

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

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**FOR IMMEDIATE RELEASE  
October 31, 2008**

Eisai Co., Ltd. hereby announces consolidated financial results for the Second Quarter of the fiscal year ending March 31, 2009.

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

€ Securities Code Number: 4523

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Director, President and CEO

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Expected date of Quarterly Financial Report submission: November 10, 2008  
Expected date of initial payment of dividend: November 19, 2008

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Note: For additional specific information, please refer to the official Japanese-language version of this release.  
This non-official English translation is provided as a courtesy only.

**1. CONSOLIDATED QUARTERLY FINANCIAL RESULTS**  
**Six-month ended September 30, 2008**

**1) RESULTS OF OPERATIONS**

| Period                           | Net Sales     | Percent Change | Operating Income | Percent Change | Ordinary Income | Percent Change |
|----------------------------------|---------------|----------------|------------------|----------------|-----------------|----------------|
| April 1, 2008-<br>Sept. 30, 2008 | ¥398,828 mil. | -%             | ¥46,544 mil.     | -%             | ¥43,610 mil.    | -%             |
| April 1, 2007-<br>Sept. 30, 2007 | ¥362,817 mil. | 13.6%          | ¥57,061 mil.     | 14.9%          | ¥59,560 mil.    | 15.1%          |

#### 4. OTHER

## **[Qualitative Information / Financial Statements]**

| Index and money amount comparisons to the previous period's figures are stated for reference in this |

- ' Consequently, net income per share on adjusted basis came to ¥141.32 (up ¥2.82 year-on-year).

[Cash generating ability]

**Cash income\*** is the total amount of cash available for investment in future growth, business development, dividend payment and repayment of borrowings and it represents the company's ability to generate cash. In this financial reporting, cash income is stated as a measure to examine the company's growth potential and strategies.

Cash income for the period was ¥58,295 million (up 5.3% year on year).

\*Cash income = Net income (loss) + depreciation of PP&E and amortization of intangible assets + in-process R&D expenses + amortization of goodwill + impairment loss on long-term assets

[Performance by segment]

(Sales for each segment are those to external customers.)

(1) Performance by operating segment

<Pharmaceuticals segment>

- ' **Sales of pharmaceuticals** increased as a result of the continued sales growth of *Aricept* as well as the contribution of MGI PHARMA's two main products.
- ' **Pharmaceutical sales** increased 10.5% year-on-year to ¥388,450 million, while operating income decreased 17.7% year-on-year to ¥47,920 million, due to the amortization of goodwill associated with the acquisition of MGI PHARMA, INC., which was completed in the previous period, and proactive investment in R&D activities.

<Other>

- ' **Sales of food additives, chemicals and machinery** decreased 8.7% year-on-year to ¥10,378 million, and operating income also decreased 14.4% year-on-year to ¥846 million.

(2) Performance by geogr BT/TT0 1 Tfij-3 Tw 13..pi4005 geo4627n>>BDC 12 Tw T\*Asil82ls

the previous year.

‘ **“HUMIRA subcutaneous injection 40mg Syringe 0.8mL,”**

## 2) Second Quarter Financial Highlights (July 1- September 30, 2008)

- ' **Consolidated net sales** during the quarter amounted to ¥203,008 million, an increase of 8.7% from the previous year.
- ' **Net sales of Aricept** came to ¥79,639 million, an 8.3% rise year-on-year, out of which ¥18,811 million was attributed to Japan, up 24.5%, and ¥49,850 million was attributed to the U.S., up 3.8% (14.1% rise on a U.S. dollar-denominated basis).

**Sales of Pariet/Aciphex** totaled ¥41,710 million, an 11.9% decrease year-on-year, out of which ¥10,638 million was attributed to Japan, up 14.1%, and ¥26,970 million was attributed to the U.S., down 22.0% (14.5% decrease on a U.S. dollar-denominated basis).

**Sales of Aloxi** were ¥9,466 million and **sales of Dacogen** came to ¥4,305 million.
- ' **With respect to sales to external customers** in each geographic area, sales in Japan increased 3.4%, while those in the North America, Europe, China, and "Asia and other (excluding China)" expanded by 12.0%, 14.7%, 32.5% and 7.5%, respectively.
- ' **R&D expenses** came to ¥42,303 million, up 26.9% from the previous period, and **Selling, general and administrative expenses** amounted to ¥98,354 million, up 3.0%. **Cost of goods sold** went up 47.2%, to ¥39,867 million, and the cost of sales ratio increased by 5.1 percentage points, to 19.6%.
- ' **Operating income** was ¥22,483 million, down 27.2% year-on-year, ordinary income was ¥19,747 million, down 36.7%, and net income was ¥12,076 million, down 39.7%. Net income per share decreased by ¥28.04 to ¥42.39.

**Operating income, ordinary income and net income on an adjusted basis** were ¥29,789 million (down 3.5% year-on-year), ¥27,052 million (down 13.3%) and ¥17,638 million (down 11.9%), respectively, while net income per share on an adjusted basis was ¥61.91 (down ¥8.52).
- ' **Net cash provided by operating activities** came to ¥50,772 million, up ¥16,863 million year-on-year. Income before income taxes amounted to ¥18,430 million, depreciation and amortization expenses were ¥12,631 million, trade receivables increased by ¥9,041 million, while income taxes paid totaled ¥1,562 million.

**Net cash used in investing activities** increased ¥2,605 million to ¥9,273 million, out of which ¥8,356 million was used to purchase property, plant and equipment.

**Net cash used in financing activities** amounted to ¥5,538 million, an increase of ¥5,463 million from the same period of the previous year.



### 3) Research & Development and Other Events

#### Status of Ongoing Research Projects

- ' **Anticancer agent E7389** (microtubule dynamics inhibitor) is being investigated for a breast cancer indication in a Phase III study in the U.S. and in Europe, and in a Phase II study in Japan. Phase II studies are ongoing for non-small cell lung cancer (the U.S.), prostate cancer (the U.S. and Europe), and sarcoma (Europe).
- ' **An AMPA receptor antagonist E2007** is being investigated with a focus on neuropathic pain and epilepsy indications. In the U.S. and Europe, a Phase III study for epilepsy has been initiated, and a Phase II study is ongoing for neuropathic pain.
- ' **An endotoxin antagonist E5564** is being investigated in a Phase III study for the potential treatment of severe sepsis in Japan, the U.S. and Europe with a plan to submit applications simultaneously at these locations. The study is being conducted at multiple sites globally.
- ' **A new oral formulation of an anti-emetic agent Aloxi** (capsules) received approval for the prevention of acute chemotherapy-induced nausea and vomiting (CINV) in the U.S. in August 2008.
- ' In October 2008, the U.S. FDA approved an efficacy supplemental biologics license application (sBLA) for **Ontak** solution for intravenous injection for the treatment of patients with persistent or recurrent cutaneous T-cell lymphoma (CTCL) whose malignant cells express the CD25 component of the interleukin (IL)-2 receptor (CD25+). The FDA's action, following a priority review, marks the conversion of an accelerated approval indication to full approval. A separate sBLA, which was submitted for the potential treatment of patients with CTCL whose malignant cells did not test positive for the CD25 component of the IL-2 receptor, received a complete response letter and was not approved. Eisai will continue to work with FDA to seek the approval.
- ' A submission is in preparation for **the DNA hypomethylating agent Dacogen** for a five day dosing regimen for the treatment of myelodysplastic syndromes (MDS) in the U.S.
- ' The development of **the anti-epileptic drug Zonegran** was determined to focus on monotherapy in epilepsy and adjunctive therapy in pediatric epilepsy, both of which are being investigated in Phase III studies in Europe. Accordingly, the study for an indication of generalized seizures (adjunctive

therapy) in Europe was terminated.

- ' A Phase II study of **anticancer agent E7080** (VEGF receptor tyrosine kinase inhibitor) in the U.S. for the indication of thyroid cancer.
- ' **Human monoclonal anti-TNF antibody HUMIRA** was approved for the treatment of rheumatoid arthritis in Japan in April 2008.
- ' **Non-ionic contrast media Iomeron 350 and Iomeron 350 syringe** received additional approval for usage in dynamic computed tomography of the liver (dynamic CT) in Japan in May 2008. In addition, a higher volume of Iomeron 350 syringe (135 ml formulation) was approved.
- ' A Phase III study of **SEP-190 (GABA<sub>A</sub> receptor agonist)** has been initiated for insomnia indication in Japan.
- ' **A gastroprokinetic agent Gasmotin** received approval for the treatment of gastrointestinal symptoms associated with

## Alliances & Agreements

- ' **Agreements were concluded with Eisai's diagnostic subsidiary Sanko Junyaku Co., Ltd., Roche Diagnostics K.K., Nihon Kohden Corporation, and F. Hoffmann-La Roche Ltd (Switzerland)** in April 2008 concerning the sale of CoaguChek XS and CoaguChek XS Plus for simple and quick PT-INR (Prothrombin Time - International Normalized Ratio) monitoring along with other related supplies. Under these agreements, effective June 2008, the sales rights of these products in Japan have been transferred from Roche Diagnostics and Nihon Kohden to Sanko Junyaku, with co-promotion rights retained by Eisai. Roche Diagnostics remains as a manufacturer (importer) of CoaguChek XS Series, and Nihon Kohden offers sales and technical support as the distributor.
- ' **Lion Corporation and Eisai Co., Ltd. signed an agreement granting Eisai exclusive marketing rights in Japan for the Bufferin (ethical drug)** in May, 2008. Prior to this action, Lion Corporation, Bristol-Myers K. K. (BMKK) and Eisai Co., Ltd. had agreed to change the distributor of Bufferin 81mg Tablets (antiplatelet drug), and Bufferin 330mg Tablets (antipyretic /analgesic/ antiphlogistic drug) from BMKK to Eisai starting July 1, 2008. The manufacturing and marketing rights of these products in Japan are owned by Lion.
- ' **GlaxoSmithKline K.K. and Eisai Co., Ltd. agreed to terminate their marketing alliance for the *Breathe Right*** , nasal strips manufactured by GlaxoSmithKline group, effective May 31, 2008. The product had been marketed in Japan by Eisai. As a result, the GlaxoSmithKline K.K. has taken over the marketing of the product in Japan as of June 1, 2008.
- ' **Eisai Co., Ltd. entered into a share transfer agreement with Terumo Corporation for the transfer of Eisai's interest (84.8% of total shares issued) in its consolidated subsidiary, Clinical Supply Co., Ltd.,** to Terumo Corporation in June 2008. The shares were transferred in June 2008 following the execution of this agreement.
- ' **Eisai's U.S. subsidiary Morphotek, Inc. signed a license agreement with the National Cancer Institute (NCI)** for the rights to a monoclonal antibody for a novel antigen identified by NCI researchers in June 2008. Morphotek will apply its proprietary MORPHODOMA antibody technology to the development of novel human therapeutic antibodies for use in the treatment of prostate cancer.

