



# 1. CONSOLIDATED THIRD QUARTER FINANCIAL RESULTS (October 1, 2004 – December 31, 2004)

## 1. NOTES TO PREPARATION OF THIRD QUARTER FINANCIAL REPORT

- (1) There have been no changes in accounting methods used by Eisai Co., Ltd. and its consolidated entities (hereinafter referred to as ‘the Company’) during the quarterly period.
- (2) Changes in the number of consolidated subsidiaries and associated companies accounted for by the equity method.

Y Number of newly consolidated subsidiaries: 4 (Eisai Food & Chemicals Co., Ltd., Hi-Eisai Pharmaceutical Inc., Eisai Europe Ltd. and Eisai Pharmaceuticals India Private Ltd.)

Y Number of companies omitted from consolidation: 1 (Dymec Co., Ltd.)

Y Number of companies omitted from application of equity method: 1 (Hi-Eisai Pharmaceutical Inc.)

## 2. CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2005

### (1) RESULTS OF OPERATIONS

#### < Third Quarter >

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
October 1, 2004- December 31, 2004	¥143,442 mil.	10.4%	¥26,703 mil.	7.3%	¥26,595 mil.	6.2%
October 1, 2003- December 31, 2003	¥129,976 mil.	10.4%	¥24,882 mil.	15.2%	¥25,033 mil.	15.1%

Period	Net Income	Percent		
October 1, 2004- December 31, 2004	¥16,498 mil.	6.5%	¥57.54	¥57.53
October 1, 2003- December 31, 2003	¥15,484 mil.	19.6%	¥53.07	¥53.07

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

**(2) FINANCIAL POSITION**

Period End	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Assets	Shareholders' Equity per Share
December 31, 2004	¥ 661,329 mil.	¥445,505 mil.	67.4%	¥1,558.89
December 31, 2003	¥ 608,487 mil.	¥419,427 mil.	68.9%	¥1,437.48
March 31, 2004	¥615,776 mil.	¥419,461 mil.	68.1%	¥1,457.47

**(3) CASH FLOW CONDITION****< Third Quarter >**

Period	Operating Cash Flow	Investing Cash Flow	Financial Cash Flow	Cash & Cash Equivalents
--------	---------------------	---------------------	---------------------	-------------------------

---

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

**<Nine Months>**

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
April 1, 2004-December 31, 2004	¥234,566 mil.	0.2%	¥53,793 mil.	(3.4%)	¥54,838 mil.	(0.6%)
April 1, 2003-December 31, 2003	¥234,004 mil.	2.7%	¥55,697 mil.	(4.0%)	¥55,183 mil.	(3.6%)
April 1, 2003-March 31, 2004	¥303,626 mil.		¥67,057 mil.		¥ 66,559 mil.	

Period	Net Income	Percent Change	Earnings per Share (EPS)	Fully Diluted EPS
April 1, 2003-December 31, 2003	¥35,557 mil.	10.7%	¥121.86	¥121.86
April 1, 2003-March 31, 2004	¥41,883 mil.		¥143.73	¥143.72

Note: Percentage change is a comparison to the corresponding period ended December 31, 2003.

**(2) FINANCIAL POSITION**

Period End	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Assets	Shareholders' Equity per Share
December 31, 2004	¥ 525,658 mil.	¥421,741 mil.	80.2%	¥1,475.73
December 31, 2003	¥ 504,233 mil.	¥407,736 mil.	80.9%	¥1,397.41
March 31, 2004	¥515,630 mil.	¥405,085 mil.	78.6%	¥1,407.52

---

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

**[Third Quarter Financial Highlights] (October 1, 2004 – December 31, 2004)**

- I Consolidated net sales during the quarter amounted to ¥143,442 million which was a 10.4% increase compared to the corresponding period last year.
- I With regard to consolidated net sales of major products, sales of *Aricept*, an Alzheimer's disease treatment, soared to ¥45,683 million, a 30.5% rise year-on-year. Out of this gain, sales of ¥9,897 million

Net income: ¥44,062 million (9.2% increase year-on-year)

- I As for net sales, sales of *Aricept* increased 17.8% year-on-year to ¥122,024 million and those of *Aciphex/Pariet* edged up 1.9% to ¥100,828 million, thereby leading to overseas expansion and steady growth in Japan geographically.
- I With respect to expenses, R&D investments amounted to ¥57,006 million, a 12.7% rise year-on-year while selling, general and administrative expenses totaled ¥203,481 million, up 8.4%. Costs of goods sold came to ¥75,653 million, a 2.9% rise from the previous-year period, resulting in the sales cost ratio of 18.7%, which is an improvement of 0.8 percentage points. Consequently, the Company marked an overall gain in operating income and ordinary income.
- I Despite the fact that the extraordinary gain and loss position worsened to the loss of ¥561 million (deterioration of ¥3,463 million on a year-on-year basis), net income during the period under review increased due to several factors including without limitation the reduction in tax costs.

#### [Segment Information]

(Net sales for each segment are those to external customers.)

##### 1. Performance by business segment

###### Pharmaceuticals segment:

Sales of *Aricept* gained ground steadily in every region ranging from Japan, the U.S., Europe to Asia and those of *Aciphex/Pariet* secured overall solid growth. Meanwhile in the U.S., the launch of *Zonegran*, an anti-epilepsy drug, contributed to the sales growth.

As a result, pharmaceutical sales came to ¥387,660 million, up 7.6% year-on-year while operating income amounted to ¥69,734 million, an increase of 4.0% year-on-year.

###### Other segments:

Despite the fact that sales in other segments such as food and chemical, and machinery divisions descended 4.5% year-on-year to ¥16,767 million, the operating income resulted in an increase of 22.2% to ¥1,291 million.

##### 2. Performance by geographic area

###### Japan:

Sales in Japan amounted to ¥205,880 million, up 3.1%, while operating income came to ¥58,948 million, down 1.0%.

Sales of *Aricept* augmented 26.1% year-on-year to ¥27,244 million and *Pariet* sales surged 29.4% to ¥14,934 million, resulting in sound growth in net sales.

Proactive investments in clinical studies among others deteriorated the operating income level on a year-on-year basis.

#### North America:

Sales in North America advanced 11.2% to ¥160,570 million and operating income expanded 22.2% to ¥9,837 million.

Sales of *Aricept* rose 14.0% to ¥71,529 million while sales of *Aciphex* registered a decline of 1.9% to ¥79,162 million. (Notwithstanding the foregoing, sales of *Aciphex* increased 4.0% on a dollar-denominated basis.) Meanwhile,

million year-on-year, out of which ¥17,543 million was used for the procurement of property, plant and equipment and ¥12,516 million for the purpose of purchasing intangible fixed assets including but not limited to the strategic product acquisition.

