

The Notice of Convocation

(Securities Code 4503)
June 3, 2026

To: Shareholders

Notice of Convocation of the 21st Term Annual Shareholders Meeting

Dear Madam/Sir:

You are hereby notified that the 21st Term Annual Shareholders Meeting of Astellas Pharma Inc. (the “Company”) will be held as stated below.

Shareholders can attend this Annual Shareholders Meeting via the Internet (online attendance), or otherwise exercise their voting rights beforehand, either in writing or via the Internet or other such means. Please refer to the Guidance for Means of Exercising Voting Rights attached below for details regarding online attendance and exercising your voting rights beforehand.

In convening this Annual Shareholders Meeting, the Company takes measures for providing information in electronic format for the Reference Documents for Shareholders Meeting, etc., and we have posted the items for which the measures for providing information in electronic format are taken on the following websites.

The Company’s website: “FY2026 Shareholder Meeting” in IR Library
(Home > Investors > IR Library)
<https://www.astellas.com/en/investors/ir-library>

Tokyo Stock Exchange’s website (Listed Company Search)*
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

* Search by entering “Astellas Pharma” in the issue name (company name) field or “4503” in the code field, and select “Basic information” and “Documents for public inspection/PR information” to see the information.

Yours faithfully,

By: Naoki Okamura
Representative Director,
President and CEO
Astellas Pharma Inc.
2-5-1, Nihonbashi-Honcho, Chuo-ku
Tokyo, Japan

Particulars

1. **Date and Time:** 10:00 a.m. on Friday, June 19, 2026
(Admission commences at 9:00 a.m.)
2. **Place:** “Banquet Room Fuyo” Hotel New Otani Tokyo (The Main
Bldg. Banquet Floor)
4-1, Kioi-cho, Chiyoda-ku, Tokyo
3. **Purpose:**

Matters to be reported:

1. Report on the Business Report, Consolidated Financial Statements and Financial Statements for the 21st Term Business Year (from April 1, 2025 to March 31, 2026);
2. Report on the Results of Audit by Financial Auditor and the Audit & Supervisory Committee for Consolidated Financial Statements for the 21st Term Business Year (from April 1, 2025 to March 31, 2026)

Matters to be resolved:

First Proposal: Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Second Proposal: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

-End-

Among the items for which the measures for providing information in electronic format are taken, the following items are not provided in the paper-based documents to be delivered to shareholders who have requested the delivery of such documents, in accordance with the relevant laws and regulations as well as the Articles of Incorporation of the Company. Such items are posted on the aforementioned Company's website and Tokyo Stock Exchange's website on the Internet, as "Notice of Convocation of the 21st Term Annual Shareholders Meeting (Items for which the measures for providing information in electronic format are taken)" and "The 21st Term Annual Shareholders Meeting Other items for which the measures for providing information in electronic format are taken." These items are included in Business Report, Consolidated Financial Statements, and Financial Statements audited by the Audit & Supervisory Committee and Consolidated Financial Statements and Financial Statements audited by Financial Auditor.

- Systems to Ensure the Appropriate Execution of Business
- Consolidated Statements of Changes in Equity
- Notes to Consolidated Financial Statements
- Statements of Changes in Net Assets
- Notes to Financial Statements

In the case of revisions to the items for which the measures for providing information in electronic format are taken, the Company will provide the revised details on the aforementioned Company's website and Tokyo Stock Exchange's website.

Guidance for Means of Exercising Voting Rights:

In case that voting rights are exercised beforehand:

In case that voting rights are exercised via the Internet:

Deadline for Exercise: 5:00 p.m. on Thursday, June 18, 2026 (completion of entry is required)

Please access 株主総会ポータル (The Portal of Shareholders' Meeting) at <https://www.soukai-portal.net>, or the Website for Exercise of Voting Rights at <https://www.web54.net>, and enter your vote for approval or disapproval of each proposal following the on-screen guidance.

(Please refer to [Exercise of Voting Rights Beforehand via the Internet] on page 6 for details.)

In case that voting rights are exercised by returning the Voting Card:

Deadline for Exercise: 5:00 p.m. on Thursday, June 18, 2026 (arrival of the Voting Card at the Company is required by this time)

Please describe your vote for approval or disapproval of each proposal on the Voting Card and post the Voting Card without putting stamps.

In case that voting rights are exercised when attending the Annual Shareholders Meeting:

In case that the shareholder attends via the Internet (online attendance):

Date and Time: 10:00 a.m. on Friday, June 19, 2026

Please access the shareholder portal via the following URL from your computer, smartphone or tablet device.

Make sure you have the enclosed Instructions for Attendance Via the Internet (Online Attendance) on hand as you refer to the instructions on page 8.

URL of shareholder portal: <https://4503.ksoukai.jp/>

In case that the shareholder attends at the Annual Shareholders Meeting venue:

Date and Time: 10:00 a.m. on Friday, June 19, 2026

Please submit the Voting Card to the reception. (Seal is not required.)

Please note that, except for an accompanied person assisting a challenged/disabled shareholder, no one other than shareholders having the voting rights will be admitted to the place of meeting, even if such a person is a proxy who is not the shareholder or the accompanying person of a shareholder.

When exercising voting rights, the Company cordially requests that shareholders understand the following points:

Exercise of voting rights beforehand

1. In case that voting rights are exercised both beforehand by return of the Voting Card and by electronic means (via Internet, etc.), only the vote registered by electronic means (via Internet, etc.) will be recognized as valid.
2. In case that voting rights are redundantly exercised beforehand by the same means, only the last vote will be recognized as valid.
3. In case that no representation of either approval or disapproval is made when exercising voting rights beforehand, it shall be counted as a vote of approval.

Method and handling of exercise of voting rights in case that voting rights are exercised when attending the Annual Shareholders Meeting

1. Upon taking a vote, shareholders are requested to exercise his or her voting rights in the prescribed manner during the time specified by the chairman. (Voting rights may not be exercised outside of the time specified by the chairman.)
2. Shareholders in attendance at the meeting venue will be provided with the voting rights exercise form for meeting venue attendees. Details will be explained at the meeting venue.
3. The Company will deem that a shareholder has voted to abstain either if the shareholder did not complete the voting rights exercise form for meeting venue attendees by indicating either approve, disapprove or abstain, or otherwise if the shareholder clicked the “行使する (exercise)” voting rights button without having clicked either button for approve, disapprove or abstain on the dedicated website for shareholders in attendance online.
4. In case that a shareholder in attendance at the meeting venue exercised his or her voting rights through online attendance as well, only the vote exercised through online attendance will be recognized as valid.

Relationship between exercising voting rights beforehand and exercising voting rights when attending the Annual Shareholders Meeting

1. In case that a shareholder who exercised his or her voting rights beforehand attended the Annual Shareholders Meeting (including online attendance) and exercised his or her voting rights on the date of the Annual Shareholders Meeting, only the vote exercised on the date of the Annual Shareholders Meeting will be recognized as valid.
2. In case that a shareholder who exercised his or her voting rights beforehand did not exercise his or her voting rights on the date of the Annual Shareholders Meeting while attending such meeting (including online attendance), only the vote exercised beforehand will be recognized as valid.
3. The Company will deem that a shareholder has voted to abstain if the shareholder who did not exercise his or her voting rights beforehand did not exercise his or her voting rights while attending the Annual Shareholders Meeting (including online attendance) during the time specified by the chairman for exercising voting rights.
4. The Company will deem that a shareholder is absent for the vote if the shareholder who did not exercise his or her voting rights beforehand does not attend the meeting (including online attendance) during the time specified by the chairman for the vote.

[Exercise of Voting Rights Beforehand via the Internet and Advance Questions]

Deadline for Exercise of Voting Rights Beforehand via the Internet: 5:00 p.m. on Thursday, June 18, 2026 (completion of entry is required)

Method of exercise of voting rights by using your smartphone

1. Scan the QR Code[®] on the Voting Card.
* QR Code is a registered trademark of DENSO WAVE INCORPORATED in Japan and in other countries.
2. Tap the “議決権行使へ (exercise voting rights)” button on the top screen of 株主総会ポータル[®] (The Portal of Shareholders' Meeting).
3. The スマート行使[®] (Smart Voting) top screen will be displayed. Enter your vote for approval or disapproval following the on-screen guidance.

Method of exercise of voting rights by using your computer

Access the URL below and enter the Login ID and Password shown on the Voting Card. After logging in, enter your vote for approval or disapproval following the on-screen guidance.

URL of 株主総会ポータル[®] (The Portal of Shareholders' Meeting): <https://www.soukai-portal.net>

You can also continue to use the existing Website for Exercise of Voting Rights at <https://www.web54.net>.

Guidance for advance questions

Deadline for Advance Questions: 11:59 p.m. on Friday, June 12, 2026

1. The Company will accept questions in advance via 株主総会ポータル[®] (The Portal of Shareholders' Meeting) with regard to the matters relating to the purpose of the Annual Shareholders Meeting.
2. Each shareholder may submit one question with regard to the matters relating to the purpose of the Annual Shareholders Meeting. Please be advised that we will not answer questions individually at any time other than the Annual Shareholders Meeting.
3. Access 株主総会ポータル[®] (The Portal of Shareholders' Meeting) using the method of exercise of voting rights shown above. On the top screen, tap or click the “事前質問へ (submit questions in advance)” button. The “事前質問のご入力 (enter questions)” screen will be displayed. Enter a question following the on-screen guidance.

Notes:

- Any connection charges to be incurred with the exercise of voting rights via Internet payable to Internet providers and communication charges must be borne by the shareholder exercising such rights.
- In some cases, you may not be able to use the website for exercise of voting rights due to your Internet environment, network service, or device model.
- Voting rights may be exercised via the Portal of Shareholders' Meeting (by using “Smart Voting”) only once.
- If you wish to re-exercise your voting rights, you will need to access the Website for Exercise of Voting Rights and enter your “Voting Rights Exercise Code” and “Password.”

- In addition, when re-exercising your voting rights, you may also access the Website for Exercise of Voting Rights from the “議決権行使～(exercise voting rights)” button on the Portal of Shareholders’ Meeting.
- Handling of password:
 - (1) The password is a means to identify the person exercising voting rights as a shareholder of the Company. Please pay careful attention to keep the password safe.
 - (2) In order to prevent illegal use by persons other than shareholders and falsification of the contents of the votes, the Company cordially requests that shareholders change the password written on the enclosed Voting Card to a new password chosen and registered by the shareholder by accessing the designated website for exercising voting rights.
 - (3) The vote exercising code and password written on the enclosed Voting Card (including the password which has been changed and registered by the shareholders) shall be effective only for this Annual Shareholders Meeting. (For the next Annual Shareholders Meeting, a new vote exercising code and password shall be issued.)

For questions about how to exercise voting rights on the website, please call:

Website Support: 0120-652-031

Sumitomo Mitsui Trust Bank, Limited

Business Hours: from 9:00 a.m. to 9:00 p.m.

To institutional investors:

In addition to the exercise of voting rights via Internet stated above, only when the advance application is made, institutional investors may use the Electronic Voting Platform operated by ICJ, Inc. which is a company owned by Tokyo Stock Exchange, Inc., and other companies.

Guidance for Online Attendance:

[The shareholder portal is only available in Japanese]

Access to Shareholder Portal:

Please access the shareholder portal via the following URL from your computer, smartphone or tablet device. Enter the ID and password shown on the enclosed Instructions for Attendance Via the Internet (Online Attendance), then click the login button.

URL of shareholder portal: <https://4503.ksoukai.jp>

(Note) The period of reissuance in the case that a shareholder has lost his or her Instructions for Attendance Via the Internet (Online Attendance) will be available until 5:00 p.m. on Friday, June 12, 2026. Please note that reissuance of the instructions will not be possible after that period.

Contact for Reissuance Request: Sumitomo Mitsui Trust Bank, Limited
Online Annual Shareholders Meeting Support: 0120-782-041
Business Hours: from 9:00 a.m. to 5:00 p.m. (excluding weekends and holidays)

Requests for Prior Application for Online Attendance:

Rough Deadline for Prior Application: 5:00 p.m. on Thursday, June 18, 2026

The Company cordially requests that you submit your application via the shareholder portal by 5:00 p.m. on Thursday, June 18, 2026 (preferably) so that the number of shareholders attending online will be known beforehand.

Click the “出席を申し込む (attendance application)” button.

Online Attendance:

On the date of the Annual Shareholders Meeting, you may attend the meeting online by logging in to the shareholder portal and clicking the “出席 (attend)” button. The “出席 (attend)” button can be clicked starting at 9:30 a.m.

Motions to be addressed will be limited to those submitted by shareholders attending at the meeting venue, including motions on all matters regarding Annual Shareholders Meeting procedures and motions on all matters regarding proposals. As such, motions submitted by shareholders attending online will not be accepted. Please be advised that in the event that a vote is required on a motion or the proceedings of the meeting, shareholders attending online will be deemed as abstaining or absent, in accordance with the handling of shareholders who exercise their voting rights beforehand by return of the Voting Card or by electronic means (via the Internet, etc.) and do not attend the meeting. The Company cordially requests that those shareholders seeking to submit motions or take part in voting on motions consider the option of attending at the meeting venue.

Submitting Questions When Attending Online:

Shareholders attending online may submit questions via the shareholder portal on the date of the meeting. Please follow the steps below when submitting questions. We ask that shareholders ensure that content of their questions pertains only to the purpose of the Annual Shareholders Meeting.

<Instructions for submitting questions>

- (1) Click the “質疑 (question)” tab on the right-hand side of your screen.
- (2) Enter your question.
- (3) Click the “次へ (next)” button, then check the content and click the “送信する (submit)” button.

* Each shareholder may submit one question of up to 200 characters via the shareholder portal. Please note that it may not be possible for us to furnish a reply to every question on the date of the Annual Shareholders Meeting.

Exercising Voting Rights When Attending Online:

You may exercise your voting rights upon having viewed the proceedings on the date of the Annual Shareholders Meeting. Please click the “Exercise voting rights” tab on the right-hand side of your screen and follow the steps below when exercising your voting rights.

<Instructions for exercising voting rights>

If you approve all proposals

- (1) Select “すべての議案に賛成 (vote in approval for all proposals).”
- (2) Click the “行使する (execute vote)” button at the bottom of your screen.

If you wish to exercise voting rights individually for each proposal

- (1) Select either “賛成 (approve),” “反対 (disapprove),” or “棄権 (abstain)” with respect to each of the matters to be resolved.
- (2) After having performed step (1) with respect to each of the matters to be resolved, click the “行使する (execute vote)” button at the bottom of your screen.

* You may only click the “行使する (execute vote)” button one time.

Notes Regarding Online Attendance

(1) You will need the following systems environment to access our online attendance platform.

	Personal computer		Smartphone or tablet device	
	Windows	Mac	Android	iOS
OS*1	Windows 11	Mac OS (latest version)	Android 12 (or later version)	iPhone: iOS (latest version) iPad: iPadOS (latest version)
Browser*2, *3	Microsoft Edge Mozilla Firefox Google Chrome	Safari	Google Chrome	Safari
Network connectivity	5 Mbps (recommended)			
Operating environment	https://jp.vcube.com/support/virtual-shareholders-meeting/requirements/#vsm01		https://jp.vcube.com/support/virtual-shareholders-meeting/requirements/#vsm02	

Please be aware that shareholders may encounter difficulties accessing the online attendance platform or exercising their voting rights potentially due to issues involving their personal computer, smartphone, tablet device, Internet environment, network connectivity, or other aspects of their systems environment.

*1. Operation has been confirmed with Windows 11. Please use the desktop mode.

*2. Please enable JavaScript and cookies in your browser. It is assumed that your browser has been updated to the latest version.

*3. Access is not possible using Microsoft Edge in Internet Explorer mode.

(2) Exercising voting rights by proxy

The option of online attendance is available only to shareholders. We ask that shareholders wishing to attend by proxy assign their proxy to one (1) shareholder who is to physically attend on the date of the meeting, pursuant to the provisions of laws and regulations and the Company's Articles of Incorporation.

(3) Other notes

- Internet connection fees and telecommunication charges are to be borne by the shareholders.
- The language used for the online attendance format is Japanese only.
- Telecommunication malfunctions such as disturbances and temporary disruptions in video or audio streaming may occur due to network connectivity issues or other such problems. Such circumstances could potentially result in a situation where a shareholder may be unable to attend online or exercise his or her voting rights. Whereas the Company will take action to address telecommunication malfunctions and other such issues to a reasonable extent, please note that the Company will not assume any liability whatsoever for detrimental outcomes caused by telecommunication malfunctions or other such issues, such that may be incurred by shareholders attending online.
- The following acts are strictly prohibited: Sharing of an ID or password for online attendance with a third party; sound recording, video recording, or publishing of the Annual Shareholders Meeting, or other similar acts.

- The Company may partially change or cancel the content of online attendance upon having deemed such action unavoidable.
- The Company will provide notification via its corporate website upon any changes that may occur with respect to administration of online attendance, including a need to address system failure or other such urgent matters, or changes in circumstances. Please check the website accordingly.
- Online attendance of the Annual Shareholders Meeting is to be limited exclusively to the shareholders who are listed in the Company's register of shareholders as of March 31, 2026. Those other than the relevant shareholders are asked to refrain from attending the meeting.

[Contact information for online attendance]

- (1) Please refer to page 8 for details on IDs and passwords (including reissuance of the Instructions for Attendance Via the Internet (Online Attendance)).
- (2) For matters related to technical issues such as network environments:
03-6833-6213, V-cube, Inc.
Available period: From 9:00 a.m. to the end of the Annual Shareholders Meeting on Friday, June 19, 2026

Reference Documents for Shareholders Meeting

First Proposal: Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of Dr. Kenji Yasukawa, Mr. Naoki Okamura, Mr. Katsuyoshi Sugita, Mr. Takashi Tanaka, Ms. Eriko Sakurai, Mr. Masahiro Miyazaki, Dr. Yoichi Ohno, Dr. Andreas Busch and Mr. Mark Enyedy as Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the close of this Annual Shareholders Meeting.

Therefore, it is proposed that seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members) be elected.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

Candidate No.		Name	Current position and responsibilities at the Company and status of significant concurrent positions at other organizations
1	Reelection	Kenji Yasukawa	Representative Director, Chairman of the Board [Concurrent positions at other organizations] Outside Board Director, Resonac Holdings Corporation
2	Reelection	Naoki Okamura	Representative Director, President and CEO
3	Reelection	Katsuyoshi Sugita	Representative Director, Executive Vice President, Chief People Officer
4	Reelection	Masahiro Miyazaki	Outside Director and Independent Director Director Member of the Nomination Committee Member of the Compensation Committee [Concurrent positions at other organizations] Outside Director, Kurita Water Industries Ltd.
5	Reelection	Yoichi Ohno	Outside Director and Independent Director Director Member of the Nomination Committee Member of the Compensation Committee [Concurrent positions at other organizations] Visiting Professor, Social Medicine and Research Administration Center and Medical Education Center, Saitama Medical University
6	Reelection	Andreas Busch	Outside Director and Independent Director Director Member of the Nomination Committee Member of the Compensation Committee [Concurrent positions at other organizations] None
7	Reelection	Mark Enyedy	Outside Director and Independent Director Director Member of the Nomination Committee Member of the Compensation Committee [Concurrent positions at other organizations] Non-Executive Director, BioMarin Pharmaceutical Inc. Independent Director, Charles River Laboratories International, Inc.

■ Opinions of the Audit & Supervisory Committee

Based on the Code of Audit & Supervisory Committee Auditing Standards, the Audit & Supervisory Committee has conducted a review with respect to the election of the Directors (excluding Directors who are Audit & Supervisory Committee Members) by looking into whether the Board of Directors appropriately establishes systems and standards regarding such elections, etc., whether such practices accord with the Corporate Governance Code, and whether appropriate procedures are followed, including discussions carried out by the Nomination Committee and deliberations of the Board of Directors. The Audit & Supervisory Committee has also considered appropriateness from an independent standpoint through reports from executive Directors at the Audit & Supervisory Committee. The Audit & Supervisory Committee consequently determined that there is no cause for objection to the content of this Proposal.

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
1	Kenji Yasukawa (June 7, 1960) Reelection	<p>April 1986: Joined the Company</p> <p>April 2005: Vice President, Project Management, Urology, the Company</p> <p>June 2010: Corporate Executive of the Company and Therapeutic Area Head, Urology, Astellas Pharma Europe B.V.</p> <p>October 2010: Corporate Executive of the Company and Therapeutic Area Head, Urology, Astellas Pharma Global Development, Inc.</p> <p>April 2011: Corporate Executive, Vice President, Product & Portfolio Strategy, the Company</p> <p>April 2012: Corporate Executive, Chief Strategy Officer (CSTO), the Company</p> <p>June 2012: Senior Corporate Executive, Chief Strategy Officer (CSTO), the Company</p> <p>April 2017: Senior Corporate Executive, Chief Strategy Officer and Chief Commercial Officer (CSTO & CCO), the Company</p> <p>June 2017: Representative Director, Executive Vice President, Chief Strategy Officer and Chief Commercial Officer (CSTO & CCO), the Company</p> <p>April 2018: Representative Director, President and CEO, the Company</p> <p>April 2023: Representative Director, Chairman of the Board, the Company (present post)</p> <p>March 2024: Outside Board Director, Resonac Holdings Corporation (present post)</p> <p>(Rate of attendance in meetings of the Board of Directors) 11/11 meetings (100%)</p> <p>(Status of significant concurrent positions at other organizations) Outside Board Director, Resonac Holdings Corporation</p> <p>(Reasons for selection as a candidate for Director) Since his appointment as Representative Director, President and CEO of the Company in April 2018, he has been fulfilling his duties as Director, and leading the overall management and global business, etc. Since April 2023, as Representative Director, Chairman of the Board, he has been supervising the overall management in an aim to achieve sustainable enhancement of the enterprise value. The Company considers that his extensive experience and knowledge will be required for the management of the Company in the future as well, and therefore requests his election as Director.</p>	245,915 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
2	Naoki Okamura (September 18, 1962) Reelection	<p>April 1986: Joined the Company</p> <p>October 2010: President and CEO, OSI Pharmaceuticals, Inc.</p> <p>April 2012: Senior Vice President, Chief Strategy Officer, Astellas Pharma Europe Ltd.</p> <p>July 2014: Vice President, Licensing & Alliances, the Company</p> <p>June 2016: Corporate Executive, Vice President, Corporate Planning, the Company</p> <p>April 2018: Corporate Executive, Chief Strategy Officer (CSTO), the Company</p> <p>June 2019: Representative Director, Executive Vice President, Chief Strategy Officer (CStO), the Company</p> <p>October 2019: Representative Director, Executive Vice President, Chief Strategy Officer and Chief Financial Officer (CStO & CFO), the Company</p> <p>September 2021: Representative Director, Executive Vice President, Chief Strategy Officer, Chief Financial Officer and Chief Business Officer (CStO & CFO, and CBO), the Company</p> <p>April 2022: Representative Director, Executive Vice President and Chief Strategy Officer (CStO), the Company</p> <p>April 2023: Representative Director, President and CEO, the Company (present post)</p> <p>(Rate of attendance in meetings of the Board of Directors) 11/11 meetings (100%)</p> <p>(Reasons for selection as a candidate for Director) Since his appointment as Representative Director, Executive Vice President of the Company in June 2019, he has been fulfilling his duties as Director, and overseeing the corporate planning, business development and finance divisions, etc. as Chief Strategy Officer (CStO), Chief Financial Officer (CFO) and Chief Business Officer (CBO) while utilizing his abundant experience in global business operation. Since April 2023, as Representative Director, President and CEO of the Company, he has been demonstrating strong leadership in an aim to achieve sustainable enhancement of the enterprise value and objectives of the strategic plan. The Company considers that his extensive experience and leadership will be required for the management of the Company in the future as well, and therefore requests his election as Director.</p>	84,300 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
3	Katsuyoshi Sugita (September 3, 1967) Reelection	<p>April 1991: Joined Asahi Kasei Corp. January 2005: Director, Human Resources, Medical Devices, Johnson & Johnson K.K. November 2008: Vice President, Human Resources, Hilti Japan Ltd. August 2012: Vice President, Human Resources, AstraZeneca K.K. July 2016: Senior Director, Human Resources, Microsoft Japan Co., Ltd. May 2021: Executive Vice President, Human Resources (current Head, Human Resources), the Company (present post) October 2022: Senior Corporate Executive (Senmu Tantou-Yakuin), Chief People Officer and Chief Ethics & Compliance Officer (CPO & CECO), the Company June 2023: Representative Director, Executive Vice President, Chief People Officer and Chief Ethics & Compliance Officer (CPO & CECO), the Company April 2025: Representative Director, Executive Vice President, Chief People Officer (CPO), the Company (present post)</p> <p>(Rate of attendance in meetings of the Board of Directors) 11/11 meetings (100%) (Reasons for selection as a candidate for Director) He has served important positions at Japanese subsidiaries of pharmaceutical and IT companies that develop business globally, and possesses abundant experience and extensive insight, as well as a high level of expertise in the field of human resources. Since his appointment as Senior Corporate Executive (Senmu Tantou-Yakuin), Chief People Officer and Chief Ethics & Compliance Officer (CPO & CECO) of the Company in October 2022, he has been overseeing the Human Resources and Ethics & Compliance divisions. Since his appointment as Representative Director, Executive Vice President, Chief People Officer and Chief Ethics & Compliance Officer (CPO & CECO) of the Company in June 2023, he has been fulfilling his duties as Director and he has been demonstrating strong leadership in an aim to achieve sustainable enhancement of the enterprise value and objectives of the strategic plan. The Company considers that his abundant experience and leadership will be required for the management of the Company, and therefore requests his election as Director.</p>	11,800 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
4	<p style="text-align: center;">Masahiro Miyazaki (April 13, 1954)</p> <p style="text-align: center;">Candidate for Outside Director and Independent Director</p> <p style="text-align: center;">Reelection</p>	<p>April 1977: Joined Nissei Sangyo Co., Ltd. (current Hitachi High-Tech Corporation)</p> <p>March 1990: Chief Representative, Kuala Lumpur Representative Office, Nissei Sangyo (Singapore) Pte. Ltd. (current Hitachi High-Tech (Singapore) Pte. Ltd.)</p> <p>January 1995: General Manager, Electronic Components Div., Nissei Sangyo America, Ltd. (current Hitachi High-Tech America, Inc.)</p> <p>July 2004: General Manager, Electronics Div., Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation)</p> <p>April 2007: Executive Officer, General Manager, Regional Branch Office for West Japan Area and Kansai Branch Office, Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation)</p> <p>April 2010: President and CEO, Hitachi High-Technologies America, Inc. (current Hitachi High-Tech America, Inc.)</p> <p>June 2015: Representative Executive Officer, President and Chief Executive Officer and Director, Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation)</p> <p>April 2021: Chairman Emeritus, Hitachi High-Tech Corporation</p> <p>June 2022: Outside Director, Kurita Water Industries Ltd. (present post)</p> <p>June 2023: Director, the Company (present post)</p> <p>(Status of significant concurrent positions at other organizations) Outside Director, Kurita Water Industries Ltd. (Number of years as outside Director) Three (3) years at the close of this Annual Shareholders Meeting (Rate of attendance in meetings of the Board of Directors) 11/11 meetings (100%) (Reasons for selection as a candidate for outside Director, including grounds for the judgment that he can appropriately carry out duties, and a summary of expected roles)</p>	8,100 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
		<p>He has extensive experience working overseas for an industrial trading company, and has been engaged in corporate management as a business manager of a company that develops business globally in the field of precision instruments, etc. He possesses abundant international experience and extensive insight. Since June 2023, he has been playing a key role as an outside Director in the management of the Company from an independent standpoint. In addition, as a member of the Nomination Committee and the Compensation Committee, he has contributed to the deliberations of each Committee by vigorously expressing opinions. The Company expects him to leverage his abundant international experience and extensive insight for the management of the Company from an independent standpoint, and therefore requests his election as outside Director.</p>	