**Eisai's subsidiary Eisai China Inc. entered into a license agreement in July 2008 with Hong-Kong-based Health Vision Enterprise Ltd., a sales subsidiary of the German company STADA Arzneimittel AG, in which Eisai China Inc. was granted rights in China to sell and repackage of  $\alpha$ -Lipon 300 STADA (generic name:  $\alpha$ -lipoic acid).  $\alpha$ -Lipon 300 STADA is a treatment for diabetic neuropathic pain developed by STADA.**

**Morphotek, Inc. and Pivotal BioSciences, Inc. (the U.S.) entered into an agreement in which Morphotek will access Pivotal BioSciences' LEC (Liver-Expression Chemokine) platform technology** for the development of therapeutic monoclonal antibodies in July 2008. The agreement will allow Morphotek to evaluate the LEC technology in-house and give the company the right to exercise an option for a license. Should Morphotek choose to exercise its option, Morphotek woul

## 2. Consolidated Financial Position

[Assets, liabilities and equity]

- ' **Total assets** at the end of the period increased by ¥32,560 million year-on-year to ¥1,156,499 million. Higher balances of short-term investments, property, plant and equipment, and deferred tax assets contributed to the increase. Invest

receivables increased to ¥8,788 million, and income taxes paid totaled ¥17,025 million.

- ' **Net cash used in investing activities** amounted to ¥17,009 million, a decrease of ¥35,615 million, out of which ¥19,903 million was used to purchase property, plant and equipment.
- ' **Net cash used in financing activities** amounted to ¥25,542 million, an increase of ¥6,766 million from the same period of the previous year, out of which ¥18,518 million was paid as dividends. Short-term loan borrowed for the acquisition has been refinanced with straight bonds and long-term borrowings.
- ' As a result of such operating, investing and financing activities, **cash and cash equivalents** at the end of the period came to ¥142,088 million, up ¥22,138 million from the end of the previous period.

### **3. Basic policy on profit appropriation and dividend for the end of second quarter for the fiscal year ending March 31, 2009**

Eisai is a company with a committee system and, to facilitate a flexible dividend policy, as specified in the Company's Articles of Incorporation, dividend payments are to be determined by a resolution of the Board of Directors.

Eisai is devoted to providing sustainable and stable dividends based on the consolidated financial performance along with the Dividend on Equity ratio (DOE). DOE is considered a suitable and well-balanced index for shareholder return as it encompasses both the Dividend Payout Ratio (DPR), which measures the extent to which profits are distributed to shareholders in the form of dividends, and Return on Equity (ROE), which measures how effectively the company uses the money invested by shareholders to generate profits.

Based on the company's dividend policy and increased cash income per share, Eisai intends to set the interim dividend at ¥70 per share (an increase of ¥5 from the previous year).

Acquisition of treasury stock will be carried out flexibly on a timely basis.

#### 4. Outlook for the Fiscal Year Ending March 31, 2009

[Consolidated Forecast]

' The full-year consolidated forecast announced in July 2008 has been revised as follows:

|  | Revised Forecast |         | Forecast in July '08 |         | Increase/<br>(Decrease) | Rate of<br>Changes |
|--|------------------|---------|----------------------|---------|-------------------------|--------------------|
|  | (A)              | y/y (%) | (B)                  | y/y (%) | (A-B)                   |                    |



which will result in decrease in expenses related to the acquisition of MGI PHARMA, INC.

- ' GAAP-based ordinary income is declined by ¥500 million from the previous forecast to ¥86,500 million, and net income is increased by ¥500 million to ¥56,500 million.
- ' We also envision a proactive investment in R&D activities and for future growth on a continuous basis, while taking effort to achieve improvement in cost-to-sales ratio and efficiency in managerial resources

[Projected year-end dividend]

- ' Projected year-end dividend remains unchanged.
- ' Year-end dividend is anticipated to be ¥70 per share (an increase of ¥5 per share from the previous year), which, together with the interim dividend of ¥70 per share, makes a total of ¥140 per share (an increase of ¥10 per share from the previous year). In this context, DOE is anticipated to be 8.9%.

(Reference)

[Non-consolidated Forecast]

- ' The full-year non-consolidated forecast announced in May 2008 has been revised as follows:

|                  | Revised Forecast |         | Forecast in July '08 |         | Increase/<br>(Decrease) | Rate of<br>Changes |
|------------------|------------------|---------|----------------------|---------|-------------------------|--------------------|
|                  | (A)              | y/y (%) | (B)                  | y/y (%) | (A-B)                   |                    |
| Net sales        | ¥405,000 mil.    | +4.1    | ¥398,000 mil.        | +2.3    | ¥7,000 mil.             | 1.8%               |
| Operating income | ¥70,000 mil.     | -4.2    | ¥66,500 mil.         | -9.0    | ¥3,500 mil.             | 5.3%               |
| Ordinary income  | ¥62,500 mil.     | -12.0   | ¥59,500 mil.         | -16.2   | ¥3,000 mil.             | 5.0%               |
| Net income       | ¥46,500 mil.     | +1.1    | ¥40,000 mil.         | -13.0   | ¥6,500 mil.             | 16.3%              |

Notes:

\*Forecasted Annual Earnings per share (full year): ¥163.21

(Assumptions for the 3<sup>rd</sup> and 4<sup>th</sup> quarter) US\$1=¥100, 1 Euro =¥135, 1 Sterling Pound =¥175

\*y/y : Percentatge compared with the previous year

industry and market conditions, and domestic and international economic conditions, such as interest rate and currency exchange fluctuations.

Risks that may cause significant fluctuations in the consolidated results of the Company or have a material effect on investment decisions of shareholders are described below. These are risk factors that have been identified and assessed as of the disclosure date of the Financial Report. Risk factors associated with our business include, but are not limited to, challenges arising out of global exp

## **5. Corporate Governance**

Chair of the Board of Directors. The Committee agreed to propose a continuation of the Policy in its present form to the Board of Directors, with only a minor and cosmetic change in description caused by the shift of the subject law. The Board of Directors discussed and resolved to continue the Policy at its meeting held on July 31, 2008.

Eisai will continue to pursue fair and highly transparent operation through fulfillment of sound corporate governance policies, as well as active and appropriate information disclosure on a timely basis.

Detailed information on Eisai's corporate governance is available on the corporate website (<http://www.eisai.co.jp/ecompany/egovernance.html>) along with the Company's Corporate Governance guidelines, Rules of the Board of Directors, Rules of the Nominating Committee, Rules of the Audit Committee, and Rules of the Compensation Committee.

The Corporate Governance Report submitted to the Tokyo Stock Exchange (TSE) and Osaka Securities Exchange (OSE) is available on the websites of TSE, OSE and Eisai.

## **6. Other**

- 1) Simplified accounting treatments and specific accounting treatment in the quarterly financial statements
  - (1) Simplified accounting treatments
    - a) The balances of inventories as of September 30, 2008 are allowed to be calculated based on the physical counts

c) Effective from this fiscal year, the Company applied the new Practical Issues Task Force (PITF), "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18, May 17, 2006)," and accordingly made any necessary modifications including amortization of goodwill to its consolidated financial statements. The effect of adoption of this standard was to decrease operating income, and ordinary income and income before income taxes, and minority interests for the current six-month period by ¥4,953 million and ¥4,867 million, respectively. The effect of this change on segment information is stated in the relevant sections. Goodwill purchased by an overseas subsidiary is amortized over 20 years.

(2) Changes other than (1)

a) Previously, Eisai and its domestic subsidiaries had amortized their

expected to remain regular, with few severe fluctuations.

The effect of adoption of this change from the declining balance method to the straight line method on the results of the current six-month period was to decrease consolidated depreciation expenses by ¥1,207 million and increase operating income, ordinary income, and income before income tax and minority interests by ¥817 million, respectively.

With the start of the change of depreciation method, the Company and its subsidiaries have introduced a unified treatment on residual values in which depreciable assets are to be depreciated to 1 yen (the defined residual value) at the end of their useful life.

The effect of adoption of this change on the results of the current six-month period was to increase depreciation expenses by ¥1,012 million and decrease operating income, ordinary income, and income before income tax and minority interests by ¥668 million.

The aggregated effect of the change to the straight line method and the change in residual value as stated above on the results of the current six-month period was to decrease amortization costs by ¥195 million and increase operating income, ordinary income, and income before income tax and minority interests by ¥148 million, respectively. The effect of this change on segment information is stated in the relevant sections.