Net cash used in financing activities amounted to ¥16,852 million, a year-on-year increase of ¥6,872 million, out of which ¥11,223 million being attributed to dividend payout and ¥6,087 million to share buyback.

As a result of such operating, investing and financing activities, cash and cash equivalent at the end of the quarter period under review stood at ¥152,620 million, up ¥6,504 million from the end of the previous fiscal year.

[Projects under development]

The Company concentrates its managerial resources on



China.

Licensing agreement of the Company's original triazole-type anti-fungal agent (generic name: ravuconazole) with Bristol-Myers Squibb of the U.S. was terminated in October and the Company will proceed with an independent development program mainly in the U.S.

**[Outlook for the fiscal year 2004] (April 1, 2004 – March 31, 2005)**

[Outlook of consolidated financial performance]

Factoring in the progress of financial performance achieved up until this quarter, the financial forecast on a consolidated basis for the full fiscal year ending March 2005 was revised upward from what was previously announced in October 2004 as follows:

	Revised forecast		Previous forecast		Increase	Changes
	(A)	YOY(%)	(B)	YOY(%)	(A-B)	(%)
Net sales	¥530,000 mil.	+6.0	¥520,000 mil.	+4.0	10,000 mil.	+1.9
Operating income	¥87,000 mil.	+4.7	¥86,000 mil.	+3.5	1,000 mil.	+1.2
Ordinary income	¥88,000 mil.	+5.5	¥86,000 mil.	+3.1	2,000 mil.	+2.3
Net income	¥54,000 mil.	+7.7	¥52,000 mil.	+3.7	2,000 mil.	+3.8

\*Earnings per share: ¥188.15

Note: EPS estimate for the fiscal year 2004 was adjusted, reflecting the reduction in the number of outstanding shares by incorporating the effect of the share buyback implemented

- I The Company strives to further ameliorate cost-to-sales ratio and efficiently leverage managerial resources while continuing the proactive investments including but not limited to R&D.

[Outlook of fiscal year-end dividends]

Regarding dividend payout, we plan to repatriate an annual total dividend of ¥56 per

of global expansion, uncertainties in new pharmaceutical product development, healthcare cost-containment measures, intensified competition with generic drugs, possible incidence of adverse events, compliance with laws and regulations, litigations, closure or shutdown of factories, safety issues of raw materials used, environmental issues, conditions of financial markets and foreign exchange fluctuations, and IT security-related risks.

## EISAI CO., LTD.

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

Account Title	March 31, 2004		December 31, 2004		Increase (Decrease)	
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and time deposits	¥56,703		¥58,889			
Accounts and notes receivable-trade	132,103		144,831			
Short-term investments	98,189		101,511			
Inventories	35,108		38,291			
Deferred tax assets	21,596		25,020			
Other current assets	10,738		11,070			
Allowance for doubtful receivables	(249)		(314)			
<b>Total current assets</b>	354,191	57.5	379,300	57.4	25,109	
<b>Fixed assets:</b>						
<b>Property, plant and equipment</b>						
Buildings and structures	59,968		58,787			
Machinery and vehicles	21,823		20,117			
Land	17,247		16,993			
Construction in progress	8,579		13,956			
Others	9,071	116,690	8,783	118,637	17.9	1,947
<b>Intangible assets</b>	15,055	2.4	31,584	4.8	16,528	
<b>Investments and other assets</b>						
Investment securities	82,427		81,467			
Long-term loans receivable	55		143			
Deferred tax assets	17,940		21,143			
Other assets	30,490		30,099			
Allowance for doubtful receivables	(1,074)	129,839	(1,045)	131,807	19.9	1,968
<b>Total fixed assets</b>	261,585	42.5	282,029	42.6	20,444	
<b>Total</b>	¥615,776	100.0	¥661,329	100.0	¥45,553	



EISAI CO., LTD.

2. CONSOLIDATED STATEMENTS OF INCOME

## EISAI CO., LTD.

## 2. CONSOLIDATED STATEMENTS OF INCOME

Nine Months Ended Dec. 31, 2003 and 2004

Account Title	April 1, 2003 - December 31, 2003		April 1, 2004 - December 31, 2004		Increase (Decrease)		
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)		
<b>Net sales</b>		¥377,745	100.0		¥404,427	100.0	¥26,682
Cost of sales		73,408	19.4		75,728	18.7	2,320
Gross profit on sales		304,336	80.6		328,698	81.3	24,362
Provision/Reversal of reserve for sales returns		100	0.1		(75)	(0.0)	(176)
<b>Gross profit</b>		304,235	80.5		328,773	81.3	24,538
<b>Selling, general and administrative expenses</b>							
Research and development expenses		50,601	13.4		57,006	14.1	6,405
Selling, general and administrative expenses		187,778	49.7		203,481	50.3	15,703
<b>Operating income</b>		65,855	17.4		68,285	16.9	2,429
<b>Non-operating income</b>		1,641	0.5		2,069	0.5	428
<b>Non-operating expenses</b>		1,803	0.5		536	0.1	(1,267)
<b>Ordinary income</b>		65,693	17.4		69,818	17.3	4,124
<b>Extra-ordinary income</b>		4,250	1.1		1,464	0.3	(2,785)
<b>Extra-ordinary loss</b>		1,347	0.3		2,025	0.5	678
<b>Income before income taxes and minority interests</b>		68,595	18.2		69,257	17.1	661
Income taxes-current	28,939			30,673			
Income taxes-deferred	(839)	28,100	7.4	(5,790)	24,883	6.1	(3,217)
<b>Minority interests</b>		151	0.1		311	0.1	159
<b>Net income</b>		¥40,343	10.7		¥44,062	10.9	¥3,718

EISAI CO., LTD.

3. CONSOLIDATED STATEMENTS OF CAPITAL SURPLUS/RETAINED EARNINGS

		¥55,222	¥55,222
		55,222	55,222
		302,669	342,830
		50,148	44,062
- Bonuses to Directors	9,920		11,223
	66		34



## EISAI CO., LTD.

## 4. CONSOLIDATED STATEMENTS OF CASH FLOWS

Third Quarter of FY2003 and 2004 (three months ended Dec. 31)

