Acquisition of OSI Pharmaceuticals, Inc.

-Becoming a Global Category Leader in Oncology-

May 17, 2010

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I. Transaction Summary

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Transaction Summary

- **Purchase price:** $57.50 per share in cash (55% premium to the closing price on February 26, 2010, the last trading day before the announcement of tender offer)
- **Acquisition amount:** Approximately $4.0 Billion (Fully diluted basis)
- **Tender offer period:** Expires no later than 10 business days after the amendment to the Schedule TO is filed (which is expected to be filed on or before May 21st), unless extended
- **Financing:** Fully financed with cash and cash equivalents on Astellas' balance sheet
- The acquisition is unanimously approved by the Board of Directors of both Astellas and OSI

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II. Strategic Rationale

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Business Model of Astellas

Global Category Leader (GCL)

A "GCL", by providing value-added products "globally", takes over the position of "leader" in a "category" where high unmet medical needs exist and a high degree of expertise is required.

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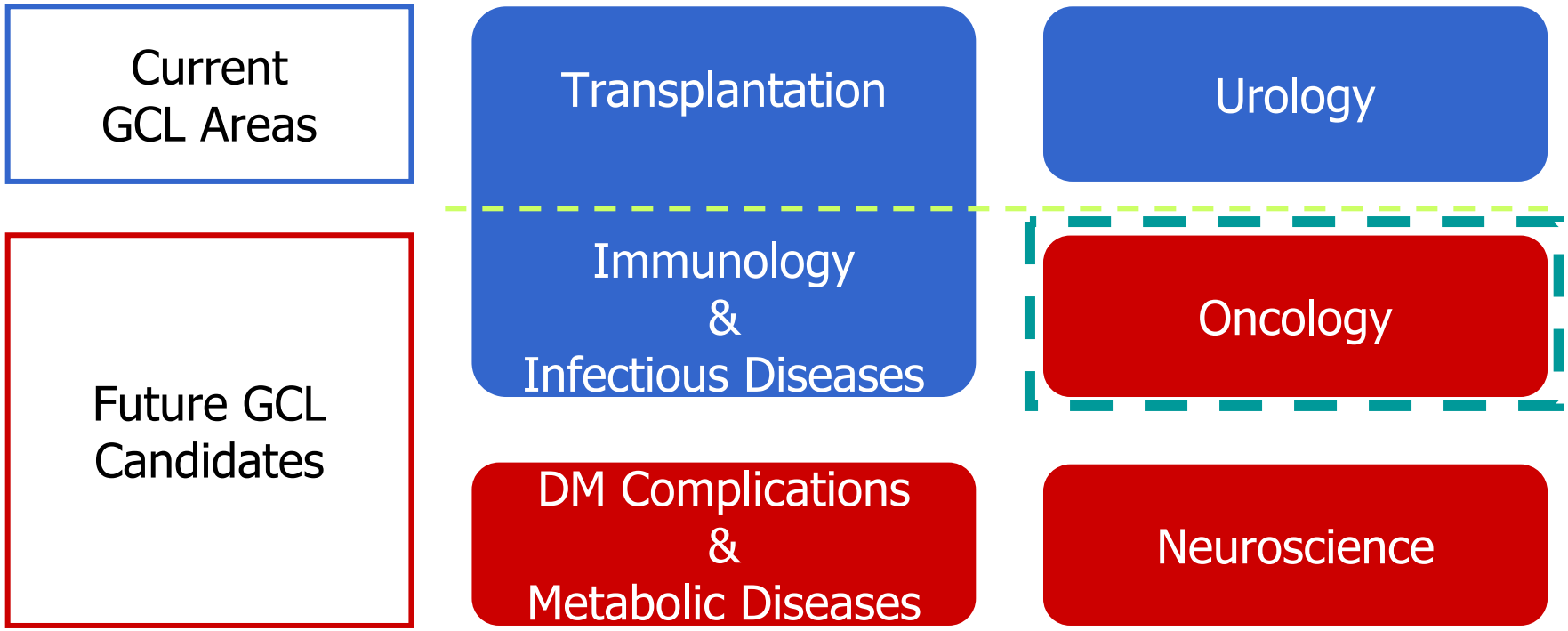
Becoming a GCL in Oncology

