



For the Year Ended March 31, 2022
Integrated Report 2022

Changing tomorrow





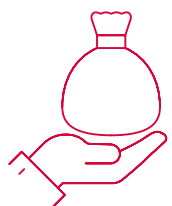
Turn innovative science into **VALUE** for patients

Since Astellas was established in 2005, the Company has strived to continue to create innovation and deliver innovative medical solutions that meet the needs of patients. Going forward, we are committed to achieving our VISION of tuning innovative science into VALUE for patients. In the future as well, Astellas aims to stand on the forefront of healthcare change to turn innovative science into VALUE for patients and will continually strive to fulfill the expectations of our stakeholders and society.

Astellas At a Glance

► Total sales revenue

¥1,296.2 billion



► Core operating profit

¥244.7 billion

(For the year ended March 2022)

► Sales of Major Products



enzalutamide / XTANDI
for the treatment of
prostate cancer ¥534.3 billion

enfortumab vedotin /
PADCEV for the treatment of
urothelial cancer ¥21.7 billion

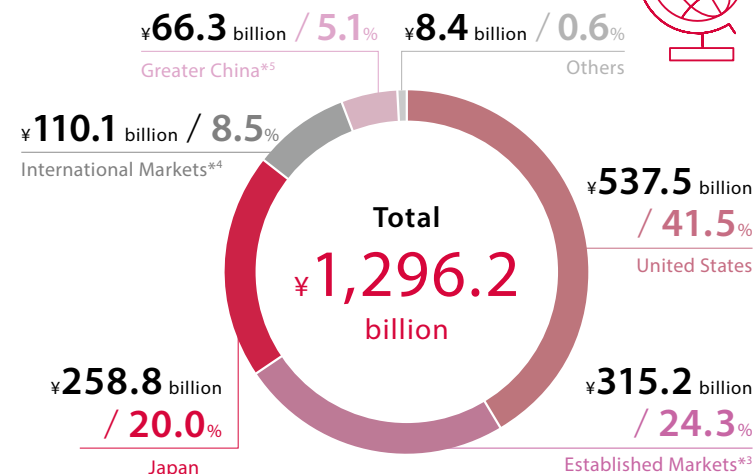
gilteritinib / XOSPATA
for the treatment of acute
myeloid leukemia ¥34.1 billion

mirabegron*¹ for the
treatment of overactive
bladder ¥172.3 billion

tacrolimus / Prograf*²
immunosuppressant ¥185.4 billion

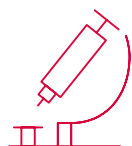
(For the year ended March 2022)

► Sales revenue by region



(For the year ended March 2022)

► R&D expenses



¥246.0 billion

(For the year ended March 2022)

► RX: Prescription drug Major pipeline



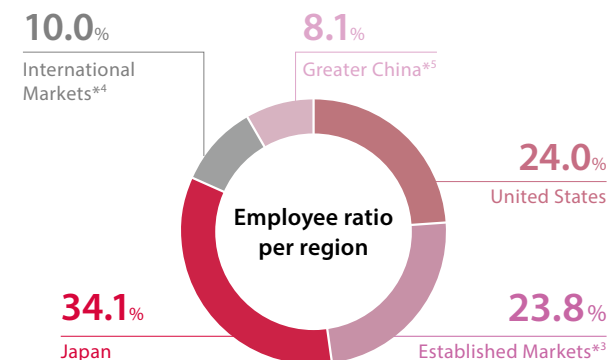
24

(Number of Programs)

(As of July 31, 2022)

► Overseas employee ratio

About 66%



(As of July 31, 2022)

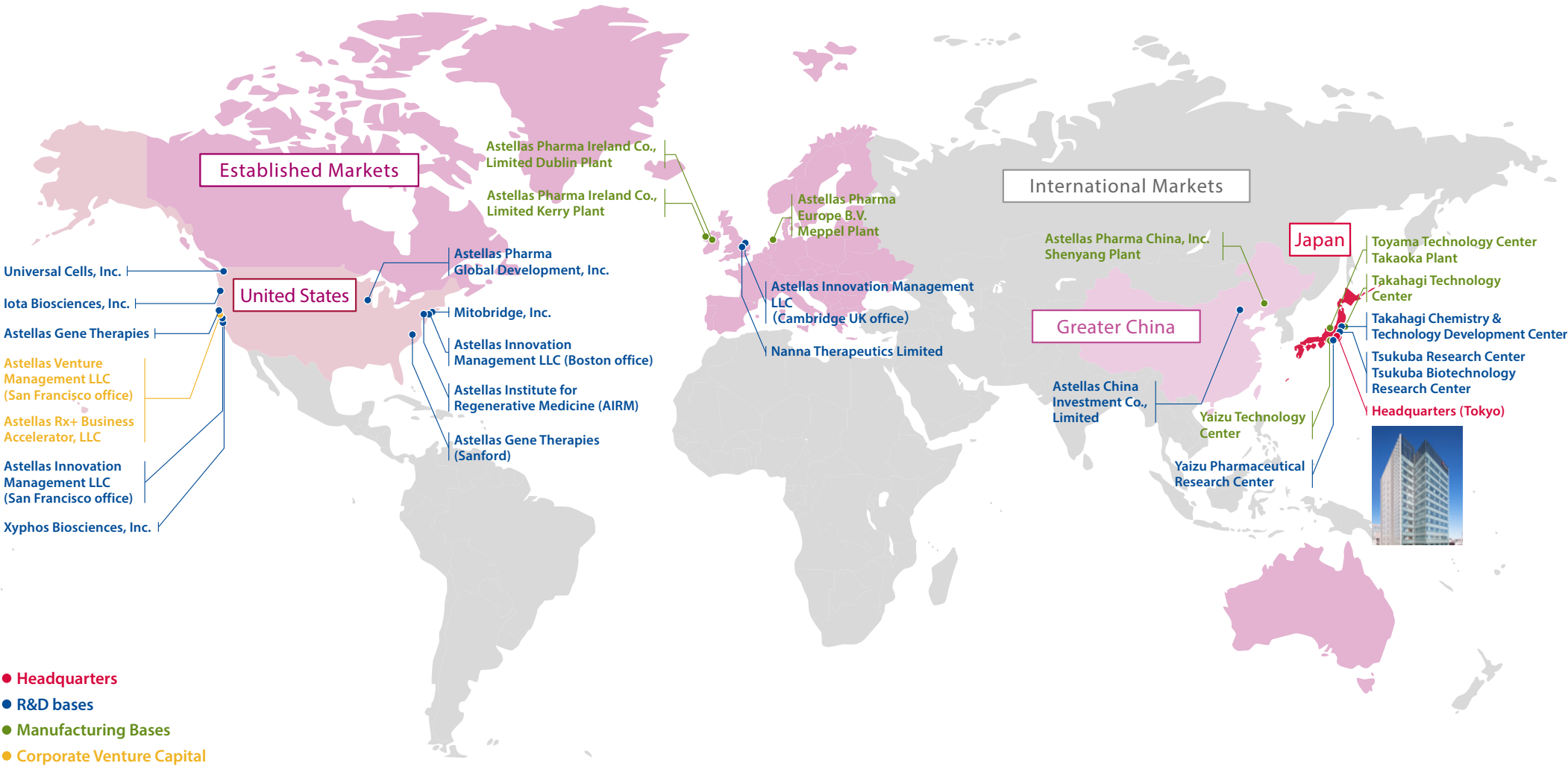
*¹ Betanis, Myrbetriq, Betmiga *² Including Advagraf, Graceptor, ASTAGRAF XL *³ Established markets: Europe, Canada, Australia

*⁴ International Markets: Russia, Latin America, Middle East, Africa, Southeast Asia, South Asia, Korea, Export sales, etc. *⁵ Greater China: China, Hong Kong, Taiwan

Astellas At a Glance

► Global Network

As a global pharmaceutical company, we are currently working in over **70** countries



Our Philosophy and VISION

Guided by our business philosophy, we are committed to the realization of greater VALUE by patients and healthcare systems around the world.

Philosophy

Raison D'être

Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products

Mission

Sustainable enhancement of enterprise value

Beliefs

Our "beliefs" provide the code of conduct we prize at all times. Astellas will always be a group of people who act upon these beliefs.

High Sense of Ethics

Customer Focus

Creativity

Competitive Focus

VISION

On the forefront of healthcare
change to turn innovative
science into VALUE for patients

CONTENTS

Message			
Astellas At a Glance	01		
Our Philosophy and VISION	03		
Contents/Editing Policy	04		
Statement of Responsibility	05		
Interview with Chief Executive Officer	06		
Value Creation Story	11		
Value Creation Model	12		
Our History	14		
Management Capital	15		
Astellas' Business Model for Creating Innovation	16		
Strengthening Our Sustainability by Revising the Materiality Matrix	17		
The VALUE that Astellas Provides	21		
Providing Value to Stakeholders	22		
Progress of Corporate Strategic Plan	23		
Corporate Strategic Plan Review	24		
Corporate Strategic Plan 2021	25		
Interview with Chief Strategy Officer	28		
Interview with Chief Financial Officer	31		
Strategic Goal 1	34		
Message from Chief Commercial Officer	35		
Progress of Strategic Goal 1	36		
Strategic Goal 2	39		
Message from Chief Scientific Officer	40		
Progress of Strategic Goal 2	41		
Digital Transformation	45		
Strategic Goal 3			46
Message from the Head of the Rx+ Business Accelerator			47
Progress of Strategic Goal 3			48
Strategic Goal 4			50
Message from the Head of the Sustainability Division			51
Progress of Strategic Goal 4			52
Organizational Health Goals			58
Message from the Head of Human Resources			59
People and Organization for Innovation			61
Initiatives for People and Organization			62
Organizational Health Goals			63
Engagement, Diversity, Equity and Inclusion			65
Strengthening Governance			66
Board of Directors			67
Corporate Governance			69
Interview with an Outside Director			76
Risk Management			78
Ethics & Compliance			80
Corporate Data			82
Major Pipeline			83
Financial Data			86
Non-financial Data			89
Company Overview			91

How to use navigation buttons

▶ Using Category Tabs

Interview with the CEO

Value Creation Story

Progress of Management
Strategy

Click to go to first page of each category

▶ Using Navigation Buttons

Search PDF
content

Forward one page

Return to top
pageReturn to previously
viewed page

Return one page

Scope of the Report

Period covered: Fiscal year ended March 2022 (April 1, 2021 - March 31, 2022)

- As much as possible, we have included the latest information available at the time of publication.

- The period and scope of coverage may vary depending on the subject. We have noted each such case individually.

Organizations covered: Astellas Pharma Inc. and its consolidated subsidiaries in Japan and overseas (referred to in this report as "Astellas")

Disclaimer

In this integrated report, statements made with respect to current plans, estimates, strategies and beliefs, and other statements that are not historical facts are forward-looking statements about the future performance of Astellas Pharma. These statements are based on the management's current assumptions and beliefs in light of the information currently available to it and involve known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from those discussed.

Information about pharmaceutical products (including products currently in development) which is included in this integrated report is not intended to constitute an advertisement or medical advice.

Statement of Responsibility

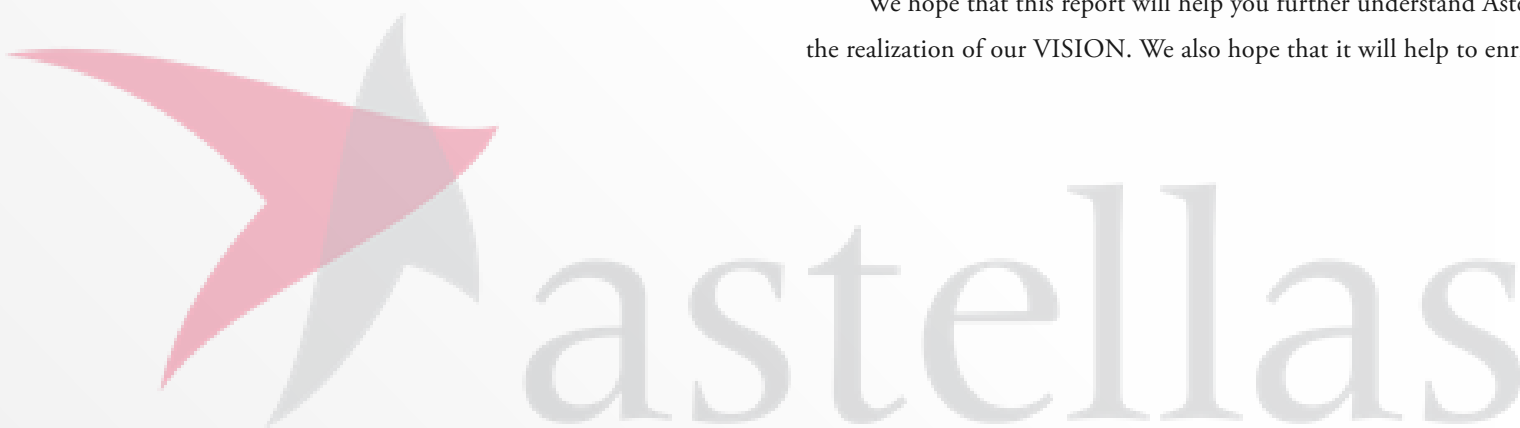


Kenji Yasukawa
Representative Director, President and CEO,
Chairman of the Board

In May 2021, Astellas announced its Corporate Strategic Plan 2021 (CSP2021) for realizing its VISION “On the forefront of healthcare change to turn innovative science into VALUE for patients”. Since the launch of CSP2021, we have been promoting initiatives aligned to the plan, and steadily achieving its goals. Integrated Report 2022 reports on the progress of CSP2021. The financial and non-financial information provided is intended to provide an understanding of Astellas' path to sustainable growth and value creation. The report includes an overview of our updated materiality, which is essential for realizing VISION.

In preparing this report, we referred to the International Integrated Reporting Framework by the IFRS Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation by the Ministry of Economy, Trade and Industry. For ESG information, we also referred to the Ministry of the Environment's Environmental Reporting Guidelines (FY2018 version), the Global Reporting Initiative's Sustainability Reporting Standards, and the final report of the Task Force on Climate-related Financial Disclosures (TCFD). Divisions across Astellas collaborated to prepare this report. I hereby represent that the creating process and its contents are valid, and that it has been prepared based on the current situation and the future for which we strive.

We hope that this report will help you further understand Astellas' story of value creation, which is directed toward the realization of our VISION. We also hope that it will help to enrich our dialogue with our stakeholders.



Interview with Chief Executive Officer

We will take on the challenge of creating innovative products, delivering Astellas' unique VALUE to patients.

Q

Please tell us about Corporate Strategic Plan 2021 (CSP2021). What are its aims and how is it different from Corporate Strategic Plan 2018 (CSP2018)?

A

CSP2021 is a phase for steadily carrying out our Focus Area approach and linking it to results.

CSP2018 was a phase for exploring and confirming the effectivity our new business model. We moved away from our old business model of creating products with a focus on specific disease areas. For the first time, we introduced the Focus Area approach into our strategy. The idea of the Focus Area approach is to take in a range of perspectives as we map out areas for research and development. We explore areas where the biology that causes a disease is clear, aiming to fulfill unmet medical needs in 10 to 15 years from now. We efficiently identify drug discovery opportunities by flexibly choosing the best modalities/technologies for the biologics. In CSP2018, we worked to expand our Focus Area approach on several fronts. We increased the number of development projects in several Primary Focuses, which carry out strategic research and development investments within each Focus Area. As these Primary Focuses began to connect with each other to generate new Primary Focus candidates, we could see that our Focus Area approach was sound.

Meanwhile, developed countries have worked to curb healthcare costs by promoting generic drugs, it became difficult for pharmaceutical manufacturers to earn sustainable profits from a single product after the patent expired, resulting in their need to create new drugs continuously.



Kenji Yasukawa

Representative Director, President and CEO,
Chairman of the Board

Interview with Chief Executive Officer



The 3-year period of CSP2018 was a time when this point became decisive. Pharmaceutical companies now face a choice between being a new drug development company or a generic company. At Astellas, we decided to pivot quickly away from the traditional business model, divested 16 off-patent products to other pharmaceutical companies and shifted to our Focus Area approach.

Q

In these times, what role should Astellas play in society?

A

Our role is to deliver the unique VALUE of Astellas. We need to be an innovative company that sets an example for a new era.

The Astellas business is undergoing a transformation. We are breaking away from the strategy of competing for markets that have many similar products. We are instead focusing our business on delivering highly unique and innovative products. Our strategic products, which began with XTANDI and later expanded with products such as XOSPATA and PADCEV, are truly unique to Astellas. Under our Focus Area approach, we are also carrying out research and development in the areas of cell therapy, gene therapy, and immuno-oncology. Through these efforts, we expect to create products that are even more unique and innovative. Continuing to provide unique VALUE to society in this way is the most important role for Astellas. That is why Astellas must be an innovative company. My biggest focus right now is on tackling our Organizational Health Goals (OHGs) for becoming an innovative company.

One example is revising our job-based compensation system. Firstly, we integrated the HR system globally which was different by each region. Then we globally integrated the job grades and remuneration systems and promoted the development of a system that determines grades and remuneration depending on the job. The system is based on globally unified standards regardless of the organization to which the person belongs or the country/region where he or she works.

We also put in place a job posting system that is shared globally. This allows employees to apply for positions within the Company regardless of where they sit in the organization or in the world. We will use this as a way of making sure that we can place the right person in the right position. This system has had a very strong response. By our latest count,* we had more than 500 applicants for over 20 divisions. Through measures like this, we can become an innovative company that sets an example for a new era. I see that as one of the roles of Astellas.

* Aggregate results for the first quarter of FY2022

Interview with Chief Executive Officer

Q What were the key processes for drawing up CSP2021 and how will we be able to carry out such bold measures for organizational transformation?

A After interviewing employees around the world, we realized that we needed a strong commitment to clearing away obstacles to innovation.

To develop CSP2021, we held interviews with employees around the world over a 6-month timeframe starting in the spring of 2020. We analyzed hundreds of responses to the question, “What is holding Astellas back from innovation?” The most troubling obstacle we found was that our organization as a whole was too conservative and too afraid of failure to be able to take on new challenges. Other issues that were highlighted included challenges toward new goals were not appreciated and that the role of leadership in executing ideas was unclear.

There needs to be the right level of collaboration between various departments, such as research, development, manufacturing, and commercial. Only then can innovation emerge. However, we also found opportunities to improve our evaluation system and organizational structure. For example, our previous system involved setting goals for each department and evaluating them on a department-by-department basis. This hindered cross-departmental collaboration and meant that employees were not incentivized to achieve more ambitious goals.

We had to tackle these challenges head-on. Overcoming them will change us into a more innovative organization and better position us to deliver on our Strategic Goals. To this end, we have positioned our set of OHGs as one of the major goals of CSP2021.

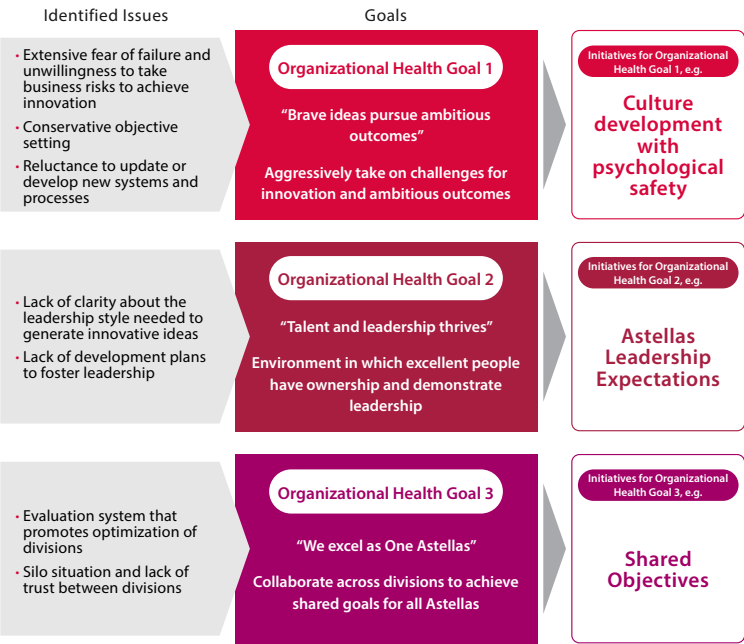
Our OHGs consist of 3 types of goals.

The first OHG is “Brave ideas pursue ambitious outcomes.” To achieve this we need a corporate culture that encourages taking on challenges without fear of failures. We need a psychologically safe environment that allows for learning from intelligent failures. To support this, we introduced an evaluation system that encourages departments and individuals to set ambitious goals.

The second goal is “Talent and leadership thrives.” We are actively carrying out training to change the mindset and style of employees in leadership positions, who are key to enabling our people to thrive in their work. Specifically, we created the Astellas Leadership Expectations and provided training to approximately 3,000 leaders.

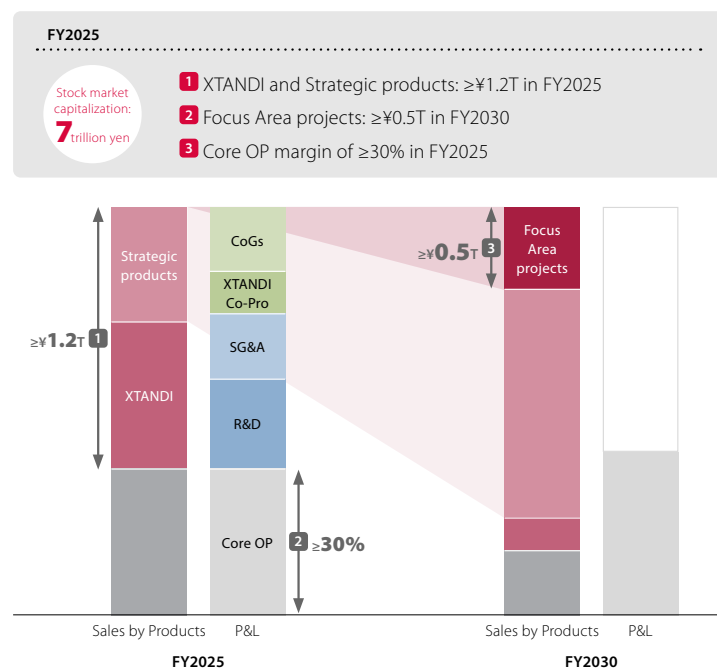
The third goal is “We excel as one Astellas.” To support this goal, we introduced the Shared Objectives system for promoting cross-functional cooperation, collaboration, and coordination as “One Astellas.” As part of our review of the evaluation system, we aligned our individual bonus system to company-wide performance rather than the performance of the department.

Process for transformation into an innovative organization



Interview with Chief Executive Officer

Performance Goals of CSP2021



Q What kind of people will support Astellas in the future?

A The people who will support Astellas in the future are those who understand the true intentions of the OHGs. They embrace challenges while improving their individual capabilities.

I think of the individual capabilities of our employees to be like the letter T of the alphabet. The vertical bar of the T stands for expertise. It is important for employees to have a core area of expertise of their own. After building a career around that expertise, we can advance our understanding of the overall pharmaceutical value chain and extend our capabilities like the horizontal bar of a T. The letter T can take many forms. Some employees have a long vertical axis. Some have a long horizontal axis. Others have 2 vertical axes like the Greek letter π (pi). I believe that by placing a wide range of people in the right places we can energize and strengthen our organization.

We expect all employees to understand the intent of the OHGs, and not just superficially, but thoroughly. All of these goals align with our aim for Astellas to become an innovative company. The psychological safety I mentioned is not about trying to create a friendly company. On the contrary, we want to create a culture where supervisors do not put the brakes on various challenges, so that will actually take more effort from employees. We want all of our employees to embrace challenges based on an understanding of the true intentions of the OHGs. I believe that the people who can do that are the ones who will support the future of Astellas.

Q Looking back at FY2021, what are your thoughts on the year from a business perspective?

A Although some factors such as the weak yen had a temporary impact, our first year of CSP2021 has got off to a good start.

The first year of CSP2021 was a phase of preparation for achieving our goals. This involved some cost as we made upfront investments in areas such as promoting the OHGs and building our global system. In addition, the yen weakened just prior to the fiscal year-end. This had a temporary negative effect on the P/L before the benefits of the weaker yen could emerge. As a result, we recorded sales growth but decrease in core operating profit. In the fourth quarter, Russia's invasion of Ukraine triggered inflation that impacted overseas sales. Furthermore, for economic reasons, self-insured health plans in countries such as the US prioritized low cost even in the treatment of serious diseases such as cancer. This meant

Interview with Chief Executive Officer

that we were unable to achieve the revenue we had forecast at the beginning of the fiscal year. However, these developments mostly relate to temporary factors. The fundamentals of our business have not been negatively affected, so I believe we have made a good start.

On the other hand, during FY2021, COVID-19-related delays were a cause for concern. These affected some development, namely projects in the early stages of clinical trials. Projects in the later stages of clinical trials are moving ahead largely as planned. This is because early-stage clinical trials are susceptible to the impact of hospital staffing shortages and patient visitation restrictions caused by COVID-19. However, that situation is gradually recovering. We expect progress in FY2022 to be on schedule.

Q Lastly, do you have a message for shareholders and investors?

A We aim to achieve performance goals through the implementation of strategic goals and organizational health goals which we have set in CSP2021. As a result, we expect to be recognized as a company with a market capitalization of 7 trillion yen. Please look forward to our research and development progress.

In CSP2021, we have set performance targets consisting of 3 goals: “Revenue: At least 1.2 trillion yen in sales of XTANDI and key strategic products* in fiscal year 2025. Pipeline value: Expected sales from Focus Area assets of more than 500 billion yen in fiscal year 2030. Core operating margin: More than 30% core operating profit margin in fiscal year 2025”. We will be able to achieve performance goals when the strategic goals and organizational health goals are achieved. And when we achieve our performance goals, we believe that we will be evaluated by the stock market with a market capitalization of 7 trillion yen.

The important point is how many flagship products we can develop. It is still in the early research stage, but it will support the next generation of Astellas.

Our challenge is not in an area where we can know the probability of success, and it is hard to perfectly predict in which areas we will be able to create new products. Still, we are confident that our Focus Area approach will bear fruit and create VALUE. This performance target becomes achievable when the strategic target and organizational health target are achieved in the near future.

We are committed to creating innovative medicines in areas such as cell therapy and gene therapy, where there are very few precedents. Until a new drug is approved, it must pass through many gates and meet many requirements. No one can tell it how to do that. We are working toward our VISION, to be on the forefront of healthcare change to turn innovative science into VALUE for patients. Delivering on that will not be easy, but Astellas will keep pushing. We appreciate your continued support.



Representative Director,
President and CEO,
Chairman of the Board

安川健司

Value Creation Story



CONTENTS

Value Creation Story	11
Value Creation Model	12
Our History	14
Management Capital	15
Astellas' Business Model for Creating Innovation	16
Strengthening Our Sustainability by Revising the Materiality Matrix	17
The VALUE that Astellas Provides	21
Providing Value to Stakeholders	22

Value Creation Model

Based on our business philosophy to “Contribute towards improving the health of people around the world through the provision of innovative and reliable pharmaceutical products,” Astellas is striving to continue to create innovation and deliver innovative medical solutions that meet the needs of patients.

Input

Financial Capital

Invested capital

Flexible financing for business opportunities

Manufacturing Capital

Research facilities

Manufacturing facilities covering commercial production of cell and gene therapies

Intellectual Capital

Patents

Know-how for global drug development and commercialization

Technical capabilities for various new modalities

Social and Relational Capital

Corporate brand

Human network

Collaboration / alliance

Human Capital

Highly skilled talent

DE&I

Natural Capital

Natural resources

Reusable energy

Biodiversity

→ P.15

Philosophy

Raison D'être

Mission

Beliefs

Social issues and requests from society

VISION → P.03

Key Issues and Materiality → P.17

Business Activity

Business Model

Fulfill the unmet medical needs by creating and delivering innovative treatments

Cutting-edge, VALUE-driven life sciences innovator → P.16

"VALUE Creation" through research and development activities

"VALUE Realization" through later stage development and commercialization activities

Strategy

Corporate Strategic Plan 2021 accelerating realization of VISION → P.25

Strategic Goals

1 Enable patients to achieve better outcomes

2 Translate innovative science into proven VALUE

3 Advance the Rx+ Business

4 Deepen our engagement in sustainability

Talent and Organization which Create Innovation

Environment where diverse individuals can success

"Right person in right position" globally

Organizational Health Goals

1 Brave ideas pursue ambitious outcomes

2 Talent and leadership thrives

3 We excel as one Astellas

Governance

Corporate Governance, Risk Management, Compliance

→ P.66

Output

XTANDI and Priority Strategic Products

→ P.36

Products derived from FA approaches, including cell medicine and gene therapy

Primary Focus

Genetic Regulation

Mitochondria

Blindness and Regeneration

Immuno-Oncology

→ P.43

Rx+® Healthcare Solutions

ASP5354: Visualization of the urethra in operations

Digital therapeutics

Wireless medical implantable devices

ECG analysis service

Exercise support service

→ P.48

Solving social issues

Outcome

Maximize VALUE → P.21

Common Definition of VALUE

VALUE = Outcomes that matter to patients

Cost to the healthcare system of delivering those outcomes

Performance Goals → P.25

Enhancing management capital

Impact

Enhance sustainability of society and Astellas

Realization of sustainable society

Providing value to stakeholders
→ P.22

Sustainable enhancement of enterprise value

Earning trust from stakeholders

— 12 —

— 13 —

Our History

Shifts in the Corporate Strategic Plan and strategic areas

Our VISION is updated in CSP2015

CSP2018

CSP2021

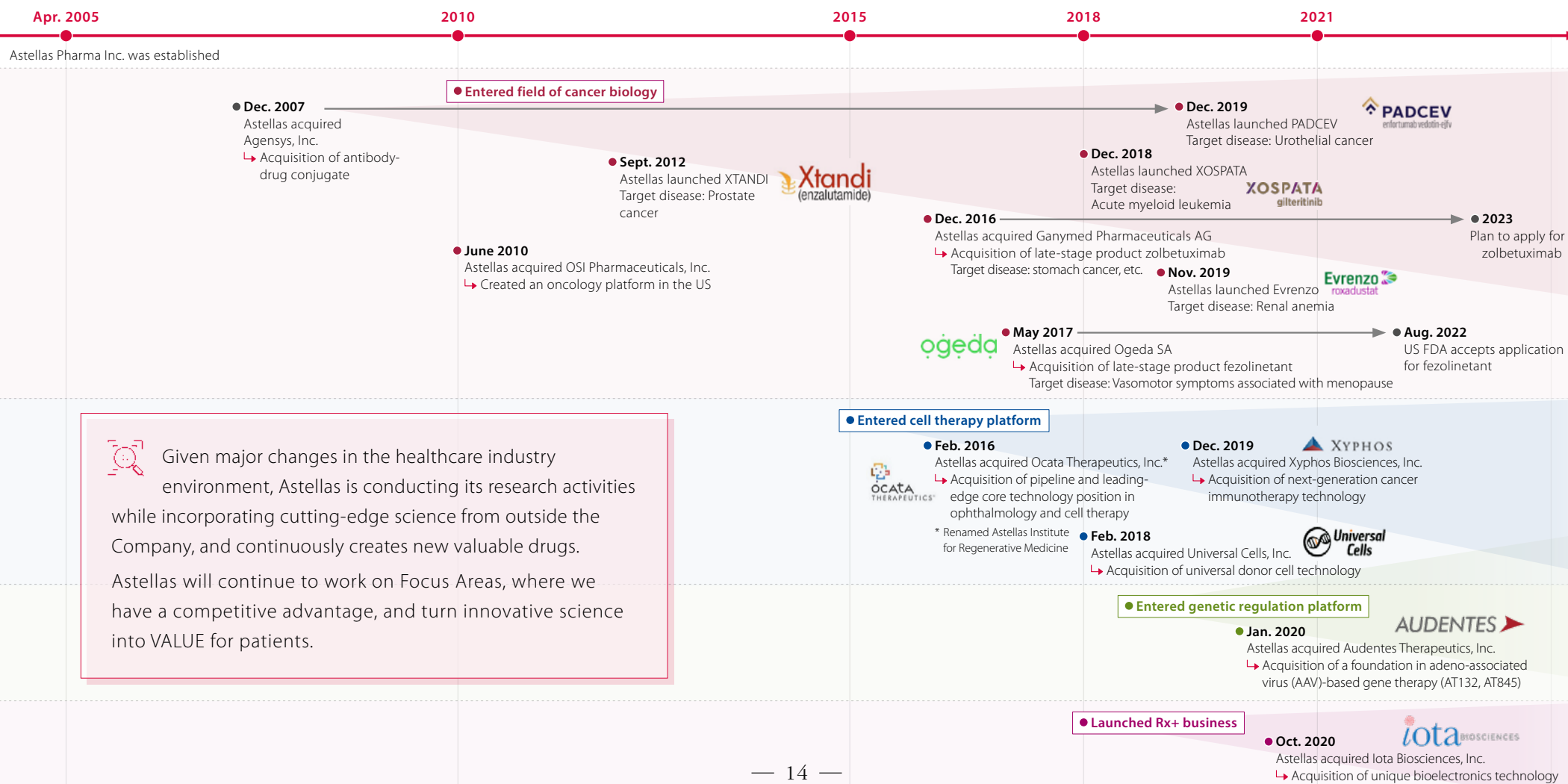
Global Category Leader (GCL) model

2005–2010

Urological disease,
transplant fieldsFrom 2010
onwardsUrological disease, transplant
fields, oncology platform

Focus Area Approach

➔ P.41



Given major changes in the healthcare industry environment, Astellas is conducting its research activities while incorporating cutting-edge science from outside the Company, and continuously creates new valuable drugs. Astellas will continue to work on Focus Areas, where we have a competitive advantage, and turn innovative science into VALUE for patients.

