



Human Health Care

# FY2003 Financial Results Presentation

Eisai Co., Ltd.

1. FY2003 Financial Results
2. Sustainable Growth
3. Start of the Second Globalization Stage
4. Road Map for FY2006
5. Forecast of Performance and Dividends for FY2004

# FY2003 Financial Results

# FY2003 Consolidated Performance

			YOY		FY2003		
			108				
			101			95	(5.4)
Gross Margin	364.0	78.0	110	402.9	80.6	111	38.9
R&D Expenses	59.7	12.8	108	69.0	13.8	116	9.3
SG&A Expenses	228.4	49.0	113	250.9	50.2	110	22.4
Operating Income	75.9	16.3	104	83.1	16.6	109	7.2
Ordinary Income	76.1	16.3	100	83.4	16.7	110	7.2
Net Income	41.0	8.8	112	50.1	10.0	122	9.1

# Sales of Major Products

(billions of yen, %)

Product Name	Area	FY2002	FY2003	YOY	Increase (Decrease)
Aricept	Total	115.3	141.6	123	26.3
	Japan	21.9	28.4	130	6.6
	North America	74.5	87.9	118	13.4
	Europe	16.6	22.8	137	6.1
	Asia	2.3	2.5	109	0.2
Aciphex/Pariet	Total	117.4	129.0	110	11.6
	Japan	5.8	14.6	251	8.8
	North America	103.8	105.5	102	1.8
	Europe	6.5	7.3	113	0.8
	Asia	1.3	1.6	117	0.2
Methycobal	Total	33.0	33.9	102	0.8
	Japan	30.2	30.6	102	0.5
	Asia	2.9	3.2	112	0.3
Selbex	Total	26.9	24.6	91	(2.3)
	Japan	26.7	24.4	91	(2.3)
	Asia	0.2	0.2	101	0.0

# Sales to Customers by Geographical Area

(billions of yen, %)

	FY2002		FY2003			
	Results	%	Results	%	YOY	Increase
Japan	250.6	53.7	260.9	52.2	104	10.3
North America	179.5	38.5	194.5	38.9	108	15.0
Europe	27.3	5.9	34.8	7.0	128	7.5
Asia	9.1	2.0	9.9	2.0	108	0.7
Overseas	216.0	46.3	239.2	47.8	111	23.2
Total	466.6	100.0	500.2	100.0	107	33.6

# Operating Income by Geographical Area

(Pre-royalty deduction)

(billions of yen, %)

	FY2002		FY2003			
	Results	%	Results	%	YOY	Increase (Decrease)
Japan	48.5	60.7	46.7	53.0	96	(1.9)
North America	26.4	33.0	35.0	39.8	133	8.6
Europe	3.4	4.2	4.6	5.2	136	1.2
Asia	1.7	2.1	1.8	2.1	107	0.1
Overseas	31.5	39.3	41.4	47.0	132	9.9
Sub-total	80.0	100.0	88.1	100.0	110	8.1
Elimination	(4.1)		(5.0)		121	(0.9)
Total	75.9		83.1		109	7.2

# Performance of Eisai Inc.

(millions of dollars, %)

