

Astellas: Leading Light For Life

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Cautionary statement regarding forward-looking information

This material includes forward-looking statements based on assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties. Actual financial results may differ materially depending on a number of factors including adverse economic conditions, currency exchange rate fluctuations, adverse legislative and regulatory developments, delays in of new product launch, pricing and product initiatives of competitors, the inability of the company to market existing and new products effectively, interruptions in production, infringements of the company's intellectual property rights and the adverse outcome of material litigation.

Summary of FY2004 ~ Successful business development preparing for the inauguration of Astellas ~



[Japan]

YM905: NDA filed

Prograf: approved for RA

Harnal D Tablet: approved

Lipitor: No. 1 market share

Implementation of an early retirement program

Product transfer

Acceleration of outsourcing of distribution activities

Separation of OTC business

Sale of consumer products business

[North America]

VESicare: launched

Aczone: filed

Mycamine: approved

Mycamine: co-promotion agreement with Roche

YM087: received approvable letter

Flomax: co-promotion started

[Europe]

Vesicare: launched

Eligard: launched

Omnic OCAS: launched

[Worldwide]

Licensing agreement with Carlson Research AB on the antipsychotic agent ACR-16

FY2004 Business Results and FY2005 Forecasts (full-year)



- FY2004: Both Yamanouchi and Fujisawa reported record net sales, operating income and ordinary income in pharmaceutical business
- FY2005: Further growth expected through early realization of synergistic effects

[billion yen]

	Results of FY2004			Forecasts for FY2005 (full-year)
	Yamanouchi	Fujisawa	Y + F (pro forma)	Astellas
Net sales	447.0	415.0	862.0	885.0
Operating income	108.8	83.3	192.2	195.0
Ordinary income	110.1	84.1	194.2	199.0
Net income	33.7	25.8	59.5	104.0

Astellas ~ Toward a Global Mega-Pharma ~

Goal: Quickly build up a stronger company with a great drug discovery capability and superior global competitiveness

**Speedy
management**

- Good start as a result of thorough preparation (integration completed for almost all functions)
- Cost reduction ahead of the schedule (in Japan)
- Concentration in Rx business

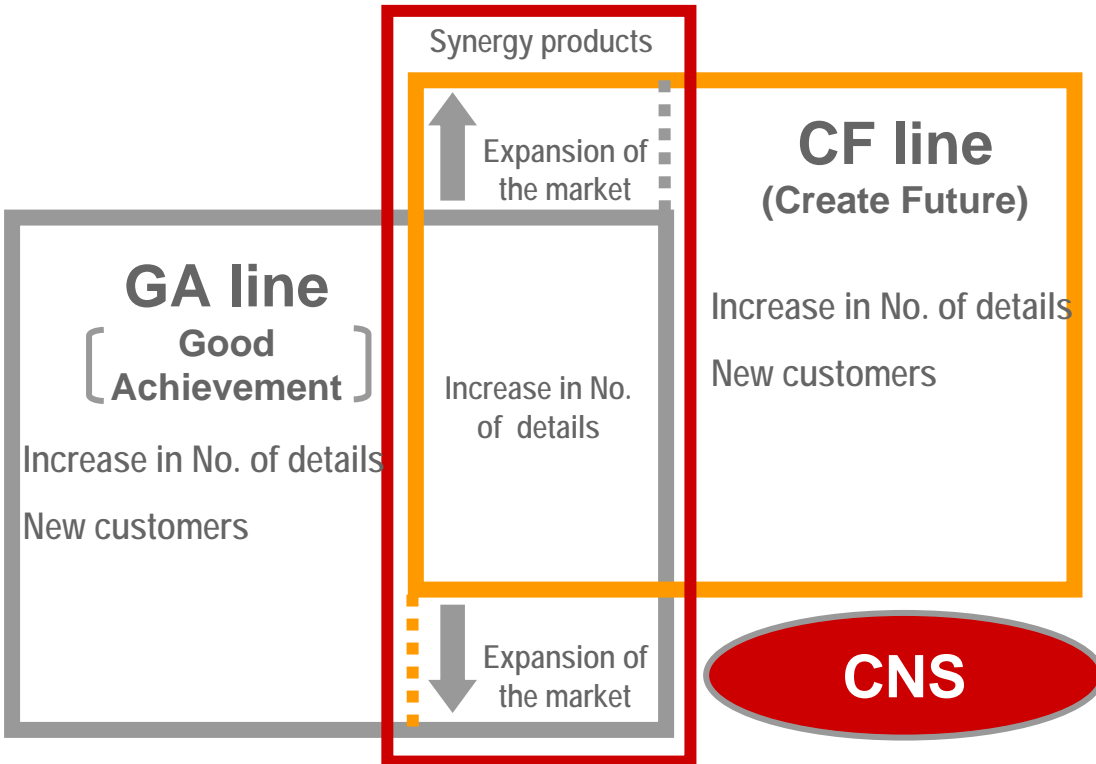
**Global
growth**

- **Japan: accelerated growth of synergy products, expansion and maintenance of sales of major products**
- **N.America: continuous launching of new products and high growth rates**
- **Europe: enhanced growth and cost-competitiveness due to new products**

**Creative
R&D**

- Pursuit of synergy in the field of research
- Improvement of R&D productivity and selection and concentration of R&D projects
- Enhancement of licensing and product acquisition activities

FY2004: No. 1 market share in Japan*



Strengths of Astellas

- No. 1 marketing ability in both GP and large-scale HP markets

Share by No. of beds: <100, 7.94%(No. 1)
≥100, 6.77%(No. 2) *

- Strong product portfolio in major markets (gastritis and ulcer, hypertension, hypercholesterolemia and infectious diseases)
- Quantitative and qualitative improvements of detailing activities



Sales & marketing reinforcement

- GA line + CF line + specialty MR(CNS):
Total: 2,500 MRs
- Total No. of details: 10 million p.a.
- Deployment of Area Marketing Support and Prograf Managers

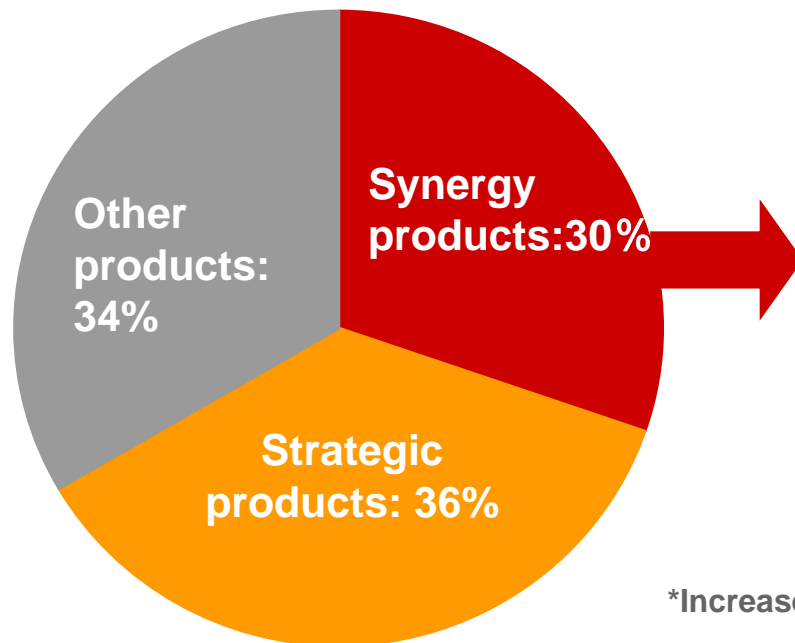
* Source: IMS JPM (March 2005)
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Marketing in Japan: selection and concentration

Selection and concentration in detailing

- Synergy products: Lipitor, Micardis, Myslee, and Luvox
- Strategic products: 11 products including Gaster, Harnal, Cefzon, Funguard, Prograf, and Seroquel etc, in addition to synergy products
- Concentration on synergy and strategic products: 80% of total details products (with synergy products accounting for about 50%)

