



# 2Q FY2010

(Fiscal Year Ending March 31, 2011)

# Financial Results Presentation

October 28, 2010

Eisai Co., Ltd.

*hbc*  
human health care





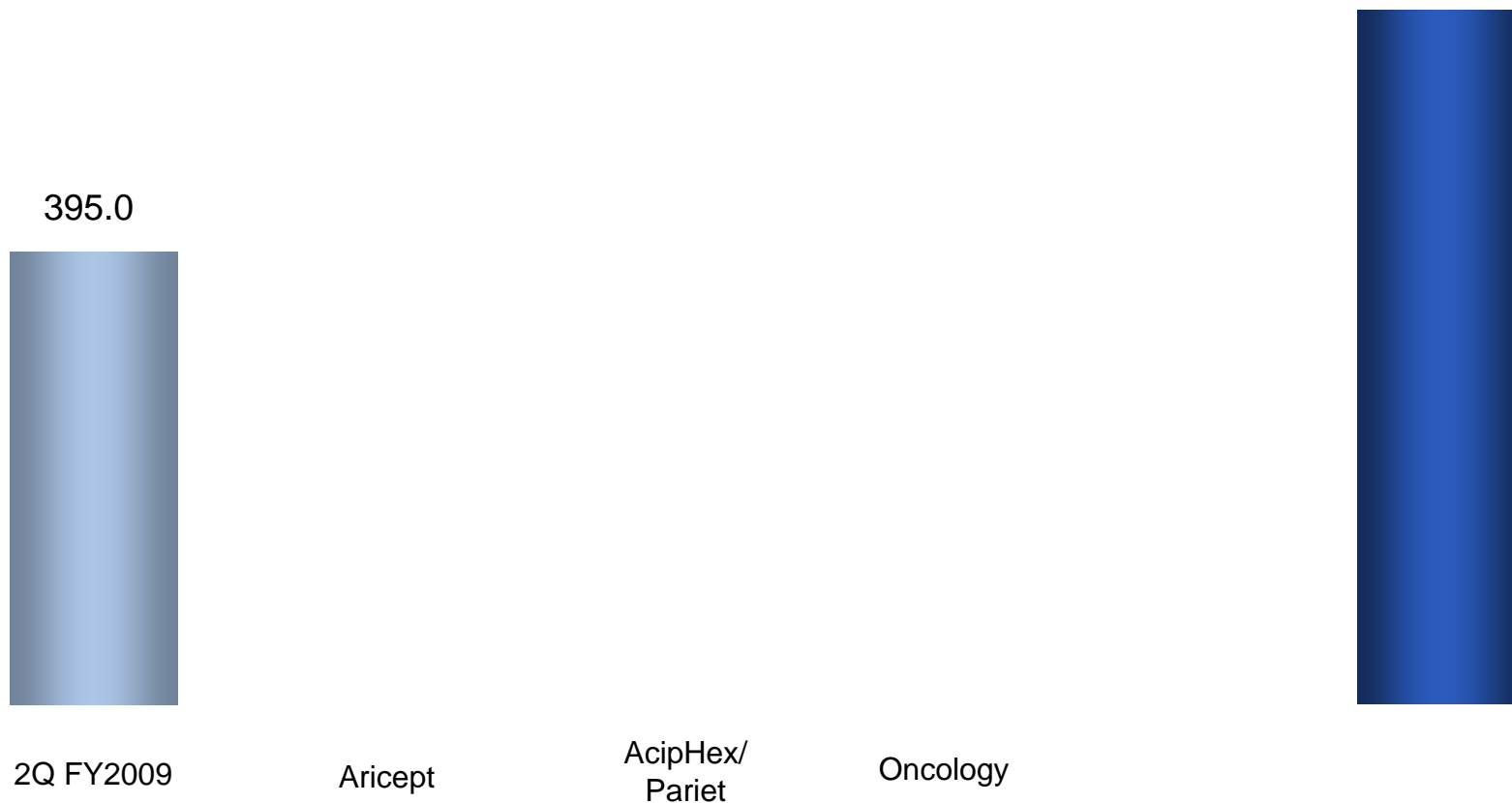
	April – September 2009		April – September 2010		
	Results	%	Results	%	YOY
<b>Net Sales</b>	<b>395.0</b>	<b>100.0</b>	<b>412.3</b>	<b>100.0</b>	<b>104</b>
<b>Cost of Sales</b>	<b>78.9</b>	<b>20.0</b>	<b>84.1</b>	<b>20.4</b>	<b>107</b>
<b>Gross Profit</b>	<b>316.1</b>	<b>80.0</b>	<b>328.2</b>	<b>79.6</b>	<b>104</b>
<b>R&amp;D Expenses</b>	<b>80.7</b>	<b>20.4</b>	<b>73.8</b>	<b>17.9</b>	<b>92</b>
<b>SG&amp;A Expenses</b>	<b>186.3</b>	<b>47.2</b>	<b>187.1</b>	<b>45.4</b>	<b>100</b>
<b>Operating Income</b>	<b>49.1</b>	<b>12.4</b>	<b>67.2</b>	<b>16.39</b>	<b>2157 0.26388.68 57c0 T</b>

# Variation Factors for 2Q FY2010 Net Sales (Cumulative) by Product

Increase in major franchises



(Billion Yen)