Management Capital

The capital that Astellas has accumulated along with its steady growth is essential for enhancing the sustainability of society and of Astellas. We will promote corporate activities that use financial capital, manufacturing capital, intellectual capital, social and relational capital, human capital, and natural capital. By further strengthening these capitals, we will realize a sustainable society and sustainable enhancement of our enterprise value.

Financial Capital

- ◆ Invested capital
- ◆ Flexible financing for business opportunities



While maintaining a sound financial position, our top priority is investment for future business growth. We will be agile in our financing for business opportunities.

Manufacturing Capital

- ◆ Research facilities
- ◆ Manufacturing facilities covering commercial production of cell and gene therapies



We have state-of-the-art in-house research facilities and manufacturing facilities covering commercial production of cell therapy and gene therapy. These are necessary for creating innovative new drugs and healthcare solutions, and we are expanding our business globally.

Intellectual Capital

- ◆ Patents
- ◆ Know-how for global drug development and commercialization
- ◆ Technical capabilities for various new modalities



We possess not only patents related to our products, but also intellectual capital that sustains our competitive strength. This takes the form of know-how for global new drug development and commercialization, and technical capabilities for various new modalities.

Social and Relational Capital

- ◆ Corporate brand
- ◆ Human network
- ◆ Collaboration / alliance



We are promoting our business by leveraging the following: our corporate brand of running our business globally through innovative and reliable pharmaceutical products, a broad human network of our individual employees active in various specialized fields, and proactive and effective collaboration and alliances with various business partners, such as open innovation.

Human Capital

- ◆ Highly skilled talent
- ◆ DE&I



We drive innovation and create new value through the activities of our highly skilled employees. We empower diverse people to contribute to our business using their specialized knowledge and skills, regardless of their race, nationality, gender, age, or other attributes.

Natural Capital

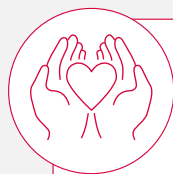
- ◆ Natural resources
- ◆ Reusable energy
- ◆ Biodiversity



We use this capital in our business activities while taking steps to improve environmental sustainability. This includes using natural resources effectively, using reusable energy, and working to maintain and preserve biodiversity.

Astellas' Business Model for Creating Innovation

At Astellas, we are relentless in our pursuit of innovative science and in identifying unmet medical needs by monitoring changes in healthcare from multiple perspectives. We are achieving VALUE creation and realization for patients through development of innovative new drugs and healthcare solutions, and enhancement of patient access to healthcare and outcomes around the world by leveraging our strengths.



Business Model

Fulfill the unmet medical needs by creating and delivering innovative treatments

Cutting-edge, VALUE-driven life science innovator

This is the simplest answer to the question: "who do we want to be?". Created in parallel with the 5 year CSP2021, the "Mature State" description of Astellas is an evolving, longer-term image of the Company we expect to become as we strive to realize our VISION. We have distilled the sentiment of the Mature State into 1 phrase and it should be understood as follows:

- Cutting-edge:
We operate at the forefront of scientific and technological advances to create novel healthcare solutions.
- VALUE-driven:
Our common definition of VALUE means that everything we think and do is informed by what leads to more and better outcomes that matter to patients.
- Life sciences innovator:
We leverage and evolve our capabilities to exploit the greatest opportunities across the prescription biopharmaceutical business and beyond, and then continuously bring innovation to life.

"VALUE Creation"

through research and development activities

"VALUE Realization"

through later stage development and commercialization activities



Strengthening Our Sustainability by Revising the Materiality Matrix

New Materiality Matrix

To prepare the new materiality matrix in FY2021, Astellas selected 19 key issues from the perspective of importance for both society and Astellas in sustainability. We then prioritized the 9 material issues (Materiality) from this group. As we believe that the act of prioritizing and subsequently addressing these 9 material issues will put Astellas on the path to becoming a cutting-edge, VALUE-driven life science innovator with enhanced our business activities meeting expectations from society. This, in turn, will lead to improved sustainability for both Astellas and society.

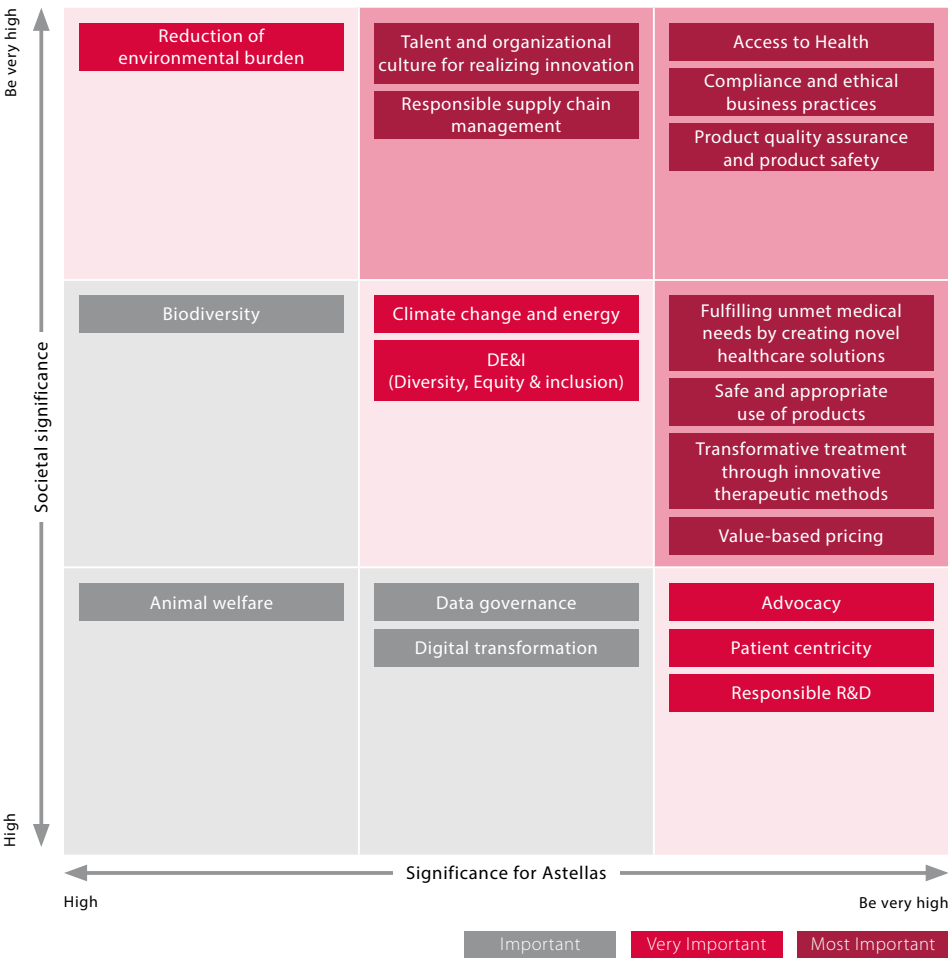
VOICE

In FY2021, the materiality matrix was revised on a cross-divisional basis, and I led the entire process. In the previous materiality assessment (FY2017), many issues were positioned as the most important, and we received suggestions from external stakeholders that they were too generalized and difficult to understand.

In the assessment for FY2021, we took a different approach than in FY2017 in order to narrow down the issues from a more objective perspective and to ensure that Astellas’ unique characteristics are reflected in the assessment results. For the weighting of “Societal Significance” on the vertical axis, we determined priorities by combining the magnitude of the social issues and the level of interests from stakeholders. Furthermore, in weighting the “Significance to Astellas” on the horizontal axis, we also added the perspective of whether Astellas’ assets and capabilities can be used to address the issues. Obviously, we collected input from many internal and external stakeholders as we proceeded with the revision. Internally, the Sustainability Advisory Panel, the Executive Committee, the Board of Directors, and other committees actively discussed this materiality matrix. The revised materiality matrix has narrowed down the number of issues and made it clear which issues Astellas should address. As a result, many stakeholders have commented that it has become a materiality matrix that is unique to Astellas.



Sayaka Konishi
Sustainability



Click here to learn more about the definitions of the key issues (PDF)
https://www.astellas.com/system/files/definition_of_key_issues_en_2022_0.pdf

Strengthening Our Sustainability by Revising the Materiality Matrix

Process of Updating the Materiality Matrix

Astellas revised its materiality matrix in FY2021 to reflect changes in the internal and external environment in the steps shown below. Under the VISION “On the forefront of healthcare change to turn innovative science into VALUE for patients,” we have developed specific action plans and started implementation to drive our efforts to address the key issues identified in the materiality matrix.



Strengthening Our Sustainability by Revising the Materiality Matrix

Addressing the 9 most important issues, Astellas will transform to be a VALUE-driven life science innovator, and expand its level of trust as an industry leader.



There are patients and their families suffering from diseases with no or limited treatment options that cannot provide satisfactory outcomes in society.

Astellas is pursuing transformative healthcare solutions that do not simply alleviate the symptoms of diseases. Instead, we are developing innovative therapeutics, such as cell therapies and gene therapies, which are disease-modifying and directly address the underlying cause of the disease. Symptomatic treatment not only places a burden on the patient through commuting to the hospital and inpatient stays, but also increases the burden on their families who nurse and care for them as the social and economic losses are not small. By actively creating innovative treatment measures, Astellas aims to free patients and their families from years of treatment and care, while significantly improving symptoms with only a few treatment cycles. As a result, patients can return to their normal lives sooner, thereby reducing the overall load on the local healthcare system far and wide from the constant need for medical treatment.

We believe that one of the most important driving forces to create and deliver great VALUE to society is an organizational culture that realizes innovation. Astellas will continue our endeavor to cultivate an organizational culture and achieve sustainable value creation through acquiring and developing talent in order to provide the access to healthcare solutions we have created to as many patients as possible. In addition, in order to sustainably create innovative therapeutic approaches and other innovations, it is necessary to set appropriate prices for innovations. Astellas will also cultivate an environment and scheme to ensure that prices fairly reflect the value impact on society, including patients, their families, and the healthcare professionals who support patients' health.

.....Material issues to realize the above

◆ Fulfilling unmet medical needs by creating novel healthcare solutions

Addressing advanced and hard-to-treat diseases and conditions with a high level of unmet medical needs through novel therapeutic molecules and delivery methods, as well as new technologies for disease management—such as prevention, diagnosis, treatment and post-treatment care and management—to enable patients to improve their quality of life.

◆ Transformative treatment through innovative therapeutic methods

Bringing new value to patients and their families suffering from diseases with no or limited treatment options that cannot provide satisfactory outcome, as well as to society as a whole, through innovative therapeutic methods such as cell and gene therapies that could significantly improve symptoms or potentially cure diseases with a single or a few administrations by addressing the underlying causes of diseases.

◆ Talent and organizational culture for realizing innovation

Ensuring talent and an organizational culture that contribute to generating innovation through attraction, retention and organizational/talent development, with paying attention to employee well-being and new way of working. This includes not only the areas directly involved in cutting-edge scientific research and digital technology, but also initiatives targeting all functions and talent within the Company.

◆ Access to Health

Delivering medicines and medical services to those who need them through diverse approaches, including creating innovation and patient support programs for patients who cannot access necessary healthcare due to various circumstances such as geographical and socioeconomic factors. In addition, ensuring a stable and resilient supply of products to patients by appropriately controlling the supply of raw materials, manufacturing, and distribution. This includes measures against counterfeit medicines.

◆ Value-based pricing

Ensuring that the price of products in the healthcare industry are set in a manner that fairly reflects the value they bring to patients, their families, healthcare systems, and society.

Strengthening Our Sustainability by Revising the Materiality Matrix



Strengthen business activities to meet expectations of society

Astellas manufactures products of excellence in quality at the global standard and continues to deliver safe products to patients. It is our mission to ensure the stable delivery of our products to patients under any circumstances. While ensuring the protection of human rights and safety of all those engaged in procurement, manufacturing, and distribution, ensuring resilient supply chain management in the change of external environment throughout the supply chain. In addition, we will continue to provide information to facilitate the safe and appropriate use of our products by patients. We will foster trust from society by always thinking of patients and their families who are suffering from diseases, considering what healthcare solutions are best for them and what Astellas' products can contribute to them, and continuing our activities in an ethical manner. We act with compliance and high ethical business practices in all aspects of our business as well as the provision of product information. In addition, we contribute to the societal sustainability with evolving our governance to ensure fair management decisions and operations.

.....Material issues to realize the above.....

◆ Product quality assurance and product safety

Ensuring our products are manufactured with appropriate quality assurance standards.

◆ Responsible supply chain management

Selecting suppliers in compliance with selection criteria, including sustainability perspectives, such as compliance with laws, respecting human rights as well as diversity. Coaching suppliers that need improvements and supporting their capacity building. Respecting the human rights of employees and business partners, including the elimination of discrimination, the freedom of association and the protection of the rights to organize, and the exclusion of child labor and forced labor.

◆ Safe and appropriate use of products

Enhancing the safe and appropriate use of our products by healthcare professionals and patients to ensure patient safety and the efficacy and safety of our products. This includes responsible marketing and ethical advertising, maintaining a functional and robust pharmacovigilance system.

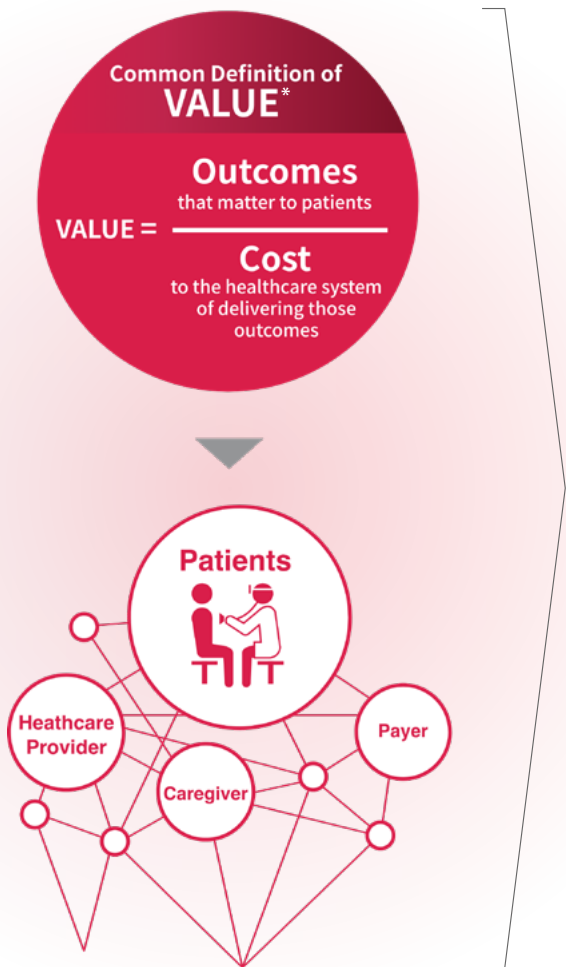
◆ Compliance and ethical business practices

Acting with integrity and making ethical decisions in all aspects in accordance with the spirit of the law and the social norms that support it and going beyond compliance with applicable laws, regulations and industry codes. Promoting such behavior through our global compliance structure and the development, implementation, and continuous enhancement of necessary policies and processes, and focusing our activities on Anti-bribery / Anti-corruption compliance, avoiding conflicts of interest, seeking to pay the right amount of tax in the right place at the right time, encouraging a "speak-up" culture, and demonstrating our commitment to integrity, ethics and compliance.

The VALUE that Astellas Provides

Our Common Definition of VALUE Is the Foundation to Realize Our VISION

For Astellas to realize its VISION, we work with a “Common Definition of VALUE” (see graphic below) to clearly communicate and share our aspirations with diverse stakeholders.



With “outcomes that matter to patients,” Astellas is committed beyond the safety and efficacy of treatments. We seek to understand and optimize our products, and their subsequent use, to maximize improvements in quality of life (QOL) and to minimize the burdens they create.

For “costs to the healthcare system of delivering those outcomes,” we are looking at the individual costs borne by the patient, the healthcare costs borne by insurance companies and public institutions, as well as the indirect costs and burdens imposed on the patient’s family and caregivers.

For example, if a drug proves effective in treating a disease that has conventionally required surgery, the outcome for the patient will be significant. It will not only lessen the physical burden on the patient, but also the mental and lifestyle burdens generally experienced by patients.

These benefits are not limited to the patients alone. They will ripple out across society, from the patient’s families and friends to medical institutions as a whole. With lower hospitalizations and surgeries, these institutions can care for a higher number of patients. Therefore, reducing the denominator in our Common Definition of VALUE equation can affect a positive change across society.

We believe that by placing this concept at the core of our business and adapting it to all divisions and regions, Astellas will be able to make a greater contribution to healthcare.

Corporate Strategic Plan 2021 (CSP2021) is based on this “VALUE” equation, with an overall aim to increase VALUE for patients and realize our VISION.

* Adapted from “What Is Value in HealthCare?” Porter, M.E. (2010).
New England Journal of Medicine

Providing Value to Stakeholders

Value provided

- Improving people's quality of life and enhancing community healthcare by creating innovative new medicines
- Improving technology level, development of healthcare industry
- Recommendations for better healthcare policy
- Participating in economic and industry associations and various external initiatives



Public
administration

Value provided

- Social contribution activities and donations
- Environmental conservation
- Job creation
- Increasing awareness and understanding of diseases and medical care

Examples of activities:

- Open forums (2 times/FY2021)
Target: General public (including patients and their families)



Local
community

Value provided

- Opportunities and places for self-development and self-actualization
- Places, co-workers, and resources for solving social issues and contributing to the health of people around the world
- Job satisfaction
- Good working environment (work style reforms, promotion of remote work, etc.)
- Compensation



Employees

Dialogue results:

- Ask me anything (18 times/FY2021)
- Dialogue with CEO (30 times/FY2021)
- OHG Leadership Conversations (3 times/FY2021)

Value provided

- Driving innovation and creating new value through collaborations with Astellas and integration of capabilities



Business
partners

Shareholders
and investors

Value provided

- Sustainable enhancement of enterprise value
- Stable shareholder dividends
- Timely and appropriate information disclosure
- Engagement with investors



Healthcare
professionals

Value provided

- Find new knowledge from research data to create scientific innovation
- Applying cutting-edge research findings to medical care
- Training researchers



Academia,
research
institutions

Value provided

- Fulfilling unmet medical needs by creating innovative medicines and medical solutions
- Providing information on safety and efficacy
- Improving Access to Health (ATH)
- Ensuring a continuous stable supply of investigational drugs and commercialized products
- Support for patient organizations
- Reducing the burden on families and the entire healthcare system



Patients and
their families

Dialogue results:

- Medical seminars for patients and their families (4 times/FY2021)

Value provided

- Providing information on safety and efficacy (including promotions)
- Ensuring a stable and resilient supply of investigational drugs and commercialized products

Dialogue results:

- IR meetings with securities analysts and institutional investors (approx. 220 times/FY2021, including 20 ESG meetings)
- Earnings calls and IR events (Corporate Strategic Plan announcement, R&D meeting, Sustainability meeting, etc.) (10 times/FY2021)

Progress of Corporate Strategic Plan

CONTENTS

Progress of Corporate Strategic Plan	23
Corporate Strategic Plan Review	24
Corporate Strategic Plan 2021	25
Interview with Chief Strategy Officer	28
Interview with Chief Financial Officer	31
Strategic Goal 1	34
Message from Chief Commercial Officer	35
Progress of Strategic Goal 1	36
Strategic Goal 2	39
Message from Chief Scientific Officer	40
Progress of Strategic Goal 2	41
Digital Transformation	45
Strategic Goal 3	46
Message from the Head of the Rx+ Business Accelerator	47
Progress of Strategic Goal 3	48
Strategic Goal 4	50
Message from the Head of the Sustainability Division	51
Progress of Strategic Goal 4	52
Organizational Health Goals	58
Message from the Head of Human Resources	59
People and Organization for Innovation	61
Initiatives for People and Organization	62
Organizational Health Goals	63
Engagement, Diversity, Equity and Inclusion	65

Review of Corporate Strategic Plan

Corporate Strategic Plan 2015 (FY2015-FY2017)

Financial Guidance

ROE	15% or more Maintain and improve this level after the strategic plan period	15.1% Average for 3 years, FY2015 – FY2017
Revenue	CAGR (%): Mid single-digit	+1.4%*1
Core operating profit	CAGR that exceeds revenue	+7.5%*1
R&D investment	Higher than 17% of revenue	16-17% of revenue / improvement of cost structure
Core EPS	CAGR that exceeds CAGR of core operating profit	+13.2%* Achieved EPS CAGR exceeding CAGR of core OP along with enhancement of capital efficiency
DOE	6% or more	5.7% Result of FY2017

Major Initiatives and Accomplishments

Renewed the VISION in 2015. Astellas declared a graduation from a business model that specializes in specific disease areas. This became the origin of the shift to a Focus Area approach that constantly explores new business opportunities from a multidimensional

approach. Through the Corporate Strategic Plan 2015-2017, we strengthened our global management system, expanded to various modalities and biology, advanced late-stage development programs, and acquired key assets.

*1 CAGR for 3 years starting from FY2014 results

Corporate Strategic Plan 2018 (FY2018-FY2020)

Financial Guidance

Revenue	FY2017 level (¥1,300.3 billion)	¥1,249.5 billion Not achieved
R&D investment	More than ¥200.0 billion	¥224.5 billion Achieved
Core operating Profit	Core Operating Profit margin 20%	20.1% Achieved
Core EPS	Exceed FY2017 level (¥100.64)	¥113.03 Achieved

Major Initiatives and Accomplishments

Strategic Goal 1

Maximizing Product VALUE and Operational Excellence

- ✓ Sales of XTANDI and mirabegron steadily increased. XTANDI's growth exceeded original expectations
- ✓ Continued launches of new products in Japan
- ✓ 6 post-PoC projects: Achieved important milestones as planned. Successful launches of XOSPATA, PADCEV, EVRENZO and positive initial uptake
- ✓ Operational Excellence: Prioritize sales promotion expenses and promote global procurement efficiencies and travel cost reductions (approx. ¥50.0 billion*2 profit improvement)

*2 Cumulative total of FY2018-FY2020

Strategic Goal 2

Evolving How We Create VALUE: With the Focus Area Approach

- ✓ Progressed clinical programs in the designated Primary Focus
- ✓ Strengthened capabilities through collaborations and acquisitions to continuously produce innovative projects
- ✓ Enhanced utilization of innovative platforms among multiple Primary Focuses and produced multiple promising projects

Strategic Goal 3

Developing Rx+ Programs

- ✓ Progressed toward establishment of a foundation for Rx+ business
- ✓ Achieved partnerships with various technologies from different fields
- ✓ Successfully advanced multiple programs toward commercialization

Summary of CSP2018

We have established a common definition of VALUE that is the foundation to realize our VISION. As a strategy for creating VALUE, we established a Focus Area approach and identified Primary Focuses to invest in as a priority. Through acquisitions, we have made a full-scale

entry into gene therapy in addition to cell therapy. We have included Rx+ as one of our strategies in order to develop new healthcare solutions. We have built the foundation to execute a Focus Area approach fully in the next CSP2021.

Corporate Strategic Plan 2021

Corporate Strategic Plan (CSP) 2021 Overview

VISION

FY2021 - FY2025 **CSP2021**

► Performance Goals

Aim to become a company with a Market Cap valued at more than ¥7 trillion yen in FY2025 *by achieving*

- 1. **Revenue:** XTANDI and Strategic products* sales \geq ¥1.2 trillion in FY2025
- 2. **Pipeline Value:** Focus Area projects expected sales \geq ¥0.5 trillion in FY2030
- 3. **Core Operating Profit Margin:** \geq 30% in FY2025

* XOSPATA, PADCEV, zolbetuximab, Evrenzo, fezolinetant, AT132.

► Strategic Goals

1.
Enable patients to achieve better outcomes

2.
Translate innovative science into proven VALUE

3.
Advance the Rx+ business

4.
Deepen our engagement in sustainability

► Organizational Health Goals

- 1. **Unlock innovation**
 - 2. **Talent & leadership thrives**
 - 3. **Strengthen collaboration**
- Fostering a corporate culture that aims to achieve ambitious goals
 - Significantly improving our execution capabilities

Astellas created Corporate Strategic Plan 2021 (“CSP2021”) as a 5-year plan for FY2021 to FY2025 to pursue our VISION.

We characterize CSP2021 as follows:

- Evolved strategy
- Transformative execution
- Ambitious goals
- Same deep commitment to our VISION

In creating the CSP2021, we considered who we want to be in the long term. We refer to this as the “Mature State” and, in short, our Mature State image is to be a “Cutting-edge, VALUE-driven life sciences Innovator.”

One of the major differences between CSP2021 and CSP2018 is that it consists of 3 types of goals that mutually reinforce each other as they are pursued.

First, we have strategic goals (“SGs”). We have 4 Strategic Goals, and the first 3 goals focus on “what’s next” following our efforts in CSP2018.

SG4 is newly introduced. We considered that it is needed to set the sustainability thinking in the core of our business. We aim at solving social issues through our core business. Our sustainability is the sustainability for both society and Astellas.

We have newly set Organizational Health Goals in CSP2021. We have adopted 3 goals. We recognized that we need to transform our organization and create the best internal environment to drive innovation and maximize our execution.

Performance Goals are set to measure successful execution of CSP2021 and indicate our ambitious goals in financial terms. We set goals from 3 aspects: revenue, pipeline value, and core operating profit margin. By achieving these Performance Goals, we aim to become a company with a market capitalization of more than ¥7 trillion in FY2025.

Corporate Strategic Plan 2021

Progress of Strategic Goals

Goals	Major Initiatives and Accomplishments
1. Enable patients to achieve better outcomes ➔ P.34	<ul style="list-style-type: none"> Although the ambitious full-year forecast was not achieved, sales of XTANDI and strategic products increased 19% year on year Fezolinetant obtained top-line results from a SKYLIGHT 4 study, which is a Phase III long-term safety study. (Submitted fezolinetant NDA to the US FDA in June) Enfortumab vedotin received a CHMP positive opinion (subsequently, PADCEV was approved in the EU in April and launched). PADCEV was also approved and launched in Japan Achieved additional approvals in the US Xtandi additional indication (mHSPC) approved in the EU EVRENZO approved and launched in the EU Reorganization of commercial functions in order to centralize and standardize functions globally and build stronger capabilities AT132 clinical study was put on clinical hold and the development plan was revised
2. Translate innovative science into proven VALUE ➔ P.39	<ul style="list-style-type: none"> Achieved 9 candidate nomination decisions in research for clinical development 4 projects entered the clinical development phase with new modalities/technologies such as bispecific immune cell engager and protein degrader There were judgments in 7 projects among the ones expected for PoC judgement within the CSP2021 period. As a result, no projects achieved PoC in FY2021 Reformed the research organization to be agile and accelerate innovation
3. Advance the Rx+ business ➔ P.46	<ul style="list-style-type: none"> First program commercialization (My Holter II, ECG analysis service using AI) Based on the good results obtained in the Phase II study of ASP5354, preparations are being made for conducting the Phase III study
4. Deepen our engagement in sustainability ➔ P.50	<ul style="list-style-type: none"> Updated our materiality matrix and reidentified 19 key issues including 9 material issues (Materiality) Developed and disclosed Access to Medicines strategy, and selected 4 programs for the health system strengthening Scenario analysis was conducted for disclosure based on TCFD recommendations. In 2021, a qualitative analysis was conducted and published Strengthened in advocacy of our efforts on sustainability (e.g., conducted sustainability meeting for the investor community, named in the FTSE4Good Index Series for 11 consecutive years)

Progress of Organizational Health Goals

Goals	Major Initiatives and Accomplishments
1. Unlock innovation 2. Talent & leadership thrives 3. Strengthen collaboration ➔ P.58	<ul style="list-style-type: none"> Promoted deep understanding of CSP2021 among all employees, with increased direct communication by Top Management Redesigned divisional objective-setting with shared and ambitious objectives Astellas Leadership Expectations were formulated to substantially transform our corporate culture, and training for all leaders (about 3,000 people) was completed

Corporate Strategic Plan 2021

Relationship to Material Issues

	①	②	③	④	⑤	⑥	⑦	⑧	⑨
	Access to Health	Fulfilling unmet medical needs by creating novel healthcare solutions	Transformative treatment through innovative therapeutic methods	Value-based pricing	Product quality assurance and product safety	Safe and appropriate use of products	Compliance and ethical business practices	Responsible supply chain management	Talent and organizational culture for realizing innovation

Astellas will evolve sustainability for society and Astellas by addressing the key social issues and materiality


Strategic Goals

1. Enable patients to achieve better outcomes	✓	✓	✓	✓	✓	✓			
2. Translate innovative science into proven VALUE	✓	✓	✓	✓					
3. Advance the Rx+ business	✓	✓							
4. Deepen our engagement in sustainability	✓								

Organizational Health Goals

1. Unlock innovation									
2. Talent & leadership thrives									✓
3. Strengthen collaboration									

Interview with Chief Strategy Officer

A portrait of Naoki Okamura, a middle-aged man with dark hair, smiling. He is wearing a dark blue suit, a light blue shirt, and a patterned tie. He has his arms crossed and is standing in front of a light-colored wall with a vertical architectural element.

Naoki Okamura

Representative Director,
Executive Vice President
Chief Strategy Officer (CStO)

Continuing to generate innovation is an abiding theme for us. To that end, we will transform Astellas into an optimal organization with optimal work styles as we steadily execute Corporate Strategic Plan 2021.

Q.

Tell us about the positioning of Corporate Strategic Plan 2021 and the key points involved in achieving its goals.

A.

Corporate Strategic Plan 2021 is a further evolution of Corporate Strategic Plan 2018. To realize the goals of the new plan, it is essential that employees themselves drive transformation proactively.

Corporate Strategic Plan 2021 (“CSP2021”) is a roadmap for realizing Astellas’ VISION “to be at the forefront of healthcare change to turn innovative science into VALUE* for patients.” The 4 Strategic Goals set forth in the plan are a further evolution of the 3 Strategic Goals of Corporate Strategic Plan 2018 (“CSP2018”), with the addition of sustainability-related initiatives. The business areas the Company is focusing on remain unchanged. Looking back on CSP2018, however, although the goals were clear, we realized there were factors which are hindering us from effective execution. In CSP2021, therefore, we set Organizational Health Goals as means of achieving the Strategic Goals, and set Performance Goals describing what the Company will look

like when our management approach and our business direction are successfully matched. In other words, CSP2021 clearly lays out what to do, how to do it, and what we will achieve in the end.

To achieve the goals, I think it is vital for all Astellas employees to drive transformation by themselves proactively, with a deep understanding of the concepts and philosophy of CSP2021 and broader perspectives between the Company’s position and each employee’s own mission. So, I believed that the penetration of the concepts of CSP2021 was our most critical task, we focused on dialogue with employees in FY2021 as the first year of the CSP2021. We fully delineated the newly established Organizational Health Goals and

Interview with Chief Strategy Officer

Performance Goals in particular, and held a total of 18 “Ask Me Anything” sessions—internal meetings held online in which employees were able to interact with me directly. Altogether, the

sessions had about 7,000 employees (including those attending multiple sessions), and 730 questions were answered.

* Astellas defines VALUE as “Outcomes that matter to patients” divided by “Cost to the healthcare system of delivering those outcomes.” See P.21 for more information on our VALUE.

Q. Tell us about the progress of the Strategic Goals set out in CSP2021.

A. In FY2021 as the first year of the CSP2021, each strategy has made solid progress.

I would like to look back at the Strategic Goals individually. In terms of Strategic Goal 1 “Enable patients to achieve better outcomes,” sales of strategic products grew, offsetting sales declines by the termination of distribution agreements and product transfers for mature products. Although performance in the Q4 was not good enough, I think our current growth strategies performed well throughout the year.

Regarding Strategic Goal 2 “Translate innovative science into proven VALUE,” we were disappointed not achieving any PoC*¹ in FY2021. However, we did see following success results: 9 new therapeutic drug candidates started preparations for clinical development, and 4 projects entered into the clinical stage.

