

1. Change in Accounting Policies

1) Consolidation

Number of Consolidation: Total 36

Increase : 3

Taiwan Yamanouchi Pharmaceutical Co., Ltd. Korea Yamanouchi Pharmaceutical Co., Ltd. Yamanouchi Pharma AE(GREECE)

Decrease : 26

Shaklee Corporation	Shaklee Philippines, Inc.	Bear Creek Direct Marketing, Inc.
Shaklee U.S., Inc.	Shaklee Argentina S.A.	Harry and David
Shaklee International, Inc.	Shaklee Far East, Inc.	Bear Creek Stores, Inc.
Shaklee Canada Inc.	Shaklee Produtos Naturais Ltda.	Jackson & Perkins Company
Shaklee (Asia) Inc.	Bear Creek Corporation	Bear Creek Operations, Inc.
Shaklee Mexico S.A. de C.V.	Bear Creek Orchards, Inc.	INOBY S Ltd.
Shaklee Products (Malaysia) Sdn.Bhd.	Jackson & Perkins Wholesale, Inc.	Golden Gate management Inc.
Shaklee (Thailand) Limited	Jackson & Perkins Operations, Inc.	Shaklee Japan Kabushiki Kaisha
Yamanouchi Pharma Eastern Europe B.V.	Yamanouchi Group Business LLC.	

* With respect to the nutritional products and personal care products business, as well as the food and roses business, the Company sold all the shares held by its U.S.subsidiary.

Number of Company under Equity Method: Total 2

Increase : 1

Zepharm Kabushiki Kaisha

2)Yamanouchi Brocades B.V. changed its appellation to Yamanouchi Europe Holding B.V.

Yamanouchi Consumer Inc. changed its appellation to Yamanouchi Consumer LLC.

2. Scope of Consolidation

Total:39(Parent Company, Consolidated Subsidiaries 36, Company under Equity Method:2)

	Pharmaceuticals	Other		
			Nutritional Products	Food and Roses
Japan 5	Yamanouchi Pharmaceutical Tohoku Yamanouchi 4	1		
Asia 3	Yamanouchi Pharmaceutical (China) Taiwan Yamanouchi Pharmaceutical Korea Yamanouchi Pharmaceutical 3			
Europe 24	Yamanouchi UK Yamanouchi Ireland Yamanouchi Europe 24			
U.S.A. 6	Yamanouchi Pharma America Yamanouchi Pharma Technologies Yamanouchi Venture Capital 5	1		
Other 1	1			
Total 39	37	2	0	0

Cautionary Statement re: Forward-Looking Information

These documents include 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 to market existing and new products effectively, interruptions in production, infringements of the company's intellectual property rights and the adverse outcome of material litigation.

3. Consolidated Results

Selected Results

Billion yen

	Mar 03	Mar 04	Mar 05	Change	Change (%)
Net Sales	506.6	511.2	447.0	-64.1	-12.5%
Y on Y Change (%)	5.3%	0.9%	-12.5%		
Cost of Sales	175.2	173.7	141.1	-32.6	-18.8%
Ratio of Net Sales	34.6%	34.0%	31.6%		
Selling, general and administrative expenses	225.6	236.4	196.9	-39.4	-16.7%
Ratio of Net Sales	44.5%	46.3%	44.0%		
Operating Income	105.6	100.9	108.8	7.9	7.9%
Ratio of Net Sales	20.9%	19.7%	24.4%		
Ordinary Income	103.7	98.3	110.1	11.7	12.0%
Ratio of Net Sales	20.5%	19.2%	24.6%		
Net Income	59.8	60.0	33.7	-26.3	-43.9%
Ratio of Net Sales	11.8%	11.7%	7.5%		

- The results of "Nutritional and Personal Care Products" and "Food and Roses" are not included in the results for FY2003 and FY2004.

The results of those business for FY 2003 are as follows; Net sales: 87.8 billion yen, Operating income: 3.8 billion yen

- Extra shipment at the end of Mar. in preparation for a temporary stop of the ordering/distributing system following the merger contributed net sales and operating income 9.3 billion yen and 5.9 billion yen, respectively.

