

**EISAI CO., LTD.  
AND  
CONSOLIDATED SUBSIDIARIES  
ANNUAL FINANCIAL REPORT RELEASE**

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**FOR IMMEDIATE RELEASE  
MAY 11, 2004**

On May 11, 2004, Eisai Co., Ltd., announced annual consolidated financial results for the fiscal year ended March 31, 2004.

- Date of the Board of Directors' Meeting for presentation of annual consolidated financial results: May 11, 2004
- These financial presentations do not conform to U.S. GAAP.
- Eisai Co., Ltd., is listed on the First Section of both the Tokyo Stock Exchange and the Osaka Securities Exchange.
- Securities Code Number: 4523
- Representative of corporation: Haruo Naito  
President and Chief Executive Officer
- Inquiries should be directed to: 893 Tf 0.0726 0

# 1. CONSOLIDATED ANNUAL FINANCIAL RESULTS (APRIL 1, 2003 – MARCH 31, 2004)

## (1) RESULTS OF ANNUAL OPERATIONS

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
April 1, 2003- March 31, 2004	¥500,164 mil.	7.2%	¥83,061 mil.	9.5 %	¥ 83,382 mil.	9.5%
April 1, 2002- March 31, 2003	¥466,613 mil.	8.1%	¥75,863 mil.	4.4 %	¥ 76,137 mil.	0.0%

Period	Net Income	Percent Change	Earnings per Share (EPS)	Fully Diluted EPS	Return on Equity	Ordinary Income/ Total Assets	Ordinary Income/ Net Sales
April 1, 2003- March 31, 2004 April 1, 2002-	¥50,148 mil.	22.2%	¥172.11	¥172.11	12.4%	13.8%	16.7%

Notes:1. Equity in earnings of associated companies (accounted for by equity method):

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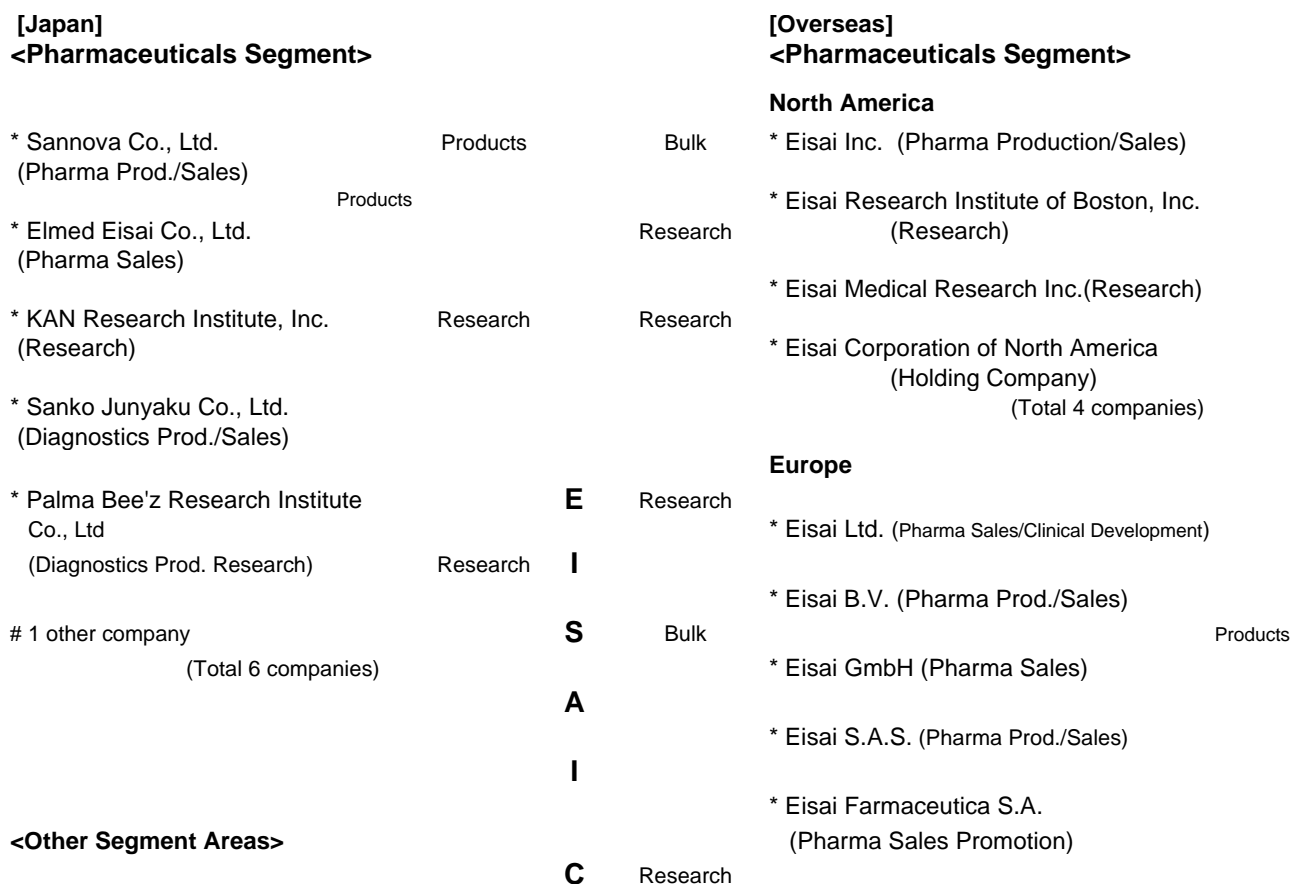
- Associated companies:

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**(5) CHANGES IN NUMBER OF CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES ACCOUNTED FOR BY THE**

## I. Business Flows Within the Group

The Group consists of Eisai Co., Ltd. (hereinafter referred to as 'the Parent Company'), 34 consolidated subsidiaries and 3 associated companies accounted for by the Equity Method. The diagram below shows the principal operations and flows within the Group.



## Affiliated Companies

(Consolidated Subsidiaries)

Company Name	Location		Voting rights	Description of Operations	Relationship/Operations	Note
Sanko Junyaku Co., Ltd.	Tokyo	¥5,262 million	50.92%	Diagnostic product prod./sales	-	* 2,3
Sannova Co., Ltd.	Gunma Pref.	¥926 million	79.97%	Pharmaceutical production/sales	(E) Pharmaceutical product purchase	* 3
Elmed Eisai Co., Ltd.	Tokyo	¥450 million	100.00%	Pharmaceutical sales	-	
KAN Research Institute, Inc.	Kyoto	¥70 million	100.00%	Basic research	(E) Contract basic research	
Eisai Distribution Co., Ltd.	Kanagawa Pref.	¥60 million	100.00%	Pharmaceutical distribution	(E) Pharmaceutical product	
Clinical Supply Co., Ltd.	Gifu Pref.	¥80 million	84.80%	Medical instruments production/sales	-	
Sunplanet Co., Ltd.	Tokyo	¥455 million	85.12.0235	Pharmaceutical prod.	(E) Pharmaceutical product	

Eisai Hong Kong Co., Ltd.	Hong Kong, China	500	HK\$	100.00% (10.00%)	Pharmaceutical production/sales	(E) Pharmaceutical sales	* 1
Eisai Korea Inc.	Seoul, Korea	3,512,000	Won	100.00%	Pharmaceutical sales	-	

(Equity in Earnings in Associated Companies Accounted for Equity Method)

(As of March 31, 2004)

Company Name	Location	Common Stock (Unit: thousands)		Voting rights	Description of Operations	Relationship/Operations	Note
Bracco-Eisai Co., Ltd.	Tokyo	340,000	Yen	49.00%	Contrast media import/ production/sales	(E) Contrast media purchase	
Eisai-Novartis Verwaltungs GmbH	Nuremberg, FRG	25	Euro	50.00% (50.00%)	Prescription pharmaceuticals	-	* 1,6
Hi-Eisai Pharmaceutical Inc.	Manila, Philippines	31,250	Peso	49.90% (1.45%)	Pharmaceutical prod./sales	(E) Pharmaceutical sales	* 1

Notes: \*1. Voting rights (%) ownership: Figures in parenthesis represent percentage indirectly owned by the Parent Company.

\*2. The stock of Sanko Junyaku Co., Ltd. is traded in the Over-the-Counter market (JASDAQ).

\*3. Specially designated subsidiary according to the stock exchange law. (E) indicates Eisai Co., Ltd.

\*4. Newly consolidated subsidiary, which was established in August, 2003 and has been in operation of pharmaceutical machinery sales succeeded from Eisai U.S.A., Inc.

\*5. The Parent Company has a less than 50 percent ownership in Eisai (Thailand) Marketing Co., Ltd., but is considered as a consolidated subsidiary under the application of the "controlling entity" standard.

\*6. Dymec Co., Ltd., Eisai Pharma-Chem Europe Ltd., and Eisai-Novartis Verwaltungs GmbH are in the process of liquidation.

\*7. In the consolidated financial results for the period under review, the only subsidiary whose sales exceed ten percent of consolidated sales is Eisai Inc. and its principal financial results are noted below.

Sales	¥196,109 mil.
Ordinary income	¥10,603 mil.
Net income	¥6,043 mil.
Shareholder's equity	¥23,574 mil.
Total assets	¥89,756 mil.

8. Food Additives and Chemicals Division of the Parent Company was split off into a newly incorporated wholly-owned subsidiary of the Parent Company, Eisai Food & Chemicals Co., Ltd. in April 2004.

\*9. Eisai Asia Regional Services Pte. Ltd. has changed its principle operations from pharmaceutical management and sales support to pharmaceutical importation and sales from April 2004.



capitalizing upon expansion of Alzheimer's disease treatment *Aricept* and proton pump inhibitor *Pariet* as well as aggressively pursuing business development including but not limited to strategic alliances. In connection with the world-largest U.S. market, the Company will aim at enhanced profitability by way of proactively implementing such measures as build-up of medical representatives and clinical researchers, and functional expansion of production and logistics in line with reinforcement of our own seamless value chain. In Japan, the Company seeks to fortify the business infrastructure through concentrating our managerial resources on focused areas such as neurology, gastroenterology and orthopedics. In addition, we endeavor to expand production facilities, thereby achieving stable product supply and cost reduction. In Europe, the Company envisions to facilitate business given the enlarging European Union (EU). As for Asian market, in the rapidly growing China market, build-up of medical representatives and ensuing expansion of marketing territories will shore up our business foundation therein.

#### (2) Franchise development of R&D

The Company concentrates R&D resources on the franchise areas of neurology and gastroenterology with a view to discovering new drugs of high efficacy, safety, and economical efficiency in order to address unmet medical needs. While utilizing the specific capabilities of the respective R&D facilities in relation to basic research, our research laboratories in Japan, the U.S. and Europe are facilitating global collaboration for purposes of efficient drug discovery. With respect to clinical research, the Company will promote global clinical development in Japan, the U.S. and Europe in order to seek early New Drug Applications (NDA) and develop product life-cycle management. At the same time, the Company will pursue continuous NDA through proactively promoting joint research, strategic alliances, and licensing activities with research organizations and corporations in Japan and overseas. Moreover, we look to enrich our pipeline by investing in oncology and Japan's orthopedics as prospective franchise candidates.

#### (3) Stable supply of pharmaceutical products of high-quality

At the manufacturing bases in Japan, the U.S. and Asia, we continue to deal with consistent delivery of high-quality products made in strict compliance with the quality standards in each country. In addition, we are committed to providing environment-friendly products by facilitating technological development and product design that leads to reduction in environmental burden.



#### (4) Promotion of corporate social responsibilities (CSR) management

The Company recognizes environmental conservation as an integral part of corporate social responsibilities (CSR). In our factories and laboratories the Company is implementing environmental control in accordance with the environmental management system (ISO14001) and pursuing reduction in environmental burden and prevention of global warming through promoting energy and resource conservation, reduction in waste, and recycling. Furthermore, the Company is making philanthropic investments for purposes of assisting social and cultural activities as evidenced by facilitation of natural science research with respect to human disease and its remedy together with dissemination of knowledge thereof, and promotion of interdisciplinary study of healthcare including pharmacoeconomics as well as development of young researchers. In this context, we compile 'Environmental and Social Report' incorporating the activities thereof every year and report to stakeholders ipso facto.

#### 3) Basic policy on profit appropriation

With respect to profit distribution, the Company intends to reward shareholders with stable dividends in consideration of the consolidated financial performance together with dividends on shareholders' equity ratio (DOE), and by the flexible implementation of share buyback. At the same time, the funds thereof will be allocated to enrich R&D activities and reinforce business infrastructure with an eye to strengthening competitive advantage among peers. In this connection, we are in pursuit of a targeted DOE ratio of 3% for the fiscal year ending in March 2007.

#### 4) Enhancement of corporate governance

##### (1) Basic policy and status quo

The Company, placing importance on enhancement of corporate governance, is dedicated to ensuring management transparency and fairness as well as agile decision-making in order to consistently bolster corporate value through fulfillment of social responsibilities and improvement in management quality.

In fiscal year 2000, the Corporate Governance Committee chaired by a newly introduced outside director that provides advice on nomination and remuneration of directors with the Board of Directors was established. Starting in fiscal year 2003, the Company has segregated the respective functions of

Chairperson of the Board and COO & CEO, thereby reinforcing the supervisory function of the Board while significantly delegating responsibilities and authority to executive officers.

Beginning in 2004, subject to approval by the general meeting of shareholders in June, the Company plans to adopt the 'Company with Committees System', aiming at even more 'enhancement of management transparency and fairness', 'improvement in management oversight function', and 'acceleration of decision-making by executive officers'. Main points thereof are summarized as follows;

\*The Board of Directors will have the appropriate number of outside directors that comprise the majority thereof.

\*The Nominating Committee, Compensation Committee, and Audit Committee will be established in accordance with the law.

The Nominating Committee and the Compensation Committee will be composed entirely of outside directors while the majority of the Audit Committee will consist of outside directors with the chairperson thereof being appointed

statutory corporate auditors amounted to ¥263 million and ¥ 84 million respectively, totaling at ¥ 347 million in the aggregate while the audit fees disbursed to an external auditor in connection with certificate of audit came to ¥ 53 million.

#### 5) Promotion of compliance

The Company, placing its management priority on compliance, has stipulated a Charter of Business Conduct and strived to ensure the observance thereof by all the officers and employees in their daily activities. While reforming the programs in pursuit of abidance by higher standards, the Company seeks to insure the compliance therewith in the entire Eisai Group on a continuous basis through soliciting utilization of the standing consultation contacts inside and outside the Company, implementing ongoing training sessions for officers and employees, and facilitating risk-assessment as to compliance together with countermeasures thereto in addition to completing the revisions of the code of conduct based on new guidance.

### **3. Performance Review and Financial Position**

1) Operating results for the period under review

[Sales and income]

Despite the cost-consciousness vis-à-vis

year-on-year while operating income amounted to ¥84,572 million, an increase of 8.8% year-on-year.

#### Other segments

Although sales in other segments declined 6.2% year-on-year to ¥23,402 million mainly because of the divestiture of the animal health division in February 2003, the operating income thereof climbed 122.3% to ¥1,448 million.

#### (2) Performance by geographical area

##### Japan:

Sales in Japan amounted to ¥260,945 million, up 4.1% while operating income came to ¥71,880 million, up 2.4%.

Sales of *Aricept* augmented to ¥28,419 million, up 30.0% and those of *Pariet*, for which we obtained an approval of additional indication of maintenance therapy for gastro-esophageal reflux disease (GERD) in July last year, soared to ¥14,614 million, an increase of 151.3% respectively. Meanwhile, operating income gained ground despite an increase in R&D expenditures.

##### North America:

Sales in North America expanded 8.3% to ¥194,518 million, and operating income rose 92.0% to ¥10,933 million.

