

May 17, 2005

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Release for the financial results of Astellas for FY2004

Japan, May 17, 2005 - Astellas Pharma Inc. today announced the financial results of former Yamanouchi Pharmaceutical Co., Ltd. and former Fujisawa Pharmaceutical Co., Ltd. for FY2004 (fiscal year ended March 31, 2005).

(1) **Consolidated financial results of Yamanouchi Pharmaceutical Co., Ltd. and Fujisawa Pharmaceutical Co., Ltd. for FY2004.**

(all amounts are in millions of yen - fractions dropped)

| | Yamanouchi | | | Fujisawa | | |
|----------------------------------|------------|---------|--------|----------|---------|--------|
| | FY2003 | FY2004 | | FY2003 | FY2004 | |
| | | | % | | | % |
| Net sales | 511,207 | 447,051 | -12.6 | 395,401 | 414,959 | 4.9 |
| Operating income | 100,960 | 108,889 | 7.9 | 56,702 | 83,349 | 47.0 |
| Ordinary income | 98,362 | 110,156 | 12.0 | 59,475 | 84,079 | 41.4 |
| Net income | 60,057 | 33,717 | -43.9 | 41,468 | 25,815 | -37.7 |
| Per share profit (Yen) | 181.09 | 102.52 | -43.4 | 125.63 | 77.42 | -38.4 |
| R&D expenses (% of net sales) | 70,080 | 58,842 | (13.2) | 73,642 | 68,780 | (16.6) |

(2) **Forecast of Consolidated financial results of Astellas Pharma Inc. for FY2005.**

(all amounts are in millions of yen – fractions dropped)

| | FY2004 pro forma | FY2005 Forecast |
|----------------------------------|---------------------|--------------------|
| Net sales | 862,011 | 885,000 |
| Operating income | 192,239 | 195,000 |
| Recurring income | 194,236 | 199,000 |
| Net income | 59,533 | 104,000 |
| R&D expenses (% of net sales) | 127,623 (14.8%) | 135,000 (15.3%) |

Cautionary statement regarding forward-looking information

This press release includes 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, the pricing and product initiatives of competitors, the inability of the company to market existing and new product effectively, interruptions in production, infringement of the company's intellectual property rights and the adverse outcome of material litigation.

Former Yamanouchi Part

1. BUSINESS RESULTS AND FINANCIAL CONDITIONS

(1) Outline of Operations for FY2004(Fiscal Year Ended March 31, 2005)

Consolidated business results

(Millions of yen – fractions dropped)

| | FY2004 | FY2003 | Change (increase/decrease) |
|------------------|---------|---------|-------------------------------|
| Net sales | 447,051 | 511,207 | -64,156 (-12.5%) |
| Operating income | 108,889 | 100,960 | 7,929 (7.9%) |
| Ordinary income | 110,156 | 98,362 | 11,794 (12.0%) |
| Net income | 33,717 | 60,057 | -26,340 (-43.9%) |

Exchange rate for FY2004: ¥108/US\$1, ¥135/1 Euro

Exchange rate for FY2003: ¥113/US\$1, ¥133/1 Euro

Note: Exchange rate fluctuations caused a ¥0.3 billion increase in operating income for FY2004 compared with the previous fiscal year due to the appreciation and depreciation of the yen against the US\$ and Euro, respectively, as stated in the marginal notes above. Exchange rate fluctuations had almost no effect on net sales.

1) General

As the government takes tougher and tougher measures to control increasing medical expenditure mainly in developed countries, global competition in the fields of R&D and sales of new drugs continues to intensify. In Japan, the government cut NHI drug prices by about 4.2% on average in April 2004 in an effort to curtail medical expenditure. The consolidated net sales of Yamanouchi and net income decreased 12.5% and 43.9%, respectively, compared to the previous fiscal year to ¥447.0 billion and ¥33.7 billion as a result of this difficult business environment, as well as the sale of its nutritional and personal care products business and the food and roses business (hereinafter referred to as consumer products businesses) during the fiscal year under review and a special loss associated with the business integration with Fujiwasa. However, operating and ordinary income increased by 7.9% to ¥108.8 billion and by 12.0% to ¥110.1 billion, respectively.

Sales of ethical drugs showed strong growth with Harnal, a treatment for functional symptoms associated with benign prostatic hyperplasia, showing continued growth both in Japan and overseas.

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In the domestic market, the angiotensin II receptor blocker Micardis showed a sharp increase in sales, and sales of the treatment for hypercholesterolemia Lipitor showed a steady rise. In addition, the year-end extra shipment for a temporary stop of the ordering/distribution systems in April following the merger of Yamanouchi with Fujisawa resulted in extra sales of about ¥9.3 billion.

However, total sales fell short of ¥64.1 billion compared to the previous fiscal year due to the transfer of the consumer products businesses and other factors.

Overseas sales decreased to ¥144.7 billion (26.3% decrease from the previous fiscal year) due to the transfer of the consumer products businesses and accounted for 32.4% of the total sales.

Gross profits decreased due to the decrease in net sales, but operating income increased ¥7.9 billion compared to the previous fiscal year as a result of decreases in selling, general and administrative (SG&A) expenses due mainly to the transfer of the consumer products businesses and decreases in R&D expenses. The extra shipment for a temporary stop of the ordering/distribution system also contributed to increases in operating income (about ¥5.9 billion). Ordinary income increased ¥11.7 billion compared to the previous fiscal year as a result of increases in non-operating income owing to a foreign exchange gain instead of a loss in the previous fiscal year. Special income included a gain of ¥5.7 billion as a result of the sale of securities, while special losses included a non-recurring patent right depreciation of ¥10.5 billion, a business restructuring loss of ¥12.6 billion associated with the separation of formulation plants of the Company in Japan into its newly established subsidiary in April, 2005 and a business integration cost of ¥20.9 billion due to the merger with Fujisawa. As a result, net income in the fiscal year under review fell ¥26.3 billion compared to the previous fiscal year.

R&D expenses totaled ¥58.8 billion (16.0% decrease from the previous fiscal year) accounting for 13.2% of consolidated net sales.

2) Appropriation of Retained Earnings

The Company will pay a dividend of ¥16 per share to shareholders on March 31, 2005 (annual dividend: ¥31 per share). This will result in a payout ratio of 23.7%, a return on equity of 6.4%, and a dividend on equity of 1.5% on the non-consolidated basis.

3) Segment Information

Net sales by principal business segment

(millions of yen – fractions dropped)

| | FY2004 | FY2003 | Change (increase/decrease) |
|---|---------|---------|-------------------------------|
| Pharmaceuticals and related products | 443,313 | 421,543 | 21,770 (5.2%) |
| Nutritional products and personal care products | -- | 28,829 | -28,829 |
| Food and roses | -- | 59,031 | -59,031 |

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Operating income by principal business segment (millions of yen – fractions dropped)

| | FY2004 | FY2003 | Change (increase/decrease) |
|---|---------|--------|-------------------------------|
| Pharmaceuticals and related products | 107,494 | 93,449 | 14,045 (15.0%) |
| Nutritional products and personal care products | -- | 3,046 | -3,046 |
| Food and roses | -- | 835 | -835 |

[Pharmaceuticals and related products]

Net sales and operating income increased to ¥443.3 billion (5.2% increase from the previous fiscal year) and ¥107.4 billion (15.0% increase from the previous fiscal year), respectively.

Japan

In the market for ethical drugs, Micardis showed sharp increases in sales to ¥26.1 billion (202.1% increase from the previous fiscal year). Lipitor, Harnal and the fast-acting postprandial hypoglycemic agent Starsis showed steady increases in sales to ¥85.5 billion (10.2 % increase from the previous fiscal year), ¥49.4 billion (5.9 % increase from the fiscal year) and ¥4.5 billion (9.9% increase from the previous fiscal year), respectively. While Gaster D, an orally disintegrating tablet version of Gaster, also showed a steady increase in sales, total sales of the Gaster series dropped to ¥73.1 billion (3.0% decrease from the previous fiscal year). Total sales of ethical drugs fell compared to the previous fiscal year as a result of reductions in NHI drug prices and other unfavorable factors. No sales were reported for the oral hypoglycemic agent Euglucon and the non-ionic contrast medium Optiray in the fiscal year under review because they were transferred to Chugai Pharmaceutical Co., Ltd. and Tyco Healthcare Japan, Inc. in October 2003 and April 2004, respectively.

In the over-the-counter drug business (“OTC drug business”), Yamanouchi established the joint venture company, Zepharm Inc., with Fujisawa on October 1, 2004, and transferred its OTC drug business to the new company. The business performance of this company has been reflected on the Company’s nonoperating profit and loss account by the equity method since that date.

