



Astellas Pharma Inc.

Exchange of Views with Outside Directors

December 9, 2025

Event Summary

[Company Name]	Astellas Pharma Inc.	
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[Date]	December 9, 2025	
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[Venue]	Webcast	
[Participants]		
[Number of Speakers]	4	
	Mark Enyedy	Outside Director
	Andreas Busch	Outside Director
	Eriko Sakurai	Outside Director
	Nobuko Kato	Chief Communications & IR Officer
[Analyst Names]	Miki Sogi	Sanford C. Bernstein
	Junko Yatsunami	Nissay Asset Management Corporation
	Shinichi Koguchi	Sumitomo Mitsui Trust Asset Management
	Hidemaru Yamaguchi	Citigroup Global Markets
	Osamu Kodaira	Black Rock Japan
	Shinichiro Muraoka	Morgan Stanley MUFG Securities
	Yutaro Nakamura	Farallon Capital Management
	Tony Ren	Macquarie Capital Securities

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Presentation

Kato: Good morning. Thank you very much for joining us. I serve as the CCIRO, Chief Communications and Investor Relations Officer. My name is Nobuko Kato. I'd like to ask for your kind of cooperation today.

Today, we are pleased to have the communication both in English and also Japanese. We are going to take a question either in English or Japanese. For the simultaneous translation, we cannot have the guarantee for the accuracy of the translation. In the Zoom webinar, you can choose the language you like. Also, when you choose the original language, without any translation, you can listen to the original language.

Today, we have the two newly appointed independent outside Directors, Mark Enyedy and also Andreas Busch, and also Eriko Sakurai. We have welcomed all of them. So, together with them, we'd like to have some exchange meeting with each other.

Astellas Pharma Inc.'s governance and also the future perspectives of Astellas are going to be explored between the media and also investors and the independent outside Directors. This is a very great opportunity for us to share the information with each other.

First of all, I'd like to ask Ms. Sakurai to explain about our corporate governance history. After that, I'd like to ask Mr. Enyedy and Mr. Bush to give us some comments about their impression of Astellas after working for Astellas for 150 days. We'd like to entertain your questions and also discussion.

There are some points we need to take care of: the materials and also the overall explanation we are going to have today. Also, in Q&A, we may refer to the forecast of the business and also the forecast for R&D. Those are matters for future development. Those forecasts are based upon our judgment based upon the information available as of today. That is why uncertainties and also unknown factors are included. That is why actual results may be affected by several factors. That is why the actual performance may be different from our perspective as of today. Also, any additive pharmaceutical products under development and also currently marketed may be included, but such content is not intended as the advertisement of medical devices.

Now, I'd like to go into the meeting. Ms. Sakurai, would you please go ahead?

Sakurai: Yes. My name is Eriko Sakurai. Thank you very much for your presence.

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Astellas' Corporate Governance Evolution

Committed to enhancing corporate governance to drive corporate value



First of all, I'd like to touch upon the Astellas corporate governance, the evolution and history.

Ever since 2006, we have had the enhancement of the independence and transparency of the Board of Directors. I'd like to touch upon this. Ever since 2006, the majority of the Board consists of independent outside Directors.

Furthermore, in 2011, we appointed an independent outside Director as chair of the Nomination and Compensation Committees, and both committees became entirely composed of independent outside Directors in 2022.

Also, in 2025, we have strengthened the Board by appointing two independent outside Directors who are recognized as global pharmaceutical leaders with deep industry expertise to continue to enhance oversight and strategic insight.

We will continue to strive for the further enhancement of our governance and driven by the belief that strong oversight enhances shareholders' value.

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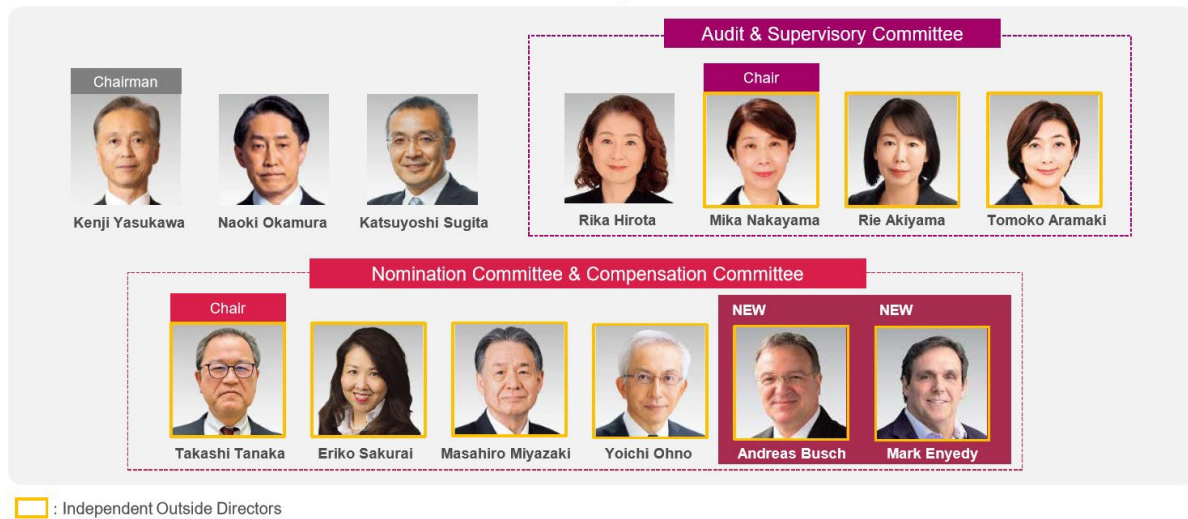
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Astellas highly diverse and experienced Board of Directors

Board of Directors with 4 Internal Directors and 9 Independent Outside Directors



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On this slide, I'd like to tell you about the structure of the Board of Directors.