Sales of *Aricept* surged 17.9% to ¥87,892 million while sales of *Aciphex* showed a steady growth of 1.7% to ¥105,514 million.

##### Europe:

Sales in Europe reached ¥34,838 million, up 27.5%, while operating income came to ¥3,416 million, up 41.0%.

Sales of *Aricept* advanced 36.9% to ¥22,760 million and sales of *Pariet* climbed 12.8% to ¥7,326 million respectively.

##### Asia and other regions:

Sales in Asia and other regions inched up 7.9% to ¥9,861 million while operating income made an upturn by 7.4% to ¥1,831 million. Meanwhile sales of *Aricept* amounted to ¥2,490 million, up 8.9%, and sales of *Pariet* were bolstered to ¥1,561 million, up 17.3%.

Total overseas sales excluding Japan grew to ¥239,218 million, an increase of 10.8%, accounting for 47.8% of the Company's total net sales.

[Profit distribution]

In connection with dividends payout, the Company intends to set the fiscal year-end dividend at ¥18 per share, together with the interim dividend of ¥18 per share, making an annual total dividend of ¥36 per share, which is an increase of ¥4 per share over the previous year. In this context, dividends payout ratio and dividends on shareholders' equity ratio (DOE) will be 20.9% and 2.6% respectively.

2) Financial condition for the period under review

[Assets, etc.]

Total assets at the end of the period under review stood at ¥615,776 million, an increase of ¥24,055 million from the end of the previous year. Marketable securities and investment securities, among other assets, were the main items that showed an increase while cash and cash equivalent together with trade receivables contracted.

Total liabilities amounted to ¥187,717 million, down ¥6,423 million from the end of the previous year. Reserve for sales rebates and accrued income taxes, among others, were the main items that registered a decline while accounts payable and accrued expenses increased.

Total shareholders' equity came to ¥419,461 million, an increase of ¥31,213 million from the end of the previous year, resulting in the shareholders' equity ratio of 68.1%, up 2.5 points.

[Capital expenditures]

Capital expenditures amounted to ¥25,423 million, a rise of ¥7,973 million year-on-year, most of which were used to upgrade production facilities and R&D laboratories in Japan and the U. S.

[Cash flow]

Net cash generated by operating activities for the period under review amounted to ¥72,718 million, up ¥15,112 million from the corresponding period of the previous year. Income before income taxes and minority interest rose ¥12,697 million from the previous period to ¥82,522 million. Major factors for the



### 3) Progress in Research and Development

#### [Products under development]

The clinical trials are being extensively conducted with respect to our major global development projects such as E5564 for the treatment of sepsis, E7070, E7389 as anticancer agents, and E2007, a selective AMPA receptor antagonist. In the meantime, we have advanced the development stage to Phase II in connection with D2E7 for the treatment of rheumatoid arthritis, E0167, for the prevention of recurrence of tumors after treatment of hepatocellular carcinoma, E7210, an ultrasound medium and E2014 for the treatment of cervical dystonia onto trials. On the other hand, we withdrew the application for approval as to E2000, a muscle relaxant preparation that had been under development in Japan.

In conjunction with E2020 (Product name: *Aricept*), we filed new formulation applications for rapid disintegration (RPD) tablet, which is designed to make administration easier for elderly patients, with the U.S. and European Union's regulatory agencies in December 2003. In Japan, an application for RPD tablet filed with authorities was approved in February 2004.

As far as additional indications of E3810 (Product name: *Aciphex/Pariet*) are concerned, we obtained approval for on-demand therapy for symptomatic gastro-oesophageal reflux disease (symptomatic GORD) in April 2004, and submitted an application for the treatment of Zollinger-Ellison syndrome (ZES) in December 2003, both of which are in conformity with the E.U. mutual recognition procedure. In Japan, we obtained approval of additional indication for maintenance therapy of gastro-esophageal reflux disease (GERD) in July 2003.

Moreover, we have been authorized to market *Apnission Injection* as the treatment of apnea syndrome of prematurity, and as the new formulations, *Neophylin Injection Soft Bag* for primarily use at asthma attacks and *Warfarin Tablet 0.5mg* for the treatment and prevention of thromboembolism in February 2004 in Japan. A New Drug Application (NDA) as to T-614, for rheumatoid arthritis, and an additional indication application for *Cleactor*, a thrombolytic agent for the treatment of acute pulmonary embolism, were filed with Japan's regulatory agency in September and May 2003 respectively.



In addition to in-house development, the Company is also proactive in pursuing strategic alliances and licensing activities for marketed products and promising compounds. In Japan, *Maxalt*, a migraine treatment launched last September was in-licensed while in the U.S. and Europe, we acquired rufinamide (generic name), for which phase III trial was completed, and executed a product acquisition agreement this March as to *Zonegran*, which was already launched in the U.S. and a NDA was filed with EU authorities for, both anti-epileptic agents. Furthermore, we signed an agreement with Teva Pharmaceuticals Industries Ltd. for the global co-development of rasagiline for Alzheimer's disease and its co-promotion for Parkinson's disease in the U.S., which was filed with the FDA by Teva. As evidenced by the activities thereof, we are committed to further enriching our pipeline.

[Production]

Aiming at consistent supply of *Aricept* and *Aciphex/Pariet* to meet the increasing worldwide demand, the Company strives to enhance our production function by renewing or expanding the facilities.

In November 2003, expansion of formulation factory located in North Carolina was completed to expand its production capacity. Meanwhile, in Japan, construction of a new facility of the Misato Plant in Saitama Prefecture was initiated in February 2004 to reinforce manufacturing capacity of pharmaceuticals. In the Kashima Plant (Ibaraki Prefecture), the new facility with functions of both compound synthesis research and the production of drug substances is under construction, completion of which is expected in August 2004.

The Company is dedicated to enhancing the product quality and operational safety while taking environmental conservation into consideration and seeking reduction in production cost on a continuous basis.

[Activities for environmental conservation]

The Company, highly aware of the global environmental issues, is promoting business activities in consideration of environmental conservation through various ways such as energy-conservation, reduction in CO<sub>2</sub> emission and

waste generation, and recycling in line with the targeted goals set forth in the long-term plan.

In relation to safety and occupational health, we obtained 'OHSAS18001', a certification standard for the Occupational Health and Safety Management System, at the Kashima Plant in November 2003, following the precedent of the Kawashima Plant (Gifu Prefecture).

#### 4) Outlook for the fiscal year 2004

We hereby provide the financial forecast on a consolidated basis for the full fiscal year ending March 2005 as follows:

Net sales: ¥520,000 million (4.0% increase year-on-year)

Operating income: ¥86,000 million (3.5% increase year-on-year)

Ordinary income: ¥86,000 million (3.1% increase year-on-year)

Net income: ¥52,000 million (3.7% increase year-on-year)

(Assumptions)

US\$1=¥105, Euro 1=¥125, Sterling Pound 1=¥185

With respect to net sales, despite the harsh business environment as represented by downward revision of the drug prices listed on the national health insurance system implemented this April in Japan, increasingly intensified competition at home and abroad, and upward trend in Yen's appreciation, we expect a sustainable growth, capitalizing upon, among other factors, further expansion of *Aricept* and *Aciphex/Pariet* in the respective nations of the world as well as additional boost by anti-epileptic agent *Zonegran*, which was newly in-licensed in the U.S. and Europe.

In conjunction with profits, we also envision an advance, building upon improvement in cost-to-sales ratio and efficiency in managerial resources in spite of proactive investment in R&D on a continuous basis.

Regarding dividends, we plan to repatriate an annual total dividend of ¥42 per share, an increase of ¥6 per share over the previous year.

(an interim dividend: ¥21 per share, a fiscal year-end dividend: ¥21 per share)

**Safe Harbor Statement**

Materials and information provided during this financial disclosure may contain “forward-looking

## EISAI CO., LTD.

## 4-1) CONSOLIDATED BALANCE SHEET (ASSETS)

Account Title	Note	March 31, 2003		March 31, 2004		Increase (Decrease) (Millions of Yen)
		(Millions of Yen)	(%)	(Millions of Yen)	(%)	
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and time deposits		¥101,263		¥56,703		
Accounts and notes receivable-trade		149,049		132,103		
Short-term investments		35,335		98,189		
Inventories		35,061		35,108		
Deferred tax assets		19,285		21,596		
Other current assets		9,187		10,738		
Allowance for doubtful receivables		(201)		(249)		
<b>Total current assets</b>		<b>348,981</b>	<b>59.0</b>	<b>354,191</b>	<b>57.5</b>	<b>5,209</b>
<b>Fixed assets:</b>						
<b>Property, plant and equipment</b>						
Buildings and structures	4	129,597		135,034		
Accumulated depreciation		72,441	57,155	75,065	59,968	
Machinery, equipment and vehicles	4	88,210		88,991		
Accumulated depreciation		65,724	22,486	67,167	21,823	
Land	2		19,097		17,247	
Construction in progress			4,464		8,579	
Others	4	36,139		37,514		
Accumulated depreciation		27,658	8,480	28,442	9,071	
<b>Net property, plant and equipment</b>		<b>111,685</b>	<b>18.9</b>	<b>116,690</b>	<b>19.0</b>	<b>5,005</b>
<b>Intangible assets</b>		<b>16,035</b>	<b>2.7</b>	<b>15,055</b>	<b>2.4</b>	<b>(979)</b>
<b>Investments and other assets</b>						
Investment securities	1	66,994		82,427		
Long-term loans receivable		98		55		
Deferred tax assets		18,778		17,940		
Other assets	1	30,077		30,490		
Allowance for doubtful receivables		(929)		(1,074)		
<b>Total investments and other assets</b>		<b>115,019</b>	<b>19.4</b>	<b>129,839</b>	<b>21.1</b>	<b>14,820</b>
<b>Total fixed assets</b>		<b>242,739</b>	<b>41.0</b>	<b>261,585</b>	<b>42.5</b>	<b>18,845</b>
<b>Total</b>		<b>¥591,721</b>	<b>100.0</b>	<b>¥615,776</b>	<b>100.0</b>	<b>¥24,055</b>

EISAI CO., LTD.  
 4-2) CONSOLIDATED BALANCE SHEET  
 (LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY)

Account Title	Note	March 31, 2003		March 31, 2004		Increase (Decrease) (Millions of Yen)
		(Millions of Yen)	(%)	(Millions of Yen)	(%)	
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts and notes payable-trade		¥16,134		¥15,864		
Short-term borrowings		35		191		
Current portion of straight bonds	2	100		—		
Accounts payable-other		41,145		45,355		
Accrued expenses		22,595		28,635		
Accrued income taxes		23,026		16,757		
Reserve for sales rebates		37,574		23,319		
Other reserves		796		896		
Other current liabilities		4,584		3,956		
<b>Total current liabilities</b>		<b>145,992</b>	<b>24.7</b>	<b>134,975</b>	<b>21.9</b>	<b>(11,016)</b>
<b>Long-term liabilities:</b>						
Deferred tax liabilities		344		321		
Liability for retirement benefits		45,417		49,877		
Retirement allowances for directors and corporate auditors		1,764		1,846		
Excess of net assets over cost		178		245		
Other long-term liabilities		443		449		
<b>Total long-term liabilities</b>		<b>48,148</b>	<b>8.1</b>	<b>52,741</b>	<b>8.6</b>	<b>4,592</b>
<b>Total liabilities</b>		<b>194,140</b>	<b>32.8</b>	<b>187,717</b>	<b>30.5</b>	<b>(6,423)</b>
<b>Minority Interests</b>		<b>9,332</b>	<b>1.6</b>	<b>8,598</b>	<b>1.4</b>	<b>(734)</b>
<b>Shareholders' equity:</b>						
Common stock	5	44,985	7.6	44,985	7.3	—
Capital surplus		55,222	9.3	55,222	8.9	—
Retained earnings		302,669	51.2	342,830	55.7	40,161
		1,424	0.2	8,682	1.4	7,257
Foreign currency translation adjustments		(1,502)	(0.2)	(6,273)	(1.0)	(4,770)
Treasury stock	5	(14,551)	(2.5)	(25,987)	(4.2)	(11,435)
<b>Total shareholders' equity</b>		<b>388,247</b>	<b>65.6</b>	<b>419,461</b>	<b>68.1</b>	<b>31,213</b>
<b>Total</b>		<b>¥591,721</b>	<b>100.0</b>	<b>¥615,776</b>	<b>100.0</b>	<b>¥24,055</b>

# CONSOLIDATED STATEMENTS OF INCOME

April 1, 2002 - March 31, 2003

	Account Title				Increase (Decrease) of Yen)
	Net sales	(%)		(%)	(Millions of Yen)
	Cost of sales				
	Gross profit on sales	100.0		100.0	¥33,550
	102,467	22.0		19.4	(5,285)
	364,145	78.0		80.6	38,836
	<b>Selling, general and administrative expenses</b>	<b>0.0</b>		<b>0.0</b>	<b>(96)</b>
<b>Gross profit</b>	Research and Development expenses	78.0		80.6	38,933
	Selling, general and administrative expenses				
	<b>Operating income</b>		69,018		
	228,443	288,148	61.7	250,865	319,884
	<b>Non-operating income</b>				
	75,863	16.3		16.6	7,197
Interest income	Dividend income				
	1,471	1.1			
	Amortization of excess of net assets over cost		1,337		
	Equity in earnings of associated companies		380		
	Other non-operating income		72		
	<b>Non-operating expenses</b>		<b>31</b>		
	Interest expense	0.6	490	2,311	0.5
	866	2,797			(486)
	Foreign exchange losses		28		
	56				
	Other non-operating expenses		977		
	1,655				
Depreciation expense	<b>Ordinary Income</b>		279		
	544	2,523	0.6	706	1,990
	<b>Extra-ordinary income</b>				
	Gain on sale of fixed assets	16.3		16.7	7,244
	76,187				
	Gain on sales of investment securities				
	155		600		
	Reversal of allowance for doubtful receivables		1		
	36				
	61		59		
	Gain on sales of business		3,732		
	Gain on exemption from obligation of substitutional portion of employees' Welfare Pension Fund				
	Other extra-ordinary income				
	495				
	<b>Extra-ordinary loss</b>		<b>-</b>		
	Loss on disposal of fixed assets	0.2	14	4,408	0.9
	45				
	Loss on impairment of securities		2,751		
	976				
	Loss on vitamin E litigation settlement		679		
	4,261		112		
	Other extra-ordinary loss				
	<b>Income before income taxes and minority interests</b>				
	<b>Income taxes-current</b>				
	<b>Income taxes-deferred</b>				
	<b>Minority interests</b>				
	<b>Net income</b>				

# CONSOLIDATED STATEMENTS OF CAPITAL SURPLUS /RETAINED EARNINGS

<b>Capital surplus</b>		¥55,125		¥55,222
	97	97	-	-
<b>Capital surplus ending balance</b>		55,222		55,222
		275,051		302,669
	41,027	41,027	50,148	50,148
	4,023		-	
	9,288		9,920	
- Bonuses to Directors	98	13,410	66	9,987
		¥302,669		¥342,830

## EISAI CO., LTD.

## 7. CONSOLIDATED STATEMENTS OF CASH FLOWS

	April 1, 2002- March 31, 2003	April 1, 2003- March 31, 2004	Increase (Decrease)
Note	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
	¥69,825	¥82,522	
	17,965	18,488	
Amortization of excess of net assets over cost	(61)	(72)	
	264	214	
	(1,821)	(1,718)	
	56	28	
	(47)	(31)	
	959	2,151	
	12,068	12,605	



## **BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENT**

April 1, 2002- March 31, 2003

April 1, 2003- March 31, 2004

### 1.Scope of Consolidation

Consolidated subsidiaries: 33 Companies

Major subsidiaries:

Sanko Junyaku Co., Ltd.

Sannova Co., Ltd.

Eisai Inc.

Eisai Research Institute of Boston, Inc.

