

3Q FY2009

(Fiscal Year Ending March 31, 2010)

Financial Results Presentation



February 2, 2010

Eisai Co., Ltd.

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(Billion Yen, %)

	Apr. - Dec. 2008		Apr. - Dec. 2009		
	Results	%	Results	%	YOY
Net Sales	598.7	100.0	604.5	100.0	101
Cost of Sales	118.9	19.9	121.5	20.1	102
Gross Profits	479.8	80.1	482.9	79.9	101
R&D Expenses	116.9	19.5	116.8	19.3	100
SG&A Expenses	289.5	48.4	281.1	46.5	97
Operating Income	73.4	12.3	85.1	14.1	116
Ordinary Income	66.4	11.1	80.1	13.2	121
Net Income	39.2	6.5	53.9	8.9	138

GAAP basis

- 3Q FY2009 average exchange rates: U.S.\$ = 93.6 yen (YOY -9.0%), Euro = 133.0 yen (YOY -11.8%), GBP = 150.4 yen (YOY-19.7%)
- The above consolidated financial results calculated on a GAAP basis include the accounting treatment for business combinations applied in accordance with the acquisition of MGI PHARMA

Included in 3QFY2009 results: Cost of Sales (amortization of marketing rights, increase of inventory): 12.1 billion yen
 R&D Expenses (amortization of technology assets): 0.6 billion yen
 SG&A Expenses (amortization of goodwill): 6.4 billion yen

Sales of Major Products

(Billion Yen, %)

Products	Area	Apr. - Dec. 2008		Apr. - Dec. 2009		
		Results	%	Results	YOY	%
Aricept Alzheimer's Disease Treatment	Japan	61.0		72.6	119	
	U.S.	139.1		138.3	99	
	[\$ Million]	[1,353]		[1,478]	[109]	
	Europe	23.0		21.7	95	
	Asia	5.9		4.9	83	
	Total		229.0	38	237.6	104
AcipHex/ Pariet Proton Pump Inhibitor Anti-ulcer Agent	Japan	35.0		43.0	123	
	U.S.	76.5		61.3	80	
	[\$ Million]	[744]		[655]	[88]	
	Europe	7.5		6.2	83	
	Asia	4.1		3.8	93	
	Total		123.2	21	114.4	93
Oncology - related products	Total	58.8	10	57.8	98 [108]	10

[] YOY based on local currency

Sales to Customers by Geographic Area

(Billion Yen, %)

	Apr. - Dec. 2008		Apr. - Dec.2009		
	Results	%	Results	%	YOY
Japan	258.5	43.2	280.3	46.4	108
North America	277.2	46.3	261.8	43.3	94 [104]
Europe	40.6	6.8	39.1	6.5	96 [111]
China	8.6	1.4	11.3	1.9	132 [144]
AOME	13.8	2.3	12.0	2.0	87 [101]
Overseas Total	340.2	56.8	324.2	53.6	95 [106]
Total	598.7	100.0	604.5	100.0	101

AOME: Asia, Oceania and the Middle East

[] YOY based on local currency

Operating Income by Geographic Area

(Billion Yen, %)

	Apr. - Dec. 2008		Apr. - Dec. 2009		
	Results	%	Results	%	YOY
Japan	60.9	80.9	75.8	85.3	124
North America	6.9	9.1	5.8	6.5	84
Europe	2.7	3.6	3.9	4.4	145
China	1.7	2.3	1.5	1.7	88
AOME	3.1	4.1	1.9	2.1	60
Overseas Total	14.4	19.1	13.0	14.7	90
Elimination/ Corporate	(1.9)		(3.8)		
Total	73.4		85.1		116

Performance of U.S. Pharmaceutical Business

(\$ Million, %)

		Apr. - Dec. 2008		Apr. - Dec. 2009		
		Results	%	Results	%	YOY
Net Revenue		2,709	100.0	2,809	100.0	104
Aricept		1,353	49.9	1,478	52.6	109
AcipHex		744	27.5	655	23.3	88
Aricept + AcipHex		2,096	77.4	2,133	75.9	102
Oncology	Aloxi	272		296		109
	Dacogen	122		124		102
	Gliadel	31		28		92
	Others	12		9		77
	MGI Total	437		459		105
	Lymphoma Products, etc. Total	54		50		91
	Fragmin	78		106		136
Total		570	21.0	614	21.9	108
Operating Income		137	5.1	133	4.7	97
Operating Income (before royalty deduction)		569	21.0	665	23.7	117

Four products targeted for launch in FY2010 are making steady progress

Aricept-SR (23mg)

Providing further benefit for moderate-to-severe Alzheimer's disease treatment

Trying to make a paradigm shift

- New sustained-release technology with stable, favorable PK profile that maintains higher anti-cholinesterase activity to seek better benefits for patients
- Aricept SR could potentially provide additional benefit to moderate to severe Alzheimer's disease (AD) patients who are already prescribed Aricept 10mg mono-therapy or in combination with memantine
- Out of approx. 5.3 million AD patients in the U.S., approximately 65% (approx. 3.4 million) of them are estimated to be moderate to severe AD patients according to company assumption
- Aiming to meet the unmet medical needs where no further improvement is expected with current treatments

