

April 2, 2004

On the Sale of Consumer Business

Yamanouchi Pharmaceutical Co., Ltd. (Headquarters in Tokyo, Japan; President and CEO: Toichi Takenaka, Ph.D.; hereinafter referred to as “Yamanouchi”) announced that the board of directors of Yamanouchi passed a resolution on April 2, 2004 regarding the sales of all the shares of Yamanouchi’s consumer business, which consists of Shaklee Japan, Shaklee Corporation, INOBYS and Bear Creek Corporation, owned through a Yamanouchi subsidiary.

1. Purpose of the Transaction

Shaklee Japan, Shaklee Corporation, INOBYS and Bear Creek Corporation have been the four core companies of our consumer business (including the Nutritional and Personal Care Products business and the Food and Roses business) under the umbrella of our 100% owned subsidiary, Yamanouchi Consumer Inc. (hereinafter referred to as “YCI”). We have reached definitive agreements to sell the consumer business in order to concentrate our management resources in our core Rx business, and to further strengthen our business platform in the increasingly competitive global pharmaceutical environment.

In selling the consumer business, as for the Nutritional and Personal Care Products business conducted by Shaklee Japan and Shaklee Corporation, we will sell the business to a partnership between Activated Holdings LLC (hereinafter referred to as “Activated”) and RHJ Industrial Partners, an affiliate of Ripplewood Holdings L. L. C. (hereinafter referred to as “Ripplewood”). YCI will contribute all the shares of Shaklee Japan held by YCI which account for 77.7% (81.4% voting rights) to YCI’s wholly owned subsidiary, INOBYS, and in turn will sell all the INOBYS shares to Activated and Ripplewood. As part of the sale, Shaklee Japan will buy Shaklee Corporation subsequently. As for the Food and Roses business conducted by Bear Creek Corporation, YCI will sell all shares of Bear Creek Corporation to Wasserstein & Co., LP.

2. Profiles of Subsidiaries Sold

<Nutritional and Personal Care Products business>

Shaklee Japan

Company name	Shaklee Japan K. K.		
Representative	Masashi Inoue		
Address	3-2-6 Nishi-Azabu, Minato-ku, Tokyo, Japan		
Date of establishment	May 2, 1975		
Business	Sales of nutritional and personal care products		
Fiscal year end	March		
Employees	136 (as of March 31, 2003)		
Main offices	Headquarters (3-2-6 Nishi-Azabu, Minato-ku, Tokyo, Japan) 8 local offices		
Capital	1,296 million yen (as of March 31, 2003)		
Total shares outstanding	25,920,000 (as of March 31, 2003)		
Major shareholders (as of September 30, 2003)	Shareholder	Shares held ('000)	% ownership
	Yamanouchi (YCI)	20,148	77.73%
	Shaklee Japan	1,164	4.49%
	Koho	632	2.44%
	Customers Stock Ownership Plan	559	2.16%
	Sumitomo Mitsui Bank	149	0.58%

Shaklee Corporation

Company name	Shaklee Corporation		
Representative	Bill Williams		
Address	4747 Willow Road, Pleasanton, CA 94588, U.S.A.		
Date of establishment	February 1, 2001		
Business	Sales and manufacturing of nutritional products		
Fiscal year end	March		
Employees	603 (as of March 31, 2003)		
Main offices	Pleasanton, California, U.S.A.		
Capital	1 dollar (as of March 31, 2003)		

Total shares outstanding	100 (as of March 31, 2003)		
Major shareholders (as of September 30, 2003)	Shareholder	Shares held	Ownership %
	Yamanouchi (YCI)	100	100.00%

INOBY

Company name	INOBY		
Representative	Paul Lehman		
Address	4747 Willow Road, Pleasanton, CA 94588, U.S.A.		
Date of establishment	December 1, 1999		
Business	Sales and manufacturing of nutritional products		
Fiscal year end	March		
Employees	18 (as of March 31, 2003)		
Main offices	Pleasanton, California, U.S.A.		
Capital	1 dollar (as of March 31, 2003)		
Total shares outstanding	100 (as of March 31, 2003)		
Major shareholders (as of September 30, 2003)	Shareholder	Shares held	Ownership %
	Yamanouchi (YCI)	100	100.00%

[Recent result of the business]

* Recent result of the Nutritional and Personal Care Products business mainly conducted by Shaklee Japan and Shaklee Corporation.

