

Consolidated results

Selected Results

		billion yen		
		Mar 03	Mar 04	Mar 05
Net sales		795.2	818.7	862.0
	Y on Y Change (%)		3.0%	5.3%
	Ratio of Net sales			
Cost of Sales		266.7	269.6	279.3
	Y on Y Change (%)		1.1%	3.6%
	Ratio of Net sales	33.5%	32.9%	32.4%
Selling, general and administrative expenses		367.0	395.3	390.4
	Y on Y Change (%)		7.7%	-1.2%
	Ratio of Net sales	46.2%	48.3%	45.3%
Research and Development expenses		128.3	142.9	127.6
	Y on Y Change (%)		11.4%	-10.7%
	Ratio of Net sales	16.1%	17.5%	14.8%
Operating Income		161.4	153.7	192.2
	Y on Y Change (%)		-4.7%	25.0%
	Ratio of Net sales	20.3%	18.8%	22.3%
Ordinary Income		159.8	153.6	194.2
	Y on Y Change (%)		-3.9%	26.4%
	Ratio of Net sales	20.1%	18.8%	22.5%
Net Income		86.1	98.8	59.5
	Y on Y Change (%)		14.8%	-39.8%
	Ratio of Net sales	10.8%	12.1%	6.9%

Forecast

Mar 06 1H	Mar 06
423.0	885.0
-0.4%	2.7%

64.0	135.0
3.5%	5.8%
15.1%	15.3%
94.0	195.0
-4.7%	1.4%
22.2%	22.0%
97.0	199.0
-3.7%	2.5%
22.9%	22.5%
49.0	104.0
3.5%	74.7%
11.6%	11.8%

-The results of "Nutritional and Personal Care Products" and "Food and Roses" are not included in Mar 03 and 04.

-Sales and operating income for 2H/FY2004 of Zepharma Inc. are not included due to equity method accounting.

-Extra shipment at the end of March in preparation for a temporary stop of the ordering/distribution system in April following the merger contributed to sales and operating income, 11.9 bil yen and 7.3 bil yen, respectively. Forecasts for Mar. 06 include the negative impacts due to the shipment.

- Expected exchange rates for FY2005: 105yen/USD, 135/EUR

Summarized Balance Sheet

		Mar 05
Total Assets		1,469.7
Assets		
	Current Assets	961.7
	Cash and Cash Equivalent	405.3
	Other	556.3
	Tangible Fixed Assets	222.6
	Intangible Fixed Assets	35.6
	Investments and Other	249.7
Liabilities		
	Current Liabilities	243.6
	Long-term Assets	72.5
Minority Interest		1.7
Stockholders' Equity		
	Capital Stock	100.4
	Other	1,051.3

		Mar 05
The number of share issued (thousand)		571,428
Earnings per share (Yen)		
Dividend per share (Yen)		
DOE (%)		1.5

Forecast

Mar 06
571,428
183.50
60
About 3%

Detailed Information for Operating Results

		Mar 05
Net Sales		862.0
Cost of Sales		279.3
	Ratio of Net sales	32.4%
Gross Profit		582.6
Selling, general and administrative expenses		390.4
	Ratio of Net sales	45.3%
Reserch and Development expenses		127.6
Operating Income		192.2
	Ratio of Net sales	22.3%
Non Operating Income		13.1
Non Operating Expenses		11.1
Ordinary Income		194.2
	Ratio of Net sales	22.5%
Special Gain		9.9
Special Loss		88.9
Merger Cost		60.3
Other		28.5
Income before Income Taxes		115.2
Income Taxes		54.3
Net Income		59.5
	Ratio of Net sales	6.9%

billion yen

Forecast

Mar 06 1H	Change(%)	Mar 06	Change(%)
423.0	-0.4%	885.0	2.7%

64.0	3.5%	135.0	5.8%
94.0	-4.7%	195.0	1.4%
22.2%		22.0%	

97.0	-3.7%	199.0	2.5%
22.9%		22.5%	

49.0	3.5%	104.0	74.7%
11.6%		11.8%	

Segment Information by Business

		Mar 05	
Sales	Consolidated	862.0	
	Pharmaceutical	841.8	
		Ratio of Net sales	97.7%
	Other	20.1	
	Ratio of Net sales	2.3%	
Operating Cost Consolidated		192.2	

Mar 06 1H	Change(%)	Mar 06	Change(%)
423.0	-0.4%	885.0	2.7%
414.5	-0.1%	869.5	3.3%
98.0%		98.2%	
8.5	-12.7%	15.5	-23.2%
2.0%		1.8%	
94.0	-4.7%	195.0	1.4%

- Zepharm's results since Oct. 1 are not included in consolidated sales and operating income.

