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human health care

Pursuit of Efficiency and Productivity in Value Creation

Eisai's Profile

Eisai's vision is to meet various health care needs around the world, taking into consideration the desires of patients and their families, and to increase the benefits that health care provides. We have built integrated in-house systems that cover all aspects of our business, from research and development (R&D) to production, sales, management and supply of drug safety information, so that we can provide optimal patient solutions throughout our business activities. We have developed our business globally through unique business strategies. Our goal is to generate value for patients and shareholders alike so that we can continue to exemplify a *human health care (hhc)* company.

Eisai Co., Ltd.

Valid as of Feb. 8, 2005



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Safe Harbor Statement

Materials and information provided during this presentation may contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements.

Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations. Risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited to, technological advances and patents attained by competitors; challenges inherent in new product development, including completion of clinical trials; claims and concerns about product safety and efficacy; obtaining regulatory approvals; domestic and foreign healthcare reforms; trends toward managed care and healthcare cost containment, and governmental laws and regulations affecting domestic and foreign operations.

Also, for products that are approved, there are manufacturing and marketing risks and uncertainties, which include, but are not limited to, inability to build production capacity to meet demand, unavailability of raw materials, and failure to gain market acceptance.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.



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Management Concept

Pursue Efficiency and Productivity in Creation of Patient Value



Creation of Patient Value

- **Satisfying Unmet Medical Needs**
- **Stable Supply of Quality Products**
- **Information Provision for Efficacious Usage of Medicines**

