

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

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**FOR IMMEDIATE RELEASE  
January 30, 2004**

On January 30, 2004, Eisai Co., Ltd., announced quarterly consolidated financial results for the fiscal year ending March 31, 2004.

- Eisai Co., Ltd., is listed on the First Section of both the Tokyo Stock Exchange and the Osaka Securities Exchange.

# 1. CONSOLIDATED QUARTERLY FINANCIAL RESULTS (October 1, 2003 – December 31, 2003)

## 1. NOTES TO PREPARATION OF THE QUARTERLY FINANCIAL REPORT

- (1) There have been no changes in accounting methods used by the Company during the quarterly period.
- (2) There have been no changes in the number of consolidated subsidiaries and associated companies accounted for by the equity method.

## 2. QUARTERLY FINANCIAL RESULTS

### (1) RESULTS OF QUARTERLY OPERATIONS

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
October 1, 2003- December 31, 2003	¥129,976 mil.	10.4%	¥24,882 mil.	15.2%	¥25,033 mil.	15.1%
October 1, 2002- December 31, 2002	¥117,747 mil.	-	¥21,591 mil.	-	¥21,739 mil.	-

Period	Net Income	Percent Change	Earnings per Share (EPS)	Fully Diluted EPS
October 1, 2003- December 31, 2003 October	¥15,484 mil.	19.6%	¥53.07	¥53.07

- Notes: 1. Percentage increase (decrease) is a comparison to the quarterly period ended December 31, 2002.  
2. The third quarterly results for fiscal year 2002 are provided as reference data because the Company has initiated disclosure of its quarterly results from the current financial year.

### (2) CASH FLOW CONDITION

Period	Operating Cash Flow	Investing Cash Flow	Financial Cash Flow	Cash & Cash Equivalents
October 1, 2003- December 31, 2003	¥3,754 mil.	(¥9,203 mil.)	¥5,444mil.	¥138,102 mil.
October 1, 2002- December 31, 2002	¥6,180 mil.	(¥2,918 mil.)	(¥4,305 mil.)	¥103,184 mil.

### (REFERENCE DATA 1)

### NON-CONSOLIDATED RESULTS OF QUARTERLY OPERATIONS

Period	Net Sales	Operating Income	Ord4.i -0.2004 Tw (NeTj -18 TD /F0 9.6331 T2 f 64.2 27
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All figures less than 1,000,000 yen have been omitted.

## **2. CONSOLIDATED FINANCIAL RESULTS OF THE THREE QUARTERS (April 1, 2003 – December 31, 2003)**

### **1. NOTES TO PREPARATION OF THE FINANCIAL REPORT OF THE THREE QUARTERS**

- (1) There have been no changes in accounting methods used by the Company during the period.
- (2) There have been no changes in the number of consolidated subsidiaries and associated companies accounted for by the equity method.

### **2. FINANCIAL RESULTS OF THE THREE QUARTERS**

#### **(1) RESULTS OF OPERATIONS**

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

**(3) CASH FLOW CONDITION**

Period	Operating Cash Flow	Investing Cash Flow	Financial Cash Flow	Cash & Cash Equivalents
April 1, 2003-December 31, 2003	¥49,597 mil.	(¥24,504 mil.)	¥9,979mil.	¥138,102 mil.
April 1, 2002-December 31, 2002	¥25,746 mil.	(¥20,901 mil.)	(¥18,930 mil.)	¥103,184 mil.
April 1, 2002-March 31, 2003	¥57,606 mil.	(¥27,721 mil.)	(¥19,829 mil.)	¥127,271 mil.

**(REFERENCE DATA 1)****NON-CONSOLIDATED RESULTS OF QUARTERLY OPERATIONS**

Period	Net Sales	Operating Income	Ordinary Income	Net Income
April 1, 2003-December 31, 2003	¥234,004 mil.	¥55,697 mil.	¥55,183 mil.	¥35,557 mil.

Period	Total Assets	Shareholders' Equity
April 1, 2003-December 31, 2003	¥504,233 mil.	¥407,736 mil.

**3. FORECASTED CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2004**

Period	Net Sales	Ordinary Income	Net Income	Earnings per Share (EPS)
April 1, 2003-March 31, 2004	¥508,000 mil.	¥82,500 mil.	¥50,000 mil.	¥171.13

**(REFERENCE DATA 2)****FORECASTED NON-CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2004**

Period	Net Sales	Ordinary Income	Net Income

¥171.13

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

**[Current Quarter Financial Highlights] (October 1, 2003 – December 31, 2003)**

- Consolidated net sales during the quarter amounted to ¥129,976 million which was a 10.4% increase compared to the corresponding period last year. With respect to net sales to exte

**[The Three Quarters Financial Highlights] (April 1, 2003 –**

(2) Performance by geographic area

Japan: Sales in Japan amounted to ¥199,660 million, up 0.9%, while operating income came to ¥59,520 million, down 4.1%. Sales of *Aricept* climbed to ¥21,600 million, up 27.0%, and *Pariet* sales soared to ¥11,539 million

end of the period under review increased by ¥10,830 million from the previous year to ¥138,102 million.

[Research and development]

We are proceeding with multiple Phase II clinical trials in Japan, the United States and Europe for the compounds with potential to become Eisai's next global products, including E5564, an endotoxin antagonist for the treatment of sepsis, E7070, an anticancer agent as a monotherapy as well as a combination therapy, and E2007, targeted at Parkinson's disease, multiple sclerosis and epilepsy.

Within our focus areas of neurology, gastroenterology, and oncology, we started Phase II clinical trial of E0167, a compound for the prevention of recurrence of tumors after treatment of hepatocellular carcinoma, and E2014 for the treatment of cervical dystonia in November 2003 in Japan. In other fields, we initiated Phase II trials for the treatment of rheumatoid arthritis, D2E7, and an ultrasound medium, E7210, in November.

In addition, we are proactively working on the development for new indications and formulations of existing products. In December 2003, we submitted NDAs to the U.S. Food and Drug Administration (FDA) for new formulations of *ARICEPT* including a rapid disintegration (RPD) tablet, and submitted an application for a RPD tablet of the product to the Medicines and Healthcare products Regulatory Agency (MHRA) in the U.K., which will act as the reference European Union member state for the mutual recognition procedure. With respect to an additional indication of *Pariet*, we submitted an application for the treatment of Zollinger-Ellison syndrome (ZES) and other pathological hypersecretory conditions to MHRA in December 2003.