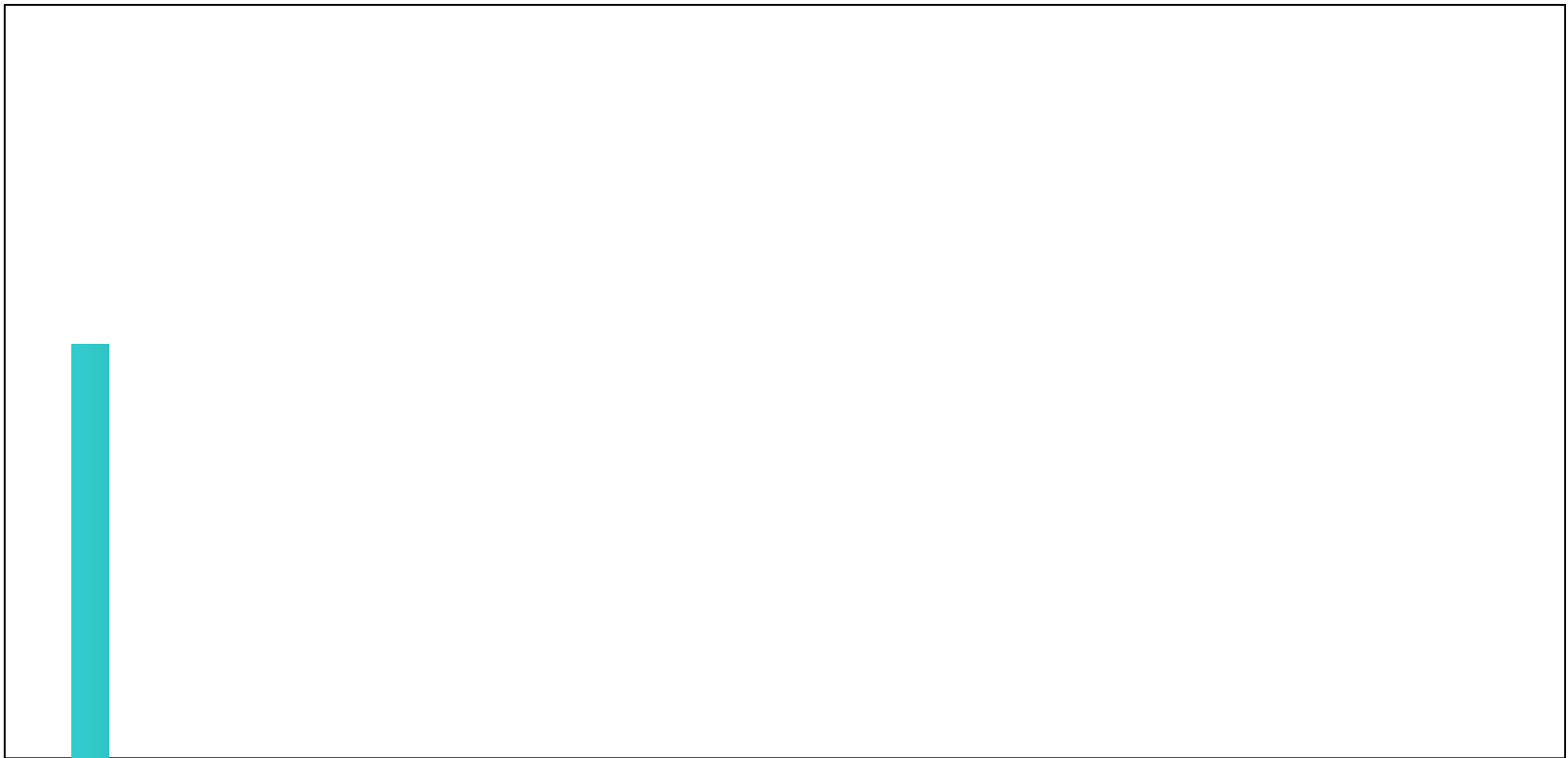
	FY2002			FY2003			
	Results	%	YOY	Results	%	YOY	Increase
Net Sales	1,490	100.0	117	1,734	100.0	116	245
Aricept	611	41.0	115	777	44.8	127	166
Aciphex	851	57.1	122	933	53.8	110	82
Operating Income	52	3.5	114	88	5.1	171	37
Net Income	32	2.2	99	53	3.1	165	21

Operating Income (Pre-royalty deduction)	222	14.9	127	301	17.4	136	80
---	-----	------	-----	-----	------	-----	----