The Impacts of the extra shipment on sales of main products; Gaster 2.0 bil. yen, Harnal 1.5 bil. yen, Lipitor 3.0 bil. yen and Micardis 2.0 bil. yen

Yen

Shareholders' Equity per Share	2,054.18	2,190.69	2,259.68	68.99
EPS	177.44	181.09	102.52	-78.57
EPS (Diluted)	174.69	179.46	101.72	-77.74
Dividend per Share	28.00	31.00	31.00	-
ROE	8.9%	8.6%	4.6%	
ROA	6.7%	6.7%	3.7%	

Exchange Rate

Yen/*Billion yen

Yen/USD	122	113	108	-6
Yen/EUR	121	133	135	-3
Effect on Net Sales*	5.9	-2.5	-0.0	
Effect on Operating Income*	3.5	3.8	0.3	
Effect on Ordinary Income*	3.5	3.4	0.2	
Effect on Net Income*	2.2	2.1	0.3	

Employees

Consolidated	9,278	9,062	7,223	-1,839
Non Consolidated	4,072	4,088	4,027	-61

4. Detailed Information for Operating Results

Billion yen

	Mar 03	Mar 04	Mar 05	Change	Change (%)
Net Sales	506.6	511.2	447.0	-64.1	-12.5%
Cost of Sales	175.2	173.7	141.1	-32.6	-18.8%
Ratio of Net Sales	34.6%	34.0%	31.6%		
Gross Profit	331.3	337.4	305.8	-31.5	-9.3%
Selling, general and administrative expenses	225.6	236.4	196.9	-39.4	-16.7%
Ratio of Net Sales	44.5%	46.3%	44.0%		
Advertising and sales promotional expenses	39.4	39.8	33.0	-6.7	-17.1%
Research and development expenses	66.8	70.0	58.8	-11.2	-16.0%
Personnel Expenses	68.8	70.4	59.1	-11.3	-16.1%
Other Expenses	50.4	56.0	45.9	-10.0	-18.0%
Operating Income	105.6	100.9	108.8	7.9	7.9%
Ratio of Net Sales	20.9%	19.7%	24.4%		
Non Operating Income	6.2	4.7	5.9	1.1	
Interest Income	2.3	1.9	3.7	1.7	
Dividend Income	0.8	0.9	0.7	-0.2	
Exchange Gain	-	-	0.5	0.5	
Other	3.0	1.8	0.9	-0.8	
Non Operating Expenses	8.2	7.3	4.6	-2.7	
Interest Expenses	0.5	0.5	0.7	0.2	
Exchange Loss	5.0	5.7	-	-5.7	
Other	2.5	1.0	3.8	2.8	
Ordinary Income	103.7	98.3	110.1	11.7	12.0%
Ratio of Net Sales	20.5%	19.2%	24.6%		
Special Gain	1.2	10.0	9.9	-0.1	
Gain on sales and disposal of fixed assets	0.5	0.5	1.4	0.9	
Indemnity received	-	1.1	-	-1.1	
Gain on Sales of Investment Securities of affiliates	-	-	2.5	2.5	
Gain on Sales of Investment Securities	-	8.1	5.7	-2.3	
Special Loss	11.7	5.2	49.4	44.2	
Loss on sales and disposal of fixed assets	0.1	0.4	4.7	4.2	
Extraordinary Depreciation of Intangible Fixed Assets	-	-	10.5	10.5	
Loss on Devaluation of Investment Securities	6.5	-	-	-	
Loss on business restructuring	4.8	3.5	12.6	9.0	
Merger Expense	-	-	20.9	20.9	
Income before Income Taxes	93.2	103.2	70.6	-32.6	
Income Tax - current	47.6	36.1	37.3	1.2	
Income Tax - deferred	-14.5	6.8	-1.7	-8.5	
Net Income	59.8	60.0	33.7	-26.3	-43.9%
Ratio of Net Sales	11.8%	11.7%	7.5%		

5. Segment Information by Business

Billion yen

		Mar 03	Mar 04	Mar 05	Change	Change (%)
Net Sales		506.6	511.2	447.0	-64.1	-12.5%
Pharmaceuticals and Related Products		411.3	421.5	443.3	21.7	5.2%
Ratio of Net Sales		81.2%	82.5%	99.2%		
Nutritional and Personal Care Products		30.6	28.8	-	-28.8	
Ratio of Net Sales		6.0%	5.6%	-		
Food and Roses		62.8	59.0	-	-59.0	
Ratio of Net Sales		12.4%	11.5%	-		
Other		1.8	1.8	3.7	1.9	107.2%
Ratio of Net Sales		0.4%	0.4%	0.8%		
Operating Profit		105.6	100.9	108.8	7.9	7.9%
Pharmaceuticals and Related Products		95.7	93.4	107.4	14.0	15.0%
Ratio of Operating Profit		90.6%	92.6%	98.7%		
Nutritional and Personal Care Products		2.8	3.0	-	-3.0	
Ratio of Operating Profit		2.7%	3.0%	-		
Food and Roses		3.5	0.8	-	-0.8	
Ratio of Operating Profit		3.4%	0.8%	-		
Other		3.1	3.2	1.0	-2.1	-66.7%
Ratio of Operating Profit		2.9%	3.2%	1.0%		
Eliminations		0.4	0.3	0.3		