Furthermore, Eisai and its subsidiaries, Sanko Junyaku Co., Ltd., and Palma Bee'Z Research Institute Co., Ltd., concluded a licensing agreement with OncoTherapy Science, Inc. (OTS), which approves Palma Bee'Z Research Institute to utilize lung cancer gene information collected through studies by OTS for its product development of gene diagnostics using the novel gene amplification technology.





## EISAI CO., LTD.

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

Account Title	March 31, 2003		December 31, 2003		Increase (Decrease)	
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and time deposits	¥101,263		¥73,215			
Accounts and notes receivable-trade	149,049		140,159			
Short-term investments	35,335		72,131			
Inventories	35,061		34,519			
Deferred tax assets	19,285		17,828			
Other current assets	9,187		10,564			
Allowance for doubtful receivables	(201)		(201)			
<b>Total current assets</b>	<b>348,981</b>	<b>59.0</b>	<b>348,217</b>	<b>57.2</b>	<b>(763)</b>	
<b>Fixed assets:</b>						
<b>Property, plant and equipment</b>						
Buildings	57,155		58,301			
Machinery and vehicles	22,486		20,997			
Land	19,097		18,884			
Construction in progress	4,464		8,019			
Others	8,480	111,685	8,446	114,648	18.9	2,963
<b>Intangible assets</b>	<b>16,035</b>	<b>2.7</b>	<b>14,832</b>	<b>2.4</b>	<b>(1,202)</b>	
<b>Investments and other assets</b>						
Investment securities	66,994		82,618			
Long-term loans receivable	98		91			
Deferred tax assets	18,778		18,163			
Other assets	30,077		30,932			
Allowance for doubtful receivables	(929)	115,019	(1,017)	130,788	21.5	15,769
<b>Total fixed assets</b>	<b>242,739</b>	<b>41.0</b>	<b>260,270</b>	<b>42.8</b>	<b>17,530</b>	
<b>Total</b>	<b>¥591,721</b>	<b>100.0</b>	<b>¥608,487</b>	<b>100.0</b>	<b>¥16,766</b>	

## EISAI CO., LTD.

## 1-2) CONSOLIDATED BALANCE SHEET

## (LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY)

Account Title	March 31, 2003		December 31, 2003		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		¥17,699		
Short-term borrowings	35		31		
Current portion of straight bonds	100		100		
Accounts payable-other	41,145		40,324		
Accrued expenses	22,595		19,566		
Accrued income taxes	23,026		7,988		
Reserve for sales rebates	37,574		32,528		
Other reserves	796		986		
Other current liabilities	4,584		7,792		
<b>Total current liabilities</b>	<b>145,992</b>	<b>24.7</b>	<b>127,017</b>	<b>20.9</b>	<b>(18,975)</b>
<b>Long-term liabilities:</b>					
Deffered tax liabilities	344		1,115		
Liability for retirement benefits	45,417		49,131		
Retirement allowances for Directors	1,764		1,801		
Other long-term liabilities	622		703		
<b>Total long-term liabilities</b>	<b>48,148</b>	<b>8.1</b>	<b>52,750</b>	<b>8.7</b>	<b>4,602</b>
<b>Total liabilities</b>	<b>194,140</b>	<b>32.8</b>	<b>179,767</b>	<b>29.6</b>	<b>(14,372)</b>
<b>Minority Interests</b>	<b>9,332</b>	<b>1.6</b>	<b>9,292</b>	<b>1.5</b>	<b>(40)</b>
<b>Shareholders' equity:</b>					
Common stock	44,985	7.6	44,985	7.4	—
Capital surplus	55,222	9.3	55,222	9.1	—
Retained earnings	302,669	51.2	333,025	54.7	30,356
Net unrealized gain (loss) on available-for-sale securities	1,424	0.2	6,236	1.0	4,811
Foreign currency translation adjustments	(1,502)	(0.2)	(5,465)	(0.9)	(3,962)
Treasury stock	(14,551)	(2.5)	(14,578)	(2.4)	(26)
<b>Total shareholders' equity</b>	<b>388,247</b>	<b>65.6</b>	<b>419,427</b>	<b>68.9</b>	<b>31,179</b>
<b>Total</b>	<b>¥591,721</b>	<b>100.0</b>	<b>¥608,487</b>	<b>100.0</b>	<b>¥16,766</b>

## EISAI CO., LTD.

## 2. CONSOLIDATED STATEMENTS OF INCOME

The Third Quarter for 2002 and 2003 (for three months)

Account Title	October 1, 2002 - December 31, 2002		October 1, 2003 - December 31, 2003		Increase (Decrease) (Millions of Yen)
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	
<b>Net sales</b>	¥117,747	100.0	¥129,976	100.0	¥12,229
Cost of sales	26,434	22.5	25,926	19.9	(508)
Gross profit on sales	91,312	77.5	104,050	80.1	12,738
Provision of reserve for sales returns	37	0.0	(10)	(0.0)	(48)
<b>Gross profit</b>	91,274	77.5	104,061	80.1	12,786
	14,756	12.7	17,059	13.1	2,303
	54,926	46.8	62,119	47.8	7,193
<b>Operating income</b>	21,591	18.3	24,882	19.1	3,290
<b>Non-operating income</b>	488	0.5	531	0.5	43
<b>Non-operating expenses</b>	339	0.3	380	0.3	40
<b>Ordinary income</b>	21,739	18.5	25,033	19.3	3,293
<b>Extra-ordinary income</b>	632	0.5	13	0.0	(619)
<b>Extra-ordinary loss</b>	1,802	1.5	378	0.3	(1,423)
<b>Income before income taxes and minority interests</b>	20,570	17.5	24,667	19.0	4,097
<b>Income taxes-current</b>	7,196		7,511		315
<b>Income taxes-deferred</b>	379	7,576	1,622	9,133	1,557
<b>Minority interests</b>	50	0.1	49	0.1	(1)
<b>Net income</b>	¥12,943	11.0	¥15,484	11.9	¥2,541

## EISAI CO., LTD.

## 2. CONSOLIDATED STATEMENTS OF INCOME

The Three Quarters of 2002 and 2003 (for nine months)