- b) Effective from this fiscal year, Eisai has implemented early adoption of the “Accounting Standard for Lease Transactions (Statement No.13, amended

c). Significant Hedge accounting

The Company entered into interest rate swaps agreements during current second quarter as a means of managing its interest rate exposure on the parts of long-term borrowings. The accounting treatment of derivative financial Instruments under hedge accounting are as follows:

i) Hedging accounting method

All derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the income statement, and for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

ii) Hedging instruments and hedged items

Hedging instruments    Interest rate swaps

Hedged items            Long-term borrowings

iii) Hedging policies

The Company uses derivative financial instruments for long-term borrowings to manage their exposures to fluctuations in interest rates in accordance with internal policies which regulate the authorization and credit limit amount, and interest rate swaps are utilized by the Company to reduce interest rate risks.

iv) Method for evaluation of effectiveness of hedging instruments

The Company evaluates high correlation and effectiveness between the hedging instruments and the hedged items at every quarterly period end. The Company is allowed to omit this evaluation for Interest rate swap which qualify for hedging accounting and meet specific matching criteria.



## 7. CONSOLIDATED FINANCIAL STATEMENTS

|                        | (millions of yen)  |                |
|------------------------|--------------------|----------------|
|                        | September 30, 2008 | March 31, 2008 |
| <b>ASSETS</b>          |                    |                |
| Current assets:        |                    |                |
| Cash and cash in banks | 64,969             | 68,593         |



## 2) CONSOLIDATED STATEMENT OF INCOME

Six months ended September 30, 2008

(millions of yen)

April 1, 2008 - September 30, 2008

|   |         |
|---|---------|
| Net sales   | 398,828 |
| Cost of sales                                     | 79,219  |
| Gross profit on sales                             | 319,609 |
| Provision for sales returns-net                   | 0       |
| Gross profit                                      | 319,609 |
| Selling, general and administrative expenses*     | 273,064 |
| Operating income                                  | 46,544  |
| Non-operating income                              |         |
| Interest income                                   | 1,802   |
| Dividend income                                   | 566     |
| Amortization of negative goodwill                 | 162     |
| Other   | 191     |
| Total non-operating income                        | 2,722   |
| Non-operating expenses                            |         |
| Interest expenses                                 | 3,445   |
| Bond issue costs                                  | 348     |
| Foreign exchange loss                             | 1,061   |
| Equity in loss of an associated company           | 53      |
| Other   | 747     |
| Total non-operating expenses                      | 5,656   |
| Ordinary income                                   | 43,610  |
| Special gain                                      |         |
| Gain on sales of fixed assets                     | 10      |
| Gain on sales of investment securities            | 432     |
| Gain on sale of a consolidated subsidiary         | 1,575   |
| Other   | 1       |
| Total special gain                                | 2,019   |
| Special loss                                      |         |
| Loss on disposal of non-current assets            | 142     |
| Loss on devaluation of investment securities      | 1,448   |
| Retirement benefit costs                          | 377     |
| Other   | 53      |
| Total special loss                                | 2,022   |
| Income before income taxes and minority interests | 43,607  |
| Income taxes-current                              | 24,553  |
| Income taxes-deferred                             | (9,980) |
| Total Income taxes                                | 14,572  |
| Minority interests in net income                  | 322     |
| Net income  | 28,712  |

## Three months ended September 30, 2008

(millions of yen)

July 1, 2008 - September 30, 2008

|   |         |
|---|---------|
| Net sales   | 203,008 |
| Cost of sales                                     | 39,874  |
| Gross profit on sales                             | 163,134 |
| Reversal of sales returns-net                     | 6       |
| Gross profit                                      | 163,141 |
| Selling, general and administrative expenses*     | 140,657 |
| Operating income                                  | 22,483  |
| Non-operating income                              |         |
| Interest income                                   | 1,002   |
| Dividend income                                   | 20      |
| Amortization of negative goodwill                 | 81      |
| Other   | 89      |
| Total non-operating income                        | 1,193   |
| Non-operating expenses                            |         |
| Interest expenses                                 | 1,930   |
| Foreign exchange loss                             | 1,301   |
| Equity in loss of an associated company           | 45      |
| Other   | 651     |
| Total non-operating expenses                      | 3,929   |
| Ordinary income                                   | 19,747  |
| Special gain                                      |         |
| Gain on sales of non-current assets               | 5       |
| Other   | 1       |
| Total special gain                                | 7       |
| Special loss                                      |         |
| Loss on disposal of fixed assets                  | 83      |
| Loss on devaluation of investment securities      | 837     |
| Retirement benefit costs                          | 377     |
| Other   | 25      |
| Total special loss                                | 1,324   |
| Income before income taxes and minority interests | 18,430  |
| Income taxes-current                              | 8,512   |
| Income taxes-deferred                             | (2,281) |
| Total Income taxes                                | 6,231   |
| Minority interests in net income                  | 122     |
| Net income  | 12,076  |

### 3) CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended September 30, 2008

(millions of yen)

|   | April 1, 2008 -<br>September 30, 2008 |
|---|---------------------------------------|
| Operating activities:   |                                       |
| Income before income taxes and minority interests                     | 43,607                                |
| Depreciation and amortization   | 24,900                                |
| Amortization of goodwill  | 4,845                                 |
| Other loss (income)   | 2,333                                 |
| Decrease (Increase) in notes and accounts receivable-trade            | (8,788)                               |
| Decrease (Increase) in inventories                                    | (1,645)                               |
| Increase (Decrease) in notes and accounts payable-trade               | 1,954                                 |
| Increase (Decrease) in other current liabilities                      | 12,507                                |
| Increase (Decrease) in reserve for sales rebates                      | 5,692                                 |
| Other-net   | 1,314                                 |
| Sub-total   | 86,721                                |
| Interest and dividends received                                       | 2,282                                 |
| Interest paid   | (2,640)                               |
| Income taxes-paid   | (17,025)                              |
| Net cash provided by operating activities                             | 69,336                                |
| Investing activities:   |                                       |
| Purchases of property, plant and equipment                            | (19,903)                              |
| Purchases of intangible assets  | (3,217)                               |
| Purchases of securities   | (1,304)                               |
| Proceeds from sales and redemption of securities                      | 6,210                                 |
| Other-net   | 1,205                                 |
| Net cash used in investing activities                                 | (17,009)                              |
| Financing activities:   |                                       |
| Net increase (decrease) in short-term borrowings                      | (359,539)                             |
| Proceeds from long-term borrowings                                    | 233,812                               |
| Proceeds from bonds and debentures                                    | 119,616                               |
| Dividends paid  | (18,518)                              |
| Other-net   | (912)                                 |
| Net cash used in financing activities                                 | (25,542)                              |
| Foreign currency translation adjustments on cash and cash equivalents | (4,646)                               |
| Net increase (decrease) in cash and cash equivalents                  | 22,138                                |
| Cash and cash equivalents at beginning of period                      | 119,950                               |
| Cash and cash equivalents at end of period                            | 142,088                               |

**4) Going Concern**

Not applicable

**5) Segment Information**

**(1) Business Segment Information**

Three months ended September 30, 2008

(millions of yen)

Pharma-  
ceuticals

## **(2) Geographical Segment Information**

Three months ended September 30, 2008

(millions of yen)

Japan

### (3) Overseas Sales

Three months ended September 30, 2008

(millions of yen)

|                | North America | Europe | China | Asia and Others | Total |
|----------------|---------------|--------|-------|-----------------|-------|
| Overseas sales | 100,989       | 18,779 | 3,265 |                 |       |



CONSOLIDATED STATEMENTS OF INCOME (for reference)  
Six months ended September 30, 2007

|   | April 1, 2007 -<br>September 30, 2007 |         |
|---|---------------------------------------|---------|
| Account Title                                       | (millions of yen)                     |         |
| I. Net sales  |                                       | 362,817 |
| II. Cost of sales                                   |                                       | 54,694  |
| Gross profit on sales                               |                                       | 308,123 |
| Provision for (Reversal) of sales returns-net       |                                       | (104)   |
| Gross profit  |                                       | 308,227 |
| III. Selling, general and administrative expenses   |                                       |         |
| 1. Research and development expenses                | 63,844                                |         |
| 2. Selling, general and administrative expenses     | 187,321                               | 251,166 |
| Operating income                                    |                                       | 57,061  |
| IV. Non-operating income                            |                                       |         |
| 1. Interest income                                  | 2,705                                 |         |
| 2. Dividend income                                  | 495                                   |         |
| 3. Other  | 147                                   | 3,348   |
| V. Non-operating expenses                           |                                       |         |
| 1. Interest expenses                                | 57                                    |         |
| 2. Foreign exchange loss                            | 478                                   |         |
| 3. Equity in loss                                   | 16                                    |         |
| 4. Sales discount                                   | 126                                   |         |
| 5. Other  | 169                                   | 848     |
| Ordinary Income                                     |                                       | 59,560  |
| VI. Special gain                                    |                                       |         |
| 1. Gain on sales of non-current assets              | 44                                    |         |
| 2. Gain on sales of investment securities           | 2,202                                 |         |
| 3. Other  | 10                                    | 2,258   |
| VII. Special loss                                   |                                       |         |
| 1. Loss on disposal of fixed assets                 | 243                                   |         |
| 2. Loss on impairment of long-lived assets          | 1                                     |         |
| 3. Loss on devaluation of work-in-process inventory | 845                                   |         |
| 4. Other  | 7                                     | 1,099   |
| Income before income taxes and minority interests   |                                       | 60,719  |
| Income taxes-current                                | 25,350                                |         |
| Income taxes-deferred                               | (4,391)                               | 20,958  |
| Minority interests in net income                    |                                       | 409     |
| Net income  |                                       | 39,351  |

CONSOLIDATED STATEMENT OF INCOME (for reference)  
 Three months ended September 30, 2007

| Account Title                                     |         |         |
|---|---------|---------|
| I. Net sales                                      |         | 186,783 |
| II. Cost of sales                                 |         | 27,092  |
| Gross profit on sales                             |         | 159,690 |
| Provision for (Reversal of) sales returns-net     |         | (6)     |
| Gross profit                                      |         | 159,697 |
| III. Selling, general and administrative expenses |         |         |
| 1. Research and development expenses              | 33,338  |         |
| 2. Selling, general and administrative expenses   | 95,483  | 128,821 |
| Operating income                                  |         | 30,875  |
| IV. Non-operating income                          |         | 996     |
| V. Non-operating expenses                         |         | 678     |
| Ordinary income                                   |         | 31,193  |
| VI. Special gain                                  |         | 40      |
| VII. Special loss                                 |         | 1,064   |
| Income before income taxes and minority interests |         | 30,169  |
| Income taxes-current                              | 11,813  |         |
| Income taxes-deferred                             | (1,830) | 9,982   |
| Minority interests in net income                  |         | 174     |
| Net income  |         | 20,012  |