- Oncology, one of Astellas' five focus therapeutic areas
- Acquisition of OSI significantly enhances Astellas' oncology capabilities



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Strategic Rationale for OSI Acquisition

- **Accelerates development of Astellas' oncology franchise**
  - ✓ Acquire fully integrated oncology capabilities in the U.S. including discovery, development and commercialization
  - ✓ Expand clinical stage oncology pipeline
  - ✓ Access to small molecule discovery research platform in oncology
- **Existing revenue stream and improved profitability**
  - ✓ Marketed blockbuster product with significant growth and late stage pipeline
  - ✓ Outstanding partnership with Roche/Genentech
  - ✓ Growing DPP-IV royalty income

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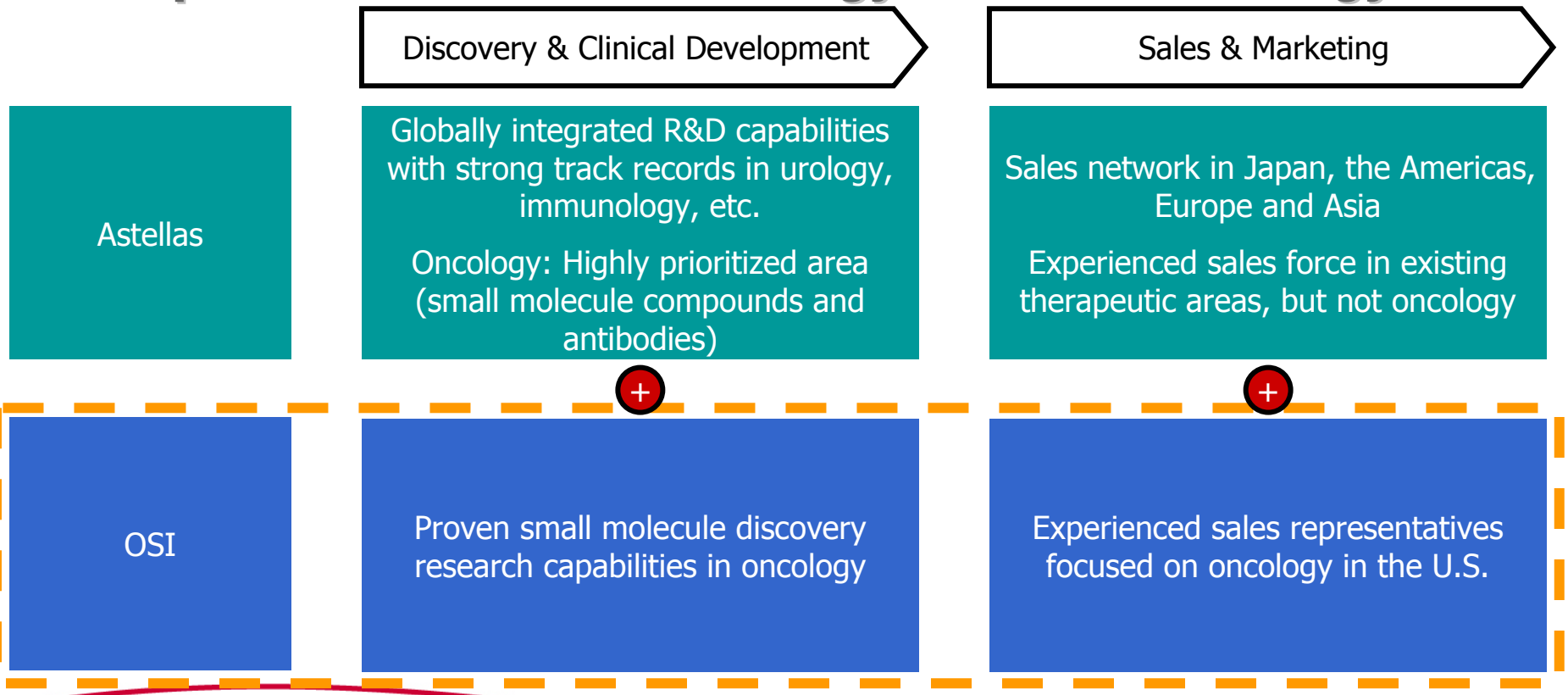
Fully Integrated Oncology Capabilities