We saw solid progress with Strategic Goal 3 “Advance the Rx+ business,” including starting pilot marketing of the Fit-eNce Home service

and commercialization of the My Holter II ECG analysis service. In the area of bioelectronics, Iota Biosciences, Inc., which we acquired in 2020, moved forward with development of tiny wireless and implantable medical devices as small as a few millimeters or less. As this is promising for a wide range of applications, we have high expectations for this technology as a next-generation business. Several projects are progressing ahead of schedule and we are preparing to apply for an IDE*² to move forward to the clinical stage.

Finally, in terms of Strategic Goal 4 “Deepen our engagement in sustainability,” we revised the Materiality Matrix*³. It was a great accomplishment to redefine the former 31 key issues into 19 issues, while clarifying that 9 of the 19 key issues have priority in terms of our sustainability initiatives.

Although there are several things not achieved when we see in detail, overall our

sense is that each Strategic Goal made solid progress in the first year of CSP2021.

*1 Proof of concept refers to confirming efficacy and other aspects of a product in clinical trials to support moving into late-stage development.

*2 Investigational device exemption is an application made to the FDA to allow a device to be used in a clinical study in order to collect safety and efficacy data.

*3 For details, please refer to P.17.

Q. What kind of initiatives can we expect in FY2022?

A. We will steadily achieve development and regulatory milestones of strategic products. In particular, once we obtain approval of fezolinetant, we will finally be able to launch it in the US.

FY2022 is a key year for achieving the Performance Goals of FY2025. We plan to file in the US for XTANDI for non-metastatic castration-sensitive prostate cancer. We also plan to file in the US for enfortumab vedotin (PADCEV) as a first-line treatment for metastatic urothelial cancer. We also expect to obtain the topline results of several pivotal trials. By steadily achieving these milestones, we will develop the foundation for sustainable growth and move toward a medium- to long-term profit growth trend.

Another important upcoming topic is the application for approval of fezolinetant in the US in June 2022. This drug is for the treatment of vasomotor symptoms (VMS) associated with menopause. Until around 2000, 12 million

women suffering from VMS in the US received hormone replacement therapy (HRT). However, since HRT was identified as posing a risk for other diseases and there were no other alternatives, VMS has been left virtually untreated for the past 2 decades. Fezolinetant meets this unmet medical need, using a completely different mechanism of action from HRT. Given the situation in 2000, we assume that the market potential for the drug is unchanged, at 12 million people. We forecast 500 billion yen peak sales at most, and expect fezolinetant to become a core product after XTANDI. We will seek to garner awareness of the drug among both physicians and patients, aiming to expand sales quickly.

Interview with Chief Strategy Officer

Q. Going forward, what should be the central focus for Astellas and what should be transformed?

A. Continuing to generate innovation is an abiding theme for Astellas. To that end, we will transform the organization, ways of working, and our talents.

The pharmaceutical industry underwent a major change at the turn of the 21st century. In the past, product development by improving existing products generated profits well. Now, however, if a pharmaceutical company cannot provide truly superior products to the market, it loses its raison d'être. Consequently, by turning innovation into VALUE, we seek to create products that only Astellas can deliver.

"Intelligent risk-taking" is needed for

innovation. Our task is to take on the challenge of doing something that has never been done before. Fear of failure does not lead to success.

In FY2021, we transformed our research organization, getting rid of the former top-down and functional organizations and transitioning to an agile organization that enables rapid decision-making and autonomous activities. In the processes of the former organization, we spent a lot of time and effort analyzing the

risks of new actions and responses before we take those new actions. That kind of approach is simply not viable at the frontlines of current R&D. To survive, it is critical for highly specialized staff to step up the pace of repeated trial-and-error research while taking risks appropriately. However, the critical thing is not merely the shape of the research organization—the idea is to raise the risk tolerance of the Company as a whole.

For the work styles of employees outside of R&D, we are moving away from our former way of doing things as well. For instance, online meetings are now the mainstream, joining from all over the world. Of the 14 leaders who

report to me, 10 people are located outside Japan. Nearly all functions of the corporate organization are globalized. We are confident that we can maintain close communication with one another without going to the Tokyo headquarters—it is how we are already operating day to day. We will continue working to create a more open, more flat organization.

We are also looking to attract core talent from outside the Company. Not only in R&D but also in corporate divisions, professionals in their respective fields have come onboard at Astellas at the level of executive leaders. I am delighted for the new vitality and creativity that such personnel are bringing to Astellas.

Q. As CStO, do you have a message for stakeholders?

A. We will work as One Astellas to achieve sustainable growth.

I put a secondary title to CSP2021 as the "5 years for us to prove that Astellas will continue to grow even after the XTANDI patent expires." I believe other strategic products can fill the gap of the expiration of the XTANDI patent. However, further growth will depend on the success of the pipeline from Primary Focuses and the Rx+ business. The key to success is achieving the Organizational Health Goals. Under the banner of "One Astellas," I would like all employees to have the courage to take risks appropriately,

demonstrate leadership, and enjoy working to reach further heights. I ask our investors, customers, and business partners to look forward to VALUE that Astellas is going to create.

Naoki Okamura

Representative Director,
Executive Vice President
Chief Strategy Officer (CStO)

岡村直樹



Interview with the Chief Financial Officer

We will target profit growth by balancing growth investments and cost reductions and increase our valuation through emphasizing accountability and sustainability.

Minoru Kikuoka

Senmu Tantou-Yakuin
Chief Financial Officer (CFO)

Q. What are your ambitions in your new role as CFO?

A. I will use my experience and knowledge to contribute to Astellas, which is accelerating its globalization, in order to increase global competitiveness.

I am Minoru Kikuoka and I joined Astellas as CFO in March 2022. Since around the 2000s, Astellas has focused on commercialization by themselves for outside Japan, building an infrastructure pri-

marily by in-house medical representatives (MRs).

I believe it promoted a unique globalization among Japanese pharmaceutical companies, which at that time had many sales alliances

and undertake a lot of technology out-licensing. In recent years, to drive open innovation and gain new capabilities, we have not only been pursuing in-licensing and alliances, but also actively acquiring companies outside Japan. These companies continue to operate within the Astellas Group as independent divisions. However, in the future, we recognize the need for “true” globalization, in which all Astellas

employees go beyond the barriers of language, culture, and distance further and push forward to the same goal.

I would like to contribute to Astellas, which is accelerating its globalization, by leveraging my experience as a CEO, and as a CFO during the manufacturing of electronics-related materials and parts, as well as my knowledge of the pharmaceutical industry.

Q. What are your thoughts on growth investment and cost reduction?

A. Cost reduction wouldn’t always come first. It’s important to figure out investments which are crucial for Astellas to grow.

In the electronics industry, in which I have experience, the business model is that products have short product lifespans, so unless the investment is quickly recouped, the product will be replaced by the next new product. Therefore, while investing in development, the point is to rapidly improve the profit margin by thoroughly reducing costs during the mass production phase. In the pharmaceutical industry, however, once a product is launched and is covered by insurance reimbursement, a certain amount of profit is guaranteed for as long as the patents protect said product.. So the important question is how to deal with the huge investment in research, development and commercialization strategy after the product launch.

One of the Performance Goals of the Corporate Strategic Plan 2021 (CSP2021) is to achieve more than 30% core operating profit margin in FY2025. Our explanation to achieve this target is to keep SG&A expenses flat in terms of the absolute amount. In taking on the challenge of achieving this goal, I would not approach it with a mindset of “defending the absolute amount of SG&A expenses at all cost.” This is because there are a variety of things that change on a daily basis in the course of expanding our strategic products, and if we only focus on cost reduction, we may miss opportunities.

Increases and decreases in SG&A expenses are the result of optimal investment that prioritizes growth. In reality, sales revenue may be

Interview with the Chief Financial Officer

large and SG&A expenses may be large, or conversely, sales revenue may be small and SG&A expenses may be small.

As CFO, it is my responsibility to find the most efficient balance for Astellas' sustainable growth and maximization of corporate value.

For example, fezolinetant, for which we submitted an NDA to the US FDA in June 2022, is not only an innovative new drug, but also

requires a marketing strategy focusing on fulfilling patients' needs. Although it is a product with great profit potential, I believe it needs management leadership because various activities after obtaining marketing approval are important in order to maximize its VALUE. For this reason, I believe that another role of the CFO is to disclose and communicate detailed information and further enhance the accountability of Astellas.

Q. What is so-called "Dansharism," which started from FY2022?

A. Dansharism is a new initiative where each employee is encouraged to develop financial discipline and cost ownership. Furthermore, it dramatically improves labor productivity and brings innovation.

The first initiative I introduced right after I was appointed to the CFO was "Dansharism" and I am currently promoting all Astellas employees for better understanding. Dansharism does not simply mean cost reduction but aims to dramatically improve labor productivity by fostering financial discipline and cost ownership in each employee, and a major shift in the mindset of day-to-day operations.

Many companies tend to have routine work lasting for many years or labor and costs that do not directly link to the revenue. However, under these circumstances, innovation would not occur. In addition, there are cases where, for example, DX* investment cannot create additional

profits under improved efficiency if the existing corporate culture or environment remain unchanged. In order to prevent this situation, I encourage all employees to look back at their individual work, identify every opportunity, and become "brave" to release things that are in your way (such as creating periodical reports unconsciously, or attending a marathon meeting). I believe the time and mental white space created in this way will become the source of innovation for future Astellas employees.

Many Japanese companies have thoroughly eliminated such waste during the process of improving profits and quality in mass production at their factories. This has given rise to the

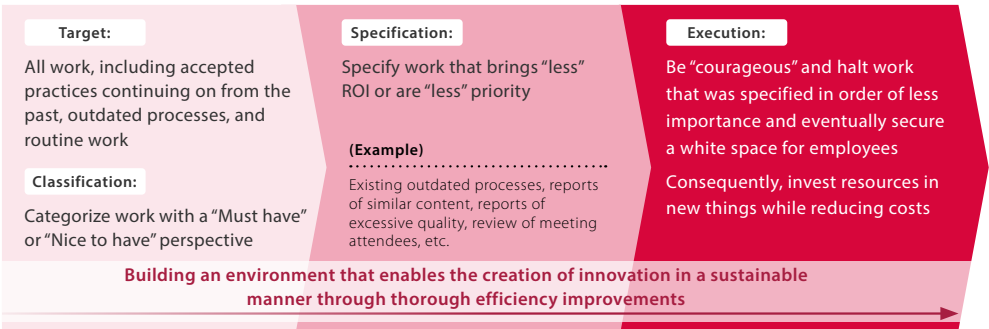
"monozukuri" (manufacturing) approach for which Japan is renowned around the world. Although Astellas has a different business model, I believe that we can achieve significant improvements in business efficiency by sharing successful Danshari examples globally. The

* DX: Digital transformation

concept of "Dansharism", which promotes eliminating work with low priorities and leads to making necessary investments, will be the foundation for Astellas' global innovation and will lead to a significant improvement on the SG&A ratio described in CSP2021.

Step of Dansharism

1. Thoroughly reevaluate our work and activities without exception
2. Define what work to halt or terminate
3. Actually halting or terminating that work



Q. What are your thoughts on capital allocation and financing?

A. Our top priority is investment for business growth. We will also consider share buybacks while securing liquidity on hand.

In our capital allocation policy at Astellas, our top priority is investment for business growth. We plan to raise the dividend level aligned with

the profit/cash flow plan and actual performance throughout the CSP2021 period. When excess cash is available, we will execute share

Interview with the Chief Financial Officer

buybacks flexibly. Astellas will consider these processes on the basis of securing liquidity on hand. If cash and deposits constantly exceed 250-350 billion yen, we will consider executing share buyback.

As CFO, I believe that we should not limit our growth by too much sticking to maintaining a conservative balance sheet. My responsibility is to support the acquisitions and alliances that are necessary for Astellas and to arrange the financing, including capital policy in the case of

a large-scale acquisition that could affect the future of the Company.

The financial status of Astellas is extremely healthy. To enhance our stock price valuation, however, we need to deepen our discussion on the optimal capital structure such as the debt-to-equity ratio and ROE. In particular, in preparation for the risk of an era of high interest rates, we will also review the ratio of short-term and long-term borrowings.



Q. Lastly, what are your thoughts on valuation?

A. In addition to profit growth, we emphasize accountability and sustainability, and aim to increase corporate value.

Astellas has earned a certain degree of recognition from the investment community for its management strategy. But we need to make further efforts to increase corporate value going forward. One of our goals is to obtain a higher evaluation in terms of profit multiples on valuation by executing CSP2021, but as CFO I would like to manage the Company with sufficient attention to the stability of the external evaluation.

In order to improve corporate value, not only profit growth but also accountability and sustainability are important components. As I mentioned earlier, our policy is to increase corporate value by earning the trust of our

shareholders and investors and gaining a sense of security and understanding from other stakeholders through the sufficient level of disclosure.

Minoru Kikuoka

Senmu Tantou-Yakuin
Chief Financial Officer (CFO)

Strategic Goal 1 Enable patients to achieve better outcomes

Astellas is committed to maximize patient access to our products and to partner effectively with healthcare stakeholders to secure the realization of VALUE. To achieve this, we strive to accelerate submission of New Drug Applications (NDAs), reducing the time to achieve broad geographic coverage, implementing sophisticated launch plans and prioritizing our efforts across the portfolio towards where the VALUE opportunity is greatest. It is through pursuing these activities in association with this Strategic Goal that Astellas will maximize the value of XTANDI and Strategic products that drive medium- to long-term growth. Strategic products are fezolinetant, PADCEV, XOSPATA, zolbetuximab, EVRENZO and AT132.

Relationship to Material Issues

- Access to Health
- Fulfilling unmet medical needs by creating novel healthcare solutions
- Transformative treatment through innovative therapeutic methods
- Value-based pricing
- Product quality assurance and product safety
- Safe and appropriate use of products

Strategic Goal 1 Enable patients to achieve better outcomes

Message from Chief Commercial Officer

**Yukio Matsui**

Senmu Tantou-Yakuin
Chief Commercial Officer (CCO)

We are striving to globalize our organization with a view to continuing to deliver better outcomes to patients.

One of my major achievements as CCO has been the focus on the globalization of the commercial organization. It enabled us to establish a platform that can efficiently develop and deliver high-value-added products globally.

As CCO, since FY2021 I have devoted my attention to meeting the goals set in our Corporate Strategic Plan 2021 (CSP2021). In that respect, I am proud of our efforts toward the globalization of our commercial organization. We have strategically enhanced and consolidated product marketing functions. Also, we have been making bold changes to our organization and division of roles in such a manner. As a result, we enabled consistent operations worldwide. Specifically, we have undertaken workforce optimization, and transformed our organization. We changed it from a regionally segmented commercial organization into one that facilitates brand marketing and sales support globally. Furthermore, in order to respond to changes in the external

environment such as the COVID-19 pandemic, we changed the organizational structure. It is promoting digital transformation and deploying online sales representatives to approach new customers as well as existing customers. At the same time, by optimizing the resource allocation to align with our business strategy we have been able to focus our resources on products that are highly profitable. As a result, we achieved double-digit growth for our strategic products.

We continue striving to deliver better outcomes to patients while strengthening and improving our human resources and corporate culture.

In FY2022, to realize the Strategic Goals set in CSP2021, maximizing VALUE for patients remains a key priority. My responsibility is to define and execute what to change and optimize in order to maximize VALUE for patients. This allows appropriate collaboration with Medical Affairs and other functions, rather than focusing solely on optimizing the commercial organization. Furthermore, we don't rely on traditional face-to-face communication. We aim to pursue an omnichannel approach combining digital and non-digital communication depending on customer preferences. As we believe these initiatives will lead to maximizing the VALUE offered through our products, we are focusing not only on existing products such as XTANDI, but also preparing for the launch of fezolinetant, and for the additional indication of PADCEV (first-line treatment for metastatic urothelial cancer). We expect these products to become potential growth drivers. In CSP2021 we are targeting a core operating profit margin of 30% or greater in FY2025. To achieve the goal, it is critical to enhance our organizational capabilities and create an efficient structure that generates higher returns on investment.

The key factors supporting these initiatives are talent, mindset and corporate and organizational culture. We will continue to strengthen and enhance all these factors through working toward Organizational Health Goals that are important to achieve Strategic Goals in CSP2021.

Strategic Goal 1 Enable patients to achieve better outcomes

Progress of Strategic Goal 1

Potential peak sales of XTANDI and Strategic products

In CSP2021, we disclosed potential peak sales of XTANDI and Strategic products and we reviewed them in April 2022. We forecast robust growth for XTANDI and Strategic products. In one of our Performance Goals, we target more than 1.2 trillion yen in sales in total from these products in FY2025.

Product*1	Potential Peak Sales (Global, billions of yen)
XTANDI (enzalutamide)	600 – 700
fezolinetant	300 – 500
PADCEV (enfortumab vedotin)*2	300 – 400
XOSPATA (gilteritinib)	100 – 200
zolbetuximab	100 – 200
EVRENZO (roxadustat)*3	50 - 100

*1 Only indications undergoing pivotal studies are included for projection. (as of April 2022)

*2 Sales for Americas are calculated based on the sales booked by Seagen.

*3 Astellas territories only; Japan, Europe, the Commonwealth of Independent States, the Middle East, South Africa, etc.

Key events anticipated during CSP2021 (as of July 2022)

For XTANDI, PADCEV and XOSPATA, we plan to expand indications to include cancer patients at earlier stages and seek to maximize product value. For fezolinetant, we filed for regulatory approval in the US in June 2022 and anticipate launching in late FY2022. For zolbetuximab, we aim to file for regulatory approval in FY2023.

Product*4	Target Filing Timing				
	FY2021	FY2022	FY2023	FY2024	FY2025 or later
XTANDI (enzalutamide)		M0 CSPC			
XOSPATA (gilteritinib)			AML, post-HSCT maintenance		AML, newly diagnosed and HIC-eligible
PADCEV (enfortumab vedotin)		mUC, previously untreated (AA in US)	based on EV-103 study cohort data	mUC, previously untreated (1L)	MIBC
zolbetuximab			Gastric and GEJ adenocarcinoma		
fezolinetant		Moderate to severe VMS associated w/ menopause			
AT132 (resamirigene bilparovvec)					XLMTM

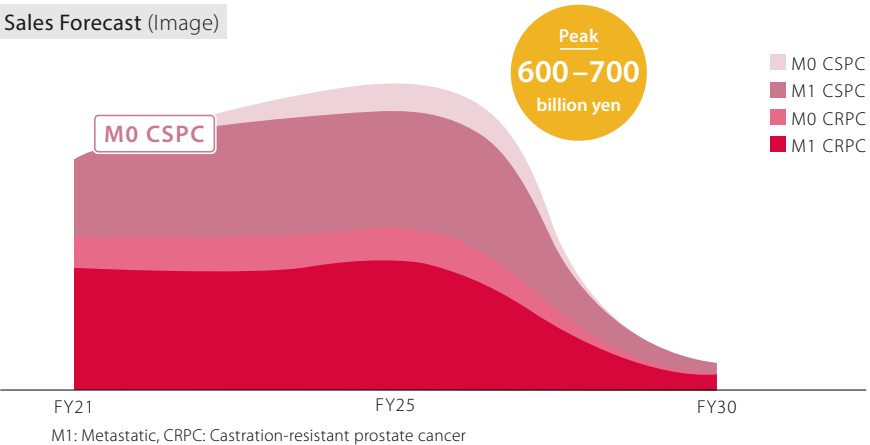
*4 Only indications undergoing pivotal studies are included (as of Apr 2022). Subject to internal assessment, decision and regulatory consultation, as appropriate. Filing (submission) timing in the first country/region within US, EU, JP.

XTANDI (enzalutamide)



XTANDI sales totaled 534.3 billion yen in FY2021, up 17% year on year. In Europe, an additional indication of M1 CSPC (metastatic castration-sensitive prostate cancer) was obtained in April 2021, contributing to sales growth. During the CSP2021 period, we expect to expand indication for M1 CSPC in Mainland China and broaden indication for earlier stage M0 CSPC (non-metastatic castration-sensitive prostate cancer) in the US. Sales have been steadily increasing, raising the likelihood of achieving the potential peak sales of 600–700 billion yen.

Sales Forecast (Image)



As of CSP2021 announcement (May 2021)

Glossary of Abbreviations

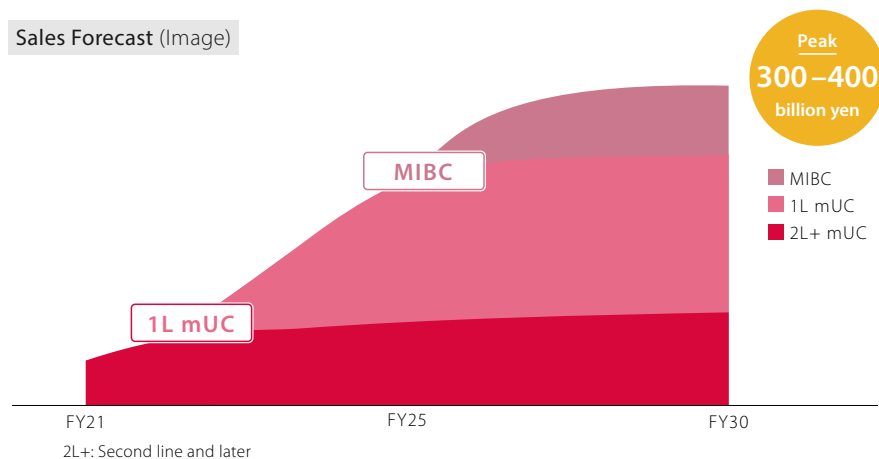
M0: Non-metastatic CSPC: Castration-sensitive prostate cancer AML: Acute myeloid leukemia
HSCT: Hematopoietic stem cell transplantation HIC: High-intensity chemotherapy mUC: Metastatic urothelial cancer
AA: Accelerated Approval 1L: First line MIBC: Muscle-invasive bladder cancer
GEJ: Gastroesophageal junction VMS: Vasomotor symptoms XLMTM: X-linked myotubular myopathy

Strategic Goal 1 Enable patients to achieve better outcomes

Progress of Strategic Goal 1

PADCEV (enfortumab vedotin)

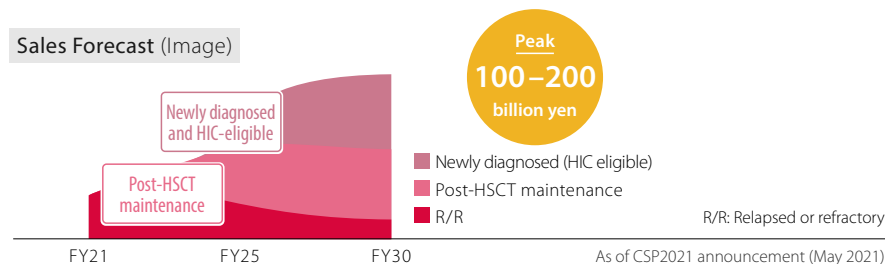
PADCEV sales totaled 21.7 billion yen in FY2021, up 70% year on year. In the US., additional indication was obtained in July 2021, and market penetration exceeded expectations in Japan and Europe where it was launched from November 2021. As for the development status of the first line mUC (metastatic urothelial cancer), which is expected to be the largest growth driver, positive topline results were obtained from one of the clinical trials, EV-103 study Cohort K in July 2022. Progress is on track to achieve the potential peak sales of 300–400 billion yen.

Sales Forecast (Image)

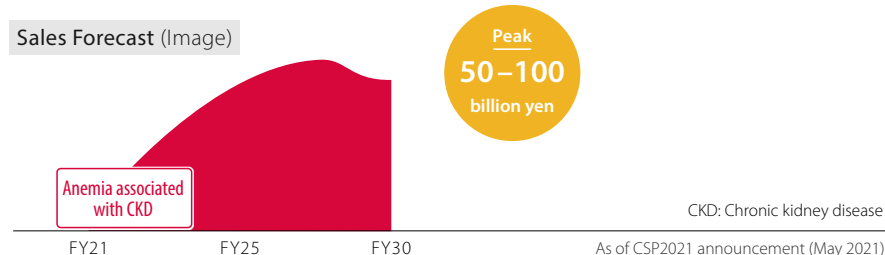
As of CSP2021 announcement (May 2021)

XOSPATA (gilteritinib)

XOSPATA sales totaled 34.1 billion yen in FY2021, up 43% year on year. Established the position of market leader in the US and Japan. It was launched in Mainland China in April 2021 and launches in other countries are planned. During the CSP2021 period, we expect to expand indications for earlier-stage patients, and progress is on track to achieve the potential peak sales of 100–200 billion yen.

Sales Forecast (Image)**EVRENZO (roxadustat)**

EVRENZO sales totaled 2.6 billion yen in FY2021, up 132% year on year. In Japan, progress has been below expectations due to intense competition. In Europe, where it was launched in September 2021, differentiation from existing standard of care has not progressed as expected. On the other hand, we expect reimbursement to start in European countries in the second half of FY2022 and expect the sales to increase thereafter.

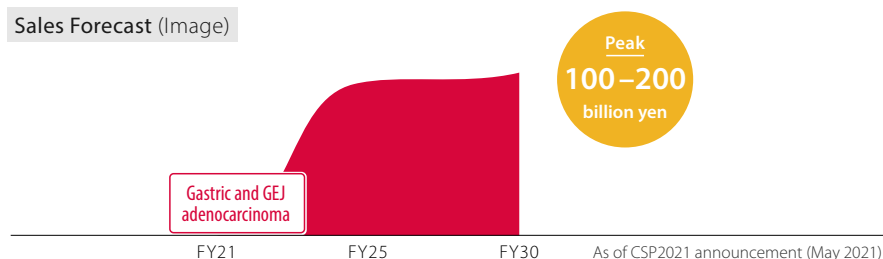
Sales Forecast (Image)

Strategic Goal 1 Enable patients to achieve better outcomes

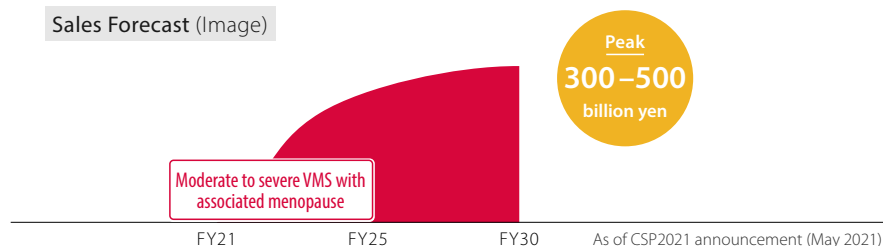
Progress of Strategic Goal 1

zolbetuximab

Zolbetuximab is a first-in-class antibody targeting Claudin 18.2. Topline results from 2 Phase III studies in gastric and gastroesophageal junction adenocarcinoma are expected in the second half of FY2022. Based on these studies, we aim to file for regulatory approval in FY2023. Our goal is to establish zolbetuximab as the first-choice treatment for eligible patients, and we are projecting potential peak sales of 100–200 billion yen.

Sales Forecast (Image)**fezolinetant**

Fezolinetant is an investigational nonhormonal compound being developed for the treatment of moderate to severe vasomotor symptoms (VMS) associated with menopause. We have obtained positive results from 3 Phase III studies. Fezolinetant has progressively achieved development milestones and we are preparing for the launch, with the goal of achieving potential peak sales of 300–500 billion yen.

Sales Forecast (Image)

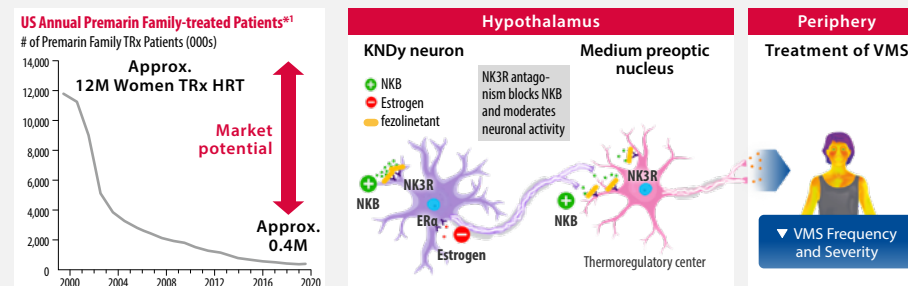
Development of fezolinetant

Vasomotor symptoms (VMS), characterized by hot flashes (also called hot flushes) and/or night sweats, are common symptoms of menopause. In the US, about 60% to 80% of women experience these symptoms during or after the menopausal transition and, worldwide, more than half of women 40 to 64 years of age experience VMS. VMS can have a disruptive impact on women's daily activities and overall quality of life.

In the past, hormone replacement therapy (HRT) was widely used for the treatment of menopausal symptoms. As of 2000, approximately 12 million patients were prescribed it annually in the US alone. However, in 2001, a study result was reported that showed an association between chronic HRT use and increased risk of breast cancer and cardiovascular disease. After that, the HRT use has sharply decreased, and the amount of its prescriptions is about one-thirtieth of that in 2000. To date, an effective alternative to HRT has not been developed, and VMS treatment options are considered to be limited.

Fezolinetant, a neurokinin-3 receptor antagonist, works by blocking neurokinin B binding on the kisspeptin/neurokinin/dynorphin (KNDy) neuron to moderate neuronal activity in the thermoregulatory center of the brain (the hypothalamus), and then reduces the frequency and severity of moderate to severe VMS associated with menopause through a mechanism different from HRT.

In June 2022, New Drug Application (NDA) was submitted to the US Food and Drug Administration (FDA), supported by the results of 3 Phase III clinical trials that collectively enrolled over 2,800 women with VMS at over 180 sites within the US, Canada and Europe and characterized the efficacy and safety of fezolinetant up to 52 weeks. The NDA was accepted by FDA in August, and the PDUFA target action date is February 22, 2023, following the use of a priority review voucher. If approved, fezolinetant would be the first-in-class nonhormonal treatment for moderate to severe vasomotor symptoms associated with menopause.



*1 IQVIA NPA - Premarin Family (Premarin, Prempro, Premphase)

*2 The thermoregulatory center in the hypothalamus of the brain is innervated by KNDy neurons which are inhibited by estrogen and stimulated by NKB via NK3R in a delicate balance.

*3 Absence of estrogen negative feedback leads to hypertrophy of the KNDy neuron and alters the activity on the thermoregulatory center.

*4 Fezolinetant is a selective NK3R antagonist that blocks NKB binding on the KNDy neuron to moderate neuronal activity in the thermoregulatory center, helping to restore thermoregulatory balance.

*5 Figure adapted from Depypere H, et al. Expert Opin Investig Drugs. 2021; 30: 681-694.

KNDy: Kisspeptin/Neurokinin/Dynorphin; NKB: neurokinin B; NK3R: neurokinin-3 receptor; ERα: estrogen receptor alpha

Strategic Goal 2**Translate innovative science into proven VALUE**

Astellas enhances its pipeline value by giving priority to the investment of management resources into its Primary Focuses. Through acceleration of the demonstration of VALUE, the growth of Primary Focuses, and the effective exploration of cutting-edge biopharmaceutical innovation, we aim to take our efforts of CSP2018 to the next level. Astellas is working on researching and developing life-changing therapies through priority investment in Primary Focuses selected based on the Focus Area Approach. We believe that the innovative treatments we are developing will enable a paradigm shift from symptomatic to curative therapies*¹, bringing great hope to patients desperate for new therapies that will treat previously untreatable diseases.

9 research programs with various new modalities have been progressed to new drug candidates*² in FY2021. We will continue our best effort to develop innovative medicines from our Focus Area Approach in FY2022.

*¹ Curative therapies: A therapeutic approach that addresses the root cause of a disease and significantly improves the condition with one or only a few treatments.

*² New drug candidate: therapeutic entities that entered the preparation phase toward Investigational New Drug application/clinical development.

Relationship to Material Issues

- Access to Health
- Fulfilling unmet medical needs by creating novel healthcare solutions
- Transformative treatment through innovative therapeutic methods
- Value-based pricing

Strategic Goal 2 Translate innovative science into proven VALUE

Message from Chief Scientific Officer

**Yoshitsugu Shitaka**

Senmu Tantou-Yakuin
Chief Scientific Officer (CSco)

Our progress in Focus Area approach further expands our pipeline, with a boost from research reorganization.

We are ready to create new drugs with a greater therapeutic impact, by incorporating evolutions in modalities and focusing on underlying causes of diseases in the most effective manner.

As CSco, I would like to take this opportunity to reiterate Astellas' reasons for adopting the Focus Area approach. In recent years, technological advancements provide us with more opportunities to incorporate them into our strategy, as various modalities are becoming realistic, including cells, genes, and mRNAs in addition to conventional small molecules and antibodies. Different combinations of biology and modality/technology can greatly alter the target patient population and expected drug efficacy even for the same disease. We have opted for a Focus Area approach in which we consider ideas from a multifaceted perspective that adds modality/technology to the conventional disease and biology, always with an eye on the combination's scientific validity. We believe that by selecting the most rational combination to address the cause of disease, we will be able to create new drugs with greater therapeutic impact.

