

November 27, 2007

Astellas to Acquire Agensys, Inc.

Japan, November 27, 2007 - Astellas Pharma Inc. (“Astellas”; headquarters: Tokyo; President and CEO: Masafumi Nogimori) today announced that its US subsidiary, Astellas US Holding, Inc. (headquarters: Deerfield, IL) has signed a definitive agreement on November 26, 2007 (US time), to acquire Agensys, Inc. (“Agensys”; headquarters: Santa Monica, CA; Chairman, President & CEO: Donald B. Rice, Ph.D.) for \$387 million up front assuming approximately \$30 million net cash balance at closing. In addition, Agensys’ current shareholders will retain the right to receive a maximum of \$150 million in accordance with Agensys’ achievement of various milestones.

Agensys is a biotechnology company specialized in therapeutic antibody research and development in cancer. It has selected candidate targets by applying differential gene expression technology to human tissues and identified 30 proprietary targets in 14 cancer types. It has rich experience in using its optimized hybridoma method* to generate fully human monoclonal antibodies, including to challenging targets, from XenoMouse[®], a human antibody-producing transgenic mouse in-licensed from Abgenix (currently a part of Amgen). It also has GMP manufacturing facilities producing investigational antibodies for pre-clinical and early-stage clinical studies. Agensys’ pipeline includes an antibody in a Phase Ib clinical trial and several candidate antibodies in late preclinical stage.

Masafumi Nogimori said, “Astellas will continue to build our company into a strong, global pharmaceutical leader. Agensys will be the cornerstone of our biologics efforts and an integral component of building our oncology efforts within our franchise. We welcome Agensys employees to the Astellas family.”

Astellas, in its medium-term plan, has declared that it will aggressively build up its antibody R&D capabilities. Astellas acquired a non-exclusive license to Regeneron’s VelocImmune[®] technology and an access to phage display library from MorphoSys both in March 2007. It further reinforced its basis of antibody research through establishment of Advanced Biologics Section in Molecular Medicines Research Laboratories this October. Astellas believes that this acquisition of Agensys will provide Astellas access to expertise and assets in fully human monoclonal antibody technologies, proprietary target molecules in the cancer field, and clinical candidate antibody pipeline. The combined company will reinforce and accelerate Astellas’ antibody R&D in cancer, one of the important research therapeutic areas. Target molecules proprietary to Agensys are also expected to contribute to Astellas’ in-house small molecule oncology drug discovery.

Donald B. Rice, Ph.D. said, “This transaction represents a rare combination of a deal that is a win for our investors, for Astellas, and for Agensys employees. It is a real tribute to the accomplishments of the Agensys team. We were attracted by Astellas’ desire to build on the core Agensys team to accelerate our discovery and commercial efforts, while working together to achieve our shared vision of building a global leader in biologics and oncology.”

The pharmaceutical market in cancer treatment was approximately ¥1.7 trillion as of 2005 and is expected to double to approximately ¥3.4 trillion by 2015. Among these, new treatments such as antibodies, molecular targeted drugs and nucleic acid agents will expand rapidly and are anticipated to represent half of the market.

Upon completion of the transaction, a newly established subsidiary of Astellas US Holding, Inc. shall be merged with and into Agensys and Agensys shall become a wholly owned subsidiary of Astellas US Holding, Inc. The closing of the transaction is subject to Agensys shareholder and customary regulatory approvals, but is expected to take place by the end of December 2007. Montgomery & Co. LLC is acting as financial advisor and Morrison & Foerster LLP is acting as legal counsel to Astellas in this transaction. J.P. Morgan Securities Inc. is acting as financial advisor and Latham & Watkins LLP is acting as legal counsel to Agensys in this transaction.

*Hybridoma method

Method to generate monoclonal antibodies by hybridoma, which is derived by cell fusion of an antibody producing B cell and myeloma cell.

About Agensys

Profile

Agensys is a private biotechnology company located in Santa Monica, CA. It began operations in 1997 as UroGenesys, founded by oncologists at UCLA and Dr. Rice, joined by Dr. Jakobovits, an inventor of Xenomouse[®] at Abgenix, in 1999 as CSO. The company changed its corporate name to Agensys in 2001. There are approximately 100 employees. Agensys discovers proprietary targets using tumor tissues derived from patients and has already identified 30 proprietary targets in 14 cancer types. It has expanded its oncology research focus from urology to a broad range of cancers and also its business from target discovery to antibody product development, manufacturing and clinical trials. Agensys' pipeline includes therapeutic naked antibodies and antibody drug conjugates. It licenses out targets and antibody products in early-stage clinical development, and is jointly developing them with partners, while retaining a robust pipeline for its own account.

