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Revision of the Interim and Full Year Business Forecasts for FY2005

Astellas Pharma Inc. (hereinafter referred as “the Company”) today announced that it decided at the meeting of Board of Directors to revise as follows the consolidated and non-consolidated business forecasts for the 1st half of FY2005 (from April 1, 2005 to September 30, 2005) and for the full year of FY2005 (from April 1, 2005 to March 31, 2006) which were announced on May 17, 2005.

- Revised consolidated and non-consolidated business forecasts for the 1st half of FY2005 (April 1, 2005 - September 30, 2005)

(million yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Initial forecasts on May 17, 2005 (A)	Non-consolidated	281,000	64,000	66,000	38,000
	Consolidated	423,000	94,000	97,000	49,000
Revised forecasts (B)	Non-consolidated	287,400	80,800	81,300	51,900
	Consolidated	426,700	117,100	122,000	67,300
Changes (B)-(A)	Non-consolidated	+6,400	+16,800	+15,300	+13,900
	Consolidated	+3,700	+23,100	+25,000	+18,300
Percentage of changes (%)	Non-consolidated	+2.3%	+26.3%	+23.2%	+36.6%
	Consolidated	+0.9%	+24.6%	+25.8%	+37.3%

Reason of the revision of the forecasts for 1H of FY2005

- Consolidated business forecasts:

Sales of the immunosuppressant Prograf in Europe and North America, Omnic including Omnic OCAS (brand name in Japan: Harnal), a treatment for the functional symptoms of BPH, in Europe, Micardis, a long-acting angiotensin-II receptor antagonist, in Japan and export sales of the oral cephalosporin antibiotic Cefzon to the licensees are expected to show favorable performance compared to the initial forecasts announced on May 17, 2005.

Exchange rate fluctuations also contributed to sales increase due to the yen's depreciation against the US\$ compared to the initial forecasts.

Meanwhile, sales of the treatment for atopic dermatitis Protopic in Europe and North America, VESicare for the treatment of overactive bladder with the symptoms of urgency, urinary frequency and urinary urge incontinence in U.S.A., and Harnal bulk sales to and royalty revenue from licensees are expected to be lower than the initial forecasts. A change in accounting method for process fee also negatively affected the sales.

As a result of the above, consolidated net sales are expected to exceed the initial forecasts. (See attached table for the initial and revised forecasts of main products)

In addition to the sales increase, improvement of COG ratio due to the change of product mix and the cost reduction efforts, etc. is expected to contribute to the increase of gross profit

compared to the initial forecasts. Further, SG&A expenses including R&D expenses are expected to be lower than the initial forecasts due to the delay in execution of the budget. As a result, operating income, ordinary income and net income are expected to exceed the initial forecasts.

- Non-consolidated business forecasts:

Sales of Micardis and export sales of Cefzon are expected to perform well. Although Ketek, a ketolide-class oral antibiotic and the change in accounting method for process fee are expected to affect sales downward, non-consolidated net sales are expected to exceed the initial forecasts.

Operating income, ordinary income and net income are also expected to exceed the initial forecasts. In addition to sales increase, improvement of COG ratio due to the cost reduction efforts, etc. is expected to contribute to the increase of gross profit compared to the initial forecasts. Further, SG&A expenses including R&D expenses are expected to be lower than expected due to the delay in execution of the budget.

