Safe Harbor Statement

- Materials and information provided during this presentation may contain so-called “forward-looking statements.” These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements.
- Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations. Risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limi

I. FY2006 Financial Results

FY2006 Consolidated Results

						4.8
Net Income	63.4	10.5	**70.6**	10.5	111	7.2

Trends of Major Indices
(Consolidated)

(yen, %)

	Earnings Per Share (EPS)		Return on Equity (ROE)		Return on Assets (ROA)	
	Results	YOY	Results	Change	Results	Change
FY2002	141.2	114%	10.9%	+ 0.6%	7.1%	+ 0.5%
FY2003	172.1	122%	12.4%	+ 1.5%	8.3%	+ 1.2%
FY2004	193.4	112%	12.6%	+ 0.2%	8.7%	+ 0.4%
FY2005	221.9	115%	13.0%	+ 0.3%	9.0%	+ 0.3%
FY2006	**247.8**	**112%**	**13.2%**	**+ 0.2%**	**9.2%**	**+ 0.2%**

Cash Flow Situation
(Consolidated)

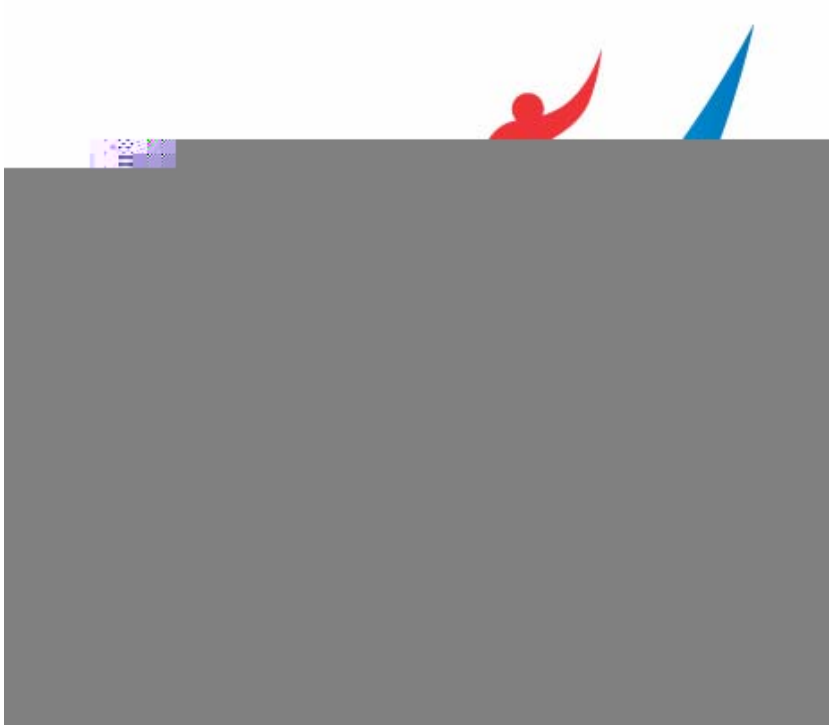
(billions of yen, %)

	Cash Flow from Operating Activities		Capital Expenditures		Free Cash Flow	
	Results	Change	Results	Change	Results	Change
FY2003	72.7	15.1	23.8	(2.7)	48.9	17.8
FY2004	49.2	(23.5)	38.7	14.9	10.5	(38.4)
FY2005	87.1	37.9	43.5	4.8	43.6	33.1
FY2006	**81.2**	**(5.9)**	**52.5**	**9.1**	**28.6**	**(14.9)**

II. Progress of the 1st Year of Dramatic Leap Plan (DLP)

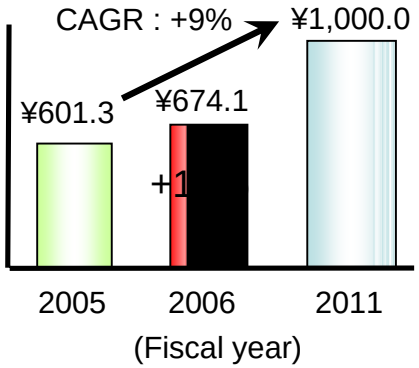
The 5th Medium-term Strategic Plan

(FY2006 – FY2011)

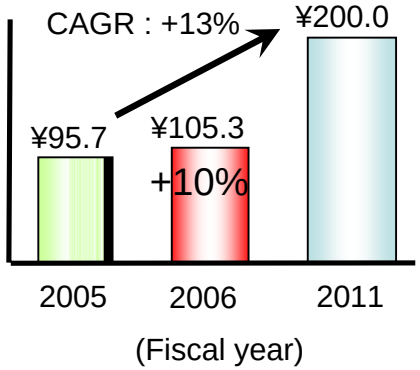


Progress of the 1st Year of Dramatic Leap Plan (1)