CONSOLIDATED STATEMENT OF CASH FLOWS (for reference)  
Six months ended September 30, 2007

|   | April 1, 2007 -<br>September 30, 2007 |
|---|---------------------------------------|
| Account Title   | (millions of yen)                     |
| I. Operating activities:  |                                       |
| 1. Income before income taxes and minority interests                      | 60,719                                |
| 2. Depreciation and amortization  | 15,364                                |
| 3. Loss on impairment of long-lived assets                                | 1                                     |
| 4. Increase (Decrease) in allowance for doubtful accounts                 | 17                                    |
| 5. Interest and dividend income   | (3,200)                               |
| 6. Interest expenses  | 57                                    |
| 7. Equity in (earnings) loss  | 16                                    |
| 8. (Gain) Loss on sales and disposal of fixed assets                      | 199                                   |
| 9. (Gain) Loss on sales of securities                                     | (2,202)                               |
| 10. Loss on devaluation of securities                                     | 5                                     |
| 11. (Increase) Decrease in notes and accounts receivables-trade           | (4,515)                               |
| 12. (Increase) Decrease in inventories                                    | (865)                                 |
| 13. Increase (Decrease) in notes and accounts payable-trade               | (2,211)                               |
| 14. Increase (Decrease) in other current liabilities                      | 4,787                                 |
| 15. Increase (Decrease) in reserve for sales rebates                      | (351)                                 |
| 16. Increase (Decrease) in liability for retirement benefits              | (3,694)                               |
| 17. Other-net   | (1,081)                               |
| Sub-total   | 63,045                                |
| 18. Interest and dividends received                                       | 3,141                                 |
| 19. Interest paid   | (52)                                  |
| 20. Income taxes-paid   | (24,404)                              |
| Net cash provided by operating activities                                 | 41,730                                |
| II. Investing activities:   |                                       |
| 1. Purchases of short-term investment                                     | (635)                                 |
| 2. Proceeds from sales and redemption of short-term investments           | 1,453                                 |
| 3. Purchases of property, plant and equipment                             | (16,443)                              |
| 4. Proceeds from sales of property, plant and equipment                   | 102                                   |
| 5. Purchases of intangible assets   | (7,558)                               |
| 6. Purchases of investment securities                                     | (12)                                  |
| 7. Proceeds from sales and redemptions of investment securities           | 10,615                                |
| 8. Payment for acquisition of business                                    | (39,166)                              |
| 9. Net (increase) decrease in time deposits (exceeding 3 months)          | (35)                                  |
| 10. Other-net   | (943)                                 |
| Net cash used in investing activities                                     | (52,625)                              |
| III. Financing activities:  |                                       |
| 1. Net increase (decrease) in short-term borrowings                       | (245)                                 |
| 2. Dividends paid   | (18,468)                              |
| 3. Dividends paid to minority shareholders                                | (60)                                  |
| 4. Other-net  | (2)                                   |
| Net cash used in financing activities                                     | (18,776)                              |
| IV. Foreign currency translation adjustments on cash and cash equivalents | (469)                                 |
| V. Net increase (decrease) in cash and cash equivalents                   | (30,140)                              |
| VI. Cash and cash equivalents at beginning of period                      | 171,090                               |
| VII. Cash and cash equivalents at end of period                           | 140,950                               |

## Segment Information (for reference)

### (1) Business Segment Information

Three months ended September 30, 2007

(millions of yen)

|                    | Pharmaceuticals | Other  | Total   | Eliminations and Corporate | Consolidated |
|--------------------|-----------------|--------|---------|----------------------------|--------------|
|                    |                 |        |         |                            | -            |
| Total sales        | 180,648         | 11,595 | 192,244 | [5,460]                    | 186,783      |
| Operating expenses | 149,324         | 10,943 | 160,267 | [4,360]                    | 155,907      |
| Operating income   | 31,324          | 651    | 31,976  | [1,100]                    | 30,875       |

Six months ended September 30, 2007

(millions of yen)

|                                 | Pharmaceuticals | Other  | Total   | Eliminations and Corporate | Consolidated |
|---------------------------------|-----------------|--------|---------|----------------------------|--------------|
| Sales                           |                 |        |         |                            |              |
| (1) Sales to external customers | 351,449         | 11,368 | 362,817 | -                          | 362,817      |
| (2) Intersegment sales          | 95              | 9,215  | 9,310   | [9,310]                    | -            |
| Total sales                     | 351,544         | 20,583 | 372,127 | [9,310]                    | 362,817      |
| Operating expenses              | 293,337         | 19,594 | 312,932 | [7,175]                    | 305,756      |
| Operating income                | 58,206          | 989    | 59,195  | [2,134]                    | 57,061       |

Note 1: The Company classifies consolidated operations into two segments: 'Pharmaceuticals', which includes prescription pharmaceuticals, and 'Other', which encompasses all operations other than pharmaceuticals.

Note 2: Major products in each segment are as follows:

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

### (2) Geographical Segment Information

Three months ended September 30, 2007

(millions of yen)

| Japan | North America | Europe | Asia and others | Total |
|-------|---------------|--------|-----------------|-------|
|-------|---------------|--------|-----------------|-------|

Six months ended September 30, 2007



**[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.

Risks that may cause significant fluctuations in the consolidated results of the Company or have a material effect on decisions of shareholders are described below. These are risk factors that have been identified and assessed as of the disclosure date of the Financial Report. Risk factors associated with our business include, but are not limited to, challenges arising out of global expansion, uncertainties in new drug development, risks related to strategic alliances with partners, risks related to the acquisition of MGI PHARMA, INC., healthcare cost-containment measures, intensified competition with generic drugs, intellectual properties, possible incidence of adverse events, compliance with laws and regulations, litigations, closure or shutdown of factories, safety issues of raw materials used, outsourcing-related risks, environmental issues, IT security/information management, and conditions of financial markets, foreign exchange fluctuations, and internal control system.



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# 1. Consolidated Financial Highlights

## 1) Statements of Operation Data

(billions of yen)



## 2) Statements of Cash Flows Data

(billions of yen)

| Years Ended/Ending March 31<br>2Q Apr - Sep         | Six months ended Sep 30 |               |                 | Full    |
|---|-------------------------|---------------|-----------------|---------|
|   | 2008                    | 2009          | Inc./<br>(Dec.) | 2008    |
| Net cash provided by operating activities           | 41.7                    | <b>69.3</b>   | 27.6            | 73.2    |
| Net cash used in investing activities               | (52.6)                  | <b>(17.0)</b> | 35.6            | (476.4) |
| Net cash provided by (used in) financing activities | (18.8)                  | <b>(25.5)</b> | (6.8)           | 375.4   |
| Cash and cash equivalents at end of period          | 141.0                   | <b>142.1</b>  | 1.1             | 120.0   |
| Free cash flows                                     | (21.3)                  | <b>46.2</b>   | 67.6            | (415.9) |

\* "Free cash flows" = "Net cash provided by operating activities" - "Capital expenditures (including acquisition)"

## 3) Balance Sheets Data

(billions of yen)

|                                       | 2008    |                | Inc./   |
|---------------------------------------|---------|----------------|---------|
|                                       | Mar 31  | Sep 30         | (Dec.)  |
| Total assets                          | 1,123.9 | <b>1,156.5</b> | 32.6    |
| Total liabilities                     | 670.1   | <b>691.6</b>   | 21.5    |
| Bonds and debentures                  | 1.0     | <b>120.7</b>   | 119.7   |
| Short-term & long-term borrowings     | 412.8   | <b>285.5</b>   | (127.3) |
| Total equity                          | 453.8   | <b>464.9</b>   | 11.1    |
| Shareholders' Equity                  | 448.9   | <b>460.0</b>   | 11.1    |
| Shareholders' Equity/Total assets (%) | 39.9    | <b>39.8</b>    | (0.2)   |

## 4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

| Years Ended/Ending March 31<br>2Q Apr - Sep | Six months ended Sep 30 |             |                 | Full  |              |
|---|-------------------------|-------------|-----------------|-------|--------------|
|   | 2008                    | 2009        | Inc./<br>(Dec.) | 2008  | 2009<br>est. |
| Capital expenditures                        | 81.5                    | <b>20.8</b> | (60.7)          | 434.0 | <u>43.0</u>  |
| Property, plant and equipment               | 13.6                    | <b>17.9</b> | 4.2             | 39.8  | 35.0         |
| Intangible assets                           | 67.9                    | <b>3.0</b>  | (64.9)          | 394.3 | <u>8.0</u>   |
| Depreciation/Amortization                   | 15.4                    | <b>24.9</b> | 9.5             | 34.6  | <u>57.5</u>  |

\* Capital expenditures include the increase of asset by acquisition of Morphotek, Inc. and MGI PHARMA, INC..

\* "Depreciation/Amortization" value includes amortization for "Intangible assets".