NDA submitted in U.S.: September 24, 2009

Eribulin (E7389)

Aiming to establish the new gold standard for breast cancer

- Anticancer agent/Microtubule dynamics inhibitor
(novel mechanism of action on microtubule)
- Phase III in breast cancer (study 305: third line): eribulin showed statistically significant extension in the primary endpoint of median survival, compared to physician's choice group
- Study 221 in Japan for breast cancer: response rate (complete response + partial response) of 21.3% (17/80)
- Completed patient enrollment for phase III in breast cancer (study 301: second line)
- Phase II trial in sarcoma and phase Ib/II in non-small cell lung cancer (combination with carboplatin) ongoing

Targeting NDA/MAA submissions in Japan, U.S. and Europe: March 2010

Incidence of breast cancer: more than 1 million annually (worldwide: internal estimates)

Eritoran (E5564)

First-in-class TLR4 antagonist for severe sepsis treatment
Aiming to be a truly life-saving drug

- Sepsis treatment/TLR4 antagonist (novel mechanism of action)
- Eritoran could potentially save 100 lives every single day in the U.S. alone*
- Achieved 1500th patient enrollment for study 301 on December 9, 2009
- Achieved patient-out for 1500th patient on January 6, 2010
- DMC (Data Monitoring Committee) scheduled for late March

* Source: Tidswell et al, Crit Care Med (in press)

Targeting NDA/MAA submissions in Japan, U.S. and Europe: 1Q FY2010

Number of severe sepsis patients: approximately 0.79 million (Japan, U.S. and Europe: internal estimate)

AcipHex-ER

Seeking the potentially strongest PPI maintaining the longest pH holding time

- Goal is to meet the unmet medical needs of patients suffering from GERD and heartburn
 - Approximately 1/3 of all GERD sufferers take both an H2 antagonist and PPI to cope with their symptoms
 - Nocturnal heartburn is still unresolved problem
- Through its long-acting formulation, showed its longer pH holding time versus esomeprazole (phase I: study 017)
- Achieved the database lock for six phase III trials; required criteria for NDA submission have been met

Targeting NDA submission in U.S.: March 2010

Number of GERD patients: approximately 39 million (U.S.: internal estimate)

Japan and China to lead Eisai's growth

Japan Business

- Significant qualitative improvement in provision of medical information with enhanced market satisfaction by integration of four businesses (prescription drugs, OTC, diagnostics, and generics)
- With high growth of major products, the prescription drugs business growth (+13%) outperformed the market by 5 points*¹

Aricept	Sales (YOY) Market penetration (YOY)	72.6B yen (+19%) 56.9% (+6.9 points) ^{*2}
Pariet	Sales (YOY) Market share within branded PPI products (YOY)	43.0B yen (+23%) 35.6% (+4.3 points) ^{*3}
Actonel	Sales (YOY) Market share (YOY)	8.6B yen (+22%) 16.7% (+1.7 points) ^{*3}
HUMIRA	Sales (YOY) Market share (YOY)	4.8B yen (+311%) 7.4% (+4.8 points) ^{*3}
Diagnostics	Sales (YOY)	4.3B yen (+16%)
Generics	Sales (YOY)	5.9B yen (+48%)

*1: Copyright 2010 IMS Health. All rights reserved. Source: Japan JPM Apr. - Dec. 2008, Apr. - Dec. 2009. Printed with permission.

*2: Internal estimates

*3: Copyright 2010 IMS Health. All rights reserved. Source: Japan JPM Apr. 2008 - Mar. 2009, Oct. - Dec. 2009. Printed with permission.
 Actonel and HUMIRA: internal estimates by internal definitions of the markets

Japan Business

Franchise development for sustainable growth

- To enter into oncology/critical care
 - bendamustine / treatment for low-grade non-Hodgkin's lymphoma^{*1} (submitted)
 - eribulin (submission targeted for March 2010)
 - eritoran (submission targeted for 1Q FY2010)
 - DC Bead / drug-eluting bead (submission targeted for FY2010)
- To rapidly accelerate growth of immunology/inflammatory area
 - HUMIRA / rheumatoid arthritis^{*2}
additional indications (psoriasis: approved; ankylosing spondylitis and Crohn's disease: submitted); full promotion starting in FY2010 after completion of post-marketing surveillance (850 sites to 2,500 sites)
- To expand the neurology area
 - pregabalin / neuropathic pain^{*3} (submitted)
 - SEP-190 / insomnia treatment phase III (submission targeted for FY2010)
- To strengthen the GI area
 - SA-001 / pancreatic enzyme replacement therapy agent^{*4} (submitted)

*1: Submission by SymBio Pharmaceuticals Limited

*3: Submission by Pfizer Japan Inc.

*2: Submission by Abbott Japan Co. Ltd.