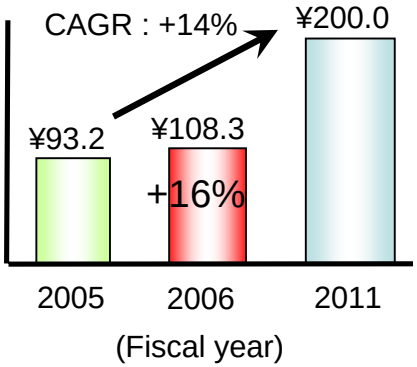
Net Sales



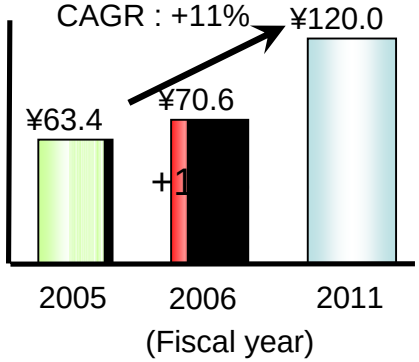
Operating Income

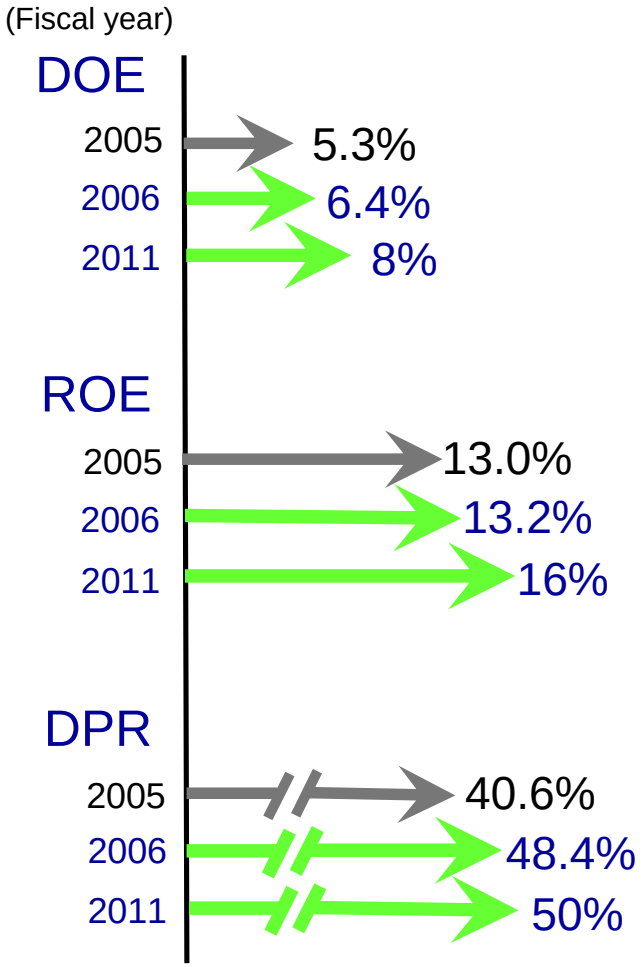


R&D Expenses



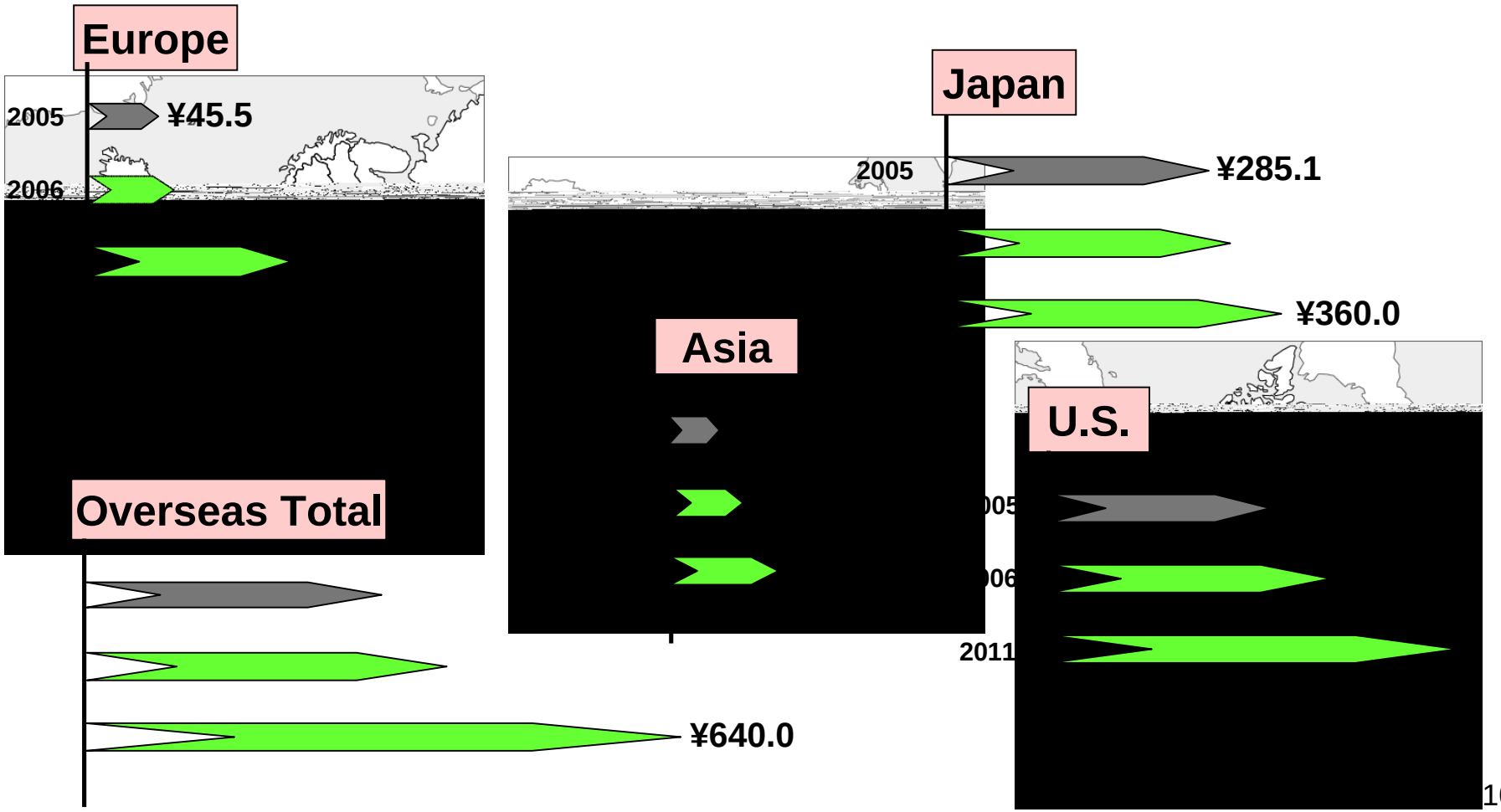
Net Income





Unit: billions of yen

Sales mix target ratio for Japan, U.S., Europe and Asia of 36:44:14:6



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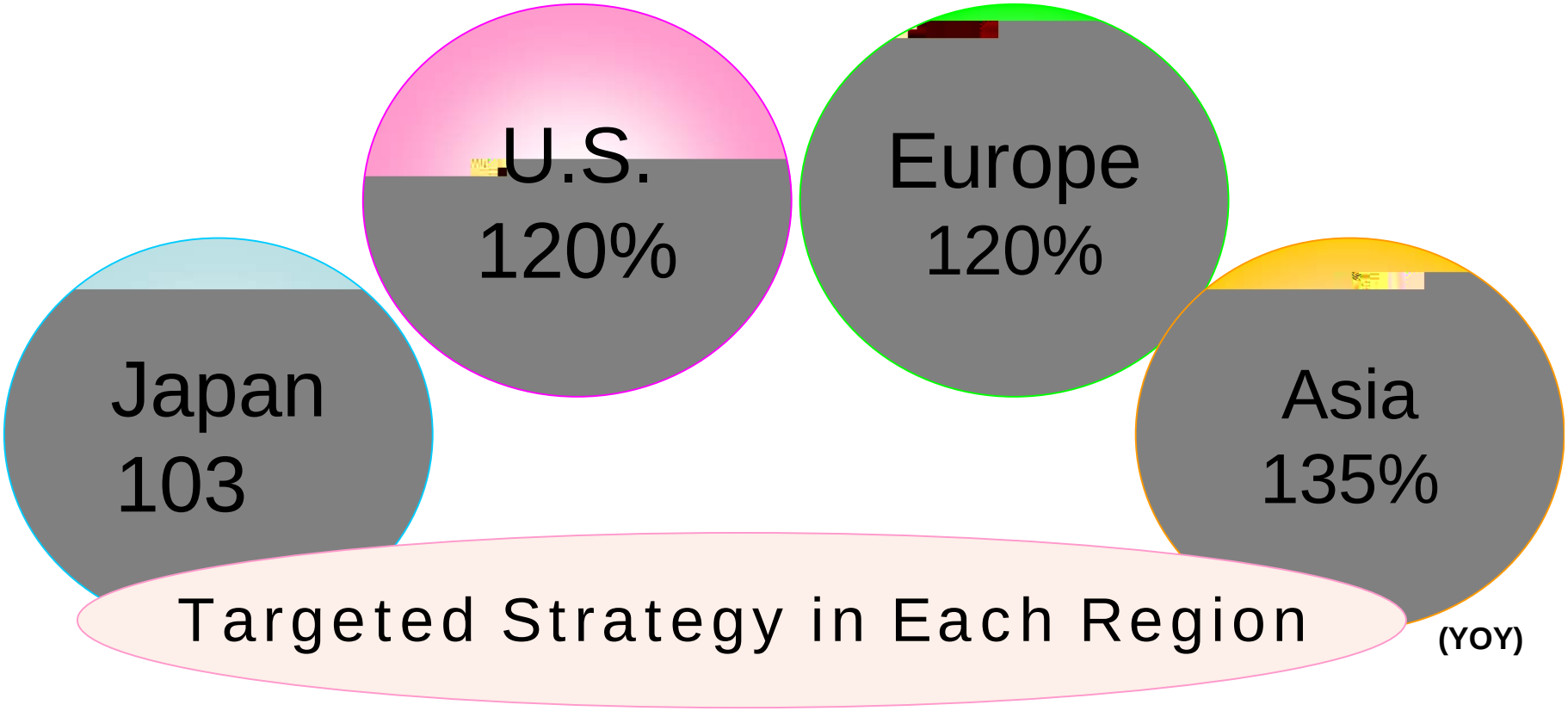
Independ [redacted]	Established Global Medical & Marketing Services in U.S. Size of sales force: U.S.: 850 Japan: 1,200 Europe: 480 Asia: 940