- **OSI's fully integrated oncology capabilities will complement Astellas' oncology business strategy**



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Expand Clinical Stage Oncology Pipeline

- **Additions to Astellas' oncology pipeline**

		Compounds	Indication	Phase 1	Phase 2	Phase 3
Astellas	Small Molecules	MDV3100	Prostate cancer	(US/EU)		
		AC220	Acute myeloid leukemia	(US/EU)		
		ASP3550	Prostate cancer	(Japan)		
		YM155	Breast cancer, Non-Hodgkin's lymphoma, Melanoma	(US/EU/Japan)		
	Antibody	AGS-1C4D4	Pancreatic cancer	(US/EU)		
		ASP6183 (AGS-8M4)	Ovarian cancer	(US)		
		AGS-16M18	Cancer			
		AGS-16M8F	Cancer			
		AGS-5ME	Cancer			
OSI	Small Molecules	Tarceva® (Extension)	Adjuvant NSCLC, Ovarian cancer, Colorectal cancer	(US)		
			Other indications	(US)		
		OSI-906	Adrenocortical Carcinoma	(US)		
			Ovarian cancer	(US)		
		OSI-930	Small cell lung cancer, Glioblastoma, Colorectal, renal, head and neck, non-small cell lung cancer, Gastric cancers	(US)		
		OSI-027	Advanced solid tumor, Lymphoma	(US)		

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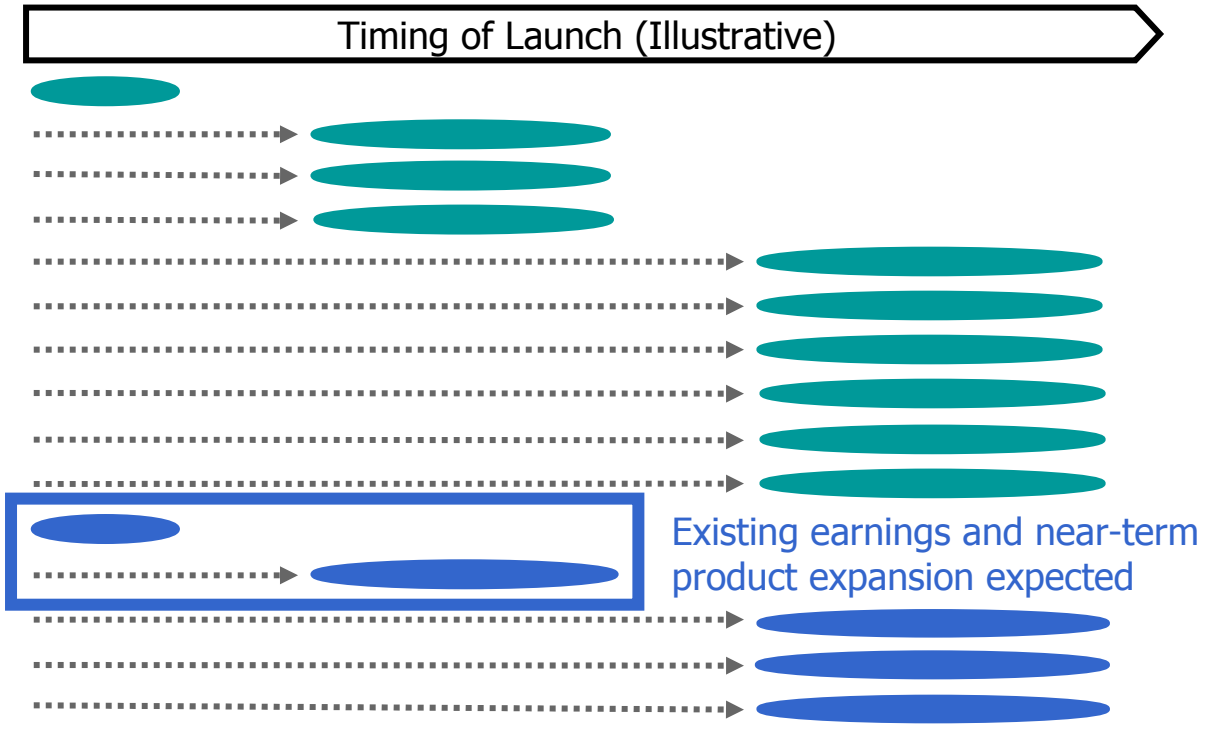
Astellas Will Own Established Fully Integrated Oncology Platform