In my first fiscal year we focused on steady progress in the pipeline and building a foundation for sustainable growth.

FY2021 was the first year of our Corporate Strategic Plan 2021 (CSP2021), and my first year as CSco. Our top priority has been to expand the pipeline. We were able to advance 4 programs to the clinical trial stage, including ASP3082*¹ and ASP2138*², which are expected to lead related products. We also created 9 new drug candidates and made progress in expanding our early-stage drug discovery program.

ASP3082 is a novel compound employing a new drug discovery technology called Targeted Protein Degradation (TPD)*³. By reviewing the project process to the initiation of clinical trials from scratch and taking intelligent risks to shorten the period, we were the first in the world to enter the clinical stage for the

target. The TPD drug discovery platform created in the process of generating ASP3082 already support the discovery of follow-on compounds. We hope to launch multiple products as a product family using TPD before long. Another noteworthy achievement is the creation of new drug candidates from a wide range of cutting-edge modalities, including cell and gene therapies in addition to small molecules. Cell and gene therapies are no longer special modalities for us, and we are completing a system to generate a constant flow of development candidates. In addition, in FY2021 the strengthening of DX*⁴ began to bear fruit as the utilization of robotics and AI contributed to a reduction in the compound optimization period*⁵, and our proactive investment in DX began to contribute to the expansion of our pipeline.

We undertook Research reorganization with the strong belief that this is key to enhancing our Research productivity. Through this reorganization, we transformed all groups involved in the candidate discovery into agile organizations*⁶ like bio-ventures. We are confident that this Research organizational structure will best suit Astellas, which is currently working on various new modalities and biology under our Focus Area approach globally at each laboratory. We also have embedded in our organization a mechanism for companies to evolve from the startup level to clinical-stage bio-ventures, survive shakeouts, and achieve growth. By rendering the organization, which is quite isolated from the outside world, closer to an environment regulated by external market principles, we wanted our researchers to have a keen awareness that Astellas is competing within a giant bio-ecosystem that surrounds the outside world. We also created departments responsible for developing new modalities and drug discovery platform technologies. We seek to create new programs by utilizing developed platform technologies anticipating medium-term technological progress.

In FY2022, we will do our utmost to resume the ASP7317*⁷ clinical trial, which has been suspended as of end-July, and to elucidate the serious adverse events reported in clinical trials for AT132 and AT845*⁸. We also will take further steps to expand our pipeline, especially in the areas of TPD, Immuno-Oncology, and cell therapy. In addition to expanding our pipeline, we will be on the lookout constantly for external collaborators to aid in acquiring the requisite technology platforms. In addition to strengthening our current Primary Focus*⁹, we will also promote alliances and acquisitions in a well-balanced manner for sustainable development in the future.

Reorganization has elicited a positive response from researchers and I can see a different look in their eyes. The speed of decision-making at the front line also has shown tangible improvement. Going forward, we will remain proactive in implementing activities designed to alter researchers' mindsets and actions and foster an organizational culture, in the hope that reorganization aids us in continuously creating innovative new products and delivering VALUE to patients.

*1 ASP3082: A protein degrader targeting KRAS G12D mutant. KRAS mutations are found in refractory pancreatic and lung cancer, for example, and mutations other than G12D (e.g., G12V) have been identified.

*2 ASP2138: A bispecific antibody targeting Claudin 18.2 and CD3, positioned as a successor to zolbetuximab.

*3 Targeted protein degradation: A new drug discovery method that uses an intrinsic proteolytic mechanism to inhibit the function of the targeted protein.

*4 Please refer to P44 for details of our DX initiatives.

*5 Compound optimization period: The period taken for a hit compound (a compound active against a target molecule) to become a drug candidate compound (a compound having suitable properties as a pharmaceutical).

*6 Agile organization: An organization in which members with various expertise get together to iterate by trial and error to continuously improve solutions. There, highly delegated mission-specific units make quick decisions and act autonomously.

*7 ASP7317: A cell therapy program for targeting dry age-related macular degeneration (AMD).

*8 AT132, AT845: Gene therapy programs for patients with X-linked myotubular myopathy and Pompe disease, respectively.

*9 Primary Focus: Research and development areas where Astellas is investing proactively under the Focus Area approach.

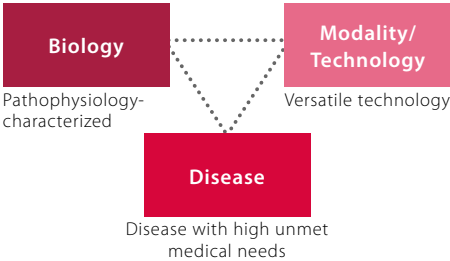
Strategic Goal 2 Translate innovative science into proven VALUE

Progress of Strategic Goal 2

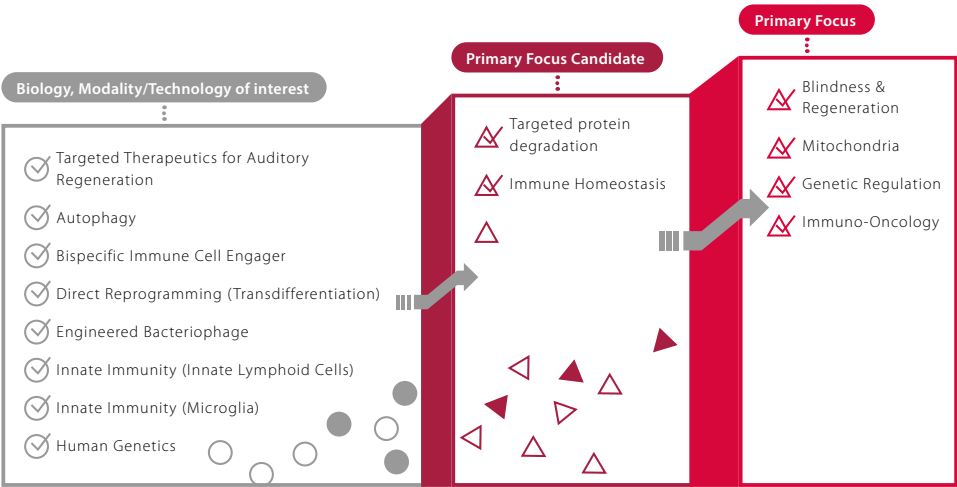
Focus Area Approach

Focus Area Approach is designed to identify drug discovery opportunities flexibly and efficiently by combining innovative biologies and modalities/ technologies to address diseases with high unmet medical needs.

Primary Focus is a specific focal point within our Focus Area Approach where a lead and follow-on projects show a clear R&D path with expected VALUE for patients. Based on criteria such as higher scientific validity and identification of leads and follow-on programs, we are currently working on 4 Primary Focuses: Blindness &



Regeneration, Mitochondria, Genetic Regulation, and Immuno-Oncology. We also identify the combination of biologies, modalities/technologies, and diseases that may become Primary Focuses in the future.

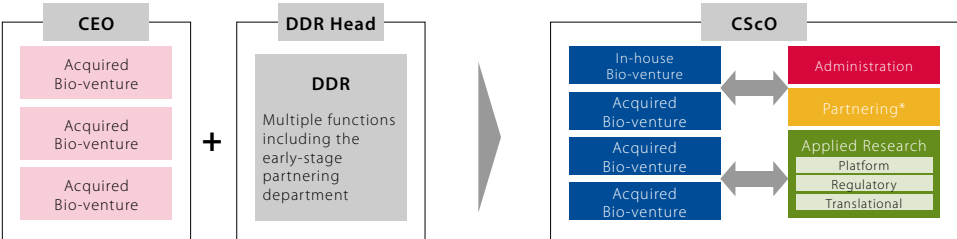


Organizational Structure

In FY2021, Astellas substantially revamped the research organization structure. Previously, the Drug Discovery Research organization was hierarchical and function-led, and acquired bio-ventures were operating independently. This approach was not efficacious for swift decision making in new technology fields and creating overall synergy. To address this issue, a bio-venture-like agile research model was introduced with highly delegated mission-specific product creation units, and all research organizations were consolidated under the Chief Scientific Officer (CSco), driving synergy among the various organizations. Furthermore, as 2 different organiza-

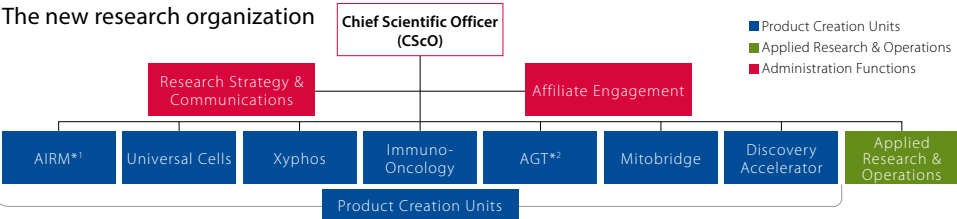
tions handled early- and late-stage partnering opportunities respectively, these partnering functions were integrated into a new Business Development organization.

The new research organization structure can be divided into 3 groups based on their key mission: Product Creation Units, Applied Research & Operations, and Administration Functions. Centered on the Product Creation Units, which are a collection of in-house and acquired bio-ventures, subject matter experts with strong expertise within each unit engage closely with external partners to provide VALUE for patients across the world.



* Integrated into a new Business Development division under Chief Strategy Officer

The new research organization



*1 AIRM: Astellas Institute for Regenerative Medicine
*2 AGT: Astellas Gene Therapies

Strategic Goal 2 Translate innovative science into proven VALUE

Progress of Strategic Goal 2

FY2021 Progress in Focus Area Approach

We intensively advanced evaluation of multiple projects from Focus Area Approach, but didn't achieve any PoC*1 in FY2021. However, 4 projects (ASP1570, ASP2138, ASP8731, and ASP3082) entered clinical stage. ASP3082 is a project that achieved IND*2 application in 1 year from endorsement as a new drug candidate.

Among projects that already have entered clinical trials, we have succeeded in dosing the first subject

in a Phase II study of ASP7517 in acute myeloid leukemia and myelo-dysplastic syndrome, and a Phase I study of the same investigational drug in solid tumors. Similarly, we have dosed the first subject in a Phase II/III study of ASP0367 in primary mitochondrial myopathies.

We continue to drive new drug candidates from our Focus Area Approach.

Outlook for FY2022 onward

Among lead projects that already are at the clinical stage, in FY2022, we expect PoC judgement for the artificial adjuvant vector cell (aAVC), ASP7517. In the third quarter of FY2022, we anticipate submitting a response to the clinical hold placed by the FDA*5, with a view to resuming the clinical trial evaluating AT132. We furthermore plan to initiate clinical trials on an intravenously administered oncolytic virus as a

lead project, and on a checkpoint inhibitor, bispecific immune cell engager, and protein degrader as follow-on projects. Based on advances made in FY2021 and planned progress in FY2022 onward, we are aiming for PoC judgements on a total of 24 projects by the end of FY2025. Our goal is to build a robust post-PoC portfolio from our Primary Focus pipeline by the end of FY2025.

*1 PoC: Proof of concept (key clinical data supporting a decision to initiate late-stage development)
*2 IND: Investigational New Drug

*5 FDA: US Food and Drug Administration

Lead project pipeline

Primary Focus	Biology/Modality/Technology ³	Lead project	Modality	FY2022	FY2023	FY2024-FY2025	No. of projects aiming PoC by end FY2025 ⁴
Genetic regulation	Gene replacement (AAV)	AT132	Gene	Timeline for PoC judgement under discussion			4
	Gene regulation (AAV)	AT845	Gene				
	Gene regulation (AAV)		Gene				
Immuno-Oncology	Checkpoint	ASP1570	Small molecule	IND			12
	Artificial adjuvant vector cell (aAVC)	ASP7517	Other	PoC			
	Oncolytic virus (intratumoral)	ASP9801	Gene				
	Oncolytic virus (systemic)		Gene	IND			
	Bispecific immune cell engager	ASP2138	Antibody	IND			
	Cancer cell therapy (UDC)		Cell				
Blindness & Regeneration	Cell replacement	ASP7317	Cell				3
	Cell replacement (UDC)		Cell				
	Gene regulation (AAV)		Gene				
Mitochondria	Gene regulation & mitochondrial biogenesis	ASP0367	Small molecule				4
	Mitochondrial stress	ASP8731	Small molecule				
	Mitochondrial transfer		Cell				
Primary Focus Candidates	Immune modulating/regulatory cells		Cell				1
	Tissue-specific immune regulation		Antibody				
	Targeted protein degradation	ASP3082	Small molecule	IND			
Total							24

Stage of the most advanced project in the category

- Discovery/Preclinical
- Pre-PoC
- Post-PoC

PoC PoC judgement

IND Phase 1 entry of lead project

IND Phase 1 entry of follow-on project

*3 Not exhaustively listed.
*4 Estimated based on standard development timelines, assuming 100% probability of success. (as of July 2022)

Strategic Goal 2 Translate innovative science into proven VALUE

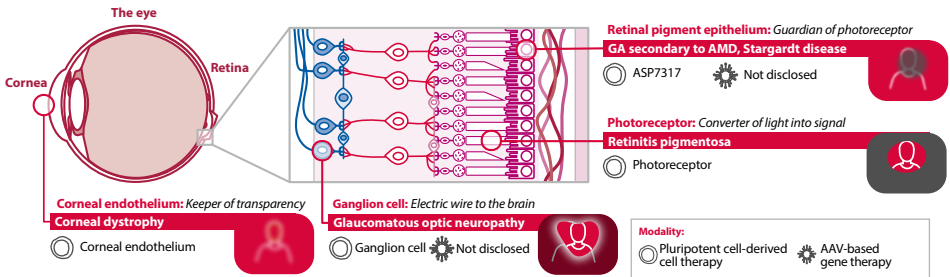
Progress of Strategic Goal 2

Primary Focus: Blindness and Regeneration

Our mission for Primary Focus Blindness & Regeneration is to identify, develop and deliver next-generation treatments to restore sight for patients with eye diseases. Utilizing our in-house ophthalmology expertise and regenerative medicine capabilities, we seek to bring transformational changes in the management of devastating eye diseases.

Vision loss caused by eye diseases

affects over 160 million people globally and can have a profound long-term impact on quality of life. Many of these diseases have few or no effective treatment options. Through cell and gene therapies, we aim to restore and preserve the critical vision-supporting cells in the eye through the discovery of new treatment options to protect against declining vision and even restore lost sight.



AAV: Adeno-associated virus, GA: Geographic atrophy, AMD: Age-related macular degeneration

In Primary Focus Blindness & Regeneration, we are partnering up with top-class venture companies and academia to build a highly competitive pipeline.

Pipeline (as of Aug 2022)

* Acquired (current programs classified as 'in-house')

Program	Modality/Mechanism	Indication	Current phase	Origin/Partner
ASP7317	RPE cell	Geographic atrophy secondary to AMD, Stargardt disease	Phase 1	
ASP1015	Gene therapy (AAV)	Glaucoma	Preclinical (IND planned in 2024)	
ASP1819	Photoreceptor rescue cell	Retinitis pigmentosa	Preclinical	
ASP2020	Universal donor cell (UDC) RPE	Dry AMD, Other macular degeneration	Preclinical	
Not disclosed	Ganglion rescue cell	Glaucoma, Optic neuropathy	Discovery	
Not disclosed	Corneal endothelial cell	Corneal dystrophy	Discovery	
Not disclosed	Vascular progenitor cell	Vascular disease	Discovery	
Not disclosed	Gene therapy (AAV)	Dry AMD, Other macular degeneration	Discovery	University of Pittsburgh

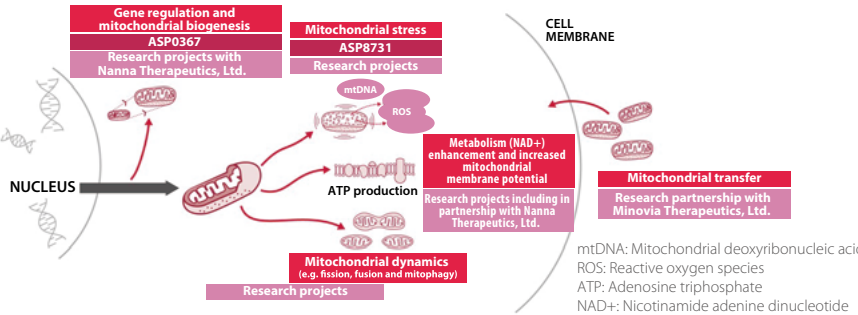
RPE: Retinal pigment epithelial

Primary Focus: Mitochondria

Our mission for Primary Focus Mitochondria is to become the global leader in discovering, developing, and bringing to market mitochondria biology-based medicines that provide tangible value to patients, clinicians, and healthcare systems.

Mitochondria are specialized organelles in cells that have their own maternally inherited DNA (mtDNA). They are present in almost all human cell types and play essential roles in energy production and in processes such as metabolism and cell signaling. Mitochondrial dysfunction is associated with diseases

of the kidneys, liver, muscles, central nervous system, eyes, and ears. Many of these diseases have significant unmet medical needs and few treatment options. By targeting mitochondria in our research, we have the potential to create entirely new ways of treating diseases associated with mitochondrial dysfunction. Each asset has the potential to be developed for multiple diseases and indications due to the broad impact of mitochondrial dysfunction in the human body.



Pipeline (as of Aug 2022)

* Acquired (current programs classified as 'in-house')

Program	Modality	Mechanism	Target indication	Current phase	Origin
ASP0367	Small molecule (oral formulation)	PPARδ modulator	Primary mitochondrial myopathy	Phase 2	
			Duchenne muscular dystrophy	Phase 1	
ASP8731	Small molecule	BACH1 inhibitor	Sickle cell disease	Phase 1 (Phase 1 study FSFT in March 2022)	
Not disclosed	Small molecule	Not disclosed	Not disclosed	Discovery	
Not disclosed	Small molecule	Not disclosed	Not disclosed	Discovery	
Not disclosed	Cell therapy	Mitochondrial Transfer	Not disclosed	Discovery	

PPARδ: Peroxisome proliferator-activated receptor delta, BACH1: BTB and CNC homology 1, FSFT: First subject first treatment

Strategic Goal 2 Translate innovative science into proven VALUE

Progress of Strategic Goal 2

Primary Focus: Genetic Regulation

One of the most active preclinical developers, with

16

gene therapy candidates in development

3

cutting-edge laboratory and manufacturing facilities

400+

Passionate, highly skilled scientists, researchers and operational experts

Our mission for Primary Focus Genetic Regulation is to discover, develop and deliver transformative gene therapies for patients with genetic diseases. Alongside our world-renowned partners and with competitive capabilities across the value chain we are working to build a portfolio of potentially lifechanging gene therapies, with a long-term goal to deliver transformational VALUE for patients.

Often present from birth and affecting young children, nearly 7,000 human diseases are caused by mutations or deficiencies in the genetic code. By targeting disease at the genetic level,

END-TO-END CAPABILITIES

incorporating research, development, manufacturing and commercialization

Active partnerships with leading industry and academia, including Dyno Therapeutics to develop next-generation (AAV) vectors

we can significantly improve outcomes for serious and potentially fatal diseases via a single or few treatments that replace or regulate the faulty gene.

The rapidly evolving field of gene therapy cannot be navigated alone. We collaborate with world-renowned academic and industry partners to overcome the complex challenges of gene therapy research and development. We continually investigate and assess new partnerships that could enhance our diverse portfolio, as well as those that can offer unique technology or research perspectives to better support patients.

Pipeline (as of Aug 2022)

Program	Mechanism	Target indication	Current phase	Origin/Partner
AT132	MTM1 gene replacement	X-linked myotubular myopathy	Phase 2 - Pivotal	Astellas
AT845	GAA gene replacement	Pompe disease	Phase 1	Astellas
AT808	FXN gene replacement	Friedreich's Ataxia	Preclinical	Astellas
AT466	Vectorized exon skipping/vectorized RNA knockdown for DMPK	Myotonic dystrophy	Discovery	Astellas
(Not disclosed)	UBE3A restoring	Angelman Syndrome	Discovery	Astellas
MDL-201	Not disclosed	Muscle disease	Preclinical	MODALIS
MDL-202	Not disclosed	Muscle disease	Preclinical	MODALIS

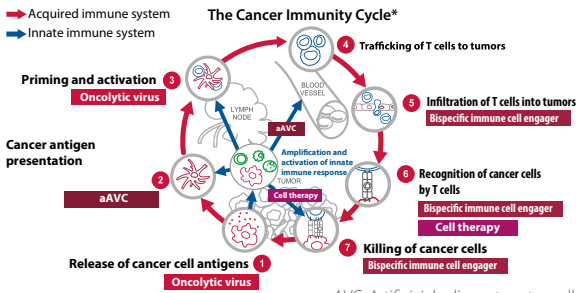
MTM: Myotubularin, GAA: Acid alpha-glucosidase, RNA: Ribonucleic acid, DMPK: Myotonic dystrophy protein kinase, FXN: Frataxin

Primary Focus: Immuno-oncology

Our mission for Primary Focus Immuno-Oncology is to deliver innovative treatment options to patients and ultimately cure cancer. To that end, we are working to maximize our innovative capabilities while building a strong network of external collaborations.

As many as 80 percent of patients are estimated to be refractory (non-responsive) to immune checkpoint inhibitors or to relapse (fail to maintain a response) during treatment. In Primary Focus Immuno-Oncology, our strategy is to target multiple aspects of the immune response to the cancer simultaneously.

Our early-stage platforms are built to trigger an anti-tumor immune response by stimulating multiple immune functions. Through strategic external collaborations and acquisitions, we have established a robust and competitive Immuno-Oncology pipeline with multiple assets in the clinical stage.



aAVC: Artificial adjuvant vector cell
* Chen DS & Mellman I. Immunity. 2013;39(1):1-10 and Demalia O. et al. Nature. 2019;574(7776):45-56.

Pipeline (as of Aug 2022)

Modality	Program	Mechanism	Current phase	Partner
Oncolytic virus (OV)	ASP9801	OV IL-7, IL-12	Phase 1	Tottori University
	ASP1012	Systemic OV Leptin-IL2 fusion	Preclinical	KALIVIR
aAVC	ASP7517	WT1	Phase 2	RIKEN
	ASP0739	NY-ESO-1	Phase 1	
Bispecific immune cell engager	ASP2138	Anti-Claudin18.2 x and anti-CD3 bispecific antibody	Phase 1	Xencor
	Not disclosed	Probody* T cell engagers	Discovery	CYTOMX
	Not disclosed	Bispecific immune cell engager	Preclinical	
Small molecule	ASP1570	DGKζ inhibitor	Phase 1	Adaptimmune
Cell therapy	ASP2802	CD20 convertibleCAR-T	Preclinical	
	Not disclosed	Mesothelin HiT TCR-T	Discovery	
	Not disclosed	convertibleCAR-NK	Discovery	

IL: Interleukin, aAVC: Artificial adjuvant vector cell, DGK: Diacylglycerol kinase, CAR: Chimeric antigen receptor, TCR: T-cell receptor, HiT: HLA (human leukocyte antigen)-independent TCR, NK: Natural killer, WT: Wilms tumor 1, NY-ESO-1: New York esophageal squamous cell carcinoma 1, CD20: B-lymphocyte antigen CD20

Strategic Goal 2 Translate innovative science into proven VALUE

Digital Transformation

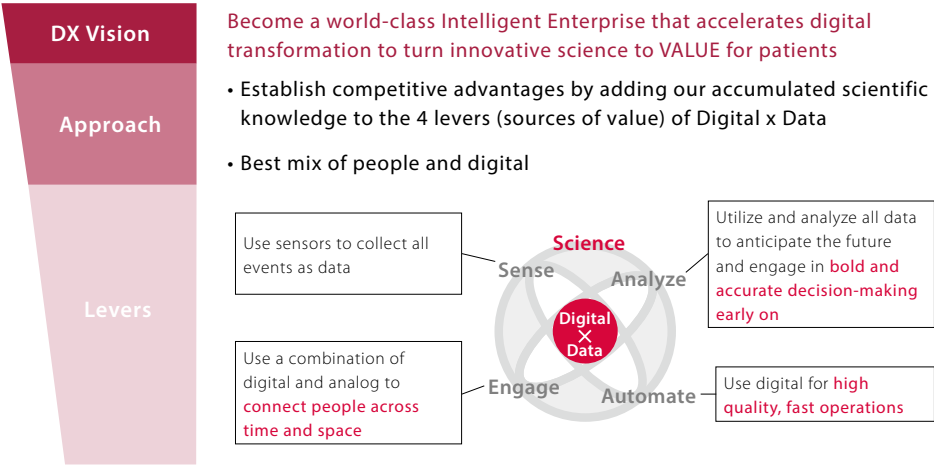
Aims of our digital transformation (DX) initiatives

The pharmaceutical industry handles vast amounts of data throughout its entire value chain, from drug discovery(research), development, and manufacturing, to commercial and the post-marketing maximization of our product value. The impact that DX will have on the company's future is huge, so Astellas is pursuing DX across all areas of the value chain.

In R&D of prescription drugs, for example, it is important to achieve even a small reduction by improving the probability of R&D success and shortening drug development periods as a huge amount of money is spent on drug development. As the potential impact of DX is estimated that it would possibly reduce the cost of R&D by about 60% and shorten the development period by about 2.4 years*1 over the next 15 to 20 years, the acceleration of DX would greatly benefit the whole industry.

Astellas' approach to DX is much more than just streamlining operations through digital

technology. We have positioned DX as one of the Critical Enablers accelerating execution of our Corporate Strategic Plan 2021 (CSP2021). Astellas' DX Vision is to "become a world-class Intelligent Enterprise that accelerates digital transformation to turn innovative science into VALUE for patients", and we have identified 4 levers (sources of value) centered around Digital x Data to realize our DX vision: "Sense," "Analyze," "Automate," and "Engage." By combining these 4 levers with the scientific knowledge that we have accumulated, and through the "best mix" of our people and digital technology, we seek to pursue DX in a way that only Astellas can. The type of DX we aspire to implement is not the one where digital technologies replace people but rather the one where digital technology works with people, complementing each other in areas of mutual strength. In this manner, we aim to achieve a superior pharmaceutical value chain and establish competitive advantages.



*1 Source: "Paradigm of New Drug Discovery through Technology Advance" (Deloitte Tohmatsu Consulting LLC) "With advances in (digital) technology, it will be possible in 15 to 20 years from now to reduce the cost of pharmaceutical research and development by about 60% and shorten the development period by about 2.4 years."



Case

"Mahol-A-Ba" drug discovery platform

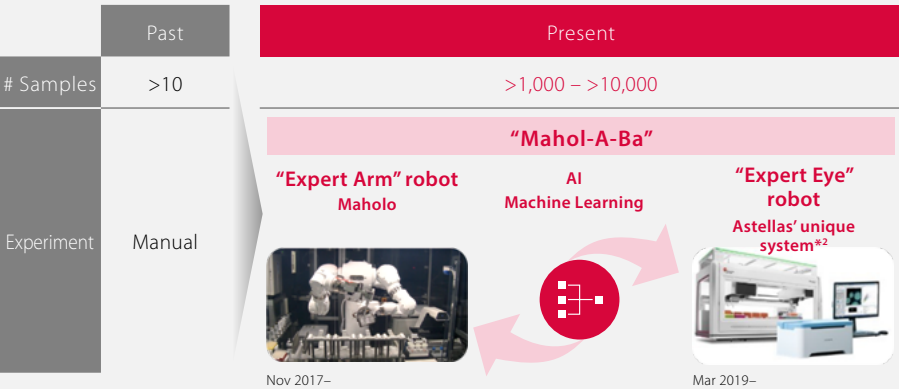
Handling iPS cells requires the practical skills and trained eyes of experienced researchers with subject matter expertise. However, the number of skilled researchers is limited, and even highly skilled researchers are subject to the possibility of human error, alongside a limitation on operating time.

Astellas developed Mahol-A-Ba as a solution to these challenges. Mahol-A-Ba is a "Human-in-the-Loop" drug discovery platform, with no parallels worldwide, that integrates humans, AI, and robots. In this platform, our robot Maholo conducts cell culture and differentiation in its role as the "Expert Arm," taking over the tasks previously performed by researchers. Our "Expert Eye" robot then evaluates the activity of differentiated cells and their pharmacological effects.

In evaluating the activity of differentiated cells and their pharmacological effects, Mahol-A-Ba can conduct 100 to 1,000 times more experiments in the same amount of time compared to humans, even a skilled researcher, and can also continue experiments over long periods of time with high precision and reproducibility. Because researchers can operate Mahol-A-Ba remotely, there has been no need to halt experiments due to restrictions imposed under the COVID-19 pandemic on going to the laboratory and indeed leaving the home at all.

In addition to applying AI and robotics in cell manipulation by Mahol-A-Ba, we can also utilize AI in reflecting researchers' ideas in pharmaceutical compound property prediction and design. We aim to deliver superior pharmaceutical products to patients in the shortest possible time by combining the results of AI analysis with humans' experience and knowledge to inform researchers and allow them to make comprehensive judgements, essentially integrating humans x AI x robotics.

The use of AI and robotics is a new approach to accelerating the speed of R&D, reducing costs, and improving drug quality, enabling us to do things that previously were impossible for humans to achieve on their own. We will utilize these technologies globally in small molecules and antibodies, as well as in new modalities such as cells and genes, to realize agile drug discovery research.



*2 Image source: Beckman Coulter, Inc., Yokogawa Electric Corporation

Strategic Goal 3 Rx+ Business

Our main areas of progress in the Rx+ business during FY2021 included the initiation of a sales pilot of Fit-eNce Home, commercialization of AI-based MYHOLTER II ECG analysis service, a business alliance to initiate a sales pilot of disposable Holter ECG device “EG Holter”, and the topline results from the Phase II trial of the imaging agent pudexacianinium chloride (ASP5354) used to visualize the ureters. As for the MYHOLTER II ECG analysis service, we will further improve the system’s diagnostic accuracy by conducting additional learning using more ECG data. As for ASP5354, based on the positive results, a Phase III trial is scheduled to start during FY2022, and we plan to file a regulatory submission in the United States during FY2023.

Relationship to Material Issues

- Access to Health
- Fulfilling unmet medical needs by creating novel healthcare solutions

Strategic Goal 3 Rx+ Business

Message from the Head of the Rx+ Business Accelerator



Richard Cassidy
Senior Vice President,
Rx+ Business Accelerator

Q1 What is Astellas' aiming for in its Rx+ initiatives?

We are expanding Astellas' ability to provide VALUE to patients, across the patient journey, through exploring new and innovative science and technologies that are not pharmaceutical in nature. We are taking a bold approach by seeking to create new and sustainable businesses that are independent from our existing pharmaceutical business.

Q4 What was accomplished, and what needs to be addressed in the second year of CSP2021?

In the second year of CSP2021, we will be building on these pilot sales from June 2022 and move towards full commercialization. In addition, we will move other late-stage programs to cross the threshold of achieving sales. These are critical steps as we move towards our goal of achieving profitability from Rx+ activities by FY2025.

Q5 CSP2021 set out a goal of making the Rx+ business the backbone of Astellas in the coming decade. In the first year out, what changes do you see in the Company as an Rx+ organization, and in the general mood of the people who are working?

CSP2021 goals for Rx+ have made us focus our activities even more on opportunities that have the potential to grow into new businesses and on pushing our teams to move to commercialize with great speed. The Rx+ teams are dedicated to providing VALUE to stakeholders through new and innovative solutions. As we move our programs forward, we are always learning from our activities because many things we are doing are new to Astellas. I see a greater understanding of Rx+ priorities across colleagues in Astellas and a greater willingness to support us in achieving our goals.

Q2 How do you see the Rx+ business unfolding over the longer term?

We have a broad portfolio of projects in incubation and acceleration stages. The exciting development in the coming 2-3 years is that some of those projects will progress to being fully commercialized businesses. In parallel, we will continue to innovate and seek new ideas for future businesses.

Q3 What has the Company focused on since the launch of CSP2021?

In Rx+ we are pushing hard to commercialize our later-stage business opportunities. We achieved 2 significant milestones since the launch of CSP2021. As part of pilot commercial activities, we made Astellas' first device sale and Astellas' first service-based sale.

Q6 What Rx+-related events are you most looking forward to in FY2022?

Every day working with the Rx+ Business Accelerator team is special! We are all highly motivated to provide VALUE to patients and we are always breaking new ground and learning something. It is a very exciting part of Astellas to work in! We have so many programs that will progress during FY2022 that it would be unfair to single out any in particular.