Transform [redacted] **Strateg**	Established Transformation Department Establishing an API research and production site in Vizag, India Decided to establish statistical analysis function site and to develop a strategic partnership on data management in India
Global Hu [redacted] **Resources S**	Established Global HRM Strategy Section Developed and implemented Global HRM Policy Developed and implemented policy for international human resources exchange Developed and implemented Global Executive Leadership Development Program

III. Growth Drivers

1. Four Region Structure

Outperformed Market Growth in All Four Regions



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Japan	47.4
North America	42.1
Europe	7.6
Asia & others	2.9
Overseas	52.6
Total	100.0

Operating Income by Geographic Area

U.S. and Asia increased contributions to operating income, prioritized investment on new European territories

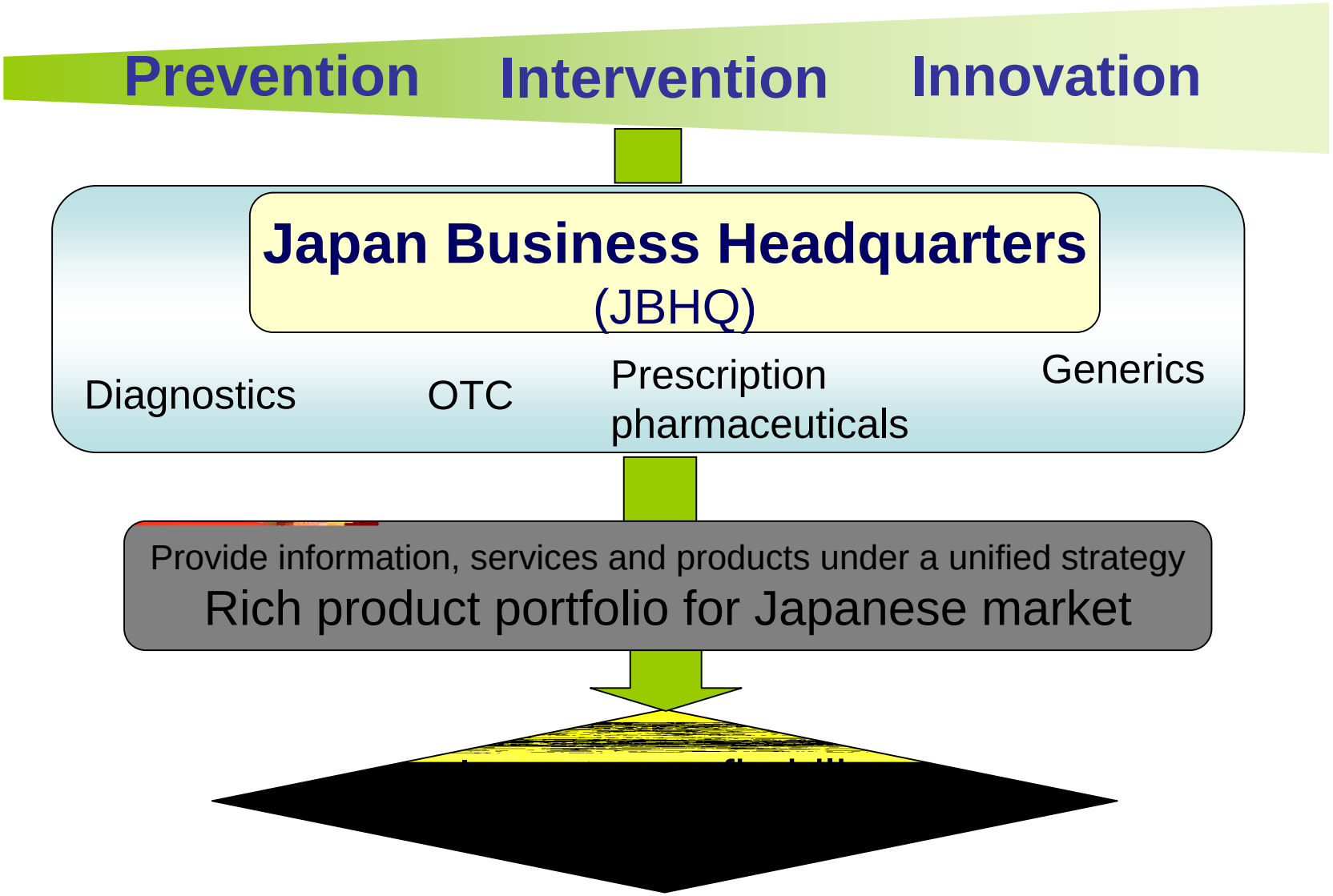
(billions of yen, %)

