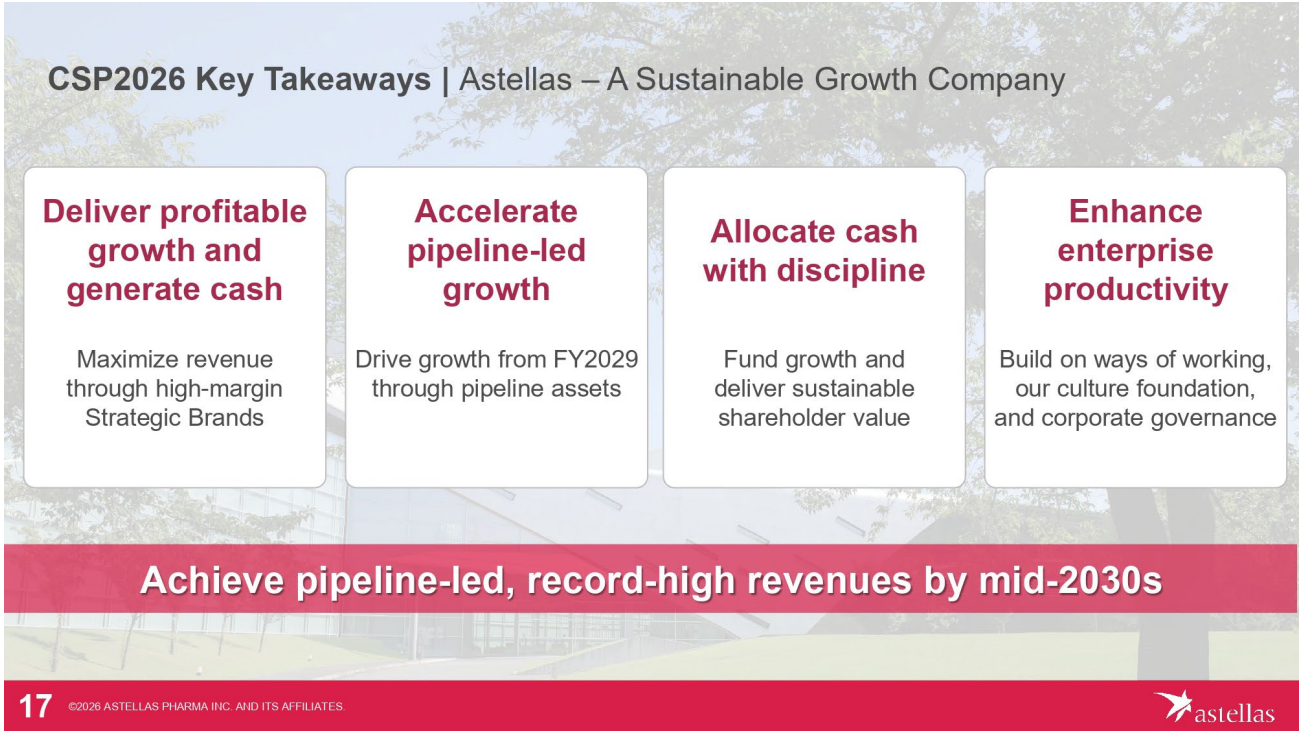
This is the disciplined cash allocation chart. This is very complicated. If you look at the left-hand side, you see the gray bar. We spent, in the past five years, JPY4.2 trillion in R&D, strategic investment, and shareholder

return. One of the most important strategic investments, which was the Iveric Bio acquisition, was funded through the debt financing. Therefore, the net cash that we generated for these investments was JPY3.4 trillion. That is JPY4.2 trillion minus JPY800 billion.

If you look at the center of the slide, we are forecasting we can generate JPY4.3 trillion even with the declining XTANDI revenue. We have decided to invest JPY2 trillion in R&D, reserve the JPY850 billion for the strategic investments, while we reserve the JPY750 billion for the shareholder return based on the annual JPY2 per-share dividend increase for the entire five-year period. This is a very flexibility-driven strategic plan for us. If something happens to our pipeline, we can use that R&D expense to the strategic investment. If we can generate more cash, we can think about how we allocate that to shareholder return or the additional strategic investment.



We have a very good operating model, End-to-End Operating Model, that I mentioned. We kind of renewed our corporate Values and Behaviors. We have a good, robust Corporate Governance structure. The CSP2026 has been produced through the thorough discussion with the Board and the executive team. We have a great monitoring ability, capability, from our Board.