Overseas

In the U.S., Yamanouchi concluded an agreement for co-promoting Flomax (brand name in Japan: “Harnal”), with Boehringer Ingelheim Pharmaceuticals, Inc. (BIPI). Based on the agreement, Yamanouchi Pharma America, Inc. (currently Astellas Pharma US, Inc.) has been engaged in sales promotion in cooperation with BIPI since October 2004. In addition, VESIcare, global strategic product of Yamanouchi for the treatment of urinary frequency, urinary incontinence and urgency, was launched in January 2005 and is now co-promoted with a US subsidiary of GlaxoSmithKline plc.

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In Europe, Eligard, a treatment for advanced prostate cancer, was launched in Germany in May 2004, followed by Vesicare, a treatment for urinary frequency, incontinence and urgency, in eight countries starting August 2004. In addition, Yamanouchi launched Omnic-OCAS, Omnic (brand name in Japan: Harnal) developed using its proprietary oral controlled absorption system (OCAS), in the Netherlands in January 2005. The Company will make a steady effort to expand the market for these new products.

Harnal, the core product of Yamanouchi, has acquired a more solid position as a leading product for the treatment of functional symptoms associated with benign prostatic hyperplasia in many countries. Sales in both the U.S. and European markets have expanded steadily. Overseas sales through the Yamanouchi Group's own network and bulk and royalty income from licensees for the fiscal year under review reached ¥86.5 billion (14.5% increase from the previous fiscal year).

The Yamanouchi Group has promoted establishment of an optimum business structure with an effective use of the funds retained mainly in the European region in inter-regional transactions between Europe and the U.S. For this reason, expenses incurred in building its own marketing and sales network and promoting sales in the U.S. are accounted for in the European segment of the geographical segment information disclosed in the financial statements.

Production

The Company continues to strive for higher quality and lower costs of products and enhance its international competitiveness by establishing a global supply system for bulk pharmaceuticals, finished products, and investigational drugs. As part of this effort, the drug formulation plant of Taiwan Yamanouchi Pharmaceutical Co., Ltd. was closed in July 2004. In Japan, the amended Pharmaceutical Affairs Law enacted in April 2005 allows a pharmaceutical company to outsource all of its production functions. Taking this opportunity, the Company integrated its drug formulation functions in Japan and created Astellas Tokai Co., Ltd, in April 2005. as a new subsidiary specialized in formulation in order to enhance the efficiency and cost-competitiveness of its production system.

R&D

The Company strives for efficient research and development activities, applying the latest technologies and a global network, aimed at continued and rapid development of internationally competitive innovative drugs. Through these R&D activities, a number of candidates for new drugs are under clinical development.

In Japan, Yamanouchi filed an NDA for YM905, a treatment for urinary frequency, incontinence and urgency associated with overactive bladder, in August 2004. An NDA has been also pending for

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YM177, a treatment for rheumatoid arthritis and osteoarthritis. Some compounds, such as YM529, an osteoporosis treatment, are under development. Approval was obtained for Harnal D Tablet, an additional dosage form (orally disintegrating tablet) of Harnal in September 2004.

Overseas, approval for Omnic-OCAS was obtained in a number of European countries including the Netherlands. In the US, an approvable letter was received from the Food and Drug Administration (FDA) for the treatment for hyponatremia YM087 in December 2004.

In addition, many new drug candidates are under development in the U.S. and Europe such as the treatment for functional dyspepsia YM443, the treatment for irritable bowel syndrome (IBS) YM060, the treatment for overactive bladder YM178, and the drug for prevention of deep vein thrombosis and thromboembolism in atrial fibrillation YM150.

The Company places great importance on genomics-based drug discovery in drug discovery research and proactively promotes strategic alliances with major venture companies in Japan and overseas, while strengthening its in-house R&D capabilities.

As one of its achievements in the genomics-based drug discovery research, Yamanouchi developed a new method to accurately determine internal body time and rhythm disorders using DNA chips and reported its findings in the Proceedings of the National Academy of Sciences of the U.S in July 2004. In addition, it succeeded in elucidating the core of the genetic network of the internal body time through cooperative research and published the findings in the online version of the Nature Genetics in January 2005. Furthermore, Yamanouchi discovered a new target molecule for drug discovery in the field of obesity and diabetes through a cooperative research program with Keio University School of Medicine and published the results in the online version of the Nature Medicine in March 2005.

Others

Yamanouchi completely outsourced the domestic logistics operations to Mitsubishi Logistics Corporation in January 2005 in order to reduce logistics costs.

(2) Financial Condition for the FY2004 (Fiscal Year Ended March 31 2005):

Assets, Liabilities and Shareholders' Equity:

Total assets as of March 31, 2005 increased ¥10.8 billion from the end of the previous fiscal year to ¥913.5 billion. Current assets increased ¥97.3 billion from the end of the previous fiscal year due mainly to increases in deposits and cash. Marketable securities decreased ¥13.2 billion from the end of the previous fiscal year due mainly to decreases in assets managed through money management funds (MMF). Inventories decreased ¥16.2 billion mainly as a result of the transfer of the consumer product business.

Among fixed assets, tangible fixed assets decreased ¥39.4 billion from the end of the previous fiscal year due mainly to the sale of the consumer product business and removal of large-scale multipurpose equipment at the Takahagi Plant. Intangible fixed assets also decreased ¥12.5 billion due mainly to nonrecurring depreciation of patent rights.

Liabilities decreased ¥4.7 billion due mainly to a decrease of ¥12.9 billion in the reserve for retirement benefits as a result of the implementation of an early retirement program and the transfer of employees to Group companies. Shareholders' equity increased ¥16.5 billion due to an increase of ¥24.4 billion in retained earnings although the Company's own shares increased ¥12.5 billion.

Consolidated Cash Flow

(Millions of yen – fractions dropped)

| | FY2004 | FY2003 | Change (increase/decrease) |
|---|---------|---------|-------------------------------|
| Cash flow from operating activities | 48,588 | 43,376 | 5,211 |
| Cash flow from investing activities | 46,959 | -12,844 | 59,804 |
| Cash flow from financing activities | -24,691 | -11,218 | -13,473 |
| Balance of cash and cash equivalents at the end of the period | 423,478 | 345,501 | 77,977 |

Cash flow from operating activities totaled ¥48.5 billion, an increase of ¥5.2 billion from the previous fiscal year. This increase was mainly attributable to a decrease in income taxes paid of ¥38.6 billion compared to the previous fiscal year although net income before income taxes decreased ¥32.6 billion.

Cash flow from investing activities totaled ¥46.9 billion, an increase of ¥59.8 billion from the previous fiscal year. This increase was principally attributable to increases in income of ¥17.6 billion due to the sale of investment securities and ¥37.0 billion due to the sale of shares of subsidiaries resulting in changes in the scope of consolidation.

Cash flow from financing activities totaled ¥24.6 billion in minus, a decrease of ¥13.4 billion from the previous fiscal year. This was principally attributable to an increase of ¥12.5 billion in

payment for the acquisition of the Company's own shares.

As a result, the balance of cash and cash equivalents as of March 31, 2005 amounted to ¥423.4 billion, an increase of ¥77.9 billion from the end of the previous fiscal year.

Trends in Cash Flow Indicators

| | FY2000 | FY2001 | FY2002 | FY2003 | FY2004 |
|---|--------|--------|--------|--------|--------|
| Shareholders' equity ratio (%) | 75.6 | 74.3 | 75.6 | 80.3 | 81.2 |
| Shareholders' equity ratio on a fair market value basis (%) | 174.1 | 122.2 | 113.9 | 131.4 | 130.4 |
| Interest coverage ratio (times) | 237.4 | 159.4 | 281.9 | 178.3 | 100.7 |
| Years to redeem debt (years) | 0.21 | 0.19 | 0.08 | 0.07 | 0.06 |

Shareholders' equity ratio (%): total shareholders' equity / total assets

Shareholders' equity ratio on a fair market value basis (%): total market value of shares / total assets

Interest coverage ratio (times): cash flow from operating activities (before eliminating interests and income taxes) / interest payment

Years to redeem debt: interest-bearing liabilities (short-term loans payable, current portion of convertible bonds, convertible bonds, long-term loans payable) / cash flow from operating activities (before eliminating interests and income taxes)

(Notes)

1. Each indicator is calculated using financial data on a consolidated basis.
2. Total market value of shares is calculated using the closing price of shares at the end of the fiscal year × the number of outstanding shares at the end of the fiscal year (after eliminating treasury stock).
3. Cash flow from operating activities reported in the consolidated cash flow statement are used as cash flow from operating activities (before eliminating interests and income taxes).
4. The interest expense reported in the consolidated cash flow statement is used as interest payment.
5. Of all liabilities included in the consolidated balance sheet, those on which the Company pays interest are computed as interest-bearing liabilities.