	FY2005		FY2006			
	Results	%	Results	%	YOY (%)	Change
Japan	74.2	71.3	**72.8**	66.4	98	(1.4)
North America	22.5	21.6	**28.8**	26.2	128	6.3
Europe	4.6	4.5	**4.1**	3.7	88	(0.6)
Asia & others	2.8	2.7	**4.0**	3.7	144	1.2
Overseas	29.9	28.7	**36.8**	33.6	123	6.9
Sub Total	104.1	100.0	**109.6**	100.0	105	5.6
Elimination/ Corporate	(8.4)		**(4.4)**		52	4.0
Total	95.7		**105.3**		110	9.6

Japan Business

Re-evaluated opportunities within the Japanese market

OTC business achieved 12% growth in sales and double-digit operating income ratio



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U.S. Business

[redacted]

European Business

Emergence of large, highly-diverse market

- Expand into additional countries
  - Current: UK, France, Germany, Italy, Spain, Switzerland, Sweden, Ireland, Austria, Denmark, Finland, Norway
  - Recently added: Portugal, Iceland (new in FY2006)

Asia, Oceania and the Middle East Business

Invest in future growth

- Enhance functional operation in China
  - Enlarge and strengthen functions of Beijing office
  - Expanded Suzhou Factory – produce 8 products/ 12 packages
  - Operates in 103 cities with 460 sales reps
- Established Singapore as development base
  - Established Eisai Clinical Research Singapore Pte. Ltd.
  - Regional management
- Promote transformation strategy in India
  - Establishing an API research and production company in Vizag (Eisai Pharmatechnology & Manufacturing Pte. Ltd.)
  - Decided to establish statistical analysis function site and to develop a strategic partnership on data management
- Maximize product portfolio for Asian market
  - Clevudine (anti-HBV): China, Taiwan, Philippines, Thailand, Vietnam, Malaysia, Singapore, Indonesia, India
  - Gasmotin® (gastroprokinetic agent): Thailand, Indonesia, Malaysia, Philippines, Vietnam, Singapore, Myanmar, Cambodia, Laos, Sri Lanka
  - Humira® (rheumatoid arthritis, psoriasis): Taiwan, Korea
  - Eril® (vasodilator): China, Korea
  - Kestine® (antihistamine): China
  - Pranopulin® (therapeutic eye drop): China
  - Catalin® (cataract treatment): China

Planned site in Vizag, India

3. Strong R&D

1) Progress of 3 Global Compounds

E2007 (perampanel) AMPA receptor antagonist

- Parkinson's disease
  - Phase III studies ongoing in U.S. and Europe

    Study 301: Case entry completed
    Study 302: 60% of case entry completed
  - Target submission in FY2007 in U.S. and Europe as planned