- Acquisition of OSI provides established oncology platform that contributes to earnings and near-term product expansion potential

		Compounds	Status
Astellas	Small Molecules	Eligard®	Marketed
		MDV3100	Phase 3
		AC220	Phase 2
		ASP3550	Phase 2
		YM155	Phase 2
	Antibody	AGS-1C4D4	Phase 2
		ASP6183 (AGS-8M4)	Phase 2
		AGS-16M18	Phase 1
		AGS-16M8F	Phase 1
		ASG-5ME	Phase 1
OSI	Small Molecules	Tarceva®	Marketed
		Tarceva® (Extension)	Phase 2/3
		OSI-906	Phase 2/3
		OSI-930	Phase 1
		OSI-027	Phase 1



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III. Overview of OSI Pharmaceuticals

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Overview of OSI Pharmaceuticals

- Established in 1983 in the U.S., listed on NASDAQ
- Based in Melville, NY with facilities in NY, CO, NJ in the U.S. and UK (U.S. facilities consolidating in Ardsley, NY by the end of 2010)
- Company with unique, profitable, and fully integrated operations in discovery, development and commercialization of innovative molecular targeted therapies for the treatment of oncology, diabetes and obesity
  - ✓ Fully integrated oncology platform
  - ✓ Marketed lead product: Tarceva® (*erlotinib*, HER1/EGFR inhibitor)
    - Partnership with Roche/Genentech
  - ✓ Promising clinical pipeline in oncology and diabetes/obesity
  - ✓ Robust financial performance with strong growth
- Number of full-time employees: 512 (As of December 31, 2009)

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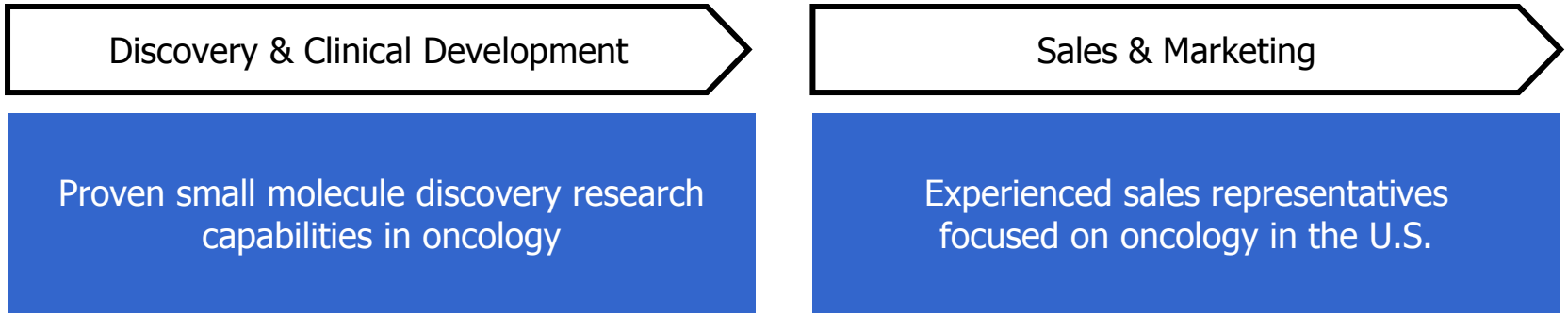
Established Oncology Business Platform in the U.S.