Fiscal year ended (Million yen)	March 2002	March 2003
Sales	32,857	30,659
Operating profit	2,882	2,860
Total assets	42,249	44,312

<Food and Roses business>

Bear Creek Corporation

Company name	BEAR CREEK CORPORATION
Representative	Nancy Tait

Address	2518 South Pacific Highway, Medford, Oregon 97501, U.S.A.						
Date of establishment	August 31, 1972						
Business	(1) Sales and manufacturing of foods, (2) Sales and production of roses, (3) Operation of fruit gardens, (4) Sales and marketing of flowers through wholesale and retail channels, and breed improvement, hybridization, and licensing of roses, (5) Growing, packaging, and delivery of roses, (6) Manufacturing, packaging, and delivery of gift products and order receiving						
Fiscal year end	March						
Employees	1,526 (as of March 31, 2003)						
Main offices	Medford, Oregon, U.S.A.						
Capital	1,000 dollars (as of March 31, 2003)						
Total shares outstanding	1,000 (as of March 31, 2003)						
Major shareholders (as of September 30, 2003)	<table border="1"> <thead> <tr> <th>Shareholder</th> <th>Shares held</th> <th>Ownership %</th> </tr> </thead> <tbody> <tr> <td>Yamanouchi (YCI)</td> <td>1,000</td> <td>100.00%</td> </tr> </tbody> </table>	Shareholder	Shares held	Ownership %	Yamanouchi (YCI)	1,000	100.00%
Shareholder	Shares held	Ownership %					
Yamanouchi (YCI)	1,000	100.00%					

[Recent result of the business]

* Recent result of the Food and Roses business mainly conducted by Bear Creek Corporation.

Fiscal year ended (Million yen)	March 2002	March 2003
Sales	64,869	62,815
Operating Profit	2,465	3,560
Total Assets	44,061	37,789

3. Profiles of the Purchasers

Activated

Company name	Activated Holdings LLC
Representative	Roger L. Barnett
Address	767 Fifth Avenue, 50th Floor, New York, NY, U.S.A.

Business	Private family fund
Relationship	No capital, personal and trading relationship with Yamanouchi

Ripplewood

Company name	RHJ Industrial Partners, LP
Representative	Christopher Minnetian
Address	One Rockefeller Plaza, 32nd Floor, New York, NY, U.S.A.
Business	Private equity fund
Relationship	No capital, personal and trading relationship with Yamanouchi

Wasserstein

Company Name	Wasserstein & Co., LP
Representative	George L. Majoros, Jr.
Address	1301 Avenue of the Americas, 44th Floor, New York, NY, U.S.A.
Business	Private equity fund
Relationship	No capital, personal and trading relationship with Yamanouchi

4. Share Information

Shaklee Japan

Before the transaction	20,148,000	77.73%
Shares to be transferred	20,148,000	
After the transaction	0	0.00%

Shaklee Corporation

Before the transaction	100	100.00%
Shares to be transferred	100	
After the transaction	0	0.00%

INOBYs

Before the transaction	100	100.00%
Shares to be transferred	100	
After the transaction	0	0.00%

Bear Creek

Before the transaction	1,000	100.00%
Shares to be transferred	1,000	
After the transaction	0	0.00%

5. Transfer Price

570 million US dollars [Approx. 60 billion yen]

- Nutritional and Personal Care Products business: 310 million US dollars [Approx. 33 billion yen]
- Food and Roses business: 260 million US dollars [Approx. 27 billion yen]

(Amounts in yen are calculated at the rate of 105.69 yen/dollar on March 31, 2004.)

Note: Transfer value will be reduced to reflect pension and other liabilities associated with the business and may be adjusted subject to financial conditions of the business at closing.

6. Schedule

Board resolution date: April 2, 2004

Signing date: April 2, 2004

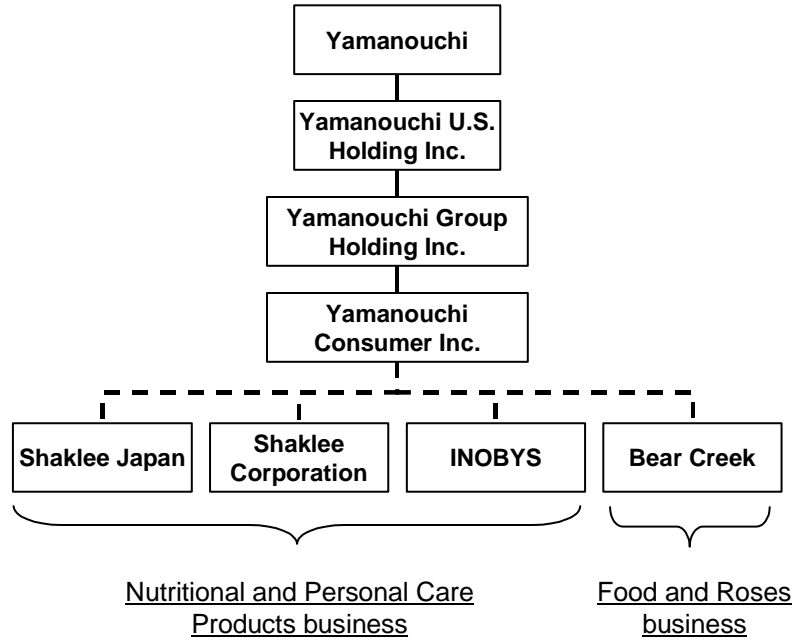
Closing date: In the first quarter of the fiscal year March 2005 (estimated)

7. Impacts on the Consolidated Financials

Impacts on this fiscal year (ending March 2005) will be disclosed at a later date.

<Reference>

Current organization



After the transaction

