

December 6, 2006

Announcement of VISION 2015

Japan, December 6, 2006 - Astellas Pharma Inc. (“Astellas”; headquarters: Tokyo; President and CEO: Masafumi Nogimori) today announced that it has decided “VISION 2015” as its management vision.

Since Astellas was established in April, 2005, it has tried to grow its business as an R&D-driven company aiming at “sustainable enhancement of enterprise value” positioned at the raison d’être in our business philosophy. Social and market factors around pharmaceutical industry have been changing, including the progress of policies to control health expenditures, decrease in market growth rates, and the rise of medicines requiring a high degree of expertise. In order to show the direction of Astellas under these circumstances, VISION 2015 is derived from an analysis of forecast of pharmaceutical market environment and Astellas’ current status and market forecasts. VISION 2015 shows how Astellas must look in the year 2015, and the guidelines and strategies necessary to achieve this.

The outline of VISION 2015 is described below.

1. The objectives of VISION 2015

In order to realize our business philosophy, “contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products,” VISION 2015 has been settled to show how Astellas must look in the year 2015, and the guidelines and strategies necessary to achieve this.

2. Forecast of pharmaceutical industry by analyzing the external environment

Complexity and segmentation of the pharmaceutical market will be increased due to the followings: progress of policies to control health expenditures, decrease in market growth rate due to the patent expiration of top-line products and promotion of use of generics, and growth of specialty market where high unmet medical needs exist. Thus, it is thought in the future market not only scale but also a variety of competitive advantage will exist.

3. Business model of Astellas

Astellas is aiming a construction of its business model, a “Global Category Leader” (“GCL”). A GCL is in several ‘categories’ where high unmet medical needs exist and a high degree of expertise is required. A GCL shows higher competitiveness by providing value-added products ‘globally’ and takes over the position of ‘leader’ in a category. Astellas will realize optimal business portfolio based on these categories as the core. In order to realize being a GCL, Astellas will promote sustainable reinforcement of current products, solid progress of current pipeline, further reinforcement of global sales and

marketing activities, and in-licensing and business development activities aggressively. Moreover, Astellas settled six categories, including urology, inflammation/immunology, infectious diseases (virus), neurology/sharp pains, diabetes, and cancer, as its most important R&D categories with concern of unmet medical needs, market potential, and research potential. Astellas aims to expand categories in a sustainable manner by aggressive investment in these categories and improvement of product creation.

4. The system to fulfill and realize VISION 2015

Astellas will promote the three systems shown below to achieve VISION 2015.

- Astellas has identified human resources development as its most important issue, and is tackling this with competitive investment.
- Astellas will create the optimal management control system based on necessary information for decision making in a faster and better manner.
- Astellas will clarify its corporate social responsibilities and promote CRS-based management as a system to fulfill them.

Astellas will seek to enhance enterprise value in a sustainable manner through heading maximization of value-added for all people seeking health, and creating a business model, a “Global Category Leader” not just seeking for enlargement of sales scale.

Please also refer to the attachment for more information.

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Astellas Pharma Inc.

- VISION 2015 -

December 6, 2006

Masafumi Nogimori
President and CEO
Astellas Pharma Inc.



Today's Agenda



- ◆ The objectives of VISION 2015
- ◆ Forecast of pharmaceutical industry by analyzing the external environment
- ◆ Business model of Astellas
- ◆ Long-term position of Astellas

Today's Agenda



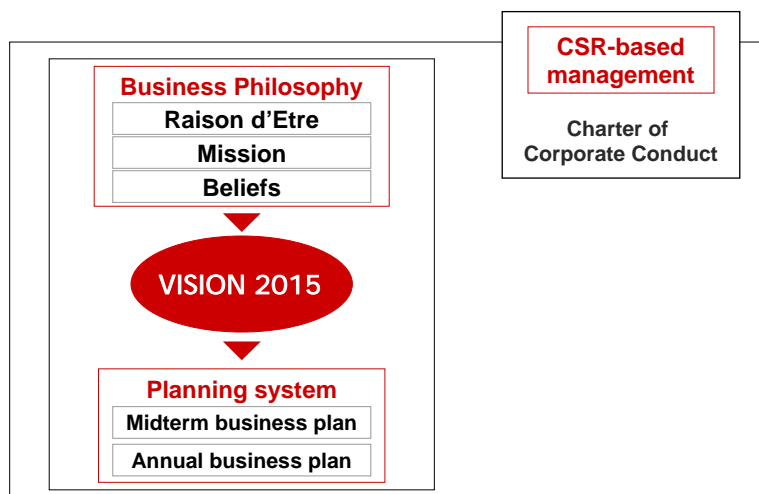
- ◆ **The objectives of VISION 2015**
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Positioning of Vision 2015