	October 1, 2003 - December 31, 2003	October 1, 2004 - December 31, 2004	Increase (Decrease)
Account Title	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
<b>I. Operating activities:</b>			
Income before income taxes and minority interests	¥24,667	¥25,874	
Depreciation and amortization	4,706	5,399	
Increase (Decrease) in allowance for doubtful receivables	(1)	46	
Interest and dividend income	(414)	(594)	
Interest expense	5	6	
Equity in (earnings) loss of associated companies	5	(3)	
Net (gain) loss on sales and disposal of fixed assets	361	47	
Provision for liability for retirement benefits	2,824	1,746	
(Gain) Loss on sales of short-term investments and investment securities	(9)	(2)	
(Gain) Loss on impairment of securities	—	(2)	
(Increase) Decrease in trade receivables	(3,211)	(7,056)	
(Increase) Decrease in inventories	(816)	(1,679)	
Increase (Decrease) in accounts payable	1,627	1,577	
Increase (Decrease) in other current liabilities	(3,642)	602	
Increase (Decrease) in reserve for sales rebates	(3,029)	3,118	
Other	(135)	(369)	
Sub-total	22,938	28,712	5,774
Interest and dividends received	346	566	
Interest paid	(35)	(6)	
Income taxes paid	(19,495)	(17,031)	
Net cash provided by operating activities	3,754	12,240	8,486
<b>II. Investing activities:</b>			
Purchases of short-term investments	(4,095)	(37)	
Proceeds from sales and redemptions of short-term investments	5,637	826	
Purchases of property, plant and equipment	(7,020)	(5,317)	
Proceeds from sales of property, plant and equipment	175	154	
Purchases of intangible assets	(700)	(274)	
Purchases of investment securities	(4,007)	(2,587)	
Proceeds from sales and redemptions of investment securities	2,539	1,304	
(Increase) Decrease in time deposits (exceeding 3 months)	(372)	(616)	
Other	(1,359)	(1,509)	
Net cash used in investing activities	(9,203)	(8,056)	1,146
<b>III. Financing activities:</b>			
Net increase (decrease) in short-term bank borrowings	(178)	(72)	
Purchase of treasury stock	—	(6,087)	
Dividends paid	(5,252)	(6,043)	
Other	(13)	(39)	
Net cash used in financing activities	(5,444)	(12,242)	(6,797)
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	(954)	(2,986)	(2,031)
<b>V. Net increase (decrease) in cash and cash equivalents</b>	(11,848)	(11,044)	803
<b>VI. Cash and cash equivalents at beginning of period</b>	149,950	163,665	13,714
<b>VII. Cash and cash equivalents at end of period</b>	¥138,102	¥152,620	¥14,518

Income before income taxes and minority interests

Depreciation and amortization

Increase (Decrease) in allowance for doubtful receivables

Interest and dividend income

Interest expense

## 4. CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended Dec. 31, 2003 and 2004

	April 1, 2003 - December 31, 2003	April 1, 2004 - December 31, 2004	Increase (Decrease)
	(Millions of Yen) (3,732)	(Millions of Yen) -	(Millions of Yen)
	¥68,595	¥69,257	
	(4)	(1,145)	
	13,505	15,864	
	102	32	
(Increase) Decrease in trade receivables	(1,264)	(1,549)	
	19	21	
Increase (Decrease) in accounts payable	8	(18)	
	366	50	
	9,825	5,023	
Gain on exemption from obligation of substitutional portion of employees' Welfare Pension Fund			
securities			
	112	61	
	5,284	(12,197)	
	(1,064)	(3,250)	
	2,279	1,261	
	2,914	5,051	
	(1,135)	9,083	
	(3,745)	15	
	92,066	87,558	(4,508)
	1,290	1,509	
	(69)	(20)	
	(43,689)	(36,024)	
	49,597	53,022	3,424
	(7,728)	(80)	
	14,689	3,506	
	(16,077)	(17,543)	
	706	460	
	(1,968)	(12,516)	
	(12,516)	(16,852)	(6,872)
	10,830	6,475	(4,355)
	127,271	146,116	18,845
<b>VII. Cash and cash equivalents at beginning of period of newly consolidated subsidiaries</b>			
	¥138,102	¥152,620	¥14,518

## 5. SEGMENT INFORMATION

### 1. Business Segment Information

(1) For the third quarter, ended December 31, 2003 (Millions of Yen)

	Pharma- ceuticals	Others	Total	Eliminations and Corporate	Consolidated
I. Sales					
(1) Sales to customers	¥123,967	¥6,009	¥129,976	–	¥129,976
(2) Intersegment sales	84	3,674	3,759	(¥3,759)	–
Total sales	124,052	9,683	133,736	(3,759)	129,976
Operating expenses	98,467	9,579	108,046	(2,952)	105,094
Operating income	¥25,584	¥104	¥25,689	(¥807)	¥24,882

(2) For the third quarter, ended December 31, 2004 (Millions of Yen)

	Pharma- ceuticals	Others	Total	Eliminations and Corporate	Consolidated
I. Sales					
(1) Sales to customers	¥138,301	¥5,140	¥143,442	–	¥143,442
(2) Intersegment sales	68	3,999	4,068	(¥4,068)	–
Total sales	138,370	9,140	147,510	(4,068)	143,442
Operating expenses	111,033				

(4) For the nine months, ended December 31, 200 TD smber

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

3. Intersegment sales in Japan principally represent product sales from Eisai Co., Ltd. (hereinafter referred to as 'the Parent Company') to the overseas subsidiaries.

(2) For the third quarter, ended December 31, 2004

(Millions of Yen)

	North America	Europe	Asia and Others	Total
1. Overseas sales	¥59,517	¥13,078	¥3,514	¥76,111
2. Consolidated sales				¥143,442
3. Share of overseas sales	41.5%	9.1%	2.5%	53.1%

Notes:

1. Segmentation of the areas is based on geographical proximity.

2. Major areas and countries included in this category:

-North America: The United States and Canada.

-Europe: The United Kingdom, France, Germany, etc.

-Asia and Other: East and South-East Asia, Central and South America, etc.

3. Overseas sales reoi Tc 0.3 o1.6 0.60 -14.424 TD - (Sout,5-14.4246j -309 -14.4 TD ) Tj 7T0.264 S

3. Share of overseas sales	39.7%	9.3%	2.3%	51.3%
----------------------------	-------	------	------	-------

(2) For the nine months, ended December 31, 2004

(Millions of Yen)

	North America	Europe	Asia and Others	Total
1. Overseas sales	¥166,585	¥38,359	¥10,361	¥215,306
2. Consolidated sales				¥404,427
3. Share of overseas sales	41.2%	9.5%	2.5%	53.2%

Notes:

1. Segmentation of the areas is based on geographical proximity.

2. Major areas and countries included in this category:

-North America: The United States and Canada.2.

# Reference Data

**Third Quarter Ended December 31, 2004**

February 2, 2005

For Inquiry:

Corporate Communications Department

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

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

## Contents

	Pages
I. Consolidated Financial Highlights .....	1
II. Consolidated Statements of Income .....	2
III. Consolidated Balance Sheet .....	8
IV. Consolidated Statements of Cash Flows .....	10
V. Non-consolidated Financial Highlights .....	11
VI. Changes in Quarterly Results .....	16
VII. Major R&D Pipeline Candidates .....	21
VIII. Major Events .....	24

\*All figures have been rounded to their nearest specified unit.

