

[Translation]

May 17, 2005

To: Each of the parties concerned:

Astellas Pharma Inc.

Toichi Takenaka, President & Representative Director

Securities Code No.: 4503

Stock Exchange(s) where the Company's

Shares are listed in Japan: The First Section of each of the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Securities Exchange, and the Sapporo Securities Exchange

Any inquiry should be made to:

Akihiro Tanaka

Vice President, Corporate Communications

Corporate Administration

Telephone Number:

(03) 3244-3201

Release of Issuance of Stock Acquisition Rights as Stock Option Scheme for Stock-Linked Compensation Plan

Astellas Pharma Inc. (Headquarters: Tokyo; President and CEO: Toichi Takenaka) (hereinafter called the "Company") hereby announces that it passed a resolution at the meeting of the Board of Directors held today to propose to the 92nd Ordinary General Meeting of Shareholders scheduled to be held on June 24, 2005 to issue stock acquisition rights to the Directors and Corporate Officers of the Company as a stock option scheme for a stock-linked compensation plan, pursuant to provisions of Articles 280-20 and 280-21 of the Commercial Code of Japan.

Particulars

1. Reason why stock acquisition rights to be issued parties other than shareholders with favorable conditions:

The Company revised the existing compensation system for Directors and Corporate Officers in order to enhance their motivation and morale to improve corporate value by raising sensitivity to the stock price and the business results of the Company, and to share benefits and risks arising from the rise and fall of stock price with its shareholders. To achieve these goals, the Company will issue stock acquisition rights free of charge to Directors and Corporate Officers of the Company as a stock option scheme for a stock-linked compensation plan and the price to be paid upon the exercise of each stock acquisition right will be 1 yen per share, as stated in the summary of issue of stock acquisition rights below.

2. Summary of issue of stock acquisition rights:

- (1) Type and number of shares issued upon exercise of stock acquisition rights:

Up to 120,000 shares (inclusive) of common stock of the Company.

In the event that the number of shares to be allotted to each stock acquisition right (as defined below) is adjusted pursuant to provisions of paragraph (2) below, the maximum number shall be adjusted to the number of shares

obtained by multiplying the adjusted number of shares not exercised or cancelled at such point to each stock acquisition right by the number of stock acquisition rights.

- (2) The aggregate number of stock acquisition rights:

The maximum number of stock acquisition rights shall be 1,200.

100 shares shall be allotted to each stock acquisition right (the “number of allotted shares”).

In the event that shares of common stock are divided or consolidated, the number of allotted shares shall be adjusted in accordance with the following formula. Any fractional shares resulting from division or consolidation of shares shall be disregarded.

$$\begin{array}{rcccl} \text{Number of allotted} & & \text{Number of} & & \text{Ratio of division} \\ \text{shares after} & & \text{allotted shares} & & \text{or consolidation} \\ \text{adjustment} & = & \text{before adjustment} & \times & \text{of shares} \end{array}$$

Furthermore, in the event that the Company reduces capital, merges with another company or consummates company division or carries out any other inevitable matter necessitating the number of allotted shares to be adjusted, the number of allotted shares shall be adjusted to the reasonable extent, taking into consideration the terms and conditions of the capital reduction, merger or company division.

- (3) The issue price of stock acquisition rights:

Free of charge.

- (4) Amount to be paid upon exercise of each stock acquisition right:

An amount to be paid upon exercise of each stock acquisition right shall be an amount obtained by multiplying 1 yen which is the subscription price of the shares newly issued or transferred upon exercise of each stock acquisition right by the number of allotted shares.

- (5) Exercise period of stock acquisition rights:

To be resolved at meeting of the Board of Directors of the Company to fall within the period from June 27, 2005 to June 24, 2025 (both days inclusive).

- (6) Other conditions for exercise of stock acquisition rights:

1. The holders of stock acquisition rights may only exercise the right on and after the date immediately following the date when they lose the

positions as both Directors and Corporate Officers of the Company (hereinafter called the "Commencement Date of the exercise period).

2. Notwithstanding the preceding paragraph 1, the holders of stock acquisition rights may only exercise such rights during the period set out respectively in a) or b) below.

a) In case the holder of stock acquisition rights does not have the Commencement Date of the exercise period on or before June 24, 2024;

From June 25, 2024 to June 24, 2025

b) In case a proposal for a merger agreement where the Company will be dissolved, or a proposal for a stock exchange agreement or stock transfer agreement where the Company will become a wholly owned subsidiary is approved at the general meeting of shareholders of the Company;

During a 15 day-period commencing from the date immediately following the date when the proposal is approved

3. Each stock acquisition right shall not be partially exercised.

4. Other conditions of exercising the rights shall be resolved at the meeting of the Board of Directors of the Company.

(7) Cancellation and conditions therefor of stock acquisition rights:

(i) The Company may cancel free of charge the stock acquisition rights after the holders of stock acquisition rights may not exercise all or a part of such rights.

(ii) The Company may cancel free of charge at any time stock acquisition rights purchased and owned by the Company.

(8) Restriction on transfer of stock acquisition rights:

Any transfer of stock acquisition rights shall be subject to approval of the Board of Directors of the Company.

3. Summary of allotment of stock acquisition rights:

The number of stock acquisition rights to be allotted shall be determined at the Board of Directors of the Company in consideration of duties and responsibilities of and contributions to the Company's business performance by each of persons to whom stock acquisition rights shall be allotted.

In addition, in connection with allotment of stock acquisition rights to each of the persons, a stock acquisition right allotment agreement, where the additional terms and conditions that are deemed reasonable by the Board of Directors in the light of the purpose for the issue of stock acquisition rights, shall be provided, will be entered into between the Company and each of the persons to whom stock acquisition rights shall be allotted.

End

* The details of the issue and allotment of stock acquisition rights shall be subject to approval and resolution at the 92nd Ordinary General Meeting of Shareholders of the Company scheduled to be held on June 24, 2005, and they shall be determined by a resolution at the meeting of the Board of Directors of the Company to be held after the close of the said General Meeting of Shareholders.