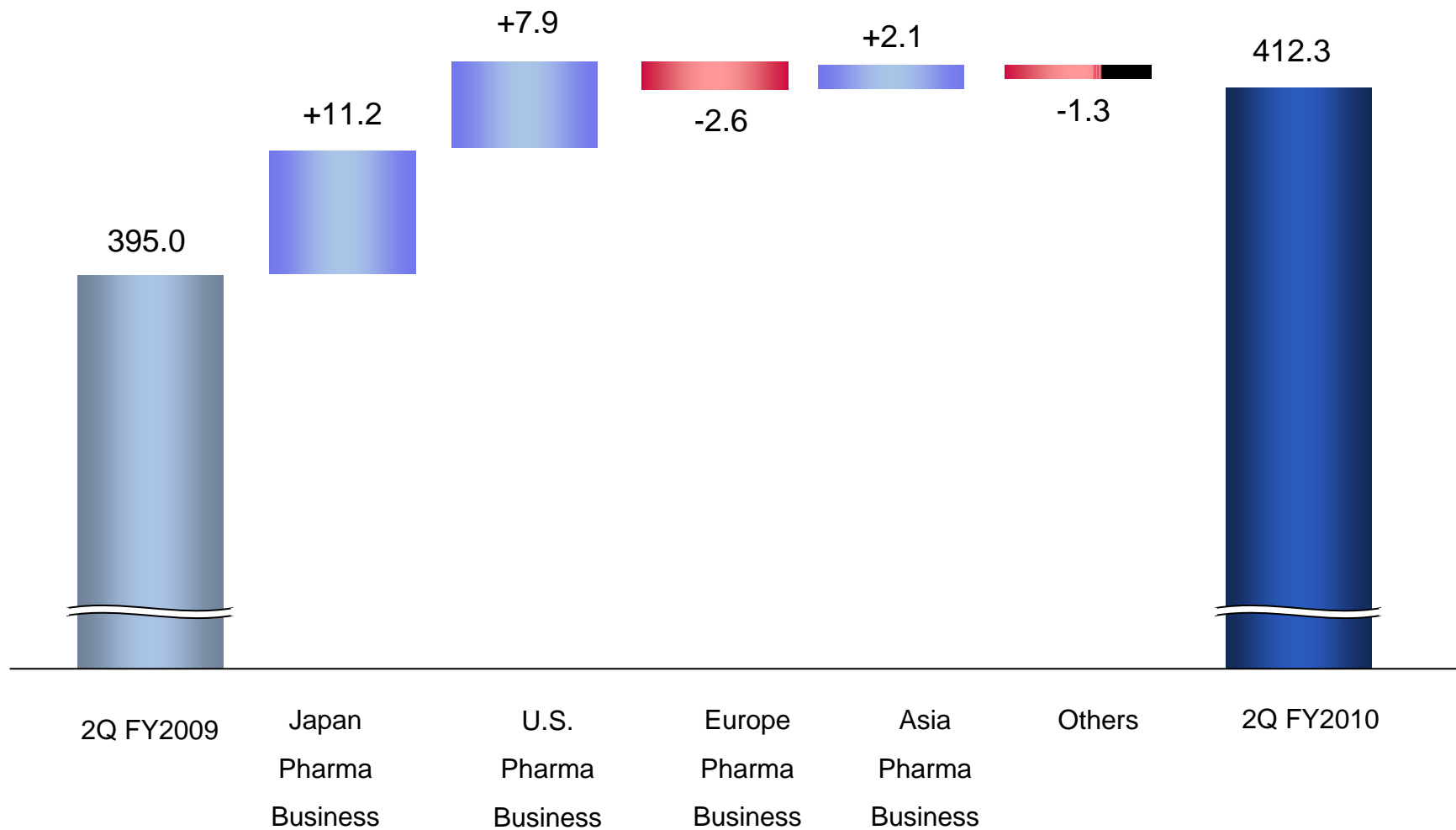


# Variation Factors for 2Q FY2010 Net Sales by Segment

## Significant increase by Japan and U.S. to lead the growth



(Billion Yen)





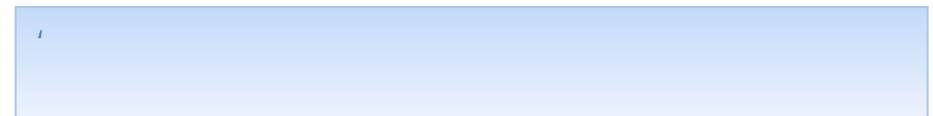


	April – September 2009	April – September 2010	
	Results	Results	YOY
Japan	26.2	29.9	114
U.S.	40.4	34.0	84
[\$ million]	[423]	[382]	[90]
Europe	4.1	3.7	89
Asia	2.5	2.6	105
New Markets	0.1	0.2	156
<b>TOTAL</b>	<b>73.3</b>	<b>70.3</b>	<b>96</b>

# Sales of Major Products - Oncology-related products - Further establishing oncology franchise



(Billion Yen)