-Vision 2015 shows precisely how our Business Philosophy can be put into practice.

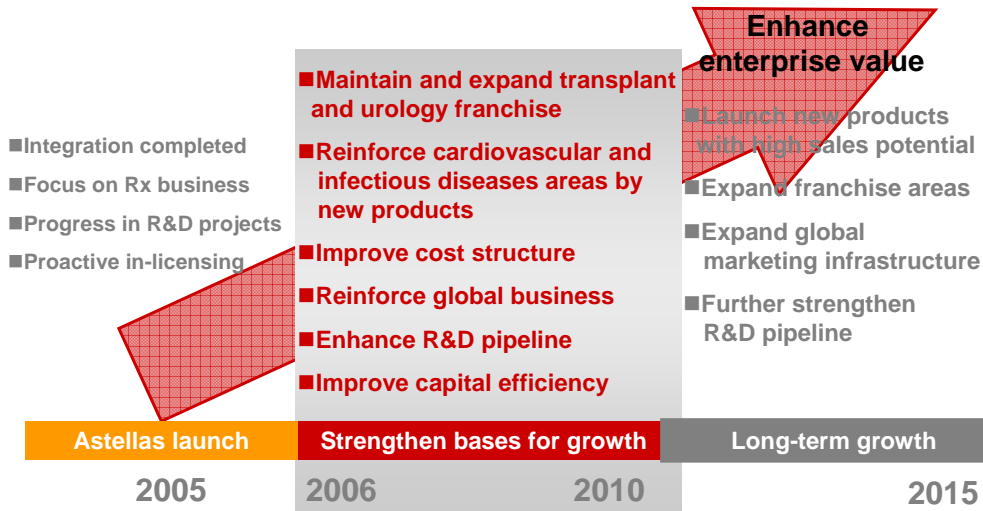


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Timeline of FY2010 Medium Term Plan



Mission: Sustainable enhancement of enterprise value



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Long-term Aspect of Astellas (reference from FY2010 Medium term Business Plan)



Beyond 2010

Achieve No.1 position in Japanese market

Launch new products
Strengthen global marketing infrastructure

Create innovative products from drug discovery research

To become a global leader in our focused therapeutic area

Astellas will strive to gain the trust of stakeholders and thereby enhance its enterprise value.

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Business Philosophy



Raison d'Être

Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products

Mission

Sustainable enhancement of enterprise value

Beliefs

High Sense of Ethics

We will always manage our business with the highest sense of ethics.

Customer Focus

We will always seek to understand customer needs and our focus will always be on achieving customer satisfaction.

Creativity

We will not be complacent and will always seek to innovate to create new value.

Competitive Focus

Our eyes will always be directed to the outside world, and we will continue to create better value faster.

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Long-term Strategy of Astellas VISION 2015



April 2005 Astellas reaches critical mass as a global competition

Where is Astellas heading?
What kind of global existence is Astellas aiming at?

Business Philosophy:

Contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products

Forecast of the External Environment



VISION 2015 Drawn Up

guidelines and strategy for achieving corporate goals for 2015

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External Environment Scenario



- 1. Progress of policies to control medical treatment costs**
- 2. Decrease in market growth rates**
- 3. Increased complexity of the market**

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Progress of Policies to Control Health Expenditures



In the developed nations, government spending on social welfare is subject to increasing pressure due to decreasing birth rates combined with aging populations. This will lead to the advancement of policies to control health expenditures.