Seamless Value Chain

Benefits of Seamless Value Chain Concept

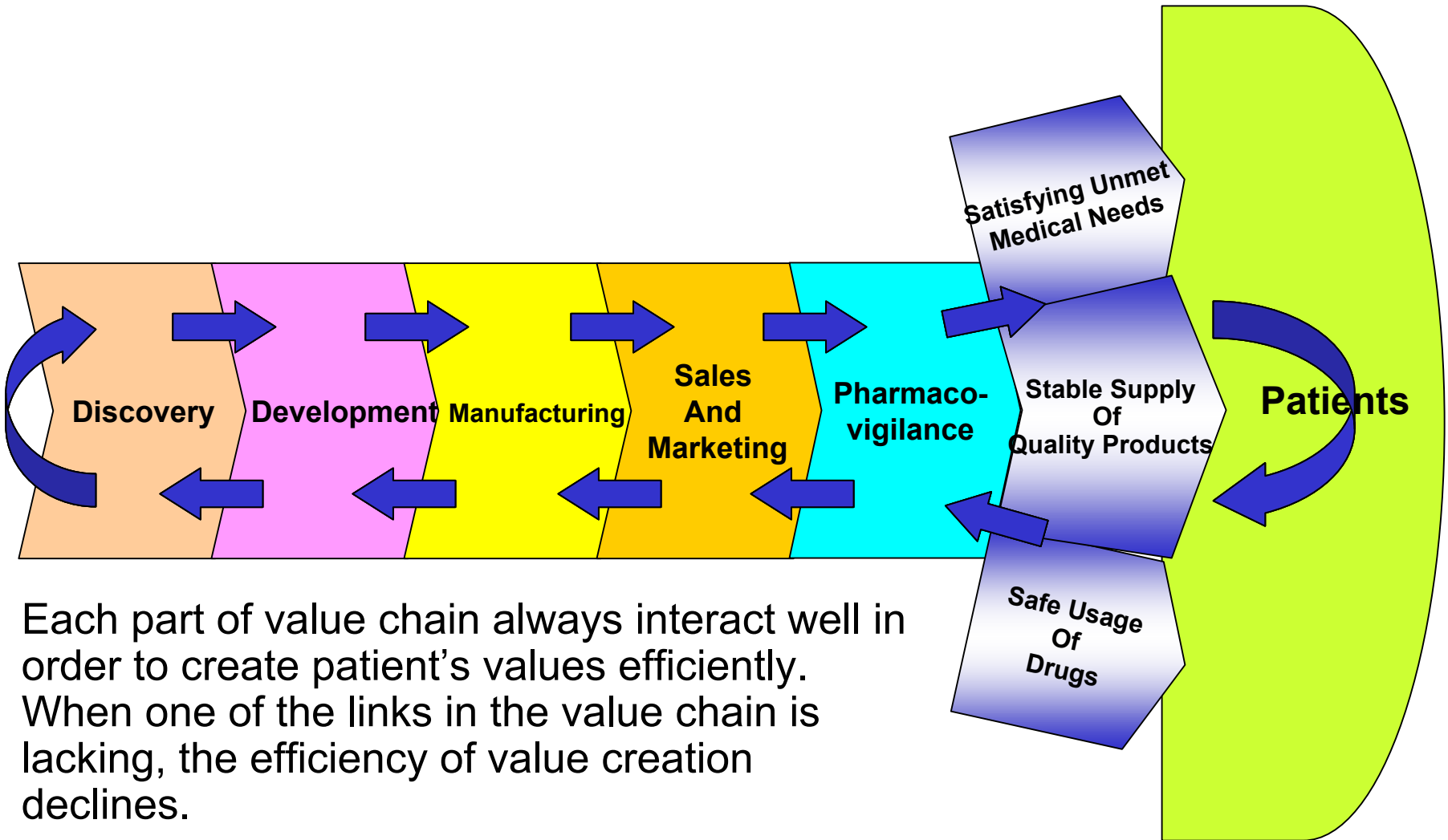
Concept

- Each part of value chain always interact well through the whole life of the drug in order to create patient's values efficiently.
- When one of the links in the value chain is lacking, the efficiency of value creation declines

Benefits

- Smooth creation of patient's value
- Flexible responses to changes

Seamless Value Chain





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Seamless Value Chain in Operation

Region	Discovery	Development	Manufacturing	Sales, Marketing & Pharmacovigilance
Japan	KAN (Kyoto) Tsukuba	Kashima Tsukuba Kawashima Tokyo	Kashima Kawashima Misato	Nationwide
U.S.A.	Boston	New Jersey North Carolina	RTP (North Carolina)	Nationwide
EU	London	London		UK France Germany Spain
Asia	KPT (Indonesia)		Tainan (Taiwan) Bogor (Indonesia) Suzhou (China)	8 countries incl. China, India and Korea

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Franchising

February 8, 2005
Merrill Lynch Global Pharmaceutical,
Biotechnology & Medical Device Conference

-Benefits of Franchise Concept-

Concept

- Products with sales of more than \$1 billion forms the basis of a “Franchise”
- Ongoing projects in each stage of clinical development
- Continuing investment in discovery research

Benefits

- More extensive information obtained as to market competition, science trend and others in the franchise area
- Informed decision making
- Improved success rate



Franchise Focus

Neurology & CNS

Having successfully completed 16 double-blind studies in Alzheimer's disease area, we capitalize on these accomplishments to apply all possible approaches such as small molecules, immunotherapy, genomic-based novel targets and activation of neuroregeneration for the purpose of exploring further remedies.

GI

Leveraging accumulated knowledge & networks of our 50 year-history in this field, we strive to develop new remedies focused on GI tracts.

Oncology & Critical Care

Our characteristics in oncology are attributed to small molecules as well as natural substances for starting material, combined with genomic and proteomics approaches.