We have four internal Directors and nine independent outside Directors. In total, we have 13 members in the Board, meaning that some 70% of our Board is independent, ensuring a wide range of perspective and robust oversight.

Dr. Kenji Yasukawa serves as the Chairman of the Board. The Audit and Supervisory Committee include three independent outside Directors out of four, and this Audit and Supervisory Committee is chaired by Ms. Mika Nakayama. The independent Nomination and Compensation Committees are chaired by Mr. Takashi Tanaka.

Furthermore, we are committed to a diverse Board. We regularly review our Board completion to ensure it reflects our evolving business and the stakeholders' needs.

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Astellas governance at a glance



1. Governance structure

- Astellas has chosen the institutional design of a company with an Audit & Supervisory Committee
- Majority of Independent Outside Directors with diverse and complementary expertise
- Fully independent Nomination Committee and Compensation Committee



2. Strategic oversight & accountability

- Board actively engages in the company's long-term strategies and creation of the next mid-term plan, ensuring they are closely aligned with our Philosophy and VISION
- Robust monitoring mechanism via the Enterprise Priority Monitoring Group (EPM)



3. Shareholder value

- Driving long-term business growth and shareholder value through disciplined capital allocation
- Management incentives aligned with shareholder interests
- The Board is committed to ongoing engagement with shareholders

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As for corporate governance, there are three main pillars.

Now, one of them is governance structure. We have adopted the institutional design of a company with an audit and supervisory committee.

Number two is strategic oversight and accountability. The Board actively engages in the Company's long-term strategy and the creation of the next midterm plan, CSP2026, ensuring they are closely aligned with our philosophy and also VISION. I'm going to tell you more details, that back in November 2024, we established the Enterprise Priority Monitoring group, which is called EPM for short. Throughout this, we have already established a robust modeling mechanism.

The third one is shareholders' value. We drive long-term business growth and shareholders' value through disciplined capital allocations. The management incentives are aligned with the shareholders' interest. The Board is committed to ongoing engagement with the shareholders.

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Effective board operations combined with robust monitoring process to sustain performance and growth

Board detects early signs of deviations in business performance and requests Top Management to take prompt and adaptive measures

Ways of Working	Early pre-read with concise presentations enable appropriate Board dialogue , resulting in meaningful exchange of perspectives and comprehensive guidance from the Board to Management
Audit & Supervisory Committee (ASC)	ASC routinely provides updates to the Board of Directors on legal, compliance, Corporate governance, internal control and risk management issues
Quarterly Business Update	Update by CEO to the Board of Directors on key business progress and risks
Monthly Performance Review (MPR)	The company's P&L, sales trends by brand/region, and other key metrics are shared with the Board on a monthly basis
Voices from Analysts	Regularly update the Board of Directors on feedback from analysts by Investors & Shareholders Relations team

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Today, we are going to pick up the second pillar, strategic oversight and accountability. By using the next slide, I'd like to go in depth about the explanation of this.

In the Board meetings, we try to make sure that we have effectiveness set at the meeting. In our pre-read, we try to ensure that enough time and also that for material presentation is very brief. We try to promote broad perspective discussion. We try to give the broad perspective to the Directors for meaningful discussions. Furthermore, the Board meetings have a modeling process. Throughout this, business development is pursued and also that the regular communication with the Board member is established.

Also, in the early days, we try to pick up any deviation from the plans. Therefore, we have the multilayer monitoring system in place, and we have the major elements as follows.

About the Audit and Supervisory Committee, the committee routinely provides update to the Board on legal, compliance, corporate governance, internal control, and risk management issues, ensuring alignment with the best practices and early identification of risks.

Also, the quarterly business update, the CEO provides quarterly updates to the Board on key business progress and the risks, offering transparency and also financial performance visibility.

Also, monthly performance is being reviewed. The Board reviews the detailed updates on the Company's P&L, sales trends by brand and region, and other critical metrics. We have very fine, granular financial performance tracking and monitoring.

As for voices from shareholders and investors, the Board receives regular updates on feedback from shareholders and investors by the IR and SR team. This helps to ensure that external stakeholder expectations are considered in the Company's decision-making.

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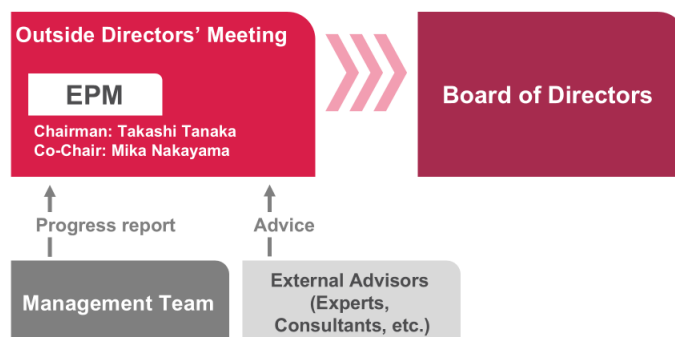
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Robust monitoring mechanism via the Enterprise Priority Monitoring group (EPM)

EPM, consisting solely of Independent Outside Directors, strengthens the Board's oversight function

EPM Objectives

-  Strengthen Outside Directors' insights into the current landscape and projections for critical initiatives
-  Enhance progress monitoring of company-wide priorities
-  Provide valuable insights and key priorities back to the Board



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Next, I would like to talk about the Enterprise Priority Monitoring group, the robust monitoring mechanism via this EPM.

The EPM is a unique structure that consists solely of independent outside Directors, and it plays a critical role in strengthening the Board's strategic oversight function.

The EPM has the following three objectives: to strengthen independent outside Directors' insights into the status and direction of Astellas' most critical initiatives; to enhance progress monitoring of company-wide priorities; and to provide valuable insights and key priorities to the Board.