Name:	Agensys, Inc.
Management:	Donald B. Rice, Ph.D. (Chairman, President & CEO) Aya Jakobovits, Ph.D. (Senior Vice President, Technology and Corporate Development, Chief Scientific Officer) Paul G. Kanan (Vice President of Operations, Chief Financial Officer) Christopher J. Morl (Vice President, Business Development) Martha E. Vincent, Ph.D., FACCP (Vice President, Clinical Research and Development)
Location:	Santa Monica, CA
Date of establishment:	September 6, 1996
Number of employees:	approximately 100

Technology

- Identification of cancer target molecules
System of high-quality target molecule identification has been established. Bank of high-quality patient-derived tumor and healthy tissues has been constructed in-house, obtained from multiple suppliers. Following selection of candidate targets through differential gene expression profiling of tumor tissues from different disease stages and healthy tissues, it is verified via immunohistochemical staining using tissue arrays, *in vitro* / *in vivo* functional analysis using siRNA, antibody and other reagents.
- Xenograft model using tumor tissues derived from patients
Xenograft models using tumor tissues derived from patients have been established for multiple major cancer types. The models are used to evaluate drugs for targets highly expressed in tumor tissues derived from patients but having no or limited expression in established tumor cell lines. They also better represent clinical conditions of the human cancers. Regarding prostate cancer, it is protected by patents in the US and Europe, and Agensys holds an exclusive license.

- Fully human monoclonal antibody technology
High affinity monoclonal antibodies are routinely generated from XenoMice[®] in-licensed from Abgenix (currently a part of Amgen) using hybridoma methods optimized by Agensys. High-throughput screening is adapted to hybridoma screening.
- Antibody drug conjugate technology
Agensys has licensed Seattle Genetics' proprietary linker-toxin technology for development of therapeutic antibody drug conjugates.
- Antibody production
Facility including cell culture instruments and purification instruments in accordance with GMP is available. Its MAb manufacturing capability is enough to cover clinical trial material supply for Phase I trials and early Phase II trials.

#####

Contacts for inquiries or additional information
Astellas Pharma Inc. Corporate Communications Tel: +81-3-3244-3201 Fax: +81-3-5201-7473 http://www.astellas.com

Acquisition of Agensys, Inc.

- Rapid startup and acceleration of antibody drug business -

November 27th, 2007

Astellas Pharma, Inc.



Cautionary statement regarding forward-looking information

This material includes forward-looking statements based on assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties. Actual financial results may differ materially depending on a number of factors including adverse economic conditions, currency exchange rate fluctuations, adverse legislative and regulatory developments, delays in new product launch, pricing and product initiatives of competitors, the inability of the company to market existing and new products effectively, interruptions in production, infringements of the company's intellectual property rights and the adverse outcome of material litigation.

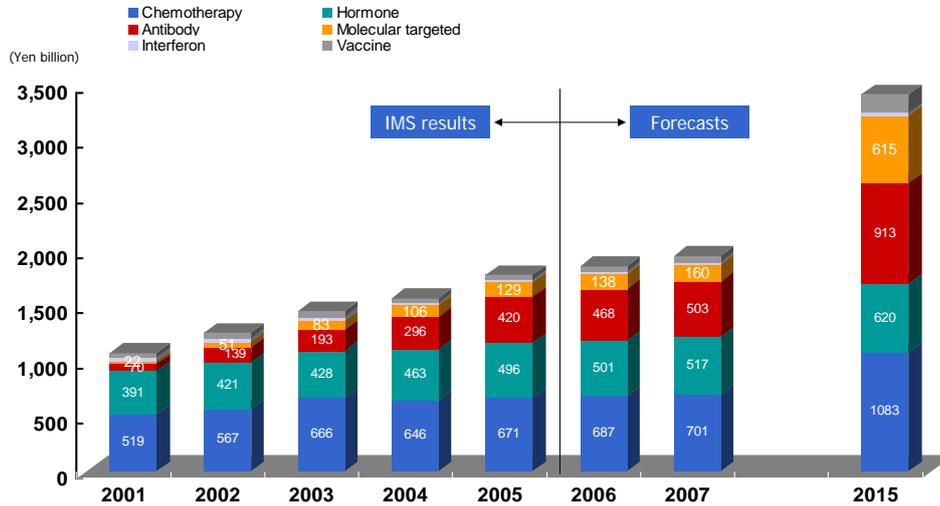
This material contains information on pharmaceuticals (including compounds under development), but this information is not intended to make any representations or advertisements regarding the efficacy or effectiveness of these preparations nor provide medical advice of any kind.

2

Potential Growth of Antibody Drugs in Cancer Field



In 2015, Sales of Cancer Drugs Double Attributable to Antibody Drugs and Molecular Targeted Drugs



Source: IMS and internal materials

3

About Agensys, Inc.



■ Headquarters

- Santa Monica, CA, U.S.A.