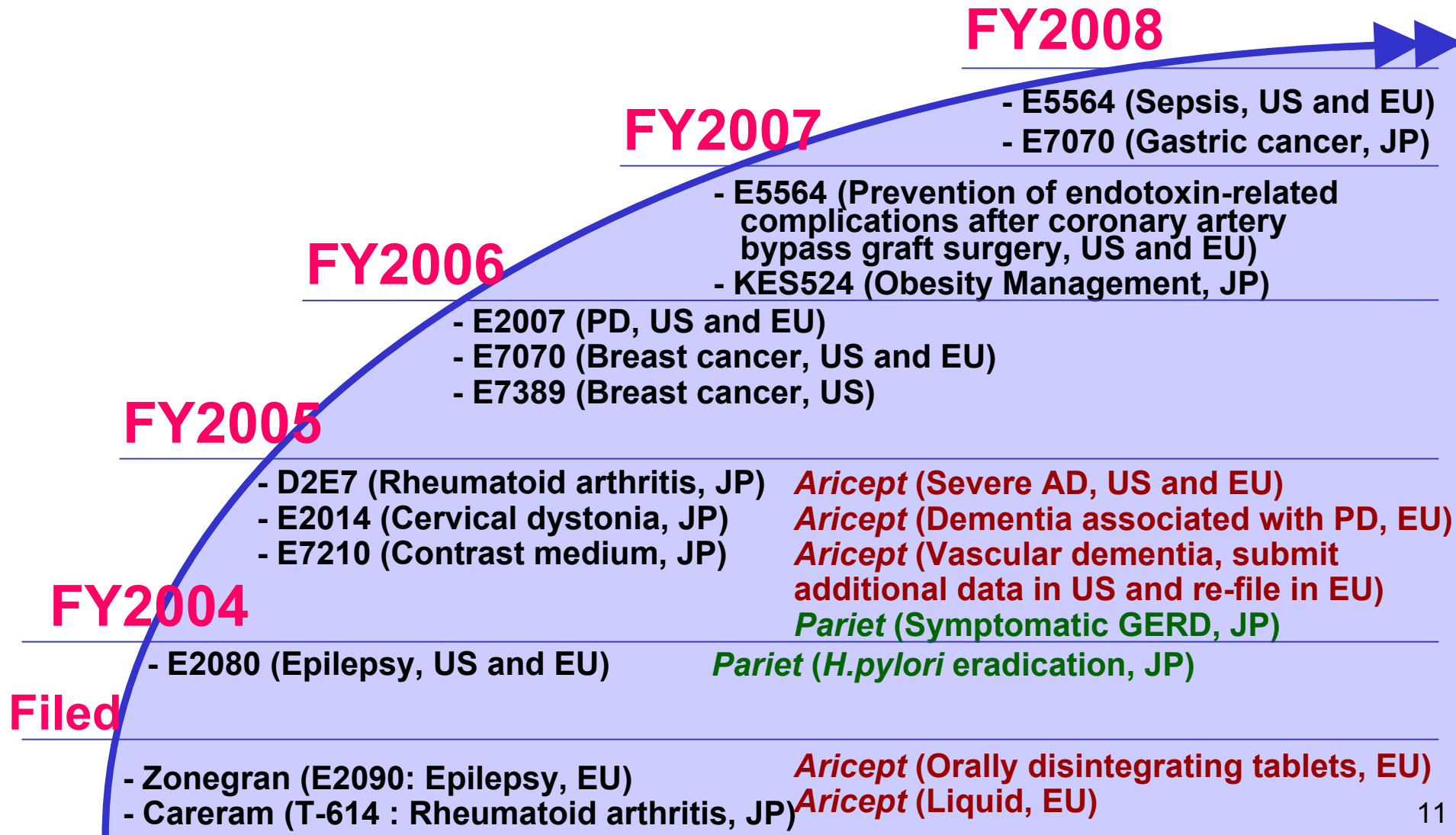


Franchise Pipeline

Area	Phase I	Phase II	Phase III	Filed	Launched
Neurology & CNS	E2051	E2007 E2014 TVP-1012 -AD <i>Aricept</i> [®] -migraine	E2080 <i>Aricept</i> [®] -severe AD -PD -MCI	<i>Zonegran</i> [®] (EU) <i>Aricept</i> [®] -VaD	<i>Aricept</i> [®] <i>Zonegran</i> [®] <i>Methycobal</i> [®] <i>Myonal</i> [®]
GI	E3030 E3024	E3620 <i>Aciphex</i> [®] -intermittent therapy	<i>Pariet</i> [®] - <i>H. pylori</i> -Symptomatic GERD		<i>Aciphex</i> [®] / <i>Pariet</i> [®] <i>Selbex</i> [®] <i>Glucagon G</i> [®]
Oncology & Critical Care	E7820 E7080 E7974	E5564 E7070 E7389 E0167			<i>Creator</i> [®] <i>Coretec</i> [®] <i>Tambocor</i> [®] Inj.