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

### Currency Exchange Rates

	U.S. (¥/US\$)	E.U. (¥/EURO)	U.K. (¥/£)
(Apr. 03-Dec. 03) Average Rates Nine Months	115.00	132.12	188.93
(Dec. 31, 03) Third Quarter End Rates	107.13	133.74	190.07
(Apr. 03- Mar. 04) Fiscal Year Average Rates	113.07	132.60	191.00
(Mar. 31, 04) Fiscal Year End Rates	105.69	128.88	193.09
(Apr. 04-Dec. 04) Average Rates Nine Months	108.56	134.60	198.67
(Dec. 31, 04) Third Quarter End Rates	104.21	141.61	199.81
2nd Half of the Fiscal Year Ending Mar. 31, 05 Forecast Rates	105.00	125.00	185.00

#### Forward-looking Statements and Risk Factors

Materials and information provided in this financial disclosure may contain "forward-looking statements" based on current expectations, forecasts, estimates, business goals 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. Risk factors particularly apply with respect to the Company-related forward-looking statements.

Risk factors associated with our business include, but are not limited to, risks related to strategic alliances with partners, challenges arising out of global expansion, uncertainties in new pharmaceutical product development, healthcare cost-containment measures, intensified competition with generic drugs, possible incidence of adverse events, compliance with laws and regulations, litigations, closure or shutdown of factories, safety issues of raw materials used, environmental issues, conditions of financial markets and foreign exchange fluctuations, and IT security-related risks.



# I. Consolidated Financial Highlights

## 1. Statement of Income Data

(billions of yen)

Years Ended/Ending March 31

--

--

--

--

## II. Consolidated Statement of Income

### 1. Consolidated Statement of Income & Explanation

(billions of yen)

	Nine Months Ended Dec 31						<Explanation>
	2004	Sales %	2005	Sales %	Chg. %	Inc./ Dec.	
<b>Net sales</b>	377.7	100.0	<b>404.4</b>	100.0	107.1	26.7	<b>Net sales</b>
Cost of sales	73.4	19.4	<b>75.7</b>	18.7	103.2	2.3	<Increase Factor(s)> <i>Aricept</i> sales increase
Provision/Reversal of reserve for sales returns	0.1	0.1	<b>(0.1)</b>	(0.0)		(0.2)	<i>Zonegran</i> launch
<b>Gross profit</b>	304.2	80.5	<b>328.8</b>	81.3	108.1	24.5	
Research and development expenses	50.6	13.4	<b>57.0</b>	14.1	112.7	6.4	<b>Research and development expenses</b>
Selling, general and administrative expenses	187.8	49.7	<b>203.5</b>	50.3	108.4	15.7	<Increase Factor(s)> Development expenses in Japan and Overseas
<b>Operating income</b>	65.9	17.4	<b>68.3</b>	16.9	103.7	2.4	<b>Selling, general and administrative expenses</b>
Non-operating income	1.6	0.5	<b>2.1</b>	0.5		0.4	<Increase Factor(s)> Selling expenses increase (recruitment of new medical reps, etc.)
Non-operating expenses	1.8	0.5	<b>0.5</b>	0.1		(1.3)	
<b>Ordinary income</b>	65.7	17.4	<b>69.8</b>	17.3	106.3	4.1	
Extraordinary income	4.3	1.1	<b>1.5</b>	0.3		(2.8)	
Extraordinary loss	1.3	0.3	<b>2.0</b>	0.5		0.7	
<b>Income before taxes &amp; minority interests</b>	68.6	18.2	<b>69.3</b>	17.1	101.0	0.7	
Income taxes-current	28.9	7.6	<b>30.7</b>	7.6	106.0	1.7	
Income taxes-deferred	(0.8)	(0.2)	<b>(5.8)</b>	(1.5)		(5.0)	<b>Income taxes-deferred</b>
Minority interests	0.2	0.1	<b>0.3</b>	0.1		0.2	<Decrease Factor(s)> Deferred tax assets in FY2003 reclassified
<b>Net income</b>	40.3	10.7	<b>44.1</b>	10.9	109.2	3.7	



### 3. Financial Results by Geographic Area

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

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		Full Year
	2004	2005	2004
Net sales to customers	377.7	<b>404.4</b>	500.2
Japan	199.7	<b>205.9</b>	260.9
North America	144.3	<b>160.6</b>	194.5
Europe	26.5	<b>29.4</b>	34.8
Asia and others	7.2	<b>8.6</b>	9.9
Overseas sales	178.1	<b>198.5</b>	239.2
Overseas sales (%)	47.1%	<b>49.1%</b>	47.8%

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

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		Full Year
	2004	2005	2004
Operating income/loss	65.9	<b>68.3</b>	83.1
Japan	59.5	<b>58.9</b>	71.9
North America	8.1	<b>9.8</b>	10.9
Europe	2.6	<b>2.5</b>	3.4
Asia and others	1.5	<b>1.8</b>	1.8
Eliminations and corporate	(5.8)	<b>(4.8)</b>	(5.0)

### 4. Overseas Sales

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		Full Year
	2004	2005	2004
Net sales to customers	377.7	<b>404.4</b>	500.2
North America	149.8	<b>166.6</b>	202.3
Europe	35.1	<b>38.4</b>	47.9
Asia and others	8.8	<b>10.4</b>	12.0
Overseas sales	193.7	<b>215.3</b>	262.3
Overseas sales (%)	51.3%	<b>53.2%</b>	52.4%

\* Sales results by business segment have been reclassified in accordance with geographic 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 Central and South America, etc.

## 5. Global Product Sales

### 5-1. ARICEPT Sales by Geographic Area

Years Ended/Ending March 31		Nine months ended Dec 31		Full Year
		2004	2005	2004
Area				
Japan	¥ Billions	21.6	<b>27.2</b>	28.4
U.S.	¥ Billions	62.8	<b>71.5</b>	87.9
	US \$ Millions	546	<b>659</b>	777
U.K.	¥ Billions	0.8	<b>0.7</b>	1.0
	UK £ Millions	4	<b>4</b>	5
Germany	¥ Billions	4.9	<b>6.2</b>	6.2
	Euro Millions	37	<b>46</b>	47
France	¥ Billions	11.7	<b>14.2</b>	15.5
	Euro Millions	88	<b>106</b>	117
Europe Total	¥ Billions	17.4	<b>21.2</b>	22.8
Asia and others	¥ Billions	1.8	<b>2.1</b>	2.5
Total	¥ Billions	103.6	<b>122.0</b>	141.6

\*Sales forecast for Eisai sales territories for the year ending March 2005 is ¥164.0 billion.