■ Began operations in 1997

- Biotechnology company founded by an experienced executive and a team of renowned UCLA oncologists and cancer scientists to explore drug target
- In 1999, Dr. Jakobovits, an innovator of XenoMouse® at Abgenix joined as CSO (the company started antibody discovery research)

■ Management

- Donald B. Rice, Ph.D. Chairman, President & CEO
- Aya Jakobovits, Ph.D. S.V.P., Technology and Corporate Development, Chief Scientific Officer
- Paul G. Kanan V.P. of Operations, Chief Financial Officer
- Christopher J. Morl V.P., Business Development
- Martha Vincent, Ph.D. V.P., Clinical Research and Development

■ Number of employees

- Approximately 100 (R&D: 50, manufacturing: over 30)

■ Alliances

- Abgenix/Amgen, Genentech, sanofi pasteur, Merck, Seattle Genetics

4

Objectives of Acquisition of Agensys



**Rapid startup and acceleration of antibody drug business
by full use and integration of strengths of Agensys**

Strengths of Agensys -Advanced technology platform and pipeline in cancer-

■ Technology platform

- 30 proprietary novel clinically relevant target antigens in 14 cancer types identified by gene expression monitoring of human tumor tissue samples
- >100 issued or allowed patents, >300 pending patent applications
- Optimized immunization and hybridoma related technologies and know-how, which are easily applicable to VelocImmune® Mice
- Proprietary patient-derived tumor Xenograft models
- Generation of fully human antibody using transgenic mice (XenoMice)

■ Pipeline

- P-1b:1 antibody, P-0: 2 antibodies, PC: 8 antibodies

■ Manufacturing

- GMP certificated antibody production (CMC)

5

Expected Contribution



Contribution to Antibody Drug Business with High Growth Potential

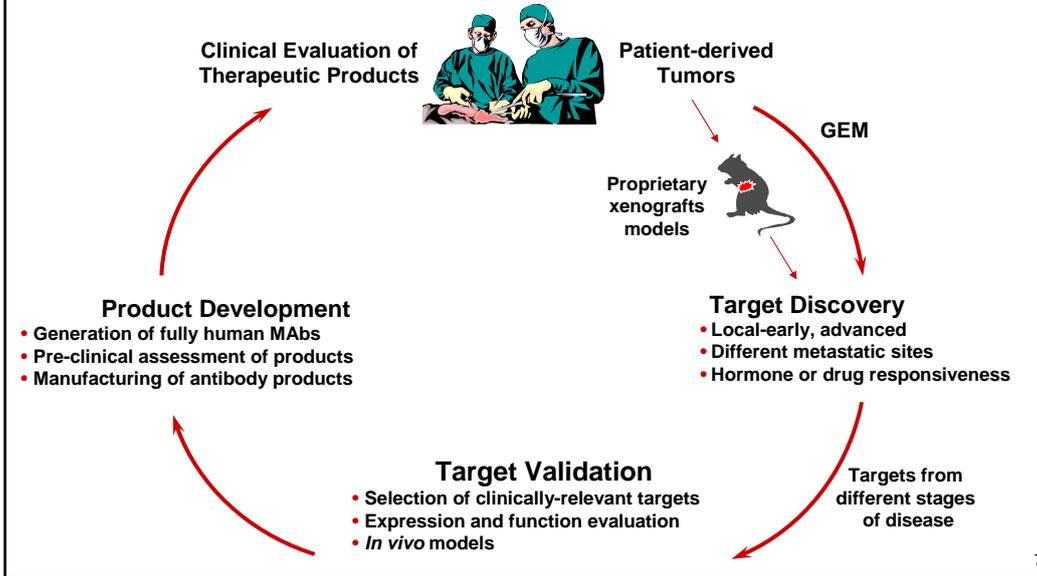
- Quantitative contribution to Astellas antibody technology platform using VelocImmune® mice technology
 - Increased annual number of molecular targets for antibody generation
 - Improved probability of antibody generation
 - Shorter time to goal from start of the project to filing an IND
- Enrich antibody drug pipeline: increased number of drug candidates
- Contribute to Astellas small molecule discovery research in cancer field
 - Improve success rate of creation of small molecule drug candidates from drug target proprietary to Agensys
- Manufacturing: Acquire manufacturing platform (CMC)