FY2005 sales forecasts



Sales targets for synergy products [billion yen]

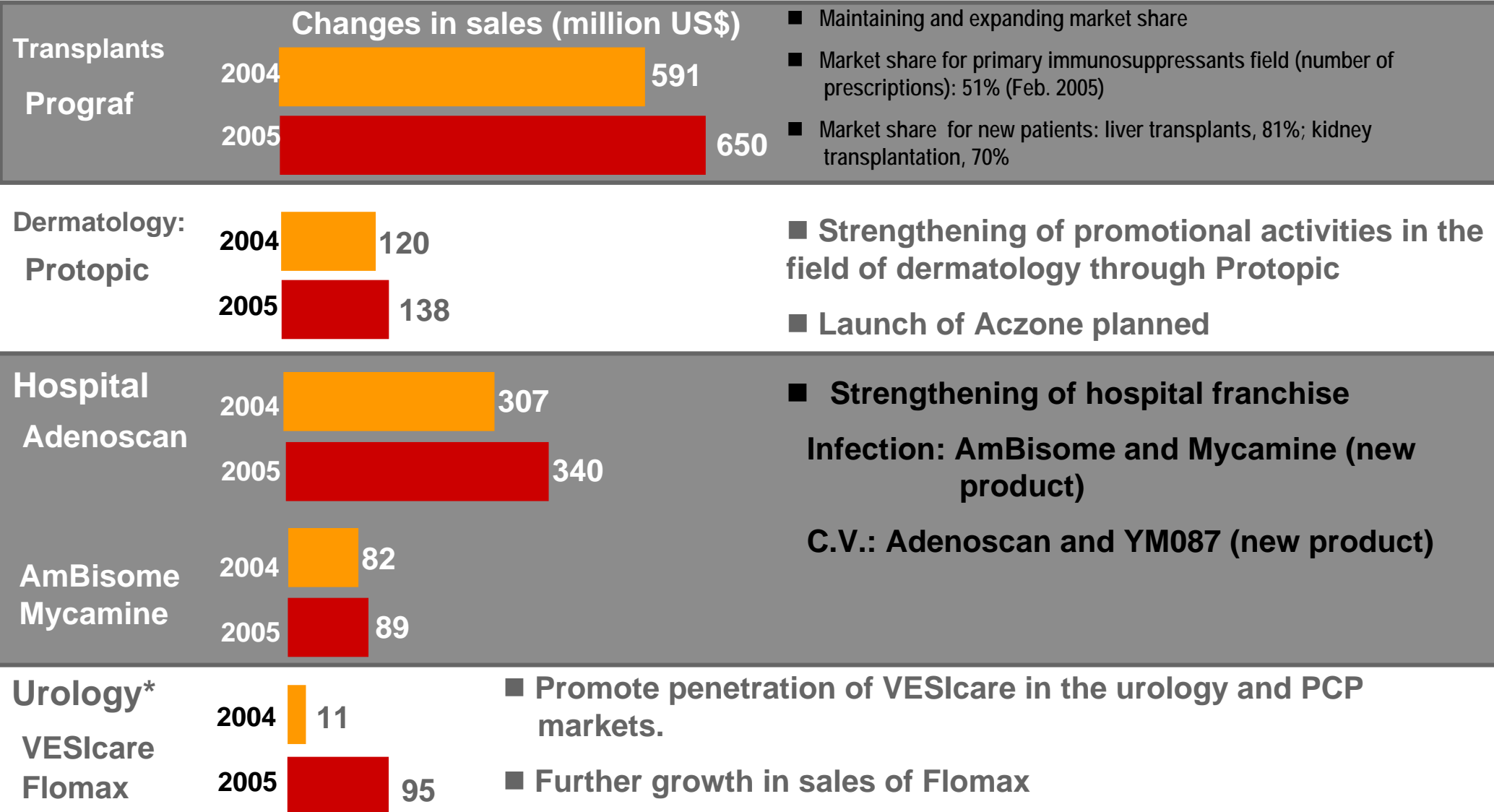
	2004	2005
Lipitor	82.5	95.5
Micardis	24.1	34.8
Myslee	13.3	16.8
Luvox	8.8	11.6

*Increase on a volume basis excluding effect of year-end extra shipment

*FY2004 sales of Luvox and Myslee: those reported on a net sales basis

North America: Great Growth Potential (Growth Rate: about 18%)

Strengthen business bases in transplants, dermatology and HP market. Penetrate the PCP market from urology



* Figures are sales of VESIcare. Flomax is copromoted with BI, Astellas receives co-promotion fees.

MYCAMINE™: Launch in the US



MYCAMINE™

Launched on May 12, 2005

■ Indications

- Prophylaxis of *Candida* infections in patients undergoing hematopoietic stem cell transplantation
- Treatment of esophageal candidiasis

■ Dosage

- 50mg/u.i.d. for the prophylaxis, 150mg/u.i.d. for the treatment

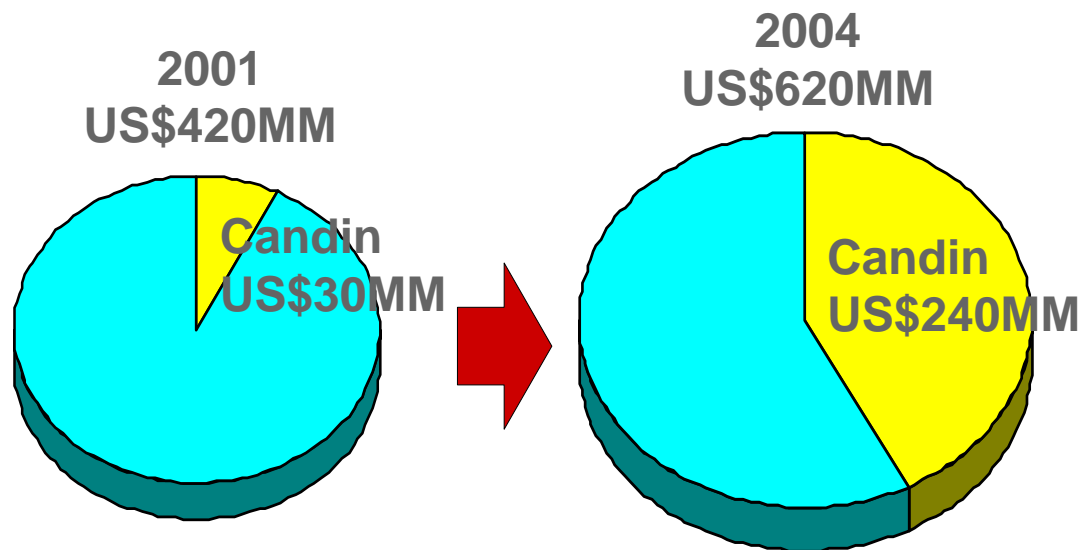
■ Features

- A new candin antifungal agent, which selectively inhibit (1, 3)-beta-D-glucan synthase
- The first candin approved for the prophylaxis *Candida* fungal infections
- Potent antifungal activity against azole-resistant *Candida*
- An overall similar safety profile to fluconazole
- No warning against concomitant use with cyclosporine
- Easier administration comparing to the current candin -- No requirement for dose adjustment or loading doses --

MYCAMINE™: For Fast Penetration in the US

- Promotional activities -- Roche co-promotes Mycamine --
 - Astellas: Hospital sales reps (synergy with AmBisome) and Immunology sales reps (synergy with Prograf)
 - Roche: Hospital sales reps with high experience in infectious disease area