- Zepharm's sales in 2H FY2004: 12.6 bil yen, FY2005 forecast: 23.0 bil yen

- Sales of Rx business: FY2004:831.9 bil yen, 1H FY2005 forecast: 399.5 bil yen, FY2005 forecast: 846.5 bil yen

Segment Information by Area

		Mar 05
Sales		862.0
Japan		529.6
	Ratio of Net sales	61.4%
North America		129.7
	Ratio of Net sales	15.1%
Europe		186.4
	Ratio of Net sales	21.6%
Asia		16.2
	Ratio of Net sales	1.9%
Operating Income		192.2
Japan		161.1
	Ratio of Net sales	83.8%
North America		23.0
	Ratio of Net sales	12.0%
Europe		11.7
	Ratio of Net sales	6.1%
Asia		2.3
	Ratio of Net sales	1.2%
Eliminations		-6.1

Mar 06 1H	Change(%)	Mar 06	Change(%)
423.0	-0.4%	885.0	2.7%
246.5	-5.4%	517.5	-2.3%
58.3%		58.5%	
72.0	8.7%	150.0	15.6%
17.0%		16.9%	
96.0	6.7%	200.0	7.3%
22.7%		22.6%	
8.5	8.6%	17.5	7.9%
2.0%		2.0%	
94.0	-4.7%	195.0	1.4%

- US business development expenses 10.8 bil yen are accounted for in the Europe segment.

Overseas Sales

billion yen

		Mar 05
Overseas Sales		358.6
	Ratio of Net sales	41.6%
North America		172.2
	Ratio of Net sales	20.0%
Europe		154.8
	Ratio of Net sales	18.0%
Asia		31.5
	Ratio of Net sales	3.7%

Forecast

Mar 06	Change(%)
393.5	9.7%
44.5%	

Research and Development Expenses

		Mar 05
Research and Development Expenses		127.6
	Ratio of Net sales	14.8%
Parent		92.4

Mar 06 1H	Change(%)	Mar 06	Change(%)
64.0	3.5%	135.0	5.8%
15.1%		15.3%	
48.0	5.6%	98.0	6.0%

Addition to Property, Plant and Equipment

		Mar 05
Addition to Property, Plant and Equipment		
	Consolidated	24.0
	Parent	11.9
Depreciation(Tangible)		
	Consolidated	26.1
	Parent	12.9
Depreciation(Intangible)		
	Consolidated	8.7
	Parent	4.6

Mar 06	Change(%)
28.1	16.8%
14.7	23.0%
24.9	-4.8%
9.9	-23.5%
7.9	-9.8%
3.3	-28.3%

Employee

		Mar 06 Beginning
Total		15,500
Regional	Japan	9,500
	North America	1,700
	Europe	3,500
	Asia	900
MR	Global	4,700

Detailed Segment Information by Business

Pharmaceuticals

Sales of major Products

billion yen

	Mar 05
Harnal	135.9
Sales by Astellas	98.8
Japan	49.4
Europe	44.8
Asia and Other	4.5
Bulk and Royalties	37.0
Prograf	122.9
Sales by Astellas	118.0
Japan*	10.6
North America	63.6
Europe	38.5
Asia	5.4
Exports to third parties(Europe)	4.9
Protopic	21.5
Japan*	2.6
North America	12.9
Europe	5.5
Asia	0.4
Funguard/Mycamine	13.8
Japan*	13.8
North America	-
Vesicare	2.7
North America	1.1
Europe	1.5

Forecast

Mar 06 1H	Mar 06
68.2	136.9
48.0	96.6
23.4	47.0
22.3	44.8
2.3	4.8
20.3	40.3
65.0	133.2
62.5	128.2
6.3	13.7
33.6	68.2
19.5	40.1
3.0	6.1
2.5	5.0
11.5	25.0
1.4	3.0
6.9	14.5
2.9	6.8
0.3	0.6
8.5	18.3
7.4	16.0
1.1	2.3
6.0	17.2
3.2	10.0
2.8	7.2

*:Figures of FY2004 results are the amount of net sales. Figures of FY2005 forecasts are the amount of wholesale price.

