



Global Strategy

Expand profit by active resource investment in growing markets

–U.S.A., Asia, Europe

Ensure profitability in our home base

U.S. Strategy

Reinforcement of Eisai Inc.

Increase Sales Force to 500 during FY2003, with potential further increases in the future

- Cover main prescribers of *Aciphex* and *Aricept*
- Enhance our independency for full integration of functions in the U.S.
- Increase opportunities for bus

U.S. Strategy

Reinforcement of Eisai Research Institute of Boston, Inc. (ERI)

- The drug discovery facility second in size to Tsukuba Research Laboratories, is located in the Boston cluster, a concentration of industrial, technological and life science expertise.
- Unique drug discovery research is conducted based on our original approach of 'Target Oriented, Chemistry Integrated'



Enables further reinforcement of drug discovery research which starts from natural bioactive substances, state-of-the-art high sensitivity screening approach, structural biology, process research, pharmacokinetics and safety research.

- **Increase current staff from 180 to 250**
- **Invest \$ 75M by FY2006**

U.S. Strategy

Eisai Inc. to build own distribution capability

- Direct and prompt grasp of customer needs
- Efficient inventory management

Active Business Development in neurology for the U.S. market.



Asia Strategy

Leap in China

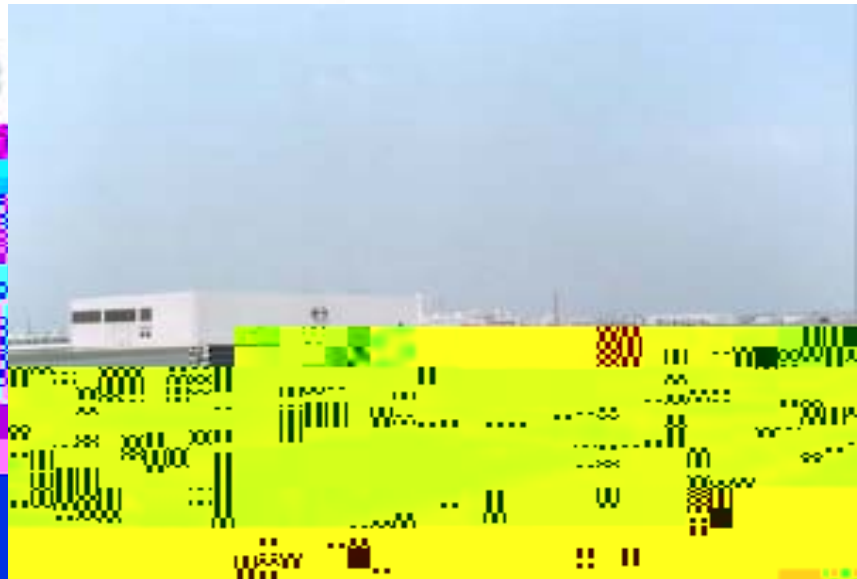
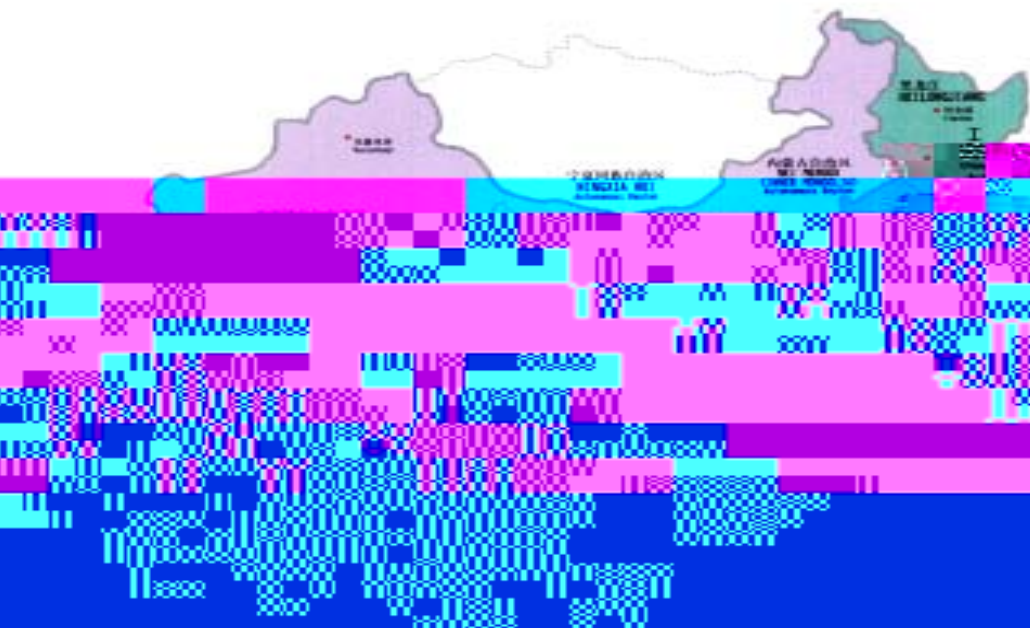
Estimated Sales of ¥20 Billion in FY2006

Sales Force: 250, Covered cities: 100

Expand *Aricept, Pariet, Methycobal, and Selbex etc.*

Active business development

Expand manufacturing capability at Suzhou Plant



EU Strategy

Increase coverage along with EU expansion

- New territory expansion

Better response to the EU as one market

- Establishment of a new operational system appropriate for the new EU

Expansion of *Aricept* and *Pariet*

- *Aricept*: 70% of dementia market
- *Pariet*: 5% of PPI market

Active business development

Japan Strategy

Rapid expansion of *Aricept* and *Pariet*

***Aricept* : Estimated sales of ¥ 50 Billion in FY2006**

***Pariet* : Estimated sales of ¥ 60 Billion in FY2006**

**Two-digit profitability in Consumer Health Care,
Diagnostic and Generic Business Operations**

**Active business development in the Japanese
market**

R&D Strategy

Discover drugs and cooperate with three clusters in the U.S., EU, JP

Create projects exploiting the latest proteomics with basic techniques. Discover target molecules for drug

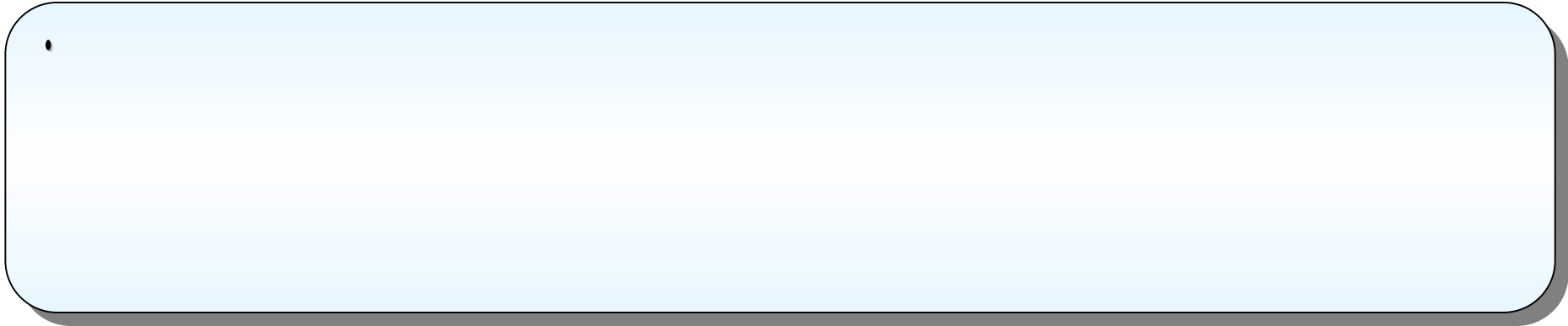
KAN Research Institute (Kyoto)

Eisai Research Institute of Boston, Inc.