Palma Bee'Z Research Institute Co., Ltd. and Eisai Medical Research Inc. were established and newly consolidated during this period.

Eland Co.,Ltd., Takehaya Co., Ltd., Kawashima Co., Ltd., Seiansha Co., Ltd., and Gakuen Shoji Co., Ltd. were merged into Sunplanet Co., Ltd. (surviving company) in April 2002.

April 1, 2002- March 31, 2003

April 1, 2003- March 31, 2004

Derivatives are stated at fair market value.

(c) Inventories

April 1, 2002- March 31, 2003	April 1, 2003- March 31, 2004
-------------------------------	-------------------------------

period.

(c) Other reserves

For the Parent Company and certain consolidated

(e) Retirement allowances for directors and corporate auditors

The Parent Company and certain consolidated subsidiaries in Japan provide a reserve for retirement allowances for directors and corporate auditors in the amount required in accordance with internal regulations as if all directors and corporate auditors were to retire at the end of the period.

(5) Standards for translation of principal assets and liabilities in foreign currencies into Yen

Monetary receivables and payables determined in foreign currency are translated into Yen at the exchange rate at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statements of income. Assets and liabilities of subsidiaries outside Japan are translated into Yen based on the spot rate as of the balance sheet date, income, and expense thereof are translated into Yen based on the average rate during the period and any difference arising out of such translation is

included in the statements of income.

April 1, 2002- March 31, 2003

April 1, 2003

## Changes in Accounting Policy

April 1, 2002-March 31, 2003	April 1, 2003-March 31, 2004
<p>1. Application of the Accounting Standard on the Legal Surplus and the Reversal of Legal Surplus etc.            The Company applied the Accounting Standard on the Legal Surplus and the Reversal of Legal Surplus etc. (Corporate Accounting Standard, Sub-paragraph 1) to the statement from this period. The effect of this application to profits and losses for this period is insignificant. Consequently, 4,023 million yen of loss from treasury stock sold was presented as an item of Decrease in retained earnings in the statements of capital surplus / retained earnings. In accordance with the revision of the Regulations of Consolidated Financial Statements, shareholders' equity section in the consolidated balance sheet and the consolidated statement of retained earning for the period were provided under the revised regulations.</p> <p>2. Earnings per share            The Company applied the Accounting Standard on the Net Income per Share (Corporate Accounting Standard, Sub-paragraph 2) and the Application Guidance of Accounting Standard on Net Income per Share (Application Guidance of Corporate Accounting Standard, Sub-paragraph 4) to the statement from this period.            Effects of this application is presented in "16. ASSETS, EARNINGS PER SHARE".</p>	<hr/>

NOTES TO CONSOLIDATED BALANCE SHEET

March 31, 2003	March 31, 2004																																																				
<p>*1. Account titles and amounts of investments in associated companies</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Marketable securities (stocks)</td> <td style="text-align: right;">¥343 mil.</td> </tr> <tr> <td style="padding-left: 20px;">Investments in other assets</td> <td style="text-align: right;">1mil.</td> </tr> </table> <p>*2. Pledged assets and debts</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Pledged assets</td> </tr> <tr> <td style="padding-left: 20px;">Land</td> <td style="text-align: right;">82 mil.</td> </tr> <tr> <td colspan="2">Pledged debts</td> </tr> <tr> <td style="padding-left: 20px;">Corporate bonds</td> <td style="text-align: right;">100 mil.</td> </tr> </table> <p>3. Contingent debts The Parent Company is a solidarity guarantee for the following warrantees.</p> <table border="1" style="margin-left: 40px; border-collapse: collapse; width: 60%;"> <thead> <tr> <th style="text-align: center;">Warrantee</th> <th style="text-align: center;">Item</th> <th style="text-align: center;">Yen (mil.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Employees</td> <td style="text-align: center;">Housing loans</td> <td style="text-align: center;">138</td> </tr> </tbody> </table> <p>*4. 205 million yen was deducted from acquisition cost of tangible fixed assets at the end of the period by the reduction-entry of state subsidies. Details of reduction entries are as follows;</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Buildings and structures</td> <td style="text-align: right;">20 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Machinery, equipment and vehicles</td> <td style="text-align: right;">185 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Others</td> <td style="text-align: right;">0 million yen</td> </tr> </table> <p>*5. Issued stocks</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Common stock</td> <td style="text-align: right;">296,566,949 shares</td> </tr> <tr> <td style="padding-left: 20px;">Treasury stocks</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Common stocks</td> <td style="text-align: right;">4,776,395 shares</td> </tr> </table>	Marketable securities (stocks)	¥343 mil.	Investments in other assets	1mil.	Pledged assets		Land	82 mil.	Pledged debts		Corporate bonds	100 mil.	Warrantee	Item	Yen (mil.)	Employees	Housing loans	138	Buildings and structures	20 million yen	Machinery, equipment and vehicles	185 million yen	Others	0 million yen	Common stock	296,566,949 shares	Treasury stocks		Common stocks	4,776,395 shares	<p>*1. Account titles and amounts of investments in associated companies</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Marketable securities (stocks)</td> <td style="text-align: right;">¥363 mil.</td> </tr> <tr> <td style="padding-left: 20px;">Investments in other assets</td> <td style="text-align: right;">1mil.</td> </tr> </table> <p>*2.</p> <hr style="width: 20%; margin-left: 40px;"/> <p>3. 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Details of reduction entries are as follows;</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Buildings and structures</td> <td style="text-align: right;">19 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Machinery and equipment</td> <td style="text-align: right;">184 million yen</td> </tr> <tr> <td style="padding-left: 20px;">Tools, furniture and fixtures</td> <td style="text-align: right;">125 million yen</td> </tr> </table> <p>*5. Issued stocks</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Common stock</td> <td style="text-align: right;">296,566,949 shares</td> </tr> <tr> <td style="padding-left: 20px;">Treasury stocks</td> <td></td> </tr> <tr> <td style="padding-left: 40px;">Common stocks</td> <td style="text-align: right;">8,789,679 shares</td> </tr> </table>	Marketable securities (stocks)	¥363 mil.	Investments in other assets	1mil.	Warrantee	Item	Yen (mil.)	Employees	Housing loans	131	Buildings and structures	19 million yen	Machinery and equipment	184 million yen	Tools, furniture and fixtures	125 million yen	Common stock	296,566,949 shares	Treasury stocks		Common stocks	8,789,679 shares
Marketable securities (stocks)	¥343 mil.																																																				
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## NOTES TO THE CONSOLIDATED INCOME STATEMENT

April 1, 2002-March 31, 2003	April 1, 2003-March 31, 2004
<p>*1. Total general and administrative expenses and research and development expenses included in manufacturing expenses for the period.  <span style="float: right;">¥59,704 mil.</span></p> <p>*2. Principal profits on sales of fixed assets:  Machinery and vehicles <span style="float: right;">¥ 13 mil.</span></p> <p>*3. Enterprise transfer profit is net gains and losses on the veterinary products business transfer.</p> <p>*4. Loss on disposal of fixed assets  Buildings and structures <span style="float: right;">¥414 mil.</span>  Machinery, equipment and vehicles <span style="float: right;">¥216 mil.</span></p> <p>*5. Loss on vitamin E litigation settlement  An extraordinary loss recorded as "Loss on vitamin E litigation settlement" including additional expenses associated with civil settlements reached with direct and indirect purchasers of synthetic vitamin E in the U.S.</p> <p>*6. _____</p> <p>*7. Other Extraordinary Loss mainly consists of contents as follows:  Loss on impairment of golf club membership <span style="float: right;">¥ 401 mil.</span></p>	<p>*1. Total general and administrative expenses and research and development expenses included in manufacturing expenses for the period.  <span style="float: right;">¥ 69,018 mil.</span></p> <p>*2. Principal profits on sales of fixed assets:  Land <span style="float: right;">¥ 569 mil.</span></p> <p>*3. _____</p> <p>*4. Loss on disposal of fixed assets  Buildings and structures <span style="float: right;">¥1,014 mil.</span>  Land <span style="float: right;">¥1,389 mil.</span></p> <p>*5. _____</p> <p>*6. Loss on litigation  An extraordinary loss recorded as "Loss on litigation" including additional expenses associated with civil settlements on vitamin E sale and patent infringement litigation expenses.</p> <p>*7. Other Extraordinary Loss mainly consists of contents as follows:  Loss on disposal of obsolete inventories <span style="float: right;">¥ 361 mil.</span>  Loss on liquidation of subsidiaries <span style="float: right;">¥ 209 mil.</span>  Loss on restructuring of subsidiaries <span style="float: right;">¥ 176 mil.</span></p>





## 8. SEGMENT INFORMATION

### 1. Industry Segment Information

(1) For the fiscal year ended March 31, 2003

( Millions of Yen )

	Pharma- ceuticals	Others	Total	Eliminations and Corporate	Consolidated
I. Sales and operating income/loss					
(1) Sales to customers	¥441,663	¥24,949	¥466,613	-	¥466,613
(2) Intersegment sales	234	15,781	16,016	(¥16,016)	-
Total sales	441,898				



(4) Operating expenses that are not allocated to each segment, and are included in eliminations and corporate, consist mainly of administrative expenses incurred at headquarters.

For the year ended March 31, 2003: ¥2,578 million  
 For the year ended March 31, 2004: ¥2,997 million

(5) Corporate assets included in eliminations and corporate, consist mainly of surplus operating capital (cash and marketable securities), long-term investments (investment securities) and administrative capital.

For the year ended March 31, 2003: ¥151,890 million  
 For the year ended March 31, 2004: ¥161,524 million

### 3. Overseas Sales

(1) For the period ended March 31, 2003 (Millions of Yen)

	North America	Europe	Asia and Others	Total
1. Overseas sales	¥185,870	¥36,026	¥11,561	¥233,458



## 11. INCOME TAXES

April 1, 2002 – March 31, 2003	April 1, 2003 – March 31, 2004
1. Details of principal deferred tax assets and liabilities are noted below.	
(1) Current assets	
Deferred tax assets	(Millions of Yen)
Clinical research expense	¥5,179
Unrealized gain on intercompany sales of inventory	4,605
Accrued bonuses	2,701
Sales return reserve	2,238
Accrued enterprise tax	1,903
Other	<u>3,079</u>
Sub-total	¥19,708
Less valuation allowance	<u>(145)</u>
Total deferred tax assets	¥19,562
Deferred tax liabilities	
Cost of goods differential	(¥264)
Others	<u>(12)</u>
Total deferred tax liabilities	(¥276)
Net deferred tax assets	

April 1, 2002 – March 31, 2003	April 1, 2003 – March 31, 2004
<p>* Each net deferred tax asset has been presented as follows in the balance sheet;</p> <p style="text-align: right;">(Millions of Yen)</p> <p>Current assets – Deferred tax assets    ¥19,285  Current liabilities – Deferred tax liabilities    ¥-</p> <p>Fixed assets – Deferred tax assets    ¥18,778  Long-term liabilities – Deferred tax liabilities    ¥344</p> <p>2. Since the effective income tax rates of the Company differed from the statutory tax rate by less than 5% disclosure of details is omitted.</p> <p>3. Change of tax rate  Corporate enterprise tax rate will be changed from April 1, 2004 under the revision of Sub-paragraph 9 of the Local Tax Law issued on March 31, 2003. In accordance with this change, legal effective tax rate, obtained from deferred tax assets and liabilities related to temporary differences which are expected to be dissolved after April 1, 2004, was changed from 41.6% to 41.0%. Because of this change, deferred tax assets (after deferred tax liability deduction) in the consolidated balance sheet decreased 299 million yen, other loss on impairment of securities increased 17 million yen and income tax-deferred in the consolidated statement of income increased 316 million yen.</p>	<p>* Each net deferred tax asset has been presented as follows in the balance sheet;</p> <p style="text-align: right;">(Millions of Yen)</p> <p>Current assets – Deferred tax assets    ¥21,596  Current liabilities – Deferred tax liabilities    ¥-</p> <p>Fixed assets – Deferred tax assets    ¥17,940  Long-term liabilities – Deferred tax liabilities    ¥321</p> <p>2. Same as at the left</p> <p>3.</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/>

## 12. SECURITIES

### 1. MARKET VALUE OF HELD-TO-MATURITY SECURITIES

(Millions of Yen)

Carrying amounts lower than aggregated fair value	Period Ended Mar-31-2003			Period Ended Mar-31-2004		
	Carrying amount	Aggregated fair value	Unrealized gain	Carrying amount	Aggregated fair value	Unrealized gain
1. Government bonds	¥_	¥_	¥_	¥_	¥_	¥_
2. Corporate bonds	12,422	12,991	569	20,811	20,937	125
3. Other	4,398	4,405	6	23,997	24,003	6
Sub-total	¥16,821	¥17,396	¥575	¥44,808	¥44,940	¥132
Carrying amounts higher than aggregated fair value	Carrying amount	Aggregated fair value	Unrealized loss	Carrying amount	Aggregated fair value	Unrealized loss
1. Government bonds	¥_	¥_	¥_	¥_	¥_	¥_
2. Corporate bonds	26,130	23,801	(2,328)	20,412	20,301	(111)
3. Other	1,999	1,999	(0)	3,999	3,999	(0)
Sub-total	¥28,129	¥25,800	(¥2,328)	¥24,412	¥24,301	(¥111)
TOTAL	¥44,950	¥43,197	(¥1,753)	¥69,221	¥69,242	



### 3. OTHER MARKETABLE SECURITIES SOLD DURING THE FISCAL YEAR PERIOD

(Millions of Yen)

(April 1, 2002– March 31, 2003)			(April 1, 2003– March 31, 2004)		
Sales amount	Gain on sales	Loss on sales	Sales amount	Gain on sales	Loss on sales
¥229	¥36	¥1	¥1,645	¥21	¥62

### 4. HELD-TO-MATURITY SECURITIES AND AVAILABLE-FOR-SALE SECURITIES OF WHICH FAIR VALUE IS NOT READILY DETERMINABLE

(Millions of Yen)

	Period Ended March 31, 2003	Period Ended March 31, 2004
1. Held-to-Maturity Securities Unlisted foreign bonds	–	–
2. Available-for-sale securities		
Unlisted stocks, except OTC traded stocks	¥4,364	¥4,221
MMF, etc.	20,549	35,024
Preferred investment securities	5,000	5,000
Unlisted bonds	–	¥28,097

### 5) THE CARRYING VALUES OF AVAILABLE-FOR-SALE AND HELD-TO-MATURITY SECURITIES AT CONTRACTUAL MATURITIES AS OF MARCH 31, 2004

(Millions of Yen)

	Period Ended Mar-31-2003				Period Ended Mar-31-2004			
	Due within 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years	Due within 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
I. Bonds								
Government bonds	¥1,365	¥_	¥_	¥_	¥_	¥_	¥_	¥_
Corporate bonds	7,306	16,705	15,016	–	33,110	23,909	12,513	–
Other	5,997	400	–	–	27,596	399	–	–
II. Other	116	4,063	81	–	2,457	1,276	–	–
Total	¥14,786	¥21,168	¥15,098	¥_	¥63,165	¥25,585	¥12,513	¥_

### 13. DERIVATIVE FINANCIAL INSTRUMENTS

			Fair value	Unrealized loss			Fair value	Unrealized gain(loss)
		Over 1 Year				Over 1 Year		
Foreign currency Forward contracts								
Payables: U.S. dollar	¥6,307	¥_	¥6,331	(¥24)	¥6,470	¥_	¥6,284	¥185
Euro	_	_	_	_	854	_	812	41
Receivables: Yen	¥542	¥_	¥530	(11)	¥613	¥_	¥603	(10)
Total				(¥35)				¥217

Note:

Period Ended Mar-31-2003	Period Ended Mar-31-2004
Market value calculation methods: The fair market values were estimated based on market quotations	Market value calculation methods: Same as in the left

## 14. PENSION PLANS AND RETIREMENT BENEFIT COST

Period Ended Mar-31-2003

Period Ended Mar-31-2004

1. Outline of pension plan  
 The Parent Company  
 The Parent Company adopts defined-benefit type of contribution plan and the stand-alone employees' welfare plan and defined-benefit plan. termination allowance plan, 45% of which  
 Certain subsidiaries in Japan pension type of the joint pension scheme and a term Certain overseas subsidiaries defined-benefit plan. In some cases these companies (Liability) asset for employee benefits at March 31, 2004.