## 2. Consolidated Statements of Operation

|  |                         |         |               |         |       |              | (billions of yen)  | <b>&lt;Explanations&gt;</b> |
|--|-------------------------|---------|---------------|---------|-------|--------------|--|-----------------------------|
| Years Ended/Ending March 31<br>2Q Apr - Sep                | Six months ended Sep 30 |         |               |         |       |              |  |                             |
|  | 2008                    | Sales % | 2009          | Sales % | YOY % | Inc./ (Dec.) |  |                             |
| Net sales  | 362.8                   | 100.0   | <b>398.8</b>  | 100.0   | 109.9 | 36.0         | <b>Net sales</b>   |                             |
| Cost of sales  | 54.7                    | 15.1    | <b>79.2</b>   | 19.9    | 144.8 | 24.5         | <Increase Factors><br>Increase in sales of   |                             |
| (Reversal of) Provision for sales returns-net              | (0.1)                   | (0.1)   | <b>0.0</b>    | 0.0     |       | 0.1          | ARICEPT, Contribution of<br>ALOXI and DACOGEN                                      |                             |
| Gross profit   | 308.2                   | 85.0    | <b>319.6</b>  | 80.1    | 103.7 | 11.4         |  |                             |
| R&D expenses   | 63.8                    | 17.6    | <b>78.0</b>   | 19.6    | 122.2 | 14.2         | <b>R&amp;D expenses</b>  |                             |
| SG&A expenses  | 187.3                   | 51.6    | <b>195.0</b>  | 48.9    | 104.1 | 7.7          | <Increase Factors><br>Progress of clinical studies                                 |                             |
| Operating income   | 57.1                    | 15.7    | <b>46.5</b>   | 11.7    | 81.6  | (10.5)       |  |                             |
| Non-operating income                                       | 3.3                     | 0.9     | <b>2.7</b>    | 0.7     |       | (0.6)        |  |                             |
| Non-operating expenses                                     | 0.8                     | 0.2     | <b>5.7</b>    | 1.4     |       | 4.8          | <b>Non-operating expenses</b>  |                             |
| Ordinary income  | 59.6                    | 16.4    | <b>43.6</b>   | 10.9    | 73.2  | (16.0)       | <Increase Factor><br>Increase in interest paid<br>due to increase of<br>borrowings |                             |
| Special gain   | 2.3                     | 0.6     | <b>2.0</b>    | 0.5     |       | (0.2)        |  |                             |
| Special loss   | 1.1                     | 0.3     | <b>2.0</b>    | 0.5     |       | 0.9          |  |                             |
| Income before income taxes and minority interests          | 60.7                    | 16.7    | <b>43.6</b>   | 10.9    | 71.8  | (17.1)       |  |                             |
| Income taxes-current                                       | 25.4                    | 7.0     | <b>24.6</b>   | 6.2     | 96.9  | (0.8)        |  |                             |
| Income taxes-deferred                                      | (4.4)                   | (1.2)   | <b>(10.0)</b> | (2.5)   |       | (5.6)        |  |                             |
| Minority interests in net income                           | 0.4                     | 0.1     | <b>0.3</b>    | 0.1     |       | (0.1)        |  |                             |
| Net income (loss)  | 39.4                    | 10.8    | <b>28.7</b>   | 7.2     | 73.0  | (10.6)       |  |                             |
| <b>&lt;Cash generating ability&gt;</b>                     |                         |         |               |         |       |              |  |                             |
| Net income (loss)  | 39.4                    | 10.8    | <b>28.7</b>   | 7.2     | 73.0  | (10.6)       |  |                             |
| Depreciation of PP&E and amortization of intangible assets | 13.9                    |         | <b>14.0</b>   |         |       | 0.1          |  |                             |
| Amortization of intangible assets obtained by acquisition  | 1.4                     |         | <b>10.9</b>   |         |       | 9.5          |  |                             |
| In-process R&D expenses                                    | 0.6                     |         | -             |         |       | (0.6)        |  |                             |
| Amortization of goodwill                                   | 0.1                     |         | <b>4.7</b>    |         |       | 4.6          |  |                             |
| Impairment loss on long-lived assets                       | 0.0                     |         | -             |         |       | (0.0)        |  |                             |
| Cash income  | 55.3                    | 15.3    | <b>58.3</b>   | 14.6    | 105.3 | 2.9          |  |                             |

### 3. Consolidated Statements of Cash Flows

(billions of yen)

| Years Ended/Ending March 31 |      |             |                 | <Explanations> |
|-----------------------------|------|-------------|-----------------|----------------|
| 2Q Apr - Sep                | 2008 | <b>2009</b> | Inc./<br>(Dec.) |                |

**Operating activities:**

Income before income taxes and minority interests  
in net income



# 4. Financial Results by Business Segment

## 1) Consolidated Net Sales by Business Segment

(billions of yen)

| Years Ended/Ending March 31 | 2008  | 2009         | Full 2008 |
|-----------------------------|-------|--------------|-----------|
| 2Q Apr - Sep                |       |              |           |
| Net sales to customers      | 362.8 | <b>398.8</b> | 734.3     |
| Pharmaceuticals             | 351.4 | <b>388.5</b> | 711.8     |



### 3) Geographical Segment Information

#### (1) Consolidated Net Sales by Geographical Segment

(billions of yen)

| Years Ended/Ending March 31 | 2008  | 2009         | Full  |
|-----------------------------|-------|--------------|-------|
| 2Q Apr - Sep                |       |              | 2008  |
| Net sales to customers      | 362.8 | <b>398.8</b> | 734.3 |
| Japan                       | 157.4 | <b>166.3</b> | 312.7 |
| North America               | 164.2 | <b>187.4</b> | 339.4 |
| Europe                      | 27.3  | <b>29.1</b>  | 54.4  |
| China                       | 4.7   | <b>6.0</b>   | 9.5   |
| Asia and others             | 9.2   | <b>10.1</b>  | 18.3  |
| Overseas sales              | 205.4 | <b>232.5</b> | 421.6 |
| Overseas sales (%)          | 56.6  | <b>58.3</b>  | 57.4  |

\* Net sales to external customers for each segment.

#### (2) Consolidated Operating Income by Geographical Segment

(billions of yen)

| Years Ended/Ending March 31 | 2008  | 2009         | Full   |
|-----------------------------|-------|--------------|--------|
| 2Q Apr - Sep                |       |              | 2008   |
| Operating income            | 57.1  | <b>46.5</b>  | 17.7   |
| Japan                       | 45.8  | <b>39.1</b>  | 80.5   |
| North America               | 9.7   | <b>3.7</b>   | (66.9) |
| Europe                      | 0.9   | <b>2.2</b>   | 1.8    |
| China                       | 1.1   | <b>1.3</b>   | 2.0    |
| Asia and others             | 2.0   | <b>2.4</b>   | 3.7    |
| Eliminations and corporate  | (2.5) | <b>(2.2)</b> | (3.3)  |

#### 4) Overseas Sales

(billions of yen)

| Years Ended/Ending March 31 | 2008  | 2009         | Full  |
|-----------------------------|-------|--------------|-------|
| 2Q Apr - Sep                |       |              | 2008  |
| Net sales                   | 362.8 | <b>398.8</b> | 734.3 |
| Overseas sales              | 222.2 | <b>247.3</b> | 454.6 |
| North America               | 169.5 | <b>192.4</b> | 350.4 |
| Europe                      | 37.0  | <b>37.0</b>  | 73.1  |
| China                       | 4.7   | <b>6.0</b>   | 9.5   |
| Asia and others             | 11.1  | <b>11.9</b>  |       |

## 5) Global Product Sales by Geographical Area( Eisai Territory Sales)

### (1) ARICEPT (Alzheimer's disease treatment)

| Years Ended/Ending March 31      |                                      | Six months ended Sep 30 |                             | Full             |
|----------------------------------|--------------------------------------|-------------------------|-----------------------------|------------------|
| 2Q Apr - Sep                     |                                      | 2008                    | 2009                        | 2008             |
| Area                             |                                      |                         |                             |                  |
| Japan                            | ¥ Billions                           | 30.0                    | <b>38.3</b>                 | 62.3             |
| U.S.                             | ¥ Billions<br>[U.S. \$ Millions]     | 89.5<br>[750]           | <b>93.3</b><br><b>[879]</b> | 186.9<br>[1,635] |
| Europe Total                     | ¥ Billions                           | 17.3                    | <b>16.7</b>                 | 33.3             |
| UK                               | ¥ Billions<br>[UK £ Millions]        | 0.6<br>[3]              | <b>2.0</b><br><b>[10]</b>   | 1.4<br>[6]       |
| France                           | ¥ Billions<br>[Euro Millions]        | 12.9<br>[79]            | <b>10.1</b><br><b>[62]</b>  | 24.3<br>[151]    |
| Germany                          | ¥ Billions<br>[Euro Millions]        | 3.8<br>[23]             | <b>4.5</b><br><b>[28]</b>   | 7.6<br>[47]      |
| China                            | ¥ Billions<br>[Chinese RMB Millions] | 0.4<br>[25]             | <b>0.4</b><br><b>[29]</b>   | 1.2<br>[75]      |
| Asia (excluding Japan and China) | ¥ Billions                           | 3.6                     | <b>4.0</b>                  | 7.4              |
| Total                            | ¥ Billions                           | 140.9                   | <b>152.6</b>                | 291.0            |

\* Sales forecast for Eisai sales territories for the year ending on March 31, 2009 is ¥314.0 billion.

### (2) ACIPHEX/PARIET (Proton pump inhibitor)

| Years Ended/Ending March 31      |                                      | Six months ended Sep 30 |                             | Full             |
|----------------------------------|--------------------------------------|-------------------------|-----------------------------|------------------|
| 2Q Apr - Sep                     |                                      | 2008                    | 2009                        | 2008             |
| Area                             |                                      |                         |                             |                  |
| Japan                            | ¥ Billions                           | 18.3                    | <b>21.7</b>                 | 37.1             |
| U.S.                             | ¥ Billions<br>[U.S. \$ Millions]     | 66.4<br>[556]           | <b>52.9</b><br><b>[498]</b> | 124.7<br>[1,091] |
| Europe Total                     | ¥ Billions                           | 4.6                     | <b>5.1</b>                  | 8.6              |
| UK                               | ¥ Billions<br>[UK £ Millions]        | 1.5<br>[6]              | <b>1.3</b><br><b>[7]</b>    | 2.2<br>[9]       |
| Germany                          | ¥ Billions<br>[Euro Millions]        | 0.9<br>[5]              | <b>1.3</b><br><b>[8]</b>    | 1.8<br>[11]      |
| Italy                            | ¥ Billions<br>[Euro Millions]        | 2.3<br>[14]             | <b>2.3</b><br><b>[14]</b>   | 4.5<br>[28]      |
| China                            | ¥ Billions<br>[Chinese RMB Millions] | 0.4<br>[24]             | <b>0.3</b><br><b>[21]</b>   | 0.7<br>[43]      |
| Asia (excluding Japan and China) | ¥ Billions                           | 2.6                     | <b>2.6</b>                  | 4.8              |
| Total                            | ¥ Billions                           | 92.2                    | <b>82.6</b>                 | 175.9            |

\* Sales forecast for Eisai sales territories for the year ending on March 31, 2009 is ¥161.0 billion.