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
5	<p>Yoichi Ohno (July 17, 1961)</p> <p>Candidate for Outside Director and Independent Director</p> <p>Reelection</p>	<p>May 1993: Assistant Professor, Internal Medicine, School of Medicine, Keio University</p> <p>April 1995: Deputy Chief, Internal Medicine, Tokyo Denryoku Hospital</p> <p>April 2002: Director, Green Town Clinic Center, and Chief, Internal Medicine, Green Town Clinic</p> <p>July 2005: Chief, Nephrology, Endocrinology and Metabolism Department, Internal Medicine, Saitama City Hospital</p> <p>April 2007: Senior Lecturer, Nephrology, Saitama Medical University</p> <p>August 2007: Senior Lecturer, Community Health Science Center, Saitama Medical University</p> <p>April 2013: Associate Professor, Community Health Science Center and Nephrology, Saitama Medical University</p> <p>April 2020: Visiting Professor, Social Medicine, Research Administration Center and Medical Education Center, Saitama Medical University (present post)</p> <p>June 2023: Director, the Company (present post)</p> <p>(Status of significant concurrent positions at other organizations)</p> <p>Visiting Professor, Social Medicine and Research Administration Center and Medical Education Center, Saitama Medical University</p> <p>(Number of years as outside Director)</p> <p>Three (3) years at the close of this Annual Shareholders Meeting</p> <p>(Rate of attendance in meetings of the Board of Directors)</p> <p>11/11 meetings (100%)</p> <p>(Reasons for selection as a candidate for outside Director, including grounds for the judgment that he can appropriately carry out duties, and a summary of expected roles)</p> <p>He has been engaged in medical treatment for many years as a medical scientist and a clinician, and has abundant specialized knowledge and experience in medical treatment. Since June 2023, he has been playing a key role as outside Director in the management of the Company from an independent standpoint. In addition, as a member of the Nomination Committee and the Compensation Committee, he has contributed to the deliberations of each Committee by vigorously expressing opinions. The Company expects him to leverage his abundant specialized knowledge and experience to the management of the Company from an independent standpoint, and therefore requests his election as outside Director.</p>	0 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
6	<p data-bbox="368 1010 576 1070">Andreas Busch (August 26, 1963)</p> <p data-bbox="368 1111 571 1263">Candidate for Outside Director and Independent Director</p> <p data-bbox="411 1301 536 1328">Reelection</p>	<p data-bbox="603 327 1299 416">October 1997: Head of DG Cardiovascular Diseases, Hoechst Marion Roussel (current Sanofi S.A.)</p> <p data-bbox="603 423 1299 517">January 1999: Vice President, Head of DG Cardiovascular Diseases, Aventis (current Sanofi S.A.)</p> <p data-bbox="603 524 1299 584">September 2000: Extraordinary Professor of Pharmacology, Goethe University Frankfurt</p> <p data-bbox="603 591 1299 651">July 2004: Global Head of Cardiovascular Research, Sanofi-Aventis (current Sanofi S.A.)</p> <p data-bbox="603 658 1299 752">May 2005: Senior Vice President, Head of Discovery Europe, Bayer HealthCare AG (current Bayer AG)</p> <p data-bbox="603 759 1299 819">January 2016: Head of Drug Discovery, Bayer Pharma AG (current Bayer AG)</p> <p data-bbox="603 826 1299 887">January 2018: Head of R&D and CSO, Shire plc</p> <p data-bbox="603 893 1299 954">April 2019: Chief Innovation Officer and CSO, Cycleron Therapeutics Inc.</p> <p data-bbox="603 960 1299 1032">February 2022: Non-Executive Director, Centogene N.V. (current Crown LiquidationCo N.V.)</p> <p data-bbox="603 1039 1299 1099">October 2022: Chief Innovation Officer, Absci Corporation</p> <p data-bbox="603 1106 1299 1167">June 2025: Director, the Company (present post)</p> <p data-bbox="603 1173 1299 1234">(Status of significant concurrent positions at other organizations)</p> <p data-bbox="603 1240 1299 1301">None</p> <p data-bbox="603 1308 1299 1368">(Number of years as outside Director)</p> <p data-bbox="603 1375 1299 1435">One (1) year at the close of this Annual Shareholders Meeting</p> <p data-bbox="603 1442 1299 1503">(Rate of attendance in meetings of the Board of Directors)</p> <p data-bbox="603 1509 1299 1570">7/7 meetings (100%)</p> <p data-bbox="603 1576 1299 1637">(Reasons for selection as a candidate for outside Director, including grounds for the judgment that he can appropriately carry out duties, and a summary of expected roles)</p> <p data-bbox="603 1644 1299 2009">He has held important positions for many years as Head of Research and Development and Chief Innovation Officer at globally operating pharmaceutical and biopharmaceutical companies. In addition, he has been engaged in education and research of Pharmacology at universities. He possesses extensive expertise and experience in pharmaceutical research and development. Since June 2025, he has been playing a key role as outside Director in the management of the Company from an independent standpoint. In addition, as a member of the Nomination Committee and the Compensation Committee, he has contributed to the deliberations of each Committee by vigorously expressing opinions. The Company expects him to leverage his knowledge of the pharmaceutical business, as well as his specialized expertise and experience in research and development, for the management of the Company from an independent standpoint, and therefore requests his election as outside Director.</p>	0 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
7	<p>Mark Enyedy (December 27, 1963)</p> <p>Candidate for Outside Director and Independent Director</p> <p>Reelection</p>	<p>September 1990: Associate, Palmer & Dodge LLP (current Locke Lord LLP)</p> <p>February 1996: Corporate Counsel, Genzyme Corporation</p> <p>November 1999: Vice President, Business Development, Oncology, Genzyme Corporation</p> <p>June 2003: Senior Vice President and General Manager, Oncology, Genzyme Corporation</p> <p>July 2008: President, Transplant, Oncology and Multiple Sclerosis, Genzyme Corporation</p> <p>September 2011: Director, Chief Executive Officer, Proteostasis Therapeutics, Inc. (current Kineta, Inc.)</p> <p>July 2012: Non-Executive Director, Fate Therapeutics, Inc.</p> <p>August 2013: Head of Business Unit, Internal Medicine, Shire plc</p> <p>May 2014: Head of Corporate Development, Shire plc</p> <p>May 2016: Director, President and Chief Executive Officer, ImmunoGen Inc. (current AbbVie Inc.)</p> <p>September 2017: Non-Executive Director, Keryx Biopharmaceuticals, Inc (current Akebia Therapeutics, Inc.)</p> <p>March 2020: Non-Executive Director, LogicBio Therapeutics, Inc. (current Alexion Pharmaceuticals, Inc.)</p> <p>May 2021: Non-Executive Director, Ergomed plc (current Ergomed Group Limited)</p> <p>December 2023: Non-Executive Director, BioMarin Pharmaceutical Inc. (present post)</p> <p>May 2024: Non-Executive Director, Ergomed Group Limited (present post)</p> <p>May 2025: Independent Director, Charles River Laboratories International, Inc. (present post)</p> <p>June 2025: Director, the Company (present post)</p> <p>(Status of significant concurrent positions at other organizations) Non-Executive Director, BioMarin Pharmaceutical Inc. Independent Director, Charles River Laboratories International, Inc. (Number of years as outside Director) One (1) year at the close of this Annual Shareholders Meeting (Rate of attendance in meetings of the Board of Directors) 7/7 meetings (100%) (Reasons for selection as a candidate for outside Director, including grounds for the judgment that he can appropriately carry out duties, and a summary of expected roles)</p>	0 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
		<p>He has held important positions in the field of business development in the pharmaceutical industry and has been engaged in corporate management as Chief Executive Officer of a biopharmaceutical company. He possesses abundant experience and extensive insight into the global pharmaceutical business. Since June 2025, he has been playing a key role as outside Director in the management of the Company from an independent standpoint. In addition, as a member of the Nomination Committee and the Compensation Committee, he has contributed to the deliberations of each Committee by vigorously expressing opinions. The Company expects him to leverage his expertise in pharmaceutical business development, as well as his abundant experience and extensive insight as a corporate executive, for the management of the Company from an independent standpoint, and therefore requests his election as outside Director.</p>	

- (Notes)
1. Each candidate has no special interest in the Company.
 2. Mr. Masahiro Miyazaki, Dr. Yoichi Ohno, Dr. Andreas Busch and Mr. Mark Enyedy are candidates for outside Directors and satisfy the required conditions for independent directors stipulated by Tokyo Stock Exchange, Inc., and the Company's independence standards for outside Directors. Thus, they are registered as independent directors with the stock exchange. The Company's independence standards for outside Directors are described on pages 32 to 33. Mr. Masahiro Miyazaki served as Representative Executive Officer, President and Chief Executive Officer and Director of Hitachi High-Tech Corporation until March 2021. Although there is a business relationship between the Hitachi Group, including the company, and the Astellas Group, the amount of transactions in FY2025 was less than 0.1% of consolidated net sales from both sides, which does not affect his independence as an outside Director.
 3. The Company has stipulated in the Articles of Incorporation that it may enter into an agreement with each Director (excluding executive Director, etc.) to limit his or her liability for damages under Article 423 (1) of the Companies Act, to the minimum liability amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit Director's liability), enabling Directors (excluding executive Directors, etc.) to sufficiently fulfill expected roles. The Company has entered into the agreement with all of the Directors (excluding executive Directors, etc.). If the re-election of Mr. Masahiro Miyazaki, Dr. Yoichi Ohno, Dr. Andreas Busch and Mr. Mark Enyedy is approved and adopted, the Company will maintain the agreements to limit their respective liabilities.
 4. The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3 (1) of the Companies Act. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance contract shall compensate for damages, legal expenses, etc. to be borne by the insured. The Company's Directors are insured under the agreement. If the candidates assume office as Directors (excluding Directors who are Audit & Supervisory Committee Members), they will be included as the insured of the insurance agreement. The insurance agreement is scheduled to be renewed by the Company during the term of office.

Second Proposal: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

The terms of office of Ms. Rika Hirota, Ms. Mika Nakayama and Ms. Tomoko Aramaki as Directors who are Audit & Supervisory Committee Members will expire at the close of this Annual Shareholders Meeting.

Therefore, it is proposed that three (3) Directors who are Audit & Supervisory Committee Members be elected.

This proposal has been approved by the Audit & Supervisory Committee.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

Candidate No.		Name	Current position and responsibilities at the Company and status of significant concurrent positions at other organizations
1	Reelection	Rika Hirota	Director (Full-time Audit & Supervisory Committee Member)
2	Reelection	Outside Director and Independent Director Tomoko Aramaki	Director (Audit & Supervisory Committee Member) [Concurrent positions at other organizations] President, Aramaki CPA Office Outside Director, EXEO Group, Inc. Outside Director, Audit & Supervisory Committee Member, TRE HOLDINGS CORPORATION
3	New Candidate	Outside Director and Independent Director Shigeki Takahara	[Concurrent positions at other organizations] None

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
1	Rika Hirota (December 18, 1966) Reelection	<p>April 1991: Joined the Company</p> <p>April 2015: Head, Bioscience Research Laboratories, Drug Discovery Research, the Company</p> <p>April 2017: Head, Research Regulatory Management, Drug Discovery Research, the Company</p> <p>April 2022: Head, Research Regulation and Administration, Applied Research and Operations, the Company</p> <p>January 2023: Special Advisor, Audit & Supervisory Committee Office, the Company</p> <p>April 2023: Head, Audit & Supervisory Committee Office, the Company</p> <p>June 2024: Director (Full-time Audit & Supervisory Committee Member), the Company (present post)</p> <p>(Rate of attendance in meetings of the Board of Directors) 11/11 meetings (100%)</p> <p>(Rate of attendance in meetings of the Audit & Supervisory Committee) 19/19 meetings (100%)</p> <p>(Reasons for selection as a candidate for Director who is an Audit & Supervisory Committee Member) In addition to possessing a high level of expertise in the area of research and experience in compliance and risk management, she has abundant knowledge and experience of the Company's business activities including serving as the Head of Audit & Supervisory Committee Office. Since June 2024, she has fulfilled her responsibilities as Director who is a full-time Audit & Supervisory Committee Member with regard to the supervision and auditing of the Company's management. The Company considers that her abundant knowledge and experience will be required to supervise and audit the Company's management in the future as well, and therefore requests her election as Director who is an Audit & Supervisory Committee Member.</p>	9,536 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
2	<p>Tomoko Aramaki (November 7, 1968)</p> <p>Candidate for Outside Director and Independent Director</p> <p>Reelection</p>	<p>October 1991: Joined Century Audit Corporation (current Ernst & Young ShinNihon LLC) (resigned in October 2001)</p> <p>March 1995: Registered as Certified Public Accountant</p> <p>February 2006: President, Aramaki CPA Office (present post)</p> <p>April 2006: Registered as Certified Tax Accountant</p> <p>June 2008: Outside Audit & Supervisory Board Member, PARIS MIKI HOLDINGS Inc.</p> <p>June 2015: Director, in charge of Investor Relations, PARIS MIKI HOLDINGS Inc.</p> <p>December 2015: Outside Audit & Supervisory Board Member, SACOS CORPORATION</p> <p>June 2018: Outside Audit & Supervisory Board Member, KYOWA EXEO CORPORATION (current EXEO Group, Inc.)</p> <p>March 2022: Outside Director, FUJI SOFT INCORPORATED</p> <p>June 2023: Outside Director, EXEO Group, Inc. (present post)</p> <p>June 2023: Outside Director (Audit & Supervisory Committee Member), TRE HOLDINGS CORPORATION (present post)</p> <p>June 2024: Director (Audit & Supervisory Committee Member), the Company (present post)</p> <p>(Status of significant concurrent positions at other organizations) President, Aramaki CPA Office Outside Director, EXEO Group, Inc. Outside Director (Audit & Supervisory Committee Member), TRE HOLDINGS CORPORATION (Number of years as outside Director) Two (2) years at the close of this Annual Shareholders Meeting (Rate of attendance in meetings of the Board of Directors) 11/11 meetings (100%) (Rate of attendance in meetings of the Audit & Supervisory Committee) 19/19 meetings (100%) (Reasons for selection as a candidate for outside Director who is an Audit & Supervisory Committee Member, including grounds for the judgment that she can appropriately carry out duties, and a summary of expected roles)</p>	0 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
		<p>She has been engaged in corporate auditing and advisory services as a certified public accountant and tax accountant for many years, and served as a Director and Audit & Supervisory Board Member for listed companies. She possesses abundant specialized knowledge and experience. Since June 2024, she has been playing a key role as an outside Director who is an Audit & Supervisory Committee Member in supervising and auditing the Company's management from an independent standpoint. The Company expects her to leverage her abundant specialized knowledge and experience to supervise and audit the Company's management in the future as well, and therefore requests her election as outside Director who is an Audit & Supervisory Committee Member.</p>	

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
3	<p>Shigeki Takahara (November 12, 1958)</p> <p>Candidate for Outside Director and Independent Director</p> <p>New Candidate</p>	<p>April 1981: Joined NEC Corporation</p> <p>July 1998: Senior Manager, Corporate Finance & IR Division, NEC Corporation</p> <p>March 2005: Director, Field Accounting, Pfizer Japan Inc.</p> <p>December 2006: Operating officer, Head of President Office, SSP Co., Ltd.</p> <p>June 2007: Corporate officer, CFO, MISUMI Group Inc.</p> <p>January 2009: Director, CFO, Accounting & Finance Lead, Wyeth K.K. (current Pfizer Japan Inc.)</p> <p>February 2011: Director and Operating Officer, CFO, Accounting & Finance Lead, Pfizer Japan Inc. (resigned in February 2020)</p> <p>April 2020: Managing Executive Officer, General Manager, Corporate Planning & Finance, Kansai Paint Co., Ltd.</p> <p>June 2021: Director, Senior Managing Executive Officer, Chief of Corporate Planning, Finance, HR & Administration, Kansai Paint Co., Ltd.</p> <p>April 2022: Representative Director, Vice President Executive Officer, Chief of Corporate Planning, Finance, HR & Administration, Kansai Paint Co., Ltd.</p> <p>April 2024: Representative Director, Vice President Executive Officer and Chief Financial Officer, Kansai Paint Co., Ltd.</p> <p>July 2025: Corporate Advisor, Kansai Paint Co., Ltd. (present post)</p> <p>(Status of significant concurrent positions at other organizations) None</p> <p>(Reasons for selection as a candidate for outside Director who is an Audit & Supervisory Committee Member, including grounds for the judgment that he can appropriately carry out duties, and a summary of expected roles) He has served important positions for many years at companies including Japanese subsidiaries of globally operating pharmaceutical companies and a chemicals (coatings) manufacturer and has been engaged in corporate management as Chief Financial Officer. He possesses abundant experience and extensive insight, as well as a high level of expertise in the field of corporate finance. The Company expects him to leverage his abundant specialized knowledge and extensive insight to supervise and audit the Company's management, and therefore requests his election as a new outside Director who is an Audit & Supervisory Committee Member.</p>	0 shares

- (Notes)
1. The candidate has no special interest in the Company.
 2. Ms. Tomoko Aramaki and Mr. Shigeki Takahara are candidates for outside Directors who are Audit & Supervisory Committee Members and satisfy the required conditions for independent directors stipulated by Tokyo Stock Exchange, Inc., and the Company's independence standards for outside Directors. Thus, they are registered as independent directors with the stock exchange. The Company's independence standards for outside Directors are described on pages 32 to 33. Although Mr. Shigeki Takahara served as Director and Operating Officer, Accounting & Finance Lead of Pfizer Japan Inc. until February 2020, there was no business relationship between Pfizer Japan Inc. and the Astellas Group in FY2025. While there is a business relationship, such as licensing, between the Pfizer Group, to which Pfizer Japan Inc. belongs, and the Astellas Group, it has been more than six years since Mr. Takahara left Pfizer Japan Inc. In addition, during that period, he served until June 2025 as Representative Director, Vice President Executive Officer and Chief Financial Officer of Kansai Paint Co., Ltd., a company that is not part of the Pfizer Group. Accordingly, this fact does not affect his independence as an outside Director.
 3. The Company has stipulated in the Articles of Incorporation that it may enter into an agreement with each Director (excluding executive Director, etc.) to limit his or her liability for damages under Article 423 (1) of the Companies Act, to the minimum liability amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit Director's liability), enabling Directors (excluding executive Directors, etc.) to sufficiently fulfill expected roles. The Company has entered into the agreement with all of the Directors (excluding executive Directors, etc.). If the re-election of Ms. Rika Hirota and Ms. Tomoko Aramaki is approved and adopted, the Company will maintain the agreement to limit their respective liabilities, and if the election of Mr. Shigeki Takahara is approved and adopted, the Company will enter into the agreement to limit his liability.
 4. The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3 (1) of the Companies Act. In the event of a claim for damages submitted by a shareholder or a third party, etc., the insurance agreement shall compensate for damages, legal expenses, etc. to be borne by the insured. The Company's Directors are insured under the agreement. If the candidates assume office as Directors who are Audit & Supervisory Committee Members, they will be included as the insured of the insurance agreement. The insurance agreement is scheduled to be renewed by the Company during the term of office.
 5. Director who is an Audit & Supervisory Committee Member, Ms. Rie Akiyama, will continue to serve as Director who is an Audit & Supervisory Committee Member. If this proposal is approved and adopted as proposed, the total number of Directors who are Audit & Supervisory Committee Members shall be four (4) (including three (3) outside Directors).

Reference Material Regarding the First Proposal and Second Proposal

Skills, etc. that should be possessed by the Board of Directors as a whole

The Board of Directors specifies the skills, etc. (knowledge, experience, abilities, etc.) that should be possessed as a whole in order to properly perform its function in light of the Company's corporate strategies.

Skills, etc.	Views and Standards
Company Management	Experience in managing listed companies or major corporations. This is not limited to experience as a chief executive officer, but also as an executive director, COO, CFO, or other position directly involved in company management
Global Business	Experience in managing companies that do business on a global scale, or considerable global business experience, such as actual business experience in multiple countries and regions
Science & Technology	Knowledge and expertise gained from R&D experience or considerable work experience with medicine, pharmacy and other science or intellectual property, or in handling technologies including digital technologies, data and medical devices
Legal • Risk Management	Knowledge and expertise gained from considerable work experience with legal matters, such as experience as a lawyer or in the legal departments of companies Knowledge and expertise gained from considerable work experience with risk management
Finance • Accounting	Knowledge and expertise gained from considerable work experience with finance and accounting, such as experience as a CPA or in the finance or accounting departments of companies
Academia	Considerable experience or academic performance in a faculty or equivalent position at a university, research institution, or the like

Skills matrix of the Board of Directors

If the First Proposal and Second Proposal are approved and adopted as proposed, the composition of the Board of Directors and the skills, etc. expected of Directors will be as follows:

	Name	Gender	Outside Director	Independent Director*	Company Management	Global Business	Science & Technology	Legal • Risk Management*	Finance • Accounting	Academia
Director	Kenji Yasukawa	Male			●	●	●			
	Naoki Okamura	Male			●	●	●		●	
	Katsuyoshi Sugita	Male			●	●		●		
	Masahiro Miyazaki	Male	○	○	● (Precision instruments / Trading)	●				
	Yoichi Ohno	Male	○	○			●			● (Medicine)
	Andreas Busch	Male	○	○	● (Pharma)	●	●			● (Pharmacology)
	Mark Enyedy	Male	○	○	● (Pharma)	●	●	●		
Director Audit & Supervisory Committee Member	Rika Hirota	Female					●	●		
	Rie Akiyama	Female	○	○				● (Lawyer)		
	Tomoko Aramaki	Female	○	○					● (Accountant)	
	Shigeki Takahara	Male	○	○	● (Pharma / Chemicals (coatings))	●			●	

* A person who satisfies the required conditions for independent directors stipulated by Tokyo Stock Exchange, Inc. and the Company's independence standards for outside Directors, and who is registered as an independent director with the stock exchange.

Reference Material Regarding the First Proposal and Second Proposal

Independence Standards for Outside Directors

Below are the independence standards for outside Directors of Astellas Pharma Inc. (“the Company”). They are deemed to have independence from the Company and no potential conflict of interest with ordinary shareholders if none of the following apply.

- (1) Person engaged in business execution^{*1} of the Company or the Company’s subsidiaries (collectively, “the Group”), or person who has been engaged in business execution of the Group at any time in the past 10 years (or for a period of 10 years before appointment to that post if the person has, at any time within the past 10 years, served as a non-executive Director, Audit & Supervisory Board Member or Accounting Advisor of the Group);
- (2) Party for whom the Group is a major business partner^{*2} or a person engaged in business execution of such party;
- (3) Major business partner of the Group^{*3} or a person engaged in business execution of such business partner;
- (4) Consultant, accounting professional, or legal professional obtaining large amounts of money or other financial benefits^{*4}, other than as remuneration of Director from the Group (if such financial benefits are obtained by an incorporated entity, partnership or other organization, this item refers to a person belonging to such organization);
- (5) Person belonging to an auditing firm performing statutory audits of the Group;
- (6) Person receiving donations or grants above a certain threshold^{*5} from the Group (if the donations or grants are received by an incorporated entity, partnership or other organization, this item refers to a person engaged in business execution of such organization);
- (7) Person engaged in business execution of a major financial institution^{*6} from which the Group has borrowings, or a person engaged in business execution of the parent company or subsidiary of such financial institution;
- (8) Major shareholder^{*7} of the Group, or a person engaged in business execution of an incorporated entity that is a major shareholder of the Group;
- (9) Person engaged in business execution of a company in which the Group is a major shareholder;
- (10) Person engaged in business execution of a company accepting directors (whether full or part time) from the Group, or a person engaged in business execution of the parent company or subsidiary of such company;
- (11) Person to whom any of Items (2) through (10) apply during the most recent 3 years; and
- (12) Relative of a person to whom any of Items (1) through (11) apply (limited to a person in an important position^{*8})^{*9}.

- *₁ “Person engaged in business execution” refers to a “person engaged in business execution” as defined in Article 2, paragraph (3), item (vi) of the Regulation for Enforcement of the Companies Act, and includes both executive directors and employees. It does not include audit & supervisory board members.
- *₂ “Party for whom the Group is a major business partner” refers to a business partner group (namely, a corporate group comprising a direct business partner, its parent company or subsidiary, or subsidiaries of the parent company; the same shall apply hereinafter.) that provides the Group with products or services for which the transaction value in the most recent business year exceeds 2% of such business partner group’s annual consolidated sales.
- *₃ “Major business partner of the Group” refers to a business partner group to which the Group provides products or services for which the transaction value in the most recent business year exceeds 2% of the Group’s annual consolidated sales.
- *₄ “Large amounts of money or other financial benefits” refers to money or other financial benefits in excess of 10 million yen, excluding remuneration of Director, for the most recent business year (if such financial benefits are obtained by an incorporated entity, partnership or other organization, it refers to money or other financial benefits in excess of 2% of such organization’s total income for the most recent business year).
- *₅ “Donations or grants above a certain threshold” refers to donations or grants in excess of the higher of 10 million yen on average for the most recent 3 business years or 2% of total income of such person/organization for the most recent business year.
- *₆ “Major financial institution” refers to a financial institution from which total borrowings at the end of the most recent business year exceeds 2% of the Company’s consolidated gross assets.
- *₇ “Major shareholder” refers to a shareholder holding 10% or more of voting rights (including direct and indirect holdings).
- *₈ “Person in an important position” refers to a director (excluding outside directors); executive officer; corporate executive; employee in a management position at the level of department head or higher; certified public accountant in an auditing firm or accounting office; attorney in a law firm; councilor, director, auditor or other officer in an incorporated foundation, incorporated association, educational institution or other incorporated entity; or other person objectively and reasonably deemed to be in a position of similar importance.
- *₉ “Relative” refers to a spouse or person within the second degree of consanguinity.

- End -

[Attachments]

Business Report (from April 1, 2025 to March 31, 2026)

1. Matters concerning Present State of the Astellas Group (Corporate Group)

(1) Overview and Results of Operations of the Astellas Group

- During the business year under review (from April 1, 2025 to March 31, 2026, hereinafter it may be also referred to as “FY2025”), the business environment surrounding the pharmaceutical industry continued to face severe conditions due to implementation of government policies to restrain medical expenditures and the tightening up of new drug application reviews implemented in each country, not only in developed countries but also in emerging economies.
- Under such business circumstances, we promoted the global business of research and development, manufacturing, and marketing for the purpose of creating highly value-added and innovative new drugs and medical solutions leveraging our strength in fields where high unmet medical needs* exist, and providing such drugs continuously to the world.

* Unmet medical needs: medical needs that have yet to be fulfilled

1) Summary of Consolidated Business Results

<Consolidated financial results (core basis)>

The Company discloses financial results on a core basis as an indicator of the Company's profitability. Financial results on a core basis exclude certain significant adjusted items defined by the Company that are reported in financial results on a full basis. These adjusted items include amortisation of intangible assets, gain on divestiture of intangible assets, share of profit and loss of investments accounted for using equity method, impairment losses, gain/loss on sales of property, plant and equipment, restructuring costs, loss on disaster, a large amount of losses on compensation or settlement of litigations and other legal disputes, and certain other items defined by the Company.

Consolidated financial results (core basis) in FY2025 are shown in the table below. Revenue, core operating profit and core profit increased across the board.

Consolidated financial results (core basis)

	Business results of the business year under review (FY2025)	Fluctuation year-on-year (Increase/decrease ratio)
Revenue	¥2,139.2 billion	¥226.9 billion increase (11.9% increase)
Core operating profit	¥555.7 billion	¥163.2 billion increase (41.6% increase)
Core profit	¥424.4 billion	¥128.7 billion increase (43.5% increase)

(i) Revenue

Revenue in FY2025: ¥2,139.2 billion (11.9% increase year-on-year)

- Sales of Strategic Brands, including PADCEV for the treatment of urothelial cancer, IZERVAY for the treatment for geographic atrophy secondary to age-related macular degeneration, VYLOY for the treatment of gastric and gastroesophageal junction adenocarcinoma and VEOZAH* for the treatment of vasomotor symptoms due to menopause showed solid growth. In addition, the expansion of sales of XTANDI for the treatment of prostate cancer has also contributed to revenue growth.

* Approved as “VEOZA” in ex-US.

(ii) Core operating profit / Core profit

Core operating profit: ¥555.7 billion (41.6% increase year-on-year).

Core profit : ¥424.4 billion (43.5% increase year-on-year).

- Gross profit increased by 10.7% year-on-year to ¥1,730.8 billion.
- Selling, general and administrative expenses increased by 2.0% year-on-year to ¥860.3 billion. While promoting cost optimization (approximately ¥11.0 billion) through Sustainable Margin Transformation (SMT), the total amount increased mainly as a result of investments in Strategic Brands* for further growth (increase of approximately ¥10.0 billion year-on-year) and foreign exchange rate impact (increase of ¥3.6 billion year-on-year). Selling, general and administrative expenses, excluding co-promotion fees of XTANDI in the United States, increased by 3.7% year-on-year to ¥612.1 billion.
- Research and development (R&D) expenses decreased by 3.9% year-on-year to ¥314.8 billion. The total amount decreased mainly due to SMT-led cost optimization (approximately ¥10.0 billion), decrease in clinical development expenses for Strategic Brands (decrease of ¥5.0 billion year-on-year) and foreign exchange rate impact (decrease of ¥0.5 billion year-on-year).

* PADCEV, IZERVAY, VYLOY, VEOZAH, XOSPATA (as of March 31, 2026)

The exchange rates for the yen in FY2025 are shown in the table below. The resulting impacts were a ¥30.1 billion increase in revenue and a ¥16.8 billion increase in core operating profit compared with if the exchange rates of FY2024 were applied.

Exchange rate

Average rate	FY2024	FY2025	Change
US\$/¥	¥152	¥151	¥2 (Strengthening of yen)
€/¥	¥164	¥175	¥11 (Weakening of yen)

<Consolidated financial results (full basis)>

Consolidated financial results on a full basis in FY2025 are shown in the table below. Operating profit and profit increased across the board.

The full basis financial results are calculated by adding back “amortisation of intangible assets,” “gain on divestiture of intangible assets,” “share of profit (loss) of investments accounted for using the equity method,” “other income” and “other expenses” to the core basis financial results. In FY2025, “amortisation of intangible assets” was ¥136.0 billion (¥136.8 billion in the previous fiscal year), “other income” was ¥32.8 billion (¥20.3 billion in the previous fiscal year), and “other expenses” was ¥72.4 billion (¥235.8 billion in the previous fiscal year).

As “other income,” the Company booked a change in fair value of contingent consideration for VYLOY (¥12.8 billion) due to the discontinuation of the program for pancreatic adenocarcinoma in the first nine months of FY2025 and settlement payment for a litigation in the United States over the overactive bladder treatment mirabegron (¥9.2 billion) in FY2025.

As “other expenses,” the Company booked impairment losses for intangible assets related to certain programs of the Company’s subsidiary Xyphos Biosciences Inc. (¥12.0 billion) in the first three months of FY2025 and AT132 (¥16.4 billion) in FY2025 due to a reassessment of intangible asset following the strategic halt.

Consolidated financial results (full basis)

	Business results of the business year under review (FY2025)	Fluctuation year-on-year (Increase/decrease ratio)
Revenue	¥2,139.2 billion	¥226.9 billion increase (11.9% increase)
Operating profit	¥382.6 billion	¥341.6 billion increase (832.4% increase)
Profit before tax	¥376.6 billion	¥345.4 billion increase (-)
Profit	¥291.6 billion	¥240.8 billion increase (474.6% increase)

<Sales of main products>

	Business results of the business year under review (FY2025)	Fluctuation year-on-year (Increase/decrease ratio)
PADCEV	¥221.2 billion	¥57.1 billion increase (34.8% increase)
IZERVAY	¥77.6 billion	¥19.3 billion increase (33.2% increase)
VYLOY	¥63.1 billion	¥50.9 billion increase (415.6% increase)
VEOZAH*1	¥46.6 billion	¥12.8 billion increase (37.7% increase)
XOSPATA	¥71.8 billion	¥3.9 billion increase (5.7% increase)
XTANDI	¥960.8 billion	¥48.5 billion increase (5.3% increase)
BETANIS / MYRBETRIQ / BETMIGA	¥189.7 billion	¥19.7 billion increase (11.6% increase)
PROGRAF*2	¥207.7 billion	¥6.7 billion increase (3.3% increase)

*1 Approved as “VEOZA” in ex-US.

*2 PROGRAF: Includes ADVAGRAF, GRACEPTOR, and ASTAGRAF XL.

<Revenue by region>

Revenue by region is shown in the table below. Revenue increased across all regions.

	Business results of the business year under review (FY2025)	Fluctuation year-on-year (Increase/decrease ratio)
United States	¥940.2 billion	¥73.8 billion increase (8.5% increase)
Japan	¥289.0 billion	¥22.0 billion increase (8.2% increase)
Established Markets*1	¥563.6 billion	¥78.2 billion increase (16.1% increase)
China*2	¥101.5 billion	¥23.2 billion increase (29.6% increase)
International Markets*3	¥230.7 billion	¥27.2 billion increase (13.4% increase)

*1 Established Markets: Europe, Canada, etc.

*2 China: China, Hong Kong.

*3 International Markets: Latin America, Middle East, Africa, South East Asia, South Asia, Russia, Korea, Taiwan, Australia, Export sales, etc.

2) Progress of initiatives for sustainable growth

In the Corporate Strategic Plan 2021, announced in May 2021, the Company has set four Strategic Goals (SGs); “Enable patients to achieve better outcomes,” “Translate innovative science into proven VALUE,*” “Advance the Rx+ business,” and “Deepen our engagement in sustainability,” to create and deliver VALUE. See also “Issues to be Addressed by the Astellas Group” (page 50) for details of the Corporate Strategic Plan 2021.

The following are the main initiatives during FY2025:

* The result of dividing Outcomes that really matter to patients (clinical outcomes from treatment, etc.) by Cost to the healthcare system of delivering those outcomes

(1) SG1: Enable patients to achieve better outcomes

The Company is preferentially allocating management resources to Strategic Brands* that will support sustainable growth over the mid- to long-term. The Company has been developing and maximizing the product value of the Company’s growth drivers such as PADCEV for the treatment of urothelial cancer, IZERVAY for the treatment of geographic atrophy secondary to age-related macular degeneration, and VYLOY for the treatment of gastric and gastroesophageal junction adenocarcinoma, etc.

In the later stages of development, much progress including the following was made:

- The approval in the United States and filing for the approval in Europe and Japan of PADCEV with Keytruda (generic name: pembrolizumab), a PD-1 inhibitor of Merck & Co., Inc. (U.S.) for a combination therapy of urothelial cancer, for the additional indication as a neoadjuvant and adjuvant therapy for patients with muscle-invasive bladder cancer who are ineligible for cisplatin-based chemotherapy
- The launch in Japan of IZERVAY for the treatment of geographic atrophy secondary to age-related macular degeneration, for suppression of geographic atrophy growth in atrophic age-related macular degeneration

The following are the sales and the main progress of major products for FY2025.

