

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2006

May 11, 2006

These financial statements have been prepared for reference only in accordance with accounting principles and practices generally accepted in Japan.

Takeda Pharmaceutical Company Limited

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URL: <http://www.takeda.co.jp/>

Representative: Yasuchika Hasegawa, President and COO

Contact: Toyoji Yoshida, Director

Stock exchange listings:

Osaka, Tokyo, Nagoya
(First section of each)
Fukuoka, Sapporo

Code number:

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Board of Directors meeting:

May 11, 2006

Use of U.S. accounting standards:

No

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1. Results for Fiscal 2005 (April 1, 2005 - March 31, 2006)

(1) Sales and Income

All amounts are rounded to the nearest million yen.

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Fiscal 2005	1,212,207	7.9	402,809	4.6	485,354	9.8
Fiscal 2004	1,122,960	3.4	385,278	3.7	442,111	(0.9)

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)	Return on equity (%)	Ordinary income/total assets (%)	Ordinary income/net sales (%)
Fiscal 2005	313,249	12.9	353.47	—	14.4	17.4	40.0
Fiscal 2004	277,438	(2.7)	313.01	—	14.7	18.1	39.4

Notes:

1. Equity in earnings of affiliates: ¥54,184 million (Fiscal 2004: ¥45,431 million)

2. Average number of shares outstanding (consolidated): 885,209,917 shares (Fiscal 2004: 885,240,576 shares)

3. Changes in accounting methods: Yes

4. Year-on-year change (%) for net sales, operating income, ordinary income and net income is based on the previous fiscal year.

(2) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/total assets (%)	Shareholders' equity per share (¥)
Fiscal 2005	3,042,294	2,348,429	77.2	2,652.59
Fiscal 2004	2,545,435	2,001,414	78.6	2,260.52

Note: Number of shares outstanding at end of period (consolidated): 885,199,391 shares (Fiscal 2004: 885,221,980 shares)

(3) Cash Flows

	Net cash provided by operating activities (¥ million)	Net cash provided by (used in) investing activities (¥ million)	Net cash used in financing activities (¥ million)	Cash and cash equivalents at end of period (¥ million)
Fiscal 2005	373,575	6,566	(89,290)	1,626,235
Fiscal 2004	295,539	(72,305)	(73,912)	1,264,324

(4) Scope of consolidation and application of the equity method

Consolidated subsidiaries: 46 companies

Unconsolidated subsidiaries accounted for by the equity method: None

Affiliated companies accounted for by the equity method: 20 companies

(5) Changes in scope of consolidation and application of the equity method

Consolidation: (New) 1 company (Eliminated) 3 companies

Equity method: (New) 1 company (Eliminated) 4 companies

2. Projected Results for Fiscal 2006 (April 1, 2006 - March 31, 2007)

	Net sales (¥ million)	Ordinary income (¥ million)	Net income (¥ million)
Interim period	605,000	245,000	175,000
Fiscal 2006	1,230,000	486,000	320,000

Reference: Estimated earnings per share (fiscal 2006): ¥361.50

Note: For the assumptions and other issues related to the above projections, please refer to page 15-16.