The EPM engages in ongoing dialogue with the management team, who provides regular updates on the progress of the three EPs. When necessary, the EPM also draws on external advisers' specialized expertise. By so doing, ultimately, this provides the Board with sharper insight into where to focus and when to take action, reflecting our commitment to advancing governance to drive long-term sustainable value.

This concludes my explanation.

Kato: Ms. Sakurai, thank you very much.

Now, here, let me introduce our newly appointed independent outside Directors, who have been selected in the shareholders' meeting. Mark Enyedy is an executive with extensive experience in the pharmaceutical industry, and then Andreas Busch possesses extensive experience in research and development, has driven innovation within the pharmaceutical industry in R&D organizations, and was also chief innovation officer at pharmaceutical companies in Europe and the US.

We look forward to hearing their perspectives on joining Astellas' Board and their experiences during their first 150 days in office.

Today, they will talk about why they decided to join Astellas' Board and also first impressions, reflections of their first 150 days.

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First of all, Mr. Enyedy, please.

Enyedy: Thank you, Nobuko. It's my pleasure to be with you today.

As Nobuko mentioned, I'll cover briefly three topics. First, just some background on why I'm pleased to join Astellas, some initial reflections from my first 150 days, and then, finally, talk about my commitment to the business and to you, our shareholders.

New Outside Directors Profile



MARK ENYEDY

Independent Outside Director

Seasoned executive with a strong Pharma business leadership experience

September 1990	Associate, Palmer & Dodge, LLP
February 1996	Corporate Counsel, Genzyme Corporation
November 1999	Vice President, Oncology, Business Development, Genzyme Corporation
July 2008	President, Transplant, Oncology, and Multiple Sclerosis, Genzyme Corporation
September 2011	Director, Chief Executive Officer, Proteostasis Therapeutics, Inc.
July 2012	Non-Executive Director, Fate Therapeutics, Inc.
August 2013	Head of Business Unit, Internal Medicine, Shire plc
May 2014	Head of Corporate Development, Shire plc
May 2016	Director, President and Chief Executive Officer, ImmunoGen Inc.
September 2017	Non-Executive Director, Keryx Biopharmaceuticals, Inc.
March 2020	Non-Executive Director, LogicBio Therapeutics, Inc.
May 2021	Non-Executive Director, Ergomed Group Limited (present post)
December 2023	Non-Executive Director, BioMarin Pharmaceutical Inc. (present post)
May 2025	Non-Executive Director, Charles River Laboratories, Inc. (present post)
June 2025	Director, the Company (present post)

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Just by way of background, I've been in the biopharmaceutical industry for over 30 years, first as a mergers and acquisitions lawyer, and then through a progression of corporate development and general management roles in companies such as Genzyme and Shire.

My operating experience culminated as the chief executive officer of ImmunoGen from 2016 to 2024, when the company was acquired by AbbVie for just over USD10 billion.

Over the last decade, I've also served as an independent Director for public companies in the industry, including my current roles with BioMarin and Charles River Laboratories.

My experience over the last 30 years has taught me that great companies in this industry share a few things in common: first, a primary focus on improving patient outcomes; second, a relentless pursuit of continued R&D innovation and commercial excellence; and third, management with both the foresight and the imagination to lead the company in a dynamic global market. I see these traits in Astellas.

Drawing on the rich history of Fujisawa and Yamanouchi, Astellas has a proud legacy of turning innovative science into VALUE for patients with transformative medicines.

Astellas today is well positioned to build on that legacy with sustained top- and bottom-line growth, driven by its Strategic Brands and the ongoing margin transformation initiative, continued innovation with a pipeline focused on areas of significant unmet need, including oncology, genetic diseases, and blindness, and finally, management with the vision, values, and experience to lead this important business through a period of rapid change and significant volatility.

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As I think about my first 150 days, I'd like to comment on two areas in terms of my first impressions.

First, regarding Board dynamics and governance, I've been struck by the openness of the Board discussions and the level of detail that we receive on both strategy and execution. That gives me confidence that I can provide meaningful challenge as an independent Director. I should also add that management has shown a willingness to expose us to the risks and difficult trade-offs, not just the good news, which is essential for us to exercise proper oversight.

Second, on strategy and portfolio, we've taken a deep dive into strategy and portfolio, as we move forward with the next CSP. The level of effort and discipline management has demonstrated tells me that Astellas is serious about generating sustainable growth and not just relying on past successes. To that end, I see both ambition and realism in the discussions, a recognition of the challenges that we face and a focus on what will create long-term value.

So, I'm very excited to join the Board at this important moment and fully committed to work with Kenji, Naoki, and the rest of the Board and management to meet our challenges and increase value on a sustainable basis through constructive challenge and alignment on portfolio and strategy, ensuring we are competitive with our products, driving effective and efficient capital allocation with a focus on business development, and to support a culture of innovation and discipline to create long-term value.

Thank you.

Kato: Thank you, Mark.

Next is Andreas. Can I hand over to you, Andreas?

Busch: Thank you, Nobuko. It's always difficult to follow Mark because he always takes away the most important points, but let me try to do my very best here.

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New Outside Directors Profile



ANDREAS BUSCH

Independent Outside Director

Accomplished leader in R&D and new drug development driving pharmaceutical innovation

October 1997	Head of DG Cardiovascular Diseases, Hoechst Marion Roussel
January 1999	Vice President, Head of DG Cardiovascular Diseases, Aventis
September 2000	Goethe University Frankfurt, Extraordinary Professor of Pharmacology
July 2004	Global Head of Cardiovascular Research, Sanofi- Aventis
May 2005	Senior Vice President, Head of Discovery Europe, Bayer HealthCare AG
January 2016	Head of Drug Discovery, Bayer Pharma AG
January 2018	Head of R&D and CSO, Shire plc
April 2019	Chief Innovation Officer and CSO, Cycleron Inc.
February 2022	Non-Executive Director, Centogene N.V.
October 2022	Chief Innovation Officer, Absci Corporation, (present post)
June 2025	Director, the Company (present post)

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First of all, I will comment on the same points as Mark has just done, but let me also give you a bit of background about my person.