Eisai London Research Laboratories, Ltd.

E7070

Cell cycle G1 phase arresting agent



E7070

Phase Clinical Studies Types of Cancer

Colorectal cancer	EU (Completed)
Breast cancer	EU (Completed)
Non-small cell lung cancer	EU (Completed)
Melanoma	EU (Completed)
Head & neck cancer	U.S. (Enrollment Completed)
Renal cancer	EU&U.S. (Ongoing)
Leukemia	U.S. (Planned)

E7070

Development Plan

We aim to prove efficacy in combination therapy for colorectal cancer, breast cancer and non-small cell lung cancer for which the efficacy of the drug is suggested.

The possibility of monotherapy for breast cancer is also under consideration

Colorectal cancer

- Combination therapy with irinotecan (*Campto*[®])
- Starting in 1Q of 2003, expected submission: FY2006

Breast cancer

- Combination therapy with capecitabine (*Xeloda*[®])
- Starting in 1Q of 2003, expected submission: FY2006

NSCLC

- Combination therapy with carboplatin (*Paraplatin*[®])
- Development strategy for submission will be determined after Ph I/II in Europe.

E5564

Endotoxin Antagonist

Ph II trial for Sepsis

- 1st Stage : Completed
FDA Review complete
- 2nd Stage : Just started
Estimated completion: December 2003
- 3rd Stage : Will start in 2Q 2004
Estimated completion: December 2004

Ph II trial for CABG (improvement of coronary-artery bypass graft surgery prognosis)

Patients with a low serum concentration of anti endotoxin antibody have a poor prognosis after coronary surgery. Use of E5564 before operation is expected.

Expected Submission: FY2007

E2007

Novel Oral AMPA receptor antagonist

- **Compound which can be administered orally, antagonizes AMPA receptors selectively, and prevents apoptosis by inhibiting exceeding influx into Ca⁺⁺ cells.**
- **The first AMPA receptor antagonist that has shown efficacy in the multiple sclerosis animal model.**

Ph II study is ongoing in EU

Indication : Parkinson's Dyskinesia, Epilepsy, MS

Expected Submission: FY2006

E7389

Tubulin Polymerization Inhibitor



E7070 has a controllable toxicity profile and has antitumor effects in colorectal cancer, breast cancer and non small cell lung cancer.

E5564 has completed 1st stage and moved to 2nd stage. Ph II of CABG (Improvement of prognosis after coronary-artery graft bypass surgery) has started.

E2007 (AMPA Receptor Antagonist) has shown the data suggesting the efficacy in clinical research. Ph II study for Parkinson Dyskinesia has started.

Ph I of E7389 (Tubulin Polymerization Inhibitor) is being conducted by the U.S. National Cancer Institute (NCI). Eisai IND will be submitted in March 2003.

The probability of success

E7070 (Global Development)

- Stage: P4894.3j0.753 25053 0.753 scn0.753 0.753 0.753
- Expected Submission: FY2006
- Indication: Various cancers

E2007 (Global Development)

- Stage: Ph II
- Expected Submission: FY2006
- Mode of Action: Selective AMPA receptor antagonist
- Indication: Parkinson's Dyskinesia, epilepsy, MS

E5564 (Global Development)

- Stage: Ph II
- Expected Submission: FY2007
- Mode of Action: Endotoxin antagonist
- Indication: Sepsis, CABG (Prevention of endotoxin-related complications after coronary artery bypass graft surgery)

R&D Progress

E3620 (Global Development)

- Stage: Ph II
- Mechanism: 5-HT₃ Receptor Antagonist, 5-HT₄ Receptor Agonist
- Indication: GERD, IBS

E2014 (JP)

- Stage: Preparation for Ph II
- Expected Submission: FY2005
- Mechanism: Botulinum toxin (Type B)
- Indication: Cervical dystonia

E3309 (Global Development)

- Stage: Ph I
- Expected Submission: FY2005
- Mechanism: Eradication of *H.pylori* via membrane injury
- Indication: *H. pylori* eradication

R&D Progress

E7820 (Global Development)

- **Stage: IND in March 2003**
- **Expected Submission: FY2010**
- **Mode of Action: Angiogenesis Inhibitor**
- **Indication: Various Cancer**

E5555 (Global Development)

- **Stage: IND in March 2003**
- **Expected Submission: FY2010**
- **Mode of Action: Inhibition of thrombin receptor**
- **Indication: Acute coronary syndrome**

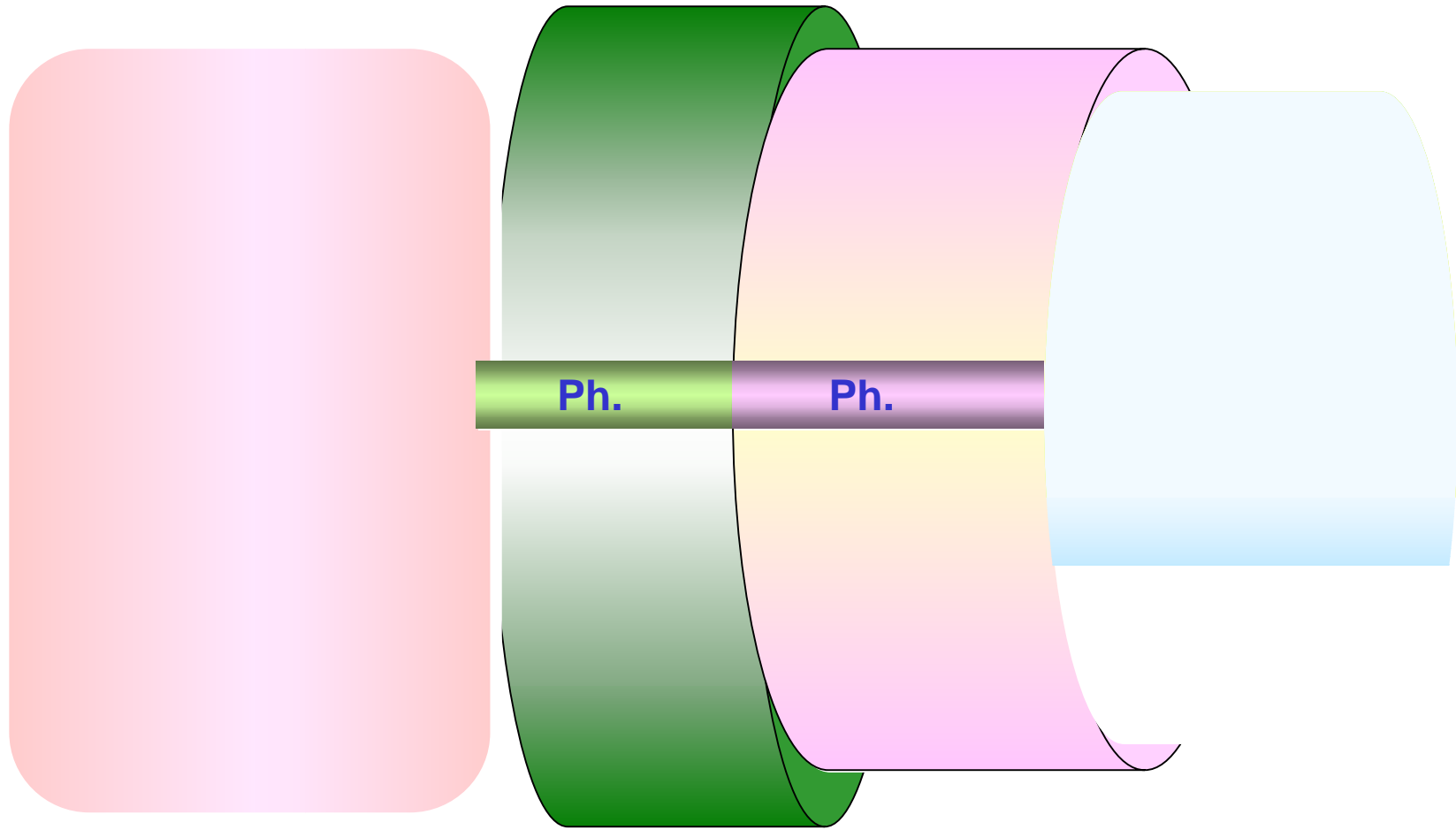
E0167 (JP)