- A profitable and growing oncology business anchored around a blockbuster product with considerable remaining patent life (Tarceva®)
- An experienced and capable commercial organization
- A proven track record of success based on an established high quality drug discovery infrastructure and know-how



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Tarceva® – A Blockbuster Oncology Drug

- **One of the most successful oncology products in terms of patients treated in U.S. history**
  - ✓ **Achieved ~$1.2billion of worldwide sales in 2009**
  - ✓ **Approved for sale in 109 countries for treatment of advanced non-small cell lung cancer (NSCLC)**
  - ✓ **Strategically valuable long-term cash flows throughout exclusivity period**

- **Life cycle plan**
  - ✓ **Life cycle plan expected to yield multiple data and label expansion opportunities**
  - ✓ **EGFR-mutation and ovarian cancer milestones expected over the next 15 months**
  - ✓ **Additional opportunities in liver cancer and multiple molecular targeted therapy combination trials**

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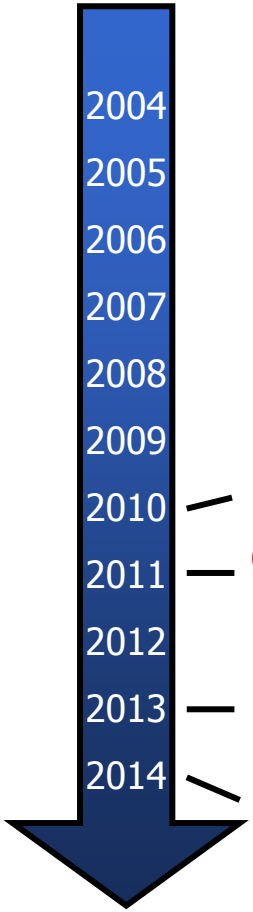
Tarceva® Life Cycle Plan



2004 NSCLC 2L / 3L Approval

2005 Pancreatic Cancer 1L Approval

2006

2007

2008

2009

2010 NSCLC 1L Maintenance / EGFR Mutation (SATURN) / CALGB Data

2011 Ovarian Cancer 1LM (EORTC) P-3 Data
NSCLC 1L EGFR-Mt (EURTAC) P-3 Data

2012

2013 NSCLC Adjuvant (RADIANT) P-3 Data
HCC 1L (SEARCH) P-3 Data

2014 NSCLC T+OSI-906 P-3 Data

Multiple data and label expansion opportunities

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Clinical Pipeline

Compounds	Characteristics	Indication	Status
Oncology			
Tarceva® (*erlotinib*) (Extension)	HER1/EGFR tyrosine kinase inhibitor	Adjuvant NSCLC, Ovarian cancer, Colorectal cancer Other indications	Phase 3 Phase 2
OSI-906	IGF-1R/IR tyrosine kinase inhibitor	Adrenocortical Carcinoma Ovarian cancer	Phase 3 Phase 2
OSI-930 (Out-licensed to Simcere Pharma in China)	c-kit/VEGFR-2 tyrosine kinase inhibitor	Small cell lung cancer, glioblastoma, Colorectal, renal, head and neck, non-small cell lung cancer, Gastric cancers	Phase 1
OSI-027	mTOR kinase inhibitor	Advanced solid tumor, lymphoma	Phase 1
Diabetes / Obesity			
PSN821	GPR119 agonist	Type 2 diabetes / obesity	Phase 2
PSN010 (Out-licensed to Eli Lilly)	Glucokinase activator	Type 2 diabetes	Phase 2