■ The US IV antifungal market



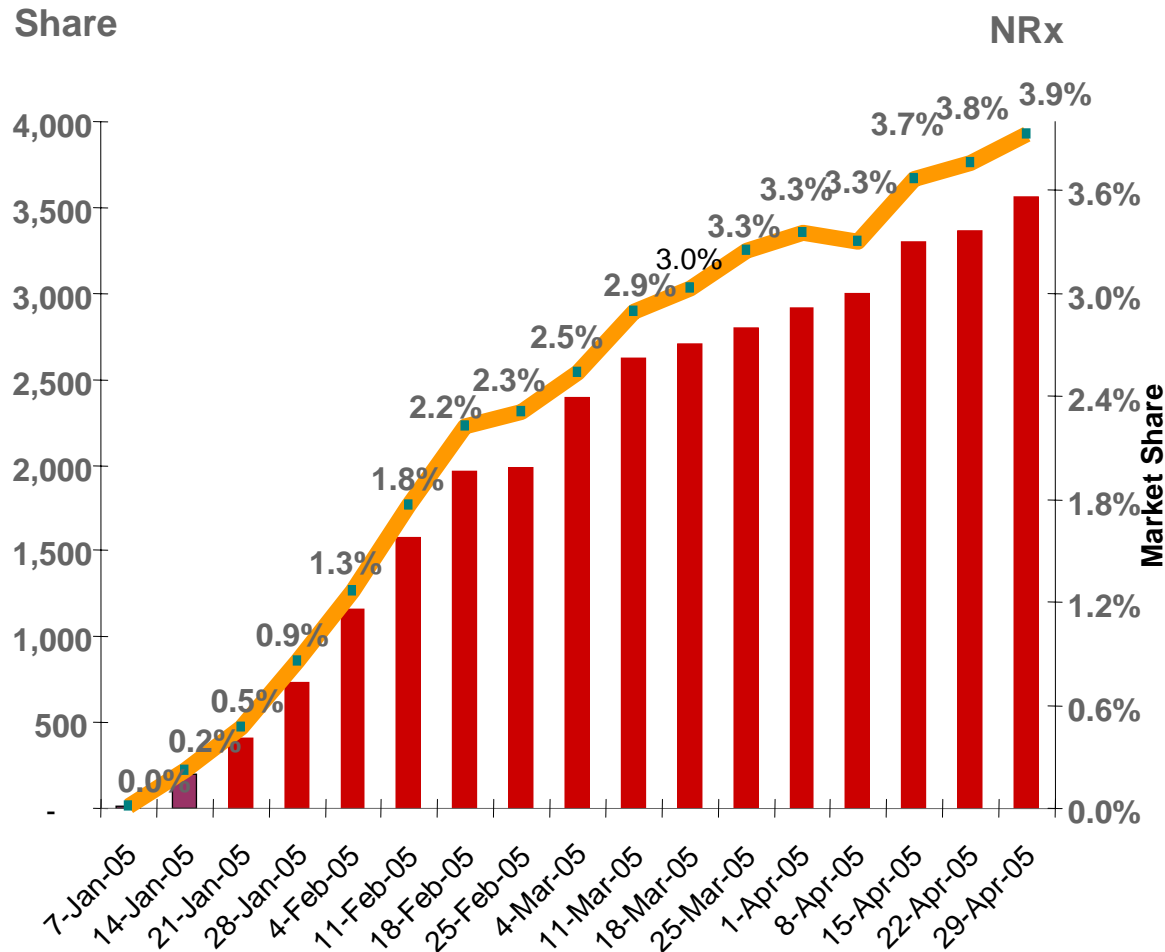
Sales forecast for micafungin

- Year ending FY 2005
US\$22MM (the US)
¥16.0Bn. (Japan)
- FY2010
¥55.0bn. worldwide
=US\$500MM worldwide

- Introduction of candins has fueled growth in the US IV antifungal market segment
- The US candin antifungal market is expected to reach to US\$1bn. in 2010

VESicare: Good Start in the US

Number of VESicare NRx in the US OAB Market



- Good Product Profile
- Marketing Muscle
(co-promotion with GSK)
- Develop Potential Market



Sales Target for FY2005
US \$95MM
 (Results for FY2004: US \$11MM)

Vesicare: Results of STAR Study

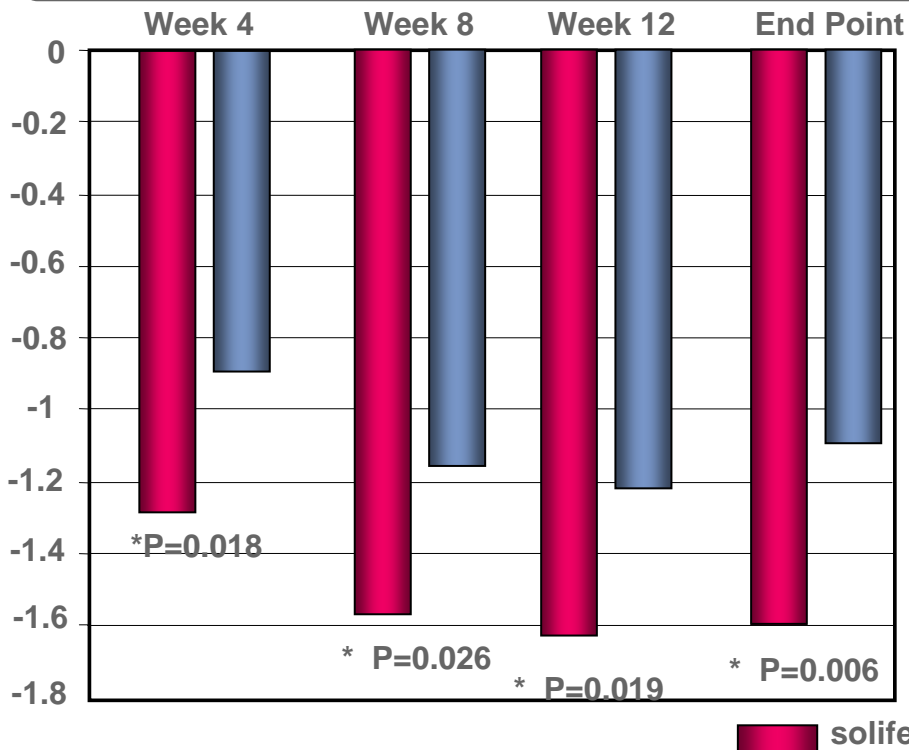
Objectives: To assess the efficacy and safety of solifenacin 5mg or 10mg once daily compared to tolterodine 4mg extended release in patients with overactive bladder symptoms

Design: Double-blind, double-dummy, randomized head to head study
The recommended flexible dosage regime of solifenacin 5mg and 10mg, the recommended dosage of tolterodine extended release 4mg

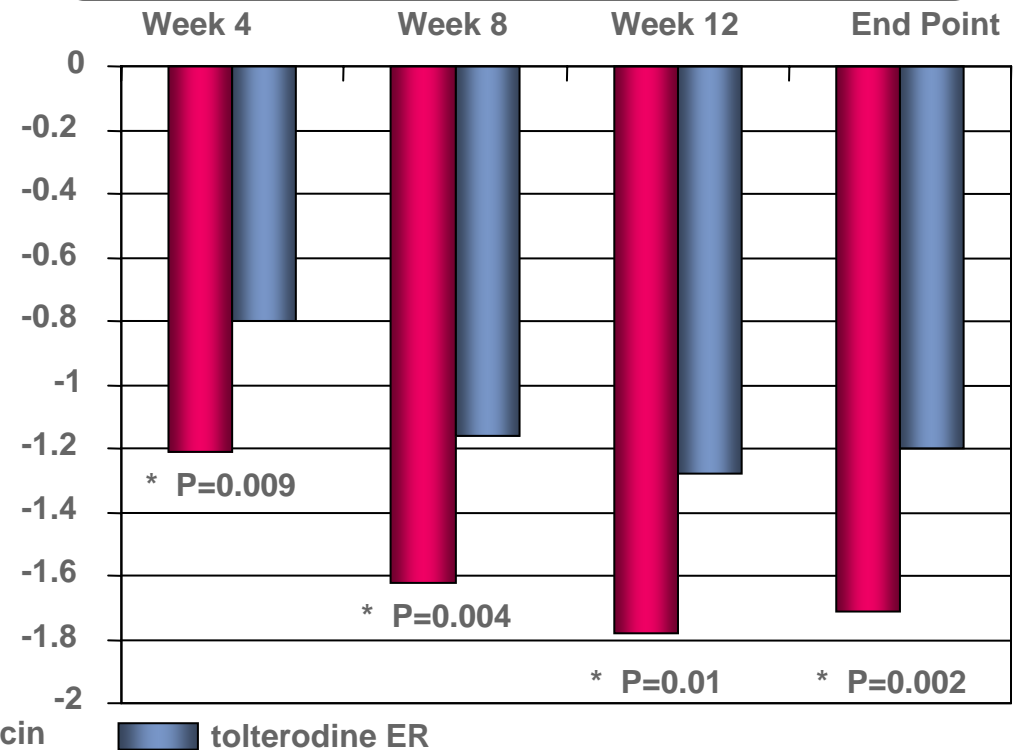
Endpoints: (Primary) Change in micturition frequency per 24 hours : ***solifenacin proved "non-inferiority"***
(Secondary) Change in incontinence per 24 hours, urgency, volume voided and safety

