

Press Release

Astellas Announces Production Subsidiary Astellas Pharma Tech Concludes Share Transfer Agreement with CMIC CMO for Succession of Nishine Plant Business

TOKYO, December 21, 2018 - Astellas Pharma Inc. (TSE: 4503, President and CEO: Kenji Yasukawa, Ph.D., “Astellas”) today announced that Astellas Pharma Tech Co., Ltd. (“Astellas Pharma Tech”), Astellas’ production subsidiary in Japan, and CMIC CMO Co., Ltd. (“CMIC CMO”), concluded a share transfer agreement under which CMIC CMO will succeed to the business of Nishine Plant (Hachimantai-shi, Iwate), one of production sites of Astellas Pharma Tech.

1. Summary of the succession of the Nishine Plant business

(1) Purpose of the business succession

Astellas is engaged in on-going efforts to improve the quality and efficiency of operations and to optimize its cost structure so as to accommodate the rapidly-changing business environment and achieve sustainable growth. This includes the areas of production and technology in which the company actively strengthens its corporate functions and develops ties with partners to promote establishment of a production system that efficiently delivers a stable supply of high-quality drugs. As a part of these efforts, Astellas Pharma Tech has reached an agreement with CMIC CMO under which the pharmaceutical manufacturing business of Nishine Plant is to be succeeded by CMIC CMO.

Along with the business succession, employees of Nishine Plant will remain employed by CMIC Group. Astellas’s products currently manufactured at the Nishine Plant will continue to be produced there. Further enhancing quality assurance systems and manufacturing technology in collaboration between the Nishine Plant and CMIC CMO will allow Astellas to establish a high-quality, more efficient outsourced manufacturing system.

Meanwhile, through the succession of the Nishine Plant business, CMIC CMO can expect synergy effects by ensuring stable supply through production capacity enhancement and merging high-quality management capability and technical strengths.

(2) Schedule of the business succession

December 21, 2018: Conclusion of a share transfer agreement

June 1, 2019: Conclusion of share transfer to CMIC CMO (tentative)

(3) Financial terms of the business succession

Financial terms including the transfer price are not disclosed.

2. Scheme of the business succession

Astellas Pharma Tech will establish a wholly owned subsidiary (“New Company”) and transfer all of the shares of the New Company held by Astellas Pharma Tech to CMIC CMO after having the New Company assume the business of the Nishine Plant through the absorption-type company split on June 1, 2019 (tentative).

3. Outline of Astellas Pharma Tech and Nishine Plant

Astellas Pharma Tech Co., Ltd.

Headquarters: 2-5-1, Nihonbashi-Honcho, Chuo-Ku, Tokyo

Representative: President Toshiomi Nakate

Capital: ¥1 million

Operations: contracted-manufacturing of drugs and drug substances for medical use in Japan and overseas; contracted-manufacturing of drugs and drug substances for clinical trials; and contracted-manufacturing of drug substances for development

Employees: approx. 1,300 employees (as of the end of September 2018)

Production sites: Takahagi Technology Center, Toyama Technology Center, Yaizu Technology Center, Takaoka Plant, and Nishine Plant

Astellas Pharma Tech Co., Ltd., Nishine Plant

Location: Obuke 2-154-13, Hachimantai-city, Iwate

Site area: 345,563 m²

Building area: 14,337 m²

Employees: approx. 190 employees (as of the end of September 2018)

Forms of pharmaceuticals being produced: tablets and capsules

4. Outline of the succeeding company

CMIC CMO Co., Ltd.

Headquarters: 1-1-1, Shibaura, Minato-ku, Tokyo

Representative: Representative Director and CEO Makoto Matsukawa

Capital: ¥100 million

Operations: contracted-manufacturing of pharmaceuticals, and quasi-pharmaceutical products

Employees: approx. 860 employees (as of the end of September 2018)

In line with the business succession, Astellas expects that one-time expenses including impairment loss of property, plant and equipment will be booked for the third quarter ending December 31, 2018.

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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