* PADCEV, IZERVAY, VYLOY, VEOZAH, XOSPATA (as of March 31, 2026)

- **PADCEV (generic name: enfortumab vedotin) for the treatment of urothelial cancer**
FY2025 Sales: ¥ 221.2 billion (increased by 34.8% YoY)

Solid sales across all regions contributed to robust global sales. Its steady establishment as a first-line treatment for patients with metastatic urothelial cancer and its approval as a neoadjuvant and adjuvant therapy for patients with muscle-invasive bladder cancer who are ineligible for cisplatin-based chemotherapy contributed to sales growth. The following are the major progress in obtaining approval, submission of applications, and development for the additional indication.

July 2025: The Company announced the discontinuation of Phase 1 program for non-muscle-invasive bladder cancer and the discontinuation of Phase 2 program for other solid tumors.

November 2025: In the United States, the Company obtained approval from the U.S. Food and Drug Administration for the combination therapy of PADCEV with Keytruda or Keytruda QLEX (pembrolizumab + berahyaluronidase alfa-pmph) for the additional indication as a neoadjuvant and adjuvant therapy for patients with muscle-invasive bladder cancer who are ineligible for cisplatin-based chemotherapy.

November 2025: In Europe, the Company received notification that the European Medicines Agency accepted its application for the combination therapy of PADCEV with KEYTRUDA for the additional indication as a neoadjuvant and adjuvant therapy for patients with muscle-invasive bladder cancer who are ineligible for cisplatin-based chemotherapy.

January 2026: In Japan, the Company filed for the approval of partial change in manufacturing and marketing authorization for the combination therapy of PADCEV with Keytruda, seeking the additional indication as a neoadjuvant and adjuvant therapy for patients with muscle-invasive bladder cancer who are ineligible for cisplatin-based chemotherapy.

March 2026: In Europe, the Company received notification that the European Medicines Agency accepted its application for the combination therapy of PADCEV with KEYTRUDA for the additional indication as a neoadjuvant and adjuvant therapy for patients with muscle-invasive bladder cancer who are eligible for cisplatin-based chemotherapy.

April 2026: In the United States, a supplemental Biologics License Application (sBLA) for the combination therapy of PADCEV with Keytruda or Keytruda QLEX, as a neoadjuvant and adjuvant therapy for patients with muscle-invasive bladder cancer who are eligible for cisplatin-based chemotherapy, was accepted by the U.S. Food and Drug Administration and granted Priority Review designation.

April 2026: The Company announced that it entered Phase 2 clinical trial for bladder-sparing therapy program for muscle-invasive bladder cancer.

- **IZERVAY (generic name: avacincaptad pegol sodium) for the treatment of geographic atrophy secondary to age-related macular degeneration**
FY2025 Sales: ¥77.6 billion (increased by 33.2% YoY)

Sales expanded steadily. The following are the major progress in development for the additional indication and sales.

October 2025: The Company announced the discontinuation of Phase 2 program for Stargardt disease.

November 2025: In Japan, the product was launched for suppression of geographic atrophy growth in atrophic age-related macular degeneration.

- **VYLOY (generic name: zolbetuximab) for the treatment of gastric and gastroesophageal junction adenocarcinoma**
FY2025 Sales: ¥63.1 billion (increased by 415.6% YoY)

The product is launched in over 30 countries including Japan, Europe and the United States as of April 2026, and global sales expanded significantly. High Claudin 18 testing rates and low discontinuation rates contributed to sales growth. The following are the major progress in development for the additional indication.

February 2026: The Company announced the discontinuation of development, based on the results of Phase 2 GLEAM study for pancreatic adenocarcinoma.

- **VEOZAH (generic name: fezolinetant) for the treatment for moderate-to-severe vasomotor symptoms associated with menopause**

FY2025 Sales: ¥ 46.6 billion (increased by 37.7% YoY)

Global sales expanded steadily, mainly in the United States. The following are the major progress in development.

February 2026: In Japan, the Company announced the achievement of its primary endpoint in Phase 3 STARLIGHT 2 study for women with vasomotor symptoms due to menopause.

April 2026: In China, the Company announced the achievement of its primary endpoint in Phase 2 study for women with vasomotor symptoms due to menopause.

- **XOSPATA (generic name: gilteritinib fumarate) for the treatment of acute myeloid leukemia**

FY2025 Sales: ¥ 71.8 billion (increased by 5.7% YoY)

Although there were regional differences, global sales progressed overall. The following are the major progress in development of the additional indication.

October 2025: The Company announced that it entered Phase 1 clinical trial for ALK-positive non-small cell lung cancer.

March 2026: The Company announced the non-achievement of its primary endpoint in Phase 3 PASHA study for patients with newly diagnosed FLT3 mutation-positive acute myeloid leukemia with high intensity induction of chemotherapy.

- **XTANDI (generic name: enzalutamide) for the treatment of prostate cancer**

FY2025 Sales: ¥ 960.8 billion (increased by 5.3% YoY)

Global sales increased.

In addition, the following are sales of other major products.

- **Overactive Bladder treatment BETANIS/MYRBETRIQ/BETMIGA (generic name: mirabegron)**

FY2025 Sales: ¥ 189.7 billion (increased by 11.6% YoY)

Global sales increased.

- **Imunosuppressant agent PROGRAF (generic name: tacrolimus hydrate)**

FY2025 Sales: ¥ 207.7 billion (increased by 3.3% YoY)

Global sales were at the same level as in the previous business year.

Other than the above, the Company also took the following initiatives related to the prescription pharmaceutical business.

March 2026: The Company agreed on a memorandum of understanding with Meiji Yasuda Life Insurance Company for collaboration aiming to achieve a sustainable society in which advanced medicine reaches those who need it.

March 2026: Pharmaceutical production activities at the Takaoka Plant were terminated.

(2) SG2: Translate innovative science into proven VALUE

Under its unique R&D strategy of Focus Area Approach, the Company is working to create innovative products through a new approach to narrowing down medicine targets from multiple perspectives. As of March 2026, among those born from the Focus Area Approach, which are specific combinations of biology^{*1}, modality^{*2}, and disease, the Company has identified four areas of Primary Focus^{*3}: “Immuno-Oncology,” “Targeted Protein Degradation,” “Genetic Regulation,” and “Blindness and Regeneration.”

*1 Primary Focus: A priority investment target selected from within a Focus Area representing a specific combination of factors in terms of scientific validity, feasibility of R&D and commercialization, enhancement level and progress level of projects, among others.

*2 Biology: In-depth understanding of underlying causes of diseases

*3 Modality: Versatile treatment modalities and core technologies

The following are the main progress of each of Primary Focus during FY2025:

- **Primary Focus: Immuno-Oncology**

July 2025: The Company announced the discontinuation of development of ASP1012, an oncolytic virus encoding leptin-IL-2, which was in the Phase 1 clinical development stage for cancer.

February 2026: The Company announced that clinical PoC^{*1} was achieved for the anti-Claudin 18.2/anti-CD3 bispecific antibody ASP2138, in gastric and gastroesophageal junction adenocarcinoma.

February 2026: The Company entered into a global strategic collaboration with Vir Biotechnology, Inc. (U.S.) to advance VIR-5500, a dual-masked CD3 T-cell engager (TCE) targeting dual-masked PSMA for the treatment of prostate cancer

April 2026: The Company announced that the dual-masked CD3 T-cell engager targeting dual-masked Prostate-specific membrane antigen VIR-5500 was listed as a program in Phase 1 clinical trial for prostate cancer.

April 2026: The Company announced that ASP2998, a dual-payload immunostimulatory antibody-drug conjugate (iACD) targeting TROP2, entered Phase 1 clinical trial for cancer.

April 2026: The Company announced the discontinuation of development of ASP1570, a DGK ζ inhibitor, which was in the Phase 1 clinical development stage for cancer.

- **Primary Focus: Targeted Protein Degradation**

April 2025: The Company announced that clinical PoC was achieved for the KRAS G12D degrader ASP3082 (generic name: setidegrasib), in pancreatic ductal adenocarcinoma.

July 2025: The Company announced that clinical PoC was achieved for the KRAS G12D degrader ASP3082, in non-small cell lung cancer.

October 2025: The Company announced that the pan-KRAS degrader ASP5834 entered Phase 1 clinical trial for cancer.

January 2026: The pan-KRAS degrader ASP5834 was granted Fast Track designation by the U.S. Food and Drug Administration for non-small cell lung cancer.

February 2026: The Company announced the discontinuation of development of the KRAS G12D degrader ASP4396, which was in the Phase 1 clinical development stage for cancer.

April 2026: The Company announced that the KRAS G12D degrader ASP3082 entered Phase 3 clinical trial for pancreatic ductal adenocarcinoma.

- **Primary Focus: Genetic Regulation**

April 2025: The Company announced that the gene therapy drug AT845 entered Phase 2 clinical trial for Pompe disease.

April 2026: The Company announced that ASP2957 for gene therapy through MTM1 gene replacement to express myotubularin entered Phase 1 clinical trial for X-linked myotubular myopathy.

April 2026: The Company announced the strategic halt of development of AT132 for gene therapy through MTM1 gene replacement to express myotubularin, which was in the Phase 2 clinical development stage for X-linked myotubular myopathy.

- **Primary Focus: Blindness and Regeneration**

March 2026: The Company announced that clinical PoC was achieved for the cell therapy ASP7317, in geographic atrophy secondary to age-related macular degeneration with severe vision loss.

The following are main progress in R&D activities other than Primary Focus for FY2025.

April 2025: The Company entered into a strategic collaboration with Japanese Foundation for Cancer Research to accelerate translational and clinical oncology research.

May 2025: The Company entered into an exclusive licensing agreement with Evopoint Biosciences Co., Ltd. (China) for XNW27011, a novel antibody-drug conjugate targeting CLDN18.2

June 2025: The Company agreed on a memorandum of understanding with Mitsubishi Research Institute, Inc. (MRI) to provide drug-discovery startups in Japan with support under the Ministry of Health, Labour and Welfare's Medical Innovation Support Office that MRI had been entrusted to operate.

July 2025: The Company agreed on a memorandum of understanding with the Korea Institute of Startup and Entrepreneurship Development, an umbrella organization of the Ministry of SMEs and Startups, a Korean Government Agency, for the operation of the Partnership with Global Companies Program, which aims to identify Korean drug-discovery startups and support their business growth and global expansion.

July 2025: The Company announced that the Claudin 18.2-targeted Antibody-drug conjugate ASP546C was listed as a program in Phase 1 clinical trial for cancer.

October 2025: The Company announced that abiraterone decanoate ASP5541, a CYP17 lyase inhibitor, entered Phase 2 clinical trial for prostate cancer.

December 2025: The Maholo Robotic Cell Culture Automation System was granted an Advanced Manufacturing Technology Designation by the Center for Biologics Evaluation and Research of the U.S. Food and Drug Administration. Maholo is an experimental humanoid robot with dual arms, specifically designed for life science research, developed by the Robotic Biology Institute, a subsidiary of YASKAWA Electric Corporation. Cellafa Bioscience, a joint venture between the Company and YASKAWA Electric Corporation, will drive the practical use of this technology.

April 2026: The Company announced the discontinuation of development of the STING inhibitor ASP5502, which was in the Phase 1 clinical development stage for primary Sjogren's syndrome.

*1 PoC: Proof of concept

(3) SG3: Advance the Rx+ business

The Company aims to contribute and provide VALUE to patients in various ways, not limited to treatment with drugs (Rx) but across the whole patient journey (overall medical care, including diagnostic, preventive, therapeutic and prognostic care). This non-pharma activity is referred to as Rx+ business. Under the Corporate Strategic Plan 2021, as Strategic Goal 3, "Advance the Rx+ Business," the Company has focused on commercialization of Rx+ programs with the aim to empower individuals to take greater control of their health by offering accessible technologies, tools and resources that are grounded in clinical research and patient insights to facilitate active participation in their treatment plans alongside healthcare providers.

Key progress during the period is as follows:

- Implantable medical device

October 2025: The Company announced that it began enrolling subjects in Australia for an implantable medical device for underactive bladder.

- Other

May 2025: The Company entered into a memorandum of understanding with Shionogi & Co., Ltd. and NTT DATA Japan Corporation to begin studies toward the development and operation of a "DTx* distribution platform," with the aim of

promoting the adoption of digital therapeutics services.

* Digital Therapeutics

(4) SG4: Deepen our engagement in sustainability

(i) Our engagement in sustainability

We have established our Sustainability Direction addressing our materiality and environment-related key issues and established approximately 50 indicators to measure the progress of our commitment through to the business year under review (FY2025). These indicators are incorporated in the annual plans and are being advanced across the Company. We plan to disclose a summary in FY2026.

1. Transforming to be a Cutting-Edge, VALUE-driven life science innovator

Our Commitments by FY2025	Main Indicators
Aim to improve the lives of patients and caregivers around the world and contribute to reducing the overall load on the healthcare system.	Number of IND ^{*1} filed new drug candidates
	Number of new drugs launched
	Number of patients treated through various access programs
<ul style="list-style-type: none"> • Provide as many patients as possible with access to our products. • Impact more than 36 million people (cumulatively) by 2025 by improving disease awareness, prevention, and access to healthcare services. 	Lives impacted through access to healthcare programs by the Astellas Global Health Foundation ^{*2}
	Number of implementations of value based innovative pricing solutions to address value, affordability or access
Contribute to sustain healthcare systems through advocating for value-based pricing.	Percentage of organizations with six hierarchical levels or less from the CEO
Foster talents and an organizational culture with trusted capabilities to deliver innovation.	Average span of control ^{*3} for all departments
	Engagement score

*1 Investigational New Drug

*2 The Astellas Global Health Foundation is independent from Astellas

*3 Number of subordinates managed by one manager

2. Strengthening resilient and sustainable business operations to meet the expectations of society

Our Commitments by FY2025	Main Indicators
Establish a more sustainable and resilient value chain.	Key remarkable finding related to stable supply Progress for alternative sourcing preparation in terms of geopolitical issues
Ensure patient safety and product quality by fostering a Culture of Quality and by evolving customer experience.	Completed Culture of Quality scorecard for commercial manufacturing facilities

Environmental Sustainability

Our Commitments by FY2025	Main Indicators
Achieve by FY2025 the amount of reasonable reduction of greenhouse gas emissions target in line with the targets* below. * GHG emission reduction targets by FY2030 • Scope1+2 63% reduction (base year: FY2015), • Scope 3 37.5% reduction (base year: FY2015)	GHG emission reduction ratio (Scope1+2) (base year: FY2015) GHG emission reduction ratio (Scope 3) (base year: FY2015)

See the Company's website for the details of our engagement in sustainability.
<https://www.astellas.com/en/sustainability>

Scope: Range of calculation of greenhouse gas emissions

Scope 1: Direct emissions of greenhouse gas from fuels used in-house

Scope 2: Indirect emissions of greenhouse gas from consumption of purchased electricity

Scope 3: Emissions of greenhouse gas in the supply chain of business activities, such as raw materials procurement and product use.

(ii) Initiatives for enhancing Access to Health

The Company recognizes Access to Health (ATH) as a materiality. To address this issue, we are proactively taking a comprehensive efforts through three approaches.

1. Astellas Core Business (Rx, Rx+): We will continue to contribute to the health of patients by researching, developing and delivering innovative healthcare solutions to overcome diseases with high unmet medical needs. The cumulative number of patients treated with Astellas products*¹ is more than 174 million*².
2. Enhancing availability of Astellas products: To support patients who have difficulty accessing our products for socioeconomic reasons, we implement strategic activities from the pharmaceutical development stage to the post-sales stage to improve access to our products. Approximately 1,100 patients*³ have received treatment through various access programs, while around 12,200 requests*³ have been approved. In addition to these various access programs, we have provided more than 200 patients*⁴ with our products in countries where our products are not commercially available.
3. Supporting external ATH activities and foundations: The Company is tackling more

diverse issues of Access to Health by collaborating and supporting the activities of external partners, while leveraging its capabilities and technologies. The number of lives impacted through access to healthcare programs by the Company (excluding those supported by the Foundation) is approximately 362,000*5. In FY2025, as part of our healthcare system strengthening programs, we continued with initiatives to improve cancer survival rates in Malaysia and Peru and expanded prostate cancer screenings in Vietnam. In the United States and the United Kingdom, we have ensured community support and addressed care gaps for marginalized cancer patients.

*1 PADCEV, IZERVAY, VYLOY, VEOZAH, XOSPATA, XTANDI, EVRENZO, PROGRAF, HARNAL, VESICARE, mirabegron

*2 Cumulative total from October 1994 to March 31, 2025

*3 Cumulative total from the start year of each program to September 30, 2025

*4 Cumulative total from March 2024 to September 30, 2025

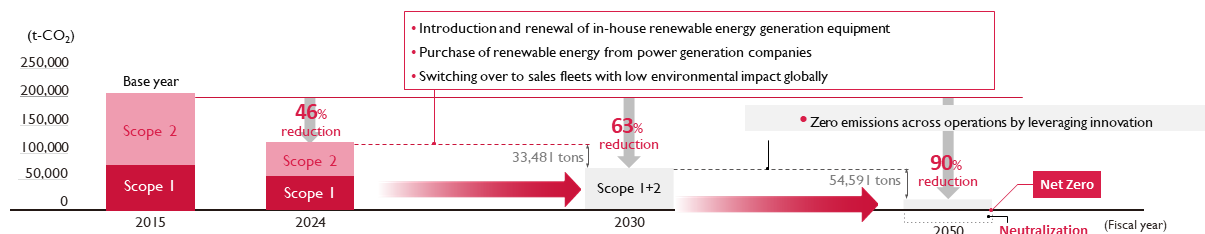
*5 Cumulative total from March 2022 to September 30, 2025

(iii) Environmental Sustainability (Measures to Address Climate Change)

As a long-term commitment, we are working to reduce GHG emissions (Scope 1 + 2 and Scope 3 emissions) by 90% by 2050 (compared to FY2015), and to achieve net-zero emissions by neutralizing the remaining 10% of emissions.

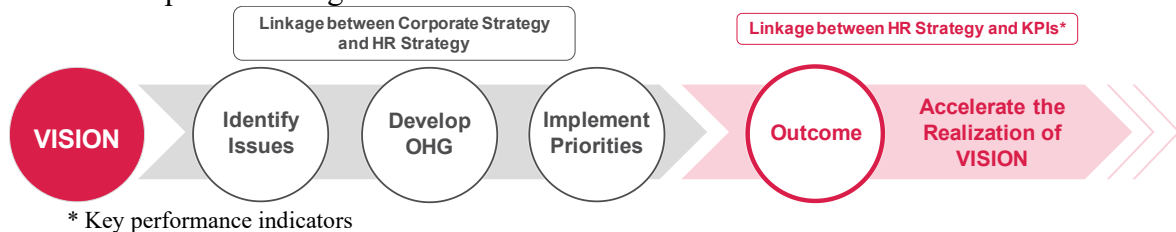
We have been promoting the use of renewable energy by installing solar power generation systems at Tsukuba Research Center, Shenyang Plant, and Kerry Plant, and by expanding these installations to Dublin Plant in FY2025. We have also set annual GHG emissions targets in line with our targets for FY2030 which have been certified by the Science Based Targets initiative. We are making steady progress toward the achievement of our reduction targets for Scope 1 + 2 emissions.

Roadmap for initiatives to achieve GHG reduction targets (Scope 1 + 2)



(iv) HR Priorities

In pursuit of our VISION, we engaged in thorough discussions to identify key issues and established Organizational Health Goals (OHG) within the Corporate Strategic Plan 2021 to foster innovation. The Company’s HR Strategy is fully linked to its business strategy, and we have been working to execute it in order to accelerate the implementation of the Corporate Strategic Plan 2021 and the realization of our VISION.



(v) Progress of the HR Strategy

1. Actions and Results of Organizational Health Goals (OHGs)

OHG1: Brave ideas pursue ambitious outcomes

We strove to protect the psychological safety of employees through initiatives such as frequently holding sessions in which participants could ask any questions they wanted to top management and conducting training for managers to improve their management abilities. We also worked to create a flatter organization, promoted fully remote work styles, thoroughly improved meeting efficiency, and took other actions to transform the organization into a highly productive one.

OHG2: Talent and leadership thrives

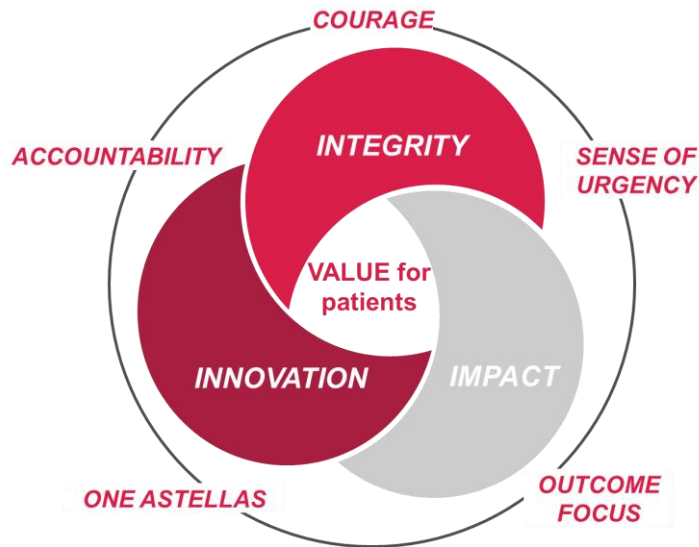
We dedicated ourselves to developing the next-generation of leaders so that we can continuously produce innovation. Forty-one people, selected from around the world, participated in our Next Generation Leadership program, tackling actual business issues. The participants are steadily advancing their careers, taking on the challenges of new business duties, handling even greater responsibilities by being promoted, and the like.

OHG3: We excel as One Astellas

In April 2025, we reframed our organizational structure. The new structure is not functional-based but rather centered on patients. This will allow us to move forward with end-to-end activities from early research through to commercialization.

We have also simplified and integrated our code of conduct, Astellas Way, and introduced “Organizational Values & Behaviors,” in which we set three our Values (Integrity, Innovation, and Impact) and five our Behaviors (Courage, Sense of Urgency, One Astellas, Outcome Focus, and Accountability).

We will ensure that each employee acts and collaborates with a clearer common understanding so that we enhance our ability to create and deliver VALUE for patients.



2. Global Engagement Survey

The Company conducts an employee engagement survey (global engagement survey) every year for all global employees to check the progress of engagement and OHG initiatives.

In response to the results of the FY2024 survey, we created a cross-functional joint team centered around Human Resources, Digital X, and Communications & Investor Relations. The main initiatives of this team have been the following measures for developing the leadership capabilities of managers.

- Performing additional surveys during the fiscal period and strengthened active listening toward employees.
- Creating more opportunities for top management to go directly to sites and communicate with employees face-to-face
- Interviewing managers with exceptional communication skills and sharing them with all managers as success examples
- Conducting training and holding monthly sessions aimed at improving the management capabilities of managers
- As a result of these efforts, the engagement score in the survey conducted in October 2025 was 73, the highest in the past five years. Scores rose for all of the 43 questions that could be compared with the previous year's survey. No results fell for any comparable questions.



(2) Changes in Assets and Income and Loss:

Items	18th term business year (FY2022)	19th term business year (FY2023)	20th term business year (FY2024) (Previous business year)	21st term business year (FY2025) (Business year under review)
Revenue	¥1,518.6 bil.	¥1,603.7 bil.	¥1,912.3 bil.	¥2,139.2 bil.
Operating profit	¥133.0 bil.	¥25.5 bil.	¥41.0 bil.	¥382.6 bil.
Profit before tax	¥132.4 bil.	¥25.0 bil.	¥31.2 bil.	¥376.6 bil.
Profit	¥98.7 bil.	¥17.0 bil.	¥50.7 bil.	¥291.6 bil.
Profit attributable to owners of the parent	¥98.7 bil.	¥17.0 bil.	¥50.7 bil.	¥291.5 bil.
Basic earnings per share	¥54.24	¥9.51	¥28.35	¥162.77
ROE attributable to owners of the parent	6.7%	1.1%	3.3%	17.4%
Total assets	¥2,456.5 bil.	¥3,569.6 bil.	¥3,339.5 bil.	¥3,567.0 bil.
Equity attributable to owners of the parent	¥1,508.0 bil.	¥1,596.0 bil.	¥1,513.3 bil.	¥1,829.0 bil.
R&D expenses	¥276.1 bil.	¥294.2 bil.	¥327.7 bil.	¥314.8 bil.
R&D cost-to-revenue ratio	18.2%	18.3%	17.1%	14.7%

- (Notes)
1. Consolidated Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS Accounting Standards) in pursuant to the provisions of Article 120, paragraph (1) of the Regulation on Corporate Accounting.
 2. Basic earnings per share is calculated using the weighted average number of ordinary shares outstanding during the period and presented by rounding numbers to the nearest second decimal places, i.e., discarding four thousandths (4/1000) or less and rounding up five thousandths (5/1000) or more.
 3. ROE=Return On Equity

(3) Capital Expenditures

The following are the main progress of capital expenditures during the business year under review.

- The construction of a plant at Astellas Ireland Co., Ltd. progressed.
- Opened Global Capability Centers in India, Poland and Mexico.

<Capital Expenditures>

20th term business year (Previous business year)	21st term business year (Business year under review)	Fluctuation year-on-year (increase/decrease ratio)
¥47.8 billion	¥49.3 billion	¥1.5 billion increase (3.1% increase)

(Note) Plant and Equipment does not include right-of-use asset.

(4) Financing of the Astellas Group

The outstanding balances as of March 31, 2025 were commercial papers (short-term bonds) of ¥164.9 billion, unsecured corporate bonds of ¥350.0 billion, short-term borrowings of ¥20.0 billion, current portion of long-term borrowings of ¥51.7 billion and long-term borrowings of ¥244.9 billion. During the business year under review, the Astellas Group redeemed the said commercial papers of ¥164.9 billion and the said unsecured corporate bonds of ¥30.0 billion and repaid the said short-term borrowings of ¥20.0 billion, while issuing and redeeming new commercial papers and borrowing and repaying short-term borrowings. As a result, the outstanding balances as of March 31, 2026 are unsecured corporate bonds of ¥320.0 billion, current portion of long-term borrowings of ¥146.0 billion and long-term borrowings of ¥100.0 billion.

(5) Issues to be Addressed by the Astellas Group

The business environment surrounding the pharmaceutical industry has been changing drastically with the times. By accurately assessing management priorities from medium- and long-term perspectives and implementing necessary measures while flexibly adapting to these changes, the Company will continue to deliver innovative medical solutions to patients, thereby continuously increasing our corporate value.

1. Corporate Strategic Plan 2021

In Corporate Strategic Plan 2021, to realize our VISION to stand “On the forefront of healthcare change to turn innovative science into VALUE for patients,” we have set four Strategic Goals, three Organizational Health Goals that will serve as “roadmaps” for fostering a corporate culture that promotes these goals, and three Performance Goals that include specific numerical targets with the aim of realizing steady growth and achieving results by FY2025.

Four Strategic Goals: Roadmaps for the next five years to realize our VISION, and our priorities.

SG1: Enable patients to achieve better outcomes

SG2: Translate innovative science into proven VALUE

SG3: Advance the Rx+ business

SG4: Deepen our engagement in sustainability

Three Organizational Health Goals: “Roadmaps” for fostering a corporate culture that steadily implements strategies and generates sustainable results

OHG1: Brave ideas pursue ambitious outcomes

OHG2: Talent and leadership thrives

OHG3: We excel as One Astellas

Performance Goals: Numerical targets that represent what we believe we will have achieved by business year 2025, when we have approached our ideal organization and ensured the implementation of the strategic goals

- Revenue: At least 1.2 trillion yen in sales of XTANDI and Strategic Brands*¹ in business year 2025
- Pipeline Value: Expected sales from Focus Area assets of more than 500 billion yen in business year 2030
- Core Operating Profit Margin: More than 30% core operating profit margin in business year 2025

Three Enterprise Priorities

In order to reliably execute Corporate Strategic Plan 2021 and establish a structure to overcome the loss of the market exclusivity of XTANDI, we have identified three enterprise priorities, namely, “Growth Strategy,” “Bold Ambition,” and “Sustainable Margin Transformation,” and have continued to promote these initiatives since FY2024.

- Growth Strategy: Maximize the VALUE of Strategic Brands*² that are essential to future sales revenue growth.
- Bold Ambition: Accelerate R&D and increase the pipeline value to drive long-term growth.
- Sustainable Margin Transformation: Pursue cost optimization and aim for a core operating profit margin of 30%.

Review of Corporate Strategic Plan 2021:

With regard to revenue, sales of XTANDI and Strategic Brands totaled 1.4411 trillion yen in FY2025, and we achieved the performance goal of “at least 1.2 trillion yen in sales of XTANDI and Strategic Brands in FY2025.”

As to pipeline value, we did not reach the performance goal of “expected sales from Focus Area assets of more than 500 billion yen in FY2030,” primarily due to the cancellation of projects that were already in development at the time Corporate Strategic Plan 2021 was announced. However, through the Focus Area approach, we achieved a total of four clinical proofs of concept (PoCs) from three flagship programs in Primary Focus, accumulating important milestones toward future growth.

As for the core operating profit margin, while we were unable to achieve the performance target of “more than 30% in FY2025,” continuous efforts to improve our financial foundation through Sustainable Margin Transformation enabled our core operating profit margin to reach 26.0% in FY2025.

We will continue to strengthen our management base.

2. Corporate Strategic Plan 2026

In May 2026, we announced Corporate Strategic Plan 2026, our five-year plan for FY2026 to FY2030. For details, please see the following Company’s website.

<https://www.astellas.com/en/>

*1 XOSPATA, PADCEV, VYLOY, EVRENZO, VEOZAH, AT132 (at the time of announcement of Corporate Strategic Plan 2021 (May 2021))

*2 PADCEV, IZERVAY, VYLOY, VEOZAH, XOSPATA (as of March 31, 2026)

3. Returns to shareholders

The Company works aggressively towards increasing enterprise value on a continual basis and, as a consequence, improves its return to shareholders. While putting priority on business investment to assure future growth, the Company strives to increase dividend payments stably and continuously based on its medium- to long-term profit growth on a consolidated basis.

Further, the Company flexibly acquires its own shares whenever necessary to enhance capital efficiency and increase earnings per share.

(6) Principal Business (as of March 31, 2026)

Research, development, manufacture and sale of pharmaceuticals

(7) Principal Offices and Plants (as of March 31, 2026)

Headquarters (Head Office)	2-5-1, Nihonbashi-Honcho, Chuo-ku, Tokyo
Research & Development	Headquarters (Tokyo Metropolis), Tsukuba Research Center (Ibaraki Prefecture), Tsukuba Biotechnology Research Center (Ibaraki Prefecture), Yaizu Pharmaceutical Research Center (Shizuoka Prefecture)
Manufacturing	Takahagi Technology Center (Ibaraki Prefecture), Tsukuba Tokodai Technology Center (Ibaraki Prefecture), Toyama Technology Center (Toyama Prefecture), Takaoka Plant (Toyama Prefecture), Yaizu Technology Center (Shizuoka Prefecture)

(Notes) 1. The principal sites overseas are described in “Principal Subsidiaries.”