6. Segment Information by Area

Billion yen

		Mar 03	Mar 04	Mar 05	Change	Change (%)
Net Sales		506.6	511.2	447.0	-64.1	-12.5%
Japan		323.8	323.8	310.3	-13.4	-4.2%
Ratio of Net Sales		63.9%	63.4%	69.4%		
North America		84.5	79.2	8.7	-70.4	-89.0%
Ratio of Net Sales		16.7%	15.5%	1.9%		
Europe		96.1	106.0	120.4	14.4	13.6%
Ratio of Net Sales		19.0%	20.7%	26.9%		
Asia		2.1	2.0	7.4	5.4	260.6%
Ratio of Net Sales		0.4%	0.4%	1.7%		
Operating Profit		105.6	100.9	108.8	7.9	7.9%
Japan		102.8	94.7	106.6	11.9	12.6%
Ratio of Operating Profit		97.3%	93.8%	98.0%		
North America		3.2	-2.9	-1.3	1.6	-
Ratio of Operating Profit		3.0%	-3.0%	-1.3%		
Europe		6.1	7.3	3.8	-3.5	-48.0%
Ratio of Operating Profit		5.8%	7.3%	3.5%		
Asia		-	0.1	0.9	0.8	483.2%
Ratio of Operating Profit		0.1%	0.2%	0.9%		
Eliminations		-6.5	1.6	-1.2		

7. Overseas Sales

Billion yen

	Mar 03	Mar 04	Mar 05	Change	Change (%)
Overseas Sales	194.8	196.3	144.7	-51.5	-26.3%
Ratio of Net Sales	38.5%	38.4%	32.4%		
North America	115.3	110.7	42.1	-68.6	-62.0%
Ratio of Net Sales	22.8%	21.7%	9.4%		
Europe	70.2	76.2	88.5	12.3	16.2%
Ratio of Net Sales	13.9%	14.9%	19.8%		
Asia	8.0	7.4	10.3	2.9	39.8%
Ratio of Net Sales	1.6%	1.5%	2.3%		
Other	1.1	1.9	3.6	1.7	91.0%

8. Research and Development Expenses

Billion yen

	Mar 03	Mar 04	Mar 05	Change	Change (%)
Research and Development Expenses	66.8	70.0	58.8	-11.2	-16.0%
Ratio of Net Sales	13.2%	13.7%	13.2%		
*1 Pharmaceuticals and Related Products (Japan)	52.5	59.3	49.0	-10.2	
*2 Pharmaceuticals and Related Products (Overseas)	13.2	9.9	9.7	-0.1	
Pharmaceuticals and Related Products	65.8	69.3	58.8	-10.4	-15.1%
Others	0.9	0.7	-	-0.7	

*1: R&D expenses on a non-consolidated basis *2: Consolidated R&D expenses minus non-consolidated R&D expenses

9. Additions to Property, Plant and Equipment

Billion yen

	Mar 03	Mar 04	Mar 05	Change	Change (%)
Additions to Property, Plant and Equipment	18.4	13.4	10.7	-2.6	
Pharmaceuticals and Related Products (Japan)	5.6	5.1	7.3	2.1	
Pharmaceuticals and Related Products (Overseas)	6.3	4.2	2.9	-1.2	
Nutritional and Personal Care Products	2.4	1.9	-	-1.9	
Food and Roses	2.6	1.7	-	-1.7	
Others	1.4	0.4	0.4	0.0	
Depreciation (Tangible Assets)	18.1	17.3	13.1	-4.2	
Pharmaceuticals and Related Products (Japan)	9.6	8.9	8.6	-0.3	
Pharmaceuticals and Related Products (Overseas)	3.1	3.6	2.7	-0.8	
Nutritional and Personal Care Products	1.6	1.3	-	-1.3	
Food and Roses	1.8	1.7	-	-1.7	
Others	1.8	1.7	1.6	-0.0	
Depreciation (Intangible Assets)	7.5	7.7	4.2	-3.5	
Pharmaceuticals and Related Products (Japan)	5.4	5.6	2.8	-2.8	
Pharmaceuticals and Related Products (Overseas)	0.8	0.8	1.3	0.5	
Others	1.2	1.2	-	-1.2	