(Millions of Yen)

benefits a 292.2 445.863,268	
Net unfunded liability	(93,292)
Unrecognized transitional obligation	7,187
Unrecognized actuarial loss	49,995
Unrecognized prior service cost (Note 2)	(9,307)
Net liability for retirement benefits	<u>(¥45,417)</u>

Notes:

- (1) Includes substitutional portion of employees' Welfare Pension Fund.
- (2) Reflects the changes in guarantee period and relevant regulation.
- (3) Certain subsidiaries retirement allowances are calculated according to a simple method.

### 3. Components of the net periodic benefit costs

(Millions of Yen)

Service cost (Note 1,3)	¥5,468
Interest costs	4,287
Expected return on plan assets	(2,504)
Amortization of transitional obligation	3,600
Recognized actuarial loss	8,428
Amortization of prior service cost (Note 2)	(3,540)
Contribution and others	<u>532</u>
Net periodic benefit costs	<u>¥ 16,270</u>

Period Ended Mar-31-2003	Period Ended Mar-31-2004
<p>Notes:</p> <ul style="list-style-type: none"><li data-bbox="172 219 742 315">(1) After deduction of the amounts borne by employees in accordance with the Japanese Welfare Pension Law.</li><li data-bbox="172 322 778 418">(2) Reflects the current amortization of prior service cost described in Note (1) of "2. (Liability) asset for employees retirement benefits."</li><li data-bbox="172 425 692 450">(2) Includes all benefit costs of consolidated</li></ul>	

	Equity value per share	1,457.47 yen
	Earnings per share	172.11 yen
	Fully diluted earnings per share	172.11 yen

Note: The basis of the report of net earnings per share and fully diluted earnings per share are as follows:

	Period Ended March 31- 2003	Period Ended March 31- 2004
Net earnings per share		
Net income (mil. yen)	41,027	50,148
Amount not attributed to common share (mil. yen)	66	34
(Bonuses to directors through appropriation of earnings ) (mil.yen)	(66)	(34)
Net income on common shares (mil.yen)	40,960	50,114
Average number of common shares outstanding (thousand shares)	290,163	291,169

Fully diluted earning per share  
Adjusted net income (mil. yen)  
(Interest expenses (after tax)) (mil. yen)  
(Others (after tax)) (mil. yen)  
Increase in number of shares (thousand shares)  
- TD 0  
- Tc 0.1644  
- Tw ( )  
- Tj -13 (Inter  
(Convertible bond (thousand shares))  
(Pre-emptive rights (thousand shares))  
(New share subscription rights (thousand shares))

Pharmaceuticals	¥441,663	94.7	¥476,761	95.3
Japan	228,011	48.9	239,775	47.9
North America	178,381	38.2	193,546	38.7

**EISAI CO., LTD. NON-CONSOLIDATED  
ANNUAL FINANCIAL REPORT RELEASE**

# 1. NON-CONSOLIDATED ANNUAL FINANCIAL RESULTS

(APRIL 1, 2003 – MARCH 31, 2004)

## (1) RESULTS OF ANNUAL OPERATIONS

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
April 1, 2003- March 31, 2004	¥303,626mil.	4.8%	¥67,057 mil.	2.7%	¥66,559 mil.	2.7%
April 1, 2002- March 31, 2003	¥289,603 mil.	5.3%	¥65,273 mil.	2.1%	¥64,805 mil.	(1.8)%

Period	Net Income	Percent Change	Earnings per Share (EPS)	Fully Diluted EPS	Return on Equity	Ordinary Income/ Total Assets	Ordinary Income/ Net Sales
April 1, 2003- March 31, 2004	¥41,883 mil.	22.6%	¥143.73	¥143.72	10.7%	13.3%	21.9%
April 1, 2002- March 31, 2003	¥34,174 mil.	10.9%	¥117.57	¥116.47	9.3%	13.9%	22.4%

Note 1: Average number of shares outstanding:

- Fiscal year ended March 31, 2004: 291,169,072 shares
- Fiscal year ended March 31, 2003: 290,163,720 shares

Note 2: There have not been changes in accounting methods used by Eisai Co., Ltd. (hereinafter referred to as 'the Company') during the period ended March 31, 2004 and 2003.

Note 3: Percentage increase (decrease) compares periods ended March 31, 2004 and 2003.

## (2) DIVIDENDS

Period	Dividends per Share			Dividends Paid (Annual)	Payout	Dividends
	Annual	Interim	Year End			
April 1, 2003- March 31, 2004	Note 2: ¥36.00	¥18.00	¥18.00	¥10,432 mil.	25.0%	2.6 %
April 1, 2002- March 31, 2003	¥32.00	¥16.00	¥16.00	¥9,289 mil.	27.2 %	2.5 %

## (3) FINANCIAL POSITION

Year End	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Assets	Shareholders' Equity per Share
March 31, 2004	¥515,630 mil.	¥405,085 mil.	78.6%	¥1,407.52
March 31, 2003	¥482,913 mil.	¥377,475 mil.	78.2%	¥1,293.44

Note 1: Number of shares issued and outstanding:

- As of March 31, 2004: 287,777,270 shares
- As of March 31, 2003: 291,790,554 shares

Note 2: Treasury Stock (shares):

- As of March 31, 2004: 8,789,679 shares
- As of March 31, 2003: 4,776,395 shares

## 2. NON-CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2005

Period	Net Sales	Ordinary Income	Net Income	Dividends per Share		
				Interim	Year End	Annual
April 1, 2004 – September 30, 2004	¥147,000 mil.	¥33,500 mil.	¥20,500 mil.	¥21.00	–	–
April 1, 2004 – March 31, 2005	¥297,000 mil.	¥63,000 mil.	¥38,500mil.	–	¥21.00	¥42.00

Note: Forecasted Annual Earnings per Share (EPS): ¥133.78

Assumptions associated with the above forecast are noted on page 17 of the Consolidated Subsidiaries Annual Financial Report Release.

All figures less than ¥1,000,000 have been omitted.



## EISAI CO., LTD.

## 1-1) NON-CONSOLIDATED BALANCE SHEET (ASSETS)

Account Title	Note	The 91st Period March 31, 2003		The 92nd Period March 31, 2004		Increase (Decrease)
		(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and time deposits		¥57,497		¥42,274		
Notes receivable-trade	2	10,677		11,560		
Accounts receivable-trade	2	93,814		102,219		
Short-term investments		30,681		52,032		
Merchandise		5,769		6,079		
Finished goods		8,455		7,406		
Semi-finished goods		5,948		6,659		
Raw materials		3,383		3,460		
Work in process		988		771		
Supplies		1,263		1,197		
Advances		280		69		
Deferred tax assets		11,059		12,072		
Short-term loans receivable	2	7,628		8,708		
Other current assets		5,790		7,139		
Allowance for doubtful receivables		(12)		(8)		
<b>Total current assets</b>		<b>243,226</b>	<b>50.4</b>	<b>261,640</b>	<b>50.7</b>	<b>18,413</b>
<b>Fixed assets:</b>						
<b>Property, plant and equipment</b>						
Buildings	4	92,140		96,954		
Accumulated depreciation		55,258	36,882	57,564	39,390	
Structures	4	7,246		7,504		
Accumulated depreciation		5,208	2,038	5,370	2,133	
Machinery and equipment	4	67,802		68,600		
Accumulated depreciation		53,728	14,073	55,354	13,246	
Vehicle and delivery equipment		378		395		
Accumulated depreciation		338	39	350	44	
Tools, furniture, and fixtures	4	27,774		29,039		
Accumulated depreciation		21,733	6,041	22,579	6,460	
Land			10,758		10,609	
Construction in process			2,768		7,275	
<b>Total property, plant and equipment</b>		<b>72,601</b>	<b>15.0</b>	<b>79,159</b>	<b>15.4</b>	<b>6,557</b>
<b>Intangible assets</b>						
Patents		144		115		
Software		11,833		10,882		
Telephone subscription right		118		118		
Utility right		106		127		
Other intangible assets		1		0		
<b>Total intangible assets</b>		<b>12,203</b>	<b>2.5</b>	<b>11,243</b>	<b>2.2</b>	<b>(960)</b>
<b>Investments and other assets</b>						
Investments securities		61,752		71,827		
Investments securities in subsidiaries and associated companies		42,496		42,508		
Investments		179		141		
Investments in subsidiaries		3,781		3,781		
Long-term loans receivable		51		25		
Long-term loans to employees		5		4		
Long-term loans to subsidiaries		2,400		2,428		
Long-term prepaid expenses		1,672		2,752		
Insurance reserve		23,171		22,709		
Guarantee money paid		2,420		2,292		
Deferred tax assets		18,609		17,013		
Other assets		3,757		2,834		
Allowance for doubtful receivables		(5,416)		(4,731)		
<b>Total investments and other assets</b>		<b>154,882</b>	<b>32.1</b>	<b>163,587</b>	<b>31.7</b>	<b>8,705</b>
<b>Total fixed assets</b>		<b>239,687</b>	<b>49.6</b>	<b>253,990</b>	<b>49.3</b>	<b>14,302</b>
<b>Total</b>		<b>¥482,913</b>	<b>100.0</b>	<b>¥515,630</b>	<b>100.0</b>	<b>¥32,716</b>

EISAI CO., LTD.  
1-2) NON-CONSOLIDATED BALANCE SHEET  
(LIABILITIES, AND SHAREHOLDERS' EQUITY)

Account Title	Note	The 91st Period March 31, 2003		The 92nd Period March 31, 2004		Increase (Decrease) (Millions of Yen)
		(Millions of Yen)	(%)	(Millions of Yen)	(%)	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Current liabilities:</b>						
Notes payable-trade		¥820		¥729		
Accounts payable-trade		7,197		6,360		
Accounts payable-other	2	17,001		20,242		
Accrued expenses		11,093		13,519		
Accrued income taxes		18,168		12,590		
Consumption tax payable		919		369		
Advances received		53		49		
Deposits payable		5,077		6,639		
Reserve for sales returns		531		573		
Reserve for write-off of goods returned		250		313		
Reserve for sales rebates		793		1,001		
Other reserves		14		-		
<b>Total current liabilities</b>		61,923	12.8	62,390	12.1	466
<b>Long-term liabilities:</b>						
Liability for retirement benefits		41,894		46,468		
Retirement allowances for directors and corporate directors		1,620		1,686		
<b>Total long-term liabilities</b>		43,514	9.0	48,155	9.3	4,640
<b>Total liabilities</b>		105,438	21.8	110,545	21.4	5,106
<b>Shareholders' equity:</b>						
Common stock	1	44,985	9.3	44,985	8.7	-
Capital surplus						
Additional paid-in capital		55,222		55,222		
Total capital surplus		55,222	11.4	55,222	10.7	-
Retained earnings						
Legal reserve		7,899		7,899		
Voluntary reserves:						
Reserve for the reduction of fixed assets		123		124		
General reserve		250,880		270,880		
Unappropriated retained earnings for the period		31,665		43,566		
Total retained earnings		290,569	60.2	322,470	62.6	31,901
Net unrealized gain on available-for-sale securities		1,249	0.3	8,393	1.6	7,143
Treasury stock	1	(14,551)	(3.0)	(25,987)	(5.0)	(11,435)
<b>Total shareholders' equity</b>		377,475	78.2	405,085	78.6	27,610
<b>Total</b>		¥482,913	100.0	¥515,630	100.0	¥32,716

## EISAI CO., LTD.

## 2. NON-CONSOLIDATED STATEMENTS OF INCOME

	Note		(%)		(%)	Increase (Decrease) (Millions of Yen)		
	2	¥289,603	100.0	¥303,626	100.0	¥14,023		
	1	85,530	29.5	83,532	27.5	(1,997)		
		204,072	70.5	220,094	72.5	16,021		
		107	0.1	41	0.0	(65)		
<b>Gross profit</b>		203,965	70.4	220,052	72.5	16,087		
	1	57,625		67,381				
		81,065	138,691	47.9	85,613	152,995	50.4	14,304
			65,273	22.5		67,057	22.1	1,783
Interest income		85		82				
Interest on securities		552		405				
		455		500				
Rents income	2	512		486				
		544	2,150	0.8	200	1,674	0.5	(476)
		26		32				
Bond interest expenses		15		—				
Stock issue costs		5		—				
		159		146				
		1,677		1,272				
Depreciation expenses		266		279				
		466	2,618	0.9	441	2,172	0.7	(446)
			64,805	22.4		66,559	21.9	1,753
Gain on sales of fixed assets	4	1		1				
5	748		744					
Provision for allowance for doubtful receivables		41		322				
Loss on revaluation of securities		4,209		97				
Loss on vitamin E litigation settlement	6	1,090		—				
Loss on litigation	7	—		422				
Other extraordinary loss		421	6,511	2.3	486	2,072	0.7	(4,438)
			58,847	20.3		69,205	22.8	10,357
		29,708		31,704				

## EISAI CO., LTD.

## 3. APPROPRIATIONS OF RETAINED EARNINGS

(Millions of Yen)

Date of Approval by General Shareholders' Meeting	The 91st Period June 24, 2003		The 92nd Period June 24, 2004 (planned)	
<b>Unappropriated retained earnings</b>		¥31,665		¥43,566
<b>Reversals of voluntary reserves</b>				
Reversals of reserve for the reduction of assets	0	0	0	0
<b>Total</b>		31,666		43,567
<b>Appropriation of retained earnings</b>				
- Dividends	4,668		5,179	
- Bonuses to directors	61		34	
- Voluntary reserves				
- Reserve for the reduction of fixed assets	1		-	
- General reserve	20,000	24,731	30,000	35,214
<b>Retained Earnings Carried Forward</b>		¥6,935		¥8,352

Notes:

1. Dividends for treasury stock of 8,789,679 shares are excluded from dividends shown above.

2. On December 5, 2003, 5,252 million yen (18.00 yen per share) was paid as an interim dividend.

## BASIS OF PRESENTING ANNUAL NON-CONSOLIDATED FINANCIAL STATEMENTS

The 91st Period April 1, 2002-March 31, 2003	The 92nd Period April 1, 2003-March 31, 2004
<p>1. Marketable and Investment Securities (1) Held-to-Maturity Securities Held-to-Maturity Securities are stated at amortized cost.</p> <p>(2) Investment Securities in Subsidiaries and Associated Companies Investment securities in subsidiaries and associated companies are stated at cost determined by the AF76etF76et Stated at fair value on the closing date of the period with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined by the moving average method. Non-marketable securities: Stated at cost determined by moving average method.</p> <p>2. Derivatives Derivatives are stated at fair market value.</p> <p>3. Inventories Merchandise, finished goods, semi-finished goods, work in process, raw materials, and supplies are stated at cost determined by the average method.</p> <p>4. Depreciation of Fixed Assets (1) Property, plant and equipment Property, plant and equipment are stated at cost. Depreciation is computed by the declining-balance method at rates based on the estimated useful lives of the assets. The ranges of useful lives of assets are as follows:  <div style="margin-left: 20px;"> <p>Buildings                                      15 to 65 years</p> <p>Machinery &amp; Equipment                  6 to 7 years</p> </div> (2) Intangible assets Intangible assets are carried at cost less accumulated amortization which is computed by the straight-line method. Amortization for software used internally is computed by the straight-line method over useful lives of five years.</p> <p>5. Deferred Charges Stock issue costs are charged to income as incurred.</p> <p>6. Translation of Foreign Currency into Yen Monetary receivables and payables denominated in foreign currencies are translated into yen at the exchange rate at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statements of income.</p> <p>7. Accounting Standards for Reserves (1) Allowance for doubtful receivables</p>	<p>1. Marketable and Investment Securities (1) Held-to-Maturity Securities Same as at the left</p> <p>(2) Investment Securities in Subsidiaries and Associated Companies Same as at the left</p> <p>(3) Available-for-Sale Securities Same as at the left</p> <p>2. Derivatives Same as at the left</p> <p>3. Inventories Same as at the left</p> <p>4. Depreciation of Fixed Assets (1) Property, plant and equipment Same as at the left</p> <p>(2) Intangible assets Same as at the left</p> <p>5. _____</p> <p>6. Translation of Foreign Currency into Yen Same as at the left</p> <p>7. Accounting Standards for Reserves (1) Allowance for doubtful receivables</p>