Japan	<ul style="list-style-type: none"> Increasingly frequent cuts in NHI drug prices Promotion of treatment with generics Upward revision of out-of-pocket payment ratio for elderly patients
United States	<ul style="list-style-type: none"> Possible holding down of drug prices through enactment of Medicine Part D Promotion of use of centralized drug procurement systems Impact on healthcare policies of Democrats' success in US midterm elections?
Europe	<ul style="list-style-type: none"> Promotion of measures to curtail health expenditures by each country Expansion of reference price, cuts in refund prices, promotion of use of generics Higher ratio of parallel imports

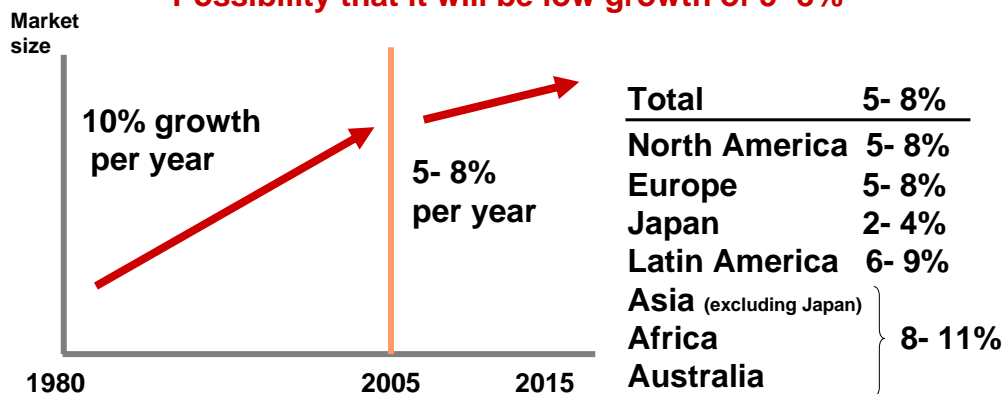
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2. Decrease in Market Growth Rates



- Downturn in the scale and number of blockbuster products
- Price constraints in developed nations, particularly the USA
- Generics will grab a much larger share of the market

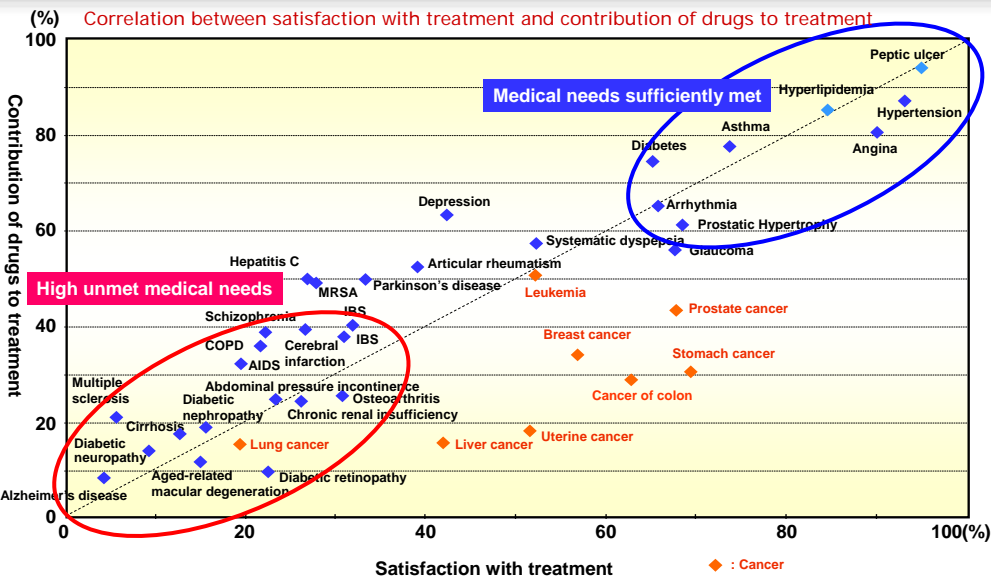
- Possibility that it will be low growth of 5- 8%



