

LAUNCH OF INDIAN SUBSIDIARY OF ASTELLAS PHARMA INC.

9th February, 2009 – Hyatt Regency, Mumbai

I am very pleased to be here this evening at the official launch of Astellas Pharma. Many of you may know that Astellas Pharma was born out of the merger between Yamanouchi Pharmaceutical Company Ltd. and Fujisawa Pharmaceutical Company Ltd. of Japan on 1st April, 2005.

Astellas comes from Japan - one of the best manufacturing nations of the world, which sets up new benchmarks for global quality standards. Japan has achieved this by inventing and practicing many unique management tools like:

- TQM technique invented by American statistician, Edward Demming while working and living in Japan.
- Toyota Motors of Japan developed unique “Just in Time” management.
- The “Kaizen” method of continuous improvement also originated from Japan

Astellas, coming from such a country of world repute, I am sure, will have many things to share with India.

Astellas, as we know, represents a vision to establish the entire value chain of pharmaceutical industry activities – from Research and Development to Manufacturing and Healthcare Delivery. In this process, I am confident that Astellas India will not only create more value for their shareholders but also generate economic wealth for our great nation, create job opportunities for our people and also help in improving their quality of life.

Astellas, as per Pharmaceutical League table, is currently the 20th largest pharmaceutical company in the world with a turnover of around US\$ 11 Bn. Astellas' franchise spans a wide range of therapy areas from acute to chronic disease segments.

The Pharmaceutical Industry, as we face today, is fiercely competitive. Survival and growth for large industry players like Astellas, will depend on their ability to generate newer innovative products through R&D initiatives. On an average, as we know, the pharmaceutical and biotechnology industry plough back as much as 20% of their revenue into Research and Development, internationally. Astellas' R&D initiatives are focused towards Infectious Diseases, Diabetes, Gastro-intestinal Oncology and CNS areas.

During the last few years, besides Astellas, 3 more Japanese pharmaceutical companies have set up their operations in India. These are: Eisai, Daiichi Sankyo and the Liaison Office of Otsuka at Bangalore. Kiowa Hakko which merged with Kiren also has a Liaison Office in India. Both these companies are so far focused on chemical/intermediate business only.

The business and regulatory environment that shaped Japanese Pharmaceutical Industry throughout major part of the last century has changed significantly over the past decade. Japan may not yet be in the premier league of mega pharma with no presentation in the top 10 of the world. However, just after top 15 global companies, we see a cluster of Japanese companies like Takeda (16th), Astellas (20th), Daiichi Sankyo (22nd), Eisai (25th) and Otsuka (26th).

Many Japanese pharmaceutical companies are now gaining critical mass and experience enabling them to explore the global market with their own new chemical entities (NCEs).

Accordingly, Japanese pharmaceutical companies are now retaining the global rights of their innovations. As it does so, a number of drugs in the global top 200 marketed by Japanese companies is likely to increase significantly.

This evening's launch of Astellas is an exciting event for the Pharmaceutical Industry in general and the Japanese Pharmaceutical Industry in particular. This evening's audience reflects an exciting mix of professionals from various fields. It is, indeed, a snapshot of a diversity of talent that India attracts, as it strives to make itself a force to reckon with in the arena of global life sciences industry. I look forward to a stellar performance of Astellas in its pursuit of excellence while making a significant contribution towards the economic progress of India.

Thank you.