<p style="text-align: center;">The 91st Period April 1, 2002-March 31, 2003</p>	<p style="text-align: center;">The 92nd Period April 1, 2003-March 31, 2004</p>
<p>The allowance for doubtful receivables is stated at amounts considered to be appropriate based on the Company's past credit loss experience and on evaluation of potential losses in the accounts outstanding.</p> <p>(2) Reserve for sales returns A reserve is provided at an amount sufficient to cover possible losses on sales returns. It is determined based on the accounts receivable balance, the average return ratio of the current and the previous periods, and the current profit ratio.</p> <p>(3) Reserve for write-</p>	

The 91st Period April 1, 2002-March 31, 2003	The 92nd Period April 1, 2003-March 31, 2004
<p>(6) Retirement allowances for directors and corporate auditors The reserve for severance benefits for directors and corporate auditors is provided at an amount required in accordance with internal regulations as if all directors and corporate auditors were to retire at the balance sheet date.</p> <p>8. Leases Finance leases other than those that deem to transfer ownership of the leased property to the lessee are accounted for as an operating lease.</p> <p>9. Hedge Accounting (1) Methods of hedge accounting Gains or losses on or the changes in the measurement of the hedging instruments that are measured at fair value are deferred as an asset or liability until the gains and losses on the hedged items are recognized.</p> <p>(2) Hedge procedures and hedge targets (a) Hedge procedures Foreign currency forward contracts (b) Hedge targets Accounts receivable and accounts payable dominated in foreign currencies</p> <p>(3) Hedge methods Foreign currency forward contracts are executed in order to hedge foreign currency exchange risk (cash flow) associated with certain assets and liabilities denominated in foreign currencies within the ordinary course of business in accordance with internal policies.</p> <p>(4) Method of evaluating effectiveness of hedges Foreign currency forward contracts were made with the same currency, amount and duration that are assigned to associated assets or liabilities and are assured to hedge the currency fluctuation risks and</p>	<p>Retirement Benefit Accounting (interim report)" (in the 13th issue of Accounting Committee Report by the Japanese Institute of Certified Public Accountants,) and processed accounting entries assuming that the substitutional portion of the retirement benefit obligations and relevant pension plan assets to be thereby returned were extinguished as of the approval date of exemption of future obligation thereof. As a result, the Company accounted for gain on exempted obligation of substitutional portion of employees' Welfare Pension Fund in the amount of 3,732 million as an extra-ordinary income in this fiscal period. The projected value of the pension plan assets to be returned (the minimum liability reserve) is estimated at 19,753 million yen as of the end of this fiscal period.</p> <p>(6) Retirement allowances for directors and corporate auditors Same as at the left</p> <p>8. Leases Same as at the left</p> <p>9. Hedge Accounting (1) Methods of hedge accounting Same as at the left</p> <p>(2) Hedge procedures and hedge targets Same as at the left</p> <p>(3) Hedge methods Same as at the left</p> <p>(4) Method of evaluating effectiveness of hedges Same as at the left</p>

The 91st Period April 1, 2002-March 31, 2003	The 92nd Period April 1, 2003-March 31, 2004
<p>evaluated at the time of the end of the interim period.</p> <p>10. Consumption Taxes Income and expense are recorded net of consumption taxes.</p>	<p>10. Consumption Taxes</p> <p style="text-align: center;">Same as at the left</p>

### Changes in Accounting Policies

The 91st Period April 1, 2002-March 31, 2003	The 92nd Period April 1, 2003-March 31, 2004
<p>1. Application of the Accounting Standard on the Treasury Stock and the Reversal of Legal Surplus etc. The Company applied the Accounting Standard on the Treasury Stock and the Reversal of Legal Surplus etc. (Corporate Accounting Standard, Sub-paragraph 1) to the statement from this period. Consequently, Treasury stock loss and gain presented as a subtractive item of unappropriated retained earnings for the period, which does not affect net income in the Statement of Income, was 4,023 million yen. The shareholders' equity section in the consolidated balance sheet for this period was prepared in accordance with the revised Regulations of Financial Statements.</p> <p>2. Earnings per share The Company applied the Accounting Standard on the Net Income per Share (Corporate Accounting Standard, Sub-paragraph 2) and the Application Guidance of Accounting Standard on Net Income per Share (Application Guidance of Corporate Accounting Standard, Sub-paragraph 4) to the statement from this period. The effects of this application are presented in "7. ASSETS, EARNINGS PER SHARE".</p>	<p style="text-align: center;">_____</p>



### Changes in Presentation Methods

The 91st Period April 1, 2002-March 31, 2003	The 92nd Period April 1, 2003-March 31, 2004
<p style="text-align: center;">_____</p>	<p>(Non-consolidated Statements of Income)</p> <p>As well as patent infringement litigation expenses, "Loss on litigation" includes "Loss on vitamin E litigation settlement" which was presented as a separate component of Extra-ordinary loss in the previous period. Loss on vitamin E litigation settlement in this period accounted for 210 million yen.</p>

### Additional Information

The 91st Period April 1, 2002-March 31, 2003	The 92nd Period April 1, 2003-March 31, 2004
<p>1. _____</p> <p>2. Increased Issued Shares</p> <p>Stock conversion of the fourth unsecured convertible bonds</p> <p>Number of issued shares                      112,804 shares  Issue price(per share)                      1,728.60 yen  Capitalized amount (per share)                      865 yen</p>	<p style="text-align: center;">_____</p>

NOTES TO NON-CONSOLIDATED BALANCE SHEET

NOTES TO THE NON-CONSOLIDATED INCOME STATEMENT

The 91st Period  
April 1, 2002-March 31, 2003

The 92nd Period  
April 1, 2003-March 31, 2004

#### 4. LEASE TRANSACTIONS

The 91st Period April 1, 2002-March 31, 2003		The 92nd Period April 1, 2003-March 31, 2004	
1. Finance leases other than those that deem to transfer ownership of the leased property to the lessee			
1) Acquisition cost, Accumulated depreciation, Net leased property (Millions of Yen)			
	Acquisition cost	Accumulated depreciation	Net leased property
Vehicles and delivery			

## 6. INCOME TAXES

The 91st Period April 1, 2002-March 31, 2003	The 92nd Period April 1, 2003-March 31, 2004
---	---

### 1. Details of principal deferred tax assets and liabilities

#### (1) Deferred tax assets (Current assets)

	(Millions of Yen)
Clinical research expenses	¥5,217
Accrued bonuses	2,223
Accrued enterprise tax	1,826
Other	<u>1,792</u>
Deferred tax assets total	<u>¥11,059</u>

#### (2) Deferred tax assets (Fixed assets)

	(Millions of Yen)
Liability for retirement benefits	¥14,590
Investment impairments in subsidiaries	3,197

The 91st Period April 1, 2002-March 31, 2003	The 92nd Period April 1, 2003-March 31, 2004
<p>3. Change of tax rate</p> <p>The corporate enterprise tax rate will be changed from April 1, 2004, under the revision of Sub-paragraph 9 of the Local Tax Law on March 31st 2003.</p> <p>In accordance with this change, the legal effective tax rate, obtained from deferred tax assets and liabilities related to the temporary defERENCE amount, which is expected to be dissolved after April 1, 2004, was changed from 41.6% to 41.0%. By this tax rate change, deferred tax assets (the amount after the deferred tax liabilities deduction) in the balance sheet decreased 272 million yen, net unrealized gain (loss) on available-for-sale securities increased 12 million yen, and income tax deferred in the statement of the income increased 285million yen,.</p>	<p>3.</p> <hr/>

## 7. THE PREMISE OF A GOING CONCERN

There was no events or conditions that might be indicative of significant doubt of the entity's ability to continue as a going concern in the previous and present periods.

## 8. ASSETS, EARNINGS PER SHARE

The 91st Period April 1, 2002-March 31, 2003		The 92nd Period April 1, 2003-March 31, 2004
Equity value per share	1,293.44 yen	
Earnings per share	117.57 yen	
Fully diluted earnings per share		

The Company applied the Accounting Standard on the Net Income per Share (Corporate Accounting Standard, Sub-paragraph 2) and the Application Guidance of Accounting Standard on Net Income per Share (Application Guidance of Corporate Accounting Standard, Sub-paragraph 4) to the statement from this period.

Assets and earning per share for this period based on the traditional method are as follows:

Equity value per share	1,293.65 yen
Earnings per share	117.78 yen
Fully diluted earnings per share	116.68 yen

## 9. PROPOSED CHANGES OF CORPORATE OFFICERS (effective as of June 24, 2004)

As stated in the Consolidated Annual Financial Report Release, the Company plans to adopt the “Company with Committee System” subject to approval of the General Meeting of Shareholders to be held in June 24, 2004. In accordance with the adoption of the new system, the Company proposes the following changes of Corporate Officers.

### 1. Candidates for Directors

Hikomasa Nakai	currently Director and Chairman, to be appointed as Director and Chairman
Haruo Naito	currently Representative Director and President, and Chief Executive Officer (CEO), to be appointed as Director and President and CEO
Yuji Naito	currently Director and Senior Advisor, to be appointed as Director and Senior Advisor
Yukio Akimoto	currently Standing Corporate Auditor, to be appointed as Director
Tadashi Tenmyo	currently Director of Corporate Auditing Department, to be appointed as Director
Stuart Meiklejohn	currently Director, to be appointed as Director
Mitsuaki Shimaguchi	currently Director, to be appointed as Director
Mitsuo Minami	currently Corporate Auditor, to be appointed as Director
Katsuro Tanaka	currently Corporate Auditor, to be appointed as Director
Tadashi Kurachi	currently Representative Director and President, Kanematsu Corporation, to be appointed as Director
Naoto Nakamura	currently Partner, law firm of Nakamura and Tsunoda, to be appointed as Director

Note: Stuart Meiklejohn, Mitsuaki Shimaguchi, Mitsuo Minami, Katsuro Tanaka, Osamu Tanaka, and Naoto Nakamura are not currently directors of the Company.



Yoji Takaoka	currently Senior Vice President, Regulatory Affairs and Medical Information, and Director of Corporate Regulatory Compliance and Quality Assurance Headquarters, to be appointed as Senior Vice President
Matsuo Ohara	currently Senior Vice President, Prescription Drug Division, to be appointed as Senior Vice President
Makoto Shiina	currently Senior Vice President, Corporate Business Development, to be appointed as Senior Vice President
Shintaro Kataoka	currently Senior Vice President, Production and Logistics, to be appointed as Senior Vice President
Jiro Hasegawa	currently Vice President, Global Clinical Research, to be appointed as Vice President
Kenji Toda	currently Vice President, Product Quality and GMP Compliance, and Deputy Director of Corporate Regulatory Compliance and Quality Assurance Headquarters to be appointed as Vice President
Hideaki Hayano	currently Vice President, Consumer Health Product Division, to be appointed as Vice President
Nobuo Deguchi	currently Vice President, Corporate Ethics, Legal and Environmental Affairs, to be appointed as Vice President
Hiroyuki Mitsui	currently Vice President, Corporate Communications, Investor Relations and General Affairs, to be appointed as Vice President
Mayumi Watanabe	currently Vice President, Business Operations Department, Prescription Drug Division, to be appointed as Vice President
Toshio Arai	currently Vice President, Production and Logistics and General Manager of the Kawashima Industrial Complex, to be appointed as Vice President
Norio Kano	currently Vice President, Tokyo Area, Prescription Drug Division, to be appointed as Vice President
Yukio Akada	currently Vice President, Human Resources Department, to be appointed as Vice President
Kentaro Yoshimatsu	currently Vice President, Discovery & Development Research Headquarters, to be appointed as Vice President
Hideshi Honda	currently Vice President, Global Pharmaceuticals Business Headquarters, to be appointed as Vice President
Hisashi Tanaka	currently Vice President, Clinical Research Center, to be appointed as Vice President

Chair: Mitsuaki Shimaguchi  
Members: Stuart Meiklejohn  
Katsuro Tanaka

## **(2) Audit Committee**

Chair: Mitsuo Minami  
Members: Tadashi Kurachi  
Naoto Nakamura  
Yukio Akimoto  
Tadashi Tenmyo

## **(3) Compensation Committee**

Chair: Stuart Meiklejohn  
Members: Mitsuaki Shimaguchi  
Katsuro Tanaka

## **4. Planned Resignation of Directors, Auditors and Corporate Officer**

Hideaki Matsui	currently Representative Director, to be appointed as Executive Vice President (Representative Executive Officer)
Shigehiko Yoshino	currently Director
Nobuo Eda	currently Standing Corporate Auditor, to be appointed as Corporate Advisor
Yukio Akimoto	currently Standing Corporate Auditor, to be appointed as Director
Teruo Osawa	currently Standing Corporate Auditor, to be appointed as Corporate Advisor
Mitsuo Minami	currently Corporate Auditor, to be appointed as Director
Katsuro Tanaka	currently Corporate Auditor, to be appointed as Director
Kozaburo Inoue	currently Corporate Officer, to be appointed as Corporate Advisor

## **5. Personal History of New Outside Directors and Representative Executive Officer (except former Directors and Corporate Auditors)**

### **(1) New Outside Directors**

Name:	Tadashi Kurachi
Date of Birth:	November 28, 1936 (age 67)
Education:	College of Arts and Sciences, The University of Tokyo, March 1960
Career:	April 1960 Join the Bank of Tokyo, Ltd. June 1988 Director and General Manager, Personnel Division June 1991 Managing Director and General Manager, Osaka Office December 1992 Executive Managing Director, Representative in Europe, and General Manager of London Office April 1996 Managing Director, the Bank of Tokyo-Mitsubishi Ltd. June 1996 Executive Director, the Bank of Tokyo-Mitsubishi Ltd.

June 1999 Representative Director and President, Kanematsu Corporation (current)

Name: Naoto Nakamura

Date of Birth: January 25, 1960 (age 44)

Education: Faculty of Law, Hitotsubashi University, March 1983

Career: April 1985 Member of the Second Tokyo Bar Association, Mori Sogo Law Offices

April 1998 Founder and Partner, Hibiya Park Law Offices

February 2003 Founder and Partner (current), law firm of Naoto Nakamura (currently Nakamura and Tsunoda)

March 2003 Corporate Auditor (current), Asahi Breweries, Ltd.

## **(2) New Representative Executive Officer**

Name: Soichi Matsuno

Date of Birth: June 20, 1944 (age 59)

Education: Faculty of Economics, Gakushuin University, March 1967

Career: March 1967 Join the Company

April 1992 President, Eisai Corporation of North America

June 1993 Director, U.S. and European Businesses Operations

April 1995 President, Eisai Inc.