2. Pharmaceutical production activities at the Takaoka Plant were terminated in March 2026.

(8) Principal Subsidiaries (as of March 31, 2026)

Name of subsidiary	Country	Share capital	Percentage of voting rights (%)	Outline of business
Astellas US LLC	United States	–	100.0*	Pharmaceutical business (management of regional operations)
Astellas Pharma Europe Ltd.	United Kingdom	€ in millions 139	100.0*	Pharmaceutical business (management of regional operations)
Astellas Pharma Singapore Pte. Ltd.	Singapore	SGD in millions 2	100.0	Pharmaceutical business (management of regional operations)
Astellas (China) Investment Co., Ltd.	China	CNY in millions 1,788	100.0	Pharmaceutical business (management of regional operations)
Astellas Institute for Regenerative Medicine	United States	US\$ 0.1	100.0*	Pharmaceutical business (research)
Astellas Gene Therapies, Inc.	United States	US\$ 0.1	100.0*	Pharmaceutical business (research)
Astellas Pharma Global Development, Inc.	United States	US\$ 10	100.0*	Pharmaceutical business (development)
Astellas Ireland Co., Ltd.	Ireland	€ in millions 3	100.0*	Pharmaceutical business (manufacture)
Astellas Pharma China, Inc.	China	CNY in millions 299	100.0*	Pharmaceutical business (manufacture)
Astellas Pharma US, Inc.	United States	US\$ 10	100.0*	Pharmaceutical business (sales)

Name of subsidiary	Country	Share capital	Percentage of voting rights (%)	Outline of business
Astellas Pharma GmbH	Germany	€ in millions 14	100.0*	Pharmaceutical business (sales)
Beijing Astellas Medical Co., Ltd.	China	CNY in millions 20	100.0*	Pharmaceutical business (sales)
Astellas Pharma Capability Centre Poland Sp.zo.o.	Poland	PLN in millions 25	100.0*	Pharmaceutical business (shared services)
Astellas Pharma Capability Centre India Private Limited	India	INR in millions 73	100.0*	Pharmaceutical business (shared services)
Astellas Farma Mexico S. de R.L de C.V.	Mexico	MXN 1,000	100.0*	Pharmaceutical business (shared services)

* Including the shares owned indirectly

- (Notes) 1. The number of consolidated subsidiaries including fifteen (15) principal subsidiaries stated in the table above totals eighty (80) and that of affiliated companies accounted for by the equity method is six (6).
2. There are no subsidiaries applicable to specified wholly owned subsidiaries.

(9) Important Business Reorganizations

Nothing applicable exists.

(10) Important Alliance for Technology (as of March 31, 2026)

1. License agreements – license in

Counterparty	Country	Type of technologies
Medivation Inc.	United States	Technology for enzalutamide (XTANDI)
Seagen Inc.	United States	Technology for enfortumab vedotin (PADCEV) and antibody-drug conjugate (ADC)
Basilea Pharmaceutica International Ltd.	Switzerland	Technology for isavuconazonium sulfate (CRESEMBA)
Amgen Inc.	United States	Technology for evolocumab (REPATHA), romosozumab (EVENTY) and blinatumomab (BLINCYTO)
Gilead Sciences, Inc.	United States	Technology for Amphotericin B (AMBISOME)
Sutro Biopharma, Inc.	United States	Technology for immunostimulatory antibody-drug conjugates (iADC)
Evopoint Biosciences Co., Ltd.	China	Technology for antibody-drug conjugate (ADC)

2. Distribution and other agreements

Counterparty	Country	Contents of contracts
Seagen Inc.	United States	Agreement on worldwide commercialization of PADCEV of the Company and Seagen Inc.

Counterparty	Country	Contents of contracts
Kotobuki Pharmaceutical Co., Ltd.	Japan	Agreement on development and commercialization of XOSPATA of the Company and Kotobuki Pharmaceutical Co., Ltd.
		Co-operation agreement in Japan for SUGLAT of the Company and Kotobuki Pharmaceutical Co., Ltd.
		Co-operation agreement in Japan for SUJANU Combination Tablets
MSD International GmbH	Switzerland	Master agreement on co-development and co-commercialization in Japan of SUJANU Combination Tablets of the Company and MSD International GmbH
MSD K.K.	Japan	Co-promotion agreement in Japan for SUJANU Combination Tablets of the Company and MSD International GmbH

3. Other agreements

- Settlement agreements regarding Myrbetriq patent litigation

In the business year under review, the Company reached separate agreements with Lupin Limited (India) and Lupin Pharmaceuticals, Inc. (U.S.), and Zydus Lifesciences Limited (India) and Zydus Pharmaceuticals (USA) Inc. (U.S.), to settle pending U.S. patent litigation regarding the Company's Myrbetriq. Under the terms of these agreements, the Company will receive per-unit licensing fees for each unit sold by the companies in the United States.

(11) Major Litigations, etc.

Nothing applicable exists.

(12) Employees (as of March 31, 2026)

Number of employees	Year-on-year increase or decrease
14,099	456 increase

(13) Principal Lenders (as of March 31, 2026)

Lenders	Balance of loans
Sumitomo Mitsui Banking Corporation	¥100.0 billion
MUFG Bank, Ltd.	¥99.4 billion

(14) Other Important Matters Concerning Present State of the Astellas Group

Nothing applicable exists.

2. Matters Concerning Present State of the Company (as of March 31, 2026)

(1) Matters Concerning Shares of Common Stock

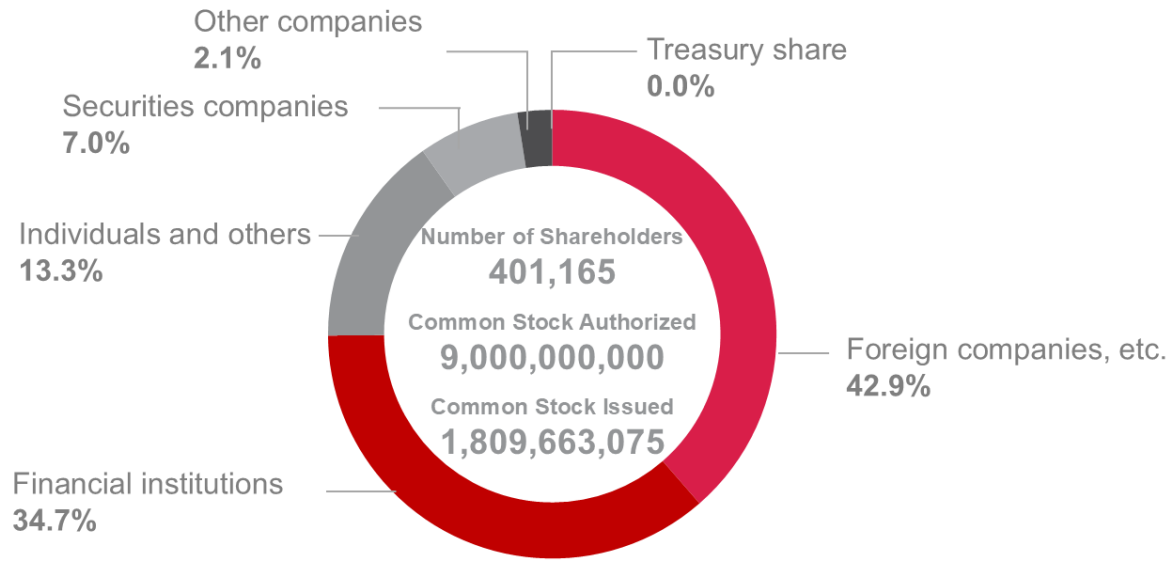
1. Matters Concerning Shares of Common Stock

- 1) Total number of shares authorized to be issued by the Company:
9,000,000,000 shares
- 2) Total number of shares issued:
1,809,663,075 shares (including 471,812 treasury shares)
- 3) Number of shareholders: 401,165
- 4) Top ten (10) principal shareholders:

Name of shareholder	Number of shares held (Thousand)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	343,200	18.96
Custody Bank of Japan, Ltd. (trust account)	130,182	7.19
Nippon Life Insurance Company	51,588	2.85
STATE STREET BANK AND TRUST COMPANY 505001	38,405	2.12
JPMorgan Securities Japan Co., Ltd.	30,057	1.66
JP MORGAN CHASE BANK 385781	26,465	1.46
SMBC Nikko Securities Inc.	22,484	1.24
The Nomura Trust and Banking Co., Ltd. (trust account)	22,218	1.22
STATE STREET BANK AND TRUST COMPANY 505103	21,360	1.18
Custody Bank of Japan, Ltd. (trust account 4)	18,927	1.04

(Note) The percentage of shares held are calculated to the total number of issued shares excluding treasury shares (1,809,191,263 shares) and presented by discarding the numbers down to the third decimal.

Breakdown of Shareholders



2. Shares delivered to Corporate Executives of the Company in consideration of the execution of duties

	Number of shares	Number of recipients
Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	42,200 shares	2

(Note) Under the Performance-linked Stock Compensation Scheme (hereinafter the "Plan"), individuals eligible under the Plan shall receive half of the number of the Company's shares corresponding to the allocated points from the specified trust (hereinafter the "Trust") (provided that shares less than one unit shall be converted into cash within the Trust and the cash equivalent to the amount of conversion will be received), and receive the cash equivalent to the remaining half after conversion into cash within the Trust. The number of shares in the table above does not include the number of shares for which cash was received due to the conversion into cash.

3. Matters Concerning Subscription Rights to Shares

1) Present status of subscription rights to shares as of March 31, 2026:

- Total number of subscription rights to shares: 1,209
- Type and number of shares to be issued upon exercise of subscription rights to shares:

339,300 shares of common stock of the Company

All subscription rights to shares have been delivered as the stock options. The Company plans to use treasury share when the subscription rights to shares are exercised and does not intend to issue new shares (i.e. no increase in the total number of the Company's shares issued).

Items	Resolution date of issuance:	Number of subscription rights to shares:	Type and number of shares to be issued upon exercise of subscription rights to shares (Note 3):	Amount to be paid for subscription rights to shares to be offered (Note 1):	Amount of cash to be contributed upon exercise of subscription rights to shares (Note 3):	Exercise period of subscription rights to shares:
Subscription rights to shares issued in July 2010 (issued on July 8, 2010)	June 23, 2010	33	16,500 shares of common stock (500 shares per subscription right to shares)	¥244,000 per subscription right to shares	¥500 per subscription right to shares	From July 9, 2010 through June 23, 2030 (both inclusive)
Subscription rights to shares issued in July 2011 (issued on July 5, 2011)	June 20, 2011	130	65,000 shares of common stock (500 shares per subscription right to shares)	¥267,700 per subscription right to shares	¥500 per subscription right to shares	From July 6, 2011 through June 20, 2031 (both inclusive)
Subscription rights to shares issued in July 2012 (issued on July 5, 2012)	June 20, 2012	248	124,000 shares of common stock (500 shares per subscription right to shares)	¥304,800 per subscription right to shares	¥500 per subscription right to shares	From July 6, 2012 through June 20, 2032 (both inclusive)
Subscription rights to shares issued in July 2013 (issued on July 4, 2013)	June 19, 2013	135	67,500 shares of common stock (500 shares per subscription right to shares)	¥505,300 per subscription right to shares	¥500 per subscription right to shares	From July 5, 2013 through June 19, 2033 (both inclusive)
Subscription rights to shares issued in July 2014 (issued on July 3, 2014)	June 18, 2014	663	66,300 shares of common stock (100 shares per subscription right to shares)	¥127,900 per subscription right to shares	¥100 per subscription right to shares	From July 4, 2014 through June 18, 2034 (both inclusive)

(Notes) 1. The subscription rights to shares stated above were delivered on the condition that the remuneration debts the Company owes to the allottees and the amounts payable for the subscription rights to shares to be offered were offset against each other.

2. Conditions for the exercise of the subscription rights to shares stated above are as follows:

(1) The holder may, in principle, only exercise the rights for the period of ten (10) years after the date immediately following the date when they lose their positions as both Directors and Corporate Executives of the Company.

(2) Each subscription right to shares may not be partially exercised.

3. The Company conducted a stock split of common stock at a ratio of 5 for 1 on April 1, 2014. Accordingly, the above type and number of shares to be issued upon exercise of subscription rights to shares and the amount of cash to be contributed upon exercise of subscription rights to shares are shown based on the adjusted figures after such stock split, excluding those subscription rights to shares issued in July 2014.

2) State of subscription rights to shares held by the Directors as of March 31, 2026, which have been delivered in consideration of performance of their duty:

	Allottee	Number of persons	Number of subscription rights to shares (remaining numbers)	Type and number of shares to be issued upon exercise of subscription rights to shares
Subscription rights to shares issued in July 2010	Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1	33 units	16,500 shares of common stock
Subscription rights to shares issued in July 2011	Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1	30 units	15,000 shares of common stock
Subscription rights to shares issued in July 2012	Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1	50 units	25,000 shares of common stock
Subscription rights to shares issued in July 2013	Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1	30 units	15,000 shares of common stock
Subscription rights to shares issued in July 2014	Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1	108 units	10,800 shares of common stock
Total			251 units	82,300 shares of common stock

- (Notes)
1. The subscription rights to shares held by the Directors include those distributed as consideration of performance of duties as Corporate Executives prior to assuming the position of Director.
 2. The Company conducted a stock split of common stock at a ratio of 5 for 1 on April 1, 2014; and the above numbers of shares to be issued upon exercise of subscription rights to shares, excluding the number relating to the subscription rights to shares issued in July 2014, have been adjusted for the stock split.

4. Other Important Matters Concerning Shares of Common Stock

Nothing applicable exists.

(2) Basic Views and System of Corporate Governance

1. Basic view

The Company's raison d'être is to contribute to improving the health of people around the world through the provision of innovative and reliable pharmaceutical products. The Company aims to sustainably enhance enterprise value by being chosen and trusted by all stakeholders. With this business philosophy, we work to ensure and strengthen the effectiveness of corporate governance from the following perspectives:

- 1) Ensuring transparency, appropriateness and agility of management; and
- 2) Fulfillment of our fiduciary duties and accountability to shareholders and appropriate collaboration with all stakeholders.

The Company has established the Corporate Governance Guidelines which clarifies the basic views and guidelines that must be followed in order for the Company to ensure and strengthen the effectiveness of corporate governance. The guidelines are posted on the following Company's website.

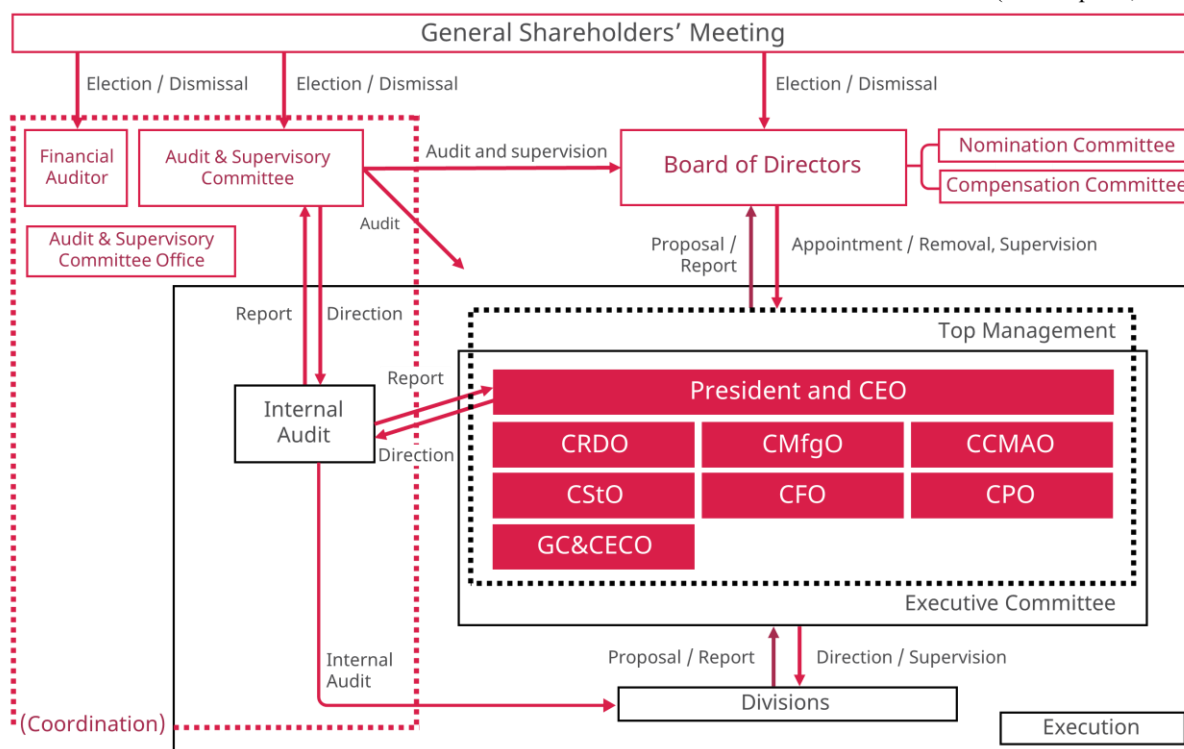
<https://www.astellas.com/en/about/corporate-governance>

2. Summary of the Company's corporate governance system

The summary of the Company's corporate governance system is as follows:

- The Company adopts the organizational structure of "Company with Audit & Supervisory Committee." Outside Directors constitute the majority of the Board of Directors and the Audit & Supervisory Committee, respectively.
- The Board of Directors determines basic policies of management, business strategies and other matters, and serves the oversight function of business execution.
- As an organ for handling business execution, the Company establishes the Executive Committee for discussing important matters and appoints Top Management (the President and Chief Executive Officer and the persons who work together with the President and Chief Executive Officer in management operations throughout the Group are collectively referred to as "Top Management") to take responsibility for business execution. The responsibility and authority for the execution of business of the organ described above and the Top Management are clearly stipulated in the Corporate Decision Authority Policy.
- As advisory bodies to the Board of Directors, the Company establishes the Nomination Committee and the Compensation Committee, each of which is composed of a majority of outside Directors.

(As of April 1, 2026)



[Reason for the selection of the system]

To realize this, the Company has decided to transition to a company with an Audit & Supervisory Committee, which will enable the delegation of a substantial part of the Board of Directors' decision-making authority of the execution of business to executive Directors. This further enhances deliberation on matters such as business strategy in the Board of Directors and further strengthens the oversight function of the Board of Directors. In addition, the Company deems it appropriate for the Board of Directors, a majority of whose members are outside Directors, to discuss and make decisions on important matters relating to corporate governance, including those involving election of Directors and remuneration, etc.

3. Board of Directors

1) Roles and composition of the Board of Directors

Directors shall be elected by resolution of Shareholders Meeting and the terms of office of Directors who are not Audit & Supervisory Committee Members and Directors who are Audit & Supervisory Committee Members shall be one year and two years, respectively. Board of Directors meetings are held at least once every three (3) months, and additionally as necessary, and are chaired by the Director and Chairman of the Board in principle. Eleven Board of Directors meetings were held during the business year.

The Board of Directors ensures the transparency and appropriateness of management by making decision of corporate management policies and corporate strategies, etc. and serving the oversight function of the execution of business. Furthermore, the Board of Directors ensures the agility of management by delegating a substantial part of decision-making authority of important business execution to an executive Director by resolution of the Board of Directors and establishing "Corporate Decision Authority Policy" to clarify the responsibility and authority for the execution of business by Top Management and others.

The Board of Directors, in consideration of diversity and balance from the perspectives of expertise and experience and so forth, is composed of a number of Directors appropriate to facilitate agility. In order to ensure decision-making from a broader viewpoint and objective oversight of the execution of business, the Board of Directors is composed of a majority of outside Directors. At least one person with management experience at other companies is to be appointed as an outside director. As of March 31, 2026, the Board of Directors comprises 13 Directors (8 males and 5 females), among whom a majority of nine are highly independent outside Directors.

The Enterprise Priority Monitoring group (EPM), established under the outside Directors' meeting (外役会, Soto Yaku Kai) that is composed solely of independent outside Directors, engages in intensive confirmation and deliberation of our progress on the three Enterprise Priorities*, and the confirmed and deliberated matters are reflected in the discussions of the Board of Directors (the EPM met 8 times during the business year). The EPM also invites external advisors to incorporate their specialized knowledge, which assists with more effective and objective monitoring.

* See "Issues to be Addressed by the Astellas Group" (page 50) for details.

2) Analysis and evaluation of the effectiveness of the Board of Directors

The Company conducts an annual analysis and evaluation of the effectiveness of the Board of Directors as a means of examining and improving issues to further enhance the effectiveness of the Board of Directors, and discloses a summary of the results thereof.

For FY2025, as in the previous year, an external evaluation organization was used to conduct a third-party evaluation based on a self-assessment questionnaire and interviews with all Directors. The Board of Directors discussed the results of the analysis based on those findings and made a final evaluation. Directors also provided each other with individual feedback through the questionnaire.

[Process for evaluation of the effectiveness of the Board of Directors in FY2025]

In FY2025, an external evaluation organization conducted an anonymous survey for all Directors, as well as individual interviews with the Directors. The survey and interviews were conducted based on the following items.

- Role, composition, operation of and discussions by the Board of Directors
- Corporate strategy and management plan
- Internal control and risk management
- Performance of outside Directors
- Support system for Directors
- Dialogue with shareholders (investors)
- Individual initiatives
- Evaluation of the Nomination Committee and the Compensation Committee
- Evaluation of the Audit & Supervisory Committee
- Overall assessment

The results of the analysis were shared at a Board of Directors meeting held in April 2026 to evaluate overall effectiveness and discuss policies and measures to further improve effectiveness.

[Conclusion]

It was determined that the overall effectiveness of the Board of Directors is sufficiently ensured.

[Reasons for the conclusion and evaluation]

- The overall average questionnaire score was 4.5 (out of 5.0 (+0.2 points year on year), and all items were rated at or above the average score of peer companies*, indicating that the Board is functioning effectively overall.
- The score for the overall question, “Overall, is the Board functioning effectively?,” was 4.6 out of 5.0, confirming that Directors consider the Board to be functioning effectively.
- Interviews with Directors also confirmed many positive views regarding the further enhancement of discussions following changes in Board composition, as well as on Board agenda items, open and constructive discussion, discussion of corporate strategy and management plans, support systems for Directors, dialogue with shareholders (investors), and the effectiveness of the Nomination and Compensation Committees.

[Initiatives to raise the effectiveness]

The Board of Directors discussed and shared its recognition of issues and future approach regarding the following areas with room for further improvement. Through these initiatives, the Board of Directors will strive to further improve its effectiveness.

- **Role and composition of the Board of Directors**
The Board will continue to align Directors’ understanding of the respective roles of execution and oversight, as well as how the Board should engage in strategic discussions. It will also continue discussions on the skills and composition the Board should have in light of the next Corporate Strategic Plan (CSP2026).
- **Board Discussions and Operations**
The Board will expand and deepen discussions on substantive and strategic risks and long-term strategy, supported by improvements to the discussion environment through refinement of its operating rules and greater involvement of Outside Directors in agenda setting. It will also further promote regular and systematic follow-up on important matters
- **Nomination Committee & Compensation Committee**
The Nomination Committee will continue to enhance succession planning and expand opportunities for the Board to deepen its understanding of the next generation of management talent. In addition, Compensation Committee will continue to discuss optimal compensation levels as a global company, taking market benchmarks into account.
- **Audit & Supervisory Committee**
The Audit & Supervisory Committee will enhance organizational audit through greater use of the Internal Audit division and internal control functions.

* Average score of peer companies that contact the third-party evaluation organization to conduct evaluation

Status of initiatives for continuous enhancement of effectiveness

The status of initiatives related to areas with room for improvement identified in the FY2024 evaluation of the effectiveness of the Board of Directors is as follows.

	FY2024 evaluation and issues	Initiatives for FY2025
Role and composition of the Board of Directors	<ul style="list-style-type: none"> The Board will continue discussions on its role and composition and consider how to move toward the ideal role and composition. 	<ul style="list-style-type: none"> Following discussions on Board composition, the Company appointed two new Outside Directors with pharmaceutical industry experience, thereby strengthening expertise in strategic discussions and the Board's oversight function in the core business.
Operation of the Board of Directors, Nomination Committee, and Compensation Committee	<ul style="list-style-type: none"> The Company will further promote substantive discussion and contributions by streamlining agenda items and improving materials. 	<ul style="list-style-type: none"> Operational improvements, including earlier sharing of materials and optimization of agenda items, created an environment better suited to focused discussion on strategic matters. As a result, since June 2025, more than half of Board meeting time has been allocated to discussions on strategic matters, including the next medium-term management plan.
Support system for Directors	<ul style="list-style-type: none"> The Company will create opportunities for top management to report on business progress in order to further strengthen oversight by Outside Directors. 	<ul style="list-style-type: none"> By utilizing the Enterprise Priority Monitoring Group (EPM), established in 2024, the Company created opportunities for top management to report directly to Outside Directors on the progress of key issues.
Dialogue with shareholders (investors)	<ul style="list-style-type: none"> The Board will deepen discussion on dialogue with shareholders (investors) and the approach to disclosure. 	<ul style="list-style-type: none"> Feedback obtained through dialogue with shareholders (investors) was reported to the Board on multiple occasions, and the Company continuously updated its disclosure policy regarding its growth strategy, including the next medium-term management plan. In December 2025, the Company created an opportunity for dialogue between Outside Directors and shareholders and held multiple individual meetings between Directors, including Outside Directors, and shareholders.

3) Specific matters considered by the Board of Directors during the business year ended March 31, 2026

With regard to the following agenda items, the Board of Directors discussed the viability and progress of corporate strategies, major risks, and handling policies, based on reports from Top Management.

The Company formulated a new Corporate Strategic Plan in the business year under

review, so more than half of deliberation time at Board of Director meetings was allocated to discussions on matters related to management strategies. The Board of Directors engaged in multiple lively discussions regarding the direction of the Corporate Strategic Plan and its main assumptions, based on reports from Top Management. Through these discussions, the Board of Directors shared its recognition of the business environment, the direction to take in its growth strategies, major risks, and its views on capital allocation, and reflected these in the formulation of the Corporate Strategic Plan.

Corporate Strategy	<ul style="list-style-type: none"> • Formulation of the next Corporate Strategic Plan • Quarterly review of the progress of the corporate strategic plan • Review of progress of Primary Focus strategy • Determination of FY2026 Corporate Annual Plan • Review of progress of three enterprise priorities
Risk Management	<ul style="list-style-type: none"> • Review of enterprise risks and the management status thereof • Review of status of compliance activities
Stakeholder Engagement	<ul style="list-style-type: none"> • Approval of matters related to financial results • Review of status of dialogue with investment community • Review of results of employee engagement survey • Review of status of sustainability action plan and activities
Corporate Governance	<ul style="list-style-type: none"> • Evaluation of Board of Directors effectiveness analysis results • Deliberations and decisions on Directors & Officers appointment/ remuneration • Review of status of succession planning • Review of audit results obtained by the Audit & Supervisory Committee and Internal Audit

4. Audit & Supervisory Committee

1) Roles and composition of the Audit & Supervisory Committee

The Audit & Supervisory Committee meetings are held once a month in principle, and 19 Audit & Supervisory Committee meetings were held during the business year under review.

The Audit & Supervisory Committee is the only deliberation body and decision-making body for the purpose of forming opinions with regard to audits by the Audit & Supervisory Committee Members, and, where necessary, provides its opinions to Directors or the Board of Directors.

The Audit & Supervisory Committee is composed of all the Directors who are Audit & Supervisory Committee Members, and its chairman is determined by resolution of the Audit & Supervisory Committee. In order to further enhance the independence and neutrality of the Company's audit system, the Audit & Supervisory Committee is composed of a majority of outside Directors. In addition, the Company appoints as Audit & Supervisory Committee Members individuals who have appropriate experience and skills, as well as necessary knowledge of finance, accounting and legal affairs. At least one person who has sufficient expertise in finance and accounting serves on the committee.

As of March 31, 2026, the Audit & Supervisory Committee comprises 4 members (4 females), among whom a majority of three are highly independent outside Directors. The Audit & Supervisory Committee is chaired by an outside Director.

The Company establishes the Audit & Supervisory Committee Office to assist the duties of the Audit & Supervisory Committee Members.

The staff of the Audit & Supervisory Committee Office are independent from Directors who are not Audit & Supervisory Committee Members and perform their duties under the direction of the Audit & Supervisory Committee. Moreover, the Board of Directors has decreed that any transfer or evaluation, etc. of the staff requires the prior

approval of the Audit & Supervisory Committee. This arrangement ensures that the staff of the Audit & Supervisory Committee Office remain independent of other business execution divisions and ensures the efficacy of directions given to the staff by the Audit & Supervisory Committee.

2) Specific matters considered by the Audit & Supervisory Committee during the business year ended March 31, 2026

Specific matters considered by the Audit & Supervisory Committee include the Audit & Supervisory Committee's audit policy, audit plan and audit results, results of the audit of the business report and financial statements, the Internal Audit division's audit plan and audit results, development of the internal control system and its operational status, Financial Auditor evaluation and remuneration, etc., and opinions about election, remuneration, etc., of Directors (excluding Directors who are Audit & Supervisory Committee Members).

During the business year under review, the Audit & Supervisory Committee focused on the following key audit items.

- Status of HR systems, policies and measures
- Management status of subsidiaries
- Status of response to challenges associated with globalization and reorganization
- Accounting procedures (including tax processing) based on management's estimates and judgments involving significant risks
- Status of outsourcing
- Status of risk response and risk management
- Status of compliance and supervision
- Sustainability-related information disclosure system and process initiatives
- Status of IT-related maintenance and support

5. Nomination Committee / Compensation Committee

1) Purpose of establishment and composition of the Nomination Committee / Compensation Committee

In order to ensure the transparency and objectivity of the deliberation process regarding election and dismissal of Directors, etc. and remuneration system, the Company establishes the Nomination Committee and the Compensation Committee as advisory bodies to the Board of Directors. The Nomination Committee and the Compensation Committee are composed of members appointed by the Board of Directors, and the majority of each Committee are outside Directors. Each Committee is chaired by an outside Director. As of March 31, 2026, each Committee comprises 6 members (5 males and 1 female), all of whom are highly independent outside Directors.

2) Role of the Nomination Committee

The Nomination Committee deliberates matters relating to the election and dismissal of Directors and appointment and removal of Top Management, etc., and reports the results of their deliberations to the Board of Directors. Ten meetings were held during the business year under review.

3) Specific matters considered by the Nomination Committee during the business year ended March 31, 2026

Election and dismissal of Directors, etc.	<ul style="list-style-type: none"> • Election and dismissal* of Directors • Selection and dismissal of Representative Directors • Selection and dismissal of Directors with executive power • Appointment and removal of Top Management, etc. • Top management structure, etc.
Succession planning	Succession planning for internal Directors and Top Management

* Includes methods of searching for and selecting new candidates for outside Director positions

(Reference: Representative Director, President and CEO (CEO) succession planning)

The Company considers CEO succession planning to be an important management priorities for ensuring business continuity and sustainably increasing corporate value. In this planning, based on explanations and proposals from executive management, the Nomination Committee holds periodic and continuous discussions and confirms the status of preparations of successors to the current CEO in the event of an emergency and medium- and long-term succession candidates, along with their strengths, the direction taken in their development, etc., to engage in deliberations with a focus on transparency and objectivity. The contents of their deliberations and progress on succession plans are reported to the Board of Directors. When appointing a CEO, the Nomination Committee reports to the Board of Directors based on the results of their deliberations, and the Board of Directors makes an appointment decision.

4) Role of the Compensation Committee

The Compensation Committee deliberates matters regarding remuneration, bonuses and other financial benefits paid as consideration for the performance of duties for Directors and Top Management, etc. (excluding remuneration for individual Directors who are Audit & Supervisory Committee Members), and reports the results of their deliberations to the Board of Directors. Eight meetings were held during the business year under review.

5) Specific matters considered by the Compensation Committee during the business year ended March 31, 2026

Executive remuneration level, remuneration system, etc. for FY2026	<ul style="list-style-type: none"> • Establishment of remuneration levels by position and by individual • Consideration of a competitive executive remuneration system based on market trends
Bonuses for FY2024	Company-wide performance assessment results and amount paid by individual
Bonuses for FY2025	Company-wide performance targets and assessment table
FY2022 stock compensation* ¹	Achievement of performance targets and number of shares delivered by individual
FY2025 stock compensation* ²	Trust setup and TSR Peer Group* ³ setup

*1 FY2022 is the first business year of the assessment period for stock compensation, and FY2024 is the last business year of the assessment period for stock compensation.