Patients: 1,355

Change in incontinence/24h

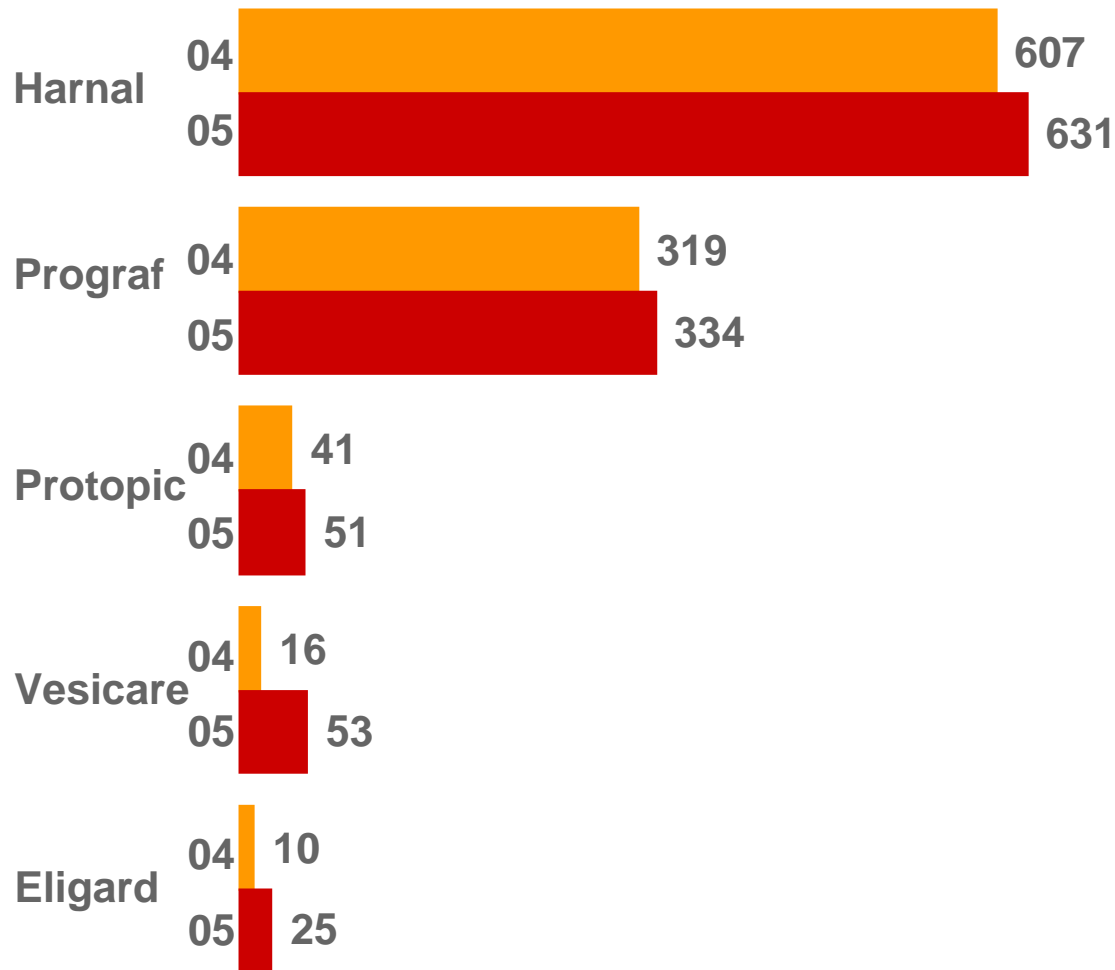


Change in number of pads used/24h



Europe: Expansion of profitability (Growth Rate: about 7%)

Changes in sales [million euro]



NB1: Figures for FY2005 are forecasts.

NB2: Sales of Harnal and Prograf, both sales in FY2004 and FY2005 forecasts, include third party exports.

Business in Europe

- A leading company in the fields of urology and immunology/transplantation
- Ranked in the 27th position in Europe

Expansion of profitability

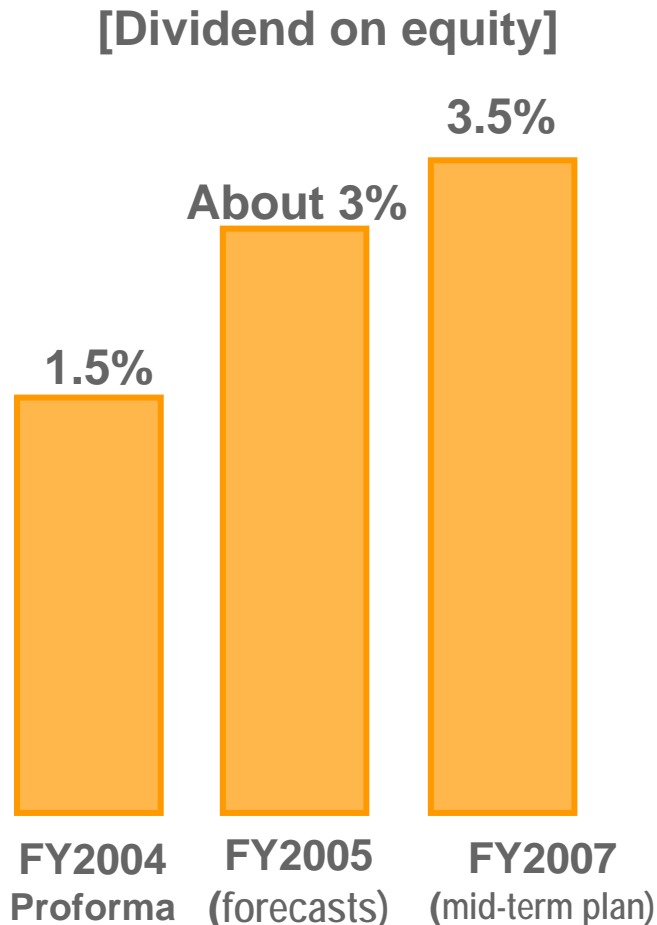
- Sales growth rate: about 7% in FY2005 (vs FY2004)
- Contribution of new products (Vesicare and Eligard)
- Sales expansion of the existing products
- Optimization of the number of employees (reduction of 180-200 by the end of FY2005.)