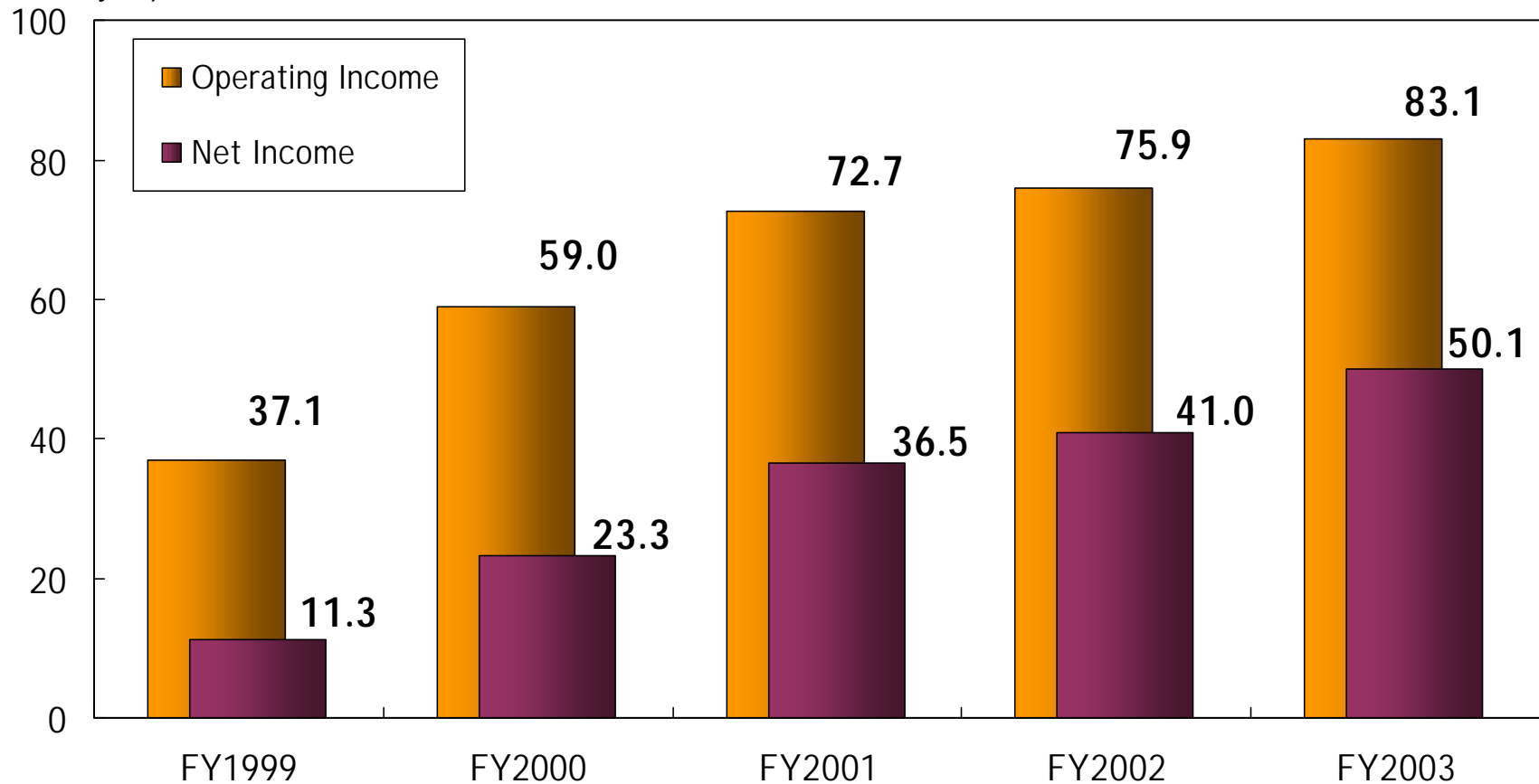
# Sustainable Growth

# Achievement of Best Performance for 5 Consecutive Years - Net Sales -