*2 FY2025 is the first business year of the assessment period for stock compensation, and FY2027 is the last business year of the assessment period for stock compensation.

*3 See page 75 for details.

(3) Global Management Structure

1. Overview

The Astellas Group has established a management structure as described below.

- The Company has the Executive Committee, chaired by the Representative Director, President and CEO, as a body for discussion on important matters in global management of the Astellas Group.
 - In order to build an optimal management system capable of agile and appropriate decision-making, the Company maintains a global organizational structure covering the entire Group across nearly all of its organizations, and appoints Top Management to take charge of such activities.
 - On October 1, 2025, the position of Chief Digital & Transformation Officer was removed, and Digital and Transformation functions were integrated into the Strategy function, which is led by the Chief Strategy Officer.
 - From April 2025, the Company launched two structures, the VALUE Creation (research and development) and the VALUE Delivery (Commercial and Medical Affairs), to accelerate the creation and delivery of VALUE centered on Patient-Axis. VALUE Enablement (corporate and manufacturing functions) is responsible for reinforcing the activities of VALUE Creation and VALUE Delivery by creating a foundation and environment for them to effectively function. This structural change allows us to move forward with end-to-end activities from early research through to commercialization, collaborate across division lines and make decisions quickly.
 - To aim for appropriate execution of business, the Company has established various committees comprising cross-functional members. These committees include the Global Benefit Risk Committee to discuss benefit and risk information of products as well as measures to deal with such benefit and risk, the Global Compliance Committee where matters including global compliance policies and plans are discussed, the Corporate Disclosure Committee where matters including disclosure of corporate information are discussed. Furthermore, the Company has established “Global” and “Divisional” Risk and Resilience Management Committees, and is comprehensively managing the identification of risks and the optimum management activities as well as the preparation of crisis response plans and business continuation plans, and the status of their implementation.
 - As a framework for contributing to sustainability, the Company has established the Sustainability Advisory Panel and the Environmental (E), Society (S), and Governance (G) Working Groups (E, S, G Working Group), consisting of members from across functions, led by Sustainability functional unit, to promote activities to improve sustainability by each division from a long-term, strategic, and Group-wide perspective.
- #### 2. Major changes in organizational structure
- **Reorganization to Product Development & Manufacturing (PDM)**
In October 2025, the Company reorganized Technology & Manufacturing (T&M) into Product Development & Manufacturing (PDM). This reorganization integrated functions from product design to process development and manufacturing, creating a system for end-

to-end management of entire product lifecycles.

- Reorganization of the VALUE Delivery (Commercial and Medical Affairs) division
In April 2026, the Company reorganized the VALUE Delivery division to further strengthen the delivery of VALUE to patients.
This reorganization has enabled Commercial, Medical Affairs, Market Access and other functions to coordinate closely with each other, and created a system in place that enables us to promote everything from brand strategy formulation to implementation in an integrated manner.

(4) Matters Concerning Directors:

1. Names and other information:

Position	Name	Advisory Committee	Responsibility and status of significant concurrent positions
Representative Director, Chairman of the Board	Kenji Yasukawa		Outside Board Director, Resonac Holdings Corporation
Representative Director, President and CEO	Naoki Okamura		
Representative Director, Executive Vice President	Katsuyoshi Sugita		Chief People Officer (CPO)
Outside Director	Takashi Tanaka	Chair of the Nomination Committee Chair of the Compensation Committee	
Outside Director	Eriko Sakurai	Member of the Nomination Committee Member of the Compensation Committee	Outside Director, Kao Corporation Independent Director, Hitachi, Ltd. (appointed in June 2025)
Outside Director	Masahiro Miyazaki	Member of the Nomination Committee Member of the Compensation Committee	Outside Director, Kurita Water Industries Ltd.
Outside Director	Yoichi Ohno	Member of the Nomination Committee Member of the Compensation Committee	Visiting Professor, Social Medicine and Research Administration Center and Medical Education Center, Saitama Medical University
Outside Director	Andreas Busch	Member of the Nomination Committee Member of the Compensation Committee	
Outside Director	Mark Enyedy	Member of the Nomination Committee Member of the Compensation Committee	Non-Executive Director, BioMarin Pharmaceutical Inc. Independent Director, Charles River Laboratories International, Inc. (appointed in May 2025)
Director (Full-time Audit & Supervisory Committee Member)	Rika Hirota		
Outside Director (Chair of the Audit & Supervisory Committee)	Mika Nakayama		Outside Director, Mitsubishi Kakoki Kaisha, Ltd.
Outside Director (Audit & Supervisory Committee Member)	Rie Akiyama		Lawyer, Baba & Sawada Law Office Outside Director, GOLDWIN INC.

Position	Name	Advisory Committee	Responsibility and status of significant concurrent positions
Outside Director (Audit & Supervisory Committee Member)	Tomoko Aramaki		President, Aramaki CPA Office Outside Director, EXEO Group, Inc. Outside Director (Audit & Supervisory Committee Member), TRE HOLDINGS CORPORATION

- (Notes)
1. Mr. Takashi Tanaka, Ms. Eriko Sakurai, Mr. Masahiro Miyazaki, Dr. Yoichi Ohno, Dr. Andreas Busch, Mr. Mark Enyedy, Ms. Mika Nakayama, Ms. Rie Akiyama and Ms. Tomoko Aramaki are outside Directors and are registered as independent directors with Tokyo Stock Exchange, Inc.
 2. There is no significant business relationship between the Company and the above organizations where each outside Director holds significant concurrent positions.
 3. The years and months listed for the status of significant concurrent positions relate to changes in position during and after the business year under review.
 4. Notes to be particularly mentioned for Audit & Supervisory Committee Members are as follows:
Ms. Tomoko Aramaki has considerable knowledge related to finance and accounting based on her many years of experience in corporate auditing and advisory services as a certified public accountant and a certified public tax accountant, and currently serves as the President of Aramaki CPA Office.
 5. Ms. Rika Hirota is a full-time Audit & Supervisory Committee Member. Given her familiarity with the Company's internal affairs, she has accordingly been appointed as a full-time Audit & Supervisory Committee Member to heighten the effectiveness of activities of the Audit & Supervisory Committee by sharing with all Audit & Supervisory Committee Members information she has obtained by attending important meetings, receiving reports from business operating departments, and liaising closely with the Internal Audit, etc.
 6. Mr. Takashi Tanaka retired from office as Director and Senior Advisor of KDDI Corporation and as Director of Okinawa Cellular Telephone Company in June 2025.
 7. Ms. Eriko Sakurai retired from office as Outside Director of Sumitomo Mitsui Financial Group, Inc. and as External Director of Nippon Sheet Glass Co., Ltd. in June 2025.
 8. Mr. Andreas Busch retired from office as Chief Innovation Officer of Absci Corporation in March 2026.
 9. Ms. Tomoko Aramaki retired from office as Outside Director of FUJI SOFT INCORPORATED in May 2025.

2. Amounts of remunerations:

Remunerations for Directors are so designed as to enable the Company to recruit and retain talents, and to make the remuneration structures and levels fully commensurate with the responsibilities of the position. The Company endeavors to improve the objectivity of decisions on remuneration levels through measures such as the use of remuneration survey data from specialist third-party organizations.

Remunerations for Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) are based upon a remuneration system and composition that are closely linked to performance with an emphasis on increasing enterprise value and shareholder value over the medium- to long-term, and are composed of a fixed amount basic remuneration, bonuses, and stock compensation. The Company appropriately links remunerations with business performance. Remunerations for outside Directors and Directors who are Audit & Supervisory Committee Members are composed of a fixed amount basic remuneration only. Remunerations for each Director who is not Audit & Supervisory Committee Member are determined by resolutions of the Board of Directors within a total ceiling amount approved by the Shareholders Meeting. Remunerations for each Director who is an Audit & Supervisory Committee Member are determined by the deliberations of the Audit & Supervisory Committee Members within a total ceiling amount approved by the Shareholders Meeting. Through the deliberations of the Compensation Committee prior to the resolution of the Board of Directors, the Company ensures greater transparency and objectivity of the deliberation process for remunerations for Directors who are not Audit & Supervisory Committee Members.

The Company has set out the policy for determining details of remunerations for individual Directors in the internal policies concerning remunerations for Directors established by resolution of the Board of Directors after discussions at the Compensation Committee. The details of said policy are described on page 76 and subsequent pages.

1) Remunerations to Directors for the business year under review

The total amount of remunerations to Directors for the business year under review is as follows. The Compensation Committee has deliberated on the details of remunerations for individual Directors who are not Audit & Supervisory Committee Members, including whether such details are in line with the aforementioned policy, and the Board of Directors has judged that they are in line with said policy with due respect to the proposal of the Compensation Committee. Meanwhile, remunerations for individual Directors who are Audit & Supervisory Committee Members are determined by deliberation of Audit & Supervisory Committee Members.

[Chart 1. Total amount of remunerations, total amount of remunerations by type, and number of Directors applicable for each category of Directors]

Category	Total amount of remunerations (Millions of yen) (1)+(2)+(3)	Total amount of remunerations by type of remuneration (Millions of yen)					Number of applicable Directors
		Basic remuneration (1)	Bonus (2)	Stock compensation (3)	Total monetary remuneration (1)+(2)	Total performance-linked remuneration (2)+(3)	
Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1,553	331	752	470	1,083	1,222	3
Outside Directors who are not Audit & Supervisory Committee Members	163	163	–	–	163	–	6
Total	1,716	494	752	470	1,246	1,222	9
Directors who are Audit & Supervisory Committee Members (excluding outside Directors)	68	68	–	–	68	–	1
Outside Directors who are Audit & Supervisory Committee Members	79	79	–	–	79	–	3
Total	147	147	–	–	147	–	4

- (Notes) 1. At the 14th Term Annual Shareholders Meeting of the Company held on June 18, 2019, the ceiling amount of basic remuneration for Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) was resolved to be ¥590 million per year, with the ceiling amount for bonuses resolved to be ¥1,370 million per year. The ceiling amounts do not include the portion of salary paid in the capacity of employees. At the close of such Annual Shareholders Meeting, the number of Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) was three (3).
2. At the 20th Term Annual Shareholders Meeting of the Company held on June 19, 2025, the ceiling amount for basic remuneration for outside Directors who are not Audit & Supervisory Committee Members was resolved to be ¥250 million per year. At the close of such Annual Shareholders Meeting, the number of outside Directors who are not Audit & Supervisory Committee Members was six (6).
3. The ceiling amount of remuneration to the Directors who are Audit & Supervisory Committee Members as a group was resolved to be ¥260 million per year at the 13th Term Annual Shareholders Meeting of the Company held on June 15, 2018. At the close of said Annual Shareholders Meeting, the number of Directors who are Audit & Supervisory Committee Members was five (5).
4. The Company has introduced a performance-linked stock compensation scheme (stock compensation), which employs a framework referred to as the executive remuneration BIP (Board Incentive Plan) trust, for the purpose of increasing the awareness of contribution to the sustainable growth of the business results and enterprise value. The Scheme is a medium- to long-term incentive-based remuneration plan that is highly transparent and objective and closely linked with the Company's business results. Under the Scheme, with respect to the three consecutive business years of an applicable period, the Company contributes, in the initial business year of each applicable period, funds for remuneration to the Directors to the executive remuneration BIP trust. The ceiling amount of the contribution was resolved to be an amount not exceeding ¥1,640 million at the 14th Term Annual Shareholders Meeting of the Company held on June 18, 2019. The maximum number of the Company's shares acquired by Directors (including the number of the Company's shares to be converted into cash) was resolved to be the number obtained by dividing ¥1,640 million by the average closing price of the Company's shares on the Tokyo Stock Exchange in the month (March) before the initial month (April) of the first business year of every applicable period at said Annual Shareholders Meeting. At the close of such Annual Shareholders Meeting, the number of Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) was three (3). The stock compensation stated above refers to the amount recorded as expenses under J-GAAP for the business year under review.
5. The details of key performance indicators for the performance-linked remuneration, reasons for the selection of such performance indicators, and calculation method for the performance-linked remuneration are described in "Incentive-based remuneration system (variable remuneration)" on page 80 and subsequent pages.
6. The status of delivery of shares under the stock compensation scheme for the business year under review is described in "(1) Matters Concerning Shares of Common Stock" on pages 56 to 59.

[Chart 2. Directors whose total amount of remunerations is 100 million yen or more]

Name (Position)	Total amount of remunerations (Millions of yen) (1)+(2)+(3)	Total amount of remunerations by type of remuneration (Millions of yen)				
		Basic remuneration (1)	Bonus (2)	Stock compensation (3)	Total monetary remuneration (1)+(2)	Total performance-linked remuneration (2)+(3)
Kenji Yasukawa (Representative Director, Chairman of the Board)	526	112	266	148	378	414
Naoki Okamura (Representative Director, President and CEO)	733	146	348	239	494	587
Katsuyoshi Sugita (Representative Director, Executive Vice President)	295	73	138	84	211	222

(Note) The stock compensation stated above refers to the amount recorded as expenses under J-GAAP for the business year under review.

[Chart 3. Targets, actual results and bonus payment rate (the ratio of the amount actually paid to the base amount) of respective key performance indicators of bonus (short-term incentive remuneration) for Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) whose assessment period is the 21st term business year]

Key performance indicators	Assessment weighting	Variance of assessment coefficient	Targets	Actual results	Assessment coefficient
Revenue	25%	0% to 200%	Maximum: ¥2,123 billion Target: ¥1,930 billion Minimum: ¥1,737 billion	¥ 2,139.2 billion	200.0 %
Core operating profit ratio	25%	0% to 200%	Maximum: 25.5% Target: 21.2% Minimum: 17.0%	26.0 %	200.0 %
Core EPS*1	12.5%	0% to 200%	Maximum: ¥220.74 Target: ¥169.8 Minimum: ¥118.86	¥ 237.01	200.0 %
EPS	12.5%	0% to 200%	Maximum: ¥108.92 Target: ¥72.61 Minimum: ¥36.31	¥ 162.77	200.0 %
R&D performance*2	25%	0% to 200%	Progress in development pipeline	—	150.0 %

(Notes) 1. EPS: Earnings Per Share
2. The targets, maximum and minimum figures, and assessment coefficient for R&D performance is determined by the Board of Directors after deliberation at the Compensation Committee.

Key performance indicators	Variance of assessment coefficient	Targets*4	Actual results	Assessment coefficient
Sustainability performance*3	-10% to +10%	(1) Initiatives for Sustainability-related Information Disclosure (2) Initiatives for Talent and Organization (3) Initiatives for Stable Products Supply (4) Initiatives for Environmental Sustainability	–	2.5 %
*3 Sustainability performance targets, maximum and minimum figures, and assessment coefficients are to be determined by the Board of Directors after deliberation at the Compensation Committee.			Assessment coefficient (bonus payment rate) 190.0 %	

*4 Regarding (1) Initiatives for Sustainability-related Information Disclosure, targets were set for the status of implementation of new sustainability-related information disclosure requirements (the Corporate Sustainability Reporting Directive (CSRD) and the Sustainability Standards Board of Japan (SSBJ)). Regarding (2) Initiatives for Talent and Organization, targets were set for the results of the employee engagement survey. Regarding (3) Initiatives for Stable Products Supply, targets were set for achieving the timely supply of Astellas products to patients. Regarding (4) Initiatives for Environmental Sustainability, targets*5 were set for the execution of the detailed plan to achieve the targets approved by the Science Based Targets (SBT) initiative and the state of implementation of the annual action plan.

*5 Greenhouse gas emission reduction targets approved by the SBT Initiative in 2022

Reduce Scope 1+2 by 63% by FY2030 (base year: FY2015) and Scope 3 by 37.5% by FY2030 (base year: FY2015)

(Scope: Range of calculation of GHG (Greenhouse gas) emissions, Scope 1: Direct emissions of GHG from fuels used in-house, Scope 2: Indirect emissions of GHG from consumption of purchased electricity, Scope 3: Emissions of GHG in the supply chain of business activities, such as raw material procurement and product use)

[Chart 4. Targets and actual results of respective key performance indicators, and share delivery rate (the ratio of the number of shares actually delivered to the basic points) of stock compensation (medium- to long-term incentive remuneration) for Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) which final year of the assessment period is the 21st term business year]

Key performance indicators	Assessment weighting	Variance of assessment coefficient	Targets	Actual results	Assessment coefficient
TSR*1 (1) (Comparison with TOPIX growth rate)	50%	0% to 200%	Maximum: 200% Target: 100% (= TOPIX growth rate) Minimum: 50%	TOPIX growth rate: 141.0% Growth rate of the Company's TSR: 197.0%	71.6%
TSR (2) (Comparison with TSR of global pharmaceutical companies*2)	50%	0% to 200%	Maximum: 100 percentile (top ranking) Target: 50 percentile (midrange) Minimum: 25 percentile (lower quartile)	The Company's ranking: 14th out of 33 companies	118.0%
*1 TSR is an acronym for "total shareholder return," and it refers to shareholder's total return on investment, encompassing both capital gains and dividends. *2 Global pharmaceutical companies: This refers to a grouping of global pharmaceutical companies whose revenue is at least 0.5 times that of the Company at the time of selection (TSR Peer Group). The selection of companies may be changed by resolution of the Board of Directors after deliberation at the Compensation Committee in cases where it has been deemed that such a company is inappropriate for inclusion as a selected company when calculating the assessment results due to circumstances that include restructuring of the company during the applicable period (three consecutive business years) or changes to the content of its business.				Share delivery rate	94.8%

(Note) The above Actual results, Assessment coefficient, and Share delivery rate are estimates at the time of preparation of this business report. They are to be determined by the Board of Directors after deliberation at the Compensation Committee.

2) Policies and procedures on determining remunerations for Directors

(1) Policies and procedures on determining remunerations for Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)*

* Where “Director” is used in this section, it refers to Directors who are not Audit & Supervisory Committee Members (excluding outside Directors).

i) Remuneration policies

Remuneration of the Company’s Directors is determined based on the following factors.

Competitive remuneration system

- A remuneration structure and levels that enable the Company to recruit and retain talents

Remuneration system that emphasizes increasing enterprise value and shareholder value

- A remuneration system and composition that are closely linked to performance with an emphasis on increasing enterprise and shareholder value over the medium- to long-term

Fair and impartial remuneration system

- A fair and impartial remuneration system based on responsibility and results regardless of country and region

ii) Remuneration structure

Remuneration structure for Directors of the Company consists of basic remuneration (fixed remuneration) and incentive-based remuneration (variable remuneration). The incentive-based remuneration (variable remuneration) consists of the two components bonus (short-term incentive remuneration) and stock compensation (medium- to long-term incentive remuneration). Chart 1 contains the types of remuneration and the objectives and overview of the respective remuneration types.

[Chart 1. Remuneration structure for Directors of the Company]

Type of remuneration		Objectives and overview
Fixed	Basic remuneration	<p>Fixed remuneration for encouraging job performance consistently aligned with professional responsibilities</p> <ul style="list-style-type: none"> • Remuneration levels determined based on trends with respect to remuneration benchmark company groupings • Paid in equal installments every month
	Bonus (short-term incentive remuneration)	<p>Performance-linked remuneration geared to steadily improving results with the aim of achieving the business performance targets each business year</p> <ul style="list-style-type: none"> • The base amount to be paid upon achieving targets is set as a proportion of basic remuneration, depending on factors such as professional responsibilities (consideration placed on trends with respect to remuneration benchmark company groupings) • Specific amount to be paid is to be determined within range of 0% to 200% for the base amount, depending on factors such as level of achieving business performance targets each business year • In principle, lump-sum payment immediately subsequent to conclusion of respective business years around between June and July
Variable	Stock compensation (medium- to long-term incentive remuneration)	<p>Performance-linked remuneration to promote the management focused on improving the enterprise value and shareholder value over the medium- to long-term</p> <ul style="list-style-type: none"> • The base amount is set as a proportion of basic remuneration, depending on factors such as professional responsibilities (consideration placed on trends with respect to remuneration benchmark company groupings) • The number of shares (basic points) to be delivered upon achieving targets is calculated as the base amount divided by the share price at the start of the three-year applicable period (the average closing price of the Company's shares on the Tokyo Stock Exchange for the month prior to start of the applicable period) • The specific number of shares delivered is to be determined within a range of 0% to 200% for the basic points, depending on factors such as the rate of growth attained by the Company share price over a three-year period • In principle, delivered in a single installment around June occurring immediately after conclusion of the three-year applicable period (provided, however that 50% of payment shall be cash payment)

iii) Remuneration levels

To ensure competitive remuneration levels for the Company’s Directors that enable the Company to recruit and retain talents, the Company will use the objective remuneration survey data of an external expert organization (“Willis Towers Watson Executive Compensation Database (Japan)”) and other sources to select a group of companies for remuneration benchmarking, and set the remuneration levels in accordance with responsibility and other factors.

[Remuneration benchmark company groupings]

For remuneration benchmarking, the Company will mainly use 1) “major manufacturing companies listed on Japanese stock exchanges” as a comparison target, while also making reference to 2) “global pharmaceutical companies with revenue of a similar scale to the Company.”

Chart 2 contains the remuneration benchmark company groupings, to which the Company referred, to determine the remuneration for Director (base amount).

[Chart 2. Referenced remuneration benchmark company grouping]

Referenced Remuneration Benchmark Company Grouping	21st term business year	22nd term business year
1) Major manufacturing companies listed on Japanese stock exchanges* * Selected from manufacturing companies within the top 100 ranking companies by market capitalization at the time of reference	42 companies	42 companies
2) Global pharmaceutical companies with revenue of a similar scale to the Company* * Selected from global pharmaceutical companies whose revenue is within a range of 0.5 to 2.0 times that of the Company at the time of reference	19 companies	17 companies

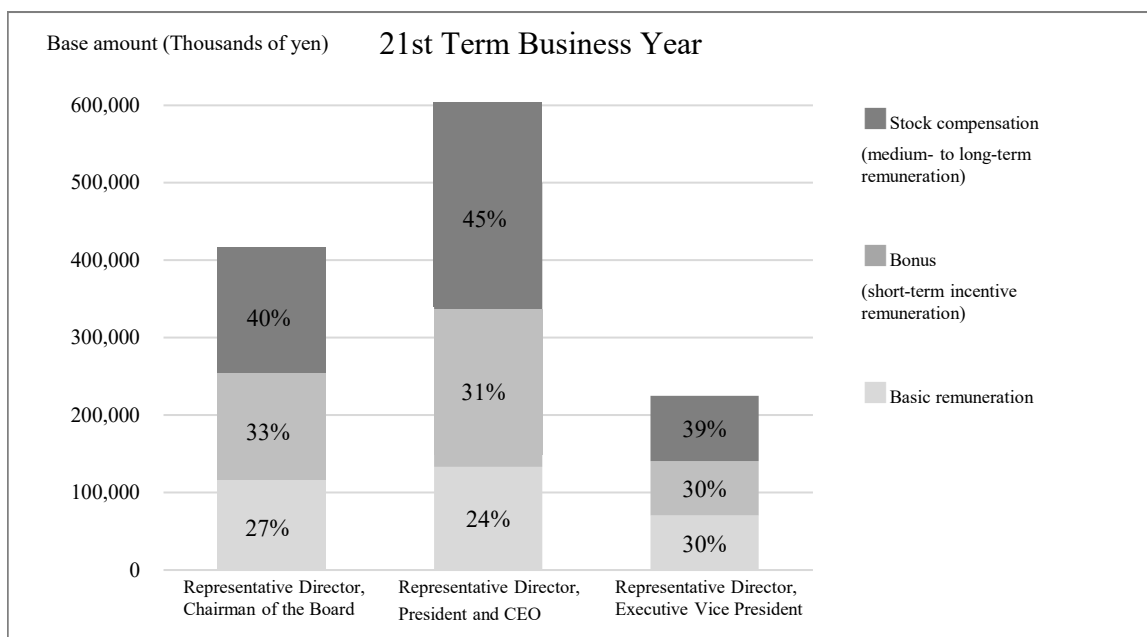
(Note) Remuneration for Directors of the Company (base amount) is decided making reference to remuneration survey data of the remuneration benchmark company grouping excluding the Company.

iv) Allocated ratios of remuneration

The allocated ratios of remuneration for Directors are set appropriately based on the Company’s management strategy and business environment, responsibilities, and level of difficulty in achieving the target for incentive remuneration, while also taking into consideration the trends at remuneration benchmark company groupings. To ensure that the remuneration system and remuneration composition are strongly linked to business results and emphasize the increase of enterprise and shareholder value over the medium- to long-term, the ratio of incentive remuneration (particularly medium- to long-term incentive remuneration) is increased, and the allocated ratios of remuneration for the Representative Director, President and CEO are used as a guideline, specifically “basic remuneration : bonus (base amount) : stock compensation (base amount)” = “1 : 1.25+ : 1.85+.” The allocated ratios of remuneration for the other Directors are decided in consideration of their responsibilities and remuneration levels in accordance with the allocated ratios of remuneration for the Representative Director, President and CEO. The following chart (Chart 3) lists the remuneration levels (base amount) for Directors of the Company on a per-position basis and allocated ratios of remuneration for the business

year under review. The Company will set the remuneration level (base amount) for Directors of the Company by roles and allocated ratios of remuneration for the 22nd term business year as same as those in the business year under review based on factors such as the trends of remuneration levels at remuneration benchmark company groupings.

[Chart 3. Remuneration levels (base amount) for Directors of the Company on a per-position basis and allocated ratios of remuneration]



(Thousands of yen)

Position	Basic remuneration	Bonus		Stock compensation		Total
		Base amount	Proportion of basic remuneration	Base amount	Proportion of basic remuneration	
Representative Director, Chairman of the Board	111,996	140,002	1.25	168,002	1.50	420,000
Representative Director, President and CEO	146,400	183,000	1.25	270,600	1.85	600,000
Representative Director, Executive Vice President	72,720	72,730	1.00	94,550	1.30	240,000

v) Incentive-based remuneration system (variable remuneration)

[Bonus (short-term incentive remuneration)]

Bonuses (short-term incentive remuneration) will act as performance-linked remuneration for steadily building results towards achieving targets for each business year. As such, the Company will set appropriate consolidated performance evaluation indicators and a system that is linked closely with performance. The charts below list key performance indicators of bonus (short-term incentive remuneration), details, and formula for calculating payment amounts for the business year under review (Chart 4 and Chart 5). The performance evaluation indicators and system will be changed as necessary as the business environment changes and the management plans are reviewed.

[Chart 4. Key performance indicators of bonus (short-term incentive remuneration) and details]

Key performance indicators	Assessment weighting	Variance of assessment coefficient	Reasons for the selection of indicators and targets
Revenue	25%	0% to 200%	Reasons for the selection: To assess the increase in size of business <ul style="list-style-type: none"> • Maximum: Target × 110% • Target: Initially released forecast value • Minimum: Target × 90%
Core operating profit ratio	25%	0% to 200%	Reasons for the selection: To assess the increase in business profitability and operational efficiency <ul style="list-style-type: none"> • Maximum: Target × 120% • Target: Initially released forecast value • Minimum: Target × 80%
Core EPS*	12.5%	0% to 200%	Reasons for the selection: To assess the increase in profit per share (core basis) <ul style="list-style-type: none"> • Maximum: Target × 130% • Target: Initially released forecast value • Minimum: Target × 70%
EPS	12.5%	0% to 200%	Reasons for the selection: To assess the increase in profit per share <ul style="list-style-type: none"> • Maximum: Target × 150% • Target: Initially released forecast value • Minimum: Target × 50%
R&D performance	25%	0% to 200%	Reasons for the selection: To assess the achievement of sustainable growth Target: Set quantitative targets for progress in the development pipeline
Total	100%	0% to 200%	

* EPS: Earnings Per Share

The assessment coefficient calculated based on the key performance indicators above will be increased or decreased within a range of ±10% depending on the degree of achievement of the sustainability performance targets. The assessment coefficient (bonus payment rate) shall not exceed the range of 0% to 200%.

Key performance indicator	Variance of assessment coefficient	Reasons for the selection of indicator and targets
Sustainability performance	-10% to +10%	Reasons for the selection: To assess efforts toward the achievement of a sustainable society Targets: Set sustainability performance targets for the following four evaluation items (1) Initiatives for Sustainability-related Information Disclosure (2) Initiatives for Talent and Organization (3) Initiatives for Stable Products Supply (4) Initiatives for Environmental Sustainability

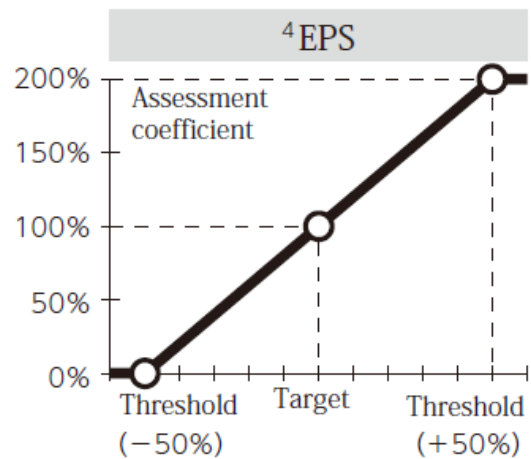
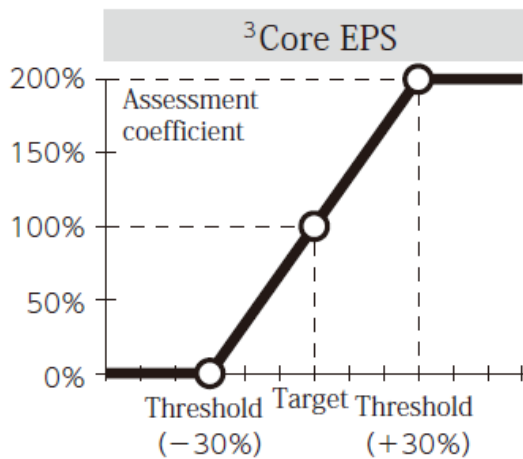
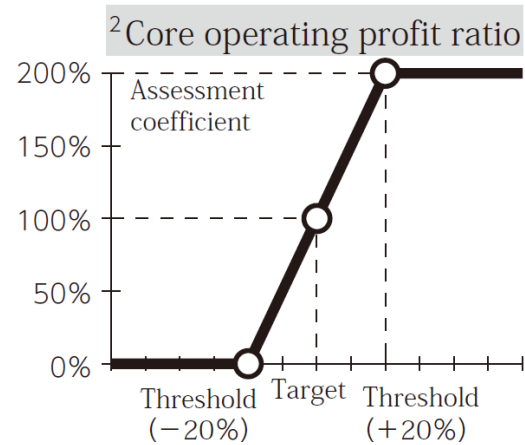
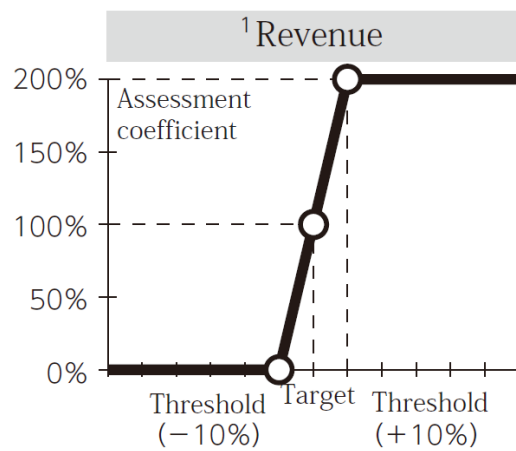
(Note) Performance targets and achievement assessments are to be determined by the Board of Directors after deliberation at the Compensation Committee.