### 5-2. ACIPHEX/PARIET Sales by Geographic Area

Years Ended/Ending March 31		Nine months ended Dec 31		Full Year
		2004	2005	2004
Area				
Japan	¥ Billions	11.5	<b>14.9</b>	14.6
U.S.	¥ Billions	80.7	<b>79.2</b>	105.5
	US \$ Millions	701	<b>729</b>	933
U.K.	¥ Billions	4.7	<b>4.3</b>	6.2
	UK £ Millions	25	<b>22</b>	33
Germany	¥ Billions	0.8	<b>0.9</b>	1.1
	Euro Millions	6	<b>6</b>	8
Europe Total	¥ Billions	5.5	<b>5.2</b>	7.3
Asia and others	¥ Billions	1.2	<b>1.5</b>	1.6
Total	¥ Billions	98.9	<b>100.8</b>	129.0

\*Sales forecast for Eisai sales territories for the year ending March 2005 is ¥132.0 billion.

### 5-3. Zonegran Sales

Years Ended/Ending March 31		Nine months ended Dec 31		Full Year
		2004	2005	2004
Area				
U.S.	¥ Billions	-	8.2	-
	US \$ Millions	-	76	-

## <Reference> [Non-consolidated]

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

		Nine months ended Dec 31		Full Year
		2004	2005	2004
Net sales	¥ Billions	145.7	<b>160.8</b>	196.1
	US \$ Millions	1,267	<b>1,481</b>	1,734
Operating income	¥ Billions	7.4	<b>9.0</b>	10.0
	US \$ Millions	64	<b>83</b>	88
Net income	¥ Billions	4.4	<b>5.7</b>	6.0
	US \$ Millions	39	<b>52</b>	53
Operating income before	¥ Billions	24.7	<b>31.2</b>	34.1
Royalty deduction	US \$ Millions	214	<b>287</b>	301

### Eisai China Inc. (China) / Pharmaceutical Sales, Production

Years Ended/Ending March 31		Nine months ended Dec 31		Full Year
		2004	2005	2004
Net sales	¥ Billions	2.7	<b>3.4</b>	3.8
	Chinese RMB Millions	186	<b>258</b>	273
Operating income	¥ Billions	0.8	<b>0.9</b>	1.0
	Chinese RMB Millions	52	<b>66</b>	68
Net income	¥ Billions	0.7	<b>0.8</b>	0.8
	Chinese RMB Millions	47	<b>60</b>	59

\*The fiscal year of Eisai China Inc. ends on December 31. Average rate of Japanese yen to Chinese Yuan was 14.30 yen from January 1 to September 30, 2003, 13.16 yen from January 1, 2004 to September 30, 2004 and 14.01 yen from January 1, 2003 to December 31, 2003, respectively.

### Eisai Korea Inc. (Korea) / Pharmaceutical Sales

Years Ended/Ending March 31		Nine months ended Dec 31		Full Year
		2004	2005	2004
Net sales	¥ Billions	1.7	<b>2.0</b>	2.3
	Korean Won Billions	18	<b>20</b>	24
Operating income	¥ Billions	0.2	<b>0.3</b>	0.3
	Korean Won Billions	3	<b>3</b>	3
Net income	¥ Billions	0.2	<b>0.2</b>	0.2
	Korean Won Billions	2	<b>2</b>	2

\*Average rate of Japanese yen to the Korean Won was 0.0972 yen from April 1 to December 31, 2003. Average rate was 0.0960 yen from April 1 to December 31, 2004 and 0.0959 yen from April 1, 2003 to March 31, 2004, respectively.

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

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

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		Full Year	
	2004	2005	2004	2005 (e)
Net sales	377.7	<b>404.4</b>	500.2	530.0
Research and development expenses	50.6	<b>57.0</b>	69.0	76.0
Percentage of sales (%)	13.4%	<b>14.1%</b>	13.8%	14.3%

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

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		Full Year	
	2004	2005	2004	2005 (e)
Net sales	377.7	<b>404.4</b>	500.2	530.0
Selling, general and administrative expenses	187.8	<b>203.5</b>	250.9	270.0
Personnel expenses	44.1	<b>45.1</b>	58.9	-
Marketing expenses	121.2	<b>130.9</b>	161.9	-
Administrative expenses and others	22.4	<b>27.5</b>	30.1	-
Percentage of sales (%)	49.7%	<b>50.3%</b>	50.2%	50.9%

### 6-3. Selling General and Administrative Expenses (Including R&D Expenses)

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		Full Year	
	2004	2005	2004	2005 (e)
Net sales	377.7	<b>404.4</b>	500.2	530.0
Selling, general and administrative expenses (including R&D expenses)	238.4	<b>260.5</b>	319.9	346.0
Percentage of sales (%)	63.1%	<b>64.4%</b>	64.0%	65.3%

## III. Consolidated Balance Sheet

### 1. Consolidated Balance Sheet & Explanation <Assets>

	(billions of yen)				(billions of yen)		<Explanation>
	2004 31-Mar	%	2004 31-Dec	%	Change %	Inc./ Dec.	
<b>Current assets:</b>							
Cash and time deposits	56.7		<b>58.9</b>			2.2	
Accounts receivable-trade	132.1		<b>144.8</b>			12.7	<b>Accounts receivable-trade</b>
Short-term investments	98.2		<b>101.5</b>			3.3	<Increase Factor(s)> Sales increase
Inventories	35.1		<b>38.3</b>			3.2	
Deferred tax assets	21.6		<b>25.0</b>			3.4	
Other current assets	10.7		<b>11.1</b>			0.3	
Allowance for doubtful receivables	(0.2)		<b>(0.3)</b>			(0.1)	
<b>Total current assets</b>	<b>354.2</b>	<b>57.5</b>	<b>379.3</b>	<b>57.4</b>	<b>107.1</b>	<b>25.1</b>	
<b>Fixed assets:</b>							
<b>Property, plant and equipment:</b>							
Buildings and structures	60.0		<b>58.8</b>			(1.2)	
Machinery and vehicles	21.8		<b>20.1</b>			(1.7)	
Land	17.2		<b>17.0</b>			(0.3)	
Construction in progress	8.6		<b>14.0</b>			5.4	
Others	9.1		<b>8.8</b>			(0.3)	
<b>Total property, plant and equipment</b>	<b>116.7</b>	<b>19.0</b>	<b>118.6</b>	<b>17.9</b>	<b>101.7</b>	<b>1.9</b>	
<b>Intangible assets</b>	<b>15.1</b>	<b>2.4</b>	<b>31.6</b>	<b>4.8</b>	<b>209.8</b>	<b>16.5</b>	<b>Intangible assets</b> <Increase Factor(s)> Zonegran acquisition
<b>Investment and other assets:</b>							
Investments in securities	82.4		<b>81.5</b>			(1.0)	
Long-term loans receivable	0.1		<b>0.1</b>			0.1	
Deferred tax assets	17.9		<b>21.1</b>			3.2	
Other investments	30.5		<b>30.1</b>			(0.4)	
Allowance for doubtful receivables	(1.1)		<b>(1.0)</b>			0.0	<b>Treasury Stock</b> <Increase Factor(s)> Market purchases of shares
<b>Total investments and other assets</b>	<b>129.8</b>	<b>21.1</b>	<b>131.8</b>	<b>19.9</b>	<b>101.5</b>	<b>2.0</b>	
<b>Total fixed assets</b>	<b>261.6</b>	<b>42.5</b>	<b>282.0</b>	<b>42.6</b>	<b>107.8</b>	<b>20.4</b>	
<b>Total assets</b>	<b>615.8</b>	<b>100.0</b>	<b>661.3</b>	<b>100.0</b>	<b>107.4</b>	<b>45.6</b>	