(3) The Forecasts for the FY2005 (Fiscal Year Ending March 31, 2006):

Consolidated Business Results Forecasts:

<Semi-annual forecasts>

(Millions of yen – fractions dropped)

| | For the first six months of FY2005 | Pro forma for the first six months of FY2004 | Change (amount) | Change (%) |
|------------------|------------------------------------|--|-----------------|------------|
| Net sales | 423,000 | 424,705 | -1,705 | -0.4% |
| Operating income | 94,000 | 98,614 | -4,614 | -4.7% |
| Ordinary income | 97,000 | 100,748 | -3,748 | -3.7% |
| Net income | 49,000 | 47,350 | 1,649 | 3.5% |

Expected exchange rate: ¥105/US\$1, ¥135/1Euro

<Annual forecasts>

(Millions of yen – fractions dropped)

| | FY2005 | Pro forma for FY2004 | Change (amount) | Change (%) |
|------------------|---------|----------------------|-----------------|------------|
| Net sales | 885,000 | 862,011 | 22,988 | 2.7% |
| Operating income | 195,000 | 192,239 | 2,760 | 1.4% |
| Ordinary income | 199,000 | 194,236 | 4,763 | 2.5% |
| Net income | 104,000 | 59,533 | 44,466 | 74.7% |

Expected exchange rate: ¥105/US\$1, ¥135/1Euro

The percent and absolute increases/decreases compared to the previous fiscal year shown above were calculated vs the simple sums of the consolidated business results of Yamanouchi Pharmaceutical Co., Ltd. and Fujisawa Pharmaceutical Co., Ltd. in FY2004 (hereinafter referred to as “pro forma for FY2004”).

Full-year net sales will increase compared to pro forma for FY2004. Incomes will also increase compared to pro forma for FY2004 at all levels. The outline of the full-year business forecasts is reported below.

<Net sales>

Net sales are expected to total ¥885.0 billion, an increase of 2.7% compared to pro forma for FY2004, as a result of continued growth in sales of major products and launching of new products. The increase in net sales will be about 5% after adjustment for the extra shipment of ¥11.9 billion on the pro forma basis in the previous fiscal year due to the merger.

Overseas sales will be ¥393.5 billion (44.5% of total net sales).

<Net sales by regions>

[Japan]

Sales of major products such as Lipitor and Micardis are expected to continue to increase. However, total domestic sales will be ¥517.5 billion, a decrease of 2.3% compared to pro forma for FY2004, due to the withdrawal from the home care business in FY2005 and termination of the marketing of the treatment for glaucoma and ocular hypertension Rescula, the penem antibiotic Farom, the hypercholesterolemia treatment Cholebine and other products during FY2004.

Sales of OTC drugs through Zepharmia Inc. created in October 2004 as a wholly owned subsidiary of Astellas will be reflected in its business forecasts shown above from April 2005.

[Overseas]

In North America, sales will total ¥150.0 billion, an increase of 15.6% compared to pro forma for FY2004, as a result of continued robust sales of the immunosuppressant Prograf, the treatment for atopic dermatitis Protopic, the pharmacologic stress imaging agent Adenoscan, and other products in addition to the quick market penetration of VESiCare and the injectable candid antifungal agent Mycamine.

In Europe, sales will total ¥200.0 billion, an increase of 7.3% compared to pro forma for FY2004, as a result of increases in bulk royalty income from licensees of Harnal (brand name in Europe: Omnic) and the contribution of new products such as Vesicare.

<Operating, ordinary, and net incomes>

In addition to the increase in the gross profit due to the increase in consolidated net sales, the gross margin is expected to increase by approximately 1 point as a result of increases in sales of in-house developed products. Total SG&A expenses will increase in overseas due mainly to the promotion of new products in the US although SG&A expenses will decrease in Japan. As a result, operating income will total ¥195.0 billion, an increase of 1.4% compared to pro forma for FY2004. The increase in operating income will be about 9% after adjustment of ¥7.3 billion on the pro forma basis resulting from the extra shipment above mentioned.

In FY2005, investment in R&D will total ¥135.0 billion accounting for 15.3% of total net sales.

Ordinary income will total ¥199.0 billion, an increase of 2.5% compared to pro forma for FY2004.

Net income will total ¥104.0 billion, an increase of 74.7% compared to pro forma for FY2004 although a special loss of ¥16.0 billion due to the merger is expected because there was a loss of ¥60.3 billion on the pro forma basis associated with the merger in FY2004.

The above forecasts are based on the expected exchange rate of ¥105/US\$1 and ¥135/1Euro.

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An annual dividend of ¥60 per share (¥30 in the middle of the year and ¥30 at the end of the year) will be paid. The dividend per share will increase ¥29 compared to the annual dividend per share of former Yamanouchi in FY2004 (¥31 per share). The above-mentioned annual dividend will represent an increase of ¥10 per share from that announced in the mid-term management plan explanation meeting in November 2004 (¥50 per share).

2. Consolidated Financial Statements**(1) Consolidated Balance Sheets***(All amounts are in millions of yen and amounts less than one million have been omitted.)*

| Accounts | (A) As of March 31, 2005 | | (B) As of March 31, 2004 | | Fluctuation (A) - (B) |
|-------------------------------------|-----------------------------|-------|-----------------------------|-------|--------------------------|
| | Amounts | Ratio | Amounts | Ratio | |
| Assets | | % | | % | |
| I. Current assets | | | | | |
| Cash on hand and in banks | ¥374,062 | | ¥276,722 | | ¥ 97,340 |
| Trade notes and accounts receivable | 128,177 | | 120,162 | | 8,014 |
| Marketable securities | 55,793 | | 69,013 | | (13,219) |
| Inventories | 40,460 | | 56,738 | | (16,277) |
| Deferred tax assets | 30,666 | | 25,213 | | 5,452 |
| Other | 28,615 | | 31,685 | | (3,069) |
| Allowance for doubtful receivables | (308) | | (475) | | 167 |
| Total current assets | 657,468 | 72.0 | 579,060 | 64.1 | 78,408 |
| II. Fixed assets | | | | | |
| Property, plant and equipment | | | | | |
| Buildings and structures | 60,522 | | 76,675 | | (16,153) |
| Machinery, equipment and vehicles | 22,403 | | 28,814 | | (6,410) |
| Tools, furniture and fixtures | 21,592 | | 21,792 | | (199) |
| Land | 25,510 | | 32,214 | | (6,703) |
| Construction in progress | 3,489 | | 7,511 | | (4,022) |
| Other | 1,156 | | 7,112 | | (5,956) |
| Total property, plant and equipment | 134,674 | | 174,120 | | (39,445) |
| Intangible fixed assets | 14,670 | | 27,266 | | (12,596) |
| Investments and other assets | | | | | |
| Investment securities | 59,466 | | 67,605 | | (8,138) |
| Long-term loans receivable | 1,676 | | 496 | | 1,180 |
| Deferred tax assets | 22,295 | | 20,193 | | 2,101 |
| Other | 23,579 | | 34,375 | | (10,796) |
| Allowance for doubtful receivables | (269) | | (420) | | 151 |
| Total investments and other assets | 106,749 | | 122,250 | | (15,501) |
| Total fixed assets | 256,094 | 28.0 | 323,637 | 35.9 | (67,543) |
| Total assets | ¥913,562 | 100.0 | ¥902,698 | 100.0 | ¥10,864 |

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(All amounts are in millions of yen and amounts less than one million have been omitted.)

