The Notice of Convocation

(Securities Code 4503)
June 3, 2025

To: Shareholders

Notice of Convocation of the 20th Term Annual Shareholders Meeting

Dear Madam/Sir:

You are hereby notified that the 20th Term Annual Shareholders Meeting of Astellas Pharma Inc. (the "Company") will be held as stated below.

Shareholders can attend this Annual Shareholders Meeting via the Internet (online attendance), or otherwise exercise their voting rights beforehand, either in writing or via the Internet or other such means. Please refer to the Guidance for Means of Exercising Voting Rights attached below for details regarding online attendance and exercising your voting rights beforehand.

In convening this Annual Shareholders Meeting, the Company takes measures for providing information in electronic format for the Reference Documents for Shareholders Meeting, etc., and we have posted the items for which the measures for providing information in electronic format are taken on the following websites.

The Company's website: Shareholders Meeting (Home > Investors > Stock & Rating Information > Shareholders Meeting) https://www.astellas.com/en/investors/shareholders-meeting

Tokyo Stock Exchange's website (Listed Company Search)* https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show * Search by entering "Astellas Pharma" in the issue name (company name) field or "4503" in the code field, and select "Basic information" and "Documents for public inspection/PR information" to see the information.

Yours faithfully,

By: Naoki Okamura
Representative Director,
President and CEO
Astellas Pharma Inc.
2-5-1, Nihonbashi-Honcho, Chuo-ku
Tokyo, Japan

Particulars

1.	**Date and Time:**	10:00 a.m. on Thursday, June 19, 2025 (Admission commences at 9:00 a.m.)
2.	**Place:**	"Banquet Room Fuyo" Hotel New Otani Tokyo (The Main Bldg. Banquet Floor) 4-1, Kioi-cho, Chiyoda-ku, Tokyo

3. Purpose:

Matters to be reported:

1. Report on the Business Report, Consolidated Financial Statements and Financial Statements for the 20th Term Business Year (from April 1, 2024 to March 31, 2025);
2. Report on the Results of Audit by Financial Auditor and the Audit & Supervisory Committee for Consolidated Financial Statements for the 20th Term Business Year (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

First Proposal:	Election of Nine (9) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
Second Proposal:	Election of One (1) Director Who Is an Audit & Supervisory Committee Member
Third Proposal:	Revision of the Amount of Remuneration for Outside Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

-End-

Among the items for which the measures for providing information in electronic format are taken, the following items are not provided in the paper-based documents to be delivered to shareholders who have requested the delivery of such documents, in accordance with the relevant laws and regulations as well as the Articles of Incorporation of the Company. Such items are posted on the aforementioned Company's website and Tokyo Stock Exchange's website on the Internet, as "Notice of Convocation of the 20th Term Annual Shareholders Meeting (Items for which the measures for providing information in electronic format are taken)" and "The 20th Term Annual Shareholders Meeting Other items for which the measures for providing information in electronic format are taken." These items are included in Business Report, Consolidated Financial Statements, and Financial Statements audited by the Audit & Supervisory Committee and Consolidated Financial Statements and Financial Statements audited by Financial Auditor.

- Important Alliance for Technology
- Major Litigations, etc.
- Employees
- Principal Lenders
- Other Important Matters Concerning Present State of the Astellas Group
- Matters Concerning Shares of Common Stock
- Systems to Ensure the Appropriate Execution of Business
- Consolidated Statements of Changes in Equity
- Notes to Consolidated Financial Statements
- Statements of Changes in Net Assets
- Notes to Financial Statements

In the case of revisions to the items for which the measures for providing information in electronic format are taken, the Company will provide the revised details on the aforementioned Company's website and Tokyo Stock Exchange's website.

Guidance for Means of Exercising Voting Rights:

In case that voting rights are exercised beforehand:

In case that voting rights are exercised via the Internet:
Deadline for Exercise: 5:00 p.m. on Wednesday, June 18, 2025 (completion of entry is required)
Please access to the Website for Exercise of Voting Rights at https://www.web54.net and enter your vote for approval or disapproval of each proposal following the on-screen guidance.
(Please refer to [Exercise of Voting Rights Beforehand via the Internet] on page 6.)

In case that voting rights are exercised by returning the Voting Card:
Deadline for Exercise: 5:00 p.m. on Wednesday, June 18, 2025 (arrival of the Voting Card at the Company is required by this time)
Please describe your vote for approval or disapproval of each proposal on the Voting Card and post the Voting Card without putting stamps.

In case that voting rights are exercised when attending the Annual Shareholders Meeting:

In case that the shareholder attends via the Internet (online attendance):
Date and Time: 10:00 a.m. on Thursday, June 19, 2025
Please access the shareholder portal via the following URL from your computer, smartphone or tablet device.

Make sure you have the enclosed Instructions for Attendance Via the Internet (Online Attendance) on hand as you refer to the instructions on page 7.

URL of shareholder portal: https://4503.ksoukai.jp/

In case that the shareholder attends at the Annual Shareholders Meeting venue:
Date and Time: 10:00 a.m. on Thursday, June 19, 2025
Please submit the Voting Card to the reception. (Seal is not required.)
Please note that, except for an accompanied person assisting a challenged/disabled shareholder, no one other than shareholders having the voting rights will be admitted to the place of meeting, even if such a person is a proxy who is not the shareholder or the accompanying person of a shareholder.

When exercising voting rights, the Company cordially requests that shareholders understand the following points:
Exercise of voting rights beforehand

1. In case that voting rights are exercised both beforehand by return of the Voting Card and by electronic means (via Internet, etc.), only the vote registered by electronic means (via Internet, etc.) will be recognized as valid.
2. In case that voting rights are redundantly exercised beforehand by the same means, only the last vote will be recognized as valid.
3. In case that no representation of either approval or disapproval is made when exercising voting rights beforehand, it shall be counted as a vote of approval.

Method and handling of exercise of voting rights in case that voting rights are exercised when attending the Annual Shareholders Meeting

1. Upon taking a vote, shareholders are requested to exercise his or her voting rights in the prescribed manner during the time specified by the chairman. (Voting rights may not be exercised outside of the time specified by the chairman.)
2. Shareholders in attendance at the meeting venue will be provided with the voting rights exercise form for meeting venue attendees. Details will be explained at the meeting venue.
3. The Company will deem that a shareholder has voted to abstain either if the shareholder did not complete the voting rights exercise form for meeting venue attendees by indicating either approve, disapprove or abstain, or otherwise if the shareholder clicked the “行使する (exercise)” voting rights button without having clicked either button for approve, disapprove or abstain on the dedicated website for shareholders in attendance online.
4. In case that a shareholder in attendance at the meeting venue exercised his or her voting rights through online attendance as well, only the vote exercised through online attendance will be recognized as valid.

Relationship between exercising voting rights beforehand and exercising voting rights when attending the Annual Shareholders Meeting

1. In case that a shareholder who exercised his or her voting rights beforehand attended the Annual Shareholders Meeting (including online attendance) and exercised his or her voting rights on the date of the Annual Shareholders Meeting, only the vote exercised on the date of the Annual Shareholders Meeting will be recognized as valid.
2. In case that a shareholder who exercised his or her voting rights beforehand did not exercise his or her voting rights on the date of the Annual Shareholders Meeting while attending such meeting (including online attendance), only the vote exercised beforehand will be recognized as valid.
3. The Company will deem that a shareholder has voted to abstain if the shareholder who did not exercise his or her voting rights beforehand did not exercise his or her voting rights while attending the Annual Shareholders Meeting (including online attendance) during the time specified by the chairman for exercising voting rights.
4. The Company will deem that a shareholder is absent for the vote if the shareholder who did not exercise his or her voting rights beforehand does not attend the meeting (including online attendance) during the time specified by the chairman for the vote.

[Exercise of Voting Rights Beforehand via the Internet]

In case that a shareholder intends to exercise his or her voting rights beforehand via the Internet, please access the following Website for Exercise of Voting Rights. Please enter the "vote exercising code" and "password" written on the enclosed Voting Card. Then enter your vote for approval or disapproval of each proposal following the on-screen guidance.
Exercise of voting rights is also possible by using the full browser function of mobile phones including smart phones, but please be advised that the website may not be accessible by certain models of mobile phone.

Website for Exercise of Voting Rights: https://www.web54.net

Deadline for Exercise: 5:00 p.m. on Wednesday, June 18, 2025 (completion of entry is required)

Instructions for Access
Access the Website for Exercise of Voting Rights and enter the "vote exercising code" written on the enclosed Voting Card. Click "ログイン (Login)" button and enter your vote following the on-screen guidance.

Notes:

- Any connection charges to be incurred with the exercise of voting rights via Internet payable to Internet providers and communication charges must be borne by the shareholder exercising such rights.
- In some cases, you may not be able to use the website for exercise of voting rights due to your Internet environment, network service, or device model.
- Handling of password:
  (1) The password is a means to identify the person exercising voting rights as a shareholder of the Company. Please pay careful attention to keep the password safe.
  (2) In order to prevent illegal use by persons other than shareholders and falsification of the contents of the votes, the Company cordially requests that shareholders change the password written on the enclosed Voting Card to a new password chosen and registered by the shareholder by accessing the designated website for exercising voting rights.
  (3) The vote exercising code and password written on the enclosed Voting Card (including the password which has been changed and registered by the shareholders) shall be effective only for this Annual Shareholders Meeting. (For the next Annual Shareholders Meeting, a new vote exercising code and password shall be issued.)

For questions about how to exercise voting rights on the website, please call:
Website Support: 0120-652-031
Sumitomo Mitsui Trust Bank, Limited
Business Hours: from 9:00 a.m. to 9:00 p.m.

To institutional investors:

In addition to the exercise of voting rights via Internet stated above, only when the advance application is made, institutional investors may use the Electronic Voting Platform operated by ICJ, Inc. which is a company owned by Tokyo Stock Exchange, Inc., and other companies.

Guidance for Online Attendance:

[The shareholder portal is only available in Japanese]

Access to Shareholder Portal:
Please access the shareholder portal via the following URL from your computer, smartphone or tablet device. Enter the ID and password shown on the enclosed Instructions for Attendance Via the Internet (Online Attendance), then click the login button.

URL of shareholder portal: https://4503.ksoukai.jp

(Note) The period of reissuance in the case that a shareholder has lost his or her Instructions for Attendance Via the Internet (Online Attendance) will be available until 5:00 p.m. on Thursday, June 12. Please note that reissuance of the instructions will not be possible after that period.

Contact for Reissuance Request: Sumitomo Mitsui Trust Bank, Limited
Online Annual Shareholders Meeting Support: 0120-782-041
Business Hours: from 9:00 a.m. to 5:00 p.m. (excluding weekends and holidays)

Requests for Prior Application for Online Attendance:
Rough Deadline for Prior Application: 5:00 p.m. on Wednesday, June 18, 2025
The Company cordially requests that you submit your application via the shareholder portal by 5:00 p.m. on Wednesday, June 18, 2025 (preferably) so that the number of shareholders attending online will be known beforehand.
Click the "出席を申し込む (attendance application)" button.

Online Attendance:
On the date of the Annual Shareholders Meeting, you may attend the meeting online by logging in to the shareholder portal and clicking the "出席 (attend)" button. The "出席 (attend)" button can be clicked starting at 9:30 a.m.

Motions to be addressed will be limited to those submitted by shareholders attending at the meeting venue, including motions on all matters regarding Annual Shareholders Meeting procedures and motions on all matters regarding proposals. As such, motions submitted by shareholders attending online will not be accepted. Please be advised that in the event that a vote is required on a motion or the proceedings of the meeting, shareholders attending online will be deemed as abstaining or absent, in accordance with the handling of shareholders who exercise their voting rights beforehand by return of the Voting Card or by electronic means (via the Internet, etc.) and do not attend the meeting. The Company cordially requests that those shareholders seeking to submit motions or take part in voting on motions consider the option of attending at the meeting venue.

Submitting Questions When Attending Online:

Shareholders attending online may submit questions via the shareholder portal on the date of the meeting. Please follow the steps below when submitting questions. We ask that shareholders ensure that content of their questions pertains only to the purpose of the Annual Shareholders Meeting.

<Instructions for submitting questions>

(1) Click the "質疑 (question)" tab on the right-hand side of your screen.

(2) Enter your question.

(3) Click the "次へ (next)" button, then check the content and click the "送信する (submit)" button.

* Each shareholder may submit one question of up to 200 characters via the shareholder portal. Please note that it may not be possible for us to furnish a reply to every question on the date of the Annual Shareholders Meeting.

Exercising Voting Rights When Attending Online:

You may exercise your voting rights upon having viewed the proceedings on the date of the Annual Shareholders Meeting. Please click the "Exercise voting rights" tab on the right-hand side of your screen and follow the steps below when exercising your voting rights.

<Instructions for exercising voting rights>

<u>If you approve all proposals</u>

(1) Select "すべての議案に賛成 (vote in approval for all proposals)."

(2) Click the "行使する (execute vote)" button at the bottom of your screen.

<u>If you wish to exercise voting rights individually for each proposal</u>

(1) Select either "賛成 (approve)," "反対 (disapprove)," or "棄権 (abstain)" with respect to each of the matters to be resolved.

(2) After having performed step (1) with respect to each of the matters to be resolved, click the "行使する (execute vote)" button at the bottom of your screen.

Notes Regarding Online Attendance

(1) You will need the following systems environment to access our online attendance platform.

	Personal computer		Smartphone or tablet device	
	Windows	Mac	Android	iOS
OS*1	Windows 10/11	Mac OS (latest version)	Android 8 (or later version)	iPhone: iOS 12 (or later version) iPad: iOS 13 (or later version)
Browser*2, *3	Microsoft Edge Mozilla Firefox Google Chrome	Safari	Google Chrome	Safari
Network connectivity	5 Mbps (recommended)			
Operating environment	https://jp.vcube.com/support/virtual-shareholders-meeting/requirements/#vsm01		https://jp.vcube.com/support/virtual-shareholders-meeting/requirements/#vsm02	

Please be aware that shareholders may encounter difficulties accessing the online attendance platform or exercising their voting rights potentially due to issues involving their personal computer, smartphone, tablet device, Internet environment, network connectivity, or other aspects of their systems environment.

*1. Operation has been confirmed with Windows 10. Please use the desktop mode.

*2. Please enable JavaScript and cookies in your browser. It is assumed that your browser has been updated to the latest version.

*3. Access is not possible using Microsoft Edge in Internet Explorer mode.

(2) Exercising voting rights by proxy

The option of online attendance is available only to shareholders. We ask that shareholders wishing to attend by proxy assign their proxy to one (1) shareholder who is to physically attend on the date of the meeting, pursuant to the provisions of laws and regulations and the Company's Articles of Incorporation.

(3) Other notes

- Internet connection fees and telecommunication charges are to be borne by the shareholders.
- The language used for the online attendance format is Japanese only.
- Telecommunication malfunctions such as disturbances and temporary disruptions in video or audio streaming may occur due to network connectivity issues or other such problems. Such circumstances could potentially result in a situation where a shareholder may be unable to attend online or exercise his or her voting rights. Whereas the Company will take action to address telecommunication malfunctions and other such issues to a reasonable extent, please note that the Company will not assume any liability whatsoever for detrimental outcomes caused by telecommunication malfunctions or other such issues, such that may be incurred by shareholders attending online.
- The following acts are strictly prohibited: Sharing of an ID or password for online attendance with a third party; sound recording, video recording, or publishing of the Annual Shareholders Meeting, or other similar acts.

- The Company may partially change or cancel the content of online attendance upon having deemed such action unavoidable.
- The Company will provide notification via its corporate website upon any changes that may occur with respect to administration of online attendance, including a need to address system failure or other such urgent matters, or changes in circumstances. Please check the website accordingly.
- Online attendance of the Annual Shareholders Meeting is to be limited exclusively to the shareholders who are listed in the Company's register of shareholders as of March 31, 2025. Those other than the relevant shareholders are asked to refrain from attending the meeting.

[Contact information for online attendance]

(1) Please refer to page 7 for details on IDs and passwords (including reissuance of the Instructions for Attendance Via the Internet (Online Attendance)).

(2) For matters related to technical issues such as network environments:
03–6833–6264, V-cube, Inc.
Available period: From 9:00 a.m. to the end of the Annual Shareholders Meeting on Thursday, June 19, 2025

Advance questions

Deadline for Advance questions: 11:59 p.m. on Thursday, June 12, 2025

The Company will accept questions in advance with regard to the matters relating to the purpose of the Annual Shareholders Meeting.

Each shareholder may submit one question with regard to the matters relating to the purpose of the Annual Shareholders Meeting. Please be advised that we will not answer questions individually at any time other than the Annual Shareholders Meeting.

<Instructions for submitting questions>

(1) Log in to the shareholder portal.
URL of shareholder portal: https://4503.ksoukai.jp

(2) Click the "事前質問を行う (submit questions in advance)" button.

(3) Enter a question of up to 200 characters in length, then click the "次へ (next)" button.

(4) Check the content, then click the "申し込む (submit application)" button (you may not submit questions more than one time).

Videos of the Annual Shareholders Meeting, answers to questions, etc. will be available on our website after the Annual Shareholders Meeting

On the date of the Annual Shareholders Meeting, we intend to furnish replies with respect to matters of high interest to our shareholders. At a later date, we plan to post to the Company's website the questions we received on or before the date of the meeting, along with our answers to such questions, including questions and answers with respect to questions we were unable to answer on the date of the meeting (excluding questions we have deemed not appropriate to be made public).

The Company's website: https://www.astellas.com/en/investors/shareholders-meeting

Reference Documents for Shareholders Meeting

First Proposal: Election of Nine (9) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of Dr. Kenji Yasukawa, Mr. Naoki Okamura, Mr. Katsuyoshi Sugita, Mr. Takashi Tanaka, Ms. Eriko Sakurai, Mr. Masahiro Miyazaki, and Dr. Yoichi Ohno as Directors (excluding Directors who are Audit & Supervisory Committee Members) will expire at the close of this Annual Shareholders Meeting.

Therefore, in order to enhance the diverse composition of our Board of Directors and further strengthen its supervisory function and effectiveness by adding Directors with global business background and extensive experience and insight into the pharmaceutical industry, it is proposed that two (2) Directors be added and nine (9) Directors (excluding Directors who are Audit & Supervisory Committee Members) be elected.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

Please see page 29 for the opinions of the Audit & Supervisory Committee regarding this proposal.

Candidate No.			Name	Current position and responsibilities at the Company and status of significant concurrent positions at other organizations
1	Reelection		Kenji Yasukawa	Representative Director, Chairman of the Board [Concurrent positions at other organizations] Outside Board Director, Resonac Holdings Corporation
2	Reelection		Naoki Okamura	Representative Director, President and CEO
3	Reelection		Katsuyoshi Sugita	Representative Director, Executive Vice President, Chief People Officer
4	Reelection	Outside Director and Independent Director	Takashi Tanaka	Director Chair of the Nomination Committee Chair of the Compensation Committee [Concurrent positions at other organizations] None
5	Reelection	Outside Director and Independent Director	Eriko Sakurai	Director Member of the Nomination Committee Member of the Compensation Committee [Concurrent positions at other organizations] Outside Director, Kao Corporation
6	Reelection	Outside Director and Independent Director	Masahiro Miyazaki	Director Member of the Nomination Committee Member of the Compensation Committee [Concurrent positions at other organizations] Outside Director, Kurita Water Industries Ltd.
7	Reelection	Outside Director and Independent Director	Yoichi Ohno	Director Member of the Nomination Committee Member of the Compensation Committee [Concurrent positions at other organizations] Visiting Professor, Social Medicine and Research Administration Center and Medical Education Center, Saitama Medical University
8	New Candidate	Outside Director and Independent Director	Andreas Busch	[Concurrent positions at other organizations] Chief Innovation Officer, Absci Corporation
9	New Candidate	Outside Director and Independent Director	Mark Enyedy	[Concurrent positions at other organizations] Non-Executive Director, BioMarin Pharmaceutical Inc.

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
1	Kenji Yasukawa (June 7, 1960) Reelection	April 1986: Joined the Company April 2005: Vice President, Project Management, Urology, the Company June 2010: Corporate Executive of the Company and Therapeutic Area Head, Urology, Astellas Pharma Europe B.V. October 2010: Corporate Executive of the Company and Therapeutic Area Head, Urology, Astellas Pharma Global Development, Inc. April 2011: Corporate Executive, Vice President, Product & Portfolio Strategy, the Company June 2012: Senior Corporate Executive, Chief Strategy Officer (CSTO), the Company June 2017: Representative Director, Executive Vice President, Chief Strategy Officer and Chief Commercial Officer (CSTO & CCO), the Company April 2018: Representative Director, President and CEO, the Company April 2023: Representative Director, Chairman of the Board, the Company (present post) March 2024: Outside Board Director, Resonac Holdings Corporation (present post) (Rate of attendance in meetings of the Board of Directors) 14/14 meetings (100%) (Status of significant concurrent positions at other organizations) Outside Board Director, Resonac Holdings Corporation (Reasons for selection as a candidate for Director) Since his appointment as Representative Director, President and CEO of the Company in April 2018, he has been fulfilling his duties as Director, and leading the overall management and global business, etc. Since April 2023, as Representative Director, Chairman of the Board, he has been supervising the overall management in an aim to achieve sustainable enhancement of the enterprise value. The Company considers that his extensive experience and knowledge will be required for the management of the Company in the future as well, and therefore requests his election as Director.	215,215 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
2	Naoki Okamura (September 18, 1962) Reelection	April 1986: Joined the Company October 2010: President and CEO, OSI Pharmaceuticals, Inc. April 2012: Senior Vice President, Chief Strategy Officer, Astellas Pharma Europe Ltd. July 2014: Vice President, Licensing & Alliances, the Company June 2016: Corporate Executive, Vice President, Corporate Planning, the Company April 2018: Corporate Executive, Chief Strategy Officer (CSTO), the Company June 2019: Representative Director, Executive Vice President, Chief Strategy Officer (CStO), the Company October 2019: Representative Director, Executive Vice President, Chief Strategy Officer and Chief Financial Officer (CStO & CFO), the Company September 2021: Representative Director, Executive Vice President, Chief Strategy Officer, Chief Financial Officer and Chief Business Officer (CStO & CFO, and CBO), the Company April 2022: Representative Director, Executive Vice President and Chief Strategy Officer (CStO), the Company April 2023: Representative Director, President and CEO, the Company (present post) (Rate of attendance in meetings of the Board of Directors) 13/14 meetings (93%) (Reasons for selection as a candidate for Director) Since his appointment as Representative Director, Executive Vice President of the Company in June 2019, he has been fulfilling his duties as Director, and overseeing the corporate planning, business development and finance divisions, etc. as Chief Strategy Officer (CStO), Chief Financial Officer (CFO) and Chief Business Officer (CBO) while utilizing his abundant experience in global business operation. Since April 2023, as Representative Director, President and CEO of the Company, he has been demonstrating strong leadership in an aim to achieve sustainable enhancement of the enterprise value and objectives of the strategic plan. The Company considers that his extensive experience and leadership will be required for the management of the Company in the future as well, and therefore requests his election as Director.	71,800 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
3	Katsuyoshi Sugita (September 3, 1967) Reelection	April 1991: Joined Asahi Kasei Corp. January 2005: Director, Human Resources, Medical Devices, Johnson & Johnson K.K. November 2008: Vice President, Human Resources, Hilti Japan Ltd. August 2012: Vice President, Human Resources, AstraZeneca K.K. July 2016: Senior Director, Human Resources, Microsoft Japan Co., Ltd. May 2021: Executive Vice President, Human Resources (current Head, Human Resources), the Company (present post) October 2022: Senior Corporate Executive (Senmu Tantou-Yakuin), Chief People Officer and Chief Ethics & Compliance Officer (CPO & CECO), the Company June 2023: Representative Director, Executive Vice President, Chief People Officer and Chief Ethics & Compliance Officer (CPO & CECO), the Company April 2025: Representative Director, Executive Vice President, Chief People Officer (CPO), the Company (present post) (Rate of attendance in meetings of the Board of Directors) 14/14 meetings (100%) (Reasons for selection as a candidate for Director) He has served important positions at Japanese subsidiaries of pharmaceutical and IT companies that develop business globally, and possesses abundant experience and extensive insight, as well as a high level of expertise in the field of human resources. Since his appointment as Senior Corporate Executive (Senmu Tantou-Yakuin), Chief People Officer and Chief Ethics & Compliance Officer (CPO & CECO) of the Company in October 2022, he has been overseeing the Human Resources and Ethics & Compliance divisions. Since his appointment as Representative Director, Executive Vice President, Chief People Officer and Chief Ethics & Compliance Officer (CPO & CECO) of the Company in June 2023, he has been fulfilling his duties as Director and he has been demonstrating strong leadership in an aim to achieve sustainable enhancement of the enterprise value and objectives of the strategic plan. The Company considers that his abundant experience and leadership will be required for the management of the Company, and therefore requests his election as Director.	11,800 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
4	Takashi Tanaka (February 26, 1957) Candidate for Outside Director and Independent Director Reelection	April 1981: Joined Kokusai Denshin Denwa Co., Ltd. (KDD) April 2003: Executive Officer, General Manager, Solution Product Development Division, Solution Business Sector, KDDI CORPORATION June 2007: Managing Executive Officer, Executive Director, Solution Business Sector, KDDI CORPORATION August 2007: President, Wireless Broadband Planning Inc. (current UQ Communications Inc.) June 2010: Senior Managing Executive Officer, Solution Business Sector, Consumer Business Sector, and Product Development Sector, KDDI CORPORATION Chairman, UQ Communications Inc. December 2010: Representative Director, President, KDDI CORPORATION April 2018: Representative Director, Chairman of the Board, KDDI CORPORATION June 2018: Director, Okinawa Cellular Telephone Company (present post) June 2021: Director, the Company (present post) June 2024: Director, Chairman of the Board, KDDI CORPORATION April 2025: Director, Senior Advisor (non-executive), KDDI CORPORATION (present post) (Status of significant concurrent positions at other organizations) None (Number of years as outside Director) Four (4) years at the close of this Annual Shareholders Meeting (Rate of attendance in meetings of the Board of Directors) 13/14 meetings (93%)	0 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
		(Reasons for selection as a candidate for outside Director, including grounds for the judgment that he can appropriately carry out duties, and a summary of expected roles) He has been engaged in corporate management as a business manager of telecommunications companies for many years, and has abundant experience and extensive insight as a business manager. Since June 2021, he has been playing a key role as outside Director in the management of the Company from an independent standpoint. In addition, he has led the deliberations of the Nomination Committee and the Compensation Committee as the Chair of these committees. The Company expects him to leverage his broad knowledge in the telecommunications field and abundant experience and extensive insight as a corporate manager to the management of the Company from an independent standpoint in the future as well, and therefore requests his election as outside Director.	

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
5	Eriko Sakurai (November 16, 1960) Candidate for Outside Director and Independent Director Reelection	June 1987: Joined Dow Corning Corporation (current Dow Silicones Corporation) March 2009: Chairman and CEO, Representative Director, Dow Corning Toray Co., Ltd. (current Dow Toray Co., Ltd.) May 2011: Regional President Japan/Korea, Dow Corning Corporation (current Dow Silicones Corporation) June 2014: Outside Director, Sony Corporation (current Sony Group Corporation) June 2015: Outside Director, Sumitomo Mitsui Financial Group, Inc. (present post) August 2020: President and Representative Director, Dow Chemical Japan Limited March 2022: Outside Director, Kao Corporation (present post) June 2022: Director, the Company (present post) June 2023: External Director, Nippon Sheet Glass Co., Ltd. (present post) (Status of significant concurrent positions at other organizations) Outside Director, Kao Corporation (Number of years as outside Director) Three (3) years at the close of this Annual Shareholders Meeting (Rate of attendance in meetings of the Board of Directors) 14/14 meetings (100%) (Reasons for selection as a candidate for outside Director, including grounds for the judgment that she can appropriately carry out duties, and a summary of expected roles) She has served in important positions for many years at a chemical manufacturer that develops business globally and has its head office in the United States, and has been engaged in corporate management at a Japanese subsidiary in the corporate group of that company. She possesses abundant international experience and extensive insight. Since June 2022, she has been playing a key role as outside Director in the management of the Company from an independent standpoint. In addition, as a member of the Nomination Committee and the Compensation Committee, she has contributed to the deliberations of each Committee by vigorously expressing opinions. The Company expects her to leverage her abundant international experience and extensive insight for the management of the Company from an independent standpoint in the future as well, and therefore requests her election as outside Director.	0 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
6	Masahiro Miyazaki (April 13, 1954) Candidate for Outside Director and Independent Director Reelection	April 1977: Joined Nissei Sangyo Co., Ltd. (current Hitachi High-Tech Corporation) March 1990: Chief Representative, Kuala Lumpur Representative Office, Nissei Sangyo (Singapore) Pte. Ltd. (current Hitachi High-Tech (Singapore) Pte. Ltd.) January 1995: General Manager, Electronic Components Div., Nissei Sangyo America, Ltd. (current Hitachi High-Tech America, Inc.) July 2004: General Manager, Electronics Div., Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation) April 2007: Executive Officer, General Manager, Regional Branch Office for West Japan Area and Kansai Branch Office, Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation) April 2010: President and CEO, Hitachi High-Technologies America, Inc. (current Hitachi High-Tech America, Inc.) June 2015: Representative Executive Officer, President and Chief Executive Officer and Director, Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation) April 2021: Chairman Emeritus, Hitachi High-Tech Corporation June 2022: Outside Director, Kurita Water Industries Ltd. (present post) June 2023: Director, the Company (present post) (Status of significant concurrent positions at other organizations) Outside Director, Kurita Water Industries Ltd. (Number of years as outside Director) Two (2) years at the close of this Annual Shareholders Meeting (Rate of attendance in meetings of the Board of Directors) 13/14 meetings (93%) (Reasons for selection as a candidate for outside Director, including grounds for the judgment that he can appropriately carry out duties, and a summary of expected roles)	5,000 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
		He has extensive experience working overseas for an industrial trading company, and has been engaged in corporate management as a business manager of a company that develops business globally in the field of precision instruments, etc. He possesses abundant international experience and extensive insight. Since June 2023, he has been playing a key role as an outside Director in the management of the Company from an independent standpoint. In addition, as a member of the Nomination Committee and the Compensation Committee, he has contributed to the deliberations of each Committee by vigorously expressing opinions. The Company expects him to leverage his abundant international experience and extensive insight for the management of the Company from an independent standpoint, and therefore requests his election as outside Director.	

