

May 15, 2006

## Partial Amendments to the Articles of Incorporation

Japan, May 15, 2006 - Astellas Pharma Inc. (Headquarters: Tokyo; President and CEO: Toichi Takenaka, hereinafter called the “Company”) today announced that at the meeting of the Board of Directors held today the Company resolved that a proposal, “Partial Amendments to the Articles of Incorporation”, will be submitted to the 1st Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2006 a proposal as follows:

### Particulars

#### 1. Reason for Amendments:

By virtue of the coming into force of the “Corporate Law” (Law No. 86, 2005) and the “Law regarding the Development of Laws Related to the Enforcement of the Corporate Law” (Law No. 87, 2005) (hereinafter referred to as the “Development Laws”) on May 1, 2006, the Company would like to make amendments to its Articles of Incorporation to reflect changes pursuant to the Corporate Law and the Development Laws. At the same time, the Company intends to take this opportunity to make amendments to the Articles of Incorporation in order to revise certain expressions and adjust existing provisions. The details are explained as follows:

- (1) Consistent with widespread use of the Internet, in order that the Company is able to give more efficient public notice, the public notice method shall be changed to an electronic method. (Article 5 in the Proposed Amendments)
- (2) New provisions shall be established to explicitly set forth the establishment of organizations of the Company, the issuance of share certificates and the establishment of an administrator of the register of shareholders, which have been deemed to be provided in the Articles of Incorporation under the Development Laws. (Article 4, Article 7 and Article 13 in the Proposed Amendments)
- (3) In order to provide for the range of the rights relating to shares constituting less than one unit to the reasonable extent, new provisions shall be established. (Article 10 in the Proposed Amendments)
- (4) Wordings shall be added in order that the Share Handling Regulations can provide for handling, etc. of the exercise of shareholders’ rights, among other things. (Article 12 in the Proposed Amendments)
- (5) Pursuant to the Ministry of Justice Ordinance, in order to be deemed that the Company has provided shareholders with reference materials for a general meeting of shareholders by disclosing information via the Internet, while reducing costs for preparation of the notice of convocation of a general meeting of shareholders and implementing the substantial information provision to the shareholders, new provisions shall be established. This will also enable the Company to (Article 18 in the Proposed Amendments)
- (6) The existing provisions shall be modified so that the Company is able to establish several Chairman of the Board of Directors to strengthen the management system of the Company. (Article 25 in the Proposed Amendments)
- (7) In order that resolution of the Board of Directors may be flexibly adopted when necessary, new provisions shall be established whereby resolutions in writing by the Board of Directors

are applicable in the event that specified requirements are fulfilled. (Article 29 in the Proposed Amendments)

(8) In order to invite outside Officers who are capable of exercising their duties as expected to the fullest extent, the Company will establish new provisions that will allow the Company to conclude an agreement with outside Directors and outside Corporate Auditors to limit their respective liabilities. (Article 27 and Article 36 in the Proposed Amendments) The Company has already obtained the unanimous consent of Corporate Auditors for the establishment of Article 27.

(9) In addition to the above, the Company will change wordings, citations, and make additions and incorporation of provisions, renumbering of Articles and necessary changes to define the handling, etc., of the Articles of Incorporation, due to the coming into force of the Corporate Law. Upon this occasion, the Company will revise the entirety of the Articles of Incorporation by, among other things, modifying certain wordings to their appropriate expressions and deleting unnecessary provisions. These amendments, however, shall not substantially change the contents provided for by the current Articles of Incorporation.

## 2. Details of Amendments:

Details of the proposed amendments are stated in the following list for comparison.

### List for Comparison

(The amended parts are underlined.)