I worked for quite some time at the beginning of my career in academic institutions across the globe, from Europe to the United States. I then entered the industry more by chance than by strategy and worked in big pharma companies as well as in biotech companies, different technologies, different therapeutic areas.

Clearly, I have to say it was always my desire to bring and focus on bringing innovation to patients, meeting unmet medical need. It was always cool to work on great science and cool to work on great technologies, but ultimately, those great technologies have to deliver innovation.

I do believe that this is also a very important aspect, which I can bring to Astellas being a true drug hunter, because, in my time, both in biotech as well as in the pharmaceutical industry, I brought numerous compounds from research to development to the market. I certainly contributed to about 20 or more compounds being successfully developed. I sense that I always focus on the differentiation between great science and innovation for patients.

Having said that, let me talk a little bit why I decided to join the Astellas Board. I've been, in the past, quite impressed by Astellas' clear VISION and commitment to integrity. I like how they approach R&D with a focus on patients, how they really try to focus advancing innovative therapies, applying really the most advanced technologies from gene therapy to cell therapy to PROTACs, all technologies, which can make a true difference compared to the good old small molecules which we have used in the past. They clearly focus, like Mark already said, on high unmet medical need, and they are willing to take a risk. However, they are careful in taking the risk, and they always reflect on the progress they made.

What excites me most in Astellas is the opportunity to really guide and accelerate the delivery of innovation. This is my background. This is my expertise. This is where I feel home. This is where I do believe Astellas can make the best use of me.

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When it comes to leadership and culture, I have to say I really found the leadership team very receptive to diverse perspectives and open to a dialogue with the Board members. However, this does not only apply to the management team, it also applies to the Board itself. I have to say I was super positively surprised how warmly Mark and I were welcomed by the Board. I felt from the first moment on that everybody was very open to talk to us, to engage in discussions with us, to listen to us. We got away with drilling questions and challenges and always felt that we can apply our expertise at any time of extent.

What certainly also has impressed me when it comes to leadership and culture is the clarity of purpose. Whilst patient impact is front and center, there is an aligned recognition that sustainable growth has to occur to meet the shareholders' needs. Clearly, there is a very strong commitment now for delivering innovation as fast as possible, as significant as possible, to the patients.

R&D productivity is, of course, what is closest to my heart. I think there has been a challenge with R&D productivity across the entire industry, but certainly also, this is true for Astellas. I've seen R&D productivity issues in different companies I've also worked on, and I do believe that the critical questions on how to improve R&D productivity have been raised. They are worked on. There is a new R&D strategy in place. The execution is ongoing. I think the right milestones are in place to really check, always in a timely fashion, whether the appropriate progress has been made.

This really gives me confidence that the Board can hold management accountable on productivity, and I think this is extremely important for the shareholders and investors to see that really one of the main topics for our value, R&D productivity, is going in the right direction.

What am I committed to bringing to Astellas? Clearly, like Mark already said, governance as a safeguard of long-term value. This is very important. We, of course, want to have an impact as fast as possible on the value of the Company, but we also have a mid- and long-term vision and clearly try to help guide management in the appropriate direction.

Emphasis on evidence-based oversight and diversity of perspectives, it is just of utmost importance that we continuously focus on data, not on politics, and I think this is something which we master and we continue to apply in our discussions.

Finally, of course, the most important thing, I am committed to continue with my deep commitment to patient-centered innovation and support any effort to get there with scientific excellence.

That's all from myself.

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Highly experienced new Independent Outside Directors strengthening Astellas Board



MARK ENYEDY

Seasoned executive with a strong Pharma business leadership experience



ANDREAS BUSCH

Accomplished leader in R&D and new drug development driving pharmaceutical innovation

Why I decided to join Astellas' Board

- Astellas today is well positioned to build upon that legacy with the **top-and bottom-line growth** driven by its Strategic Brands and the margin transformation, innovation with a pipeline, and the highly experienced management team.
- What excites me most in Astellas is the opportunity to guide and accelerate the **delivery of innovation** from the laboratory to the patient.

First impressions (reflections of my first 150 days)

- **Board Dynamics:** I've been struck by the openness of the Board discussions, and the level of detail we receive on both strategy and execution.
- **Leadership & Culture:** Leadership has been receptive to diverse perspectives and open dialogue.
- **Strategy & Portfolio:** Astellas is serious about demonstrating sustainable growth and not just relying on past successes.
- **R&D Productivity:** As someone with deep scientific experience, I've appreciated the transparency into the R&D programs, including candid assessments of risk.

What I am committed to bringing to Astellas

- **Constructive challenge,** alignment of portfolio and BD to sustainable shareholder value.
- **Capital efficiency and global competitiveness.**
- Belief that **innovation and discipline** are both required for long-term value creation.
- Governance as safeguard of **long-term value.**
- Emphasis on **evidence-based oversight and diversity of perspectives.**
- Deep commitment to **patient-centered innovation** and to ensuring scientific excellence translates into **impact.**

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Kato: Thank you. Mark and Andreas, thank you very much for your passion and thoughts. Sakurai-san, thank you very much.

That is all about the presentation from Astellas' side.

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Question & Answer

Kato [M]: From now on, we'd like to go on to the Q&A.

We have received the questions in advance. Thank you very much for registering your questions. I'd like to touch upon a few questions from now on. After that, well, we would like to entertain questions from the participants today.

First, I'd like to just go on to the first question we have already received.

Pre-submitted Question [Q]: That is the XTANDI patent cliff. From the perspective of independent outside Directors, were these pieces of advice given to the Board?