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Discovery Capabilities

- **Focus on novel targets with biological validation**
  - ✓ **Has multiple small molecule based drug discovery programs in both oncology and diabetes / obesity that employ both traditional and novel assays**
  - ✓ **Drug targets are predominantly kinase pathways that are either clinically validated or validated through extensive elucidation of the biology and role in disease**
  - ✓ **Competitive edge is targeting multiple pathways and in selectivity of drug candidates**
  - ✓ **Novel cell based assay (EMT - Epithelial-Mesenchymal Transition) is unique in the industry**

- **Oncology research in the U.S., diabetes / obesity research through a subsidiary in the UK**

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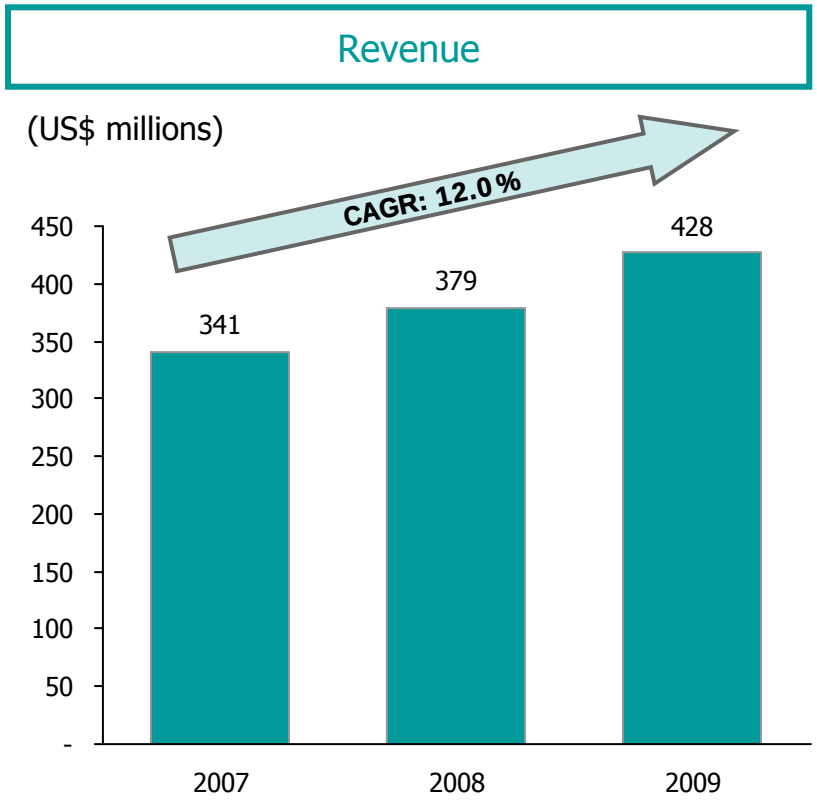
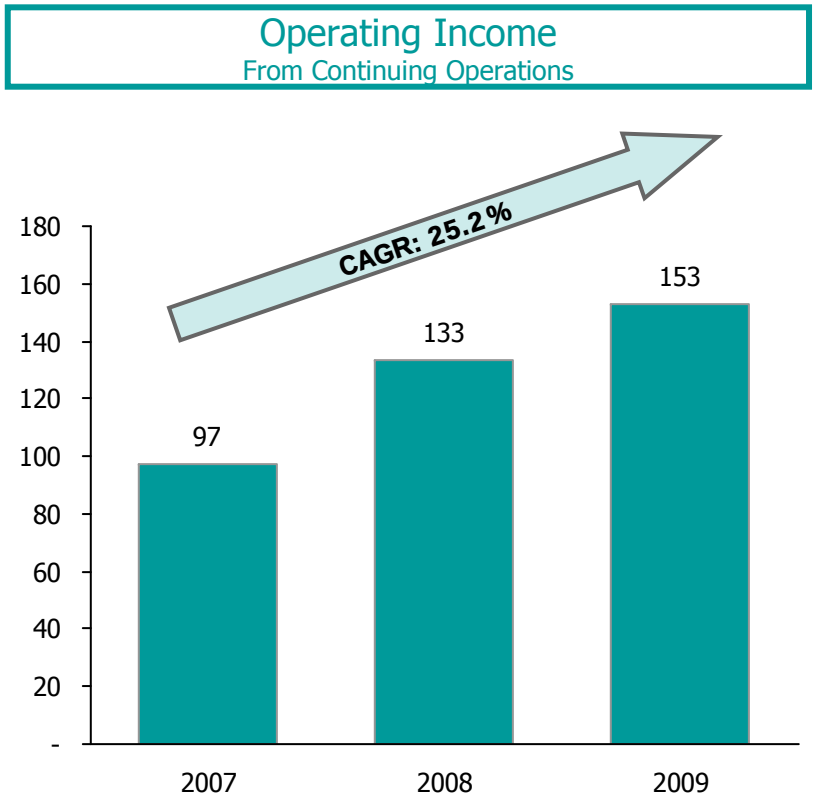
Robust Financial Performance with Strong Growth

