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The status of corporate governance of Astellas Pharma Inc. (the “Company”) is as follows:

## **I Basic Views on Corporate Governance, and Basic Information on Capital Structure, Corporate Attributes, and Other Matters**

### **1. Basic Views**

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

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

The Company has established the “Corporate Governance Guidelines” which identifies the fundamental concept and guidelines of the Company’s corporate governance. Please refer to the Company’s website.

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

### **[Reasons for not implementing the following principles of the Corporate Governance Code]**

The Company implements all the principles of the Corporate Governance Code after its revision in June 2021, including principles for companies listed on the Prime Market.

### **[Disclosure based on each principle of the Corporate Governance Code] Updated**

[Principle 1-4 Cross-Shareholdings]

The Company does not acquire or hold the shares of other companies except in cases where such acquisition or shareholding is considered reasonable from a business strategic perspective, such as business partnership.

The rationale of each shareholding is examined annually by the Board of Directors from the viewpoint of the Company’s medium- to long-term business strategies. The Company sells the shares for which there is insufficient rationale of shareholding. The Company confirms the appropriateness of continuing to hold shares on the basis of the policies below.

- As a general rule, the Company continuously holds shares it has acquired in connection with a business partnership for as long as the purpose of that acquisition prevails, and sells such holdings when that purpose ceases to exist.
- The Company sells other shares based on the appropriate timing and method.
- The Company continues to hold shares when it is difficult to carry out the sale of the shares according to the Company’s plans because of reasons such as poor liquidity.

With regard to the exercise of voting rights of shareholdings, the Company appropriately exercises them judging from the viewpoint of increasing shareholder value of the issuing company, on the condition that such exercise of the voting rights contributes to increasing the Company's enterprise value.

The Company has been reducing its shareholdings since 2005. Although the Company held 106 stocks as of April 2005, the result of reduction efforts is that as of March 31, 2024, it maintains equity holdings amounting to 16 stocks at a recorded value of ¥3.3billion on the balance sheet (total proceeds from sales: ¥106.6 billion). The Company sold 3 stocks during the business year ended March 31, 2024 and it will continue to optimize the number of shares and shareholdings in line with its policies for shareholdings.

[Principle 1-7 Related Party Transactions]

The Company endeavors to prevent officers and other personnel concerned from using their positions in order to enter into transactions that conflict with the interests of the Company or the common interests of its shareholders.

Directors intending to engage in transactions with the Company for themselves or for a third-party must receive the approval of the Board of Directors for the said transaction in accordance with the Board of Directors Policy.

[Supplementary Principle 2-4-1]

<Approach for ensuring diversity>

Astellas ("Astellas" refers to the entire Astellas Group; the same shall apply hereinafter) is working to promote diversity and create an environment in which individuality is valued and diverse individuals can play a role, irrespective of race, nationality, gender or age. We believe that respecting and making the most of the diverse values, approaches, backgrounds, etc. of our employees not only heightens creativity in our organization, but also helps to attract and retain talented people as employees and enhances our competitiveness.

Astellas follows practices that promote equal employment opportunities and provides employees with various opportunities to improve their skills and abilities. All of our decision-making related to employment (hiring, promotions, personnel performance evaluations, training, career development, etc.) is conducted based on appropriate criteria (skills, abilities, experience, aptitude, achievements, motivation, etc.), tailored to each specific role.

We confirm whether these practices are properly being followed based on the performance in each situation. We implement measures led by its HR functions in each region to promote diversity tailored to the situation in each region, rather than setting targets and initiatives for specific indicators.

In Japan, empowering women is of paramount importance. We strive to create a work environment that enables all female employee at Astellas to work with motivation and passion, free from limitations imposed by life events.

<Voluntary and measurable targets for ensuring diversity>

1. Promoting women to manager positions

At Astellas, we prioritize selecting the right person for the right position based on performance, regardless of gender. We analyze conditions for positions at the senior director level or higher to ensure gender parity and prepare succession plans.

In Japan, we have set numerical targets to actively address the issue of women's empowerment. You can find our numerical targets and initiatives on our website:

<https://www.astellas.com/en/sustainability/major-programs-japan>

2. Promoting non-Japanese employees and mid-career hires to manager positions

We appropriately appoint individuals to positions designed with the global reporting line based on their performance, regardless of their nationality. As a result, the Company has successfully

promoted numerous non-Japanese employees and mid-career hires to manager positions globally, and we will continue these efforts.

### 3. Creating and operating succession plans

Astellas emphasizes transformational leadership, result driven, and global mindset as the elements of leadership required to execute the Corporate Strategic Plan 2021. Based on these elements, we conduct our succession planning (Note). The characteristics of our succession planning include: 1. Fully integrated global approach, 2. Select best candidate as successor, from both inside and outside the company, 3. Actual placement is determined on fair competition and interviews, and 4. Appoint the right people in the right places through a robust review process every year. The Company is committed to creating succession plans for positions at the senior director level or higher on a global basis. Guided by the principle of selecting the right person for the right positions, regardless of nationality or gender, we aim to identify and develop diverse successors for each role through a globally deployed succession planning framework.

(Note) Succession planning: planning for future successors

<Current status of efforts for ensuring diversity>

#### 1. Promoting women to manager positions

The ratio of female employees and ratio of female managers per region, including Japan, are posted on the following website.

<https://www.astellas.com/en/sustainability/diversity-management>

#### 2. Promoting non-Japanese employees and mid-career hires to manager positions

At Astellas, diverse employees are playing active roles as core personnel regardless of nationality. As of March 31, 2024, the percentage of non-Japanese employees serving in the position of executive director or higher was 62% and in the position of manager or above was 70%. In addition, the Company is actively promoting many mid-career hires to serve as core personnel.

#### 3. Succession plan creation results

As of September 2023, the Company has identified 553 successor candidates for the 193 positions at the level of executive director or higher, with 58% being non-Japanese employees and 40% being women.

#### 4. Usage results of employee systems within Japan

Information on systems available to employees and usage results are posted on the following website.

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

<Policies on personnel development and improvement of internal work environments aimed at ensuring diversity and the progress status thereof>

Astellas is working to ensure diversity by providing employment based on equal opportunity and individual capability regardless of race, nationality, age, disability or other personal attribute, and optimizing personnel placement based on the concept of placing right person in right position regardless of attributes for realizing our management strategies.

Regarding talent development, we provide the resources necessary for each employee to achieve their own highest potential, while ensuring that each employee takes ownership. By actively providing attractive growth opportunities to talented and motivated personnel who continue to perform at a high level, we enable diverse personnel to play an active role.

Regarding internal work environments, in order to enable diverse personnel to play an active role, we ensure fair evaluations based on roles and achievements regardless of personal attributes through the establishment of an evaluation process that is controlled and consistent globally. Furthermore, we provide a global common job posting system, and global assignments for work in different countries and regions, etc. The formation of teams and groups comprised of global members irrespective of the country or region is leading to increased diversity in each

organization. In addition, not only are we realizing diversity in the organizations, we are working to create inclusive organizations that understand, accept, respect and make the most of each and every person's strengths and differences so that each and every employee can play an active role. In Japan, we are promoting the establishment of networks of personnel, knowledge, and experience both inside and outside the Company through the use of a side job system. In addition, from FY2024, we have introduced the "My Workplace System" in Japan to enhance employees' flexibility in choosing their place of residence. By promoting diverse work styles, we aim to further empower employees, improve their performance, and attract talented people.

[Principle 2-6 Roles of Corporate Pension Funds as Asset Owners]

The Company manages its corporate pension through Astellas Pension Fund, with the aim of ensuring that its employees lead secure lives into the future. In managing the pension fund, Astellas Pension Fund has established the "Basic Policies on Pension Asset Management," and makes relevant decisions by resolution of the Board of Trustees and Board of Representatives, after deliberation by the Asset Management Committee on the basis of the basic policy. The Company appropriately assigns qualified personnel such as heads of the Company's personnel and finance departments as members of the Asset Management Committee, Board of Trustees, and Board of Representatives, and also assigns personnel from labor unions to the same positions from the standpoint of providing representation for the beneficiaries. In addition, the Company appropriately assigns personnel to the Fund secretariat, while the Asset Management Committee monitors the management of the pension fund to ensure that management is carried out on the basis of the basic policy on asset management, and that there are no conflicts of interest.

[Principle 3-1 Full Disclosure]

(1) Business Philosophy, Business Strategies, Management Plan

The Company's business philosophy is composed of three basic principles - "raison d'être," "mission," and "beliefs," which is published on the Company's website.

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

The Company has formulated the VISION, which is published on the Company's website.

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

The Company has formulated its management plan CSP2021 (Corporate Strategic Plan) that starts from FY2021 and is published on the Company's website.

<https://www.astellas.com/en/investors/strategic-plan>

(2) The Basic Views and Guidelines of the Corporate Governance

The basic views and guidelines are identical to those listed under "I. 1 Basic Views" of this report or in "Corporate Governance Guidelines"

(<https://www.astellas.com/en/about/governance>) of the Company.

(3) Policies and Procedures on determining Remunerations for Directors

Remunerations for Directors are so designed as to enable the Company to recruit and retain talents, and to make the remuneration levels and structures fully commensurate with the responsibilities of the position.

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

Remunerations for internal Directors who are not Audit & Supervisory Committee Members are determined based on the following factors.

i) Competitive remuneration system

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

ii) 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 value and shareholder value over the medium- to long-term

iii) Fair and impartial remuneration system

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

country and region

Based on the factors above, remunerations for internal Directors who are not Audit & Supervisory Committee Members are to consist of basic remuneration (fixed remuneration), bonus (short-term incentive remuneration) and stock compensation (medium- to long-term incentive remuneration). Levels of remunerations are determined based on the factors such as professional responsibilities, by utilizing objective remuneration survey data of an external expert organization. The individual remuneration for internal Directors who are not Audit & Supervisory Committee Members are determined by a resolution of the Board of Directors, based on results of discussions carried out by the Compensation Committee, within the total amount resolved in the Annual Shareholders Meeting.

<Remunerations for outside Directors who are not Audit & Supervisory Committee Members>

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

<Remunerations for internal Directors who are Audit & Supervisory Committee Members>

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

<Remunerations for outside Directors who are Audit & Supervisory Committee Members>

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

Further details on the remuneration system for Directors are stated in the "Annual Securities Report for the Business Year Ended March 31, 2024 (19th Term)" (in Japanese).

<https://www.astellas.com/jp/investors/ir-library/securities-report>

(4) Policies and Procedures in Appointment/Removal of Senior Management and Nomination of Candidates for Directors

Through the deliberations of the Nomination Committee, the Company enhances the transparency and objectivity of the nomination process for candidates for Director.

When nominating candidates for outside Directors, the Company, as a general rule, nominates the candidates who are considered to be independent from the Company and without risk of conflict of interest with general shareholders, based on the Company's "Independence Standards for

outside Directors.”