February 1997 Director and Senior Vice President, U.S. and European Businesses Operations

April 1997 Director and Senior Vice President, U.S. Pharmaceuticals Operations

June 2000 Director and Executive Vice President, U.S. Pharmaceuticals Operations



Securities Code: 4523

2004.03

## Reference Data

Fiscal Year Ended March 31, 2004

**Eisai Co., Ltd.**

**May 11, 2004**

**For Inquiry:**

**Corporate Communications Department**

**TEL 81-3-3817-5120 FAX 81-3-3811-3077**

**<http://www.eisai.co.jp/eir/>**



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\*Unless otherwise specified, all figures have been rounded to their nearest specified unit.

\*Quarterly financial results for the previous fiscal year ended on March 31, 2003 stated in this material are for reference use only because the company has initiated disclosure of its quarterly results from the current fiscal year.

\*The Company's performance and financial results could differ materially from those reflected in these forward-looking statements due to general, financial, economic, and political conditions affecting the pharmaceutical industry.

\*Overseas sales are calculated based upon the fiscal year average rate in the table below.

#### Currency Exchange Rates

	US	EU	UK
	(¥/US\$)	(¥/EURO)	(¥/£)
(Apr. 2001 - Mar. 2002) Fiscal Year Average Rate	125.14	110.58	179.21
(Mar. 31, 2002) Fiscal Year End Rate	133.25	116.14	189.85
(Apr. 2002 - Mar. 2003) Fiscal Year Average Rate	121.95	121.04	188.41
(Mar. 31, 2003) Fiscal Year End Rate	120.20	129.83	189.45
(Apr. 2003 - Mar. 2004) Fiscal Year Average Rate	113.07	132.60	191.00
(Mar. 31, 2004) Fiscal Year End Rate	105.69	128.88	193.09
Fiscal Year Ending March 31, 2005 Forecast Rate	105.00	125.00	185.00

## <Summary of Financial Disclosure>

### <Sales and Profits>

Consolidated net sales increased to ¥500.2 billion (up 7.2% year-on-year: YOY) with the contribution of expansion of *Aricept* and *Pariet* (U.S. brand name: *Aciphex*) in Japan, the U.S., Europe, Asia, and growing sales of prescription pharmaceutical products in Japan. The growth more than offset the adverse effect of Yen's appreciation. Pharmaceutical sales were ¥476.8 billion, an increase of ¥35.1 billion over the previous year, accounting for 95.3% of total sales.

Sales outside Japan were ¥239.2 billion with the growth of *Aricept* and *Aciphex/Pariet*, representing 47.8% (up 1.5 points YOY) of the total sales. The sales in North America, particularly, increased to ¥194.5 billion (up ¥15.0 billion YOY). The North American portion now represents 38.9% of the total sales.

Operating income grew to ¥83.1 billion (up 9.5% YOY), and net income reached ¥50.1 billion (up 22.2% YOY) including boost of ¥3.7 billion due to the extraordinary gain on exemption from surrogated obligation of employees' Welfare Pension Fund. Earnings per share soared to ¥172.1 (up ¥30.9 YOY).

### <Sales of *Aricept* and *Aciphex/Pariet*>

Sales of *Aricept* surged to ¥141.6 billion (up 22.8% and ¥26.3 billion YOY). The Japanese portion of the YOY increase was ¥6.6 billion, the US portion ¥13.4 billion, and the rest of the world's portion ¥6.3 billion, respectively.

Sales of *Aciphex/Pariet* increased to ¥129.0 billion (up 9.9% and ¥11.6 billion YOY). The Japanese portion of the YOY gain was ¥8.8 billion, the US portion ¥1.8 billion and the rest of the world's gain ¥1.1 billion, respectively.

### <R&D Expenses and Sales and General Administrative Expenses>

Research and development expenses amounted to ¥69.0 billion (up 15.6% and ¥9.3 billion YOY) due to active progress of clinical research, in-licensing of development-stage compounds and collaborative research contracts.

Sales and general administrative expenses came to ¥250.9 billion (up 9.8% and ¥22.4 billion YOY) due to the increase of marketing expenses and payments to co-promotion partners in proportion to the sales growth.

<Cost to Sales Ratio>

Cost to sales ratio decreased by 2.6 points to 19.4% through the improved

An agreement of co-promotion for Parkinson's disease and co-development for Alzheimer's disease in connection with rasagiline was signed in May in the U.S. The thereof NDA 1176 Tc -0.2868 5 TD 60 Tc -0.1ti8n0.2571 T456fil



# I. Consolidated Financial Highlights

## 1. Statement of Income Data

	(billions of yen)					
Years Ended/Ending March 31	2001	2002	2003	2004	Chg. %	2005 (e)
Net Sales	361.7	431.7	466.6	<b>500.2</b>	107.2	520.0
Cost of Sales	98.5	101.5	102.6	<b>97.2</b>	94.8	96.0
Research and Development Expenses	49.6	55.0	59.7	<b>69.0</b>	115.6	75.0
Selling, General and Administrative Expenses	154.7	202.5	228.4	<b>250.9</b>	109.8	263.0
Operating Income	59.0	72.7	75.9	<b>83.1</b>	109.5	86.0
Ordinary Income	63.2	76.1	76.1	<b>83.4</b>	109.5	86.0
Net Income	23.3	36.5	41.0	<b>50.1</b>	122.2	52.0
Earnings per Share (yen)	78.7	123.5	141.2	<b>172.1</b>	121.9	180.7
Dividends per Share (yen)	23	29	32	<b>36</b>	-	42

\*\*Cost of Sales" includes "Reversal of reserve for sales returns".

## 2. Balance Sheet Data

	(billions of yen)					
March 31	2001	2002	2003	2004	Chg. %	2005 (e)
Total Assets	549.4	557.6	591.7	<b>615.8</b>	104.1	-
Shareholders' Equity	345.9	362.1	388.2	<b>419.5</b>	108.0	-

## 3. Capital Expenditures and Depreciation/Amortization

	(billions of yen)					
250.9	2002	(	2	172.1	123.5	141.2

## II. Consolidated Statements of Income

### 1. Consolidated Statement of Income & Explanation (billions of yen)

Years Ended/Ending March 31	2003	Sales %	2004	Sales %	Chg. %	Change %	<b>&lt;Explanation&gt;</b>
<b>Net sales</b>	466.6	100.0	<b>500.2</b>	100.0	107.2	33.6	
Cost of sales	102.5	22.0	<b>97.2</b>	19.4	94.8	(5.3)	<b>Cost of sales</b> <Decrease Factor(s)> Business mix and sales product mix change, etc.
Reversal of reserve for sales returns	0.1	0.0	<b>0.0</b>	0.0	27.8	(0.1)	
<b>Gross profit</b>	364.0	78.0	<b>402.9</b>	80.6	110.7	38.9	
Research and development expenses	59.7	12.8	<b>69.0</b>	13.8	115.6	9.3	<b>Research and development expenses</b> <Increase Factor(s)>
Selling, general and administrative expenses	228.4	48.9	<b>250.9</b>	50.2	109.8	22.4	Alliance fee International development
<b>Operating income</b>	75.9	16.3	<b>83.1</b>	16.6	109.5	7.2	
Non-operating income:							
Interest and dividend income	1.8		<b>1.7</b>			(0.1)	<b>Selling, general and administrative expenses</b> <Increase Factor(s)>
Equity in earnings of associated companies	0.0		<b>0.0</b>			(0.0)	Selling expense of pharmaceuticals sales in the U.S. and Europe
Other non-operating income	0.9		<b>0.6</b>			(0.4)	
<b>Total non-operating income</b>	2.8	0.6	<b>2.3</b>	0.5	82.6	(0.5)	
Non-operating expenses:							
Interest expense	0.1		<b>0.0</b>			(0.0)	
Foreign exchange loss	1.7		<b>1.0</b>			(0.7)	
Other non-operating expenses	0.8		<b>1.0</b>			0.2	
<b>Total non-operating expense</b>	2.5	0.6	<b>2.0</b>	0.4	78.9	(0.5)	
<b>Ordinary income</b>	76.1	16.3	<b>83.4</b>	16.7	109.5	7.2	
Extraordinary income:							
Gain on fixed assets	0.0		<b>0.6</b>			0.6	
Gains on sales of business	0.5		-			(0.5)	
Gains by the exemption from the substitutional portion of Eisai's welfare pension fund	-		<b>3.7</b>			3.7	<b>Extraordinary loss</b> <Increase Factor(s)>
Other extraordinary income	0.1		<b>0.1</b>			(0.1)	Losses associated with the restructuring of the consolidated subsidiaries
<b>Total extraordinary income</b>	0.7	0.2	<b>4.4</b>	0.9	673.7	3.8	
Extraordinary loss:							
Loss on disposal of fixed assets	1.0		<b>2.8</b>			1.8	
Loss on impairment of securities	4.3		<b>0.1</b>			(4.1)	
Loss on litigation settlements	1.1		<b>0.4</b>			(0.7)	
Other extraordinary loss	0.6		<b>2.0</b>			1.3	
<b>Total extraordinary loss</b>	7.0	1.5	<b>5.3</b>	1.1	75.6	(1.7)	
<b>Income before income taxes &amp; minority interests</b>	69.8	15.0	<b>82.5</b>	16.5	118.2	12.7	
Income taxes-current	35.3	7.6	<b>40.0</b>	8.0	113.1	4.6	
Income taxes-deferred	(6.7)	(1.5)	<b>(7.1)</b>	(1.4)		(0.3)	
Minority interests	0.2	0.1	<b>(0.6)</b>	(0.1)		(0.7)	
<b>Net income</b>	41.0	8.8	<b>50.1</b>	10.0	122.2	9.1	



### 3. Financial Results by Geographical Area

#### 3-1. Consolidated Net Sales by Geographical Segment

(billions of yen)

Years Ended March 31	2001	2002	2003	2004
Net sales to customers	361.7	431.7	466.6	<b>500.2</b>
Japan	241.0	246.6	250.6	<b>260.9</b>
North America	101.8	157.0	179.5	<b>194.5</b>
Europe	14.3	21.1	27.3	<b>34.8</b>
Asia and others	4.6	7.0	9.1	<b>9.9</b>
Overseas Sales	120.7	185.1	216.0	<b>239.2</b>
Overseas Sales (%)	(33.4%)	(42.9%)	(46.3%)	<b>(47.8%)</b>

#### 3-2. Consolidated Operating Income by Geographical Segment

(billions of yen)

Years Ended March 31	2001	2002	2003	2004
Operating income/loss	59.0	72.7	75.9	<b>83.1</b>
Japan	66.0	72.9	70.2	<b>71.9</b>
North America	2.6	6.6	5.7	<b>10.9</b>
Europe	0.6	1.6	2.4	<b>3.4</b>
Asia and others	0.4	0.8	1.7	<b>1.8</b>
Eliminations and Corporate	(10.6)	(9.2)	(4.1)	<b>(5.0)</b>

Note: Operating expense in the pharmaceutical segment of the parent company for the year ended March 2003 increased because of the introduction of Enterprise Resource Planning (ERP) and the fact that this introduction led the allocation of operating expenses in greater detail to the pharmaceutical business for this period.

### 4. Overseas Sales

(billions of yen)

Years Ended March 31	2001	2002	2003	2004
Net sales	361.7	431.7	466.6	<b>500.2</b>
Overseas sales	132.1	199.6	233.5	<b>262.3</b>
North America	105.7	162.7	185.9	<b>202.3</b>
Europe	19.1	27.1	36.0	<b>47.9</b>
Asia and others	7.3	9.7	11.6	<b>12.0</b>

\* Major areas and countries included in each category:

1) North America: The U.S. and Canada

2) Europe: The United Kingdom, Germany, France, etc.

3) Asia and Others: East Asia, South-East Asia, and South-Central America, etc.





## 6. Selling, General & Administrative Expenses (Including R&D Expenses)

### 6-1. Research and Development Expenses (R&D)

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	2005 (e)
Net sales	361.7	431.7	466.6	<b>500.2</b>	520.0
Research & development expenses	49.6	55.0	59.7	<b>69.0</b>	75.0
Percentage of sales (%)	(13.7%)	(12.8%)	(12.8%)	<b>(13.8%)</b>	(14.4%)

### 6-2. Selling, General & Administrative Expenses (SG&A)

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	2005 (e)
Net sales	361.7	431.7	466.6	<b>500.2</b>	520.0
Selling, general & administrative expenses	154.7	202.5	228.4	<b>250.9</b>	263.0
Personnel expense	46.5	50.7	55.7	<b>58.9</b>	-

### III. Consolidated Balance Sheet

#### 1. Consolidated Balance Sheet & Explanation

##### <Assets>

(billions of yen)

March 31	2003	2004	Chg.	Inc./
	%	%	%	Dec.
<b>Current assets:</b>				
Cash and time deposits	101.3	<b>56.7</b>	(44.6)	
Accounts and notes receivable-trade	149.0	<b>132.1</b>	(16.9)	
Short-term investments	35.3	<b>98.2</b>	62.9	
Inventories	35.1	<b>35.1</b>	0.0	
Deferred tax assets	19.3	<b>21.6</b>	2.3	
Other current assets	9.2	<b>10.7</b>	1.6	
Allowance for doubtful accounts receivables	(0.2)	<b>(0.2)</b>	(0.0)	
<b>Total current assets</b>	<b>349.0</b>	<b>59.0 354.2</b>	<b>57.5</b>	<b>101.5 5.2</b>
<b>Fixed assets:</b>				
<b>Property, plant and equipment:</b>				
Buildings and structures	57.2	<b>60.0</b>	2.8	
Machinery and vehicles	22.5	<b>21.8</b>	(0.7)	
Land	19.1	<b>17.2</b>	(1.9)	
Construction in progress	4.5	<b>8.6</b>	4.1	
Others	8.5	<b>9.1</b>	0.6	
<b>Total property, plant and equipment</b>	<b>111.7</b>	<b>18.9 116.7</b>	<b>19.0</b>	<b>104.5 5.0</b>
<b>Intangible assets</b>	<b>16.0</b>	<b>2.7 15.1</b>	<b>2.4</b>	<b>93.9 (1.0)</b>
<b>Investments and other assets:</b>				
Investments securities	67.0	<b>82.4</b>	15.4	
Long-term loans receivable	0.1	<b>0.1</b>	(0.0)	
Deferred tax assets	18.8	<b>17.9</b>	(0.8)	
Other assets	30.1	<b>30.5</b>	0.4	
Allowance for doubtful accounts receivables	(0.9)	<b>(1.1)</b>	(0.1)	
<b>Total investments and other assets</b>	<b>115.0</b>	<b>19.4 129.8</b>	<b>21.1</b>	<b>112.9 14.8</b>
<b>Total fixed assets</b>	<b>242.7</b>	<b>41.0 261.6</b>	<b>42.5</b>	<b>107.8 18.8</b>
<b>Total assets</b>	<b>591.7</b>	<b>100.0 615.8</b>	<b>100.0</b>	<b>104.1 24.1</b>

##### <Explanation>

##### Cash and time deposits

<Decrease Factor(s)>

Transfer to securities

##### Accounts and notes

##### receivable-trade

<Decrease Factor(s)>

Sales scheme modified in the U.S.