- OSI is growing in both revenue and profit





CAGR: Compound Annual Growth Rate during 2007-2009
Source: OSI's filings

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IV. Financial Impact

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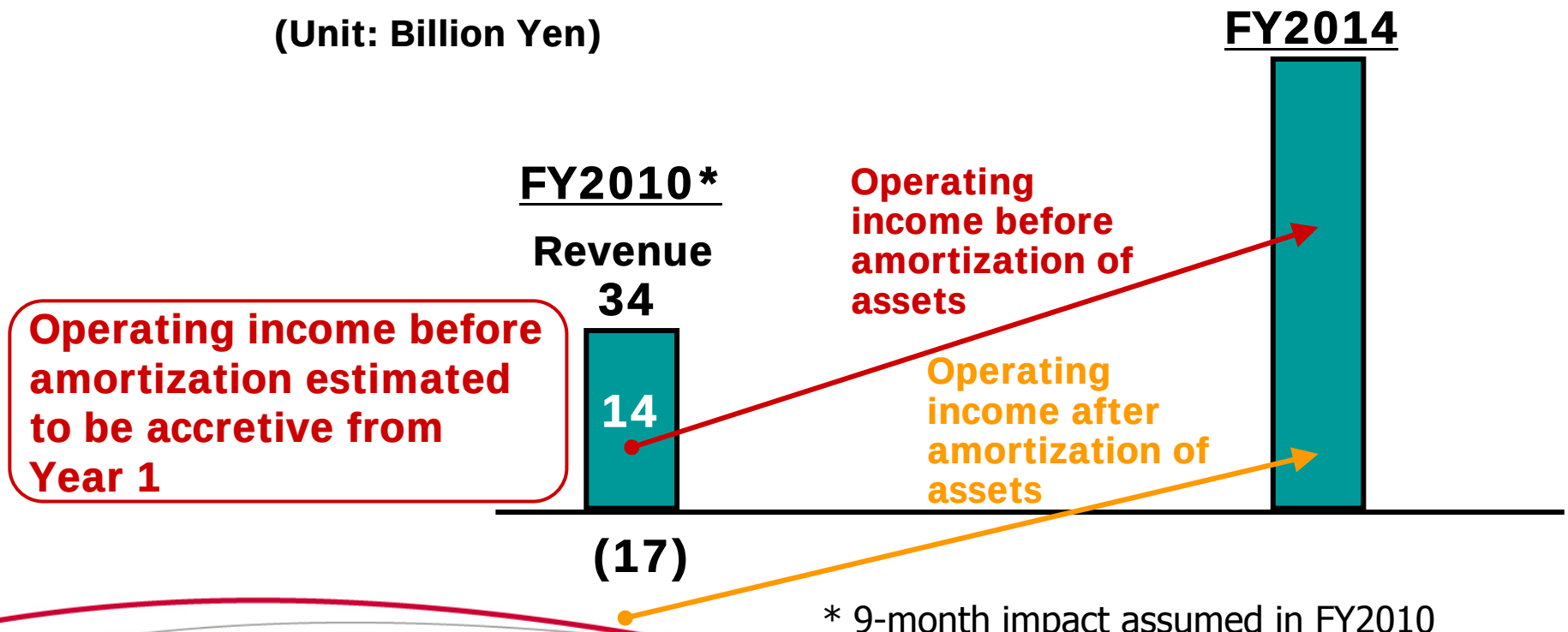
Financial Impact