# New Product Line to Sustain the Near-Future Profitability

# Aricept 23 mg



# Efficacy of 23mg indicated in the approved label for Aricept



## 2.2. Moderate-to-Severe Alzheimer's Disease

ARICEPT has been shown to be effective in controlled clinical trials at doses of 10 mg and 23 mg administered once daily. **Results of a controlled clinical trial in moderate to severe Alzheimer's Disease that compared ARICEPT 23 mg once daily to 10 mg once daily suggest that a 23 mg dose of ARICEPT provided additional benefit.**

Increasing the donepezil daily dose to 23 mg/day **provided statistically significant cognitive benefit (SIB)** compared to continuing 10 mg/day in patients with moderate to severe AD

Donepezil 23 mg/day did not provide statistically significant incremental benefit compared to 10 mg/day on global function (CIBIC+) in the overall ITT population

## 14.2 Moderate-to-Severe Alzheimer's Disease

**The study showed that patients on 23 mg/day experienced important clinical benefit on both measures compared to 10mg/day**

Extracted from Aricept package insert

# Successfully establish solid foundation to drive sales of Aricept 23 mg tablet



## STEP 1:

Since approval of Aricept 23 mg on July 23, we have focused on approaching payors and physicians

### Payors

- Reached Medicare, Medicaid, and commercial business to help assure patients' access to Aricept 23mg

### Physicians

- Sales force focused on 47,000 key physicians
- Reached 31,000 physicians

Solid foundation already developed

## STEP 2:

**Approach to patients** will be significantly enhanced after full promotion starts in November

10mg share has increased to 77% of whole IR tablets.  
# of Potential patients for 23mg is increasing.



## Approach to Payors:

Majority of moderate-to-severe AD patients will have affordable access to Aricept 23 mg



### •Negotiations have successfully concluded with:

Reaching more than approximately 3/4 of Commercial Health Plans and Pharmacy Benefit Managers with Tier 2 positions for the 2010 and 2011 benefit years

Reaching approximately 2/3 of Medicare Part D beneficiaries, where the dominate position adopted in these arrangements is Tier 2 or "lowest branded tier " for benefit year 2011

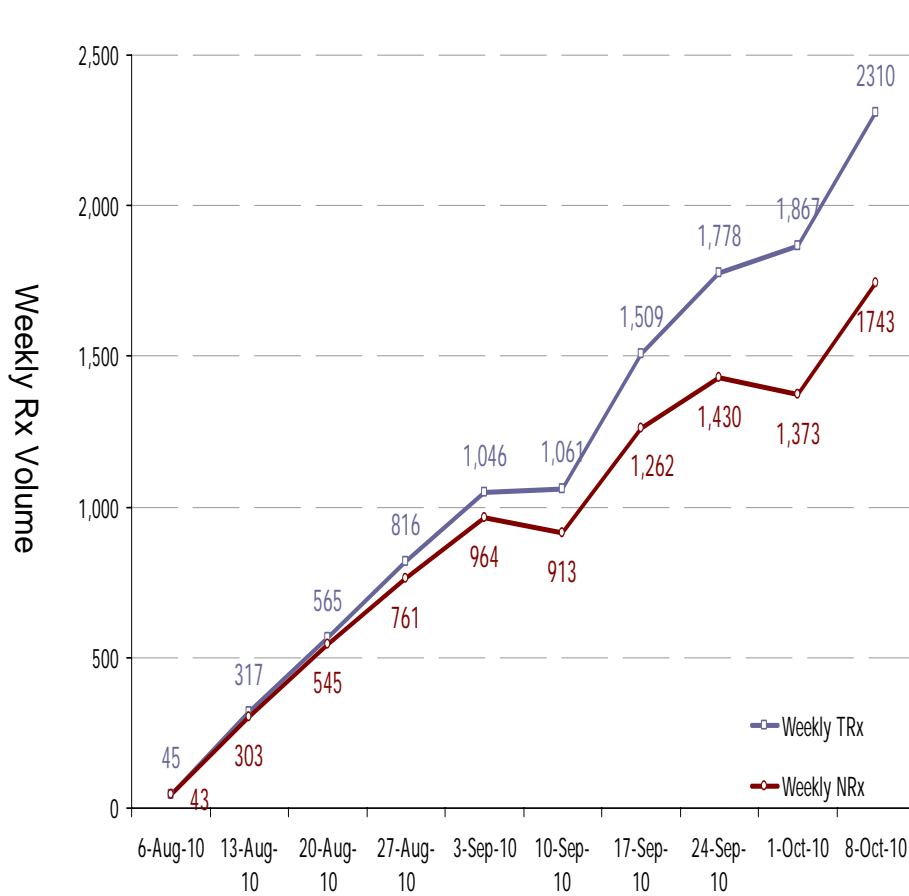
•Suggest that a significant majority of patients suffering from moderate-to-severe Alzheimer's disease will have affordable access to Aricept 23 mg