## 2. Consolidated Balance Sheet & Explanation

### <Liabilities and Shareholders' Equity>

(billions of yen)

	2004		2005		Chg.	Inc./	<Explanation>
	31-Mar	%	31-Dec	%	%	Dec.	
<b>Current liabilities:</b>							
Accounts payable-trade	15.9		<b>17.6</b>			1.8	
Short-term borrowings	0.2		<b>0.8</b>			0.6	
Accounts payable-other	45.4		<b>45.8</b>			0.5	
Accrued expenses	28.6		<b>25.4</b>			(3.3)	
Accrued income taxes	16.8		<b>12.0</b>			(4.7)	<b>Reserve for sales rebates</b>
Reserve for sales rebates	23.3		<b>31.7</b>			8.4	<Increase Factor(s)>
Other reserves	0.9		<b>0.9</b>			(0.0)	Sales increase in the U.S.
Other current liabilities	4.0		<b>7.5</b>			3.5	
<b>Total current liabilities</b>	<b>135.0</b>	<b>21.9</b>	<b>141.7</b>	<b>21.4</b>	<b>105.0</b>	<b>6.8</b>	
<b>Long-term liabilities:</b>							
Deferred tax liabilities	0.3		<b>0.6</b>			0.3	
Liabilities for retirement benefits	49.9		<b>52.9</b>			3.0	
Allowance for retirement of Directors	1.8		<b>2.2</b>			0.4	
Other long-term liabilities	0.7		<b>9.4</b>			8.7	<b>Other long-term liabilities</b>
<b>Total long-term liabilities</b>	<b>52.7</b>	<b>8.6</b>	<b>65.2</b>	<b>9.9</b>	<b>123.5</b>	<b>12.4</b>	<Increase Factor(s)>
<b>Total liabilities</b>	<b>187.7</b>	<b>30.5</b>	<b>206.9</b>	<b>31.3</b>	<b>110.2</b>	<b>19.2</b>	<i>Zonegran</i> acquisition
<b>Minority Interests</b>	<b>8.6</b>	<b>1.4</b>	<b>8.9</b>	<b>1.3</b>	<b>103.7</b>	<b>0.3</b>	
<b>Shareholders' equity:</b>							
Common stock	45.0	7.3	<b>45.0</b>	6.8		-	
Capital surplus	55.2	8.9	<b>55.2</b>	8.4		-	
Retained earnings	342.8	55.7	<b>375.6</b>	56.8		32.8	
Net unrealized gains on available-for-sale securities	8.7	1.4	<b>7.8</b>	1.2		(0.9)	
Foreign currency translation adjustments	(6.3)	(1.0)	<b>(6.0)</b>	(0.9)		0.3	
Treasury stock	(26.0)	(4.2)	<b>(32.1)</b>	(4.9)		(6.2)	
<b>Total shareholders' equity</b>	<b>419.5</b>	<b>68.1</b>	<b>445.5</b>	<b>67.4</b>	<b>106.2</b>	<b>26.0</b>	
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>615.8</b>	<b>100.0</b>	<b>661.3</b>	<b>100.0</b>	<b>107.4</b>	<b>45.6</b>	

## IV. Consolidated Statements of Cash Flows

Years Ended/Ending March 31	(billions of yen)			<Explanation>
	Nine months ended Dec 31			
	2004	2005	Inc./Dec.	
<b>Operating activities</b>				
Income before income taxes & minority interests	68.6	<b>69.3</b>	0.7	
Depreciation and amortization	13.5	<b>15.9</b>	2.4	
Other non-cash losses/gains	6.3	<b>5.0</b>	(1.3)	
Operating assets/liabilities increase/decrease	7.8	<b>1.2</b>	(6.6)	
Others	(4.2)	<b>(3.8)</b>	0.3	
Subtotal	92.1	<b>87.6</b>	(4.5)	
Interest paid/received	1.2	<b>1.5</b>	0.3	
Cash paid for income taxes	(43.7)	<b>(36.0)</b>	7.7	
<b>Net cash provided by operating activities</b>	<b>49.6</b>	<b>53.0</b>	<b>3.4</b>	
<b>Investing activities</b>				
Capital expenditures	(18.0)	<b>(30.1)</b>	(12.0)	<b>Capital expenditures</b> <Increase Factor(s)> Procurement of intangible fixed assets including product acquisition
Other revenue/payment for continuous activities	0.7	<b>0.5</b>	(0.2)	
Purchases/sales of securities	(5.7)	<b>1.8</b>	7.5	
Others	(1.4)	<b>(1.8)</b>	(0.4)	
<b>Net cash used in investing activities</b>	<b>(24.5)</b>	<b>(29.6)</b>	<b>(5.0)</b>	
Dividends paid	(9.9)	<b>(11.2)</b>	(1.3)	
Short-term debt proceeds/payments	-	<b>0.6</b>	0.6	
Treasury stock purchase	-	<b>(6.1)</b>	(6.1)	
Others	(0.1)	<b>(0.1)</b>	(0.0)	
<b>Net cash used in financing activities</b>	<b>(10.0)</b>	<b>(16.9)</b>	<b>(6.9)</b>	
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(4.3)</b>	<b>(0.1)</b>	<b>4.1</b>	
<b>Net increase in cash and cash equivalents</b>	<b>10.8</b>	<b>6.5</b>	<b>(4.4)</b>	
<b>Cash and cash equivalents at beginning of year</b>	<b>127.3</b>	<b>146.1</b>	<b>18.8</b>	
<b>Cash and cash equivalents of newly consolidated subsidiaries at beginning of period</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	
<b>Cash and cash equivalents at end of year</b>	<b>138.1</b>	<b>152.6</b>	<b>14.5</b>	
<b>Free Cash Flow</b>				
	32.2	<b>23.4</b>	(8.8)	

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

# V. Non-Consolidated Financial Highlights

## 1. Statements of Income Data

(billions of yen)

Years Ended/Ending March 31

2004

**2005**

Change  
%

2004

2005  
(e)



## 4. Prescription Pharmaceuticals

(billions of yen)

Years Ended/Ending March 31					
Product	2004	2005	Change	2004	2005
Description			%		(e)
Alzheimer's disease treatment					
ARICEPT	21.6	<b>27.2</b>	126.1	28.4	36.0
Peripheral neuropathy treatment					