6

Agensys Technology Platform



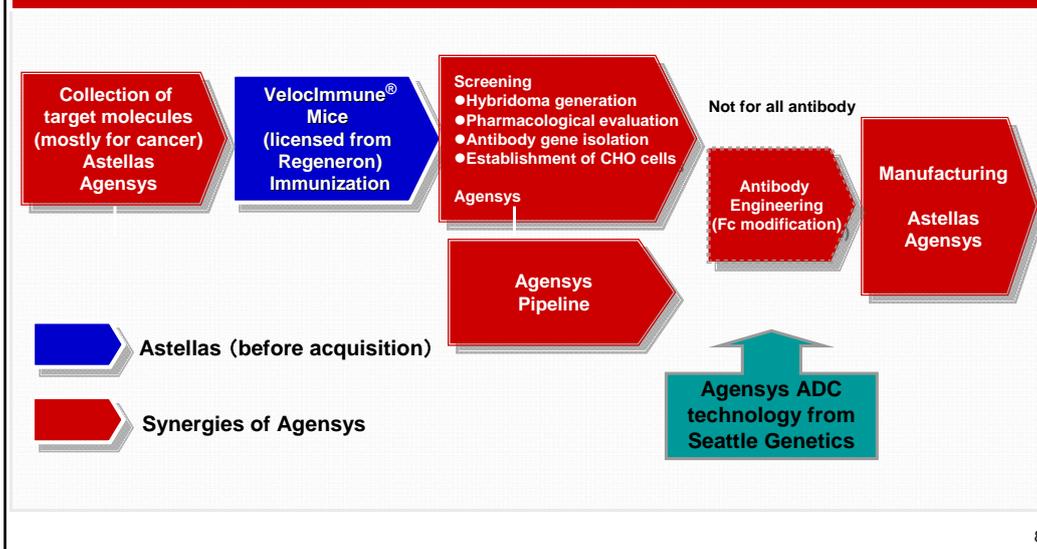
Cancer Therapeutics from Clinically Relevant Targets



Expected Synergies



Antibody technology and know-how synergies in cancer field



Pipeline of Agensys



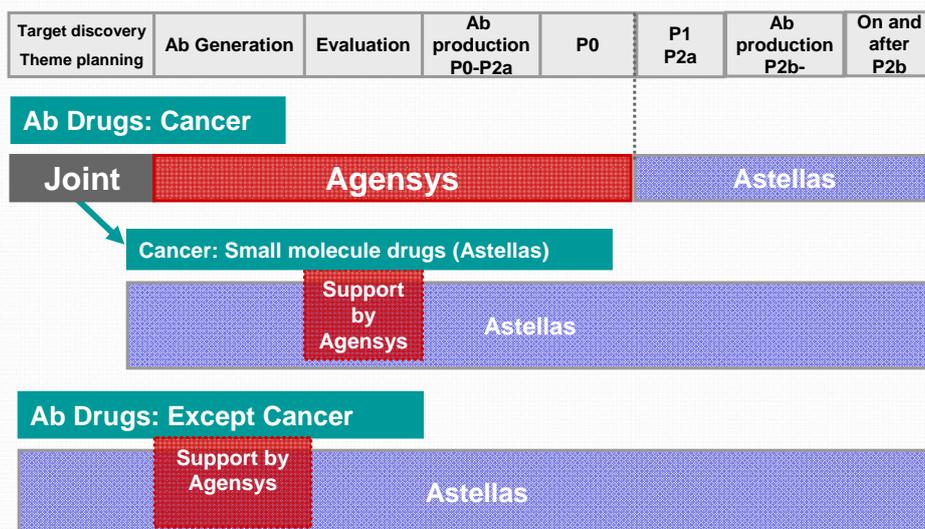
Code No.	Name or Type of target	Cancer Indications	Stage
AGS-PSCA*	Prostate Stem-Cell Antigen (PSCA)	Prostate, Pancreatic, Bladder	P-1b
AGS-16M18	Type I Transmembrane Enzyme	Kidney, Liver	P-0
AGS-8M4	Type I Transmembrane Protein	Ovary	P-0
AGS-5ADC**	10 Transmembrane Protein	Prostate, Lung, Breast, Ovary	PC
AGS-15	Type I Transmembrane Protein	Bladder, Lung, Breast	PC
AGS-34	Type I Transmembrane Protein	Melanoma, Ovary	PC
AGS-60	Type I Transmembrane Protein	Colon	PC

*Co-development with Merck

**Co-development with Seattle Genetics

9

Synergies of Agensys: Oncology Small Molecules and Therapeutic Areas other than Cancer



10

Summary of Transaction



■ Deal style	Acquisition of all shares of Agensys
■ Payments	
● Upfront	\$387 million (assuming \$30 million net cash balance at closing)
● Milestones	Maximum \$150 million in aggregate
	1) Filing of various INDs
	2) Completion of Regeneron's Veloclimmune® Technology transfer
	3) Initiation of a Phase-II clinical study
	4) Identification of small molecule lead compounds derived from target molecules proprietary to Agensys
■ Financial advisor	Montgomery
■ Closing	December 2007
■ Accounting treatments	
● Upfront	Asset capitalization as "Goodwill"
	Five year amortization (SG&A expenses)
● Milestones	Asset capitalization as "Goodwill" upon payment
	Five year amortization retroactive to the closing date

11