- **Stage: Clinical study in prepararion**
- **Expected submission: FY2011**
- **Mode of Action: Reduction in the recurrence of Hepatocellular carcinoma by vitamin K2**
- **Indication: Reduction in the recurrence of Hepatocellular carcinoma**

***Our pipeline has increased
in quality and quantity
since last year***

***What is the status
of the franchise?***

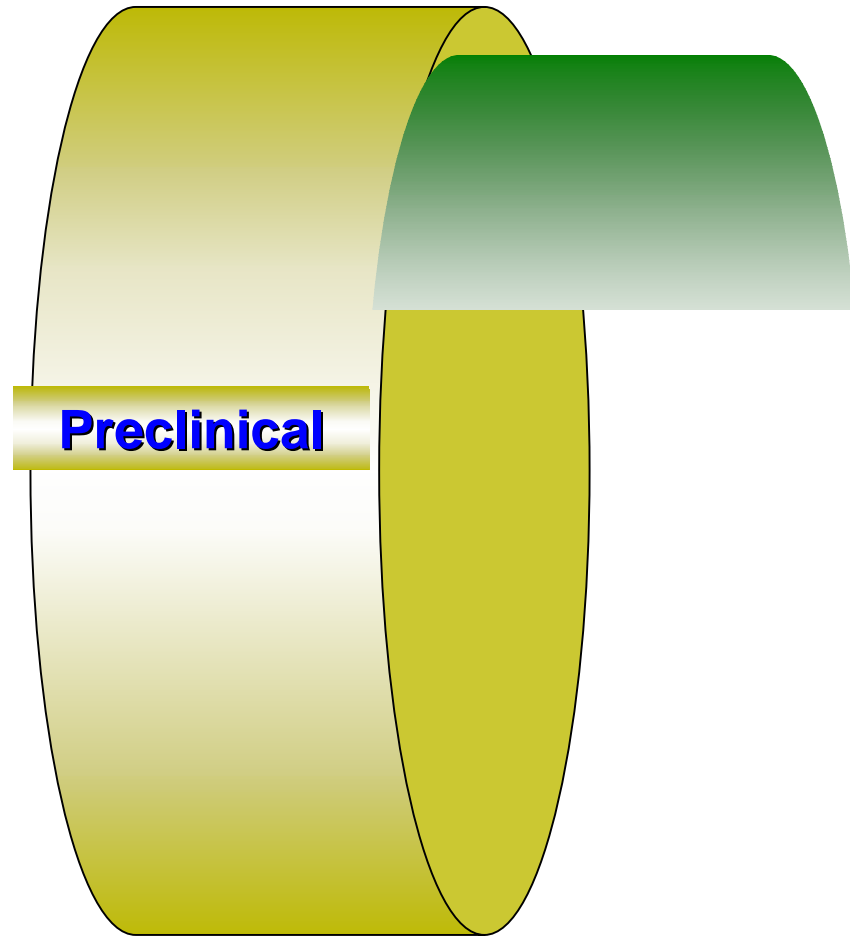
Neurology Pipeline

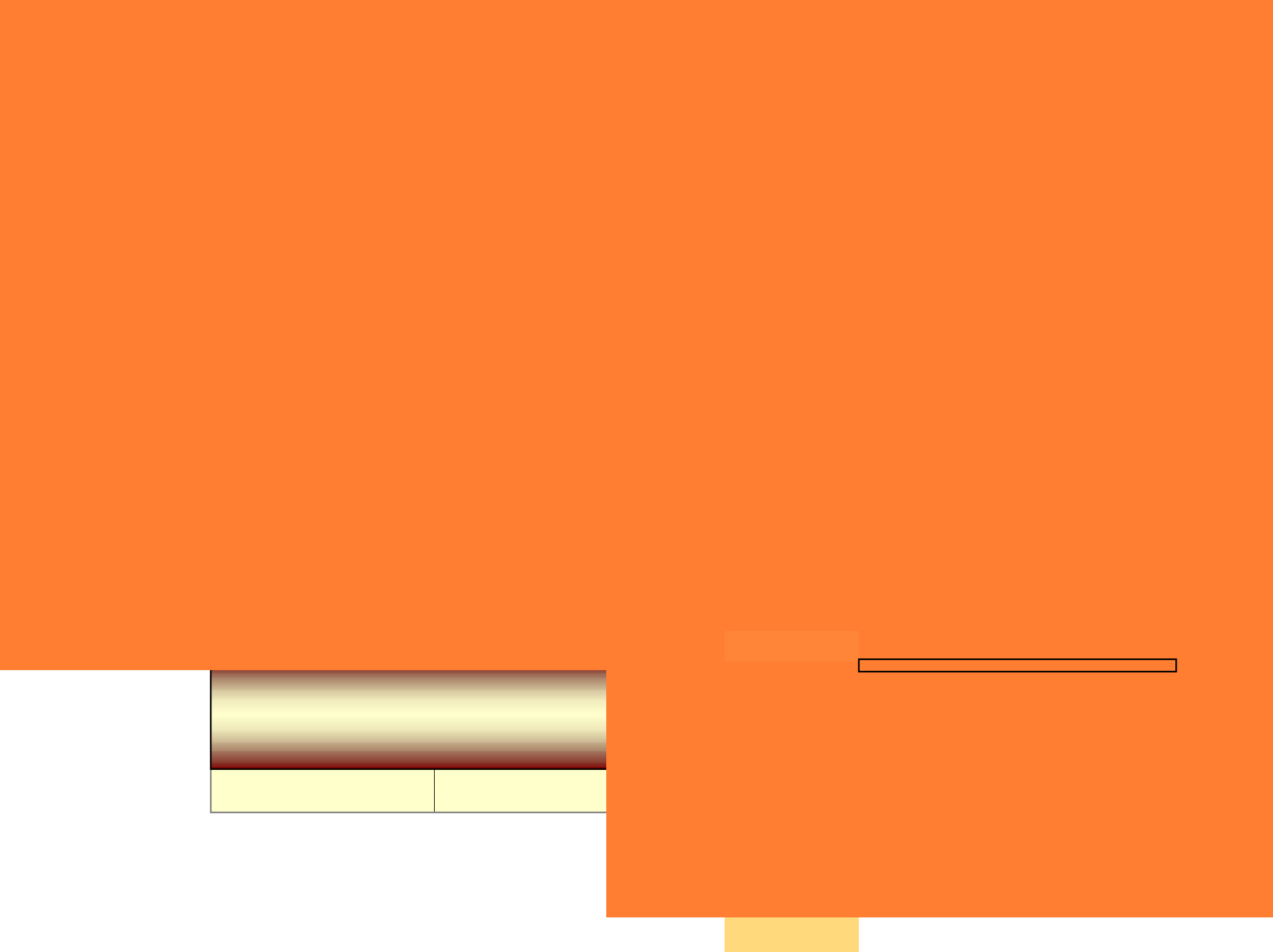


Active Alliances in Neurology

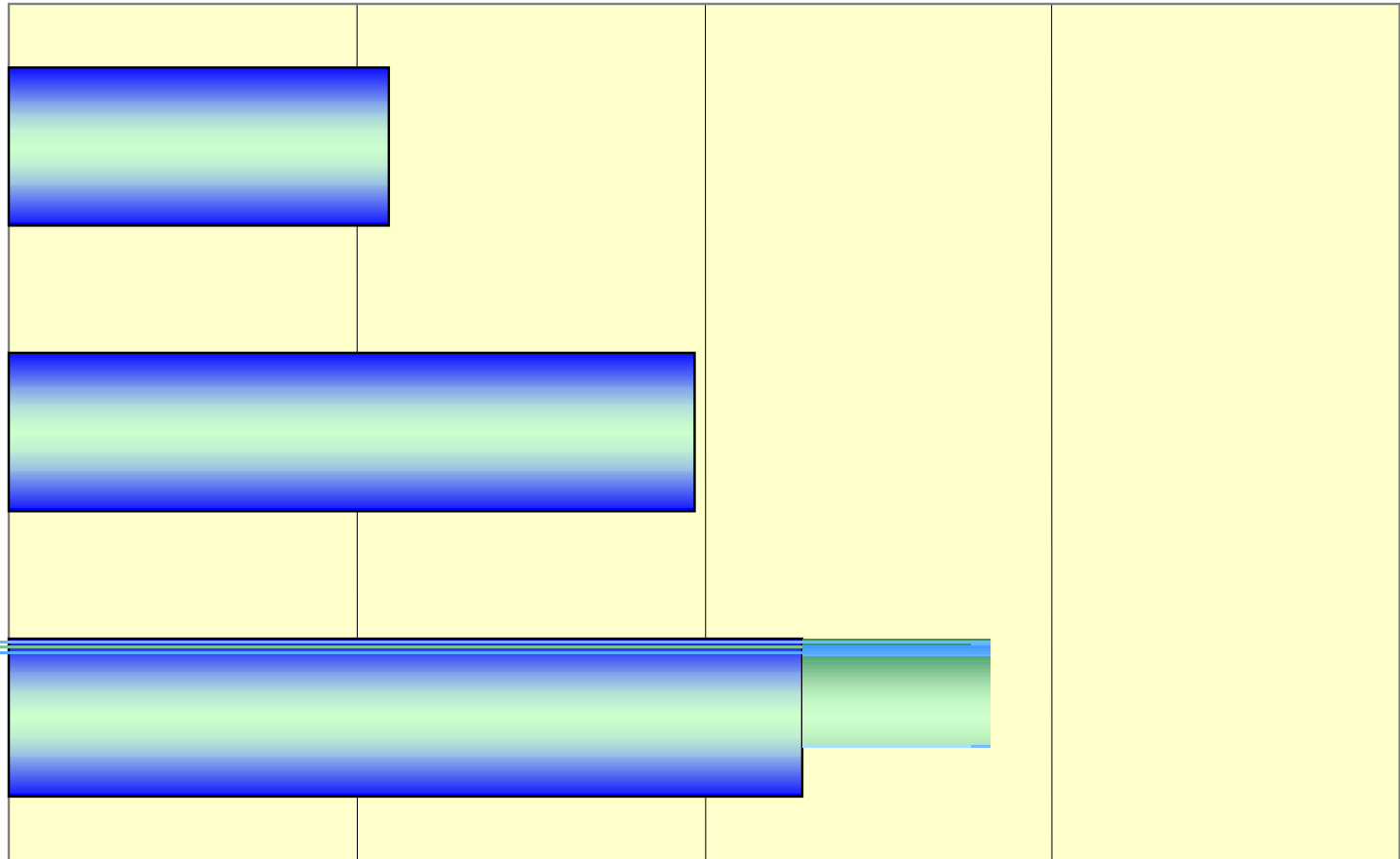
Alzheimer's Disease