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
7	Yoichi Ohno (July 17, 1961) Candidate for Outside Director and Independent Director Reelection	May 1993: Assistant Professor, Internal Medicine, School of Medicine, Keio University April 1995: Deputy Chief, Internal Medicine, Tokyo Denryoku Hospital April 2002: Director, Green Town Clinic Center, and Chief, Internal Medicine, Green Town Clinic July 2005: Chief, Nephrology, Endocrinology and Metabolism Department, Internal Medicine, Saitama City Hospital April 2007: Senior Lecturer, Nephrology, Saitama Medical University August 2007: Senior Lecturer, Community Health Science Center, Saitama Medical University April 2013: Associate Professor, Community Health Science Center and Nephrology, Saitama Medical University April 2020: Visiting Professor, Social Medicine, Research Administration Center and Medical Education Center, Saitama Medical University (present post) June 2023: Director, the Company (present post) (Status of significant concurrent positions at other organizations) Visiting Professor, Social Medicine and Research Administration Center and Medical Education Center, Saitama Medical University (Number of years as outside Director) Two (2) years at the close of this Annual Shareholders Meeting (Rate of attendance in meetings of the Board of Directors) 14/14 meetings (100%) (Reasons for selection as a candidate for outside Director, including grounds for the judgment that he can appropriately carry out duties, and a summary of expected roles) He has been engaged in medical treatment for many years as a medical scientist and a clinician, and has abundant specialized knowledge and experience in medical treatment. Since June 2023, he has been playing a key role as outside Director in the management of the Company from an independent standpoint. In addition, as a member of the Nomination Committee and the Compensation Committee, he has contributed to the deliberations of each Committee by vigorously expressing opinions. The Company expects him to leverage his abundant specialized knowledge and experience to the management of the Company from an independent standpoint, and therefore requests his election as outside Director.	0 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
8	Andreas Busch (August 26, 1963) Candidate for Outside Director and Independent Director New Candidate	October 1997: Head of DG Cardiovascular Diseases, Hoechst Marion Roussel (current Sanofi S.A.) January 1999: Vice President, Head of DG Cardiovascular Diseases, Aventis (current Sanofi S.A.) September 2000: Extraordinary Professor of Pharmacology, Goethe University Frankfurt July 2004: Global Head of Cardiovascular Research, Sanofi-Aventis (current Sanofi S.A.) May 2005: Senior Vice President, Head of Discovery Europe, Bayer HealthCare AG (current Bayer AG) January 2016: Head of Drug Discovery, Bayer Pharma AG (current Bayer AG) January 2018: Head of R&D and CSO, Shire plc April 2019: Chief Innovation Officer and CSO, Cyclerion Inc. (current Cyclerion Therapeutics Inc.) February 2022: Non-Executive Director, Centogene N.V. (current Crown LiquidationCo N.V.) October 2022: Chief Innovation Officer, Absci Corporation (present post) (Status of significant concurrent positions at other organizations) Chief Innovation Officer, Absci Corporation (Reasons for selection as a candidate for outside Director, including grounds for the judgment that he can appropriately carry out duties, and a summary of expected roles) He has held important positions for many years as Head of Research and Development and Chief Innovation Officer at globally operating pharmaceutical and biopharmaceutical companies. In addition, he has been engaged in education and research of Pharmacology at universities. He possesses extensive expertise and experience in pharmaceutical research and development. The Company expects him to leverage his knowledge of the pharmaceutical business, as well as his specialized expertise and experience in research and development, for the management of the Company from an independent standpoint, and therefore requests his election as a new outside Director.	0 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
9	Mark Enyedy (December 27, 1963) Candidate for Outside Director and Independent Director New Candidate	September 1990: Associate, Palmer & Dodge LLP (current Locke Lord LLP) February 1996: Corporate Counsel, Genzyme Corporation (current Sanofi S.A.) November 1999: Vice President, Business Development, Oncology, Genzyme Corporation (current Sanofi S.A.) July 2008: President, Transplant, Oncology and Multiple Sclerosis, Genzyme Corporation (current Sanofi S.A.) September 2011: Director, Chief Executive Officer, Proteostasis Therapeutics, Inc. (current Janssen Pharmaceutica NV) July 2012: Non-Executive Director, Fate Therapeutics, Inc. August 2013: Head of Business Unit, Internal Medicine, Shire plc May 2014: Head of Corporate Development, Shire plc May 2016: Director, President and Chief Executive Officer, ImmunoGen Inc. (current AbbVie Inc.) September 2017: Non-Executive Director, Keryx Biopharmaceuticals, Inc. (current Akebia Therapeutics, Inc.) March 2020: Non-Executive Director, LogicBio Therapeutics, Inc. (current Alexion Pharmaceuticals, Inc.) May 2021: Non-Executive Director, Ergomed Group Limited (present post) December 2023: Non-Executive Director, BioMarin Pharmaceutical Inc. (present post) (Status of significant concurrent positions at other organizations) Non-Executive Director, BioMarin Pharmaceutical Inc. (Reasons for selection as a candidate for outside Director, including grounds for the judgment that he can appropriately carry out duties, and a summary of expected roles) He has held important positions in the field of business development in the pharmaceutical industry and has been engaged in corporate management as Chief Executive Officer of a biopharmaceutical company. He possesses abundant experience and extensive insight into the global pharmaceutical business. The Company expects him to leverage his expertise in pharmaceutical business development, as well as his abundant experience and extensive insight as a corporate executive, for the management of the Company from an independent standpoint, and therefore requests his election as a new outside Director.	0 shares

(Notes)

1. Each candidate has no special interest in the Company.
2. Mr. Takashi Tanaka, Ms. Eriko Sakurai, Mr. Masahiro Miyazaki, Dr. Yoichi Ohno, Dr. Andreas Busch and Mr. Mark Enyedy are candidates for outside Directors and satisfy the required conditions for independent directors stipulated by Tokyo Stock Exchange, Inc., and the Company's independence standards for outside Directors. Thus, they are registered as independent directors with the stock exchange. The Company's independence standards for outside Directors are described on pages 31 to 32. Mr. Masahiro Miyazaki served as Representative Executive Officer, President and Chief Executive Officer and Director of Hitachi High-Tech Corporation until March 2021. Although there is a business relationship between the Hitachi Group, including the company, and the Astellas Group, the amount of transactions in FY2024 was less than 0.01% of consolidated net sales from both sides, which does not affect his independence as an outside Director.
3. The Company has stipulated in the Articles of Incorporation that it may enter into an agreement with each Director (excluding executive Director, etc.) to limit his or her liability for damages under Article 423 (1) of the Companies Act, to the minimum liability amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit Director's liability), enabling Directors (excluding executive Directors, etc.) to sufficiently fulfill expected roles. The Company has entered into the agreement with all of the Directors (excluding executive Directors, etc.). If the re-election of Mr. Takashi Tanaka, Ms. Eriko Sakurai, Mr. Masahiro Miyazaki and Dr. Yoichi Ohno is approved and adopted, the Company will maintain the agreements to limit their respective liabilities, and if the election of Dr. Andreas Busch and Mr. Mark Enyedy is approved and adopted, the Company will enter into agreements to limit their respective liabilities with the same terms and conditions of the other Directors' agreements.
4. The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3 (1) of the Companies Act. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance contract shall compensate for damages, legal expenses, etc. to be borne by the insured. The Company's Directors are insured under the agreement. If the candidates assume office as Directors (excluding Directors who are Audit & Supervisory Committee Members), they will be included as the insured of the insurance agreement. The insurance agreement is scheduled to be renewed by the Company during the term of office.
5. Mr. Takashi Tanaka, a candidate for outside Director, will retire as Director of KDDI CORPORATION and Okinawa Cellular Telephone Company in June 2025.
6. Ms. Eriko Sakurai, a candidate for outside Director, is an Outside Director of Sumitomo Mitsui Financial Group, Inc. (hereinafter "SMFG"). In October 2022, the Financial Services Agency took administrative action under the Financial Instruments and Exchange Act against SMFG and its subsidiary, SMBC Nikko Securities Inc. (hereinafter "SMBC Nikko Securities"), in connection with a violation by former officers and employees of SMBC Nikko Securities of Article 159, paragraph (3) (illegal stabilizing transactions) of the Financial Instruments and Exchange Act. SMBC Nikko Securities was convicted by the Tokyo District Court in February 2023 in connection with the same incident, and the ruling is now final. Furthermore, in October 2022, the Financial Services Agency took administrative action against SMBC Nikko Securities under the Financial Instruments and Exchange Act in connection with a situation in which undisclosed information was exchanged between officers and employees of SMBC Nikko Securities and SMFG's subsidiary, Sumitomo Mitsui Banking Corporation (hereinafter "SMBC"), and the Financial Services Agency also ordered SMFG and SMBC to submit a report under the Financial Instruments and Exchange Act and the Banking Act in relation to the same incident. Although she was unaware of these events, as an Outside Director of SMFG, she has constantly stressed the importance of compliance with laws and regulations, ensuring the appropriateness of operations, and the taking of risk management at meetings of SMFG's Board of Directors and committees, etc., and has made recommendations for thorough implementation of such matters. After the incident was discovered, she promoted efforts to formulate and implement effective measures to prevent recurrence, further strengthen SMFG's legal compliance and internal control systems, and foster a sound corporate culture, through deliberations, etc., at meetings of SMFG's Board of Directors and committees.
7. Ms. Eriko Sakurai, a candidate for outside Director, will retire as Outside Director of Sumitomo Mitsui Financial Group, Inc. and as External Director of Nippon Sheet Glass Co., Ltd. in June 2025.

Second Proposal: Election of One (1) Director Who Is an Audit & Supervisory Committee Member

The term of office of Ms. Rie Akiyama as Director who is an Audit & Supervisory Committee Member will expire at the close of this Annual Shareholders Meeting.

Therefore, it is proposed that one (1) Director who is an Audit & Supervisory Committee Member be elected.

This proposal has been approved by the Audit & Supervisory Committee.

The candidate for a Director who is an Audit & Supervisory Committee Member is as follows:

Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
Rie Akiyama (March 17, 1970) Candidate for Outside Director and Independent Director Reelection	April 1992: Joined Sanwa Bank Ltd. (current MUFG Bank, Ltd.) (resigned in July 1994) April 1999: Registered as attorney-at-law (Tokyo Bar Association) April 1999: Joined Baba Law Office (current Baba & Sawada Law Office) (present post) June 2019: Outside Director, GOLDWIN INC. (present post) June 2023: Director (Audit & Supervisory Committee Member), the Company (present post) (Status of significant concurrent positions at other organizations) Lawyer, Baba & Sawada Law Office Outside Director, GOLDWIN INC. (Number of years as outside Director) Two (2) years at the close of this Annual Shareholders Meeting (Rate of attendance in meetings of the Board of Directors) 14/14 meetings (100%) (Rate of attendance in meetings of the Audit & Supervisory Committee) 20/20 meetings (100%) (Reasons for selection as a candidate for outside Director who is an Audit & Supervisory Committee Member, including grounds for the judgment that she can appropriately carry out duties, and a summary of expected roles) She has been engaged in corporate legal affairs as an attorney-at-law, and has abundant specialized knowledge and experience gained through working on international cases, serving as a civil mediator at the Tokyo District Court, etc. Since June 2023, she has been playing a key role as an outside Director who is an Audit & Supervisory Committee Member in supervising and auditing the Company's management from an independent standpoint. The Company expects her to continue to leverage her abundant specialized knowledge and experience to supervise and audit the Company's management, and therefore requests her election as an outside Director who is an Audit & Supervisory Committee Member.	0 shares

(Notes)

1. The candidate has no special interest in the Company.
2. Ms. Rie Akiyama is a candidate for outside Director who is an Audit & Supervisory Committee Member and satisfies the required conditions for independent directors stipulated by Tokyo Stock Exchange, Inc., and the Company's independence standards for outside Directors. Thus, she is registered as an independent director with the stock exchange. The Company's independence standards for outside Directors are described on pages 31 to 32. She served as a person engaged in business execution at Sanwa Bank Ltd. (current MUFG Bank, Ltd.) from April 1992 to July 1994. Although there are banking transactions, such as borrowings, between the Company and MUFG Bank, Ltd., which is a major financial institution of the Company, she has pursued an independent career as an attorney at a law firm for over 20 years since leaving Sanwa Bank Ltd., so these transactions do not affect her independence as an outside Director.
3. The Company has stipulated in the Articles of Incorporation that it may enter into an agreement with each Director (excluding executive Director, etc.) to limit his or her liability for damages under Article 423 (1) of the Companies Act, to the minimum liability amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit Director's liability), enabling Directors (excluding executive Directors, etc.) to sufficiently fulfill expected roles. The Company has entered into the agreement with all of the Directors (excluding executive Directors, etc.). If the re-election of Ms. Rie Akiyama is approved and adopted, the Company will maintain the agreement to limit her liability.
4. The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3 (1) of the Companies Act. In the event of a claim for damages submitted by a shareholder or a third party, etc., the insurance agreement shall compensate for damages, legal expenses, etc. to be borne by the insured. The Company's Directors are insured under the agreement. If the candidate assumes office as Director who is an Audit & Supervisory Committee Member, she will be included as the insured of the insurance agreement. The insurance agreement is scheduled to be renewed by the Company during the term of office.
5. Directors who are Audit & Supervisory Committee Members, Ms. Rika Hirota, Ms. Mika Nakayama and Ms. Tomoko Aramaki, will continue to serve as Directors who are Audit & Supervisory Committee Members. If this proposal is approved and adopted as proposed, the total number of Directors who are Audit & Supervisory Committee Members shall be four (4) (including three (3) outside Directors).

Third Proposal: **Revision of the Amount of Remuneration for Outside Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

The ceiling amount of basic remuneration for outside Directors (excluding Directors who are Audit & Supervisory Committee Members) was resolved to be ¥130 million per year in the Sixth Proposal at the 14th Term Annual Shareholders Meeting of the Company held on June 18, 2019, and this is currently in effect.

This proposal requests approval to revise the amount of basic remuneration to be paid to outside Directors (excluding Directors who are Audit & Supervisory Committee Members) to be no more than ¥250 million per year. The remuneration, etc. for outside Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be only basic remuneration (fixed remuneration) at a fixed amount based on the contents of this proposal. The amount of remuneration (basic remuneration and bonuses) for Directors (excluding outside Directors and Directors who are Audit & Supervisory Committee Members) approved in the Sixth Proposal at the 14th Term Annual Shareholders Meeting of the Company shall not be revised.

Amid the changing business environment surrounding the Company, and in order to further promote diversity in the composition of the Board of Directors and realize a competitive level of remuneration that enables the Company to attract and retain outstanding human resources for the achievement of its management plans and the sustainable enhancement of enterprise value, while also taking into account remuneration levels at other Japanese companies and foreign pharmaceutical companies, the number of Directors as specified in the Articles of Incorporation, and various economic factors, the Company is proposing the above remuneration amount, and considers this proposal to be appropriate. The remuneration, etc. for outside Directors (excluding Directors who are Audit & Supervisory Committee Members) has been determined by resolution of the Board of Directors based on the results of discussions by the Compensation Committee (chaired by an outside Director and composed of a majority of outside Directors), thus ensuring objectivity and transparency in the remuneration determination process.

The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) is currently seven (7) (including four (4) outside Directors). If the First Proposal, "Election of Nine (9) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)," is approved and adopted as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be nine (9) (including six (6) outside Directors).

■ Opinions of the Audit & Supervisory Committee

Based on the Code of Audit & Supervisory Committee Auditing Standards, the Audit & Supervisory Committee has conducted a review with respect to the election of the Directors (excluding Directors who are Audit & Supervisory Committee Members) and the remuneration, etc. by looking into whether the Board of Directors appropriately establishes systems and standards regarding such elections and remuneration, etc., whether such practices accord with the Corporate Governance Code, and whether appropriate procedures are followed, including discussions carried out by the Nomination Committee and the Compensation Committee, and deliberations of the Board of Directors. The Audit & Supervisory Committee has also considered appropriateness from an independent standpoint through reports from executive Directors at the Audit & Supervisory Committee. The Audit & Supervisory Committee consequently determined that there is no cause for objection to the content of the First Proposal and the Third Proposal.

Reference Material Regarding the First Proposal and Second Proposal

Skills Matrix

The Board of Directors specifies the skills, etc. (knowledge, experience, abilities, etc.) that should be possessed as a whole in order to properly perform its function in light of the Company's corporate strategies.
If the First Proposal and Second Proposal are approved and adopted as proposed, the composition of the Board of Directors and the skills, etc. expected of Directors will be as follows:

	Name	Gender	Outside Director	Independent Director	Company Management	Global Business	Science & Technology	Legal・Risk Management*	Finance・Accounting	Academia
Director	Kenji Yasukawa	Male			●	●	●			
	Naoki Okamura	Male			●	●	●		●	
	Katsuyoshi Sugita	Male			●	●		●		
	Takashi Tanaka	Male	○	○	● (Telecommu-nication)	●	●			
	Eriko Sakurai	Female	○	○	● (Chemicals)	●				
	Masahiro Miyazaki	Male	○	○	● (Precision instruments / Trading)	●				
	Yoichi Ohno	Male	○	○			●			● (Medi-cine)
	Andreas Busch	Male	○	○	● (Pharma)	●	●			● (Pharma-cology)
	Mark Enyedy	Male	○	○	● (Pharma)	●	●	●		
Director Audit & Supervisory Committee Member	Rika Hirota	Female					●	●		
	Mika Nakayama	Female	○	○	● (Chemicals)	●	●	●		
	Rie Akiyama	Female	○	○				● (Lawyer)		
	Tomoko Aramaki	Female	○	○					● (Account-ant)	

Reference Material Regarding the First Proposal and Second Proposal

Independence Standards for Outside Directors

Below are the independence standards for outside Directors of Astellas Pharma Inc. ("the Company"). They are deemed to have independence from the Company and no potential conflict of interest with ordinary shareholders if none of the following apply.

(1) Person engaged in business execution[*1] of the Company or the Company's subsidiaries (collectively, "the Group"), or person who has been engaged in business execution of the Group at any time in the past 10 years (or for a period of 10 years before appointment to that post if the person has, at any time within the past 10 years, served as a non-executive Director, Audit & Supervisory Board Member or Accounting Advisor of the Group);

(2) Party for whom the Group is a major business partner[*2] or a person engaged in business execution of such party;

(3) Major business partner of the Group[*3] or a person engaged in business execution of such business partner;

(4) Consultant, accounting professional, or legal professional obtaining large amounts of money or other financial benefits[*4], other than as remuneration of Director from the Group (if such financial benefits are obtained by an incorporated entity, partnership or other organization, this item refers to a person belonging to such organization);

(5) Person belonging to an auditing firm performing statutory audits of the Group;

(6) Person receiving donations or grants above a certain threshold[*5] from the Group (if the donations or grants are received by an incorporated entity, partnership or other organization, this item refers to a person engaged in business execution of such organization);

(7) Person engaged in business execution of a major financial institution[*6] from which the Group has borrowings, or a person engaged in business execution of the parent company or subsidiary of such financial institution;

(8) Major shareholder[*7] of the Group, or a person engaged in business execution of an incorporated entity that is a major shareholder of the Group;

(9) Person engaged in business execution of a company in which the Group is a major shareholder;

(10) Person engaged in business execution of a company accepting directors (whether full or part time) from the Group, or a person engaged in business execution of the parent company or subsidiary of such company;

(11) Person to whom any of Items (2) through (10) apply during the most recent 3 years; and

(12) Relative of a person to whom any of Items (1) through (11) apply (limited to a person in an important position[*8])[*9].

*1 “Person engaged in business execution” refers to a “person engaged in business execution” as defined in Article 2, paragraph (3), item (vi) of the Regulation for Enforcement of the Companies Act, and includes both executive directors and employees. It does not include audit & supervisory board members.

*2 “Party for whom the Group is a major business partner” refers to a business partner group (namely, a corporate group comprising a direct business partner, its parent company or subsidiary, or subsidiaries of the parent company; the same shall apply hereinafter.) that provides the Group with products or services for which the transaction value in the most recent business year exceeds 2% of such business partner group’s annual consolidated sales.

*3 “Major business partner of the Group” refers to a business partner group to which the Group provides products or services for which the transaction value in the most recent business year exceeds 2% of the Group’s annual consolidated sales.

*4 “Large amounts of money or other financial benefits” refers to money or other financial benefits in excess of 10 million yen, excluding remuneration of Director, for the most recent business year (if such financial benefits are obtained by an incorporated entity, partnership or other organization, it refers to money or other financial benefits in excess of 2% of such organization’s total income for the most recent business year).

*5 “Donations or grants above a certain threshold” refers to donations or grants in excess of the higher of 10 million yen on average for the most recent 3 business years or 2% of total income of such person/organization for the most recent business year.

*6 “Major financial institution” refers to a financial institution from which total borrowings at the end of the most recent business year exceeds 2% of the Company’s consolidated gross assets.

*7 “Major shareholder” refers to a shareholder holding 10% or more of voting rights (including direct and indirect holdings).

*8 “Person in an important position” refers to a director (excluding outside directors); executive officer; corporate executive; employee in a management position at the level of department head or higher; certified public accountant in an auditing firm or accounting office; attorney in a law firm; councilor, director, auditor or other officer in an incorporated foundation, incorporated association, educational institution or other incorporated entity; or other person objectively and reasonably deemed to be in a position of similar importance.

*9 “Relative” refers to a spouse or person within the second degree of consanguinity.

- End -

[Attachments]

Business Report (from April 1, 2024 to March 31, 2025)

1. Matters concerning Present State of the Astellas Group (Corporate Group)

(1) Overview and Results of Operations of the Astellas Group

- During the business year under review (from April 1, 2024 to March 31, 2025, hereinafter it may be also referred to as “FY2024”), the business environment surrounding the pharmaceutical industry continued to face severe conditions due to implementation of government policies to restrain medical expenditures and the tightening up of new drug application reviews implemented in each country, not only in developed countries but also in emerging economies.

- Under such business circumstances, we promoted the global business of research and development, manufacturing, and marketing for the purpose of creating highly value-added and innovative new drugs and medical solutions leveraging our strength in fields where high unmet medical needs* exist, and providing such drugs continuously to the world.

* Unmet medical needs: medical needs that have yet to be fulfilled

1) Summary of Consolidated Business Results

<Consolidated financial results (core basis)>

The Company discloses financial results on a core basis as an indicator of its recurring profitability. The Company has changed the definition of core basis from FY2024, and newly excluded amortisation of intangible assets, gain on divestiture of intangible assets, and share of profit (loss) of investments accounted for using the equity method from the financial results on a full basis as certain significant adjusted items defined by the Company. Financial results on the new core basis, as an indicator of the Company’s profitability, exclude certain significant adjusted items defined by the Company that are reported in financial results on a full basis. These adjusted items include amortisation of intangible assets, gain on divestiture of intangible assets, share of profit (loss) of investments accounted for using equity method, impairment losses, gain (loss) on sales of property, plant and equipment, restructuring costs, loss on disaster, a large amount of losses on compensation or settlement of litigation and other legal disputes, and other items that are deemed to be excluded based on the Company’s judgment.

Consolidated financial results (core basis) in FY2024 are shown in the table below. Revenue, core operating profit and core profit increased across the board.

Consolidated financial results (core basis)

	Business results of the business year under review (FY2024)	Fluctuation year-on-year (Increase/decrease ratio)
Revenue	¥1,912.3 billion	¥308.7 billion increase (19.2% increase)
Core operating profit	¥392.4 billion	¥115.5 billion increase (41.7% increase)
Core profit	¥295.7 billion	¥72.5 billion increase (32.5% increase)

(i) Revenue

Revenue in FY2024: ¥1,912.3 billion (19.2% increase year-on-year)

- Sales of main products XTANDI for the treatment of prostate cancer, PADCEV for the treatment of urothelial cancer and XOSPATA for the treatment of acute myeloid leukemia showed solid growth. Furthermore, sales of VEOZAH*1 for the treatment of vasomotor symptoms due to menopause and IZERVAY for the treatment for geographic atrophy secondary to age-related macular degeneration, both of which were launched in the previous business year, as well as VYLOY for the treatment of gastric and gastroesophageal junction adenocarcinoma, which was launched in FY2024, also contributed to increased revenue.
- The sales growth of the above offset the sales decrease due to the generic entry of MYRBETRIQ for the treatment of overactive bladder, in the United States.

(ii) Core operating profit / Core profit

Core operating profit: ¥392.4 billion (41.7% increase year-on-year).
Core profit : ¥295.7 billion (32.5% increase year-on-year).

- Gross profit increased by 19.2% year-on-year to ¥1,563.1 billion.
- Selling, general and administrative expenses increased by 13.9% year-on-year to ¥843.0 billion. In pursuit of cost optimization through Sustainable Margin Transformation (SMT) initiatives, expenses decreased as a result of global organizational restructuring (decrease of approximately ¥15.0 billion year-on-year), reduction of mature products-related costs (decrease of approximately ¥10.0 billion year-on-year), and enhancement of company-wide efficiency with AI and digital (decrease of approximately ¥6.0 billion year-on-year). However, the total amount increased due to foreign exchange rate impact (increase of ¥34.9 billion year-on-year) and increase in expenses for Strategic Brands*2. Selling, general and administrative expenses, excluding co-promotion fees of XTANDI in the United States, increased by 8.3% year-on-year to ¥590.5 billion.
- Research and development (R&D) expenses increased by 11.4% year-on-year to ¥327.7 billion. The total amount increased due to foreign exchange rate impact (increase of ¥11.1 billion year-on-year) and increase in investment for Primary Focus (targeted protein degradation and immuno-oncology, etc.), Strategic Brands' life cycle management, and enhanced R&D functions (increase of approximately ¥15.0 billion year-on-year). Additionally, one-time co-development cost payments booked in the first

three months of FY2024 were also a factor in the increase.

*1 Approved as "VEOZA" in ex-US.
*2 PADCEV, IZERVAY, VEOZAH, VYLOY, XOSPATA (as of March 31, 2025)

The exchange rates for the yen in FY2024 are shown in the table below. The resulting impacts were a ¥68.1 billion increase in revenue and a ¥15.1 billion increase in core operating profit compared with if the exchange rates of the previous business year (from April 1, 2023 to March 31, 2024, hereinafter it may be also referred to as “FY2023”) were applied.

Exchange rate

Average rate	FY2023	**FY2024**	Change
US$/¥	¥145	**¥152**	¥8 (Weakening of yen)
€/¥	¥157	**¥164**	¥7 (Weakening of yen)

<Consolidated financial results (full basis)>

Consolidated financial results on a full basis in FY2024 are shown in the table below. Both operating profit and profit for the year increased.

The full basis financial results are calculated by adding back “amortisation of intangible assets,” “gain on divestiture of intangible assets,” “share of profit (loss) of investments accounted for using the equity method,” “other income” and “other expenses” to the core basis financial results. In FY2024, “amortisation of intangible assets” was ¥136.8 billion (¥98.8 billion in the previous business year), “other income” was ¥20.3 billion (¥8.7 billion in the previous business year), and “other expenses” was ¥235.8 billion (¥167.8 billion in the previous business year).

As “other expenses,” in addition to booking impairment losses for intangible assets mainly related to IZERVAY in ex-US (¥115.1 billion), AT466 (¥51.8 billion), and iota (¥8.0 billion) in the first nine months of FY2024, the Company recorded foreign exchange losses (¥18.6 billion) primarily arising from the valuation of foreign currency-denominated monetary assets due to fluctuations in the foreign exchange rates, and restructuring costs (¥15.5 billion).

Fair value remeasurements on contingent consideration (¥16.7 billion) was recorded as “other income.”

Consolidated financial results (full basis)

	Business results of the business year under review (FY2024)	Fluctuation year-on-year (Increase/decrease ratio)
Revenue	¥1,912.3 billion	¥308.7 billion increase (19.2% increase)
Operating profit	¥41.0 billion	¥15.5 billion increase (60.8% increase)
Profit before tax	¥31.2 billion	¥6.3 billion increase (25.1% increase)
Profit	¥50.7 billion	¥33.7 billion increase (197.7% increase)

<Sales of main products>

	Business results of the business year under review (FY2024)	Fluctuation year-on-year (Increase/decrease ratio)
XTANDI	¥912.3 billion	¥161.8 billion increase (21.6% increase)
PADCEV	¥164.1 billion	¥78.7 billion increase (92.2% increase)
IZERVAY	¥58.3 billion	¥46.2 billion increase (380.6% increase)
VEOZAH*1	¥33.8 billion	¥26.5 billion increase (363.6% increase)
VYLOY	¥12.2 billion	-
XOSPATA	¥68.0 billion	¥12.9 billion increase (23.4% increase)
BETANIS / MYRBETRIQ / BETMIGA	¥170.0 billion	¥28.0 billion decrease (14.2% decrease)
PROGRAF*2	¥201.0 billion	¥2.1 billion decrease (1.0% decrease)

*1 Approved as "VEOZA" in ex-US.
*2 PROGRAF: Includes ADVAGRAF, GRACEPTOR, and ASTAGRAF XL.

<Revenue by region>

Revenue by region is shown in the table below. Revenue in the United States, Established Markets, China and International Markets increased, while revenue in Japan decreased.

	Business results of the business year under review (FY2024)	Fluctuation year-on-year (Increase/decrease ratio)
Japan	¥267.0 billion	¥3.1 billion decrease (1.2% decrease)
United States	¥866.4 billion	¥203.3 billion increase (30.7% increase)
Established Markets*1	¥485.4 billion	¥69.8 billion increase (16.8% increase)
China*2	¥78.3 billion	¥7.7 billion increase (10.9% increase)
International Markets*3	¥203.5 billion	¥26.5 billion increase (15.0% increase)

(Note) Effective from the business year under review, region title of Greater China changed to China. In addition, commercial segment of Taiwan was changed from China to International Markets. Figures of fluctuation year-on-year reflect this change.

*1 Established Markets: Europe, Canada, etc.
*2 China: China, Hong Kong.
*3 International Markets: Latin America, Middle East, Africa, South East Asia, South Asia, Russia, Korea, Taiwan, Australia, Export sales, etc.

2) Progress of initiatives for sustainable growth

In the Corporate Strategic Plan 2021, announced in May 2021, the Company has set four Strategic Goals (SGs); “Enable patients to achieve better outcomes,” “Translate innovative science into proven VALUE,*” “Advance the Rx+ business,” and “Deepen our engagement in sustainability,” to create and deliver VALUE. See also “Issues to be Addressed by the Astellas Group” (page 51) for details of the Corporate Strategic Plan 2021 and each of Strategic Goals.

The following are the main initiatives during FY2024:

* The result of dividing Outcomes that really matter to patients (clinical outcomes from treatment, etc.) by Cost to the healthcare system of delivering those outcomes

(1) SG1: Enable patients to achieve better outcomes

The Company is preferentially allocating management resources to Strategic Brands* that will support sustainable growth over the mid- to long-term. The Company has been developing and maximizing the product value of the Company’s growth drivers such as PADCEV for the treatment of urothelial cancer, IZERVAY for the treatment of geographic atrophy secondary to age-related macular degeneration, and VEOZAH for the treatment for moderate-to-severe vasomotor symptoms associated with menopause, etc.

In the later stages of development, much progress including the following was made :

- The approval of PADCEV with KEYTRUDA (generic name: pembrolizumab), a PD-1 inhibitor of Merck & Co., Inc. (U.S.) for a combination therapy of urothelial cancer in Europe, Japan, and China, for the additional indication for first-line treatment of patients with locally advanced or metastatic urothelial cancer
- The acceptance of a supplemental New Drug Application (sNDA) for IZERVAY for the treatment of geographic atrophy secondary to age-related macular degeneration, to include positive 2-year data of the Phase 3 GATHER2 clinical trial in the U.S. Prescribing Information
- The launch in Japan of VYLOY for the treatment of gastric and gastroesophageal junction adenocarcinoma, for treating CLDN18.2-positive, uncurable and unresectable advanced or recurrent gastric cancer; and the launch in Europe and the United States and approval in China of VYLOY, for a first-line treatment of patients with Claudin 18.2-positive, HER2-negative unresectable locally advanced or metastatic gastric and gastroesophageal junction adenocarcinoma.

The following are the sales and the main progress of major products for FY2024.

* PADCEV, IZERVAY, VEOZAH, VYLOY, XOSPATA (as of March 31, 2025)

- **XTANDI (generic name: enzalutamide) for the treatment of prostate cancer**
  FY2024 Sales: ¥912.3 billion (increased by 21.6% YoY)

Sales increased in all regions, and global sales expanded significantly. In addition, in the United States, sales growth was driven by the penetration of nonmetastatic castration-sensitive prostate cancer with biochemical recurrence at high risk for metastasis and the halo effect to other indications. The following are the major progress in obtaining approval for the additional indication.

