

## Press Release

### **Astellas Announces New Corporate Strategic Plan 2021**

*Evolved strategy. Ambitious goals. Transformative execution.*

*Same deep commitment to our VISION*

**TOKYO, May 26, 2021** - Astellas Pharma Inc. (TSE: 4503, President and CEO: Kenji Yasukawa, Ph.D., “Astellas”) today announced its new Corporate Strategic Plan 2021 (“CSP2021”) for fiscal years 2021 through 2025.

“Over the last three years, and empowered by CSP2018, we have continued to offer meaningful VALUE for patients<sup>1</sup> by translating innovative science into life-changing therapies. We are convinced that the steps taken so far are the right path to drive VALUE creation for patients,” said Kenji Yasukawa, President and CEO, Astellas. “In CSP2021, we are confident that we will achieve our ambitious performance goals by implementing strategies that have evolved and developed our efforts so far.”

#### **(1) Deep Commitment to Our Vision**

Astellas' VISION is to be on the forefront of healthcare change to turn innovative science into VALUE for patients. To realize this VISION, Astellas will continue with the basic long-term strategy behind its previous Corporate Strategic Plan 2018 (“CSP2018”), while further evolving and developing each strategy to strengthen its capabilities and enhance execution through its CSP2021.

Based on newly established Organizational Health Goals outlined in CSP2021, Astellas will transform its ability to execute by fostering a culture where innovation, talent and collaboration come together. Guided by strategic goals that further enhance execution of the company’s Focus Area approach<sup>2</sup>, accelerate and expand its Primary Focuses<sup>3</sup> and ensure that the realized VALUE for patients is maximized, Astellas will achieve its ambitious performance goals.

#### **(2) CSP2021 Overview**

The company has set the following performance goals for CSP2021.

- I. **Sales Revenue of XTANDI® and Strategic Products<sup>4</sup>**: More than 1.2 trillion yen (fiscal year 2025)
- II. **Focus Area Projects Expected Sales**: More than 500 billion yen (fiscal year 2030)

**III. Core Operating Profit Margin:** More than 30% (fiscal year 2025)

By achieving these performance goals, Astellas will solidify and increase visibility of its pipeline that will bring strong future growth while significantly improving and enhancing profitability. As a result, the company expects to achieve a market capitalization of 7 trillion yen or more in fiscal year 2025.

To realize these ambitions, Astellas has set 4 Strategic Goals:

Strategic Goal 1: Enable Patients to Achieve Better Outcomes

Astellas will maximize the value of XTANDI® and strategic products that drive medium-to-long-term growth, submitting New Drug Applications (NDA) without delay from our plan, reducing the time to achieve broad geographic coverage and implementing sophisticated launch plans.

As part of CSP2021, the company has revised upward the peak sales estimates for XTANDI®, fezolinetant, and XOSPATA®, and provided newly disclosed peak sales estimates for EVRENZO® and AT132. Through continued growth of these products, the company aims to achieve the CSP2021 Performance Goal of sales revenue of more than 1.2 trillion yen in fiscal year 2025.

<b>Product</b>	<b>Potential Peak Sales</b> <i>(Global, billions of yen)</i>
XTANDI® (enzalutamide)	600-700
fezolinetant	300-500
PADCEV® (enfortumab vedotin)	300-400
XOSPATA® (gilteritinib)	100-200
zolbetuximab	100-200
EVRENZO® (roxadustat)	50-100
AT132 (resamirigene bilparvovec)	50-100

## Strategic Goal 2: Translate Innovative Science into Proven VALUE

Astellas will enhance its pipeline value by giving priority to investment our resources into its Primary Focuses. The company is also exploring cutting-edge biopharmaceutical innovation designed to effectively take its execution of the Focus Area approach to the next level. Currently, there are approximately 30 projects driving towards clinical proof of concept by the end of fiscal year 2025 in Primary Focus and Primary Focus Candidates. As a result, the company expects to contribute more than 500 billion yen to sales in fiscal year 2030 from these projects.

By implementing Strategic Goals 1 and 2, sales revenue is expected to grow at ~8% per year, alongside the company's continued focus on investment in new product launch readiness and digital transformation while taking initiatives to drive efficiency and excellence. As a result, the company will hold SG&A expenses in fiscal year 2025 to approximately 390 billion yen, which is the same level as in fiscal year 2020, and reduce the ratio of SG&A to revenue to 21% (fiscal year 2020: 31%).