Oncology Franchise Pipeline





Sales in GI Franchise Area



***Three Franchise Areas have
been further developed***

www.rajawala.com



Aricept and Aciphex/Pariet Lifecycle Management

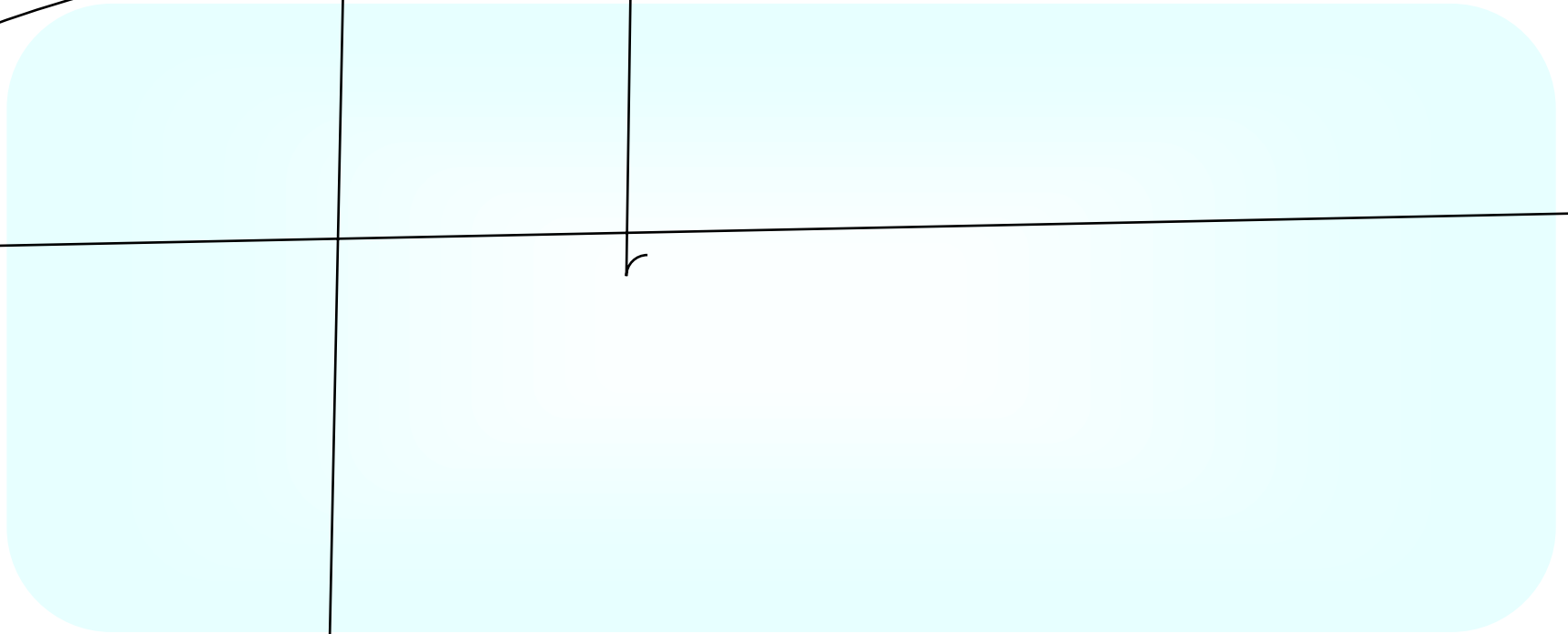
Aricept

- **VaD** (FDA Advisory Board Meeting in 2Q 2003)
- **Severe Alzheimer' Disease**
(Expected Submission: FY 2004 in the U.S. and EU)
- **Migraine Prophylaxis**
(Expected Submission: FY2005 in the U.S. and EU)
- **Dementia associated with Parkinson's disease**
(Expected Submission: FY2005 in EU)

Aciphex/Pariet