Account Title	April 1, 2002 - December 31, 2002		April 1, 2003 - December 31, 2003		Increase (Decrease)		
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)		
<b>Net sales</b>		¥352,182	100.0		¥377,745	100.0	¥25,562
Cost of sales		79,178	22.5		73,408	19.4	(5,769)
Gross profit on sales		273,004	77.5		304,336	80.6	31,331
Provision of reserve for sales returns		152	0.0		100	0.1	(52)
<b>Gross profit</b>		272,851	77.5		304,235	80.5	31,383
<b>Selling and general administrative expenses</b>							
Research and development expenses	42,619			50,601			
Other	168,201	210,821	59.9	187,778	238,379	63.1	27,558
<b>Operating income</b>		62,030	17.6		65,855	17.4	3,825
<b>Non-operating income</b>		2,298	0.7		1,641	0.5	(657)
<b>Non-operating expenses</b>		2,503	0.7		1,803	0.5	(700)
<b>Ordinary income</b>		61,825	17.6		65,693	17.4	3,867
<b>Extra-ordinary income</b>		702	0.2		4,250	1.1	3,547
<b>Extra-ordinary loss</b>		4,747	1.4		1,347	0.3	(3,399)
<b>Income before income taxes and minority interests</b>		57,780	16.4		68,595	18.2	10,815
<b>Income taxes-current</b>	26,715			28,939			
<b>Income taxes-deferred</b>	(4,369)	22,346	6.3	(839)	28,100	7.4	5,753
<b>Minority interests</b>		242	0.1		151	0.1	(90)
<b>Net income</b>		¥35,191	10.0		¥40,343	10.7	¥5,151

## EISAI CO., LTD.

## 3. CONSOLIDATED STATEMENTS OF CASH FLOWS

## The Third Quarter for 2002 and 2003 (for three months)

	October 1, 2002 - December 31, 2002	October 1, 2003 - December 31, 2003	
Interest and dividend income		17	5
Interest expense		(39)	5
		127	361
		2,936	2,824
		(0)	(9)
investment securities		1,634	—
Loss on vitamin E litigation settlement		35	—
(Increase) in trade receivables		(6,202)	(3,211)
		(1,334)	(816)
Increase (Decrease) in accounts payable		(304)	1,627
(Decrease) in other current liabilities		(6,343)	(3,642)
Increase (Decrease) in reserve for sales rebates		2,252	(3,029)
		(1,110)	(135)
		16,376	22,938
		372	346
		(9)	(35)
Payments on vitamin E litigation settlement		(442)	—
Income taxes paid		(10,117)	(19,495)
		6,180	3,754
			(2,426)
<b>II. Investing activities:</b>			
		(6,998)	(4,095)
		11,110	5,637
Purchases of property, plant and equipment		(3,636)	(7,020)
Proceeds from sales of property, plant and equipment		49	175
Purchases of intangible assets		(818)	(700)
Purchases of investment securities		(2,442)	(4,007)
Proceeds from sales and redemptions of investment securities		29	2,539
		(13)	(372)
		(200)	(1,359)
		(2,918)	(9,203)
			(6,284)
		374	(178)
		(4,620)	(5,252)
		(59)	(13)
		(4,305)	(5,444)
			(1,138)
		(375)	(954)
		(1,419)	(11,848)
(Increase) in time deposits (exceeding 3 months)		104,603	149,950
Other		¥103,184	¥138,102
			(579)
			(10,429)

**III. Financing activities:**

Dividends paid

## EISAI CO., LTD.

## 3. CONSOLIDATED STATEMENTS OF CASH FLOWS

## The Three Quarters of 2002 and 2003 (for nine months)

Account Title	April 1, 2002 -	April 1, 2003 -	Increase
	December 31, 2002	December 31, 2003	(Decrease)
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Income before income taxes and minority interests	¥57,780	¥68,595	
Depreciation and amortization	13,053	13,505	
Increase in allowance for doubtful receivables	7	102	
Interest and dividend income	(1,410)	(1,264)	
Interest expense	59	19	
	(49)	8	
	422	366	
	8,969	9,825	
Gain on exempted obligation of substitutional portion of pension	—	(3,732)	
	(36)	(4)	
investment securities			
	3,558	112	
Loss on vitamin E litigation settlement	679	—	
Decrease (Increase) in trade receivables	(19,343)	5,284	
	(593)	(1,064)	
Increase in accounts payable	390	2,279	
Increase (Decrease) in other current liabilities	(14,356)	2,914	
(Decrease) in reserve for sales rebates	(1,977)	(1,135)	
	(3,690)	(3,745)	
	43,463	92,066	48,602
	1,306	1,290	
	(162)	(69)	
Payments on vitamin E litigation settlement	(1,976)	—	
Income taxes paid	(16,884)	(43,689)	
	25,746	49,597	23,851
<b>II. Investing activities:</b>			
	(20,395)	(7,728)	
	23,450	14,689	
Purchases of property, plant and equipment	(16,050)	(16,077)	
Proceeds from sales of property, plant and equipment	56	706	
Purchases of intangible assets	(2,596)	(1,968)	
Purchases of investment securities	(9,673)	(18,072)	
Proceeds from sales and redemptions of investment securities	3,986	5,382	
	228	(511)	
	93	(925)	
	(20,901)	(24,504)	(3,602)
	(203)	—	
	(9,225)	—	
	(9,288)	(9,920)	
	(213)	(58)	
	(18,930)	(9,979)	8,950
	(4,493)	(4,283)	209
	(18,578)	10,830	29,409
	121,763	127,271	
	¥103,184	¥138,102	

## 4. SEGMENT INFORMATION

### 1. Industry Segment Information

(1) For the third quarter, ended December 31, 2002

( Millions of Yen )

	Pharma- ceuticals	Others	Total	Eliminations and Corporate	Consolidated
I. Sales					
(1) Sales to customers	¥111,575	¥6,171	¥117,747		
(2) Intersegment sales	69	3,206	3,276		



(4) For the three quarters, ended December 31, 2003 (Millions of Yen)

	Pharmaceuticals	Others	Total	Eliminations and Corporate	Consolidated
I. Sales					
(1) Sales to customers	¥360,193	¥17,552	¥377,745	–	¥377,745
(2) Intersegment sales	203	11,687	11,890	(¥11,890)	–
Total sales	360,396	29,239	389,635	(11,890)	377,745
Operating expenses	293,315	28,182	321,497	(9,608)	311,889
Operating income	¥67,081	¥1,056	¥68,138	(¥2,282)	¥65,855

Notes:

1. The Company classifies consolidated operations into two segments: Pharmaceuticals, including prescription pharmaceuticals, consumer health care products and diagnostics, and Others, which encompasses all operations other than pharmaceuticals.