April 2024: In Europe, the Company obtained approval for the additional indication of nonmetastatic hormone-sensitive prostate cancer with high-risk biochemical recurrence not eligible for salvage radiotherapy.

July 2024: In China, the Company obtained approval for the additional indication of metastatic hormone-sensitive prostate cancer.

- **PADCEV (generic name: enfortumab vedotin) for the treatment of urothelial cancer**
  FY2024 Sales: ¥164.1 billion (increased by 92.2% YoY)

Sales increased in all regions, and global sales expanded significantly. The number of countries where the product is approved for first-line treatment of patients with metastatic urothelial cancer increased, and market penetration in each country contributed to sales growth. The following are the major progress in obtaining approval for the additional indication.

August 2024: In China, the Company obtained approval for a treatment for patients with locally advanced or metastatic urothelial cancer, who had previously received a platinum-containing chemotherapy and PD-1 or PD-L1 inhibitors.

August 2024: In Europe, the Company obtained approval for the sales of PADCEV as a combination therapy with KEYTRUDA for the additional indication for first-line treatment of patients with unresectable or metastatic urothelial cancer who are eligible for platinum-containing chemotherapy.

September 2024: In Japan, the Company obtained approval for the combination therapy of PADCEV with KEYTRUDA for the additional indication for first-line treatment for unresectable urothelial cancer, which had been selected for priority review by the Ministry of Health, Labour and Welfare.

January 2025: In China, the Company obtained approval for the combination therapy of PADCEV with KEYTRUDA for the additional indication for treatment for locally advanced or metastatic urothelial cancer.

- **IZERVAY (generic name: avacincaptad pegol) for the treatment of geographic atrophy secondary to age-related macular degeneration**
  FY2024 Sales: ¥58.3 billion (increased by 380.6% YoY)

In the United States, where the product has been launched, sales expanded significantly. The following are the major progress in obtaining approval and development.

October 2024: In Europe, the Company decided to withdraw the marketing authorization application that had been received by the European Medicines Agency in August 2023. This decision was based on discussions with the Committee for Medicinal Products for Human Use of the European Medicines Agency. Individual discussions with authorities in major countries are currently underway.

November 2024: In the United States, the Company received a notification of the completion of review from the U.S. Food and Drug Administration regarding the supplemental New Drug Application (sNDA) submitted in March 2024 to include positive 2-year data of the Phase 3 GATHER2 clinical trial in the U.S. Prescribing Information.

December 2024: In the United States, the Company resubmitted the sNDA, following consultations with the U.S. Food and Drug Administration to clarify the feedback stated in the notification of the completion of review.

February 2025: In Japan, the Company submitted an application for manufacturing and marketing authorization under the conditional approval system.

February 2025: In the United States, the Company received approval for partial change in the U.S. Prescribing Information. This partial change in the U.S. Prescribing Information allows for unlimited dosing periods.

- **VEOZAH (generic name: fezolinetant) for the treatment for moderate-to-severe vasomotor symptoms associated with menopause**
  FY2024 Sales: ¥33.8 billion (increased by 363.6% YoY)

Global sales expanded significantly as launched countries expanded steadily. In addition to the United States, sales growth in the Established Markets, where the product was launched in January 2024, also contributed. The following are the major progress in development of the additional indication.

August 2024: The Company accomplished its administration to the first patient in the Phase 3 HIGHLIGHT 1 clinical trial for vasomotor symptoms in breast cancer patients on adjuvant endocrine therapy.

April 2025: In China, the Company accomplished its administration to the first patient in the Phase 2 clinical trials.

- **VYLOY (generic name: zolbetuximab) for the treatment of gastric and gastroesophageal junction adenocarcinoma**
  FY2024 Sales: ¥12.2 billion

Since its launch in Japan in June 2024, the product has been launched in 15 countries including Japan, Europe and the United States as of April 2025, and global sales expanded as a whole, exceeding expectations. Faster-than-expected market penetration of Claudin 18.2 testing contributed to greater-than-expected sales growth. The following are the major progress in obtaining approval and sales.

June 2024: In Japan, the product was launched for treating CLDN18.2-positive, uncurable and unresectable advanced or recurrent gastric cancer.

September 2024: In Europe, the Company obtained approval of the sales for the use of the product in combination with chemotherapy as a first-line treatment of patients with Claudin 18.2-positive, HER2-negative unresectable locally advanced or metastatic gastric and gastroesophageal junction adenocarcinoma.

October 2024: In the United States, the Company obtained approval for the use of the product in combination with chemotherapy as a first-line treatment of patients with Claudin 18.2-positive, HER2-negative unresectable locally advanced or metastatic gastric and gastroesophageal junction adenocarcinoma.

January 2025: In China, the Company obtained approval for the use of the product in combination with chemotherapy as a first-line treatment of patients with Claudin 18.2-positive, HER2-negative unresectable locally advanced or metastatic gastric and gastroesophageal junction adenocarcinoma.

- **XOSPATA (generic name: gilteritinib fumarate) for the treatment of acute myeloid leukemia**
  FY2024 Sales: ¥68.0 billion (increased by 23.4% YoY)

Global sales expanded steadily. The following are the major progress in development of the additional indication.

February 2025: The Company announced that it entered into the Phase 2 clinical development stage for newly diagnosed acute myeloid leukemia with low intensity induction of chemotherapy.

In addition, the following are sales of other major products.

- **Overactive Bladder treatment BETANIS/MYRBETRIQ/BETMIGA (generic name: mirabegron)**
  FY2024 Sales: ¥170.0 billion (decreased by 14.2% YoY)

Global sales decreased mainly due to the generic entry in the United States. The following are the major progress in obtaining approval for the additional indication.

August 2024: In Europe, the Company obtained approval for the additional indication of neurogenic detrusor overactivity in pediatric patients aged 3 to less than 18 years.

- **Imunosuppressant agent PROGRAF (generic name: tacrolimus hydrate)**
  FY2024 Sales: ¥201.0 billion (decreased by 1.0% YoY)

Global sales were at the same level as in the previous business year.

Other than the above, the Company also took the following initiatives related to the prescription pharmaceutical business.

April 2024: Subsidiaries Astellas B.V. and Astellas Pharma Europe B.V., have completed the transfer of the Meppel Plant to Delpharm Industrie SAS (France).

May 2024: The Company announced that pharmaceutical production activities at the Takaoka Plant will be terminated at the end of FY2025.

(2) SG2: Translate innovative science into proven VALUE

Under its R&D strategy of Focus Area Approach, the Company is working to create innovative products through a new approach to narrowing down medicine targets from multiple perspectives. As of March 2025, we have selected four Primary Focus*: "Immuno-Oncology," "Targeted Protein Degradation," "Genetic Regulation," and "Blindness and Regeneration." On the other hand, in April 2024, we announced the dissolution of Primary Focus "Mitochondria," and in February 2025, we announced the dissolution of Primary Focus candidate "Immune Homeostasis." See also "Issues to be Addressed by the Astellas Group" (page 51) for details of Focus Area Approach and each of Primary Focus.

* Primary Focus: A priority investment target selected from within a Focus Area representing a specific combination of factors in terms of scientific validity, feasibility of R&D and commercialization, enhancement level and progress level of projects, among others.

The following are the main progress of each of Primary Focus during FY2024:

- **Primary Focus: Immuno-Oncology**
  April 2024: The Company announced the discontinuation of development of the anti-TSPAN8/anti-CD3 bispecific antibody ASP2074, which was in the Phase 1 clinical development stage for the treatment of cancer.

  April 2024: Through its wholly owned subsidiary Xyphos Biosciences Inc., the Company entered into a research collaboration and license agreement with Poseida Therapeutics, Inc. (U.S.) to develop novel *convertible*CAR programs by combining the innovative cell therapy platforms from each of the companies.

  May 2024: ASP1012, a systemic oncolytic virus encoding leptin-IL-2, has been administered to the first patient in the Phase 1 clinical trials for cancer.

  February 2025: The Company announced the discontinuation of development of ASP2802, a cell therapy for CD20-positive B-cell lymphoma.

- **Primary Focus: Targeted Protein Degradation**
  April 2024: The KRAS G12D degrader ASP4396 has been administered to the first patient in the Phase 1 clinical trials for cancer.

  April 2025: The Company announced that PoC[*1] was achieved for the KRAS G12D degrader ASP3082, in pancreatic adenocarcinoma.

- **Primary Focus: Genetic Regulation**
  October 2024: The Company entered into an exclusive option and license agreement with AviadoBio Ltd. (UK) for AVB-101, a gene therapy program targeting frontotemporal dementia and other indications.

  December 2024: The Company entered into a license agreement with Sangamo Therapeutics, Inc. (U.S.) to use the novel AAV capsid for the development of gene therapies for central nervous system.

  February 2025: The Company announced the discontinuation of development of the gene therapy drug ASP2016 for the treatment of patients with cardiomyopathy associated with Friedreich's Ataxia.

  April 2025: The Company announced that the gene therapy drug AT845 for the treatment of Pompe disease has entered the Phase 2 clinical development stage.

- **Primary Focus: Blindness and Regeneration**
  The Phase 1 clinical trial of the cell therapy ASP7317 for geographic atrophy secondary to age-related macular degeneration is ongoing.

The following are main progress in R&D activities other than Primary Focus for FY2024.

April 2024: The Company entered into a master agreement with Takeda Pharmaceutical Company Limited and Sumitomo Mitsui Banking Corporation to establish a joint venture company dedicated to incubation[*2] of early drug discovery programs, primarily originating from Japan and toward the creation of innovative therapeutics.

April 2024: The Company announced the discontinuation of development of the PPARδ modulator ASP0367, which was in Phase 2 clinical development stage for primary mitochondrial myopathies and in Phase 1 clinical development stage for Duchenne muscular dystrophy.

July 2024: Astellas Institute for Regenerative Medicine and Universal Cells Inc., which are wholly owned subsidiaries of the Company, entered into a research collaboration agreement with Osaka University to develop innovative pluripotent stem cell-derived cartilage organoid cell therapy for the treatment of intervertebral disc degeneration disease.

July 2024: The Company obtained approval in China for peficitinib, a JAK inhibitor, for the treatment of rheumatoid arthritis.

September 2024: The STING inhibitor ASP5502 has been administered to the first patient in the Phase 1 clinical trials for primary Sjogren's syndrome.

March 2025: The Company entered into a definitive agreement with YASKAWA Electric Corporation to establish a joint venture for the development of a cell therapy product manufacturing platform utilizing the dual-arm robot "Maholo," and for offering platform access to startups and academic institutions.

*1 PoC: Proof of concept
*2 Incubation: Services and activities that support entrepreneurship and business creation

(3) SG3: Advance the Rx+ business

The Company aims to contribute and provide VALUE to patients in various ways, not limited to treatment with drugs (Rx) but across the whole patient journey (overall medical care, including diagnostic, preventive, therapeutic and prognostic care). This non-pharma activity is referred to as Rx+ business. The Company is focused on commercialization of Rx+ programs with the aim to empower individuals to take greater control of their health by offering accessible technologies, tools and resources that are grounded in clinical research and patient insights to facilitate active participation in their treatment plans alongside healthcare providers.

Below are the main progress in FY2024.

- Digital health

November 2024: DIGITIVA, a non-invasive digital health solution aimed at heart failure management, which was listed with the United States Food and Drug Administration (FDA) in September 2024, began a first commercial pilot implementation with a US healthcare system, Desert Oasis Healthcare.

- Implantable medical device

October 2024: The Company announced that it had obtained FDA approval to enter into an early feasibility study of an implantable device for underactive bladder.

(4) SG4: Deepen our engagement in sustainability

(i) Our engagement in sustainability

We have formulated our Sustainability Direction, in which we specify the nine most important issues (materiality) as "two pillars for evolving sustainability" and further add environment-related key issues that are highly demanded by society. We established approximately 50 indicators in the Sustainability Direction to measure the progress of our commitment through FY2025 more clearly. These indicators are reflected in the annual plans and are implemented as company-wide initiatives.

1. Transforming to be a Cutting-Edge, VALUE-driven life science innovator

Our Commitments by FY2025	Main Indicators
Aim to improve the lives of patients and caregivers around the world and contribute to reducing the overall load on the healthcare system.	Number of IND[*1] filed new drug candidates
	Number of new drugs launched
・ Provide as many patients as possible with access to our products. ・ Impact more than 36 million people (cumulatively) by 2025 by improving disease awareness, prevention, and access to healthcare services.	Number of patients treated through various access programs
	Lives impacted through access to health care programs by Astellas (cumulative total since FY2021, excluding foundation support)
Contribute to sustain healthcare systems through advocating for value-based pricing.	Number of implementations of value based innovative pricing solutions to address value, affordability or access
Foster talents and an organizational culture with trusted capabilities to deliver innovation.	Percentage of organizations with six hierarchical levels or less from the CEO
	Average span of control[*2] for all departments
	Engagement score

*1 Investigational New Drug
*2 Number of subordinates managed by one manager

2. **Strengthening resilient and sustainable business operations to meet the expectations of society**

Our Commitments by FY2025	Main Indicators
Establish a more sustainable and resilient value chain.	Progress of the emergency power supply reinforcement project
	Key remarkable finding related to stable supply
Ensure patient safety and product quality by fostering a Culture of Quality and by evolving customer experience.	Completed Culture of Quality scorecard for commercial manufacturing facilities

Environmental Sustainability

Our Commitments by FY2025	Main Indicators
Achieve by FY2025 the amount of reasonable reduction of greenhouse gas emissions target. GHG emission reduction targets by FY2030 ・Scope1+2 63% reduction (base year: FY2015), ・Scope 3 37.5% reduction (base year: FY2015)	GHG emission reduction ratio (Scope1+2) (base year: FY2015)
	GHG emission reduction ratio (Scope 3) (base year: FY2015)

See the Company's website for the details of our engagement in sustainability.
https://www.astellas.com/en/sustainability

Scope: Range of calculation of greenhouse gas emissions
Scope 1: Direct emissions of greenhouse gas from fuels used in-house
Scope 2: Indirect emissions of greenhouse gas from consumption of purchased electricity
Scope 3: Emissions of greenhouse gas in the supply chain of business activities, such as raw materials procurement and product use.

(ii) Initiatives for enhancing Access to Health

To resolve the issue of Access to Health (ATH), an item of our materiality, the Company is actively pursuing a comprehensive three-prong approach.

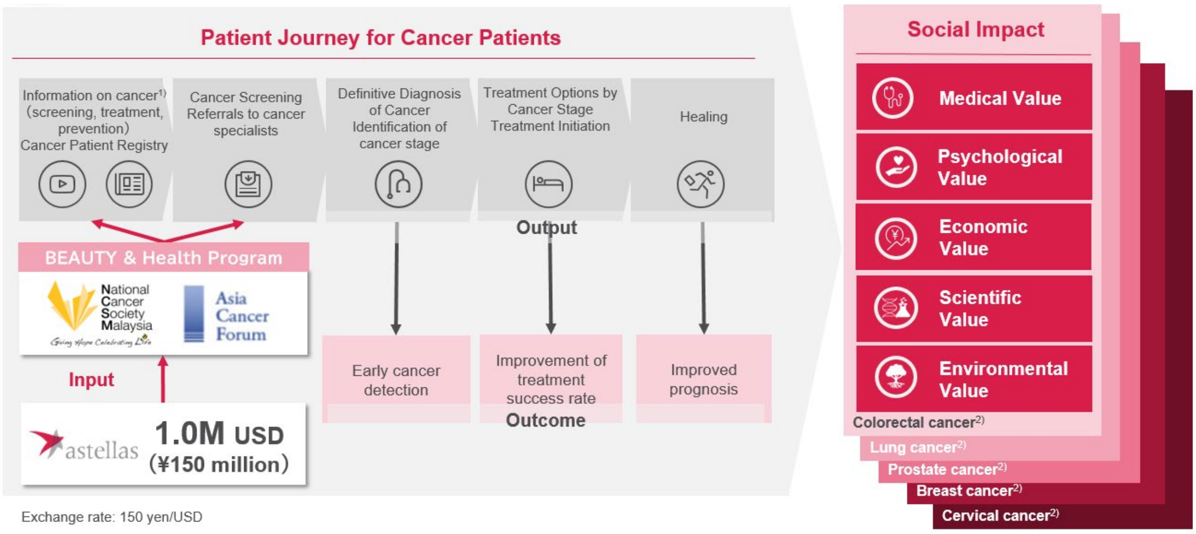
1. Astellas Core Business (Rx, Rx+): We will continue to contribute to the health of patients by researching, developing and delivering innovative healthcare solutions to overcome diseases with high unmet medical needs.
   Cumulative number of patients treated with Astellas products* (cumulative total since 1994): more than 172 million (as of September 30, 2024)
2. Enhancing availability of Astellas products: For patients who are unable to receive appropriate medical care due to socioeconomic reasons, we have established comprehensive Access to Medicine mechanism to enhance the availability of our therapies while taking into consideration the situation and the regulations in each country.
   Number of patients treated through various access programs: approximately 2,500 (as of September 30, 2024)

3. Supporting third-party ATH activities and foundations: The Company is tackling more diverse issues of Access to Health by collaborating and supporting the activities of external partners while leveraging its capabilities and technologies.
   Number of lives impacted through access to healthcare programs by the Company (cumulative total since FY2021 excluding those supported by the Foundation): approximately 172,000 (as of September 30, 2024)

* HARNAL, VESICARE, mirabegron, PROGRAF, XTANDI, XOSPATA, EVRENZO, PADCEV

Case study of quantifying the social impact created by a program for enhancing Access to Health

In FY2024, we worked on quantifying the social impact created by the BEAUTY & Health (B&H) Program, a cancer awareness program in Malaysia. The B&H Program aims to reach out to 1 million Malaysian residents to improve cancer education and literacy.



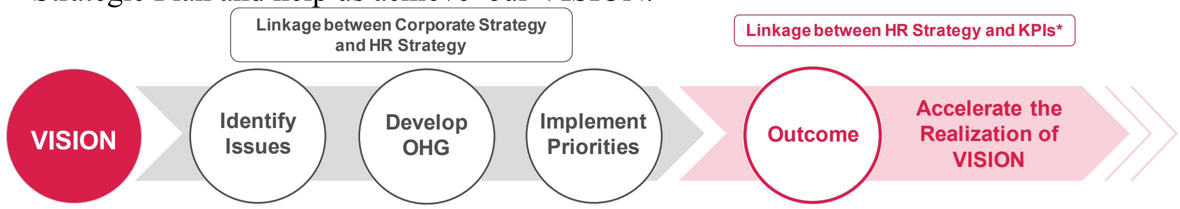
*1 Community participation sessions for cancer disease awareness (colorectal, lung, prostate, breast, and cervical cancer) at barbershops, beauty salons, etc.
*2 The BEAUTY & Health Program targets five cancer diseases, but this time the conversion was focused on colorectal cancer, for which public data from Malaysia is available.

It was assumed that the B&H Program would contribute to the early diagnosis and treatment of 150 colorectal cancer patients and reduce the percentage of patients diagnosed at advanced stages (stages 3 and 4) from 75% to 55%. As a result, it was estimated that an input (donation) of $1.0 million (¥150 million) from the Company would generate $4.6 million (¥680 million) in social impact.

Classification			Target benefited from impact				Total (%)
			Primary Impact (Direct (medical) impact on patients)	Secondary Impact (Indirect impact on patients)	Tertiary Impact (Impact on families and healthcare providers)	Quaternary Impact (Social, Industrial, and environmental impact)	
Areas of impact	Medical Value		$2.8 M	—	$32 K	—	$2.8 M (61.4%)
	Psychological Value		—	$1.3 M	—	—	$1.3 M (29.1%)
	Economic Value	Income impact	—	$0.3 M	$0.2 K	$61 K	$0.4 M (7.9%)
		Expenditure impact	—	$31 K	—	$43 K	$75 K (1.6%)
Total (%)			$2.8 M (60.7%)	$1.7 M (36.3%)	$32 K (0.7%)	$105 K (2.3%)	**$4.6 M [¥680 million]**

(iii) HR Priorities

In pursuit of our VISION, we engaged in thorough discussions to identify key issues and established Organizational Health Goals (OHG) within the Corporate Strategic Plan 2021 to foster innovation. The Company's HR Strategy is fully aligned with our business strategy, and our HR initiatives will accelerate the implementation of our Corporate Strategic Plan and help us achieve our VISION.



* Key performance indicators

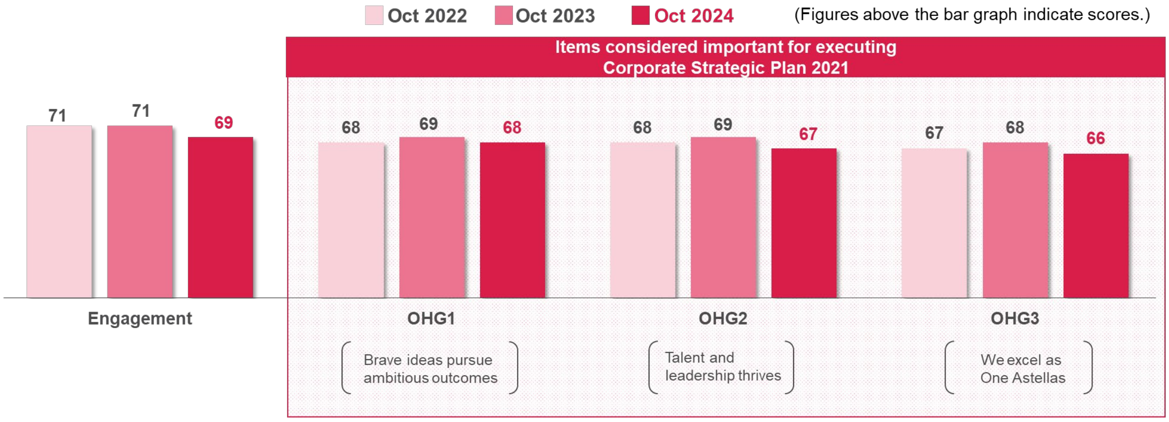
(iv) Progress of the HR Strategy

1. Global Engagement Survey

The Company conducts an employee engagement survey (global engagement survey) every year for all global employees to check the progress of engagement and OHG initiatives.

In the survey conducted in October 2024, the engagement score was 69, a 2-point decrease compared to FY2023. We believe the decline in the engagement score, which had been improving steadily, was due in part to a series of major organizational and institutional changes. The newly introduced item "Change Communication (communication regarding transformation)" received the lowest score, highlighting the issue of poor communication on transformation, such as conveying the intentions of top management and senior leaders to frontline employees as the transformation continues.

A task force has been formed centered around Human Resources, Digital X, and Communications & Investor Relations to discuss solutions. One proposed measure is to provide management education focused on change management, including training for leaders and managers close to the frontline to enhance their communication skills.


Oct 2022
Oct 2023
Oct 2024
(Figures above the bar graph indicate scores.)
Items considered important for executing Corporate Strategic Plan 2021
71
71
69
68
69
68
68
69
67
67
68
66
Engagement
OHG1
Brave ideas pursue ambitious outcomes
OHG2
Talent and leadership thrives
OHG3
We excel as One Astellas

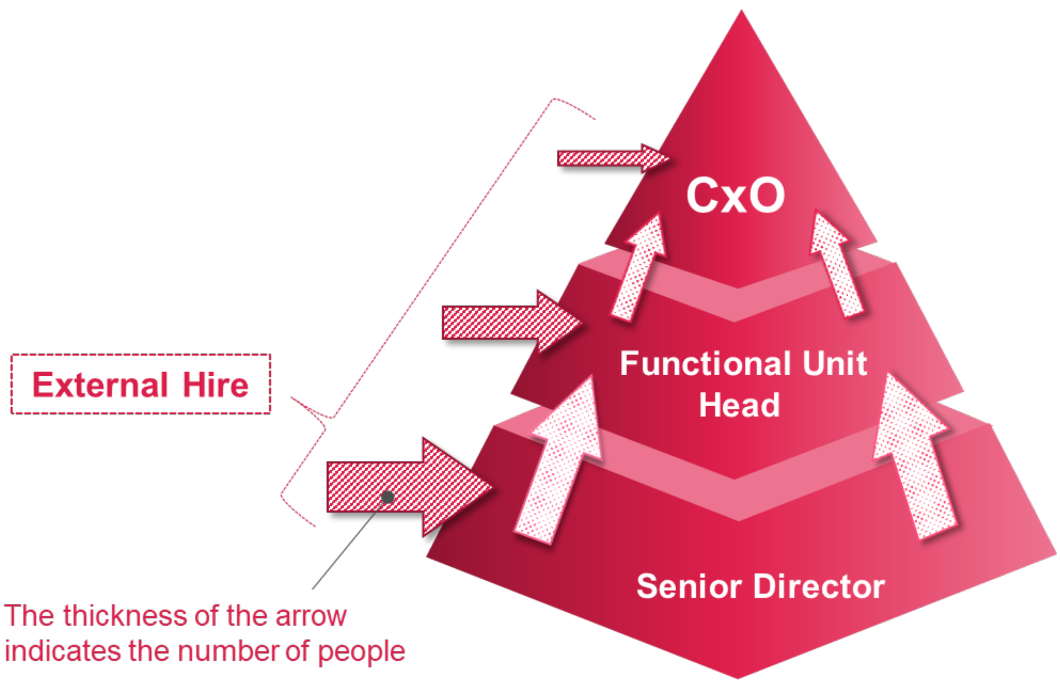
2. Talent acquisition and development based on Corporate Strategy

Talent acquisition and development policy

Although we appoint the most suitable talents regardless of whether they are from inside or outside the Company, with regard to external talent, we aim to hire them at the earliest possible stage, train them internally, and then promote them to more senior positions.

Next Gen Leadership

In order to foster talent development based on our management strategy, we launched Next Gen Leadership as a program to develop next-generation leaders who will take on actual management issues. Instead of classroom training, we select 50 next-generation leader candidates globally, who spend six months in groups to study solutions to eight challenging business issues that we are actually facing. Finally, all 50 participants then present their proposals in person to senior leaders, including the CxOs, and the approved proposals are launched as business projects. Four proposals were approved this time and have entered the planning phase for implementation. The proposers themselves will also be able to participate directly in projects.



(2) Changes in Assets and Income and Loss:

Items	17th term business year (FY2021)	18th term business year (FY2022)	19th term business year (FY2023) (Previous business year)	20th term business year (FY2024) (Business year under review)
Revenue	¥1,296.2 bil.	¥1,518.6 bil.	¥1,603.7 bil.	¥1,912.3 bil.
Operating profit	¥155.7 bil.	¥133.0 bil.	¥25.5 bil.	¥41.0 bil.
Profit before tax	¥156.9 bil.	¥132.4 bil.	¥25.0 bil.	¥31.2 bil.
Profit	¥124.1 bil.	¥98.7 bil.	¥17.0 bil.	¥50.7 bil.
Basic earnings per share	¥67.08	¥54.24	¥9.51	¥28.35
ROE attributable to owners of the parent	8.7%	6.7%	1.1%	3.3%
Total assets	¥2,332.4 bil.	¥2,456.5 bil.	¥3,569.6 bil.	¥3,339.5 bil.
Equity attributable to owners of the parent	¥1,460.3 bil.	¥1,508.0 bil.	¥1,596.0 bil.	¥1,513.3 bil.
R&D expenses	¥246.0 bil.	¥276.1 bil.	¥294.2 bil.	¥327.7 bil.
R&D cost-to-revenue ratio	19.0%	18.2%	18.3%	17.1%

(Notes) 1. Consolidated Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS) in pursuant to the provisions of Article 120, paragraph (1) of the Regulation on Corporate Accounting.
2. Basic earnings per share is calculated using the weighted average number of ordinary shares outstanding during the period and presented by rounding numbers to the nearest second decimal places, i.e., discarding four thousandths (4/1000) or less and rounding up five thousandths (5/1000) or more.
3. ROE=Return On Equity

(3) Capital Expenditures

The following are the main progress of capital expenditures during the business year under review.

- Opened the life science campus in the United States.
- The construction of a plant at Astellas Ireland Co., Ltd. progressed.

<Capital Expenditures>

19th term business year (Previous business year)	20th term business year (Business year under review)	Fluctuation year-on-year (increase/decrease ratio)
¥35.4 billion	¥47.8 billion	¥12.4 billion increase (34.9% increase)

(Note) Plant and Equipment does not include right-of-use asset.

(4) Financing of the Astellas Group

The outstanding balances as of March 31, 2024 were commercial papers (short-term bonds) of ¥285.0 billion, unsecured corporate bonds of ¥250.0 billion, short-term borrowings of ¥135.4 billion, current portion of long-term borrowings of ¥51.9 billion and long-term borrowings of ¥197.7 billion. During the business year under review, the Astellas Group redeemed the said commercial papers of ¥285.0 billion and repaid the said short-term borrowings of ¥135.4 billion, while raising funds through issuance of new commercial papers, issuance of unsecured corporate bonds and borrowings. As a result, the outstanding balances as of March 31, 2025 are commercial papers of ¥164.9 billion, unsecured corporate bonds of ¥350.0 billion, short-term borrowings of ¥20.0 billion, current portion of long-term borrowings of ¥51.7 billion and long-term borrowings of ¥244.9 billion.

(5) Issues to be Addressed by the Astellas Group

The business environment surrounding the pharmaceutical industry has been changing drastically with the times. By flexibly adapting to these changes, the Company will continue to deliver innovative medical solutions to patients, thereby continuously increasing our corporate value.

1. Corporate Strategic Plan 2021

To realize our VISION to stand "On the forefront of healthcare change to turn innovative science into VALUE for patients," we have formulated Corporate Strategic Plan 2021 that will cover a five-year period through FY2025. In order to realize steady growth and achieve results by FY2025, Corporate Strategic Plan 2021 sets four Strategic Goals, three Organizational Health Goals that will serve as "roadmaps" for fostering a corporate culture that promotes these goals, and three Performance Goals that include specific numerical targets.

(1) Four Strategic Goals

The Strategic Goals provide roadmaps for the next five years to realize our VISION, as well as our priorities.

SG1: Enable patients to achieve better outcomes

The Company will work to maximize (i) sustainable patient access to our portfolio and (ii) outcomes that those patients achieve as a consequence.

SG2: Translate innovative science into proven VALUE

We will enhance its pipeline value by giving priority to the investment of management resources into its Primary Focuses, a key strategic area in R&D.

Primary Focus* Immuno-Oncology, Targeted Protein Degradation, Genetic regulation, Blindness & Regeneration

SG3: Advance the Rx+ business

Through the commercialization of Rx+ programs, we will move closer to achieving our vision of realizing "a world where people can live mentally and physically healthy lives and be true to themselves through healthcare solutions based on scientific evidence."

SG4: Deepen our engagement in sustainability

We recognize the importance of efforts to improve sustainability, and we are promoting a variety of social and environmental activities and working to strengthen governance as the foundation for these activities. We believe that the trust of our stakeholders gained through activities that have a positive impact on society will enhance the sustainability of Astellas.

* In April 2024, the Company excluded Mitochondria from the Primary Focuses.

(2) Three Organizational Health Goals

We have adopted three Organizational Health Goals (OHGs) to foster an internal environment where exceptional execution and performance are cultivated and sustained over time. Our commitment to OHG will enable us to maximize our organization's potential, thereby creating an internal environment that drives superior execution and generates innovation as One Astellas.