| Accounts | (A) As of March 31, 2005 | | (B) As of March 31, 2004 | | Fluctuation (A) - (B) |
|---|-----------------------------|--------|-----------------------------|--------|--------------------------|
| | Amounts | Ratio | Amounts | Ratio | |
| Liabilities | | % | | % | |
| I. Current liabilities | | | | | |
| Trade notes and accounts payable | ¥ 31,227 | | ¥ 37,572 | | ¥ (6,344) |
| Short-term loans payable | - | | 1,237 | | (1,237) |
| Other accounts payable | 32,525 | | 25,601 | | 6,924 |
| Accrued expenses | 21,458 | | 22,094 | | (636) |
| Accrued income taxes | 21,468 | | 10,477 | | 10,991 |
| Accrued consumption tax | 1,415 | | 1,715 | | (300) |
| Deferred tax liabilities | 159 | | 3,922 | | (3,762) |
| Sales related allowances | - | | 3,544 | | (3,544) |
| Allowance for sales rebates and others | 3,379 | | - | | 3,379 |
| Other | 7,812 | | 3,979 | | 3,833 |
| Total current liabilities | 119,447 | 13.1 | 110,145 | 12.2 | 9,301 |
| II. Long-term liabilities | | | | | |
| Convertible bonds | 5,020 | | 6,480 | | (1,460) |
| Long-term loans payable | - | | 344 | | (344) |
| Deferred tax liabilities | 2,295 | | 2,418 | | (123) |
| Accrued retirement benefits for employees | 23,406 | | 36,374 | | (12,968) |
| Accrued retirement benefits for directors | 1,004 | | 1,247 | | (242) |
| Other | 18,917 | | 17,832 | | 1,085 |
| Total long-term liabilities | 50,643 | 5.5 | 64,697 | 7.2 | (14,053) |
| Total liabilities | 170,090 | 18.6 | 174,842 | 19.4 | (4,752) |
| Minority interests | | | | | |
| Minority interests | 1,578 | 0.2 | 2,462 | 0.3 | (884) |
| Shareholders' equity | | | | | |
| I. Common stock | 100,490 | 11.0 | 99,760 | 11.1 | 730 |
| II. Capital surplus | 114,414 | 12.5 | 113,684 | 12.6 | 730 |
| III. Retained earnings | 640,517 | 70.1 | 616,112 | 68.3 | 24,405 |
| IV. Unrealized holding gain on securities | 11,599 | 1.3 | 13,848 | 1.4 | (2,248) |
| V. Translation adjustments | (11,090) | (1.2) | (16,557) | (1.9) | 5,466 |
| VI. Treasury stock | (114,038) | (12.5) | (101,456) | (11.2) | (12,581) |
| Total shareholders' equity | 741,893 | 81.2 | 725,392 | 80.3 | 16,501 |
| Total liabilities, minority interests and shareholders' equity | ¥ 913,562 | 100.0 | ¥ 902,698 | 100.0 | ¥ 10,864 |

Astellas Pharma Inc. (former Yamanouchi)

(2) Consolidated Statements of Income

(All amounts are in millions of yen and amounts less than one million have been omitted.)

| Accounts | (A) For the year ended March 31, 2005 | | (B) For the year ended March 31, 2004 | | Fluctuation (A) - (B) |
|---|--|-------|--|-------|--------------------------|
| | Amounts | Ratio | Amounts | Ratio | |
| | | % | | % | |
| I. Net sales | ¥447,051 | 100.0 | ¥511,207 | 100.0 | ¥(64,156) |
| II. Cost of sales | 141,171 | 31.6 | 173,790 | 34.0 | (32,619) |
| Gross profit | 305,880 | 68.4 | 337,417 | 66.0 | (31,537) |
| III. Selling, general and administrative expenses | 196,990 | 44.0 | 236,457 | 46.3 | (39,466) |
| Operating income | 108,889 | 24.4 | 100,960 | 19.7 | 7,929 |
| IV. Non-operating income | 5,934 | 1.3 | 4,773 | 0.9 | 1,161 |
| Interest income | 3,707 | | 1,965 | | 1,742 |
| Dividend income | 743 | | 966 | | (223) |
| Exchange gain | 527 | | - | | 527 |
| Equity in earnings of affiliates | - | | 666 | | (666) |
| Other | 956 | | 1,174 | | (217) |
| V. Non-operating expenses | 4,668 | 1.1 | 7,371 | 1.4 | (2,702) |
| Interest expense | 780 | | 552 | | 227 |
| Loss on disposal of inventories | 1,310 | | 574 | | 735 |
| Depreciation on fixed assets not in service | 896 | | - | | 896 |
| Equity in losses of affiliates | 725 | | - | | 725 |
| Exchange loss | - | | 5,769 | | (5,769) |
| Other | 957 | | 474 | | 482 |
| Ordinary income | 110,156 | 24.6 | 98,362 | 19.2 | 11,794 |
| VI. Special gains | 9,924 | 2.2 | 10,077 | 2.0 | (152) |
| Gain on sales of fixed assets | 1,441 | | 507 | | 934 |
| Gain on sales of investment securities | 5,722 | | 8,115 | | (2,392) |
| Gain on sales of subsidiaries' shares | 2,597 | | - | | 2,597 |
| Compensation received | - | | 1,159 | | (1,159) |
| Gain on sales of other investments | - | | 261 | | (261) |
| Other | 162 | | 33 | | 129 |
| VII. Special losses | 49,462 | 11.0 | 5,202 | 1.0 | 44,259 |
| Loss on sales and disposal of fixed assets | 4,712 | | 483 | | 4,229 |
| Expenses for business integration | 20,936 | | - | | 20,936 |
| Loss on business restructuring | 12,600 | | 3,545 | | 9,055 |
| Extraordinary amortization of patents | 10,591 | | - | | 10,591 |
| Loss on disposition of corporate pension insurance specified assets | - | | 896 | | (896) |
| Other | 621 | | 276 | | 344 |
| Income before income taxes and minority interests | 70,618 | 15.8 | 103,236 | 20.2 | (32,618) |
| Income taxes – current | 37,329 | 8.4 | 36,100 | 7.1 | 1,228 |
| Income taxes – deferred | (1,714) | (0.4) | 6,881 | 1.4 | (8,596) |
| Minority interests | 1,286 | 0.3 | 196 | 0.0 | 1,089 |
| Net income | ¥ 33,717 | 7.5 | ¥ 60,057 | 11.7 | ¥(26,340) |

Astellas Pharma Inc. (former Yamanouchi)

(3) Consolidated Statements of Capital Surplus and Retained Earnings

(All amounts are in millions of yen and amounts less than one million have been omitted.)

| Accounts | (A) For the year ended March 31, 2005 | (B) For the year ended March 31, 2004 | Fluctuation (A) - (B) |
|---|---|---|--------------------------|
| Capital surplus | | | |
| I. Capital surplus at beginning of the year | ¥113,684 | ¥113,684 | ¥ - |
| II. Increase in capital surplus | | | |
| Conversion of convertible bonds | 730 | - | 730 |
| III. Capital surplus at end of the year | 114,414 | 113,684 | 730 |
| Retained earnings | | | |
| I. Retained earnings at beginning of the year | 616,112 | 566,088 | 50,023 |
| II. Increase in retained earnings | 34,708 | 60,057 | (25,349) |
| Net income | 33,717 | 60,057 | (26,340) |
| Increase due to inclusion in consolidation | 990 | - | 990 |
| III. Decrease in retained earnings | 10,302 | 10,033 | 268 |
| Cash dividends | 10,210 | 9,932 | 278 |
| Bonuses to directors | 80 | 88 | (8) |
| Bonuses to corporate auditors | 12 | 13 | (1) |
| IV. Retained earnings at end of the year | ¥640,517 | ¥616,112 | ¥ 24,405 |

Astellas Pharma Inc. (former Yamanouchi)

(4) Consolidated Statements of Cash Flows

(All amounts are in millions of yen and amounts less than one million have been omitted.)