Present Articles of Incorporation	Proposed amendment
Chapter I. General Provisions	Chapter I. General Provisions
Article 1 - 3 (Provisions omitted)  (Newly established)	Article 1 - 3 (Same as present Articles)
Article 4. (Method of giving public notices) Public notices of the Company shall be given in the <i>Nihon Keizai Shimbun</i> published in Tokyo.	<u>Article 4. (Organization)</u> <u>The Company shall establish the following organizations in addition to the general meeting of shareholders and the Directors.</u> <u>1. Board of Directors</u> <u>2. Corporate Auditors</u> <u>3. Board of Corporate Auditors</u> <u>4. Accounting Auditors</u>
Article 4. (Method of giving public notices) Public notices of the Company shall be given in the <i>Nihon Keizai Shimbun</i> published in Tokyo.	Article 5. (Method of giving public notices) The <u>method</u> of giving public notices of the Company shall be <u>electronic notices</u> . <u>Provided, however, that in the event that such public notice can not be made due to an accident or unavoidable reason, the public notice shall be given in the <i>Nihon Keizai Shimbun</i>.</u>
Chapter II. Shares	Chapter II. Shares
Article 5. (Total number of shares authorized to be issued) The <u>total number of shares authorized to be issued</u> by the Company shall be two billion shares (2,000,000,000). <u>Provided, however, that in the event that any of shares is canceled, the number of shares authorized to be issued shall be reduced accordingly.</u>	Article 6. (Total number of issuable shares) The <u>total number of shares that the Company may issue</u> shall be two billion shares (2,000,000,000).

<p>(Newly established)</p> <p>Article 6. (Share buyback) The Company may <u>repurchase</u> its own shares by resolution of the Board of Directors, pursuant to <u>Article 211-3, Paragraph 1, Item 2 of the Commercial Code of Japan.</u></p> <p>Article 7. (Number of shares constituting one unit of shares and Non-issue of share certificates for shares constituting less than one unit of shares) The number of shares constituting one unit of shares of the Company shall be one hundred (100) shares. The Company shall not issue share certificates for shares constituting less than one unit of shares (hereinafter referred to as the “Shares Constituting Less Than One Unit”). Provided, however, that if otherwise provided by the Share Handling Regulations, the foregoing shall not be applicable.</p> <p>(Newly established)</p> <p>Article 8. (<u>Denominations of share certificates</u>) <u>Denominations of share certificates to be issued by the Company shall be governed by the Share Handling Regulations established by the Board of Directors.</u></p> <p>Article 9. (Request to the Company for selling shares to constitute one unit) <u>A shareholder who has Shares Constituting Less Than One Unit of shares (including substantial shareholders; the same shall be applied hereinafter)</u> may request the Company to sell specified numbers of Shares Constituting Less Than One Unit which shall constitute one unit of shares if combined with the Shares Constituting Less Than One Unit already held by such shareholder.</p>	<p>Article 7. (<u>Issuance of Share Certificates</u>) <u>The Company shall issue share certificates for its shares.</u></p> <p>Article 8. (Share buyback) The Company may, by resolution of the Board of Directors, <u>acquire</u> its own shares <u>through transactions in the market, etc.</u>, pursuant to <u>Article 165, Paragraph 2 of the Corporate Law.</u></p> <p>Article 9. (Number of shares constituting one unit of shares and Non-issue of share certificates for shares constituting less than one unit of shares) The number of shares constituting one unit of shares of the Company shall be one hundred (100) shares. Notwithstanding the provisions of Article 7, the Company shall not issue share certificates for shares constituting less than one unit. Provided, however, that if otherwise provided by the Share Handling Regulations, the foregoing shall not be applicable.</p> <p><u>Article 10. (Rights of shareholder holding shares constituting less than one unit)</u> <u>Shareholders (including substantial shareholders; the same shall be applied hereinafter) of the Company shall not be allowed to exercise any rights in respect of the shares constituting less than one unit held by them, except for the following rights:</u></p> <ol style="list-style-type: none"> <li><u>(1) Rights provided for in each item of Article 189, Paragraph 2 of the Corporate Law;</u></li> <li><u>(2) Rights to make a request in accordance with Article 166, Paragraph 1 of the Corporate Law;</u></li> <li><u>(3) Rights to receive the allotment of offered shares and offered stock acquisition rights, in proportionate to the number of shares held by the shareholder;</u></li> <li><u>(4) Rights to make a request that is provided for in Article 11.</u></li> </ol> <p>(To be deleted)</p> <p>Article 11. (Request to the Company for selling shares to constitute one unit) The shareholder of the Company may request the Company to sell specified numbers of shares constituting less than one unit which shall constitute one unit of shares if combined with the shares constituting less than one unit already held by such shareholder.</p>
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Article 10. (Share Handling Regulations)  
Procedures for handling of shares of the Company shall be governed by the Share Handling Regulations established by the Board of Directors.

