Recent Initiatives

Astellas will pursue further improvements in both the quality and efficiency of operations, as well as reallocating management resources in fields that promise growth and a superior position competitively, further strengthening its operational foundation.

With regard to the organizational structure, Astellas is working to strengthen its global management functions. In April 2017, we integrated legal and intellectual property functions in each region by newly establishing Legal and Intellectual Property functions on a global level. Furthermore, in April 2018, we established the new global functions Finance, Human Resources, and Internal Auditing to integrate the finance, human resources, and internal auditing functions in each region.

We are also promoting optimization of management resource allocation. Our agreement to transfer assets to LTL Pharma Co., Ltd. regarding marketing authorization for 16 long-listed products in Japan, bulk supply business of active pharmaceutical ingredients to third parties in and outside of Japan, and the royalty business took effect in April 2017. Accordingly, in the fiscal year ended March 31, 2018, manufacturing and marketing authorization for several products was also succeeded to LTL Pharma Co., Ltd., and we transferred the distribution rights of the products in Japan. Furthermore, in October 2017, we succeeded the manufacturing and marketing approvals in Japan for Protopic, a treatment for atopic dermatitis, to Maruho Co., Ltd.

In addition, Astellas implemented the following initiatives.

- **Termination of Research Activities at Agensys, Inc.**
  Astellas terminated its research activities at U.S. consolidated subsidiary Agensys, Inc. in March 2018 and transferred the research facilities and related assets to Kite, a Gilead Company in the United States, in April 2018.
  Astellas will advance its strategy in the oncology field by reducing its investments in Antibody-Drug Conjugate (ADC) research and expanding its investments in new technologies and modalities that will give us an even stronger competitive advantage.

- **Optimization of Organizational Structure in Europe**
  Astellas is taking steps to optimize our organizational structure in Europe, aiming to evolve our operating model with changes in the operating environment. As part of this, we decided to consolidate our Netherlands R&D functions in Japan and the U.S.
  Moreover, in EMEA, we are working to further improve the efficiency of our finance function through outsourcing, and to enhance the quality and efficiency of our sales and marketing activities by optimizing the sales and marketing organization and structure.

- **Restructuring of Operations in Japan and Introduction of Early Retirement Incentive Program**
  As part of optimization of organizational capabilities under Strategic Plan 2018, Astellas decided to reorganize itself and its Group companies within Japan, focusing not only on back-office divisions, but also frontline divisions such as R&D and Sales & Marketing.
  In conjunction with the restructuring of operations in Japan, an early retirement incentive program is planned to be introduced for Astellas Pharma Inc., Astellas Marketing and Sales Support Co., Ltd., Astellas Research Technologies Co., Ltd., and Astellas Learning Institute Co., Ltd. in the fiscal year ending March 31, 2019.

  We will strive to strengthen the operational foundation even further by streamlining our organizational structure and secure the necessary resources for growth investment by pursuing Operational Excellence while utilizing advanced technologies.