Strategic Goal 3 Rx+ Business

Progress of Strategic Goal 3

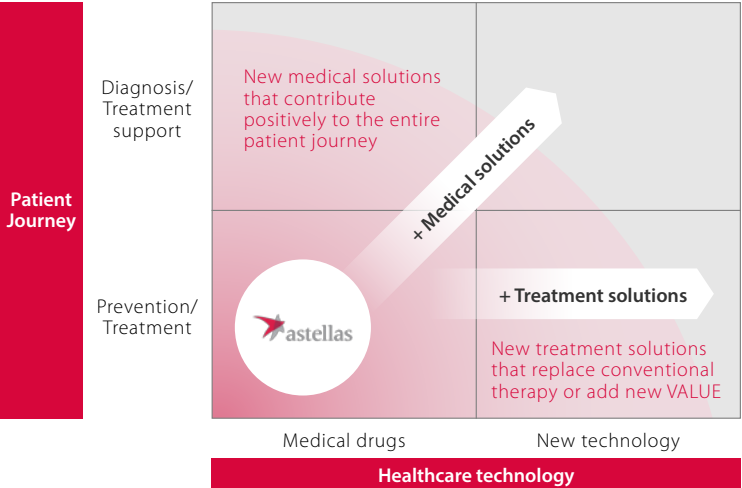
Explanation of Rx+

Strategic Goal 3 calls for Astellas to advance the Rx+ business, which is defined as a business that combines the expertise and knowledge of Astellas, cultivated through its Rx business, with technology in different fields to offer new healthcare solutions. Our aim is to create new revenue streams separated from our core Rx products. We will provide VALUE to patients across the patient journey not only for prevention

- Prevent disease onset and slow progression by using personal data
- Expand options for people with limited access to current therapeutics
- Support active living by enhancing physical and sensory functions

and treatment through conventional medical drugs (Rx) but also through diagnosis and treatment support. Astellas aims to realize “a world where people can live mentally and physically healthy lives and be true to themselves through healthcare solutions based on scientific evidence.” To this end, the Rx+ business will create new businesses that provide the following value propositions.

Positioning of the Rx+ Business



Programs Under Way



Connecting Medical to Exercise

- Value creation and provision through "Astellas x Fitness x Medical"
- Toward a society in which people can enjoy becoming healthy.

By exploring VALUE creation and provision through combining exercise and clinical evidence, built on Astellas’ strengths, such as understanding disease and physicians’ and patients’ needs, scientific knowledge, and a network with healthcare providers, we will realize a society in which people can enjoy becoming healthy.



Bioelectronics using iota Technology

- Utilizing iota Biosciences' platform technology for tiny wireless medical implantable devices
- Aiming for another way to realize innovative medical solutions

Bioelectronics is an interdisciplinary field of biology and electronics that uses implantable devices to obtain biological data or transmit signals into organisms. Astellas will utilize this technology to implant the tiny wireless medical devices of iota Biosciences in organisms and harness their feedback control to aim for another way to realize innovative medical solutions.



Image-guided Precision Surgery

- Maximize patient outcomes using image-guided technology
- Realize precise surgical procedures with drug and device combination

Image-guided surgery can be achieved by fusing detecting devices and other medical device technology with imaging agents and other pharmaceutical technology, to support surgeons and patients. We aim to realize more precise and safer surgical methods.



Clinically Relevant Holistic Solutions and Mobile Healthcare Solutions

- Collect and analyze medically and clinically useful information through digital technology
- Provides a personalized treatment and continuous interaction with healthcare providers

Mobile healthcare solutions can collect and analyze medically and clinically useful information through digital technology to optimize and provide data to individual patients and healthcare professionals. This is a service which connects patients and healthcare professionals digitally and provides new treatments.



Innovation in Management of Heart Disease Patient

- An eco-system which supports home care of heart disease patients
- Consists of simple and cost-effective novel sensing devices

When in-home care management was left up to patients, the lack of devices was an issue. The Heart Disease Patient Support System is an eco-system that supports the in-home management of patients with heart disease by linking data with new monitoring devices that are easy to use and cost-effective.

Strategic Goal 3 Rx+ Business

Progress of Strategic Goal 3

Progress and Outlook

Main areas of progress in the Rx+ business in FY2021 included the initiation of a sales pilot of Fit-eNce Home, commercialization of AI-based MYHOLTER II ECG analysis service, a business alliance to initiate a sales pilot of disposable Holter ECG device "EG Holter", and the topline results from Phase II trials of the imaging agent pudexacianinium chloride (ASP5354) used to visualize the ureters.

AI-Based Holter ECG Testing Service

MYHOLTER II service realizes the automatic analysis of ECG data by using a proprietary AI-assisted algorithm. It was jointly developed by Astellas and M. Heart. M. Heart has obtained certification for EG Holter and MYHOLTER II as a medical device (Class II). Because it is cloud-based, MYHOLTER II allows healthcare professionals to conduct ECG data analysis from anywhere.

EG Holter is a Holter electrocardio-

Measures Taken	Event	Time to Achievement
Fit-eNce	Initiated pilot marketing of Fit-eNce Home service that can be implemented at home	Sep 2021
MYHOLTER II	Service commercialization	Jul 2021
EG Holter	Initiate sales pilot	Jun 2022
pudexacianinium chloride(ASP5354)	Topline results for Phase II study	Nov 2021

graph designed and developed by Nitto. Because it is a disposable device, it is hygienic and does not require maintenance. It is 6 mm thick, 11 g in weight, has no cords, and is water resistant (IPX4). It is easy to attach and remove. Astellas, Nitto and M. Heart initiated a sales pilot of EG Holter for the Japan market. Data obtained by EG Holter will be analyzed by MYHOLTER II.

With the ECG testing service, after measurement, patients send the device to the reception center by postal mail, eliminating the need to return the equipment back to a medical institution. Medical institutions can also see results online via MYHOLTER II, resulting in

reduction of the burden on both patients and medical institutions.

Going forward, we will improve the system's diagnostic accuracy by conducting additional learning using more ECG data obtained.

Imaging Agent Pudexacianinium Chloride That Guides Precision Surgery

The compound pudexacianinium chloride (ASP5354) fluoresces upon excitation with near-infrared light. When administered prior to surgery, the compound enables surgeons to confirm the position of the ureter during surgery. This holds the promise of reducing the risk of accidental injury to the ureter during surgery and of shortening surgery times.

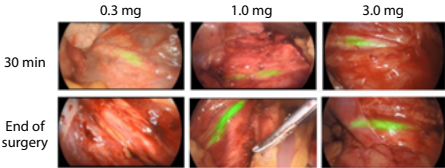
ASP5354 received Fast Track Designation from the US Food and Drug Administration (FDA) in 2020. The Fast Track Designation promotes the acceleration of development and testing of drugs for the treatment of serious or potentially life-threatening diseases with high unmet medical needs. The designation raises hopes that ASP5354 will be put into actual use earlier.

In a Phase II study completed in November 2021, visualization of the ureter was confirmed at different doses of

the imaging agent. Results showed that visualization could be sustained until the completion of surgery. In addition, no major safety concerns were observed.

Based on these positive results, A Phase III study is scheduled to start during FY2022, and we plan to file a regulatory submission in the United States during FY2023. Moreover, since visualization of the ureter using ASP5354 also requires a near-infrared light emitter, we are exploring collaboration with a device manufacturer as we move toward commercialization.

Ureter Visualization at 30 Minutes Post pudexacianinium Administration and at End of Surgery



Strategic Goal 4

Deepen our engagement in sustainability

Astellas is committed to our mission of sustainable enhancement of enterprise value in alignment with our raison d'être, "To contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products." In other words, for Astellas, contributing to societal sustainability means the execution of our business philosophy.

While leveraging our strengths and capabilities, we will deliver VALUE to society by creating innovative healthcare solutions that improve access to health and outcomes* for patients. We believe that our innovations will play a part in improving the sustainability of society. This will build trust from society, which will, in turn, also make Astellas more sustainable.

In FY2021, Astellas has updated our Materiality Matrix to guide our sustainability efforts, selecting key issues from the perspective of importance for society and Astellas. We then prioritized the material issues (materiality) and will formulate action plans for each materiality identified, which will contribute to the improvement of sustainability through company-wide efforts.

* Outcome includes not only the safety and efficacy of treatments, but also the minimization of the burdens on patients caused by the complexity of treatments and the improvements in quality of life (QOL).

Strategic Goal 4 Deepen our engagement in sustainability

Message from the Head of the Sustainability Division

**Shingo Iino**Vice President,
Sustainability

We will address materiality as One Astellas to evolve sustainability for both society and Astellas.

A year of deepening our engagement in sustainability

Companies today are expected to manage their operations with an awareness of sustainability. At Astellas, we feel that each year brings higher expectations of our sustainability efforts. Under these circumstances, we have set “deepen our engagement in sustainability” as one of the Strategic Goals of Corporate Strategic Plan 2021 (CSP2021). In FY2021, the first year of the plan, we carried out various initiatives to achieve this goal.

As key accomplishments in FY2021, we (1) refreshed our Materiality Matrix, (2) created an Access to Medicine strategy for Astellas products, (3) selected 4 new HSS (Health System Strengthening) programs, and (4) disclosed the results of scenario analysis aligned to TCFD recommendations. In particular, “(1) updating the Materiality Matrix” was a major achievement. Among a range of social issues, it enabled us to identify the key issues and material issues (Materiality) that Astellas should address. We could then present these as a compass to guide our management. After the update, we held discussions with cross-functional members to set each action goal for FY2022. We will carry out these action plans across relevant members to achieve them.

Among the material issues, we will focus on “Access to Health”. With our VISION to be “On the forefront of healthcare change to turn innovative science into VALUE for patients”, we will promote initiatives that use our capabilities and assets, while improving access to Astellas products and to products under development in our portfolio.

Our sustainability efforts cannot be completed by the Sustainability Division alone and all divisions and Astellas employees need to work together. In order to do so, we made a concerted effort to have engagement among Top Management about our initiatives. As an example, in FY2021, sustainability issues were reported to the management and discussed 10 times at the Executive Committee (including quarterly reporting meetings) and 6 times at the Board of Directors.

In FY2022, we will further strengthen our advocacy activities on sustainability. As well as dialogues with investors and other external stakeholders, we will actively introduce Astellas initiatives to our employees to deepen their understanding. At the same time, we will create opportunities for gathering ideas so that more employees than ever can take part in our activities.

Becoming a company whose Raison D'être is recognized, a company supported by people around the world.

We believe that our efforts to improve Access to Health will not only deliver more VALUE for patients but will also help reduce the burden on their families and even on the healthcare system. As a cutting-edge VALUE-driven life science innovator, we aim to create innovative healthcare solutions, delivering them widely to patients in need while reducing the burden on patients, on their families, and on the healthcare system to help bring about a sustainable society. Through our initiatives to address the key issues we identified, such as Access to Health, we are envisioning a future in which we earn recognition for our Raison D'être and gain the support of people around the world.

In FY2022, we will continue to work as One Astellas to evolve our efforts on sustainability under CSP2021 and to strengthen our engagement with stakeholders through advocacy activities. We also plan to hold the second Sustainability Meeting, following on from last year's meeting. We hope that you will continue to take an interest in our efforts to evolve sustainability.

Strategic Goal 4 Deepen our engagement in sustainability

Progress of Strategic Goal 4

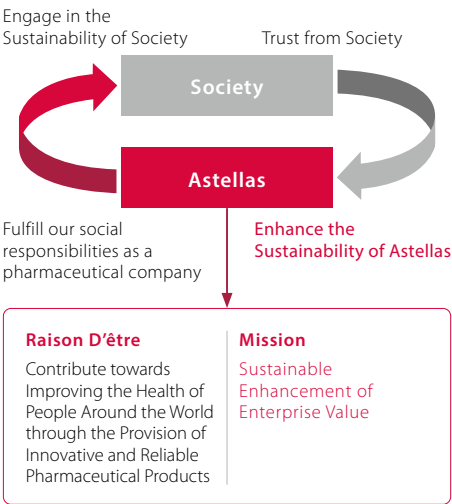
Astellas' Sustainability

Astellas recognizes our contribution to social sustainability and earning trust from society will enhance Astellas' sustainability.

We have established the Sustainability Advisory Panel, and Environment, Social or Governance Working Group (E•S•G Working Group) led by the Sustainability division and consisting of cross-functional members. These organizations promote the following activities to contribute to sustainability from a long-term, strategic and groupwide perspective.

- Improve "Access to Health"
- Contribute to Environmental Sustainability with Greater Transparency
- Advocate Our Efforts on Sustainability

Astellas' Interaction with Society



SUSTAINABILITY GOVERNANCE



Access to Health

Many people across the globe struggle to receive the medical care they desperately need. Various factors contribute to this challenging situation, including a lack of appropriate treatments, healthcare system challenges, insufficient healthcare information, and poverty. At Astellas, we recognize these struggles as "Access to Health" issues and are active in tackling the root causes. We are committed to utilizing our capabilities and technology to provide healthcare solutions and improve access to health around the world.

- Main Hurdles of Access to Health**

 - Lack of appropriate treatments
 - Insufficient healthcare information
- Healthcare system shortcomings
 - Poverty



Environmental Initiatives

Astellas' Charter of Corporate Conduct states that "recognizing that harmony between the global environment and our business activities is prerequisite to our corporate existence, we shall take proactive measures to conserve the global environment." For Astellas to continue to grow sustainably, we need to be conscious of the issues affecting our local environment and ensure that factors such as energy efficiency, climate change, environmental pollution, and waste disposal, are central to our environmental initiatives.



Advocacy

Advocacy activities are designed to promote deeper understanding among our stakeholders regarding Astellas' efforts on Sustainability. At the same time, these activities provide an opportunity for us to reassess how we can contribute to resolving social issues and provide patients with a better quality of life. Astellas will continue crystalizing and advocating a Sustainability story which has been developed based on the updated materiality matrix.

Strategic Goal 4 Deepen our engagement in sustainability

Progress of Strategic Goal 4

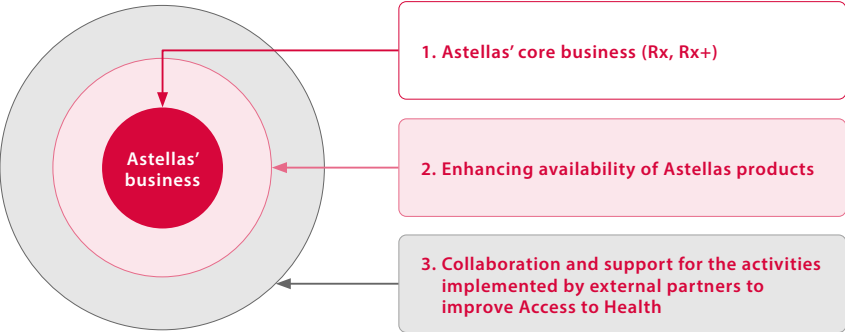
Improving Access to Health

Improving Access to Health: Our Initiatives

Astellas recognizes Access to Health as a materiality, and through our VISION to be "On the forefront of healthcare change to turn innovative science into VALUE for patients," we are proactively taking a comprehensive approach to solving this issue through the 3 methods defined below.

- 1. Astellas' core business (Rx, Rx+)**
Astellas continues to contribute to the health of patients by researching, developing, and delivering innovative healthcare solutions to address diseases with high unmet medical needs.
- 2. Enhancing availability of Astellas products**
For patients who have difficulty accessing Astellas therapies for socioeconomic reasons, we are establishing a mechanism to enhance the availability of Astellas therapies while taking into consideration the characteristics of various measures and regulations in each country.
- 3. Collaboration and support for the activities implemented by external partners to improve Access to Health**
In addressing the issues of Access to Health, Astellas promotes collaboration with external partners and support for their activities by leveraging Astellas' capabilities and technologies with external partners.

Astellas' initiatives improving Access to Health



1. Astellas' core business (Rx, Rx+)

Since our establishment, Astellas has continuously strived to create innovative healthcare solutions and deliver them to patients who need them. We will accelerate our research and development based on our Focus Area approach and create diverse healthcare solutions by combining biologies and modalities/technologies. In addition, we will promote the Rx+ business which leverages the expertise and knowledge of Astellas, which have been cultivated through its Rx business, integrates innovative medical technology with cutting-edge technology in different fields, and contributes through the patient journey (overall medical care, including diagnostic, preventive, therapeutic and prognostic care).

Number of countries and people with access to Astellas' innovative drugs (as of February 2022)

Product	Tamsulosin	Tacrolimus	Vesicare	Xtandi	Mirabegron	Xospata
Number of countries	106	105	86	96	69	33
Number of patients	approx. 82 mil.	approx. 1.6 mil.	approx. 24 mil.	approx. 0.62 mil.	approx. 23 mil.	approx. 1,300

Strategic Goal 4 Deepen our engagement in sustainability

Progress of Strategic Goal 4

2. Enhancing availability of Astellas products

For patients who are unable to obtain Astellas medicines for social or economic reasons, we strategically implement activities to improve access to our pharmaceutical products from the development stage to post-launch.

For patients who are unable to participate in clinical trials but meet certain criteria, our Early Access Program provides treatment before marketing authorization. As a result, more than 900 acute myeloid leukemia patients in 35 countries have gained access to our drug, XOSPATA. Our International Pharmacy Program allows products that have already been approved in major countries to be imported and used in unapproved countries for eligible patients. Through this program, PADCEV now has been imported into 50 countries,

and prescribed to more than 30 patients. In addition, through our Patient Access Initiative which allows eligible patients in some countries and regions to receive financial assistance in purchasing our products, XTANDI and XOSPATA have been made available in 37 and 17 countries, respectively.

We continued to build the capability to implement data and evidence-based pricing solutions for our innovative products. These solutions ensure that payers and healthcare systems pay a fair and value-based price for our newly launched medicines. In FY2021, the Company implemented 4 new Evidence Based Pricing solutions, with 3 fully implemented by payers in-country, expanding access to more patients.

3. Collaboration and support for the activities implemented by external partners to improve Access to Health

In our efforts to improve access to health, we strive to provide cooperation and support for the activities implemented by external partners by combining our capabilities and technologies.

Astellas continues to pursue collaborative research into new drugs for the treatment of tuberculosis, utilizing lead compounds* identified via our “joint research for exploration of new compounds for Mycobacterium tuberculosis.” Within a consortium of partners, Astellas furthermore has utilized its formulation technology to develop a pediatric formulation of praziquantel, the standard treatment for the parasitic disease schistosomiasis.

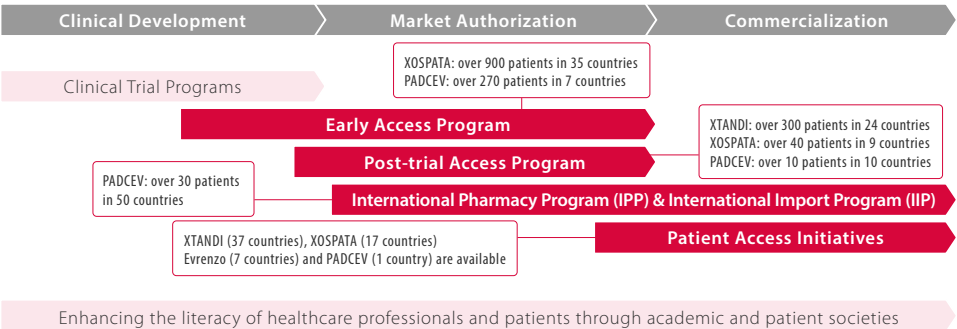
In the areas of strengthening healthcare systems and improving health literacy, we are funding new projects with external organizations to impact society where anticipates synergy with Astellas sustainability. The Astellas Foundation for Research on Metabolic Disorders (AFRMD) contributes to medical and life sciences through the discovery

and nurturing of brilliant young talent and support for researchers by providing training and an opportunity to study abroad. Described below, the Astellas Global Health Foundation primarily funds initiatives to support the most underserved communities in low- and middle-income countries where Astellas does not have a business presence. Both the AFRMD and AGHF operate independently of the corporation.

In March 2022, Astellas pledged to provide charitable donations to international charitable organizations including National Cancer Society Malaysia and Asia Cancer Forum, Japan, City Cancer Challenge Foundation (C/Can), Fred Hollows Foundation and World Vision, India. The programs are focused on specific health issues such as cancer care, eye care and neglected tropical diseases. Funding from Astellas is intended to help strengthen healthcare systems and health literacy in countries where the company has a business presence.

* A compound with a physiological activity that meets the predefined criteria discovered through compound screening (search for drug discovery seeds).

Enhancing Availability of Astellas Products



Astellas Global Health Foundation

The Astellas Global Health Foundation (AGHF) is an international philanthropic organization dedicated to supporting 3 key areas: improving access to health, building resilient communities, and providing disaster preparedness support in underserved global communities. Launched in 2018, the Foundation has awarded nearly \$7 million in grants to support charitable initiatives focused on improving access to health, building resilient communities and providing disaster support. Through the funding, it is anticipated that the AGHF will impact more than 31 million lives over the course of 3 years in Kenya, Nepal, Dominican Republic, South Sudan, the Democratic Republic of the Congo, Ghana, Ethiopia, Nigeria, El Salvador, Honduras, Uganda and Venezuela.

Strategic Goal 4 Deepen our engagement in sustainability

Progress of Strategic Goal 4

Environmental Initiatives

Climate Change and Energy

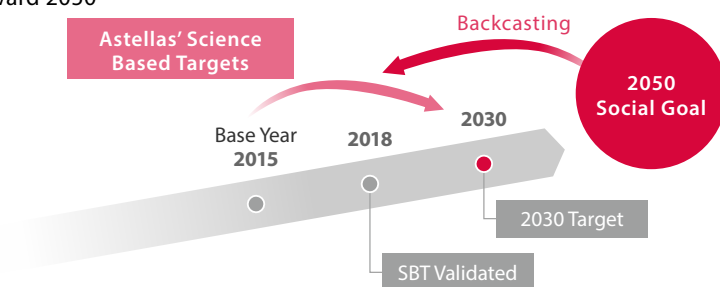
Mitigating and adapting to the threat posed by climate change requires active involvement by national governments, local governments, corporations, citizens, and others. Astellas recognizes that climate change will become a constraint on conducting sustained corporate activity and considers it one of management's key issues to address.

Astellas has adopted the method for setting reduction targets recommended by the Science Based Targets (SBT)^{*1} Initiative. This method is designed to achieve the 2°C

target of the Paris Agreement, which entered force in 2016. In November 2018, the SBT Initiative certified the targets laid out in Astellas' Environmental Action Plan.

To address climate change as a management issue, we have adopted as an indicator the 2° C Scenario of the International Energy Agency (IEA 2DS)^{*2}. We are currently updating our Environmental Action Plan, setting a long-term target of net zero emissions by 2050 based on a 1.5°C scenario^{*3}.

Steps toward 2050



Environmental Action Plan (Climate Change Mitigation Measures) (SBT certified)

- ▶ Reduce GHG emissions (Scope 1 + Scope 2) by 30% by FY2030 (base year: FY2015)
(Emissions in the base year: 202 kilotons)
- ▶ Reduce GHG emissions (Scope 3) by 20% per unit of revenue by FY2030
(base year: FY2015)

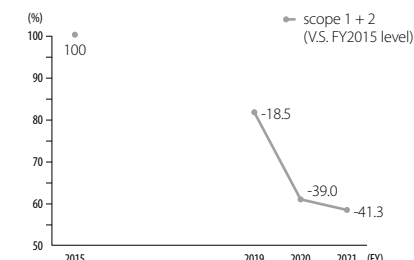
*1 Greenhouse gas emission reduction targets set by companies 5–15 years ahead, consistent with levels required by the Paris Agreement.

*2 Reference was made to the 2-degree scenario (2DS) of the International Energy Agency (IEA).

*3 Reference was made to the Intergovernmental Panel on Climate Change (IPCC) Working Group I Summary for Policymakers (SPM) of the Sixth Assessment Report.

In FY2021, we invested 900 million yen in climate change mitigation measures, mainly in energy-saving measures at each business facility, the renewal of air conditioning equipment, and the introduction of LED lighting, yielding a reduction of 1,933 tons of GHG. This represented a reduction of about 41% in Scope 1 and 2 greenhouse gas emissions in FY2021 and about 22% in Scope 3 greenhouse gas emissions.

Progress on Environmental Action Plan (Scope 1 + 2)



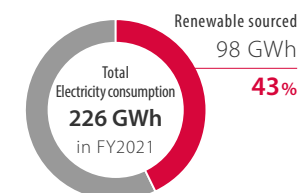
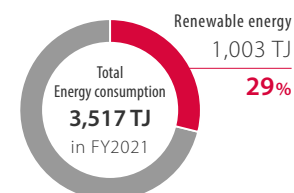
Progress on Environmental Action Plan (Scope 3 / revenue)

	FY2015 (Base year)	FY2019	FY2020	FY2021
GHG emissions (Scope 3) (Tons)	271,010	229,953	194,534	200,019
Revenue (billion yen)	1,373	1,301	1,250	1,296
Emission per unit of revenue (tons/billion yen)	197	177	156	154
Ratio to Base-year (%)	—	-10.5	-21.1	-21.8

Usage of Energy

Astellas' total energy consumption in FY2021 was 3,517 TJ, a year-on-year decrease of 0.2% (8 TJ). Across regions, air conditioning equipment uses a large volume of electricity, and electricity accounts for a large proportion of overall energy consumption. Going

forward, Astellas will continue to strive to lower energy consumption by further introducing electricity derived from renewable energy sources and introducing hybrid cars and electric vehicles, chiefly at production sites in Japan.



Strategic Goal 4 Deepen our engagement in sustainability

Progress of Strategic Goal 4

Disclosure based on TCFD recommendations

An in-house cross-functional team for disclosure based on TCFD recommendations was established and the team conducted a scenario analysis. The team analyzed Astellas' business and climate-related risks and opportunities, on the assumption that transition

risks would materialize under a 2°C scenario for climate change and physical risks would materialize under a 4°C scenario*¹. In FY2021, the team undertook a qualitative scenario analysis, and the content of the analysis was discussed and raised at the EHS Committee.

*1 Reference was made to Working Group I Summary for Policymakers (SPM) of the Sixth Assessment Report published by the IPCC in August 2021.

*2 Only some items were extracted from the analysis results. See the corporate website for details.



<https://www.astellas.com/en/sustainability/TCFD-disclosure>

Analysis of Risk and Opportunities*²

Climate Change Risks		Potential Financial Impacts	Astellas' Resilience
Transition Risks (Risks that would materialize under a 2°C scenario)			
Policy and Legal	Increased pricing of GHG emissions (costs based on premise of paying a carbon tax).	Business sites that have not introduced renewable energies may have to add payment of a carbon tax to their costs.	Using renewable energies such as wind and solar power to generate electricity for some power used at business sites. Switched to purchasing energy derived from renewable sources at business sites (Part of manufacturing and research sites and sales offices in Europe and the United States. Some manufacturing and research sites in Japan started purchasing electricity derived from hydroelectric power in FY2020.) Promote the purchase of renewable energy-derived electricity at other business sites in the future. Purchase credits (CO ₂ emission rights) to reduce Scope 1 emissions and measures to control costs associated with the purchase will be issues for consideration.
	Obsolescence and impairment loss on existing facilities accompanying GHG emission regulations.	<ul style="list-style-type: none"> • Possibility of being asked to discard facilities due to strengthening of environmental regulations • Refrigeration equipment using freon gas. • Vehicles that use fossil fuel may no longer be available in some countries after 2035. 	There are no existing facilities that we are forced to dispose of. Regarding freon gas, we will take appropriate measures that comply with laws and regulations. From 2030 onwards we need to respond to a change of automobile (shift from internal combustion engines to electric motors and fuel cells). Shift to EVs for sales fleets and trucks and modal shift of transportation will have an impact on the business operation.
Physical Risks (risk materializing at 4°C increase)			
Acute	Increased severity of extreme weather events such as floods.	Operations halt at our business sites due to floods or other factors. Raw material and product supply is delayed due to damage in the supply chain caused by floods or other factors.	<p>[Toyama Technology Center]: For flood risk assessment, we asked a consultant to create a hazard map and designed the building based on the recommendations.</p> <p>[Yaizu Facilities]: The Yaizu Facilities tsunami hazard map envisages damage being minor.</p> <p>We are analyzing the supply chain for each business site. We are implementing measures such as inventory control with a margin for continuous stable supply. Environmental risk assessment of supply chain is conducted by using an in-house system called "Risk Assessment on Third Party Lifecycle Management".</p>
Climate-related Opportunities		Potential Financial Impacts	Astellas' Response
Resource efficiency	<ul style="list-style-type: none"> • Use of more efficient production and distribution processes • Use of recycling 	Reduced operating costs	Together with other companies in the same industry we established and operate a joint logistics center in Hokkaido. This is conducive to making the logistics process more efficient. Started operating the Kyushu Logistics Center in Fukuoka Prefecture. As the joint distribution center in Hokkaido achieved an efficient supply of pharmaceuticals and reduction of CO ₂ emissions, the same outcome is expected for the Kyushu Logistics Center. In European countries and the United States, warehouses shared by multiple pharmaceutical manufacturers are being used to streamline the distribution process. We collect exhaust heat from air conditioning units at Japanese manufacturing plants and research sites and use it to pre-heat the air supply to improve heat efficiency.
Products and market	<ul style="list-style-type: none"> • Development and/or expansion of low emission goods • New products and services • Access to new markets 	Increased revenues through access to new and emerging markets	For the spread of infectious diseases in endemic areas due to temperature change and the needs for new drugs for the treatment of infectious diseases as a result of antimicrobial resistance, collaboration with the Phage Biologics Research Course at a university to create engineered bacteriophages, which could be an option for solving these issues. Climate change can change the area of occurrence, morbidity, and severity of epidemic diseases. Heart disease, respiratory disease, etc., may also increase in prevalence.

Strategic Goal 4 Deepen our engagement in sustainability

Progress of Strategic Goal 4

Initiatives for Resource Recycling and Pollution Prevention

Astellas believes that maintaining a healthy global environment is an essential theme for building a sustainable society, and it is also an important element in ensuring the continuation of business activities.

Our Environmental Action Plan sets out short-term and medium-term targets for our activities regarding the key points of the Astellas Environment, Health & Safety Guidelines. We renew our action

plans on a rolling basis, by reviewing progress and conditions during the previous year and incorporating our findings into our Environment Action Plan for the following year. The Plan has been consistently managed well, and even higher targets have been set from FY2021. We are continuously implementing measures in line with the target fiscal years set out in each Plan. Results for FY2021 are as follows:

Environmental Action Plan for Preventing Pollution

Item	Goal	FY2021 Results
Measures for the Conservation of Natural Resources	Enhance water resource productivity ^{*1} by around 20% of the FY2016 result by the end of FY2025	Ratio to base year 17% improvement
Waste management	Improve waste generated per unit of revenue ^{*2} by around 10% of the FY2016 result by the end of FY2025	Ratio to base year 1% deterioration
Biodiversity	Quadruple the biodiversity index by FY2025 from the FY2005 level	Ratio to base year 3.8 times

*1 Water resource productivity = Revenue (¥ billion)/Water resources withdrawn (1,000 m³) (For research and production sites in Japan and overseas)

*2 Waste generated per unit of revenue = Volume of waste generated (tons)/Revenue (¥ billion) (For research and production sites in Japan and overseas)

Effective Use of Resources

The effective use of water resources serves as a useful indicator for gauging society's impact on biodiversity. Astellas is promoting efforts to

reduce the waste landfill volume to as close to zero as possible through the proactive recycling and reuse of waste materials.

Resource Recycling

Item	FY2019	FY2020	FY2021
Volume of water resource withdrawn (1,000 m³)	7,493	7,564	7,394
Waste generation volume (Tons)	13,922	14,352	13,882

External Evaluation Regarding ESG

Astellas has been selected as a constituent of numerous ESG investment indexes, having received high ESG scores from external rating agencies for its ESG initiatives. We continually take a closer look at

such scores and indexes to identify opportunities for further improvement and to pursue sustained efforts to enhance our ESG activities.

Inclusion in ESG Investment Indexes

	2018	2019	2020	2021
FTSEESG Ratings (0 to 5, higher scores are better)	3.3	3.9	3.6	4.0
ICB supersector: Health Care Percentile rank (1 to 100, higher scores are better)	67	87	81	94
MSCI ESG RATINGS AA MSCI ESG Ratings (Scale from CCC to AAA)	AA	AA	AA	AA
CDP CDP Climate Change (A to F, A is the highest)	B	B	A-	B
ACCESS TO MEDICINE INDEX (ranks the world's 20 pharmaceutical companies)	19 th /20	-	-	14 th /20
SUSTAINALYTICS RATED Sustainalytics (Scale from Negligible to Severe)	Medium	Medium	Medium	Medium

ESG Assessments



FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Astellas has been assessed according to the FTSE4 Blossom Japan Sector Relative Index criteria, and has satisfied the requirements to become a constituent of the FTSE4 Blossom Japan Sector Relative Index. The FTSE4 Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

THE INCLUSION OF Astellas Pharma Inc. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Astellas Pharma Inc. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

The 2-year progress report on Access to Medicine Index is as follows:

2018: https://accessmedicinefoundation.org/media/uploads/downloads/5e27136ad13c9_Access_to_Medicine_Index_2018.pdf

2021: https://accessmedicinefoundation.org/media/uploads/downloads/613f5fb390319_Access_to_Medicine_Index_2021.pdf

Copyright ©2021 Sustainalytics. All rights reserved. This [publication/ article/ section] contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

Organizational Health Goals



Organizational Health Goals (OHGs) have been established to implement CSP2021 more effectively. They are important for the reliable execution of CSP2021 and for the personal growth of individual employees to foster a corporate culture enabling the creation of greater innovation to reach more ambitious goals.