FY2004

Breakdown of Additions to Property, plant and Equipment

Yamanouchi Pharmaceutical CO., Ltd.: 6.9 billion yen

- R&D: 2.9 billion yen

- Manufacturing: 0.8 billion yen

- for merger: 3.1 billion yen

10. Detailed Segment Information by Business

Pharmaceuticals and Related Products

Billion yen

	Mar 03	Mar 04	Mar 05	Change	Change (%)
Net Sales	411.3	421.5	443.3	21.7	5.2%
Y on Y Change	7.7%	2.5%	5.2%		
Japan	312.5	312.0	308.9	-3.1	-1.0%
North America	0.5	1.3	6.4	5.0	375.5%
Europe	96.1	106.0	120.4	14.4	13.6%
Asia	2.1	2.0	7.4	5.4	260.7%
Operating Income	95.7	93.4	107.4	14.0	15.0%
Ratio of Net Sales	23.3%	22.2%	24.2%		

Sales of Major Products

Billion yen

Harnal	110.4	122.3	135.9	13.6
Sales by Yamanouchi	78.3	87.2	98.6	11.4
Japan	43.7	46.7	49.4	2.7
Europe	32.8	38.5	44.8	6.3
Others	1.6	1.9	4.3	2.3
Bulk and Royalties	32.1	35.0	37.2	2.2
Vesicare	-	-	2.7	2.7
Sales by Yamanouchi	-	-	2.7	2.7
Europe	-	-	1.5	1.5
North America	-	-	1.1	1.1
Gaster (H2Antagonist)	88.6	84.1	78.5	-5.5
Sales by Yamanouchi	83.3	79.6	75.6	-4.0
Japan (including OTC)	82.0	78.5	74.5	-3.9
Others	1.3	1.1	1.0	-0.0
Bulk and Royalties	5.2	4.5	2.9	-1.5
Calcium antagonists (consolidated)	18.6	17.8	17.5	-0.3
Perdipine and Perdipine LA (consolidated)	15.0	13.9	13.1	-0.8
Hypoca	3.6	3.8	4.3	0.5

Others

Billion yen

Net Sales	1.8	1.8	3.7	1.9	107.2%
Operating Profit	3.1	3.2	1.0	-2.1	-66.7%

11. (Reference) Detailed Information of Pharmaceuticals and Related Products

Exclude for "Nutritional and Personal Care Products" and "Food and Roses"

Billion yen

	Mar 03	Mar 04	Mar 05	Change	Change (%)
Net Sales	413.1	423.3	447.0	23.7	5.6%
Y on Y Change (%)		2.5%	5.6%		
Cost of Sales	129.5	128.7	141.1	12.4	9.7%
Ratio of Net Sales	31.4%	30.4%	31.6%		
Selling, general and administrative expenses	184.2	197.5	196.9	-0.5	-0.3%
Ratio of Net Sales	44.6%	46.7%	44.0%		
Operating Income	99.2	97.0	108.8	11.8	12.2%
Ratio of Net Sales	24.0%	22.9%	24.4%		
Ordinary Income	98.3	94.1	110.1	15.9	17.0%
Ratio of Net Sales	23.8%	22.2%	24.6%		
Net Income	57.4	57.4	33.7	-23.7	-41.3%
Ratio of Net Sales	13.9%	13.6%	7.5%		

<Segment by regions>

Net Sales		413.1	423.3	447.0	23.7	5.6%
Japan		314.3	313.8	310.3	-3.4	-1.1%
Ratio of Net Sales		76.1%	74.1%	69.4%		
North America		0.5	1.3	8.7	7.3	543.2%
Ratio of Net Sales		0.1%	0.3%	1.9%		
Europe		96.1	106.0	120.4	14.4	13.6%
Ratio of Net Sales		23.3%	25.0%	26.9%		
Asia		2.1	2.0	7.4	5.4	260.6%
Ratio of Net Sales		0.5%	0.5%	1.7%		
Operating Profit		99.2	97.0	108.8	11.8	12.2%
Japan		101.2	92.8	106.6	13.8	15.0%
Ratio of Operating Profit		102.0%	95.6%	98.0%		
North America		-1.6	-4.9	-1.3	3.5	-
Ratio of Operating Profit		-1.6%	-5.1%	-1.3%		
Europe		6.1	7.3	3.8	-3.5	-48.0%
Ratio of Operating Profit		6.2%	7.6%	3.5%		
Asia		0.0	0.1	0.9	0.8	483.2%
Ratio of Operating Profit		0.1%	0.2%	0.9%		
Eliminations		-6.5	1.6	-1.2		