Global Filing Plan

-New Molecular Entities and Lifecycle Managements-





Key Global POC Projects

Studies Expected to Complete in FY2004

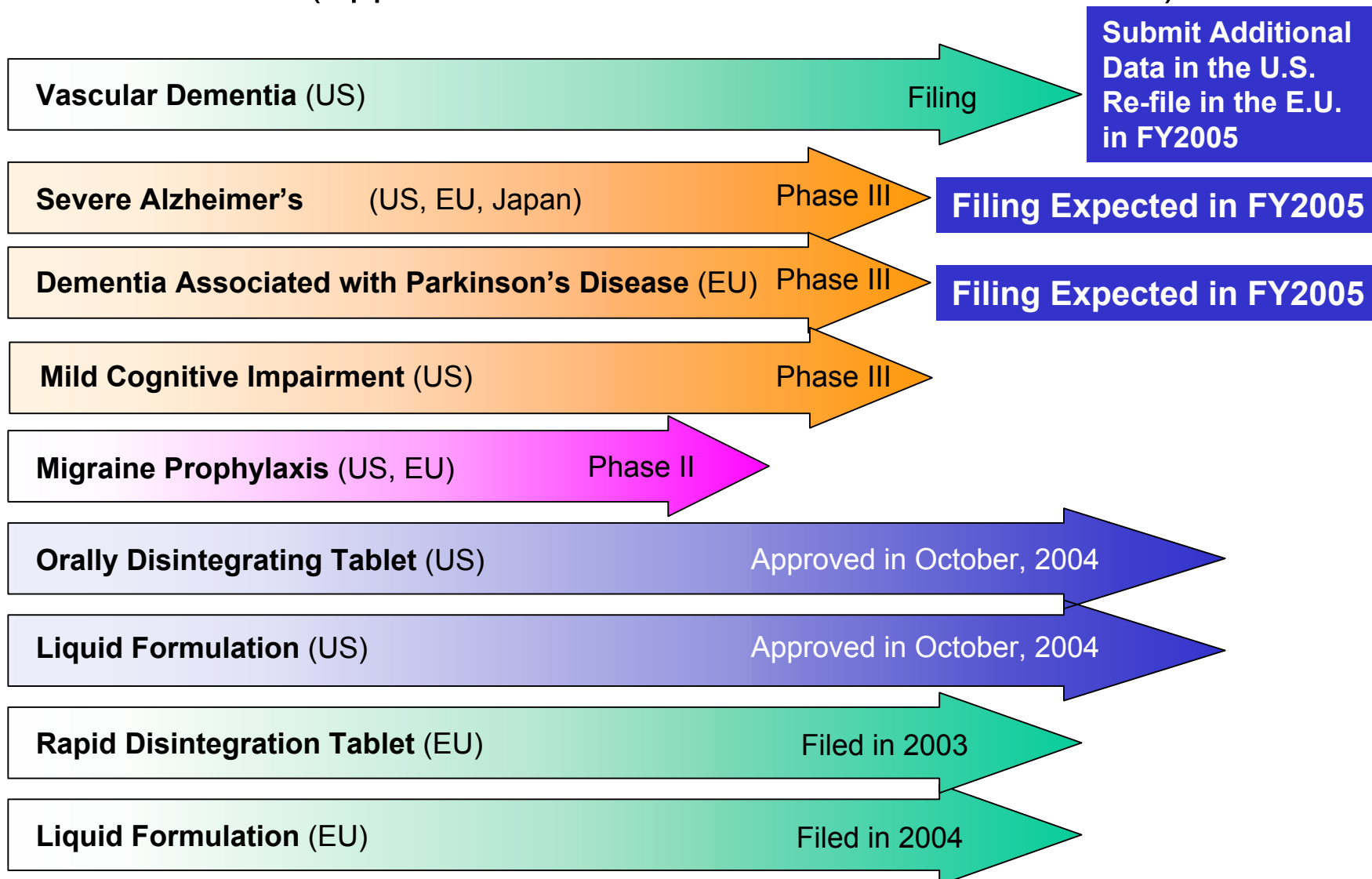
Research Code	Description		Region	Stage
E2007	AMPA Receptor Antagonist	Parkinson's Disease	EU	Phase IIb in progress
E7070 (generic name: indisulam)	Cell Cycle G1 Phase Targeting Agent	Breast Cancer(Mono)	US	Phase II in progress
		Colorectal Cancer (Combo with irinotecan)	EU	Phase II in progress
E7389	Tubulin Polymerization Inhibitor	Breast Cancer (Mono)	US	Phase II in progress
E5564 (generic name: eritoran)	Endotoxin Antagonist	Sepsis	US	Phase II (3 rd stage, high dose) in progress
		Prevention of endotoxin-related complication after coronary artery bypass graft surgery(CABG)	EU	Phase IIb in progress



