# 1Q FY2008

(Fiscal Year Ending March 31, 2009)

# Financial Results Presentation

July 31, 2008

# Safe Harbor Statement

- Materials and information provided during this presentation may contain so-called “forward-looking statements.” 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.
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- 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.

# 1Q Consolidated Performance

(billions of yen, %)

| | 1Q FY2007 | | 1Q FY2008 | | | | |
|---|---|---|---|---|---|---|---|
| | Results | % | Results (Adjusted*) | % | YOY | | Results (GAAP) |
| Net Sales | 176.0 | 100.0 | **195.8** | 100.0 | 111 | - | 195.8 |
| Cost of Sales | 27.5 | 15.6 | **33.8** | 17.3 | 123 | 5.6 | 39.4 |
| Gross Profits | 148.5 | 84.4 | **162.0** | 82.7 | 109 | | 156.5 |
| R&D Expenses | 30.5 | 17.3 | **35.5** | 18.1 | 116 | 0.2 | 35.7 |
| SG&A Expenses | 91.8 | 52.2 | **94.4** | 48.2 | 103 | 2.3 | 96.7 |
| Operating Income | 26.2 | 14.9 | **32.1** | 16.4 | 123 | | 24.1 |
| Ordinary Income | 28.4 | 16.1 | **31.9** | 16.3 | 113 | | 23.9 |
| Net Income | 19.3 | 11.0 | **22.6** | 11.6 | 117 | | 16.6 |

| | 1Q FY2007 | | | 1Q FY2008 | | |
|---|---|---|---|---|---|---|
| | Results | | | | | |
| **North America** | 4.1 | 14.0 | **8.3** | 24.8 | 201 | 4.2 |
| **China** | 0.5 | 1.8 | **0.6** | 1.9 | 119 | |

# 1Q Consolidated Cash Income

**Cash Income =** **Net Income/Loss + Amortization of Tangible/Intangible Assets + IPR&D (In-Process R&D) Expenses + Amortization of Goodwill + Impairment Loss**

(billions of yen, %)

| | 1Q FY2007 | 1Q FY2008 | | |
|---|---|---|---|---|
| | | Results | YOY | Increase (Decrease) |
| Net Income/Loss | 19.3 | 16.6 | 86 | (2.7) |
| Amortization of Tangible/Intangible Assets | 7.3 | 12.3 | 169 | 5.0 |
| In Process R&D Expenses | 0.6 | - | - | (0.6) |
| Amortization of Goodwill | 0.0 | 2.3 | - | 2.3 |
| Impairment Loss | - | 0 | - | 00 |
| Cash Income = a+b+c+d+e | 27.3 | 31.2 | 115 | 4.0 |

| | | 1Q FY2007 | | 1Q FY2008 | | | |
|---|---|---|---|---|---|---|---|
| | | Results | % | Results (Adjusted) | % | YOY | Increase (Decrease) |
| Net Revenue | | 644 | 100.0 | **863** | 100.0 | 134 | 219 |
| | Aricept® | 343 | 53.3 | **415** | 48.1 | 121 | 72 |
| | AcipHex® | 263 | 40.9 | **248** | 28.7 | 94 | (16) |
| | Aricept® + AcipHex® | 607 | 94.2 | **663** | 76.8 | 109 | 56 |
| Oncology | Aloxi® | - | | **90** | | - | 90 |
| | Dacogen® | - | | **42** | | - | 42 |
| | Gliadel® Wafer | - | | **11** | | - | 11 |
| | Others | - | | **4** | | - | 4 |
| | MGI Total | - | | **147** | | - | 147 |
| | ONTAK® | 5 | | **8** | | 170 | 3 |
| | Targretin® | 5 | | **10** | | 181 | 4 |
| | Lymphoma Products, etc. Total | 10 | | **18** | | 174 | 8 |
| | Fragmin® | 12 | | **22** | | 187 | 10 |
| | Total | 22 | 3.4 | **187** | 21.7 | 850 | 165 |
| Operating Income | | 29 | 4.6 | **80** | | | |

# Aricept®: Ongoing Development to Enhance Value for Patients During and Beyond DLP

## Pediatric Usage: two-pronged approach for underserved population

- Cognitive impairment due to Down Syndrome (Phase II ongoing, Phase III to be initiated)
- Cognitive impairment due to chemotherapy (Phase III to be initiated)
- Targeting data submission in U.S. in FY2009

## Transdermal Patch: goal - g

## Sustained Release (SR): goal - enhanced efficacy

- Goal is to achieve superior efficacy with high-dose donepezil 23 mg
- Phase III study ongoing to compare SR to currently marketed 10mg
- Targeting NDA submission in U.S. in FY2009