# Approach to Physicians:

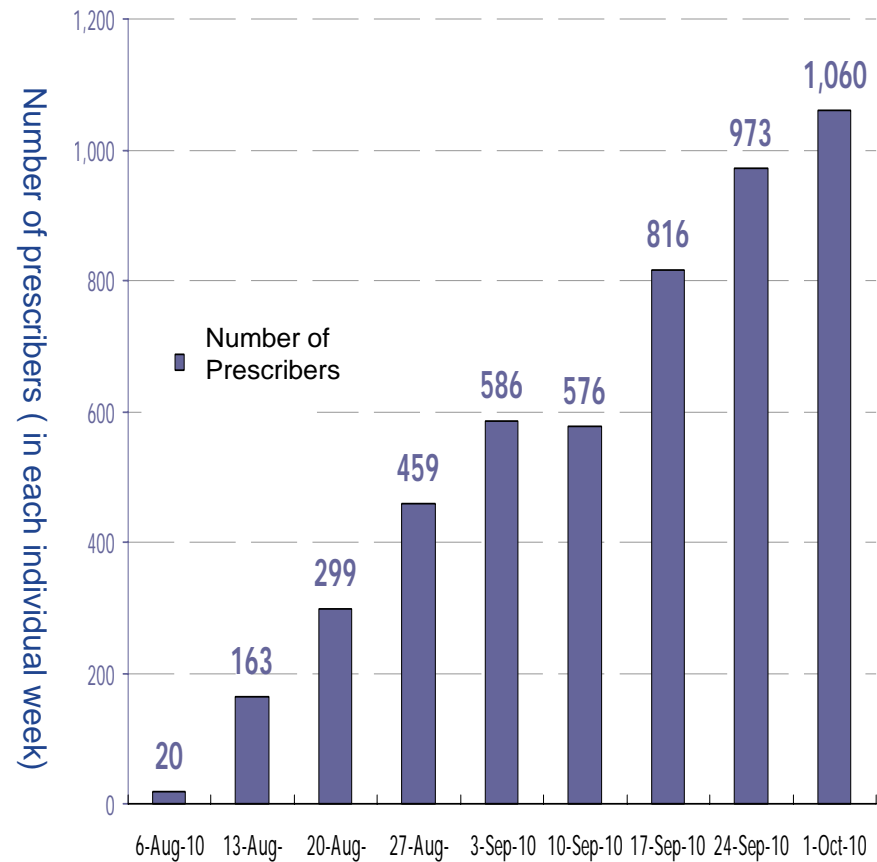
## Steady growth of Aricept 23 mg prescription and prescribers



- **Sales force focused on 47,000 key physicians targets**
  - Over 31,000 physicians reached since launch
  - Aim for rapid expansion after full promotional launch in November 2010



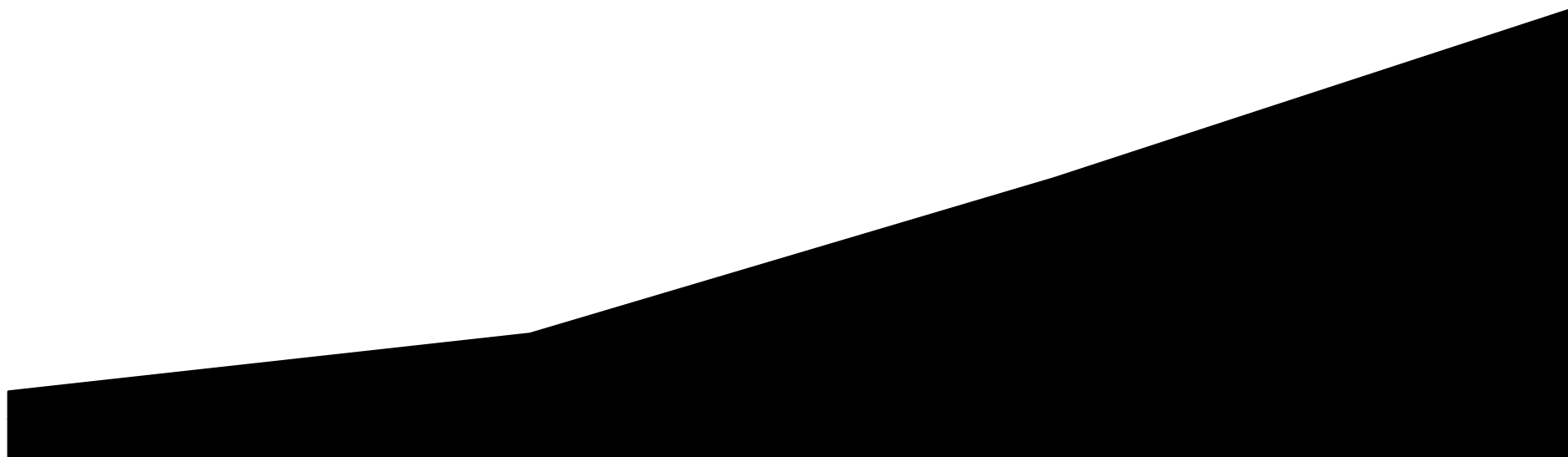
Data Source: IMS NPA



Data Source: MDs = IMS XPO



# Ramping up awareness to accelerate patient value



# Approach to Patients:

Expanded consumer efforts through DTC and advocacy targeted efforts to reach more patients who need a new dosing option







A horizontal bar with a gradient from light blue to red on the left, transitioning into a solid grey bar on the right.