Article 11. (Transfer agent)

The Company shall have a transfer agent for its shares.

The transfer agent and its place of business for handling shares shall be designated by resolution of the Board of Directors and public notice thereof shall be given.

The register of shareholders (including the register of substantial shareholders; the same shall be applied hereinafter) and the register of lost share certificates of the Company shall be kept at the place of business for handling shares of the transfer agent and the business relating to shares such as registration of the transfer of shares, registration of the pledges of shares and recordation of shares held in trust and cancellation thereof, election not to hold share certificates, delivery of share certificates, procedures for registration of lost share certificates, purchase and sale of the Shares Constituting Less Than One Unit, receiving of notifications shall be handled by the transfer agent and not by the Company.

Article 12. (Record date)

The Company shall determine shareholders holding voting rights who have entered or recorded in the last register of shareholders as of March 31 of each year as the shareholders who shall be entitled to exercise the rights at the general meeting of shareholders for such fiscal year.

In addition to the preceding paragraph, if necessary, the Company shall determine, upon giving prior public notice, shareholders or registered pledgees who have entered or recorded in the register of shareholders on a specified date as the shareholders or the registered pledgees who shall be entitled to exercise the rights by resolution of a meeting of the Board of Directors.

### Chapter III. General Meetings of Shareholders

Article 13. (Convening of general meetings)  
(Provisions omitted)

(Newly established)

Article 12. (Share Handling Regulations)  
Handling of shares and the exercise of rights by the shareholders of the Company, and fees thereof shall be governed by laws and regulations, the Articles of Incorporation, as well as the Share Handling Regulations established by the Board of Directors.

Article 13. (Administrator of Register of Shareholders)

The Company shall have an administrator of the register of shareholders.

The administrator of the register of shareholders and the place of business of such administrator shall be designated by resolution of the Board of Directors and public notice thereof shall be given.

The preparation and retention of the register of shareholders (including the register of substantial shareholders; the same shall be applied hereinafter), the register of stock acquisition rights and the register of lost share certificates of the Company, and the business relating to the register of shareholders, the register of stock acquisition rights and the register of lost share certificates of the Company shall be entrusted to the administrator of the register of shareholders and the Company shall not handle them.

(To be deleted)

### Chapter III. General Meetings of Shareholders

Article 14. (Convening of general meetings)  
(Same as present provisions)

Article 15. (Record date of general meeting of shareholders)

The record date of general meeting of shareholders of the Company shall be March 31 of each year.

<p>Article <u>14</u>. (Place convening general meetings of shareholders) (Provisions omitted)</p> <p>Article <u>15</u>. (Person to convene meetings and chairman) (Provisions omitted)  (Newly established)</p> <p>Article <u>16</u>. (Method of resolutions) Resolutions of a general meeting of shareholders shall, except as otherwise provided for in laws and regulations or these Articles of Incorporation, be adopted by a majority vote of shareholders present. <u>Special resolutions</u> provided for in <u>Article 343 of the Commercial Code of Japan</u> shall be adopted by an affirmative vote of two-thirds (2/3) or more of the voting rights of shareholders present at the general meeting of shareholders, of which the quorum shall be one-third (1/3) or more of the voting rights owned by <u>all shareholders</u>.</p> <p>Article <u>17</u>. (Exercise of voting rights by proxy) A shareholder may exercise his voting rights by proxy who is a shareholder of the Company <u>entitled to exercise his voting right</u>.</p> <p>Chapter IV. Directors and Board of Directors</p> <p>Article <u>18</u>. (Number of Directors) (Provisions omitted)</p>	<p>Article <u>16</u>. (Place convening general meetings of shareholders) (Same as present provisions)</p> <p>Article <u>17</u>. (Person to convene meetings and chairman) (Same as present provisions)</p> <p><u>Article 18. (Disclosure of Reference Materials for General Meeting of Shareholders via the Internet and Deemed Provision)</u> <u>When convening a general meeting of shareholders, it shall be deemed that the Company has provided shareholders with necessary information that should be described or presented in reference materials for the general meeting of shareholders, business reports, and non-consolidated and consolidated financial statements (including accounting audit report and audit report for such consolidated financial statements), if they are disclosed via the Internet in accordance with the Ministry of Justice Ordinance.</u></p> <p>Article <u>19</u>. (Method of resolutions) Resolutions of a general meeting of shareholders shall, except as otherwise provided for in laws and regulations or the Articles of Incorporation, be adopted by a majority vote of shareholders <u>entitled to exercise voting rights who are present at the general meeting of shareholders</u>. <u>Special resolutions</u> provided for in <u>Article 309, Paragraph 2 of the Corporate Law</u> shall be adopted by an affirmative vote of two-thirds (2/3) or more of the voting rights of shareholders present at the general meeting of shareholders, <u>a quorum for which shall be the presence of shareholders with one-third (1/3) or more of the voting rights exercisable for such meeting</u>.</p> <p>Article <u>20</u>. (Exercise of voting rights by proxy) A shareholder may exercise his or her voting rights by proxy who is <u>another shareholder holding</u> voting rights of the Company. <u>The shareholder or proxy is required to submit to the Company a document evidencing his or her representation at every general meeting of shareholders</u>.</p> <p>Chapter IV. Directors and Board of Directors</p> <p>Article <u>21</u>. (Number of Directors) (Same as present provisions)</p>
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Article 19. (Election of Directors)

