

Press Conference

Our Journey

December 4, 2013
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Outline of Our Journey

- ❑ **Business environment and changes**
- ❑ **Challenges for changing tomorrow**

Outline of Our Journey

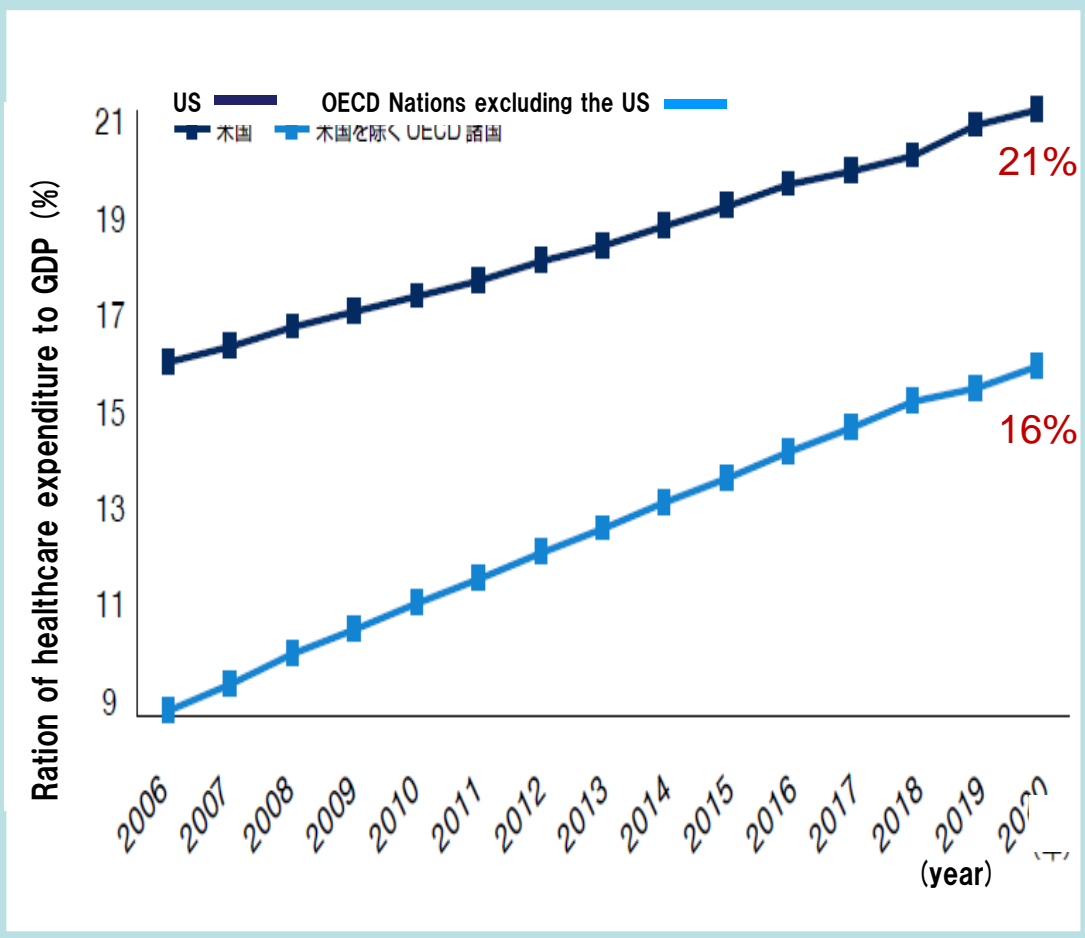


- **Business environment and changes**
- Challenges for changing tomorrow

Growing market

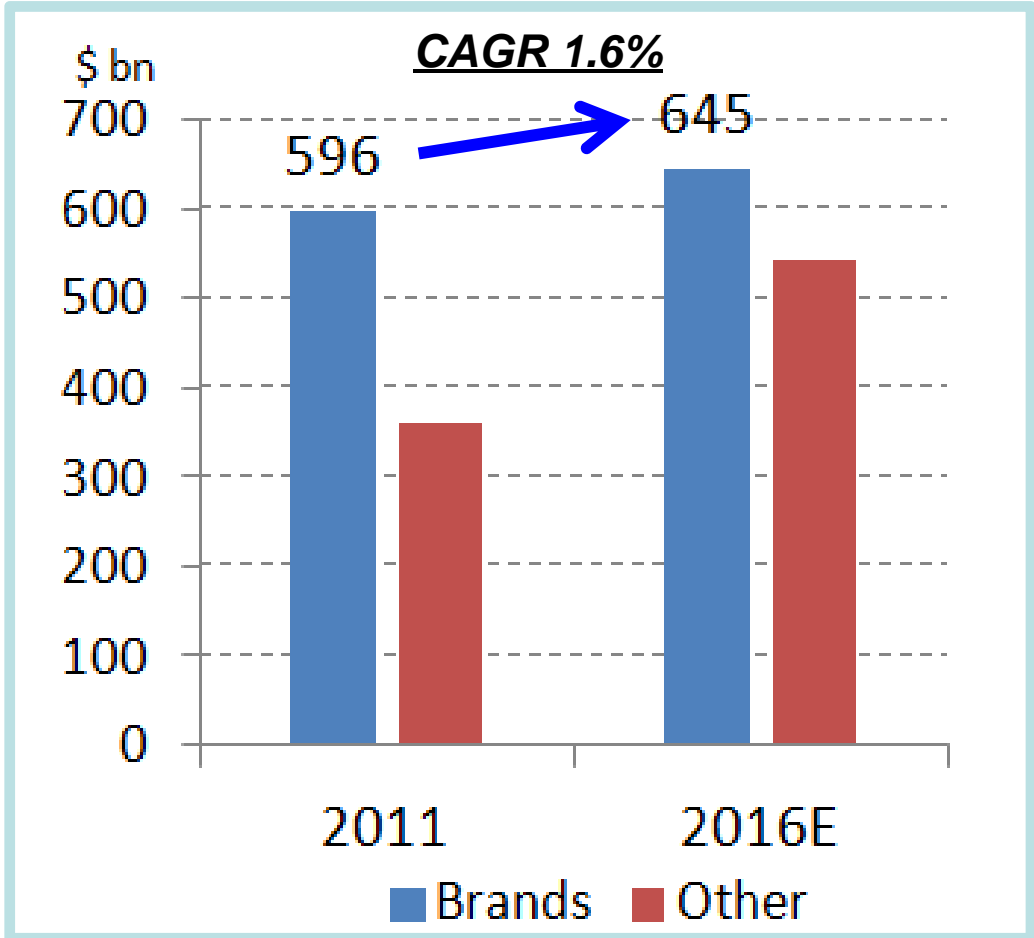
Pharma market is expected to continue growing steadily