The terms of the Company’s “Independence Standards for outside Directors” are identical to those stated in this report (“II. 1. Matters Pertaining to the Structure, Operation, etc. of the Organization.”) Please also refer to the Company’s website.

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

<Policies and procedures for nominating candidates for Directors who are not Audit & Supervisory Committee Members>

Directors who are not Audit & Supervisory Committee Members are subject to election by resolution of the Annual Shareholders Meeting each year.

When nominating candidates for Directors who are not Audit & Supervisory Committee Members, those who satisfy the election/re-election standards separately established by the Board of Directors are nominated, and efforts are made to ensure that the composition of the Board of Directors is diverse and well-balanced from the perspectives of expertise and experience and so forth.

Candidates for Directors who are not Audit & Supervisory Committee Members are nominated by resolution of the Board of Directors with due respect to the opinions of the Nomination Committee.

<Policies and procedures for nominating candidates for Directors who are Audit & Supervisory Committee Members>

Directors who are Audit & Supervisory Committee Members are subject to election by resolution of the Annual Shareholders Meeting every other year.

When nominating candidates for Directors who are Audit & Supervisory Committee Members, those who satisfy the election/re-election standards separately established by the Board of Directors are nominated, and efforts are made to ensure that the composition of the Audit & Supervisory Committee is diverse and well-balanced from the perspectives of expertise and experience and so forth, including a person with sufficient expertise on finance and accounting.

Candidates for Directors who are Audit & Supervisory Committee Members are nominated by resolution of the Board of Directors with due respect to the opinions of the Nomination Committee. Proposals regarding the election of Directors who are Audit & Supervisory Committee Members are subject to the agreement of the Audit & Supervisory Committee before submission to the Annual Shareholders Meeting.

<Dismissal of Directors>

Should a Director fall under one of disciplinary categories defined in the Disciplinary Policy for Directors, the Board of Directors may, by its resolution after discussions at the Nomination Committee, make a proposal to dismiss such Director at the Annual Shareholders Meeting and/or remove such Director from the executive position.

<Policies and procedures in appointment/removal of CEO>

Through the deliberations of the Nomination Committee, the Company enhances the transparency and objectivity of the deliberation process for appointment of CEO.

CEO is appointed by resolution of the Board of Directors with due respect to the opinions of the Nomination Committee. CEO must satisfy the following standards, and the current business environment and business strategy are also considered in the appointment process:

- i) Person who has superior insight for the future and is flexible with a rapidly changing internal and external environment.
- ii) Person who is brilliant at planning, decision and execution in times of uncertainty, and is able to fulfill accountability about the decisions.
- iii) Person who has such a strong personal magnetism that the person is relied on by employees of Astellas Group of Companies and is trusted by stakeholders.



CEO is subject to appointment by resolution of the Board of Directors each year. In the case of re-appointment, in addition to the standards above set forth being satisfied, performance and contribution during the tenure as CEO are also considered.

(5) Explanation Regarding Nomination of Individual Candidates for Director

The “Notice of Convocation of the Annual Shareholders Meeting” contains reasons the Company nominates individual candidates for Director.

<https://www.astellas.com/en/investors/shareholders-meeting>

[Supplementary Principle 3-1-3]

<Sustainability initiatives>

In order to contribute to evolving the sustainability of both society and Astellas, we have positioned “Deepen our engagement in sustainability” as one of the strategic goals of Corporate Strategic Plan 2021, and we are working to further advance sustainability activities and enhance information disclosure. In FY2021, we revised the materiality matrix to use it to guide our sustainability efforts by selecting 19 key issues from the perspective of importance for both society and Astellas and prioritized nine of them as the most important issues (materiality). To address this materiality, as well as environment-related key issues that are highly demanded by society, we formulated in FY2022 the Sustainability Direction that sets out mid-term priorities for Astellas, specific initiatives, and our commitments by FY2025. In FY2023, we established approximately 50 indicators under the Sustainability Direction to measure the progress of mid-term priorities for Astellas and our commitment through FY2025 with transparency. These indicators are reflected in the annual plans and are implemented as company-wide initiatives.

In regards to “Access to Health,” one of the nine most important issues in our materiality matrix, we have identified “lack of available treatments,” and “barriers making it difficult to access the healthcare needed due to poverty, insufficient healthcare information, etc.” and are promoting activities toward finding solutions. Specifically, we have continued working to create innovative healthcare solutions for patients where effective treatment options do not exist or patients struggling with illnesses where existing treatment options did not provide satisfactory outcome and to widely deliver the created “VALUE” to patients who need it. In addition to providing Astellas products through our regular business, we have built comprehensive access mechanism to enhance access to our products for patients who are unable to receive appropriate healthcare due to socioeconomic reasons, while still taking into consideration factors such as specific circumstances and regulations in each country. For example, more than 1,380 patients were treated through various access programs by the first half of FY2023. In addition, we are contributing to society through activities including, but not limited to, training healthcare professionals and improvement of health literacy. Another example is contribution to improving access to healthcare for more than 8 million of people in total from FY2021 to the end of FY2023 through programs supported by Astellas with the aim of strengthening healthcare systems and improving health literacy.

Concerning initiatives for the environment that highly demanded by society, we position climate change, in particular, as one of very important issues and have continuously implemented proactive measures to reduce greenhouse gas emissions. In December 2020, we announced our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Astellas disclosed the updated information including the quantitative scenario analysis in FY2023 based on the assumption that transition risks would materialize under a 1.5°C scenario for climate change and physical risks would materialize under a 4°C scenario.

As a long-term commitment to taking measures against climate change, we aim for achieving a 90% reduction in greenhouse gas emissions and a 10% neutralization of residual emissions to achieve net zero by 2050, based on the 2015 level, for Scope 1 and 2 and Scope 3, respectively\*. In addition, Science Based Targets (SBT) certification was obtained for our greenhouse gas emissions reduction targets by 2030.

In FY2023, the Company formulated a roadmap for initiatives toward the achievement of its greenhouse gas emissions reduction targets. For Scope 1 and 2, we will introduce and renew in-house renewable energy equipment, purchase renewable energy from power generation companies, and switch over to sales fleets with low environmental impact globally. For Scope 3, we will make informed transportation decisions based on information regarding the impact of selection of transportation options on greenhouse gas emissions. We will also promote engagement with suppliers to encourage reduction of their greenhouse gas emissions.

\* Scope: Range of calculation of greenhouse gas emissions, Scope 1: Direct emissions of greenhouse gas from fuels used in-house, Scope 2: Indirect emissions of greenhouse gas from consumption of purchased electricity, Scope 3: Emissions of greenhouse gas in the supply chain of business activities, such as raw materials procurement and product use

Details of Astellas' sustainability initiatives are posted on the Company's website and Integrated Report.

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

Integrated Report: <https://www.astellas.com/en/investors/integrated-report>

#### <Investment in human capital>

Astellas aims to be an "Employer of Choice," striving to reach our desired people and organization through optimizing three key areas: attraction, retention and development. Investment in human capital is important for the future of Astellas, in addition to enhancing its current ability for execution. We continue to invest with both short-term and mid- to long-term perspectives.

In addition, we established "Organizational Health Goals" with the aim of achieving CSP2021. The purpose of these goals is to nurture a corporate culture that aims at reaching ambitious goals by promoting innovation, developing our talent, and fostering collaboration, which enhances Astellas' ability for execution.

In our personnel departments, we are working to achieve the goals set by addressing the transformation of organizational culture and mindsets, the establishment of HR policy and systems that support global talent and organization, and strategic reforms to become an organization where innovation thrives, as priorities, as outlined below.

These three main priorities are supported through a reliable and data-driven approach to monitor progress. As a measure for monitoring progress in a reliable manner, we conduct a global engagement survey. This focuses on initiatives that enhance employee engagement and provides a visualization of the progress being made on each question. The strengths and points that require improvement identified by analyzing the survey results are used to create specific measures.

#### 1. Transformation of organizational culture and mindset

Astellas focuses on ensuring psychological safety and promoting a culture of feedback to encourage employees to grow through intelligent risk-taking and learning. To create an organization that continues to generate innovation, we think it is important to have an environment where everyone can share bold ideas without fear of the outcome, ask questions about a situation, and give feedback to each other, as well as a mindset that allows feedback from others to contribute to personal growth.

##### 1-1. Goals concerning the transformation of organizational culture and mindset

Astellas pursues ambitious outcomes through brave ideas. We aim to build an environment that empowers employees to take appropriate risks and support them to be 'outcome-driven' and 'innovation-focused.'

##### 1-2. Status of the transformation of organizational culture and mindset

In order to secure the necessary resources (time and personnel) for an organization that continues to generate innovation, we conducted White Space Creating Training in our corporate functions.



In a survey of participants, 90% of respondents agreed with the question of whether the training helped them create more white space\*. In addition, Astellas also continues to implement the “Ask Me Anything” session, which is an interactive session designed to promote two-way communication between Top Management and employees.

\*White space: The resources necessary for exploring new ideas

In Japan, we are also placing emphasis on health management which is strongly connected to ensuring psychological safety. The realization of work styles that allow each and every employee to demonstrate high productivity, creativity and self-fulfilling is predicated on employee health and the creation of a sound corporate culture. A sound corporate culture requires a psychologically safe environment in which 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. 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 People Officer and Chief Ethics & Compliance Officer (CPO & CECO).

As a result of our efforts to promote good health management, Astellas has been recognized with certification as a 2024 Certified Health & Productivity Management Outstanding Organization (in the large enterprise category) by the Ministry of Economy, Trade and Industry in Japan for three consecutive years. Please refer to the following website for results of our initiatives promoting health management.

<https://www.astellas.com/en/sustainability/promoting-health-management>

## 2. Establishment of HR policy and system that support global talent and organization

The ratio of revenue by region in FY2023 was about 20% Japan and about 80% overseas, with Astellas’ business growing globally. Consequently, the composition of employees is also becoming more global. We are engaged in building HR policy and system that support Astellas’ business on a global scale since building human resource strategies and measures that are accepted globally are vital with the change in business and human resources.

### 2-1. Goals for the establishment of HR policy and system that support global talent and organization

Through building this HR policy and system, Astellas aims to create an environment in which each and every employee can be involved in innovative activities, pursue ambitious goals and collaborate with others under focused leadership. We aim to boost the performance of One Astellas by setting cross-divisional goals for each division that do not shut out individual divisions and by promoting ambitious goal setting and the rollout of the feedback system for each individual.