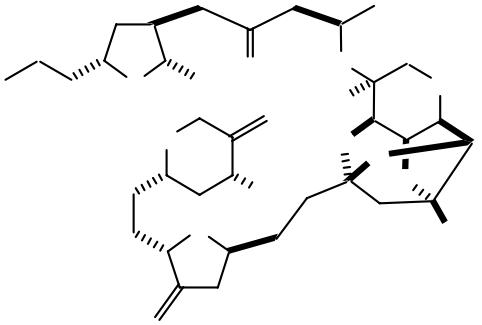
E2007 (perampanel) AMPA Receptor Antagonist

- Migraine prophylaxis
  - Outline of Phase II POC study (Study 210)
    - Target: Patients who have history of migraine
    - Dosing period: 4 weeks of baseline phase, 6 weeks of titration, 8 weeks of maintenance dose
    - Administrated groups: treatment group (titrated from 1mg to 2mg), placebo
    - Target number of cases: 200 (100 cases each)
    - Primary outcome measures: reducing migraine headaches based on the change in the frequency of migraine periods per 28 days during the treatment phase compared to the baseline phase
    - Location: U.S.
  - Results
    - 206 cases enrolled (treatment group: 102 cases; placebo group

E7389 (eribulin mesylate)

Microtubule Growth Suppressor

- Study for 3rd line breast cancer Subpart H submission in U.S.
  - Enrollment completed in October 2006
  - Goal is to have pre-submission meeting with FDA in 2Q FY2007
  - Target Subpart H NDA submission in 3Q FY2007
- Phase III study for 3rd line breast cancer in Europe
  - Enrollment ongoing for submission in FY2009
- Phase III study for 2nd line breast cancer
  - Enrollment ongoing for submission in FY2010
- Non-Small Cell Lung Cancer (NSCLC)
  - Phase Ib study in combination with carboplatin ongoing
- Prostate cancer
  - Enrollment of Phase II POC study in final phase
  - Goal is to accomplish POC in FY2007
- Sarcoma
  - Phase II POC study ongoing
- Phase I study in Japan
  - Phase I study ongoing in Japan



E5564 (eritoran 4Na)

Endotoxin Antagonist

- Enrollment ongoing for Phase III study (target enrollment: 2,000)
  - Opened 112 sites (target 250 sites) in 14 countries (Americas: 3, Europe: 8, Asia and others: 3) and enrolled 195 cases, as scheduled
  - Plan to open sites in 10 other countries, including Japan
- Completed Phase I study with Japanese volunteers in U.S.
  - Confirmed similarity in PK/PD profiles between Japanese and others
  - Plan to bring Japanese sites into Phase III study (international development) after discussion with authorities
- Goal is to simultaneously submit in Japan, U.S. and Europe in FY2009

2) Potential Candidates for Next Generation of Blockbuster Products

E5555 Thrombin receptor antagonist

- As a result of Phase I study, determined optimal blood level, safety and pharmacodynamic action (platelet aggregation)
- Phase II study suspended pending outcome of investigation of fatal case with bleeding in a drug interaction study of E5555 and t-PA (thrombolytic) in monkeys
- An additional study using guinea pigs and monkeys concluded that bleeding did not occur from E5555 pharmacodynamic action; re-initiate recruiting for Phase II clinical study
- Observe tolerability, effect for cardiac event and vascular inflammation marker in Study 201; recruited 600 stable coronary artery disease patients, such as stable angina patients
- At the End of Phase I Meeting, agreed with FDA on the outline of Phase II and Phase III studies

[redacted]

[redacted]

AS-3201 Aldose Reductase Inhibitor

- U.S. Phase III study results in review with Dainippon Sumitomo Pharma (stratified analysis for patient sub-population)
- Plan to have diabetic neuropathy advisory meeting with professionals in May to determine the future development strategy