Directors shall be elected at a general meeting of shareholders.

The election of Directors requires the presence of shareholders holding one-third (1/3) or more of the voting rights owned by all the shareholders and a resolution thereof shall be adopted by a majority of such voting rights.

Resolutions for the election of Directors shall not be by cumulative voting.

Article 20. (Term of office of Directors)

The term of office of Directors shall expire at the close of an ordinary general meeting of shareholders relating to the last closing of accounts within two (2) years after their assumption of office.

The term of office of Directors elected to fill vacancies of office of Directors who shall resign during their terms of office shall expire at the expiration of the terms of office of their respective predecessors.

Article 21. (Representative Directors)

Representative Directors shall be elected by the resolution of the Board of Directors.

Article 22. (Directors with executive power)

The Board of Directors may, by its resolutions, elect one (1) Chairman of the Board of Directors, one (1) President and Director, several Vice Chairmen and Directors, Executive Vice Presidents and Directors, Senior Managing Directors and Managing Directors.

Article 23. (Remuneration for Directors)

Remuneration for Directors shall be determined at a general meeting of shareholders.

(Newly established)

Article 22. (Election of Directors)

Directors shall be elected by resolution of a general meeting of shareholders.

Resolution for election of Directors shall be adopted by an affirmative vote of the majority of voting rights of shareholders present at the general meeting of shareholders, a quorum for which shall be the presence of shareholders with one-third (1/3) or more of the voting rights exercisable for such meeting.

Resolutions for the election of Directors shall not be by cumulative voting.

Article 23. (Term of office of Directors)

The term of office of Directors shall expire at the close of an ordinary general meeting of shareholders relating to the last business year that ends within two (2) years after their election.

The term of office of Directors elected to fill vacancies of office of Directors who shall resign during their terms of office shall expire at the expiration of the terms of office of their respective predecessors.

Article 24. (Representative Directors)

The Board of Directors shall elect Representative Directors by its resolution.

Article 25. (Directors with executive power)

The Board of Directors may, by its resolutions, elect one (1) President and Director and several Chairman of the Board of Directors, Vice Chairmen and Directors, Executive Vice Presidents and Directors, Senior Managing Directors and Managing Directors.

Article 26. (Remuneration, etc. for Directors)

Remuneration, bonuses and other material benefits for Directors that are received from the Company in consideration of execution of the duties of the Director (hereinafter referred to as the "remuneration, etc.") shall be determined by resolution of a general meeting of shareholders.

Article 27. (Agreement to limit outside Director's liability)

In accordance with Article 427, Paragraph 1 of the Corporate Law, the Company may conclude an agreement with an outside Director to limit the amount required to indemnify the Company for damages caused by neglect of duty as the Director to the total amount provided by each item of Article 425, Paragraph 1 of the said law.

Article 24. (Notice to convene meetings of the Board of Directors)

The notice to convene a meeting of the Board of Directors shall be dispatched to each Director and each Corporate Auditor three (3) days before the date of meeting. Provided, however, that the above period may be shortened in case of urgency.