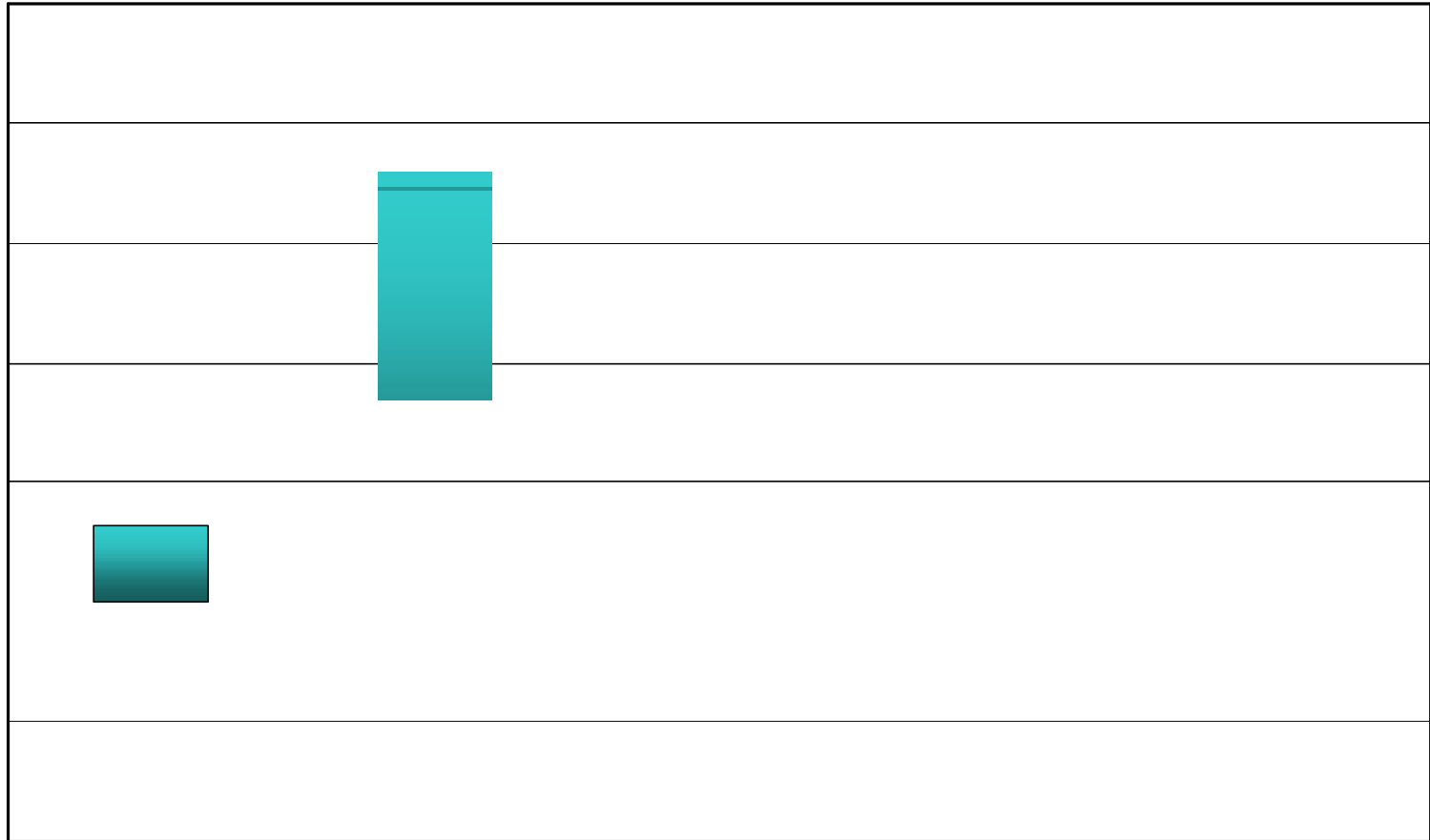


# Achievement of Best Performance for 4 Consecutive Years - Profits -

(billions of yen)