# TM (eribulin mesylate)





# Chosen as one of six products with blockbuster potentials in New York Times on October 7



An article in New York Times titled “Forecast Sees Drug-Sales Growth Overseas” by Duff Wilson dated October 7th:

according to the article six potential new blockbusters - defined as products with more than \$1 billion in sales - including eribulin were expected to reach market by the end of 2011

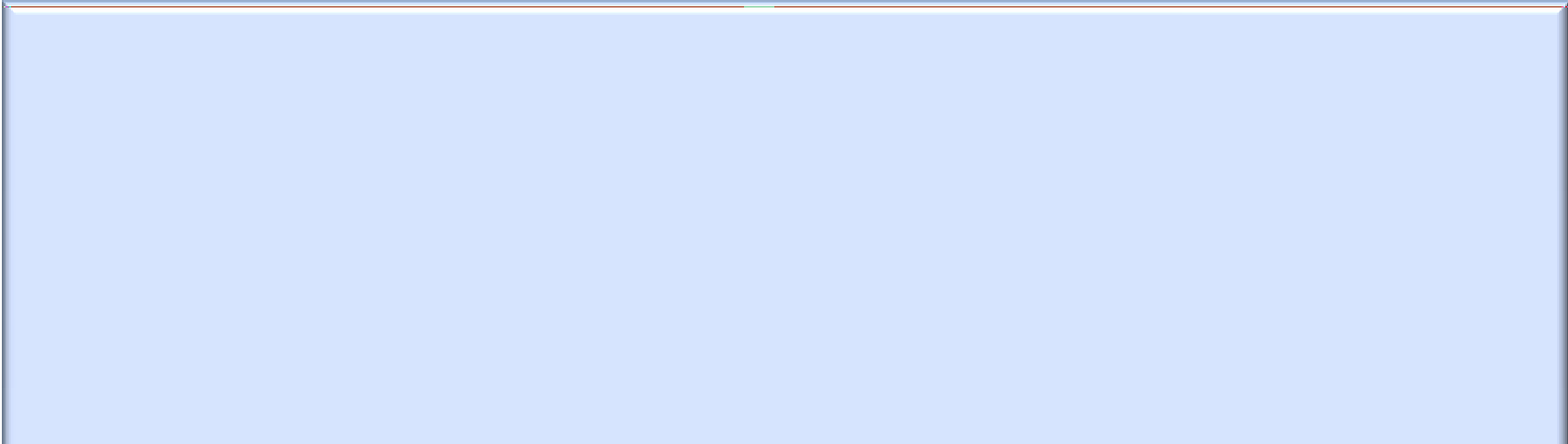
Brilinta, a heart drug from AstraZeneca.  
Telaprevir, a hepatitis C



# Meeting unmet medical needs for metastatic breast cancer patients with HALAVEN



Action dates and expected respons



# New product line to sustain the near-future profitability

## - Progress of AcipHex ER -



### **AcipHex ER** Potentially a strong PPI maintaining the longest pH holding time

- ' Target indication: GERD, and symptomatic GERD  
(meeting unmet medical needs for patients suffering from heartburn)
- ' Pursuing longer acting medicine demonstrated longer pH holding time versus esomeprazole presented at DDW (Digestive Disease Week) in March 2010
- ' Submitted in March 2010 in the U.S. and Europe
- ' FDA action date: February 1, 2011

#### **Unmet medical needs for patients with GERD and heartburn**

- 1/3 of GERD patients take both PPI and H2 blocker
- Heartburn symptom at night is unresolved
- As a result, patients and physicians increase the doze of PPI or shift to combination therapy