(Newly established)

(Newly established)

Article 25. (Regulations of the Board of Directors)  
Matters relating to the Board of Directors shall be governed by the Regulations of the Board of Directors established by the Board of Directors.

Chapter V. Corporate Auditors and Board of Corporate Auditors

Article 26. (Number of Corporate Auditors)  
(Provisions omitted)

Article 27. (Election of Corporate Auditors)  
Corporate Auditors shall be elected at a general meeting of shareholders.  
The election of Corporate Auditors requires the presence of shareholders holding one-third (1/3) or more of the voting rights owned by all the shareholders and a resolution thereof shall be adopted by a majority of such voting rights.

Article 28. (Term of office of Corporate Auditors)  
The term of office of Corporate Auditors shall expire at the close of an ordinary general meeting of shareholders relating to the last closing of accounts within four (4) years after their assumption of office. The term of office of Corporate Auditors elected to fill vacancies of office of Corporate Auditors who shall resign during their terms of office shall expire at the expiration of the terms of office of their respective predecessors.  
(The second sentence of the paragraph shall be established as the second paragraph.)

Article 28. (Notice to convene meetings of the Board of Directors)

The notice to convene a meeting of the Board of Directors shall be dispatched to each Director and each Corporate Auditor on or before three (3) days prior to the date of meeting. Provided, however, that the above period may be shortened in case of urgency.

When all Directors and Corporate Auditors give unanimous consent, the meetings of the Board of Directors may be held without the formal convocation procedures.

Article 29. (Omission of Resolution of the Board of Directors)

In the event that the requirements under Article 370 of the Corporate Law are fulfilled, the Company shall deem that resolutions of the Board of Directors have been adopted.

Article 30. (Regulations of the Board of Directors)  
Matters relating to the Board of Directors shall be governed by laws and regulations, the Articles of Incorporation as well as the Regulations of the Board of Directors established by the Board of Directors.

Chapter V. Corporate Auditors and Board of Corporate Auditors

Article 31. (Number of Corporate Auditors)  
(Same as present provisions)

Article 32. (Election of Corporate Auditors)  
Corporate Auditors shall be elected by resolution of a general meeting of shareholders. Resolution for appointment of Corporate Auditor shall be adopted by an affirmative vote of the majority of voting rights of shareholders present at the general meeting of shareholders, a quorum for which shall be the presence of shareholders with one-third (1/3) or more of the voting rights exercisable for such meeting.

Article 33. (Term of office of Corporate Auditors)  
The term of office of Corporate Auditors shall expire at the close of an ordinary general meeting of shareholders relating to the last business year that ends within four (4) years after their election.  
The term of office of Corporate Auditors elected to fill vacancies of office of Corporate Auditors who shall resign during their terms of office shall expire at the expiration of the terms of office of their respective predecessors.

