1Q FY2006

(Fiscal Year Ending March 31, 2007)

Financial Results Presentation

July 31, 2006

Safe Harbor Statement

- Materials and information provided during this presentation may contain so-called “forward-looking statements.” These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements.
- Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations. Risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited to, technological advances and patents attained by competitors; challenges inherent in new product development, including completion of clinical trials; claims and concerns about product safety and efficacy; obtaining regulatory approvals; domestic and foreign healthcare reforms; trends toward managed care and healthcare cost containment; and governmental laws and regulations affecting domestic and foreign operations.
- Also, for products that are approved, there are manufacturing and marketing risks and uncertainties, which include, but are not limited to, inability to build production capacity to meet demand, unavailability of raw materials, and failure to gain market acceptance.
- The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Consolidated Performance

(billions of yen, %)

	1Q FY2005		1Q FY2006			
	Results	%	Results	%	YOY (%)	Change
Net Sales	135.8	100.0	**153.9**	100.0	113	18.2
Cost of Sales	24.1	17.7	**26.8**	17.4	111	2.7
Gross Profit	111.7	82.3	**127.1**	82.6	114	15.4
R&D Expenses	19.9	14.7	**24.4**	15.8	122	4.4
SG&A Expenses	69.3	51.1	**78.7**	51.1	113	9.3
Operating Income	22.5	16.5	**24.1**	15.7	107	1.7
Ordinary Income	23.4	17.2	**25.1**	16.3	107	1.7
Net Income	14.9	11.0	**15.8**	10.3	106	0.9
R&D + Operating Income	42.4	31.2	**48.5**	31.5	114	6.1

Sales of Major Products

	Total	3.6	**1.3**	37
Zonegran®	US	3.6	**1.0**	28
Anti-epileptic drug				26

Sales to Customers by Geographic Area

(billions of yen, %)

	1Q FY2005		1Q FY2006		
	Results	%	Results	%	YOY (%)
Japan	69.1	50.9	**70.9**	46.1	103
North America	52.6	38.7	**65.7**	42.7	125
Europe	10.4	7.7	**12.4**	8.0	119
Asia & others	3.7	2.7	**4.9**	3.2	134
Overseas	66.7	49.1	**83.0**	53.9	125
Total	135.8	100.0	**153.9**	100.0	113

	1Q FY2005		1Q FY2006			
	Results	%	Results	%	YOY (%)	Change

Performance of Eisai Inc.

(millions of dollars, %)

	1Q FY2005		1Q FY2006			
	Results	%	Results	%	YOY (%)	Change
Net Revenue	491	100.0	**576**	100.0	117	85
Aricept®	219	44.5	**289**	50.3	132	71
AcipHex®	235	47.8	**256**	44.4	109	21
Zonegran®	33	6.7	**9**	1.5	26	(24)
Fragmin®	-	-	**16**	2.8	-	16
Operating Income	28	5.7	**48**	8.4	171	20
Net Income	18	3.8	**34**	5.8	182	15

Operating Income (Pre-royalty deduction)	95	19.4	**132**	23.0	139	37

Initiated Dramatic Leap Plan

	Progress
World Headquarters	Organized Global Policy & Strategy Committee Established Global Medical & Marketing Services in the US Established Asia, Oceania and Middle East Business Headquarters Established Global Human Resources Management (HRM) Strategy Section
R&D Strategy	Improve discovery capabilities - Relocate KAN Research Institute to Kobe (October 2006) - New Eisai Research Institute building in Boston (January 2007) Made decision to establish Asian clinical research management center in Singapore Outlined plans for European Knowledge Center - Improve capability of discovery and compound optimization - Enhance clinical development team Established Eisai R&D Management Co., Ltd. - Instituted R&D Management Committee as the top decision-making body for R&D function - Created R&D system to directly manage International Project Teams globally
Oncology Strategy	Prepared for construction of oncology production site in the US Initiated plans for in-house oncology business unit in preparation for launch of oncology products Increased focus on business development in oncology area
Independent Marketing	Established Global Medical & Marketing Services in the US Number of MRs: US: 750 Japan: 1,200 EU: 470 Asia: 940
Transformation Strategy	Established Transformation Department Started selection of candidate site for production or research base Started planning of transformation strategy for data management and statistical analysis
Global Human Resources Strategy	Established Global HRM Strategy Section Drafting Global HRM Policy Started examination of policy for international human resources exchange Started examination of Global Executive Leadership Development Program

