

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Astellas Pharma Inc. and Subsidiaries
For the years ended 31 March 2013 and 2014

1. REPORTING ENTITY

Astellas Pharma Inc. and its subsidiaries (collectively, the “Group”) are engaged in the manufacture and sales of pharmaceutical products. The parent company of the Group, Astellas Pharma Inc. (the “Company”), is incorporated in Japan, and the registered address of headquarters and principal business offices are available on the Company’s website (<http://www.astellas.com/en/>). Also, shares of the Company

are publicly traded on the Tokyo Stock Exchange.

The Group’s consolidated financial statements for the year ended 31 March 2014 were authorised for issue on 18 June 2014 by Yoshihiko Hatanaka, Representative Director, President and Chief Executive Officer, and Yasumasa Masuda, Senior Corporate Executive and Chief Financial Officer.

2. BASIS OF PREPARATION

(1) Compliance with IFRS and first-time adoption

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board.

The Group first adopted IFRS for the year ended 31 March 2014, and accordingly, the consolidated financial statements for the year ended 31 March 2014 are the Group’s first consolidated financial statements prepared in accordance with IFRS. The date of transition to IFRS was 1 April 2012, and the Group has applied IFRS 1 “First-time Adoption of International Financial Reporting Standards” (“IFRS 1”) at the transition to IFRS. Descriptions of how the transition to IFRS has affected the Group’s financial position, operating results, and cash flows are provided in the related note, “First-time adoption”.

Except for IFRS that have not been early adopted and exemptions permitted under IFRS 1, the Group’s accounting policies are in accordance with IFRS effective as of 31 March 2014.

(2) Basis of measurement

The Group’s consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value.

(3) Presentation currency

The Group’s consolidated financial statements are presented in Japanese yen, which is also the Company’s functional currency, and figures are rounded to the nearest million yen, except as otherwise indicated.

For the convenience of readers outside Japan, the accompanying consolidated financial statements are also presented in U.S. dollars by translating Japanese yen amounts at the exchange rate of ¥103 to US \$1, the approximate rate of exchange at the end of 31 March 2014. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.