With this expected strong sales growth, Astellas could achieve its performance goal of core operating profit margin of more than 30% in fiscal year 2025 even if the company increases R&D expenses to 19% of sales in fiscal year 2025 (fiscal year 2020: 18%) and an absolute amount of 350 billion yen.

## Strategic Goal 3: Advance the Rx+<sup>®</sup> Business<sup>5</sup>

The Rx+<sup>®</sup> business will enter the stage where efforts for business creation will bear fruit in CSP2021. Astellas will continue to pursue turning innovative science into VALUE for patients in unprecedented ways. During the period of CSP2021, the company plans to commercialize multiple projects including BlueStar<sup>®</sup>, digital therapeutics for patients with diabetes in Japan, and ASP5354, an imaging agent being investigated for intraoperative ureter visualization in patients undergoing minimally invasive and open abdominopelvic surgeries.

As the company continues to invest in innovative technologies, it expects the Rx+<sup>®</sup> business to breakeven by fiscal year 2025 and revenue of mid-double-digit billion yen by 2030.

## Strategic Goal 4: Deepen our Engagement in Sustainability

Astellas' core business has always been providing VALUE to society. The company recognizes the importance of efforts to improve sustainability, and strives to improve the sustainability of society and Astellas. In particular, the company will focus on

"Access to Health" and "Environment (Climate Change)" with the aim of maintaining and growing stakeholder trust.

### (3) Capital Allocation

In fiscal year 2021, Astellas anticipates increasing dividends by 8 yen, with the prospect of moving toward a medium- to long-term profit growth trend. Per company policy, Astellas will prioritize business investment to support future growth but will raise the dividend level aligned with profit / cashflow plan and actual performance throughout CSP2021 period. The company will also flexibly execute share buybacks utilizing excess cash to increase capital efficiency and shareholder return.

### (4) Contents of the Full CSP2021

For our full CSP2021, please visit: <https://www.astellas.com/jp/en/investors/strategic-plan>

- (1) Astellas defines "patient value" in its CSP2018 as "outcomes that matter to patients divided by cost to the healthcare system of delivering those outcomes."
- (2) **Focus Area Approach:** Astellas' R&D strategy to discover unique combinations of biology and modality / technology and creative innovative medicines for diseases with high unmet medical needs.
- (3) **Primary Focus:** The area where we have decided to prioritize investment in our Focus Area approach. Currently, we have identified four Primary Focuses: "Genetic Regulation," "Blindness and Regeneration," "Immuno-oncology," and "Mitochondria Biology."
- (4) XOSPATA<sup>®</sup>, PADCEV<sup>®</sup>, EVRENZO<sup>®</sup>, fezolinetant, zolbetuximab, AT132
- (5) **Rx+<sup>®</sup> Business:** A business that leverages the expertise and knowledge of Astellas, which has been cultivated through its prescription drug (Rx) business, integrates innovative medical technology with cutting-edge technology in different fields, contributes to patients through Patient Journey (overall medical care, including diagnostic, preventive, therapeutic, and prognostic care), and creates new revenue streams separate from Astellas' core Rx products. For more information, please visit <https://www.astellas.com/en/partnering/rx-plus>



**About Astellas**

Astellas Pharma Inc. is a pharmaceutical company conducting business in more than 70 countries around the world. We are promoting the Focus Area Approach that is designed to identify opportunities for the continuous creation of new drugs to address diseases with high unmet medical needs by focusing on Biology and Modality. Furthermore, we are also looking beyond our foundational Rx focus to create Rx+<sup>®</sup> healthcare solutions that combine our expertise and knowledge with cutting-edge technology in different fields of external partners. Through these efforts, Astellas stands on the forefront of healthcare change to turn innovative science into value for patients. For more information, please visit our website at <https://www.astellas.com/en>.

**Cautionary Notes**

In this press release, statements made with respect to current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Astellas. These statements are based on management's current assumptions and beliefs in light of the information currently available to it and involve known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to: (i) changes in general economic conditions and in laws and regulations, relating to pharmaceutical markets, (ii) currency exchange rate fluctuations, (iii) delays in new product launches, (iv) the inability of Astellas to market existing and new products effectively, (v) the inability of Astellas to continue to effectively research and develop products accepted by customers in highly competitive markets, and (vi) infringements of Astellas' intellectual property rights by third parties.

Information about pharmaceutical products (including products currently in development) which is included in this press release is not intended to constitute an advertisement or medical advice.

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