Improvement of Capital Efficiency and Return to Shareholders

Large increases in Dividend: 60 yen in FY2005*

+10 and +29 yen, respectively, from the time of the mid-term plan announcement (Nov. 2004) and FY2004 (Yamanouchi)

Reflect speedy integration and good start toward mid-term goals



[Improvement of capital efficiency]

- Top priority on investment for growth (in ethical pharmaceutical business)
- Active return to shareholders

[Return-to-stockholders plan]

- Policy: 3.5% DOE by FY2007
- Dividend: 60 yen in FY2005*
- Share payback in a flexible manner

* to be approved at a shareholders meeting

Continuous Increases in the Corporate Value through Active IR Activities

IR Committee

- Maintain good communications with the capital market and keep transparency of the management
- Increase investors' awareness of Astellas
- Reflect opinions of the capital market on management

Schedule of IR-related events

June 24 (Fri.): Ordinary shareholders meeting of Astellas

July 6 (Wed.): R&D meeting

August 2 (Tue.): Announcement of the 1st Q business results for FY2005
(conference call)

November 7 (Mon.): Announcement of the interim business results for FY2005

November 8 (Tue.): Analyst meeting on the interim business results for FY2005

- ✿ High growth in profitability
- ✿ Further strengthening of the business infrastructure of urology and transplants area
- ✿ Increases in the global competitiveness and maximization of the new products potential
- ✿ Strategic business expansion taking advantage of strong cash position



**Long-term and sustainable increases in the corporate value
Jump to a global mega-pharma**

FY2004 Business Results & FY2005 Forecasts

May 18, 2005

Osamu Nagai

Corporate Officer

**Senior Vice President, Corporate Finance and Accounting
Astellas Pharma Inc.**



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Results of the Financial Year ended March 2005

Yamanouchi Part



Yamanouchi: Consolidated Results(FY2004 vs. FY2003)



(Billions of yen)

	FY2004	FY2003	change
Net sales	447.0	511.2	-12.5%
Operating income	108.8	100.9	7.9%
Ordinary income	110.1	98.3	12.0%
Net income	33.7	60.0	- 43.9%

<The Points >

1. Decrease in consolidated net sales due to the divestiture of the consumer business

Business results of the consumer business in FY2003

Net sales	87.8 billion yen
Operating income	3.8 billion yen

2. Pharmaceutical business: increase in net sales, operating income and ordinary income

Yamanouchi: Pharmaceutical Business Results (FY2004 vs. FY2003)



(Billions of yen)

	FY2004	Extra shipment included in FY2004	FY2003	change	change (after adjustment of extra shipment)
Net sales	447.0	9.3	423.3	5.6%	3.4%
Operating income	108.8	5.9	97.0	12.2%	6.1%
Ordinary income	110.1	5.9	94.1	17.0%	10.7%
Net income	33.7	NA	57.4	- 41.3%	NA

<The Points>

1. Increase in net sales and income in Rx business

Growth of Harnal in overseas, Lipitor and Micardis in Japan / Contribution of new products, Vesicare and Eligard in US and Europe / decrease in R&D expenses

2. Increase in shipment at the end of March, 2005 for a temporary stop of the ordering/distribution system following the merger in Japan

Effect: 9.3 billion yen in net sales, 5.9 billion yen in operating income

3. Separation of OTC business

The equity method accounting was applied for the business results for the six month from Oct. 1, 2004.

4. Extraordinary gains and losses

Extraordinary gains 9.9 billion yen / Extraordinary losses 49.4 billion (*ref. slide no. 8)

5. Exchange rate: 108 yen/USD (113 yen/USD in FY2003), 135 yen/EUR (133 yen/EUR in FY2003)

Yamanouchi: Sales in Pharmaceutical Business



Details of Pharmaceutical Business

(Billions of yen)

	FY2004*	Extra shipment included in FY2004	FY2003	change (amount)	change (after adjustment of extra shipment)
Net sales in pharmaceutical business	443.3	9.3	421.5	+21.7	+12.4
Harnal	135.9	1.5	122.3	+13.6	+12.1
Lipitor	85.5	3.0	77.6	+7.9	+4.9
Gaster (Rx/Japan)	73.1	2.0	75.3	-2.2	-4.2
Micardis	26.1	2.0	8.6	+17.5	+15.5
Vesicare	2.7	-	-	+2.7	+2.7
Sums of 5 products	323.6	8.5	284.0	+39.6	+31.1

1. NHI price reduction: approx. 5.3% reduction for Yamanouchi
2. Transfer of some products: approx. 12 billion yen decrease in net sales (Optiray, Euglucon)
3. Separation of OTC business: 6.1 billion yen decrease

Yamanouchi: Costs and Expenses

(Billions of yen)

	FY2004	FY2003	change (amount)
Cost of goods sold (ratio to sales)	141.1 (31.6%)	128.7 (30.4%)	12.4
SG&A expenses (excl. R&D) (ratio to sales)	138.1 (30.9%)	128.2 (30.3%)	9.9
R&D expenses (ratio to sales)	58.8 (13.2%)	69.3 (16.4%)	-10.4

- 1.Up 1.2 points in COG ratio
- Product mix (incl. influence of NHI price reduction) 0.6%
 - Contract manufacturing 0.6%
- 2.Increase in SG&A expenses
- US business development costs: +5.6 bil. yen
(13.7 bil. yen in total for FY2004, 10.8bil. yen in Europe segment, 2.9bil. yen in N. America segment)
 - Europe SG&A : +4.8 bil. yen
 - Korea Yamanouchi (newly consolidated): +1.4 bil. yen
 - Japan SG&A: -2.1 bil. yen
- 3.Decrease in R&D expenses
- NDA filing completed (YM905 in Japan, YM087 in US, TOCAS in EU)
 - Decrease in depreciation costs of patent rights due to the extraordinary depreciation

(Billions of yen)

Yamanouchi: Segment Information by (Region Pharmaceutical Business)

Net sales		FY2004	FY2003	change	Remarks
	Consolidated	447.0	423.3	23.7	
	Japan	310.3	313.8	- 3.4	extra shipment(+9.3), main products growth(+11.0) , transfer of some products(-12.0), OTC separation(-6.1)
	N. America	8.7	1.3	7.3	VESlcare(+1.1), GPDC(+2.9), contract manufacturing(+2.2)
	Europe	120.4	106.0	14.4	Harnal(+8.5), Eligard(+1.4), Vesicare(+1.5)
	Asia	7.4	2.0	5.4	new consolidation of Korean and Taiwanese subsidiaries (+5.3)

Operating income		FY2004	FY2003	change	Remarks
	Consolidated	108.8	97.0	11.8	
	Japan	1,066	928	13.8	extra shipment(+5.9), R&D expenses decrease(+10.2)
	N. America	-1.3	-4.9	3.5	contribution of GPDC(+2.9)
	Europe	3.8	73	- 3.5	sales growth, SG&A expenses increase(-4.8), part of US business development costs increase(-5.8)
	Asia	0.9	0.1	0.8	new consolidation of Korean and Taiwanese subsidiaries
	Eliminations	- 1.2	1.6	- 2.9	increase of unrealized gains

Yamanouchi: Extraordinary Gains and Losses

1.Extraordinary gains	<u>9.9 billion yen</u>
> Profits on securities sold	5.7 billion yen
> Profits on affiliates securities sold	2.5 billion yen
- Sanwell (non-consolidated affiliate)	
2.Extraordinary losses	<u>49.4 billion yen</u>
> Extraordinary depreciation of patent rights	1.05 billion yen
- following the amendment of contract with Pfizer	
> Tangible fixed assets sold and removed	4.7 billion yen
- removal costs of plant equipment	
> Loss on business restructuring	12.6 billion yen
- special retirement allocation following spin-off of domestic formulation plants (7.7 bil.)	
- provision of loss on contract manufacturing etc.	
> Loss on business integration costs (for merger)	20.9 billion yen
- personnel-related (12.3 billion yen)	
- IT integration costs, CI expenses, consultant fees and so on.	

Results of the Financial Year ended March 2005

Fujisawa Part



Fujisawa: Results of FY2004 vs. FY2003

(Billions of Yen)

	FY2004	Extra shipment included in FY2004	FY2003	change	change (after adjustment of extra shipment)
Net sales	415.0	2.5	395.4	4.9%	4.3%
Operating income	83.3	1.4	56.7	47.0%	44.4%
Ordinary income	84.1	1.4	59.5	41.4%	39.0%
Net income	25.8	NA	41.5	- 37.7%	NA

<The points>

1. Growth of Rx business

Global growth of Prograf and Protoppic, Adenoscan in the US and Funguard, Intal, Seroquel, Myslee, Luvox etc. in Japan

2. Increase in shipment at the end of March, 2005 for a temporary stop of the ordering/distribution system following the merger

Effect: 2.5 billion yen in net sales, 1.4 billion yen in operating income

3. Separation of OTC business

4. 31.1 billion yen growth in Rx more than offset the decrease of 6.1 billion yen in OTC and 6 billion yen in chemicals

5. Operating income and ordinary income recorded big growth. Increased sales and improved COG ratio related in increase of gross profit. Further, expenses decreased.