We have promoted the understanding of CSP2021 by increasing the opportunities and frequency of dialogue between Top Management and employees and not just cascading down through functional responsibility.

In addition, we have established the Astellas Leadership Expectations and completed training to all Astellas leaders (approximately 3,000) to dramatically transform organizational culture.

We have also introduced “shared objectives” across divisions/functions and “ambitious objectives” in order to drive further collaboration and intelligent risk taking for innovation. Other OHG-related initiatives are also in progress.

In order to increase our time and resources to focus on critical work, advance necessary activities faster and be more innovative, we started the “Dansharism” initiative from FY2022.

Based on the idea that time is the most valuable resource, by identifying and being “brave” to eliminate work that lacks sufficient purpose reason, and identifiable return on investment (ROI), we secure resources for our priority core business and also drive further innovation.

Relationship to Material Issues

- Talent and organizational culture for realizing innovation

Message from the Head of Human Resources



Katsuyoshi Sugita

Executive Vice President,
Human Resources*

*1 Appointed as Chief People Officer and Chief Ethics & Compliance Officer (CPO & CECO) effective October 1, 2022.

People and organizational initiatives toward the Organizational Health Goals (OHGs) directly link to contributions to the business.

When I joined Astellas in 2021, what surprised me was that globalization is progressing in every aspect. Along with the globalization of our business, which is reflected in the increase in the ratio of overseas sales and the ratio of overseas employees, we have also globalized our HR policies and organizations to support that change. For example, most companies tend to divide their human resources divisions into domestic and overseas divisions by setting up an international human resources division. But at Astellas, our human resources division manages both domestic and international operations under a single division. This gives us a unified chain of command and a globally integrated human resources system. We put in place remote work from an early stage, creating an environment for company-wide collaboration to contribute to patients across countries.

The OHGs set forth in Corporate Strategic Plan 2021 (CSP2021) will work as “a bridge” that connects these people and organizational efforts to contributions to our business. In working toward our OHGs, we will promote cross-functional collaboration so that we can “excel as One Astellas.” We will nurture innovation by encouraging people and organizations who can take

We will focus on building an organization that continues to grow so that we can maximize our contribution VALUE to patients.

intelligent risk-taking to embrace new challenges. Through these efforts under CSP2021, it will surely lead business results.

While it is still too early to see major changes as we have only just finished the first year of CSP2021, in the first year of the plan, we carried out a leadership training program called “Ignite.” The program presented the detailed image of leadership style that Astellas expects of its leaders. I feel that this has given our leaders a heightened awareness of their importance as role models, and of the need to take ownership in fostering the development of our people and organizational culture. Our leaders now have a better grasp of the importance of giving their teams and organizations a high level of psychological safety. A total of 2,888 leaders attended, for a participation rate of 99%. We worked to develop this as a company-wide system.

In addition, employees are increasingly interested in going beyond their own organizations to explore opportunities for work or positions in other divisions. There have been some positive changes, such as cases where employees planned their own careers and took up the challenge of open positions. In such case, the Company openly select employees while matching their wishes as much as possible. The basic rule for internal transfers is free competition based on the wishes of each individual.

In addition, we have significantly increased the opportunities for direct communication from top management*2. In the “Ask Me Anything” sessions, which are part of the measures to spread CSP2021 with employees, employees communicate directly with Top Management, who answer the employees’ questions directly in their own words. I see this as another unique Astellas initiative for employees to work together as One Astellas.

*2 President and Chief Executive Officer, Chief Strategy Officer, Chief Administrative Office • Chief Ethics & Compliance Officer, Chief Medical Officer, Chief Commercial Officer, Chief Scientific Officer, Chief Financial Officer, General Counsel, and Chief Manufacturing Officer.

There is still more that our organization and our employees can do to achieve CSP2021.

As I mentioned, our efforts to drive innovation are beginning to bear fruit. But there are still areas where we can improve. One example is the number of organizational hierarchies. In general, the more hierarchies we have, the more approval processes we have and the slower

Message from the Head of Human Resources

the decision-making process becomes. This can hinder innovation in terms of time and cost. We are working to improve this by streamlining our organizational structure. The less hierarchy there is, the easier it is for people to propose and discuss ideas freely and frankly. Reducing hierarchies is an important issue for approaching our target organization under the OHGs. The Dansharism initiative that we began this fiscal year also creates an environment that nurtures innovation. It does this by cutting out excess and inefficiencies and focusing resources on what is truly necessary.

Aside from organizational structure, another essential element of driving innovation is our employees' mindset. We will continue to increase communication to further foster the mindset of putting patients first and delivering Astellas VALUE.

To continue driving innovation, it is important not only to have mutually supportive relationships, but also to actively pursue results. The key to this is psychological safety. When we are willing to take intelligent risks and challenge ourselves to achieve results, there can be a time for criticism or tough discussions. An organization with a high level of psychological safety can talk about things frankly without having to avoid such hard discussions. That enables the organization to put in the preparation needed to push itself to the next level. We will continue to work on building our organization to have this kind of psychological safety.

We aim to build an organization that our stakeholders will continue to choose.

One of my goals is for Astellas to be an organization where employees choose it because that is where they want to work. Astellas should be a place where people can continue to grow on their own with a growth mindset. A growth mindset means not placing limits on your qualities and abilities. It is the idea that you can develop your own potential as much as you want with your experience, effort, and attitude. I have always pursued my career with this idea. Based on this mindset, each and every employee will continue to have a willingness to learn, and will become highly motivated, capable, and able to choose their own careers. We aim to be an organization that continues to be chosen by such talents for their sympathy with the VISION, passion for their duties, job satisfaction, co-workers, and the good working environment.

Another important factor for continuing to be chosen by stakeholders is to be a purpose-driven organization. All our employees have a clear understanding of our purpose as an organization. They know that we are working toward our OHGs and using human resources initiatives to build an organization that can drive innovation. They understand how we aim to channel those efforts toward business results, so that we can maximize the VALUE we deliver to patients. They can see how all of these initiatives align with the VISION.

In order to continue to create more VALUE through innovation and to be an organization that continues to be chosen by stakeholders, we will focus on achieving CSP2021, which includes OHGs. And I will always enjoy taking on new challenges.



People and Organization for Innovation

To realize our VISION, the engagement of “talent” who are working in Astellas is essential.

Investment in our people is important for the future of Astellas, in addition to enhancing our current ability for execution. We continue to invest with both short-term and long-term perspectives. We want our employees to feel empowered to shape the future of our organization. To that end, we are building a workplace where diverse teams and individuals can thrive amid a culture of mutual learning and respect. We are committed to creating an environment where all our employees can become peak performers at their jobs and stay both physically and mentally healthy.

In 2016, Astellas has developed HR VISION based on Astellas Way to clarify our desired people and organization. By optimizing 3 key areas: attraction, retention and development, Astellas aims to be an “Employer of Choice”.

In addition, we newly established “Organizational Health Goals (OHGs)” in CSP2021 by identifying the elements necessary to achieve CSP2021. With our effort to achieve OHGs, we nurture a corporate culture that aims at reaching ambitious goals by promoting innovation, optimizing our talent, and fostering collaboration, which enhances Astellas’ ability for execution.

Overview of the HR VISION



Initiatives for People and Organization

Establishment of HR system corresponding to our global functional organization

In line with the globalization of our business, we are transitioning to a global organization divided by function, and are promoting the integration and harmonization of personnel systems so that we can deploy the right people in the right place on a global scale. These HR measures support Astellas' business and strengthen its competitiveness in recruiting talent.

Key Activities	Details	Achievements in FY2021
Harmonization of grade structure and job evaluation	Consistency in grades based on each position's responsibilities regardless of where they work or which division they belong to	Completed for managers and above
	Job evaluations by globally common methodology and processes	Implemented for all VPs and above
Succession planning	Develop, discuss and implement Talent Review and Succession Plan	Prepared succession plan for all VPs and above. Expanding to other key positions
	Enhancing and Developing the Talent Pipeline	Identify multiple candidates from the talent pool of the entire Astellas and execute a development plan
Harmonization of compensation structures and levels	For all VPs and above worldwide • Completed a globally common compensation structure • Promote level integration between regions	
Job posting system	Implementation of global job posting system (many positions around the world can be posted)	Completed approx. 300 internal hirings Total of more than 2,000 applications

HR Database	Details
HR CONNECT	Establishment of a database that serves as a foundation of talent management by visualizing all talent data worldwide
	Operation and execution of talent management including the programs above within a globally integrated HR system

Flattened the hierarchy

Led by the CEO, Astellas is promoting measures to become an innovative organization that does not become political even with a large number of people.

By referring to the magic number*¹ equation introduced in LOONSHOTS*² by Safi Bahcall, which describes innovation in organizations, and by increasing this magic number, we aim to transform the organization into an organization that is more likely to generate innovation. Among the indicators that affect the magic number, we are focusing on the equity ratio, management span, and organizational fitness level, and are working on reshaping the HR system.

*¹ The critical size of an organization, considered in terms of incentives such as salary and equity (giving employees some form of a share of successful projects). At scale below this threshold, all employees struggle to produce LOONSHOTS, but at scale the balance shifts from project-focused to political-focused.

*² LOONSHOTS: How to Nurture the Crazy Ideas That Win Wars, Cure Diseases, and Transform Industries by Safi Bahcall, published in 2019, published by St. Martin's Press.

As for equity ratio, we changed the calculation method for bonuses to be based on company-wide indicators. As a result, "VALUE" that Astellas creates will be more directly linked to the rewards for individuals, and the balance will shift to an organization that focuses on innovation and results rather than politics.

At Astellas, management span is viewed as span of control, which represents the number of direct reports to each leader. By increasing this management span, we aim to make our organization flatter and to make it maximum of 6 layers to speed up decision-making. In addition, we need leaders who can appropriately pick up innovative ideas that would arise in the flatter organization and can support the growth of their subordinates at the same time. We have clarified the leadership image that Astellas is aiming for under the OHG and promoting the development of leaders through leadership training.

At Astellas, organizational fitness level refers to the right person in the right place, including timing, not seniority. In order to find the best talent for a certain position from all over the world, we have built a global HR system so that we can search for the right talent globally. In addition, we have established and operate a global job posting system that allows employees from all over the world to apply for desired posts.

We believe that both reforming the organization structure and working to foster a culture of taking on challenges without fear of failure, it will accelerate the development of innovative medical solutions and lead to the realization of VISION.

$$M \approx \frac{ES^2F}{G}$$

E: equity ratio

S: management span

F: organizational fitness level

G: salary increase ratio

Organizational Health Goals

We newly established “Organizational Health Goals (OHGs)” in CSP2021. The purpose of these goals is to nurture a corporate culture that aims at reaching ambitious goals by promoting innovation, optimizing our talent, and fostering collaboration, which enhances Astellas’ ability for execution.

To identify the factors that block our innovation, interviews were conducted to collect employees’ and leaders’ opinions. Furthermore, we analyzed the collected comments of employees and set OHG1-3.

We are promoting initiatives to achieve each goal.



*White space is defined as “having the time, tools, and expertise to think of new ideas.” It is having the necessary resources to be innovative.

Organizational Health Goals

Specific initiatives to achieve Organizational Health Goals

Organizational Health Goal 1 Brave ideas pursue ambitious outcomes

In order to achieve OHG1, to embed psychological safety in our organizational culture is critical. We created and launched a psychological safety playbook with actual use cases in several divisions. Both divisions and individual employees set ambitious objectives from FY2022 to achieve higher goals and training was provided for that globally. The Dansharism* initiative was introduced in

FY2022 given the fact that a redesigned employee engagement survey revealed a need for white space. The white space toolkit was also launched for managers in response to that results to create better environment to pursue OHG1.

* Dansharism stands for our strong belief and mindset to be "brave" in eliminating work that lacks sufficient purpose, reason, and identifiable return on investment (ROI) (excl. things that are necessary for legal regulations).

Organizational Health Goal 2 Talent and leadership thrives

We have newly set 12 Astellas Leadership Expectations with a specific focus on empowering ownership, delegating decision making to the right level and providing frequent feedback, then completed the so-called "IGNITE" leadership training for all Astellas leaders (approx. 3,000 people). Through IGNITE and also newly initiated Astellas leader forums we are

working on activating continuous feedback. This ultimately leads leads to an innovative and high-performance culture.

We are also actively engaging in multiple talent development initiatives including a female talent development program and enhanced succession planning and talent review process from FY2022.

Organizational Health Goal 3 We excel as One Astellas

A shared objectives process introduced during FY2022 annual planning which promoted dialogue and collaboration between divisions on initiatives in support of CSP2021. Up to 100 shared objectives identified, along with key contributors and success measures. For FY2022, STI (short-term incentive) and LTI (long-term incentive) Rewards for employees: we removed division performance measures and replaced them with All Astellas Performance to incentivize greater collaboration and non-siloed work.

We undertook measures to disseminate CSP2021 and OHG throughout the organization and increased direct dialogue and Q&A opportunities with Top Management such as "Ask Me Anything" sessions. Also, the first ever global online Top Management live stream to all Astellas employees was held in May 2022 including the entire Top Management team focused on role modeling and collaboration.

Engagement, Diversity, Equity and Inclusion

Astellas is working to promote diversity so that diverse individuals can play a role in the Company, irrespective of their identity. Respecting the diverse values of our employees and reflecting their various perspectives in our business activities not only heightens creativity in our organization, but also helps to attract and retain talented people as employees and enhances our competitiveness. Based on our global Engagement, Diversity, Equity and Inclusion philosophy, Astellas integrates diversity, equity and inclusion into each region.

► Engagement

When people are treated with respect and valued for who they are and what talent they bring, they speak up and share brave ideas in unimaginable ways.

► Diversity

When organizations have diversity in their people, leaders and suppliers, they more fully represent the patients' community, are better positioned to understand and address patients' unmet needs and create sustainability in all its forms.

► Equity

When people are seen and treated as the individuals they are, barriers are eliminated, and their unique needs are met, they can enjoy optimal health and the fullness of the value they bring is unleashed.

► Inclusion

When we foster inclusive environments that create psychological safety, a sense of belonging, and empowerment, there is high-quality and efficient collaboration, problem-solving, decision-making, innovation and ultimately, VALUE creation.



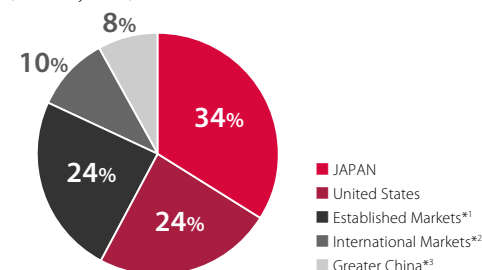
As we continue to foster organizational health and aspire towards our CSP2021, it is evident that diversity (in all forms) drives innovation; inclusion enables psychological safety, thoughtful risk-taking, and equitable experiences; and engaged employees are more productive. We know that all of these things foster a culture of ethics and integrity which is at the core of what we do and who we are at Astellas. Furthermore, with each passing day we witness just how interdependent we all are and how Engagement, Diversity, Equity and Inclusion (EDE&I) are mutually beneficial to each of us and our collective sustainability.



La Toya McClellan
The Head of Engagement,
Diversity & Inclusion

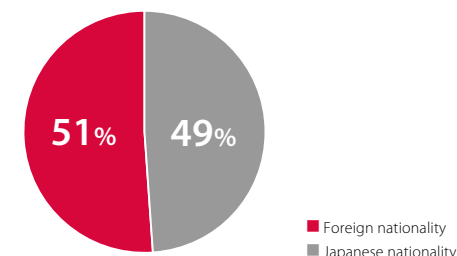
Composition ratio of employees by region

(As of July 2022)



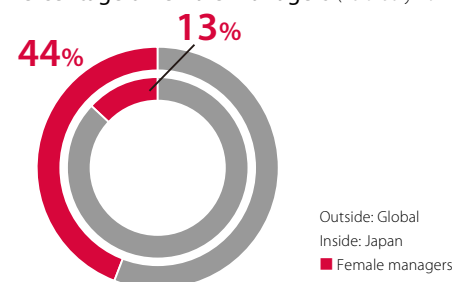
Foreign nationality ratio of Division Heads

(As of July 2022)



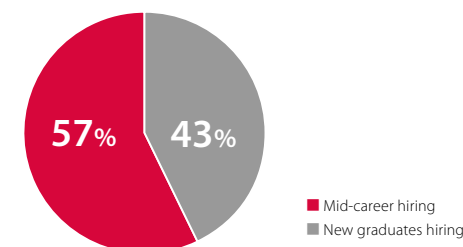
Percentage of female managers

(As of July 2022)



Mid-career hiring rate (Japan)

(As of July 2022)



*1 Established markets: Europe, Canada, Australia

*2 International Markets: Russia, Latin America, Middle East, Africa, Southeast Asia, South Asia, Korea, Export sales, etc.

*3 Greater China: China, Hong Kong, Taiwan

Promoting Health Management

Putting into practice work styles that allow every employee to demonstrate high productivity and creativity and realize their own potential will energize us as an organization and lead to corporate growth as One Astellas. The realization of such work styles is predicated on employee health and the creation of a sound corporate culture.

A sound corporate culture requires a psychologically safe environment in which all employees respect each other and can actively communicate with peace of mind. Astellas is committed to pursuing organizational health through the support of diverse work styles and the promotion of employee health, ensuring all employees enjoy physical and mental wellbeing, thus enabling them to strive for even greater productivity.

Health Management Promotion System

Astellas' health management promotion system in Japan is planned and operated mainly by the Human Resources (including health staff), Astellas Health Insurance Society and labor union, and headed by the Chief Administrative Officer and Chief Ethics & Compliance Officer (CAO & CECO). In addition, these 3 parties collaborate to consider and advance measures for employee health issues in periodic health management meetings.



Strengthening Governance

CONTENTS

Strengthening Governance	66
Board of Directors	67
Corporate Governance	69
Interview with an Outside Director	76
Risk Management	78
Ethics & Compliance	80

Board of Directors

(As of June 20, 2022)



Kenji Yasukawa

Representative Director, President and CEO, Chairman of the Board

Rate of attendance in meetings of the Board of Directors: 100% (13/13 times)
Number of shares of the Company owned: 78,715 shares

Resume, position and responsibilities at the Company

April 1986: Joined the Company
April 2005: Vice President, Project Management, Urology, the Company
June 2010: Corporate Executive of the Company and Therapeutic Area Head, Urology, Astellas Pharma Europe B.V.
October 2010: Corporate Executive of the Company and Therapeutic Area Head, Urology, Astellas Pharma Global Development, Inc.
April 2011: Corporate Executive, Vice President, Product & Portfolio Strategy, the Company
April 2012: Corporate Executive, Chief Strategy Officer (CSTO), the Company
June 2012: Senior Corporate Executive, Chief Strategy Officer (CSTO), the Company
April 2017: Senior Corporate Executive, Chief Strategy Officer and Chief Commercial Officer (CSTO & CCO), the Company
June 2017: Representative Director, Executive Vice President, the Company
April 2018: Representative Director, President and CEO, the Company (present post)



Naoki Okamura

Representative Director, Executive Vice President

Rate of attendance in meetings of the Board of Directors: 100% (13/13 times)
Number of shares of the Company owned: 11,000 shares

Resume, position and responsibilities at the Company

April 1986: Joined the Company
October 2010: President & CEO, OSI Pharmaceuticals, Inc.
April 2012: Senior Vice President, Chief Strategy Officer, Astellas Pharma Europe Ltd.
July 2014: Vice President, Licensing & Alliances, the Company
April 2016: Vice President, Corporate Planning, the Company
June 2016: Corporate Executive, Vice President, Corporate Planning, the Company
April 2018: Corporate Executive, Chief Strategy Officer (CSTO), the Company
April 2019: Corporate Executive Vice President, Chief Strategy Officer (CSTO), the Company
June 2019: Representative Director, Executive Vice President, Chief Strategy Officer (CSTO), the Company
October 2019: Representative Director, Executive Vice President, Chief Strategy Officer and Chief Financial Officer (CSTO & CFO), the Company
September 2021: Representative Director, Executive Vice President, Chief Strategy Officer, Chief Financial Officer and Chief Business Officer (CSTO & CFO, and CBO), the Company
March 2022: Representative Director, Executive Vice President, Chief Strategy Officer and Chief Business Officer (CSTO and CBO), the Company
April 2022: Representative Director, Executive Vice President and Chief Strategy Officer (CSTO), the Company (present post)



Mamoru Sekiyama

Outside Director

Rate of attendance in meetings of the Board of Directors: 100% (13/13 times)
Number of shares of the Company owned: 0 shares

Resume, position and responsibilities at the Company

April 1974: Joined Marubeni Corporation
April 1997: General Manager, Power Project Dept.-I, Marubeni Corporation
April 1998: General Manager, Power Project Dept.-III, Marubeni Corporation
April 1999: Deputy General Manager, Power Project Div.; General Manager, Power Project Dept. -I, Marubeni Corporation
April 2001: Senior Operating Officer, Utility Infrastructure Div.; General Manager, Overseas Power Project Dept., Marubeni Corporation
April 2002: Corporate Vice President, Chief Operating Officer, Plant, Power & Infrastructure Div., Marubeni Corporation
April 2005: Corporate Senior Vice President, Chief Operating Officer, Plant, Power & Infrastructure Projects Div., Marubeni Corporation
June 2006: Corporate Senior Vice President, Member of the Board, Marubeni Corporation
April 2007: Corporate Executive Vice President, Member of the Board, Marubeni Corporation
April 2009: Senior Executive Vice President, Member of the Board, Marubeni Corporation
April 2013: Vice Chairman, Marubeni Corporation
April 2015: Corporate Adviser, Marubeni Corporation; Chairman, Marubeni Power Systems Corporation
June 2017: Director, the Company (present post)
April 2020: Outside Director and Audit & Supervisory Committee Member, A.D. Works Group Co., Ltd. (present post)



Hiroshi Kawabe

Outside Director

Rate of attendance in meetings of the Board of Directors: 100% (13/13 times)
Number of shares of the Company owned: 0 shares

Resume, position and responsibilities at the Company

May 1979: Assistant, Department of Internal Medicine, Keio University School of Medicine
April 1990: Assistant Professor, Health Center, Keio University
April 1991: Assistant Professor, Department of Internal Medicine, Keio University School of Medicine
April 1996: Associate Professor, Health Center, Keio University; Associate Professor, Department of Internal Medicine, Keio University School of Medicine
April 2002: Professor, Health Center, Keio University; Professor, Department of Internal Medicine, Keio University School of Medicine
October 2003: Vice President, Health Center, Keio University
October 2011: President, Health Center, Keio University
June 2013: Trustee, Japan University Health Association
March 2017: Trustee, Daiwa Securities Health Foundation (present post)
March 2018: President, Foundation for Promotion of Medical Training (present post)
April 2018: Professor Emeritus, Keio University (present post)
June 2019: Director, the Company (present post)



Takashi Tanaka

Outside Director

Rate of attendance in meetings of the Board of Directors: 90% (9/10 times)
Number of shares of the Company owned: 0 shares

Resume, position and responsibilities at the Company

April 1981: Joined Kokusai Denshin Denwa Co., Ltd. (KDD)
April 2003: Executive Officer, General Manager, Solution Product Development Division, Solution Business Sector, KDDI CORPORATION
June 2007: Managing Executive Officer, Executive Director, Solution Business Sector, KDDI CORPORATION
August 2007: President, Wireless Broadband Planning Inc. (current UQ Communications Inc.)
April 2009: Managing Executive Officer, Solution Business Sector, KDDI CORPORATION
April 2010: Managing Executive Officer, Solution Business Sector, Consumer Business Sector, KDDI CORPORATION
June 2010: Senior Managing Executive Officer, Solution Business Sector, Consumer Business Sector, and Product Development Sector, KDDI CORPORATION; Chairman, UQ Communications Inc.
December 2010: Representative Director, President, KDDI CORPORATION
April 2018: Representative Director, Chairman of the Board, KDDI CORPORATION (present post)
June 2018: Director, Okinawa Cellular Telephone Company (present post)
June 2021: Director, the Company (present post)



Eriko Sakurai

Outside Director

Number of shares of the Company owned: 0 shares

Resume, position and responsibilities at the Company

June 1987: Joined Dow Corning Corporation (current Dow Silicones Corporation)
March 2009: Chairman and CEO, Representative Director, Dow Corning Toray Co., Ltd. (current Dow Toray Co., Ltd.)
May 2011: Regional President Japan/Korea, Dow Corning Corporation (current Dow Silicones Corporation)
June 2014: Outside Director, Sony Corporation (current Sony Group Corporation)
February 2015: President, Representative Director, Dow Silicones Holdings Japan Kabushiki Kaisha (current Specialty Products Japan Godo Kaisha)
June 2015: Outside Director, Sumitomo Mitsui Financial Group, Inc. (present post)
August 2020: President and Representative Director, Dow Chemical Japan Limited; President, Representative Director, Dow Japan Holdings Kabushiki Kaisha (current Dow Chemical Japan Limited); President, Representative Director, Performance Materials Japan Kabushiki Kaisha
March 2022: Outside Director, Kao Corporation (present post)
June 2022: Director, the Company (present post)

Board of Directors



Toru Yoshimitsu

Director, Audit & Supervisory Committee Member

Rate of attendance in meetings of the Board of Directors: 100% (13/13 times)
Rate of attendance in meetings of the Audit & Supervisory Committee: 100% (14/14 times)
Number of shares of the Company owned: 47,818 shares

Resume, position and responsibilities at the Company

April 1987: Joined the Company
April 2013: Senior Vice President, Product & Portfolio Strategy, the Company
June 2015: Corporate Executive, Senior Vice President, Product & Portfolio Strategy, the Company
April 2017: Corporate Executive, Senior Vice President, Corporate Finance & Control, the Company
April 2019: Corporate Executive, Senior Vice President, Corporate Financial Planning & Analysis, the Company
October 2019: Corporate Executive, Senior Vice President, Finance and Corporate Financial Planning & Analysis, the Company
April 2020: Report to CEO, the Company
June 2020: Director (Audit & Supervisory Committee Member), the Company (present post)



Haruko Shibumura

Outside Director, Audit & Supervisory Committee Member

Rate of attendance in meetings of the Board of Directors: 100% (13/13 times)
Rate of attendance in meetings of the Audit & Supervisory Committee: 100% (14/14 times)
Number of shares of the Company owned: 0 shares

Resume, position and responsibilities at the Company

April 1987: Joined Chiyoda Mutual Life Insurance Company
August 1987: Joined Kyushu University Press
April 1994: Registered as an attorney-at-law (Dai-ni Tokyo Bar Association); Joined Law Offices of Honma & Komatsu (current Homma & Partners)
April 1999: Partner Lawyer, Homma & Partners (present post)
October 2006: Committee member, Compliance Committee, TAMURA Corporation
June 2015: Outside Audit & Supervisory Board Member, NICHIREKI CO., LTD.
April 2016: Committee member, Compliance Special Committee, TAMURA Corporation
June 2018: Outside Director, TAMURA Corporation (present post)
June 2019: Director (Audit & Supervisory Committee Member), the Company (present post); Outside Director, NICHIREKI CO., LTD. (present post)



Raita Takahashi

Outside Director, Audit & Supervisory Committee Member

Rate of attendance in meetings of the Board of Directors: 100% (13/13 times)
Rate of attendance in meetings of the Audit & Supervisory Committee: 100% (14/14 times)
Number of shares of the Company owned: 0 shares

Resume, position and responsibilities at the Company

October 1986: Joined Sanwa -Tohatsu Aoki Audit Corporation (current Deloitte Touche Tohmatsu LLC)
August 1995: Joined Chuo Audit Corporation
May 1997: Established TAKAHASHI Accounting & Tax office (present post)
April 1999: Representative Partner, ChuoAoyama PricewaterhouseCoopers Inc. (present post)
December 2000: Outside Audit & Supervisory Board Member, Alpha Group Inc. (present post)
March 2001: Representative Director, Yoshida Management Co. Ltd. (present post)
June 2011: Trustee, Japan Association of Healthcare Management Consultants (present post)
January 2018: Section President, Japanese Institute of Certified Public Accountants, Minami-Kyushu Chapter, Kagoshima Subcommittee
June 2020: Director (Audit & Supervisory Committee Member), the Company (present post)



Mika Nakayama

Outside Director, Audit & Supervisory Committee Member

Number of shares of the Company owned: 0 shares

Resume, position and responsibilities at the Company

August 1984: Joined Nippon Synthetic Rubber Co., Ltd. (current JSR Corporation)
April 2015: Officer, General Manager of Corporate Planning Department and General Manager of Diversity Promotion Office, JSR Corporation
April 2017: Executive Officer, General Manager of Intellectual Property Department, JSR Corporation
June 2020: Director, Senior Officer, General Manager of Sustainability Promotion Dept., JSR Corporation
June 2022: Director, the Company (present post)

Skill Matrix and Composition of Advisory Committees

	Name	Outside director	Company Management	Global Business	Science & Technology	Legal-Risk Management	Finance - Accounting	Academia	Advisory Bodies	
									Nomination Committee	Compensation Committee
Director	Kenji Yasukawa		●	●	●	●			—	—
	Naoki Okamura		●	●	●		●		—	—
	Mamoru Sekiyama	○	● (Trading)	●					Chair	Chair
	Hiroshi Kawabe	○			●			● (Medicine)	Member of the Committee	Member of the Committee
	Takashi Tanaka	○	● (Telecommunication)	●	●	●			Member of the Committee	Member of the Committee
Director Audit & Supervisory Committee Member	Eriko Sakurai	○	● (Chemicals)	●		●			Member of the Committee	Member of the Committee
	Toru Yoshimitsu			●	●		●		—	—
	Haruko Shibumura	○				● (Lawyer)			—	—
	Raita Takahashi	○					● (Accountant)		—	—
	Mika Nakayama	○	● (Chemicals)	●	●	●			—	—

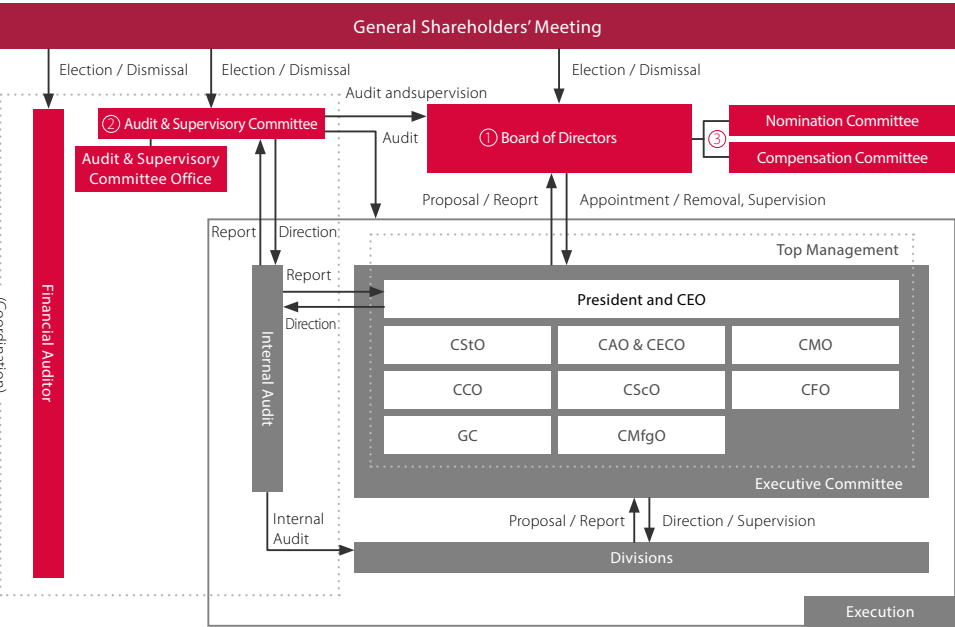
Corporate Governance

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.

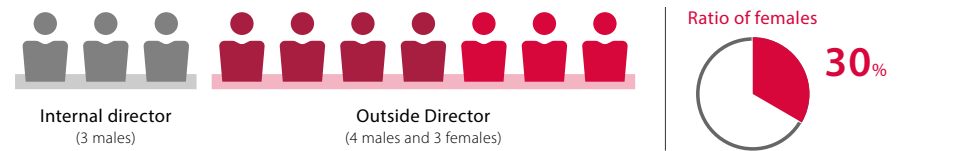
Governance systems



The summary of the corporate governance systems 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 execution of business, the Company establishes the Executive Committee for discussing important matters, and also appoints Top Management (the President and Chief Executive Officer; the Chief Strategy Officer; the Chief Administrative Officer and Chief Ethics & Compliance Officer; the Chief Medical Officer; the Chief Commercial Officer; the Chief Scientific Officer; the Chief Financial Officer; the General Counsel; and the Chief Manufacturing Officer are collectively referred to as “Top Management”), who are responsible for the execution of business. The responsibility and authority for the execution of business by the Executive Committee and 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 are composed of a majority of Outside Directors.