2. Major products in each segment are as follows:

Business segment	Major products
Pharmaceuticals	Prescription pharmaceuticals; Consumer health care products; Diagnostic pharmaceuticals, etc.
Others	Food additives; Chemicals; Machinery; Others

## 2. Geographical Segment Information

(1) For the third quarter, ended December 31, 2002 (Millions of Yen)

Japan	North America	Europe	Asia and Others	Total	Eliminations and Corporate	Consolidated
						2D -0.003
						0 ( ) Tj 0.13.4.76.0
						2D -0.3.2.04

- North America: The United States and Canada
- Europe: The United Kingdom, France, Germany, etc.
- Asia and Others: East Asia, South-East Asia and South-Central America, etc.

3. Intersegment sales in Japan principally represent product sales from the Parent company to overseas subsidiaries. Intersegment sales in North America, Europe, and Asia and Others are principally sales from overseas subsidiaries, which manage research and development for the Parent company.

(3) For the three quarters, ended December 31, 2002

( Millions of Yen )

Japan	North America	Europe	Asia and Others	Total	Eliminations and
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(2) For the third quarter, ended December 31, 2003

(Millions of Yen)

	North America	Europe	Asia and Others	Total
1. Overseas sales	¥49,059	¥11,962	¥2,908	¥63,931
2. Consolidated sales				¥129,976
3. Share of overseas sales	37.8%	9.2%	2.2%	49.2%

3. Share of overseas sales	36.6%	8.9%	2.4%	47.9%
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(2) For the three quarters, ended December 31, 2003

(Millions of Yen)

North America      Europe      Asia and



Securities Code: 4523

2003.1

## **Reference Data**

Third Quarter Ended December 31, 2003

**Eisai Co., Ltd.**  
**January 30, 2004**

**For Inquiry: Public Relations Department**

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# I. Consolidated Financial Highlights

## 1. Statement of Income Data

(billions of yen)



## II. Consolidated Statement of Income

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

			<Explanation>
2003	Sales	2004	

## 2. Financial Results by Industry Segment

### 2-1. Consolidated Net Sales by Industry Segment

(billions of yen)

Years Ended/Ending March 31	2003	2004	2003
Net sales to customers	352.2	<b>377.7</b>	466.6
Pharmaceuticals	332.2	<b>360.2</b>	441.7
(In-house developed products %)	(88.9%)	<b>(90.5%)</b>	(89.3%)
	2.02	26.13	



### 3. Financial Results by Geographical Area

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

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		
	2003	2004	2003
Net sales to customers	352.2	<b>377.7</b>	466.6
Japan	197.8	<b>199.7</b>	250.6
North America	126.8	<b>144.3</b>	179.5
Europe	20.8	<b>26.5</b>	27.3
Asia and others	6.8	<b>7.2</b>	9.1
Overseas sales	154.3	<b>178.1</b>	216.0
Overseas sales (%)	43.8%	<b>47.1%</b>	46.3%

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

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		
	2003	2004	2003
Operating income/loss	62.0	<b>65.9</b>	75.9
Japan	62.1	<b>59.5</b>	70.2
North America	2.0	<b>8.1</b>	5.7
Europe	1.7	<b>2.6</b>	2.4
Asia and others	1.5	<b>1.5</b>	1.7
Eliminations and corporate	(5.3)	<b>(5.8)</b>	(4.1)

### 4. Overseas Sales

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		
	2003	2004	2003
Net sales to customers	352.2	<b>377.7</b>	466.6
North America	128.9	<b>149.8</b>	185.9
Europe	31.2	<b>35.1</b>	36.0
Asia and others	8.7	<b>8.8</b>	11.6
Overseas sales	168.7	<b>193.7</b>	233.5
Overseas sales (%)	47.9%	<b>51.3%</b>	50.0%

\* Sales results by industry segment have been reclassified in accordance with geographical segmentation.

\* 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.

## 5. Global Product Sales

### 5-1. *ARICEPT*



**<Reference> [Non-consolidated]**

**Eisai Inc. (U.S.A.) / Pharmaceutical Sales, Production**

Years Ended/Ending March 31		2003	<b>2004</b>	2003
Net sales	¥ Billions	128.5	<b>145.7</b>	181.7
	US \$ Millions	1,045	<b>1,267</b>	1,490
Operating income	¥ Billions	2.4	<b>7.4</b>	6.3
	US \$ Millions	20	<b>64</b>	52
Net income	¥ Billions	1.7	<b>4.4</b>	3.9
	US \$ Millions	14	<b>39</b>	32
Operating income before	¥ Billions			



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

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

(billions of yen)



# III. Consolidated Balance Sheet

## 1. Consolidated Balance Sheet & Explanation

### <Assets>

(billions of yen)