# Submission schedule

## Robust pipeline awaiting sequential submissions



: Major product in franchise

: Submitted/submission being processed



\*Submission by partner

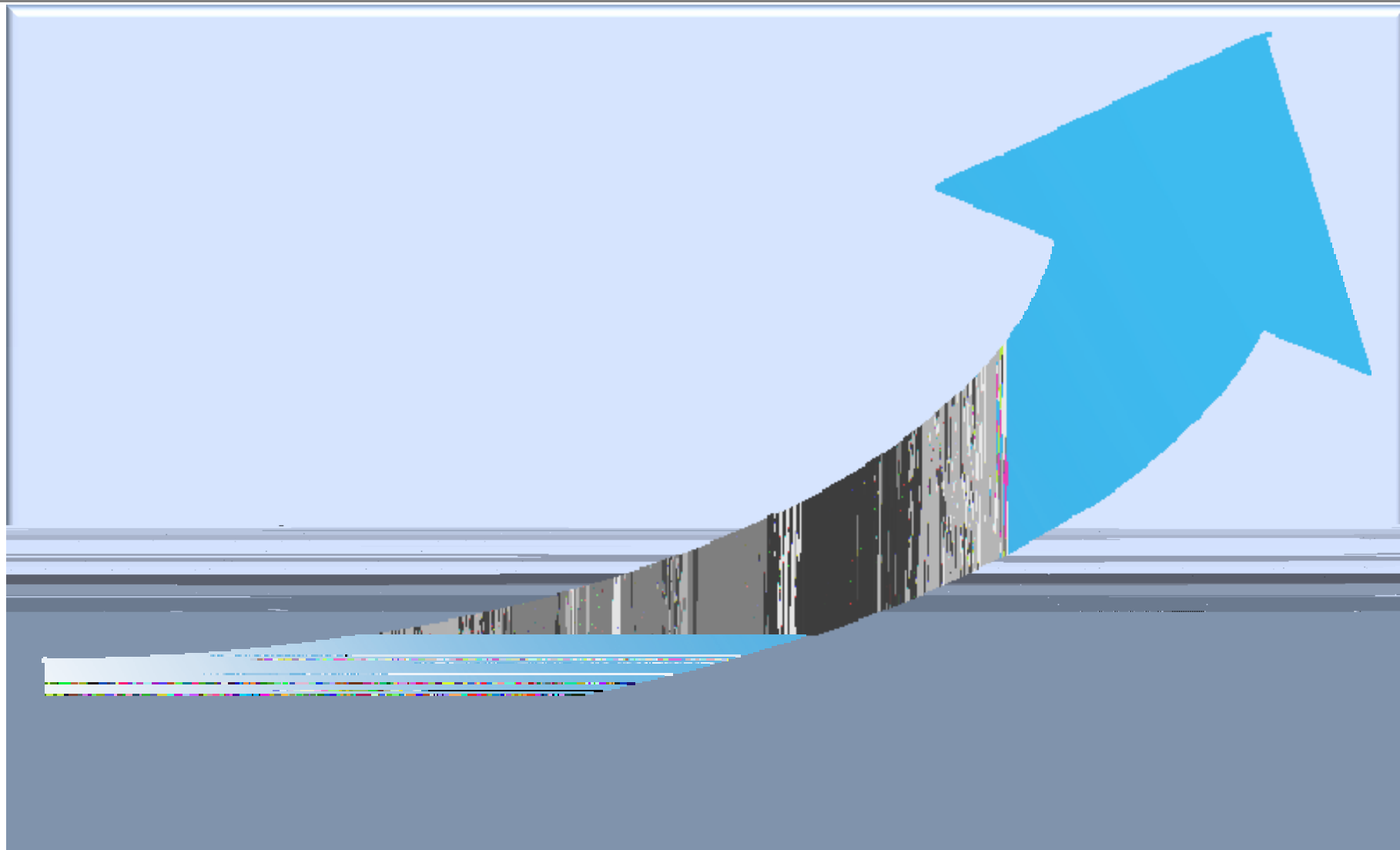
<div data-bbox="443 443 758 532" style="border: 2px solid red; background-color: #004a99; color: white; padding: 5px;">Aricept patch* Alzheimer's disease (AD))</div> <div data-bbox="443 548 758 630" style="background-color: #004a99; color: white; padding: 5px;">eszopiclone insomnia</div>	<div data-bbox="793 443 1108 532" style="background-color: #004a99; color: white; padding: 5px;">perampanel epilepsy</div>	<div data-bbox="1144 443 1459 532" style="background-color: #004a99; color: white; padding: 5px;">Aricept Lewy body dementia</div>	<div data-bbox="1480 443 1606 532" style="background-color: #004a99; color: white; padding: 5px;">E2212 AD</div> <div data-bbox="1627 443 1753 532" style="background-color: #004a99; color: white; padding: 5px;">E2609 AD</div> <div data-bbox="1774 443 1900 532" style="background-color: #004a99; color: white; padding: 5px;">E2508 depression</div> <div data-bbox="1480 548 1669 630" style="background-color: #004a99; color: white; padding: 5px;">BAN2401 AD</div> <div data-bbox="1690 548 1942 630" style="background-color: #004a99; color: white; padding: 5px;">AS-3201 diabetic neuropathy</div>
<div data-bbox="443 662 758 743" style="background-color: #004a99; color: white; padding: 5px;">Dacogen AML</div> <div data-bbox="443 760 758 841" style="background-color: #004a99; color: white; padding: 5px;">DC-Bead hepatocellular carcinoma</div>		<div data-bbox="1144 662 1459 760" style="background-color: #004a99; color: white; padding: 5px;">eribulin refractory breast cancer with fewer prior treatment</div> <div data-bbox="1144 776 1459 857" style="background-color: #004a99; color: white; padding: 5px;">farletuzumab ovarian cancer</div> <div data-bbox="1144 873 1459 954" style="background-color: #004a99; color: white; padding: 5px;">E7080 melanoma</div>	<div data-bbox="1480 662 1711 743" style="background-color: #004a99; color: white; padding: 5px;">bendamustine* multiple myeloma</div> <div data-bbox="1732 662 1942 743" style="background-color: #004a99; color: white; padding: 5px;">MORAb-009 mesothelioma</div> <div data-bbox="1480 760 1690 841" style="background-color: #004a99; color: white; padding: 5px;">MORAb-004 solid cancer</div> <div data-bbox="1711 760 1942 841" style="background-color: #004a99; color: white; padding: 5px;">MORAb-028 melanoma</div> <div data-bbox="1480 857 1627 938" style="background-color: #004a99; color: white; padding: 5px;">E7050 solid cancer</div> <div data-bbox="1648 857 1795 938" style="background-color: #004a99; color: white; padding: 5px;">E6201 solid cancer</div> <div data-bbox="1816 857 1942 938" style="background-color: #004a99; color: white; padding: 5px;">E7016 solid cancer</div>
<div data-bbox="443 979 758 1060" style="background-color: #004a99; color: white; padding: 5px;">eritoran severe sepsis</div>	<div data-bbox="793 979 1108 1060" style="background-color: #004a99; color: white; padding: 5px;">HUMIRA* ulcerative colitis</div> <div data-bbox="793 1076 1108 1157" style="background-color: #004a99; color: white; padding: 5px;">HUMIRA* joint destruction</div>	<div data-bbox="1144 979 1459 1076" style="background-color: #004a99; color: white; padding: 5px;">E5501 idiopathic thrombocytopenic purpura</div>	<div data-bbox="1480 979 1669 1060" style="background-color: #004a99; color: white; padding: 5px;">MORAb-022 rheumatoid arthritis</div> <div data-bbox="1690 979 1942 1060" style="background-color: #004a99; color: white; padding: 5px;">E5501 Thrombocytopenia associated with liver disease -short</div> <div data-bbox="1480 1076 1774 1157" style="background-color: #004a99; color: white; padding: 5px;">E5501 Thrombocytopenia associated with liver disease - long</div> <div data-bbox="1795 1076 1942 1157" style="background-color: #004a99; color: white; padding: 5px;">E6201 psoriasis</div>
<div data-bbox="443 1247 758 1328" style="border: 2px solid red; background-color: #004a99; color: white; padding: 5px;">Pariet GERD twice daily</div> <div data-bbox="443 1344 758 1425" style="background-color: #004a99; color: white; padding: 5px;">...udine ...ed ...sis</div>			