6. Merger related cost of 39.4 billion yen made the net income less than previous period.

(early retirement program, withdrawal from homecare business, IT, merger related cost at overseas subsidiaries, efficiency improvement at domestic subsidiary for manufacturing)

7. Exchange rate: 108yen/USD (113yen/USD in FY2003) 136 yen/EUR (133yen/EUR in FY2003)

Fujisawa: Sales of Major Products

(Billions of Yen)

	FY2004	FY2003	change
Rx Business total	392.8	361.7	+31.1
Prograf	122.9	104.4	+18.5
Adenoscan	33.1	28.3	+4.8
Cefzon	23.6	27.8	-4.2
Protopic	21.5	17.3	+4.2
Myslee	14.7	12.2	+2.5
Funguard	13.8	11.1	+2.7
Seroquel	13.1	10.4	+2.7
Intal	11.9	9.2	+2.7
Luvox	8.8	7.8	+1.0
AmBisome	8.8	8.9	-0.1

The results of FY2004 include extra shipment (ref. slide #10)

Fujisawa: Cost and Expenses

(Billions of Yen)

	FY2004	FY2003	change
Cost of goods sold (ratio to sales)	138.1 (33.3%)	140.9 (35.6%)	- 2.8 (-2.3 points)
SG&A expenses (excl. R&D) (ratio to sales)	124.7 (30.0%)	124.1 (31.4%)	+ 0.6 (-1.4 points)
R&D expenses (ratio to sales)	68.8 (16.6%)	73.6 (18.6%)	- 4.8 (-2.0 points)

1. Cost of goods sold
The COG ratio improved due to change in product mix. The share of Rx business increased while chemicals and OTC, high COG ratio businesses, decreased.
- 2.SG&A expenses (excluding R&D)
Decrease in advertisement due to separation of OTC business etc. However, increase in the US etc. offset the decrease and leveled in total.
- 3.R&D expenses
Reduction by the efforts of effective use and carry-over etc. resulted 6.2 billion yen decrease at parent. Active development of the projects and occurrence of milestone payment etc. increased the expenses 2.7 billion yen in the US.

Fujisawa: Segment Information by Region

(Billions of Yen)

Net sales	FY2004	FY2003	change	remarks
Consolidated	415.0	395.4	+19.6	
Japan	219.3	221.7	-2.4	domestic Rx business(+8.0), separation of OTC business(-6.1), chemicals(-4.8)
N.America	121.0	108.4	+12.6	Prograf(+8.0), Adenoscan(+4.8), Protopoc(+2.5), Adenocard(-1.2), chemicals(-1.2)
Europe	65.9	57.6	+8.3	Prograf(+7.1), Protopoc(+1.4)
Asia	8.7	7.6	+1.1	Prograf(+1.6)

Net sales	FY2004	FY2003	change	remarks
Consolidated	83.3	56.7	+26.6	
Japan	54.5	35.4	+19.1	increase at parent(+12.3) and other domestic subsidiaries
N.America	24.5	20.6	+3.9	increase in gross profit more than absorbed increase of expenses(+2.7)
Europe	7.9	1.5	+6.4	increase of net sales
Asia	1.3	1.0	+0.3	increase of net sales and SG&A expenses
Eliminations	-4.8	-1.9	-2.9	increase of unrealized gains

Fujisawa: Two Major Overseas Subsidiaries

(Billions of Yen)

	Fujisawa Healthcare, Inc.				Fujisawa GmbH			
	FY2004	FY2003	change (%)	change (amount)	FY2004	FY2003	change (%)	change (amount)
Net sales	121.0 (\$1,125M)	107.2 (\$951M)	+12.9 (+18.3)	13.8 (+\$174M)	62.3 (E459M)	54.4 (E410M)	+14.5 (+12.0)	+7.9 (+E49M)
Operating income	25.8 (\$240M)	22.8 (\$202M)	+13.2 (+18.8)	+3.0 (+\$38M)	1.5 (E11M)	-2.3 (-E17M)	-	+3.8 (+E28M)
Ordinary income	26.2 (\$243M)	23.1 (\$205M)	+13.4 (+18.5)	+3.1 (+\$38M)	1.0 (E8M)	-2.5 (-E19M)	-	+3.5 (+E27M)
Net income	16.1 (\$149M)	14.7 (\$131M)	+9.5 (+13.7)	+1.4 (+\$18M)	-1.4 (-E10M)	-2.4 (-E18M)	-	+1.0 (+E8M)

Fujisawa Healthcare, Inc.

Prograf(+¥98M), Adenoscan(+¥56M) and Protopic(+¥28M).

Increase of gross profit more than absorbed the increase in R&D and SG&A expenses.

Became a "billion dollar company."

Fujisawa GmbH

Prograf(+E38M) and Protopic(+E10M).

Became profitable at operating income and ordinary income level.

Forecasts for FY2005 ending March 2006

Astellas Part



Increase in both sales and income to pro forma numbers

- Growth of major products in Japan
- Contribution of own products in North America and Europe
- Reduction in cost and expenses due to the merger (CGS· SG&A)
- Expansion of investment in marketing mainly for new products
- Spend about 15% of sales for R&D
- Selection and concentration
promote business restructuring and transfer
- Operating income for FY2005 can be considered to be more than 200 billion yen, if the effect from the extra shipment in previous period is adjusted.

Astellas: Forecasts for FY2005

(Billions of Yen)

	FY2005	FY2004 pro forma*	change
Net sales	885.0	862.0	2.7%
Operating income	195.0	192.2	1.4%
Ordinary income	199.0	194.2	2.5%
Net income	104.0	59.5	74.7%

*FY2004 pro forma are the simple sums of Yamanouchi's and Fujisawa's results for FY2004

Currency exchange rate: 105 yen/USD (108 yen/USD in FY2004)
135 yen/EUR (135 yen/EUR in FY2004)

<Reference>

Comparison in the basis of extra shipment** in previous period is adjusted

	FY2005	FY2004 pro forma* (adjusted for increased shipment)	change
Net sales	896.9	850.1	5.5%
Operating income	202.3	184.9	9.4%
Ordinary income	206.3	186.9	10.4%

** The results of FY2004 include increase in shipment at the end of March, 2005 for a temporary stop of the ordering/distribution system following the merger in Japan. The effects are estimated as 11.9 billion yen in sales and 7.3 billion yen in operating income.

Astellas: Details of The Forecasts for FY2005

	FY2005	FY2004 pro forma	change
Net sales	885.0	862.0	+23.0

<Factors>

(Billions of Yen)

Rx business	+27.0	
Product transfer	- 8.0	Rescula, Farom, Cholebine
Business restructuring	- 6.0	Home care, etc.
Export to 3 rd parties	-3.0	Discontinuation of Yamatetan, etc.
Zepharma	+13.0	new consolidation (half year)

	FY2005	FY2004 pro forma	change
Operating income	195.0	192.2	+2.8

<Factors for the COG ratio improvement >

Change in product mix

growth of own products, business restructuring and product transfer, etc.