Initiated Knowledge Center Project in Europe

Important strategic investment in Europe (Total amount: 20 billion yen)

Knowledge creation by collaboration

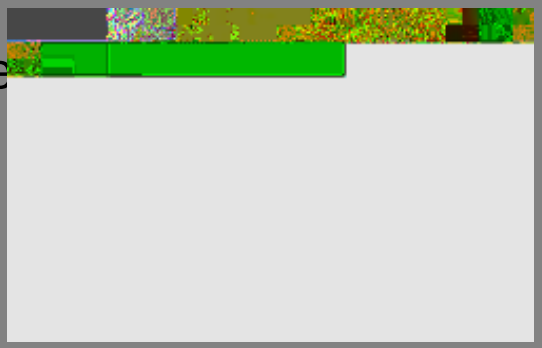
1) Deeply cultivate *hhc* & compliance philosophy of all employees and create knowledge by building stronger interdepartmental linkages
2) Recognize and respond to market needs
3) Enhance life cycle management, including pursuit of additional indications/formulations for existing products
4) Improve speed and success rate of development
5) Recruit top-class personnel in Europe

Severe Chronic Pain Agent *Prialt*® Launched in UK and Germany

- The first non-opioid severe chronic pain agent to be marketed in Europe
- A peptide, which is the synthetic equivalent of a peptide found in a marine snail
- Selectively blocks N-type calcium channels on nerves
- Acquired from Elan in February 2006
- Obtained development, manufacturing and marketing rights for *Prialt*® for 34 countries in the European region

Product name: *Prialt*®
Generic name: ziconotide acetate
Indication: Treatment of severe, chronic pain in patients who require intrathecal analge (designated as an orphan drug)
Launch date: July 10, 2006 in UK
July 25, 2006 in Germany

Conus magus



Current Status of Global NME Development (1)

- E7389: Microtubule Growth Suppressor (target Subpart H NDA submission in FY2006)
  - Studies for 3rd line breast cancer Subpart H NDA submission ongoing
  - Initiated Phase III study for 2nd line breast cancer
  - Phase II POC study for prostate cancer ongoing
  - Initiated Phase I study in Japan
- E2007: AMPA receptor antagonist (target submission for PD in FY2007)
  - PD: Phase III study in Europe ongoing
    - Completed End-of-Phase II meeting with US FDA, initiate Phase III study in the US
  - Migraine Prophylaxis: Phase II POC study in progress
  - Epilepsy: Phase II POC study in progress
- E5564: Endotoxin Antagonist (target submission in FY2009)
  - Phase III study for severe sepsis started
  - Plan to sequentially initiate study at approx. 250 sites in Americas, Europe, Japan, Asia, Oceania, etc.
  - Preparing Phase I study with Japanese participants
  - Target simultaneous submission in the US, Europe and Japan in FY2009

Current Status of Global NME Development (2)

Project Code		Target Indication	Progress	Submission Target
E2080	Na^+ channel modulator	Epilepsy (rufinamide)	Filed (US & EU)	Filed
E7389	Microtubule growth suppressor	Breast cancer	Subpart H study Phase III (US)	FY2006 (Subpart H submission)
		Non-small cell lung cancer	Phase II (US)	FY2010
		Prostate cancer	Phase II (US)	-
		Sarcoma, ovarian cancer	Phase II in preparation	-
E2007	AMPA receptor antagonist	Parkinson's disease	Phase III (US & EU)	FY2007
		Migraine prophylaxis	Phase II (US)	FY2008
		Epilepsy	Phase II (US & EU)	FY2009
		Multiple sclerosis	Phase II (US & EU)	-
E5564	Endotoxin antagonist	Severe sepsis	Phase III (US)	FY2009 (JP, US, EU)
clevudine	Antiviral agent	Chronic hepatitis B	Phase III (Asia)	Start from FY2006
AS-3201	Aldose reductase inhibitor	Diabetic neuropathy	Phase II/III (US)	FY2009
E5555	Thrombin receptor antagonist	Prevention of major adverse cardiac events in acute coronary syndrome	Phase II (US)	FY2010
E7070	Cell cycle G1 phase targeting	Gastric cancer (Japan) Small cell lung cancer (combination with irinotecan)	Phase II (JP) Phase I	FY2010
E2012	Gamma-secretase modulator	Alzheimer's disease	Phase I (US)	FY2010
E1224	Anti-fungal agent	Fungal infection	Phase I (US)	FY2011
E7820	Alpha 2 integrin expression inhibitor	cancers	Phase I (US)	FY2011
E7974	Tubulin polymerization inhibitor	cancers	Phase I (US)	FY2012
E7080	VEGF receptor tyrosine kinase inhibitor	cancers	Phase I (US, EU & JP)	FY2012