##### Short-term investment

<Increase Factor(s)>

Operating assets increase

##### Investments in securities

<Increase Factor(s)>

Operating assets increase



## <Liabilities and Shareholders' Equity>

(billions of yen)

March 31	2003		2004		Chg.	Inc./	<Explanation>
	%		%	%	Dec.		
<b>Current liabilities:</b>							
Accounts and notes payable-trade	16.1		<b>15.9</b>			(0.3)	
Short-term borrowings	0.0		<b>0.2</b>			0.2	
Current portion of straight bonds	0.1		-			(0.1)	
Accounts payable-other	41.1		<b>45.4</b>			4.2	
Accrued expenses	22.6		<b>28.6</b>			6.0	
Accrued income taxes	23.0		<b>16.8</b>			(6.3)	
Reserve for sales rebates	37.6		<b>23.3</b>			(14.3)	<b>Reserve for sales rebates</b>
Other reserves	0.8		<b>0.9</b>			0.1	<Decrease Factor(s)>
Other current liabilities	4.6		<b>4.0</b>			(0.6)	Sales scheme modified in the U.S.
<b>Total current liabilities</b>	146.0	24.7	<b>135.0</b>	21.9	92.5	(11.0)	
<b>Long-term liabilities:</b>							
Deferred tax liabilities	0.3		<b>0.3</b>			(0.0)	
Liability for retirement benefits	45.4		<b>49.9</b>			4.5	
Retirement allowances for directors and corporate auditors	1.8		<b>1.8</b>			0.1	
Other long-term liabilities	0.6		<b>0.7</b>			0.1	
<b>Total long-term liabilities</b>	48.1	8.1	<b>52.7</b>	8.6	109.5	4.6	
<b>Total liabilities</b>	194.1	32.8	<b>187.7</b>	30.5	96.7	(6.4)	
<b>Minority interests</b>							
	9.3	1.6	<b>8.6</b>	1.4	92.1	(0.7)	
<b>Shareholders' equity:</b>							
Common stock	45.0	7.6	<b>45.0</b>	7.3		-	<b>Net unrealized gains on available-for-sale securities</b>
Capital surplus	55.2	9.3	<b>55.2</b>	8.9		-	<Decrease Factor(s)>
Retained earnings	302.7	51.2	<b>342.8</b>	55.7		40.2	Improved market value
Net unrealized gains on available-for-sale securities	1.4	0.2	<b>8.7</b>	1.4		7.3	
Foreign currency translation adjustments	(1.5)	(0.2)	<b>(6.3)</b>	(1.0)		(4.8)	<b>Treasury stock</b>
Treasury stock	(14.6)	(2.5)	<b>(26.0)</b>	(4.2)		(11.4)	<Increase Factors(s)>
<b>Total shareholders' equity</b>	388.2	65.6	<b>419.5</b>	68.1	108.0	31.2	Market purchases of 4 million shares
<b>Total liabilities, minority interests and shareholders' equity</b>	591.7	100.0	<b>615.8</b>	100.0	104.1	24.1	

## 2. Stock Information

### 2-1. Issued Stock and Shareholder Information

As of March 31, 2004

Total Number of Authorized Shares	Number of Shares Outstanding	(Number of Treasury Stock)	Number of Shareholders	Average Number of Shares per Shareholder
700,000,000 shares	296,566,949 shares	(8,789,679 shares)	29,713	9,981 shares

Note: Outstanding shares at fiscal period end includes treasury stock.

### 2-2. Top 10 Shareholders

As of March 31, 2004

Name	Shares	Percentage
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,333 Thousands	5.51%
The Chase Manhattan Bank N.A. London S.L. Omnibus Account	14,070 Thousands	4.74%
Nihon Trustee Service Trust Bank, Ltd. (Trust Account)	13,524 Thousands	4.56%
Nippon Life Insurance Co.	13,520 Thousands	4.56%
Saitama Resona Bank, Limited.	12,398 Thousands	4.18%
Mizuho Corporate Bank, Ltd.	12,248 Thousands	4.13%
State Street Bank and Trust Company	9,879 Thousands	3.33%
Moxley and Company	7,063 Thousands	2.38%
Eisai Employee Shareholding Association	6,297 Thousands	2.12%
Mellon Bank Treaty Clients Omnibus	5,510 Thousands	1.86%

Note: Stock numbers less than one thousand have been omitted.

### 2-3. Number of Shareholders by Category

(persons)

March 31	2003	%	2004	%	Change
Financial Institutions	174	0.6%	<b>145</b>	0.5%	(29)
Securities Companies	66	0.2%	<b>38</b>	0.1%	(28)
Other Japanese Corporations	1,131	3.7%	<b>1,097</b>	3.7%	(34)
Corporations Outside Japan, etc.	487	1.6%	<b>500</b>	1.7%	13
Treasury Stock	1	0.0%	<b>1</b>	0.0%	-
Individuals and Others	28,618	93.9%	<b>27,932</b>	94.0%	(686)
Total	30,477	100.0%	<b>29,713</b>	100.0%	(764)

### 2-4. Number of Shares Held by Category

As of March 31, 2004

March 31 (One unit = 1,000 shares)	2003	%	2004	%	Change
Financial Institutions	138,789	46.8%	<b>117,976</b>	44.8%	(20,812)
Securities Companies	3,967	1.3%	<b>4,934</b>	1.5%	966
Other Japanese Corporations	16,956	5.7%	<b>16,656</b>	5.7%	(300)
Corporations Outside Japan, etc.	87,606	29.6%	<b>105,129</b>	31.4%	17,522
Treasury Stock	4,776	1.6%	<b>8,789</b>	16.6%	4,013
Individuals and Others	44,468	15.0%	<b>43,078</b>	14.5%	(1,390)
Total	296,566	100.0%	<b>296,566</b>	100.0%	-

Note: Stock numbers less than one thousand have been omitted.

## 2-5. Breakdown of Shareholders Holding Size/Number of Shareholders

As of March 31

	3/2003	%	3/2004	%	Change
1 million shares and over	49	0.2%	<b>50</b>	0.2%	1
from 0.1 million to less than 1 million shares	161	0.5%	<b>158</b>	0.5%	(3)
from 10 thousands to less than 0.1 million shares	787	2.6%	<b>749</b>	2.5%	(38)
from 1 thousands to less than 10 thousand shares	11,644	38.2%	<b>11,075</b>	37.3%	(569)
from 1 hundred to less than 1 thousand shares	15,690	51.5%	<b>15,276</b>	51.4%	(414)
less than 100 shares	2,146	7.0%	<b>2,405</b>	8.1%	259
<b>Total</b>	<b>30,477</b>	<b>100.0%</b>	<b>29,713</b>	<b>100.0%</b>	<b>(764)</b>

## 2-6. Breakdown by Shareholder Holding Size/Number of Shares Held

As of March 31

(One unit = 1,000 shares)	3/2003	%	3/2004	%	Change
1 million shares and over	194,690	65.7%	<b>198,817</b>	67.0%	4,127
from 0.1 million to less than 1 million shares	51,953	17.5%	<b>50,233</b>	16.9%	(1,720)
from 10 thousands to less than 0.1 million shares	20,579	6.9%	<b>19,396</b>	6.6%	(1,182)
from 1 thousands to less than 10 thousand shares	25,278	8.5%	<b>24,268</b>	8.2%	(1,010)
from 1 hundred to less than 1 thousand shares	3,982	1.4%	<b>3,756</b>	1.3%	(225)
less than 100 shares	81	0.0%	<b>93</b>	0.0%	11
<b>Total</b>	<b>296,566</b>	<b>100.0%</b>	<b>296,566</b>	<b>100.0%</b>	<b>-</b>

\*Stock numbers less than one thousand have been omitted.

## IV. Consolidated Statements of Cash Flows

Years Ended March 31	(billions of yen)			<Explanation>
	2002	2003	2004	
<b>Operating activities</b>				
Income before income taxes & minority interests	69.8	<b>82.5</b>	12.7	
Depreciation and amortization	18.0	<b>18.5</b>	0.5	
Other non-cash losses/gains	16.5	<b>9.1</b>	(7.4)	
Operating assets/liability increase/decrease <sup>(2)</sup>	(22.2)	<b>11.4</b>	33.6	
Others <sup>(2)</sup>	(5.8)	<b>(4.6)</b>	1.2	
Subtotal	76.3	<b>116.9</b>	40.6	
Interest paid/received	1.5	<b>1.6</b>	0.1	
Payments on vitamin E litigation settlement	(2.4)	-	2.4	
Income taxes paid	(17.8)	<b>(45.8)</b>	(28.0)	
<b>Net cash provided by operating activities</b>	57.6	<b>72.7</b>	15.1	
<b>Investing activities</b>				
Capital expenditures	(26.2)	<b>(25.1)</b>	1.0	
Other revenue/payment for continuous activities	(0.4)	<b>1.3</b>	1.7	
Purchases/sales of securities	(2.3)	<b>(2.5)</b>	(0.2)	
Others	1.1	<b>(1.0)</b>	(2.1)	
<b>Net cash used in investing activities</b>	(27.7)	<b>(27.3)</b>	0.5	
<b>Financing activities</b>				
Dividends paid	(9.3)	<b>(9.9)</b>	(0.6)	
Long-term debt proceeds/payment	(0.0)	<b>(0.1)</b>	(0.1)	
Short-term debt proceeds/payment	(1.0)	<b>0.2</b>	1.2	
Treasury stock purchase	(9.2)	<b>(11.4)</b>	(2.2)	
Others	(0.3)	<b>(0.1)</b>	0.2	
<b>Net cash used in financing activities</b>	(19.8)	<b>(21.4)</b>	(1.5)	
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(4.5)	<b>(5.3)</b>	(0.7)	
<b>Net increase in cash and cash equivalents</b>	5.5	<b>18.8</b>	13.3	
<b>Cash and cash equivalents at beginning of year</b>	121.8	<b>127.3</b>	5.5	
<b>Cash and cash equivalents of newly consolidated subsidiaries at the beginning of the year</b>	-	-	-	
<b>Cash and cash equivalents at end of year</b>	127.3	<b>146.1</b>	18.8	

Years Ended March 31	(billions of yen)		
	2002	2003	2004
<b>Free Cash Flow</b>	31.1	<b>48.9</b>	17.8

Note 1: Free Cash Flow = "Net cash provided by operating activities" - "Capital expenditures" + "Other revenue/payment for continuous activities"

Note 2: "Operating assets/liability increase/decrease" and "Others" for the year ended March 2003 have been reclassified because of



## 1-2. Subsidiaries in Japan (11 companies)

As of March 31, 2004

Company Name	Location	Common Stock	Equity (%) Ownership <sup>1</sup>	Description of Operations
Sanko Junyaku Co., Ltd.	Tokyo	5,262 million	50.92%	Diagnostic product prod./sales
Sannova Co., Ltd.	Gunma Pref.	926 million	79.97%	Pharmaceutical prod./sales
Elmed Eisai Co., Ltd.	Tokyo	450 million	100.00%	Pharmaceutical sales
KAN Research Institute, Inc.	Kyoto	70 million	100.00%	Basic research
Eisai Distribution Co., Ltd.	Kanagawa Pref.	60 million	100.00%	Pharmaceutical distribution
Clinical Supply Co., Ltd.	Gifu Pref.	80 million	84.80%	Medical instruments prod./sales
Sunplanet Co., Ltd.	Tokyo	455 million	85.12%	Real estate mgt., catering/administrative
Herusu Co., Ltd.	Tokyo	64 million	100.00%	Pharma. machinery, etc. sales
Eisai Seikaken Co., Ltd.	Tokyo	50 million	70.00%	Agro-chemical prod./sales
Dymec Co., Ltd. <sup>3</sup>	Chiba Pref.	30 million	84.80%	-
Palma Bee'Z Research Institute Co., Ltd.	Tokyo	50 million	75.46%	Diagnostic product and genetic technology research

- Notes:
1. Equity direct/indirect ownership percentage.
  2. Common stock numbers less than one million have been omitted.
  3. Dymec Co., Ltd. is in the process of liquidation.
  4. Food Additives and Chemicals Division of the Parent Company was split off into a newly incorporated wholly-owned subsidiary of the Parent Company, Eisai Food & Chemicals Co., Ltd. in April 2004.
  5. Fiscal Year of consolidated subsidiaries end March 31.

## 2. Equity in Earnings in Associated Companies (3 companies)

As of March 31, 2004

Company Name	Location	Common Stock	Equity (%) Ownership <sup>1</sup>	Description of Operations
[Associated companies in Japan: 1]				
Bracco-Eisai Co., Ltd.	Tokyo	¥340 million	49.00%	Contrast media import/prod./sales
[Associated companies outside Japan: 2]				
Unit: thousand				
Eisai-Novartis Verwaltungs GmbH <sup>2</sup>	Nuremberg, FRG	25 EUR	50.00%	-
Hi-Eisai Pharmaceutical Inc.	Manila, Philippines	31,250 Peso	49.90%	Pharmaceutical sales

- Notes:
1. Equity indirect/direct ownership percentage.
  2. Eisai-Novartis Verwaltungs GmbH is in the process of liquidation.



## VII. Non-Consolidated Financial Highlights

### 1. Statement of Income Data

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	Change %	2005 (e)
Net Sales	258.6	275.0	289.6	<b>303.6</b>	104.8	297.0
Cost of Sales	83.3	84.2	85.6	<b>83.6</b>	97.6	70.0
Research and Development Expenses	46.5	51.9	57.6	<b>67.4</b>	116.9	75.0
Selling, General and Administrative Expenses	70.5	75.1	81.1	<b>85.6</b>	105.6	89.0
Operating Income	58.4	63.9	65.3	<b>67.1</b>	102.7	63.0
Ordinary Income	61.6	66.0	64.8	<b>66.6</b>	102.7	63.0
Net Income	18.2	30.8	34.2	<b>41.9</b>	122.6	38.5

\*\*"Cost of Sales" includes "Reversal of reserve for sales returns".

### 2. Net Sales by Business Segment

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	Change %	2005 (e)
Net Sales	258.6	275.0	289.6	<b>303.6</b>	104.8	297.0
Pharmaceuticals	228.9	240.4	250.2	<b>260.7</b>	104.2	254.0
Prescription Pharmaceuticals	205.8	217.6	229.4	<b>241.2</b>	105.2	234.0
(Ratio of in-house developed products to Prescription Pharmaceuticals) (%)	(75.8%)	(76.2%)	(78.0%)	<b>(80.4%)</b>	-	-
Consumer Health Care Products	23.1	22.8	20.8	<b>19.5</b>	93.8	20.0
Food Additives/Chemicals, Machinery, etc.	16.0	13.4	11.9	<b>9.7</b>	81.1	4.5
Industrial Property Rights, etc. Income	13.7	21.2	27.5	<b>33.3</b>	120.9	38.5

\*Animal Health business transferred market rights to another company in February 2003.

\*Sales results by business segment have been reclassified since the year ended March 31, 2004.

### 3. Exports by Geographical Area

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	Change %	2005 (e)
Net sales	258.6	275.0	289.6	<b>303.6</b>	104.8	297.0
Export	44.1	61.2	76.5	<b>85.9</b>	112.3	79.0
North America	32.4	46.9	58.3	<b>62.7</b>	107.5	-
Europe	8.2	10.5	14.1	<b>18.8</b>	133.7	-
Asia and others	3.5	3.8	4.1	<b>4.3</b>	106.5	-
Ratio of Exports to Sales (%)	17.1	22.3	26.4	<b>28.3</b>	-	26.638.5

\*Main areas and countries included in each category:

1) North America: The U.S. and Canada

2) Europe: The United Kingdom, Germany, France, etc.

3) Asia and Others: East Asia, South-East Asia, and South-Central America, etc.

\*Export sales includes revenues from industrial property rights, etc.



## 4. Prescription Pharmaceuticals

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	Change %	2005 (e)
Product Description						
Peripheral neuropathy treatment METHYCOBAL	28.6	29.7	31.1	<b>31.8</b>	102.3	30.0
Alzheimer's disease treatment ARICEPT	8.5	13.7	21.9	<b>28.4</b>	130.0	35.0
Gastritis/gastric ulcer medication SELBEX	29.7	30.1	26.8	<b>24.4</b>	91.1	22.0
Proton pump inhibitor PARIET	6.3	5.4	5.8	<b>14.6</b>	251.3	30.0
Osteoporosis treatment GLAKAY	12.9	12.6	11.4	<b>10.0</b>	88.3	9.5
Non-ionic contrast medium IOMERON	10.6	10.2	9.5	<b>9.4</b>	98.9	8.5
Muscle relaxant MYONAL	9.7	9.5	8.8	<b>8.7</b>	99.0	8.0
Long-acting isosorbide dinitrate NITOROL-R	7.3	6.7	6.1	<b>5.3</b>	87.7	5.0
Endoscopic examination/hypoglycemia treatment GLUCAGON G NOVO	4.5	4.5	4.4	<b>4.4</b>	101.4	4.0
Anti-allergy agent AZEPTIN	7.1	6.2	4.8	<b>3.5</b>	72.3	3.0
Long-acting macrolide antibiotic RULID	3.7	3.7	3.5	<b>3.1</b>	89.8	2.5
Long-acting ACE inhibitor INHIBACE	4.4	3.7	3.1	<b>2.5</b>	82.1	2.0
Prescription Pharmaceuticals Total	184.0	184.3	185.7	<b>192.3</b>	103.6	196.0

\*Statistical segmentation of "Prescription Pharmaceuticals Totals" have been modified from the year ended March 31, 2004.