Healthcare expenditure as a percentage of GDP in OECD countries



Source:Pricewaterhouse Coopers Pharma 2020 vision

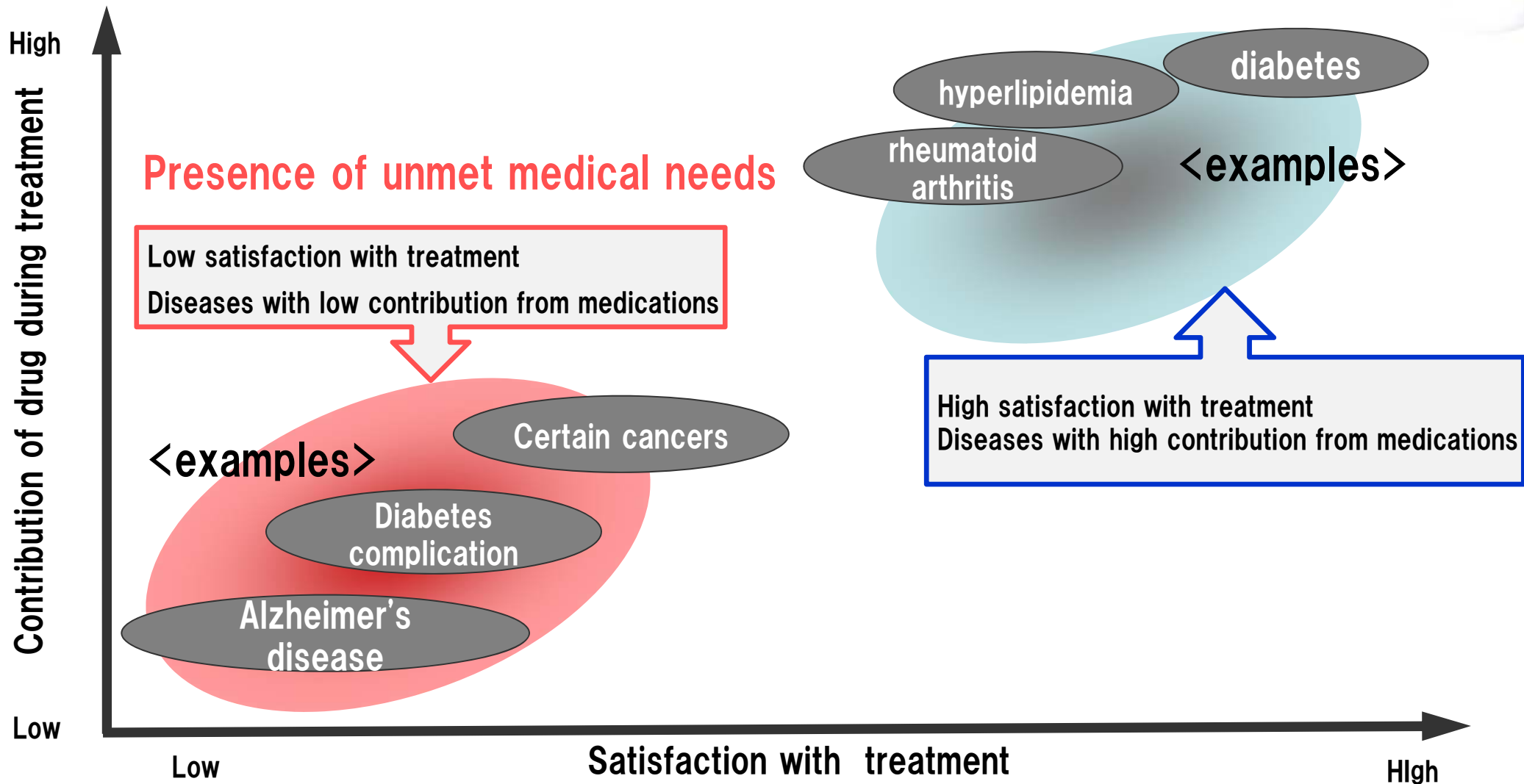
Global Pharma Market : 2011-2016



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Unmet medical needs

With current treatment and medication, there are many diseases that lack sufficient treatment



Drugs and advancement in biological sciences

Pharma market expansion with science evolution

To step up

⇒ **Innovation !!**

Vaccine
Regenerative medicine
etc

Molecular target drug, Biomedicine
(Antibody, Protein drug etc)

Landing of Science?

Focus on
molecular structure

H2 blocker
b blocker

Focus on
cell biology
cell technology

Landing of Science?