\* Average exchange rate of Japanese yen to Chinese RMB

|                                     |                       |
|-------------------------------------|-----------------------|
| April 1, 2007 to September 30, 2007 | 15.66 yen/Chinese RMB |
| April 1, 2008 to September 30, 2008 | 15.38 yen/Chinese RMB |
| April 1, 2007 to March 31, 2008     | 15.30 yen/Chinese RMB |

(3)





## 6) SG&A Expenses

(billions of yen)

| Years Ended/Ending March 31<br>2Q Apr - Sep | Six months ended<br>2008 | Sep 30<br>2009 | Full<br>2008 |
|---|--------------------------|----------------|--------------|
| Net sales                                   | 362.8                    | <b>398.8</b>   | 734.3        |
| SG&A expenses                               | 187.3                    | <b>195.0</b>   | 372.3        |
| Personnel expenses                          | 37.2                     | <b>42.2</b>    | 77.1         |
| Marketing promotion expenses                | 123.1                    | <b>121.0</b>   | 241.9        |
| Administrative expenses and others          | 27.0                     | <b>31.8</b>    | 53.3         |
| Ratio of SG&A expenses to net sales (%)     | 51.6                     | <b>48.9</b>    | 50.7         |

## 7) Eisai Inc. (U.S.)

| Years Ended/Ending March 31<br>2Q Apr - Sep  |                                  | Six months ended<br>2008 | Sep 30<br>2009                 | Full<br>2008     |
|--|----------------------------------|--------------------------|--------------------------------|------------------|
| Net sales                                    | ¥ Billions<br>[U.S. \$ Millions] | 166.1<br>[1,392]         | <b>172.8</b><br><b>[1,629]</b> | 332.7<br>[2,911] |
| Operating income                             | ¥ Billions<br>[U.S. \$ Millions] | 10.7<br>[90]             | <b>12.0</b><br><b>[114]</b>    | 25.2<br>[221]    |
| Net income                                   | ¥ Billions<br>[U.S. \$ Millions] | 7.5<br>[63]              | <b>7.8</b><br><b>[74]</b>      | 17.1<br>[149]    |
| Operating income before<br>royalty deduction | ¥ Billions<br>[U.S. \$ Millions] | 41.5<br>[348]            | <b>42.0</b><br><b>[396]</b>    | 87.7<br>[767]    |

\*Starting July 2008, the sales operation of MGI PHARMA INC. has been integrated to Eisai Inc. As a result, the net sales of U.S. \$142 million (¥15.1 billion) by MGI PHARMA INC. were included to the above figures.

## 5. Consolidated Balance Sheets

### 1) Consolidated Balance Sheets <Assets>

|                                     |              |             |              |             | (billions of yen) |             | <Explanations> |
|-------------------------------------|--------------|-------------|--------------|-------------|-------------------|-------------|----------------|
|                                     | Mar 31       | %           | Sep 30       | %           | Change            | Inc./       |                |
|                                     |              |             |              |             | %                 | (Dec.)      |                |
| <b>Current assets:</b>              |              |             |              |             |                   |             |                |
| Cash and cash in banks              | 68.6         |             | <b>65.0</b>  |             |                   | (3.6)       |                |
| Notes and accounts receivable-trade | 172.1        |             | <b>180.8</b> |             |                   | 8.6         |                |
| Short-term investments              | 56.3         |             | <b>83.8</b>  |             |                   | 27.5        |                |
| Inventories                         | 58.1         |             | <b>58.7</b>  |             |                   | 0.6         |                |
| Deferred tax assets                 | 35.4         |             | <b>34.9</b>  |             |                   | (0.5)       |                |
| Other                               | 25.4         |             | <b>21.3</b>  |             |                   | (4.0)       |                |
| Allowance for doubtful receivables  | (0.3)        |             | <b>(0.3)</b> |             |                   | (0.0)       |                |
| <b>Total current assets</b>         | <b>415.6</b> | <b>37.0</b> | <b>444.2</b> | <b>38.4</b> | <b>106.9</b>      | <b>28.6</b> |                |
| <b>Non-current assets:</b>          |              |             |              |             |                   |             |                |
| Property, plant and equipment:      |              |             |              |             |                   |             |                |
| Buildings and structures            | 70.8         |             | <b>70.3</b>  |             |                   | (0.5)       |                |
| Machinery, equipment and vehicles   | 23.1         |             | <b>22.1</b>  |             |                   | (1.0)       |                |
| Land                                | 20.8         |             | <b>20.7</b>  |             |                   | (0.1)       |                |
| Construction in progress            | 19.8         |             | <b>31.0</b>  |             |                   | 11.2        |                |
| Other                               | 12.6         |             | <b>13.5</b>  |             |                   | 0.9         |                |
| Total property, plant and equipment | 147.1        | 13.1        | <b>157.6</b> | 13.6        | 107.1             | 10.5        |                |
| Intangible assets:                  |              |             |              |             |                   |             |                |
| Goodwill                            | 178.7        |             | <b>177.9</b> |             |                   | (0.8)       |                |

## 2) Consolidated Balance Sheets <Liabilities and Equity> (billions of yen)

|   | 2008           |              |                |              | Change<br>%  | Inc./<br>(Dec.) | <Explanations>  |
|---|----------------|--------------|----------------|--------------|--------------|-----------------|---|
|   | Mar 31         | %            | Sep 30         | %            |              |                 |   |
| Current liabilities:  |                |              |                |              |              |                 |   |
| Notes and accounts payable-trade                                    | 18.3           |              | <b>19.5</b>    |              |              | 1.2             |   |
| Short-term borrowings   | 362.8          |              | <b>3.0</b>     |              |              | (359.8)         | <b>Short-term borrowings</b>                              |
| Accounts payable-other/accrued expenses etc.                        | 116.7          |              | <b>126.4</b>   |              |              | 9.8             | <Decrease Factor>   |
| Income taxes payable  | 16.1           |              | <b>23.1</b>    |              |              | 7.0             | Shift to Bonds and debenture and Long-term borrowings     |
| Reserve for sales rebates   | 23.3           |              | <b>29.7</b>    |              |              | 6.3             |   |
| Other   | 6.0            |              | <b>8.2</b>     |              |              | 2.2             |   |
| <b>Total current liabilities</b>                                    | <b>543.2</b>   | <b>48.3</b>  | <b>209.9</b>   | <b>18.1</b>  | <b>38.6</b>  | <b>(333.3)</b>  |   |
| Long-term liabilities:  |                |              |                |              |              |                 |   |
| Bonds and debentures  | 0.8            |              | <b>120.7</b>   |              |              | 119.8           | <b>Bonds and debentures</b>                               |
| Long-term borrowings  | 50.0           |              | <b>282.5</b>   |              |              | 232.5           | <Increase Factor><br>Issuance of unsecured straight bonds |
| Deferred tax liabilities  | 40.2           |              | <b>42.3</b>    |              |              | 2.1             |   |
| Liability for retirement benefits                                   | 24.1           |              | <b>23.1</b>    |              |              | (1.0)           | <b>Long-term borrowings</b>                               |
| Retirement allowances for directors                                 | 2.1            |              | <b>2.3</b>     |              |              | 0.1             | <Increase Factor><br>Financing for acquisition            |
| Other   | 9.6            |              | <b>10.9</b>    |              |              | 1.3             |   |
| <b>Total long-term liabilities</b>                                  | <b>127.0</b>   | <b>11.3</b>  | <b>481.8</b>   | <b>41.7</b>  | <b>379.5</b> | <b>354.8</b>    |   |
| <b>Total liabilities</b>  | <b>670.1</b>   | <b>59.6</b>  | <b>691.6</b>   | <b>59.8</b>  | <b>103.2</b> | <b>21.5</b>     |   |
| Owners' equity:   |                |              |                |              |              |                 |   |
| Common stock  | 45.0           |              | <b>45.0</b>    |              |              | -               |   |
| Capital surplus   | 57.0           |              | <b>57.0</b>    |              |              | (0.0)           |   |
| Retained earnings   | 416.0          |              | <b>424.3</b>   |              |              | 8.3             |   |
| Treasury stock  | (39.7)         |              | <b>(39.7)</b>  |              |              | 0.0             |   |
| <b>Total owners' equity</b>   | <b>478.2</b>   | <b>42.5</b>  | <b>486.6</b>   | <b>42.1</b>  | <b>101.7</b> | <b>8.3</b>      |   |
| Net unrealized gain (loss) and translation adjustments:             |                |              |                |              |              |                 |   |
| Net unrealized gain (loss) on available-for-sale securities         | 9.5            |              | <b>4.8</b>     |              |              | (4.7)           |   |
| Deferred gain (loss) on derivatives under hedge accounting          | -              |              | <b>(0.0)</b>   |              |              | (0.0)           |   |
| Foreign currency translation adjustments                            | (38.9)         |              | <b>(31.3)</b>  |              |              | 7.5             |   |
| <b>Total net unrealized gain (loss) and translation adjustments</b> | <b>(29.4)</b>  | <b>(2.6)</b> | <b>(26.6)</b>  | <b>(2.3)</b> |              | <b>2.8</b>      |   |
| Stock acquisition rights  | 0.6            | 0.1          | <b>0.6</b>     | 0.0          | 103.3        | 0.0             |   |
| Minority interests  | 4.4            | 0.4          | <b>4.3</b>     | 0.4          | 98.4         | (0.1)           |   |
| <b>Total equity</b>   | <b>453.8</b>   | <b>40.4</b>  | <b>464.9</b>   | <b>40.2</b>  | <b>102.4</b> | <b>11.1</b>     |   |
| <b>Total liabilities and equity</b>                                 | <b>1,123.9</b> | <b>100.0</b> | <b>1,156.5</b> | <b>100.0</b> | <b>102.9</b> | <b>32.6</b>     |   |