| Accounts | (A) For the year ended March 31, 2005 | (B) For the year ended March 31, 2004 | Fluctuation (A) - (B) |
|--|---|---|--------------------------|
| I. Cash flows from operating activities | | | |
| Income before income taxes and minority interests | ¥ 70,618 | ¥103,236 | ¥(32,618) |
| Depreciation and amortization | 17,351 | 25,116 | (7,765) |
| Amortization of excess of cost over net assets acquired | 96 | 1 | 95 |
| Extraordinary amortization of patents | 10,591 | - | 10,591 |
| Gain on sales of investment securities | (5,722) | (8,115) | 2,392 |
| Gain on sales of subsidiaries' shares | (2,597) | - | (2,597) |
| Gain on sales of other investments | - | (261) | 261 |
| Net loss (gain) on sales and disposal of property, plant and equipment | 3,271 | (23) | 3,295 |
| Decrease in allowance for doubtful receivables | (202) | (666) | 463 |
| Decrease in accrued retirement benefits | (12,935) | (2,648) | (10,286) |
| Interest and dividend income | (4,450) | (2,932) | (1,518) |
| Equity in losses (earnings) of affiliates | 725 | (666) | 1,391 |
| Interest expense | 780 | 552 | 227 |
| Exchange loss (gain) | 181 | (99) | 281 |
| (Increase) decrease in trade receivables | (13,929) | 1,350 | (15,279) |
| Decrease (increase) in inventories | 7,016 | (1,909) | 8,926 |
| Decrease in trade payables | (3,235) | (2,767) | (467) |
| (Increase) decrease in other accounts receivable | (2,379) | 134 | (2,513) |
| Increase in other accounts payable | 4,789 | 1,596 | 3,193 |
| Payments of bonuses to directors | (92) | (103) | 11 |
| Other | 6,183 | (919) | 7,103 |
| Subtotal | 76,060 | 110,872 | (34,812) |
| Interest and dividends received | 4,462 | 2,902 | 1,559 |
| Interest paid | (799) | (638) | (161) |
| Income taxes paid | (31,134) | (69,759) | 38,625 |
| Net cash provided by operating activities | 48,588 | 43,376 | 5,211 |
| II. Cash flows from investing activities | | | |
| Purchases of marketable securities | (21,410) | (14,266) | (7,143) |
| Proceeds from sales of marketable securities | 25,898 | 8,277 | 17,621 |
| Purchases of property, plant and equipment | (8,656) | (12,133) | 3,477 |
| Proceeds from sales of property, plant and equipment | 2,620 | 3,815 | (1,195) |
| Acquisition of intangible fixed assets | (6,334) | (4,270) | (2,064) |
| Purchases of investment securities | (2,204) | (7,415) | 5,211 |
| Proceeds from sales of investment securities | 10,492 | 16,886 | (6,393) |
| Additional acquisition of shares of consolidated subsidiaries | (293) | - | (293) |
| Proceeds from sales of shares of subsidiaries' stock resulting in changes in the scope of consolidation | 37,085 | - | 37,085 |
| Proceeds from sales of subsidiaries' shares | 2,962 | - | 2,962 |
| Loans receivable made | (219) | (452) | 232 |
| Collection of loans receivable | 508 | 280 | 228 |
| Increase in other short-term investments | (1,159) | (571) | (587) |
| Other | 7,670 | (2,992) | 10,663 |
| Net cash provided by (used in) investing activities | 46,959 | (12,844) | 59,804 |
| III. Cash flows from financing activities | | | |
| Net decrease in short-term loans payable | (800) | (100) | (700) |
| Repayment of long-term loans payable | (400) | (1,004) | 604 |
| Purchase of treasury stock | (12,581) | (39) | (12,542) |
| Cash dividends paid | (10,210) | (9,932) | (278) |
| Cash dividends paid to minority shareholders | (6) | (138) | 131 |
| Other | (692) | (3) | (689) |
| Net cash used in financing activities | (24,691) | (11,218) | (13,473) |
| IV. Effects of exchange rate changes on cash and cash equivalents | 4,096 | (4,965) | 9,061 |
| V. Increase in cash and cash equivalents | 74,952 | 14,348 | 60,604 |
| VI. Increase in cash and cash equivalents due to inclusion in consolidation | 3,024 | - | 3,024 |
| VII. Cash and cash equivalents at beginning of the year | 345,501 | 331,152 | 14,348 |
| VIII. Cash and cash equivalents at end of the year | ¥423,478 | ¥345,501 | ¥ 77,977 |

(Retirement Benefits)

| Current fiscal year (For the year ended March 31, 2005) | Prior fiscal year (For the year ended March 31, 2004) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-----------|-------------------------------|--------|------------------------------------|---------|--|----------|---|--------|--|----------|-------|--|--|----------|---------------------------|-----|--|------------------|---|-------------------|-------|------------------------------------|---|--|-----------|--|--------|-----------|-------|--|----------|---|---------|--|---------|-------|--|--|----------|---------------------------|-------|-------|--|---|-----------|-------|--|
| <p>1. Description of retirement benefit plans</p> <p>The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., tax-qualified plans and lump-sum payment plans.</p> <p>Certain foreign consolidated subsidiaries have defined benefit plans and defined contribution plans.</p> | <p>1. Description of retirement benefit plans</p> <p style="text-align: center;">Same as left.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>2. Funded status of retirement benefit obligation (As of March 31, 2005)</p> <p style="text-align: right;"><i>(Millions of yen)</i></p> | <p>2. Funded status of retirement benefit obligation (As of March 31, 2004)</p> <p style="text-align: right;"><i>(Millions of yen)</i></p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">(1) Retirement benefit obligation</td> <td style="text-align: right;">¥(85,970)</td> </tr> <tr> <td>(2) Plan assets at fair value</td> <td style="text-align: right;">58,327</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>(3) Unfunded retirement benefit obligation (1)+(2)</td> <td style="text-align: right;">(27,643)</td> </tr> <tr> <td>(4) Unrecognized actuarial gain or loss</td> <td style="text-align: right;">14,869</td> </tr> <tr> <td>(5) Unrecognized prior service cost (a reduction of liability)</td> <td style="text-align: right;">(10,433)</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>(6) Net retirement benefit obligation recognized in the consolidated balance sheet (3)+(4)+(5)</td> <td style="text-align: right;">(23,206)</td> </tr> <tr> <td>(7) Prepaid pension costs</td> <td style="text-align: right;">199</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>(8) Accrued retirement benefits (6)-(7)</td> <td style="text-align: right;">¥(23,406)</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> </table> | (1) Retirement benefit obligation | ¥(85,970) | (2) Plan assets at fair value | 58,327 | <hr/> | | (3) Unfunded retirement benefit obligation (1)+(2) | (27,643) | (4) Unrecognized actuarial gain or loss | 14,869 | (5) Unrecognized prior service cost (a reduction of liability) | (10,433) | <hr/> | | (6) Net retirement benefit obligation recognized in the consolidated balance sheet (3)+(4)+(5) | (23,206) | (7) Prepaid pension costs | 199 | <hr/> | | (8) Accrued retirement benefits (6)-(7) | ¥(23,406) | <hr/> | | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">(1) Retirement benefit obligation</td> <td style="text-align: right;">¥(96,487)</td> </tr> <tr> <td>(2) Plan assets at fair value</td> <td style="text-align: right;">59,140</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>(3) Unfunded retirement benefit obligation (1)+(2)</td> <td style="text-align: right;">(37,346)</td> </tr> <tr> <td>(4) Unrecognized actuarial gain or loss</td> <td style="text-align: right;">13,000</td> </tr> <tr> <td>(5) Unrecognized prior service cost (a reduction of liability)</td> <td style="text-align: right;">(7,768)</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>(6) Net retirement benefit obligation recognized in the consolidated balance sheet (3)+(4)+(5)</td> <td style="text-align: right;">(32,115)</td> </tr> <tr> <td>(7) Prepaid pension costs</td> <td style="text-align: right;">4,258</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>(8) Accrued retirement benefits (6)-(7)</td> <td style="text-align: right;">¥(36,374)</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> </table> | (1) Retirement benefit obligation | ¥(96,487) | (2) Plan assets at fair value | 59,140 | <hr/> | | (3) Unfunded retirement benefit obligation (1)+(2) | (37,346) | (4) Unrecognized actuarial gain or loss | 13,000 | (5) Unrecognized prior service cost (a reduction of liability) | (7,768) | <hr/> | | (6) Net retirement benefit obligation recognized in the consolidated balance sheet (3)+(4)+(5) | (32,115) | (7) Prepaid pension costs | 4,258 | <hr/> | | (8) Accrued retirement benefits (6)-(7) | ¥(36,374) | <hr/> | |
| (1) Retirement benefit obligation | ¥(85,970) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) Plan assets at fair value | 58,327 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (3) Unfunded retirement benefit obligation (1)+(2) | (27,643) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (4) Unrecognized actuarial gain or loss | 14,869 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (5) Unrecognized prior service cost (a reduction of liability) | (10,433) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (6) Net retirement benefit obligation recognized in the consolidated balance sheet (3)+(4)+(5) | (23,206) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (7) Prepaid pension costs | 199 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (8) Accrued retirement benefits (6)-(7) | ¥(23,406) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (1) Retirement benefit obligation | ¥(96,487) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) Plan assets at fair value | 59,140 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (3) Unfunded retirement benefit obligation (1)+(2) | (37,346) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (4) Unrecognized actuarial gain or loss | 13,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (5) Unrecognized prior service cost (a reduction of liability) | (7,768) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (6) Net retirement benefit obligation recognized in the consolidated balance sheet (3)+(4)+(5) | (32,115) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (7) Prepaid pension costs | 4,258 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (8) Accrued retirement benefits (6)-(7) | ¥(36,374) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>(Note) Certain subsidiaries adopted a simplified method in the calculation of their retirement benefit obligation.</p> | <p>(Note) Same as left.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>3. Components of retirement benefit expenses</p> <p style="text-align: right;"><i>(Millions of yen)</i></p> | <p>3. Components of retirement benefit expenses</p> <p style="text-align: right;"><i>(Millions of yen)</i></p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">(1) Service cost</td> <td style="text-align: right;">¥ 4,042</td> </tr> <tr> <td>(2) Interest cost</td> <td style="text-align: right;">2,694</td> </tr> <tr> <td>(3) Expected return on plan assets</td> <td style="text-align: right;">(1,473)</td> </tr> <tr> <td>(4) Amortization of actuarial gain or loss</td> <td style="text-align: right;">559</td> </tr> <tr> <td>(5) Amortization of prior service cost</td> <td style="text-align: right;">(659)</td> </tr> <tr> <td>(6) Other</td> <td style="text-align: right;">15,404</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>(7) Retirement benefit expenses</td> <td style="text-align: right;">¥20,566</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> </table> | (1) Service cost | ¥ 4,042 | (2) Interest cost | 2,694 | (3) Expected return on plan assets | (1,473) | (4) Amortization of actuarial gain or loss | 559 | (5) Amortization of prior service cost | (659) | (6) Other | 15,404 | <hr/> | | (7) Retirement benefit expenses | ¥20,566 | <hr/> | | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">(1) Service cost</td> <td style="text-align: right;">¥ 4,493</td> </tr> <tr> <td>(2) Interest cost</td> <td style="text-align: right;">3,238</td> </tr> <tr> <td>(3) Expected return on plan assets</td> <td style="text-align: right;">(1,931)</td> </tr> <tr> <td>(4) Amortization of actuarial gain or loss</td> <td style="text-align: right;">990</td> </tr> <tr> <td>(5) Amortization of prior service cost</td> <td style="text-align: right;">(326)</td> </tr> <tr> <td>(6) Other</td> <td style="text-align: right;">3,847</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>(7) Retirement benefit expenses</td> <td style="text-align: right;">¥10,311</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> </table> | (1) Service cost | ¥ 4,493 | (2) Interest cost | 3,238 | (3) Expected return on plan assets | (1,931) | (4) Amortization of actuarial gain or loss | 990 | (5) Amortization of prior service cost | (326) | (6) Other | 3,847 | <hr/> | | (7) Retirement benefit expenses | ¥10,311 | <hr/> | | | | | | | | | | | | | |
| (1) Service cost | ¥ 4,042 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) Interest cost | 2,694 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (3) Expected return on plan assets | (1,473) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (4) Amortization of actuarial gain or loss | 559 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (5) Amortization of prior service cost | (659) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (6) Other | 15,404 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (7) Retirement benefit expenses | ¥20,566 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (1) Service cost | ¥ 4,493 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) Interest cost | 3,238 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (3) Expected return on plan assets | (1,931) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (4) Amortization of actuarial gain or loss | 990 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (5) Amortization of prior service cost | (326) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (6) Other | 3,847 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (7) Retirement benefit expenses | ¥10,311 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>(Notes) 1. Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in "Service cost."</p> <p>2. Special retirement benefits are included in "Other."</p> | <p>(Notes) 1. Same as left.</p> <p>2. Same as left.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Astellas Pharma Inc. (former Yamanouchi)

