

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2004

May 18, 2004

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

Takeda Chemical Industries, Ltd.

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Chuo-ku, Osaka 540-8645, Japan

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 18, 2004

Use of U.S. accounting standards:

No

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1. Results for Fiscal 2003 (April 1, 2003 - March 31, 2004)

(1) Sales and Income

Fiscal 2003: All amounts are rounded to the nearest million yen.

Fiscal 2002: All amounts are rounded down 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 2003	1,086,431	3.9	371,633	19.6	446,083	10.1
Fiscal 2002	1,046,081	4.1	310,686	10.5	405,168	12.8

	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 2003	285,264	5.0	321.86	—	17.0	20.3	41.1
Fiscal 2002	271,762	15.3	307.63	—	18.2	20.1	38.7

Notes:

- Equity in earnings of affiliates: ¥72,663 million (Fiscal 2002: ¥88,591 million)
- Average number of shares outstanding (consolidated): 885,264,452 shares (Fiscal 2002: 882,267,050 shares)
- Changes in accounting methods: Yes
- From fiscal 2003, all monetary amounts shown are rounded to the nearest million yen. Amounts for fiscal 2002 are rounded down to the nearest million yen.
- 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 2003	2,335,660	1,781,010	76.3	2,011.48
Fiscal 2002	2,059,369	1,567,732	76.1	1,776.82

Note: Number of shares outstanding at end of period (consolidated): 885,254,945 shares (Fiscal 2002: 882,129,206 shares)

(3) Cash Flows

	Net cash provided by operating activities (¥ million)	Net cash (used in) provided by investing activities (¥ million)	Net cash used in financing activities (¥ million)	Cash and cash equivalents at end of period (¥ million)
Fiscal 2003	311,122	(139,322)	(59,344)	1,076,084
Fiscal 2002	263,449	140,148	(58,990)	1,022,958

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

Consolidated subsidiaries: 47 companies

Unconsolidated subsidiaries accounted for by the equity method: None

Affiliated companies accounted for by the equity method: 23 companies

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

Consolidation: (New) 1 company (Eliminated) 4 companies

Equity method: (Eliminated) 1 company

2. Projected Results for Fiscal 2004 (April 1, 2004 - March 31, 2005)

	Net sales (¥ million)	Ordinary income (¥ million)	Net income (¥ million)
Interim period	545,000	222,000	143,000
Fiscal 2004	1,100,000	447,000	290,000

Reference: Estimated earnings per share (fiscal 2004): ¥327.21

Notes: 1. Estimates of business results are rendered in accordance with Japanese regulations. All these estimates are forward-looking statements based on a number of assumptions. Actual results may differ substantially depending on a number of factors including but not limited to economic trends and exchange rates.

2. For the assumptions and other issues related to the above projections, please refer to page 13 of the attachments.