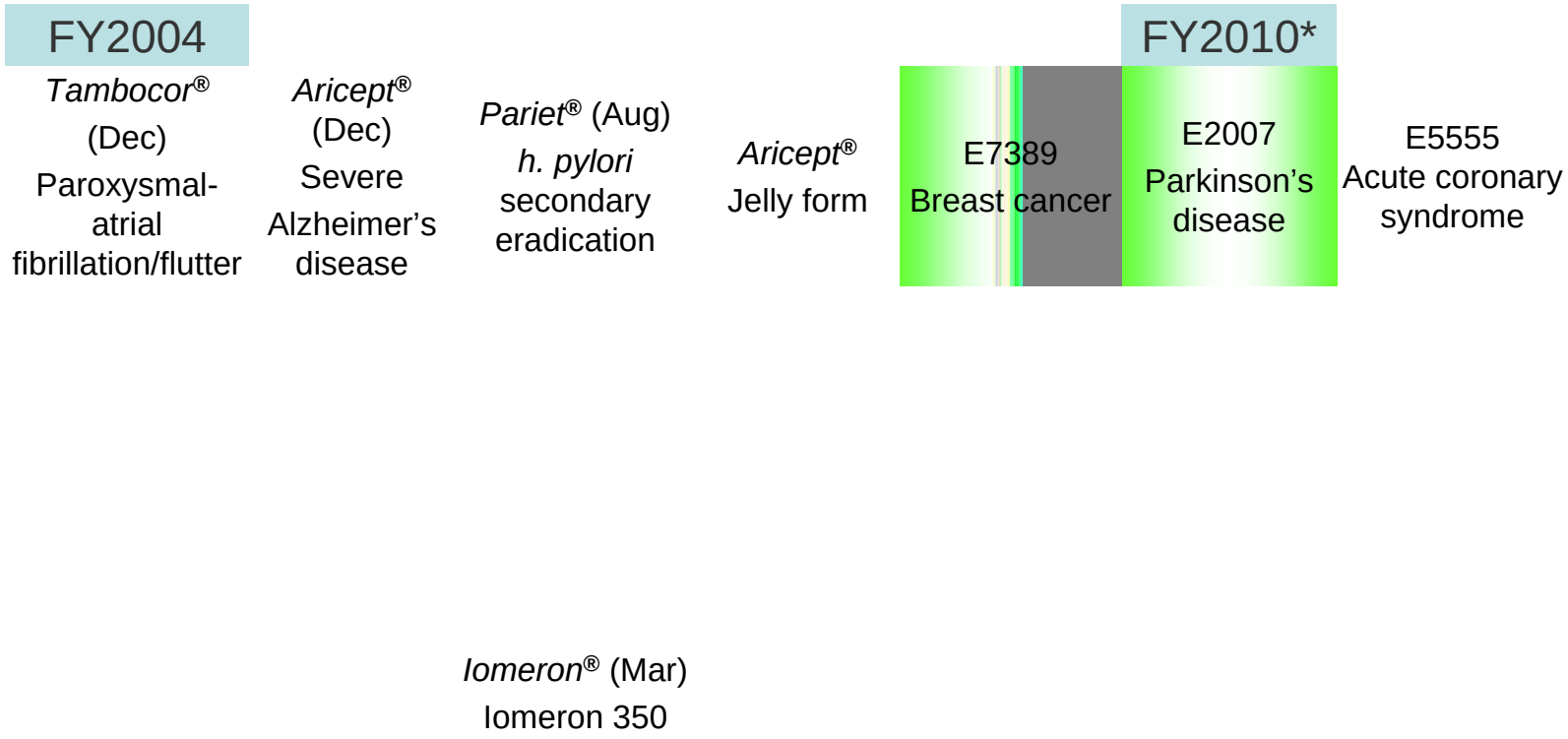
E2012 Gamma Secretase Modulator

- Lenticular opacity found in ophthalmologic test in high-dose group of 13-week dose safety study in rats
- Voluntarily halted a single-dose Phase I study and received an order of Clinical Hold from U.S. FDA
- Conducting ophthalmologic testing of Phase I study subjects and confirming recovery and safety margin in animal study; results to be reported to U.S. FDA within FY2007 and hope to re-start Phase I study
- Conclude bio-marker analysis in Phase I study to determine effective dose; design Phase II and III studies to be conducted with a single protocol