Anti-inflammatory drug
Antihypertensive drug

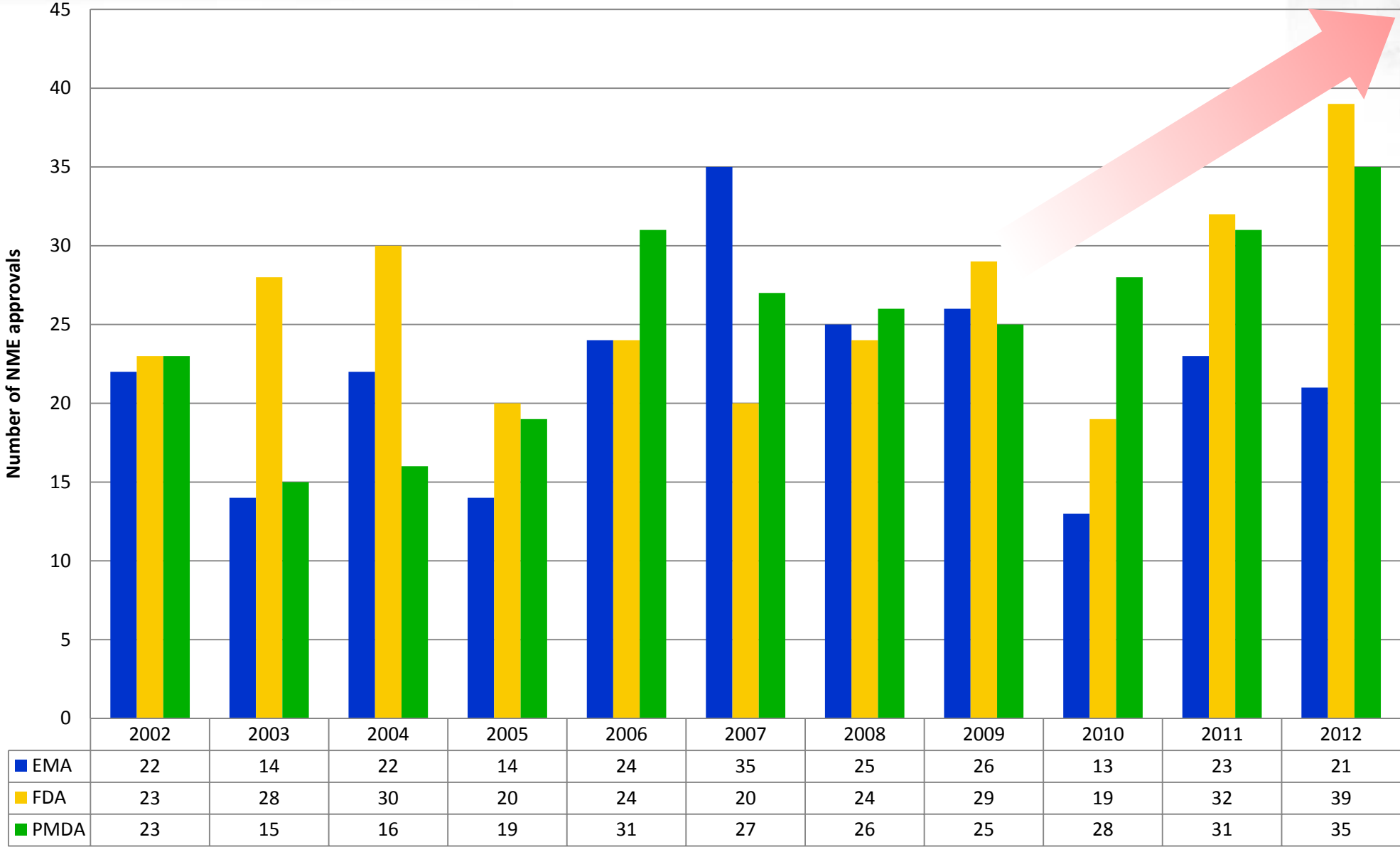
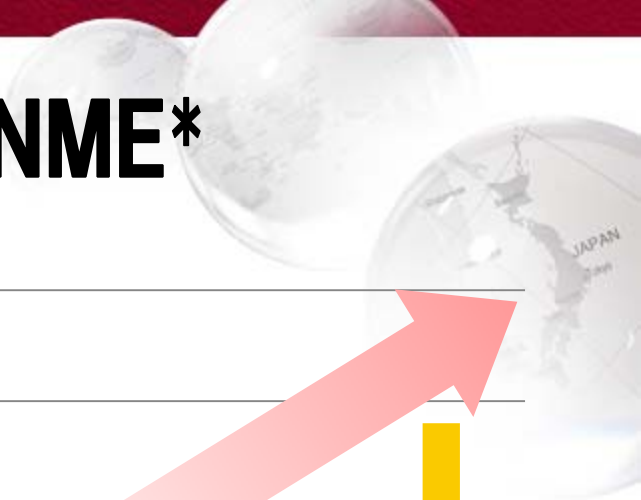
Aspirin

*Technological innovation
supporting new drug discovery*

- Personal genomic medicine
- New generation sequencer
- Systembiology
- Bioimaging
- Bioinformatics etc