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



## 8. Balance Sheet Data

### <Assets>

(billions of yen)

	2004		
	31-Mar	31-Dec	Inc./Dec.
Current assets	261.6	<b>259.0</b>	(2.6)
Fixed assets	254.0	<b>266.6</b>	12.6
Property, plant and equipment	79.2	<b>80.9</b>	1.7
Intangible assets	11.2	<b>12.1</b>	0.9
Investments and other assets	163.6	<b>173.6</b>	10.0
Total assets	515.6	<b>525.7</b>	10.0

### <Liabilities and Shareholders' Equity>

(billions of yen)

	2004		
	31-Mar	31-Dec	Inc./Dec.
Current liabilities	62.4	<b>52.6</b>	(9.8)
Long-term liabilities	48.2	<b>51.4</b>	3.2
Total liabilities	110.5	<b>103.9</b>	(6.6)
Shareholders' equity	405.1	<b>421.7</b>	16.7
Total liabilities, minority interests and shareholders' equity	515.6	<b>525.7</b>	10.0

## 9. Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		Full Year
	2004	<b>2005</b>	2004
Capital Expenditures	12.8	<b>13.1</b>	20.6
Property, plant and equipment	11.0	<b>9.4</b>	17.7
Intangible Assets	1.7	<b>3.7</b>	2.8
Depreciation/Amortization	10.0	<b>9.9</b>	13.6

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



# VI. Changes in Quarterly Results [Consolidated]

## 1. Consolidated Statement of Income Data

(billions of yen)

Years Ended/Ending March 31

Net sales	116.6	131.1	130.0	122.4	122.7	138.3	<b>143.4</b>
Cost of sales	23.0	24.6	25.9	23.7	24.1	26.3	<b>25.3</b>
Research and development expenses	16.9	16.6	17.1	18.4	18.2	19.3	<b>19.5</b>
Selling, general and administrative expenses	57.7	67.9	62.1	63.1	61.8	69.8	<b>71.9</b>
Operating income	19.1	21.9	24.9	17.2	18.6	22.9	<b>26.7</b>
Non-operating income/expenses	0.5	(0.8)	0.2	0.5	0.8	0.8	<b>(0.1)</b>
Ordinary income	19.6	21.1	25.0	17.7	19.5	23.8	<b>26.6</b>
Extraordinary income/expenses	(0.2)	3.4	(0.4)	(3.8)	(0.2)	0.3	<b>(0.7)</b>
Income before taxes and minority interests	19.4	24.5	24.7	13.9	19.3	24.1	<b>25.9</b>
Net income	12.3	12.5	15.5	9.8	12.4	15.2	<b>16.5</b>
Earnings per share (yen)	42.3	42.9	53.1	33.9	43.1	52.7	<b>57.5</b>

Cost of Sales (36.2/27.5) / Tj / Tt 18.2.8 Tf 0.101 di 0.2 (0.2) / Tj / Tt 0.36 to 0.9; 2a 7 Tc 7Td (57.4. 36.6 Oi 8.4s0a Tc 39.24a 7 Tc 7T -0 Td (69.8)Tj /TT0 h2.9



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

Years Ended/Ending March 31	2004				2005		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Capital expenditures	5.2	7.4	6.0	10.1	23.2	8.2	<b>3.8</b>
Property, plant and equipment	4.5	6.8	5.3	8.8	3.2	6.5	<b>3.3</b>
Intangible assets	0.7	0.6	0.7	1.3	19.9	1.7	<b>0.5</b>
Depreciation/Amortization	4.3	4.5	4.7	5.0	5.1	5.4	<b>5.4</b>

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

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

Years Ended/Ending March 31	2004				2005		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Net cash provided by operating activities	16.9	28.9	3.8	23.1	9.4	31.4	<b>12.2</b>
Net cash used in investing activities	(3.8)	(11.5)	(9.2)	(2.8)	(18.7)	(2.8)	<b>(8.1)</b>
Net cash used in financing activities	(4.5)	(0.0)	(5.4)	(11.4)	(5.0)	0.4	<b>(12.2)</b>
Effect of exchange rate changes on cash and cash equivalent	136.4	150.0	138.1	146.1	133.2	163.7	<b>152.6</b>
Free cash flow	12.1	24.0	(3.8)	16.7	(8.9)	25.5	<b>6.8</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		2004				2005		
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Japan	¥ Billions	7.0	6.7	7.9	6.8	8.9	8.4	<b>9.9</b>
U.S.	¥ Billions	19.1	23.1	20.5	25.1	18.1	26.1	<b>27.3</b>
	US \$ Millions	162	197	187	232	165	237	<b>257</b>
U.K.	¥ Billions	0.3	0.2	0.2	0.2	0.2	0.3	<b>0.3</b>
	UK £ Millions	1	1	1	1	1	1	<b>1</b>
Germany	¥ Billions	2.1	1.3	1.5	1.3	1.6	1.7	<b>2.8</b>
	Euro Millions	15	10	12	10	12	13	<b>21</b>
France	¥ Billions	3.4	4.1	4.2	3.9	4.8	4.7	<b>4.7</b>
	Euro Millions	25	31	32	29	36	35	<b>34</b>
EU total	¥ Billions	5.8	5.7	6.0	5.4	6.7	6.7	<b>7.8</b>
Asia and others	¥ Billions	0.6	0.6	0.6	0.7	0.7	0.7	<b>0.7</b>
Total	¥ Billions	32.5	36.1	35.0	38.0	34.4	41.9	<b>45.7</b>

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

(billions of yen)

Years Ended/Ending March 31		2004				2005		
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Japan	¥ Billions	1.7	4.1	5.7	3.1	3.2	5.1	<b>6.6</b>
U.S.	¥ Billions	22.6	31.4	26.7	24.8	24.8	27.0	<b>27.3</b>
	US \$ Millions	191	266	244	232	226	246	<b>257</b>
U.K.	¥ Billions	1.3	1.6	1.8	1.6	1.5	1.5	<b>1.3</b>
	UK £ Millions	7	8	10	8	8	8	<b>6</b>
Germany	¥ Billions	0.3	0.3	0.3	0.3	0.3	0.3	<b>0.3</b>
	Euro Millions	2	2	2	2	2	2	<b>2</b>
EU total	¥ Billions	1.6	1.8	2.1	1.8	1.8	1.8	<b>1.6</b>
Asia and others	¥ Billions	0.3	0.4	0.5	0.4	0.5	0.5	<b>0.6</b>
Total	¥ Billions	26.3	37.7	35.0	30.1	30.3	34.5	<b>36.0</b>

## 7. *Zonegran* Sales

(billions of yen)

Years Ended/Ending March 31		2004				2005		
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
U.S.	¥ Billions	-	-	-	-	2.5	3.6	<b>2.1</b>
	US \$ Millions	-	-	-	-	23	33	<b>20</b>

