

Risk Management

Identifying and Mitigating Risks Relating to the Performance of Business Activities

Pharmaceutical companies that expand their business globally are expected to follow numerous regulations with a high level of compliance; Astellas must also address numerous risks that could impact our business results, performance and public perception. Astellas established a holistic approach to risk management through the creation of a Global Risk Management program. Separate Regional Risk Management programs in each of the Company's four regions support the Global Risk Management program. The purpose of these global and regional programs are to identify, prioritize and manage risks to the Company achieving its objectives from a preventive standpoint.

The Global Risk Management program are supervised by a global, cross-functional team. The Global Risk Management program utilizes a four-phased approach, which is repeated annually: 1. Risk Identification, 2. Risk Prioritization, 3. Risk Mitigation Plan Development, and 4. Risk Mitigation Plan Implementation.

The EC reviews and approves risks identified through the Global Risk Management program. The EC assigns risk owners to each identified global risk. The risk owners are responsible for developing and implementing risk mitigation plans. Risk owners update these plans throughout the year and mitigation plan progress is reported to the EC. The risks managed by the program are reflective of Astellas' footprint as global pharmaceutical company and the sector the Company operates in.

Through maintaining the Global Risk Management program, Astellas has a framework for identifying and addressing risk. This program has enhanced the Company's cross-functional awareness and transparency about the risks facing the Company as well as the activities being undertaken to mitigate these risks.

At the regional level, the Regional Risk Management programs operate in a similar format to the global program. The Global Risk Management program factors the results of the regional programs into its risk identification process to ensure regional concerns and priorities are considered appropriately. In addition, the Global Risk Management program takes on risks identified by the Regional Risk Management Program when necessary.

Global Risk Management Program Structure