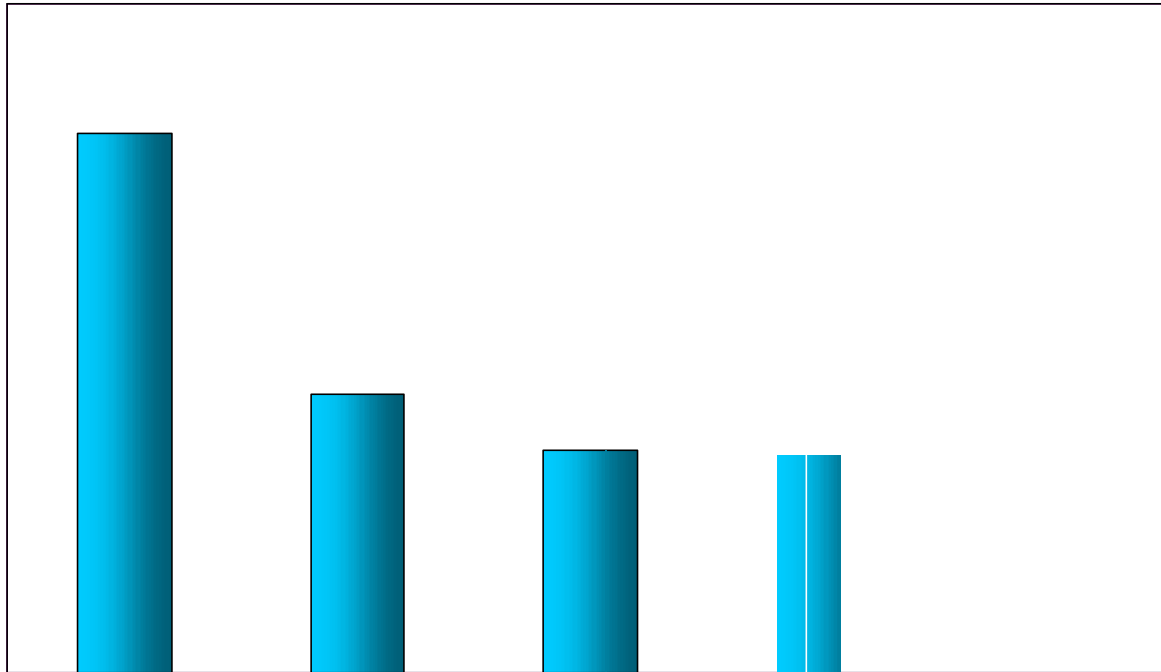
# Consolidated Free Cash Flow





# Improvement of Shareholder Value

-Total Return Ratio -





# Creation of Shareholder Value through Efficiency in Capital

Economic Profit (pro forma)