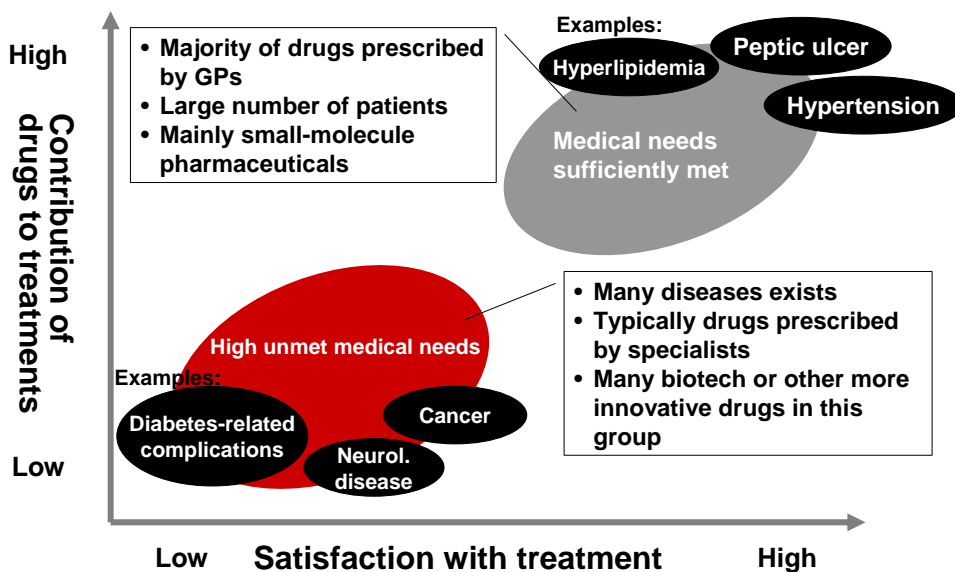
Reference: IMS

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3. Increased Complexity of the Market



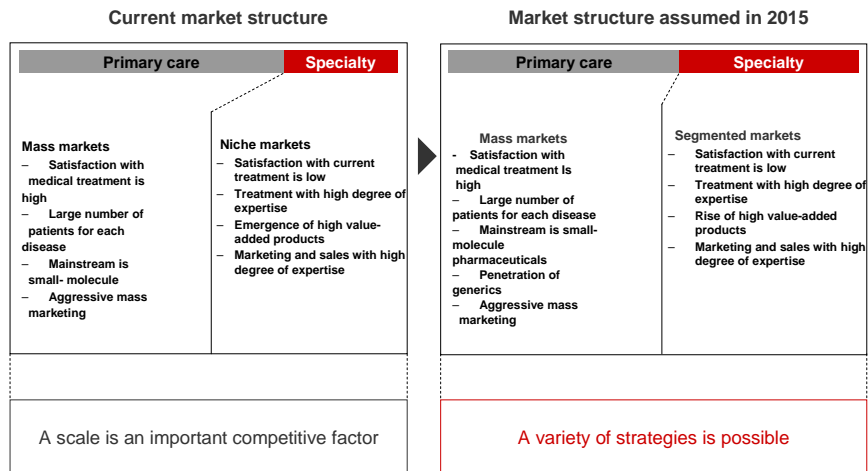
3. Increased Complexity of the Market



3. Increased Complexity of the Market



- Current market that is pulled by blockbusters will change to segmented market that will be pulled by drugs in high unmet medical need
- As a result, the market that allows to exist variety of structure patterns of competitive predominance will be formed



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3. Increased Complexity of the Market



Launch of New Type Top-Line

Medicines for Specialists

- Schizophrenia : Zyprexa (4,202 mil US\$/yr)
- Cancer : Rituxan (3,867 mil US\$/yr)