	Mar 05
Lipitor	85.5
Gaster	77.2
Rx in Japan	73.1
Ga-D	42.0
Asia and Other	1.3
Bulk and Royalties	2.7
Adenoscan	33.1
Micardis	26.1
Cefzon	23.6
Japan*	17.8
Overseas(Exports to third parties)	5.8
Myslee	14.7
Japan*	13.3
Asia	1.3
Frاندol	13.4
Perdipine and Perdipine LA	13.1
Japan	10.5
Other	2.5
Seroquel	13.1
Intal	11.9
Vaccines	11.7
Japan	9.3
Luvox	8.8
Nivadil	7.6
Dogmatyl	7.6
Cefamezin	7.5
Cefspan	6.9
Targocid	6.4
Cibenol	4.8
Starsis	4.5
Hypoca	4.3
Japan	2.6
Europe	1.2
Asia	0.5
Nasea	4.0

Forecast	
Mar 06 1H	Mar 06
43.4	92.5
35.7	72.0
34.1	68.7
21.0	42.9
0.7	1.5
0.9	1.8
17.5	35.7
14.5	32.8
13.3	27.1
9.1	19.3
4.2	7.8
8.4	18.2
7.7	16.8
0.7	1.4
6.1	12.3
5.5	11.1
4.5	9.0
1.0	2.1
7.5	16.2
4.1	9.7
2.9	13.0
4.3	8.6
5.5	12.6
3.5	6.9
3.7	7.5
3.6	7.3
2.7	5.8
3.5	7.4
2.5	5.2
2.2	4.7
2.6	5.4
1.1	2.2
1.2	2.6
0.3	0.6
2.0	4.1

*:Figures of FY2004 results are the amount of net sales. Figures of FY2005 forecasts are the amount of wholesale price.

- Sales of Vaccines for FY2004 are sums of Yamanouchi and Fujisawa

-Extra shipment at the end of March in preparation for a temporary stop of the ordering/distribution systems in April following the merger contributed to sales and operating income, 11.9 bil yen and 7.3 bil yen, respectively. Forecasts for Mar. 06 include the negative impacts due to the shipment.

The impacts of the extra shipment on main products: Gaster 2.0 bil yen, Harnal 1.5 bil yen, Lipitor 3.0 bil yen, Micardis 2.0 bil yen

Harnal Forecast (billion yen)

	Mar 04	Mar 05	Mar 06	
			1H	
Japan	46.7	49.4	23.4	47.0
Europe	38.5 (€290M)	44.8 (€330M)	22.3 (€165M)	44.8 (€332M)
Asia and Other	2.4	4.5	2.3	4.8
Exports to third parties	34.5 (€260M)	37.0 (€273M)	20.3 (€150M)	40.3 (€298M)
Total	122.3	135.9	68.2	136.9

Prograf

	Mar 04	Mar 05	Mar 06	
			1H	
Japan	8.8	10.6	6.3	13.7
North America	55.6 (\$493M)	63.6 (\$591M)	33.6 (\$320M)	68.2 (\$649M)
Europe	32.6 (€245M)	38.5 (€283M)	19.5 (€144M)	40.1 (€297M)
Asia and Other	3.8	5.4	3.0	6.1
Exports to third parties	3.6 (€27M)	4.9 (€36M)	2.5 (€18M)	5.0 (€37M)
Total	104.4	122.9	65.0	133.2

Protopic

	Mar 04	Mar 05	Mar 06	
			1H	
Japan	2.4	2.6	1.4	3.0
North America	10.4 (\$92M)	12.9 (\$120M)	6.9 (\$66M)	14.5 (\$138M)
Europe	4.1 (€31M)	5.5 (€41M)	2.9 (€21M)	6.8 (€50M)
Asia and Other	0.4	0.4	0.3	0.6
Total	17.3	21.5	11.5	25.0

Funguard/Mycamine

	Mar 04	Mar 05	Mar 06	
			1H	
Japan	11.1	13.8	7.4	16.0
North America			1.1 (\$10M)	2.3 (\$22M)
Total	11.1	13.8	8.5	18.3

Vesicare

	Mar 04	Mar 05	Mar 06	
			1H	
North America		1.1 (\$11M)	3.2 (\$30M)	10.0 (\$95M)
Europe		1.5 (€11M)	2.8 (€20M)	7.2 (€53M)
Total		2.7	6.0	17.2

		Unit: M\$
		Mar 05
U.S.Holding		
Sales		1,206
	Prograf	591
	Adenoscan	307
	Protopic	120
	AmBisome	82
	Adenocard	17
	VESicare (Launched in Jan. 05)	11
	Mycamine(Launched in May. 05)	-