OHG1: Brave ideas pursue ambitious outcomes

People are empowered to take appropriate risks and supported to be 'outcome-driven' and 'innovation-focused.'

OHG2: Talent and leadership thrives

Purposeful talent management with a consistent leadership style that enables the desired mindset and behaviors.

OHG3: We excel as One Astellas

People co-operate effectively, with robust and coordinated execution, to achieve common goals.

(3) Performance Goals

The performance goals are numerical targets that represent what we believe we will have achieved by business year 2025, when we have approached our ideal organization and ensured the implementation of the strategic goals.

- Revenue: At least 1.2 trillion yen in sales of XTANDI and Strategic Brands[*1] in business year 2025
- Pipeline Value: Expected sales from Focus Area assets of more than 500 billion yen in business year 2030
- Core Operating Profit Margin: More than 30% core operating profit margin in business year 2025

By achieving three Performance Goals, we aim to become a company with a market capitalization valued at more than 7 trillion yen in business year 2025.

[Status at the end of the business year (FY2024)]

Considering the progress of Performance Goals at the end of the business year, they are challenging to achieve by FY2025. However, in order to reliably execute Corporate Strategic Plan 2021 and establish a structure to overcome the loss of the market exclusivity of XTANDI, we have identified three enterprise priorities, namely, "Growth Strategy," "Bold Ambition," and "Sustainable Margin Transformation," and have begun full-scale initiatives from FY2024.

Growth Strategy: Maximize the "VALUE" of Strategic Brands[*2] that are essential to future sales revenue growth.

Bold Ambition: Accelerate R&D and increase the pipeline value to drive long-term growth.

Sustainable Margin Transformation: Pursue cost optimization and aim for a core operating profit margin of 30%.

KPIs (key performance indicators) are set for each initiative and progress is strictly monitored and implemented. Furthermore, in order to further enhance the objective oversight by outside Directors of the implementation of the three enterprise priorities, an Enterprise Priority Monitoring Group was established at the outside Directors' meeting (外役会. Soto Yaku Kai, a meeting attended exclusively by independent outside Directors) and began its activities in November 2024. We will continue to implement our three enterprise priorities to sustainably create and provide "VALUE" while pursuing long-term growth.

*1 XOSPATA, PADCEV, VYLOY, EVRENZO, VEOZAH, AT132 (at the time of announcement of Corporate Strategic Plan 2021 (May 2021))
*2 PADCEV, IZERVAY, VEOZAH, VYLOY, XOSPATA (as of March 31, 2025)

2. Returns to shareholders

The Company works aggressively towards increasing enterprise value on a continual basis and, as a consequence, improves its return to shareholders. While putting priority on business investment to assure future growth, the Company strives to increase dividend payments stably and continuously based on its medium- to long-term profit growth on a consolidated basis.

Further, the Company flexibly acquires its own shares whenever necessary to enhance capital efficiency and increase earnings per share.

(6) Principal Business (as of March 31, 2025)

Research, development, manufacture and sale of pharmaceuticals

(7) Principal Offices and Plants (as of March 31, 2025)

Headquarters (Head Office)	2-5-1, Nihonbashi-Honcho, Chuo-ku, Tokyo
Research & Development	Headquarters (Tokyo Metropolis), Tsukuba Research Center (Ibaraki Prefecture), Tsukuba Biotechnology Research Center (Ibaraki Prefecture), Yaizu Pharmaceutical Research Center (Shizuoka Prefecture)
Manufacturing	Takahagi Technology Center (Ibaraki Prefecture), Tsukuba Tokodai Technology Center (Ibaraki Prefecture), Toyama Technology Center (Toyama Prefecture), Takaoka Plant (Toyama Prefecture), Yaizu Technology Center (Shizuoka Prefecture)

(Note) The principal sites overseas are described in “Principal Subsidiaries.”

(8) Principal Subsidiaries (as of March 31, 2025)

Name of subsidiary	Country	Share capital	Percentage of voting rights (%)	Outline of business
Astellas US LLC	United States	–	100.0*	Pharmaceutical business (management of regional operations)
Astellas Pharma Europe Ltd.	United Kingdom	€ in millions 139	100.0*	Pharmaceutical business (management of regional operations)
Astellas Pharma Singapore Pte. Ltd.	Singapore	SGD in millions 2	100.0	Pharmaceutical business (management of regional operations)
Astellas (China) Investment Co., Ltd.	China	CNY in millions 1,788	100.0	Pharmaceutical business (management of regional operations)
Astellas Institute for Regenerative Medicine	United States	US$ 0.1	100.0*	Pharmaceutical business (research)
Astellas Gene Therapies, Inc.	United States	US$ 0.1	100.0*	Pharmaceutical business (research)
Iota Biosciences, Inc.	United States	US$ 1	100.0*	Rx+ business
Astellas Pharma Global Development, Inc.	United States	US$ 10	100.0*	Pharmaceutical business (development)
Astellas Ireland Co., Ltd.	Ireland	€ in millions 3	100.0*	Pharmaceutical business (manufacture)
Astellas Pharma China, Inc.	China	CNY in millions 299	100.0*	Pharmaceutical business (manufacture)

Name of subsidiary	Country	Share capital	Percentage of voting rights (%)	Outline of business
Astellas Pharma US, Inc.	United States	US$ 10	100.0*	Pharmaceutical business (sales)
Astellas Pharma GmbH	Germany	€ in millions 14	100.0*	Pharmaceutical business (sales)
Beijing Astellas Medical Co., Ltd.	China	CNY in millions 20	100.0*	Pharmaceutical business (sales)

* Including the shares owned indirectly

(Notes) 1. The number of consolidated subsidiaries including thirteen (13) principal subsidiaries stated in the table above totals seventy-seven (77) and that of affiliated companies accounted for by the equity method is six (6).
2. There are no subsidiaries applicable to specified wholly owned subsidiaries.
3. Information on Astellas Pharma Europe B.V., a subsidiary of the Company, has been omitted due to the transfer of the Meppel Plant to Delpharm Industrie SAS (France) in April 2024.

(9) Important Business Reorganizations

- The Company's subsidiaries Astellas B.V. and Astellas Pharma Europe B.V. entered into an agreement to transfer the manufacturing plant and business based in Meppel to Delpharm Industrie SAS (France), in May 2023, and completed the transfer in April 2024.

(10) Important Alliance for Technology (as of March 31, 2025)

1. License agreements – license in

Counterparty	Country	Type of technologies
Medivation Inc.	United States	Technology for enzalutamide (XTANDI)
Seagen Inc.	United States	Technology for enfortumab vedotin (PADCEV) and antibody-drug conjugate (ADC)
Basilea Pharmaceutica International Ltd.	Switzerland	Technology for isavuconazonium sulfate (CRESEMBA)
Amgen Inc.	United States	Technology for evolocumab (REPATHA), romosozumab (EVENITY) and blinatumomab (BLINCYTO)
Gilead Sciences, Inc.	United States	Technology for Amphotericin B (AMBISOME)
CytomX Therapeutics, Inc.	United States	Technology for T-cell engaging bispecific antibodies
Sutro Biopharma, Inc.	United States	Technology for immunostimulatory antibody-drug conjugates (iADC)

(Note) The licensing agreement with UCB Pharma, S.A. (Belgium) for certolizumab pegol (CIMZIA) has been omitted due to its termination in April 2025.

2. Distribution and other agreements

Counterparty	Country	Contents of contracts
Seagen Inc.	United States	Agreement on worldwide commercialization of PADCEV of the Company and Seagen Inc.
Kotobuki Pharmaceutical Co., Ltd.	Japan	Agreement on development and commercialization of XOSPATA of the Company and Kotobuki Pharmaceutical Co., Ltd.
		Co-operation agreement in Japan for SUGLAT of the Company and Kotobuki Pharmaceutical Co., Ltd.
		Co-operation agreement in Japan for SUJANU Combination Tablets
MSD International GmbH	Switzerland	Master agreement on co-development and co-commercialization in Japan of SUJANU Combination Tablets of the Company and MSD International GmbH
MSD K.K.	Japan	Co-promotion agreement in Japan for SUJANU Combination Tablets of the Company and MSD International GmbH

3. Others

- Agreement regarding the acquisition of Ganymed Pharmaceuticals AG (Germany)

During the business year ended March 31, 2017, the Company entered into an agreement with the shareholders of Ganymed Pharmaceuticals AG, a biopharmaceutical company, to acquire the said company. The said company became a wholly owned subsidiary of the Company on December 20, 2016 (Central European Time) based on this agreement. The Company may make milestone payments depending on the progress of development of zolbetuximab (VYLOY).

(11) Major Litigations, etc.

Nothing applicable exists.

(12) Employees (as of March 31, 2025)

Number of employees	Year-on-year increase or decrease
13,643	1,111 decrease

(13) Principal Lenders (as of March 31, 2025)

Lenders	Balance of loans
Sumitomo Mitsui Banking Corporation	¥100.0 billion
MUFG Bank, Ltd.	¥99.1 billion

(14) Other Important Matters Concerning Present State of the Astellas Group

Nothing applicable exists.

2. **Matters Concerning Present State of the Company** (as of March 31, 2025)

(1) Matters Concerning Shares of Common Stock*

1. Matters Concerning Shares of Common Stock

1) Total number of shares authorized to be issued by the Company:
9,000,000,000 shares

2) Total number of shares issued:
1,809,663,075 shares (including 490,200 treasury shares)

3) Number of shareholders: 408,888

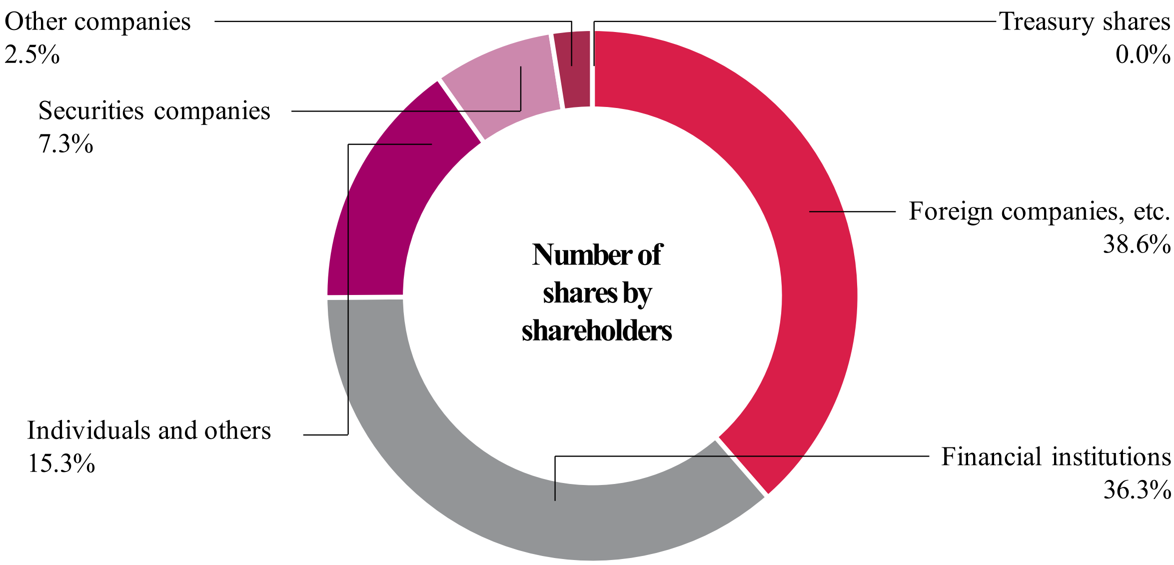
4) Top ten (10) principal shareholders:

Name of shareholder	Number of shares held (Thousand)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	359,709	19.88
Custody Bank of Japan, Ltd. (trust account)	145,230	8.02
GOLDMAN, SACHS & CO. REG	60,729	3.35
STATE STREET BANK AND TRUST COMPANY 505001	54,188	2.99
Nippon Life Insurance Company	51,588	2.85
STATE STREET BANK WEST CLIENT -TREATY 505234	41,472	2.29
SMBC Nikko Securities Inc.	28,538	1.57
JPMorgan Securities Japan Co., Ltd.	27,503	1.52
JP MORGAN CHASE BANK 385781	26,382	1.45
STATE STREET BANK AND TRUST COMPANY 505103	20,914	1.15

(Note) The percentage of shares held are calculated to the total number of issued shares excluding treasury shares (1,809,172,875 shares) and presented by discarding the numbers down to the third decimal.

* Treasury shares exclude the Company's shares held in the executive compensation BIP trust and the stock-delivery ESOP trust.

Breakdown of Shareholders



2. Shares delivered to Corporate Executives of the Company in consideration of the execution of duties

	Number of shares	Number of recipients
Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	49,100 shares	2

(Note) Under the Performance-linked Stock Compensation Scheme (hereinafter the "Plan"), individuals eligible under the Plan shall receive half of the number of the Company's shares corresponding to the allocated points from the specified trust (hereinafter the "Trust") (provided that shares less than one unit shall be converted into cash within the Trust and the cash equivalent to the amount of conversion will be received), and receive the cash equivalent to the remaining half after conversion into cash within the Trust. The number of shares in the table above does not include the number of shares for which cash was received due to the conversion into cash.

3. Matters Concerning Subscription Rights to Shares

1) Present status of subscription rights to shares as of March 31, 2025:

- Total number of subscription rights to shares: 1,417
- Type and number of shares to be issued upon exercise of subscription rights to shares:

360,100 shares of common stock of the Company

All subscription rights to shares have been delivered as the stock options. The Company plans to use treasury share when the subscription rights to shares are exercised and does not intend to issue new shares (i.e. no increase in the total number of the Company's shares issued).

Items	Resolution date of issuance:	Number of subscription rights to shares:	Type and number of shares to be issued upon exercise of subscription rights to shares*2:	Amount to be paid for subscription rights to shares to be offered*1:	Amount of cash to be contributed upon exercise of subscription rights to shares*2:	Exercise period of subscription rights to shares:
Subscription rights to shares issued in July 2010 (issued on July 8, 2010)	June 23, 2010	33	16,500 shares of common stock (500 shares per subscription right to shares)	¥244,000 per subscription right to shares	¥500 per subscription right to shares	From July 9, 2010 through June 23, 2030 (both inclusive)
Subscription rights to shares issued in July 2011 (issued on July 5, 2011)	June 20, 2011	130	65,000 shares of common stock (500 shares per subscription right to shares)	¥267,700 per subscription right to shares	¥500 per subscription right to shares	From July 6, 2011 through June 20, 2031 (both inclusive)
Subscription rights to shares issued in July 2012 (issued on July 5, 2012)	June 20, 2012	248	124,000 shares of common stock (500 shares per subscription right to shares)	¥304,800 per subscription right to shares	¥500 per subscription right to shares	From July 6, 2012 through June 20, 2032 (both inclusive)
Subscription rights to shares issued in July 2013 (issued on July 4, 2013)	June 19, 2013	135	67,500 shares of common stock (500 shares per subscription right to shares)	¥505,300 per subscription right to shares	¥500 per subscription right to shares	From July 5, 2013 through June 19, 2033 (both inclusive)
Subscription rights to shares issued in July 2014 (issued on July 3, 2014)	June 18, 2014	871	87,100 shares of common stock (100 shares per subscription right to shares)	¥127,900 per subscription right to shares	¥100 per subscription right to shares	From July 4, 2014 through June 18, 2034 (both inclusive)

*1 The subscription rights to shares stated above were delivered on the condition that the remuneration debts the Company owes to the allottees and the amounts payable for the subscription rights to shares to be offered were offset against each other.

*2 The Company conducted a stock split of common stock at a ratio of 5 for 1 on April 1, 2014. Accordingly, the above type and number of shares to be issued upon exercise of subscription rights to shares and the amount of cash to be contributed upon exercise of subscription rights to shares are shown based on the adjusted figures after such stock split, excluding those subscription rights to shares issued in July 2014.

(Note) Conditions for the exercise of the subscription rights to shares stated above are as follows:

(1) The holder may, in principle, only exercise the rights for the period of ten (10) years after the date immediately following the date when they lose their positions as both Directors and Corporate Executives of the Company.

(2) Each subscription right to shares may not be partially exercised.

2) State of subscription rights to shares held by the Directors as of March 31, 2025, which have been delivered in consideration of performance of their duty:

	Allottee	Number of persons	Number of subscription rights to shares (remaining numbers)	Type and number of shares to be issued upon exercise of subscription rights to shares
Subscription rights to shares issued in July 2010	Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1	33 units	16,500 shares of common stock
Subscription rights to shares issued in July 2011	Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1	30 units	15,000 shares of common stock
Subscription rights to shares issued in July 2012	Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1	50 units	25,000 shares of common stock
Subscription rights to shares issued in July 2013	Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1	30 units	15,000 shares of common stock
Subscription rights to shares issued in July 2014	Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1	108 units	10,800 shares of common stock
Total			251 units	82,300 shares of common stock

(Notes) 1. The subscription rights to shares held by the Directors include those distributed as consideration of performance of duties as Corporate Executives prior to assuming the position of Director.

2. The Company conducted a stock split of common stock at a ratio of 5 for 1 on April 1, 2014; and the above numbers of shares to be issued upon exercise of subscription rights to shares, excluding the number relating to the subscription rights to shares issued in July 2014, have been adjusted for the stock split.

4. Other Important Matters Concerning Shares of Common Stock

Nothing applicable exists.

(2) Basic Views and System of Corporate Governance

1. Basic view

The Company's raison d'être is to contribute to improving the health of people around the world through the provision of innovative and reliable pharmaceutical products. The Company aims to sustainably enhance enterprise value by being chosen and trusted by all stakeholders. With this business philosophy, we work to ensure and strengthen the effectiveness of corporate governance from the following perspectives:

1) Ensuring transparency, appropriateness and agility of management; and
2) Fulfillment of our fiduciary duties and accountability to shareholders and appropriate collaboration with all stakeholders.

The Company has established the Corporate Governance Guidelines which clarifies the basic views and guidelines that must be followed in order for the Company to ensure and strengthen the effectiveness of corporate governance. The guidelines are posted on the following Company's website.

https://www.astellas.com/en/about/governance

2. Summary of the Company's corporate governance system

The summary of the Company's corporate governance systems is as follows:

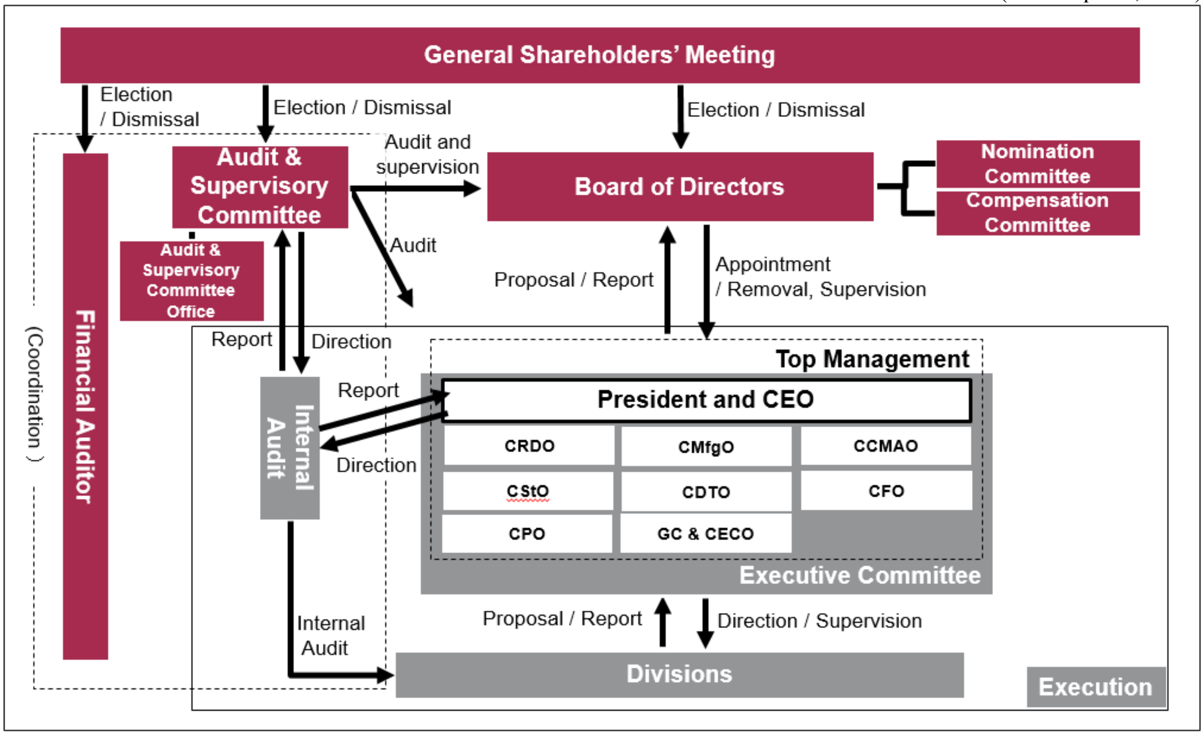
- The Company adopts the organizational structure of "Company with Audit & Supervisory Committee." Outside Directors constitute the majority of the Board of Directors and the Audit & Supervisory Committee, respectively.

- The Board of Directors determines basic policies of management, business strategies and other matters, and serves the oversight function of business execution.

- As an organ for handling business execution, the Company establishes the Executive Committee for discussing important matters and appoints Top Management (the President and Chief Executive Officer; the Chief Research & Development Officer; the Chief Manufacturing Officer; the Chief Commercial & Medical Affairs Officer; the Chief Strategy Officer; the Chief Digital & Transformation Officer; the Chief Financial Officer; the Chief People Officer; and the General Counsel and Chief Ethics & Compliance Officer are collectively referred to as "Top Management") to take responsibility for business execution. The responsibility and authority for the execution of business of the organ described above and the Top Management are clearly stipulated in the Corporate Decision Authority Policy.

- As advisory bodies to the Board of Directors, the Company establishes the Nomination Committee and the Compensation Committee, each of which are composed of a majority of outside Directors.

(As of April 1, 2025)



[Reason for the selection of the system]

To realize this, the Company has decided to transition to a company with an Audit & Supervisory Committee, which will enable the delegation of a substantial part of the Board of Directors' decision-making authority of the execution of business to executive Directors. This further enhances deliberation on matters such as business strategy in the Board of Directors and further strengthens the oversight function of the Board of Directors. In addition, the Company deems it appropriate for the Board of Directors, a majority of whose members are outside Directors, to discuss and make decisions on important matters relating to corporate governance, including those involving election of Directors and remuneration, etc.

3. Board of Directors

1) Roles and composition of the Board of Directors

Directors shall be elected by resolution of Shareholders Meeting and the terms of office of Directors who are not Audit & Supervisory Committee Members and Directors who are Audit & Supervisory Committee Members shall be one year and two years, respectively. Board of Directors meetings are held at least once every three (3) months, and additionally as necessary, and are chaired by the Director and Chairman of the Board in principle. Fourteen Board of Directors meetings were held during the business year.

The Board of Directors ensures the transparency and appropriateness of management by making decision of corporate management policies and corporate strategies, etc. and serving the oversight function of the execution of business. Furthermore, the Board of Directors ensures the agility of management by delegating a substantial part of decision-making authority of important business execution to an executive Director by resolution of the Board of Directors and establishing "Corporate Decision Authority Policy" to clarify the responsibility and authority for the execution of business by Top Management and others.

The Board of Directors, in consideration of diversity and balance from the perspectives of expertise and experience and so forth, is composed of a number of Directors appropriate to facilitate agility. In order to ensure decision-making from a broader viewpoint and objective oversight of the execution of business, the Board of Directors is composed of a majority of outside Directors. At least one person with management experience at other companies is to be appointed as an outside director. As of March 31, 2025, the Board of Directors comprises 11 Directors (6 males and 5 females), among whom a majority of seven are highly independent outside Directors.

2) Analysis and evaluation of the effectiveness of the Board of Directors

The Company conducts an annual analysis and evaluation of the effectiveness of the Board of Directors as a means of examining and improving issues to further enhance the effectiveness of the Board of Directors, and discloses a summary of the results thereof.

For the analysis and evaluation of the effectiveness of the Board of Directors for the business year under review, an external evaluation organization was used to conduct a third-party evaluation based on a self-assessment questionnaire and interviews with all Directors. The Board of Directors discussed the results of the analysis based on those findings and made a final evaluation. Directors also provided each other with individual feedback through the questionnaire.

[Process for evaluation of the effectiveness of the Board of Directors in FY2024]

In FY2024, for the first time, an external evaluation organization conducted an anonymous survey for all Directors, as well as individual interviews with the Directors. The survey and interviews were conducted based on the following items.

- Composition of the Board of Directors
- Operation of the Board of Directors
- Discussions by the Board of Directors
- Monitoring function of the Board of Directors
- Performance of outside Directors
- Support system for Directors
- Dialogue with shareholders
- Own efforts
- Operation of the Nomination Committee and the Compensation Committee
- Summary

The results of the analysis were shared at a Board of Directors meeting held in April 2025 to evaluate overall effectiveness and discuss policies and measures, particularly regarding the composition of the Board of Directors, to further improve effectiveness.

[Conclusion]

It was determined that the overall effectiveness of the Board of Directors is sufficiently ensured.

[Reasons for the conclusion and evaluation]

- The overall average score for the survey questions was 4.3 (out of 5), which was equal to or higher than the average score of other companies* for all items, indicating that the Board of Directors is generally functioning effectively.
- The score for the summary question “In general, does the board of directors function effectively?" was high at 4.6 (out of 5), confirming that each Director evaluated the Board of Directors as functioning effectively.

- As a result of interviews with each Director, it was confirmed that many provided positive feedback on the following topics: composition of the Board of Directors, operation of the Board of Directors, monitoring function of the Board of Directors, support system for Directors, dialogue with shareholders, and the effectiveness of the Nomination Committee and the Compensation Committee.

[Initiatives to raise the effectiveness]

The Board of Directors discussed and shared its recognition of issues and future approach regarding the following areas with room for further improvement. Through these initiatives, the Board of Directors will strive to further improve its effectiveness.

- Role and composition of the Board of Directors
  Reconfirm the role of the Board of Directors and the responsibilities of outside Directors as stated in the Company's Corporate Governance Guidelines, and hold ongoing discussions and take appropriate measures regarding the composition of the Board of Directors to ensure that the Board of Directors appropriately fulfills its functions in light of the Company's corporate strategies.
- Operation of and discussions by the Board of Directors, Nomination Committee, and Compensation Committee
  Further streamline the agenda items, improve the conciseness of materials, ensure proceedings are appropriate to the agenda, and promote substantive discussions and remarks.
- Support system for Directors
  Further establish opportunities for members of top management to report on business progress, create opportunities for communication, and strengthen oversight by outside Directors.
- Dialogue with shareholders
  Continue to promote further information sharing with Directors about the content of dialogue with shareholders and deepen discussions on the role of disclosure and dialogue with shareholders.

Status of initiatives for continuous enhancement of effectiveness

The status of initiatives related to areas with room for improvement identified in the FY2023 evaluation of the effectiveness of the Board of Directors is as follows.

	FY2023 evaluation and issues	Initiatives for FY2024
Dialogue with shareholders	• Understand the expectations and opinions of various stakeholders and reflect them in discussions by the Board of Directors for further improvements.	• Held Board of Directors meetings at research facilities in Japan and established opportunities for dialogue with employees. • Established opportunities for dialogue not only with shareholders but also with employees and other diverse stakeholders.
Operation of the Board of Directors, Nomination Committee, and Compensation Committee	• Promote timely information sharing that contributes to appropriate management oversight for further improvements.	• Establish opportunities for the Secretariat and outside Directors to discuss recent or future agenda items and operations. • Establish opportunities for U.S. market managers to share information on the latest developments in the U.S. market.

* Average score of other companies that contact the third-party evaluation organization to conduct evaluation

3) Specific matters considered by the Board of Directors during the business year ended March 31, 2025

Corporate Strategy	・Quarterly review of the progress of the corporate strategic plan ・Review of progress of Primary Focus strategy ・Determination of FY2025 Corporate Annual Plan ・Review of progress of three enterprise priorities
Risk Management	・Review of enterprise risks and the management status thereof ・Review of status of compliance activities
Stakeholder Engagement	・Approval of matters related to financial results ・Review of status of dialogue with investment community ・Review of results of employee engagement survey ・Review of status of sustainability action plan and activities
Corporate Governance	・Evaluation of Board of Directors effectiveness analysis results ・Deliberations and decisions on Directors & Officers appointment/ remuneration ・Review of status of succession planning ・Review of audit results obtained by the Audit & Supervisory Committee and Internal Audit

4. Audit & Supervisory Committee

1) Roles and composition of the Audit & Supervisory Committee

The Audit & Supervisory Committee meetings are held once a month in principle, and 20 Audit & Supervisory Committee meetings were held during the business year under review.

The Audit & Supervisory Committee is the only deliberation body and decision-making body for the purpose of forming opinions with regard to audits by the Audit & Supervisory Committee Members, and, where necessary, provides its opinions to Directors or the Board of Directors.

The Audit & Supervisory Committee is composed of all the Directors who are Audit & Supervisory Committee Members, and its chairman is determined by resolution of the Audit & Supervisory Committee. In order to further enhance the independence and neutrality of the Company’s audit system, the Audit & Supervisory Committee is composed of a majority of outside Directors. In addition, the Company appoints as Audit & Supervisory Committee Members individuals who have appropriate experience and skills, as well as necessary knowledge of finance, accounting and legal affairs. At least one person who has sufficient expertise in finance and accounting serves on the committee.

As of March 31, 2025, the Audit & Supervisory Committee comprises 4 members (4 females), among whom a majority of three are highly independent outside Directors. The Audit & Supervisory Committee is chaired by an outside Director.

The Company establishes the Audit & Supervisory Committee Office to assist the duties of the Audit & Supervisory Committee Members.

The staff of the Audit & Supervisory Committee Office are independent from Directors who are not Audit & Supervisory Committee Members and perform their duties under the direction of the Audit & Supervisory Committee. Moreover, the Board of Directors has decreed that any transfer or evaluation, etc. of the staff requires the prior approval of the Audit & Supervisory Committee. This arrangement ensures that the staff of the Audit & Supervisory Committee Office remain independent of other business execution divisions and ensures the efficacy of directions given to the staff by the Audit & Supervisory Committee.

2) Specific matters considered by the Audit & Supervisory Committee during the business year ended March 31, 2025

Specific matters considered by the Audit & Supervisory Committee include the Audit & Supervisory Committee's audit policy, audit plan and audit results, results of the audit of the business report and financial statements, the Internal Audit division's audit plan and audit results, development of the internal control system and its operational status, Financial Auditor evaluation and remuneration, etc., and opinions about election, remuneration, etc., of Directors (excluding Directors who are Audit & Supervisory Committee Members).

During the business year under review, the Audit & Supervisory Committee focused on the following key audit items.

- Status of HR systems, policies and measures
  - Status of PMI (Post-Merger Integration) management at the acquired companies
- Status of governance of subsidiaries
- Status of challenges associated with globalization and reorganization
- Accounting procedures (including tax processing) based on management's estimates and judgments involving significant risks
- Status of outsourcing
- Status of risk response and risk management
- Status of compliance and supervision
- Sustainability-related information disclosure system and process initiatives
- Status of IT-related maintenance and support

5. Nomination Committee / Compensation Committee

1) Purpose of establishment and composition of the Nomination Committee / Compensation Committee

In order to ensure the transparency and objectivity of the deliberation process regarding election and dismissal of Directors, etc. and remuneration system, the Company establishes the Nomination Committee and the Compensation Committee as advisory bodies to the Board of Directors. The Nomination Committee and the Compensation Committee are composed of members appointed by the Board of Directors, and the majority of each Committee are outside Directors. Each Committee is chaired by an outside Director. As of March 31, 2025, each Committee comprises 4 members (3 males and 1 female), all of whom are highly independent outside Directors.

