

Press Release

Astellas Acquires Potenza Therapeutics

- *Acquisition adds clinical stage novel immuno-oncology programs to Astellas' oncology pipeline* -

TOKYO, December 14, 2018 - Astellas Pharma Inc. (TSE: 4503, President and CEO: Kenji Yasukawa, Ph.D., "Astellas") today announced that it exercised, and closed on its exclusive option to acquire Potenza Therapeutics, Inc. ("Potenza") on December 13, 2018, U.S. Eastern Time. This acquisition marks the successful outcome of a collaboration agreement entered into in 2015 to build a portfolio of novel immuno-oncology (IO) therapies. The clinical IO therapies developed through this collaboration may also provide a platform for IO combinations with Astellas' existing non-IO programs for life cycle management and future novel IO combinations.

"This transaction underscores Astellas' commitment to innovation and scientific partnerships to advance our creation of value for patients," said Kenji Yasukawa, Ph.D., President and CEO, Astellas. "In oncology, Astellas has focused on developing treatments for unmet medical needs with novel mechanisms of action and modalities. We believe the novel assets we have developed with Potenza have the potential to make an even more pronounced difference for patients in need."

Through the research and development collaboration over the past three and a half years, Astellas and Potenza have discovered and developed three novel investigational new drugs (INDs) with the potential to treat various cancers that are non-responsive or resistant to the current generation of IO therapies. This portfolio of programs targeting immune stimulation, immune checkpoint inhibition, and regulatory T cell function includes:

- ASP8374/PTZ-201, an anti-TIGIT antibody (immune checkpoint inhibitor) and ASP1948/PTZ-329, an anti-NRP1 antibody (Treg function inhibitor), both of which are currently in Phase 1 clinical studies;
- ASP1951/PTZ-522, a novel format GITR agonistic antibody (T cell priming & costimulation), which has recently achieved IND clearance.

Upon the closing of this transaction, Potenza became a wholly-owned subsidiary of Astellas, establishing a competitive and fully owned clinical IO pipeline.

"We are extremely proud of what the experienced Potenza team has accomplished to discover and create innovative therapeutics for the treatment of cancers," said Dan Hicklin, Ph.D., President and CEO, Potenza. "Over the past three and a half years, we have enjoyed a successful and productive partnership with Astellas. I am pleased that

these therapies will now have access to the resources of a large international company, with world-class R&D and the strategic and financial backing to support the development of these innovative potential new medicines for cancer patients in need.”

By exercising its options under the Warrant Purchase Agreement, Astellas paid an upfront fee of \$164.6 million to acquire Potenza and Potenza’s shareholders will be eligible for additional payments that total up to \$240.1 million, depending on the progress of various programs in clinical development.

Astellas is reviewing the impact of the acquisition on its financial result for the fiscal year ending March 31, 2019.

Acquisition Summary

- (1) Acquiring company: Astellas Pharma Inc.
- (2) Major shareholders of Potenza Therapeutics:
MPM Capital, InterWest Partners, Astellas Pharma Inc., Founders and others
(including stock options)
- (3) Payment: Cash on hand
- (4) Amount:
\$164.6 million to make Potenza a wholly-owned subsidiary of Astellas
Up to \$240.1 million in future contingent payments based on the advances in
clinical programs

Overview of Acquired Company

- (1) Corporate Name: Potenza Therapeutics, Inc.
- (2) Location: Cambridge, MA
- (3) Representative: President and CEO Dan J. Hicklin, Ph.D.
- (4) Founded year: 2014
- (5) Number of employees: 19
- (6) Relationship with Astellas: Equity-method affiliate, research and development partner

About Astellas

Astellas Pharma Inc., based in Tokyo, Japan, is a company dedicated to improving the health of people around the world through the provision of innovative and reliable pharmaceutical products. For more information, please visit our website at <https://www.astellas.com/en>

Cautionary Notes

In this press release, 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. These statements are based on 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 in the forward-looking statements. Such factors include, but are not limited to: (i) changes in general economic conditions and in laws and regulations, relating to pharmaceutical markets, (ii) currency exchange rate fluctuations, (iii) delays in new product launches, (iv) the inability of Astellas to market existing and new products effectively, (v) the inability of Astellas to continue to effectively research and develop products accepted by customers in highly competitive markets, and (vi) infringements of Astellas' intellectual property rights by third parties.

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

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