Kato [M]: I'd like to ask Sakurai-san to give us the answers.

Sakurai [A]: Yes. About this one, all of us, I think, understand this is a very important moment for us, Astellas, in the short run. There are three prioritized pillars so that we are going to maximize the value of the important products and enhancement of the pipeline and cost optimization. We have been working for those.

About those points, as was mentioned earlier, within the EPM, we have taken so much time for discussion. Furthermore, in the Board meeting, CSP2026 being put in together, we have a close communication with the management.

This is the answer for this question.

Kato [M]: We'd like to go on to the next question.

Pre-submitted Question [Q]: SMT, Sustainable Margin Transformation, as well the cost optimization, what are the initiatives of the other Directors? What is the initiative by the Directors?

Kato [M]: I'd like to ask Enyedy-san to answer this question.

Enyedy [A]: Thank you, Nobuko.

There are a few points to mention with regard to the SMT initiative.

First, we fully acknowledge that our cost structure requires transformation, and we began this journey in FY2024 with the launch of the Sustainable Margin Transformation as one of our three Enterprise Priorities. Atsushi, our CFO, is doing a great job with this initiative, maintaining resolute financial discipline and executing on robust project management, and I think the best evidence of that is the steady progress that was reflected in our Q2 results. Building on that progress, we do expect to achieve our cost optimization targets by FY2027 through continued progress.

Separate but an important point is that this is not just about cost optimization. It's also a strategy that strengthens the foundation of the business and enables future investments, such as in R&D. The Board of Directors continuously discusses financial discipline and resilience, working closely with the management team, and as part of that effort, we actively monitor the progress of the SMT as part of the Enterprise Priority Monitoring group.

That's my response.

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Kato [M]: Thank you, Mark.

Next, we'd like to move on to the third pre-submitted question.

Pre-submitted Question [Q]: Recently, share price has done very well on the part of Astellas. How are you looking at this advantage as an outside Director?

Kato [M]: Busch-san, please, if you could answer, Andreas-san?

Busch [A]: Thank you, Nobuko-san.

I mean you asked me before about the first 150 days impression I had. I have to say I am very impressed about the share price over those 150 days, which has actually increased by over 40%, which I think is a very, very strong signal to everybody about the potential Astellas has. We are very, very pleased about the momentum which we have gained in the recent months, particularly, I guess, after the Q2 earnings call.

If I always look at share price development and what's behind share price development, my assumption at this point would be that there is a significant contribution of the growth of the strategic brands, which Mark has already pointed out. There is a contribution of steady progress in the R&D pipeline. We have seen strong outcomes of a couple of important drugs in the pipeline. Also, like Mark has pointed out already, the clear disciplined cost control led by our CFO. These are three crucial elements for investors to look at.

Overall, and above everything, this indicates that Astellas will deliver on promises, and being an investor myself in a number of companies, this is of utmost importance to me. I always want to see that a management team delivers on promises, and I do believe what we can see here right now is exactly the result of that.

That's for me.

Kato [M]: Thank you, Andreas.

Now, that concludes the pre-submitted questions and answers.

Next, we would like to entertain your questions. Those of you who have questions, please use the raise hand button on Zoom. After this is confirmed by the secretariat, I would like to pick up the questions. Therefore, when your name is read, then please ask your question.

Now, this is the first question. Sanford C. Bernstein, Ms. Sogi, please.

Sogi [Q]: Thank you very much for taking my questions.

I have kind of a general question about the area of improvement for the management that you, Mark and Andreas, especially you have just joined as Board members recently, see among the management. We are, of course, happy to hear your, in general, very positive comments around how the Company is currently managed and moving into the right direction, but also, we'd like to see where you want to see the improvement, especially in the short term and also mid to long term.

Kato [M]: Mark, could you take over first, and then maybe going to Andreas as well?

Enyedy [A]: The management team, first and foremost, is highly focused on execution around the three Enterprise Priorities: maximizing the potential of the brands, accelerating our pipeline, and committing to achieving the cost optimization targets. All of our engagement with the management team is built around those three priorities, and then how we can best complement the existing portfolio through business development, and then working through the next CSP.

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Honestly, with 150 days of experience here, I think this team is doing all of the right things. Details of information that we're being provided is more than sufficient to inform our judgment and to allow us to provide our expertise and advice on the critical questions that face the business, whether it's strategy, whether it's business development or R&D or financing, all of those questions.

So, having a lot of public board experience over the last decade and having had a front row seat at some other companies like Genzyme and Shire, as I say, I think this management team is doing an excellent job right now in terms of shepherding the business through what's been a very volatile set of external circumstances. So, great work and look forward to continued engagement with the team.

Kato [M]: Thank you, Mark.

Andreas?

Busch [A]: Yeah. I can probably echo a number of the points, again, which Mark has already made. For me to contribute means that I need, actually, details. I'm the typical old-fashioned scientist. I need data. I need facts. That's what I'm requesting, and I was very surprised how quickly, how promptly, I get all the information I need to form a view about the situation myself and to have a very solid and profound discussion with the management team.

Both Mark and I, first of all, we went to portfolio review to the research side. We dove in great detail into the individual projects. The teams were super transparent in clearly describing the risks and opportunities of each project. There is no R&D project without risk, but it's very important to understand the opportunity and to understand how to manage the risk. I feel that the teams really have plans in place to deal with the risks of individual projects, but also understand the overall risk of the execution of the R&D strategy.

After that, we have had, or I have had, Mark also, numerous interactions with individuals. Very rapid response when we had any type of request, and we had very solid discussions where my feeling is that the discussions are held in a productive dialogue. They may not always be convenient. They may not always be singing exactly the same song with the same melody, but what we do find is that there is a very positive friction. There is a very positive discussion of views, how we can ultimately bring projects across the finish line in a very positive way.