| Current fiscal year (For the year ended March 31, 2005) | Prior fiscal year (For the year ended March 31, 2004) |
|--|--|
| <p>4. Assumptions used in accounting for the retirement benefit obligation (As of March 31, 2005)</p> <p>(1) Attribution of retirement benefit obligation Straight-line method over the estimated years of services of the eligible employees</p> <p>(2) Discount rates 2.0~6.3%</p> <p>(3) Expected rates of return on plan assets 1.6~9.0%</p> <p>(4) Amortization period of prior service cost Prior service cost is being amortized as incurred by the straight-line method over the average remaining years of services of the employees (13 years to 16 years).</p> <p>(5) Amortization period of actuarial gain or loss Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized by the straight-line method over the average remaining years of services of the employees (15 years to 17 years). Certain foreign consolidated subsidiaries have adopted the corridor approach for the amortization of actuarial gain or loss.</p> | <p>4. Assumptions used in accounting for the retirement benefit obligation (As of March 31, 2004)</p> <p>(1) Attribution of retirement benefit obligation Straight-line method over the estimated years of services of the eligible employees</p> <p>(2) Discount rates 2.5~6.3%</p> <p>(3) Expected rates of return on plan assets Same as left.</p> <p>(4) Amortization period of prior service cost Same as left</p> <p>(5) Amortization period of actuarial gain or loss Same as left.</p> |

Astellas Pharma Inc. (former Yamanouchi)

(Tax-Effect Accounting)

| Current fiscal year (As of March 31, 2005) | | Prior fiscal year (As of March 31, 2004) | |
|--|--------------------------|--|--------------------------|
| 1. Significant components of deferred tax assets and liabilities | <i>(Millions of yen)</i> | 1. Significant components of deferred tax assets and liabilities | <i>(Millions of yen)</i> |
| Deferred tax assets | | Deferred tax assets | |
| Loss on devaluation of investments in securities | ¥ 3,044 | Loss on devaluation of investments in securities | ¥ 3,191 |
| Accrued retirement benefits | 7,699 | Accrued retirement benefits | 12,897 |
| Depreciation | 10,838 | Depreciation | 9,430 |
| Accrued expenses | 7,572 | Accrued expenses | 7,112 |
| Inventories | 6,932 | Inventories | 7,202 |
| Accrued enterprise tax | 1,479 | Accrued enterprise tax | 2,070 |
| Other | 41,818 | Other | 20,471 |
| Total gross deferred tax assets | 79,385 | Total gross deferred tax assets | 62,377 |
| Valuation allowance | (15,756) | Valuation allowance | (1,308) |
| Total deferred tax assets | 63,628 | Total deferred tax assets | 61,068 |
| Deferred tax liabilities | | Deferred tax liabilities | |
| Unrealized holding gain on securities | (8,096) | Unrealized holding gain on securities | (9,616) |
| Depreciation | (798) | Depreciation | (5,597) |
| Other | (4,227) | Advance received | (3,447) |
| Total deferred tax liabilities | (13,122) | Inventories | (1,036) |
| Net deferred tax assets | ¥ 50,506 | Accrued retirement benefits | (1,435) |
| | | Other | (869) |
| | | Total deferred tax liabilities | (22,002) |
| | | Net deferred tax assets | ¥ 39,066 |
| 2. The reconciliation between the effective tax rate reflected in the consolidated financial statements and the statutory tax rate is summarized as follows: | | 2. The reconciliation between the effective tax rate reflected in the consolidated financial statements and the statutory tax rate is summarized as follows: | |
| | (%) | | |
| Domestic statutory tax rate | 41.0 | Because the difference between the effective tax rate after adoption of tax-effect accounting and the statutory tax rate is less than 5% of the statutory tax rate, the reconciliation was omitted. The statutory tax rate and the effective tax rate after adoption of tax-effect accounting are 41.7% and 41.6%, respectively. | |
| (Reconciliation) | | | |
| Tax deduction for research expenses | (7.6) | | |
| Permanently nondeductible expenses such as entertainment expenses | 2.7 | | |
| Different tax rates applied to foreign subsidiaries | 12.0 | | |
| Change in valuation allowance | 4.0 | | |
| Other | (1.7) | | |
| Effective tax rate after adoption of tax-effect accounting | 50.4 | | |

Astellas Pharma Inc. (former Yamanouchi)

(Segment Information)

Business segment information

Current fiscal year (For the year ended March 31, 2005)

(Millions of yen)

| | Pharmaceuticals and related products | Other | Total | Eliminations | Consolidated |
|---|--|---------|----------|--------------|--------------|
| 1. Sales and operating income | | | | | |
| Sales | | | | | |
| (1) Sales to third parties | ¥443,313 | ¥ 3,737 | ¥447,051 | - | ¥447,051 |
| (2) Intergroup sales and transfers | 6 | 4,662 | 4,669 | ¥ (4,669) | - |
| Total | 443,320 | 8,400 | 451,720 | (4,669) | 447,051 |
| Operating expenses | 335,825 | 7,320 | 343,146 | (4,984) | 338,161 |
| Operating income | ¥107,494 | ¥ 1,080 | ¥108,574 | ¥ 315 | ¥108,889 |
| 2. Assets, depreciation and capital expenditures | | | | | |
| Total assets | ¥864,668 | ¥59,982 | ¥924,650 | ¥(11,087) | ¥913,562 |
| Depreciation | 15,661 | 1,689 | 17,351 | - | 17,351 |
| Capital expenditures | 16,836 | 420 | 17,257 | - | 17,257 |

(Notes) 1. Business segments are determined based on their proximity in terms of distribution methods, the nature and types of the products sold, and the manufacturing methods.