	2003 31-Mar	%	2003 31-Dec	%	Change %	Inc./ Dec.	<Explanation>
<b>Current assets:</b>							
Cash and time deposits	101.3		<b>73.2</b>			(28.0)	
Accounts receivable-trade	149.0		<b>140.2</b>			(8.9)	
Short-term investments	35.3		<b>72.1</b>			36.8	<b>Short-term investment</b> <Increase Factor(s)> Invested assets increase
Inventories	35.1		<b>34.5</b>			(0.5)	
Deferred tax assets	19.3		<b>17.8</b>			(1.5)	
Other current assets	9.2		<b>10.6</b>			1.4	
Allowance for doubtful receivables	(0.2)		<b>(0.2)</b>			0.0	
<b>Total current assets</b>	<b>349.0</b>	<b>59.0</b>	<b>348.2</b>	<b>57.2</b>	<b>99.8</b>	<b>(0.8)</b>	
<b>Fixed assets:</b>							
<b>Property, plant and equipment:</b>							
Buildings and structures	57.2		<b>58.3</b>			1.1	
Machinery and vehicles	22.5		<b>21.0</b>			(1.5)	
Land	19.1		<b>18.9</b>			(0.2)	
Construction in progress	4.5		<b>8.0</b>			3.6	
Others	8.5		<b>8.4</b>			(0.0)	
<b>Total property, plant and equipment</b>	<b>111.7</b>	<b>18.9</b>	<b>114.6</b>	<b>18.9</b>	<b>102.7</b>	<b>3.0</b>	
<b>Intangible assets</b>	<b>16.0</b>	<b>2.7</b>	<b>14.8</b>	<b>2.4</b>	<b>92.5</b>	<b>(1.2)</b>	
<b>Investment in other assets:</b>							
Investments in securities	67.0		<b>82.6</b>			15.6	<b>Investments in securities</b> <Increase Factor(s)> Invested assets increase Improved market value
Long-term loans receivable	0.1		<b>0.1</b>			(0.0)	
Deferred tax assets	18.8		<b>18.2</b>			(0.6)	
Other investments	30.1		<b>30.9</b>			0.9	
Allowance for doubtful receivables	(0.9)		<b>(1.0)</b>			(0.1)	
<b>Total investments and other assets</b>	<b>115.0</b>	<b>19.4</b>	<b>130.8</b>	<b>21.5</b>	<b>113.7</b>	<b>15.8</b>	
<b>Total fixed assets</b>	<b>242.7</b>	<b>41.0</b>	<b>260.3</b>	<b>42.8</b>	<b>107.2</b>	<b>17.5</b>	
<b>Total assets</b>	<b>591.7</b>	<b>100.0</b>	<b>608.5</b>	<b>100.0</b>	<b>102.8</b>	<b>16.8</b>	

**<Liabilities and Shareholders' Equity>**

(billions of yen)

	2003		2003		Chg.	Inc./	<b>&lt;Explanation&gt;</b>
	31-Mar	%	31-Dec	%	%	Dec.	
<b>Current liabilities:</b>							
Accounts payable-trade	16.1		<b>17.7</b>			1.6	
Short-term borrowings	0.0		<b>0.0</b>			(0.0)	

## IV. Consolidated Statements of Cash Flows

Years Ended/Ending March 31	(billions of yen)			<Explanation>
	2003	2004	Inc./Dec.	
<b>Operating activities</b>				
Income before income taxes & minority interests	57.8	<b>68.6</b>	10.8	
Depreciation and amortization	13.1	<b>13.5</b>	0.5	
Other non-cash losses/gains	12.5	<b>6.3</b>	(6.2)	
Operating assets/liabilities increase/decrease	(35.9)	<b>7.8</b>	43.7	
Others	(4.0)	<b>(4.2)</b>	(0.2)	
Subtotal	43.5	<b>92.1</b>	48.6	
Interest paid/received	1.1	<b>1.2</b>	0.1	
Payments on vitamin E litigation settlement	(2.0)	-	2.0	
Cash paid for income taxes	(16.9)	<b>(43.7)</b>	(26.8)	
<b>Net cash provided by operating activities</b>	25.7	<b>49.6</b>	23.9	
<b>Investing activities</b>				
Capital expenditures	(18.6)	<b>(18.0)</b>	0.6	
Other revenue/payment for continuous activities	0.0	<b>0.7</b>	0.7	
Purchases/sales of securities	(2.6)	<b>(5.7)</b>	(3.1)	
Others	0.3	<b>(1.4)</b>	(1.8)	
<b>Net cash used in investing activities</b>	(20.9)	<b>(24.5)</b>	(3.6)	
Dividends paid	(9.3)	<b>(9.9)</b>	(0.6)	
Short-term debt proceeds/payments	(0.2)	-	0.2	
Treasury stock purchase	(9.2)	-	9.2	
Others	(0.2)	<b>(0.1)</b>	0.2	
<b>Net cash used in financing activities</b>	(18.9)	<b>(10.0)</b>	9.0	
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(4.5)	<b>(4.3)</b>	0.2	
<b>Net increase in cash and cash equivalents</b>	(18.6)	<b>10.8</b>	29.4	
<b>Cash and cash equivalents at beginning of year</b>	121.8	<b>127.3</b>	5.5	
<b>Cash and cash equivalents at end of year</b>	103.2	<b>138.1</b>	34.9	
(billions of yen)				
Years Ended March 31	2003	2004	Inc./Dec.	

### Free Cash Flow

TDp t 0027 Tw ( 5168 T(Inc.) Tj -2.167F0 8.88 e0Tw ((2e3o+r- Tj 45.84 0.36 TD /F1 t3Tf 0.0299 Tc (49.6) Tj 4040.003

## V. Non-Consolidated Financial Highlights





## 4. Prescription Pharmaceuticals

(billions of yen)

Years Ended/Ending March 31		2003	2004	Change %	2003	2004
Product	Description					(e)
	Peripheral neuropathy treatment					
METHYCOBAL		24.6	<b>24.6</b>	99.9	31.1	32.0
	Alzheimer's disease treatment					
ARICEPT		17.0	<b>21.6</b>	127.0	21.9	30.0
	Gastritis/gastric ulcer medication					
SELBEX		21.1	<b>19.0</b>	89.9	26.8	26.0
	Proton pump inhibitor					
PARIET		4.6	<b>11.5</b>	250.9	5.8	15.0
	Osteoporosis treatment					
GLAKAY		9.1	<b>8.0</b>	87.2	11.4	11.0
	Non-ionic contrast medium					
IOMERON		7.6	<b>7.4</b>	97.5	9.5	9.0
	Muscle relaxant					
MYONAL		7.0	<b>6.8</b>	96.8	8.8	9.0

## 7. Selling, General and Administrative Expenses (including R&D expenses)

### 7-1. Research and Development Expenses (R&D expenses)

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		2003	2004 (e)
	2003	2004		
Net sales	227.9	<b>234.0</b>	289.6	300.0
Research and development expenses	41.1	<b>49.0</b>	57.6	66.0
(Ratio of Overseas R&D Expenses to Total R&D Expenses) (%)	(31.2%)	<b>(35.7%)</b>	(31.8%)	-
Percentage of sales (%)	18.0%	<b>21.0%</b>	19.9%	22.0%