*4: Submission by Solvay Seiyaku K.K.

No.1 in China among Japanese peers for the past 12 months as a result of high growth that outperformed the market

+44% YOY (Apr. - Dec., 2009; local currency basis)

- Aricept: +45% (local currency basis)

- Pariet: +67% (local currency basis)

Accelerating growth by leveraging new listing of four products on the National Reimbursement Drug List

- Aricept, Selbex, alpha-Lipon 300 STADA, and Kestine

- Methycobal: prescription restriction of “severe complications of diabetes” has been lifted; realizing expanded access to all patients with peripheral neuropathy

- Listed products such as Pariet remained on the list

Expansion of franchise in response to local disease structure in China

(Disease structure in the emerging areas to shift from communicable to non-communicable diseases)

- Hepatic disease area (Hepatitis B: approx. 90 mil.; Hepatitis C: approx. 40 mil.)*

Stronger Neo-Minophagen C, Glycyron, clevudine, LIVACT, E5501 (AKR-501)

- Diabetes area (approx. 40 mil.)

Methycobal, alpha-Lipon 300 STADA, Glufast

- Oncology area (breast cancer: approx. 0.15 mil.; lung cancer: approx. 0.5 mil.)

eribulin (additionally, E7080, E7050, and MORAb-003 under consideration)

Marketed products in **green**

() number of patients by internal estimates

* Number of virus-infected patients 16

Knowledge Creation in the Emerging Areas

- Eisai Knowledge Centre, India: completion on Dec. 12, 2009 -

- A base to integrate API and formulation manufacturing and API process research functions at one site
- Aim to create a future global hub capable of ensuring a stable supply of high-quality pharmaceutical products and contribute for achieving innovation in API synthesis processes that will provide the platform for producing such products and realizing affordable pricing
- Targeting full operation in FY2010

Commercial Production

- Production capability for approx. 30t APIs and 1 billion tablets annually; the site will be manufacturing APIs and formulations of major products such as Aricept, as well as those of the next-generation global products; envisioning the manufacture of antibody in the future

Process Research

- Conducting API process research (research for synthetic and organic compounds) for the next-generation global products such as eribulin, eritoran, E5501 (AKR-501), and so forth, while considering potential enhancement for antibody research and formulation technology research



Main entrance



API Lab



API Building



Formulation Building

E5501 (AKR-501)

Aiming for best-in-class that meets global unmet medical needs

- Treatment for thrombocytopenia/thrombopoietin receptor agonist
- Completed the acquisition of AkaRx, Inc. in the U.S. and obtained the exclusive worldwide rights to develop, market, and manufacture E5501 (AKR-501)
- Confirmed POC in Phase II trial for idiopathic thrombocytopenic purpura (ITP)

64 ITP patients: 28-day oral dosing - effective response rate of platelet increase

Visit	Placebo	E5501			
		2.5 mg	5 mg	10 mg	20 mg
Day 14	0%	20%	60%	78.6%**	93.3%**
Day 28	0%	13.3%	53.3%	50%	80.0%**

Confirmed statistically significant response rate of platelet increase

** p<0.005 vs placebo

- Striving to develop for indications associated with hepatic diseases to address high unmet medical needs in emerging areas
 - 7% of population is infected by hepatitis B and 3% of population is infected by hepatitis C
 - Antiviral agent market in China: 1,984 million RMB (approx. 26 billion yen based on 1 RMB = 13 yen) in FY2008; expansion by average CAGR of 34% for the past five years
 - Phase II trials ongoing for thrombocytopenia associated with hepatic diseases [viral hepatitis, alcoholic hepatitis, and NASH (non-alcoholic steatohepatitis)]
 - Planning for phase II trial for improvement of platelet decrease in viral hepatitis patients who require interferon therapy

(Billion Yen, %)

	FY2008		FY2009		
	Results	%	Forecast	%	YOY
Net Sales	781.7	100.0	803.0	100.0	103
Cost of Sales	152.5	19.5	161.0	20.0	106
Gross Profits	629.3	80.5	642.0	80.0	102
R&D Expenses	156.1	20.0	181.0	22.5	116
SG&A Expenses	381.4	48.8	379.5	47.3	100
Operating Income	91.8	11.7	81.5	10.1	89
Ordinary Income	82.6	10.6	74.5	9.3	90
Net Income	47.7	6.1	40.3	5.0	85
Cash Income	119.0		120.5		
Dividend per Share (yen)	140		150		

GAAP basis

- FY2009 forecast includes the in-process R&D of 23.6B yen (\$255M) from acquisition of AkaRx, Inc.
- Estimated exchange rates for 4Q FY2009: U.S.\$ = 90 yen, Euro = 130 yen, GBP = 145 yen
- Cash income is the total amount of cash available for investments for growth, business development, dividend payment, and repayment of borrowings, etc.

Cash income = Net income + Depreciation of PP&E and amortization of intangible assets + In-process R&D + Amortization of goodwill + Loss on impairment (including loss on devaluation of investment securities)