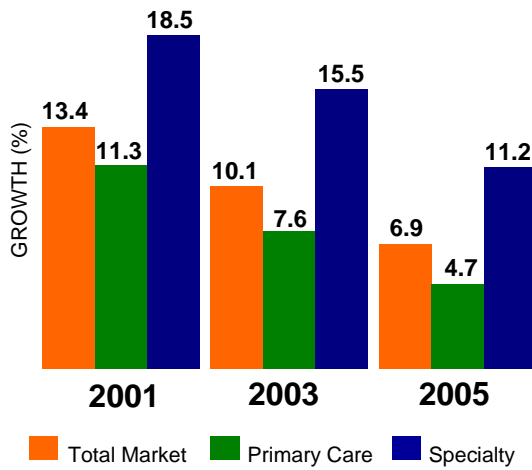
Biomedical

- Renal anemia : Epogin (6,145 mil US\$/yr)
- Articular rheumatism : Enbrel (3,657 mil US\$/yr)

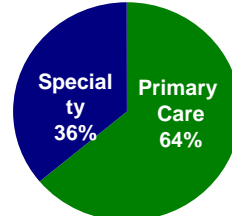
Reference: Dendrite Japan Corporation "World Ranking of Pharmaceutical Sales in 2005"

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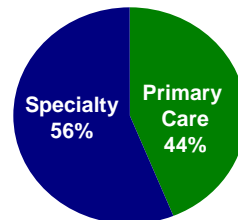
Market Growth Promoted by Specialty Market



2005 Share of Sales



2005 Share of Growth

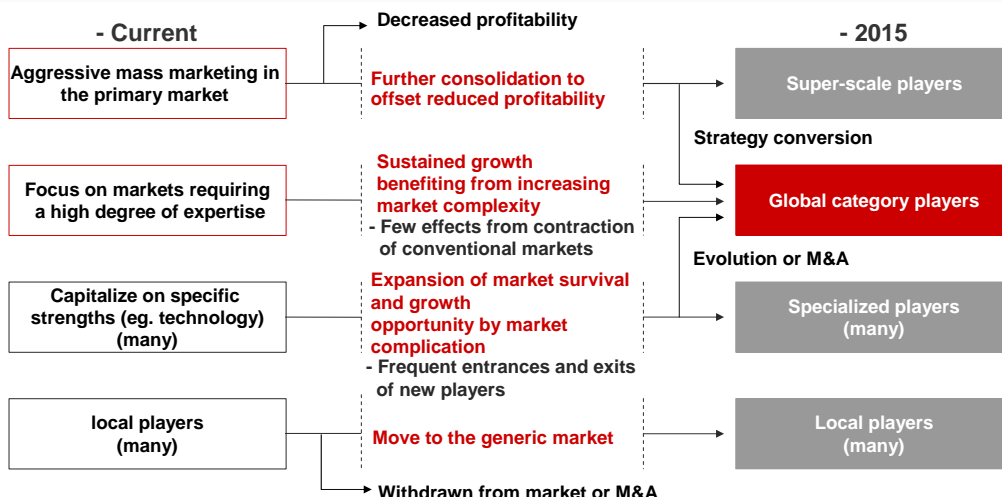


Source: IMS Health MIDAS, December 2005, Copyright IMS Health and its affiliates 2005

- Specialty market will have over 50% share

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Player Structure as Seen in VISION2015



Players in a market requiring a high degree of expertise possess high possibility of sustainable growth