When it comes to what I do think I can contribute most and where we want to make sure we can further improve in the future, it clearly is R&D productivity. We do want to go forward, of course, with a balanced delivery of innovation internally and externally, and I think we are on a pretty good path of achieving that.

Kato [M]: Sogi-san, are you good?

Sogi [M]: Yes.

Kato [M]: Thank you very much for the question.

Next, from Nissay Asset Management, Yatsunami-san, audio please.

Yatsunami [Q]: Thank you. Nissay Asset Management, my name is Yatsunami.

How do you evaluate asset organization and the culture? Is it an organization that generates innovation? Based on your past experience, what are your expectations and challenges?

Busch [M]: Nobuko-san, would you mind repeating the question?

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Kato [M]: She has a question about the culture here, corporate culture. Compared to other situations where you experienced, do you have any kind of observations at this moment for the culture, or challenges, you see at this moment?

Busch [A]: Sure. I mean, what I certainly like to see are two aspects.

The one aspect, the R&D people I have seen and looking at the portfolio, this validates my view, is that there is a clear focus on very important indications, a very clear focus on the right indications with the highest medical need. What I see for those indications, our R&D organization is creative and applying the most advanced technologies.

Now, having said that, taking the most advanced technologies forward also always represents a potentially higher risk, and for that, I do see that the appropriate risk mitigation is in place, the appropriate inflection points, which you want to focus on, where the individual technologies will have to deliver is in place.

So, I feel very comfortable that on two aspects which are important to me, focus on the right indications, applying the right technologies, we're going in the right direction. We continuously work on making sure that we keep going as drug hunters. Technology has to translate fast and effectively into drugs.

That's for me.

Kato [M]: Thank you, Andreas.

Yatsunami-san, any other additional questions? Did you specify the point you wanted to hear more?

Yatsunami [M]: Thank you. Your response has been very informative. Thank you very much.

Kato [M]: Thank you very much for your questions.

Next, I'd like to go on to the next question. From Sumitomo Mitsui Trust Asset Management, Koguchi-san.

Koguchi [M]: From Sumitomo Mitsui Trust Asset Management, my name is Koguchi. Can you hear me okay?

Kato [M]: Yes, we can hear you.

Koguchi [Q]: I'd like to raise one question to Sakurai-san. Sakurai-san, I think your tenure has been longer than these two gentlemen. Ever since you became an independent Director, what kind of changes have you seen? To what extent effectiveness has been enhanced? One of them is EPM, so I want to understand how the EPM is working or not. Also, since you have received Enyedy-san and Busch-san newly, since the change of membership, what kind of changes have you observed in the Board?

Sakurai [A]: Okay then, I'd like to answer your questions.

First of all, probably back in 2023, when I had this kind of session, Koguchi-san and other members also joined this meeting in those days. At that moment, in order for us to increase the implementation, we received similar questions. We had some investment initiative in those days. Within the pharmaceutical industry perhaps, we do not have the background for the pharmaceutical business. That's one of the points of the question we received in those days. The issue was raised to the Nomination, Compensation, and Audit and Supervisory Committees.

In those days, the global governance, Japan's governance, comprised such expertise with good governance. However, we didn't have so much experience in the pharmaceutical industry. That is why we try to add the change, try to improve the membership of the Board. That's why we have invited Mark-san and Andreas-san

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so that in our Board meeting, we have very good transparency. We can be very candid in discussion, but after the joining of the two independent outside Directors, we have had more active discussions.

Ever since day one, right after the shareholders' meeting, the two gentlemen started to join the discussion very actively because they have so much experience in the global business pharmaceutical companies, including bio pharmaceutical companies. They know the business very well. That's why they have so much insight. That is why the right question was raised to the Board, to the management. Therefore, the existing members received so much stimuli. We raised some questions to the management. Also, we had a discussion among ourselves, among three people. We have had more chances for the active discussion at this moment.

In addition to the insight from Mark-san, Andreas-san, of course, we are able to have more active discussion among Japanese members. Also now, the board meetings have a bilingual illustration so that, for example, I'd like to raise some questions to Mark-san in English. When I talk to other existing members, I use Japanese. Therefore, we have a very good open environment where everybody can raise any observations. We try to be more aware about creating this kind of very candid environment.

Also, EPM, as I had mentioned earlier, we can call upon the existing people with so much insight of R&D. For example, Claus, when he comes to Japan, we have a chance to listen to Claus-san. This way, in addition to our Board, we have a chance to talk to other management to deepen our insight and also the knowledge. We raised the appropriate questions. We have acquired more insights. Also, we are more inclusive of the people who have so much experience inside the pharmaceutical industry.

Kato [M]: Does this answer your question, Koguchi-san?

Koguchi [M]: Yes. Thank you very much. It was very clear.

Kato [M]: Thank you very much for your questions.

Next question. Next, Citigroup, Yamaguchi-san, please.

Yamaguchi [Q]: Citi, Yamaguchi. Can you hear me? Thank you.

To Andreas-san, I'd like to ask you this question. Generally speaking, Astellas' strategy has to be viewed as the BD-based strategy so far by products and develop and selling globally. But at the same time, Astellas has tried to do the Focus Area Approach, which could differentiate from just a BD company from the innovative pipeline company. But so far, the Focus Area Approach takes more time, and so far, productivity has been relatively low, especially on gene therapy and cell therapy. So, what do you think about this R&D strategy in general, including Focus Area Approach? Is Astellas just a BD company or not really different in the future?

Thank you.

Busch [A]: Thank you for your question.

I mean, first of all, I'm a strong supporter of a Focus Area Approach. I do believe that focus overall and looking at it in a balanced way brings clearly more advantages than disadvantages. It helps really accumulating expertise, it helps accumulating knowledge, and it helps attracting great talent. Certainly, this is the right recipe for bringing innovation in a faster way forward.