- **GERD Maintenance** (January 2002: Filed in Japan)
- **Symptomatic GERD**
(February 2002: Approved in the U.S.)
- ***H. pylori* Eradication**
(November 2002: Approved in the U.S.)

H. pylori Eradication Period for PPIs in the U.S.



Prospect of *Aciphex* Business in the U.S.-1

Two additional indications were approved in FY2002

(Symptomatic GERD, *H. pylori* Eradication)

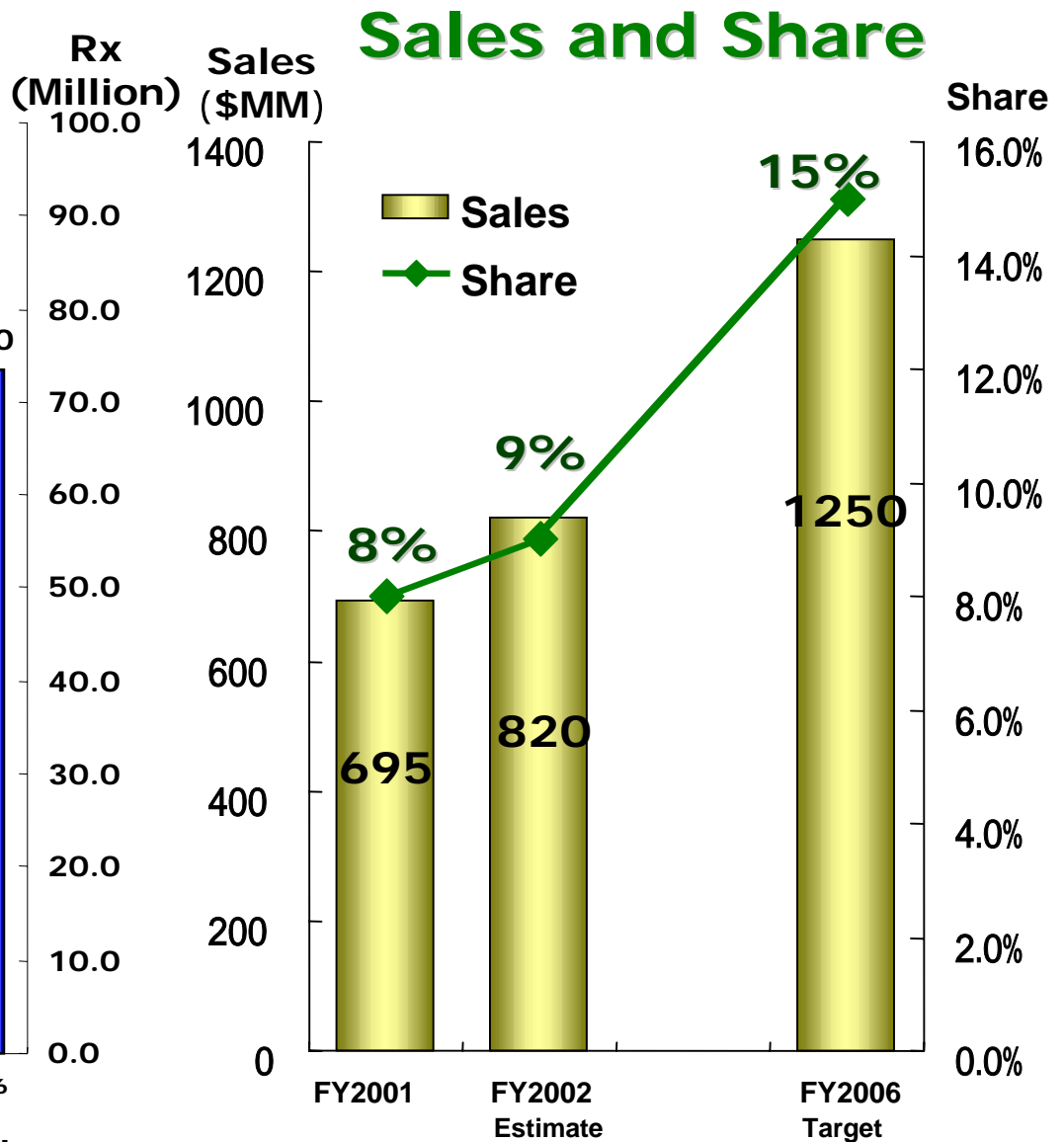
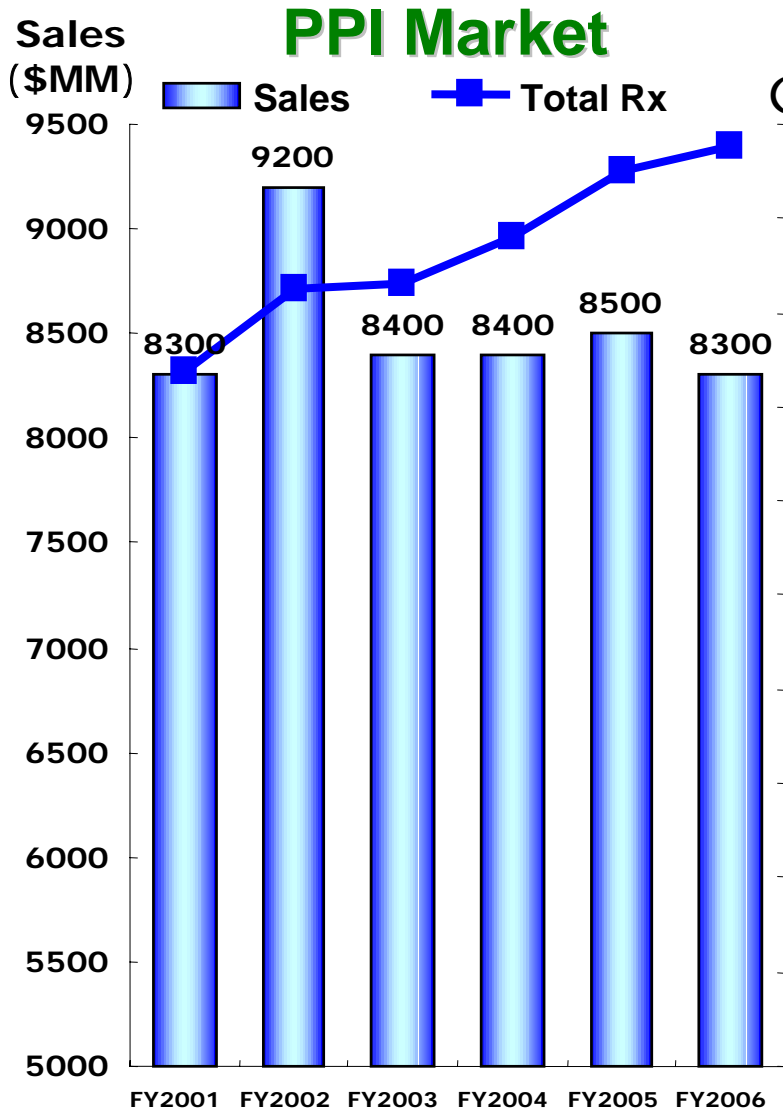
By increasing sales force to over 500 during 2003, we aim to expand the share of voice