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Business Model of Astellas



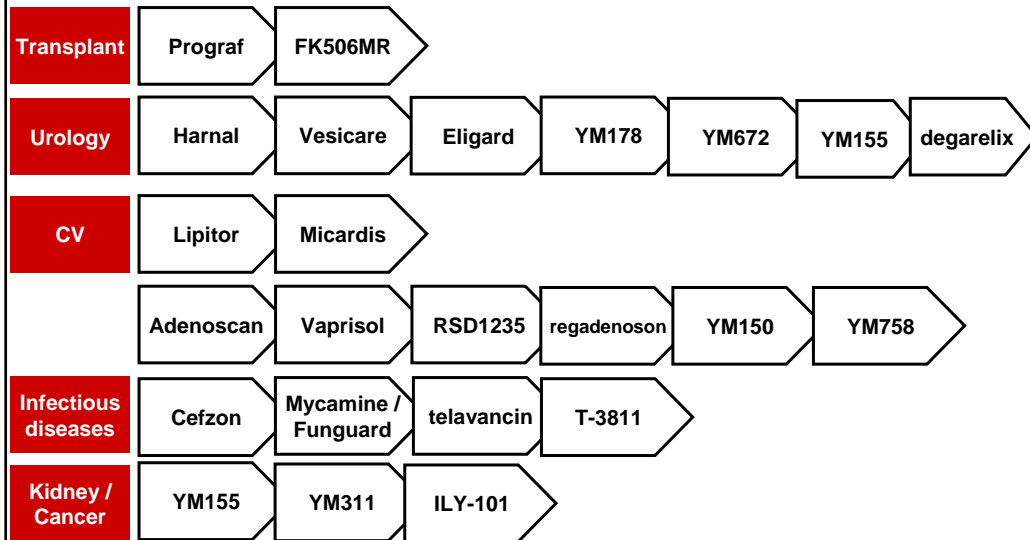
Global Category Leader "GCL"

In specialty market that is anticipated to expand

- ◆ in several '**categories**' where high unmet medical needs exist and a high degree of expertise is required in the process of product carrying
- ◆ A GCL shows higher competitiveness by providing value-added products '**globally**'
- ◆ and takes over the position of '**leader**' in a category

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Product Portfolio Current to 2015 (top-line)



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Steps to Becoming a GCL (1)



To 2010 - 2015

- Solid progress of current pipeline
- Further reinforcement of global marketing infrastructure
- In-licensing and strategy of business development

To 2020

- Drug discovery to creation of global products
- Settlement of newly important research categories and diseases

1) Unmet medical needs, potential marketability, research capability

Urology

Immunology
Inflammation

Infectious
diseases (virus)

CNS
Pain

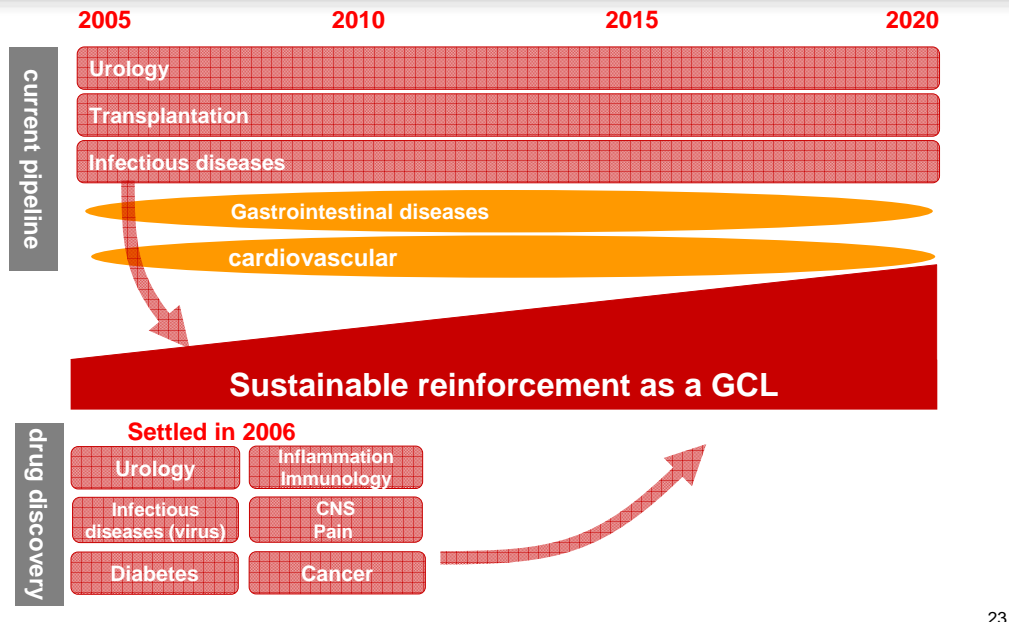
Diabetes

Cancer

2) Construct newly based technology - antibody drugs -

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Steps to Becoming a GCL (2)