### 2-2. Status of the establishment of HR policy and system that support global talent and organization

As one initiative for the establishment of HR policy and system that support global talent and organization, we have integrated the talent management process globally. In FY2022, we revised our performance management and evaluation system, reviewed the remuneration and recognition system, and changed the calculation factor for the bonus payment amount from what to date had been divisional performance to company-wide performance. These revisions were incorporated from FY2023. We have introduced the Shining Star Program as a recognition system among employees to foster a culture of mutual admiration. Since its introduction in November 2023, as of the end of March 2024, 87% of employees have used the program, and 76% have received at least one recognition from a colleague or manager. Then, as the foundational element for the integration of all HR policies and processes on a global basis, the Company is supporting these pillars and implementing a cutting-edge HR system across its global operations.

### 3. Strategic reforms to become an organization where innovation thrives

We are working on the flattening of the organization for the strategic reforms to become an innovative organization. Our aim is to accelerate decision-making and empower the workplace by reducing the hierarchical levels below the president and CEO and increasing the number of subordinates managed by each manager. In addition, starting in April 2024, we are using position titles that reflect roles rather than hierarchical levels to create an organization where we work together and collaborate more effectively regardless of job titles.

#### 3-1. Indicators and goals for flattening of the organization

We aim for the number of hierarchical levels from the president and CEO to be six (6) or less and for the span of control (SPOC) (Note) to be six (6) or more to encourage decision-making through the flattening of the organization.



(Note) Span of Control (SPOC): The number of subordinates per manager

#### 3-2. Status of the flattening of the organization

The proportion of the organization in the six (6) or less hierarchical levels from the president and CEO changed from 73% as of April 2023 to 86% as of April 2024, and the average SPOC for the entire organization changed from 5.7 people as of April 2023 to 5.9 people as of April 2024.

#### <Investment in intellectual property>

Investment in intellectual property is essential for the business of the Company, which is a research and development-oriented pharmaceutical company. The Company continually invests in new technologies and innovative solutions for medical treatment with a focus on unmet medical needs and better therapeutic approaches.

In CSP2021, we will further enhance the execution of Focus Area approach for our R&D strategy, accelerate and expand Primary Focuses of higher priority as we aim to establish multiple innovative medical solutions. Having launched the Rx+® business, we continue to explore new ways to turn innovative science into VALUE for patients by applying digital technologies, devices, diagnostics and bioelectronics. When investing in these R&D areas of focus, we are focusing investment on not only intellectual property rights related to products, but also intellectual property and intangible assets that provide a foundation for cutting-edge modalities and technologies. If external partners possessing complementary assets, capabilities and talent are discovered, we engage in joint research, external collaboration, M&A, or other activity.

Details on the research and development expenses and intangible assets are stated in the “Annual Securities Report for the Business Year Ended March 31, 2024 (19th Term)” (in Japanese).

<https://www.astellas.com/jp/investors/ir-library/securities-report>

We make timely and appropriate disclosure of information via press releases on the acquisition of technology through joint research, external collaboration, M&A or other activities.

<https://www.astellas.com/en/news?tab=latest&page=0>

#### [Supplementary Principle 4-1-1]

##### <Scope and summary of matters delegated to management by the Board of Directors>

The Board of Directors ensures the transparency and appropriateness of management by making decision of corporate management policies and corporate strategies, etc. and serving the oversight function of the execution of business. Furthermore, the Board of Directors ensures the agility of management by delegating a substantial part of decision-making authority of important business execution to an executive Director by resolution of the Board of Directors and establishing

“Corporate Decision Authority Policy” to clarify the responsibility and authority for the execution of business by Top Management and others.

[Principle 4-8 Effective Use of Independent Directors]

The Company adopts the organizational structure of “Company with Audit & Supervisory Committee.” The Board of Directors and the Audit & Supervisory Committee each have a majority of outside Directors.

[Supplementary Principle 4-8-1]

<Exchange of information and sharing of understanding by independent outside Directors from an objective standpoint>

The Company holds the Outside Directors’ Meeting (外役会. Soto Yaku Kai) which consists of independent outside Directors only. Through the meeting, an open exchange of constructive opinions is facilitated among them, and it also serves as opportunities for direct communications with full-time Audit & Supervisory Committee Member and Financial Auditors.

Additionally, in order to further ensure the Company’s mid-term growth, the Company has been working on our 3 Enterprise Priorities (EPs) that are closely linked to our Performance Goals of Corporate Strategic Plan 2021. To further enhance outside Directors’ objective oversight of the execution of the Company’s EPs, a new initiative has been launched within the Outside Directors’ Meeting and its activities has been started from November 2024.

[Principle 4-9 Independence Standards and Qualification for Independent Directors]

When nominating candidates for outside Directors, the Company, as a general rule, nominates the candidates who are considered to be independent from the Company and without risk of conflict of interest with general shareholders, based on the Company’s “Independence Standards for outside Directors.”

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

[Supplementary Principle 4-10-1]

<Nomination Committee and Compensation Committee>

A description of the Nomination Committee and Compensation Committee established by the Company is provided in “II Organization of Management for Operational Decision-making, Execution and Supervision, and Other Corporate Governance Structures” (“Summary of the Current Corporate Governance System” and “Discretionary Committee”) in this report, and in the Company’s “Corporate Governance Guidelines.”

[Supplementary Principle 4-11-1]

<Composition of the Board of Directors and knowledge, experience, and abilities that should be possessed as a whole>

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. Board of Directors meetings are chaired by the Director and Chairman of the Board (when the Director and Chairman of the Board is unable to fulfill his/her duties due to accident or vacancy of the post, another Director, in the order prescribed in the Board of Directors Policy, shall assume the role). 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.

The Board of Directors specifies the knowledge, experience, abilities, etc. that should be possessed as a whole in order to properly perform its function in light of the Company’s corporate strategies (a skills matrix is provided in “II. 1. Matters Pertaining to the Structure, Operation, etc. of the Organization” of this report.)

[Supplementary Principle 4-11-2]

## &lt;Status of concurrent positions at other organizations of Directors&gt;

With regard to the status of significant concurrent positions at other organizations of Directors or the candidates thereof, the Company discloses the information in the “Notice of Convocation of the Annual Shareholders Meeting” each year.

<https://www.astellas.com/en/investors/shareholders-meeting>

## [Supplementary Principle 4-11-3]

## &lt;Analysis and evaluation of effectiveness of the Board of Directors&gt;

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

As for the analysis and evaluation of the effectiveness of the Board of Directors for the business year ended March 31, 2024, the Chairman of the Board of Directors conducted a survey based on questionnaires to Directors, and based on the results of this survey, the Board of Directors performed its analysis and evaluation.

## &lt;Conclusion&gt;

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

## &lt;Reasons for the evaluation&gt;

The results of the survey on effectiveness confirmed the overall high evaluation and the following activities and discussions behind it.

- The Board of Directors effectively utilizes the Nomination Committee, and appropriately supervises succession planning (Note) 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.

## [Initiatives to raise the effectiveness]

The Board of Directors evaluated itself as there being room for further improvement with regard to dialogue with stakeholders. It will continue striving to understand the expectations and opinions of various stakeholders and reflect them in the discussions of the Board of Directors meetings. The Board of Directors has also evaluated itself as there being room for further improvement in the timely sharing of information regarding the status of business execution with Directors. It will work to further promote timely information sharing that contributes to appropriate management oversight. Through these efforts, the Board of Directors will strive to further improve its effectiveness.

## [Supplementary Principle 4-14-2]

## &lt;Support for Directors&gt;

The Company supports active deliberations at the Board of Directors and Audit & Supervisory Committee by providing to Directors the information they need to fulfill their roles and responsibilities. In particular, the Company implements training programs for newly elected outside Directors, through which they are provided with industry information pertaining to the Company, the Company’s business strategies, and other information necessary for them to fulfill their roles and responsibilities.

With respect to particularly important matters, among matters to be submitted to the Board of Directors, the Company works to ensure active deliberations at the Board by providing a forum in advance for sharing information about such matters with Directors.

## [Principle 5-1 Policy for Constructive Dialogue with Shareholders]

The Company implements the following to promote constructive dialogue with its shareholders.

The Company:

- 1) works, to a reasonable extent, to promote dialog further with shareholders through opportunities such as individual interviews and briefing meetings in addition to the Annual Shareholders Meeting;

- 2) endeavors to feedback opinions received through such dialogues to Directors and personnel concerned, and endeavors to appropriately reflect such opinions in the Company's activities;
- 3) appoints a Corporate Executive responsible for investor relations and overseeing dialogue with shareholders overall and establishes an investor relations department as well as the Corporate Disclosure Committee composed of members from various departments, in order to promote the timely and appropriate disclosure of corporate information as well as dialogue with shareholders; and
- 4) ensures that personnel concerned with material non-public information manage said information in precise accordance with the Company's internal policies in order to avoid the selective disclosure of such information to a limited group of capital market participants.

<Action to implement management that is conscious of cost of capital and stock price> <Updated: December 24, 2024>

The Company recognizes that being conscious of cost of capital and stock price is essential for sustainable growth and increased corporate value. In particular, the Company believes that ensuring return on capital in excess of cost of capital is important in order to increase corporate value. Accordingly, WACC is calculated and verified on a regular basis and used in business investment decision-making after a clear assessment of the cost of capital.

On the other hand, in the pharmaceutical sector, the Company recognizes that, in addition to recent business performance, the future pipeline value heavily influences medium- to long-term business performance and growth potential, and the stock price is evaluated accordingly. The Company carries out management based on the evaluation of future pipeline value as an indicator, rather than capital profitability indicators such as ROE and ROIC, which are calculated as actual values for a single fiscal year.

For information on the specific plans, policies and initiatives to date, please refer to "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" on the Company's Investors webpage.

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

In the business year ended March 31, 2024, the Board of Directors confirmed the prospects for achieving the performance goals for FY2025 as well as any deficiencies and issues regarding the goals. The necessity of achieving the full-year business forecasts for FY2024 and regaining the trust of the markets by strengthening and continuing the achievement of growth for key strategic products and effective cost management was discussed. In addition, in order to achieve both sustainable growth and a stable financial foundation, the Company confirmed a policy that aims to restore financial soundness at an early stage.

In addition, the Company explains the progress toward achieving the performance goals set forth in Corporate Strategic Plan 2021 at earnings calls and other events as needed.

<Status of dialogue with shareholders>

The Company emphasizes dialogue with shareholders and institutional investors and communicates with stakeholders in the stock market through various initiatives.

As specific initiatives, management continues to conduct interviews with shareholders in Japan, overseas shareholders and institutional investors (FY2023: approximately 50 times). In addition, the Company responded to individual requests for information gathering through public relations and investor relations (FY2023: approximately 220 times), participated in conferences and group meetings held by securities firms, and actively created opportunities for dialogue with shareholders. Moreover, the Company places importance on the immediacy of the information provided, and separate from earnings calls, holds individual briefings on the progress of important business milestones and other items that are believed to be of particular interest to the stock market (FY2023: acquired IVERIC bio, Inc., obtained approval for VEOZAH, presented trial data for IZERVAY, and obtained approval for VYLOY). Furthermore, the Company held its first

opinion exchange meeting between outside Directors and institutional investors in FY2023 with the aim of providing opportunities for objective and convincing dialogue with the stock market. Going forward, the Company will continue to feedback opinions and information received through dialogue with shareholders and institutional investors to Directors and personnel concerned, and endeavor to further improve IR activities and increase corporate value.