[Chart 5. Formula for calculating payment amount of bonus (short-term incentive remuneration)]

Amount of bonus paid to Directors	=	(a) Base amount per position	×	(b) Assessment coefficient
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(a) Refer to Chart 3 on page 79

(b) Assessment coefficient = (Revenue assessment coefficient¹ × 25% + core operating profit ratio assessment coefficient² × 25% + Core EPS assessment coefficient³ × 12.5% + EPS assessment coefficient⁴ × 12.5% + R&D performance assessment coefficient × 25%) + sustainability performance assessment coefficient (±10%)



[Stock compensation (medium- to long-term incentive remuneration)]

Stock compensation (medium- to long-term incentive remuneration) is performance-linked remuneration for promoting management that emphasizes increase in enterprise value and shareholder value over the medium- to long-term. As such, the Company’s shares will be delivered based on the level of growth of enterprise value and shareholder value over three consecutive business years (“Applicable Period”), and an appropriate stock price evaluation indicator will be set to form a system that is closely linked to performance.

The section below (Chart 6 and Chart 7) provides stock price assessment benchmarks and details, as well as formulas for calculating the number of shares delivered and the amount of cash paid with respect to stock compensation (medium- to long-term incentive remuneration) for the business year under review which constitutes the initial business year of the Applicable Period.

Total shareholder return (TSR^{*1}) will be adopted for the stock price evaluation indicator. The Company’s shares will be delivered and so forth based on the results of a comparison between the Company’s TSR and the growth rate of the Tokyo stock price index (TOPIX) for the Applicable Period and a comparison between the Company’s TSR and that of global pharmaceutical companies (the TSR Peer Group^{*2}) for the Applicable Period. However, 50% of the delivered shares are to be paid out upon their conversion to cash in order for them to be allotted to a fund for payment of withholding income tax and other such taxes. The respective Directors are to receive shares and cash through the executive remuneration BIP (Board Incentive Plan) trust of Mitsubishi UFJ Trust and Banking Corporation.

*1 TSR is an acronym for “total shareholder return,” and it refers to shareholder’s total return on investment, encompassing both capital gains and dividends.

*2 TSR Peer Group refers to the global pharmaceutical company groupings whose revenue is at least 0.5 times that of the Company at the time of selection. The selection of companies may be changed by resolution of the Board of Directors after deliberation at the Compensation Committee in cases where it has been deemed that such a company is inappropriate for inclusion as a selected company when calculating the assessment results due to circumstances that include restructuring of the company during the applicable period or changes to the content of its business.

[Chart 6. Stock price assessment benchmarks of stock compensation (medium- to long-term incentive remuneration) and details]

Stock price assessment benchmarks	Assessment weighting	Variance of assessment coefficient	Reasons for the selection of benchmarks	Targets
TSR (1) (Comparison with TOPIX growth rate)	50%	0% to 200%	To assess the increases in enterprise value and shareholder value over the medium- to long-term	Target: Set target range as follows <ul style="list-style-type: none"> • Maximum: 200% • Target: 100% (= TOPIX growth rate) • Minimum (threshold): 50%
TSR (2) (Comparison with TSR of global pharmaceutical companies)	50%	0% to 200%		Target: Set target range as follows <ul style="list-style-type: none"> • Maximum: 100 percentile (top ranking) • Target: 50 percentile (midrange) • Minimum (threshold): 25 percentile (lower quartile)
Total	100%	0% to 200%		

[Chart 7. Formulas for calculating the number of shares delivered and the amount of cash paid with respect to stock compensation (medium- to long-term incentive remuneration)]

$$\boxed{\text{Number of shares delivered to respective Directors*}} = \boxed{\text{(a) Basic points per position}} \times \boxed{\text{(b) Assessment coefficient}}$$

* 50% of the delivered shares are to be paid out upon their conversion to cash to be allocated to a fund for payment of withholding income tax and other such taxes.

(a) Basic points per position = (i) Base amount per position / (ii) Share price at start of Applicable Period

(i) Refer to Chart 3 on page 79

(ii) Average closing price of the Company's share on the Tokyo Stock Exchange in the month prior to start of the Applicable Period

(b) Assessment coefficient = (i) TSR assessment coefficient (1) × 50% + (ii) TSR assessment coefficient (2) × 50%

(i) TSR assessment coefficient (1)

Whereas assessment coefficients are calculated using the formula shown below, the TSR assessment coefficient (1) is set to zero if the value calculated is less than 50%.

$$\frac{\text{Company TSR during the Applicable Period} + 100\%}{\text{TOPIX growth rate during the Applicable Period} + 100\%} = \frac{\{(B - A) + C\} / A + 100\%}{(E - D) / D + 100\%}$$

A: Simple average closing price of the Company's share on the Tokyo Stock Exchange in the month prior to start of the Applicable Period

B: Simple average closing price of the Company's share on the Tokyo Stock Exchange in the final month of the Applicable Period

C: Total dividend per share pertaining to dividend of retained earnings during the Applicable Period

D: Simple average TOPIX in the month prior to start of the Applicable Period

E: Simple average TOPIX in the final month of the Applicable Period

(ii) TSR assessment coefficient (2)

TSR of the Company and that of the TSR Peer Group are compared with respect to the Applicable Period. If the Company's percentile rank is midrange (50 percentile), the assessment coefficient (2) is set at 100%. If it has a top ranking (100 percentile), the assessment coefficient (2) is set to 200%. If it ranks in the lower quartile, the assessment coefficient (2) is 50%. If it is below the lower quartile, the assessment coefficient (2) is set to zero.

* TSR of the Company and the TSR Peer Group companies is to be calculated using the formula shown below.

$$\text{TSR} = \{(B - A) + C\} / A$$

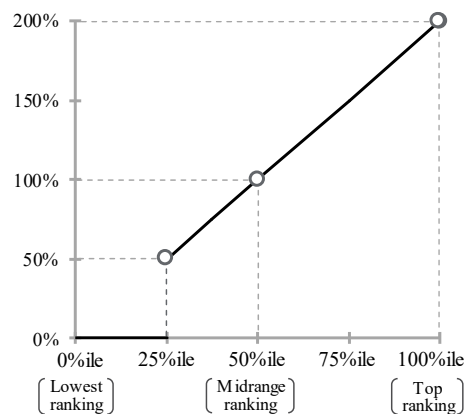
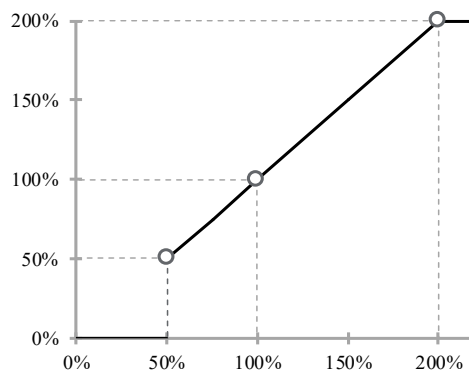
A: Simple average closing price of respective companies' share on the stock exchanges of the respective companies' primary listings in the month prior to start of the Applicable Period

B: Simple average closing price of respective companies' share on the relevant stock exchanges as pertains to 'A' for the final month of the Applicable Period

C: Total dividend per share pertaining to dividend of retained earnings of the respective companies during the Applicable Period

TSR assessment coefficient (1) $\frac{\text{Company TSR} + 100\%}{\text{TOPIX growth rate} + 100\%}$

TSR assessment coefficient (2) $\frac{\text{Company's TSR percentile rank}}{100\%}$



vi) Procedures for determining remuneration

To ensure greater objectivity and transparency of the deliberation process, remunerations for Directors of the Company are to be determined by resolution of the Board of Directors, to the extent that total amounts have been resolved in the Annual Shareholders Meeting, taking into consideration results of discussions in the Compensation Committee (of which the majority of members are outside Directors and the chair is an outside Director).

vii) Shareholding guidelines

The Company encourages its Representative Director, President and CEO to maintain holdings of the Company's shares equivalent in value to 1.5 times his/her basic remuneration (yearly amount) in four years after assuming the position. The Company encourages its other Directors to maintain holdings of the Company's shares equivalent in a value set according to their positions, relative to holdings of the Representative Director, President and CEO.

viii) Malus clause and Clawback clause

With regard to incentive remunerations (bonuses and stock compensation), the Company stipulates in its rules regarding remunerations for Directors a malus clause that allows the Company to take measures to reduce or deny incentive remunerations (bonuses and stock compensation) to Directors, by resolution of the Board of Directors in the event of misconduct, etc. by Directors.

With regard to incentive remunerations (bonuses and stock compensation), the Company has stipulated in the rules regarding remunerations for Directors a clawback clause that allows the Company to demand the return of incentive remunerations (bonuses and stock compensation) from Directors, by resolution of the Board of Directors in the event of post-financial restatement due to material accounting errors or fraud, or in the event of misconduct, etc. by Directors. The remunerations that may be subject to reimbursement are all or part of the incentive remunerations (bonuses and stock compensation) for the assessment period including the business year in which the event occurred and the three preceding business years.

(Reference) Policy for determining remunerations for Corporate Executives (Tantou-Yakuin)

The policy for determining remunerations for the Company's Corporate Executives (Tantou-Yakuin) conforms to the policy for determining remunerations for Directors of the Company.

(2) Policies and procedures on determining remunerations for outside Directors who are not Audit & Supervisory Committee Members

Remunerations for outside Directors who are not Audit & Supervisory Committee Members are to consist solely of basic remuneration (fixed remuneration), given that their roles involve supervising the Company's management from an objective and independent standpoint. Levels of basic remuneration are determined based on the factors such as professional responsibilities, in reference particularly to objective remuneration survey data of an external expert organization. The individual remuneration for outside Directors who are not Audit & Supervisory Committee Members is determined by a resolution of the Board of Directors, based on results of discussions carried out by the Compensation Committee, within the total amount resolved in the Annual Shareholders Meeting.

(3) Policies and procedures on determining remunerations for Directors who are Audit & Supervisory Committee Members (excluding outside Directors)

Remunerations for Directors who are Audit & Supervisory Committee Members (excluding outside Directors) are to consist solely of basic remuneration (fixed remuneration), given that their roles involve supervising and auditing the management. Levels of basic remuneration are determined based on the factors such as professional responsibilities, in reference particularly to objective remuneration survey data of an external expert organization. The individual remuneration for Directors who are Audit & Supervisory Committee Members (excluding outside Directors) is determined by deliberation of Directors who are Audit & Supervisory Committee Members, within the total amount resolved in the Annual Shareholders Meeting.

(4) Policies and procedures on determining remunerations for outside Directors who are Audit & Supervisory Committee Members

Remunerations for outside Directors who are Audit & Supervisory Committee Members are to consist solely of basic remuneration (fixed remuneration), given that their roles involve supervising and auditing the Company's management from an objective and independent standpoint. Levels of basic remuneration are determined based on the factors such as professional responsibilities, in reference particularly to objective remuneration survey data of an external expert organization. The individual remuneration for outside Directors who are Audit & Supervisory Committee Members is determined by deliberation of Directors who are Audit & Supervisory Committee Members, within the total amount resolved in the Annual Shareholders Meeting.

3. Matters concerning agreement to limit Director's liability:

The Company has stipulated in the Articles of Incorporation that it may enter into an agreement with each Director (excluding executive Director, etc.) to limit his or her liability for damages under Article 423, paragraph (1) of the Companies Act, to the minimum liability amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit Director's liability), enabling Directors (excluding executive Directors, etc.) to sufficiently fulfill expected roles. The Company has entered into the agreement with all of the Directors (excluding executive Directors, etc.).

4. Matters concerning directors and officers liability insurance agreement:

The Company has entered into a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company for Directors (including Directors who are Audit & Supervisory Committee Members), Corporate Executives, etc. of the Company and its subsidiaries in Japan, Asia, and Oceania as the insured persons. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance agreement shall compensate for damages and legal expenses, etc. to be borne by the insured persons in connection with their performance of duties. The Company and the related subsidiaries bear the entire insurance premium. The insurance policy does not cover damages arising from the insured persons' criminal acts and acts in violation of laws or regulations that were carried out with full knowledge of their illegality.

5. Matters concerning outside Directors:

Activities for the business year under review (including a summary of duties executed with regard to expected roles as an outside Director):

Position	Name	Attendance to meetings*	Activities
Outside Director	Takashi Tanaka	11/11 meetings of the Board of Directors 10/10 meetings of the Nomination Committee 8/8 meetings of the Compensation Committee	Provided advice and recommendations from an independent standpoint, utilizing his abundant experience and extensive insight as a business manager in the telecommunications industry, in discussions regarding corporate strategy, expense optimization, the formulation of Corporate Strategic Plan, etc., as well as led the deliberations of the Nomination Committee and the Compensation Committee as the Chair of these committees.

Position	Name	Attendance to meetings*	Activities
Outside Director	Eriko Sakurai	11/11 meetings of the Board of Directors 9/10 meetings of the Nomination Committee 8/8 meetings of the Compensation Committee	Provided advice and recommendations from an independent standpoint, utilizing her long years of management experience in international business environments, in discussions regarding corporate strategy, sustainability, etc., as well as contributed to the deliberations of the Nomination Committee and the Compensation Committee by vigorously expressing opinions as a member of these committees.
Outside Director	Masahiro Miyazaki	11/11 meetings of the Board of Directors 10/10 meetings of the Nomination Committee 8/8 meetings of the Compensation Committee	Provided advice and recommendations from an independent standpoint, utilizing his abundant international experience and management knowledge, in discussions regarding overseas business, corporate management, etc., as well as contributed to the deliberations of the Nomination Committee and the Compensation Committee by vigorously expressing opinions as a member of these committees.
Outside Director	Yoichi Ohno	11/11 meetings of the Board of Directors 10/10 meetings of the Nomination Committee 8/8 meetings of the Compensation Committee	Provided advice and recommendations from an independent standpoint and from the perspectives of R&D and healthcare, utilizing his specialized knowledge and experience as a medical scientist and clinician, in discussions regarding R&D strategies, the formulation of Corporate Strategic Plan, etc., as well as contributed to the deliberations of the Nomination Committee and the Compensation Committee by vigorously expressing opinions as a member of these committees.
Outside Director	Andreas Busch	7/7 meetings of the Board of Directors 8/8 meetings of the Nomination Committee 5/5 meetings of the Compensation Committee	Provided advice and recommendations from an independent standpoint, utilizing his abundant experience related to R&D and innovation in the pharmaceutical and bio fields, in discussions regarding R&D strategies, pipeline, partnerships and alliances, etc., as well as contributed to the deliberations of the Nomination Committee and the Compensation Committee by vigorously expressing opinions as a member of these committees.

Position	Name	Attendance to meetings*	Activities
Outside Director	Mark Enyedy	7/7 meetings of the Board of Directors 8/8 meetings of the Nomination Committee 5/5 meetings of the Compensation Committee	Provided advice and recommendations from an independent standpoint, utilizing his experience in business development and management in pharmaceutical businesses, in discussions regarding business development, business partnerships, the formulation of Corporate Strategic Plan, etc., as well as contributed to the deliberations of the Nomination Committee and the Compensation Committee by vigorously expressing opinions as a member of these committees.
Outside Director (Chair of the Audit & Supervisory Committee)	Mika Nakayama	11/11 meetings of the Board of Directors 19/19 meetings of the Audit & Supervisory Committee	Provided advice and recommendations regarding management from an independent standpoint and from the perspectives of risk management, governance, sustainability, etc., utilizing her management experience in a chemicals manufacturing company, as well as oversaw the auditing and supervision of the performance of duties by Directors as the chair of the Audit & Supervisory Committee.
Outside Director (Audit & Supervisory Committee Member)	Rie Akiyama	11/11 meetings of the Board of Directors 19/19 meetings of the Audit & Supervisory Committee	Provided advice and recommendations regarding management from an independent standpoint and from the perspectives of legal and regulatory compliance, governance, etc., utilizing her specialized knowledge and experience as an attorney-at-law, as well as contributed to the auditing and supervision of the performance of duties by Directors as an outside Director who is an Audit & Supervisory Committee Member.

Position	Name	Attendance to meetings*	Activities
Outside Director (Audit & Supervisory Committee Member)	Tomoko Aramaki	11/11 meetings of the Board of Directors 19/19 meetings of the Audit & Supervisory Committee	Provided advice and recommendations regarding management from an independent standpoint and from the perspectives of finance, accounting, tax affairs, etc., utilizing her specialized knowledge and experience as a certified public accountant and tax accountant, as well as contributed to the auditing and supervision of the performance of duties by Directors as an outside Director who is an Audit & Supervisory Committee Member.

* For new Directors who assumed office on June 19, 2025, the number of meetings held by each of the Board of Directors and the Committees is the number of meetings held during the business year under review after their assumption of office.

6. Other important matters:
Nothing applicable exists.
7. Names of Corporate Executives (Tantou-Yakuin) (excluding Directors who serve as Corporate Executives) and other information

(As of April 1, 2026)

Name	Responsibility or major occupation
Tadaaki Taniguchi	Chief Research & Development Officer (CRDO)
Atsushi Kitamura	Chief Financial Officer (CFO)
Jun Kono	Head, Japan Commercial
Yuusuke Kumagai	Head, External Relations
Minetake Kitagawa	Head, RAPV Affiliate: Japan, Regulatory Affairs & Pharmacovigilance
Naoki Sogo	Head, RAPV Strategy, Regulatory Affairs & Pharmacovigilance
Jotaro Suzuki	Primary Focus Lead, Blindness & Regeneration

(Note) Effective April 1, 2025, the positions (Senmu, Joumu, etc.) used in Astellas' Tantou-Yakuin System were abolished.

(5) Matters Concerning Financial Auditor:

1. Name: Ernst & Young ShinNihon LLC
2. Amount of remuneration:

	Amounts payable
1. The amount of remunerations paid to Financial Auditor for the business year under review:	¥281 million
2. Total amount of cash and other material benefits payable to Financial Auditor by the Company and its subsidiaries:	¥310 million

- (Notes)
1. The Audit & Supervisory Committee of the Company decided that the amount of remunerations for the Financial Auditor for the business year under review was reasonable, following the examination and review of various factors, including the performance of duties of the Financial Auditor and actual number of audit hours spent in the previous business year, as well as the details of the audit plan, audit structure, estimated audit hours and rate of remuneration charged for the business year under review, based on the inspection of relevant materials obtained from, and interview with the internal departments concerned as well as the Financial Auditor, hence providing the consent for the purpose of Article 399, paragraph (1) and (3) of the Companies Act.
 2. The amount of remunerations for auditing pursuant to the Companies Act and the amount of remunerations for auditing pursuant to the Financial Instruments and Exchange Act are not divided in the Auditing Agreement concluded between the Company and the Financial Auditor. Also, it is practically impossible to state separately, so the amount stated in 1. in the table above represents the total amount paid by the Company.
 3. The principal subsidiaries of the Company (see pages 53 to 54) have been audited by financial auditor other than the Company's Financial Auditor.
 4. The Company has commissioned the Financial Auditor to do sustainability disclosure-related services, which are services other than the services set forth in Article 2 (1) of the Certified Public Accountants Act. The Company paid consideration for such services to the Financial Auditor.

3. Policy for deciding the dismissal or refusal of re-election of the Financial Auditor:

In the event that the Financial Auditor falls under any event for dismissal provided for in Article 340, paragraph (1) of the Companies Act, the Audit & Supervisory Committee will dismiss the Financial Auditor with the unanimous consent of Audit & Supervisory Committee Members or determine the content of proposals on the dismissal of the Financial Auditor to be submitted to the Shareholders Meeting based on the resolution of the Audit & Supervisory Committee. In addition, the Audit & Supervisory Committee will determine the content of proposals on refusal to re-elect the Financial Auditor to be submitted to the Shareholders Meeting based on the evaluation of the Financial Auditor's independence and expertise, and appropriateness and validity of the Financial Auditor's activities, among other things.

Systems to Ensure the Appropriate Execution of Business for FY2026 (English Translation)

The Company has set out basic policies regarding the following systems to ensure that the Company's business is duly executed.

1. System concerning the Performance of Duties by Directors

(1) System to Ensure the Efficient Performance of the Duties of Directors

The Company takes the following measures in order to ensure the efficient performance of the duties of Directors.

- The Company clearly separates the roles of the Directors, who participate in decision-making of corporate management policies and corporate strategies, etc. and oversee business execution as members of the Board of Directors, and the roles of Top Management (the President and Chief Executive Officer, together with the Officers who are responsible for managing the overall operations of the Company, are collectively referred to as "Top Management"), who are responsible for the execution of business.
- The Board of Directors meeting shall be held at least once every three (3) months and additionally as necessary.
- The Company has established the Executive Committee to discuss material matters concerning business strategies, product strategies, corporate management, and personnel matters of the Company and the Astellas Group companies.
- The Company has established regulations concerning the committee mentioned above and the "Corporate Decision Authority Policy" to clarify the powers and positioning of the committee and the Top Management as well as the decision-making process.
- The Company has developed the personnel and organization systems to enable the efficient execution of business.

(2) System for Maintaining and Controlling Information regarding the Performance of Duties by Directors

The Company takes the following measures in order to properly maintain and control information regarding the performance of duties of Directors.

- The "Global Policy for Records and Information Management" has been established, based on which the Company controls and maintains, in an appropriate manner, information regarding the performance of duties by the Directors.
- The Company has established systems to ensure that all documents and materials concerning important management matters, such as minutes of the meetings of the Board of Directors and the Executive Committee, are available for inspection by the Directors when necessary.

2. Regulations and other Systems regarding Risk (Risk of Loss) Management

In order to conduct risk management properly as a whole group, the Company categorizes the risks into "risks relating to strategic management decision-making (risks relating to business opportunities)" and "risks relating to appropriate and efficient business conduct (risks relating to the performance of business activities)." Each division and unit of the Company and the Astellas Group companies proactively puts the Company's risk management initiatives into practice and promotes risk mitigations and proper responses to such risks within the Group through the following activities:

- With respect to measures dealing with risks relating to business opportunities, each responsible division and unit implements appropriate measures to mitigate risks within its respective scope of responsibility and roles according to internal processes and policies for

decision-making. Among these risks, matters concerning material risks are decided upon deliberation by the Executive Committee and/or the Board of Directors depending on the level of materiality.

- With respect to measures dealing with risks relating to the performance of business activities, the Company has established “Global” and “Divisional” Risk and Resilience Management Committees to comprehensively manage 1) identification and optimal management activities of risks, and 2) preparedness and status of crisis response plan and business continuity plan. Policies relating to such a system are decided upon deliberation by the Executive Committee and the Board of Directors. Significant risks identified under the system and responses to them are decided upon deliberation by the Executive Committee and reported to the Board of Directors.
- In order to enhance the effectiveness of risk management operations, the Company formulates separate policies and manuals for matters such as disaster control, information security, and personal information protection based on the nature of these risks.

3. Compliance System (System to Ensure that the Performance of Duties by Directors and Employees Complies with the Laws, Regulations, and the Articles of Incorporation)

The Company has established the “Astellas Code of Conduct” as the core standard of compliance for officers and employees of the Company and the Astellas Group companies. This Code defines the principles and expectations for ethical behavior throughout the organization and activates and embeds Astellas’ Organizational Values and Behaviors.

The Company regards compliance not only as observing the law but also acting with integrity in accordance with social norms as well as the highest sense of ethics. The Company has a system for promoting and embedding the broadly defined “compliance” across the whole group and do the following toward its implementation:

- The Company has established the “Global Compliance Committee” to understand the current situation of compliance and discuss policies and plans for the Company and the Astellas Group companies as a whole. Regional Compliance Committees have also been established to discuss compliance matters in their respective regions.
- Under the control of the General Counsel and Chief Ethics & Compliance Officer, Ethics & Compliance, in collaboration with the relevant divisions of the Company and the Astellas Group companies, designs and executes specific plans for global compliance. In addition, through continuous training and other measures, we ensure that each officer and employee of the Company and the Astellas Group companies can practice compliance on their own initiative.
- The Company has established a global third party whistle-blowing hotline that is available for all Astellas Group employees and external stakeholders to report actual or potential non-compliance. The Company has also established a system to ensure any material information is timely reported to the General Counsel and Chief Ethics & Compliance Officer. In dealing with such reports, the Company ensures that confidentiality is strictly maintained and unfair treatment against reporters is strictly prohibited.

Through the systems and activities mentioned above, the Company promotes a robust speak up culture with its strict non-retaliation policy.

4. System for Disclosure and Management of Information

The Company discloses corporate information to all of its customers, shareholders, the community and other stakeholders in a timely, proper and fair manner. The Company also actively engages in dialogue with them and appropriately takes into consideration comments with respect to its business activities. Through disclosure and dialogue, the Company is committed to further enhancing its transparency and striving to build and maintain trusting

relationships with its stakeholders, and takes the following measures.

- Based on the basic stance above, the Company has established the “Disclosure Policy” and the “Corporate Disclosure Committee” that manages the operation of the Disclosure Policy, disclosure strategy related to applicable information, the appropriateness of disclosure activities, etc.
- The Company has established policies concerning the handling of material information acquired in the course of the duties by the officers and employees of the Company and the Astellas Group to prevent violations of the laws and regulations and to ensure the appropriate management of information.

5. Framework to Ensure Financial Reporting reliability

To ensure financial statement reliability, the Company takes the following measures:

- The Company designs and operates internal controls over consolidated financial reporting and appropriately assesses their effectiveness in accordance with generally accepted auditing principles.
- In accordance with the “Global JSOX Policy” approved by the Board of Directors, the Company conducts an assessment of internal controls over consolidated financial reporting under the direction of the President and CEO, who serves as the Global Internal Control Officer.

6. Group Management System (System to Ensure the Appropriate Execution of Business by the Corporate Group Composed of the Company and its Subsidiaries)

The Company engages in appropriate control and operation of the Astellas Group companies. With this in mind, the Company takes the following actions in order to maintain and build a sound relationship between itself and the Astellas Group companies:

- The Company applies the “Astellas Code of Conduct” to all of the Astellas Group companies, and it ensures that all persons concerned are fully aware of this policy and the codes of conduct of each Astellas Group company that are based on this policy.
- The Company has established a system in which matters concerning the performance of duties by the Directors of the Astellas Group companies are reported to the Company through functional line managers.
- The Company establishes clear policy regarding the composition of executives and decision-making authority and internal oversight systems at the Astellas Group companies to ensure the efficient execution of duties by the Directors of the Group companies.
- As mentioned above, the Astellas Group tackles risk management and compliance matters from an enterprise and global perspective.
- The “Global Internal Audit Policy” applies to all the Astellas Group companies and the internal audit system covering the Group has been established.

7. Internal Audit

The Company has established an Internal Audit function that is independent from all other company functions and reports directly to the President and CEO. Internal Audit is responsible for developing the internal audit system of the Company and the Astellas Group companies, and undertakes the following activities:

- Internal Audit reviews and evaluates the effectiveness and efficiency of the systems and structures supporting the various management activities of the Company and the Astellas Group companies. Internal Audit prepares audit reports and submits the results of these reviews and evaluations to the President and CEO, as well as the Audit & Supervisory Committee. Internal Audit also communicates relevant results, where necessary, to the officers and functions concerned. A report summarizing the overall annual audit results is

- submitted to the Board of Directors and Financial Auditors.
- The Company complies with the “Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics,” and other applicable regulations as a pharmaceutical company. The Company conducts its business with a mission of providing safe and effective products through a high level of expertise and an appropriate and fair organizational structure. To this end, the Company has built a tiered control framework separated by different functions in all the Astellas Group companies, namely: on-site self-control; expert control by divisions responsible for Regulatory Affairs and Quality Assurance; and the internal audits conducted by the independent Internal Audit function.
 - Internal Audit enhances the quality of internal audits through regular interactions and other forms of collaboration with the relevant expert functions.
 - The Head of Internal Audit, who directly reports to the President and CEO, oversees the Global Internal Audit function. The Head effectively addresses risks by leveraging assigned personnel (via the Business Partnership model), in line with the functional based global organization, and continuously enhances the function to provide all the Astellas Group companies with consistent, high-quality assurance and advisory services.

8. System to Ensure Effective Audits by the Audit & Supervisory Committee

The Company takes the following actions as a “company with an Audit & Supervisory Committee” to enable the Audit & Supervisory Committee to carry out their audit effectively.

(1) Matters concerning Employees Assisting the Audit & Supervisory Committee

- The Company establishes the Audit & Supervisory Committee Office, and assigns full-time staff to assist the Audit & Supervisory Committee to carry out their duties, so that the audit by the Audit & Supervisory Committee is properly executed.

(2) Matters concerning Independence of the Employees Assisting the Audit & Supervisory Committee from the Directors Who Are Not the Committee Members, and Effectiveness of Directions Given to Such Employees

- The staff of the Audit & Supervisory Committee Office are independent from the Directors who are not the Committee Members and carry out his or her duties under the direct control of the Audit & Supervisory Committee.
- The appointment, evaluation, transfer, and other matters concerning such staff require the prior consent of the Audit & Supervisory Committee.

(3) System concerning Report of the Directors Who Are Not the Committee Members and Employees to the Audit & Supervisory Committee, and Other Systems concerning Report to the Audit & Supervisory Committee

- The Company has established a system to ensure that the Audit & Supervisory Committee, at any time, can access monthly reports and quarterly reports regarding the execution of duties by the Directors of the Company and the Astellas Group companies.
- Regarding each of the divisions, Top Management decides reporting matters, persons giving report and methods of reporting by mutual agreement with Audit & Supervisory Committee.
- The divisions responsible for internal audits, legal matters, compliance and risk management each develop a system to report to the Audit & Supervisory Committee on a regular basis and report their current statuses and provide the necessary information with respect to the Company and the Astellas Group companies.

(4) System to Ensure that Informants Do Not Risk Unfavorable Treatments due to Their Reporting to the Audit & Supervisory Committee

- The Company prohibits any unfavorable treatment of officers or employees of the Company and the Astellas Group companies who report to the Audit & Supervisory

Committee of the Company or the Audit & Supervisory Board Members of the Astellas Group companies, because of their reporting.

(5) Matters concerning Policies to Treat Costs Incurred by the Audit & Supervisory Committee for the Execution of Duties

- The Company has established a system that the Audit & Supervisory Committee Office prepares budgets and performs payment of costs incurred by the Audit & Supervisory Committee for the execution of their duties.

(6) Other Systems to Ensure Effective Audits by the Audit & Supervisory Committee

- The appointment, evaluation, transfer, and other matters concerning the head of the Internal Audit require the prior consent of the Audit & Supervisory Committee.
- The Internal Audit division obtains endorsement from the Audit & Supervisory Committee on the annual plan (including strategy, budget and human resources plans), formulation and revision of policy of the Internal Audit.
- The Audit & Supervisory Committee receives the report from the Internal Audit division on the results of the internal audit, and is able to give guidance to Internal Audit division as needed. In the case where a direction from President and CEO conflicts with one from the Audit & Supervisory Committee, both parties discuss and try to coordinate.
- The Audit & Supervisory Committee Members appointed by Audit & Supervisory Committee may attend the Executive Committee meetings where execution of the Company's important business is discussed, and also attend other meetings that the Audit & Supervisory Committee considers as important. In case that such Audit & Supervisory Committee Members are not available to attend these meetings, the staff of the Audit & Supervisory Committee Office may attend as observers by order of the Audit & Supervisory Committee.
- The persons (divisions) of the Company and the Astellas Group companies subject to be audited cooperate so that the Audit & Supervisory Committee may perform the audits in an appropriate manner.