# Pariet®/AcipHex®: Ongoing Development to Enhance Value for Patients During and Beyond DLP

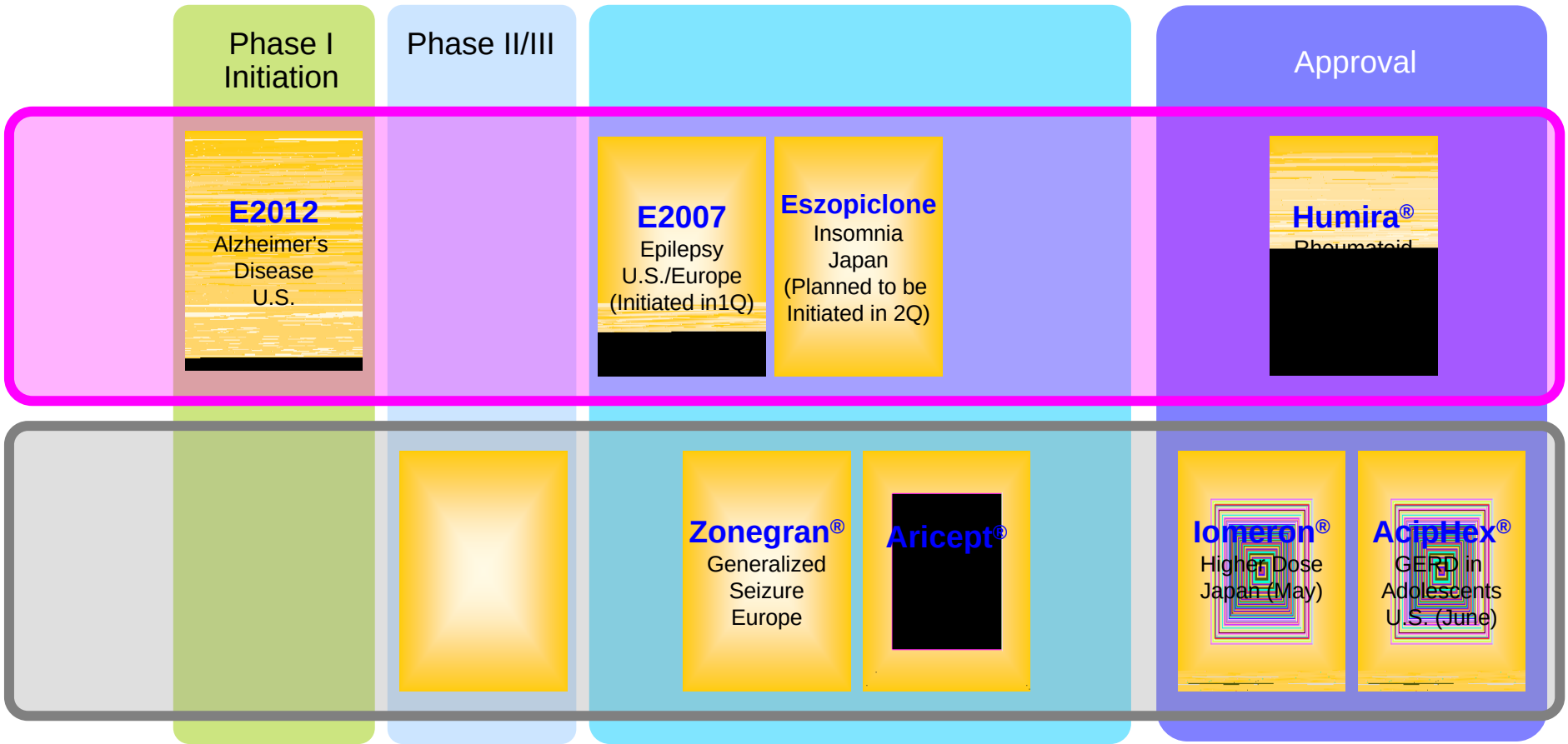
**Patent validity and enforceability upheld**

- U.S. Federal Circuit Court of Appeals fully upheld Eisai's favorable ruling in AcipHex®'s patent infringement lawsuit against Teva and Dr. Reddy's (July 21, 2008)

**Extended Release (ER): goal - long-acting 24-hour relief with superior efficacy in erosive GERD**

# Steady Progress of Major Projects

# Steady Progress of Pipeline



# Progress of 4 Corporate Programs

| | | Phase I | Phase II | Phase III | Submission Target |
|---|---|---|---|---|---|
| E5564 | Neuropathic Pain | | | | FY2010 |
| | Epilepsy | | | | FY2012 |
| | Severe Sepsis | | | | FY2009 |
| | Breast Cancer | | | | FY2009 |
| | Prostate Cancer, Non-Small Cell Lung Cancer, and Sarcoma | | | | |
| Aricept | Pediatric Usage: Cognitive Impairment Due To Down Syndrome | | | | FY2009 |
| | Pediatric Usage: Cognitive Impairment Due To Chemotherapy | | | | FY2009 |
| | Sustained Release Formulation | | | | FY2009 |
| | Transdermal Patch Formulation | | | | FY2009 |

# Rising Area of Oncology

## -From Small Molecules to Biologics-

## Japan

- V Prescription pharmaceuticals sales increased by 12% YOY
- V Outperformed the market by 6 points* (IMS data)
- V Ranked No.1 in the growth rate among top 10 Japanese peers

- V Aricept® sales: +30% YOY
- V Pariet® sales: +23% YOY

- V Started marketing of Stronger Neo-Minophagen® C on April 1
- V Iomeron® 350 and Iomeron® 350 syringe received additional approval for usage in dynamic computed tomography of the liver imaging (dynamic CT) on May 20
- V Launched Humira® Subcutaneous Injection 40mg Syringe 0.8mL on June 18; strong kick-off
- V Launched ethical drugs Bufferin 81mg Tablets and Bufferin 330mg on July 1
- V Restriction on long-term administration for once-weekly formulation of Actonel® lifted on July 1
- V Actonel® received approval for additional indication in patients with Paget's disease of bone on July 16

## U.S.

- V Sales by prescription pharmaceuticals business increased by 34% YOY
- V Operating income before royalty deduction increased by 44% YOY

- V Aricept® sales: +21% YOY
- V AcipHex® sales: -6% YOY (as anticipated)

- V China: Sales +28% YOY; Operatin