With regard to the status of dialogue with shareholders in FY2023, the Company discloses its status in Integrated Report 2024 on the Company's website.

<https://www.astellas.com/en/investors/integrated-report>

### [Capital Structure]

Percentage of shares owned by foreign shareholders	30% or more
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### [Major shareholders] **Updated**

Name	Number of shares held (shares)	Ratio to total (%)
The Master Trust Bank of Japan, Ltd. (trust account)	356,851,000	19.72
Custody Bank of Japan, Ltd. (trust account)	149,485,400	8.26
State Street Bank West Client - Treaty 505001 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	60,736,803	3.35
Goldman, Sachs & Co. Reg (standing proxy: Goldman Sachs Japan Co., Ltd.)	57,125,477	3.15
Nippon Life Insurance Company (standing proxy: The Master Trust Bank of Japan, Ltd.)	51,588,835	2.85
State Street Bank West Client - Treaty 505234 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	39,186,403	2.16
SMBC Nikko Securities Inc.	26,480,630	1.46
JPMorgan Chase Bank 385781 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	26,160,461	1.44
JPMorgan Securities Japan Co., Ltd.	23,115,706	1.27
Goldman Sachs Japan Co., Ltd. BNYM (standing proxy: MUFG Bank, Ltd.)	19,237,425	1.06

Name of controlling shareholder	-
Name of parent company	None
Stock exchange of parent company listing	-

### Supplementary Explanation

Although the Company has made the Statements of Large-Volume Holdings (including the Change Report) available for public inspection, since the actual number of shares as of



September 30, 2024 cannot be confirmed, such figures have not been listed in the above list of major shareholders.

Name

Number of shares held (thousand shares)

Ratio of number of shares held to total number of issued shares (%)

Nomura Securities Co., Ltd.

115,063

6.18

Sumitomo Mitsui Trust Asset Management Co., Ltd.

124,231

6.67

BlackRock Japan Co., Ltd.

155,987

8.62

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo, Prime
Business year-end	March
Category of business	Pharmaceutical
Number of employees at the end of the previous business year (consolidated)	1,000 or more
Net sales of the previous business year (consolidated)	¥1 trillion or more
Number of consolidated subsidiaries at the end of the previous business year	50 or more and less than 100

### 4. Guidelines for Measures to Protect Minority Shareholders in the Event of Transactions with Controlling Shareholders

-

### 5. Other Special Conditions that May Have Material Impact on Corporate Governance

-

## II Organization of Management for Operational Decision-making, Execution and Supervision, and Other Corporate Governance Structures

### 1. Matters Pertaining to the Structure, Operation, etc. of the Organization

Form of the organization	The Company with Audit & Supervisory Committee
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#### [Matters pertaining to Directors]

Number of Directors stipulated in the Articles of Incorporation	14
Terms of office of Directors stipulated in the Articles of Incorporation	1 year
Chairman of the Board of Directors	Chairman of the Board
Number of Directors	11
Appointment of outside Directors	Appointed
Number of outside Directors	7
Number of independent Directors among outside Directors	7

#### Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*1)											
		a	b	c	d	e	f	g	h	i	j	k	l
Takashi Tanaka	From another company												
Eriko Sakurai	From another company												
Masahiro Miyazaki	From another company										△		
Yoichi Ohno	Scholar												
Mika Nakayama	From another company										△		
Rie Akiyama	Attorney-at-law							△					
Tomoko Aramaki	Certified public accountant												

\*1 Selection criteria regarding relationship with the Company

- Executive of the Company or its subsidiaries
- Non-executive director or Accounting Advisor of the Company or its subsidiaries (in case of outside Audit & Supervisory Board Member)
- Non-executive director or executive of a parent company of the Company
- Audit & Supervisory Board Member of a parent company of the Company (in case of outside Audit & Supervisory Board Member)
- Executive of a fellow subsidiary company of the Company
- A party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the Company or an executive thereof
- Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director
- Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- Executive of a client or supplier company of the Company (which does not correspond to any of

- f, g, or h) (the director himself/herself only)
- k. Executive of a company, between which the Company's outside officers are mutually appointed (the director himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

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Relationship with the Company (2)

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Name	Independent Director	Supplementary information on applicable item(s)	Reasons for appointment
Takashi Tanaka	○		<p>Mr. Takashi Tanaka has been engaged in corporate management as a business manager of global 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, from June 2023, he has led the deliberations of the Nomination Committee and the Compensation Committee as the Chair of these committees. 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. Mr. Tanaka has satisfied the Company's independence standards for outside Directors and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that Mr. Tanaka would not cause conflicts of interest with general shareholders, and therefore has designated him as independent Director.</p>

Name	Independent Director	Supplementary information on applicable item(s)	Reasons for appointment
Eriko Sakurai	○		<p>Ms. Eriko Sakurai 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. Since June 2022, she 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, she has contributed to the deliberations of each Committee by vigorously expressing opinions. The Company expects her to leverage her abundant international experience and extensive insight for the management of the Company from an independent standpoint in the future as well. Ms. Sakurai has satisfied the Company's independence standards for outside Directors and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that Ms. Sakurai would not cause conflicts of interest with general shareholders, and therefore has designated her as independent Director.</p>

Name	Independent Director	Supplementary information on applicable item(s)	Reasons for appointment
Masahiro Miyazaki	○	<p>Mr. Masahiro Miyazaki served as Representative Executive Officer, President and Chief Executive Officer and Director of Hitachi High-Tech Corporation until March 2021.</p> <p>Although there is a business relationship between the Hitachi Group, including the company, and the Astellas Group, the amount of transactions in FY2023 was less than 0.1% of consolidated net sales from both sides, which does not affect his independence as an outside Director.</p>	<p>Mr. Masahiro Miyazaki has extensive experience working overseas for an industrial trading company, and has been engaged in corporate management for many years as a business manager of a company that develops business globally in the field of precision instruments, etc. He possesses abundant international experience and extensive insight. Since June 2023, he has been playing a key role as an outside Director in the management of the Company from an independent standpoint. In addition, as a member of the Nomination Committee and the Compensation Committee, he has contributed to the deliberations of each Committee by vigorously expressing opinions. The Company expects him to leverage his abundant international experience and extensive insight for the management of the Company from an independent standpoint. Mr. Miyazaki has satisfied the Company's independence standards for outside Directors and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that Mr. Miyazaki would not cause conflicts of interest with general shareholders, and therefore has designated him as independent Director.</p>

Name	Independent Director	Supplementary information on applicable item(s)	Reasons for appointment
Yoichi Ohno	○		<p>Mr. Yoichi Ohno has been engaged in medical treatment for many years as a medical scientist and a clinician, and has abundant specialized knowledge and experience in medical treatment. Since June 2023, he has been playing a key role as outside Director in the management of the Company from an independent standpoint. In addition, as a member of the Nomination Committee and the Compensation Committee, he has contributed to the deliberations of each Committee by vigorously expressing opinions. The Company expects him to leverage his abundant specialized knowledge and experience to the management of the Company from an independent standpoint. Mr. Ohno has satisfied the Company's independence standards for outside Directors and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that Mr. Ohno would not cause conflicts of interest with general shareholders, and therefore has designated him as independent Director.</p>



Name	Independent Director	Supplementary information on applicable item(s)	Reasons for appointment
Mika Nakayama	○	Ms. Mika Nakayama served as Director, Senior Officer, and General Manager of Sustainability Promotion Dept. of JSR Corporation until June 2022. Although there is a business relationship between the JSR Group, including the company, and the Astellas Group, the amount of transactions in FY2023 was less than 0.5% of consolidated net sales from both sides, which does not affect her independence as an outside Director.	Ms. Mika Nakayama 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. Ms. Nakayama possesses abundant specialized knowledge and extensive insight. Since June 2022, she has been playing a key role as an outside Director who is an Audit & Supervisory Committee Member in supervising and auditing the Company's management from an independent standpoint. The Company expects Ms. Nakayama to leverage her abundant specialized knowledge and extensive insight to supervise and audit the Company's management in the future as well. Ms. Nakayama has satisfied the Company's independence standards for outside Directors and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that Ms. Nakayama would not cause conflicts of interest with general shareholders and therefore has designated her as independent Director.
Rie Akiyama	○		Ms. Rie Akiyama has been engaged in corporate legal affairs as an attorney-at-law, and has abundant specialized knowledge and experience gained through working on international cases, serving as a civil mediator at the Tokyo District Court, etc. Since June 2023, she has been playing a key role as an outside Director who is an Audit & Supervisory Committee Member in supervising and auditing the Company's management from an independent standpoint. The Company expects her to leverage her abundant specialized knowledge and experience to supervise and audit the Company's management. Ms. Akiyama has satisfied the Company's independence standards for outside Directors and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that Ms. Akiyama would not cause conflicts of interest with general shareholders and therefore has designated her as independent Director.

Name	Independent Director	Supplementary information on applicable item(s)	Reasons for appointment
Tomoko Aramaki	○		She has been engaged in corporate auditing and advisory services as a certified public accountant and tax accountant for many years, and served as a Director and Audit & Supervisory Board Member for listed companies. She possesses abundant specialized knowledge and experience. The Company expects her to leverage her abundant specialized knowledge and experience to supervise and audit the Company's management. Ms. Aramaki has satisfied the Company's independence standards for outside Directors and the required conditions for independent Director stipulated by Tokyo Stock Exchange, Inc. Based on these facts, the Company has judged that Ms. Aramaki would not cause conflicts of interest with general shareholders and therefore has designated her as independent Director.

## &lt;Skills Matrix and Composition of Advisory Committees&gt;

The skills, etc. expected of Directors and the composition of advisory committees are as follows.

											Advisory Committees	
	Name	Gender	Outside Director	Independent Director*	Company Management	Global Business	Science & Technology	Legal • Risk Management	Finance • Accounting	Academia	Nomination Committee	Compensation Committee
Director	Kenji Yasukawa (Chairman of the Board)	M			●	●	●				–	–
	Naoki Okamura	M			●	●	●		●		–	–
	Katsuyoshi Sugita	M			●	●		●			–	–
	Takashi Tanaka	M	○	○	● (Telecommunication)	●	●				Chair	Chair
	Eriko Sakurai	F	○	○	● (Chemicals)	●					Member of the Committee	Member of the Committee
	Masahiro Miyazaki	M	○	○	● (Precision Instruments/ Trading)	●					Member of the Committee	Member of the Committee
	Yoichi Ohno	M	○	○			●			● (Medicine)	Member of the Committee	Member of the Committee
Director Audit and Supervisory Committee Member	Rika Hirota	F					●	●			–	–
	Mika Nakayama (Chair of the Audit & Supervisory Committee)	F	○	○	● (Chemicals)	●	●	●			–	–
	Rie Akiyama	F	○	○				● (Lawyer)			–	–
	Tomoko Aramaki	F	○	○					● (Accountant)		–	–

\* Persons who satisfy the required conditions for independent directors stipulated by Tokyo Stock Exchange, Inc., as well as the Company's independence standards for outside Directors, and have been registered as independent directors with the stock exchange.