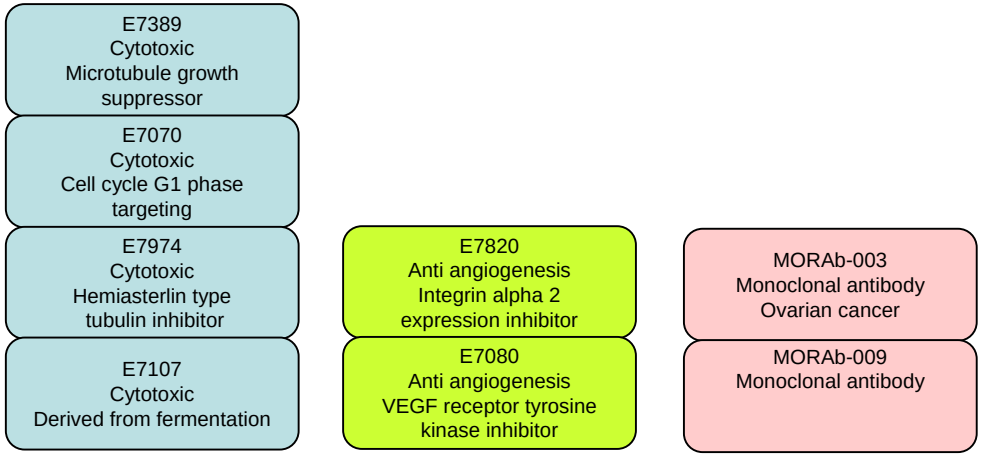
(3) Major New Formulation/ New Market

- *Aricept®*
  - Preparing for Phase I study of transdermal patch formulation
    - ü Goal: Improve convenience and patient compliance
  - Preparing for Phase III study of sustained release formulation
    - ü Goal: Improve efficacy while maintaining safety profile
- *AcipHex®/Pariet®*
  - Preparing for Phase III study of extended release formulation
    - ü Goal: Improve inhibition of nocturnal acid secretion using new formulation

(4) Strong Japanese Pipeline



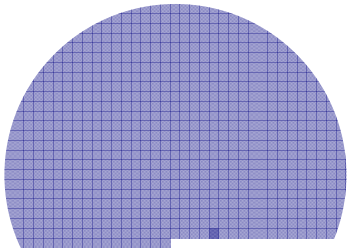
IV. Entry into Oncology


E7389
Cytotoxic
Microtubule growth suppressor
E7070
Cytotoxic
Cell cycle G1 phase targeting
E7974
Cytotoxic
Hemiasterlin type tubulin inhibitor
E7107
Cytotoxic
Derived from fermentation
E7820
Anti angiogenesis
Integrin alpha 2 expression inhibitor
E7080
Anti angiogenesis
VEGF receptor tyrosine kinase inhibitor
MORAb-003
Monoclonal antibody
Ovarian cancer
MORAb-009
Monoclonal antibody

Oncology Portfolio and Technology Base of Small Molecules and Biologics (2)

- Potentially effective against intracellular targets
- Many options of administration including oral (depends on compound properties)

[redacted] Improvement of Oncology Commercial Structure [redacted]



Enriched Oncology Product Portfolio

Onco-therapy	*ONTAK*®	Treatment of patients with persistent or recurrent cutaneous T-cell lymphoma, whose malignant cells express the CD25 component of the Interleukin-2 receptor (injection)	Cytotoxic
			Cytostatic

NME Pipeline

rufinamide *INOVELON* ®		Lennox-Gastaut Syndrome (LGS)	Received marketing authorization as an orphan drug from the European Commission on January 16, 2007 (UK time)	Approved
MORAb-003	Monoclonal antibody	Ovarian cancer	Phase I/II ongoing	
MORAb-009	Monoclonal antibody	Pancreatic cancer	Phase I ongoing	
T-614	Suppression of lymphocyte proliferation, immunoglobulin and inflammatory cytokines production	Rheumatoid arthritis	NDA submitted in September 2003	Submitted
D2E7	Fully human anti-TNF-alpha monoclonal antibody	Rheumatoid arthritis	NDA submitted in December 2005	Submitted
		Psoriasis	Phase II/III study ongoing	FY2007
		Crohn's disease	Initiated Phase II/III study	FY2009
			Phase III study ongoing for severe sepsis Site open and patient enrollment on schedule	FY2009
			Phase I study ongoing using Japanese volunteers in the U.S., before conducting Phase III	(Japan, U.S. EU)

V. Performance Forecast and Return to Shareholders

	FY2006		FY2007		
	1	0%	Forecast	%	YOY
Net Sales	674.1	100.0	**720.0**	100.0	107
Cost of Sales	109.3	16.2	**113.0**	15.7	103
Gross Profit	564.8	83.8	**607.0**	84.3	107
R&D Expenses	108.3	16.1	**124.0**	17.2	115
SG&A Expenses	351.2	52.1	**371.0**	51.5	106
Operating Income	105.3	15.6	**112.0**	15.6	106
Ordinary Income	110.5	16.4	**115.0**	16.0	104
Net Income	70.6	10.5	**75.0**	10.4	106
EPS (yen)	247.8		**263.3**		106

Enhancing Return to Shareholders

Fiscal Year	Dividend per Share			DPR*	ROE	DOE
	Mid-year	Year-end	Annual			
2003	18 yen	18 yen	36 yen	20.9%	12.4%	2.6%
2004	21 yen	35 yen	56 yen	29.0%	12.6%	3.7%
2005	40 yen	50 yen	90 yen	40.6%	13.0%	5.3%
2006	55 yen	65 yen	120 yen	48.4%	13.2%	6.4%
2007 (Plan)	65 yen	65 yen	130 yen	49.4%	13.3%	6.5%

*DPR: Dividend Payout Ratio