		Unit: M€
Astellas B.V.		
Sales		1,379
	Harnal	607
	Sales by Astellas	332
	Bulk and Royalty	274
	Prograf	319
	Sales by Astellas	283
	Exports to third parties	36
	Protopic	41
	Vesicare	16
	Eligard	10

		billion yen		
		Mar 05		
Zepharma		1H	2H	Total
Sales		9.8	12.6	22.4

- Figures for 1H FY2004: sums of OTC business of Yamanouchi and Fujisawa
- Figures for total FY2004: sums of 1H and 2H FY2004
- Figures for 2H FY2004 are not included in consolidated net sales of Yamanouchi and Fujisawa

		Forecast	
		Mar 06 1H	Mar 06
			1,429
		320	650
		167	340
		66	138
		32	67
		6	13
		30	95
		10	22

		Forecast	
			1,481
		315	631
		165	332
		150	299
		163	334
		145	297
		19	37
		21	51
		21	53
		8	25

		Forecast	
		Mar 06	
Zepharma		1H	2H
Sales		10.0	23.0

Parent Company

billion yen

	Mar 05
Sales	625.7
Cost of Sales	234.4
Ratio of Net sales	37.5%
Gross profit	391.2
Selling, general and administrative expenses	242.9
Ratio of Net sales	38.8%
Reserch and Development expenses	92.4
Operating Income	148.2
Ratio of Net sales	23.7%
Non Operating Income	28.3
Non Operating Expenses	7.1
Ordinary Income	169.5
Ratio of Net sales	27.1%
Special Gain	8.5
Special Loss	68.5
Merger Cost	45.7
Other	22.8
Income before Income Taxes	35.1
Income Taxes	-0.4
Net Income	74.8
Ratio of Net sales	12.0%

Forecast

Mar 06 1H	Mar 06
281.0	588.0
48.0	98.0
64.0	132.0
22.8%	22.4%
66.0	166.0
23.5%	28.2%
38.0	110.0
13.5%	18.7%

Exporting Sales

Exporting Sales	129.2
Royalty	29.6
Exporting ratio	20.7%

Sales of Parent company

	Mar 05
Rx	473.6
Exporting sales	129.2
OTC	9.8
Other	13.0

Mar 06 1H	Change(%)	Mar 06	Change(%)
214.7	-6.1%	454.0	-4.1%

Revised in November 2005			
(Figures before revised)			
Mar 06 1H	Change(%)	Mar 06	Change(%)
220.8	-3.5%	455.2	-3.9%

	billion yen
Yamanouchi	Mar 05
Lipitor	85.5
Gaster	73.1
DTablet	42.0
Harnal	49.4
Micardis	26.1
Frandol	13.4
Perdipine	10.5
Dorner	9.3
Starsis	4.5
Nasea	4.0
Farom (transferred since April 1, 2005)	2.7
Hypoca	2.6
Advaferon	1.7

Forecast	
Mar 06 1H	Mar 06
43.4	92.5
34.1	68.7
21.0	42.9
23.4	47.0
14.5	32.8
6.1	12.3
4.5	9.0
4.3	8.6
2.2	4.7
2.0	4.1
-	-
1.1	2.2
0.8	1.6

*The impacts of the extra shipment on main products: Gaster 2.0 bil yen, Harnal 1.5 bil yen, Lipitor 3.0 bil yen, Micardis 2.0 bil yen

	billion yen
Fujisawa	
Cefzon	17.8
Funguard	13.8
Myslee	13.3
Seroquel	13.1
Intal	11.9
Prograf	10.4
Luvax	8.8
Vaccines	8.3
Nivadil	7.6
Dogmatyl	7.6
Cefamezin	7.2
Targocid	6.4
Cibenol	4.8
Bolheal	3.7
Gramalil	3.6
Rescula (transferred since Oct. 1, 2004)	2.9
Albumin	2.5
Protopic	2.5
Lodopin	2.2
Ganaton	2.1
Colonel	2.1
Ketek	2.0
Cefspan	0.8

Forecast	
9.1	19.3
7.4	16.0
7.7	16.8
7.5	16.2
4.1	9.7
6.3	13.7
5.5	11.6
2.8	10.2
3.5	6.9
3.7	7.5
3.6	7.3
3.5	7.4
2.5	5.2
1.9	3.9
1.9	3.7
-	-
1.3	2.7
1.4	3.0
1.2	2.3
1.1	2.2
1.2	2.3
1.1	3.2
0.3	0.7