**[Audit & Supervisory Committee]****Committee's Composition and Attributes of Chairperson**

	All committee members	Full-time members	Internal Directors	Outside Directors	Chairperson
Audit & Supervisory Committee	4	1	1	3	Outside Director

Appointment of Directors and/or employees to support duties of the Audit & Supervisory Committee	Appointed
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**Matters Related to the Independence of Such Directors and/or Employees from Executive Directors**

The Company established the Audit & Supervisory Committee Office to assist the Audit & Supervisory Committee to carry out their duties. The staff of the Audit & Supervisory Committee Office are independent from Directors who are not Audit & Supervisory Committee Members and perform their duties under the direction of the Audit & Supervisory Committee. Moreover, the Board of Directors has set forth that any transfer or evaluation, etc. of the staff requires the prior approval of the Audit & Supervisory Committee. This arrangement ensures that the staff of the Audit & Supervisory Committee Office remain independent of other business execution divisions and ensures the effectiveness of directions given to the staff by the Audit & Supervisory Committee.

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**Cooperation among Audit & Supervisory Committee, Financial Auditors and Internal Audit department**

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(Cooperation between the Audit & Supervisory Committee and the Internal Audit department)

The Internal Audit department must gain consent of the Audit & Supervisory Committee when formulating annual audit plans, and the Audit & Supervisory Committee may instruct the Internal Audit department as required, upon having received reports about audit results and other topics from the Internal Audit department. Furthermore, the Directors who are Audit & Supervisory Committee Members and the Head of Internal Audit regularly exchange information concerning auditing matters, and endeavor to strengthen cooperation.

(Cooperation between the Audit & Supervisory Committee and the Financial Auditor)

The Company's Audit & Supervisory Committee and its Financial Auditor, Ernst & Young ShinNihon LLC, hold meetings regularly as well as whenever needed, and maintain close cooperation by confirming their respective annual auditing plans and exchanging audit results and important audit information. The Financial Auditor reports and explains the results of auditing and reviews pursuant to the Companies Act and the Financial Instruments and Exchange Act to the Audit & Supervisory Committee at the time of quarterly and year-end financial settlements. The Audit & Supervisory Committee also reports results of the operational audits it has conducted to the Financial Auditor for exchange of opinions.

(Cooperation between the Internal Audit department and the Financial Auditor)

Through regular exchange of information and opinions concerning matters including the design, operation and assessment of the internal control over financial reporting and internal audit reports, the Internal Audit department and the Financial Auditor endeavor to collaborate to ensure proper internal control audits.

(Relationship of internal control departments with internal audits, Audit & Supervisory Committee audits, and financial audits)

The Audit & Supervisory Committee and the Internal Audit department communicate with other internal control departments with respect to procedures for respective audits of the Audit & Supervisory Committee and internal audits. Moreover, the Financial Auditor exchanges opinions with Global Business Solutions and as necessary with other internal control departments through Global Business Solutions.

**[Discretionary Committee]**

Establishment of a discretionary committee equivalent to a Nomination Committee or Compensation Committee	Established
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Status of the Establishment of a Discretionary Committee, Composition and Attributes of Chairperson
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## Committee corresponding to Nomination Committee

Committee's name			Nomination Committee			
All committee members	Full-time members	Internal Directors	Outside Directors	Outside Experts	Others	Chair-person
4	0	0	4	0	0	Outside Director

## Committee corresponding to Compensation Committee

Committee's name			Compensation Committee			
All committee members	Full-time members	Internal Directors	Outside Directors	Outside Experts	Others	Chair-person
4	0	0	4	0	0	Outside Director

## Supplementary Explanation

The Company has established the Nomination Committee and the Compensation Committee, a majority of whose respective members are outside Directors and which are respectively chaired by outside Directors. The committees act as advisory bodies to the Board of Directors in order to improve the transparency and objectivity of matters regarding the deliberation process with respect to personnel affairs (regarding election and dismissal of Directors, Top Management and others) and the remuneration system (regarding the remuneration for Directors, Top Management and others (excluding remuneration for individual Directors who are Audit & Supervisory Committee Members)).

As of June 20, 2024 membership of the Nomination Committee and the Compensation Committee is as follows.

- Nomination Committee
  - [Chair]
    - Takashi Tanaka (Outside Director)
  - [Member of the Committee]
    - Eriko Sakurai (Outside Director)
    - Masahiro Miyazaki (Outside Director)
    - Yoichi Ohno (Outside Director)
- Compensation Committee
  - [Chair]
    - Takashi Tanaka (Outside Director)
  - [Member of the Committee]
    - Eriko Sakurai (Outside Director)
    - Masahiro Miyazaki (Outside Director)
    - Yoichi Ohno (Outside Director)

**[Matters pertaining to independent directors]**

Number of independent directors	7
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Other Matters related to Independent Directors
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The specific decision-making criteria regarding independence of outside Directors are based on the independence standards for outside Directors stipulated by the Company.

The independence standards for outside Directors stipulated by the Company are as stated below.

## &lt;Independence Standards for Outside Directors&gt;

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

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

## (Notes)

- <sup>1</sup> “Person engaged in business execution” refers to a “person engaged in business execution” as defined in Article 2, paragraph (3), item (vi) of the Regulation for Enforcement of the Companies Act, and includes both executive directors and employees. It does not include audit & supervisory board members.



- 2 “Party for whom the Group is a major business partner” refers to a business partner group (namely, a corporate group comprising a direct business partner, its parent company or subsidiary, or subsidiaries of the parent company; the same shall apply hereinafter.) that provides the Group with products or services for which the transaction value in the most recent business year exceeds 2% of such business partner group’s annual consolidated sales.
- 3 “Major business partner of the Group” refers to a business partner group to which the Group provides products or services for which the transaction value in the most recent business year exceeds 2% of the Group’s annual consolidated sales.
- 4 “Large amounts of money or other financial benefits” refers to money or other financial benefits in excess of 10 million yen, excluding remuneration of Director, for the most recent business year (if such financial benefits are obtained by an incorporated entity, partnership or other organization, it refers to money or other financial benefits in excess of 2% of such organization’s total income for the most recent business year).
- 5 “Donations or grants above a certain threshold” refers to donations or grants in excess of the higher of 10 million yen on average for the most recent 3 business years or 2% of total income of such person/organization for the most recent business year.
- 6 “Major financial institution” refers to a financial institution from which total borrowings at the end of the most recent business year exceeds 2% of the Company’s consolidated gross assets.
- 7 “Major shareholder” refers to a shareholder holding 10% or more of voting rights (including direct and indirect holdings).
- 8 “Person in an important position” refers to a director (excluding outside directors); executive officer; corporate executive; employee in a management position at the level of department head or higher; certified public accountant in an auditing firm or accounting office; attorney in a law firm; councilor, director, auditor or other officer in an incorporated foundation, incorporated association, educational institution or other incorporated entity; or other person objectively and reasonably deemed to be in a position of similar importance.
- 9 “Relative” refers to a spouse or person within the second degree of consanguinity.

The insignificance criteria related to attribute information of independent directors stipulated by the Company are as stated below.

<Insignificance Criteria Related to Attribute Information of Independent Directors>

The Company has established the insignificance criteria related to attribute information of independent directors as follows. If transactions, donations, etc. relating to the independent directors are within the scope of these criteria, it will be deemed that they do not affect shareholder decisions with respect to exercising their voting rights, and they will be omitted from the description related to attribute information of independent directors.

Transactions

- (1) The total transaction amount pertaining to the provision of products and/or services from the business partner group to the Group is less than ¥100 million in the most recent business year
- (2) The total transaction amount pertaining to the provision of products and/or services from the Group to the business partner group is less than ¥100 million in the most recent business year

Donations and Grants

The total amount of money and value of other assets provided by the Group on average of the past three business years is less than ¥5 million

#### [Matters pertaining to incentives]

Implementation of measures to grant incentives to Directors

Introduction of incentive remuneration (variable remuneration) and a stock option system

#### Supplementary Explanation

##### <Bonus (short-term incentive remuneration)>

Bonuses (short-term incentive remuneration) will act as performance-linked remuneration for steadily building results towards achieving targets for each business year. As such, the Company sets appropriate consolidated performance evaluation indicators and a system that is linked closely with performance.

Details regarding the system are stated in the “Annual Securities Report for the Business Year Ended March 31, 2024 (19th Term)” (in Japanese).

<https://www.astellas.com/jp/investors/ir-library/securities-report>

##### <Stock compensation (medium- to long-term incentive remuneration)>

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

Details regarding the system are stated in the “Annual Securities Report for the Business Year Ended March 31, 2024 (19th Term)” (in Japanese).

<https://www.astellas.com/jp/investors/ir-library/securities-report>

##### <Stock Option Scheme>

With the introduction of a performance-linked stock compensation scheme from the business year ended March 31, 2016, no additional stock-compensation type stock options has been issued since the business year ended March 31, 2016.

Allottees who are eligible for stock options

Internal Directors, employees

#### Supplementary Explanation

With the introduction of a performance-linked stock compensation scheme from the business year ended March 31, 2016, no additional stock-compensation type stock options has been issued since the business year ended March 31, 2016.

**[Matters pertaining to remunerations for Directors]**

Disclosure	Disclosure of those of certain Directors on an individual basis
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Supplementary Explanation
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The annual remuneration of Directors for the business year ended March 31, 2024 is disclosed as follows:

- Basic remuneration

Directors who are not Audit & Supervisory Committee Members: ¥390 million (among which ¥99 million for outside Directors)

Directors who are Audit & Supervisory Committee Members: ¥140 million (among which ¥72 million for outside Directors)

- Bonus

Directors who are not Audit & Supervisory Committee Members: ¥313 million (excluding outside Directors)

- Stock compensation

Directors who are not Audit & Supervisory Committee Members: ¥344 million (excluding outside Directors)

(Notes)

1. The amounts of “Basic remuneration” above include the amounts paid to two (2) outside Directors who are not Audit & Supervisory Committee Members and one (1) outside Director who is an Audit & Supervisory Committee Member who retired at the close of the 18th Term Annual Shareholders Meeting held on June 22, 2023.
2. The stock compensation stated above refers to the amount recorded as expenses under J-GAAP for the business year ended March 31, 2023.