## 8. Eisai Inc. (U.S.A.)

(billions of yen)

Years Ended/Ending March 31		2004				2005		
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Net sales	¥ Billions	42.4	55.3	48.1	50.4	45.9	57.2	<b>57.7</b>
	US \$ Millions	358	470	440	467	418	520	<b>543</b>
Operating income	¥ Billions	1.0	4.0	2.4	2.6	1.6	3.5	<b>3.9</b>
	US \$ Millions	8	34	22	24	14	32	<b>37</b>
Net income	¥ Billions	0.7	2.4	1.4	1.6	1.0	2.2	<b>2.5</b>
	US \$ Millions	5	20	13	15	9	20	<b>23</b>
Operating income before Royalty deduction	¥ Billions	6.2	10.4	8.0	9.4	7.6	11.5	<b>12.1</b>
	US \$ Millions	53	88	73	87	69	104	<b>114</b>

## 9. Non-Consolidated Statement of Income Data

(billions of yen)

Years Ended/Ending March 31





# VII. Major R&D Pipeline Candidates

## 1. International Development

### 1-1. Approved

(Product) Name (Research Code)	Area	Date	Description	Form.	Origin
ARICEPT ODT (E2020) (Additional form)	U.S.	Oct-04	Rapid Disintegration Tablet Currently available in tablet form. Orally disintegrating tablet form approved.	RDT	In-house
ARICEPT ORAL SOLUTION (E2020)	U.S.	Oct-04	Liquid Formulation	Liquid	In-house

#### 1-4. Phase III

(Product) Name (Research Code)	Area	Expected Application	Description	Form.	Origin
ARICEPT E2020 (Additional indication)	U.S.	FY2005	Severe Dementia due to Alzheimer's disease	Tab.	In-house
ARICEPT E2020 (Additional indication)	E.U.	FY2005	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.		
ARICEPT E2020 (Additional indication)	E.U.	FY2005	Dementia associated with Parkinson's disease	Tab.	In-house
ARICEPT E2020 (Additional indication)	E.U.	FY2005	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.		

#### 1-5. Phase III in Preparation

(Product) Name (Research Code)	Area	Description	Form.	Origin
clevudine	Asia	Anti-hepatitis B agent (generic name: clevudine) Clevudine is an antiviral agent for treatment of hepatitis caused by the hepatitis B virus based on DNA polymerase inhibition. Phase III clinical trials in preparation in China.	Cap.	Bukwang

#### 1-6. Phase II

(Product) Name (Research Code)	Area	Description	Form.	Origin
E5564	U.S.	Sepsis/Endotoxin Antagonist (generic name: eritoran) 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.	Endotoxin-related complications after coronary artery bypass graft surgery (generic name: eritoran) 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 (generic name: indisulam) 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. E.U.	Migraine Prophylaxis Currently indicated 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. Under development as a treatment for Multiple sclerosis, Epilepsy and Parkinson's disease	Tab.	In-house
TVP-1012 (Additional indication)	U.S.	Alzheimer's disease/Irreversible monoamine oxidase type B (MAO-B) inhibitor (generic name: rasagiline) Application already submitted for the treatment of Parkinson's disease by Teva Pharmaceuticals Industries Ltd. Rasagiline is now in phase II trials for the treatment of Alzheimer's disease.	Tab.	Teva
E7389	U.S.	Anti-cancer/Tubulin Polymerization Inhibitor The compound acts against tumors by blocking tubulin polymerization. E7389 is now in phase II clinical trials in the U.S.	Inj.	In-house
ACIPHEX E3810 (Additional indication)	U.S.	Intermittent therapy for symptomatic GERD Currently indicated for the treatment of symptomatic GERD, erosive GERD, duodenal ulcers and <i>H. pylori</i> eradication with antibiotics. Now in phase II trials for intermittent therapy for symptomatic GERD.	Tab.	In-house



## VIII. Major Events

Date		Description
Feb 2, 2005	News Release	Notice concerning revision of forecast year end dividend for fiscal year period (93rd Company fiscal year) ending March '05
Feb 2, 2005	News Release	Transfer of Marketing Rights of ACE Inhibitor <i>INHIBACE</i> from Eisai to Chugai
Jan 18, 2005	News Release	<i>ACIPHEX/PARIET</i> expanded manufacturing facility at Misato Plant
Dec 20, 2004		Eisai launches <i>CORETEC INJECTION SB9mg</i> , treatment of acute heart failure Eisai receives a positive opinion for <i>ZONEGRAN</i> marketing authorization from European Committee for Medicinal Products for Human Use (CHMP)
Nov 19, 2004	News Release	Notice concerning completion of the acquisition of the Company's own shares through TosTNeT-2
Nov 15, 2004	News Release	Eisai in-licenses anti-hepatitis B agent clevudine from Bukwang Pharm (South Korea)
Oct 29, 2004	News Release	Eisai reacquires worldwide rights for a triazole-type anti-fungal agent, ravuconazole
Oct 29, 2004	News Release	Eisai announced establishment of its pharmaceutical marketing subsidiary in India
Oct 28, 2004	News Release	Eisai announced establishment of its European regional headquarters in the UK
Oct 22, 2004	News Release	Eisai receives approvals for new formulations of <i>ARICEPT</i> , orally disintegrating tablet and liquid formulation in the U.S.
Oct 1, 2004		Eisai Machinery Co., Ltd. inaugurates its business activities
Sep 17, 2004		Eisai revamped its corporate website Notice concerning the revision of Eisai Co., Ltd. and consolidated subsidiaries quarterly financial report for the period ended June 30, 2004.
Aug 5, 2004	News Release	Eisai launches <i>SAHNE WHITE</i> , a medicated skin cream that provides protection against spots and produces smooth skin
Aug 3, 2004		Eisai announced the completion of new integrated pilot/production factory (PF) building Eisai's German pharmaceuticals marketing subsidiary starts promotion of AstraZeneca's ENTOCORT, a locally acting glucocorticosteroid for inflammatory bowel diseases
Jul 30, 2004	News Release	Notice concerning acquisition of the Company's own shares
Jul 8, 2004	News Release	Eisai receives European Marketing Authorization for <i>PARIET</i> (rabeprazole sodium) for Zollinger-Ellison Syndrome
Jul 1, 2004		Eisai launches <i>Neophyllin Inj. prefilled softbag 250ml</i> in Japan Notice concerning stock options (stock acquisition rights) including the amount paid in upon the exercise of stock options Eisai launches the first treatment in Japan for apnea of prematurity low concentration aminophylline, <i>APNISSION Injection 15mg</i>
Jun 28, 2004	News Release	Eisai issues a statement regarding the AD2000 clinical tr2 Trr5. TD /F.32 TD /F. Tf eTc 0.0517. pr65349.3a2p8 Tf eTc 0.0517. pr6