2. Major products in each business segment are as follows:

| Business segment | Major products |
|---|--|
| Pharmaceuticals and related products | Ethical pharmaceuticals, over-the-counter drugs for drugstores |
| Other | Real estate, other |

3. The Company sold all of its shares of subsidiaries in Japan and the U.S. which engage in nutritional and personal care and food and roses businesses during the year ended March 31, 2005. Such transfer was accounted for as if it had taken place at the beginning of the current fiscal year.

Astellas Pharma Inc. (former Yamanouchi)

Prior fiscal year (For the year ended March 31, 2004)

(Millions of yen)

| | Pharmaceuticals and related products | Nutritional and personal care products | Food and roses | Other | Total | Eliminations | Consolidated |
|--|--------------------------------------|--|----------------|---------|----------|--------------|--------------|
| 1. Sales and operating income | | | | | | | |
| Sales | | | | | | | |
| (1) Sales to third parties | ¥421,543 | ¥28,829 | ¥59,031 | ¥ 1,804 | ¥511,207 | – | ¥511,207 |
| (2) Intergroup sales and transfers | 181 | 15 | – | 5,149 | 5,346 | ¥ (5,346) | – |
| Total | 421,724 | 28,844 | 59,031 | 6,953 | 516,554 | (5,346) | 511,207 |
| Operating expenses | 328,275 | 25,798 | 58,195 | 3,712 | 415,981 | (5,733) | 410,247 |
| Operating income | ¥ 93,449 | ¥ 3,046 | ¥ 835 | ¥ 3,241 | ¥100,572 | ¥ 387 | ¥100,960 |
| 2. Assets, depreciation and capital expenditures | | | | | | | |
| Total assets | ¥814,192 | ¥40,130 | ¥31,388 | ¥47,554 | ¥933,265 | ¥(30,567) | ¥902,698 |
| Depreciation | 19,113 | 2,427 | 1,869 | 1,705 | 25,116 | – | 25,116 |
| Capital expenditures | 12,634 | 1,407 | 1,711 | 405 | 16,159 | – | 16,159 |

(Notes) 1. Business segments are determined based on their proximity in terms of distribution methods, the nature and types of the products sold, and the manufacturing methods.

2. Major products in each business segment are as follows:

| Business segment | Major products |
|--|--|
| Pharmaceuticals and related products | Ethical pharmaceuticals, over-the-counter drugs for drugstores |
| Nutritional and personal care products | Nutritional products, skin care products, make-up, hair/body care products, dental care products, home cleaning products |
| Food and roses | Fruits, cakes, chocolates, roses, grasses and flowers, gardening items |
| Other | Real estate, other |

3. As explained in “Significant subsequent events”, the Company sold all shares of its subsidiaries engaged in the nutritional and personal care business on May 28, 2004, and sold all shares of its subsidiaries engaged in the food and roses business on June 18, 2004.

Astellas Pharma Inc. (former Yamanouchi)

Geographical segment information

Current fiscal year (For the year ended March 31, 2005)

(Millions of yen)

| | Japan | North America | Europe | Asia | Total | Eliminations | Consolidated |
|------------------------------------|----------|---------------|----------|--------|----------|--------------|--------------|
| 1. Sales and operating income | | | | | | | |
| Sales | | | | | | | |
| (1) Sales to third parties | ¥310,388 | ¥ 8,713 | ¥120,472 | ¥7,476 | ¥447,051 | - | ¥447,051 |
| (2) Intergroup sales and transfers | 40,389 | 19,567 | 4,279 | 48 | 64,286 | ¥(64,286) | - |
| Total | 350,777 | 28,281 | 124,752 | 7,525 | 511,337 | (64,286) | 447,051 |
| Operating expenses | 244,083 | 29,654 | 120,907 | 6,536 | 401,182 | (63,020) | 338,161 |
| Operating income (loss) | ¥106,693 | ¥ (1,372) | ¥ 3,845 | ¥ 988 | ¥110,155 | ¥ (1,265) | ¥108,889 |
| 2. Total assets | ¥680,853 | ¥87,428 | ¥146,657 | ¥9,030 | ¥923,970 | ¥(10,407) | ¥913,562 |

(Notes) 1. Countries and areas are segmented based on their geographical proximity.

2. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America -- The United States
- (2) Europe ----- The Netherlands, The Republic of Ireland, The United Kingdom
- (3) Asia ----- The Peoples' Republic of China, Korea, Taiwan

3. The Company sold all of its shares of subsidiaries in Japan and the U.S. which engage in nutritional and personal care and food and roses businesses during the year ended March 31, 2005. Such transfer was accounted for as if it had taken place at the beginning of the current fiscal year.

Astellas Pharma Inc. (former Yamanouchi)

Prior fiscal year (For the year ended March 31, 2004)

(Millions of yen)

| | Japan | North America | Europe | Asia | Total | Eliminations | Consolidated |
|------------------------------------|----------|---------------|-----------|--------|----------|--------------|--------------|
| 1. Sales and operating income | | | | | | | |
| Sales | | | | | | | |
| (1) Sales to third parties | ¥323,883 | ¥79,209 | ¥ 106,041 | ¥2,073 | ¥511,207 | – | ¥511,207 |
| (2) Intergroup sales and transfers | 33,343 | 15,549 | 4,171 | 122 | 53,186 | ¥(53,186) | – |
| Total | 357,226 | 94,759 | 110,213 | 2,196 | 564,394 | (53,186) | 511,207 |
| Operating expenses | 262,490 | 97,746 | 102,816 | 2,026 | 465,079 | (54,831) | 410,247 |
| Operating income (loss) | ¥ 94,736 | ¥ (2,987) | ¥ 7,396 | ¥ 169 | ¥ 99,315 | ¥ 1,644 | ¥100,960 |
| 2. Total assets | ¥689,573 | ¥93,706 | ¥144,012 | ¥4,089 | ¥931,383 | ¥(28,684) | ¥902,698 |

(Notes) 1. Countries and areas are segmented based on their geographical proximity.

2. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America -- The United States, Canada
- (2) Europe ----- The Netherlands, The Republic of Ireland, The United Kingdom
- (3) Asia ----- The Peoples' Republic of China

3. As explained in “Significant subsequent events”, the Company sold all shares of its subsidiaries engaged in the nutritional and personal care business on May 28, 2004, and sold all shares of its subsidiaries engaged in the food and roses business on June 18, 2004.

Astellas Pharma Inc. (former Yamanouchi)

(Overseas Sales)

Current fiscal year (For the year ended March 31, 2005)

| | North America | Europe | Asia | Other | Total |
|---|---------------|---------|---------|--------|----------|
| 1. Overseas sales (<i>Millions of yen</i>) | ¥42,116 | ¥88,552 | ¥10,380 | ¥3,695 | ¥144,745 |
| 2. Consolidated net sales (<i>Millions of yen</i>) | | | | | ¥447,051 |
| 3. Overseas sales as a percentage of consolidated net sales | 9.4% | 19.8% | 2.3% | 0.9% | 32.4% |

(Notes) 1. Countries and areas are segmented based on their geographical proximity.

2. Major countries and areas in each segment are as follows:

- (1) North America -- The United States, Canada
- (2) Europe ----- France, Germany, The United Kingdom, Italy
- (3) Asia ----- Taiwan, The Peoples' Republic of China, Korea

3. Overseas sales consist of export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

4. The Company sold all of its shares of subsidiaries in Japan and the U.S. which engage in nutritional and personal care and food and roses businesses during the year ended March 31, 2005. Such transfer was accounted for as if it had taken place at the beginning of the current fiscal year.

Prior fiscal year (For the year ended March 31, 2004)

| | North America | Europe | Asia | Other | Total |
|---|---------------|---------|--------|--------|----------|
| 1. Overseas sales (<i>Millions of yen</i>) | ¥110,758 | ¥76,210 | ¥7,423 | ¥1,934 | ¥196,326 |
| 2. Consolidated net sales (<i>Millions of yen</i>) | | | | | ¥511,207 |
| 3. Overseas sales as a percentage of consolidated net sales | 21.7% | 14.9% | 1.5% | 0.3% | 38.4% |

(Notes) 1. Countries and areas are segmented based on their geographical proximity.