### 7-2. Selling, General and Administrative Expenses (SG&A expenses)

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		2003	2004 (e)
	2003	2004		
Net sales	227.9	<b>234.0</b>	289.6	300.0
Selling, general and administrative expenses	61.5	<b>64.9</b>	81.1	87.0
Personnel expenses	28.3	<b>28.8</b>	37.6	-
Marketing expenses	20.8	<b>23.5</b>	26.8	-
Administrative expenses and others	12.5	<b>12.5</b>	16.7	-
Percentage of sales (%)	27.0%	<b>27.7%</b>	28.0%	29.0%

### 7-3. Selling, General and Administrative Expenses (including R&D expenses)

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		2003	2004 (e)
	2003	2004		
Net sales	227.9	<b>234.0</b>	289.6	300.0
Selling, general and administrative expenses (including R&D)	102.7	<b>113.9</b>	138.7	153.0
Percentage of sales (%)	45.0%	<b>48.7%</b>	47.9%	51.0%

## 8. Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		2003	2004 (e)
	2003	2004		
Capital expenditures	9.6	<b>12.8</b>	15.9	20.5
Property, plant and equipment	7.1	<b>11.0</b>	11.6	17.0
Intangible assets	2.5	<b>1.7</b>	4.4	3.5
Depreciation/Amortization	9.5	<b>10.0</b>	13.0	13.0

Note: Depreciation/amortization includes "Property, plant and equipment" as well as "Intangible assets". -0.0 TD r004

## VI. Changes in Quarterly Results [Consolidated]

### 1. Consolidated Statement of Income Data

(billions of yen)

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

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

### 2. Consolidated Balance Sheet Data

#### <Assets>

(billions of yen)

March 31	2002			2003			
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec
Current assets	314.3	319.1	321.5	349.0	346.0	357.7	<b>348.2</b>
Fixed assets	235.1	237.5	236.8	242.7	248.0	258.4	<b>260.3</b>
Property, plant and equipment	109.5	111.0	110.2	111.7	112.6	114.3	<b>114.6</b>
Intangible assets	14.1	14.4	14.7	16.0	15.8	15.2	<b>14.8</b>
Investments and other assets	111.5	112.1	111.9	115.0	119.5	128.9	<b>130.8</b>
Total assets	549.5	556.6	558.3	591.7	594.0	616.1	<b>608.5</b>

#### <Liabilities and Shareholders' Equity>

(billions of yen)

March 31	2002			2003			
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec
Current liabilities	131.6	133.2	124.7	146.0	135.5	147.9	<b>127.0</b>
Long-term liabilities	43.0	44.3	47.3	48.1	51.9	49.5	<b>52.8</b>
Total liabilities	174.6	177.5	172.0	194.1	187.4	197.4	<b>179.8</b>
Minority Interests	9.2	9.3	9.4	9.3	9.4	9.4	<b>9.3</b>
Shareholders' equity	365.7	369.8	376.9	388.2	397.2	409.3	<b>419.4</b>
Total liabilities, minority interests and shareholders' equity	549.5	556.6	558.3	591.7	594.0	616.1	<b>608.5</b>

### 3. Consolidated Capital Expenditures and Depreciation/Amortization (billions of yen)

Years Ended/Ending March 31	2003				2004		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Capital expenditures	3.2	6.0	4.4	8.3	5.2	7.4	<b>6.0</b>
Property, plant and equipment	2.8	4.6	3.6	6.4	4.5	6.8	<b>5.3</b>
Intangible assets	0.4	1.4	0.8	1.9	0.7	0.6	<b>0.7</b>
Depreciation/Amortization	4.1	4.4	4.5	4.9	4.3	4.5	<b>4.7</b>

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

### 4. Consolidated Cash Flows Data (billions of yen)

Years Ended/Ending March 31	2003				2004		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Net cash provided by operating activities	12.1	7.4	6.2	31.9	16.9	28.9	<b>3.8</b>
Net cash used in investing activities	(7.9)	(10.1)	(2.9)	(6.8)	(3.8)	(11.5)	<b>(9.2)</b>
Net cash used in financing activities	(5.4)	(9.3)	(4.3)	(0.9)	(4.5)	(0.0)	<b>(5.4)</b>
Effect of exchange rate changes on cash and cash equivalent	115.8	104.6	103.2	127.3	136.4	150.0	<b>138.1</b>
Free cash flow	5.1	0.2	1.8	24.0	12.1	24.0	<b>(3.8)</b>

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

## 5. Consolidated *ARICEPT* Sales by Area

(billions of yen)

Years Ended/Ending March 31		2003				2004		
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Japan	¥ Billions	5.4	5.5	6.1	4.8	7.0	6.7	<b>7.9</b>
North America	¥ Billions	14.8	18.7	21.2	19.9	19.1	23.1	<b>20.5</b>
	US \$ Millions	116	155	173	166	162	197	<b>187</b>
U.K.	¥ Billions	0.5	0.4	0.0	0.1	0.3	0.2	<b>0.2</b>
	UK £ Millions	3	2	0	0	1	1	<b>1</b>
Germany	¥ Billions	1.5	0.9	1.1	0.9	2.1	1.3	<b>1.5</b>
	Euro Millions	13	7	9	7	15	10	<b>12</b>
France	¥ Billions	2.6	2.8	3.0	2.9	3.4	4.1	<b>4.2</b>
	Euro Millions	22	24	25	23	25	31	<b>32</b>
EU total	¥ Billions	4.6	4.0	4.1	3.9	5.8	5.7	<b>6.0</b>
Asia and others	¥ Billions	0.7	0.6	0.4	0.6	0.6	0.6	<b>0.6</b>
Total	¥ Billions	25.4	28.8	31.9	29.2	32.5	36.1	<b>35.0</b>

## 6. Consolidated *ACIPHEX/PARIET* Sales by Area

(billions of yen)

Years Ended/Ending March 31		2003				2004		
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Japan	¥ Billions	1.6	1.4	1.6	1.2	1.7	4.1	<b>5.7</b>
North America	¥ Billions	24.1	26.7	20.3	32.7	22.6	31.4	<b>26.7</b>
	US \$ Millions	190	223	166	272	191	266	<b>244</b>
U.K.	¥ Billions	1.3	1.4	1.5	1.3	1.3	1.6	<b>1.8</b>
	UK £ Millions	7	8	8	7	7	8	<b>10</b>
Germany	¥ Billions	0.2	0.2	0.2	0.2	0.3	0.3	<b>0.3</b>
	Euro Millions	2	2	2	2	2	2	<b>2</b>
EU total	¥ Billions	1.5	1.6	1.7	1.6	1.6	1.8	<b>2.1</b>
Asia and others	¥ Billions	0.3	0.3	0.4	0.3	0.3	0.4	<b>0.5</b>
Total	¥ Billions	27.6	30.1	24.0	35.8	26.3	37.7	<b>35.0</b>

\*Sales results in the U.K. and EU total have been reclassified between the second quarter and third quarter of the fiscal year ended March 31, 2003.