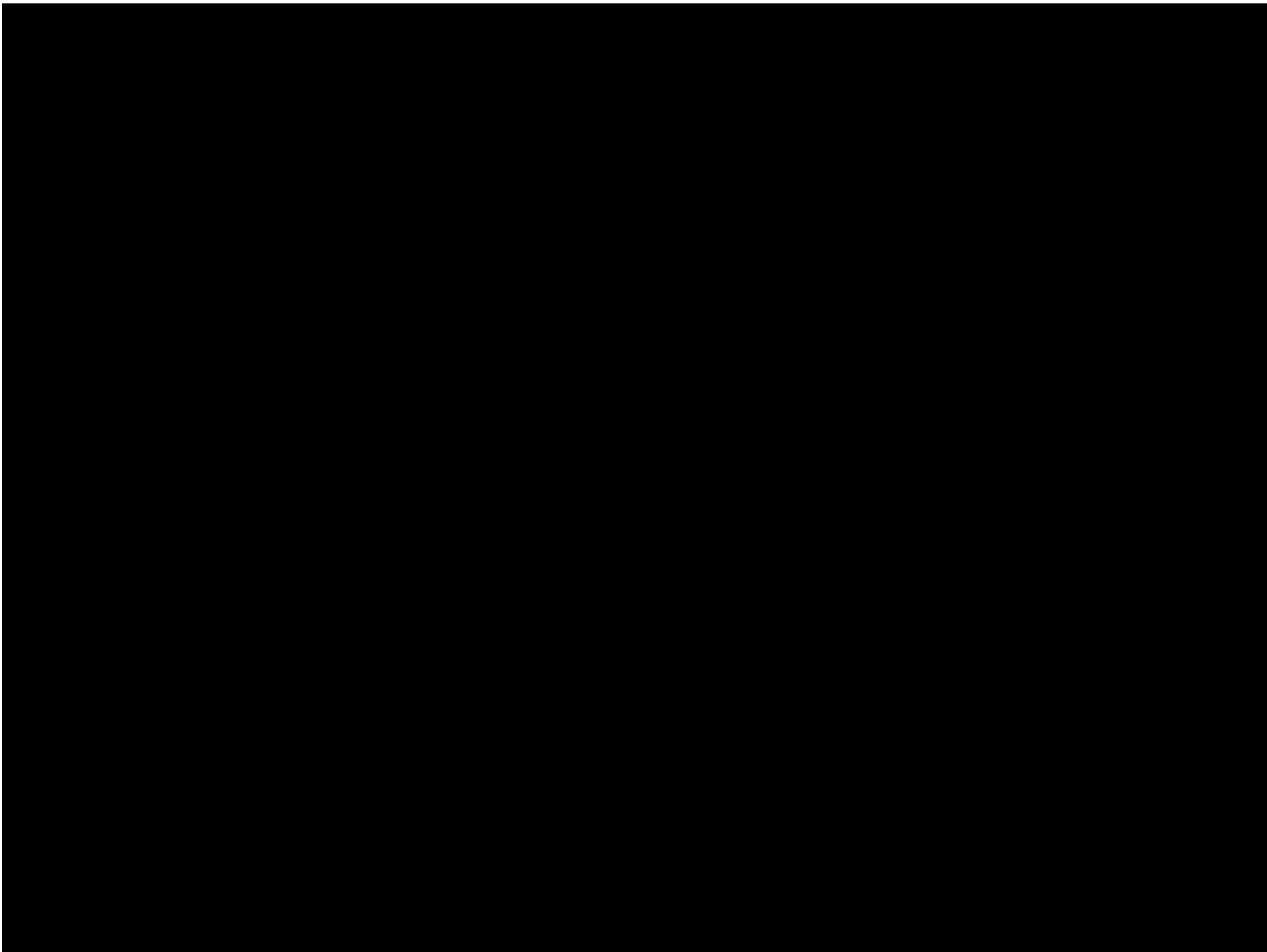


FY2004  
Start of the Second  
Globalization Stage

Multiple  
Products  
Rollout with  
Supporting  
Infrastructure  
Enhancement

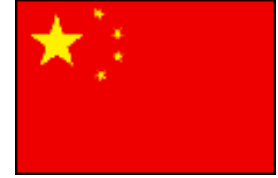
File one  
New Molecular  
Entity (NME)  
A Year

Multiple Products Rollout  
With Aricept and  
Aciphex/Pariet as Core  
with  
Supporting Infrastructure  
Enhancement





# Outlook for China



## **9 Products:**

Methycobal, Aricept, Pariet, Myonal, Selbex, Neuquinon, Merislon, Kestine (Almirall), Pranopulin (Senju Pharmaceutical)

## **Marketing and Manufacturing Infrastructures:**

- Increase sales force from current 210 to 250 MRs and enhance training
- Gain early health insurance reimbursement listings (Aricept, Pariet)
- Expand coverage from 53 to 100 major cities with more than 1 million population
- Further business development
- Nearly double manufacturing capacity



File One New  
Molecular Entity (NME)  
A Year





E5564 Endotoxin Antagonist (Phase II, Injectable)

Sepsis: Stage 3 ongoing

CABG: Stage 3 ongoing in US

Phase IIb ongoing in EU

E7070 Cell Cycle G1 Phase Arresting Agent (Phase II, Injectable)

Colorectal cancer, Non-small cell lung cancer: Combination therapy ongoing

Breast Cancer: Monotherapy and combination therapy ongoing

E7389 Tubulin Polymerase Inhibitor (Phase I, Injectable)

# Progress of Major Japanese Projects

## **Approach for Rheumatoid Arthritis by Different Mechanism of Action**

T-614: Oral (New DMARD) Submitted in September, 2003

Inhibits lymphocyte proliferation and immunoglobulin production by suppressing the production of inflammatory cytokines

Expected to demonstrate efficacy versus current DMARDs

D2E7: Injection (Human Anti-TNF alpha Monoclonal Antibody)

Expected submission in FY2005

Blocks the activity of Tumor Necrosis Factor (TNF-alpha)

Fast efficacy for moderate to severe RA in monotherapy

## **Approach for Obesity**

KES524: Obesity Management (Serotonin and Noradrenaline Reuptake Inhibitor)