Extraction of active ingredient based on
past experience / Discovery by luck

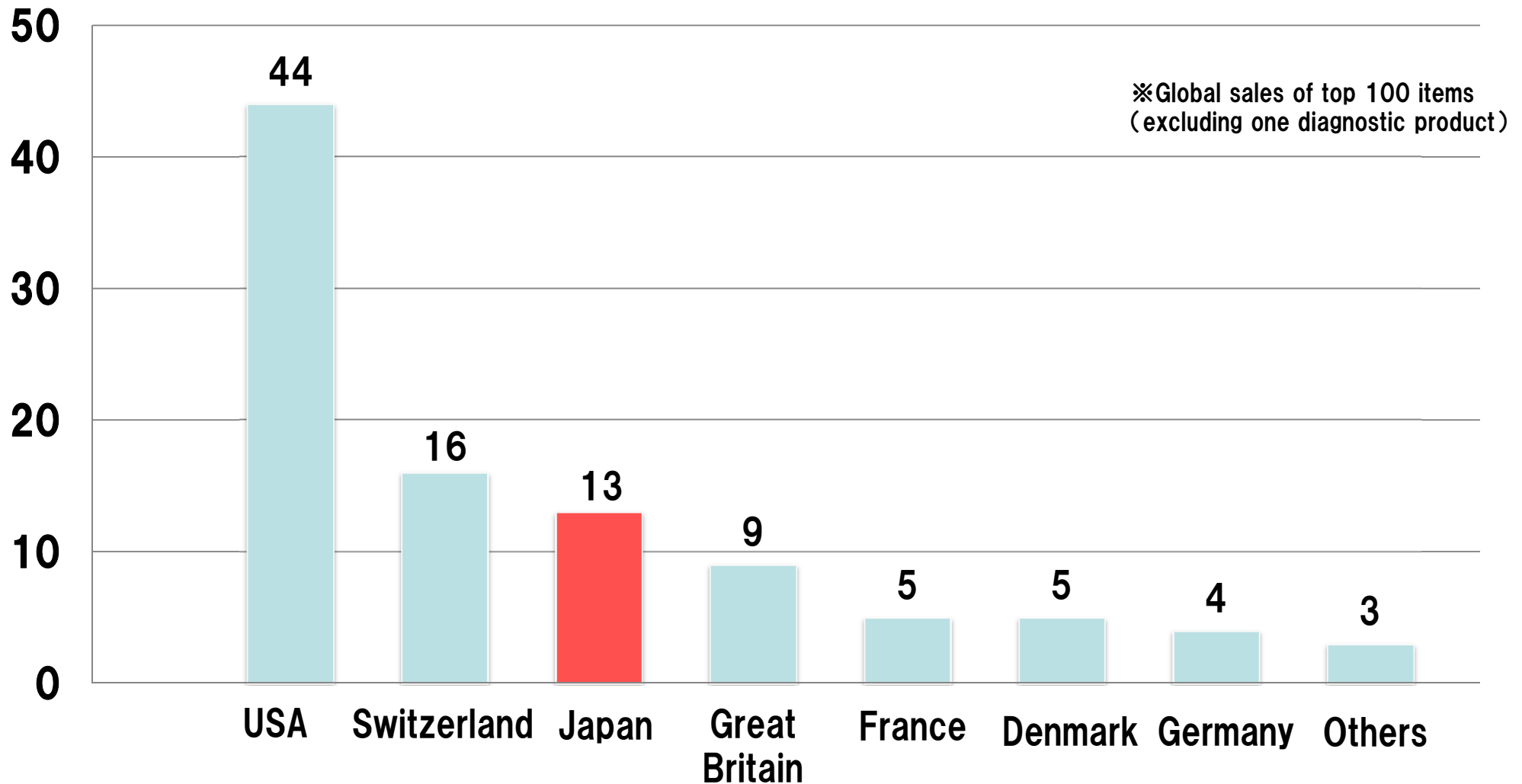
Changes in the Number of Approved NME*



*New Molecular Entity

Country rankings based on new drug development (2010)

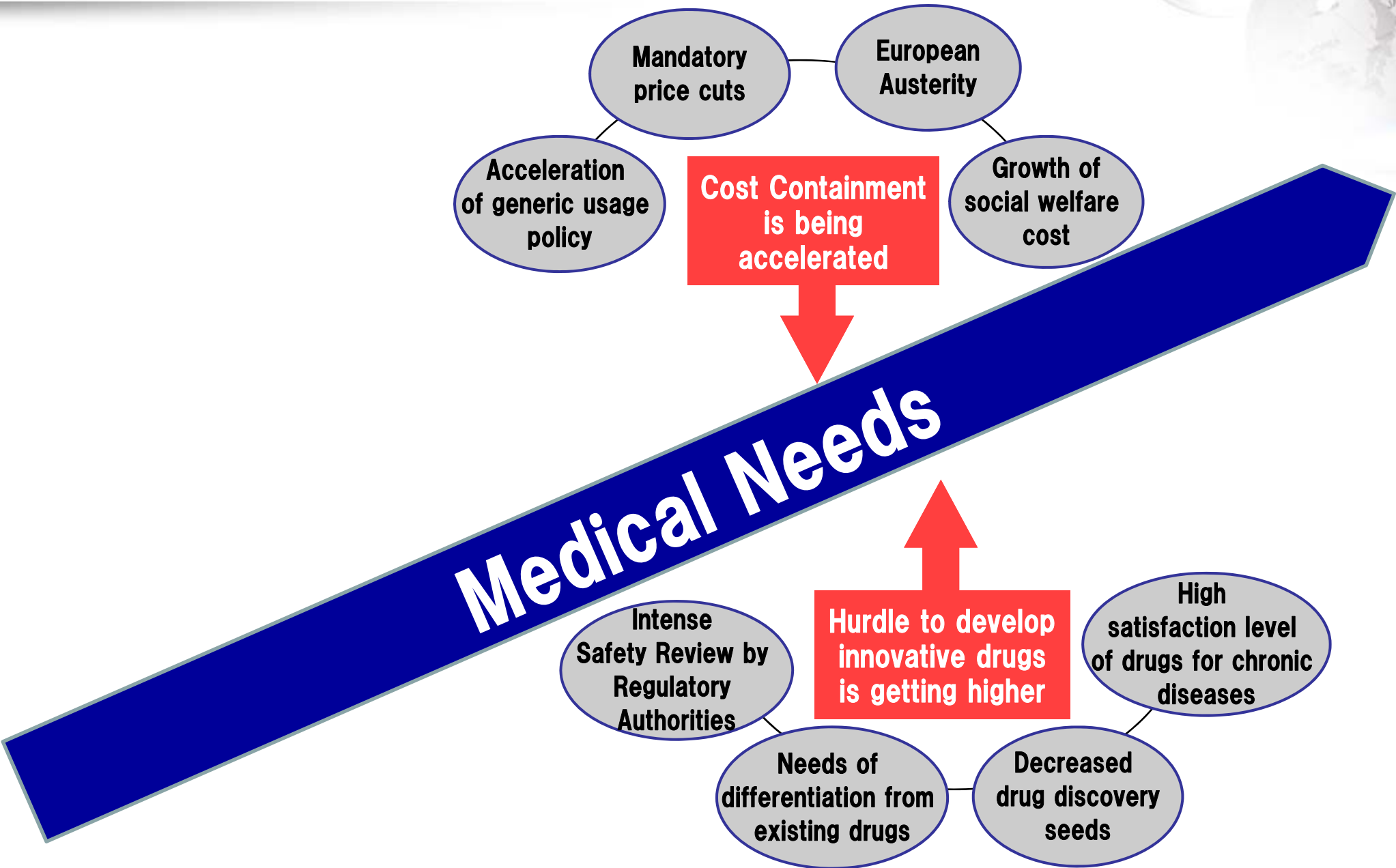
Japan is the 3rd best nation for innovative drug development