9. System to Exclude Anti-social Forces

The Company and the Astellas Group companies not only take a resolute attitude against any anti-social forces and groups that threaten the order and security of society and never succumb to unjust and illegal requests, but also keep out such forces and groups. Accordingly, the Company and the Astellas Group companies do the following:

- Clearly declare in the "Astellas Code of Conduct" that the Astellas Group takes a resolute attitude against anti-social forces and groups and excludes any relation with such forces and groups.
- Particularly in Japan, in close cooperation with the police and other related parties, establish a solid system that enables the Company to actively collect necessary information as to antisocial forces and groups, as well as to take organizational actions. Continually promote awareness activities to eliminate anti-social forces through training and other initiatives.

Summary of the operational status for the Systems to Ensure the Appropriate Execution of Business (English Translation)

A summary of the Company's operational status during the business year ended March 31, 2026 is as follows.

1. System concerning the Performance of Duties by Directors

Following the basic policy, the Company in principle holds Board of Directors meetings at least once every three (3) months and additionally as necessary. Additionally, based on policies such as the Corporate Decision Authority Policy, important matters have been discussed at the Executive Committee, and Top Management have fulfilled their roles, thereby ensuring that Directors perform their duties efficiently by top management fulfilling their roles. Furthermore, during the business year ended March 31, 2026, 11 Board of Directors meetings were held and, 24 Executive Committee meetings were held.

2. Regulations and other Systems regarding Risk (Risk of Loss) Management

Following the basic policy, the Company has categorized risks into risks relating to business opportunities and risks relating to the performance of business activities, and each department of the Company and the Astellas Group companies proactively put the Company's risk management initiatives into practice. In particular, for matters specified as catastrophic risks, risk mitigation measures are formulated under the direction of risk owners, and subsequently implemented. In order to manage the risks more efficiently as a group, the Company has established "Global" and "Divisional" Risk and Resilience Committees.

In response to the situation in Ukraine, the Company formed a crisis response team in February 2022 and has continued to monitor the impact on business activities.

The crisis response team established following the military conflict between Israel and Hamas in October 2023 was expanded in February 2026 in response to the deterioration of the Middle East situation, including Iran. With the addition of further response capabilities, monitoring has been expanded to cover employee safety in affected locations as well as potential impacts on product supply.

Considering the increasing threat from cyber-attacks, the Company held a cyber incident tabletop exercise in October 2025, which was attended by all CxOs.

3. Compliance System (System to Ensure that the Performance of Duties by Directors and Employees Complies with the Laws, Regulations, and the Articles of Incorporation)

Following the basic policy, the Company holds meetings of the Global Compliance Committee and the regional Compliance Committees that grasp current situations of compliance and discuss policies and plans accordingly for the Company and the Astellas Group companies as a whole. Additionally, through measures such as implementation of compliance-related training for all employees, the Company aims to improve attitudes toward compliance, and works to discover and remedy issues at an early stage via operation of initiatives such as the whistle-blowing hotline. Furthermore, the Company has established a global compliance structure wherein each regional Ethics & Compliance function reports to the Head of Ethics & Compliance.

4. System for Disclosure and Management of Information

Following the basic policy, the Company discloses information to all stakeholders in a timely, appropriate and fair manner, and also actively engages in dialogue with them. During the business year ended March 31, 2026, with the intent of adding further transparency to business activities, the Company has made continuous efforts for timely, accurate and fair disclosure, such as cross-divisional deliberations about policies, strategies, etc. regarding material information disclosure, under the leadership of the Communications & Investor Relations.

The Company announced the progress of Corporate Strategic Plan 2021 and latest outlook at earnings calls and IR events, and strove to expand opportunities for dialogue with stakeholders. The Company held the “Exchange of Views with Outside Directors” in December 2025 for direct dialogue between outside Directors and stakeholders. The Company also held the Sustainability Meeting 2025 with outside Directors being on the stage in February 2026.

5. Framework to Ensure Financial Reporting Reliability

Following the basic policy, the Company has created an internal control evaluation plan for consolidated financial reporting. The Company works to ensure financial reporting reliability through the establishment and implementation of internal controls by control owners and process owners, the revision of internal control related documentation and Internal Audit’s evaluation of the internal control design and its operational status at in-scope locations and legal entities.

6. Group Management System (System to Ensure the Appropriate Execution of Business by the Corporate Group Composed of the Company and its Subsidiaries)

Following the basic policy, the Company promotes appropriate control and operation of Astellas Group companies by having matters concerning the duties of the Directors of the Astellas Group companies to be reported to the Company through functional line managers, and clearly defining the composition of executives and decision-making authority at the Astellas Group companies. Financial status and others of the Astellas Group companies are reported monthly or pre-quarterly and then reported to the Board of Directors of the Company as necessary.

7. Internal Audit

Following the basic policy, the Company develops and executes internal auditing plans and reports to the Audit & Supervisory Committee, the Board of Directors, and the Financial Auditors, and ensures opportunities to review audit results. Internal Audit and related expert departments conduct information sharing activities in order to strengthen the internal audit framework and assurance efforts across the Company.

Furthermore, the Company has established a global audit structure by forming a team that oversees operational audits in alignment with the Company’s global organizational design, appointing Business Partners responsible for key functions, and requiring them to report to the Head of Internal Audit, who directly reports to the President and CEO.

8. System to Ensure Effective Audits by the Audit & Supervisory Committee

Following the basic policy, the Company secures a system to allow effective audits by the Audit & Supervisory Committee through measures such as reporting on execution status of business by Directors who are not the Audit & Supervisory Committee Members and employees to the Audit & Supervisory Committee and continued attendance at important meetings such as the

Executive Committee by the Audit & Supervisory Committee Members.

Particularly, monthly reports have been submitted to the Audit & Supervisory Committee from all regions, regarding summaries and results of responses to whistle-blowing hotline reports and litigation / in-house investigation projects which are superintended by the Legal department.

The company supported the Audit & Supervisory Committee Office so that practical support to Audit & Supervisory Committee is well enhanced and audit by Audit & Supervisory Committee is performed more appropriately.

9. System to Exclude Anti-social Forces

Following the basic policy, the Company conducts due diligence assessment of business partners of the Company, and through the introduction of articles to eliminate anti-social forces in contracts, works to exclude any relation with such forces and groups.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(As of March 31, 2026)

(Millions of yen)

Accounts	(Reference) 20th term business year As of March 31, 2025	21st term business year As of March 31, 2026
Assets		
Non-current assets		
Property, plant and equipment	328,921	358,424
Goodwill	415,207	441,175
Intangible assets	1,123,714	996,932
Investments accounted for using equity method	18,989	20,297
Deferred tax assets	98,113	146,588
Other financial assets	124,648	138,296
Other non-current assets	28,602	43,408
Total non-current assets	2,138,195	2,145,119
Current assets		
Inventories	297,261	331,014
Trade and other receivables	632,525	746,808
Income tax receivable	13,691	14,955
Other financial assets	29,941	9,572
Other current assets	39,197	37,969
Cash and cash equivalents	188,372	281,605
Subtotal	1,200,986	1,421,923
Assets held for sale	363	–
Total current assets	1,201,349	1,421,923
Total assets	3,339,544	3,567,042

(Millions of yen)

Accounts	(Reference) 20th term business year As of March 31, 2025	21st term business year As of March 31, 2026
Equity and liabilities		
Equity		
Share capital	103,001	103,001
Capital surplus	185,259	185,162
Treasury shares	(37,524)	(34,945)
Retained earnings	740,939	902,836
Other components of equity	521,580	672,989
Total equity attributable to owners of the parent	1,513,255	1,829,044
Non-controlling interest	–	1,840
Total equity	1,513,255	1,830,884
Liabilities		
Non-current liabilities		
Bonds and borrowings	564,893	320,000
Income tax payable	3,230	6,726
Deferred tax liabilities	5,353	1,275
Retirement benefit liabilities	22,746	21,473
Provisions	8,130	8,188
Other financial liabilities	106,759	89,082
Other non-current liabilities	53,569	71,013
Total non-current liabilities	764,679	517,757
Current liabilities		
Bonds and borrowings	266,533	245,952
Trade and other payables	187,840	199,752
Income tax payable	34,549	68,934
Provisions	17,291	23,544
Refund liabilities	348,021	422,557
Other financial liabilities	20,144	22,342
Other current liabilities	187,232	235,319
Total current liabilities	1,061,610	1,218,401
Total liabilities	1,826,289	1,736,158
Total equity and liabilities	3,339,544	3,567,042

CONSOLIDATED STATEMENTS OF INCOME

(April 1, 2025 to March 31, 2026)

(Millions of yen)

Accounts	(Reference) 20th term business year From April 1, 2024 to March 31, 2025	21st term business year From April 1, 2025 to March 31, 2026
Revenue	1,912,323	2,139,245
Cost of sales	(349,206)	(408,426)
Gross profit	1,563,117	1,730,820
Selling, general and administrative expenses	(843,032)	(860,312)
Research and development expenses	(327,651)	(314,827)
Amortisation of intangible assets	(136,762)	(135,982)
Gain on divestiture of intangible assets	1,049	4,349
Share of profit (loss) of investments accounted for using equity method	(259)	(1,775)
Other income	20,344	32,800
Other expenses	(235,768)	(72,440)
Operating profit	41,039	382,633
Finance income	7,874	8,026
Finance expenses	(17,677)	(14,072)
Profit before tax	31,237	376,587
Income tax expense	19,510	(85,013)
Profit	50,747	291,575
Profit attributable to:		
Owners of the parent	50,747	291,535
Non-controlling interest	–	40
Profit	50,747	291,575

BALANCE SHEETS
(As of March 31, 2026)

(Millions of yen)

Accounts	(Reference) 20th term business year As of March 31, 2025	21st term business year As of March 31, 2026
Assets		
Current assets		
Cash on hand and in banks	46,648	110,143
Trade accounts receivable	194,374	234,091
Merchandise and finished goods	75,500	69,974
Work in process	3,079	2,582
Raw materials	52,217	58,597
Short-term loans receivable	85,035	125,493
Other	42,501	48,298
Allowance for doubtful receivables	(42)	(44)
Total current assets	499,312	649,133
Fixed assets		
Property, plant and equipment		
Buildings	65,692	62,310
Structures	4,480	4,691
Machinery	15,170	12,664
Equipment, furniture and fixtures	11,465	10,129
Land	13,479	12,380
Construction in progress	1,948	3,701
Other	1,565	1,315
Total property, plant and equipment	113,800	107,189
Intangible fixed assets	41,127	47,144
Investments and other assets		
Investment securities	18,561	18,405
Investment in subsidiaries and affiliates	1,806,340	1,740,472
Deferred tax assets	45,068	52,091
Other	35,064	35,031
Allowance for doubtful receivables	(2)	(2)
Total investments and other assets	1,905,032	1,845,998
Total fixed assets	2,059,959	2,000,331
Total assets	2,559,271	2,649,464

(Millions of yen)

Accounts	(Reference) 20th term business year As of March 31, 2025	21st term business year As of March 31, 2026
Liabilities		
Current liabilities		
Trade accounts payable	30,102	26,913
Commercial papers	164,874	–
Short-term loans payable	250,081	266,921
Current portion of bonds payable	30,000	100,000
Current portion of long-term loans payable	26,667	133,333
Other accounts payable	52,797	81,345
Accrued expenses	39,038	44,769
Accrued income taxes	25,012	51,999
Other	7,897	11,757
Total current liabilities	626,467	717,038
Long-term liabilities		
Bonds payable	320,000	220,000
Long-term loans payable	238,499	105,750
Other	7,438	6,752
Total long-term liabilities	565,937	332,502
Total liabilities	1,192,404	1,049,540
Net assets		
Shareholders' equity		
Share capital	103,001	103,001
Capital surplus		
Additional paid-in capital	176,822	176,822
Total capital surplus	176,822	176,822
Retained earnings		
Legal reserve	16,827	16,827
Other retained earnings		
Reserve for advanced depreciation of fixed assets	1,185	1,185
Retained earnings carried forward	1,102,715	1,333,196
Total retained earnings	1,120,727	1,351,208
Treasury shares	(37,524)	(34,945)
Total shareholders' equity	1,363,026	1,596,085
Valuation, translation adjustments and others		
Unrealised holding gains on securities	3,543	3,567
Total valuation, translation adjustments and others	3,543	3,567
Subscription rights to shares	298	271
Total net assets	1,366,867	1,599,924
Total liabilities and net assets	2,559,271	2,649,464

STATEMENTS OF INCOME
(April 1, 2025 to March 31, 2026)

(Millions of yen)

Accounts	(Reference) 20th term business year From April 1, 2024 to March 31, 2025	21st term business year From April 1, 2025 to March 31, 2026
Net Sales	789,619	888,131
Cost of sales	116,419	131,429
Gross profit	673,200	756,702
Selling, general and administrative expenses	405,895	483,299
Operating income	267,305	273,403
Non-operating income		
Interest income and dividend income	188,307	241,735
Other	4,783	12,602
Total non-operating income	193,090	254,337
Non-operating expenses		
Interest expense	12,322	12,958
Other	16,954	1,720
Total non-operating expenses	29,276	14,678
Ordinary income	431,119	513,062
Special gains		
Other	186	3,496
Total special gains	186	3,496
Special losses		
Impairment loss	1,197	3,877
Loss on investments in subsidiaries and affiliates	60,572	74,767
Other	7,367	3,808
Total special losses	69,135	82,452
Income before income taxes	362,170	434,105
Income taxes — current	40,765	73,101
Income taxes — deferred	1,686	(7,016)
Total income taxes	42,451	66,085
Net income	319,719	368,020

**Translation
Independent Auditor's Report**

May 13, 2026

The Board of Directors
Astellas Pharma Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Daisuke Arikura
Designated Engagement Partner
Certified Public Accountant

Kohei Koyama
Designated Engagement Partner
Certified Public Accountant

Mitsuharu Konno
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity, and notes to the consolidated financial statements of Astellas Pharma Inc. and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2026, in accordance with accounting standards that omit certain disclosure items under the designated International Financial Reporting Standards, which were established in accordance with the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting standards that omit certain disclosure items under the designated International Financial Reporting Standards, which were established in accordance with the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting standards that omit certain disclosure items under the designated International Financial Reporting Standards, which were established in accordance with the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting standards that omit certain disclosure items under the designated International Financial Reporting Standards, which were established in accordance with the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

**Translation
Independent Auditor’s Report**

May 13, 2026

The Board of Directors
Astellas Pharma Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Daisuke Arikura
Designated Engagement Partner
Certified Public Accountant

Kohei Koyama
Designated Engagement Partner
Certified Public Accountant

Mitsuharu Konno
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, notes to the financial statements and the related supplementary schedules (the “Financial Statements and Others”) of Astellas Pharma Inc. (the Company) applicable to the 21th fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the accompanying Financial Statements and Others present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2026, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and Others section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements and Others in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the Financial Statements and Others does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements and Others, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements and Others or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Committee for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of these Financial Statements and Others in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of Financial Statements and Others that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements and Others, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the Financial Statements and Others as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements and Others.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements and Others, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the Financial Statements and Others is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements and Others or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements and Others, including the disclosures, and whether the Financial Statements and Others represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the audit of the Financial Statements and Others to obtain sufficient appropriate audit evidence regarding the financial information of the components within the Company as a basis for forming an opinion on the Financial Statements and Others. We are responsible for the direction, supervision and review of the audit of the components. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the Financial Statements and Others in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

[Translation]

AUDIT REPORT

The Audit & Supervisory Committee conducted an audit regarding the performance of duties of Directors of the Company during the 21st term business year from April 1, 2025 to March 31, 2026. The Committee hereby reports the method and result thereof as follows.

1. Method and Contents of Audit

With respect to the content of resolution of the Board of Directors on matters prescribed in Article 399-13, paragraph (1), item (i), (b) and (c) of the Companies Act and the systems developed based on such board resolution (internal control system), the Audit & Supervisory Committee regularly received reports from Directors, employees and others, requested additional explanations as necessary, and expressed opinions on the establishment and operation of the systems. In addition, the Committee conducted an audit according to the following method:

- (i) In conformity with the Audit Standards established by the Audit & Supervisory Committee, and in accordance with, among other things, the policy of audit and the assignment of duties, in coordination with internal control departments of the Company, the Committee attended important meetings, received reports from the Directors and employees on matters related to their performance of duties, requested additional explanations as necessary, perused the documents whereby the important decisions were made, and examined the business and financial conditions at the head office and the principal offices. With respect to subsidiaries, the Committee made efforts to communicate and exchange information with the Directors and Audit & Supervisory Board Members of subsidiaries, requested the subsidiaries' reports on their respective business as necessary, and examined the condition of their operations.
- (ii) The Audit & Supervisory Committee monitored and verified whether the Financial Auditor maintained the independent position and performed due audit, and received from the Financial Auditor reports on the performance of the duties, and requested additional explanations as necessary. The Audit & Supervisory Committee also received a notice from the Financial Auditor that it has established the "Systems to ensure due execution of audit (matters prescribed in each item of Article 131 of the Regulation on Corporate Accounting)" in accordance with, among other things, the "Quality Control Standards for Audit" (Business Accounting Council), and requested additional explanations as necessary.

Based on the method stated above, the Audit & Supervisory Committee examined the Business Report and the related supplementary schedules, financial statements (Balance Sheets, Statements of Income, Statements of Changes in Net Assets and Notes to Financial Statements) and the related supplementary schedules, and consolidated financial statements (Consolidated Statements of Financial Position, Consolidated Statements of Income, Consolidated Statements of Changes in Equity and Notes to Consolidated Financial Statements, all prepared with the omission of certain disclosures required by the IFRS pursuant to the provision of the second sentence of Article 120, paragraph (1) of the Regulation on Corporate Accounting) for the business year under review.

2. Results of Audit:
- (1) Results of an audit of Business Report and other documents:
- (i) 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 as well as the Articles of Incorporation of the Company.
 - (ii) We confirm that no misconduct or material fact constituting a violation of any laws or regulations or the Articles of Incorporation of the Company was found with respect to the Directors in the performance of their duties.
 - (iii) We confirm that the resolutions of the Board of Directors relating to the internal control system are reasonable. There are no matters to be pointed out regarding details of the Business Report and Directors' performance of their duties on the internal control system.
- (2) Results of an audit of financial statements and the related supplementary schedules: We confirm that the method and the results of the audit carried out by Ernst & Young ShinNihon LLC, Financial Auditor of the Company, are reasonable.
- (3) Results of an audit of consolidated financial statements: We confirm that the method and the results of the audit carried out by Ernst & Young ShinNihon LLC, Financial Auditor of the Company, are reasonable.

May 13, 2026

The Audit & Supervisory Committee of Astellas Pharma Inc.

Full-time Audit & Supervisory Committee Member:

Rika Hirota (seal)

Audit & Supervisory Committee Member:

Mika Nakayama (seal)

Audit & Supervisory Committee Member:

Rie Akiyama (seal)

Audit & Supervisory Committee Member:

Tomoko Aramaki (seal)

(Note) The Audit & Supervisory Committee Members Mika Nakayama, Rie Akiyama and Tomoko Aramaki are outside Directors prescribed in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.

- End -

The 21st Term Annual Shareholders Meeting

Other items for which the measures for providing information in electronic format are taken

**Consolidated Statement of Changes in Equity
Notes to Consolidated Financial Statements
Statement of Changes in Net Assets
Notes to Non-Consolidated Financial Statements**

The 21st Term Business Year (April 1, 2025 – March 31, 2026)

Astellas Pharma Inc.

The matters listed above are not provided in the paper-based documents to be delivered to shareholders who have requested the delivery of such documents, pursuant to laws and regulations as well as the Articles of Incorporation.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(April 1, 2025 to March 31, 2026)

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Subscription rights to shares	Exchange differences on translation of foreign operations
As of April 1, 2025	103,001	185,259	(37,524)	740,939	298	508,585
Comprehensive income						
Profit	–	–	–	291,535	–	–
Other comprehensive income	–	–	–	–	–	145,779
Total comprehensive income	–	–	–	291,535	–	145,779
Transactions with owners etc.						
Acquisition of treasury shares	–	–	(730)	–	–	–
Disposals of treasury shares	–	(3,165)	3,309	–	(27)	–
Dividends	–	–	–	(136,099)	–	–
Share-based payments	–	3,069	–	–	–	–
Payment from non-controlling shareholders	–	–	–	–	–	–
Transfer to retained earnings	–	–	–	6,461	–	–
Total transactions with owners etc.	–	(97)	2,579	(129,637)	(27)	–
As of March 31, 2026	103,001	185,162	(34,945)	902,836	271	654,364

	Equity attributable to owners of the parent				Non-controlling interest	Total equity
	Other components of equity			Total		
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
As of April 1, 2025	12,697	–	521,580	1,513,255	–	1,513,255
Comprehensive income						
Profit	–	–	–	291,535	40	291,575
Other comprehensive income	2,264	9,855	157,897	157,897	–	157,897
Total comprehensive income	2,264	9,855	157,897	449,432	40	449,472
Transactions with owners etc.						
Acquisition of treasury shares	–	–	–	(730)	–	(730)
Disposals of treasury shares	–	–	(27)	117	–	117
Dividends	–	–	–	(136,099)	–	(136,099)
Share-based payments	–	–	–	3,069	–	3,069
Payment from non-controlling shareholders	–	–	–	–	1,800	1,800
Transfer to retained earnings	3,393	(9,855)	(6,461)	–	–	–
Total transactions with owners etc.	3,393	(9,855)	(6,488)	(133,643)	1,800	(131,843)
As of March 31, 2026	18,354	–	672,989	1,829,044	1,840	1,830,884

Notes to Consolidated Financial Statements

1. Notes on Significant Matters as the Basis to Prepare Consolidated Financial Statements

(1) Standards used to prepare consolidated financial statements:

Consolidated financial statements of the Group are prepared based on International Financial Reporting Standards (“IFRS Accounting Standards”), in accordance with Article 120, paragraph (1) of the Regulation on Corporate Accounting. These consolidated financial statements omit part of the disclosure items required under IFRS Accounting Standards, in accordance with the second sentence of the paragraph.

(2) Matters concerning the scope of consolidation:

Number of consolidated subsidiaries: 80

Name of principal consolidated subsidiaries:

Astellas Pharma Global Development, Inc.,
Astellas Institute for Regenerative Medicine,
Astellas Gene Therapies, Inc., Astellas Ireland Co., Limited,
Astellas Pharma China, Inc., Astellas Pharma US, Inc.,
Astellas Pharma GmbH, Beijing Astellas Medical Co., Ltd.,
Astellas Pharma S.A.S, Astellas Pharma S.A., Astellas Pharma Korea, Inc.

(3) Matters concerning the application of equity method:

The number of affiliated companies accounted for by the equity method: 6

(4) Notes on the scope of consolidation:

Changes in scope of consolidation

Inclusion: three companies (included due to establishment)

(5) Matters concerning significant accounting policies:

(i) Valuation standards and methods for financial instruments

- Initial recognition and measurement

Financial assets and financial liabilities are recognised on the trade date when the Group becomes a party to the contractual provisions of the instruments.

Except for trade receivables which do not contain a significant financing component, financial assets and financial liabilities are measured at fair value at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or issuance of financial liabilities other than financial assets measured at fair value through profit or loss (“financial assets at FVTPL”) and financial liabilities measured at fair value through profit or loss (“financial liabilities at FVTPL”), are added to the fair value of the financial assets or deducted from the fair value of financial liabilities at initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL and financial liabilities at FVTPL are recognised in profit or loss.

- Financial assets

At initial recognition, all financial assets are classified as “financial assets measured at amortised cost,” “financial assets measured at fair value through other comprehensive income (“financial assets at FVTOCI”)” or “financial assets at FVTPL.”

(a) Financial assets measured at amortised cost

Financial assets are classified as financial assets measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, the financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest revenue using the effective interest method is recognised in profit or loss.

(b) Financial assets at FVTOCI (debt instruments)

Financial assets are classified as financial assets at FVTOCI (debt instruments) if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

After initial recognition, the financial assets are measured at fair value, and any gain or loss resulting from changes in fair value is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. When the financial asset is derecognised, the cumulative gain or loss recognised in other components of equity is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Financial assets at FVTOCI (equity instruments)

The Group has made an irrevocable election for equity instruments, with some exceptions, to present subsequent changes in fair value in other comprehensive income, and classifies such instruments as financial assets at FVTOCI.

After initial recognition, the financial assets are measured at fair value, and any gain or loss resulting from changes in fair value is recognised in other comprehensive income. When the financial asset is derecognised or the fair value has significantly decreased, the cumulative gain or loss recognised in other component of equity is transferred to retained earnings. Dividends on such financial assets are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(d) Financial assets at FVTPL

Financial assets not classified as financial assets measured at amortised cost or financial assets at FVTOCI are classified as financial assets at FVTPL.

After initial recognition, the financial assets are measured at fair value with subsequent changes in fair value recognised in profit or loss.

- Impairment of financial assets

Loss allowances are recognised for expected credit losses for financial assets measured at amortised cost or debt instruments classified as financial assets at FVTOCI.

At the end of each quarter, the loss allowance is measured for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. The loss allowance is measured for a financial asset at an amount equal to 12-month expected credit losses if the credit risk on that financial asset has not increased significantly since initial recognition.

However, for trade receivables, contract assets and lease receivables, the loss allowance is always measured at an amount equal to lifetime expected credit losses.

- Financial liabilities

At initial recognition, all financial liabilities are classified as “financial liabilities at FVTPL” or “financial liabilities measured at amortised cost.”

 - (a) Financial liabilities at FVTPL

Derivative financial liabilities, financial liabilities designated as financial liabilities at FVTPL and contingent consideration recognised in a business combination that meets the definition of financial liabilities, are classified as financial liabilities at FVTPL.

After initial recognition, the financial liabilities are measured at fair value with subsequent changes in fair value recognised in profit or loss.
 - (b) Financial liabilities measured at amortised cost

Financial liabilities not classified as financial liabilities at FVTPL are classified as financial liabilities at amortised cost.

After initial recognition, the financial liabilities are measured at amortised cost using the effective interest method.

- Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the contractual rights to receive the cash flows of the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred or the contractual rights to receive the cash flows of the financial asset have been transferred but substantially all the risks and rewards of ownership of the financial asset are neither transferred nor retained and control of the financial asset has not been retained.

Financial liabilities are derecognised when a financial liability is extinguished, i.e., when the obligation specified in the contract is discharged or cancelled or expired.

- (ii) Valuation standards and methods for inventories

Inventories are measured at the lower of cost and net realisable value, and if net realisable value is less than the cost, a write-down is recognised. The cost of

inventories includes costs of purchase, costs of conversion and all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is calculated as the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to sell. Write-downs are recognised for inventories associated with products for which marketing approval has not yet been obtained from regulatory bodies. These write-downs are reversed when marketing approval becomes highly probable to be obtained. Cost of inventories is calculated mainly using the first-in, first-out (FIFO) method.

(iii) Depreciation method of property, plant and equipment and amortisation method of intangible assets

- Property, plant and equipment (excluding right-of-use assets)
Depreciation of an asset begins when it is available for use. The depreciable amount of an asset is determined by deducting its residual value from its cost. The depreciable amount of items of property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of each component.

The estimated useful lives of major classes of property, plant and equipment are as follows:

Buildings and structures	2 to 60 years
Machinery and vehicles	2 to 20 years
Equipment, furniture and fixtures	2 to 20 years

The useful lives, residual values, and depreciation methods of property, plant and equipment are reviewed at the end of business year, and changed, if necessary.

- Intangible assets
Intangible assets are amortised over their estimated useful lives (2 to 25 years) on a straight-line basis beginning at the time when they are available for use. The estimated useful life of intangible assets is the shorter of the period of legal protection or its economic life, and it is also regularly reviewed.
- Right-of-use assets
Right-of-use assets are measured at cost, which comprises the amount of the initial measurement of the corresponding lease liability at the commencement date, adjusted for initial direct costs, etc. Right-of-use assets are depreciated on a straight-line basis after the commencement date over the shorter of the useful life of the right-of-use asset or the end of the lease term (2 to 40 years).

(iv) Basis for provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates of the obligations can be made.

When the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligations.

(v) Basis for revenue

The Group generates revenue from the sale of pharmaceuticals and royalty income from agreements under which third parties have been granted rights to manufacture or market pharmaceutical products or rights to use technologies.

- Sales of pharmaceutical products
Revenue from sales of pharmaceuticals is recognised when control of the promised pharmaceutical product is transferred to the customer by the Group. The Group determines that control of a pharmaceutical product is usually transferred to the customer upon delivery.
There are no contracts for which the payment terms of consideration are longer than one year, in principle, and thus no significant financing component is included. If the transaction price in a contract includes variable amounts such as rebates, discounts, the variable consideration is estimated by using either of the expected value method or the most likely amount method, and is reduced from the consideration received from the customer. The variable consideration is recognised only when it is probable that a significant reversal will not occur. In certain transactions, the Group may be deemed to be contracted by other companies to sell pharmaceuticals on their behalf. For such transactions in which the Group acts as an agent, the Group recognises revenue as the net amount of the remuneration or fees for which it expects to obtain rights.

- Royalty income

Royalty income includes upfront payments, milestone payments received when certain contractual conditions are fulfilled, and running royalties based on net sales and other factors.

For upfront payments, revenue is recognised at a point in time when each performance obligation is satisfied or over time as the performance obligation is satisfied. For performance obligations satisfied at a point in time, revenue is recognised when control of the promised right is transferred to the customer by the Group in accordance with the contract. For performance obligations satisfied over time, revenue is recognised based on the ratio between the elapsed period and the remaining period available to provide the promised services in the contract.

Receipt of milestone payments is subject to uncertainty and such uncertainty is not eliminated until conditions have been fulfilled. As such, revenue is recognised for milestone payments at a point in time when the conditions for the milestone payments have been fulfilled, in principle.

Running royalties based on net sales and other factors are recognised at a point in time when the later of either of the following events occurs: subsequent sales, etc. are realised, or performance obligations with allocated running royalties based on net sales and other factors are satisfied.

Revenue is recognised for upfront payments and milestone payments at the amounts stipulated by the contracts, in principle. Revenue from running royalties is calculated as the amount of net sales, etc. for the calculation period reported by the customer, multiplied by the contractual fee rate. In almost all the contracts, a payment deadline has been set within a short period after the conclusion of contracts, fulfilment of conditions or the final day of the calculation period for running royalties.

(vi) Accounting for defined benefit plans as post-employment benefits

Net defined benefit assets or liabilities are calculated as the present value of the defined benefit obligation less the fair value of plan assets with adjustment for the effects of limiting the amount recognised for the net plan assets to the asset ceiling. The present value of the defined benefit obligation and the related service cost are calculated by using the projected unit credit method. The discount rate is determined by reference to market yield on high-quality corporate bonds having maturity terms consistent with the estimated term of the related pension obligations at the end of the reporting period.

Service cost and net interest expense (income) on the net defined benefit liabilities (assets) are recognised in profit or loss.

Actuarial gains and losses, the return on plan assets, excluding amounts included in net interest expense, and any change in the effect of the asset ceiling are recognised immediately in other comprehensive income under "Remeasurements of defined benefit plans," and transferred from other components of equity to retained earnings immediately.