***Aciphex* will keep growing during the patent protection period (until 2013), although generics will launch in the market**

We target to achieve 15% of market share in FY2006

Prospect of *Aciphex* Business in the U.S.-2

Aciphex Sales and Share: Results, Estimates in the U.S.



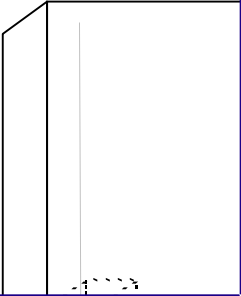
Source: Eisai

Pariet in Japan



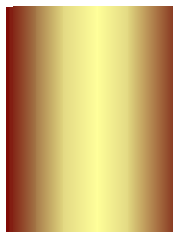
Aciphex/ Pariet

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Aricept Sales in Japan

Sales
(¥ Bil)



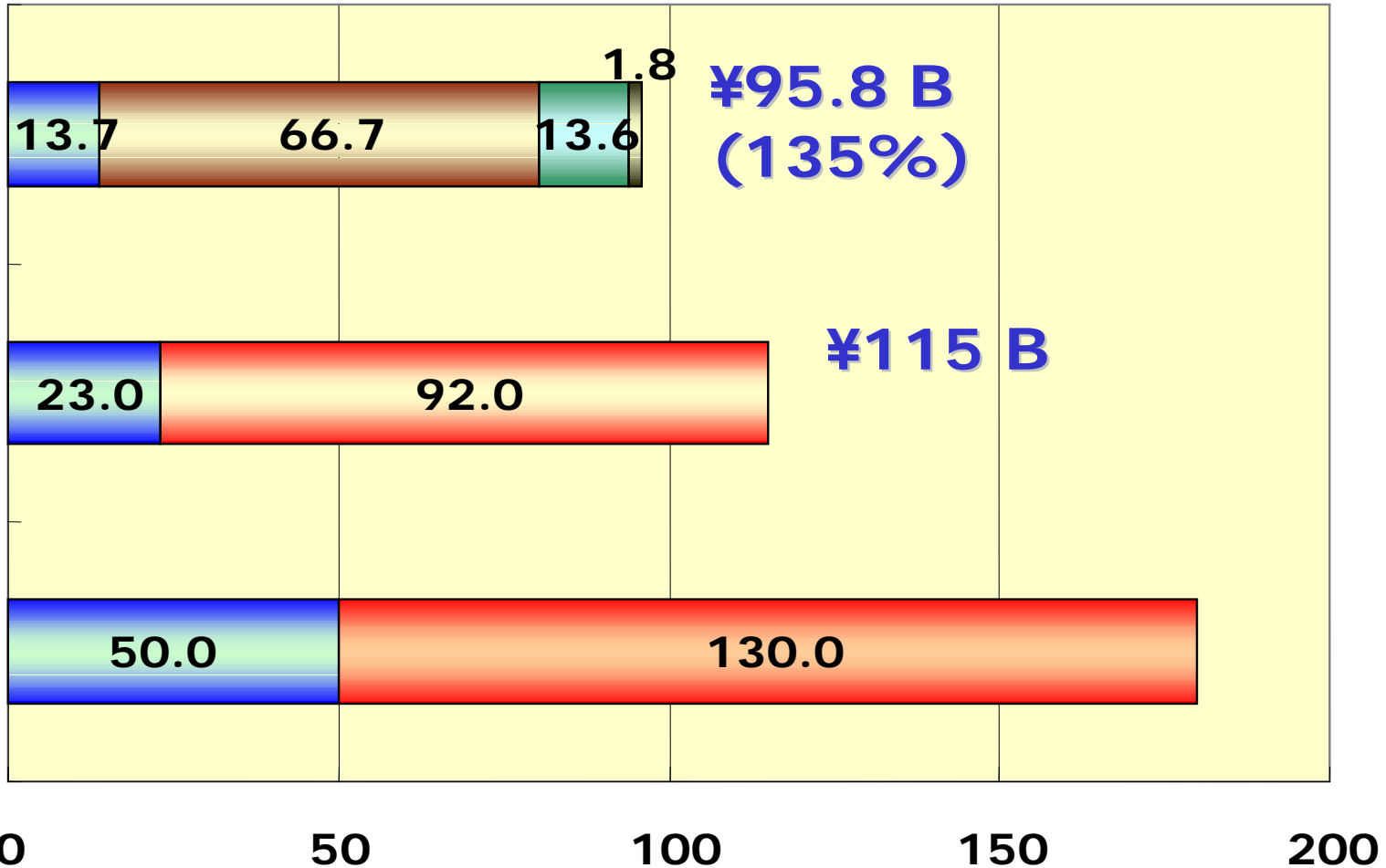
Aricept Sales: Results, Estimates by Region