Overseas Sales		110.8	118.4	144.7	26.2	22.2%
Ratio of Net Sales		26.8%	28.0%	32.4%		
North America		31.3	32.9	42.1	9.2	28.0%
Ratio of Net Sales		6.2%	6.4%	9.4%		
Europe		70.2	76.2	88.5	12.3	16.2%
Ratio of Net Sales		13.9%	14.9%	19.8%		
Asia		8.0	7.4	10.3	2.9	39.8%
Ratio of Net Sales		1.6%	1.5%	2.3%		
Other		1.1	1.9	3.6	1.7	91.0%

Balance Sheets (Assets)

Billion yen

	30-Sep-04		31-Mar-04		Change
	Amount	Composition	Amount	Composition	
Assets	913.5	100.0%	902.6	100.0%	10.8
Current assets	657.4	72.0%	579.0	64.1%	78.4
Cash on hand and in banks	374.0		276.7		97.3
Trade notes and accounts receivable	128.1		120.1		8.0
Marketable securities	55.7		69.0		-13.2
Inventories	40.4		56.7		-16.2
Deferred tax assets	30.6		25.2		5.4
Other	28.6		31.6		-3.0
Allowance for doubtful receivable	-0.3		-0.4		0.1
Fixed assets	256.0	28.0%	323.6	35.9%	-67.5
Property, plant and equipment	134.6		174.1		-39.4
Buildings and structures	60.5		76.6		-16.1
Machinery, equipment and vehicles	22.4		28.8		-6.4
Tools, furniture and fixtures	21.5		21.7		-0.1
Land	25.5		32.2		-6.7
Construction in progress	3.4		7.5		-4.0
Other	1.1		7.1		-5.9
Intangible fixed assets	14.6		27.2		-12.5
Investments and other assets	106.7		122.2		-15.5
Investment securities	59.4		67.6		-8.1
Long-term loans receivable	1.6		0.4		-1.1
Deferred tax assets	22.2		20.1		2.1
Other	23.5		34.3		-10.7
Allowance for doubtful receivables	-0.2		-0.4		0.1

	30-Sep-04		31-Mar-04		Change
	Amount	Composition	Amount	Composition	
Liabilities and Shareholders' Equity	913.5	100.0%	902.6	100.0%	10.8
Liabilities	170.0	18.6%	174.8	19.4%	-4.7
Current liabilities	119.4	13.1%	110.1	12.2%	9.3
Trade notes and accounts payable	31.2		37.5		-6.3
Short-term loans payable	0.0		1.2		-1.2
Other accounts payable	32.5		25.6		6.9
Accrued expenses	21.4		22.0		-0.6
Accrued income taxes	21.4		10.4		10.9
Accrued consumption tax	1.4		1.7		-0.3
Deferred tax liabilities	0.1		3.9		-3.7
Sales related allowances	-		3.5		-3.5
Allowance for sales rebates and others	3.3		-		3.3
Other	7.8		3.9		3.8
Long-term liabilities	50.6	5.5%	64.6	7.2%	-14.0
Convertible bonds	5.0		6.4		-1.4
Long-term loans payable	0.0		0.3		-0.3
Deferred tax liabilities	2.2		2.4		-0.1
Accrued retirement benefits for employees	23.4		36.3		-12.9
Accrued retirement benefits for directors	1.0		1.2		-0.2
Other	18.9		17.8		1.0
Minority interests	1.5	0.2%	2.4	0.3%	-0.8
Shareholders' equity	741.8	81.2%	725.3	80.3%	16.5
Common stock	100.4	11.0%	99.7	11.1%	0.7
Additional paid-in capital	114.4	12.5%	113.6	12.6%	0.7
Retained earnings	640.5	70.1%	616.1	68.3%	24.4
Unrealized holding gain on securities	11.5	1.3%	13.8	1.4%	-2.2
Translation Adjustments	-11.0	-1.2%	-16.5	-1.9%	5.4
Treasury Stock	-114.0	-12.5%	-101.4	-11.2%	-12.5