(1) Board of Directors



Term	Directors who are not Audit & Supervisory Committee Members and Directors who are Audit & Supervisory Committee Members shall be 1 year and 2 years, respectively
Number of meetings	At least once every 3 months and additionally as necessary
Summary	<ul style="list-style-type: none">• The Board of Directors ensures the transparency and appropriateness of management by making decision of corporate management policies and corporate strategies, etc., serving the oversight function of the execution of business.• 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.• We elect at least one outside Director who possesses corporate management experience at another company.
Main Agenda Items of the Board of Directors in FY2021	<ul style="list-style-type: none">• Corporate Strategy: Quarterly business updates, establishment and disclosure of Corporate Strategic Plan 2021, portfolio strategy, annual plan• Risk Management: Report on enterprise risk management status, compliance update• Stakeholder Engagement: Report on dialogue with investment community, sustainability activity reporting and planning• Corporate Governance: Board of Directors effectiveness analysis results (➡ please see next page for details about evaluation of effectiveness of the Board of Directors), Directors & officers personnel change / compensation, succession planning (➡ for details, please see Organizational Health Goal on P.63)

Corporate Governance

Evaluation of effectiveness of the Board of Directors

As a means of considering issues and making improvements to further enhance such role of the Board of Directors, the Company conducts an analysis and evaluation of the effectiveness of the Board of Directors every year, and a summary of the result of the analysis and evaluation is disclosed below.

(1) The Chairman of the Board of Directors conducted a survey based on questionnaires to Directors



(2) Based on the results of this survey, the Board of Directors performed its analysis and evaluation.

⤴ (4) Trying to understand the expectations and opinions of various stakeholders and then reflecting them in discussions at Board of Directors meetings. ⤵

(3) Evaluation of effectiveness in FY2021

- <Conclusion>** It was determined that the overall effectiveness of the Board of Directors is sufficiently ensured.
- <Reasons for the evaluation>** As a result of the survey on effectiveness, we have obtained a high evaluation as a whole, and confirmed that there are the following activities and discussions behind it.
- The Board of Directors formulates strategy and business plans based on the business philosophy, and has discussions and makes decisions while always taking into consideration strategic direction.
 - The Board of Directors appropriately receives reports, has discussions and carries out supervision regarding issues and the progress of business plans.
 - The Board of Directors effectively utilizes the Nomination Committee, and appropriately supervises succession planning and appropriately makes decisions regarding nomination.
 - The Board of Directors effectively utilizes the Compensation Committee, and appropriately establishes the remuneration system and decides the amount of remuneration.

Reasons for appointment of outside directors

Position	Name	Reasons for appointment
Outside Director	Mamoru Sekiyama	He has been engaged in corporate management as a business manager of a general trading company for many years, and has abundant global experience and extensive insight. Since June 2017, he has been playing a key role as outside Director in the management of the Company from an independent standpoint. In addition, as the Chair of the Nomination Committee and the Compensation Committee, he has led the deliberations of each Committee. The Company expects him to leverage his abundant global experience and extensive insight to the management of the Company in the future as well, and therefore requests his election as outside Director.
Outside Director	Hiroshi Kawabe	He has been engaged in medical treatment for many years while successively holding important posts at Keio University as a medical scientist, and has abundant specialized knowledge and experience in medical treatment. Since June 2019, 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 in the future as well, and therefore requests his election as outside Director.

Position	Name	Reasons for appointment
Outside Director	Takashi Tanaka	He has been engaged in corporate management as a business manager of telecommunications companies for many years, and has abundant experience and extensive insight as a business manager. Since June 2021, 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 broad knowledge in the telecommunications field and abundant experience and extensive insight as a corporate manager to the management of the Company from an independent standpoint in the future as well, and therefore requests his election as outside Director.
Outside Director	Eriko Sakurai	She has served in important positions for many years at a chemical manufacturer that develops business globally and has its head office in the United States, and has been engaged in corporate management at a Japanese subsidiary in the corporate group of that company. She possesses abundant international experience and extensive insight. The Company expects her to leverage her abundant international experience and extensive insight for the management of the Company from an independent standpoint, and therefore requests her election as outside Director.
Outside Director, Audit & Supervisory Committee Member	Haruko Shibumura	She has been engaged in corporate legal affairs as an attorney-at-law, and has abundant specialized knowledge and experience gained while serving in positions such as professor at the Legal Training and Research Institute. The Company expects her to leverage her abundant specialized knowledge and experience to supervise and audit the Company's management from the standpoint of Director who is an Audit & Supervisory Committee Member in order to enhance the Company's enterprise value, and therefore requests her election as Director who is an Audit & Supervisory Committee Member.
Outside Director, Audit & Supervisory Committee Member	Raita Takahashi	With his many years of experience as a certified public accountant, he has thorough knowledge of corporate consulting and auditing, and is also engaged in corporate management as a business manager of a consulting company relating to business accounting and tax accounting services, and has abundant specialized knowledge and experience. Since June 2020, he has been playing a key role as outside Director who is an Audit & Supervisory Committee Member in the supervision and auditing of the Company's management from an independent standpoint. The Company expects him to leverage his abundant specialized knowledge and experience to supervise and audit the Company's management in the future as well. Therefore, the Company requests his election as outside Director who is an Audit & Supervisory Committee Member.
Outside Director, Audit & Supervisory Committee Member	Mika Nakayama	She has abundant experience in the field of intellectual property at a globally operating chemical manufacturer and, in addition to having served in important positions, has been engaged in corporate management in the company. She possesses abundant specialized knowledge and extensive insight. The Company expects her to leverage her abundant specialized knowledge and extensive insight to supervise and audit the Company's management, and therefore requests her election as outside Director who is an Audit & Supervisory Committee Member.

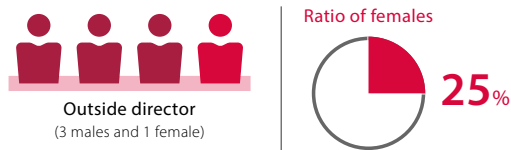
(2) Audit & Supervisory Committee



Term	Supervisory Committee Members shall be 2 years
Number of meetings	At least once every 3 months and additionally as necessary
Summary	<ul style="list-style-type: none">Audit & Supervisory Board Committee assumes a part of corporate supervisory function, and contributes to the establishment of effective corporate governance systems by auditing the performance of duties by Directors, as an independent organization entrusted by shareholders.The Audit & Supervisory Committee is the only deliberation body and decision-making body for the purpose of forming opinions with regard to audits by 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.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.

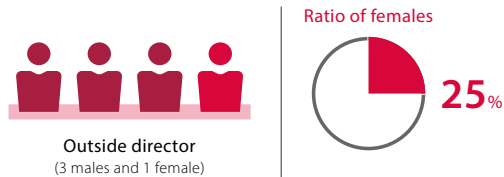
(3) Nomination Committee and Compensation Committee

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.

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 individual remuneration for Directors who are Audit & Supervisory Committee Members), and reports the results of their deliberations to the Board of Directors.

Amounts of remunerations

Matters on Policy of determining remuneration amounts and calculation methods

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 internal Directors who are not Audit & Supervisory Committee Members 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 are composed of a fixed amount basic remuneration only. Remunerations for each Director who is not an 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 85 and subsequent pages.

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.

Remunerations for internal Directors who are not Audit & Supervisory Committee Members*

Remuneration policies

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

1. Competitive remuneration system
 - ▶ A remuneration structure and levels that enable the Company to recruit and retain talents
2. 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
3. Fair and impartial remuneration system
 - ▶ A fair and impartial remuneration system based on responsibility and results regardless of country or region

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

Corporate Governance

Total amount of remunerations, total amount of remunerations by type, and number of Directors applicable for each category of Directors (FY2021)

Officer classification	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)	999	302	250	446	552	696	3
Outside Directors who are not Audit & Supervisory Committee Members	88	88	—	—	88	—	5
Total	1,087	390	250	446	640	696	8
Directors who are Audit & Supervisory Committee Members (excluding outside Directors)	62	62	—	—	62	—	1
Directors who are Audit & Supervisory Committee Members (excluding outside Directors)	64	64	—	—	64	—	3
Total	126	126	—	—	126	—	4

*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, while the ceiling amount for basic remuneration for outside Directors who are not Audit & Supervisory Committee members was resolved to be ¥130 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 3 whereas the number of outside Directors who are not Audit & Supervisory Committee Members was 4.

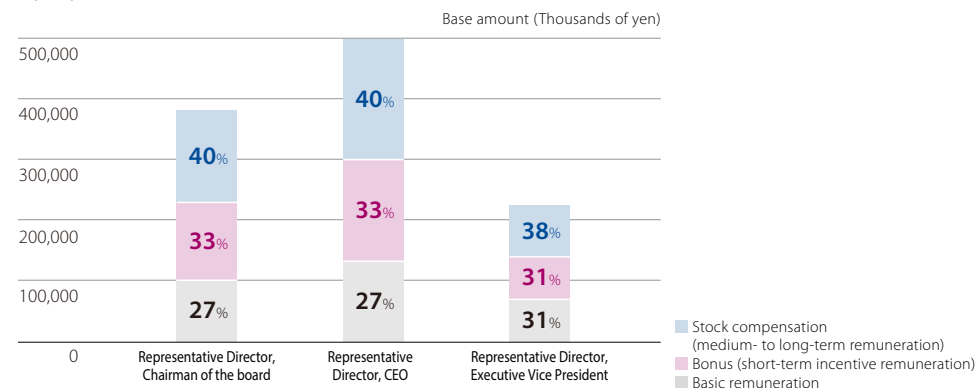
*2 The ceiling amount of remuneration to the Directors who are Audit & Supervisory Committee Members as a group was resolved to be ¥260 million per year at the 13th Term Annual Shareholders Meeting of the Company held on June 15, 2018. At the close of said Annual Shareholders Meeting, the number of Directors who are Audit & Supervisory Committee Members was 5.

*3 The amounts of "Basic remuneration" above include the amounts paid to 1 Outside Director who is not an Audit & Supervisory Committee Member who retired at the close of the 16th Term Annual Shareholders Meeting held on June 18, 2021.

Remuneration structure

Type of remuneration		Objectives and overview	
Fixed	Basic remuneration	Fixed remuneration for encouraging job performance consistently aligned with professional responsibilities	
		<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 	
Variable	Bonus (short-term incentive remuneration)	Performance-linked remuneration geared to steadily improving results with the aim of achieving the business performance targets each business year <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) In principle, lump-sum payment immediately subsequent to conclusion of respective business years around between June and July 	
	Stock compensation (medium- to long-term incentive remuneration)	Performance-linked remuneration to promote the management focused on improving the enterprise value and shareholder value over the medium- to long-term <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 the 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 3-year period In principle, delivered in a single installment around June occurring immediately after conclusion of the 3-year applicable period (provided, however that 50% of payment shall be cash payment) 	

Remuneration levels (base amount) for Directors of the Company on a per position basis and allocated ratios of remuneration (FY2021)



▼ Bonus (short-term incentive remuneration)

Key performance indicators 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 × 105% Target: Initially released forecast value Minimum: Target × 95%
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 × 110% Target: Initially released forecast value Minimum: Target × 90%
Core EPS*	25%	0% to 200%	Reasons for the selection: To assess the increase in profit per share <ul style="list-style-type: none"> Maximum: Target × 115% Target: Initially released forecast value Minimum: Target × 85%
R&D performance	25%	0% to 200%	Reasons for the selection: To assess the achievement of sustainable growth Target: Set quantitative targets separately for research and development <ul style="list-style-type: none"> (1) Research: Number of new drug candidates (2) Development: Amount of increase in pipeline value
Total	100%	0% to 200%	

* EPS: Earnings per Share

Corporate Governance

▼ 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 3 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.

Total shareholder return (TSR*) 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*) 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.

*1 TSR is an acronym for "total shareholder return," and it refers to shareholders' 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.

Stock price assessment benchmarks 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 • 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 • Maximum: 100 percentile (top ranking) • Target: 50 percentile (mid-range) • Minimum (threshold): 25 percentile (lower quartile)
Total	100%	0% to 200%		

Formulas for calculating the number of shares delivered and the amount of cash paid

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

* 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 Remuneration levels (base amount) for Directors of the Company on a per position basis and allocated ratios of remuneration on P.72
- (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%.

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

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

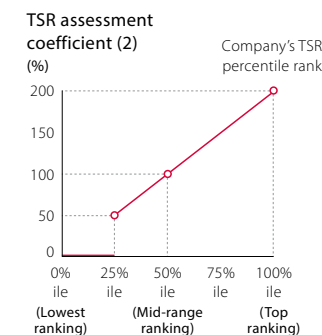
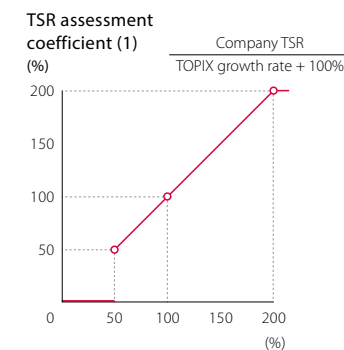
(ii) TSR assessment coefficient (2)

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 mid-range (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 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.

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

- 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



Corporate Governance

Systems to Ensure the Appropriate Execution of Business

The Company has set out basic policies for FY2022 regarding the following systems to ensure that the Company's business is duly executed.

(1) System concerning the Performance of Duties

1) System 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; the Chief Strategy Officer; the Chief Administrative Officer and Chief Ethics & Compliance Officer; the Chief Medical Officer; the Chief Commercial Officer; the Chief Scientific Officer; the Chief Financial Officer; the General Counsel and the Chief Manufacturing Officer 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 3 months and additionally as necessary.
- The Company has established the Executive Committee and discusses material matters concerning business strategies, strategies, corporate management and personnel 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 "Global Policy for Records and Information Management" has been established, based on which the Company will control and maintain, 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 has categorized 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 will proactively put the Company's risk management initiatives into practice and promote risk mitigation within the Group and the proper response to such risks through the following activities:
- With respect to measures dealing with risks relating to business opportunities, each responsible division and unit will implement appropriate measures to mitigate risks within their respective scope of responsibility and roles according to internal processes and policies for decision making. Among these risks, matters concerning material risks will be 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 manage comprehensively 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 system will be decided upon deliberation by the Executive Committee and the Board of Directors. Significant risks identified under the system and responses to them will be 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 will formulate 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 Charter of Corporate Conduct" and the "Astellas Group Code of Conduct" as the core standards of compliance for officers and employees of the Company and the Astellas Group companies.
- The Company regards compliance not only as observing the law but also acting in accordance with social norms as well as the highest sense of ethics. We have 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 Chief Administrative Officer 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 Chief Administrative Officer and Chief Ethics & Compliance Officer. In dealing with such reports, we ensure that confidentiality will be 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, 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 a trust relationship with its stakeholders.
- Based on the basic stance above, the Company has established the "Disclosure Policy" and the "Corporate Disclosure Committee" that promotes and manages disclosure activities.
- 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) System to Ensure the Reliability of Financial Reports

- The Company will design and operate internal controls over consolidated financial reports in accordance with generally accepted standards in order to ensure reliability of the financial reports, and assess the effectiveness in an appropriate way.
- In accordance with the "Global JSOX Policy" formulated by the Board of Directors, assessment of internal controls over the consolidated financial reports will be implemented, under the direction of the President and CEO, who plays the role of 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 has taken the following actions in order to maintain and build a sound relationship between it and the Astellas Group companies:

Corporate Governance

- The Company will apply the “Astellas Charter of Corporate Conduct” and the “Astellas Group Code of Conduct” to all of the Astellas Group companies, and it will ensure that all persons concerned are fully aware of these policies and the code of the conduct of each Astellas Group company that are based on these policies.
- The Company has established a system in which matters concerning performance of the duties by the Directors of the Astellas Group companies will be reported to the Company through functional line managers.
- The Company will create clear rules 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 will tackle risk management and compliance matters from an enterprise and global perspective.
- The “Global Internal Audit Policy” will apply to all the Astellas Group companies and the internal audit system over the Group will be prepared.

(7) Internal Audit System

- The Company has established the Internal Audit division, which is independent from the ordinary business execution divisions and is under the direct control of the President and CEO, to develop the internal audit system of the Company and the Astellas Group companies, and takes the following actions:
- The Internal Audit division will review and evaluate the effectiveness and efficiency of the systems and structures in the various management activities of the Company and the Astellas Group companies, put together an audit report, and submit the results of such review and evaluation to the President and CEO and the Audit & Supervisory Committee. The Internal Audit will also communicate such results, if necessary, to officers and divisions concerned. The report concerning the overall annual audit results will be made to the Board of Directors and Accounting Auditor.
- The Company will comply 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 regulations as a pharmaceutical company, and conduct its business with a mission to provide safe and effective products with a high level of expertise through a fair organization structure. To this end, the Company has built a tiered-control structure separated by different

- functions in all the Astellas Group companies; namely, the tiers consist of self-control on-site, expert control by divisions related to RA and QA, and the internal audits conducted by the independent Internal Audit division.
- Internal Audit division will promote improvement in the quality of the internal audits through meetings and other forms of collaboration with the relevant expert divisions.
 - Through managing the entire global internal audit function by the head of the Internal Audit division who directly reports too the President and CEO, and organizing the Internal Audit division in line with the functional-based global organizational structure across all the Astellas Group companies, the Company will address risks getting more globalized effectively and enhance the function to provide 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 will be 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 carries out his or her duties under the direct control of the Audit & Supervisory Committee.
- The appointment, evaluation, transfer, and other matters concerning such staff will 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 reports and methods of reporting by mutual agreement with the Audit & Supervisory Committee.
- The divisions responsible for internal audits, legal matters, compliance and risk management will each develop a system to report to the Audit & Supervisory Committee on a regular basis and will 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 Treatment 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 division will require the prior consent of the Audit & Supervisory Committee.

- The Internal Audit division will obtain endorsement from the Audit & Supervisory Committee on the annual plan of the internal audit.
- The Audit & Supervisory Committee will receive the report from the Internal Audit division on the results of the internal audit, and be able to give guidance to the Internal Audit division as needed. In the case where a direction from the President and CEO conflicts with one from the Audit & Supervisory Committee, both parties will discuss and try to coordinate.
- The Audit & Supervisory Committee Members appointed by the Audit & Supervisory Committee may attend the Executive Committee meetings where execution of the Company's important business will be 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 will 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 will 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 will also keep out such forces and groups. Accordingly, the Company and the Astellas Group companies do the following:
- Clearly declare in the “Astellas Charter of Corporate Conduct” and the “Astellas Group Code of Conduct” that the Astellas Group will take a resolute attitude against anti-social forces and groups and exclude 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 will enable the Company to actively collect necessary information as to anti-social forces and groups, as well as to take organizational actions.
- Continually implement educational activities, such as training on compliance and risk management, etc., for officers and employees, so as to exclude anti-social forces and groups.

Interview with an Outside Director



Astellas' corporate governance is steadily evolving. As the Group perpetuates a corporate culture that is unafraid of change, I look forward to the further enhancement of corporate value.

Haruko Shibumura
Outside Director,
Audit & Supervisory Committee Member

Q

Looking back on your time as an outside Director, how do you evaluate Astellas' corporate governance?

A

Astellas' corporate governance is steadily evolving, including more effective auditing by the Audit & Supervisory Committee and more robust deliberation in meetings of the Board of Directors.

I assumed my role as an outside Director in 2019. In the 3 years since then, the Audit & Supervisory Committee has reinforced various initiatives to achieve more effective auditing and supervision. In meetings of the Board of Directors as well, every year I have seen more robust, open discussions on the part of outside Directors, who possess a wealth of knowledge and experience. I think that Astellas' corporate

governance is steadily evolving.

One example of a useful step by the Audit & Supervisory Committee to better audit the effectiveness of the Board of Directors is that the Committee convenes later in the day after Board meetings, to go over once again the deliberations and proceedings of the Board meeting. All Audit & Supervisory Committee Members play a dual role: They sit on the Board

of Directors as Directors themselves, while also auditing and supervising the performance of duties by Directors as Audit & Supervisory Committee Members. I think it is very meaningful to approach Board deliberations from both perspectives. Astellas has also established a system for reporting on deliberations of the Nomination Committee and the Compensation Committee* to the Audit & Supervisory Committee. These initiatives have all begun just in the past few years, and we will continue to seek other means of enhancing the effectiveness of the Board of Directors.

For corporate governance to evolve further, it is necessary to provide even more compre-

hensive information to outside Directors who are charged with management oversight. As we have enhanced the provision of the information to the Audit & Supervisory Committee, I feel there is a gap in the amount of information given between outside Directors who are Audit & Supervisory Committee Members and those who are not. Although their duties differ, I believe shrinking this information gap will further reinforce the management oversight function of outside Directors.

* Committees established voluntarily, both of which consist of at least a majority of outside Directors, and are chaired by an outside Director. Currently, all members of both Committees are outside Directors.

Q

Please tell us about any particularly distinctive initiatives among the Audit & Supervisory Committee's activities in FY2021.

A

I would mention both the more robust exchange of opinions with Top Management and the remote audits we carried out.

The first point relates to the information provided to the Audit & Supervisory Committee Members I just mentioned. FY2021 saw a much more robust exchange of opinions with Top Management. One prerequisite to improving the effectiveness of the Board of Directors is sharing information germane to deliberations in advance with all outside Directors. In addition, I believe direct dialogue and discussion with Top Management are indispensable to more effective auditing and supervision by the Audit & Supervisory Committee. From this standpoint,

since FY2020 we have established a venue for exchanging opinions with the CEO, CStO*, and other Top Management in charge of each division. These meetings are held once a month. In the first year out, our focus was on receiving reports from management and asking questions about them. In FY2021, though, we were able to put more stress on discussions and exchanging opinions than simply on reporting. Having been able to make more proactive comments about information we were given is a significant

Interview with an Outside Director

achievement, which I believe greatly helped us carry out more effective auditing and supervision. Right now, we are still just receiving reports and exchanging opinions but our goal is to go further, making this a venue where Audit & Supervisory Committee Members can proactively make recommendations to Top Management.

The second point is that the COVID-19 pandemic led us to carry out all audits online. The upside of remote audits is that we could dramatically increase the frequency of audits and the number of people involved, and have the chance to communicate with more

out-of-the-way regions. Throughout the year, I received direct reports from numerous overseas site managers and operating officers. It was a great opportunity to get an even better feel for issues out in the field, and afforded me many more occasions to express my opinion as an Audit & Supervisory Committee Member. The downside is that on-site audits offer a number of advantages that remote audits do not. Going forward, therefore, I would like to establish a hybrid approach that combines on-site and remote audits.

* CStO: Chief Strategy Officer

realize that providing the information was meaningful. Trust is built up through a succession of small interactions like this.

I believe the trust of all stakeholders in the Audit & Supervisory Committee will lead to stronger corporate governance for Astellas.

Q

Please tell us what you see as Astellas' strengths and what your hopes are going forward.

A

One of Astellas' biggest strengths is a corporate culture that is unafraid of change. My hope is that Astellas will pursue an HR strategy and other means needed to preserve and deepen that culture.

Ever since I assumed my role as an outside Director, Astellas has boldly instituted global organizational reforms in line with the changing times. Moreover, Corporate Strategic Plan 2021 sets out an agenda for comprehensive reform. Astellas is also making changes that feed directly into greater organizational transparency, such as instilling a thorough awareness of compliance and fostering a culture of speaking up. I believe this kind of corporate culture that is unafraid of change is one of Astellas' biggest strengths.

Human resources are indispensable to sustaining and continuing to implement change, and HR strategies are more critical than ever. As competition for human resources intensifies on a global scale, it is becoming more important to consider the kind of talent Astellas needs specifically, and what kind of strategy is required both to acquire such talent and to bring out and cultivate internal potential. My hope at this point is that Astellas will continue to focus on its HR strategy, including

its current proactive development of succession plans and talent reviews, as well as efforts to make effective use of an array of recruiting channels. In terms of diversity, I recognize that the Astellas Group on the whole is becoming more diverse. However, I feel Japan still has a long way to go toward empowering women in the workplace. Companies that lack diversity among their executives and their executive candidates responsible for future management cannot expect to grow sustainably. It is essential to continue proactively building an environment in which diverse personnel can play an active role.

Finally, while Astellas is currently taking various steps to achieve the goals of Corporate Strategic Plan 2021, I still see areas where we can better enhance corporate value. I intend to do my part to help sustainably enhance corporate value, carrying out my mission as an outside Director who is an Audit & Supervisory Committee Member.

Q

Tell us what you value as an Audit & Supervisory Committee Member.

A

I believe building strong relationships of trust with information providers is necessary to enhancing auditing.

Throughout my career as a lawyer, I have been involved in various aspects of corporate governance and risk management in a number of companies. This experience made me keenly aware that a framework for obtaining information in a timely manner is indispensable for the auditing of the Audit & Supervisory Committee to function fully. The Committee's role is not limited to auditing business legality or validity: I believe it is also extremely vital to audit management and operations from the perspective of enhancing corporate value. This is why it is essential that the Audit & Supervisory Committee be given key information in a

timely manner. Moreover, the information the Committee requires access to is wide-ranging.

While having a framework in place to access information is important in itself, I think it is even more important that the people who provide the information and the Audit & Supervisory Committee have a strong relationship of trust. The committee has to be worthy of such trust. Without a relationship of trust, it is impossible to receive useful information. Building trust is not easy, but from my background as a lawyer, I think it is crucial to always take some kind of action after receiving information. This lets the information provider

Risk Management

Business Risks

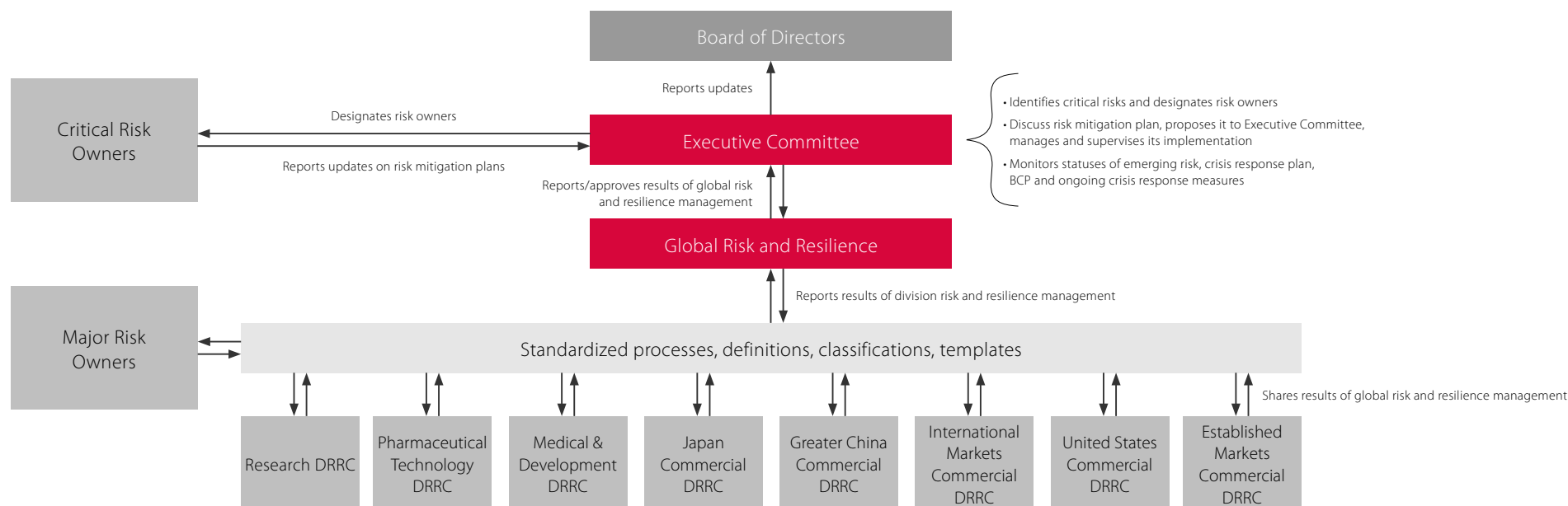
Regulations and other Systems regarding Risk (Risk of Loss) Management

In order to conduct risk management properly as a whole group, the Company has categorized 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 will proactively put the Company’s risk management initiatives into practice and promote risk mitigation within the Group and the proper response to such risks through the following activities:

- With respect to measures dealing with risks relating to business opportunities, each responsible division and unit will implement appropriate measures to mitigate risks within their respective scope of responsibility and roles according to internal processes and policies for decision making. Among these risks, matters concerning material risks will be 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 manage comprehensively 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 system will be decided upon deliberation by the Executive Committee and the Board of Directors. Significant risks identified under the system and responses to them will be 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 will formulate separate policies and manuals for matters such as disaster control, information security, and personal information protection based on the nature of these risks.

(1) Risk Management Framework Relating to the Performance of Business Activities

Astellas’ risk management framework is as follows:



* DRRC: Acronym for Divisional Risk and Resilience Management Committee

Risk Management

(2) Identifying and Mitigating Risks Relating to the Performance of Business Activities

Pharmaceutical companies that expand their business globally are expected to follow various regulations with a high level of compliance; Astellas must also address various risks that could impact its business results and reputation. In FY2019, Astellas pursued its operation of enterprise risk management with the aim of further developing the risk management activities implemented until now. This involved newly establishing the Corporate Risk Management Division to take control over risk management, and the Global Risk and Resilience Management Committee, chaired by the Chief Administrative Officer

and Chief Ethics & Compliance Officer.

Under enterprise risk management, risks are identified on the Group-wide level and on the individual division level. Those risks are classified using a uniform evaluation process according to priority and, if deemed necessary, linked to formulation of a universal means for solution. Identified risks are regularly evaluated by the Global Risk and Resilience Management Committee, and solutions and mitigation measures for high priority risks are discussed at the Executive Committee, chaired by the Representative Director, President and CEO.

(3) Critical Risks

The risks identified by management as having the potential to have a considerable impact on financial position, business results and cash flow position of the consolidated companies are mainly set forth below.

Any forward-looking statements are based on judgments at the end of FY2021.

1. Risks related to cybersecurity

In recent years, the technology involved in cyberattacks is advancing at an unprecedented level and the methods of attack are growing more diverse and sophisticated. In light of this environment, Astellas has identified risks related to cybersecurity as one of its critical risks. The Information Systems Division is leading the response to this risk, implementing various counter-measures against cyberattacks on a global basis that includes monitoring of networks and facilities, and taking every precaution to manage the risk.

However, despite having such measures in place, in the event that business is substantially interrupted due to a cyberattack or serious system failure, etc., caused by a cyberattack, or in the event that important data, including information that could identify individuals, is lost, corrupted or leaked externally, the Astellas Group's business results may be significantly affected.

2. Risks related to supply chain management

In the pharmaceuticals business, the ability to manufacture safe and effective pharmaceuticals reliably and then to provide their stable supply is extremely important. Astellas has identified risks related to supply chain management as one of its critical risks. The Pharmaceutical Technology Division is leading the response to this risk, establishing its own standards compliant with industry standard Good Manufacturing Practice (GMP), including manufacturing and quality controls, and Good Distribution Practice (GDP) and rigorously implementing consistent high-level quality control for not only manufacturing facilities and equipment but also inclusive of all operations from ingredient procurement to storage, manufacturing, and delivery.

Furthermore, to respond to growing complexities in the supply chain, the Group has introduced on a global basis, management of its Contract Manufacturing Organizations (CMO) and is proceeding with measures including the creation of Business Continuity Plans (BCP) to ensure supply during emergency situations.

However, despite having such measures in place, in the event that interruptions in supply, product shortage, or quality problems arise, or in the event that the reputation of Astellas is damaged as a result of the aforementioned, the Astellas Group's business results may be significantly affected.

3. Risk of impact from pharmaceutical regulations

The ethical pharmaceutical business is governed by a wide variety of regulations in each country. Astellas has identified changes in pharmaceutical pricing policy by the United States Government as one of its critical risks and is carefully watching trends.

The Astellas Group's business results may be significantly affected by policies for controlling the cost of medical treatment, or a tightening of various regulations concerning development, manufacturing and distribution, particularly in developed countries.

In addition to the above critical risks identified by the Astellas Group, there are many other risks. Some risks are unique to the pharmaceuticals business which include the uncertain nature of research and development, the risk of being infringed upon or infringing intellectual property rights, risk of drug side effects or safety issues arising thereof, and the risk of an Astellas Group business's partial dependence on licensing and sales of third-party developed drugs. Other risks

include the risk of infringement of related laws and regulations concerning competition with rival products, or environment or health and safety, or of commercial litigation regarding business processes, as well as risks of delays or stoppages in manufacturing due to natural disaster, etc., or of exchange rate fluctuation. Such risks may affect the Astellas Group's business results and financial position. Note that the risks stated above do not cover all of the risks relating to the Astellas Group.