- Financial impact shown below is based on currently available information
- Details of the impact will be announced once finalized



Additional Information
Further details related to this announcement can be found on www.oncologyleader.com

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About Astellas

Astellas Pharma Inc., located in Tokyo, Japan, is a pharmaceutical company dedicated to improving the health of people around the world through the provision of innovative and reliable pharmaceuticals. Astellas has approximately 15,000 employees worldwide. The organization is committed to becoming a global category leader in urology, immunology & infectious diseases, neuroscience, DM complications & metabolic diseases and oncology. For more information on Astellas Pharma Inc., please visit our website at http://www.astellas.com/en.

About OSI Pharmaceuticals

OSI Pharmaceuticals, Inc. is committed to "shaping medicine and changing lives" by discovering, developing and commercializing high-quality, novel and differentiated targeted medicines designed to extend life and improve the quality of life for patients with cancer and diabetes/obesity. For additional information about OSI, please visit http://www.osip.com.

Important additional information
This press release is for informational purposes only and does not constitute an offer to purchase or a solicitation of an offer to sell OSI's common stock. The tender offer ("Tender Offer") is being made pursuant to a tender offer statement on Schedule TO (including the offer to purchase, letter of transmittal and other related tender offer materials) initially filed by Astellas with the Securities and Exchange Commission (the "SEC") on March 2, 2010. These materials, as they may be amended from time to time, contain important information, including the terms and conditions of the offer, that should be read carefully before any decision is made with respect to the Tender Offer. Investors and shareholders can obtain a free copy of these materials and other documents filed by Astellas with the SEC at the website maintained by the SEC at www.sec.gov. The Tender Offer materials may also be obtained for free by contacting the information agent for the tender offer, Georgeson Inc. at (212) 440-9800 for banks and brokers and at (800) 213-0473 for persons other than banks and brokers.

OSI's stockholders should read the company's solicitation/recommendation statement on schedule 14D-9, which was initially filed with the SEC on March 15, 2010, and any amendments or supplements thereto. The company's solicitation/recommendation statement will set forth the reasons for the recommendation of the OSI's board and related information. The solicitation/recommendation statement and other public filings made from time to time by OSI with the SEC are available without charge from the SEC's website at www.sec.gov, at OSI's website at www.osip.com or from OSI's information agent, MacKenzie Partners, Inc. by calling 800-322-2885 (toll free) or 212-929-5500 or by emailing osipharma@mackenziepartners.com.

Statement of Cautionary Factors

This document contains certain forward-looking statements. These forward-looking statements may be identified by words such as 'believes', 'expects', 'anticipates', 'projects', 'intends', 'should', 'seeks', 'estimates', 'future' or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this document, among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity and news coverage. The statement regarding earnings growth is not a profit forecast and should not be interpreted to mean that Astellas' earnings or earnings per share for any current or future period will necessarily match or exceed the historical published earnings or earnings per share of Astellas.