<Directors whose total amount of remunerations is ¥100 million or more>

Kenji Yasukawa (Representative Director, Chairman of the Board)

Total amount of remunerations: ¥309 million (Basic remuneration: ¥102 million, bonus: ¥108 million, stock compensation: ¥99 million)

Naoki Okamura (Representative Director, President and CEO)

Total amount of remunerations: ¥461 million (Basic remuneration: ¥136 million, bonus: ¥146 million, stock compensation: ¥179 million)

Sugita Katsuyoshi (Representative Director, Executive Vice President)

Total amount of remunerations: ¥178 million (Basic remuneration: ¥53 million, bonus: ¥60 million, stock compensation: ¥66 million)

Policy on determining remuneration amounts and calculation methods	Established
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Disclosure of Policy on 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 levels and structures fully commensurate with the responsibilities of the position.

<Remunerations for internal Directors who are not Audit & Supervisory Committee Members>  
Remunerations for internal Directors who are not Audit & Supervisory Committee Members are determined based on the following factors.

- i) Competitive remuneration system

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

- ii) 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 value and shareholder value over the medium- to long-term
- iii) Fair and impartial remuneration system
  - A fair and impartial remuneration system based on responsibility and results regardless of country and region

Based on the factors above, remunerations for internal Directors who are not Audit & Supervisory Committee Members are to consist of basic remuneration (fixed remuneration), bonus (short-term incentive remuneration) and stock compensation (medium- to long-term incentive remuneration). Levels of remunerations are determined based on the factors such as professional responsibilities, by utilizing objective remuneration survey data of an external expert organization. The individual remuneration for internal Directors who are not Audit & Supervisory Committee Members is determined by a resolution of the Board of Directors, based on results of discussions carried out by the Compensation Committee, within the total amount resolved in the Annual Shareholders Meeting.

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

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

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

Further details on the remuneration system for Directors are stated in the "Annual Securities Report for the Business Year Ended March 31, 2024 (19th Term)" (in Japanese).

<https://www.astellas.com/jp/investors/ir-library/securities-report>

**[Systems to support outside Directors]**

Corporate Strategy as a point of contact provides support to outside Directors by providing both internal and external information including press releases, and scheduling meetings, planning and inviting outside Directors to internal company events etc., as well as planning and inviting outside Directors to exchange of opinions with internal Directors and Top Management.

Staff belonging to the Audit & Supervisory Committee Office provide various types of support, including scheduling meetings for outside Directors who are Audit & Supervisory Committee Members, in addition to facilitating an exchange of opinions with internal Directors and Top Management, and conducting planning and management of reports from the executive body.

In addition, with respect to particularly important matters among matters to be submitted to the Board of Directors, the Company works to ensure active deliberations at the Board by providing opportunities in advance for sharing information about such matters with Directors. The Company also plans information sharing programs and shares information on the internal and external environment that forms the premises of discussions at the Board of Directors.

The Company provides newly elected outside Directors with the necessary information for them to fulfill their duties and responsibilities by implementing training programs for them, sharing such information as industry information pertaining to the Company and management strategies of the Company, and planning briefings tailored to the needs of the newly elected officer.

**[Status of Persons who have retired from Representative Director and President, etc.]**

Name of Consultants, Advisors, etc. who have retired from Representative Director and President, etc.
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Name	Title/ Position	Description of Tasks	Form and Conditions of Services (Full-time, Part- time, Paid or Unpaid, etc.)	Date of Retirement from President, etc.	Term
-	-	-	-	-	-

Total number of Consultants, Advisors, etc. who have retired from Representative Director and President, etc.
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0

Others
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The Company has no such positions.

## 2. Matters on functions of Business Execution, Audit, Oversight, Nomination, and Determination of Remuneration, etc. (Summary of the Current Corporate Governance System) **Updated**

(Summary of the corporate governance system)

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 business execution, the Company establishes the Executive Committee for discussing important matters and appoints Top Management (the President and Chief Executive Officer; the Chief Scientific Officer; the Chief Medical Officer; the Chief Manufacturing Officer; the Chief Commercial Officer; the Chief Strategy Officer; the Chief Digital & Transformation Officer, the Chief Financial Officer, the Chief People Officer and Chief Ethics & Compliance Officer; and the General Counsel are collectively referred to as “Top Management”) to take responsibility for business execution. The responsibility and authority for the execution of business of the organ described above and the Top Management are clearly stipulated in the Corporate Decision Authority Policy.
- As advisory bodies to the Board of Directors, the Company establishes the Nomination Committee and the Compensation Committee, each of which are composed of a majority of outside Directors.

(Directors/Board of Directors)

<Roles and composition of the Board of Directors>

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

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

The Board of Directors, in consideration of diversity and balance from the perspectives of expertise and experience and so forth, is composed of a number of Directors appropriate to facilitate agility. In order to ensure decision-making from a broader viewpoint and objective oversight of the execution of business, the Board of Directors is composed of a majority of outside Directors. As of June 20, 2024, the Board of Directors comprises eleven Directors (six males and five females), among whom a majority of seven are highly independent outside Directors.

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

<Specific matters considered by the Board of Directors during the business year ended March 31, 2024>

- Corporate Strategy: Quarterly review of the progress of the corporate strategic plan, Approval of a business development project, Review of progress of Primary Focus strategy, Determination of FY2024 Corporate Annual Plan



- Risk Management: Review of enterprise risks and the management status thereof, Review of audit results obtained by the Audit & Supervisory Committee and Internal Audit, Review of status of compliance activities
- Stakeholder Engagement: Approval of matters related to financial results, Review of status of dialogue with investment community, Review of results of employee engagement survey, Review of status of sustainability action plan and activities
- Corporate Governance: Evaluation of Board of Directors effectiveness analysis results, Deliberations and decisions on Directors & Officers appointment/ remuneration, Review of status of succession planning

(Audit & Supervisory Committee)

<Roles and composition of the Audit & Supervisory Committee>

The Audit & Supervisory Committee meetings are held once a month in principle, and twenty Audit & Supervisory Committee meetings were held during the business year ended March 31, 2024.

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. In addition, the Company appoints as Audit & Supervisory Committee Members individuals who have appropriate experience and skills, as well as necessary knowledge of finance, accounting and legal affairs. At least one person who has sufficient expertise in finance and accounting serves on the committee. As of June 20, 2024, the Audit & Supervisory Committee comprises four members (four females), among whom a majority of three are highly independent outside Directors. The Committee is chaired by an outside Director. The Company establishes the Audit & Supervisory Committee Office to assist the Audit & Supervisory Committee to carry out their duties. The staff of the Audit & Supervisory Committee Office are independent from Directors who are not Audit & Supervisory Committee Members and perform their duties under the direction of the Audit & Supervisory Committee. Moreover, the Board of Directors has set forth that any transfer or evaluation, etc. of the staff requires the prior approval of the Audit & Supervisory Committee. This arrangement ensures that the staff of the Audit & Supervisory Committee Office remain independent of other business execution divisions and ensures the efficacy of directions given to the staff by the Audit & Supervisory Committee.

<Specific matters considered by the Audit & Supervisory Committee during the business year >

Specific matters considered by the Audit & Supervisory Committee in FY2024 include the Audit & Supervisory Committee's audit policy, audit plan and audit results, results of the audit of the business report and financial statements, the Internal Audit division's audit plan and audit results, development of the internal control system and its operational status, Financial Auditor evaluation and remuneration, etc., and opinions about election, remuneration, etc., of Directors (excluding Directors who are Audit & Supervisory Committee Members). During the business year ended March 31, 2025, the Audit & Supervisory Committee focuses on the following key audit items.

- Status of HR systems, policies and measures
- Management status of PMI (Post-Merger Integration) at the acquired companies
- Status of governance of subsidiaries
- Challenges associated with globalization and reorganization

- Accounting procedures based on management's estimates and judgments involving significant risks
- Status of outsourcing
- Status of risk response and risk management
- Status of compliance and supervision
- Sustainability-related information disclosure system and process
- Status of IT-related maintenance and support
- Follow-up on audit findings from past fiscal year

(Nomination Committee and Compensation Committee)

< Purpose of establishment and composition of the Nomination Committee / Compensation Committee >

In order to improve the transparency and objectivity of the deliberation process of regarding election and dismissal of Directors, etc. and remuneration system, the Company establishes the Nomination Committee and the Compensation Committee as advisory bodies to the Board of Directors. The Nomination Committee and the Compensation Committee are composed of members appointed by the Board of Directors, and the majority of each Committee are outside Directors. Each Committee is chaired by an outside Director. Each Committee is chaired by an outside Director. As of June 20, 2024, each committee comprises four members (three males and one female), all of whom are highly independent outside Directors.

<Role of the Nomination Committee>

The Nomination Committee deliberates matters relating to the election and dismissal of Directors and appointment and removal of Top Management, etc., and reports the results of their deliberations to the Board of Directors. Nine meetings were held during the business year ended March 31, 2024.

<Specific matters considered by the Nomination Committee during the business year ended March 31, 2024>

- Election and dismissal of Directors, etc.: Election and dismissal of Directors\*, Selection and dismissal of Representative Directors, Selection and dismissal of Directors with executive power, Appointment and removal of Top Management, etc., Top management structure, etc.
- Succession planning: Succession planning for internal Directors and Top Management  
\* This includes the method of searching for and selecting new candidates for outside Directors.

<Role of the Compensation Committee>

The Compensation Committee deliberates matters regarding remuneration, bonuses and other financial benefits paid as consideration for the performance of duties for Directors and Top Management, etc. (excluding individual remuneration for Directors who are Audit & Supervisory Committee Members), and reports the results of their deliberations to the Board of Directors. Seven meetings were held during the business year ended March 31, 2024.