JP

US

EU

AS



FY 2002 Consolidated Sales and Income Estimates

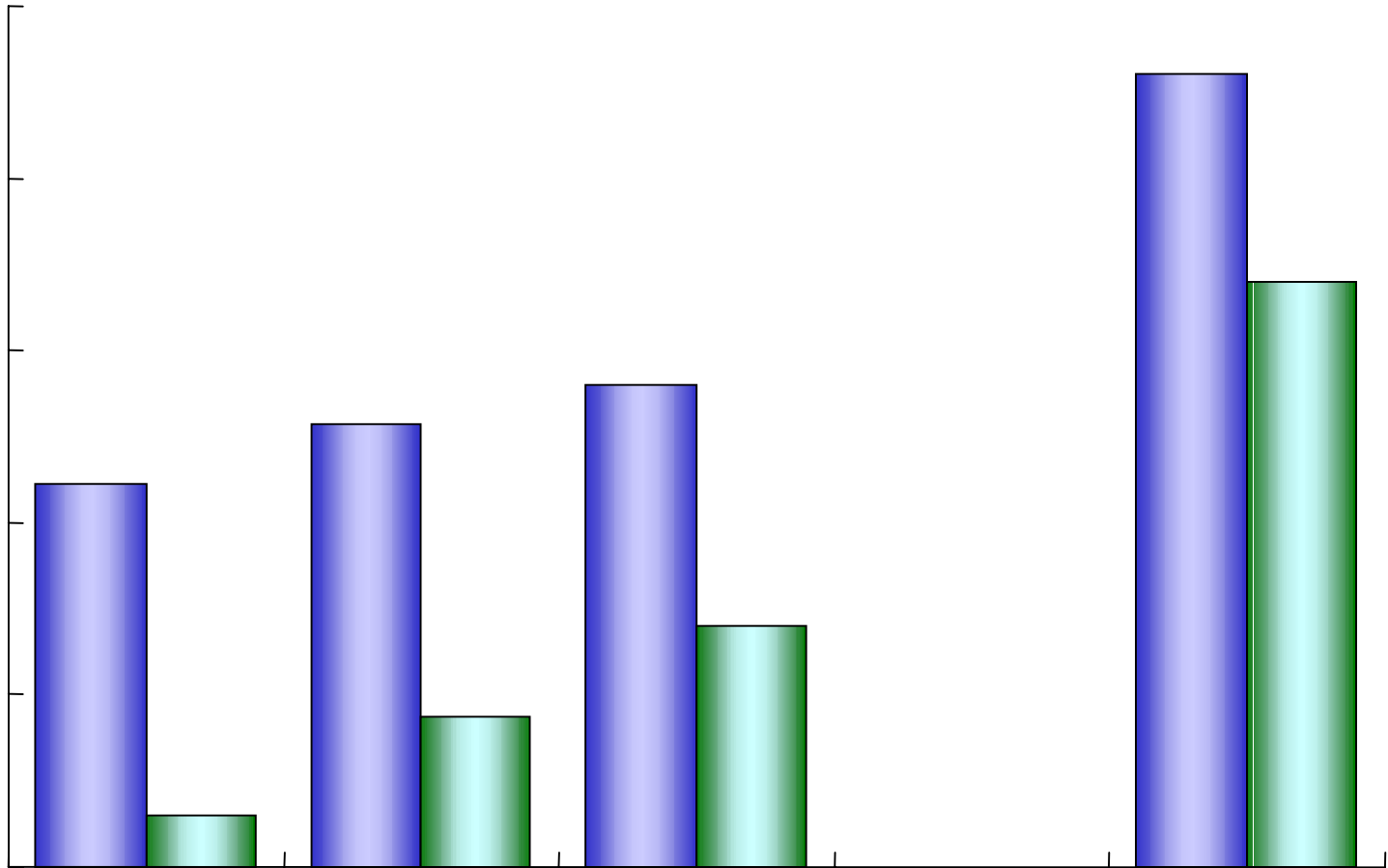
	Estimate	CY/PY%
Net Sales	¥ 460.0 Bil	107%
Operating Income	75.0	103%
Net Income	40.0	110%
EPS	¥136.8	
ROE	10.7%	
ROA	7.0%	

Eisai Inc.(U.S.)

FY2002 Sales and Income Estimates

	Estimate	CY/PY
Sales	\$1,420M	116%
Operating Income	\$50M	111%
Op. Income before royalty deduction	\$210M	121%
FY2002 1st Harf Results	Results	CY/PY
Sales	\$700M	116%
Operating Income	\$19M	50%
Op. Income before royalty deduction	\$95M	102%

Eisai Inc. (U.S.)
Operating Income
Before Royalty Deduction by Products



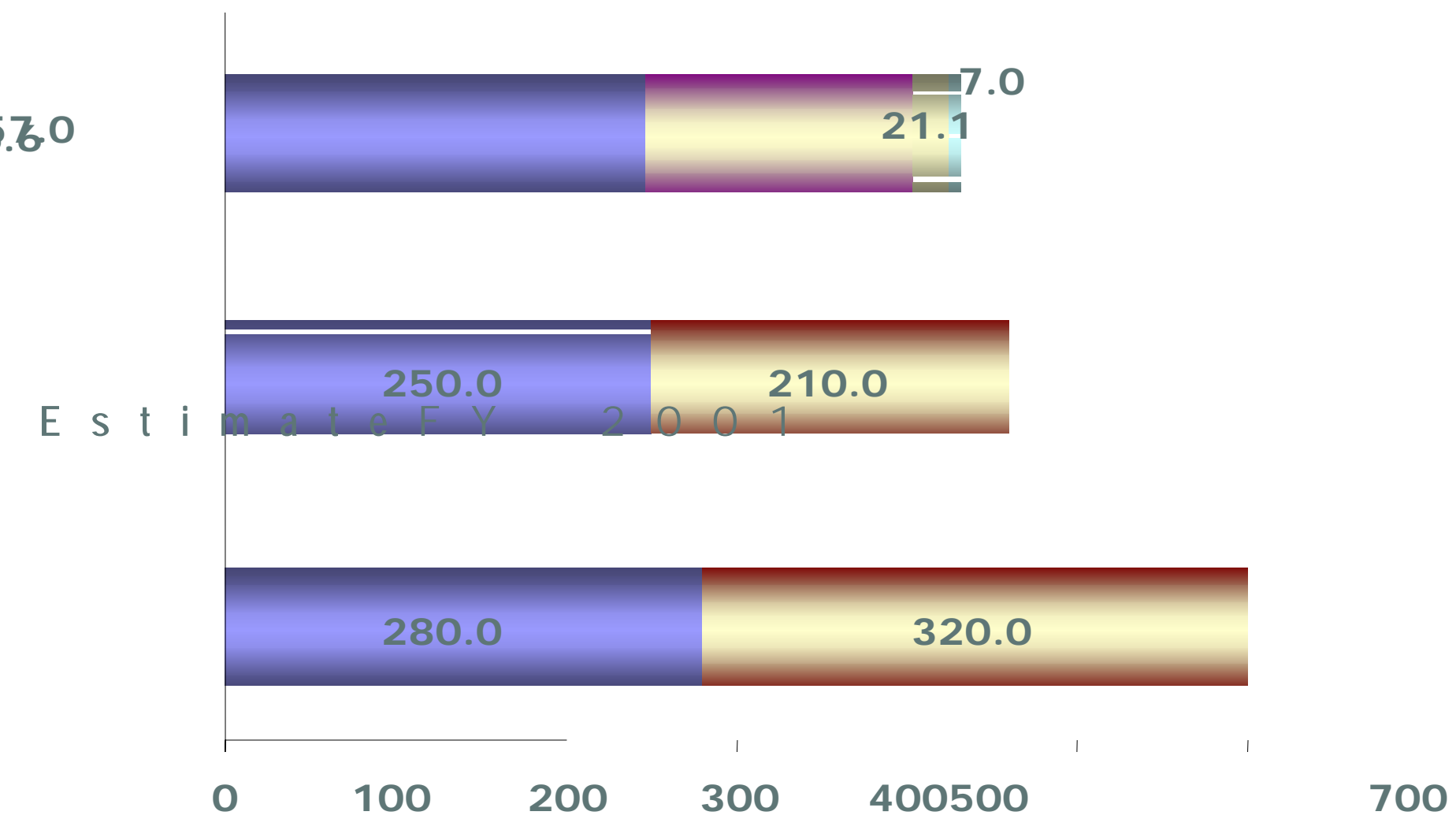
We will maintain aggressive investment in U.S. operations.