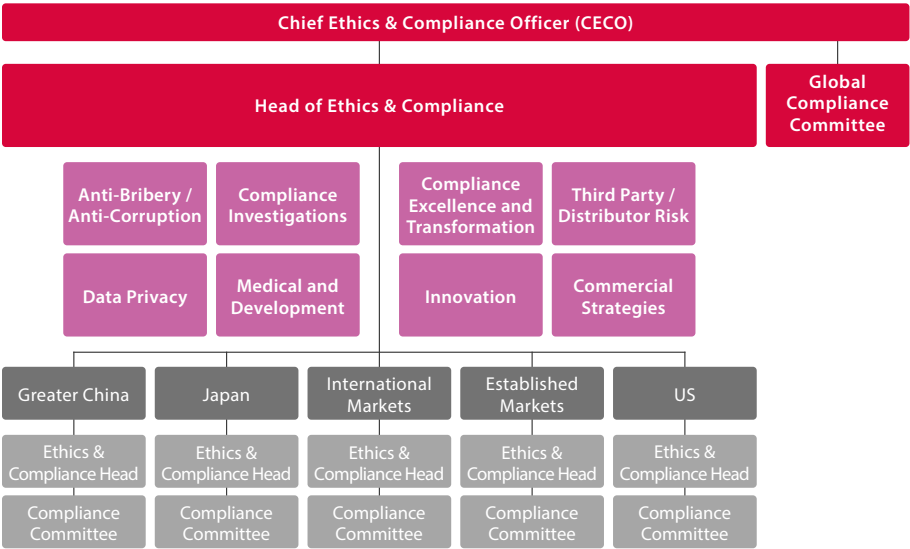
Ethics & Compliance

Enhancing and Sustaining Integrity and Trust

Astellas is committed to long-term, sustainable growth through creating and delivering value to patients and having a positive impact for society. Keeping patients and integrity at the heart of what we do is imperative, and we are passionate about this at Astellas. To create value for patients we do not compromise on patient safety, the quality of our products, or ethics and compliance – we do not compromise on integrity.

The Astellas culture is rooted in integrity, ethics and compliance. We promote an ethical culture where people are expected to act with integrity and put patients first, and the long-term sustainable success of the Company as their priorities. Integrity is one of our Astellas Way values. Together with a patient-focused mindset, employees understand how being ethical and compliant helps them live the Astellas mission.

Global Compliance Structure (As of September 2022 and it is subject to change)



Ethical and Compliant Culture at Astellas

Every aspect of our work to create innovative healthcare solutions is connected to evolving sustainability. The Astellas Ethics & Compliance Program and our values-based ethical culture of integrity enables innovation and bold ideas to foster sustainable value to patients. We provide risk-balanced, proactive, innovative, and practical ethics and compliance guidance, but more importantly, we support our employees to make ethical, compliant, and intelligent business risk-based decisions. In all aspects of our business, we do what is right, which includes following the letter and the spirit of applicable laws and regulations. This enables us to grow and keep the trust we have earned and continue to earn every day from our patients and our stakeholders.

At Astellas, all employees are responsible for creating an ethical culture. Astellas leaders and managers are critical to model the Astellas core values of integrity, and ethics and compliance within their teams. Ethics & Compliance works closely with the leaders and managers to engage in various initiatives designed

to continually enhance and sustain an ethical and compliant culture at Astellas. This includes lessons learned and ethical decision-making workshops dedicated to providing insight into key ethical concepts that impact decision-making. They learn about practical tools they and their teams can use, to support ethical decision-making in their daily business activities.

Our Ethics & Compliance program supports the fundamental mission to provide our patients with safe, effective medical products that improve their health and well-being. It is designed to keep the trust that we always act in the best interests of patients. This is strengthened through the efforts of Astellas' global, regional and local compliance committees and their awareness, knowledge and understanding of ethics and compliance in the context of business operations and activities.



Ethics & Compliance

Anti-Bribery Anti-Corruption

To achieve our mission, it is essential that we ensure all Astellas interactions, including those with HCPs, HCOs and patient organizations, are conducted in a legal and ethical manner and always for the ultimate benefit of patients. We do this through a comprehensive Ethics & Compliance Program with established global policies, processes and systems, tools and controls, and by proactively training employees on healthcare compliance, conducting compliance

risk assessments and compliance monitoring, including on aspects of its ABAC (anti-bribery anti-corruption) compliance program, to ensure there is no undue influence or even appearance of misleading or influencing a Healthcare Professional. Through continuous improvement of our ABAC program, we ensure its effectiveness by being prepared to address current and future risks. This enables sustainability of our culture of Integrity.

Conflict of Interest

It is important to empower ownership of ethics and compliance within Astellas. One way we do this is by how we approach our own conflicts of interest. That is because the foundation of an effective Ethics and Compliance program is based on how

a company manages its own internal behavior. By enhancing the disclosure process and providing global training resources, we continue to empower employees to identify and raise potential conflicts, resulting in increased business ownership of compliance.

Data Privacy

We earn society’s trust every day. Physicians, patients, employees, suppliers, and other individuals may

share their personal information with Astellas, and they trust us to keep that information safe, to use it

transparently, and to always handle it with care. Our Ethics & Compliance Program ensures the appropriate use

of the personal information that is entrusted to us by individuals.

Speaking Up

The Ethics & Compliance Program embraces all employees to foster an effective and robust integrity culture at Astellas by ensuring a psychologically safe speak up environment. Ethics & Compliance continuously encourages employees to speak up to report potential or actual violations of the Group Code of Conduct, as well as any unethical behavior or business practices, or receive advice on how to react in the event they discover or suspect misconduct.



Speak Up is critical to ensure our integrity culture at Astellas. This Speak Up culture is further supported and enabled by a global investigations program that is prompt, fair, robust and objective.

For the Future

For the future, we will continue to evolve our Ethics & Compliance Program, ensuring that it is aligned to the evolving nature of our internal and external environment and focused on serving patients and stakeholders. We will take opportunities to adopt innovative tools and techniques that enhance the effectiveness and the

efficiency of our program. By putting the patient first and making decisions that support delivering innovation with agility and integrity, we create a long-term and sustainable future that will continue to add value to patients and reinforces the trust on which our success is founded.

Corporate Data



CONTENTS

Corporate Data	82
Major Pipeline	83
Financial Data	86
Non-financial Data	89
Company Overview	91

Major Pipeline

(as of July 2022)

The list shows the development status in the target diseases for which we aim to obtain approval in Japan, the United States, Europe and/or China.

XTANDI and Strategic products

Generic name Code No. (Brand name)	Modality / Technology	Classification	Target disease	Phase*1					Licensor*2
				1	2	3	F		
enzalutamide MDV3100 (XTANDI)	Small molecule	Androgen receptor inhibitor	Metastatic castration-sensitive prostate cancer	▶▶▶▶				China	Pfizer
			Non-metastatic castration-sensitive prostate cancer	▶▶▶▶					
enfortumab vedotin ASG-22ME (PADCEV)	Antibody-drug conjugate (ADC)	Nectin-4 targeted ADC	Metastatic urothelial cancer, previously untreated (first line; combo with pembrolizumab)	▶▶▶▶					In-house [Co-development with Seagen]
			Muscle-invasive bladder cancer (combo with pembrolizumab)	▶▶▶▶					
			Other solid tumors	▶▶▶					
			Non-muscle-invasive bladder cancer	▶▶					
gilteritinib ASP2215 (XOSPATA)	Small molecule	FLT3 inhibitor	Post-chemotherapy maintenance acute myeloid leukemia	▶▶▶▶					In-house
			Post-hematopoietic stem cell transplant maintenance acute myeloid leukemia	▶▶▶▶					
			Newly diagnosed acute myeloid leukemia with high intensity induction of chemotherapy	▶▶▶▶					
			Newly diagnosed acute myeloid leukemia with low intensity induction of chemotherapy	▶▶					
			Acute myeloid leukemia in pediatric patients	▶▶▶▶					
zolbetuximab IMAB362	Antibody	Anti-Claudin 18.2 monoclonal antibody	Gastric and gastroesophageal junction adenocarcinoma	▶▶▶▶					In-house (Ganymed)
			Pancreatic adenocarcinoma	▶▶▶					
roxadustat ASP1517/ FG-4592 (EVRENZO)	Small molecule	HIF-PH inhibitor	Chemotherapy-induced anemia	▶▶▶					FibroGen
fezolinetant ESN364	Small molecule	NK3 receptor antagonist	Vasomotor symptoms associated with menopause	▶▶▶▶▶				US Submitted (Jun 2022)	In-house (Ogeda)
				▶▶▶▶				Europe China	
				▶▶				Japan	
resamirigene bilparvovec AT132	Gene therapy (AAV-based gene therapy)	MTM1 gene replacement to express myotubularin	X-linked myotubular myopathy	▶▶▶					In-house (Audentes Therapeutics)

*1 Compounds are developed globally unless noted. The list shows the most advanced stage if the stages are different depending on the region. The list specifies the area if the compound is developed in limited areas. The details of numbers and letters are as follows:
1: P-I, 2: P-II, 3: P-III, F: Filed

*2 Compounds with "In-house" in this column include ones discovered by collaborative research.

Major Pipeline

Focus Area approach

Primary Focus	Generic name Code No.	Modality / Technology	Classification	Target disease	Phase* ¹				Licensor* ²
					1	2	3	F	
Immuno-Oncology	ASP9801	Oncolytic virus	Oncolytic virus carrying IL-7 and IL-12	Cancer	▶				Tottori University [Discovered through collaborative research]
	ASP7517	Cell therapy (artificial adjuvant vector cells)	WT1 loaded artificial adjuvant vector cell	Acute myeloid leukemia and myelodysplastic syndrome	▶▶				RIKEN [Discovered through collaborative research]
				Solid tumor	▶				
	ASP0739	Cell therapy (artificial adjuvant vector cells)	NY-ESO-1 loaded artificial adjuvant vector cell	Cancer	▶				RIKEN [Discovered through collaborative research]
	ASP1570	Small molecule	DGKζ inhibitor	Cancer	▶				In-house
	ASP2138	Antibody	Anti-Claudin 18.2 and anti-CD3 bispecific antibody	Gastric and gastroesophageal junction adenocarcinoma, pancreatic adenocarcinoma	▶				Xencor [Discovered through collaborative research]
Blindness and Regeneration	ASP7317	Cell therapy	Retinal pigment epithelium cells	Geographic atrophy secondary to age-related macular degeneration, Stargardt disease	▶				In-house (Ocata Therapeutics)
Mitochondria	bocidelpar ASP0367/MA-0211	Small molecule	PPARδmodulator	Primary mitochondrial myopathies	▶▶				In-house (Mitobridge)
				Duchenne muscular dystrophy	▶				
	ASP8731/ML-0207	Small molecule	BACH1 inhibitor	Sickle cell disease	▶				In-house (Mitobridge)
Genetic regulation	resamirigene bilparvovec AT132* ³	Gene therapy (AAV-based gene therapy)	MTM1 gene replacement to express myotubularin	X-linked myotubular myopathy	▶▶				In-house (Audentes Therapeutics)
	AT845	Gene therapy (AAV-based gene therapy)	GAA gene replacement to express GAA enzyme	Pompe disease	▶				In-house (Audentes Therapeutics)
(Other projects with Focus Area approach)	FX-322	Small molecule	Inner ear progenitor cell activator (combination of GSK-3 inhibitor and HDAC inhibitor)	Sensorineural hearing loss	▶▶				Frequency Therapeutics
	ASP0598	Recombinant protein	Recombinant human heparinbinding epidermal growth factor-like growth factor	Chronic tympanic membrane perforation	▶				Auration Biotech
	ASP3082	Small molecule	KRAS G12D degrader	Cancer	▶				In-house

*1 Compounds are developed globally unless noted. The list shows the most advanced stage if the stages are different depending on the region. The list specifies the area if the compound is developed in limited areas. The details of numbers and letters are as follows:

1: P-I, 2: P-II, 3: P-III, F: Filed

*2 Compounds with "In-house" in this column include ones discovered by collaborative research.

*3 AT132 is also listed in "XTANDI and Strategic products".

Major Pipeline

Others

Generic name Code No.	Modality / Technology	Classification	Target disease	Phase* ¹				Licensor* ²
				1	2	3	F	
mirabegron YM178	Small molecule	β3 receptor agonist	Neurogenic detrusor overactivity in pediatric patients	▶▶▶				Europe In-house
			Overactive bladder in pediatric patients	▶▶▶				
peficitinib ASP015K	Small molecule	JAK inhibitor	Rheumatoid arthritis	▶▶▶				China In-house
isavuconazole	Small molecule	Azole antifungal	Invasive aspergillosis and mucormycosis in pediatric patients	▶▶				US Basilea
ASP8062	Small molecule	GABAB receptor positive allosteric modulator	Alcohol use disorder	▶				In-house

*1 Compounds are developed globally unless noted. The list shows the most advanced stage if the stages are different depending on the region. The list specifies the area if the compound is developed in limited areas. The details of numbers and letters are as follows:

1: P-I, 2: P-II, 3: P-III, F: Filed

*2 Compounds with "In-house" in this column include ones discovered by collaborative research.

Rx+ Program

Category (Business area)	Program	Concept	Status*	Partner
Digital health Other services	Game application for exercise support	Smartphone application to support exercise using motion sensing technology for people who need regular exercise	Under development	BANDAI NAMCO Entertainment
	Fit-eNce	Service to provide scientifically evidenced exercise programs and systems supporting regular exercise	Under test marketing	
	Fit-eNce Home	Service to provide scientifically evidenced exercise programs and systems supporting regular exercise at home	Under test marketing	
	BlueStar	Digital therapeutics for adults with diabetes	Under test marketing	Welldoc
Drug-device combination	pudexacianinium chloride ASP5354	Precision surgery-guide enabling identification of ureter in hysterectomy and colorectal surgery, etc.	P-III	

* The list shows the most advanced stage if the stages are different depending on the region.

Financial Data

Income Statement

(one million yen)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
IFRS core basis									
Revenue	1,139,909	1,247,259	1,372,706	1,311,665	1,300,316	1,306,348	1,300,843	1,249,528	1,296,163
Gross profit	809,281	914,062	1,037,110	991,162	1,006,066	1,014,299	1,024,104	1,003,465	1,043,154
SG&A expenses	397,018	452,522	500,359	470,777	478,330	490,263	499,295	504,316	548,840
R&D expenses	191,460	206,594	225,665	208,129	220,781	208,682	224,226	224,489	246,010
Core operating profit	186,253	216,500	267,456	274,554	268,698	278,514	277,758	251,375	244,744
Core profit for the year	132,796	153,244	198,802	213,343	204,326	249,343	223,178	209,906	190,584
R&D cost-to-revenue ratio (%)	16.8	16.6	16.4	15.9	17.0	16.0	17.2	18.0	19.0
Core operating profit ratio to revenue (%)	16.3	17.4	19.5	20.9	20.7	21.3	21.4	20.1	18.9
IFRS full basis									
Core operating profit	116,806	185,663	248,986	260,830	213,258	243,912	243,991	136,051	155,686
Profit before tax	121,975	189,683	261,770	281,769	218,113	248,967	245,350	145,324	156,886
Profit for the year	90,874	135,856	193,687	218,701	164,679	222,265	195,411	120,589	124,086
Operating profit ratio to revenue (%)	10.2	14.9	18.1	19.9	16.4	18.7	18.8	10.9	12.0

* The Company discloses financial results on a core basis as an indicator of its recurring profitability. Certain items reported in financial results on a full basis that are deemed to be non-recurring items by the Company are excluded as non-core items from these financial results on a core basis. These adjusted items include 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 other items that are deemed to be excluded based on the Company's judgment.

Financial Data

Statement of Financial Position

(one million yen)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Total assets	1,653,108	1,793,578	1,799,338	1,814,072	1,858,205	1,897,648	2,315,169	2,273,628	2,332,395
Total non-current assets	739,816	827,621	901,801	937,407	1,012,587	1,040,489	1,447,655	1,401,040	1,409,041
Total current assets	913,292	965,958	897,537	876,665	845,619	857,159	867,514	872,588	923,354
Total equity attributable to owners of the parent	1,268,476	1,317,916	1,259,209	1,271,810	1,268,289	1,258,396	1,289,168	1,386,115	1,460,308
Total non-current liabilities	43,944	54,771	126,769	142,406	168,296	141,587	227,293	295,141	184,676
Total current liabilities	340,688	420,890	413,359	399,856	421,620	497,665	798,708	592,372	687,411
Ratio of equity attributable to owners of the parent to gross assets (%)	7.4	10.5	15.0	17.3	13.0	17.6	15.3	9.0	8.7
Dividend on equity (%)	5.0	5.1	5.4	5.6	5.7	5.8	5.9	5.8	6.5
Ratio of equity attributable to owners of the parent to gross assets (%)	76.7	73.5	70.0	70.1	68.3	66.3	55.7	61.0	62.6

Statement of Cash Flows

(one million yen)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Cash flow from operating activities	214,257	187,686	313,737	235,612	312,614	258,630	221,998	306,843	257,444
Cash flow from investing activities	-26,851	-71,476	-147,050	-73,383	-121,799	-41,757	-389,793	-81,894	-62,413
Free cash flows	187,406	116,210	166,687	162,229	190,816	216,874	-167,796	224,949	195,031
Cash flow from financing activities	-89,395	-121,118	-193,478	-166,153	-203,429	-233,681	181,055	-229,479	-216,298
Cash and cash equivalents at the end of year	391,374	396,430	360,030	340,923	331,731	311,074	318,391	326,128	315,986

Key Figures per Share

(yen)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Basic earnings per share	40.45	61.50	89.75	103.69	81.11	115.05	104.15	64.93	67.08
Book value per share	568.53	600.93	592.58	615.89	641.80	667.29	694.03	748.03	799.26
Dividend per share	135	30	32	34	36	38	40	42	50

*1 The Company discloses financial results on a core basis as an indicator of its recurring profitability. Certain items reported in financial results on a full basis that are deemed to be non-recurring items by the Company are excluded as non-core items from these financial results on a core basis. These adjusted items include 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 other items that are deemed to be excluded based on the Company's judgment.

*2 The Company conducted a stock split of common stock at a ratio of 5 for 1 with an effective date of April 1, 2014. Earnings per share and book value per share are calculated based on the number of issued shares after the stock split (excluding treasury shares) on the assumption that the stock split was conducted at the beginning of FY2014.

Financial Data

Revenue by region

(hundred million yen)

	FY2018	FY2019	FY2020	FY2021
Japan	3,695	3,454	2,791	2,588
United States	4,216	4,435	4,732	5,375
Established Markets	3,000	2,961	2,932	3,152
Greater China	624	604	593	663
International Markets	1,227	1,348	1,111	1,101
Others	302	207	336	84
Total	13,063	13,008	12,495	12,962

Sales of Major Products

(hundred million yen)

	FY2018	FY2019	FY2020	FY2021
Major Products				
XTANDI	3,331	4,000	4,584	5,343
PADCEV	—	18	128	217
XOSPATA	25	143	238	341
Evrenzo	—	2	11	26
Betanis/Myrbetriq/BETMIGA	1,472	1,616	1,636	1,723
Prograf	1,957	1,929	1,827	1,854
XTANDI				
Japan	323	358	402	472
United States	1,647	2,035	2,386	2,769
Established Markets	1,190	1,354	1,493	1,701
Greater China	22	32	49	79
International Markets	148	221	255	322
Total	3,331	4,000	4,584	5,343
PADCEV				
Japan	—	—	—	18
United States	—	18	128	195
Established Markets	—	—	—	5
Total	—	18	128	217

(hundred million yen)

	FY2018	FY2019	FY2020	FY2021
XOSPATA				
Japan	6	28	38	39
United States	20	105	155	189
Established Markets	—	9	44	90
Greater China	—	—	0	15
International Markets	—	—	2	7
Total	25	143	238	341
Evrenzo				
Japan	—	2	11	25
Established Markets	—	—	—	1
Total	—	2	11	26
Betanis/Myrbetriq/BETMIGA				
Japan	327	343	351	375
United States	808	892	880	872
Established Markets	253	282	299	367
Greater China	12	14	22	29
International Markets	72	84	85	81
Total	1,472	1,616	1,636	1,723
Prograf				
Japan	454	443	407	382
United States	140	132	118	94
Established Markets	744	715	642	679
Greater China	313	322	342	381
International Markets	305	317	317	317
Total	1,957	1,929	1,827	1,854

*1 Sales of products in Japan are shown on a gross sales basis.

*2 Established Markets: Europe, Canada, Australia

*3 Greater China: China, Hong Kong, Taiwan

*4 International Markets: Russia, Latin America, Middle East, Africa, Southeast Asia, South Asia, Korea, Export sales, etc

Non-financial Data

Environment

	FY2019	FY2020	FY2021
GHG Emissions Volume* ¹ (Scope 1, Scope 2) (Tons)	166,138	123,320	118,679
Scope 1	70,898	63,276	63,691
Scope 2	95,239	60,044	54,988
Breakdown of Energy Consumption (TJ)	3,656	3,523	3,517
Volume of Water Resources Withdrawn * ² (1,000 m ³)	7,493	7,564	7,394
Waste generation volume* ³ (Tons)	13,922	14,352	13,882
Volume of Chemical Substance Emissions* ⁴ (Tons)			
VOC	28	22	21
Nox	16	21	17
Changes in Drainage Volume* ⁵ (1,000 m ³)	7,061	7,038	6,810

*1 Non-energy GHG emissions are less than 5% of total emissions and therefore not included in the disclosed data.

*2 Target: production facilities and R&D sites.

*3 Target: production facilities and R&D sites.

*4 VOC: all production facilities and R&D sites in Japan.

NOx: all business facilities in Japan (excluding sales offices)

Astellas does not use any equipment that runs on fuel oil, which is a major source of SOx emissions.

*5 Target: Plants and research facilities in Japan.

Social

Employee Ratio per Region and Ratio of Female Managers

		FY2019	FY2020	FY2021
Japan (Astellas Pharma Inc. · Group companies)	Male	70.7%	70.8%	69.1%
	Female	29.3%	29.2%	30.9%
	Ratio of female managers	10.2%	11.6%	13.3%
Other Areas Total	Male	43.4%	44.1%	44.8%
	Female	56.6%	55.8%	55.2%
	Ratio of female managers	51.6%	52.6%	53.5%
Average	Male	53.0%	53.9%	53.1%
	Female	47.0%	46.1%	46.9%
	Ratio of female managers	40.0%	41.2%	43.9%

*1 Expatriate employees seconded within the Astellas corporate group are included in the headcount of their current location.

Expatriate employees seconded out of the Astellas corporate group are excluded from the headcount.

*2 As of June 2022, the ratio of females in the Board of Directors was 30% and the ratio of females in managerial positions in Japan was 14.5%.



For details, please visit the following website:

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

Number of Employees per Region and Turnover Rate*¹

		FY2019	FY2020	FY2021
Japan (Astellas Pharma Inc. · Group companies)	Number of employees* ²	5,608	5,659	4,948
	Turnover rate	10.7%	2.6%	* ³ 18.07%
Other Areas Total	Number of employees	10,275	9,796	9,574
	Turnover rate	—	15.3%	15.7%
International Markets	Number of employees	—	3,608	3,454
	Turnover rate	—	10.9%	14.1%
Greater China	Number of employees	—	1,325	1,183
	Turnover rate	—	* ³ 41.1%	* ³ 30.18%
International Markets	Number of employees	—	1,524	1,445
	Turnover rate	—	12.9%	22.7%
United States	Number of employees	—	3,339	3,492
	Turnover rate	—	10.9%	9.3%
Total	Number of employees	15,883	15,455	14,522
	Turnover rate	11.6%	10.6%	16.5%

*1 Regional data for 2019 (Established Market, Greater China, International Market, USA) are not aggregated due to regional classification changes.

*2 The turnover rate in Japan excludes people retiring at the mandatory retirement age and employees moving outside of the Group due to transfer of Group businesses.

*3 Implemented early retirement incentive system.

Average Length of Service (Years) By Gender (As of March 31, 2022, Japan consolidated basis.)

	FY2019	FY2020	FY2021
Male	18.5	18.4	17.4
Female	13.8	13.4	13.0

Non-financial Data

Employment (Japan)

		FY2019	FY2020	FY2021
New graduate hires (Astellas Pharma Inc. · Group companies)	Total	122	66	71
	Male	60	41	38
	Female	62	25	33
Mid-career hires (Astellas Pharma Inc. · Group companies)	Total	78	78	96
	Male	48	51	71
	Female	30	27	25

Data-Related Life Event (Japan)

Life Event		FY2019	FY2020	FY2021
Paternity Leave		104	95	96
	Female: 190		Female: 195	Female: 186
	Average days used: 402		Average days used: 396	Average days used: 399
	Male: 11		Male: 13	Male: 27
	Average days used: 60		Average days used: 29	Average days used: 91
Leave for Child Care				
	Male: 11		Male: 13	Male: 27
	Average days used: 60		Average days used: 29	Average days used: 91
Time off for Infant Care		12	14	14
		186	176	206
	Average days used: 1166		Average days used: 1037	Average days used: 1185
Use of the Company's Vehicles for Child Raising	Male: 10		Male: 17	Male: 22
	Female: 36		Female: 39	Female: 57
Financial Assistance for Daycare		3	3	1
Paid Leave for Employees Returning to Work After Leave of Absence Before and After Childbirth/Leave for Child Care		45	24	24
Nursing Care Holiday		28	20	22
Nursing care	Leave for Nursing Care	0	0	0
		—	—	—
Shortened Work Hours for Nursing Care		0	1	3
Child care, nursing care, injury, other	Registered Employees for the Program: 4,501	Registered Employees for the Program: 5,214	Registered Employees for the Program: 6,014	

*1 The number of users indicates those who used the system in each fiscal year.

*2 This figure excludes cases where the term of leave was not completed by the end of each fiscal year. In other words, it is limited to cases which ended within the fiscal year.

Occupational Health & Safety

Global	2019.1–12	2020.1–12	2021.1–12
Number of work-related injuries (leave of absence)	19	6	10
Frequency rate of work-related injuries	0.58	0.18	0.33
Severity rate of work-related injuries	0.244	0.005	0.008

* Number of work-related injuries (leave of absence), frequency rate of work-related injuries and severity rate of work-related injuries for 2019 have been revised due to its recognition in 2021 as an occupational accident. Severity rate of work-related injuries for 2020 has been revised due to settlement of days lost in an occupational accident in 2021.

Governance

		FY2019	FY2020	FY2021
Board of Directors structure	Board of Directors (Persons)	12	11	11
	Of which Outside Directors (Persons)	7	7	7
	Ratio of Outside Directors (%)	58%	64%	64%
	Of which Female Directors (Persons)	3	2	1
	Ratio of Female Directors (%)	25%	18%	9%
Number of meetings of the Board of Directors (Number)		14	15	13
Average rate of Outside Directors' attendance of meetings of the Board of Directors (%)		96%	100%	99%
Audit & Supervisory Committee structure	Audit & Supervisory Committee Members (Persons)	5	4	4
	Of which Outside Directors (Persons)	3	3	3
	Of which Female Directors (Persons)	2	1	1
Number of meetings of the Audit & Supervisory Committee (Number)		15	15	14
Average rate of Outside Directors' attendance of meetings of the Audit & Supervisory Committee (%)		96%	100%	100%
Nomination Committee structure	Chair	Outside Director	Outside Director	Outside Director
	Member of the Nomination Committee (including Chair) (Persons)	5	5	5
	Of which Outside Directors (Persons)	4	4	4
	Number of meetings of the Nomination Committee (Number)	8	7	7
Average rate of Outside Directors' attendance of meetings of the Nomination Committee (%)		95%	100%	96%
Compensation Committee structure	Chair	Outside Director	Outside Director	Outside Director
	Member of the Compensation Committee (including Chair) (Persons)	5	5	5
	Of which Outside Directors (Persons)	4	4	4
	Number of meetings of the Compensation Committee (Number)	8	7	8
Average rate of Outside Directors' attendance of meetings of the Compensation Committee (%)		95%	100%	100%

Company Overview

(As of March 31, 2022)

Company Information

Company Name	Astellas Pharma Inc.
Headquarters	2-5-1, Nihonbashi-Honcho, Chuo-Ku, Tokyo 103-8411, Japan
Foundation	1923
Capital	103,001 million yen
Representative Director	Kenji Yasukawa (President and Chief Executive Officer)
Employees	3,943 (Unconsolidated) 14,522 (Consolidated)

Stock Information

Status of shares

Securities Code	4503
Listed Stock Exchange	Prime Market
Fiscal Year-end	March 31
General Meeting of Shareholders	June
Minimum Trading Unit	100 shares
Total Number of Authorized Shares	9,000,000,000 shares
Number of Shares Issued and Outstanding	1,835,851,575 shares (Including 911,834 shares of treasury stock)
Number of Shareholders	86,322

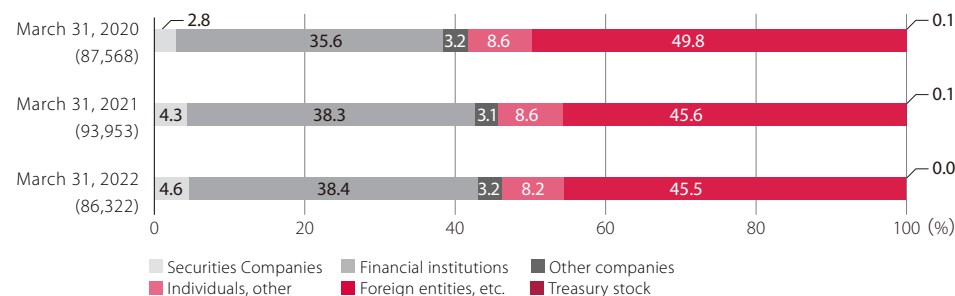
Custodian of Register of Shareholders

Sumitomo Mitsui Trust Bank, Limited
1-4-1, Marunouchi, Chiyoda-ku, Tokyo
100-8233, Japan

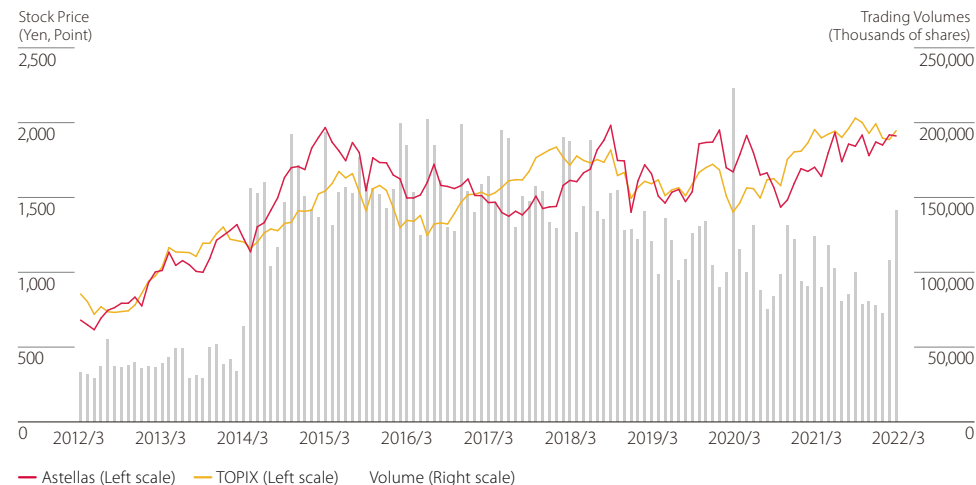
Accounting auditor

Ernst & Young ShinNihon LLC.

Trends in shareholder-type ratio



Share Price and Volume



* The Company conducted a stock split of common stock at a ratio of 5 for 1 with an effective date of April 1, 2014.

Major Shareholders (Top 10)

Name of shareholders	Number of shares held (Thousands of shares)	Shareholding percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	396,257	21.59
Custody Bank of Japan, Ltd. (Trust account)	136,113	7.41
STATE STREET BANK AND TRUST COMPANY 505001	65,334	3.56
NIPPON LIFE INSURANCE COMPANY	51,588	2.81
STATE STREET BANK WEST CLIENT - TREATY 505234	32,679	1.78
JP MORGAN CHASE BANK 385781	25,011	1.36
SSBTC CLIENT OMNIBUS ACCOUNT	23,632	1.28
GOVERNMENT OF NORWAY	23,348	1.27
STATE STREET BANK AND TRUST COMPANY 505103	20,160	1.09
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	20,105	1.09

* Number of shares held are presented by discarding the numbers down to the thousand, and percentage of shares are presented by discarding the numbers down to the third decimal (1,834,939,741 shares).