## <Reference> [Non-consolidated] Eisai Inc. (U.S.A.)

(billions of yen)

Years Ended/Ending March 31		2003				2004		
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Net sales	¥ Billions	40.2	46.0	42.3	53.2	42.4	55.3	<b>48.1</b>
	US \$ Millions	316	383	345	445	358	470	<b>440</b>
Operating income	¥ Billions	0.6	1.7	0.1	3.9	1.0	4.0	<b>2.4</b>
	US \$ Millions	5	14	1	32	8	34	<b>22</b>
Net income	¥ Billions	0.5	1.1	0.1	2.3	0.7	2.4	<b>1.4</b>
	US \$ Millions	4	9	1	19	5	20	<b>13</b>
Operating income before Royalty deduction	¥ Billions	4.8	6.9	5.8	9.5	6.2	10.4	<b>8.0</b>
	US \$ Millions	38	57	47	79	53	88	<b>73</b>

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

### 1. Non-Consolidated Statement of Income Data

(billions of yen)

Years Ended/Ending March 31	2003				2004		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Net sales	76.8	73.4	77.7	61.7	76.5	77.4	<b>80.2</b>
Cost of sales	22.9	21.8	22.5	18.4	20.8	21.3	<b>22.3</b>
Research and development expenses	12.9	14.1	14.2	16.5	16.0	16.4	<b>16.6</b>
Selling, general and administrative expenses	20.8	20.4	20.4	19.5	20.6	22.4	<b>22.0</b>
Operating income	20.3	17.2	20.6	7.2	19.1	17.3	<b>19.3</b>
Ordinary income	19.1	17.6	20.6	7.6	19.6	16.4	<b>19.2</b>
Net income	11.4	8.4	12.4	2.1	12.3	10.6	<b>12.7</b>

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

### 2. Non-Consolidated Prescription Pharmaceuticals

(billions of yen)

Years Ended/Ending March 31	2003				2004		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
METHYCOBAL	8.4	8.1	8.1	6.5	8.3	7.8	<b>8.4</b>
ARICEPT	5.4	5.5	6.1	4.8	7.0	6.7	<b>7.9</b>
SELBEX	7.2	6.7	7.2	5.7	6.7	5.8	<b>6.4</b>
PARIET	1.6	1.5	1.6	1.2	1.7	4.1	<b>5.7</b>
GLAKAY	3.2	2.9	3.0	2.3	2.8	2.5	<b>2.6</b>
IOMERON	2.5	2.5	2.6	1.9	2.6	2.3	<b>2.6</b>
MYONAL	2.4	2.3	2.3	1.8	2.3	2.2	<b>2.3</b>
NITOROL-R	1.8	1.5	1.6	1.2	1.4	1.2	<b>1.5</b>
GLUCAGON G NOVO	1.2	1.1	1.2	0.8	1.2	1.1	<b>1.3</b>
AZEPTIN	1.3	0.9	1.0	1.6	1.0	0.7	<b>0.9</b>
RULID	0.9	0.7	1.0	0.8	0.8	0.7	<b>0.9</b>
INHIBACE	0.9	0.8	0.8	0.6	0.7	0.6	<b>0.7</b>
Prescription Pharmaceuticals Total	49.6	46.4	50.4	39.3	48.9	46.6	<b>53.9</b>

\*For the fiscal year ending March 31, 2004, the segmentation of "Prescription Pharmaceutical Total" have been partially modified. "Prescription Pharmaceutical Total" for the year ended March 31, 2003 have also been partially modified.

### 3. Non-Consolidated



# VIII. Major R&D Pipeline Candidates

## 1. International Development

### 1-1. Filed for Approval

(Product) Name (Research Code)	Area	Date	Description	Form.	Origin
ARICEPT E2020 (Additional indication)	U.S. E.U.	Sep-02 Oct-02	Vascular Dementia Currently used 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. Discussion with FDA regarding this indication will continue.	Tab.	In-house
ARICEPT E2020 (Additional form)	U.S. E.U.	Dec-03 Dec-03	Rapid Disintegration Tablet Already existing in tablet form. Filed for rapid disintegration tablet 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 Already existing in tablet form. Filed for liquid formulation for patients who have difficulty swallowing and will contribute to improved compliance.	Liquid	In-house
PARIET E3810 (Additional indication)	E.U.	Sep-03	On-demand therapy for symptomatic GORD Currently used for the treatment of symptomatic GORD in the EU. An application for on-demand therapy of symptomatic GORD was submitted.	Tab.	In-house
PARIET	E.U.	Dec-03			



## 1-3. Phase II

(Product) Name (Research Code)	Area	Description	Form.	Origin
E5564	U.S.	Septic Shock/Endotoxin Antagonist A synthetic endotoxin antagonist effective against endotoxin from various types of gram negative bacteria. Under development for the treatment of sepsis.	Inj.	In-house
E5564	U.S. E.U.	Prevention of endotoxin-related complications after coronary artery bypass graft surgery A synthetic endotoxin antagonist effective against endotoxin from various types of gram negative bacteria. Now in phase II development for the prevention of endotoxin-related complications after coronary artery bypass graft surgery.	Inj.	In-house
E7070	U.S. E.U.	Anti-cancer/Cell Cycle G1 Phase Arresting Agent The compound induces apoptosis by inhibiting cell cycle progression in the G1 phase. Under development as an anti-cancer agent with a novel mechanism of action.	Inj.	In-house
ARICEPT E2020 (Additional indication)	U.S.	Migraine Prophylaxis Currently used for the treatment of mild to moderate dementia of the Alzheimer's type. E2020 is now in phase II trials for the prophylaxis of migraine headaches.	Tab.	In-house
E2007	U.S. E.U.	Multiple Sclerosis, Epilepsy and Parkinson's disease / AMPA receptor antagonist Selectively antagonizes the AMPA-type glutamate receptor and inhibits neuronal cell death. Under development as a treatment for multiple sclerosis, epilepsy and Parkinson's disease.	Tab.	In-house