A horizontal bar with a gradient from red to grey, containing a small colorful graphic of a building or structure.

# Regional Balance to Sustain the Near-Future Profitability

## Confidence on Cash Generating Capability

# Japan pharmaceuticals business to outgrow the market growth in the mid-term





# New product line to support Japan pharmaceuticals business in the mid-to-long term



TREKISYM: non-Hodgkin's lymphoma, mantle cell lymphoma

Approved on October 27, 2010

Lyrica replacement of indication: peripheral neuropathic pain

Approved on October 27, 2010

HUMIRA additional indications: Crohn's disease, ankylosing spondylitis

Confirming approval status in October 2010

eszopiclone: insomnia

Plan to submit in 2H FY2010

Pariet: reflux esophagitis (twice-daily dosing)

Response expected in 2H FY2010

DC Bead: drug-eluting bead products for embolisation of hepatocellular carcinoma

Plan to submit in 2H FY2010

NerBlock: cervical dystonia

Response expected in 2H FY2010

eritoran: severe sepsis treatment

Plan to submit in 2H FY2010

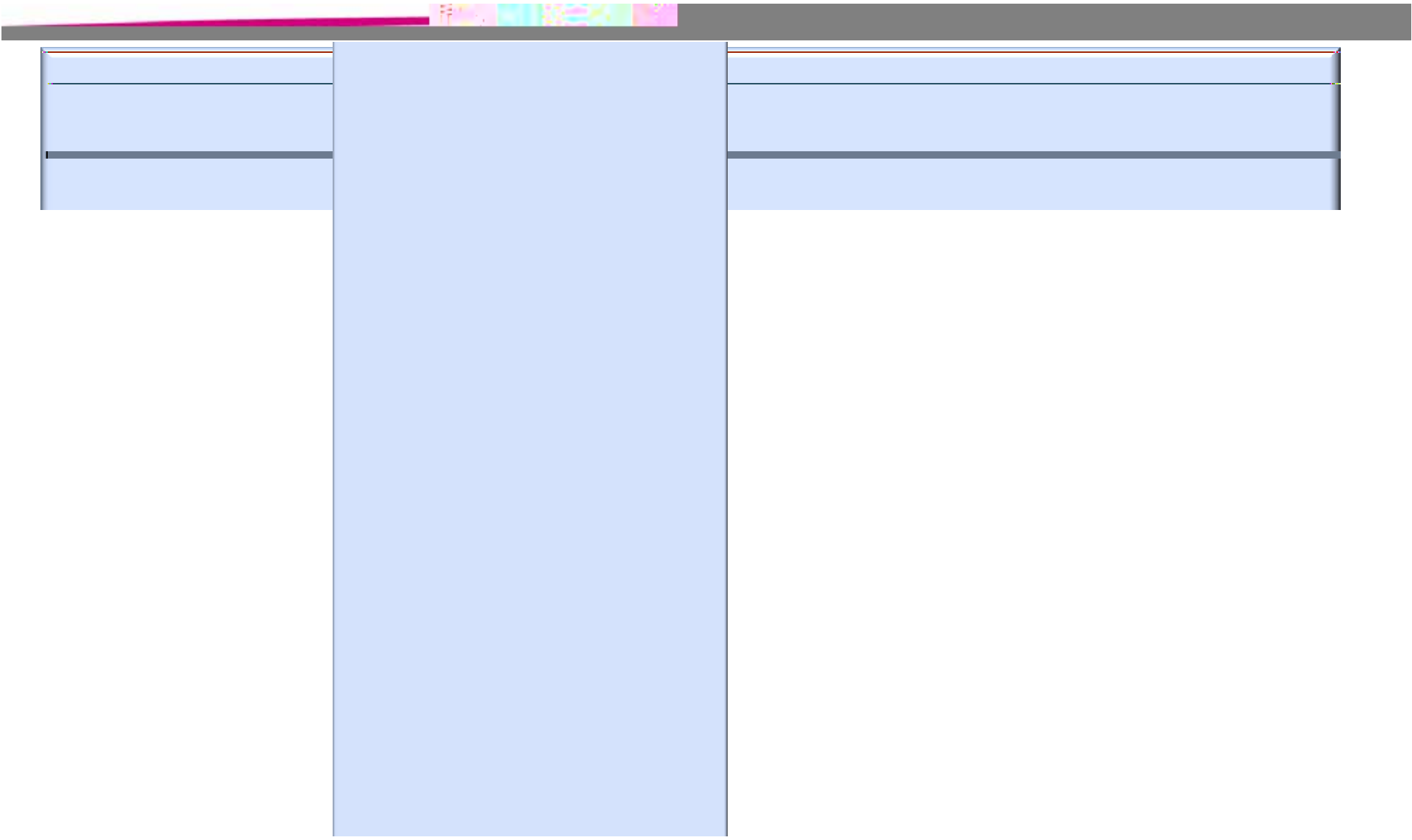
Halaven: inoperable or recurrent breast cancer