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Aricept® Lifecycle Management

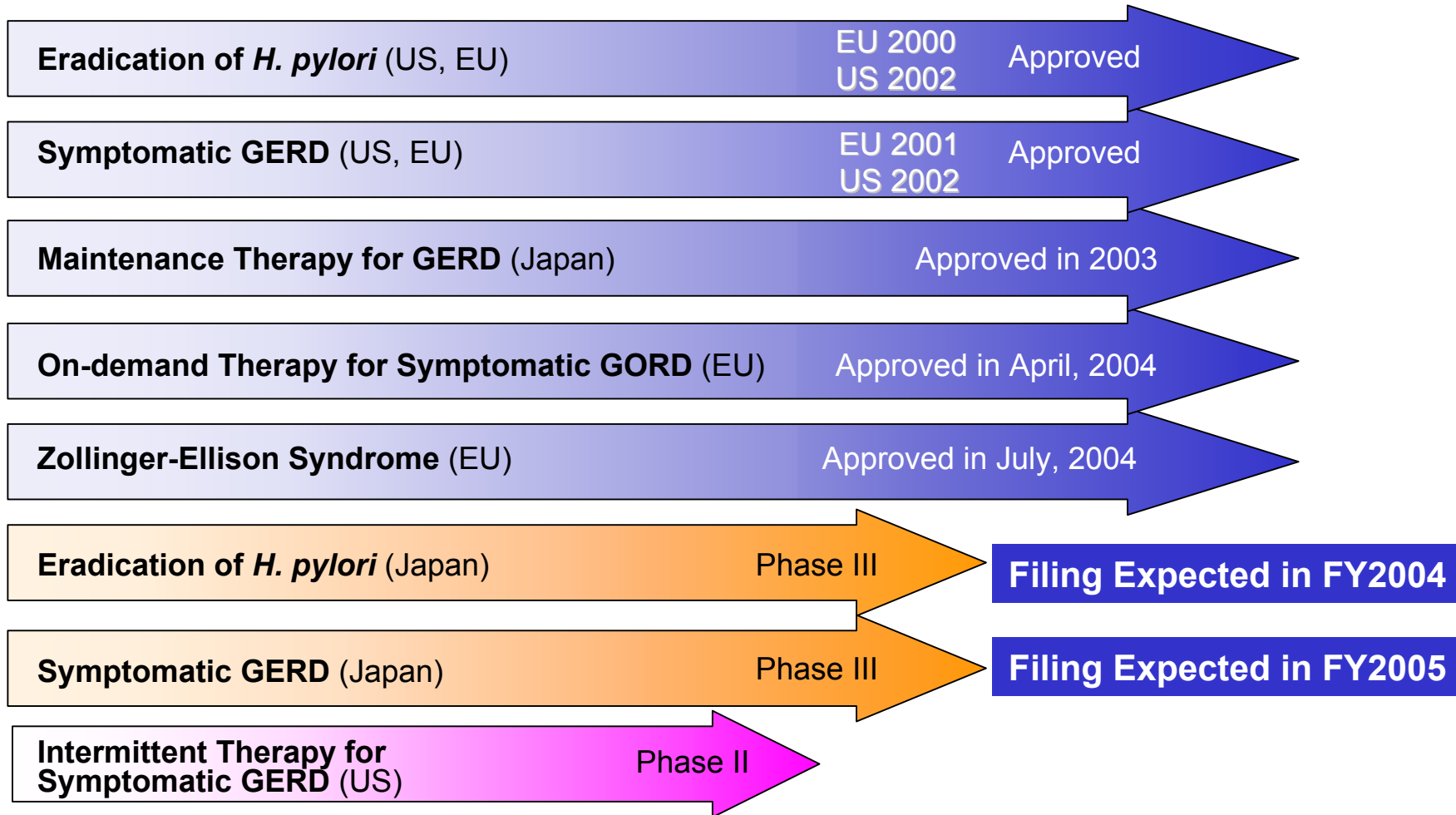
(Application for new indication and formulation)