Improvement of production cost

separation of production plant, reduction of raw material cost

■COG ratio: around 1point improvement from FY2004 (32.4%)

■SG&A ratio: around 1point higher than the FY2004 (30.5%)

■R&D expenses: 135 billion yen, 7.4 billion yen increase from FY2004

<Factors for the increase of SG&A>

N. America :US urology business	+5.0
New product launch, etc.	+7.0
Europe: Sales promotion for new product	+5.0
Japan: Reduction of personnel cost	-10.0
Others (Zepharma, IT, etc.)	+8.0

	FY2005	FY2004 pro forma	change
Net income	104.0	59.5	+44.5

■Extraordinary losses

Merger related cost:16.0 billion yen (8.0 in Japan, 8.0 in Europe)

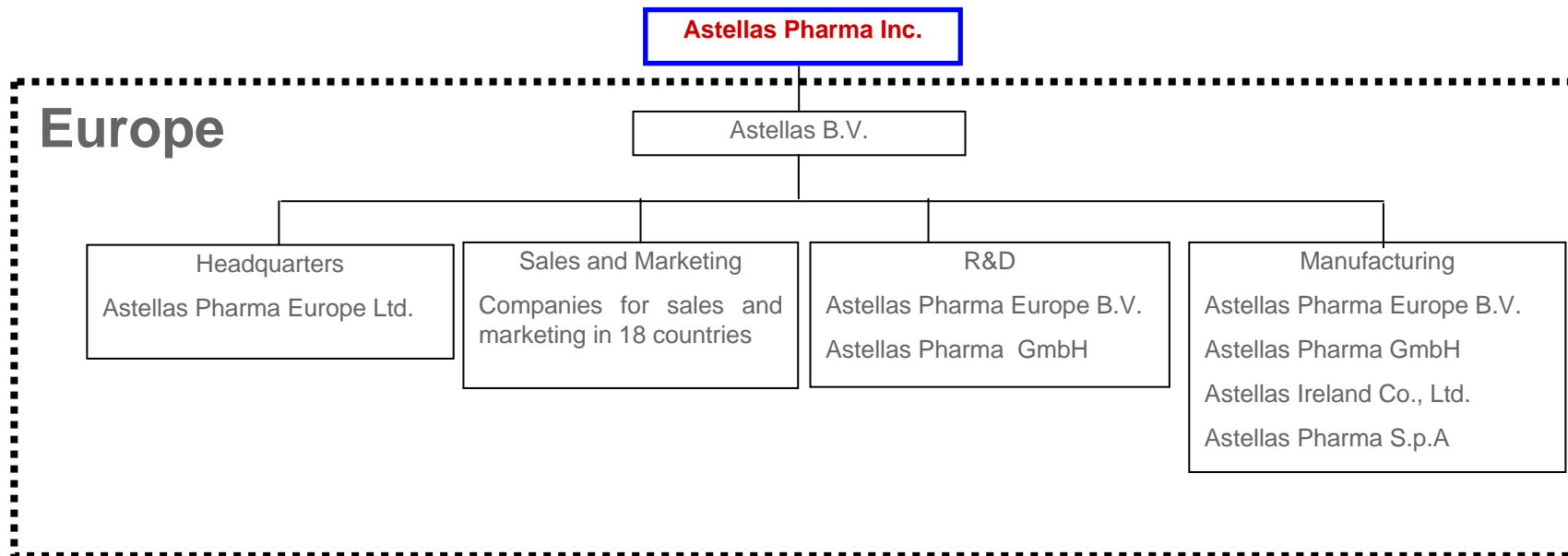
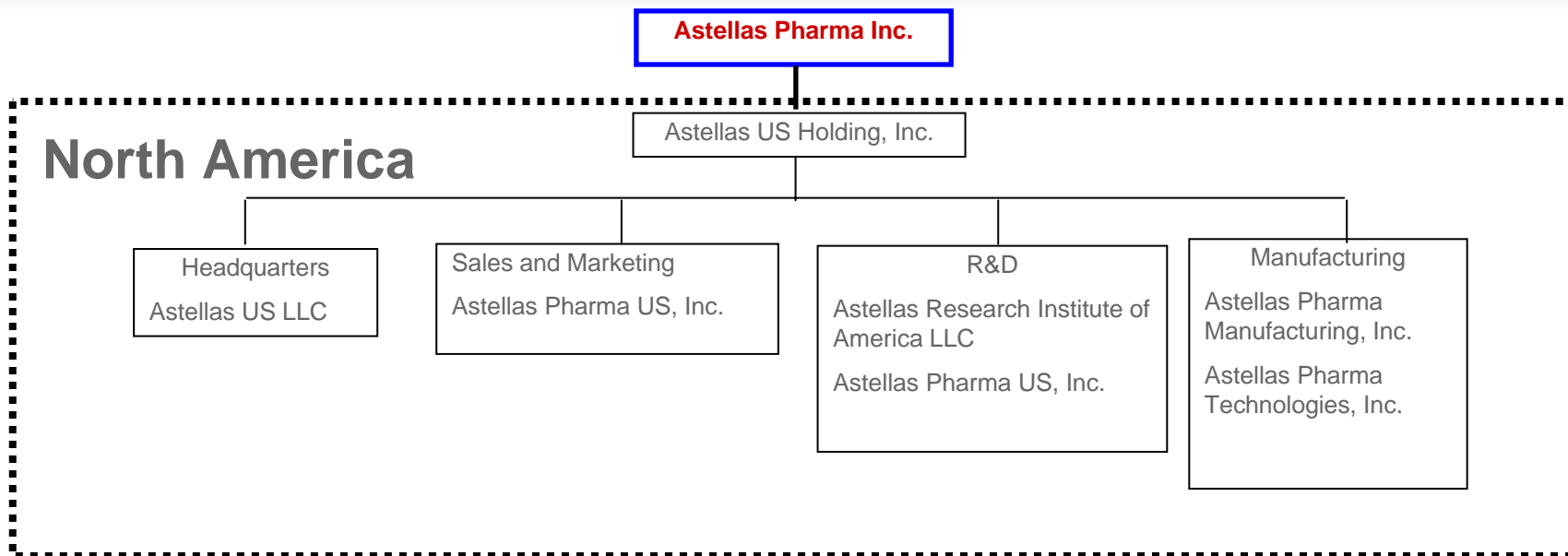
Astellas: Trend of Major Products

(Billions of Yen)

	FY2005	FY2004 * pro forma	change
Rx business total	846.5	831.9	+14.6
Harnal	136.9	135.9	+1.0
Prograf	133.2	122.9	+10.3
Protopic	25.0	21.5	+3.5
Funguard	18.3	13.8	+4.5
Vesicare	17.2	2.7	+14.5

*: The results of FY2004 include increase in shipment at the end of March, 2005 for a temporary stop of the ordering/distribution system following the merger. The effects are estimated as 11.9 billion yen in sales and 7.3 billion yen in operating income.

Astellas: Geographic Segments



Astellas: Forecasts by Geographic Region



(Billions of Yen)

Net sales	FY2005	FY2004	change	remarks
Consolidated	885.0	862.0	23.0	
Japan	517.5	529.6	-12.1	Rx business -7.5, Business restructuring -6.0(home care, etc.), Product transfer -8.0, Export to 3 rd parties -3.0, Consolidation of Zepharmia +13.0
N. America	150.0	129.7	20.3	VESicare +8.9, Prograf +4.6, Mycamine +2.3, Adenoscan +2.6
Europe	200.0	186.4	13.6	Vesicare +5.7, Prograf +1.6, Harnal +3.3, other
Asia	17.5	16.2	1.3	

Operating income	FY2005	FY2004	change	remarks
Consolidated	195.0	192.2	2.8	
Japan	-	161.1	-15.0 ~ -16.0	Decrease in both gross profit and SG&A expenses (incl. personnel -10.0), increase in SG&A due to consolidation of Zepharmia, increase in R&D expenses -5.6
N. America	-	23.0	6.0~ 7.0	Increase in gross profit and SG&A -7.0 and R&D, decrease in US urology business development expenses (US portion) +2.0
Europe	-	11.7	6.0~ 7.0	Increase in gross profit and SG&A -5.0 and R&D, increase in US urology business development expenses (Europe portion) -7.0
Asia	-	2.3	<1.0	
Eliminations	0.0	-6.1		

Astellas: Changes in Personnel

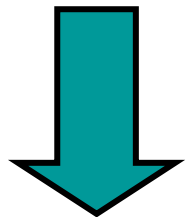
Number of Personnel as of April 1, 2005(on a direct employment basis)

	Group total	Japan	Europe	N. America	Asia
Total Counts	15,500	9,500	3,500	1,700	900
(for Rx)	14,700	8,800	3,500	1,500	900