(vii) Translation standards for foreign currency

- Functional currency and presentation currency
The financial statements of an entity of the Group are prepared using the functional currency of the entity. The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company.
- Transactions in foreign currencies
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or an approximation of the rate.
Monetary assets and liabilities denominated in foreign currencies at the end of business year are translated into the functional currency using the exchange rates at the end of business year and exchange differences arising from translation are recognised in profit or loss.
- Foreign operations
Assets and liabilities on statements of financial position of foreign operations are translated into Japanese yen using the exchange rate at the end of business year. Income and expenses on statements showing profit or loss and other comprehensive income are translated into Japanese yen using the average exchange rate for the period.
Exchange differences arising on translating the financial statements of foreign operations are recognised in other comprehensive income. On the disposal of the interest in a foreign operation, the cumulative amount of the exchange differences is reclassified to profit or loss.

(viii) Matters concerning goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is allocated to each of the cash-generating units or groups of cash-generating units that is expected to benefit from the synergies of the business combination, and it is tested for impairment annually at the same time each year and whenever there is an indication of impairment. If, at the time of the impairment test, the recoverable amount of a cash-generating unit or a group of cash-generating units is less than its carrying amount, the carrying amount of the cash-generating unit or the group of cash-generating units is reduced to its recoverable amount, and the reduction is recognised in profit or loss as an impairment loss.

Impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit or group of cash-generating units and then to the other assets on a pro rata basis of the carrying amount of each asset in the cash-generating unit or group of cash-generating units.

Any impairment loss recognised for goodwill is not reversed in a subsequent period.

2. Notes on Changes in Presentation

Consolidated statements of financial position

“Refund liabilities,” which were included in “Other current liabilities” under current liabilities for the previous business year, has now been separately presented as the amount became material.

In addition, “Trade and other receivables,” which were separately presented under non-current assets for the previous business year, has now been included in “Other financial assets” under non-current assets as the amount was no longer material.

To reflect these changes in presentation, the consolidated statements of financial position for the previous business year has been reclassified.

As a result, ¥348,021 million which was presented as “Other current liabilities” under current liabilities on the consolidated statements of financial position for the previous business year is now reclassified to “Refund liabilities” under current liabilities.

In addition, ¥18,453 million which was presented as “Trade and other receivables” under non-current assets on the consolidated statements of financial position for the previous business year is now reclassified to “Other financial assets” under non-current assets.

3. Notes on Accounting Estimates

(1) Revenue recognition and recording of estimated refund liabilities

(i) Amount recorded in the consolidated financial statements for the business year ended March 31, 2026

Refund Liabilities (current): ¥422,557 million

(ii) Information on the details of accounting estimates for identified items

(a) Method for estimation

If the transaction price in a contract includes a variable amount, such as rebates and discounts, the variable consideration is estimated by using either of the expected value method or the most likely amount method and is reduced from consideration received from the customer. Refund liabilities are provided for refunds to be paid after the closing date. The variable consideration is recognised only when it is probable that a significant reversal will not occur.

(b) Major assumptions used for estimation

The major assumptions on which the estimates are based are product sales forecasts, etc.

(c) Impact on the consolidated financial statements for the next business year

Due to the high estimation uncertainty, changes in product sales forecasts, etc. as major assumptions may affect the amounts of revenue and refund liabilities for the next business year.

- (2) Impairment of goodwill and in-process research and development
- (i) Amount recorded in the consolidated financial statements for the business year ended March 31, 2026
Goodwill: ¥441,175 million
In-process research and development (IPR&D): ¥100,688 million
- (ii) Information on the details of accounting estimates for identified items
- (a) Method for estimation
If the recoverable amount of an asset or cash-generating unit, or group of cash-generating unit is less than its carrying amount, the asset is considered impaired. Goodwill is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the business combination, and the recoverable amount is estimated for each of the cash-generating units or groups of cash-generating units. The recoverable amount of IPR&D is primarily estimated for each asset individually.
The recoverable amount is mainly calculated by value in use based on future forecasts.
- (b) Major assumptions used for estimation
The major assumptions on which the estimate of recoverable amount is based are, among other things, the probability of obtaining marketing approval from regulatory bodies, post-launch sales forecasts, discount rates and growth rates.
- (c) Impact on the consolidated financial statements for the next business year
Due to the high estimation uncertainty, changes in the major assumptions, such as probability of obtaining marketing approval from regulatory bodies, post-launch sales forecasts, discount rates and growth rates, may affect the amounts of goodwill and IPR&D for the next business year.

- (3) Recoverability of deferred tax assets
- (i) Amount recorded in the consolidated financial statements for the business year ended March 31, 2026
Deferred tax assets: ¥146,588 million
- (ii) Information on the details of accounting estimates for identified items
- (a) Method for estimation
Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses, and unused tax credits can be utilized. In assessing the recoverability of deferred tax assets, the expected reversal of deferred tax liabilities, projected future taxable profits and tax planning are taken into account, and the taxable profits are estimated based on business plans.
- (b) Major assumptions used for estimation
The major assumptions in business plans on which the estimate of taxable profits is based are, among other things, trends in pharmaceutical markets in various countries, the probability of obtaining marketing approval from regulatory bodies and post-launch sales forecasts.
- (c) Impact on the consolidated financial statements for the next business year
Due to the high estimation uncertainty, changes in the major assumptions, such as trends in pharmaceutical markets in various countries, the probability of obtaining marketing approval from regulatory bodies and post-launch sales forecasts, may affect the amount of deferred tax assets for the next business year.

4. Notes to Consolidated Statements of Financial Position

- (1) Loss allowance directly deducted from assets:
- | | |
|---------------------------------------|----------------|
| Other financial assets (non-current) | ¥2 million |
| Trade and other receivables (current) | ¥4,374 million |
- (2) Accumulated depreciation of property, plant and equipment (including accumulated impairment losses): ¥437,617 million

5. Notes to Consolidated Statement of Income

- (1) Other expenses
Impairment losses on intangible assets
For the business year ended March 31, 2026, impairment losses recognised for intangible assets were ¥52,803 million, and mainly composed of impairment losses of ¥16,373 million related to reassessment of intangible asset due to the strategic halt of a gene therapy resamirigene bilparvovec (AT132).

6. Notes to Consolidated Statement of Changes in Equity

- (1) Class of shares issued and the total number thereof at the end of the business year under review:

Ordinary shares 1,809,663,075 shares

- (2) Matters concerning dividends:

- (i) Dividends paid:

Resolution	Class of shares	Amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 25, 2025	Ordinary shares	66,939	37.00	March 31, 2025	June 3, 2025
Board of Directors meeting held on October 30, 2025	Ordinary shares	70,558	39.00	September 30, 2025	December 1, 2025

- (Notes) 1. The amount of dividends approved by resolution of the Board of Directors meeting on April 25, 2025 included dividends of ¥698 million corresponding to the Company's shares held in the executive remuneration BIP trust and the stock-delivery ESOP trust.
2. The amount of dividends approved by resolution of the Board of Directors meeting on October 30, 2025 included dividends of ¥701 million corresponding to the Company's shares held in the executive remuneration BIP trust and the stock-delivery ESOP trust.

- (ii) Dividends whose record date is in the business year ended March 31, 2026, but whose effective date is in the following business year are as follows:

Resolution	Class of shares	Amount of dividends (Millions of yen)	Source of dividend	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 27, 2026	Ordinary shares	70,558	Retained earnings	39.00	March 31, 2026	June 3, 2026

- (Note) The amount of dividends above includes dividends of ¥690 million corresponding to the Company's shares held in the executive remuneration BIP trust and the stock-delivery ESOP trust.

- (3) Class and number of shares underlying each subscription right to shares at the end of the business year under review (excluding rights whose exercise period has yet to begin):

Ordinary shares 339,300 shares

7. Notes on Financial Instruments

(1) Capital management

The Group's capital management principle is to maintain an optimal capital structure by improving capital efficiency and ensuring sound and flexible financial conditions in order to achieve sustained improvement in the enterprise value, which will lead to improved return to shareholders.

The Group monitors financial indicators in order to maintain an optimal capital structure. Credit ratings are monitored for financial soundness and flexibility, and so is return on equity attributable to owners of the parent (ROE) for capital efficiency. The Group is not subject to material capital regulation.

(2) Financial risk management policy

The Group is exposed to financial risks such as credit risk, liquidity risk, foreign exchange risk and interest rate risk in operating businesses. To mitigate them, it manages risks in accordance with certain policies and procedures.

The Group uses derivatives only for the purpose of hedging financial risks and does not use them for speculative purposes.

(i) Credit risk management

Receivables, such as trade receivables, resulting from the business activities of the Group are exposed to the customer's credit risk. This risk is managed by grasping the financial condition of the customer and monitoring the trade receivables balance. Also, the Group reviews collectability of trade receivables depending on the credit conditions of customers and recognises loss allowances as necessary.

Securities held by the Group are exposed to the issuer's credit risk, and deposits are exposed to the credit risk of banks. Also, derivative transactions that the Group conducts in order to hedge financial risks are exposed to the credit risk of the financial institutions which are counterparties of those transactions. In regard to securities transactions and deposit transactions in fund management, the Group only deals with banks and issuers with certain credit ratings and manages investments within the defined period and credit limit, in accordance with Global Cash Investment Policy and Global Treasury Policy. In addition, regarding derivative transactions, the Group only deals with financial institutions with certain credit ratings in accordance with Global Treasury Policy.

(ii) Liquidity risk management

The Group is exposed to liquidity risk that the Group might have difficulty settling financial obligations. However, the Group is maintaining the liquidity on hand that enables the Group to meet the assumed repayment of financial obligations and respond flexibly to strategic investment opportunities. Also, the balance is reported monthly to Senior Corporate Executive, Chief Financial Officer.

(iii) Foreign exchange risk management

The Group operates its business in many countries and regions, and the Group's business results and financial position are exposed to foreign exchange risks.

The Group considers necessity of using derivatives to mitigate foreign exchange risk on each transaction. In regard to the intercompany loan in foreign currencies, the Group has used forward foreign exchange contracts to mitigate the impact of exchange rate fluctuations on business results in the business year ended March 31, 2026. The status of the hedge against foreign exchange risk by currency and the balance of derivative transactions are reported monthly to Senior Corporate Executive, Chief Financial Officer.

(iv) Interest rate risk management

The Group's interest-bearing liabilities are exposed to interest rate risk. However, in order to mitigate such risk, the Group strives to optimise the fund procurement by combining fixed and floating interest rates and determines the amount, term, method, etc. of fund procurement considering the details of demand for funds, financial position and financing environment. Also, The Group considers necessity of using derivatives to mitigate interest rate risk on each transaction. The status of the hedge against interest rate risk and the balance of derivative transactions are reported monthly to Senior Corporate Executive, Chief Financial Officer.

(3) Fair value of financial instruments

(i) Financial instruments measured at fair value on a recurring basis

The levels of the fair value hierarchy are as follows:

Level 1: Fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measured using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; and

Level 3: Fair value measured using significant unobservable inputs for the assets or liabilities.

The level of the fair value hierarchy is determined based on the lowest level of significant input used for the measurement of fair value.

The Group accounts for transfers between levels of the fair value hierarchy as if they occurred at the end of each quarter.

The breakdown of financial assets and liabilities measured at fair value on a recurring basis, including their levels in the fair value hierarchy, is as follows:

21st term business year (As of March 31, 2026)

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL ^(Note 1)				
Insurance funds	–	35,236	–	35,236
Derivatives	–	12	–	12
Investment in funds	–	–	44,158	44,158
Other	–	–	1,252	1,252
Financial assets at FVTOCI (equity instruments) ^(Note 1)				
Quoted equity shares	8,382	–	–	8,382
Unquoted equity shares	–	–	30,135	30,135
Total financial assets	8,382	35,248	75,545	119,175
Financial liabilities				
Financial liabilities at FVTPL ^(Note 2)				
Derivatives	–	1,048	–	1,048
Contingent consideration	–	–	2,494	2,494
Derivatives to which hedging accounting is applied ^(Note 2)	–	465	–	465
Total financial liabilities	–	1,513	2,494	4,007

(Notes) 1. These are included in “Other financial assets” in the consolidated statements of financial position.

2. These are included in “Other financial liabilities” in the consolidated statements of financial position.

The movement of fair value of financial instruments categorised within Level 3 of the fair value hierarchy is as follows:

21st term business year (From April 1, 2025 to March 31, 2026)

(a) Financial assets

	(Millions of yen)		
	Financial assets at FVTPL	Financial assets at FVTOCI (equity instruments)	Total
Balance at April 1, 2025	37,476	31,890	69,366
Realised or unrealised gains (losses)			
Recognised in profit or loss ^(Note)	(1,775)	–	(1,775)
Recognised in other comprehensive income	–	(3,071)	(3,071)
Purchases, issues, sales, and settlements			
Purchases	9,453	0	9,453
Sales or settlements	(1,093)	–	(1,093)
Other	1,350	1,315	2,665
Balance at March 31, 2026	45,410	30,135	75,545
Gains or losses recognised in profit or loss attributable to the change in unrealised gains or losses relating to those assets held at the end of the reporting period ^(Note)	(1,775)	–	(1,775)

(Note) These are included in “Finance income” and “Finance expenses” in the consolidated statements of income.

(b) Financial Liabilities

(Millions of yen)

	Financial liabilities at FVTPL
Balance at April 1, 2025	19,127
Realised or unrealised gains (losses)	
Recognised in profit or loss ^(Note)	(16,671)
Other	38
Balance at March 31, 2026	2,494
Gains or losses recognised in profit or loss attributable to the change in unrealised gains or losses relating to those liabilities held at the end of the reporting period ^(Note)	(16,671)

(Note) This is included in “Other income” and “Other expenses” in the consolidated statements of income.

Methods for calculating fair values are as follows:

The fair value of quoted equity shares categorised within Level 1 is based on quoted market prices at the end of the period.

The financial assets categorised within Level 2 are composed of insurance funds and derivatives.

The Group possesses the insurance funds to provide for the expected payment of a deferred remuneration system adopted by U.S. subsidiaries. The fair value of an insurance fund is measured based on cash surrender value provided by the counterparty insurance company.

The fair value of derivatives is measured based on prices provided by the counterparty financial institutions.

The financial assets categorised within Level 3 are mainly composed of investment in funds and unquoted equity shares.

The fair value of an investment in a fund is calculated based on the equity interest in it after estimating the fund’s fair value according to the most recent information available.

The fair value of an unquoted equity share is calculated based on metrics such as the most recent available balance of the investee’s net assets or projections of its future profitability.

The fair value of investment in funds and unquoted equity shares is measured quarterly by the division in charge at the Company and each Group company in accordance with the Group’s accounting policies, etc. It is reported to a superior in conjunction with grounds for the changes in fair value.

The financial liabilities categorised within Level 2 are composed of derivatives. The fair value of derivatives is measured based on prices provided by the counterparty financial institutions.

The financial liabilities categorised within Level 3 are composed of contingent considerations arising from business combinations.

Contingent considerations represent certain milestone payments based on progress, etc. in the development of the clinical programs possessed by the

acquirees. The fair value of the contingent consideration is estimated based on the success probability of the program related to the difficulty of new drug development, etc. and the time value of money, etc. As these estimates involve uncertainties there is an impact such as increase in the fair value of contingent considerations, if the success probability of the clinical program, which is a significant unobservable input, is raised.

In regard to financial instruments categorised within Level 3, there would be no significant change in fair value when one or more of the unobservable inputs is changed to reflect reasonably possible alternative assumptions.

(ii) Financial instruments measured at amortised cost

Fair value is calculated as follows:

Financial assets measured at amortised cost

Financial assets measured at amortised cost comprise trade and other receivables, loans and other financial assets, and cash and cash equivalents. The carrying amount approximates fair value due to the short period of settlement terms.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost comprise bonds and borrowings, trade and other payables, lease liabilities and other financial liabilities. The carrying amount approximates the fair value due to the short period of settlement terms, except for bonds, long-term borrowings and lease liabilities.

The fair value of bonds categorised within Level 2 of the fair value hierarchy is based on quoted market prices at the end of the period. For the business year ended March 31, 2026, the carrying amount approximates the fair value.

The carrying amount of long-term borrowings with floating interest rates approximates fair value due to reflecting market interest rates in the short term.

8. Notes on Revenue Recognition

(1) Breakdown of revenue

The breakdown of revenue is as follows:

21st term business year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	United States	Japan	Established Markets	China	International Markets	Other	Total
Revenue recognised from contracts with customers							
Sales of pharmaceutical products	807,836	288,971	563,274	101,474	228,648	837	1,991,041
Other	3,168	11	–	–	2,092	13,397	18,668
Subtotal	811,004	288,982	563,274	101,474	230,741	14,234	2,009,709
Revenue recognised from other sources							
Profit-sharing income	129,197	–	339	–	–	–	129,536
Subtotal	129,197	–	339	–	–	–	129,536
Total	940,201	288,982	563,613	101,474	230,741	14,234	2,139,245

- (Notes)
- Revenue is categorised based on the organizational grouping of business management in the commercial division.
 - “Other” under revenue recognised from contracts with customers mainly includes royalty income.
 - Profit-sharing income represents mainly revenue from non-customer partners who share the risks and rewards of joint sales promotion activities.

Established Markets: Europe, Canada, etc.

China: China, Hong Kong

International Markets: Latin America, Middle East, Africa, South East Asia, South Asia, Russia, Korea, Taiwan, Australia, Export sales, etc.

(2) Contract balances

The breakdown of contract balances is as follows:

(Millions of yen)

	As of April 1, 2025	21st term business year As of March 31, 2026
Receivables from contracts with customers		
Trade and notes receivables	588,733	689,524
Loss allowance	(5,476)	(4,374)
Total	583,257	685,149
Contract liabilities	1,620	28,202

- (Notes)
- The Group recognises as contract liabilities the unsatisfied portion of upfront payments received from customers, mainly relating to licensing agreements. For the business year ended March 31, 2026, the amount of revenue recognised that was included in the balance of contract liabilities at the beginning of the period was not material.
 - The amount of revenue recognised in the business year ended March 31, 2026, from performance obligations satisfied or partially satisfied during past periods was not material.

(3) Transaction price allocated to remaining performance obligations

The practical expedient has been adopted as there are no material contracts with an original expected period exceeding one year and transaction price allocated to remaining performance obligations has been omitted.

9. Notes on Per-Share Data

- (1) Equity attributable to owners of the parent per share: ¥1,020.96
- (2) Basic earnings per share: ¥162.77

STATEMENT OF CHANGES IN NET ASSETS

(April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal reserve	Retained earnings		Total retained earnings
		Additional paid-in capital	Total capital surplus		Reserve for advanced depreciation of fixed assets	Retained earnings carried forward	
Balance as of April 1, 2025	103,001	176,822	176,822	16,827	1,185	1,102,715	1,120,727
Change during the business year under review							
Dividends of surplus	–	–	–	–	–	(137,497)	(137,497)
Net income	–	–	–	–	–	368,020	368,020
Acquisition of treasury shares	–	–	–	–	–	–	–
Disposals of treasury shares	–	–	–	–	–	(42)	(42)
Net change of items other than shareholders' equity during the business year under review	–	–	–	–	–	–	–
Total change during the business year under review	–	–	–	–	–	230,481	230,481
Balance as of March 31, 2026	103,001	176,822	176,822	16,827	1,185	1,333,196	1,351,208

	Shareholders' equity		Valuation, translation adjustments and others		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Unrealised holding gains on securities	Total valuation, translation adjustments and others		
Balance as of April 1, 2025	(37,524)	1,363,026	3,543	3,543	298	1,366,867
Change during the business year under review						
Dividends of surplus	–	(137,497)	–	–	–	(137,497)
Net income	–	368,020	–	–	–	368,020
Acquisition of treasury shares	(730)	(730)	–	–	–	(730)
Disposals of treasury shares	3,309	3,267	–	–	–	3,267
Net change of items other than shareholders' equity during the business year under review	–	–	25	25	(27)	(2)
Total change during the business year under review	2,579	233,060	25	25	(27)	233,058
Balance as of March 31, 2026	(34,945)	1,596,085	3,567	3,567	271	1,599,924

Notes to Non-Consolidated Financial Statements

1. Notes on Items of Significant Accounting Policies

(1) Valuation standards and methods for assets:

(i) Valuation standards and methods for securities:

Investments in subsidiaries and affiliates:

Investments in subsidiaries and affiliates are carried at cost determined by the moving average method.

Investments in securities classified as other securities:

Marketable securities:

Marketable securities classified as other securities are carried at fair value as of the balance sheet date with changes in unrealised holding gain or loss, net of the applicable income taxes, directly included in net assets. The cost of securities sold is calculated by the moving average method.

Non-marketable securities:

Non-marketable securities classified as other securities are stated at cost determined by the moving average method.

(ii) Valuation standards and methods for derivatives

Derivatives are carried at fair value.

(iii) Valuation standards and methods for inventories:

Merchandise and finished goods, work in process, and raw materials

Inventories are stated at the lower of cost or market, cost being determined by the average method (the amounts stated in the balance sheets were calculated by the method to devalue book values based on the reduction in profitability).

(2) Depreciation and amortisation methods for fixed assets:

(i) Property, plant and equipment:

Straight-line method

The useful lives of property, plant and equipment are summarized as follows:

Buildings	2 to 50 years
Structures	2 to 60 years
Machinery	2 to 17 years
Equipment, furniture and fixtures	2 to 20 years

(ii) Intangible fixed assets:

Straight-line method

(3) Basis for significant allowances:

(i) Allowance for doubtful receivables:

The allowance for doubtful receivables is provided for possible losses on bad debts at an amount determined based on the historical experience of bad debts with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are facing financial difficulties.

(ii) Accrued retirement benefits for employees:

Accrued retirement benefits for employees are provided for retirement benefits to be paid under defined benefit plans at an amount calculated by deducting the fair value of the pension plan assets from the retirement benefit obligations, as adjusted for unrecognised actuarial gain or loss and unrecognised prior service cost as of the end of the business year.

Actuarial gain or loss of the retirement benefit plan is amortised from the business year following the business year in which the gain or loss is recognised primarily by the straight-line method over the average remaining years of service of the employees. Prior service cost is amortised as incurred by the straight-line method over the average remaining years of service of the employees.

(4) Basis for revenue:

The Company generates revenue from the sale of pharmaceuticals and royalty income from agreements under which third parties have been granted rights to manufacture or market pharmaceutical products or rights to use technologies.

(i) Sales of pharmaceutical products

Revenue from sales of pharmaceuticals is recognised when control of the promised pharmaceutical product is transferred to the customer by the Company. The Company determines that control of a pharmaceutical product is usually transferred to the customer upon delivery.

There are no contracts for which the payment terms of consideration are longer than one year, in principle, and thus no significant financing component is included. If the transaction price in a contract includes variable amounts such as rebates, discounts, the variable consideration is estimated by using either of the expected value method or the most likely amount method, and is reduced from the consideration received from the customer. The variable consideration is recognised only when it is probable that a significant reversal will not occur. In certain transactions, the Company may be deemed to be contracted by other companies to sell pharmaceuticals on their behalf. For such transactions in which the Company acts as an agent, the Company recognises revenue as the net amount of the remuneration or fees for which it expects to obtain rights.

(ii) Royalty income

Royalty income includes upfront payments, milestone payments received when certain contractual conditions are fulfilled, and running royalties based on net

sales and other factors.

For upfront payments, revenue is recognised at a point in time when each performance obligation is satisfied or over time as the performance obligation is satisfied. For performance obligations satisfied at a point in time, revenue is recognised when control of the promised right is transferred to the customer by the Company in accordance with the contract. For performance obligations satisfied over time, revenue is recognised based on the ratio between the elapsed period and the remaining period available to provide the promised services in the contract.

Receipt of milestone payments is subject to uncertainty and such uncertainty is not eliminated until conditions have been fulfilled. As such, revenue is recognised for milestone payments at a point in time when the conditions for the milestone payments have been fulfilled, in principle.

Running royalties based on net sales and other factors are recognised at a point in time when the later of either of the following events occurs: subsequent sales, etc. are realised, or performance obligations with allocated running royalties based on net sales and other factors are satisfied.

Revenue is recognised for upfront payments and milestone payments at the amounts stipulated by the contracts, in principle. Revenue from running royalties is calculated as the amount of net sales, etc. for the calculation period reported by the customer, multiplied by the contractual fee rate. In almost all the contracts, a payment deadline has been set within a short period after the conclusion of contracts, fulfilment of conditions or the final day of the calculation period for running royalties.

(5) Hedge accounting:

(i) Hedge accounting

All derivative transactions are principally hedged by a deferred hedge method. The “designation” method is applied to applicable foreign exchange forward contracts, and the “exception” method is applied to applicable interest rate swaps.

(ii) Hedging instruments and hedged items

Hedging instruments: Derivative transactions

Hedged items: Assets and liabilities of which income or loss may be caused by market fluctuations and cash flow fluctuations

(iii) Hedging policy

The Company has hedged derivative transactions from any risks arising from market fluctuations and cash flow fluctuations to a specified extent in accordance with the Company’s internal policies and procedures for derivative transactions.

(iv) Assessment of hedge effectiveness

Deferred hedge effectiveness from the start of the hedge period to the determination of effectiveness is assessed by comparing the cumulative changes in market fluctuations or cash flow fluctuations of the hedging instruments with those with respect to the hedged items. When the significant conditions of the hedging and hedged items are the same and therefore the hedge is highly

effective, the assessment of the effectiveness is omitted.

2. Notes on Changes in Presentation

Balance Sheet

“Current portion of bonds payable” and “Current portion of long-term loans payable,” which were included in “Other” under current liabilities for the business year ended March 31, 2025, are separately presented from the fiscal year ended March 31, 2026 as the amounts became material.

To reflect these changes in presentation, the balance sheet for the business year ended March 31, 2025 has been reclassified.

As a result, ¥56,677 million which was presented as “Other” under current liabilities on the balance sheet for the business year ended March 31, 2025 is now reclassified to ¥30,000 million of “Current portion of bonds payable” and ¥26,667 million of “Current portion of long-term loans payable.”

Statement of Income

“Gain on sales of fixed assets” and “Loss on sales and disposal of fixed assets,” which were separately presented under special gains and special losses, respectively, for the business year ended March 31, 2025, are included in “Other” under special gains and under special losses, respectively, for the business year ended March 31, 2026 as the amounts were no longer material.

In addition, “Loss on investments in subsidiaries and affiliates,” which was presented in “Other” under special losses for the business year ended March 31, 2025, is separately presented from the business year ended March 31, 2026 as the amount became material.

To reflect these changes in presentation, the statement of income for the business year ended March 31, 2025 has been reclassified.

As a result, ¥8 million which was presented as “Gain on sales of fixed assets” under special gains and ¥646 million which was presented as “Loss on sales and disposal of fixed assets” under special losses for the business year ended March 31, 2025 are now reclassified to “Other” under special gains and “Other” under special losses, respectively.

In addition, ¥60,572 million which was presented as “Other” under special losses for the business year ended March 31, 2025 is now reclassified to “Loss on investments in subsidiaries and affiliates” under special losses.

3. Notes on Accounting Estimates

Recoverability of deferred tax assets

(1) Amount recorded in the non-consolidated financial statements for the business year ended March 31, 2026

Deferred tax assets: ¥ 52,091 million

(2) Information on the details of accounting estimates for identified items

The recorded amount of deferred tax assets expected to be recovered is determined in accordance with the category of the entity as provided for in the “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26). For other information, please refer to “Notes to Consolidated Financial Statements 3. Notes on Accounting Estimates.”

4. Notes to Balance Sheet

(1) Accumulated depreciation of property, plant and equipment (including accumulated impairment losses): ¥ 288,095 million

(2) Guarantee obligations:

Guarantee is provided against subsidiaries' and affiliates' insurance contracts and borrowings from financial institutions.

Rainbowseeker Insurance, Inc. ¥30,948 million

Astellas US Holding, Inc. ¥13,226 million

(3) Receivables from and payables to subsidiaries and affiliates:

Short-term receivables: ¥303,397 million

Short-term payables: ¥326,446 million

Long-term payables: ¥5,750 million

5. Notes to Statement of Income

(1) Volume of transaction with subsidiaries and affiliates:

Sales: ¥571,233 million

Purchases etc.: ¥157,792 million

Non-operating transactions: ¥247,521 million

(2) Loss on investments in subsidiaries and affiliates

Of the investment in subsidiaries and affiliates, the fair value of shares of Ogeda B.V. declined significantly below the book value and the impairment losses of ¥74,767 million were recognized as a loss on investment in subsidiaries and affiliates.

6. Notes to Statement of Changes in Net Assets

Type and number of treasury shares at the end of the business year under review:
Shares of common stock 18,170,817 shares

7. Notes on Tax Effect Accounting

Breakdown of deferred tax assets and deferred tax liabilities based on reasons are as follows:

	(Millions of yen)
Deferred tax assets:	
Investment securities:	285
Accrued retirement benefits for employees:	2,295
Property, plant and equipment:	2,010
Intangible fixed assets:	15,838
Accrued expenses:	4,037
Inventories:	15,990
Investment in subsidiaries and affiliates:	31,490
Other:	20,322
Subtotal:	92,265
Valuation allowance:	(32,571)
Total:	59,694
Deferred tax liabilities:	
Investment securities:	(1,431)
Prepaid pension cost:	(5,007)
Property, plant and equipment:	(535)
Other:	(629)
Total:	(7,602)
Net deferred tax assets:	52,091

8. Notes on Transaction with Related Parties

Subsidiaries and affiliates

Type	Name of Company, etc.	Ownership of voting rights, etc.	Relationship with related parties	Details of transaction	Amount of transaction (Millions of yen)	Account	Balance as of the end of the business year (Millions of yen)
Subsidiary	Astellas B.V.	Direct ownership 100%	Borrowing of funds, depositing of funds, receipt of funds	Borrowing of funds (Note) 2	171,994	Short-term loans payable	225,854
				Repayment of borrowed funds	234,253		
				Receipt of funds through cash pooling system (Note) 3	40,730		
Subsidiary	Astellas US Holding, Inc.	Direct ownership 100%	Lending of funds, sharing of concurrent positions by Directors (Note) 1	Lending of funds (Note) 2	91,166	Short-term loans receivable	117,546
				Collection of funds	44,670		
Subsidiary	Ogeda B.V.	Direct ownership 100%	Borrowing of funds	Borrowing of funds (Note) 2	23,776	Short-term loans payable	30,687
Subsidiary	Rainbowseeker Insurance, Inc.	Direct ownership 100%	Guarantee of obligation	Guarantee of obligation (Note) 4	30,948	–	–
Subsidiary	Astellas Pharma Global Development, Inc.	Indirect ownership 100%	Consignment of development, sharing of concurrent positions by Directors (Note) 1	Consignment of development (Note) 5	72,400	Other accounts payable	18,858
Subsidiary	Astellas Pharma Europe Ltd.	Indirect ownership 100%	Sales of products, etc., receipt of royalties	Sales of products, etc., receipt of royalties (Note) 5	232,710	Trade accounts receivable	57,294
Subsidiary	Astellas US LLC	Indirect ownership 100%	Receipt of royalties, sharing of concurrent positions by Directors (Note) 1	Receipt of royalties (Note) 5	218,412	Trade accounts receivable	50,377

(Notes) 1. “Sharing of concurrent positions by Directors” describes when a director or officer in charge of the Company concurrently serves as a director or officer of the relevant company.

2. Interest rates on the funds lent and borrowed are reasonably determined based on market rates.
3. The transaction amount of receipt of funds through cash pooling system describes the average balance during the period. Interest rates associated with such transactions have been reasonably determined based on market rates.
4. Guarantee covers payment obligations under reinsurance contracts. Guarantee fees are reasonably determined based on the creditworthiness of the guaranteed party.
5. For consignment of development, sales of products, etc., and receipt of royalties, prices and royalty rates are set in light of market prices, among other factors.

9. Notes on Per-Share Data

(1) Net asset per share:	¥ 892.92
(2) Net income per share:	¥ 205.47