Response expected in 1H FY2011

SA-001: pancreatic exocrine insufficiency

Response expected in 1H FY2011





# Acceleration of developing business foundations in BRICs



## China Health Insurance Formularies (Released in November, 2009)

(19 provinces out of 31 released health insurance formularies as of October 2010)

- Aricept, Selbex, alpha-Lipon, Kestine are newly listed
- Methycobal: prescription limitation lifted for severe complications due to diabetes



# Financial and capital policies focused on shareholders

## Generate solid cash in the midterm



### Leverage Strategy

Avoid dilution

Upward revision of FY2010 ROE and EPS

- ROE 17%
- GAAP EPS 246 yen
- Cash EPS 425 yen

### Optimal Capital Structure

Sustain credit rating equal to or above A

- Net DER improved to 0.5 at the end of September 2010
- Secured fund (80 billion yen) for debt repayment in FY2011/2012

Balance sheet management

### Return to shareholders

Upward revision of FY2010 income estimate to 121 billion yen  
(Cumulative cash income for Q2 is 66.7 billion yen, 112% YOY)

Ensuring 150 yen dividend for FY2010



# Reference Data



# Performance of Japan Pharmaceuticals Business



(Billion yen, %)

	April – September 2009		April – September 2010		
	Results	%	Results	%	YOY
<b>Sales</b>	<b>159.7</b>	<b>100.0</b>	<b>170.9</b>	<b>100.0</b>	<b>107</b>
<b>Prescription</b>	<b>143.7</b>	<b>90.0</b>	<b>152.5</b>	<b>89.3</b>	<b>106</b>
<b>Aricept</b>	<b>45.7</b>		<b>50.9</b>		<b>111</b>
<b>Pariet</b>	<b>26.2</b>		<b>29.9</b>		<b>114</b>
<b>Actonel</b>	<b>5.3</b>		<b>5.8</b>		<b>108</b>
<b>HUMIRA</b>	<b>2.8</b>		<b>5.7</b>		<b>201</b>
<b>OTC</b>	<b>9.6</b>	<b>6.0</b>	<b>9.7</b>	<b>5.7</b>	<b>101</b>
<b>Generics</b>	<b>3.5</b>	<b>2.2</b>	<b>5.7</b>	<b>3.3</b>	<b>162</b>
<b>Diagnostics</b>	<b>2.8</b>	<b>1.8</b>	<b>3.0</b>	<b>1.7</b>	<b>105</b>
<b>Segment Profit</b>	<b>66.1</b>	<b>41.4</b>	<b>72.3</b>	<b>42.3</b>	<b>109</b>

# Performance of U.S. Pharmaceuticals Business



(US MM\$, %)

		April – September 2009		April – September 2010		
		Results	%	Results	%	YOY
<b>Sales</b>		1,820	100.0	2,043	100.0	112
<b>Aricept</b>		971	53.4	1,192	58.4	123
<b>AcipHex</b>		423	23.3	382	18.7	90
	<b>Aloxi</b>	199		195		98
	<b>Dacogen</b>	83		94		114
	<b>Total MGI</b>	302		307		102
	<b>Fragmin</b>	65		96		147
<b>Total oncology-related products</b>		401	22.0	435	21.3	108
<b>Segment Profit</b>		523	28.7	643	31.5	123

# Performance of Europe Pharmaceuticals Business



(Billion yen, %)

	April - September 2009		April – September 2010		
	Results	%	Results	%	YOY
<b>Sales</b>	<b>24.7</b>	<b>100.0</b>	<b>22.1</b>	<b>100.0</b>	<b>89 [103]</b>
<b>Aricept</b>	<b>14.3</b>	<b>57.8</b>	<b>11.6</b>	<b>52.6</b>	<b>81 [94]</b>
<b>Pariet</b>	<b>4.1</b>	<b>16.6</b>	<b>3.7</b>	<b>16.7</b>	<b>89 [103]</b>
<b>Zonegran</b>	<b>2.1</b>	<b>8.5</b>	<b>2.1</b>	<b>9.4</b>	<b>99 [114]</b>
<b>Segment Profit</b>	<b>3.4</b>	<b>13.9</b>	<b>2.8</b>	<b>12.6</b>	<b>81</b>

[ ]Based on local currency