Expected submission in FY2007

Inhibits the reuptake of the cerebral neurotransmitters, noradrenaline and serotonin, enhancing the feeling of satiety and energy consumption resulting in loss of body weight

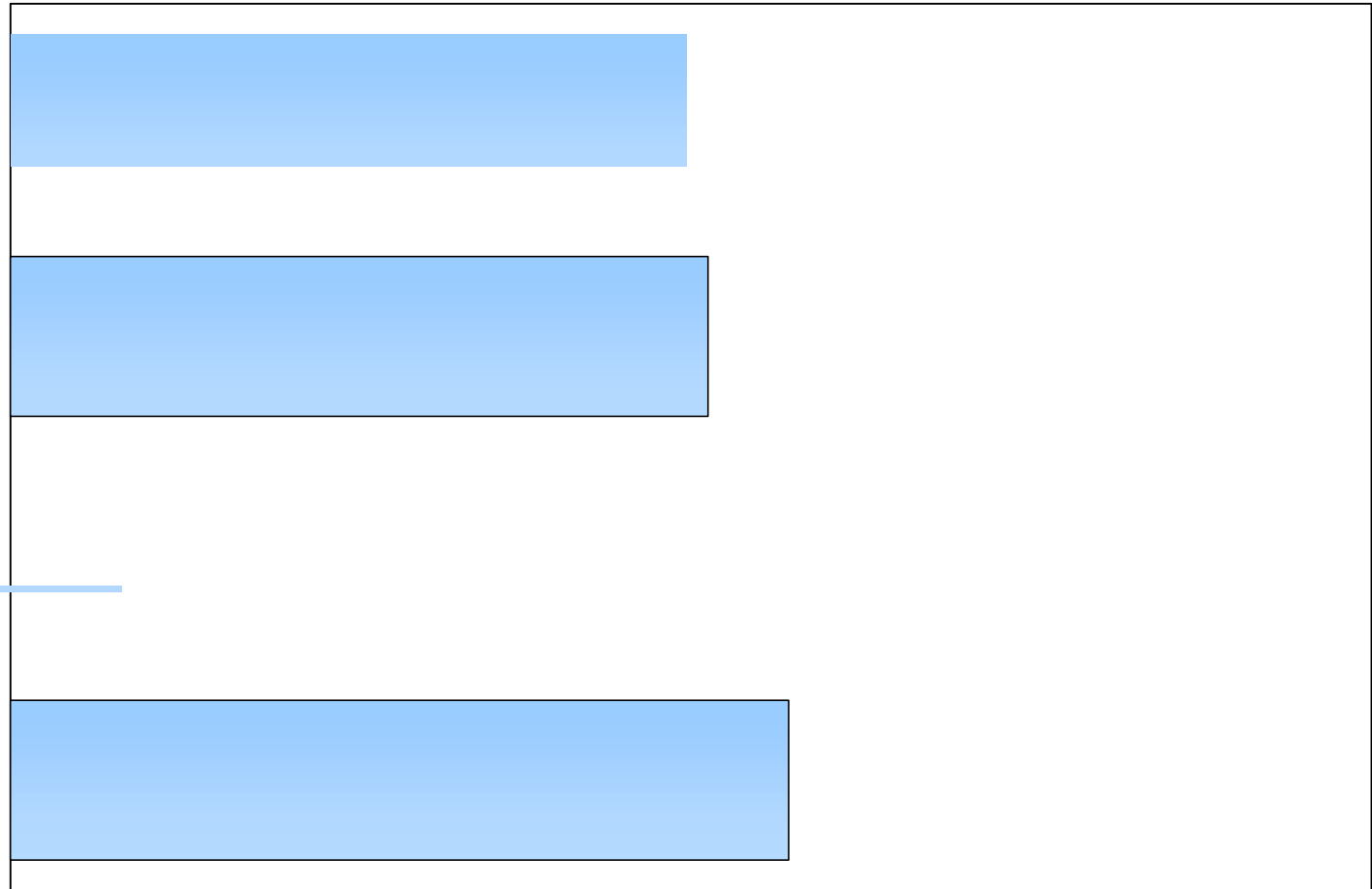
Exclusive development and marketing by Eisai