2. Major countries and areas in each segment are as follows:

- (1) North America -- The United States, Canada
- (2) Europe ----- France, Germany, The United Kingdom, Italy
- (3) Asia ----- Taiwan, The Peoples' Republic of China, Korea

3. Overseas sales consist of export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

4. As explained in "Significant subsequent events", the Company sold all shares of its subsidiaries engaged in the nutritional and personal care business on May 28, 2004, and sold all shares of its subsidiaries engaged in the food and roses business on June 18, 2004.

(Significant subsequent events)

- For the year ended March 31, 2005

Merger with Fujisawa Pharmaceutical Co., Ltd. (“Fujisawa”)

Pursuant to the resolution made by general shareholders’ meeting of the Company and Fujisawa held on June 24, 2004 to approve the merger agreement, the Company merged with Fujisawa effective April 1, 2005 and changed its name to Astellas Pharma Inc.

The following summarizes the descriptions of the merger.

1. The Company issued 209,473,788 shares of common stock and allotted them to shareholders of Fujisawa registered in the shareholders register as of the day prior to the effective date of merger at the rate of one share of common stock of Fujisawa in exchange for 0.71 shares of the Company. Among the shares that were allotted to the shareholders of Fujisawa, 29 million shares were from the Company’s common stock in treasury. No share of the Company was allotted to Fujisawa’s common stock in treasury.
2. The Company will pay 11 yen per share as a cash payment upon the merger, in lieu of the dividend to be paid for the fiscal year ending March 2005 to the shareholders of Fujisawa, who were registered in the shareholders register as of the day prior to the effective date of merger as soon as the general shareholders meeting is held on June 24, 2005.
3. Following the merger, capital surplus, legal reserve and voluntary reserve of the Company increased by ¥59,897 million, ¥6,464 million and ¥210,782 million, respectively. As a result, capital surplus, legal reserve and voluntary reserve of the Company amounted to ¥174,311 million, ¥16,826 million and ¥772,884 million, respectively.
4. The assets acquired and liabilities assumed from Fujisawa were as follows:

| | |
|-------------------|--|
| Total assets | ¥491,505 million (current assets – ¥208,829 million and noncurrent assets – ¥282,675 million) |
| Total liabilities | ¥102,320 million (current liabilities – ¥95,067 million and noncurrent liabilities – ¥7,252 million) |

- For the year ended March 31, 2004

Conclusion of basic agreement to merge with Fujisawa Pharmaceutical Co., Ltd.

On May 24, 2004, the Company entered into a basic agreement to merge with Fujisawa Pharmaceutical Co., Ltd. and the Board of Directors of the Company approved a resolution concerning the merger on the same day. This agreement was subsequently approved at a Shareholders’ meeting held on June 24, 2004.

1. Objectives of the merger

With the growing pressure to control medical expenses in the major developed countries, intensifying global competition for the development of new drugs and rising R&D expenditures, the business environment surrounding the pharmaceutical industry has become increasingly challenging. Competition in the domestic market has intensified as well, characterized by the further implementation of medical cost control policies such as drug price cuts and market penetration by global pharmaceutical companies. Under these circumstances, in order to compete globally and achieve sustainable growth, it is necessary to increase R&D expenditures to create innovative new drugs, as well as to develop a stable global platform from which ever-increasing investment costs can be recouped.

Astellas Pharma Inc. (former Yamanouchi)

Based on this common understanding, Yamanouchi and Fujisawa have, for the same time, been considering a merger to enhance their core ethical pharmaceutical business and to succeed in a global arena where competition continues to intensify. Yamanouchi and Fujisawa reached an agreement on the basic terms of their merger.

The Combined Company aims to achieve economies of scale through the integration of R&D as well as through the synergies of the sales and marketing capabilities of both companies. Together they will stand as a completely new entity, neither Yamanouchi nor Fujisawa, achieving profitability through the establishment of more efficient operational structures. The Combined Company will strive to contribute to health of people all over the world, earning their respect as a global pharmaceutical company with excellent R&D, and sales and marketing capabilities of its own.

2. Structure of merger and the contents of the merger agreement

- (1) The Company will be designated as the surviving company and Fujisawa Pharmaceutical Co., Ltd. will be dissolved. The Company will change its name to “Astellas Pharma Inc.”
- (2) One share of common stock of Fujisawa Pharmaceutical Co., Ltd. will be exchanged for 0.71 shares of the New Company. Among the shares that are to be allotted to the shareholders of Fujisawa Pharmaceutical Co., Ltd., 29 million shares will be from the Company’s common stock in treasury, and the remainder will be newly issued.
- (3) The New Company will pay shareholders of Fujisawa Pharmaceutical Co., Ltd. as of the day prior to the effective date of merger, 11 yen per share as a cash payment upon the merger, in lieu of the dividend to be paid for the fiscal year ending March 2005. However, the amount to be paid may differ, subject to any changes in the assets, liabilities, or the financial conditions of Fujisawa or to economic environment.
- (4) The calculation period for the dividend on the newly issued shares will commence on April 1, 2005.
- (5) The anticipated increase in common stock, capital surplus, and the legal and voluntary reserves as a result of merger is as follows:
 - 1) Common stock: 0
 - 2) Capital surplus: The excess amount stipulated in Section 288-2-1-5 of the Commercial Code of Japan minus the 3) and 4) below.
 - 3) Legal reserve: The balance of the legal reserve of Fujisawa Pharmaceutical Co., Ltd. as of the date of the merger.
 - 4) Voluntary reserve: The balance of voluntary reserve of Fujisawa Pharmaceutical Co., Ltd. as of the date of the merger. The account and amount of the reserve will be decided after a discussion by both companies.

3. Schedule for the merger

- (1) The effective date of merger

April 1, 2005

- (2) Registration of merger

At the beginning of April 2005

The above schedule may be changed, due to the necessity of concluding merger proceedings after discussion by both companies.

4. Profile of Fujisawa Pharmaceutical Co., Ltd.

- (1) Location of head office: 3-4-7 Doshomachi, Chuo-ku, Osaka

- (2) Representative: Hatsuo Aoki, President and CEO

- (3) Capital: ¥38,594 million (as of March 31, 2004)

- (4) Main business: Manufacturing, marketing and import/export of pharmaceuticals, medical supplies and systems, and home care business, etc.

- (5) Consolidated operating results for the year ended March 31, 2004

Sales: ¥395.4 billion

Net profit: ¥41.4 billion

- (6) Consolidated balance sheet as of March 31, 2004

Total assets: ¥499.6 billion

Total liabilities: ¥123.1 billion

Total shareholders' equity: ¥375.9 billion

- (7) Number of employees as of March 31, 2004

Consolidated basis: 7,836

Non-consolidated basis: 3,645

The sale of shares of subsidiaries

In order to concentrate the Company's management resources in the pharmaceutical business, which is the core business of the Company, and to further strengthen the Company's business platform so that the Company can survive in the increasingly competitive global pharmaceutical environment, the Company resolved to sell all of its shares of subsidiaries which engage in the nutritional and personal care on May 28, 2004 and its shares of subsidiaries which engage in food and roses businesses on June 18, 2004. The selling price of those subsidiaries amounted to \$570 million in the aggregate.

I. Nutritional and personal care products business

1. Shaklee Japan K.K

- (1) Location: Japan

- (2) Description of business: Manufacture and sales of nutritional and personal care products

- (3) Business relationship with the Company: Royalty is paid to the Company

- (4) Purchasers: Activated Holdings LLC and RHJ Industrial Partners, LP

- (5) Number of shares to be transferred: 20,148 thousand shares

2. Shaklee Corporation

- (1) Location: U.S.A.
- (2) Description of business: Manufacture and sales of nutritional products
- (3) Business relationship with the Company: None
- (4) Purchasers: Activated Holdings LLC and RHJ Industrial Partners, LP
- (5) Number of shares to be transferred: 100 shares

3. INOBYS Ltd.

- (1) Location: U.S.A.
- (2) Description of business: Manufacture and sales of nutritional products
- (3) Business relationship with the Company: None
- (4) Purchasers: Activated Holdings LLC and RHJ Industrial Partners, LP
- (5) Number of shares to be transferred: 100 shares

II. Food and roses business

Bear Creek Corporation

- (1) Location: U.S.A.
- (2) Description of business: Manufacture, production and sales of food and roses
- (3) Business relationship with the Company: None
- (4) Purchasers: Wasserstein & Co., LP
- (5) Number of shares to be transferred: 1,000 shares