## 6. Consolidated Changes in Quarterly Results

### 1) Statements of Operation Data

(billions of yen)

| Years Ended/Ending March 31     | First<br>Quarter | Second<br>Quarter | Third<br>Quarter | Fourth<br>Quarter | First<br>Quarter | <b>Second<br/>Quarter</b> |
|---------------------------------|------------------|-------------------|------------------|-------------------|------------------|---------------------------|
| Net sales                       | 176.0            | 186.8             | 196.7            | 174.7             | 195.8            | <b>203.0</b>              |
| Cost of sales                   | 27.5             | 27.1              | 28.9             | 35.3              | 39.4             | <b>39.9</b>               |
| R&D expenses                    | 30.5             | 33.3              | 35.7             | 125.9             | 35.7             | <b>42.3</b>               |
| SG&A expenses                   | 91.8             | 95.5              | 96.6             | 88.4              | 96.7             | <b>98.4</b>               |
| Operating income (loss)         | 26.2             | 30.9              | 35.5             | (74.8)            | 24.1             | <b>22.5</b>               |
| Non-operating income & expenses | 2.2              | 0.3               | 1.2              | (2.6)             | (0.2)            | <b>(2.7)</b>              |

### 3) Balance Sheets Data

#### <Assets>

(billions of yen)

|                               | Jun 30 | Sep 30 | Dec 31 | Mar 31  | Jun 30  | Sep 30         |
|-------------------------------|--------|--------|--------|---------|---------|----------------|
| Current assets                | 396.0  | 420.9  | 430.9  | 415.6   | 433.4   | <b>444.2</b>   |
| Property, plant and equipment | 135.3  | 137.5  | 141.4  | 147.1   | 155.0   | <b>157.6</b>   |
| Intangible assets             | 104.0  | 121.6  | 120.4  | 417.7   | 430.3   | <b>410.8</b>   |
| Investments and other assets  | 150.4  | 137.7  | 140.6  | 143.6   | 146.6   | <b>144.0</b>   |
| Non-current assets            | 389.7  | 396.8  | 402.4  | 708.4   | 731.9   | <b>712.3</b>   |
| Total assets                  | 785.7  | 817.6  | 833.3  | 1,123.9 | 1,165.3 | <b>1,156.5</b> |

#### <Liabilities and Equity>

(billions of yen)

|                     | Jun 30 | Sep 30 | Dec 31 | Mar 31 | Jun 30 | Sep 30 |
|---------------------|--------|--------|--------|--------|--------|--------|
| Current liabilities | 180.6  | 191.8  | 205.7  | 543.2  | 367.1  |        |

|                                  |                                      |               |               |               |               |               |                             |
|----------------------------------|--------------------------------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|
| U.S.                             | ¥ Billions<br>[U.S. \$ Millions]     | 41.5<br>[343] | 48.0<br>[407] | 48.0<br>[423] | 49.4<br>[463] | 43.4<br>[415] | <b>49.9</b><br><b>[464]</b> |
| Europe                           | ¥ Billions                           | 9.2           | 8.1           | 9.0           | 6.9           | 8.0           | <b>8.7</b>                  |
| UK                               | ¥ Billions<br>[UK £ Millions]        | 0.3<br>[1]    | 0.3<br>[1]    | 0.4<br>[2]    | 0.3<br>[2]    | 0.7<br>[4]    | <b>1.3</b><br><b>[6]</b>    |
| France                           | ¥ Billions<br>[Euro Millions]        | 7.0<br>[43]   | 5.9<br>[36]   | 6.6<br>[40]   | 4.8<br>[31]   | 5.1<br>[31]   | <b>5.0</b><br><b>[31]</b>   |
| Germany                          | ¥ Billions<br>[Euro Millions]        | 1.9<br>[12]   | 1.9<br>[12]   | 2.0<br>[12]   | 1.8<br>[11]   | 2.1<br>[13]   | <b>2.4</b><br><b>[15]</b>   |
| China                            | ¥ Billions<br>[Chinese RMB Millions] | 0.0<br>[3]    | 0.3<br>[22]   | 0.3<br>[17]   | 0.5<br>[33]   | 0.1<br>[9]    | <b>0.3</b><br><b>[20]</b>   |
| Asia (excluding Japan and China) | ¥ Billions                           | 1.7           | 1.9           | 2.0           | 1.8           | 2.0           | <b>2.0</b>                  |
| Total                            | ¥ Billions                           | 67.3          | 73.5          | 78.2          | 71.9          | 72.9          | <b>79.6</b>                 |

### 6) ACIPHEX/PARIET Sales by Area (Eisai Territory Sales)

| Years Ended/Ending March 31      |                                      | 2008          |                |               |                | 2009          |                             |
|----------------------------------|--------------------------------------|---------------|----------------|---------------|----------------|---------------|-----------------------------|
|                                  |                                      | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter              |
| Japan                            | ¥ Billions                           | 8.9           | 9.3            | 11.2          | 7.6            | 11.0          | <b>10.6</b>                 |
| U.S.                             | ¥ Billions<br>[U.S. \$ Millions]     | 31.8<br>[263] | 34.6<br>[293]  | 33.1<br>[292] | 25.2<br>[243]  | 25.9<br>[248] | <b>27.0</b><br><b>[251]</b> |
| Europe                           | ¥ Billions                           | 2.5           | 2.1            | 1.9           | 2.0            | 2.5           | <b>2.6</b>                  |
| UK                               | ¥ Billions<br>[UK £ Millions]        | 0.8<br>[3]    | 0.7<br>[3]     | 0.4<br>[2]    | 0.4<br>[2]     | 0.6<br>[3]    | <b>0.7</b><br><b>[3]</b>    |
| Germany                          | ¥ Billions<br>[Euro Millions]        | 0.5<br>[3]    | 0.3<br>[2]     | 0.4<br>[2]    | 0.5<br>[3]     | 0.6<br>[4]    | <b>0.7</b><br><b>[4]</b>    |
| Italy                            | ¥ Billions<br>[Euro Millions]        | 1.2<br>[7]    | 1.1<br>[7]     | 1.1<br>[7]    | 1.2<br>[7]     | 1.2<br>[7]    | <b>1.2</b><br><b>[7]</b>    |
| China                            | ¥ Billions<br>[Chinese RMB Millions] | 0.2<br>[14]   | 0.2<br>[10]    | 0.1<br>[9]    | 0.1<br>[10]    | 0.1<br>[9]    | <b>0.2</b><br><b>[13]</b>   |
| Asia (excluding Japan and China) | ¥ Billions                           | 1.4           | 1.2            | 1.3           | 1.0            | 1.3           | <b>1.3</b>                  |
| Total                            | ¥ Billions                           | 44.9          | 47.3           | 47.7          | 36.0           | 40.8          | <b>41.7</b>                 |

### 7) METHYCOBAL Sales by Area (Eisai Territory Sales)

| Years Ended/Ending March 31 |            | 2008          |                |               |                | 2009          |                |
|-----------------------------|------------|---------------|----------------|---------------|----------------|---------------|----------------|
|                             |            | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter |
| Japan                       | ¥ Billions | 8.2           | 8.0            | 9.1           | 6.4            | 8.3           | <b>7.7</b>     |
| Asia (including China)      | ¥ Billions | 1.8           | 1.8            | 1.7           | 1.7            | 2.4           | <b>2.4</b>     |
| Total                       | ¥ Billions | 10.1          | 9.8            | 10.8          | 8.1            | 10.7          | <b>10.1</b>    |

### 8) ALOXI Sales by Area (Eisai Territory Sales)

| Years Ended/Ending March 31 |                                  | 2008          |                |               |                | 2009          |                           |
|-----------------------------|----------------------------------|---------------|----------------|---------------|----------------|---------------|---------------------------|
|                             |                                  | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter            |
| U.S.                        | ¥ Billions<br>[U.S. \$ Millions] | -<br>[-]      | -<br>[-]       | -<br>[-]      | 6.5<br>[62]    | 9.5<br>[90]   | <b>9.5</b><br><b>[88]</b> |

### 9) DACOGEN Sales by Area (Eisai Territory Sales)

| Years Ended/Ending March 31 |                                  | 2008          |                |               |                | 2009          |                           |
|-----------------------------|----------------------------------|---------------|----------------|---------------|----------------|---------------|---------------------------|
|                             |                                  | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter            |
| U.S.                        | ¥ Billions<br>[U.S. \$ Millions] | -<br>[-]      | -<br>[-]       | -<br>[-]      | 2.7<br>[26]    | 4.4<br>[42]   | <b>4.3</b><br><b>[40]</b> |

### 10) ZONEGRAN Sales by Area (Eisai Territory Sales)

| Years Ended/Ending March 31 |                                  | 2008          |                |               |                | 2009          |                          |
|-----------------------------|----------------------------------|---------------|----------------|---------------|----------------|---------------|--------------------------|
|                             |                                  | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter           |
| U.S.                        | ¥ Billions<br>[U.S. \$ Millions] | 0.7<br>[6]    | 0.7<br>[6]     | 0.4<br>[4]    | 0.4<br>[4]     | 0.5<br>[4]    | <b>0.6</b><br><b>[5]</b> |
| Europe                      | ¥ Billions                       | 0.7           | 0.8            | 0.9           | 0.8            | 1.0           | <b>1.0</b>               |
| Asia                        | ¥ Billions                       | 0.0           | 0.0            | 0.0           | 0.1            | 0.1           | <b>0.1</b>               |
| Total                       | ¥ Billions                       | 1.5           | 1.6            | 1.4           | 1.2            | 1.5           | <b>1.6</b>               |