Potential Market of Drug Candidates

Project Code	Target Indication	Patient Population (x1,000)	Unit Price of Standard Drug Therapy	Standard Therapy days/year	Submission target
E7389 Microtubule Growth Suppressor	Breast Cancer	1,790	$2,110/cycle	4−6 cycles	FY2006 Subpart H
	Non-Small Cell Lung Cancer	430			1st line Phase I/II to start in 2Q FY2006
	Prostate Cancer	1,180			POC study to be completed in FY2006
	Sarcoma	75			POC study to start in 2Q FY2006
	Ovarian Cancer	80			POC study to start in 2Q FY2006
E2007 AMPA Receptor Antagonist	Parkinson's Disease	2,450	$16/day	270 days	FY2007 Phase III
	Epilepsy	5,900	$11/day	300 days	POC study to be completed in FY2006
	Migraine Prophylaxis	65,950	$5/day	180 days	POC study to be completed in FY2006
	Multiple Sclerosis	610	$100/2days	300 days	POC study to start in 2H FY2006
E5564 Endotoxin Antagonist	Severe Sepsis	1,960	$6,800/course	6 days/ course	FY2009 Phase III
AS-3201 Aldose Reductase Inhibitor	Diabetic Neuropathy	8,300	$2−4/day	170 days	FY2009 Phase II/III

Source: Eisai
Patient population: prevalence in US, Europe (G5) and Japan in 2005
This table is for reference purposes only.

Current Status of Development Projects in Japan

Project Code		Progress	Submission Target
T-614	Rheumatoid arthritis (RA)	Filed for the treatment of RA	Filed
D2E7	Rheumatoid arthritis (RA)	Filed for the treatment of RA	Filed
E2014	Cervical dystonia	Phase II/III ongoing	FY2006
KES524	Obesity management	Phase III ongoing	FY2007
E0167	Vitamin K_2 preparation	Recurrence of hepatocellular carcinoma Phase II/III ongoing	FY2008
E7389	Cancers	Enrolled the first patient in Phase I study	FY2009
E5564	Endotoxin antagonist	Phase I in preparation	FY2009
E7070	Cancers	Gastric cancer, Phase II ongoing	FY2010
E2007	AMPA receptor antagonist	Phase II for Parkinson's disease in preparation	FY2010
E5555	Thrombin receptor antagonist	Single-dose Phase I completed	FY2011
E7080	Cancers	Phase I ongoing	FY2012

Current Status of Life Cycle Management Projects

Product		Target Indication	Submission Target
Aricept®	Acetylcholin-esterase Inhibitor	Severe Alzheimer's disease	Filed (JP, US & EU)
		Sustained release formulation	FY2009
		Transdermal patch formulation	FY2009
Pariet®	Anti-ulcer agent (PPI)	*H. pylori* eradication	Filed (JP)
		Symptomatic GERD	Filed (JP)
		Extended release formulation	FY2009
Zonegran ®	Anti-epileptic Agent	Pediatric use	FY2009
		Monotherapy	FY2010

	FY2005		FY2006		
	Resw sc4 17.40%283.(			%	YOY (%)
Net Sales	601.3	100.0	**640.0**	100.0	106
Cost of Sales	104.5	17.4	**110.0**	17.2	105
Gross Profit	496.7	82.6	**530.0**	82.8	107
R&D Expenses	93.2	15.5	**105.0**	16.4	113
SG&A Expenses	307.8	51.2	**324.0**	50.6	105
Operating Income	95.7	15.9	**101.0**	15.8	106
Ordinary Income	100.0	16.6	**104.0**	16.3	104
Net Income	63.4	10.5	**67.0**	10.5	106
EPS (yen)	221.9		**234.4**		106