Source: IMS World Review, Pharmaprojects (reprint/replication prohibited)

Created by: Japan Pharmaceutical Manufacturers Association and Office of Pharmaceutical Industry Research

Growing Pharmaceutical Market and Changing Environment



Outline of Our Journey



- Business environment and changes
- **Challenges for changing tomorrow**

Challenges for changing tomorrow

- Three Strategic Issues for Sustainable Growth -

1

Maximizing the Value of New Products

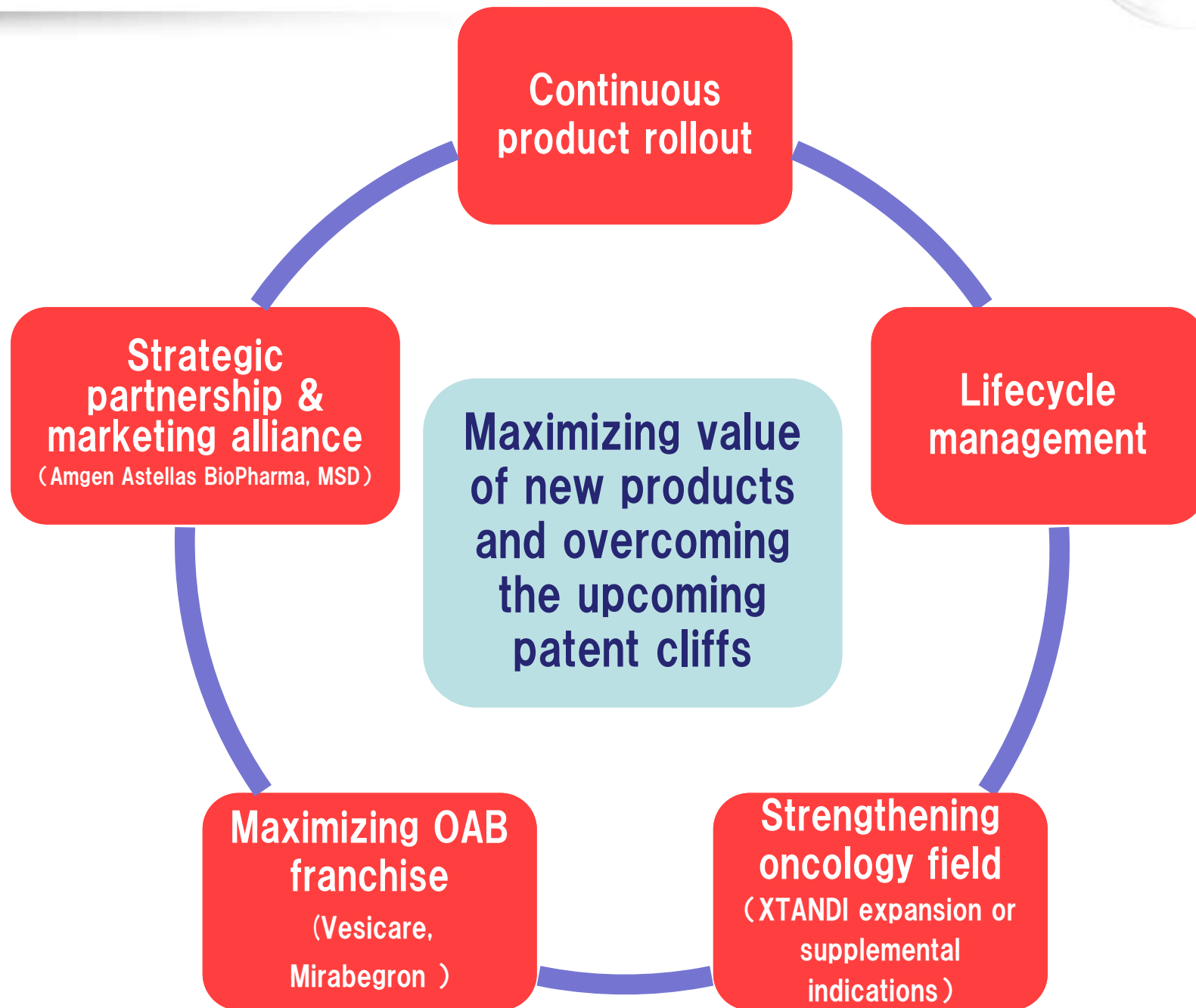
2

Enhancing Ability to Generate Innovative Drugs
(Reshaping Research Framework)

3

Achieving Operational Excellence

1. Maximizing the Value of New Products



2. Enhancing Ability to Generate Innovative Drugs - GCL: Business Model of Astellas -

— Concentrate Resources —

Proprietary Ethical
Pharmaceutical
Business Approach

Innovative
Pharmaceutical
Business Approach

Global Category Leader (GCL)