Let me finish with the key takeaways. We try to make Astellas a Sustainable Growth Company by achieving pipeline-led record high revenues by mid-2030s. How can we do it? We deliver profitable growth and generate cash. We invest that to accelerate pipeline-led growth. We establish discipline for how we allocate cash, and we continuously enhance our enterprise productivity.

That concludes my presentation. Thank you very much for your attention.

Question & Answer

Barker [Q]: Okamura-san, thanks very much. We do have a few minutes for questions, and there's a microphone available. If you'd like to ask a question, please do speak into the microphone, because we need it for the recording.

I'd like to ask a question, first of all, to you, Taniguchi-san, about your KRAS strategy. Revolution Medicines has been making headlines earlier this week with their pan-RAS candidate, daraxonrasib, in second-line pancreatic cancer. Is this good news or bad news for Astellas' KRAS strategy?

Taniguchi [A]: Thank you for the question. I think, just to step back, what we're actually working on, particularly looking at pancreatic cancer, which is really predominantly caused by KRAS mutation, in the past, like until five years ago, this KRAS or RAS is actually regarded as an undruggable target. Now, we have a technology like target protein degradation or molecule that can tackle this difficult disease or difficult pathway, so we're actually going to be really transforming the way we actually treat cancer like pancreatic cancer. Just looking at our data and the Revolution Medicines data, it's pretty much consistent in early-stage Phase I or Phase Ib and so on.

Also, we're just aware of the headline that they're actually finishing the second-line or later-line pancreatic cancer, which is actually remarkable efficacy shown in their trial. What we think is that this is also pretty much encouraging for us, that our KRAS product will potentially work in first-line pancreatic cancer, and we actually already started the Phase III trial.

Of course, strategically, this is somewhat different because our product, setidegrasib, purely targets KRAS G12D mutated pancreatic cancer, but of course, their product is more "pan" the last RAS-ON inhibitor. The degrader versus inhibitor and the target are also the difference. There's some uniqueness because of this target, and particularly focusing on the safety profile, I think our product, setidegrasib, is quite a clean product, and it's quite encouraging that we can actually easily combine it with the current SoC like chemotherapy. We just started a Phase III trial in the US, Japan, and Europe, and of course, China. I think this is also a strategically very important product. We can actually really bring the new medicine and new VALUE for the patient in the near future.

Barker [Q]: Can you comment on the timeline for this pancreatic cancer first-line study?

Taniguchi [A]: Yes. Of course, we just started up the trial. The good news is that we have a very good uptake from the investigator who actually bring to putting more patients in the trial. Our current estimate is that we can have a fast top-line result around 2029, although this is also dependent on how we're actually going to go in terms of the patient recruitment, as well as this is an event-driven trial. We need to wait until we have enough events so that we can actually analyze the data.

Barker [Q]: Any questions? Okay. Let's keep with the KRAS. You're also developing it for other indications beyond pancreatic cancer, I believe.

Taniguchi [A]: Yes. Of course, KRAS G12D mutation actually occurs in around 40% of pancreatic cancer, so the initial target is a pancreatic cancer, but we also know that around 5% of non-small cell lung cancer actually has a KRAS G12D mutation, in which 5% of the non-small cell lung cancer is not so small, right? We think this is also extremely important, the indication that we're actually going to start the second-line non-small cell lung cancer with a KRAS G12D mutation this year, and the trial is going to be compared to the current SOC, the chemotherapy versus our setidegrasib monotherapy. Obviously, after treating the first line with the

checkpoint inhibitor and chemo, nothing worked except the chemotherapy. This is also a huge opportunity, that we can actually transform the way we actually treat lung cancer in the near future.

Barker [Q]: Yes, as you mentioned, your asset, setidegrasib, is a degrader. Is there something about degraders for this particular target that could potentially have advantages over the traditional small-molecule inhibitor approach?

Taniguchi [A]: I think it's inhibitor versus degrader. This is quite different. Inhibitors basically inhibit the pathway of any kind of oncogenic molecule, but I think a degrader really degrades a target protein per se. At least we've shown in the setidegrasib study that up to 95% of KRAS G12D was actually degraded by setidegrasib. This is quite encouraging. The uniqueness of a degrader potentially is that we may have a quite different resistant mechanism. If you're actually, for example, treating the KRAS with an inhibitor, we see that many patients have a KRAS amplification after that, but we don't see that, of course, because we degrade the target protein. So, I think this is a quite unique target that we can actually use much more broadly than even KRAS or a RAS target.