When it comes to the balance between internal and external research, this is also one of the secret sauces for success. You have to have the right balance. No successful R&D organization can ever survive or has ever survived on internal research only. You always want to be sure that you do not miss out on certain external innovations which are made and which can help you supplement your portfolio.

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When it comes to the internal innovation, what I've said before is that there has been significant investment and risk-taking in implementing very, very innovative technologies, breakthrough technologies, to address those very difficult diseases. Mark has mentioned them before. Blindness, oncology, rare genetic diseases, for that, you have to apply very advanced technologies, and it always takes a bit longer to implement more advanced and more breakthrough technologies for technical reasons, for learning reasons, and so forth. But I do think that the right milestones are in place, the right inflection points are in place, to make sure that indeed, internal R&D is delivering more in the future.

We have seen a first proof of concept being delivered this year with a PROTAC. I think that, for me, was a particularly positive sign. This is one of the first PROTACs successfully acting in patients in a Phase I trial, and I hope that this is the start, signal of more to come, more proofs of concepts to come with our gene therapy, cell therapy, and of course, more PROTACs, more antibody drug conjugates, and so forth.

I have to say, the very difficult indications, you cannot address with a very conservative approach. You need an aggressive approach. This is being taken. I do think that right now, we are taking the right learning, and we will see increased productivity in the very near future.

That's it for me.

Kato [M]: Thank you, Andreas.

Yamaguchi-san, is this all right for you?

Yamaguchi [M]: Yes.

Kato [M]: Next, I'd like to go into the next question. BlackRock Japan, Kodaira-san.

Kodaira [M]: Hello. My name is Kodaira from BlackRock Japan. Can you hear me okay?

Kato [M]: Yes.

Kodaira [Q]: I'd like to raise a question to Sakurai-san.

Just recently, you have had the new organization for the projects. Also, you have already started to utilize the new value and the code of conduct. It seems those are very positive, but these are really rapid changes. You might have some confusion in the organization. There are some people who cannot catch up with the new value. As a result, perhaps, potentially these are risks that hinder your improvement. What is your view of those initiatives from one of the outside adopted Directors?

Sakurai [A]: Thank you very much for your questions.

These points in the Board and also that the EPM, we have had so much discussion on this point. Before we decide the details, this concept was already shared among the Board. The change of organization, we can see the big opportunity as well as the major risks involved. That's why by changing the organization, what is the benefit, what is the risk we may incur? Therefore, we have had a discussion on both sides.

What is important in this case is that the value creation, yes. We have touched upon the three major pillars for the value creation. More strategically, actually, we try to create value. We need to have a good organization for this. When we try to provide value, of course, that materiality of Astellas should be in line with such value creation in a broad way that we need to provide such value to the patients as a whole.

We started to discuss from conceptual situations, and within those discussions, of course, we may bump into the risks. Therefore, the change in management, how we are going to perform change in management, this is

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the question and clarification we received so many times from the independent outside Directors. I understand only one announcement didn't work very well. That is why before this new change of organization is well established, we have to have multidisciplinary meetings, such as multilayer meetings. We may organize a kind of town hall meetings.

We will continue to have those efforts for a few months. We need to check such progress. We cannot establish the change of organization right away overnight, a piece of magic. Therefore, we need to continue the progress status. We need to make sure that we need to create value. Therefore, we want to continue to have the modeling.

Kodaira [M]: Thank you very much. I understand very well.

Kato [M]: Thank you for your questions.

Next, Morgan Stanley MUFG Securities, Muraoka-san, please.

Muraoka [Q]: Thank you very much. I'm Muraoka of Morgan Stanley.

To Sakurai-san, I have a question. At the outset, there was the question about Xtandi cliff. I'd like to dig down a little more about it. It's pressing to another 1.5 years left in various ways, and new drug important products are starting up. Therefore, compared with several years ago, I think your prospect or the outlook is becoming more concrete. Based upon that forecast or outlook, outside people ourselves, in terms of the market of the stock price, one year might be okay, but up to two years is okay, or for instance, profit decrease or reduction.

I think we have come to a time where we could discuss that. Up to what extent the period of the performance going down could be accepted or allowed in the Board? How much have you done that in-depth discussion? If you could share with me the situation, please.

Sakurai [A]: I'd like to respond also in this part. CSP2026, in detail, we have discussed it. Therefore, it might be the case that Mark or Andreas might like to add some comments.

Now, as I mentioned earlier, we do believe that this is one of the most important points, and including very detailed outlooks and forecasts, we are discussing this. The next weighted focus strategic products, each and every brand review has been done. Of course, the success probability is respective there, but the most likely cases, if it goes really successfully, then the high, and if it's rather difficult, including low, several scenario meetings have been done also.

As you mentioned, rather than how many years we could withstand, rather than that, within 2026, for you, a realistic most likely case should be shown to you. In order to do that, we're having a very, very minute discussion. Actually, aside from EPM, aside from the Board separately, as for CSP, the Board members session, and also as to the contents also, actually, CXO people, together with them, we are reviewing it. Not simply finance, but the pipelines reveal included, with confidence, we are trying to prepare so that we could announce CSP2026 with confidence. Kato-san, I'm not acting as the facilitator here, but since this has been a recent topic of discussion, perhaps we could ask Mark and Andreas to each share a few words as well.

Kato [M]: Mark and Andreas, do you have any thought to add from your end to this question?

Enyedy [M]: Was that directed to us as well?

Sakurai [M]: It was not, but I think it was good for you to add other comments, too.