Current GCL

Urology

Transplantation

Third GCL

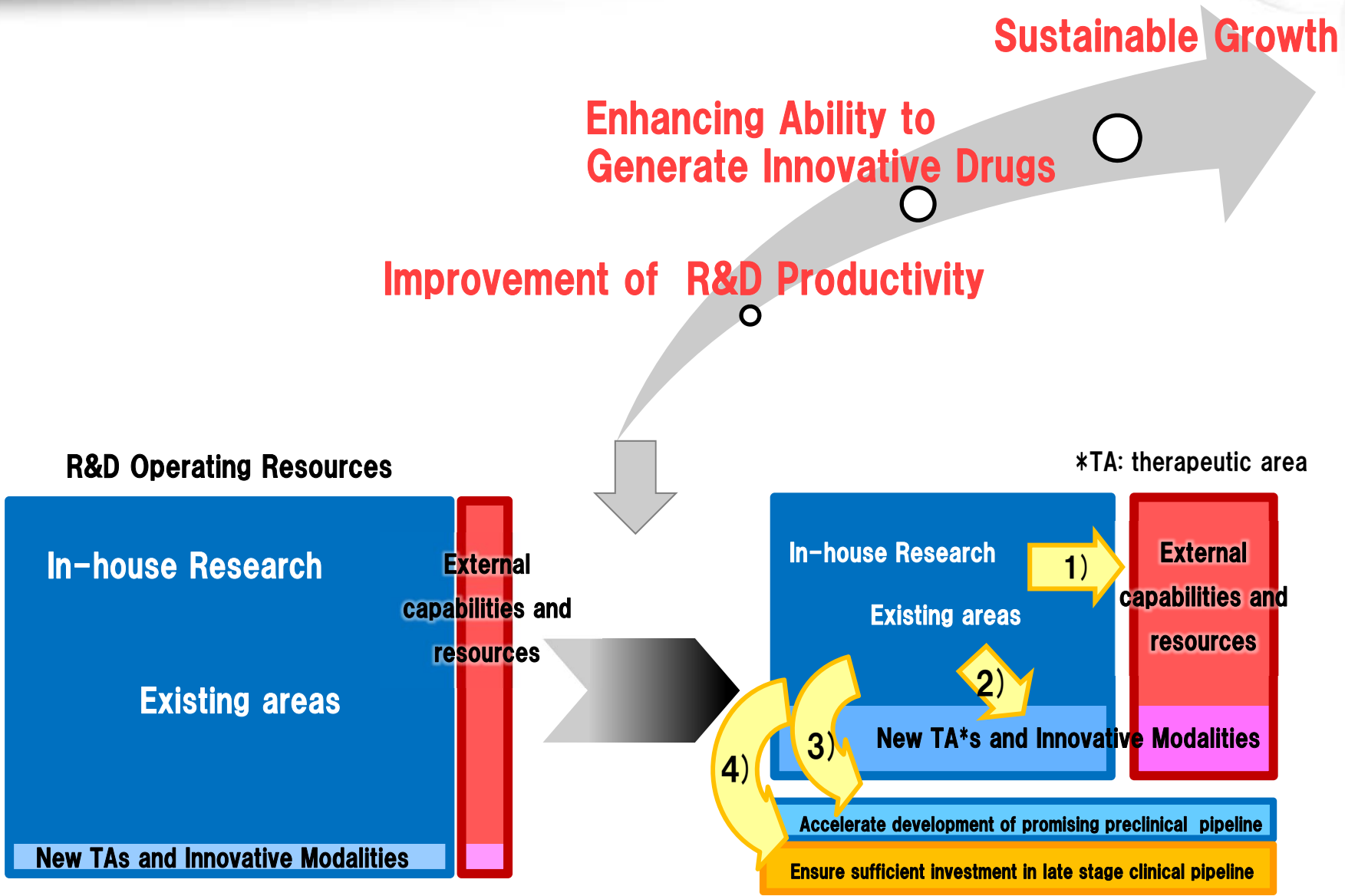
Oncology

Future GCL

- Immunology & Infectious Diseases
- Neuroscience
- DM Complications & Kidney Diseases, etc.