- Revised consolidated and non-consolidated business forecasts for full year of FY2005
(April 1, 2005 - March 31, 2006)

(million yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
Initial forecasts on May 17, 2005 (A)	Non-consolidated	588,000	132,000	166,000	110,000
	Consolidated	885,000	195,000	199,000	104,000
Revised forecasts (B)	Non-consolidated	585,000	137,000	172,000	112,000
	Consolidated	885,000	205,000	211,000	117,000
Changes (B)-(A)	Non-consolidated	(3,000)	+5,000	+6,000	+2,000
	Consolidated	-	+10,000	+12,000	+13,000
Percentage of changes (%)	Non-consolidated	(0.5%)	+3.8%	+3.6%	+1.8%
	Consolidated	-	+5.1%	+6.0%	+12.5%

Reason of the revision of the full year forecasts for FY2005

- Consolidated business forecasts:

Sales of Prograf and export sales of Cefzon are expected to exceed the initial forecasts partly due to the yen's depreciation against the US\$ compared to the initial forecasts. In addition, sales of Micardis are also expected to exceed the initial forecasts. Total sales amounts for these three products are expected to exceed the initial forecasts by about ¥16.0 billion. Meanwhile, sales of Protopic is expected to be lower than the initial forecasts. Sales of Harnal is also expected to be lower than the initial forecasts due to the decrease of bulk sales to and royalty revenue from the licensees. Total sales amounts of these two products are expected to be lower by about ¥10.0 billion than the initial forecasts. Further, the change in accounting method for process fee will affect the sales by about ¥7.0 billion. As a result of the above, consolidated net sales are expected to be flat with the initial forecasts.

Although net sales are expected to be flat, improvement of COG ratio due to the change of product mix and the cost reduction efforts, etc. are expected to contribute to the increase of gross profit compared to the initial forecasts. SG&A expenses including R&D expenses are

expected to be almost flat with the initial forecasts catching up the delay in 1H. As a result, Operating income, ordinary income and net income are expected to exceed the initial forecasts mainly due to higher gross profit than the initial forecasts.

- Non-consolidated business forecasts:

Sales of Micardis in Japanese market and export sales of Cefzon are expected to show favorable performance. However, sales of Ketek, a ketolide-class oral antibiotic are expected to be lower than the forecasts and the change in accounting method for process fee will affect sales downward. As a result, non-consolidated net sales are expected to be slightly lower than the initial forecasts.

Although net sales are expected to be slightly lower than the initial forecasts, operating income, ordinary income and net income are expected to be higher than the initial forecasts due to the cost reduction efforts, etc. and decrease of SG&A expenses including R&D expenses compared to the initial forecasts.

<Reference information>

Business results for the 1st half of FY2004 (April 1, 2004 – September 30, 2004)*

(million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Non-consolidated	308,747	75,247	97,049	59,227
Consolidated	424,705	98,614	100,748	47,351

Business results for FY2004 (April 1, 2004 – March 31, 2005)*

(million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Non-consolidated	625,721	148,275	169,551	74,866
Consolidated	862,011	192,239	194,235	59,532

*Business results for the 1st half of FY2004 and for the full year of FY2004 are the simple sums of the business results of Yamanouchi Pharmaceuticals Co., Ltd. and Fujisawa Pharmaceuticals Co., Ltd. for the period.

Note:

The foregoing are forward-looking statements based on a number of 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 new product launches, pricing and product initiatives of competitors, the inability of the Company or its subsidiaries or affiliates to market existing and new products effectively, interruptions in production, infringements of the intellectual property rights of the Company or its subsidiaries or affiliates and the adverse outcome of material litigation.

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(attached)

Forecasts announced on May 17, 2005 and revised forecasts for sales of main products for 1H of 2005

(billion yen)

	Initial forecasts announced on May 17, 2005 for 1H of 2005	Revised forecasts for 1H of 2005
Harnal	68.2	69.0
Japan	23.4	23.8
Europe	22.3	25.2
Bulk & Royalty	20.3	17.1
Prograf	65.0	69.6
North America	33.6	35.2
Europe	19.5	21.3
Protopic	11.5	6.5
North America	6.9	2.7
Europe	2.9	2.3
Funguard/Mycamine	8.5	7.7
Japan	7.4	7.3
North America	1.1	0.4
Vesicare	6.0	5.0
North America	3.2	2.2
Europe	2.8	2.8
Micardis	14.5	16.5
Cefzon	13.3	15.3
Export sales	4.2	6.7