<Specific matters considered by the Compensation Committee during the business year ended March 31, 2024>

- Executive remuneration level, remuneration system, etc. for FY2024: Establishment of remuneration levels by position and by individual: Revision of remuneration composition by position: Revision of incentive-based remuneration system (revision of performance assessment system for Top Management, etc.)
- Bonuses for FY2022: Company-wide performance assessment results and amount paid by individual

- Bonuses for FY2023: Company-wide performance targets and assessment table
  - FY2020 stock compensation\*1 : Achievement of performance targets and number of shares delivered by individual
  - FY2023 stock compensation\*2 : Trust setup and TSR Peer Group\*3 setup
- \*1 FY2020 is the first business year of the assessment period for stock compensation, and FY2022 is the last business year of the assessment period for stock compensation.  
 \*2 FY2023 is the first business year of the assessment period for stock compensation, and FY2025 is the last business year of the assessment period for stock compensation.  
 \*3 This refers to a grouping of global pharmaceutical companies whose revenue is at least 0.5 times that of the Company at the time of selection

<Attendance at meetings of the Board of Directors, Audit & Supervisory Committee, Nomination Committee and Compensation Committee>

The attendance of each director at meetings of the Board of Directors, Audit & Supervisory Committee, Nomination Committee and Compensation Committee in FY2023 is as follows:

Category	Name	Attendance to meetings*1*2			
		Board of Directors	Audit & Supervisory Committee	Nomination Committee	Compensation Committee
Internal Directors who are not Audit & Supervisory Committee Members	Kenji Yasukawa	13 of 13 times	—	—	—
	Naoki Okamura	13 of 13 times	—	—	—
	Katsuyoshi Sugita	9 of 9 times	—	—	—
Outside Directors who are not Audit & Supervisory Committee Members	Mamoru Sekiyama	3 of 4 times	—	2 of 2 times	2 of 2 times
	Hiroshi Kawabe	4 of 4 times	—	1 of 2 times	2 of 2 times
	Takashi Tanaka	13 of 13 times	—	9 of 9 times	7 of 7 times
	Eriko Sakurai	13 of 13 times	—	9 of 9 times	7 of 7 times
	Masahiro Miyazaki	9 of 9 times	—	7 of 7 times	5 of 5 times
	Yoichi Ohno	9 of 9 times	—	7 of 7 times	5 of 5 times
Internal Directors who are Audit & Supervisory Committee Members	Toru Yoshimitsu	13 of 13 times	20 of 20 times	—	—
Outside Directors who are Audit & Supervisory Committee Members	Haruko Shibumura	4 of 4 times	6 of 6 times	—	—
	Raita Takahashi	13 of 13 times	20 of 20 times	—	—
	Mika Nakayama	13 of 13 times	20 of 20 times	—	—
	Rie Akiyama	9 of 9 times	14 of 14 times	—	—

\*1. Outside Directors who are not Audit & Supervisory committee members, Mr. Mamoru Sekiyama and Dr. Hiroshi Kawabe, and outside Director who is an Audit & Supervisory committee member, Ms. Haruko Shibumura, retired at the close of the 18th Term Annual Shareholders Meeting held on June 22, 2023. As a result, Mr. Mamoru Sekiyama and Dr. Hiroshi Kawabe are eligible to attend the Board of Directors, Nomination Committee, and Compensation Committee meetings held before their retirement, and Ms. Haruko Shibumura is eligible to attend the Board of Directors and Audit & Supervisory Committee meetings held before her retirement.

\*2. Mr. Katsuyoshi Sugita, an internal Director who is not a member of Audit & Supervisory committee, Mr. Masahiro Miyazaki and Dr. Yoichi Ohno, outside Directors who are not members of Audit & Supervisory committee, and Ms. Rie Akiyama, an outside Director who is a member of Audit & Supervisory committee, assumed office on the day of the 18th Term Annual Shareholders Meeting held on June 22, 2023. Therefore, Mr. Masahiro Miyazaki and Dr. Yoichi Ohno are eligible to attend the Board of Directors meetings, Nomination Committee meetings, and Compensation Committee meetings held after their appointment, Mr. Katsuyoshi Sugita is eligible to attend the Board of Directors meetings held after their appointment, and Ms. Rie Akiyama is eligible to attend the Board of Directors meetings and Audit & Supervisory Committee meetings held after their appointment.

(Agreement to limit Director's liability)

The Company has stipulated in the Articles of Incorporation that it may enter into an agreement with each Director (excluding executive Director, etc.) to limit his or her liability for damages

under Article 423, paragraph (1) of the Companies Act, to the minimum liability amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit Director's liability), enabling Directors (excluding executive Directors, etc.) to sufficiently fulfill expected roles. The Company has entered into the agreement with all of the Directors (excluding executive Directors, etc.).

(Directors and officers liability insurance agreement)

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

### **3. Reason for Adopting the Current Corporate Governance System**

(Reason for the selection of the system)

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

## III

## Implementation Status of Measures for Shareholders and Other Stakeholders

## 1. Efforts to Vitalize the Annual Shareholders Meeting and Facilitate the Exercise of Voting Rights

	Supplementary explanation
Early dispatch of the Convocation Notice of the Annual Shareholders Meeting	The Annual Shareholders Meeting was held on June 20, 2024. Date of dispatch of the convocation notice: June 3, 2024. Date of commencement of measures for providing information in electric format: May 28, 2024.
Scheduling of Annual Shareholders Meeting avoiding the peak day* *the days on which many listed companies hold their general meetings of shareholders	The Annual Shareholders Meeting have been scheduled on non-peak days since the Annual Shareholders Meeting held in June 2004.
Allowing electronic exercise of voting rights	Since the Annual Shareholders Meeting held in June 2006, the Company has been using the Internet (a website for exercising voting rights) for exercising voting rights.
Participation in the electronic voting platform and other measures to improve environment for exercise of voting rights by institutional investors	Since the Annual Shareholders Meeting held in June 2006, the Company has adopted the electromagnetic means for exercising voting rights by participating in the electronic voting platform operated by ICJ, Inc., which is a company owned by the Tokyo Stock Exchange, Inc. and other companies.
Provision of the convocation notice (a summary) in English	The Company prepares the convocation notice in English and publishes it on the Company's website.
Others	The exercise of voting rights is facilitated by publishing the convocation notice on the Company's website. In addition, the Company provided live streaming to the shareholders at the Annual Shareholders Meeting held in June 2024 as a hybrid remote attendance-type virtual shareholders meeting. The Company also invited questions from the shareholders in advance and answered at the Annual Shareholders Meeting.

## 2. IR Activities

	Supplementary explanation	Explanation by Representative
Preparation and publication of the Disclosure Policy	The Company establishes and publishes the Disclosure Policy in accordance with the basic guidelines of further improving transparency while also working to build and maintain relationships of trust with stakeholders, through the disclosure of information in a timely, appropriate, and fair manner to all stakeholders, as well as the initiation of dialogue with stakeholders.	
Regular investor briefings for analysts and institutional investors	Financial results presentations are held when quarterly financial results are announced. At financial results presentations, the Company's management reports business performance and progress, in addition to providing replies in response to questions from attendees. On-demand replays and scripts of these presentations are available on the Company's website: <a href="https://www.astellas.com/en/investors/ir-library/business-results">https://www.astellas.com/en/investors/ir-library/business-results</a> The Company also holds presentations to introduce the progress of research & development and business, as well as Sustainability Meeting as appropriate. On-demand replays and scripts of these presentations are also available on the Company's website: <a href="https://www.astellas.com/en/investors/ir-library/ir-meetings">https://www.astellas.com/en/investors/ir-library/ir-meetings</a>	Yes
Regular investor briefings for overseas investors	At the financial results presentations held when quarterly financial results are announced, an English interpreter is available. On-demand replays and scripts in English are also available on the Company's website: <a href="https://www.astellas.com/en/investors/ir-library/business-results">https://www.astellas.com/en/investors/ir-library/business-results</a> An English interpreter is also available for the presentations to introduce the progress of research & development and business, as well as Sustainability Meeting. On-demand replays and scripts in English are also available on the Company's website: <a href="https://www.astellas.com/en/investors/ir-library/ir-meetings">https://www.astellas.com/en/investors/ir-library/ir-meetings</a>	Yes
Posting of IR materials on the website	The URL of the Company's IR: <a href="https://www.astellas.com/en/investors">https://www.astellas.com/en/investors</a> Materials published: securities reports, financial results, various presentation materials, notice of convocation and	

	resolution of the Annual Shareholders Meeting, etc.
Establishment of a section (post) for investor relations	A specific function for IR is established under the Communications & Investor Relations. In addition, the Corporate Disclosure Committee is established for the promotion and management of information disclosure activities.



### 3. Measures to ensure due respect for stakeholders

	Supplementary explanation
Stipulation of internal rules, etc. for respecting the position of stakeholders	In accordance with the Company's philosophy, the Astellas Group aims to be an enterprise worthy of being selected and trusted by all the stakeholders including customers, shareholders, employees and community.
Implementation of Environmental Activities, CSR Activities etc.	As a governance for evolving sustainability, the Company has established the Sustainability Advisory Panel and the E, S, and G Working Groups (Working Group related to Environmental, Social, and Governance), consisting of members from across divisions, led by Sustainability division, to promote sustainability activities by each division from long-term, strategic, and Group-wide perspective. The outcomes of activities for the fiscal year and the activities planned for the next fiscal year are reported to the Board of Directors once each year. Note that matters of high importance are approved by the Board of Directors after deliberation by the Executive Committee in accordance with the Corporate Decision Authority Policy for each matter.
Development of policies on information provision to stakeholders	The Disclosure Policy about timely and appropriate disclosure of corporate information and dialogue with stakeholders is established and published. <a href="https://www.astellas.com/en/about/policies-and-position-statements">https://www.astellas.com/en/about/policies-and-position-statements</a>
Others	The Company reports the status of engagement in sustainability activities on the Company's website. <a href="https://www.astellas.com/en/sustainability">https://www.astellas.com/en/sustainability</a> In addition, in February 2024, The Company held the Sustainability Meeting 2023, featuring outside directors as well. The event was recorded and the video, along with the transcript, has been made available on the Company's website. <a href="https://www.astellas.com/en/investors/ir-library/ir-meetings">https://www.astellas.com/en/investors/ir-library/ir-meetings</a>

## IV Matters Pertaining to Internal Control System, etc.

### 1. Basic Views on the Internal Control System and its Development Status

#### Systems to Ensure the Appropriate Execution of Business for FY2024 (English Translation)

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

##### (1) System concerning the Performance of Duties

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

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

- The Company clearly separates the roles of the Directors, who participate in decision makings 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 Scientific Officer; the Chief Medical Officer; the Chief Manufacturing Officer; the Chief Commercial Officer; the Chief Strategy Officer; the Chief Digital & Transformation Officer; the Chief Financial Officer; the Chief People Officer and Chief Ethics & Compliance Officer and the General Counsel are collectively referred to as "Top Management"), who are responsible for the execution of business.
- The Board of Directors meeting shall be held at least once every three (3) months and additionally as necessary.
- The Company has established the Executive Committee and discusses material matters concerning business strategies, product strategies, cooperate 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 Company takes the following measures in order to properly maintain and control information regarding the performance of duties of Directors.

- The "Global Policy for Records and Information Management" has been established, based on which the Company 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 mitigations

- and proper responses to such risks within the Group through the following activities:  
With respect to measures dealing with risks relating to business opportunities, each responsible division and unit 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 a 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 formulates separate policies and manuals for matters such as disaster control, information security, and personal information protection based on the nature of these risks.

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

The Company has established the “Astellas 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 People 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 People 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 strive to build and maintain a trust relationship with its stakeholders, and takes the following measures.
- Based on the basic stance above, the Company has established the “Disclosure Policy” and the “Corporate Disclosure Committee” that 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 Report

The Company takes the following measures in order to ensure the reliability of financial report.