<p>Article <u>29</u>. (Standing Corporate Auditors)  <u>Standing Corporate Auditors shall be elected by Corporate Auditors among themselves.</u></p> <p>Article <u>30</u>. (Remuneration for Corporate Auditors)</p> <p>Remuneration for Corporate Auditors shall be determined <u>at</u> a general meeting of shareholders.</p> <p style="text-align: center;">(Newly established)</p> <p>Article <u>31</u>. (Notice to convene meetings of the Board of Corporate Auditors)</p> <p>The notice to convene a meeting of the Board of Corporate Auditors shall be dispatched to each Corporate Auditor three (3) days before the date of meeting. Provided, however, that the above period may be shortened in case of urgency.</p> <p style="text-align: center;">(Newly established)</p> <p>Article <u>32</u>. (Regulations of the Board of Corporate Auditors)</p> <p>Matters relating to the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors established by the Board of Corporate Auditors.</p> <p style="text-align: center;">Chapter VI. Corporate Advisers and Senior Advisers</p> <p>Article <u>33</u>. (Corporate Advisers and Senior Advisers)</p> <p style="text-align: center;">(Provisions omitted)</p> <p style="text-align: center;">Chapter VII. Accounts</p> <p>Article <u>34</u>. (Business year)</p> <p>The business year of the Company shall be from April 1 of each year until March 31 of the following year and <u>accounts</u> shall be closed on March 31.</p>	<p>Article <u>34</u>. (Standing Corporate Auditors)  <u>The Board of Corporate Auditors shall elect Standing Corporate Auditors by its resolution.</u></p> <p>Article <u>35</u>. (Remuneration, <u>etc.</u>, for Corporate Auditors)</p> <p>Remuneration, <u>etc.</u>, for Corporate Auditors shall be determined <u>by resolution of</u> a general meeting of shareholders.</p> <p><u>Article 36. (Agreement to limit outside Corporate Auditor's liability)</u></p> <p><u>In accordance with Article 427, Paragraph 1 of the Corporate Law, the Company may conclude an agreement with an outside Corporate Auditor to limit the amount required to indemnify the Company for damages caused by neglect of duty as the Corporate Auditor to the total amount provided by each item of Article 425, Paragraph 1 of the said law.</u></p> <p>Article <u>37</u>. (Notice to convene meetings of the Board of Corporate Auditors)</p> <p>The notice to convene a meeting of the Board of Corporate Auditors shall be dispatched to each Corporate Auditor <u>on or before three (3) days prior to</u> the date of meeting. Provided, however, that the above period may be shortened in case of urgency.</p> <p><u>When all Corporate Auditors give their unanimous consent, the meetings of the Board of Corporate Auditors may be held without the formal convocation procedures.</u></p> <p>Article <u>38</u>. (Regulations of the Board of Corporate Auditors)</p> <p>Matters relating to the Board of Corporate Auditors shall be governed by <u>laws and regulations, the Articles of Incorporation as well as</u> the Regulations of the Board of Corporate Auditors established by the Board of Corporate Auditors.</p> <p style="text-align: center;">Chapter VI. Corporate Advisers and Senior Advisers</p> <p>Article <u>39</u>. (Corporate Advisers and Senior Advisers)</p> <p style="text-align: center;">(Same as present provisions)</p> <p style="text-align: center;">Chapter VII. Accounts</p> <p>Article <u>40</u>. (Business year)</p> <p>The business year of the Company shall be <u>one (1) year commencing</u> from April 1 of each year until March 31 of the following year.</p>
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<p>Article 35. (Dividends)  The Company shall pay dividends to the shareholders or to the registered pledgees who have entered or recorded in the register of shareholders at the close of business on March 31 of each year.  (Newly established)</p> <p>(Newly established)</p> <p>Article 36. (Interim dividends)  <u>The Company may pay interim dividends to the shareholders or to the registered pledgees who have entered or recorded in the register of shareholders at the close of business on September 30 of each year by the resolution of the Board of Directors.</u></p> <p>Article 37. (Conversion of convertible debentures and dividends)  <u>With respect to shares issued upon conversion of the convertible debentures issued by the Company, conversion shall be deemed to have been effected on April 1, if the request for conversion was made in the period from April 1 to September 30, or on October 1, if such request is made in the period from October 1 to March 31 of the following year, and the first dividends or interim dividends on such shares shall be paid accordingly.</u></p> <p>Article 38. (Period of exclusion of dividends)  If dividends or interim dividends are not claimed for three (3) full years from the day of commencement of payment, the Company shall be relieved of the obligation to make such payment. Unpaid <u>dividends and interim dividends</u> shall bear no interest.</p>	<p>Article 41. (Dividends on retained earnings)  The Company may pay <u>year-end</u> dividends to the shareholders or to <u>the pledgees for the registered shares</u> who have entered or recorded in the last register of shareholders as of March 31 of each year.  <u>The Company may, by the resolution of the Board of Directors, pay interim dividends to the shareholders or to the pledgees for the registered shares who have been entered or recorded in the last register of shareholders as of September 30 of each year.</u>  <u>In addition to the preceding two paragraphs, the Company may pay dividends on retained earnings by fixing a record date.</u></p> <p>(To be deleted)</p> <p>(To be deleted)</p> <p>Article 42. (Period of exclusion of dividends)  <u>In the event that dividends are paid in cash, if such cash dividends are not claimed for three (3) full years from the day of commencement of payment, the Company shall be relieved of the obligation to make such payment. Unpaid dividends shall bear no interest.</u></p>
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<p>Contacts for inquiries or additional information</p>
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