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Aciphex®/Pariet® Lifecycle Management

(Application for new indication and formulation)



Proactive Business Development in the Focused Areas

Neurology & CNS

- **Zonegran[®]** -- Anti-epileptic (US & EU)
US sales target in FY2004: \$110 MM, FY2005: \$150MM
Received positive opinion from CHMP
EU approval expected in 2005
- **Cerebyx[®]** -- Anti-seizure (US)
- **Rasagiline (TVP-1012)** -- Parkinson's disease (US)
US approval expected in 2005
- **Rufinamide (E2080)** – Epilepsy (WW)
Plan to submit NDA in FY2004 in the US and EU

GI

- **Entocort[®]** -- Inflammatory Bowel Diseases (Germany)
- **Imurek[®]** -- Immunosuppressant (Germany)
- **Clevudine** -- Anti-hepatitis B Agent (Asia excluding South Korea)
Phase III in preparation in China



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R&D Renovation

For Efficiency & Productivity

Concept:

- Application of genome and genetics technologies in the whole processes of discovery, development and clinical

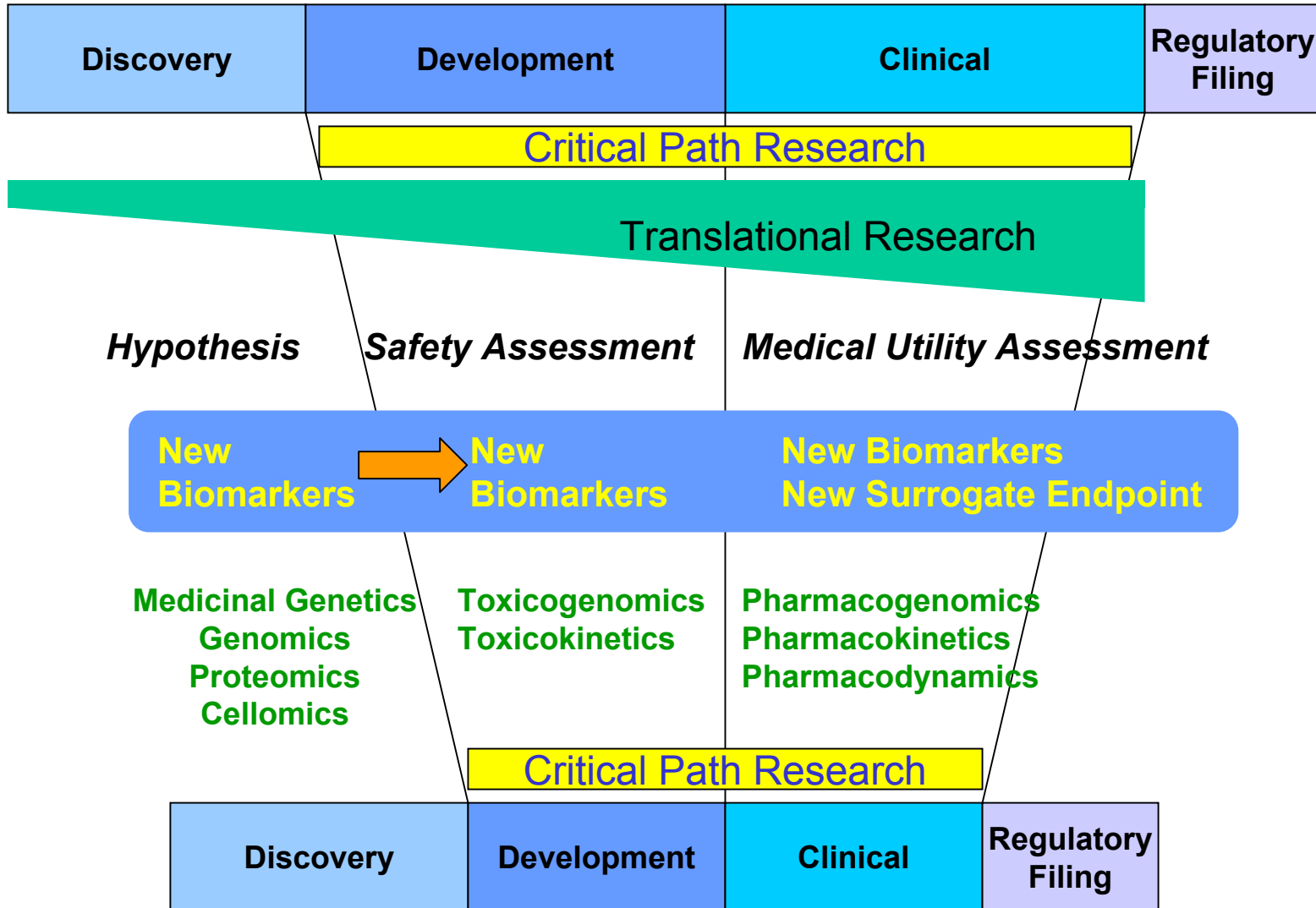
Benefits:

- Speed
- Less resources



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R&D Renovation



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Creation of Shareholder Value

Endeavor to Enhance Capital Efficiency for the Purpose of Maximizing Shareholder Value;

- Optimize investment to enhance return on capital by striving to leverage strong balance sheet
- Importance being placed on economic profit to create shareholder value after absorbing the cost of capital
- High level of dividend payout to capitalize on ample cash flow and constrain capital base
- Flexible share buyback as a contingent measure

More Proactive Stance Toward Return to Shareholders



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Reinforced Policy for Return to Shareholders

Rationale Behind the Policy

- Proactive investment for the purpose of enhancing shareholder value
- More flexible share buyback given the easing of unwinding of cross-shareholdings
- More inclination to dividend payout given the importance of long-term shareholder relationship

DOE (Dividends On Equity=ROE x Dividend payout)

- Accelerate achievement of targeted DOE 3% by two years (from FY06 to FY04)
- Seek DOE 5% as a new mid-term goal

Hybrid Policy

- Optimize level of investment to boost ROE
- Strive to increase dividend payout to reward long-term holders



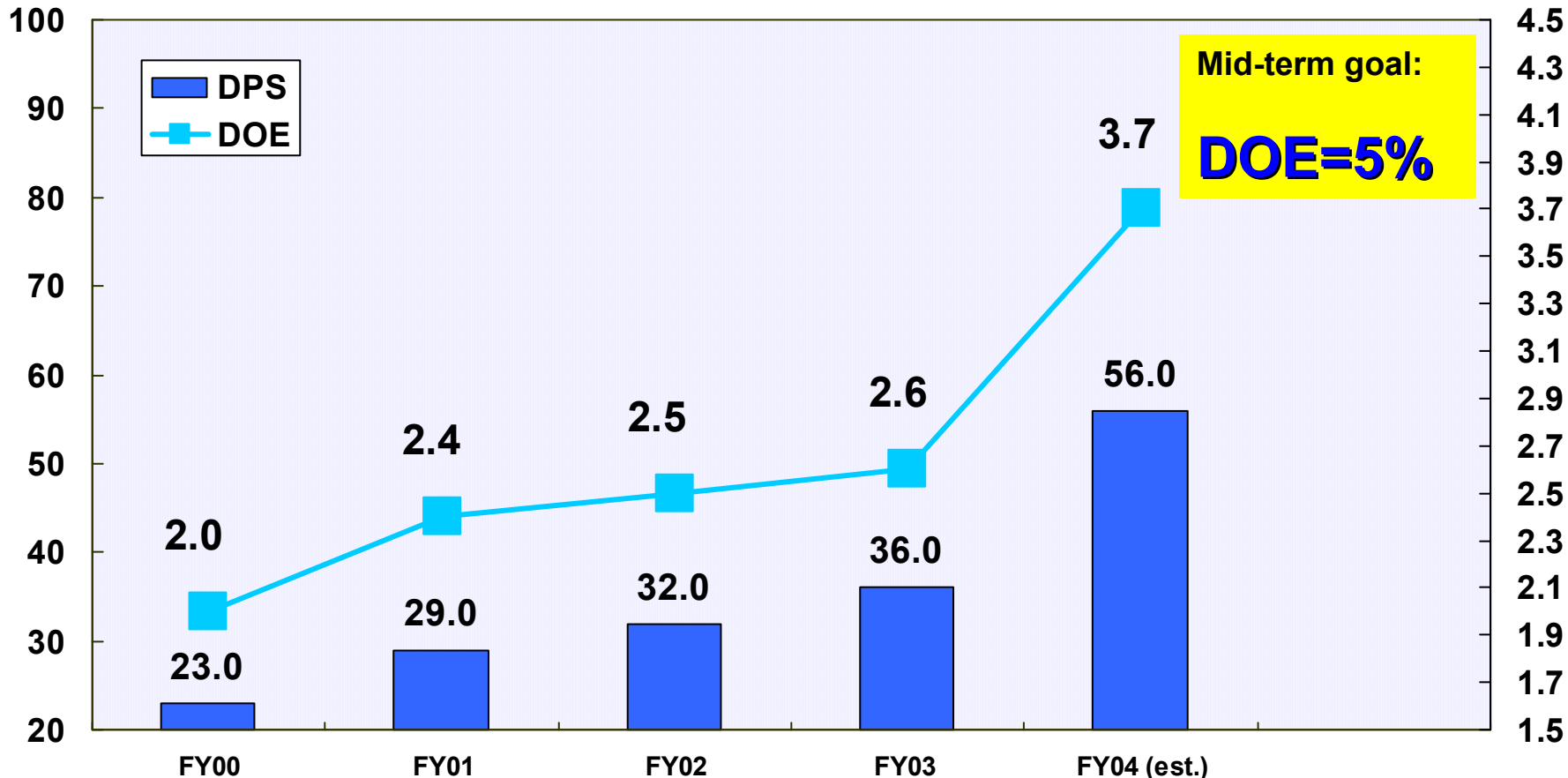
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Dividend Policy