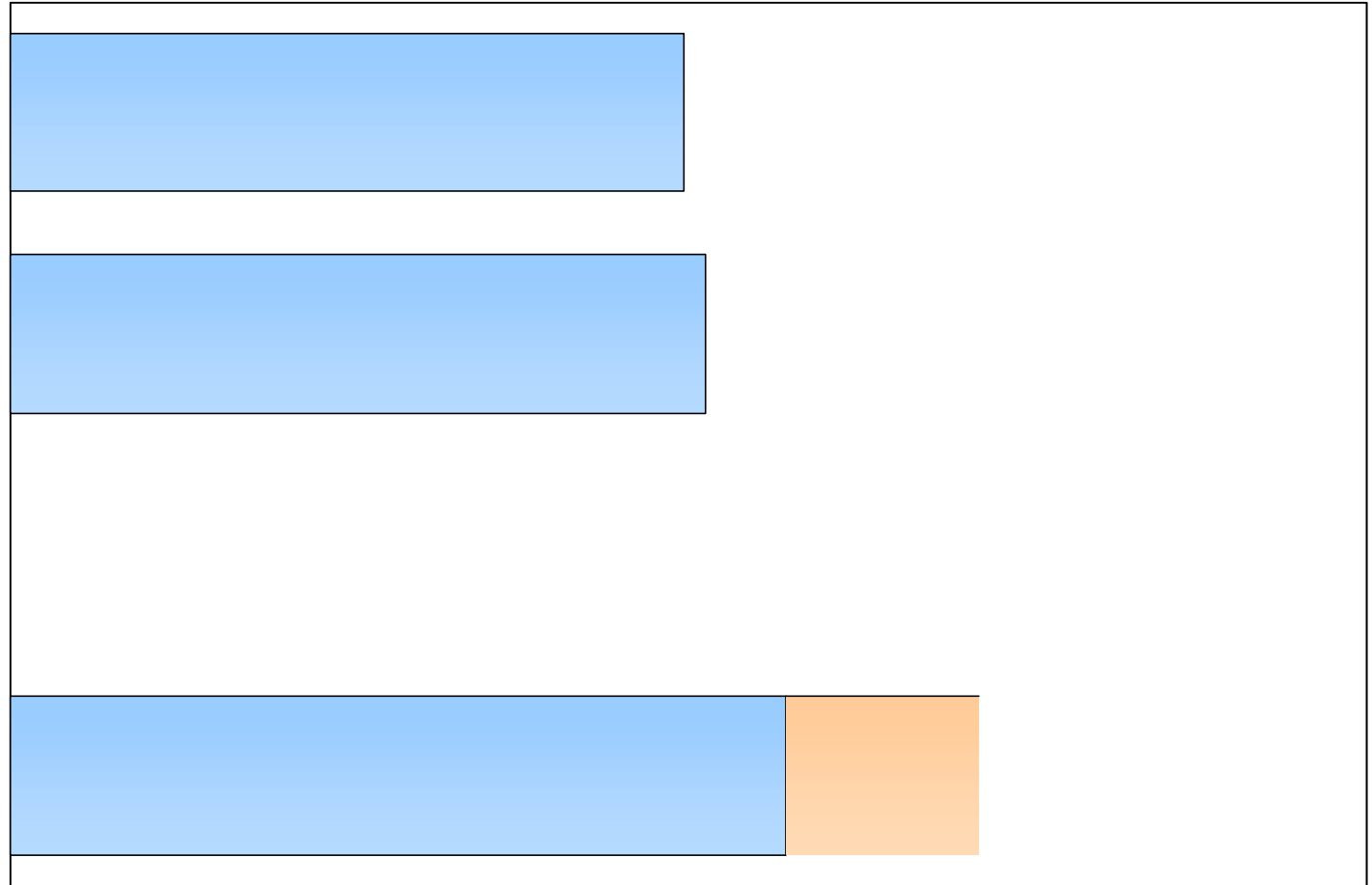
# Road Map for FY2006

# Road Map for FY2006



(Billions of Yen)

# Road Map for FY2006



Forecast of  
Performance and  
Dividends for FY2004