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Our Target Position



Astellas aims to enhance enterprise value

1) High profitability as a GCL

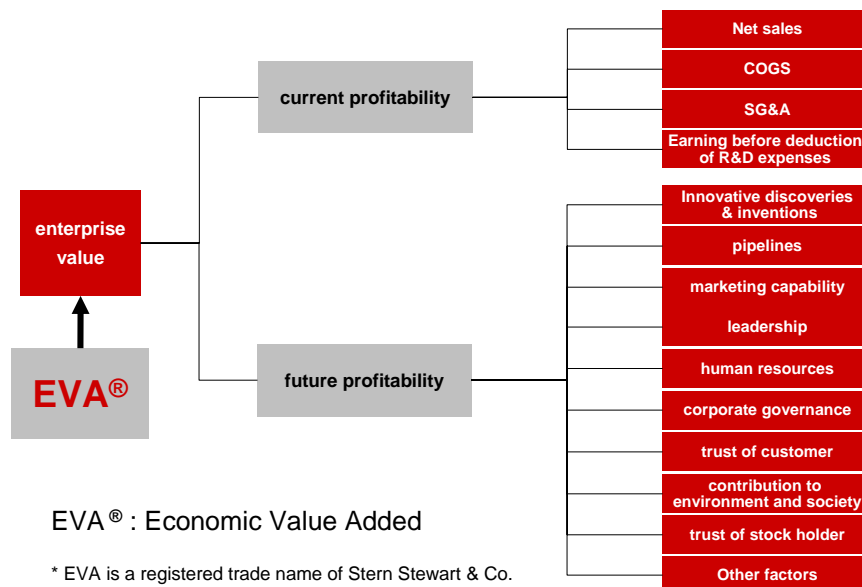
We will establish a high profitability structure by providing high value - added products.

2) Growth potential

We will ensure future growth through innovative discoveries and inventions, full product pipelines, marketing capability to maximize product value and clarification of business strategies, as well as leadership, governance, human resources and systems.

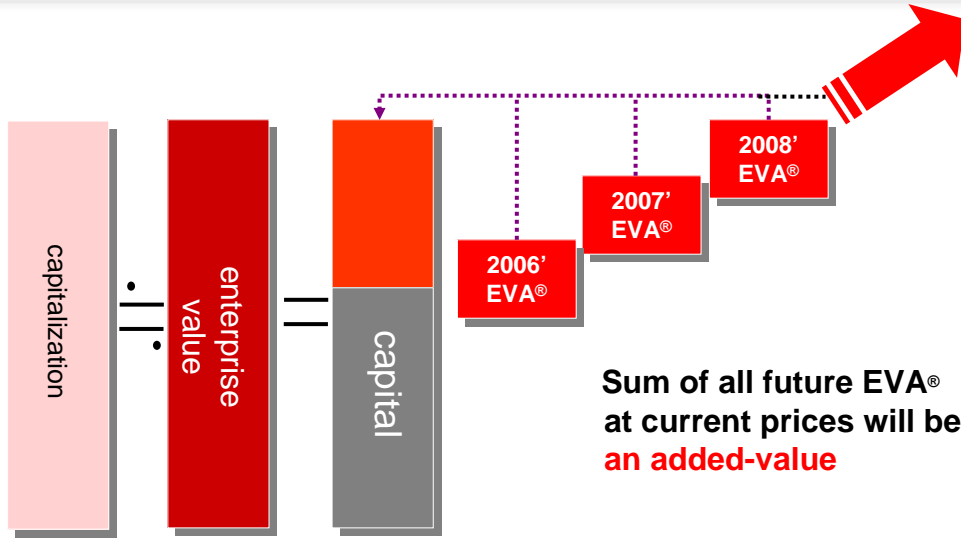
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Elements Consist in Astellas Enterprise Value