- Medical Representatives (on a global basis) : about 4,700

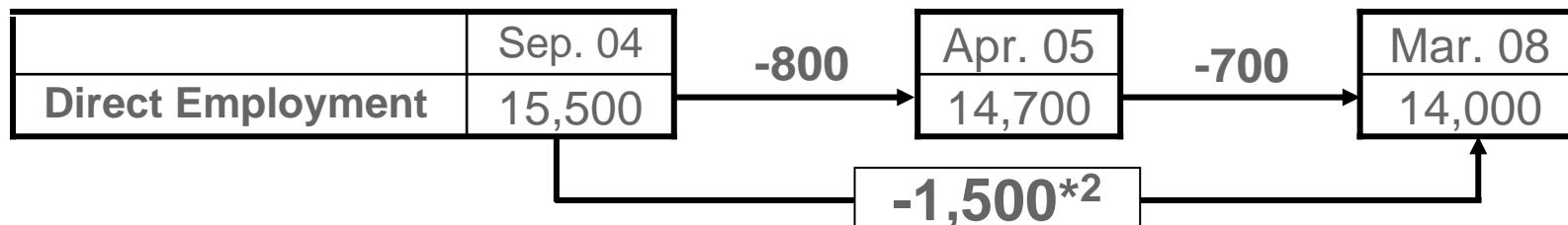
Changes in Rx Personnel

- Target of personnel optimization in mid-term plan (Nov. 2004)
 Sep. 2004 17,500 → Mar. 08 15,500 (-2,000)



Changed personnel counting standard

Exclude the counts of indirect employees



*2: In addition, 500 decrease on a indirect basis by Apr. 05 (-2,000 on a mid-term plan basis in total)

Overview of R&D Pipeline

May 18, 2005

Masao Shimizu

**Senior Corporate Officer
Senior Vice President, Development
Astellas Pharma Inc.**



Cautionary statement regarding forward-looking information

This material includes forward-looking statements based on assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties. Actual financial results may differ materially depending on a number of factors including adverse economic conditions, currency exchange rate fluctuations, adverse legislative and regulatory developments, delays in of new product launch, pricing and product initiatives of competitors, the inability of the company to market existing and new products effectively, interruptions in production, infringements of the company's intellectual property rights and the adverse outcome of material litigation.

Japan Approved/Filed

[Approved]

Code No. (Product Name)	Therapeutic Target	Classification	Dosage Form
YM617 (Harnal D)	Functional symptoms with benign prostatic hyperplasia	Alpha-1 receptor antagonist	Oral

Orally disintegrating tablet

[Filed]

Code No. (Generic Name)	Therapeutic Target	Classification	Dosage Form
YM905	Urinary frequency, urinary incontinence or urgency associated with overactive bladder	Muscarinic receptor antagonist	Oral
YM177	Rheumatoid arthritis, osteoarthritis, low back pain, etc.	Cyclooxygenase-II inhibitor	Oral
YM152	Benign prostatic hyperplasia	5 alpha-reductase inhibitor	Oral
(fluvoxamine maleate)	Social anxiety disorder	Antidepressant	Oral
FK506	Ulcerative colitis	Immunosuppressant	Oral
(telithromycin)	Skin and soft tissue infections & uterine infection	Ketolide class antibiotic	Oral
FK463	Deep-seated fungal infection (for pediatric)	Candin antifungal agent	Injection ³

Japan Phase III

Code No.	Therapeutic Target	Classification	Dosage Form
YM529	Osteoporosis	Bisphosphonate	Oral
YM617	Lower urinary tract syndrome	Alpha-1 receptor antagonist	Oral
YM086	Diabetic nephropathy	Angiotensin II receptor antagonist	Oral
YM643	Chronic hepatitis C virus infection (Advaferon for use in combination with ribavirin)	Consensus interferon (CIFN)	Injection/ ribavirin: Oral
YM060	Irritable bowel syndrome (IBS)	5HT3 antagonist	Oral
YM026	Type II diabetes (Concomitant treatment with Biganides)	Rapid onset insulin secretion enhancer	Oral
YM026	Type II diabetes (Concomitant treatment with insulin sensitizers)	Rapid onset insulin secretion enhancer	Oral
YM177	Post surgical pain, post traumatic pain, tooth extract pain	Cyclooxygenase-II inhibitor	Oral
FK506	Lupus nephritis	Immunosuppressant	Oral
(telithromycin)	Pediatric use	Ketolide class antibiotic	Oral

Japan Phase II

Code No.	Therapeutic Target	Classification	Dosage Form
YM974	Rheumatoid arthritis, osteoarthritis, low back pain, etc.	Cyclooxygenase-II inhibitor	Oral
YM978	Acute pain	Cyclooxygenase-II inhibitor	Injection
FK614	Non-insulin dependent diabetes mellitus (NIDDM)	Insulin sensitizer	Oral
FK352B	Dialysis-related hypotension	Adenosine A1 antagonist	Injection
FK949	Behavior psychological symptoms of dementia	Antipsychotic	Oral
FK481	Osteoporosis	Bone formation stimulating and antiresorptive agent	Oral
FK506	Suppression of organ rejection in organ transplant (modified release)	Immunosuppressant	Oral

US Filed/Phase II

[Filed]

Code No. (Product Name)	Therapeutic Target	Classification	Dosage Form
YM087	Hyponatremia	Vasopressin receptor antagonist	Injection
(Aczone™)	Acne	Antibiotic and antiphlogistic agent	gel

*YM087: Received Approvable letter from FDA in November, 2004

[Phase-III]

Code No.	Therapeutic Target	Classification	Dosage Form
FK506	Rheumatoid arthritis	Immunosuppressant	Oral
FK506	Atopic dermatitis	Immunosuppressant	Cream
RSD1235	Atrial fibrillation and atrial flutter	Antiarrhythmic agent	Injection
CVT-3146	Pharmacologic stress agent in cardiac perfusion imaging studies	Adenosine A _{2a} agonist	Injection
FK506	Psoriasis	Immunosuppressant	Gel/Cream
FK506	Suppression of organ rejection in organ transplant (modified release)	Immunosuppressant	Oral

US Phase II

Code No. (Generic Name)	Therapeutic Target	Classification	Dosage Form
YM443	Functional dyspepsia	Acetylcholine level enhancer	Oral
FK614	Non-insulin dependent diabetes mellitus (NIDDM)	Insulin sensitizer	Oral
FK778	Suppression of organ rejection in liver and kidney transplants	Immunosuppressant	Oral
(carperitide)	Acute heart failure	Alfa-human atrial natriuretic peptide	Injection
FK962	Alzheimer's disease	Antidementia	Oral

EU Preparation for Filing/Phase III

[Preparation for Filing]

Code No.	Therapeutic Target	Classification	Dosage Form
FK463	Deep-seated fungal infection	Candin antifungal agent	Injection

[Phase-III]

Code No.	Therapeutic Target	Classification	Dosage Form
FK506	Suppression of organ rejection in organ transplant (modified release)	Immunosuppressant	Oral

EU Phase II

Code No.	Therapeutic Target	Classification	Dosage Form
YM178	Overactive bladder	Beta 3 receptor agonist	Oral
YM150	Prevention of deep vein thrombosis (DVT), Prevention of thromboembolism in atrial fibrillation	Factor Xa inhibitor	Oral
YM060	Irritable bowel syndrome (IBS)	5HT3 antagonist	Oral
YM617	Functional symptoms with benign prostatic hyperplasia	Alpha-1 receptor antagonist	Oral
FK506	Rheumatoid arthritis	Immunosuppressant	Oral
FK778	Suppression of organ rejection in liver and kidney transplants	Immunosuppressant	Oral
FK506	Asthma	Immunosuppressant	Inhalation

Projects in the Phase I or Pre-clinical Stage

Therapeutic areas	Number of Projects
Urology	5
Immunology & Inflammation	4
Infectious diseases	1
Diabetes	4
Central nervous system	4
Cardiovascular	2
Locomotorium	2
Others	3
Total	25