## 2. Development in Japan

### 2-1. Approved

(Product) Name (Research Code)	Date	Description	Form.	Origin
PARIET E3810 (Additional indication)	Jul-03	Maintenance Therapy for Gastroesophageal Reflux Disease (GERD) Already used for the treatment of peptic ulcers. Received an approval for maintenance therapy for GERD.	Tab.	In-house

### 2-2. Filed for Approval

(Product) Name (Research Code)	Application	Description	Form.	Origin
MYONAL E2000 (Additional form)	Mar-97	Muscle Relaxant Absorption via a transdermal patch has been shown to relieve skeletal muscle spasticity and to mitigate muscle stiffness and pain from poor circulation and is expected to improve various symptoms of muscle tension.	Transdermal	In-house
ARICEPT E2020 (Additional form)	Mar-03	Rapid Disintegration Tablet Already marketed in tablet and fine granule forms. Filed rapid disintegration tablet form.	RDT	In-house
CLEACTOR E6010 (Additional indication)	May-03	Treatment of Pulmonary Embolism A novel second generation t-PA with a structure modified by utilizing recombinant DNA techniques. Designated as an orphan drug, E6010 is expected to be the first t-PA indicated for the treatment of pulmonary embolism in Japan.	Inj.	In-house
T-614	Sep-03	Anti-rheumatic Agent Inhibits lymphocyte proliferation and immunoglobulin production by suppressing the production of inflammatory cytokines. Expected to improve chronic rheumatoid arthritis.	Tab.	Toyama Chemical

## 2-3. Phase III

(Product) Name (Research Code)	Description	Expected Application	Form.	Origin
PARIET E3810	Eradication of <i>H. pylori</i> in combination with antibiotics	2005	Tab.	In-house
(Additional indication)	Currently used 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.			

## 2-4. Phase II

(Product) Name (Research Code)	Description		Form.	Origin
E3620	Gastroprokinetic agent/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 the sense 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 Management/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	Treatment of Cerebral Embolism A novel second generation t-PA with a structure modified by utilizing recombinant techniques.		Inj.	In-house
(Additional indication)	E6010 is under development to become the first t-PA for the treatment of cerebral embolism in Japan.			
TAMBOCOR (E0735)	Paroxysmal Atrial Fibrillation/Flutter The compound has already been approved as a treatment for tachyarrhythmias in Japan and is		Tab.	3M
(Additional indication)	in phase II clinical trials for the treatment of sporadic atrial fibrillation/flutter.			
ARICEPT E2020	Severe Dementia due to Alzheimer's disease Currently used for the treatment of mild to moderate dementia of the Alzheimer's type.		Tab.	In-house
(Additional indication)	Now in phase II trials for the treatment of severe dementia.			
D2E7	Human Anti TNF- $\alpha$ Monoclonal Antibody Blocking the activity of Tumor Necrosis Factor alpha (TNF- $\alpha$ ) which triggers inflammation such as rheumatoid arthritis (RA), D2E7 is expected to be effective in patients with RA.		Inj.	Abbott
E7210	Ultrasound 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 Already vitamin K <sub>2</sub> (menatetorenone) has been used for the treatment of osteoporosis. Phase II trials have been initiated for the prevention of recurrence of hepatocellular carcinoma.		Cap.	In-house

## IX. Major News Releases

Date	Description
January 30, 2004	Another U.S. legal action over ACIPHEX ANDA filing commenced
January 13, 2004	JUSTAT family of products, athlete's foot and ringworm treatments launched
January 7, 2004	Notice of assuming all distribution responsibilities for ACIPHEX announced
December 22, 2003	MAA for new formulation of ARICEPT, rapid disintegration tablet in the EU submitted
December 18, 2003	NDAs for new formulations of ARICEPT, rapid disintegration tablet and liquid formulation in the U.S. submitted
December 15, 2003	PARIET for Zollinger-Ellison syndrome and other pathological hypersecretory conditions submitted in the EU
November 21, 2003	U.S. legal action over ACIPHEX ANDA filing commenced
November 13, 2003	Notice of conclusion of license agreement regarding research information of lung cancer gene announced
November 10, 2003	JUVELUX E PURE, natural vitamin E capsule launched
November 5, 2003	Notice concerning Food Additives and Chemicals Division to be split off into a newly incorporated subsidiary announced
November 5, 2003	<p>Notice concerning dissolution of subsidiary, Eisai Pharma-Chem Europe Ltd., announced</p> <p>SKAINAR ANTITUSSIVE &amp; EXPECTORANT, a consumer health care medication for cough and expectoration partially voluntarily recalled</p> <p>T-614, jointly developed with Toyama Chemical Co., Ltd., submitted for NDA for the treatment of rheumatoid arthritis in Japan.</p>
September 18, 2003	<p>SKAINAR S TABLETS FOR RHINITIS containing pseudoephedrine hydrochloride for nasal congestion launched</p> <p>Application for modification to the Posology and Method of Administration section of the PARIET SmPC for the on-demand therapy of symptomatic GORD submitted to the U.K. MHRA for the EU mutual recognition procedure</p>
September 12, 2003	MAXALT 10mg Tablet, MAXALT RPD 10mg Tablet, 5-HT <sub>1B/1D</sub> receptor agonist-type migraine treatment agents launched
September 9, 2003	Rasagiline submitted for NDA for the treatment of Parkinson's disease by Teva Pharmaceutical Industries Ltd.
September 3, 2003	Application for the exemption from the substitutional retirement portion of Eisai Pension Fund approved
August 19, 2003	NABOLIN S, a Mecobalamin (Activated Vitamin B <sub>12</sub> ) Tablet launched
July 30, 2003	Marketing alliance agreement for MAXALT, a migraine treatment agent partially amended
July 30, 2003	Independent company will be established for chemicals and food additives business
July 18, 2003	PARIET 10 mg received approval for maintenance therapy for Gastroesophageal Reflux Disease(GERD)
July 48.92 -18.4	Independent company will b8a(for7o 8 Tc 0.0587 Tw (July 1NTITUSSIVEU0s87 Tw 47 Tccatio e5[ SIVEU0 ic38 1a umu food e.00aatioua