- The Company will design and operate internal controls over consolidated financial report in accordance with generally accepted standards in order to ensure reliability of the financial report, 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 owns 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:

- 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 as 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.
- The Head of Internal Audit, who directly reports to President and CEO, will manage the entire global internal audit function, address risks effectively by leveraging assigned personnel (Business Partnership) in line with the functional based global organization and continuously enhance the function to provide all the Astellas group companies with consistent high quality assurance and advisory services.

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

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

1) Matters concerning Employees Assisting the Audit & Supervisory Committee

- The Company establishes the Audit & Supervisory Committee Office, and assigns full-time staff to assist the Audit & Supervisory Committee to carry out their duties, so that the audit by the Audit & Supervisory Committee 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 report and methods of reporting by mutual agreement with 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 the Company and the Astellas Group companies.
- 4) System to Ensure that Informants Do Not Risk Unfavorable Treatments due to Their Reporting to the Audit & Supervisory Committee
- The Company prohibits any unfavorable treatment of officers or employees of the Company and the Astellas Group companies who report to the Audit & Supervisory Committee of the Company or the Audit & Supervisory Board Members of the Astellas Group companies, because of their reporting.
- 5) Matters concerning Policies to Treat Costs Incurred by the Audit & Supervisory Committee for the Execution of Duties
- The Company has established a system that the Audit & Supervisory Committee Office prepares budgets and performs payment of costs incurred by the Audit & Supervisory Committee for the execution of their duties.
- 6) Other Systems to Ensure Effective Audits by the Audit & Supervisory Committee
- The appointment, evaluation, transfer, and other matters concerning the Head of Internal Audit 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 Internal Audit division as needed. In the case where a direction from President and CEO conflicts with one from the Audit & Supervisory Committee, both parties will discuss and try to coordinate.
  - The Audit & Supervisory Committee Members appointed by Audit & Supervisory Committee may attend the Executive Committee meetings where execution of the Company's important business 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.

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

A summary of the Company's operational status during the business year ended March 31, 2024 is as follows.

#### **(1) System concerning the Performance of Duties**

Following the basic policy, the Company in principle holds Board of Directors meetings at least once every three (3) months and additionally as necessary. Additionally, based on policies such as the Corporate Decision Authority Policy, important matters have been discussed at the Executive Committee, and top management have fulfilled their roles, thereby ensuring that Directors perform their duties efficiently by top management fulfilling their roles. Furthermore, during the business year ended March 31, 2024, 13 Board of Directors meetings were held and, 35 Executive Committee meetings were held.

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

Following the basic policy, the Company has categorized risks into risks relating to business opportunities and risks relating to the performance of business activities, and each department of the Company and the Astellas Group companies proactively put the Company's risk management initiatives into practice. In particular, for matters specified as catastrophic risks, risk mitigation measures are formulated under the direction of risk owners, and subsequently implemented. In order to manage the risks more efficiently as a group, the Company has established "Global" and "Divisional" Risk and Resilience Committees. In response to the situation in Ukraine, the Company formed a crisis response team in February 2022 and has continued to monitor the impact on business activities. Furthermore, in response to the military conflict between Israel and Hamas, the Company formed a crisis response team in October 2023 to monitor the safety of local employees and the impact on product supply.

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

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

#### **(4) System for Disclosure and Management of Information**

Following the basic policy, the Company discloses information to all stakeholders in a



timely, appropriate and fair manner, and also actively engages in dialogue with them. During the business year ended March 31, 2024, with the intent of adding further transparency to business activities, the Company has made continuous efforts for timely, accurate and fair disclosure, such as cross-divisional deliberations about policies, strategies, etc. regarding material information disclosure, under the leadership of the Corporate Disclosure Committee.

The Company announced the progress of Corporate Strategic Plan 2021 at earnings calls and IR events, and strove to expand opportunities for dialogue with stakeholders. The Company also held its first opinion exchange meeting between outside Directors and institutional investors with the aim of having objective and convincing dialogue between them in December 2023.

(5) System to Ensure the Reliability of Financial Report

Following the basic policy, the Company has formulated an internal control evaluation plan for consolidated financial reporting, and the Company works to ensure the reliability of financial reporting through measures such as design of internal control and its operation by control owners and process owners, update of internal control-related documentation, and Internal Audit department's evaluation of design of internal control and its operational status in business bases subject to evaluation.

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

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

(7) Internal Audit System

Following the basic policy, the Company proposes and executes internal auditing plans and reports to the Audit & Supervisory Committee, the Board of Directors, and the Financial Auditor, and ensures opportunities to review audit results. Moreover, the Internal Audit and related expert departments conduct information sharing activities in an effort to strengthen the internal auditing system. The Company has updated a global auditing structure from regional basis to global basis and designated Business Partners wherein the Operational Audit Team Lead who supervises Business Partners reports to the Head of Internal Audit, who is directly supervised by the President and CEO.

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

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

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

The company supported the Audit & Supervisory Committee Office so that practical

support to Audit & Supervisory Committee is well enhanced and audit by Audit & Supervisory Committee is performed more appropriately.

(9) System to Exclude Anti-social Forces

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

## 2. Basic Views on System to Exclude Anti-social Forces and its Development Status

The Company has set out the basic policy for the system to exclude anti-social forces as follows.

The Company and the Astellas Group companies will, as a solid organization, not only take a resolute attitude against any anti-social forces and groups that threaten the order and security of society, and never accept unjust and illegal requests, but will also ensure non-involvement with such forces and groups. Accordingly, the Company and the Astellas Group companies will:

- 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 will exclude any relation with such forces and groups.
- With close cooperation with the police and other related parties, particularly in Japan, 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 actions as the entire Astellas Group.

Continually implement educational activities, such as training relating to compliance and risk management, etc. for officers and employees, so as to exclude any influence of anti-social forces and groups.

A summary of the Company’s operational status during the business year ended March 31, 2024 is as follows.

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

## V Other Matters

### 1. Adoption of Anti-Takeover Measures

Adoption of anti-takeover measures	Not adopted
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Supplementary Explanation
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The Company has not adopted any anti-takeover measures.

### 2. Other Matters Concerning Corporate Governance System, etc.

Overview of the timely disclosure system

#### 1. Guidelines of timely disclosure

The Astellas Group discloses information to all of its customers, shareholders, community and other stakeholders in a timely, appropriate, and fair manner. The Astellas Group also actively engages in dialogue with them, and reflects their comments in its business activities properly. Through this disclosure and dialogue, the Astellas Group is committed to further enhancing its transparency and strive to build and maintain a trust relationship with its stakeholders.

#### 2. Internal system related to timely disclosure

In order to ensure the transparency of business activities and to gain greater confidence from all of its stakeholders, the Company set up the Corporate Disclosure Committee that promotes and manages disclosure activities. The Corporate Disclosure Committee is tasked with discussion on formulating, revising and operating the Disclosure Policy, disclosure strategy related to corporate information, and the appropriateness of disclosure activities. The Committee is chaired by the Chief Financial Officer (CFO) and consists of members who are appointed by the chairperson.

In principle, there is a pre-determined individual in charge of information disclosure who handles the disclosure of information to participants in capital markets such as shareholders and investors.

#### 3. Methods of disclosure

The Astellas Group discloses information in accordance with related laws and regulations including the Financial Instruments and Exchange Act and other regulations set forth by the stock exchanges where the shares of the Company are listed. Material information will be made public through the Timely Disclosure Network (TDnet) provided by the Tokyo Stock Exchange and, promptly after such public disclosure, made available via press releases and the Company's website. Information other than above will also be disclosed in a manner appropriate for the content.

#### 4. Effective monitoring on the timely disclosure system

The Company ensures the effectiveness of the monitoring system which evaluates the operation and maintenance of the system related to the timely disclosure of information.

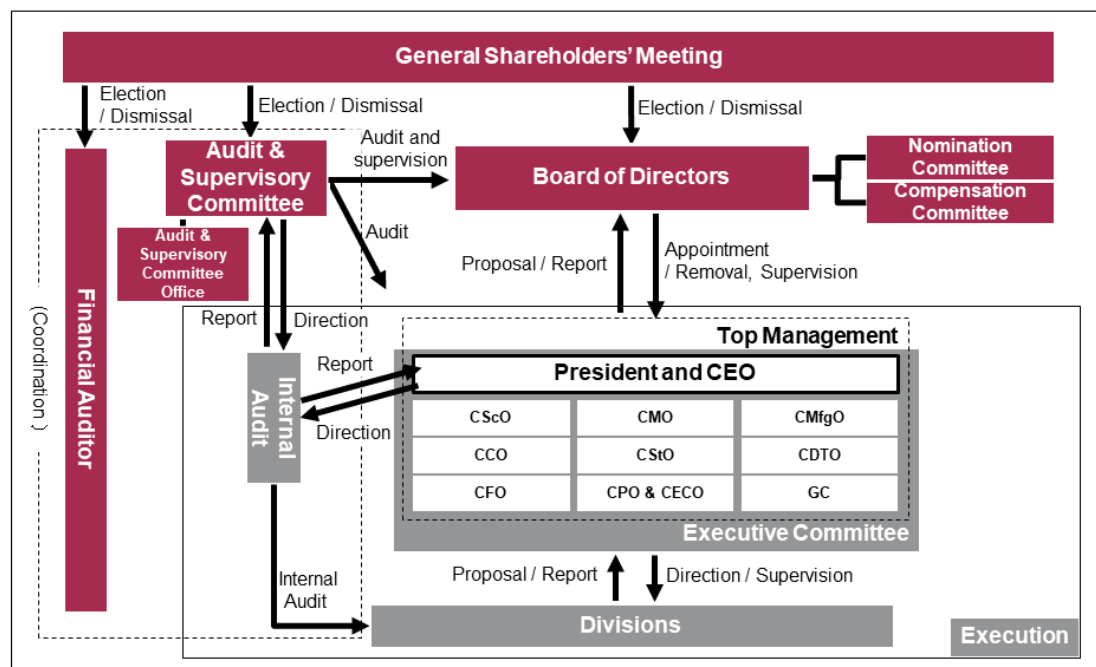
With regard to the evaluation of internal control related to financial reporting, the independent Internal Audit department evaluate the Disclosure Policy related to the timely disclosure system as well as development and operation status of the Corporate Disclosure Committee as a company-wide internal control measure.

When making timely disclosure information available to the public, the disclosure is to be reported in advance to all Directors.

## Corporate Governance

(As of April 1, 2024)

## Corporate Governance Structure (2024.04)



CEO: Chief Executive Officer, CScO: Chief Scientific Officer, CMO: Chief Medical Officer, CMfgO: Chief Manufacturing Officer, CCO: Chief Commercial Officer, CStO: Chief Strategy Officer, CDTO: Chief Digital & Transformation Officer, CFO: Chief Financial Officer, CPO & CECO: Chief People Officer and Chief Ethics & Compliance Officer, GC: General Counsel