2. Enhancing Ability to Generate Innovative Drugs

- Sustainable Growth by improvement of R&D Productivity -

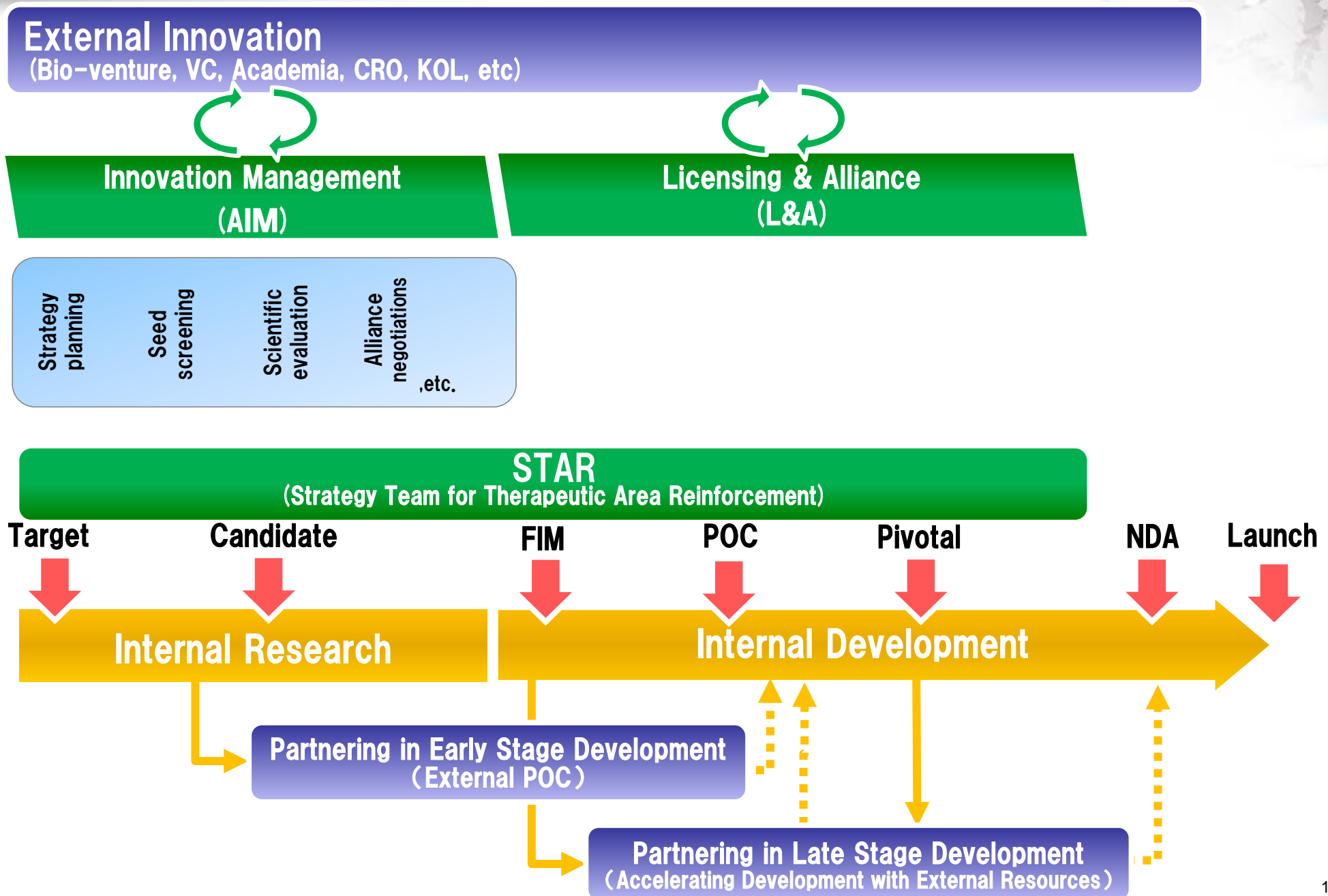


Review R&D Resource Allocation in order to Resiliently Respond to the Changing Environment

2. Enhancing Ability to Generate Innovative Drugs

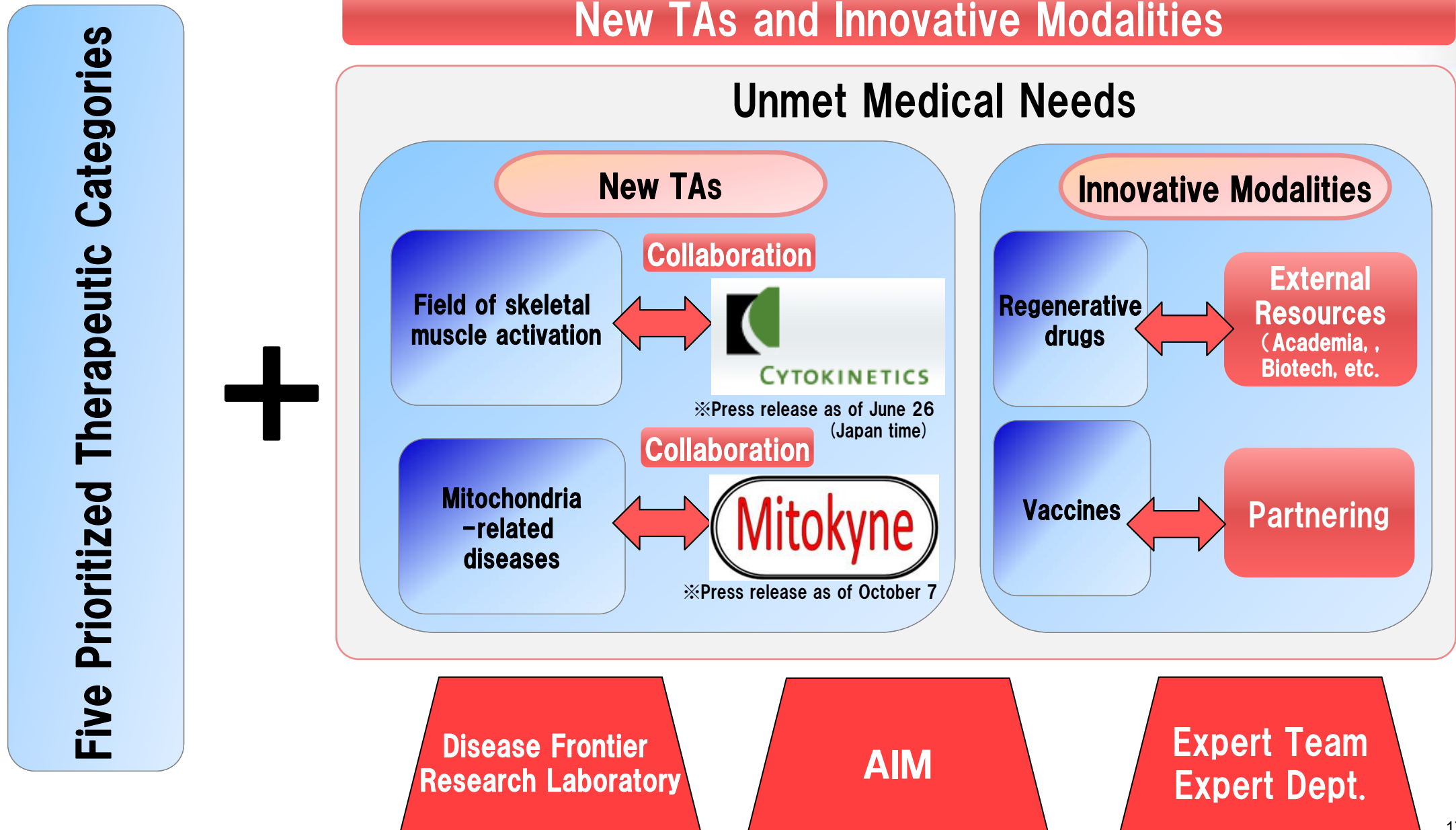
1) Utilize more External Capabilities and Resources