Increasing sales will improve profitability

Profitability has been increasing steadily.

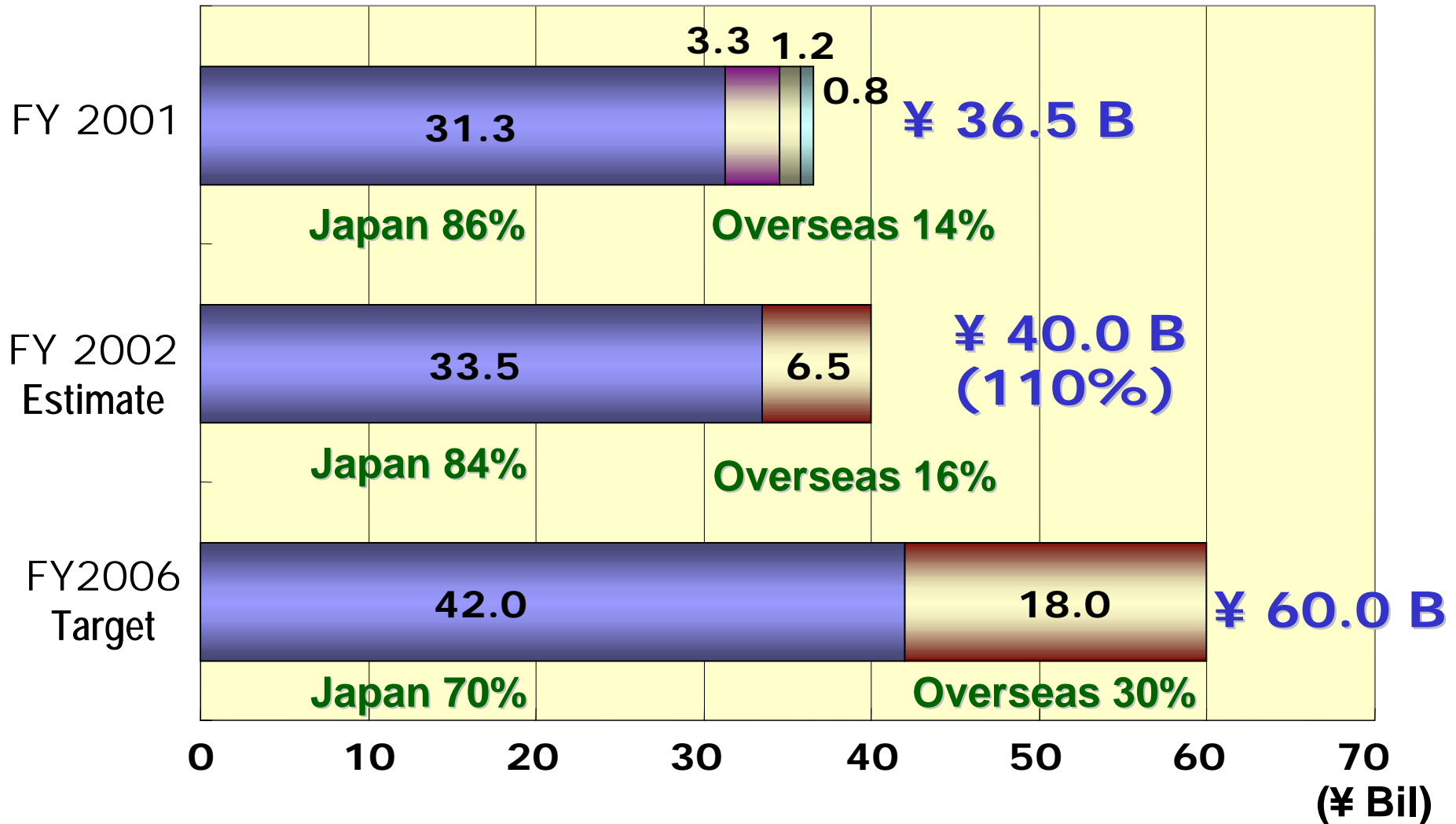
Sales and incomes are expected to keep growing based on robust U.S. operations and expansion of indication for Pariet in Japan.

We will continue our global strategy to achieve Eisai's Millennium Plan.



Consolidated Net Income Estimate by Area

■ JP
 ■ US
 ■ EU
 ■ AS
 ■ Overseas



Operating Income Before Royalty Deduction -FY2002 V.S. FY 2006-

(¥ Bil)

120.0

100.0

80.0

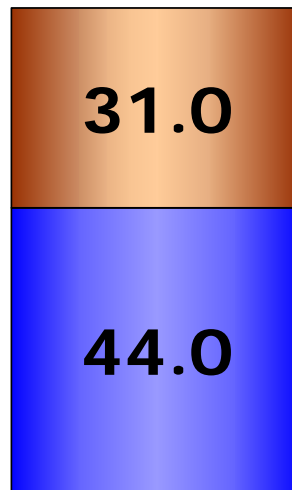
60.0

40.0

20.0

-

¥75.0 Bil

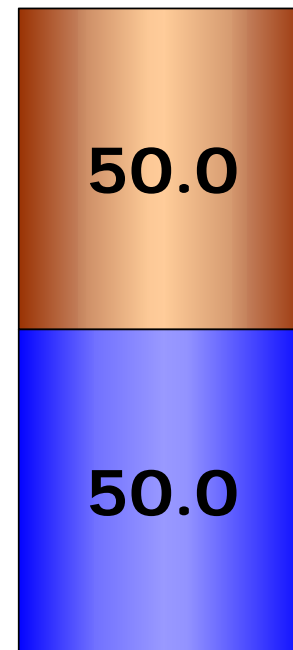


**Overseas
41%**

**Japan
59%**

FY2002
Estimate

¥100.0 Bil



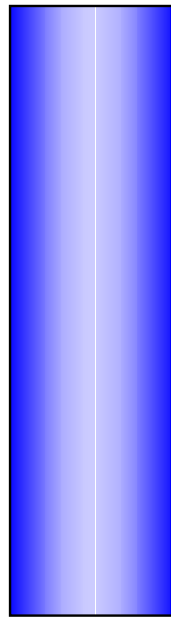
**Overseas
50%**

**Japan
50%**

FY2006
Target

Consolidated Financial Estimate

Net Sales, R&D exp., Operating Income, Net Income





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