Accelerate Achievement of Targeted DOE 3% by 2 Years
(from FY04 to FY06)

(DPS: Yen)

(DOE: %)



DOE = Dividends On Equity (= ROE x Dividend Payout)

DPS = Dividends Per Share

*As for FY04 (est.), upward revisions were made: DOE (from 2.7 to 3.7) & DPS (from 42 to 56)

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3Q FY2004 Consolidated Performance

(billions of yen, %)

	Oct.-Dec., 2004 (3 months)		Apr.-Dec., 2004 (9 months)		
	Results	%	Results	%	YOY
Net Sales	143.4	100.0	404.4	100.0	107
Cost of Sales	25.3	17.6	75.7	18.7	103
Gross Profit	118.2	82.4	328.8	81.3	108
R&D Expenses	19.5	13.6	57.0	14.1	113
SG&A Expenses	71.9	50.2	203.5	50.3	108
Operating Income	26.7	18.6	68.3	16.9	104
Ordinary Income	26.6	18.5	69.8	17.3	106
Net Income	16.5	11.5	44.1	10.9	109

EPS (Yen)	57.5		153.3		111
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Sales of Major Products

(billions of yen, %)

Product Name	Area	Oct. – Dec. 2004	YOY	Apr. – Dec. 2004	YOY
Aricept® Alzheimer's Disease Treatment 	Total	45.7	131	122.0	118
	Japan	9.9	125	27.2	126
	U.S. Millions of Dollars	27.3 (257)	134 (137)	71.5 (659)	114 (121)
	Europe	7.8	130	21.2	122
	Asia	0.7	112	2.1	114
Aciphex® / Pariet® Proton Pump Inhibitor 	Total	36.0	103	100.8	102
	Japan	6.6	115	14.9	129
	U.S. Millions of Dollars	27.3 (257)	102 (105)	79.2 (729)	98 (104)
	Europe	1.6	75	5.2	94
	Asia	0.6	116	1.5	127

The average dollar rate during first half of FY2004 was 108.56 yen and that during first half of FY2003 was 115.00 yen.

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Financial Forecast for FY2004

Posted Record Profits for Fifth Consecutive Years

(billions of yen, %)

	FY2003 Results	FY2004 Estimates	YOY
Net Sales	500.2	530.0	106
R&D Expenses	69.0	76.0	112
Operating Income	83.1	87.0	105
Net Income	50.1	54.0	108
EPS (Yen)	172.1	188.1	109
Dividends (Yen)	36.0	56.0	156
DOE (%)	2.6	3.7	

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**Efficient Discovery
Expedited Development
Stable Supply**