Multi-track R&D systems



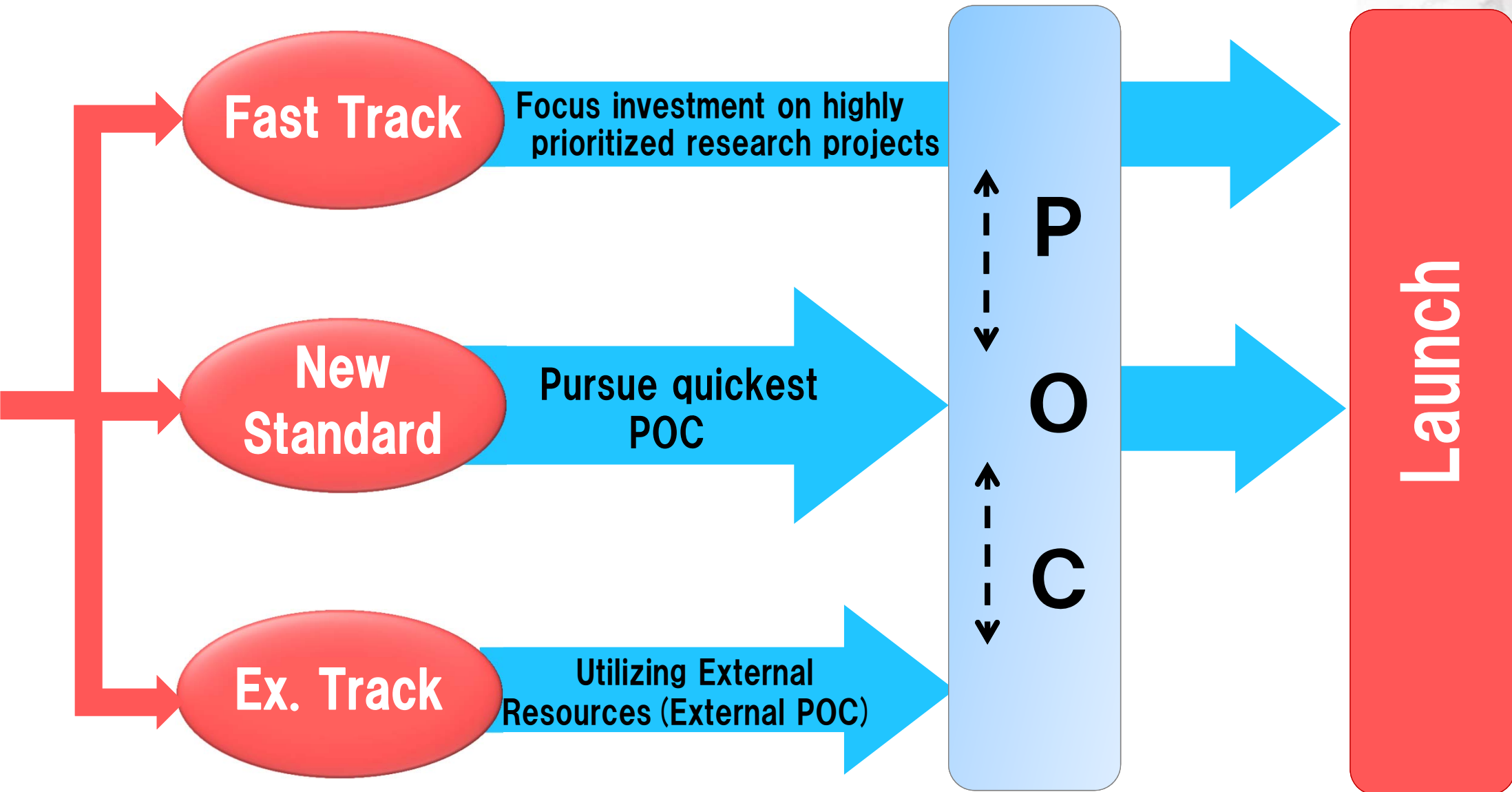
2. Enhancing Ability to Generate Innovative Drugs

2) Undertake Initiatives related to New Therapeutic Areas and Innovative Modalities



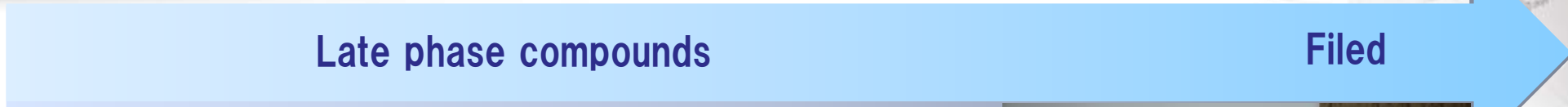
2. Enhancing Ability to Generate Innovative Drugs

3) Accelerate Development of Promising Preclinical Pipeline



2. Enhancing Ability to Generate Innovative Drugs

4) Ensure Sufficient Investment in Late-Stage Clinical Pipeline



	Late phase compounds	Filed
Urology	<p>solifenacin/mirabegron urinary frequency, urinary incontinence or urgency associated with overactive bladder (OAB)</p> <p>solifenacin neuropathic bladder (pediatric)</p>	
Immunology (including transplantation) and infectious diseases	<p>certolizumab pegol rheumatoid arthritis (pre-Methotrexate treatment)</p> <p>isavuconazole (Aspergillosis, candidemia)</p>	
Oncology	<p>enzalutamide prostate cancer (pre-chemo treatment, non-metastatic)</p> <p>degarelix prostate cancer (3 month duration)</p>	<p>erlotinib small cell lung cancer (supplemental) pediatric ependymoma</p> <p>enzalutamide * prostate cancer</p> <p>*Filed in Japan, available in the US and EU</p>
Others	<p>AMG 145 Hyperlipidemia</p> <p>romosozumab Osteoporosis</p>	<p>roxadustat Anemia associated with CKD</p> <p>lpravgliflozin Type 2 diabetes</p> <p>midazolam conscious sedation in dentistry and dental surgery</p>



※Press Conference on May 29 (Photograph: Edelman)



3. Achieving Operational Excellence





Our Journey for Changing Tomorrow



Changing tomorrow