Barker [Q]: Of course, you have another KRAS-targeting program, ASP5834, also a degrader. What's the strategy there? How does that fit in with the overall RAS strategy for Astellas?

Taniguchi [A]: Yes. I mean, if you're thinking of RAS overall, approximately 70% of cancer actually has some sort of RAS mutation, and ASP5834 actually has a multi-KRAS degrader. Of course, initially, we can actually start with pancreatic cancer. Approximately 90% of pancreatic cancers have a RAS mutation. What we actually hope is that, of course, is that setidegrasib is really purely focusing on the KRAS G12D, but we can expand the target with ASP5834, which is the KRAS degrader. I think this is also strategically very important, that we already started the Phase I trial in the US and Japan. I think we're actually going to accelerate this program as well as move forward to actually cover a much wider range of the cancer to treat it with degraders.

Barker [Q]: You also have a very strong strategy in the Claudin 18.2 area. Obviously, you're a leader in this field with VYLOY, which has been growing a lot faster than I think certainly I expected, so that's been a great success. Could you tell us about these two follow-up candidates you have in development? How they will fit into the overall strategy, please?

Taniguchi [A]: Yes. As you mentioned, VYLOY is quite successful, not only in Asia, like Japan or China, but I think it is growing very quickly in the US. We think that we can continue to lead the Claudin 18.2 targeted product. As you may know, there are a lot of companies that started coming to this space, but I think we have ASP2138, the Claudin 18.2 CD3 T-cell engager, which is already showing encouraging data in frontline gastric cancer in combination with a checkpoint inhibitor and chemotherapy. We're actually going to start a Phase III study targeting first-line gastric cancer.

Differentiating from VYLOY, VYLOY is really focusing on Claudin high, but we actually can expand with the ASP2138 targeting Claudin low to mid that we actually can differentiate from the prior and ASP2138. I think what I see, the most encouraging data, of course, one, is the durability of the response with this product, because this is a T-cell engager. It's really targeting like an IO, as well as we see the pretty good safety profile that we're actually showing. I think this is also quite encouraging, that we can really start a Phase III trial this year.

In addition to that, in partnership with Evopoint, we have ASP546C, which is a Claudin 18.2 target ADC. This product is already moving forward to the Phase III in China, but we also actually partnered with Evopoint. We already started the Phase II trial to confirm that data coming from China, that we can actually produce in the US, Europe and Japan. Then, we actually plan to start a Phase III trial globally next fiscal year.

Barker [Q]: It's exciting, but of course, all of this clinical development costs money, Okamura-san. I was pleased to see slide 15, where your cash flow situation looks very healthy.

Okamura [A]: Thank you. Yes, it is. As I mentioned, we spent JPY4.2 trillion in the past five years. Out of that, JPY800 billion was debt financed. In spite of the decline in revenue of XTANDI, we believe that we can generate more than JPY4 trillion in cash for the coming five years. Of course, with discipline, we are going to allocate that cash to different types of activities. In JPY2 trillion, which is 30% more than the past five years, we reserve JPY850 billion, which is almost USD1 billion per year of business development activities covered by the reserve funds. On top of that, we can return to our shareholders with the minimum annual JPY2 dividend increase. It's a very flexible plan. If we can generate more, we can consider how we can reallocate that generated cash, and we can shift cash from research and development to strategic investment, including the BD activities. It's a very flexible plan that we have.

Barker [Q]: Yes. I mean, you're heading into a significant LOE, obviously, but as you pointed out, the margins that you'll be earning on the newer products, the core products which are replacing XTANDI, is a lot higher. You're in a very enviable situation where you can actually expand your margins through an LOE, unusual.

Okamura [A]: Yes. It's really fortunate that we have not a single, big product, but a handful of multibillion-dollar potential products. On top of the profitability of those Strategic Brands, we're continuously executing the cost optimization initiatives. We have a very good track record of really achieving our commitment, and we'll try to continue that momentum for the coming five years.

Barker [M]: Great. Well, I think we're just about out of time. Okamura-san and Taniguchi-san, thank you very much.

Okamura [M]: Thank you very much.

[END]

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Document Notes

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