## 5. Aricept, Aciphex/Pariet Drug Substance/Bulk Tablets Sales

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	Change %	2005 (e)
Product						
ARICEPT drug substance (export)	9.6	11.8	14.8	<b>16.3</b>	110.5	15.0
ACIPHEX/PARIET bulk tablets/drug substance (export)	12.1	21.5	28.9	<b>32.5</b>	112.4	23.0
Bulk Substance/Tablets Total	21.8	33.3	43.7	<b>48.9</b>	111.7	38.0

## 6. Consumer Health Care Products

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	Change %	2005 (e)
Product						
Vitamin B <sub>2</sub> preparation CHOCOLA BB Group	8.2	8.9	9.2	<b>8.7</b>	95.1	10.0
JUVELUX / Natural Vitamin E preparation Vitamin-E Group	3.6	3.4	3.2	<b>2.8</b>	87.7	2.5

SACOLN / Indigestion & heartburn treatment 11&B (3.4) Tj 38.4 0 Tc -0.0054 Tw (SA1stan45.5PTD (10.0) Tj -485.040 Pr.g2Tc -0.0082 Tw (Pres 38.4 8.4 0 10.36 TD /F0 8.88 T

## 7. GROSS PROFIT/MANUFACTURING COST

### 7-1 Breakdown of Cost of Sales

(billions of yen)

Years Ended March 31	2001	2002	2003	2004
Net sales	258.6	275.0	289.6	<b>303.6</b>
Cost of sales	83.4	84.3	85.5	<b>83.5</b>
Beginning inventory ( + )	12.5	11.9	12.6	<b>14.2</b>
Manufacturing cost ( + )	45.5	41.8	47.2	<b>45.1</b>
Product purchase ( + )	34.6	34.9	31.3	<b>30.1</b>
Account transfer ( + )	2.7	8.1	8.7	<b>7.7</b>
Ending inventory ( - )	11.9	12.6	14.2	<b>13.5</b>
Cost of sales (%)	32.2	30.6	29.5	<b>27.5</b>
Reversal of reserve for sales returns	(0.1)	(0.1)	0.1	<b>0.0</b>
Gross profit	175.4	190.9	204.0	<b>220.1</b>

### 7-2 Breakdown of Manufacturing Costs

(billions of yen)

Years Ended March 31	2001	2002	2003	2004
Total manufacturing cost	45.2	45.4	50.0	<b>46.0</b>
Raw materials	18.3	17.7	19.5	<b>15.9</b>
Labor cost	13.3	13.6	14.9	<b>14.5</b>
Expenses	13.6	14.2	15.6	<b>15.5</b>
Beginning inventory of semi-finished goods and work-in-process ( + )	8.4	7.2	7.7	<b>6.9</b>
Ending inventory of semi-finished goods and work-in-process ( - )	7.2	7.7	6.9	<b>7.4</b>
Account transfer ( + )	(2.0)	(2.0)	(2.7)	<b>(1.7)</b>
Cost variances ( + )	1.1	(1.2)	(0.8)	<b>1.3</b>
Manufacturing cost	45.5	41.8	47.2	<b>45.1</b>

## 8. Selling, General & Administrative Expenses (Including R&D Expenses)

### 8-1 Research and Development Expenses

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	2005 (e)
Net sales	258.6	275.0	289.6	<b>303.6</b>	297.0
Research and development expenses	46.5	51.9	57.6	<b>67.4</b>	75.0
Overseas research and development expenses	12.5	17.5	18.4	<b>24.3</b>	-
(Ratio of overseas R&D expenses to total R&D expenses) (%)	(26.8%)	(33.8%)	(31.8%)	<b>(36.1%)</b>	-
Percentage of sales (%)	18.0	18.9	19.9	<b>22.2</b>	25.2

## 8-2 Selling, General and Administrative Expenses

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	2005 (e)
Net sales	258.6	275.0	289.6	<b>303.6</b>	297.0
Selling, general and administrative expenses	70.5	75.1	81.1	<b>85.6</b>	89.0
Personnel expenses	33.8	35.4	37.6	<b>38.1</b>	-
Marketing expenses	21.3	23.9	26.8	<b>30.9</b>	-
Administrative expenses	15.3	15.8	16.7	<b>16.6</b>	-
Percentage of sales (%)	(27.2%)	(27.3%)	(28.0%)	<b>(28.2%)</b>	(30.0%)

## 8-3 Selling, General and Administrative Expenses (Including R&D Expenses)

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	2005 (e)
Net sales	258.6	275.0	289.6	<b>303.6</b>	297.0
Selling, general and administrative expenses (including R&D expenses)	117.0	127.0	138.7	<b>153.0</b>	164.0
Percentage of sales (%)	(45.2%)	(46.2%)	(47.9%)	<b>(50.4%)</b>	(55.2%)

## 9. Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	2001	2002	2003	2004	2005 (e)
Capital expenditures	10.4	19.6	15.9	<b>20.6</b>	21.0
Property, plant and equipment	7.2	13.7	11.6	<b>17.7</b>	18.0
Intangible Assets	3.2	6.0	4.4	<b>2.8</b>	3.0
Depreciation/Amortization	10.7	10.9	13.0	<b>13.6</b>	15.0

\* Depreciation/amortization includes "Property, plant and equipment" and "Intangible assets".

## 10. Personnel Information

(persons)

March 31	2001	2002	2003	2004
Total employees	4,042	3,911	3,894	<b>3,858</b>
Research and development	1,011	937	948	<b>956</b>
Production	907	856	839	<b>809</b>
Sales, marketing and administration	2,124	2,118		<b>2,093</b>
Total Personnel cost (billions of yen)	637	653	697	<b>703</b>

Note: Employee numbers are expected to be 3,900 at the end of March 2005.

## VIII. Changes in Quarterly Results (Consolidated)

### 1. Statement of Income Data

(billions of yen)

Years Ended March 31	2003				2004			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	115.2	119.2	117.7	114.4	116.6	131.1	130.0	<b>122.4</b>
Cost of sales	28.0	24.9	26.5	23.3	23.0	24.6	25.9	<b>23.7</b>
Research and development expenses	13.5	14.4	14.8	17.1	16.9	16.6	17.1	<b>18.4</b>
Selling, general and administrative expenses	54.7	58.6	54.9	60.2	57.7	67.9	62.1	<b>63.1</b>
Operating income	19.0	21.4	21.6	13.8	19.1	21.9	24.9	<b>17.2</b>
Non-operating income/expenses	(0.7)	0.3	0.1	0.5	0.5	(0.8)	0.2	<b>0.5</b>
Ordinary income	18.3	21.7	21.7	14.3	19.6	21.1	25.0	<b>17.7</b>
Extraordinary income/expenses	(0.2)	(2.7)	(1.2)	(2.3)	(0.2)	3.4	(0.4)	<b>(3.8)</b>
Income before taxes and interests	18.2	19.0	20.6	12.0	19.4	24.5	24.7	<b>13.9</b>
Net income	11.2	11.1	12.9	5.8	12.3	12.5	15.5	<b>9.8</b>
Earnings per share (yen)	38.3	38.2	44.8	19.8	42.3	42.9	53.1	<b>33.9</b>

\*\*"Cost of Sales" includes "Reversal of reserve for sales returns".

### 2. Balance Sheet Data

#### <Assets>

(billions of yen)

March 31	2003				2004			
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar
Current assets	314.3	319.1	321.5	349.0	346.0	357.7	348.2	<b>354.2</b>
Fixed assets	235.1	237.5	236.8	242.7	248.0	258.4	260.3	<b>261.6</b>
Property, plant and equipment	109.5	111.0	110.2	111.7	112.6	114.3	114.6	<b>116.7</b>
Intangible assets	14.1	14.4	14.7	16.0	15.8	15.2	14.8	<b>15.1</b>
Investments and other assets	111.5	112.1	111.9	115.0	119.5	128.9	130.8	<b>129.8</b>
Total assets	549.5	556.6	558.3	591.7	594.0	616.1	608.5	<b>615.8</b>

#### <Liabilities and Shareholders' Equity>

(billions of yen)

March 31	2003				2004			
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar
Current liabilities	131.6	133.2	124.7	146.0	135.5	147.9	127.0	<b>135.0</b>
Long-term liabilities	43.0	44.3	47.3	48.1	51.9	49.5	52.8	<b>52.7</b>
Total liabilities	174.6	177.5	172.0	194.1	187.4	197.4	179.8	<b>187.7</b>
Minority Interests	9.2	9.3	9.4	9.3	9.4	9.4	9.3	<b>8.6</b>
Shareholders' equity	365.7	369.8	376.9	388.2	397.2	409.3	419.4	<b>419.5</b>
Total liabilities, minority interests and shareholders' equity	549.5	556.6	558.3	591.7	594.0	616.1	608.5	<b>615.8</b>

### 3. Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended March 31

30-Jun



## 5. ARICEPT Sales by Area

(billions of yen)

Years Ended March 31

Area

Area	¥ Billions	5.4	5.5	6.1	4.8
Japan					




# IX. Changes in Quarterly Results (Non-Consolidated)

## 1. Statement of Income Data

(billions of yen)

Years Ended/Ending March 31



**3.**





# X. Major R&D Pipeline Candidates

## Changes from Previous Disclosure

1. *Pariet* was approved for on-demand therapy of symptomatic GORD in the EU
2. A rapid disintegration tablet form for *Aricept* was approved in Japan
3. *Apnission Inj.* was approved in Japan
4. *Neophyllin Inj.* prefilled softbag was approved in Japan
5. *Warfarin* 0.5mg tablet was approved in Japan
6. Filing of *Aricept* for vascular dementia was withdrawn in the EU
7. Filing of *E2000* for transdermal form was withdrawn in Japan

## 1. International Development

### 1-1. Approved

(Product) Name (Research Code)	Area	Date	Description	Form.	Origin
PARIET E3810 (Additional indication)	E.U.	Apr-04	On-demand therapy for symptomatic GORD Currently indicated for the treatment of symptomatic GORD in the EU. Received approval for on-demand therapy of symptomatic GORD.	Tab.	In-house

### 1-2. Filed for Approval

(Product) Name (Research Code)	Area	Date	Description	Form.	Origin
PARIET E3810 (Additional indication)	E.U.	Dec-03	Zollinger-Ellison syndrome and other pathological hypersecretory conditions Currently indicated for the treatment of peptic ulcers. Filed for the treatment of Zollinger-Ellison syndrome and other pathological hypersecretory conditions.	Tab.	In-house
ARICEPT E2020 (Additional indication)	U.S.	Sep-02	Vascular Dementia Currently indicated for the treatment of mild to moderate dementia of the Alzheimer's type. Non-approvable letter was received from FDA for vascular dementia (VaD) indication on July 3, 2003. Discussions with FDA regarding this indication continue.	Tab.	In-house
ARICEPT E2020 (Additional form)	U.S. E.U.	Dec-03 Dec-03	Rapid Disintegration Tablet Currently available in tablet form. Filed for rapid disintegration tablet form for patients who have difficulty swallowing tablets and to contribute to improved compliance.	RDT	In-house
ARICEPT E2020 (Additional form)	U.S.	Dec-03	Liquid Formulation Currently available in tablet form. Filed for liquid formulation for patients who have difficulty swallowing and will contribute to improved compliance.	Liquid	In-house




Filing of Aricept for vascular dementia was withdrawn in the EU in April 2004

### 1-3. Phase III

(Product) Name (Research Code)	Area	Expected Application	Description	Form.	Origin
ARICEPT E2020 (Additional indication)	U.S. E.U.	2005	Severe Dementia due to Alzheimer's disease Currently indicated for the treatment of mild to moderate dementia of the Alzheimer's type. E2020 is now in phase III trials for the treatment of severe dementia due to Alzheimer's disease.	Tab.	In-house
ARICEPT E2020 (Additional indication)	E.U.	2005	Dementia associated with Parkinson's disease Currently indicated for the treatment of mild to moderate dementia of the Alzheimer's type. E2020 is now in phase III trials for the treatment of dementia associated with Parkinson's disease.	Tab.	In-house

## 1-4. Phase II

(Product) Name



### 2-3. Phase III

(Product) Name (Research Code)	Description	Expected Application	Form.	Origin
PARIET E3810 (Additional indication)	Eradication of <i>H. pylori</i> in combination with antibiotics Currently indicated for the treatment of peptic ulcers in Japan. E3810 is now in phase III trials for the eradication of <i>H. pylori</i> in combination with antibiotics.	2004	Tab.	In-house

### 2-4. Phase II

(Product) Name (Research Code)	Description		Form.	Origin
E3620	Gastrointestinal motility disorders/ 5-HT <sub>3</sub> Receptor Antagonist/ 5-HT <sub>4</sub> Receptor Agonist The compound has dual action as a serotonin type 3 receptor antagonist and a serotonin type 4 receptor agonist and is under development for gastrointestinal motility disorders. It is expected to improve sensation of fullness and anorexia associated with chronic gastritis and to improve bowel function and abdominal pain associated with irritable bowel syndrome.		Tab.	In-house
KES524	Obesity /Central Acting Serotonin & Noradrenaline Reuptake Inhibitor Inhibits the reuptake of the cerebral neurotransmitters, noradrenaline and serotonin, enhancing the feeling of satiety and energy consumption resulting in loss of body weight.		Cap.	Abbott
CLEACTOR E6010 (Additional indication)	Cerebral Embolism A novel second generation t-PA with a structure modified by utilizing recombinant DNA techniques. E6010 is under development to become the first t-PA for the treatment of cerebral embolism in Japan.		Inj.	In-house
TAMBOCOR (E0735) (Additional indication)	Paroxysmal Atrial Fibrillation/Flutter The compound has already been approved as a treatment for ventricular tachyarrhythmias in Japan and is in phase II clinical trials for the treatment of sporadic atrial fibrillation/flutter.		Tab.	3M
ARICEPT E2020 (Additional indication)	Severe Dementia due to Alzheimer's disease Currently indicated for the treatment of mild to moderate dementia of the Alzheimer's type. Now in phase II trials for the treatment of severe dementia.		Tab.	In-house
D2E7	Human Anti TNF- $\alpha$ Monoclonal Antibody By blocking the activity of Tumor Necrosis Factor- $\alpha$ (TNF- $\alpha$ ) which plays a central role in inflammation in rheumatoid arthritis (RA), D2E7 is expected to be effective in patients with RA.		Inj.	Abbott
E7210	Ultrasonic Contrast Medium Microbubbles of E7210 reflect ultrasound. Microbubbles do not disappear easily, thereby stable imaging is expected.		Inj.	Bracco
E2014	Cervical Dystonia / Botulinum Toxin Type B Botulinum toxin acts on cholinergic nerve ending synapses and inhibits the release of acetylcholine to relax muscles.		Inj.	Elan
E0167	Recurrence of Hepatocellular Carcinoma Vitamin K <sub>2</sub> (menatetorenone) currently indicated for the treatment of osteoporosis. Phase II trials have been initiated for the prevention of recurrence of hepatocellular carcinoma.		Cap.	In-house