2) Role of the Nomination Committee

The Nomination Committee deliberates matters relating to the election and dismissal of Directors and appointment and removal of Top Management, etc., and reports the results of their deliberations to the Board of Directors. Nine meetings were held during the business year under review.

3) Specific matters considered by the Nomination Committee during the business year ended March 31, 2025

Election and dismissal of Directors, etc.	・Election and dismissal of Directors ・Selection and dismissal of Representative Directors ・Selection and dismissal of Directors with executive power ・Appointment and removal of Top Management, etc. ・Top management structure, etc.
Succession planning	Succession planning for internal Directors and Top Management

4) Role of the Compensation Committee

The Compensation Committee deliberates matters regarding remuneration, bonuses and other financial benefits paid as consideration for the performance of duties for Directors and Top Management, etc. (excluding remuneration for individual Directors who are Audit & Supervisory Committee Members), and reports the results of their deliberations to the Board of Directors. Ten meetings were held during the business year under review.

5) Specific matters considered by the Compensation Committee during the business year ended March 31, 2025

Executive remuneration level, remuneration system, etc. for FY2025	・Establishment of remuneration levels by position and by individual ・Revision of incentive-based remuneration system (revision of company-wide key performance indicators of bonus, etc.)
Bonuses for FY2023	Company-wide performance assessment results and amount paid by individual
Bonuses for FY2024	Company-wide performance targets and assessment table
FY2021 stock compensation*1	Achievement of performance targets and number of shares delivered by individual
FY2024 stock compensation*2	Trust setup and TSR Peer Group*3 setup

*1 FY2021 is the first business year of the assessment period for stock compensation, and FY2023 is the last business year of the assessment period for stock compensation.

*2 FY2024 is the first business year of the assessment period for stock compensation, and FY2026 is the last business year of the assessment period for stock compensation.

*3 See page 75 for details.

(3) Global Management Structure

1. Overview

The Astellas Group has established a management structure as described below.

- The Company has the Executive Committee, chaired by the Representative Director, President and CEO, as a body for discussion on important matters in global management of the Astellas Group.

- In order to build an optimal management system capable of agile and appropriate decision-making, the Company maintains a global organizational structure covering the entire Group across nearly all of its organizations, and appoints Top Management to take charge of such activities.

- On April 1, 2025, Chief Research & Development Officer and Chief Commercial & Medical Affairs Officer were established as new top management positions in order to promote pharmaceuticals from R&D to market launch and lifecycle management in a single integrated manner all centered around the patient. In addition, General Counsel and Chief Ethics & Compliance Officer was newly established by consolidating legal, intellectual property, quality assurance, and ethics & compliance into a single top management position as an important risk management function.

- To aim for appropriate execution of business, the Company has established various committees comprising cross-functional members. These committees include the Corporate Disclosure Committee where matters including disclosure of corporate information are discussed, the Global Benefit Risk Committee to discuss benefit and risk information of products as well as measures to deal with such benefit and risk, the Global Compliance Committee where matters including global compliance policies and plans are discussed. Furthermore, the Company has established “Global” and “Divisional” Risk and Resilience Management Committees, and is comprehensively managing the identification of risks and the optimum management activities as well as the preparation of crisis response plans and business continuation plans, and the status of their implementation.

- As a framework for contributing to sustainability, the Company has established the Sustainability Committee and the Environmental (E), Society (S), and Governance (G) Working Groups (E, S, G Working Group), consisting of members from across functions, led by Sustainability functional unit, to promote activities to improve sustainability by each division from a long-term, strategic, and Group-wide perspective.

- Major changes in organizational structure

  The following organizational structure changes were made in April 2025.

- Integration of R&D-related divisions

  With the aim of providing the next-generation groundbreaking therapies from Astellas, the research and development teams and the Primary Focus Leads were integrated into the VALUE Creation organization as an innovation engine to create “VALUE” for patients. This organization is placed under the oversight of the Chief Research & Development Officer.

- Integration of Commercial and Medical Affairs divisions
  In order to deliver "VALUE" to patients through industry-leading customer engagement, the current Commercial and Medical Affairs divisions were integrated into the VALUE Delivery organization while the independence of their respective functions is maintained. This organization is placed under the oversight of the Chief Commercial & Medical Affairs Officer.

- Establishment of Global Capability Centers
  New centers were decided to be established to improve efficiency, consistency and quality by integrating and optimizing dispersed operations, and to respond swiftly to changes in demand.

(4) Matters Concerning Directors:

1. Names and other information:

Position	Name	Advisory Committee	Responsibility and status of significant concurrent positions
Representative Director, Chairman of the Board	Kenji Yasukawa		Outside Board Director, Resonac Holdings Corporation
Representative Director, President and CEO	Naoki Okamura		
Representative Director, Executive Vice President	Katsuyoshi Sugita		Chief People Officer (CPO) (as of April 1, 2025 (see Note 7))
Outside Director	Takashi Tanaka	Chair of the Nomination Committee Chair of the Compensation Committee	Director, Senior Advisor (non-executive) , KDDI CORPORATION (as of April 1, 2025 (see Note 8)) Director, Okinawa Cellular Telephone Company
Outside Director	Eriko Sakurai	Member of the Nomination Committee Member of the Compensation Committee	Outside Director, Sumitomo Mitsui Financial Group, Inc. Outside Director, Kao Corporation External Director, Nippon Sheet Glass Co., Ltd.
Outside Director	Masahiro Miyazaki	Member of the Nomination Committee Member of the Compensation Committee	Outside Director, Kurita Water Industries Ltd.
Outside Director	Yoichi Ohno	Member of the Nomination Committee Member of the Compensation Committee	Visiting Professor, Social Medicine and Research Administration Center and Medical Education Center, Saitama Medical University
Director (Full-time Audit & Supervisory Committee Member)	Rika Hirota		
Outside Director (Chair of the Audit & Supervisory Committee)	Mika Nakayama		Outside Director, Mitsubishi Kakoki Kaisha, Ltd. (appointed in June 2024)
Outside Director (Audit & Supervisory Committee Member)	Rie Akiyama		Lawyer, Baba & Sawada Law Office Outside Director, GOLDWIN INC.

Position	Name	Advisory Committee	Responsibility and status of significant concurrent positions
Outside Director (Audit & Supervisory Committee Member)	Tomoko Aramaki		President, Aramaki CPA Office Outside Director, FUJI SOFT INCORPORATED Outside Director, EXEO Group, Inc. Outside Director (Audit & Supervisory Committee Member), TRE HOLDINGS CORPORATION

(Notes) 1. Mr. Takashi Tanaka, Ms. Eriko Sakurai, Mr. Masahiro Miyazaki, Dr. Yoichi Ohno, Ms. Mika Nakayama, Ms. Rie Akiyama and Ms. Tomoko Aramaki are outside Directors and are registered as independent directors with Tokyo Stock Exchange, Inc.

2. There is no significant business relationship between the Company and the above organizations where each outside Director holds significant concurrent positions.

3. The years and months listed for the status of significant concurrent positions relate to changes in position during and after the business year under review.

4. Notes to be particularly mentioned for Audit & Supervisory Committee Members are as follows:

   Ms. Tomoko Aramaki has considerable knowledge related to finance and accounting based on her many years of experience in corporate auditing and advisory services as a certified public accountant and a certified public tax accountant, and currently serves as the President of Aramaki CPA Office.

5. Ms. Rika Hirota is a full-time Audit & Supervisory Committee Member. Given her familiarity with the Company's internal affairs, she has accordingly been appointed as a full-time Audit & Supervisory Committee Member to heighten the effectiveness of activities of the Audit & Supervisory Committee by sharing with all Audit & Supervisory Committee Members information she has obtained by attending important meetings, receiving reports from business operating departments, and liaising closely with the Internal Audit, etc.

6. Mr. Toru Yoshimitsu and Mr. Raita Takahashi retired from office of Director during the business year under review (retired on June 20, 2024).

7. Changes in Directors' responsibilities during and after the business year under review were as follows.

Name	Before change		After change		Date of change
	Position	Responsibility	Position	Responsibility	
Katsuyoshi Sugita	Representative Director, Executive Vice President	Chief People Officer and Chief Ethics & Compliance Officer (CPO & CECO)	Representative Director, Executive Vice President	Chief People Officer (CPO)	April 1, 2025

8. Mr. Takashi Tanaka retired from office of Director, Chairman of the Board of KDDI CORPORATION on March 31, 2025.

2. Amounts of remunerations:

Remunerations for Directors are so designed as to enable the Company to recruit and retain talents, and to make the remuneration structures and levels fully commensurate with the responsibilities of the position. The Company endeavors to improve the objectivity of decisions on remuneration levels through measures such as the use of remuneration survey data from specialist third-party organizations.

Remunerations for Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) are based upon a remuneration system and composition that are closely linked to performance with an emphasis on increasing enterprise value and shareholder value over the medium- to long-term, and are composed of a fixed amount basic remuneration, bonuses, and stock compensation. The Company appropriately links remunerations with business performance. Remunerations for outside Directors and Directors who are Audit & Supervisory Committee Members are composed of a fixed amount basic remuneration only. Remunerations for each Director who is not Audit & Supervisory Committee Member are determined by resolutions of the Board of Directors within a total ceiling amount approved by the Shareholders Meeting. Remunerations for each Director who is an Audit & Supervisory Committee Member are determined by the deliberations of the Audit & Supervisory Committee Members within a total ceiling amount approved by the Shareholders Meeting. Through the deliberations of the Compensation Committee prior to the resolution of the Board of Directors, the Company ensures greater transparency and objectivity of the deliberation process for remunerations for Directors who are not Audit & Supervisory Committee Members.

The Company has set out the policy for determining details of remunerations for individual Directors in the internal policies concerning remunerations for Directors established by resolution of the Board of Directors after discussions at the Compensation Committee. The details of said policy are described on page 76 and subsequent pages.

1) Remunerations to Directors for the business year under review

The total amount of remunerations to Directors for the business year under review is as follows. The Compensation Committee has deliberated on the details of remunerations for individual Directors who are not Audit & Supervisory Committee Members, including whether such details are in line with the aforementioned policy, and the Board of Directors has judged that they are in line with said policy with due respect to the proposal of the Compensation Committee. Meanwhile, remunerations for individual Directors who are Audit & Supervisory Committee Members are determined by deliberation of Audit & Supervisory Committee Members.

[Chart 1. Total amount of remunerations, total amount of remunerations by type, and number of Directors applicable for each category of Directors]

Category	Total amount of remunerations (Millions of yen) (1)+(2)+(3)	Total amount of remunerations by type of remuneration (Millions of yen)					Number of applicable Directors
		Basic remuneration (1)	Bonus (2)	Stock compensation (3)	Total monetary remuneration (1)+(2)	Total performance-linked remuneration (2)+(3)	
Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)	1,358	326	613	419	939	1,032	3
Outside Directors who are not Audit & Supervisory Committee Members	103	103	–	–	103	–	4
Total	1,460	428	613	419	1,042	1,032	7
Directors who are Audit & Supervisory Committee Members (excluding outside Directors)	68	68	–	–	68	–	2
Outside Directors who are Audit & Supervisory Committee Members	77	77	–	–	77	–	4
Total	145	145	–	–	145	–	6

(Notes)

1. At the 14th Term Annual Shareholders Meeting of the Company held on June 18, 2019, the ceiling amount of basic remuneration for Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) was resolved to be ¥590 million per year, with the ceiling amount for bonuses resolved to be ¥1,370 million per year, while the ceiling amount for basic remuneration for outside Directors who are not Audit & Supervisory Committee Members was resolved to be ¥130 million per year. The ceiling amounts do not include the portion of salary paid in the capacity of employees. At the close of such Annual Shareholders Meeting, the number of Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) was three (3) whereas the number of outside Directors who are not Audit & Supervisory Committee Members was four (4).
2. The ceiling amount of remuneration to the Directors who are Audit & Supervisory Committee Members as a group was resolved to be ¥260 million per year at the 13th Term Annual Shareholders Meeting of the Company held on June 15, 2018. At the close of said Annual Shareholders Meeting, the number of Directors who are Audit & Supervisory Committee Members was five (5).
3. The amounts of “Basic remuneration” above include the amounts paid to one (1) Director who is an Audit & Supervisory Committee Member (excluding outside Directors) and one (1) outside Director who is an Audit & Supervisory Committee Member who retired at the close of the 19th Term Annual Shareholders Meeting held on June 20, 2024.
4. The bonus stated above is estimated payment amounts.
5. The Company has introduced a performance-linked stock compensation scheme (stock compensation), which employs a framework referred to as the executive remuneration BIP (Board Incentive Plan) trust, for the purpose of increasing the awareness of contribution to the sustainable growth of the business results and enterprise value. The Scheme is a medium- to long-term incentive-based remuneration plan that is highly transparent and objective and closely linked with the Company’s business results. Under the Scheme, with respect to the three consecutive business years of an applicable period, the Company contributes, in the initial business year of each applicable period, funds for remuneration to the Directors to the executive remuneration BIP trust. The ceiling amount of the contribution was resolved to be an amount not exceeding ¥1,640 million at the 14th Term Annual Shareholders Meeting of the Company held on June 18, 2019. The maximum number of the Company’s shares acquired by Directors (including the number of the Company’s shares to be converted into cash) was resolved to be the number obtained by dividing ¥1,640 million by the average closing price of the Company’s shares on the Tokyo Stock Exchange in the month (March) before the initial month (April) of the first business year of every applicable period at said Annual Shareholders Meeting. At the close of such Annual Shareholders Meeting, the number of Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) was three (3). The stock compensation stated above refers to the amount recorded as expenses under J-GAAP for the business year under review.
6. The details of key performance indicators for the performance-linked remuneration, reasons for the selection of such performance indicators, and calculation method for the performance-linked remuneration are

described in "Incentive-based remuneration system (variable remuneration)" on page 80 and subsequent pages.

7. The status of delivery of shares under the stock compensation scheme for the business year under review is described in "(1) Matters Concerning Shares of Common Stock" on pages 57 to 58.

[Chart 2. Directors whose total amount of remunerations is 100 million yen or more]

Name (Position)	Total amount of remunerations (Millions of yen) (1)+(2)+(3)	Total amount of remunerations by type of remuneration (Millions of yen)				
		Basic remuneration (1)	Bonus (2)	Stock compensation (3)	Total monetary remuneration (1)+(2)	Total performance-linked remuneration (2)+(3)
Kenji Yasukawa (Representative Director, Chairman of the Board)	415	109	217	89	327	306
Naoki Okamura (Representative Director, President and CEO)	663	144	284	236	428	519
Katsuyoshi Sugita (Representative Director, Executive Vice President)	279	72	113	94	185	207

(Notes) 1. The bonus stated above is projected payment amounts.

2. The stock compensation stated above refers to the amount recorded as expenses under J-GAAP for the business year under review.

[Chart 3. Targets, actual results and bonus payment rate (the ratio of the amount actually paid to the base amount) of respective key performance indicators of bonus (short-term incentive remuneration) for Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) whose assessment period is the 20th term business year]

Key performance indicators	Assessment weighting	Variance of assessment coefficient	Targets	Actual results	Assessment coefficient
Revenue	25%	0% to 200%	Maximum: ¥1,732.5 billion Target: ¥1,650 billion Minimum: ¥1,567.5 billion	¥1,912.3 billion	200.0%
Core operating profit ratio	25%	0% to 200%	Maximum: 16.7% Target: 15.2% Minimum: 13.6%	20.5%	200.0%
Core EPS*1	25%	0% to 200%	Maximum: ¥119.29 Target: ¥103.73 Minimum: ¥88.17	¥165.17	200.0%
R&D performance *2	25%	0% to 200%	(1) Research: Number of new drug candidates (2) Development: Amount of increase in pipeline value	–	50.1%

(Notes) 1. EPS: Earnings Per Share

2. The targets, maximum and minimum figures, and assessment coefficient for R&D performance is determined by the Board of Directors after deliberation at the Compensation Committee.

Key performance indicators	Variance of assessment coefficient	Targets*4	Actual results	Assessment coefficient
Sustainability performance*3	-10% to +10%	(1) Initiatives for Access to Health (2) Initiatives for Talent and Organization (3) Initiatives for Stable Products Supply (4) Initiatives for Environmental Sustainability	–	-7.5%
*3 Sustainability performance targets, maximum and minimum figures, and assessment coefficients are to be determined by the Board of Directors after deliberation at the Compensation Committee.			Assessment coefficient (bonus payment rate) 155.0%	

*4 Regarding (1) Initiatives for Access to Health, targets were set related to expanding access to Astellas products and strengthening the healthcare system. Regarding (2) Initiatives for Talent and Organization, targets were set for improving the results of the employee engagement survey as well as the promotion of diversity of successor candidates for leadership positions and the increase in the number of female leaders in Japan. Regarding (3) Initiatives for Stable Products Supply, targets were set for achieving the timely supply of Astellas products to patients. Regarding (4) Initiatives for Environmental Sustainability, targets*5 were set for the execution of the detailed plan to achieve the targets approved by the Science Based Targets (SBT) initiative and the state of implementation of the annual action plan.

*5 Greenhouse gas emission reduction targets approved by the SBT Initiative in 2022
Reduce Scope 1+2 by 63% by FY2030 (base year: FY2015) and Scope 3 by 37.5% by FY2030 (base year: FY2015)
(Scope: Range of calculation of GHG (Greenhouse gas) emissions, Scope 1: Direct emissions of GHG from fuels used in-house, Scope 2: Indirect emissions of GHG from consumption of purchased electricity, Scope 3: Emissions of GHG in the supply chain of business activities, such as raw material procurement and product use)

[Chart 4. Targets and actual results of respective key performance indicators, and share delivery rate (the ratio of the number of shares actually delivered to the basic points) of stock compensation (medium- to long-term incentive remuneration) for Directors who are not Audit & Supervisory Committee Members (excluding outside Directors) which final year of the assessment period is the 20th term business year]

Key performance indicators	Assessment weighting	Variance of assessment coefficient	Targets	Actual results	Assessment coefficient
TSR*1 (1) (Comparison with TOPIX growth rate)	50%	0% to 200%	Maximum: 200% Target: 100% (= TOPIX growth rate) Minimum: 50%	TOPIX growth rate: 156.8% Growth rate of the Company's TSR: 88.4%	56.4%
TSR (2) (Comparison with TSR of global pharmaceutical companies*2)	50%	0% to 200%	Maximum: 100 percentile (top ranking) Target: 50 percentile (midrange) Minimum: 25 percentile (lower quartile)	The Company's ranking: 27th out of 37 companies	56.6%
*1 TSR is an acronym for "total shareholder return," and it refers to shareholder's total return on investment, encompassing both capital gains and dividends. *2 Global pharmaceutical companies: This refers to a grouping of global pharmaceutical companies whose revenue is at least 0.5 times that of the Company at the time of selection (TSR Peer Group). The selection of companies may be changed by resolution of the Board of Directors after deliberation at the Compensation Committee in cases where it has been deemed that such a company is inappropriate for inclusion as a selected company when calculating the assessment results due to circumstances that include restructuring of the company during the applicable period (three consecutive business years) or changes to the content of its business.				Share delivery rate	56.5%

(Note) The above Actual results, Assessment coefficient, and Share delivery rate are estimates at the time of preparation of this business report. They are to be determined by the Board of Directors after deliberation at the Compensation Committee.

2) Policies and procedures on determining remunerations for Directors

(1) Policies and procedures on determining remunerations for Directors who are not Audit & Supervisory Committee Members (excluding outside Directors)*

* Where "Director" is used in this section, it refers to Directors who are not Audit & Supervisory Committee Members (excluding outside Directors).

i) Remuneration policies

Remuneration of the Company's Directors is determined based on the following factors.

Competitive remuneration system

- A remuneration structure and levels that enable the Company to recruit and retain talents

Remuneration system that emphasizes increasing enterprise value and shareholder value

- A remuneration system and composition that are closely linked to performance with an emphasis on increasing enterprise and shareholder value over the medium- to long-term

Fair and impartial remuneration system

- A fair and impartial remuneration system based on responsibility and results regardless of country and region

ii) Remuneration structure

Remuneration structure for Directors of the Company consists of basic remuneration (fixed remuneration) and incentive-based remuneration (variable remuneration). The incentive-based remuneration (variable remuneration) consists of the two components bonus (short-term incentive remuneration) and stock compensation (medium- to long-term incentive remuneration). Chart 1 contains the types of remuneration and the objectives and overview of the respective remuneration types.

[Chart 1. Remuneration structure for Directors of the Company]

<table>
<tr><th colspan="2">Type of remuneration</th><th>Objectives and overview</th></tr>
<tr><td>Fixed</td><td>Basic remuneration</td><td>Fixed remuneration for encouraging job performance consistently aligned with professional responsibilities
• Remuneration levels determined based on trends with respect to remuneration benchmark company groupings
• Paid in equal installments every month</td></tr>
<tr><td rowspan="2">Variable</td><td>Bonus (short-term incentive remuneration)</td><td>Performance-linked remuneration geared to steadily improving results with the aim of achieving the business performance targets each business year
• The base amount to be paid upon achieving targets is set as a proportion of basic remuneration, depending on factors such as professional responsibilities (consideration placed on trends with respect to remuneration benchmark company groupings)
• Specific amount to be paid is to be determined within range of 0% to 200% for the base amount, depending on factors such as level of achieving business performance targets each business year
• In principle, lump-sum payment immediately subsequent to conclusion of respective business years around between June and July</td></tr>
<tr><td>Stock compensation (medium- to long-term incentive remuneration)</td><td>Performance-linked remuneration to promote the management focused on improving the enterprise value and shareholder value over the medium- to long-term
• The base amount is set as a proportion of basic remuneration, depending on factors such as professional responsibilities (consideration placed on trends with respect to remuneration benchmark company groupings)
• The number of shares (basic points) to be delivered upon achieving targets is calculated as the base amount divided by the share price at the start of the three-year applicable period (the average closing price of the Company’s shares on the Tokyo Stock Exchange for the month prior to start of the applicable period)
• The specific number of shares delivered is to be determined within a range of 0% to 200% for the basic points, depending on factors such as the rate of growth attained by the Company share price over a three-year period
• In principle, delivered in a single installment around June occurring immediately after conclusion of the three-year applicable period (provided, however that 50% of payment shall be cash payment)</td></tr>
</table>

iii) Remuneration levels

To ensure competitive remuneration levels for the Company's Directors that enable the Company to recruit and retain talents, the Company will use the objective remuneration survey data of an external expert organization ("Willis Towers Watson Executive Compensation Database (Japan)") and other sources to select a group of companies for remuneration benchmarking, and set the remuneration levels in accordance with responsibility and other factors.

[Remuneration benchmark company groupings]

For remuneration benchmarking, the Company will mainly use 1) "major manufacturing companies listed on Japanese stock exchanges" as a comparison target, while also making reference to 2) "global pharmaceutical companies with revenue of a similar scale to the Company."

Chart 2 contains the remuneration benchmark company groupings, to which the Company referred, to determine the remuneration for Director (base amount).

[Chart 2. Referenced remuneration benchmark company grouping]

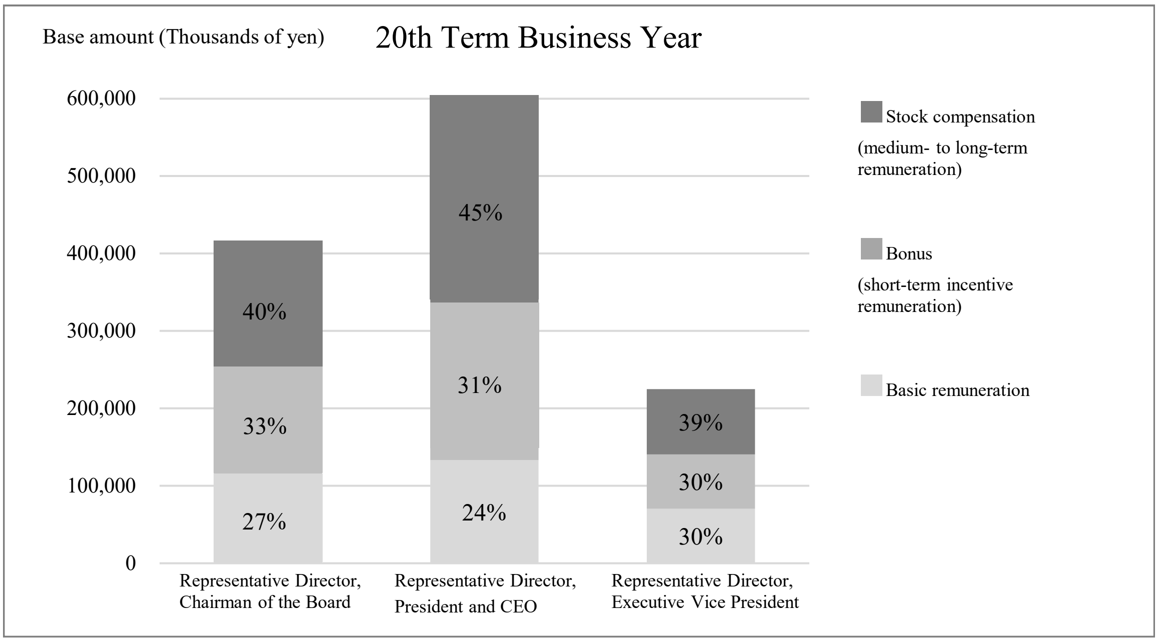
Referenced Remuneration Benchmark Company Grouping	20th term business year	21st term business year
1) Major manufacturing companies listed on Japanese stock exchanges* * Selected from manufacturing companies within the top 100 ranking companies by market capitalization at the time of reference	44 companies	42 companies
2) Global pharmaceutical companies with revenue of a similar scale to the Company* * Selected from global pharmaceutical companies whose revenue is within a range of 0.5 to 2.0 times that of the Company at the time of reference	18 companies	19 companies

(Note) Remuneration for Directors of the Company (base amount) is decided making reference to remuneration survey data of the remuneration benchmark company grouping excluding the Company.

iv) Allocated ratios of remuneration

The allocated ratios of remuneration for Directors are set appropriately based on the Company's management strategy and business environment, responsibilities, and level of difficulty in achieving the target for incentive remuneration, while also taking into consideration the trends at remuneration benchmark company groupings. To ensure that the remuneration system and remuneration composition are strongly linked to business results and emphasize the increase of enterprise and shareholder value over the medium- to long-term, the ratio of incentive remuneration (particularly medium- to long-term incentive remuneration) is increased, and the allocated ratios of remuneration for the Representative Director, President and CEO are used as a guideline, specifically "basic remuneration : bonus (base amount) : stock compensation (base amount)" = "1 : 1.25+ : 1.85+." The allocated ratios of remuneration for the other Directors are decided in consideration of their responsibilities and remuneration levels in accordance with the allocated ratios of remuneration for the Representative Director, President and CEO. The following chart (Chart 3) lists the remuneration levels (base amount) for Directors of the Company on a per-position basis and allocated ratios of remuneration for the business year under review. The Company will set the remuneration level (base amount) for Directors of the Company by roles and allocated ratios of remuneration for the 21st term business year as same as those in the business year under review based on factors such as the trends of remuneration levels at remuneration benchmark company groupings.

[Chart 3. Remuneration levels (base amount) for Directors of the Company on a per-position basis and allocated ratios of remuneration]



(Thousands of yen)

Position	Basic remune-ration	Bonus		Stock compensation		Total
		Base amount	Proportion of basic remune-ration	Base amount	Proportion of basic remune-ration	
Representative Director, Chairman of the Board	111,996	140,002	1.25	168,002	1.5	420,000
Representative Director, President and CEO	146,400	183,000	1.25	270,600	1.85	600,000
Representative Director, Executive Vice President	72,720	72,730	1.00	94,550	1.3	240,000

v) Incentive-based remuneration system (variable remuneration)

[Bonus (short-term incentive remuneration)]

Bonuses (short-term incentive remuneration) will act as performance-linked remuneration for steadily building results towards achieving targets for each business year. As such, the Company will set appropriate consolidated performance evaluation indicators and a system that is linked closely with performance. The charts below list key performance indicators of bonus (short-term incentive remuneration), details, and formula for calculating payment amounts for the business year under review (Chart 4 and Chart 5). The performance evaluation indicators and system will be changed as necessary as the business environment changes and the management plans are reviewed.

[Chart 4. Key performance indicators of bonus (short-term incentive remuneration) and details]

Key performance indicators	Assessment weighting	Variance of assessment coefficient	Reasons for the selection of indicators and targets
Revenue	25%	0% to 200%	Reasons for the selection: To assess the increase in size of business • Maximum: Target × 105% • Target: Initially released forecast value • Minimum: Target × 95%
Core operating profit ratio	25%	0% to 200%	Reasons for the selection: To assess the increase in business profitability and operational efficiency • Maximum: Target × 110% • Target: Initially released forecast value • Minimum: Target × 90%
Core EPS*	25%	0% to 200%	Reasons for the selection: To assess the increase in profit per share • Maximum: Target × 115% • Target: Initially released forecast value • Minimum: Target × 85%
R&D performance	25%	0% to 200%	Reasons for the selection: To assess the achievement of sustainable growth Target: Set quantitative targets separately for research and development (1) Research: Number of new drug candidates (2) Development: Amount of increase in pipeline value
Total	100%	0% to 200%	

* EPS: Earnings Per Share

The assessment coefficient calculated based on the key performance indicators above will be increased or decreased within a range of ±10% depending on the degree of achievement of the sustainability performance targets. The assessment coefficient (bonus payment rate) shall not exceed the range of 0% to 200%.

Key performance indicator	Variance of assessment coefficient	Reasons for the selection of indicator and targets
Sustainability performance	-10% to +10%	Reasons for the selection: To assess efforts toward the achievement of a sustainable society Targets: Set sustainability performance targets for the following four evaluation items (1) Initiatives for Access to Health (2) Initiatives for Talent and Organization (3) Initiatives for Stable Products Supply (4) Initiatives for Environmental Sustainability

(Note) Performance targets and achievement assessments are to be determined by the Board of Directors after deliberation at the Compensation Committee.

Key performance indicators and details from the 21st business year

EPS based on full basis performance will be adopted as a new key performance indicator. Accordingly, the assessment weighting of core EPS will be revised from 25% to 12.5%, and the assessment weighting of EPS will also be revised to 12.5%. The EPS target is the initially released forecast value. In addition, the targets for the performance indicator for R&D performance will no longer be set separately for research and development, and quantitative targets will be newly set for progress in the development pipeline. Instead of the initiatives for Access to Health, the targets for the performance indicator for sustainability will be an initiatives for sustainability-related information disclosure.

(Note) Performance targets and achievement assessments are to be determined by the Board of Directors after deliberation at the Compensation Committee.