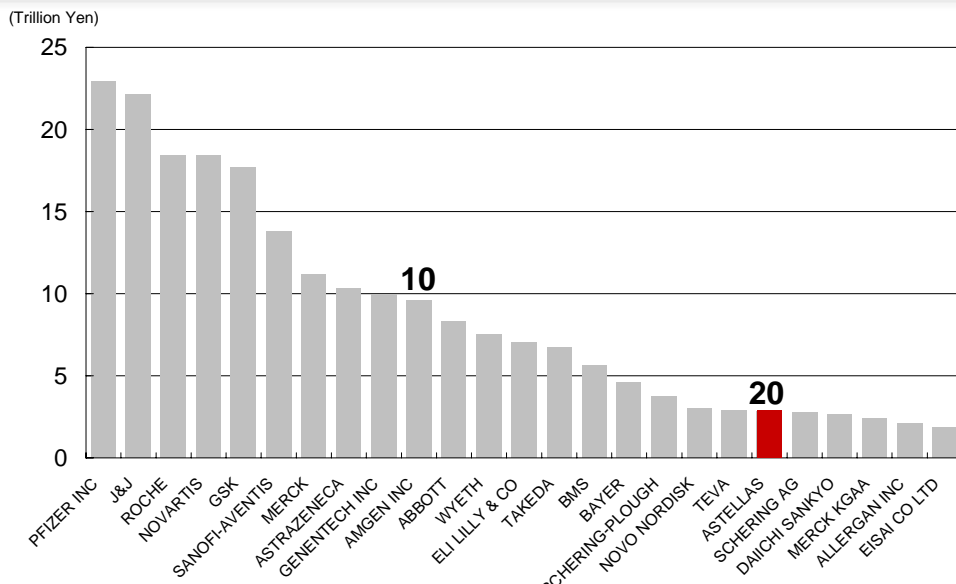
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Enhancement of Enterprise Value by EVA



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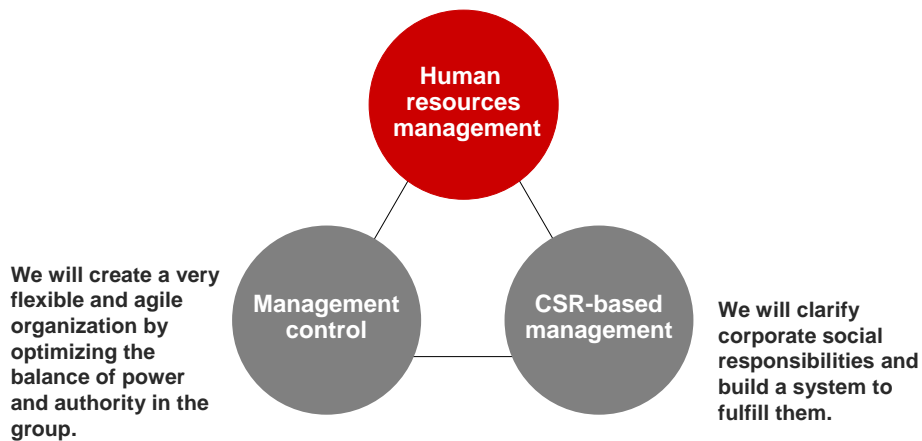
Capitalization Ranking



As of December 1, 2006. Exchange rate: ¥115.7/\$, ¥153.3/EUR

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Astellas's Three Systems to Become a GCL



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Human Resources Management in Achieving Our VISION



Most important management resource obtained from birth of Astellas

“Variety of human resources”

We must optimally leverage the talent and potential of Astellas' human resources to achieve our VISION



Astellas has identified human resources development as its most important issue, and is tackling this with competitive investment

- Promoting a high level of development support to talented employees who have capability and strong commitment to continuous high performance
- Appraising and treating employees in a fair manner according to their role and achievement
- Employment based on equal opportunity and individual capability regardless of gender, nationality, race, age or disability
- Achieving simple and optimal organization where talented people show high performance
- Providing free and generous argument environment and communication opportunity

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Astellas' role in society

Maximization of value-added
for people seeking health

Providing high profitability and value-added
as a GCL

Sustainable enhancement of enterprise value

共生 (*tomoiki*)

tomoiki means "harmonious coexistence."

Customer, society in general, and shareholders feel established presence and a reputation for trustworthiness of Astellas "brand," and employees will work with a feeling of pride in the Company