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Enyedy [A]: Great. I think the first point to keep in mind is that Astellas is not the first company to experience a major product with loss of exclusivity, and it won't be the last. So, when you look at situations like this, the questions to be asked are, what are the growth prospects for the business? How closely is the management monitoring the costs of the underlying organization? And how serious are they about restructuring those costs in light of a pending LOE? And what is the company doing in terms of fostering internal innovation and external innovation? I think, on all of those parameters, what you see is a business that's highly motivated on each one of those axes, the focus on the strategic brands, and importantly, the growth that you're seeing from those brands.

I think the launch of VYLOY, my background is predominantly in oncology, and this is an excellent launch, and it's exceeding expectations across the Board. The other strategic brands are continuing to progress. The data that we just saw with PADCEV, for example, is extraordinary data in terms of the survival advantage that we have.

As I mentioned in my earlier remarks, the Company is very serious about its cost structure and achieving its profitability target, and it is very much on track to achieve that in FY2027. As Andreas has been talking about, the internal portfolio and the work that's going on, these are highly differentiated approaches that can have a profound impact on patient care. These are the kinds of things that set Astellas apart. We're not pursuing just another PD-1 or whatever. These are really, as I say, highly differentiated approaches to improving patient outcomes.

In parallel with that, we have a very active and thoughtful business development organization with highly refined subject matter experts to identify new product opportunities outside of the existing portfolio that are highly complementary to the business and can add to the growth of Astellas as we go forward. I'm quite optimistic about managing through this situation. Is it challenging? For sure. But again, we aren't the first people to face this situation, and we are emphasizing the right elements to help us overcome the Xtandi challenge.

Kato [M]: Thank you, Mark.

Because of time constraints, we would like as many people as possible to raise their questions in order for us to answer that.

We'd like to move on to the next question, please. Next, Farallon Capital Management, Nakamura-san, would you please? Farallon Capital Management, Nakamura-san, perhaps you may go ahead due to the time limitation.

Nakamura [Q]: Sorry, my name is Nakamura from Farallon Capital. Sorry.

About the CSP, I'd like to raise one question to either Mark-san or Andreas-san. Could you share when the next CSP is expected to be announced next year? Also, looking back on the CSP2021, what do you see as the key lessons learned? And what major changes or shifts should we expect in the upcoming plan?

Kato [M]: Due to time constraints, I'd like to ask Mark-san alone.

Enyedy [A]: When I look at the CSP2021, I see a plan that was aggressive. It was realistic. It was pragmatic. Not all of the objectives that were set forth in that plan were achieved, but at the same time, a number of important initiatives were started during that period, which I think position Astellas for the kind of success that we aspire to in the next five years.

In parallel with that, we've put in place the right processes to allow the independent outside Directors to join with management and the inside Directors to help fashion the next CSP. I'm confident that we've got the right

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process in place. We have the right experts at the table to formulate a plan that will differentiate this business and create longer-term value for the shareholders.

One of the questions, I think, Nobuko, was the timeline. I guess maybe you could comment on specifically what the expectation is there, but I also want to ask Andreas if he wanted to add anything.

Busch [M]: No. I think there's nothing really to add. I think you've captured it very well.

Kato [A]: Thank you, Mark and Andreas.

CSP alone, we are going to make an announcement of CSP2026 next year. At this moment, we have not decided the timing when we are going to make the announcement. Of course, we will let you know later.

Due to the time, sorry, we are behind schedule. Perhaps we would like to entertain one last question. From Macquarie Capital, Tony Ren.

Ren [M]: Tony Ren from Macquarie. Can you guys hear me?

Kato [M]: Yes, we can hear you.

Ren [Q]: Yes, sure. If I could, first of all, a quick follow-up to the question about the share price performing really well. Often, companies execute M&As or pay back debt or increase staff. I just want to see how are you guys going to take advantage of the very good share price. That's one.

Another quick one to Andreas is, what metrics are you guys using to measure R&D productivity?

Kato [M]: First question should be released to Sakurai-san. The second question will be released to Andreas-san, about R&D productivity. There are two people who are going to answer the questions. First of all, the first question.

Sakurai [A]: About the share price, rather than taking advantage of a good share price, I'd like to just share with you the concept and philosophy about the share price. Of course, the share price cannot be controlled by us. We have some external factors, of course. However, from the capital markets, we need to be the presence. We need to be the company that is recognized very well by the market. We wanted to show our policy and also plan.

In this regard, including share price, the return indicators, for example, executive compensations, perhaps returns could be one of the executive compensations. We have already started this. Also, our communications have been already reviewed. Since we have had the new CFOs, we have more definite financial discipline. These two gentlemen, Enyedy and also Busch, already talked about this.

When it comes to the actual forecast and also actual performance, of course, we have gained more credibility from the market people like you. This is one of the elements behind the fact. Therefore, we would like to be sharper on this aspect.

Kato [M]: Sakurai-san, thank you very much.

Then, about R&D productivity, Andreas-san, would you please answer R&D productivity, about your thoughts?

Busch [A]: Sure. I mean, how to measure productivity is a bit of a holy grail in pharma. We probably all agree that the easiest would be if we simply know and can predict what the value is, which will be delivered to the market. However, if you look across the industry, the deviation from predictions even after Phase III studies, what the value is of a compound delivered to the market is in 70% of all cases. Far off, far off.

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We have to stick to certain milestones, and those milestones are within a given top-line frame. How many development candidates will the internal research organization deliver? How many Phase I candidates can we deliver? How many proof-of-concept candidates will we deliver into the later pipeline? The final numbers are still under discussions for the CSP2026 and will be potentially discussed very soon.

But I can tell you that we are discussing ambitious goals for the future where we combine, of course, the quantitative measures, which is X number of development candidates, lead candidates, Phase I candidates, combined with the potential value.

Kato [M]: Thank you, Andreas.

Thank you very much for your numerous questions.

Due to the time, with this, we'd like to conclude this outside Directors meeting. Thank you very much for your kind presence and also your attention. Thank you very much.

[END]

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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.*
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