[Chart 5. Formula for calculating payment amount of bonus (short-term incentive remuneration)]

Amount of bonus paid to Directors = (a) Base amount per position × (b) Assessment coefficient

<20th Term Business Year>

(a) Refer to Chart 3 on page 79

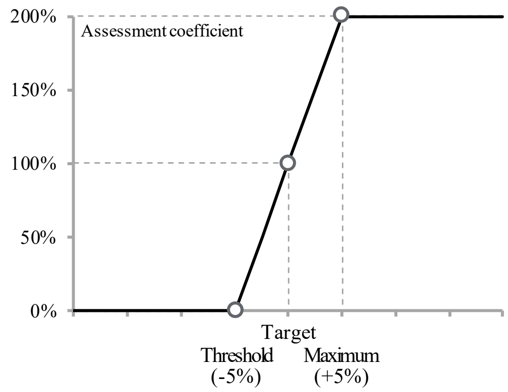
(b) Assessment coefficient = (Revenue assessment coefficient[1] × 25% + core operating profit ratio assessment coefficient[2] × 25% + Core EPS assessment coefficient[3] × 25% + R&D performance assessment coefficient × 25%) + sustainability performance assessment coefficient (±10%)

<21st Term Business Year>

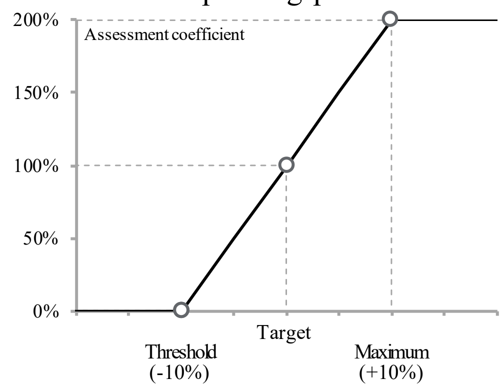
(a) Refer to Chart 3 on page 79

(b) Assessment coefficient = (Revenue assessment coefficient × 25% + core operating profit ratio assessment coefficient × 25% + Core EPS assessment coefficient × 12.5% + EPS assessment coefficient × 12.5% + R&D performance assessment coefficient × 25%) + sustainability performance assessment coefficient (±10%)

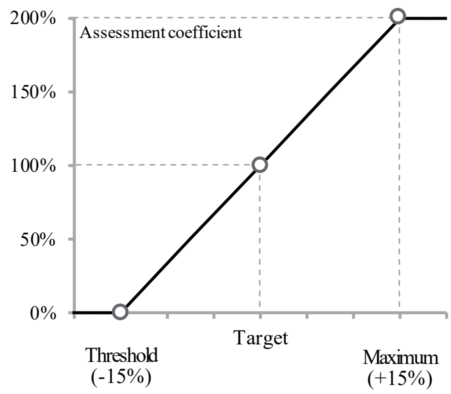
[1] Revenue



[2] Core operating profit ratio



[3] Core EPS



[Stock compensation (medium- to long-term incentive remuneration)]

Stock compensation (medium- to long-term incentive remuneration) is performance -linked remuneration for promoting management that emphasizes increase in enterprise value and shareholder value over the medium- to long-term. As such, the Company's shares will be delivered based on the level of growth of enterprise value and shareholder value over three consecutive business years ("Applicable Period"), and an appropriate stock price evaluation indicator will be set to form a system that is closely linked to performance.

The section below (Chart 6 and Chart 7) provides stock price assessment benchmarks and details, as well as formulas for calculating the number of shares delivered and the amount of cash paid with respect to stock compensation (medium- to long-term incentive remuneration) for the business year under review which constitutes the initial business year of the Applicable Period.

Total shareholder return (TSR*1) will be adopted for the stock price evaluation indicator. The Company's shares will be delivered and so forth based on the results of a comparison between the Company's TSR and the growth rate of the Tokyo stock price index (TOPIX) for the Applicable Period and a comparison between the Company's TSR and that of global pharmaceutical companies (the TSR Peer Group*2) for the Applicable Period. However, 50% of the delivered shares are to be paid out upon their conversion to cash in order for them to be allotted to a fund for payment of withholding income tax and other such taxes. The respective Directors are to receive shares and cash through the executive remuneration BIP (Board Incentive Plan) trust of Mitsubishi UFJ Trust and Banking Corporation.

*1 TSR is an acronym for "total shareholder return," and it refers to shareholder's total return on investment, encompassing both capital gains and dividends.

*2 TSR Peer Group refers to the global pharmaceutical company groupings whose revenue is at least 0.5 times that of the Company at the time of selection. The selection of companies may be changed by resolution of the Board of Directors after deliberation at the Compensation Committee in cases where it has been deemed that such a company is inappropriate for inclusion as a selected company when calculating the assessment results due to circumstances that include restructuring of the company during the applicable period or changes to the content of its business.

[Chart 6. Stock price assessment benchmarks of stock compensation (medium- to long-term incentive remuneration) and details]

Stock price assessment benchmarks	Assessment weighting	Variance of assessment coefficient	Reasons for the selection of benchmarks	Targets
TSR (1) (Comparison with TOPIX growth rate)	50%	0% to 200%	To assess the increases in enterprise value and shareholder value over the medium- to long-term	Target: Set target range as follows • Maximum: 200% • Target: 100% (= TOPIX growth rate) • Minimum (threshold): 50%
TSR (2) (Comparison with TSR of global pharmaceutical companies)	50%	0% to 200%		Target: Set target range as follows • Maximum: 100 percentile (top ranking) • Target: 50 percentile (midrange) • Minimum (threshold): 25 percentile (lower quartile)
Total	100%	0% to 200%		

[Chart 7. Formulas for calculating the number of shares delivered and the amount of cash paid with respect to stock compensation (medium- to long-term incentive remuneration)]

Number of shares delivered to respective Directors*	=	(a) Basic points per position	×	(b) Assessment coefficient

* 50% of the delivered shares are to be paid out upon their conversion to cash to be allocated to a fund for payment of withholding income tax and other such taxes.

(a) Basic points per position = (i) Base amount per position / (ii) Share price at start of Applicable Period

(i) Refer to Chart 3 on page 79

(ii) Average closing price of the Company's share on the Tokyo Stock Exchange in the month prior to start of the Applicable Period

(b) Assessment coefficient = (i) TSR assessment coefficient (1) × 50% + (ii) TSR assessment coefficient (2) × 50%

(i) TSR assessment coefficient (1)

Whereas assessment coefficients are calculated using the formula shown below, the TSR assessment coefficient (1) is set to zero if the value calculated is less than 50%.

$$\frac{\text{Company TSR during the Applicable Period} + 100\%}{\text{TOPIX growth rate during the Applicable Period} + 100\%} = \frac{\{(B - A) + C\} / A + 100\%}{(E - D) / D + 100\%}$$

A: Simple average closing price of the Company's share on the Tokyo Stock Exchange in the month prior to start of the Applicable Period

B: Simple average closing price of the Company's share on the Tokyo Stock Exchange in the final month of the Applicable Period

C: Total dividend per share pertaining to dividend of retained earnings during the Applicable Period

D: Simple average TOPIX in the month prior to start of the Applicable Period

E: Simple average TOPIX in the final month of the Applicable Period

(ii) TSR assessment coefficient (2)

TSR of the Company and that of the TSR Peer Group are compared with respect to the Applicable Period. If the Company's percentile rank is midrange (50 percentile), the assessment coefficient (2) is set at 100%. If it has a top ranking (100 percentile), the assessment coefficient (2) is set to 200%. If it ranks in the lower quartile, the assessment coefficient (2) is 50%. If it is below the lower quartile, the assessment coefficient (2) is set to zero.

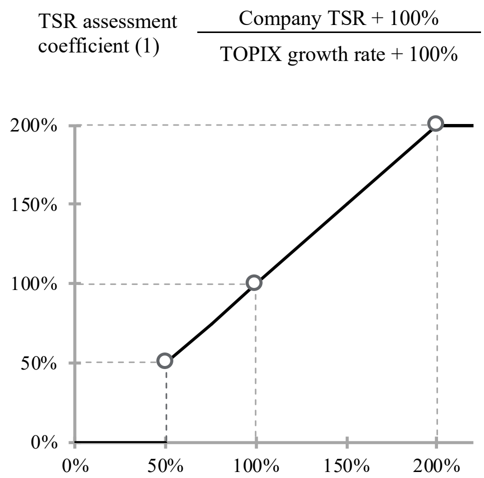
* TSR of the Company and the TSR Peer Group companies is to be calculated using the formula shown below.

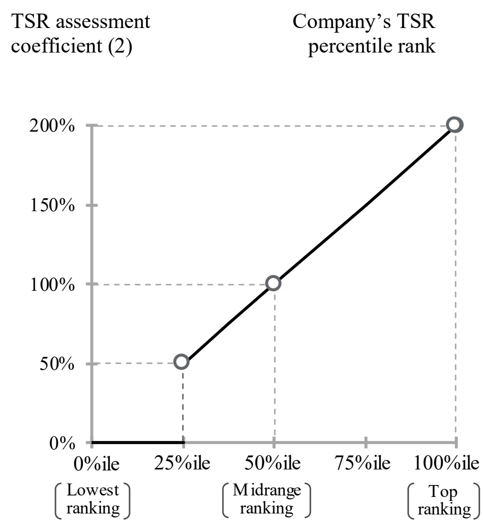
TSR = {(B - A) + C} / A

A: Simple average closing price of respective companies' share on the stock exchanges of the respective companies' primary listings in the month prior to start of the Applicable Period

B: Simple average closing price of respective companies' share on the relevant stock exchanges as pertains to 'A' for the final month of the Applicable Period

C: Total dividend per share pertaining to dividend of retained earnings of the respective companies during the Applicable Period





vi) Procedures for determining remuneration

To ensure greater objectivity and transparency of the deliberation process, remunerations for Directors of the Company are to be determined by resolution of the Board of Directors, to the extent that total amounts have been resolved in the Annual Shareholders Meeting, taking into consideration results of discussions in the Compensation Committee (of which the majority of members are outside Directors and the chair is an outside Director).

vii) Shareholding guidelines

The Company encourages its Representative Director, President and CEO to maintain holdings of the Company's shares equivalent in value to 1.5 times his/her basic remuneration (yearly amount) in four years after assuming the position. The Company encourages its other Directors to maintain holdings of the Company's shares equivalent in a value set according to their positions, relative to holdings of the Representative Director, President and CEO.

viii) Malus clause and Clawback clause

With regard to incentive remunerations (bonuses and stock compensation), the Company stipulates in its rules regarding remunerations for Directors a malus clause that allows the Company to take measures to reduce or deny incentive remunerations (bonuses and stock compensation) to Directors, by resolution of the Board of Directors in the event of misconduct, etc. by Directors.

With regard to incentive remunerations (bonuses and stock compensation), the Company has stipulated in the rules regarding remunerations for Directors a clawback clause that allows the Company to demand the return of incentive remunerations (bonuses and stock compensation) from Directors, by resolution of the Board of Directors in the event of post-financial restatement due to material accounting errors or fraud, or in the event of misconduct, etc. by Directors. The remunerations that may be subject to reimbursement are all or part of the incentive remunerations (bonuses and stock compensation) for the assessment period including the business year in which the event occurred and the three preceding business years.

(Reference) Policy for determining remunerations for Corporate Executives (Tantou-Yakuin)

The policy for determining remunerations for the Company's Corporate Executives (Tantou-Yakuin) conforms to the policy for determining remunerations for Directors of the Company.

(2) Policies and procedures on determining remunerations for outside Directors who are not Audit & Supervisory Committee Members

Remunerations for outside Directors who are not Audit & Supervisory Committee Members are to consist solely of basic remuneration (fixed remuneration), given that their roles involve supervising the Company's management from an objective and independent standpoint. Levels of basic remuneration are determined based on the factors such as professional responsibilities, in reference particularly to objective remuneration survey data of an external expert organization. The individual remuneration for outside Directors who are not Audit & Supervisory Committee Members is determined by a resolution of the Board of Directors, based on results of discussions carried out by the Compensation Committee, within the total amount resolved in the Annual Shareholders Meeting.

(3) Policies and procedures on determining remunerations for Directors who are Audit & Supervisory Committee Members (excluding outside Directors)

Remunerations for Directors who are Audit & Supervisory Committee Members (excluding outside Directors) are to consist solely of basic remuneration (fixed remuneration), given that their roles involve supervising and auditing the management. Levels of basic remuneration are determined based on the factors such as professional responsibilities, in reference particularly to objective remuneration survey data of an external expert organization. The individual remuneration for Directors who are Audit & Supervisory Committee Members (excluding outside Directors) is determined by deliberation of Directors who are Audit & Supervisory Committee Members, within the total amount resolved in the Annual Shareholders Meeting.

(4) Policies and procedures on determining remunerations for outside Directors who are Audit & Supervisory Committee Members

Remunerations for outside Directors who are Audit & Supervisory Committee Members are to consist solely of basic remuneration (fixed remuneration), given that their roles involve supervising and auditing the Company's management from an objective and independent standpoint. Levels of basic remuneration are determined based on the factors such as professional responsibilities, in reference particularly to objective remuneration survey data of an external expert organization. The individual remuneration for outside Directors who are Audit & Supervisory Committee Members is determined by deliberation of Directors who are Audit & Supervisory Committee Members, within the total amount resolved in the Annual Shareholders Meeting.

3. Matters concerning agreement to limit Director's liability:

The Company has stipulated in the Articles of Incorporation that it may enter into an agreement with each Director (excluding executive Director, etc.) to limit his or her liability for damages under Article 423, paragraph (1) of the Companies Act, to the minimum liability amount provided by laws and regulations, if the requirements to limit liability provided by the laws and regulations are satisfied (Agreement to limit Director's liability), enabling Directors (excluding executive Directors, etc.) to sufficiently fulfill expected roles. The Company has entered into the agreement with all of the Directors (excluding executive Directors, etc.).

4. Matters concerning directors and officers liability insurance agreement:

The Company has entered into a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company for Directors (including Directors who are Audit & Supervisory Committee Members), Corporate Executives, etc. of the Company and its subsidiaries in Japan, Asia, and Oceania as the insured persons. In the event of a claim for damages submitted by a shareholder or a third party, etc., the said insurance agreement shall compensate for damages and legal expenses, etc. to be borne by the insured persons in connection with their performance of duties. The Company and the related subsidiaries bear the entire insurance premium. The insurance policy does not cover damages arising from the insured persons' criminal acts and acts in violation of laws or regulations that were carried out with full knowledge of their illegality.

5. Matters concerning outside Directors:

Activities for the business year under review (including a summary of duties executed with regard to expected roles as an outside Director):

Position	Name	Attendance to meetings*	Activities
Outside Director	Takashi Tanaka	13/14 meetings of the Board of Directors 8/9 meetings of the Nomination Committee 10/10 meetings of the Compensation Committee	Provided opinions based on his abundant experience as a business manager and sufficiently fulfilled the function of overseeing business execution, as well as led the deliberations of the Nomination Committee and the Compensation Committee as the Chair of these committees.
Outside Director	Eriko Sakurai	14/14 meetings of the Board of Directors 9/9 meetings of the Nomination Committee 10/10 meetings of the Compensation Committee	Provided opinions based on her abundant experience as a business manager and sufficiently fulfilled the function of overseeing business execution, as well as contributed to the deliberations of the Nomination Committee and the Compensation Committee by vigorously expressing opinions as a member of these committees.

Position	Name	Attendance to meetings*	Activities
Outside Director	Masahiro Miyazaki	13/14 meetings of the Board of Directors 9/9 meetings of the Nomination Committee 10/10 meetings of the Compensation Committee	Provided opinions based on his abundant experience as a business manager and sufficiently fulfilled the function of overseeing business execution, as well as contributed to the deliberations of the Nomination Committee and the Compensation Committee by vigorously expressing opinions as a member of these committees.
Outside Director	Yoichi Ohno	14/14 meetings of the Board of Directors 9/9 meetings of the Nomination Committee 10/10 meetings of the Compensation Committee	Provided opinions based on his abundant experience as a medical scientist and clinician, and sufficiently fulfilled the function of overseeing business execution, as well as contributed to the deliberations of the Nomination Committee and the Compensation Committee by vigorously expressing opinions as a member of these committees.
Outside Director (Chair of the Audit & Supervisory Committee)	Mika Nakayama	14/14 meetings of the Board of Directors 20/20 meetings of the Audit & Supervisory Committee	Provided opinions based on her abundant experience as a business manager, as well as sufficiently fulfilled the function of overseeing business execution and the function of auditing and supervising the performance of duties by Directors.
Outside Director (Audit & Supervisory Committee Member)	Rie Akiyama	14/14 meetings of the Board of Directors 20/20 meetings of the Audit & Supervisory Committee	Provided opinions based on her abundant experience as an attorney-at-law, as well as sufficiently fulfilled the function of overseeing business execution and the function of auditing and supervising the performance of duties by Directors.
Outside Director (Audit & Supervisory Committee Member)	Tomoko Aramaki	10/10 meetings of the Board of Directors 15/15 meetings of the Audit & Supervisory Committee	Provided opinions based on her abundant experience as a certified public accountant and certified public tax accountant, as well as sufficiently fulfilled the function of overseeing business execution and the function of auditing and supervising the performance of duties by Directors.

* For new Directors who assumed office on June 20, 2024, the number of meetings held by each of the Board of Directors and the Committees is the number of meetings held during the business year under review after their assumption of office.

6. Other important matters:
   Nothing applicable exists.

7. Names of Corporate Executives (Tantou-Yakuin) (excluding Directors who serve as Corporate Executives) and other information

(As of April 1, 2025)

Name	Responsibility or major occupation
Tadaaki Taniguchi	Chief Research & Development Officer (CRDO)
Atsushi Kitamura	Chief Financial Officer (CFO)
Jun Kono	Head, Japan Commercial
Yuusuke Kumagai	Head, External Relations
Minetake Kitagawa	Head, RAPV Affiliate: Japan, Regulatory Affairs & Pharmacovigilance
Naoki Sogo	Head, RAPV Strategy, Regulatory Affairs & Pharmacovigilance

(Note) Effective April 1, 2025, the positions (Senmu, Joumu, etc.) used in Astellas' Tantou-Yakuin System were abolished.

(5) Matters Concerning Financial Auditor:

1. Name: Ernst & Young ShinNihon LLC

2. Amount of remuneration:

	Amounts payable
1. The amount of remunerations paid to Financial Auditor for the business year under review:	¥283 million
2. Total amount of cash and other material benefits payable to Financial Auditor by the Company and its subsidiaries:	¥291 million

(Notes) 1. The Audit & Supervisory Committee of the Company decided that the amount of remunerations for the Financial Auditor for the business year under review was reasonable, following the examination and review of various factors, including the performance of duties of the Financial Auditor and actual number of audit hours spent in the previous business year, as well as the details of the audit plan, audit structure, estimated audit hours and rate of remuneration charged for the business year under review, based on the inspection of relevant materials obtained from, and interview with the internal departments concerned as well as the Financial Auditor, hence providing the consent for the purpose of Article 399, paragraph (1) and (3) of the Companies Act.

2. The amount of remunerations for auditing pursuant to the Companies Act and the amount of remunerations for auditing pursuant to the Financial Instruments and Exchange Act are not divided in the Auditing Agreement concluded between the Company and the Financial Auditor. Also, it is practically impossible to state separately, so the amount stated in 1. in the table above represents the total amount paid by the Company.

3. The principal subsidiaries of the Company (see pages 54 to 55) have been audited by financial auditor other than the Company's Financial Auditor.

4. The Company has commissioned the Financial Auditor to prepare comfort letters in connection with the issuance of corporate bonds, which are services other than the services set forth in Article 2 (1) of the Certified Public Accountants Act. The Company paid consideration for such service to the Financial Auditor.

3. Policy for deciding the dismissal or refusal of re-election of the Financial Auditor:

In the event that the Financial Auditor falls under any event for dismissal provided for in Article 340, paragraph (1) of the Companies Act, the Audit & Supervisory Committee will dismiss the Financial Auditor with the unanimous consent of Audit & Supervisory Committee Members or determine the content of proposals on the dismissal of the Financial Auditor to be submitted to the Shareholders Meeting based on the resolution of the Audit & Supervisory Committee.
In addition, the Audit & Supervisory Committee will determine the content of proposals on refusal to re-elect the Financial Auditor to be submitted to the Shareholders Meeting based on the evaluation of the Financial Auditor's independence and expertise, and appropriateness and validity of the Financial Auditor's activities, among other things.

Systems to Ensure the Appropriate Execution of Business for FY2025

(English Translation)

The Company has set out basic policies regarding the following systems to ensure that the Company's business is duly executed.

1. System concerning the Performance of Duties

(1) System to Ensure the Efficient Performance of the Duties of Directors

The Company takes the following measures in order to ensure the efficient performance of the duties of Directors.

- The Company clearly separates the roles of the Directors, who participate in decision makings of corporate management policies and corporate strategies, etc. and oversee business execution as members of the Board of Directors, and the roles of Top Management (the President and Chief Executive Officer; the Chief Research & Development Officer; the Chief Manufacturing Officer; the Chief Commercial & Medical Affairs Officer; the Chief Strategy Officer; the Chief Digital & Transformation Officer; the Chief Financial Officer; the Chief People Officer; the General Counsel and Chief Ethics & Compliance Officer are collectively referred to as "Top Management"), who are responsible for the execution of business.
- The Board of Directors meeting shall be held at least once every three (3) months and additionally as necessary.
- The Company has established the Executive Committee and discusses material matters concerning business strategies, product strategies, cooperate management, and personnel of the Company and the Astellas Group companies.
- The Company has established regulations concerning the committee mentioned above and the "Corporate Decision Authority Policy" to clarify the powers and positioning of the committee and the top management as well as the decision-making process.
- The Company has developed the personnel and organization systems to enable the efficient execution of business.

(2) System for Maintaining and Controlling Information regarding the Performance of Duties by Directors

The Company takes the following measures in order to properly maintain and control information regarding the performance of duties of Directors.

- The "Global Policy for Records and Information Management" has been established, based on which the Company will control and maintain, in an appropriate manner, information regarding the performance of duties by the Directors.
- The Company has established systems to ensure that all documents and materials concerning important management matters, such as minutes of the meetings of the Board of Directors and the Executive Committee are available for inspection by the Directors when necessary.

2. Regulations and other Systems regarding Risk (Risk of Loss) Management

In order to conduct risk management properly as a whole group, the Company has categorized the risks into "risks relating to strategic management decision-making (risks relating to business opportunities)" and "risks relating to appropriate and efficient business conduct (risks relating to the performance of business activities)." Each division and unit of the Company and the Astellas Group companies will proactively put the Company's risk management initiatives into practice and promote risk mitigations and proper responses to such risks within the Group through the following activities:

- With respect to measures dealing with risks relating to business opportunities, each responsible division and unit will implement appropriate measures to mitigate risks within their respective scope of responsibility and roles according to internal processes and policies for decision making. Among these risks, matters concerning material risks will be decided upon deliberation by the Executive Committee and/or the Board of Directors depending on the level of materiality.
- With respect to measures dealing with risks relating to the performance of business activities, the Company has established "Global" and "Divisional" Risk and Resilience Management Committees to manage comprehensively 1) identification and optimal management activities of risks, and 2) preparedness and status of crisis response plan and business continuity plan. Policies relating to such a system will be decided upon deliberation by the Executive Committee and the Board of Directors. Significant risks identified under the system and responses to them will be decided upon deliberation by the Executive Committee and reported to the Board of Directors.
- In order to enhance the effectiveness of risk management operations, the Company formulates separate policies and manuals for matters such as disaster control, information security, and personal information protection based on the nature of these risks.

3. Compliance System (System to Ensure that the Performance of Duties by Directors and Employees Complies with the Laws, Regulations, and the Articles of Incorporation)

The Company has established the "Astellas Charter of Corporate Conduct" and the "Astellas Group Code of Conduct" as the core standards of compliance for officers and employees of the Company and the Astellas Group companies.

The Company regards compliance not only as observing the law but also acting in accordance with social norms as well as the highest sense of ethics. We have a system for promoting and embedding the broadly defined "compliance" across the whole group and do the following toward its implementation:

- The Company has established the "Global Compliance Committee" to understand the current situation of compliance and discuss policies and plans for the Company and the Astellas Group companies as a whole. Regional Compliance Committees have also been established to discuss compliance matters in their respective regions.
- Under the control of the General Counsel and Chief Ethics & Compliance Officer, Ethics & Compliance, in collaboration with the relevant divisions of the Company and the Astellas Group companies, designs and executes specific plans for global compliance. In addition, through continuous training and other measures, we ensure that each officer and employee of the Company and the Astellas Group companies can practice compliance on their own initiative.
- The Company has established a global third party whistle-blowing hotline that is available for all Astellas Group employees and external stakeholders to report actual or potential non-compliance.
- The Company has also established a system to ensure any material information is timely reported to the General Counsel and Chief Ethics & Compliance Officer. In dealing with such reports, we ensure that confidentiality will be strictly maintained and unfair treatment against reporters is strictly prohibited.

Through the systems and activities mentioned above, the Company promotes a robust speak up culture with its strict non-retaliation policy.

4. System for Disclosure and Management of Information

The Company discloses corporate information to all of its customers, shareholders, community and other stakeholders in a timely, proper and fair manner. The Company also actively engages in dialogue with them and appropriately takes into consideration comments with respect to its business activities. Through disclosure and dialogue, the Company is committed to further enhancing its transparency and strive to build and maintain a trust relationship with its stakeholders, and takes the following measures.

- Based on the basic stance above, the Company has established the “Disclosure Policy” and the “Corporate Disclosure Committee” that promotes and manages disclosure activities.
- The Company has established policies concerning the handling of material information acquired in the course of the duties by the officers and employees of the Company and the Astellas Group to prevent violations of the laws and regulations and to ensure the appropriate management of information.

5. System to Ensure the Reliability of Financial Report

The Company takes the following measures in order to ensure the reliability of financial report.

- The Company will design and operate internal controls over consolidated financial report in accordance with generally accepted standards in order to ensure reliability of the financial report, and assess the effectiveness in an appropriate way.
- In accordance with the “Global JSOX Policy” formulated by the Board of Directors, assessment of internal controls over the consolidated financial reports will be implemented, under the direction of the President and CEO, who owns the role of the Global Internal Control Officer.

6. Group Management System (System to Ensure the Appropriate Execution of Business by the Corporate Group Composed of the Company and its Subsidiaries)

The Company engages in appropriate control and operation of the Astellas Group companies. With this in mind, the Company has taken the following actions in order to maintain and build a sound relationship between it and the Astellas Group companies:

- The Company will apply the “Astellas Charter of Corporate Conduct” and the “Astellas Group Code of Conduct” to all of the Astellas Group companies, and it will ensure that all persons concerned are fully aware of these policies and the code of the conduct of each Astellas Group company that are based on these policies.
- The Company has established a system in which matters concerning performance of the duties by the Directors of the Astellas Group companies will be reported to the Company through functional line managers.
- The Company will create clear rules regarding the composition of executives and decision-making authority and internal oversight systems at the Astellas Group companies to ensure the efficient execution of duties by the Directors of the Group companies.
- As mentioned above, the Astellas Group will tackle risk management and compliance matters as from an enterprise and global perspective.
- The “Global Internal Audit Policy” will apply to all the Astellas Group companies and the internal audit system over the Group will be prepared.

7. Internal Audit System

The Company has established the Internal Audit division, which is independent from the ordinary business execution divisions and is under the direct control of the President and CEO, to develop the internal audit system of the Company and the Astellas Group companies, and takes the following actions:

- The Internal Audit division will review and evaluate the effectiveness and efficiency of the systems and structures in the various management activities of the Company and the Astellas Group companies, put together an audit report, and submit the results of such review and evaluation to the President and CEO and the Audit & Supervisory Committee.

The Internal Audit will also communicate such results, if necessary, to officers and divisions concerned. The report concerning the overall annual audit results will be made to the Board of Directors and Accounting Auditor.

- The Company will comply with the "Act on Securing Quality, Efficacy and Safety of Pharmaceuticals, Medical Devices, Regenerative and Cellular Therapy Products, Gene Therapy Products, and Cosmetics" and other regulations as a pharmaceutical company, and conduct its business with a mission to provide safe and effective products with a high level of expertise through a fair organization structure. To this end, the Company has built a tiered-control structure separated by different functions in all the Astellas Group companies; namely, the tiers consist of self-control on site, expert control by divisions related to RA and QA, and the internal audits conducted by the independent Internal Audit division.
- Internal Audit division will promote improvement in the quality of the internal audits through meetings and other forms of collaboration with the relevant expert divisions.
- The Head of Internal Audit, who directly reports to President and CEO, will manage the entire global internal audit function, address risks effectively by leveraging assigned personnel (Business Partnership) in line with the functional based global organization and continuously enhance the function to provide all the Astellas group companies with consistent high quality assurance and advisory services.

8. System to Ensure Effective Audits by the Audit & Supervisory Committee

The Company takes the following actions as a "company with an Audit & Supervisory Committee" to enable the Audit & Supervisory Committee to carry out their audit effectively.

(1) Matters concerning Employees Assisting the Audit & Supervisory Committee

- The Company establishes the Audit & Supervisory Committee Office, and assigns full-time staff to assist the Audit & Supervisory Committee to carry out their duties, so that the audit by the Audit & Supervisory Committee will be properly executed.

(2) Matters concerning Independence of the Employees Assisting the Audit & Supervisory Committee from the Directors Who Are Not the Committee Members, and Effectiveness of Directions Given to Such Employees

- The staff of the Audit & Supervisory Committee Office are independent from the Directors who are not the Committee Members and carries out his or her duties under the direct control of the Audit & Supervisory Committee.
- The appointment, evaluation, transfer, and other matters concerning such staff will require the prior consent of the Audit & Supervisory Committee.

(3) System concerning Report of the Directors Who Are Not the Committee Members and Employees to the Audit & Supervisory Committee, and Other Systems concerning Report to the Audit & Supervisory Committee

- The Company has established a system to ensure that the Audit & Supervisory Committee, at any time, can access monthly reports and quarterly reports regarding the execution of duties by the Directors of the Company and the Astellas Group companies.
- Regarding each of the divisions, Top Management decides reporting matters, persons giving report and methods of reporting by mutual agreement with Audit & Supervisory Committee.
- The divisions responsible for internal audits, legal matters, compliance and risk management will each develop a system to report to the Audit & Supervisory Committee on a regular basis and will report their current statuses and provide the necessary information with respect the Company and the Astellas Group companies.

(4) System to Ensure that Informants Do Not Risk Unfavorable Treatments due to Their Reporting to the Audit & Supervisory Committee

- The Company prohibits any unfavorable treatment of officers or employees of the Company and the Astellas Group companies who report to the Audit & Supervisory Committee of the Company or the Audit & Supervisory Board Members of the Astellas Group companies, because of their reporting.

(5) Matters concerning Policies to Treat Costs Incurred by the Audit & Supervisory Committee for the Execution of Duties

- The Company has established a system that the Audit & Supervisory Committee Office prepares budgets and performs payment of costs incurred by the Audit & Supervisory Committee for the execution of their duties.

(6) Other Systems to Ensure Effective Audits by the Audit & Supervisory Committee

- The appointment, evaluation, transfer, and other matters concerning the head of the Internal Audit will require the prior consent of the Audit & Supervisory Committee.
- The Internal Audit division will obtain endorsement from the Audit & Supervisory Committee on the annual plan (including strategy, budget and human resources plans), formulation and revision of policy of the Internal Audit.
- The Audit & Supervisory Committee will receive the report from the Internal Audit division on the results of the internal audit, and be able to give guidance to Internal Audit division as needed. In the case where a direction from President and CEO conflicts with one from the Audit & Supervisory Committee, both parties will discuss and try to coordinate.
- The Audit & Supervisory Committee Members appointed by Audit & Supervisory Committee may attend the Executive Committee meetings where execution of the Company's important business will be discussed, and also attend other meetings that the Audit & Supervisory Committee considers as important. In case that such Audit & Supervisory Committee Members are not available to attend these meetings, the staff of the Audit & Supervisory Committee Office may attend as observers by order of the Audit & Supervisory Committee.
- The persons (divisions) of the Company and the Astellas Group companies subject to be audited will cooperate so that the Audit & Supervisory Committee may perform the audits in an appropriate manner.

9. System to Exclude Anti-social Forces

The Company and the Astellas Group companies will not only take a resolute attitude against any anti-social forces and groups that threaten the order and security of society and never succumb to unjust and illegal requests, but will also keep out such forces and groups. Accordingly, the Company and the Astellas Group companies do the following:

- Clearly declare in the "Astellas Charter of Corporate Conduct" and the "Astellas Group Code of Conduct" that the Astellas Group will take a resolute attitude against anti-social forces and groups and exclude any relation with such forces and groups.
- Particularly in Japan, in close cooperation with the police and other related parties, establish a solid system that will enable the Company to actively collect necessary information as to anti-social forces and groups, as well as to take organizational actions. Continually promoting awareness activities to eliminate anti-social forces through training and other initiatives.

Summary of the operational status for the Systems to Ensure the Appropriate Execution of Business
(English Translation)

A summary of the Company's operational status during the business year ended March 31, 2025 is as follows.

1. System concerning the Performance of Duties

Following the basic policy, the Company in principle holds Board of Directors meetings at least once every three (3) months and additionally as necessary. Additionally, based on policies such as the Corporate Decision Authority Policy, important matters have been discussed at the Executive Committee, and top management have fulfilled their roles, thereby ensuring that Directors perform their duties efficiently by top management fulfilling their roles. Furthermore, during the business year ended March 31, 2025, 14 Board of Directors meetings were held and, 32 Executive Committee meetings were held.

2. Regulations and other Systems regarding Risk (Risk of Loss) Management

Following the basic policy, the Company has categorized risks into risks relating to business opportunities and risks relating to the performance of business activities, and each department of the Company and the Astellas Group companies proactively put the Company's risk management initiatives into practice. In particular, for matters specified as catastrophic risks, risk mitigation measures are formulated under the direction of risk owners, and subsequently implemented. In order to manage the risks more efficiently as a group, the Company has established "Global" and "Divisional" Risk and Resilience Committees.
In response to the situation in Ukraine, the Company formed a crisis response team in February 2022 and has continued to monitor the impact on business activities.
Furthermore, in response to the military conflict between Israel and Hamas, the Company formed a crisis response team in October 2023 to monitor the safety of local employees and the impact on product supply.

3. Compliance System (System to Ensure that the Performance of Duties by Directors and Employees Complies with the Laws, Regulations, and the Articles of Incorporation)

Following the basic policy, the Company holds meetings of the Global Compliance Committee and the regional Compliance Committees that grasps current situations of compliance and discusses policies and plans accordingly for the Company and the Astellas Group companies as a whole. Additionally, through measures such as implementation of compliance-related training for all employees, the Company aims to improve attitudes toward compliance, and works to discover and remedy issues at an early stage via operation of initiatives such as the whistle-blowing hotline. Furthermore, the Company has established a global compliance structure wherein each local or regional Ethics & Compliance function report to the Head of Ethics & Compliance.

4. System for Disclosure and Management of Information

Following the basic policy, the Company discloses information to all stakeholders in a timely, appropriate and fair manner, and also actively engages in dialogue with them. During the business year ended March 31, 2025, with the intent of adding further transparency to business

activities, the Company has made continuous efforts for timely, accurate and fair disclosure, such as cross-divisional deliberations about policies, strategies, etc. regarding material information disclosure, under the leadership of the Corporate Disclosure Committee.
The Company announced the progress of Corporate Strategic Plan 2021 and latest outlook at earnings calls and IR events, and strove to expand opportunities for dialogue with stakeholders. The Company also held its fourth Sustainability Meeting with outside directors being on the stage in February 2025.

5. System to Ensure the Reliability of Financial Report

Following the basic policy, the Company has formulated an internal control evaluation plan for consolidated financial reporting, and the Company works to ensure the reliability of financial reporting through measures such as maintaining of internal control and its operation by control owners and process owners, update of internal control-related documentation, and Internal Audit department’s evaluation of internal control design and its operational status in business bases subject to evaluation.

6. Group Management System (System to Ensure the Appropriate Execution of Business by the Corporate Group Composed of the Company and its Subsidiaries)

Following the basic policy, the Company promotes appropriate control and operation of Astellas Group companies by having matters concerning the duties of the Directors of the Astellas Group companies to be reported to the Company through functional line managers, and clearly defining the composition of executives and decision-making authority at the Astellas Group companies. Financial status and others of the Astellas Group companies are reported monthly or pre-quarterly and then reported to the Board of Directors of the Company as necessary.

7. Internal Audit System

Following the basic policy, the Company proposes and executes internal auditing plans and reports to the Audit & Supervisory Committee, the Board of Directors, and the Financial Auditor, and ensures opportunities to review audit results. Moreover, the Internal Audit and related expert departments conduct information sharing activities in an effort to strengthen the internal auditing system. In line with the transition to a global functional axis based structure for the entire organization, the team overseeing operational audits has also shifted from regional basis to functional basis. The Company assigned responsible personnel (Business Partners) to key functions and established a global audit framework in which they report to the Head of Internal Audit, who directly reports to the President and CEO.

8. System to Ensure Effective Audits by the Audit & Supervisory Committee

Following the basic policy, the Company secures a system to allow effective audits by the Audit & Supervisory Committee through measures such as reporting on execution status of business by Directors who are not the Audit & Supervisory Committee Members and employees to the Audit & Supervisory Committee and continued attendance at important meetings such as the Executive Committee by the Audit & Supervisory Committee Members.
Particularly, monthly reports have been submitted to the Audit & Supervisory Committee from all regions, regarding summaries and results of responses to whistle-blowing hotline reports and litigation / in-house investigation projects which is superintended by the Legal department. The company supported the Audit & Supervisory Committee Office so that practical support

to Audit & Supervisory Committee is well enhanced and audit by Audit & Supervisory Committee is performed more appropriately.

9. System to Exclude Anti-social Forces

Following the basic policy, the Company conducts due diligence assessment of business partners of the Company, and through the introduction of articles to eliminate anti-social forces in contracts, works to exclude any relation with such forces and groups.

(Notes)

1. The amounts stated in the business report are presented by rounding any amount less than the specified units, i.e., disregarding four tenths (4/10) or less and rounding up five tenths (5/10) or more. The numbers of shares stated in the business report are presented by disregarding any number of shares less than the specified units. In addition, unless otherwise specifically noted, the changes in comparison with the previous business year and other ratios are presented by rounding numbers to the nearest first decimal places, i.e., disregarding four hundredths (4/100) or less and rounding up five hundredths (5/100) or more.
2. Some tables, graphs, and pictures in the Business Report are presented only for shareholder reference purposes.
3. In the Business Report, 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 the Company. 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 the Company to market existing and new products effectively, (v) the inability of the Company to continue to effectively research and develop products accepted by customers in highly competitive markets, and (vi) infringements of the Company's intellectual property rights by third parties. Information about pharmaceutical products (including products currently in development) which is included in the Business Report is not intended to constitute an advertisement or medical advice.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(As of March 31, 2025)

(Millions of yen)

Accounts	(Reference) 19th term business year As of March 31, 2024	20th term business year As of March 31, 2025
Assets		
Non-current assets		
Property, plant and equipment	293,742	328,921
Goodwill	418,694	415,207
Intangible assets	1,453,824	1,123,714
Trade and other receivables	20,043	18,453
Investments accounted for using equity method	15,684	18,989
Deferred tax assets	45,594	98,113
Other financial assets	108,694	106,195
Other non-current assets	18,597	28,602
Total non-current assets	2,374,873	2,138,195
Current assets		
Inventories	248,738	297,261
Trade and other receivables	534,985	632,525
Income tax receivable	13,051	13,691
Other financial assets	28,784	29,941
Other current assets	32,241	39,197
Cash and cash equivalents	335,687	188,372
Subtotal	1,193,485	1,200,986
Assets held for sale	1,245	363
Total current assets	1,194,730	1,201,349
Total assets	3,569,603	3,339,544

(Millions of yen)

Accounts	(Reference) 19th term business year As of March 31, 2024	20th term business year As of March 31, 2025
Equity and liabilities		
Equity		
Share capital	103,001	103,001
Capital surplus	184,070	185,259
Treasury shares	(33,783)	(37,524)
Retained earnings	809,400	740,939
Other components of equity	533,300	521,580
Total equity attributable to owners of the parent	1,595,988	1,513,255
Total equity	1,595,988	1,513,255
Liabilities		
Non-current liabilities		
Bonds and borrowings	447,738	564,893
Trade and other payables	2,199	-
Income tax payable	-	3,230
Deferred tax liabilities	51,346	5,353
Retirement benefit liabilities	24,674	22,746
Provisions	7,369	8,130
Other financial liabilities	105,602	106,759
Other non-current liabilities	48,962	53,569
Total non-current liabilities	687,889	764,679
Current liabilities		
Bonds and borrowings	472,278	266,533
Trade and other payables	185,193	187,840
Income tax payable	38,515	34,549
Provisions	15,700	17,291
Other financial liabilities	97,565	20,144
Other current liabilities	476,474	535,254
Total current liabilities	1,285,725	1,061,610
Total liabilities	1,973,615	1,826,289
Total equity and liabilities	3,569,603	3,339,544

CONSOLIDATED STATEMENTS OF INCOME
(April 1, 2024 to March 31, 2025)

(Millions of yen)

Accounts	(Reference) 19th term business year From April 1, 2023 to March 31, 2024	20th term business year From April 1, 2024 to March 31, 2025
Revenue	1,603,672	1,912,323
Cost of sales	(292,485)	(349,206)
Gross profit	1,311,187	1,563,117
Selling, general and administrative expenses	(740,110)	(843,032)
Research and development expenses	(294,187)	(327,651)
Amortisation of intangible assets	(98,820)	(136,762)
Gain on divestiture of intangible assets	9,735	1,049
Share of profit (loss) of investments accounted for using equity method	(3,165)	(259)
Other income	8,691	20,344
Other expense	(167,814)	(235,768)
Operating profit	25,518	41,039
Finance income	11,455	7,874
Finance expense	(12,005)	(17,677)
Profit before tax	24,969	31,237
Income tax expense	(7,924)	19,510
Profit	17,045	50,747
Profit attributable to:		
Owners of the parent	17,045	50,747

BALANCE SHEETS

(As of March 31, 2025)

(Millions of yen)

Accounts	(Reference) 19th term business year As of March 31, 2024	20th term business year As of March 31, 2025
Assets		
Current assets		
Cash on hand and in banks	153,104	46,648
Trade accounts receivable	194,737	194,374
Merchandise and finished goods	61,381	75,500
Work in process	2,099	3,079
Raw materials	43,117	52,217
Short-term loans receivable	218,445	85,035
Other	44,248	42,501
Allowance for doubtful receivables	(42)	(42)
Total current assets	717,090	499,312
Fixed assets		
Property, plant and equipment		
Buildings	67,900	65,692
Structures	4,555	4,480
Machinery	18,262	15,170
Equipment, furniture and fixtures	11,571	11,465
Land	13,479	13,479
Construction in progress	2,328	1,948
Other	1,621	1,565
Total property, plant and equipment	119,715	113,800
Intangible fixed assets	57,657	41,127
Investments and other assets		
Investment securities	22,603	18,561
Investment in subsidiaries and affiliates	1,460,228	1,806,340
Deferred tax assets	46,269	45,068
Other	35,335	35,064
Allowance for doubtful receivables	(2)	(2)
Total investments and other assets	1,564,433	1,905,032
Total fixed assets	1,741,805	2,059,959
Total assets	2,458,895	2,559,271

(Millions of yen)

Accounts	(Reference) 19th term business year As of March 31, 2024	20th term business year As of March 31, 2025
Liabilities		
Current liabilities		
Trade accounts payable	36,858	30,102
Commercial papers	285,000	164,874
Short-term loans payable	349,089	250,081
Other accounts payable	86,139	52,797
Accrued expenses	32,462	39,038
Accrued income taxes	32,965	25,012
Other	34,020	64,563
Total current liabilities	856,532	626,467
Long-term liabilities		
Bonds payable	250,000	320,000
Long-term loans payable	160,000	238,499
Other	8,539	7,438
Total long-term liabilities	418,539	565,937
Total liabilities	1,275,071	1,192,404
Net assets		
Shareholders’ equity		
Share capital	103,001	103,001
Capital surplus		
Additional paid-in capital	176,822	176,822
Total capital surplus	176,822	176,822
Retained earnings		
Legal reserve	16,827	16,827
Other retained earnings		
Reserve for advanced depreciation of fixed assets	1,185	1,185
Retained earnings carried forward	913,486	1,102,715
Total retained earnings	931,498	1,120,727
Treasury shares	(33,783)	(37,524)
Total shareholders’ equity	1,177,537	1,363,026
Valuation, translation adjustments and others		
Unrealised holding gains on securities	5,911	3,543
Total valuation, translation adjustments and others	5,911	3,543
Subscription rights to shares	376	298
Total net assets	1,183,824	1,366,867
Total liabilities and net assets	2,458,895	2,559,271

STATEMENTS OF INCOME

(April 1, 2024 to March 31, 2025)

(Millions of yen)

Accounts	(Reference) 19th term business year From April 1, 2023 to March 31, 2024	20th term business year From April 1, 2024 to March 31, 2025
Net Sales	688,435	789,619
Cost of sales	114,688	116,419
Gross profit	573,746	673,200
Selling, general and administrative expenses	379,763	405,895
Operating income	193,984	267,305
Non-operating income		
Interest income and dividend income	174,883	188,307
Other	17,753	4,783
Total non-operating income	192,636	193,090
Non-operating expenses		
Interest expense	10,188	12,322
Other	3,175	16,954
Total non-operating expenses	13,363	29,276
Ordinary income	373,257	431,119
Special gains		
Gain on sales of fixed assets	2	8
Other	19	179
Total special gains	22	186
Special losses		
Loss on sales and disposal of fixed assets	372	646
Impairment loss	2,795	1,197
Other	37,021	67,292
Total special losses	40,189	69,135
Income before income taxes	333,090	362,170
Income taxes — current	38,435	40,765
Income taxes — deferred	2,494	1,686
Total income taxes	40,929	42,451
Net income	292,161	319,719

Translation

Independent Auditor's Report

May 13, 2025

The Board of Directors
Astellas Pharma Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Daisuke Arikura
Designated Engagement Partner
Certified Public Accountant

Kohei Koyama
Designated Engagement Partner
Certified Public Accountant

Mitsuharu Konno
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity, and notes to the consolidated financial statements of Astellas Pharma Inc. and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2025, in accordance with accounting standards that omit certain disclosure items under the designated International Financial Reporting Standards, which were established in accordance with the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting standards that omit certain disclosure items under the designated International Financial Reporting Standards, which were established in accordance with the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting standards that omit certain disclosure items under the designated International Financial Reporting Standards, which were established in accordance with the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting standards that omit certain disclosure items under the designated International Financial Reporting Standards, which were established in accordance with the second sentence of Article 120, paragraph 1 of the Regulations on Corporate Accounting.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Translation

Independent Auditor's Report

May 13, 2025

The Board of Directors
Astellas Pharma Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Daisuke Arikura
Designated Engagement Partner
Certified Public Accountant

Kohei Koyama
Designated Engagement Partner
Certified Public Accountant

Mitsuharu Konno
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, notes to the financial statements and the related supplementary schedules (the "Financial Statements and Others") of Astellas Pharma Inc. (the Company) applicable to the 20th fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the accompanying Financial Statements and Others present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2025, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and Others section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements and Others in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the Financial Statements and Others does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements and Others, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements and Others or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Committee for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of these Financial Statements and Others in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of Financial Statements and Others that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements and Others, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the Financial Statements and Others as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements and Others.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements and Others, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the Financial Statements and Others is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements and Others or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements and Others, including the disclosures, and whether the Financial Statements and Others represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the audit of the Financial Statements and Others to obtain sufficient appropriate audit evidence regarding the financial information of the components within the Company as a basis for forming an opinion on the Financial Statements and Others. We are responsible for the direction, supervision and review of the audit of the components. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the Financial Statements and Others in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

[Translation]

AUDIT REPORT

The Audit & Supervisory Committee conducted an audit regarding the performance of duties of Directors of the Company during the 20th term business year from April 1, 2024 to March 31, 2025. The Committee hereby reports the method and result thereof as follows.

1. Method and Contents of Audit

With respect to the content of resolution of the Board of Directors on matters prescribed in Article 399-13, paragraph (1), item (i), (b) and (c) of the Companies Act and the systems developed based on such board resolution (internal control system), the Audit & Supervisory Committee regularly received reports from Directors, employees and others, requested additional explanations as necessary, and expressed opinions on the establishment and operation of the systems. In addition, the Committee conducted an audit according to the following method:

(i) In conformity with the Audit Standards established by the Audit & Supervisory Committee, and in accordance with, among other things, the policy of audit and the assignment of duties, in coordination with internal control departments of the Company, the Committee attended important meetings, received reports from the Directors and employees on matters related to their performance of duties, requested additional explanations as necessary, perused the documents whereby the important decisions were made, and examined the business and financial conditions at the head office and the principal offices. With respect to subsidiaries, the Committee made efforts to communicate and exchange information with the Directors and Audit & Supervisory Board Members of subsidiaries, requested the subsidiaries' reports on their respective business as necessary, and examined the condition of their operations.

(ii) The Audit & Supervisory Committee monitored and verified whether the Financial Auditor maintained the independent position and performed due audit, and received from the Financial Auditor reports on the performance of the duties, and requested additional explanations as necessary. The Audit & Supervisory Committee also received a notice from the Financial Auditor that it has established the "Systems to ensure due execution of audit (matters prescribed in each item of Article 131 of the Regulation on Corporate Accounting)" in accordance with, among other things, the "Quality Control Standards for Audit" (Business Accounting Council), and requested additional explanations as necessary.

Based on the method stated above, the Audit & Supervisory Committee examined the Business Report and the related supplementary schedules, financial statements (Balance Sheets, Statements of Income, Statements of Changes in Net Assets and Notes to Financial Statements) and the related supplementary schedules, and consolidated financial statements (Consolidated Statements of Financial Position, Consolidated Statements of Income, Consolidated Statements of Changes in Equity and Notes to Consolidated Financial Statements, all prepared with the omission of certain disclosures required by the IFRS pursuant to the provision of the second sentence of Article 120, paragraph (1) of the Regulation on Corporate Accounting) for the business year under review.

2. Results of Audit:

(1) Results of an audit of Business Report and other documents:

(i) We confirm that the Business Report and the related supplementary schedules accurately present the position of the Company in conformity with the relevant laws and regulations as well as the Articles of Incorporation of the Company.

(ii) We confirm that no misconduct or material fact constituting a violation of any laws or regulations or the Articles of Incorporation of the Company was found with respect to the Directors in the performance of their duties.

(iii) We confirm that the resolutions of the Board of Directors relating to the internal control system are reasonable. There are no matters to be pointed out regarding details of the Business Report and Directors' performance of their duties on the internal control system.

(2) Results of an audit of financial statements and the related supplementary schedules:
We confirm that the method and the results of the audit carried out by Ernst & Young ShinNihon LLC, Financial Auditor of the Company, are reasonable.

(3) Results of an audit of consolidated financial statements:
We confirm that the method and the results of the audit carried out by Ernst & Young ShinNihon LLC, Financial Auditor of the Company, are reasonable.

May 13, 2025

The Audit & Supervisory Committee of Astellas Pharma Inc.

Full-time Audit & Supervisory Committee Member:
Rika Hirota (seal)
Audit & Supervisory Committee Member:
Mika Nakayama (seal)
Audit & Supervisory Committee Member:
Rie Akiyama (seal)
Audit & Supervisory Committee Member:
Tomoko Aramaki (seal)

(Note) The Audit & Supervisory Committee Members Mika Nakayama, Rie Akiyama and Tomoko Aramaki are outside Directors prescribed in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.

- End -

The 20th Term Annual Shareholders Meeting

Other items for which the measures for providing information in electronic format are taken

Consolidated Statement of Changes in Equity
Notes to Consolidated Financial Statements
Statement of Changes in Net Assets
Notes to Non-Consolidated Financial Statements

The 20th Term Business Year (April 1, 2024 – March 31, 2025)

Astellas Pharma Inc.

The matters listed above are not provided in the paper-based documents to be delivered to shareholders who have requested the delivery of such documents, pursuant to laws and regulations as well as the Articles of Incorporation.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Subscription rights to shares	Exchange differences on translation of foreign operations
As of April 1, 2024	103,001	184,070	(33,783)	809,400	376	518,302
Comprehensive income						
Profit	–	–	–	50,747	–	–
Other comprehensive income	–	–	–	–	–	(9,716)
Total comprehensive income	–	–	–	50,747	–	(9,716)
Transactions with owners						
Acquisition of treasury shares	–	–	(6,960)	–	–	–
Disposals of treasury shares	–	(3,136)	3,219	–	(78)	–
Dividends	–	–	–	(128,993)	–	–
Share-based payments	–	4,325	–	–	–	–
Transfer to retained earnings	–	–	–	9,784	–	–
Total transactions with owners	–	1,189	(3,740)	(119,208)	(78)	–
As of March 31, 2025	103,001	185,259	(37,524)	740,939	298	508,585

	Equity attributable to owners of the parent				Total equity
	Other components of equity			Total	
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total		
As of April 1, 2024	14,623	–	533,300	1,595,988	1,595,988
Comprehensive income					
Profit	–	–	–	50,747	50,747
Other comprehensive income	3,251	4,607	(1,858)	(1,858)	(1,858)
Total comprehensive income	3,251	4,607	(1,858)	48,888	48,888
Transactions with owners					
Acquisition of treasury shares	–	–	–	(6,960)	(6,960)
Disposals of treasury shares	–	–	(78)	6	6
Dividends	–	–	–	(128,993)	(128,993)
Share-based payments	–	–	–	4,325	4,325
Transfer to retained earnings	(5,177)	(4,607)	(9,784)	–	–
Total transactions with owners	(5,177)	(4,607)	(9,862)	(131,622)	(131,622)
As of March 31, 2025	12,697	–	521,580	1,513,255	1,513,255

Notes to Consolidated Financial Statements

1. Notes on Significant Matters as the Basis to Prepare Consolidated Financial Statements

(1) Standards used to prepare consolidated financial statements:
Consolidated financial statements of the Group are prepared based on International Financial Reporting Standards ("IFRS"), in accordance with Article 120, paragraph (1) of the Regulation on Corporate Accounting. These consolidated financial statements omit part of the disclosure items required under IFRS, in accordance with the second sentence of the paragraph.

(2) Matters concerning the scope of consolidation:

Number of consolidated subsidiaries: 77

Name of principal consolidated subsidiaries:
Astellas Pharma Global Development, Inc.,
Astellas Institute for Regenerative Medicine,
Astellas Gene Therapies, Inc., Astellas Ireland Co., Limited,
Astellas Pharma China, Inc., Astellas Pharma US, Inc.,
Astellas Pharma GmbH, Beijing Astellas Medical Co., Ltd.,
Astellas Pharma S.A.S, Astellas Pharma S.A., Astellas Pharma Korea, Inc.

(3) Matters concerning the application of equity method:

The number of affiliated companies accounted for by the equity method: 6

(4) Notes on the scope of consolidation:

(i) Changes in scope of consolidation
Inclusion: two companies (included due to establishment)
Exclusion: seven companies (three companies were excluded due to liquidation, and four companies were excluded due to merger)

(ii) Change in scope of application of equity method
Inclusion: one company (included due to investment)

(5) Matters concerning significant accounting policies:

(i) Valuation standards and methods for financial instruments

- Initial recognition and measurement
Financial assets and financial liabilities are recognised on the trade date when the Group becomes a party to the contractual provisions of the instruments.
Except for trade receivables which do not contain a significant financing component, financial assets and financial liabilities are measured at fair value at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or issuance of financial liabilities other than financial assets measured at fair value through profit or loss ("financial assets at FVTPL") and

financial liabilities measured at fair value through profit or loss ("financial liabilities at FVTPL"), are added to the fair value of the financial assets or deducted from the fair value of financial liabilities at initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL and financial liabilities at FVTPL are recognised in profit or loss.

- Financial assets
  At initial recognition, all financial assets are classified as "financial assets measured at amortised cost," "financial assets measured at fair value through other comprehensive income ("financial assets at FVTOCI")" or "financial assets at FVTPL."

  (a) Financial assets measured at amortised cost
  Financial assets are classified as financial assets measured at amortised cost if both of the following conditions are met:
  • the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
  • the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  After initial recognition, the financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest revenue using the effective interest method is recognised in profit or loss.

  (b) Financial assets at FVTOCI (debt instruments)
  Financial assets are classified as financial assets at FVTOCI (debt instruments) if both of the following conditions are met:
  • the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
  • the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.
  After initial recognition, the financial assets are measured at fair value, and any gain or loss resulting from changes in fair value is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. When the financial asset is derecognised, the cumulative gain or loss recognised in other components of equity is reclassified from equity to profit or loss as a reclassification adjustment.

  (c) Financial assets at FVTOCI (equity instruments)
  The Group has made an irrevocable election for equity instruments, with some exceptions, to present subsequent changes in fair value in other comprehensive income, and classifies such instruments as financial assets at FVTOCI.
  After initial recognition, the financial assets are measured at fair value, and any gain or loss resulting from changes in fair value is recognised in other comprehensive income. When the financial asset is derecognised or the fair value has significantly decreased, the cumulative gain or loss recognised in other component of equity is transferred to retained earnings. Dividends on

such financial assets are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(d) Financial assets at FVTPL
Financial assets not classified as financial assets measured at amortised cost or financial assets at FVTOCI are classified as financial assets at FVTPL.
After initial recognition, the financial assets are measured at fair value with subsequent changes in fair value recognised in profit or loss.

- Impairment of financial assets
Loss allowances are recognised for expected credit losses for financial assets measured at amortised cost or debt instruments classified as financial assets at FVTOCI.
At the end of each quarter, the loss allowance is measured for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. The loss allowance is measured for a financial asset at an amount equal to 12-month expected credit losses if the credit risk on that financial asset has not increased significantly since initial recognition.
However, for trade receivables, contract assets and lease receivables, the loss allowance is always measured at an amount equal to lifetime expected credit losses.

- Financial liabilities
At initial recognition, all financial liabilities are classified as "financial liabilities at FVTPL" or "financial liabilities measured at amortised cost."

(a) Financial liabilities at FVTPL
Derivative financial liabilities, financial liabilities designated as financial liabilities at FVTPL and contingent consideration recognised in a business combination that meets the definition of financial liabilities, are classified as financial liabilities at FVTPL.
After initial recognition, the financial liabilities are measured at fair value with subsequent changes in fair value recognised in profit or loss.

(b) Financial liabilities measured at amortised cost
Financial liabilities not classified as financial liabilities at FVTPL are classified as financial liabilities at amortised cost.
After initial recognition, the financial liabilities are measured at amortised cost using the effective interest method.

- Derecognition
Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the contractual rights to receive the cash flows of the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred or the contractual rights to receive the cash flows of the financial asset have been transferred but substantially all the risks and rewards of ownership of the financial asset are neither transferred nor retained and control of the financial asset has not been retained.

Financial liabilities are derecognised when a financial liability is extinguished, i.e., when the obligation specified in the contract is discharged or cancelled or expired.

(ii) Valuation standards and methods for inventories

Inventories are measured at the lower of cost and net realisable value, and if net realisable value is less than the cost, a write-down is recognised. The cost of inventories includes costs of purchase, costs of conversion and all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is calculated as the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to sell. Write-downs are recognised for inventories associated with products for which marketing approval has not yet been obtained from regulatory bodies. These write-downs are reversed when marketing approval becomes highly probable to be obtained. Cost of inventories is calculated mainly using the first-in, first-out (FIFO) method.

(iii) Depreciation method of property, plant and equipment and amortisation method of intangible assets

- Property, plant and equipment (excluding right-of-use assets)

Depreciation of an asset begins when it is available for use. The depreciable amount of an asset is determined by deducting its residual value from its cost. The depreciable amount of items of property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of each component.

The estimated useful lives of major classes of property, plant and equipment are as follows:

Buildings and structures	2 to 60 years
Machinery and vehicles	2 to 20 years
Equipment, furniture and fixtures	2 to 20 years

The useful lives, residual values, and depreciation methods of property, plant and equipment are reviewed at the end of business year, and changed, if necessary.

- Intangible assets
  Intangible assets are amortised over their estimated useful lives (2 to 25 years) on a straight-line basis beginning at the time when they are available for use. The estimated useful life of intangible assets is the shorter of the period of legal protection or its economic life, and it is also regularly reviewed.

- Right-of-use assets
  Right-of-use assets are measured at cost, which comprises the amount of the initial measurement of the corresponding lease liability at the commencement date, adjusted for initial direct costs, etc. Right-of-use assets are depreciated on a straight-line basis after the commencement date over the shorter of the useful life of the right-of-use asset or the end of the lease term (2 to 40 years).

(iv) Basis for provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates of the obligations can be made.
When the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligations.

(v) Basis for revenue

The Group generates revenue from the sale of pharmaceuticals and royalty income from agreements under which third parties have been granted rights to manufacture or market pharmaceutical products or rights to use technologies.

- Sales of pharmaceutical products
  Revenue from sales of pharmaceuticals is recognised when control of the promised pharmaceutical product is transferred to the customer by the Group. The Group determines that control of a pharmaceutical product is usually transferred to the customer upon delivery.
  There are no contracts for which the payment terms of consideration are longer than one year, in principle, and thus no significant financing component is included. If the transaction price in a contract includes variable amounts such as rebates, discounts, the variable consideration is estimated by using either of the expected value method or the most likely amount method, and is reduced from the consideration received from the customer. The variable consideration is recognised only when it is probable that a significant reversal will not occur.
  In certain transactions, the Group may be deemed to be contracted by other companies to sell pharmaceuticals on their behalf. For such transactions in which the Group acts as an agent, the Group recognises revenue as the net amount of the remuneration or fees for which it expects to obtain rights.

- Royalty income

  Royalty income includes upfront payments, milestone payments received when certain contractual conditions are fulfilled, and running royalties based on net sales and other factors.

  For upfront payments, revenue is recognised at a point in time when each performance obligation is satisfied or over time as the performance obligation is satisfied. For performance obligations satisfied at a point in time, revenue is recognised when control of the promised right is transferred to the customer by the Group in accordance with the contract. For performance obligations satisfied over time, revenue is recognised based on the ratio between the elapsed period and the remaining period available to provide the promised services in the contract.

  Receipt of milestone payments is subject to uncertainty and such uncertainty is not eliminated until conditions have been fulfilled. As such, revenue is recognised for milestone payments at a point in time when the conditions for the milestone payments have been fulfilled, in principle.

  Running royalties based on net sales and other factors are recognised at a point in time when the later of either of the following events occurs: subsequent sales, etc. are realised, or performance obligations with allocated running royalties based on net sales and other factors are satisfied.

  Revenue is recognised for upfront payments and milestone payments at the amounts stipulated by the contracts, in principle. Revenue from running royalties is calculated as the amount of net sales, etc. for the calculation period reported by the customer, multiplied by the contractual fee rate. In almost all the contracts, a payment deadline has been set within a short period after the conclusion of contracts, fulfilment of conditions or the final day of the calculation period for running royalties.

(vi) Accounting for defined benefit plans as post-employment benefits

Net defined benefit assets or liabilities are calculated as the present value of the defined benefit obligation less the fair value of plan assets with adjustment for the effects of limiting the amount recognised for the net plan assets to the asset ceiling. The present value of the defined benefit obligation and the related service cost are calculated by using the projected unit credit method. The discount rate is determined by reference to market yield on high-quality corporate bonds having maturity terms consistent with the estimated term of the related pension obligations at the end of the reporting period.

Service cost and net interest expense (income) on the net defined benefit liabilities (assets) are recognised in profit or loss.

Actuarial gains and losses, the return on plan assets, excluding amounts included in net interest expense, and any change in the effect of the asset ceiling are recognised immediately in other comprehensive income under “Remeasurements of defined benefit plans,” and transferred from other components of equity to retained earnings immediately.

(vii) Translation standards for foreign currency

- Functional currency and presentation currency
  The financial statements of an entity of the Group are prepared using the functional currency of the entity. The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company.

- Transactions in foreign currencies
  Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or an approximation of the rate.
  Monetary assets and liabilities denominated in foreign currencies at the end of business year are translated into the functional currency using the exchange rates at the end of business year and exchange differences arising from translation are recognised in profit or loss.

- Foreign operations
  Assets and liabilities on statements of financial position of foreign operations are translated into Japanese yen using the exchange rate at the end of business year. Income and expenses on statements showing profit or loss and other comprehensive income are translated into Japanese yen using the average exchange rate for the period.
  Exchange differences arising on translating the financial statements of foreign operations are recognised in other comprehensive income. On the disposal of the interest in a foreign operation, the cumulative amount of the exchange differences is reclassified to profit or loss.

(viii)Matters concerning goodwill

Goodwill is carried at cost less any accumulated impairment losses.
Goodwill is allocated to each of the cash-generating units or groups of cash-generating units that is expected to benefit from the synergies of the business combination, and it is tested for impairment annually at the same time each year and whenever there is an indication of impairment. If, at the time of the impairment test, the recoverable amount of a cash-generating unit or a group of cash-generating units is less than its carrying amount, the carrying amount of the cash-generating unit or the group of cash-generating units is reduced to its recoverable amount, and the reduction is recognised in profit or loss as an impairment loss.
Impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit or group of cash-generating units and then to the other assets on a pro rata basis of the carrying amount of each asset in the cash-generating unit or group of cash-generating units.
Any impairment loss recognised for goodwill is not reversed in a subsequent period.

2. Notes on Accounting Estimates

(1) Revenue recognition and recording of estimated refund liabilities

(i) Amount recorded in the consolidated financial statements for the business year ended March 31, 2025
Refund Liabilities: ¥352,453 million

(ii) Information on the details of accounting estimates for identified items

(a) Method for estimation
If the transaction price in a contract includes a variable amount, such as rebates and discounts, the variable consideration is estimated by using either of the expected value method or the most likely amount method and is reduced from consideration received from the customer. Refund liabilities are provided for refunds to be paid after the closing date. The variable consideration is recognised only when it is probable that a significant reversal will not occur.

(b) Major assumptions used for estimation
The major assumptions on which the estimates are based are product sales forecasts, etc.

(c) Impact on the consolidated financial statements for the next business year
Due to the high estimation uncertainty, changes in product sales forecasts, etc. as major assumptions may affect the amounts of revenue and refund liabilities for the next business year.

(2) Impairment of goodwill and in-process research and development

(i) Amount recorded in the consolidated financial statements for the business year ended March 31, 2025
Goodwill: ¥415,207 million
In-process research and development (IPR&D): ¥146,685 million

(ii) Information on the details of accounting estimates for identified items

(a) Method for estimation

If the recoverable amount of an asset or cash-generating unit or group of cash-generating unit is less than its carrying amount, the asset is considered impaired. Goodwill is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the business combination, and the recoverable amount is estimated for each of the cash-generating units or groups of cash-generating units. The recoverable amount of IPR&D is primarily estimated for each asset individually.

The recoverable amount is mainly calculated by value in use based on future forecasts.

(b) Major assumptions used for estimation

The major assumptions on which the estimate of recoverable amount is based are, among other things, the probability of obtaining marketing approval from regulatory bodies, post-launch sales forecasts, discount rates and growth rates.

(c) Impact on the consolidated financial statements for the next business year

Due to the high estimation uncertainty, changes in the major assumptions, such as probability of obtaining marketing approval from regulatory bodies, post-launch sales forecasts, discount rates and growth rates, may affect the amounts of goodwill and IPR&D for the next business year.

(3) Recoverability of deferred tax assets

(i) Amount recorded in the consolidated financial statements for the business year ended March 31, 2025

Deferred tax assets: ¥98,113 million

(ii) Information on the details of accounting estimates for identified items

(a) Method for estimation

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses, and unused tax credits can be utilized. In assessing the recoverability of deferred tax assets, the expected reversal of deferred tax liabilities, projected future taxable profits and tax planning are taken into account, and the taxable profits are estimated based on business plans.

(b) Major assumptions used for estimation

The major assumptions in business plans on which the estimate of taxable profits is based are, among other things, trends in pharmaceutical markets in various countries, the probability of obtaining marketing approval from regulatory bodies and post-launch sales forecasts.

(c) Impact on the consolidated financial statements for the next business year
Due to the high estimation uncertainty, changes in the major assumptions, such as trends in pharmaceutical markets in various countries, the probability of obtaining marketing approval from regulatory bodies and post-launch sales forecasts, may affect the amount of deferred tax assets for the next business year.

(4) Fair value measurement of contingent consideration arising from business combination

(i) Amount recorded in the consolidated financial statements for the business year ended March 31, 2025
Contingent consideration: ¥19,127 million

(ii) Information on the details of accounting estimates for identified items

(a) Method for estimation
After initial recognition, contingent consideration is measured at fair value. The fair value measurement is based on certain milestones depending on the progress of programs in clinical development held by the acquiree.

(b) Major assumptions used for estimation
The major assumptions on which the fair value measurement is based are, among other things, the success probability of clinical program and discount rates.

(c) Impact on the consolidated financial statements for the next business year
One of the major assumptions, the success probability of clinical program, depends on the level of challenges in new drug development, etc. Accordingly, due to the high estimation uncertainty, changes in the assumptions, including discount rates, may affect the amount of contingent consideration for the next business year.

3. Notes to Consolidated Statement of Financial Position

(1) Loss allowance directly deducted from assets:

Other financial assets (non-current)	¥2 million
Trade and other receivables (current)	¥5,476 million

(2) Accumulated depreciation of property, plant and equipment (including accumulated impairment losses): ¥409,401 million

4. Notes to Consolidated Statement of Income

(1) Other expenses

Impairment losses on intangible assets
For the business year ended March 31, 2025, impairment losses recognised for intangible assets were ¥187,618 million, and mainly composed of impairment losses of ¥115,092 million resulting from the withdrawal of the marketing authorization application for IZERVAY (avacincaptad pegol intravitreal solution) for the treatment

of geographic atrophy secondary to age-related macular degeneration in Europe, and impairment losses of ¥51,799 million resulting from the update to the research and development plan for the gene therapy program AT466 for patients with myotonic dystrophy.

5. Notes to Consolidated Statement of Changes in Equity

(1) Class of shares issued and the total number thereof at the end of the business year under review:
Ordinary shares 1,809,663,075 shares

(2) Matters concerning dividends:

(i) Dividends paid:

Resolution	Class of shares	Amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 25, 2024	Ordinary shares	63,318	35.00	March 31, 2024	June 3, 2024
Board of Directors meeting held on October 30, 2024	Ordinary shares	66,937	37.00	September 30, 2024	December 2, 2024

(Notes) 1. The amount of dividends approved by resolution of the Board of Directors meeting on April 25, 2024 included dividends of ¥559 million corresponding to the Company's shares held in the executive remuneration BIP trust and the stock-delivery ESOP trust.
2. The amount of dividends approved by resolution of the Board of Directors meeting on October 30, 2024 included dividends of ¥703 million corresponding to the Company's shares held in the executive remuneration BIP trust and the stock-delivery ESOP trust.

(ii) Dividends whose record date is in the business year ended March 31, 2025, but whose effective date is in the following business year are as follows:

Resolution	Class of shares	Amount of dividends (Millions of yen)	Source of dividend	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 25, 2025	Ordinary shares	66,939	Retained earnings	37.00	March 31, 2025	June 3, 2025

(Note) The amount of dividends above includes dividends of ¥698 million corresponding to the Company’s shares held in the executive remuneration BIP trust and the stock-delivery ESOP trust.

(3) Class and number of shares underlying each subscription right to shares at the end of the business year under review (excluding rights whose exercise period has yet to begin):

Ordinary shares 360,100 shares

6. Notes on Financial Instruments

(1) Capital management
The Group’s capital management principle is to maintain an optimal capital structure by improving capital efficiency and ensuring sound and flexible financial conditions in order to achieve sustained improvement in the enterprise value, which will lead to improved return to shareholders.
The Group monitors financial indicators in order to maintain an optimal capital structure. Credit ratings are monitored for financial soundness and flexibility, and so is return on equity attributable to owners of the parent (ROE) for capital efficiency. The Group is not subject to material capital regulation.

(2) Financial risk management policy
The Group is exposed to financial risks such as credit risk, liquidity risk, foreign exchange risk and interest rate risk in operating businesses. To mitigate them, it manages risks in accordance with certain policies and procedures.
The Group uses derivatives only for the purpose of hedging financial risks and does not use them for speculative purposes.

(i) Credit risk management
Receivables, such as trade receivables, resulting from the business activities of the Group are exposed to the customer’s credit risk. This risk is managed by grasping the financial condition of the customer and monitoring the trade receivables balance. Also, the Group reviews collectability of trade receivables depending on the credit conditions of customers and recognises loss allowances as necessary.
Securities held by the Group are exposed to the issuer’s credit risk, and deposits are exposed to the credit risk of banks. Also, derivative transactions that the Group conducts in order to hedge financial risks are exposed to the credit risk of the financial institutions which are counterparties of those transactions. In regard to securities transactions and deposit transactions in fund management, the Group only deals with banks and issuers with certain credit ratings and manages investments within the defined period and credit limit, in accordance with Global Cash Investment Policy and Global Treasury Policy. In addition, regarding derivative transactions, the Group only deals with financial

institutions with certain credit ratings in accordance with Global Treasury Policy.

(ii) Liquidity risk management
The Group is exposed to liquidity risk that the Group might have difficulty settling financial obligations. However, the Group is maintaining the liquidity on hand that enables the Group to meet the assumed repayment of financial obligations and respond flexibly to strategic investment opportunities. Also, the balance is reported monthly to Senior Corporate Executive, Chief Financial Officer.

(iii) Foreign exchange risk management
The Group operates its business in many countries and regions, and the Group's business results and financial position are exposed to foreign exchange risks.
The Group considers necessity of using derivatives to mitigate foreign exchange risk on each transaction. In regard to the intercompany loan in foreign currencies, the Group has used forward foreign exchange contracts to mitigate the impact of exchange rate fluctuations on business results in the business year ended March 31, 2025. The status of the hedge against foreign exchange risk by currency and the balance of derivative transactions are reported monthly to Senior Corporate Executive, Chief Financial Officer.

(iv) Interest rate risk management
The Group's interest-bearing liabilities are exposed to interest rate risk. However, in order to mitigate such risk, the Group strives to optimise the fund procurement by combining fixed and floating interest rates and determines the amount, term, method, etc. of fund procurement considering the details of demand for funds, financial position and financing environment. Also, The Group considers necessity of using derivatives to mitigate interest rate risk on each transaction. The status of the hedge against interest rate risk and the balance of derivative transactions are reported monthly to Senior Corporate Executive, Chief Financial Officer.

(3) Fair value of financial instruments

(i) Financial instruments measured at fair value on a recurring basis
The levels of the fair value hierarchy are as follows:
Level 1: Fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Fair value measured using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; and
Level 3: Fair value measured using significant unobservable inputs for the assets or liabilities.

The level of the fair value hierarchy is determined based on the lowest level of significant input used for the measurement of fair value.
The Group accounts for transfers between levels of the fair value hierarchy as if they occurred at the end of each quarter.

The breakdown of financial assets and liabilities measured at fair value on a recurring basis, including their levels in the fair value hierarchy, is as follows:

20th term business year (As of March 31, 2025)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Insurance funds	–	28,998	–	28,998
Derivatives	–	255	–	255
Investment in funds	–	–	36,228	36,228
Other	–	–	1,248	1,248
Financial assets at FVTOCI (equity instruments)				
Quoted equity shares	2,490	–	–	2,490
Unquoted equity shares	–	–	31,890	31,890
Total financial assets	2,490	29,254	69,366	101,110
Financial liabilities				
Financial liabilities at FVTPL				
Derivatives	–	290	–	290
Contingent consideration	–	–	19,127	19,127
Derivatives to which hedging accounting is applied	–	959	–	959
Total financial liabilities	–	1,249	19,127	20,376

(Note) Financial assets at FVTPL and financial assets at FVTOCI (equity instruments), and financial liabilities at FVTPL and derivatives to which hedging accounting is applied are included in "Other financial assets" and "Other financial liabilities" in the consolidated statement of financial position, respectively.

The movement of fair value of financial instruments categorised within Level 3 of the fair value hierarchy is as follows:

20th term business year (From April 1, 2024 to March 31, 2025)

(a) Financial assets

(Millions of yen)

	Financial assets at FVTPL	Financial assets at FVTOCI (equity instruments)	Total
Balance at April 1, 2024	33,976	30,844	64,819
Realised or unrealised gains (losses)			
Recognised in profit or loss(Note 1)	(2,517)	–	(2,517)
Recognised in other comprehensive income	–	74	74
Purchases, issues, sales, and settlements			
Purchases	7,904	3,704	11,609
Sales or settlements	(2,499)	–	(2,499)
Transfer from Level 3(Note 2)	–	(1,578)	(1,578)
Other	611	(1,154)	(543)
Balance at March 31, 2025	37,476	31,890	69,366
Gains or losses recognised in profit or loss attributable to the change in unrealised gains or losses relating to those assets held at the end of the reporting period (Note)	(2,517)	–	(2,517)

(Note) 1. This is included in "Finance income" and "Finance expenses" in the consolidated statements of income.
2. Due to investee companies going public.

(b) Financial Liabilities

(Millions of yen)

	Financial liabilities at FVTPL
Balance at April 1, 2024	113,568
Realised or unrealised gains (losses)	
Recognised in profit or loss (Note)	(16,672)
Settlements	(77,851)
Other	82
Balance at March 31, 2025	19,127
Gains or losses recognised in profit or loss attributable to the change in unrealised gains or losses relating to those liabilities held at the end of the reporting period (Note)	(15,081)

(Note) This is included in “Other income” and “Other expenses” in the consolidated statements of income.

Methods for calculating fair values are as follows:

The fair value of quoted equity shares categorised within Level 1 is based on quoted market prices at the end of the period.

The financial assets categorised within Level 2 are composed of insurance funds and derivatives.
The Group possesses the insurance funds to provide for the expected payment of a deferred remuneration system adopted by U.S. subsidiaries. The fair value of an insurance fund is measured based on cash surrender value provided by the counterparty insurance company.

The fair value of derivatives is measured based on prices provided by the counterparty financial institutions.

The financial assets categorised within Level 3 are composed of investment in funds and unquoted equity shares.
The fair value of an investment in a fund is calculated based on the equity interest in it after estimating the fund’s fair value according to the most recent information available.
The fair value of an unquoted equity share is calculated based on metrics such as the most recent available balance of the investee’s net assets or projections of its future profitability.
The fair value of investment in funds and unquoted equity shares is measured for quarterlyby the division in charge at the Company and each Group company in accordance with the Group’s accounting policies, etc. It is reported to a superior in conjunction with grounds for the changes in fair value.

The financial liabilities categorised within Level 2 are composed of derivatives.
The fair value of derivatives is measured based on prices provided by the counterparty financial institutions.

The financial liabilities categorised within Level 3 are composed of contingent considerations arising from business combinations.

Contingent considerations represent certain milestone payments based on progress, etc. in the development of the clinical programs possessed by the acquirees. The fair value of the contingent consideration is estimated based on the success probability of the program related to the difficulty of new drug development, etc. and the time value of money, etc. As these estimates involve uncertainties there is an impact such as increase in the fair value of contingent considerations, if the success probability of the clinical program, which is a significant unobservable input, is raised.

In regard to financial instruments categorised within Level 3, there would be no significant change in fair value when one or more of the unobservable inputs is changed to reflect reasonably possible alternative assumptions.

(ii) Financial instruments measured at amortised cost

Fair value is calculated as follows:

Financial assets measured at amortised cost
Financial assets measured at amortised cost comprise trade and other receivables, loans and other financial assets, and cash and cash equivalents. The carrying amount approximates fair value due to the short period of settlement terms.

Financial liabilities measured at amortised cost
Financial liabilities measured at amortised cost comprise bonds and borrowings, trade and other payables, lease liabilities and other financial liabilities. The carrying amount approximates the fair value due to the short period of settlement terms, except for bonds, long-term borrowings and lease liabilities.

The fair value of bonds categorised within Level 2 of the fair value hierarchy is based on quoted market prices at the end of the period. For the business year ended March 31, 2025, the carrying amount approximates the fair value.

The carrying amount of long-term borrowings with floating interest rates approximates fair value due to reflecting market interest rates in the short term. The fair value of long-term borrowings with fixed interest rates categorised within Level 2 of the fair value hierarchy is calculated by discounting future cash flows at a rate that takes into account the remaining period and credit risk. For the business year ended March 31, 2025, the carrying amount approximates the fair value.

7. Notes on Revenue Recognition

(1) Breakdown of revenue

The breakdown of revenue is as follows:

20th term business year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Japan	United States	Estab-lished Markets	China	Inter-national Markets	Other	Total
Revenue recognised from contracts with customers							
Sales of pharmaceutical products	266,675	757,284	485,038	78,311	202,076	3,702	1,793,086
Other	323	−	−	−	1,436	7,992	9,751
Subtotal	266,998	757,284	485,038	78,311	203,512	11,694	1,802,837
Revenue recognised from other sources							
Profit sharing income	−	109,094	379	−	−	14	109,487
Subtotal	−	109,094	379	−	−	14	109,487
Total	266,998	866,378	485,417	78,311	203,512	11,708	1,912,323

(Notes) 1. Revenue is categorised based on the organizational grouping of business management in the commercial division.

2. "Other" under revenue recognised from contracts with customers mainly includes royalty income.

3. Profit sharing income represents mainly revenue from non-customer partners who share the risks and rewards of joint sales promotion activities.

Established Markets: Europe, Canada, etc.

China: China, Hong Kong

International Markets: Latin America, Middle East, Africa, South East Asia, South Asia, Russia, Korea, Taiwan, Australia, Export sales, etc.

(2) Contract balances

The breakdown of contract balances is as follows:

(Millions of yen)

	As of April 1, 2024	20th term business year As of March 31, 2025
Receivables from contracts with customers		
Trade and notes receivables	493,583	588,733
Loss allowance	(3,192)	(5,476)
Total	490,391	583,257

(Notes) 1. The balance of contract liabilities in the business year ended March 31, 2025 was not material.

2. The amount of revenue recognised in the business year ended March 31, 2025, from performance obligations satisfied or partially satisfied during past periods was not material.

(3) Transaction price allocated to remaining performance obligations

The practical expedient has been adopted as there are no material contracts with an original expected period exceeding one year and transaction price allocated to remaining performance obligations has been omitted.

8. Notes on Per-Share Data

(1) Equity attributable to owners of the parent per share: ¥845.25

(2) Basic earnings per share: ¥28.35

STATEMENT OF CHANGES IN NET ASSETS
(April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Additional paid-in capital	Total capital surplus	Legal reserve	Other retained earnings		Total retained earnings
					Reserve for advanced depreciation of fixed assets	Retained earnings carried forward	
Balance as of April 1, 2024	103,001	176,822	176,822	16,827	1,185	913,486	931,498
Change during the business year under review							
Dividends of surplus	–	–	–	–	–	(130,254)	(130,254)
Net income	–	–	–	–	–	319,719	319,719
Acquisition of treasury shares	–	–	–	–	–	–	–
Disposals of treasury shares	–	–	–	–	–	(236)	(236)
Net change of items other than shareholders' equity during the business year under review	–	–	–	–	–	–	–
Total change during the business year under review	–	–	–	–	–	189,229	189,229
Balance as of March 31, 2025	103,001	176,822	176,822	16,827	1,185	1,102,715	1,120,727

(Millions of yen)

	Shareholders' equity		Valuation, translation adjustments and others		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Unrealised holding gains on securities	Total valuation, translation adjustments and others		
Balance as of April 1, 2024	(33,783)	1,177,537	5,911	5,911	376	1,183,824
Change during the business year under review						
Dividends of surplus	–	(130,254)	–	–	–	(130,254)
Net income	–	319,719	–	–	–	319,719
Acquisition of treasury shares	(6,960)	(6,960)	–	–	–	(6,960)
Disposals of treasury shares	3,219	2,983	–	–	–	2,983
Net change of items other than shareholders' equity during the business year under review	–	–	(2,369)	(2,369)	(78)	(2,446)
Total change during the business year under review	(3,740)	185,489	(2,369)	(2,369)	(78)	183,042
Balance as of March 31, 2025	(37,524)	1,363,026	3,543	3,543	298	1,366,867

Notes to Non-Consolidated Financial Statements

1. Notes on Items of Significant Accounting Policies

(1) Valuation standards and methods for assets:

(i) Valuation standards and methods for securities:

Investments in subsidiaries and affiliates:
Investments in subsidiaries and affiliates are carried at cost determined by the moving average method.

Investments in securities classified as other securities:
Marketable securities:
Marketable securities classified as other securities are carried at fair value as of the balance sheet date with changes in unrealised holding gain or loss, net of the applicable income taxes, directly included in net assets. The cost of securities sold is calculated by the moving average method.

Non-marketable securities:
Non-marketable securities classified as other securities are stated at cost determined by the moving average method.

(ii) Valuation standards and methods for derivatives:

Derivatives are carried at fair value.

(iii) Valuation standards and methods for inventories:

Merchandise and finished goods, work in process, and raw materials:
Inventories are stated at the lower of cost or market, cost being determined by the average method (the amounts stated in the balance sheets were calculated by the method to devaluate book values based on the reduction in profitability).

(2) Depreciation and amortisation methods for fixed assets:

(i) Property, plant and equipment:
Straight-line method
The useful lives of property, plant and equipment are summarized as follows:

Buildings	2 to 50 years
Structures	2 to 60 years
Machinery	2 to 17 years
Equipment, furniture and fixtures	2 to 20 years

(ii) Intangible fixed assets:
Straight-line method
With respect to software used in the Company, it is amortised by the straight-line method based on the useful lives (5 years) in the Company.

(3) Basis for significant allowances:

(i) Allowance for doubtful receivables:
The allowance for doubtful receivables is provided for possible losses on bad debts at an amount determined based on the historical experience of bad debts with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are facing financial difficulties.

(ii) Accrued retirement benefits for employees:
Accrued retirement benefits for employees are provided for retirement benefits to be paid under defined benefit plans at an amount calculated by deducting the fair value of the pension plan assets from the retirement benefit obligations, as adjusted for unrecognised actuarial gain or loss and unrecognised prior service cost as of the end of the business year.

Actuarial gain or loss of the retirement benefit plan is amortised from the business year following the business year in which the gain or loss is recognised primarily by the straight-line method over the average remaining years of service of the employees. Prior service cost is amortised as incurred by the straight-line method over the average remaining years of service of the employees.

(4) Basis for revenue:

The Company generates revenue from the sale of pharmaceuticals and royalty income from agreements under which third parties have been granted rights to manufacture or market pharmaceutical products or rights to use technologies.

(i) Sales of pharmaceutical products
Revenue from sales of pharmaceuticals is recognised when control of the promised pharmaceutical product is transferred to the customer by the Company. The Company determines that control of a pharmaceutical product is usually transferred to the customer upon delivery.
There are no contracts for which the payment terms of consideration are longer than one year, in principle, and thus no significant financing component is included. If the transaction price in a contract includes variable amounts such as rebates, discounts, the variable consideration is estimated by using either of the expected value method or the most likely amount method, and is reduced from the consideration received from the customer. The variable consideration is recognised only when it is probable that a significant reversal will not occur. In certain transactions, the Company may be deemed to be contracted by other companies to sell pharmaceuticals on their behalf. For such transactions in which the Company acts as an agent, the Company recognises revenue as the net amount of the remuneration or fees for which it expects to obtain rights.

(ii) Royalty income
Royalty income includes upfront payments, milestone payments received when certain contractual conditions are fulfilled, and running royalties based on net sales and other factors.
For upfront payments, revenue is recognised at a point in time when each

performance obligation is satisfied or over time as the performance obligation is satisfied. For performance obligations satisfied at a point in time, revenue is recognised when control of the promised right is transferred to the customer by the Company in accordance with the contract. For performance obligations satisfied over time, revenue is recognised based on the ratio between the elapsed period and the remaining period available to provide the promised services in the contract.

Receipt of milestone payments is subject to uncertainty and such uncertainty is not eliminated until conditions have been fulfilled. As such, revenue is recognised for milestone payments at a point in time when the conditions for the milestone payments have been fulfilled, in principle.

Running royalties based on net sales and other factors are recognised at a point in time when the later of either of the following events occurs: subsequent sales, etc. are realised, or performance obligations with allocated running royalties based on net sales and other factors are satisfied.

Revenue is recognised for upfront payments and milestone payments at the amounts stipulated by the contracts, in principle. Revenue from running royalties is calculated as the amount of net sales, etc. for the calculation period reported by the customer, multiplied by the contractual fee rate. In almost all the contracts, a payment deadline has been set within a short period after the conclusion of contracts, fulfilment of conditions or the final day of the calculation period for running royalties.

(5) Hedge accounting:

(i) Hedge accounting

All derivative transactions are principally hedged by a deferred hedge method. The “designation” method is applied to applicable foreign exchange forward contracts, and the “exception” method is applied to applicable interest rate swaps.

(ii) Hedging instruments and hedged items

Hedging instruments: Derivative transactions

Hedged items: Assets and liabilities of which income or loss may be caused by market fluctuations and cash flow fluctuations

(iii) Hedging policy

The Company has hedged derivative transactions from any risks arising from market fluctuations and cash flow fluctuations to a specified extent in accordance with the Company’s internal policies and procedures for derivative transactions.

(iv) Assessment of hedge effectiveness

Deferred hedge effectiveness from the start of the hedge period to the determination of effectiveness is assessed by comparing the cumulative changes in market fluctuations or cash flow fluctuations of the hedging instruments with those with respect to the hedged items.

When the significant conditions of the hedging and hedged items are the same and therefore the hedge is highly effective, the assessment of the effectiveness is omitted.

2. Notes on Accounting Estimates

Recoverability of deferred tax assets

(1) Amount recorded in the non-consolidated financial statements for the business year ended March 31, 2025

Deferred tax assets: ¥45,068 million

(2) Information on the details of accounting estimates for identified items

The recorded amount of deferred tax assets expected to be recovered is determined in accordance with the category of the entity as provided for in the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26). For other information, please refer to "Notes to Consolidated Financial Statements 2. Notes on Accounting Estimates."

3. Notes to Balance Sheet

(1) Accumulated depreciation of property, plant and equipment (including accumulated impairment losses): ¥287,694 million

(2) Guarantee obligations:

Guarantee is provided against subsidiaries and affiliates and employees' borrowings from financial institutions.

Astellas US Holding, Inc.	¥37,488 million
Employees	¥5 million

(3) Receivables from and payables to subsidiaries and affiliates:

Short-term receivables:	¥225,961 million
Short-term payables:	¥263,922 million
Long-term payables:	¥5,165 million

4. Notes to Statement of Income

(1) Volume of transaction with subsidiaries and affiliates:

Sales:	¥509,845 million
Purchases:	¥32,555 million
Non-operating transactions:	¥195,889 million

(2) Notes on other special losses

Of the investment in subsidiaries and affiliates the fair value of shares of Ganymed Pharmaceuticals GmbH, declined significantly below the book value and the impairment losses of ¥60,572 million were recognized as a loss on investment in subsidiaries and affiliates.

5. Notes to Statement of Changes in Net Assets

Type and number of treasury shares at the end of the business year under review:
Shares of common stock 19,353,121 shares

6. Notes on Tax Effect Accounting

Breakdown of deferred tax assets and deferred tax liabilities based on reasons are as follows:

	(Millions of yen)
Deferred tax assets:	
Investment securities:	252
Accrued retirement benefits for employees:	2,501
Property, plant and equipment:	1,588
Intangible fixed assets:	13,073
Accrued expenses:	3,580
Inventories:	15,757
Investment in subsidiaries and affiliates:	8,004
Other:	15,584
Subtotal:	60,338
Valuation allowance:	(9,025)
Total:	51,312
Deferred tax liabilities:	
Investment securities:	(1,439)
Prepaid pension cost:	(3,642)
Property, plant and equipment:	(535)
Other:	(629)
Total:	(6,244)
Net deferred tax assets:	45,068

7. Notes on Transaction with Related Parties

Subsidiaries and affiliates

Type	Name of Company, etc.	Ownership of voting rights, etc.	Relationship with affiliated parties	Details of transaction	Amount of transaction (Millions of yen)	Account	Balance as of the end of the business year (Millions of yen)
Subsidiary	Astellas B.V.	Direct ownership 100%	Borrowing of funds	Borrowing of funds (Note) 2	139,655	Short-term loans payable	223,836
				Repayment of borrowed funds	169,061		
Subsidiary	Astellas US Holding, Inc.	Direct ownership 100%	Lending of funds, depositing of funds, receipt of funds, guarantee of obligation, sharing of concurrent positions by Directors (Note) 1	Lending of funds (Note) 2	247,184	Short-term loans receivable	70,209
				Depositing of funds through cash pooling system (Note) 3	34,505		
				Subscription of capital increase (Note) 4	346,334	–	–
				Guarantee of obligation (Note) 5	37,488	–	–
Subsidiary	Astellas Pharma Global Development, Inc.	Indirect ownership 100%	Consignment of development, sharing of concurrent positions by Directors (Note) 1	Consignment of development (Note) 6	59,468	Other accounts payable	6,561
Subsidiary	Astellas Pharma Europe Ltd.	Indirect ownership 100%	Sales of products, etc., receipt of royalties	Sales of products, etc., receipt of royalties (Note) 6	201,606	Trade accounts receivable	48,509
Subsidiary	Astellas US LLC	Indirect ownership 100%	Receipt of royalties, sharing of concurrent positions by Directors (Note) 1	Receipt of royalties (Note) 6	207,001	Trade accounts receivable	40,950

(Notes) 1. "Sharing of concurrent positions by Directors" describes when a Director or officer in charge of the Company concurrently serves as a Director or officer of the relevant company.

2. Interest rates on the funds lent and borrowed are reasonably determined based on market rates.
3. The transaction amount of depositing of funds through cash pooling system describes the average balance during the period. Interest rates associated with such transactions have been reasonably determined based on market rates.
4. The Company conducted contribution in-kind of its loans to Astellas US Holding Inc.
5. Guarantee is provided against borrowings from financial institutions. Guarantee fees are reasonably determined based on the creditworthiness of the guaranteed party.
6. For consignment of development, sales of products, etc., and receipt of royalties, prices and royalty rates are set in light of market prices, among other factors.

8. Notes on Per-Share Data

(1)	Net asset per share:	¥763.31
(2)	Net income per share:	¥178.59