### 11) Eisai Inc. ( U.S. )

| Years Ended/Ending March 31               |                                  | 2008          |                |               |                | 2009          |                             |
|---|----------------------------------|---------------|----------------|---------------|----------------|---------------|-----------------------------|
|   |                                  | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter              |
| Net sales                                 | ¥ Billions<br>[U.S. \$ Millions] | 77.8<br>[644] | 88.3<br>[748]  | 86.7<br>[764] | 79.9<br>[756]  | 74.8<br>[716] | <b>98.0</b><br><b>[913]</b> |
| Operating income                          | ¥ Billions<br>[U.S. \$ Millions] | 3.6<br>[29]   | 7.1<br>[60]    | 7.4<br>[65]   | 7.1<br>[66]    | 4.0<br>[39]   | <b>8.1</b><br><b>[75]</b>   |
| Net income                                | ¥ Billions<br>[U.S. \$ Millions] | 2.6<br>[22]   | 4.9<br>[41]    | 5.0<br>[44]   | 4.6<br>[43]    | 2.6<br>[25]   | <b>5.2</b><br><b>[48]</b>   |
| Operating income before royalty deduction | ¥ Billions<br>[U.S. \$ Millions] | 18.0<br>[149] | 23.5<br>[199]  | 23.6<br>[207] | 22.6<br>[212]  | 18.1<br>[174] | <b>23.9</b><br><b>[222]</b> |

\*Starting July 2008, the sales operation of MGI PHARMA INC. has been integrated to Eisai Inc. As a result, the net sales of U.S. \$142 million (¥15.1 billion) by MGI PHARMA INC. were included to the above figures.

## 7. Non-Consolidated Financial Highlights

### 1) Non-Consolidated Financial Highlights

#### (1) Statements of Income Data

(billions of yen)

| Years Ended/Ending March 31 | 2008  | 2009         | YOY<br>% | 2008  | 2009<br>est. |
|-----------------------------|-------|--------------|----------|-------|--------------|
| 2Q Apr - Sep                |       |              |          |       |              |
| Net sales                   | 194.9 | <b>204.1</b> | 104.8    | 389.2 | <u>405.0</u> |
| Cost of sales               | 39.1  | <b>41.3</b>  | 105.8    | 76.0  | <u>79.0</u>  |
| R&D expenses                | 61.9  | <b>71.0</b>  | 114.7    | 134.0 | <u>141.5</u> |
| SG&A expenses               | 52.2  | <b>56.9</b>  | 109.0    | 106.1 | <u>114.5</u> |
| Operating income            | 41.7  | <b>34.9</b>  | 83.7     | 73.1  | <u>70.0</u>  |
| Ordinary income             | 41.9  | <b>32.3</b>  | 77.0     | 71.0  | <u>62.5</u>  |
| Net income                  | 28.2  | <b>26.0</b>  | 92.3     | 46.0  | <u>46.5</u>  |

\* "Cost of sales" includes "(Reversal of) Provision for sales returns-net".

#### (2) Statements of Cash Flows Data

(billions of yen)

| Years Ended/Ending March 31               | 2008 | 2009        | Inc./<br>(Dec.) | Full<br>2008 |
|---|------|-------------|-----------------|--------------|
| 2Q Apr - Sep                              |      |             |                 |              |
| Net cash provided by operating activities | 22.4 | <b>31.6</b> | 9.1             | 36.7         |



## 2) Net Sales by Business Segment

(billions of yen)

| Years Ended/Ending March 31  | 2008  | 2009         | YOY<br>% | 2008  | 2009<br>est. |
|------------------------------|-------|--------------|----------|-------|--------------|
| 2Q Apr - Sep                 |       |              |          |       |              |
| Net sales                    | 194.9 | <b>204.1</b> | 104.8    | 389.2 | <u>405.0</u> |
| Prescription pharmaceuticals | 117.0 | <b>129.0</b> | 110.3    | 231.8 | <u>256.5</u> |

#### 4) Prescription Pharmaceuticals

(billions of yen)

| Years Ended/Ending March 31   |       |              |       |       |              |
|---|-------|--------------|-------|-------|--------------|
| 2Q Apr - Sep  | 2008  | 2009         | YOY   | 2008  | 2009         |
| Description / Product   |       |              | %     |       | est.         |
| Alzheimer's disease treatment<br><i>ARICEPT</i>                       | 30.0  | <b>38.3</b>  | 127.4 | 62.3  | <u>77.0</u>  |
| Proton pump inhibitor<br><i>PARIET</i>                                | 18.3  | <b>21.7</b>  | 118.7 | 37.1  | <u>43.5</u>  |
| Peripheral neuropathy treatment<br><i>METHYCOBAL</i>                  | 16.2  | <b>16.0</b>  | 98.7  | 31.7  | <u>30.0</u>  |
| Gastritis/gastric ulcer treatment<br><i>SELBEX</i>                    | 9.4   | <b>8.2</b>   | 87.4  | 18.2  | 16.0         |
| Osteoporosis treatment<br><i>ACTONEL</i>                              | 4.8   | <b>4.4</b>   | 90.9  | 8.2   | 10.0         |
| Muscle relaxant<br><i>MYONAL</i>                                      | 4.2   | <b>4.0</b>   | 95.8  | 8.0   | <u>7.5</u>   |
| Non-ionic contrast medium<br><i>IOMERON</i>                           | 4.1   | <b>3.7</b>   | 90.4  | 7.9   | 7.5          |
| Osteoporosis treatment<br><i>GLAKAY</i>                               | 3.5   | <b>2.9</b>   | 81.9  | 6.4   | 5.5          |
| Genetically engineered glucagon preparation<br><i>GLUCAGON G NOVO</i> | 2.0   | <b>1.9</b>   | 94.1  | 3.9   | 3.5          |
| Long-acting isosorbide denigrate preparation<br><i>NITOROL-R</i>      | 1.8   | <b>1.6</b>   | 89.2  | 3.4   | 3.0          |
| Others  | 22.7  | <b>26.4</b>  | 116.5 | 44.7  | <u>53.0</u>  |
| Prescription pharmaceuticals total                                    | 117.0 | <b>129.0</b> | 110.3 | 231.8 | <u>256.5</u> |

#### Exports by Products

(billions of yen)

| Years Ended/Ending March 31 |      |             |       |      |             |
|-----------------------------|------|-------------|-------|------|-------------|
| 2Q Apr - Sep                | 2008 | 2009        | YOY   | 2008 | 2009        |
| Description / Product       |      |             | %     |      | est.        |
| <i>ARICEPT</i>              | 14.2 | <b>14.1</b> | 99.2  | 28.1 | 24.5        |
| <i>ACIPHEX/PARIET</i>       | 12.9 | <b>11.1</b> | 86.0  | 25.1 | 21.0        |
| Others                      | 3.4  | <b>3.8</b>  | 109.3 | 7.5  | <u>7.0</u>  |
| Exports total               | 30.5 | <b>28.9</b> | 94.8  | 60.7 | <u>52.5</u> |

#### 6) Consumer Health Care Products

(billions of yen)

| Years Ended/Ending March 31                                       |      |            |       |      |      |
|---|------|------------|-------|------|------|
| 2Q Apr - Sep  | 2008 | 2009       | YOY   | 2008 | 2009 |
| Description / Product   |      |            | %     |      | est. |
| Vitamin B2 preparation<br><i>CHOCOLA BB</i> Group                 | 4.7  | <b>5.1</b> | 107.2 | 9.5  | 10.0 |
| Active-type Vitamin B12<br><i>NABOLIN</i> Group                   | 1.1  | <b>1.1</b> | 100.7 | 2.3  | 2.5  |
| JUVELUX / Natural Vitamin E preparation<br><i>Vitamin-E</i> Group | 0.8  | <b>0.8</b> | 94.0  | 1.7  | 1.5  |
| Stomach ache and heartburn treatment<br><i>SACLON</i> Group       | 0.7  | <b>0.8</b> | 101.9 | 1.6  | 1.5  |
| Others  | 2.1  | <b>1.8</b> | 85.1  | 5.1  | 4.5  |
| Consumer health care products total                               | 9.5  | <b>9.5</b> | 100.0 | 20.1 | 20.0 |

## 7) Gross Profit/Manufacturing Cost

### (1) Breakdown of Cost of Sales

(billions of yen)

| Years Ended/Ending March 31               |       |              | Full  |
|---|-------|--------------|-------|
| 2Q Apr - Sep                              | 2008  | 2009         | 2008  |
| Net sales                                 | 194.9 | <b>204.1</b> | 389.2 |
| Cost of sales                             | 39.2  | <b>41.3</b>  | 76.1  |
| Beginning inventory ( + )                 | 15.2  | <b>15.9</b>  | 15.2  |
| Manufacturing cost ( + )                  | 19.0  | <b>19.3</b>  | 38.3  |
| Product purchase ( + )                    | 13.1  | <b>16.3</b>  | 26.1  |
| Account transfer ( + )                    | 7.0   | <b>6.1</b>   | 12.4  |
| Ending inventory ( - )                    | 15.2  | <b>16.3</b>  | 15.9  |
| COGS ratio to net sales (%)               | 20.1  | <b>20.2</b>  | 19.6  |
| (Reversal of) provision for sales returns | (0.1) | <b>(0.2)</b> | (0.1) |
| Gross profit                              | 155.8 | <b>162.6</b> | 313.2 |

### (2) Breakdown of Manufacturing Cost

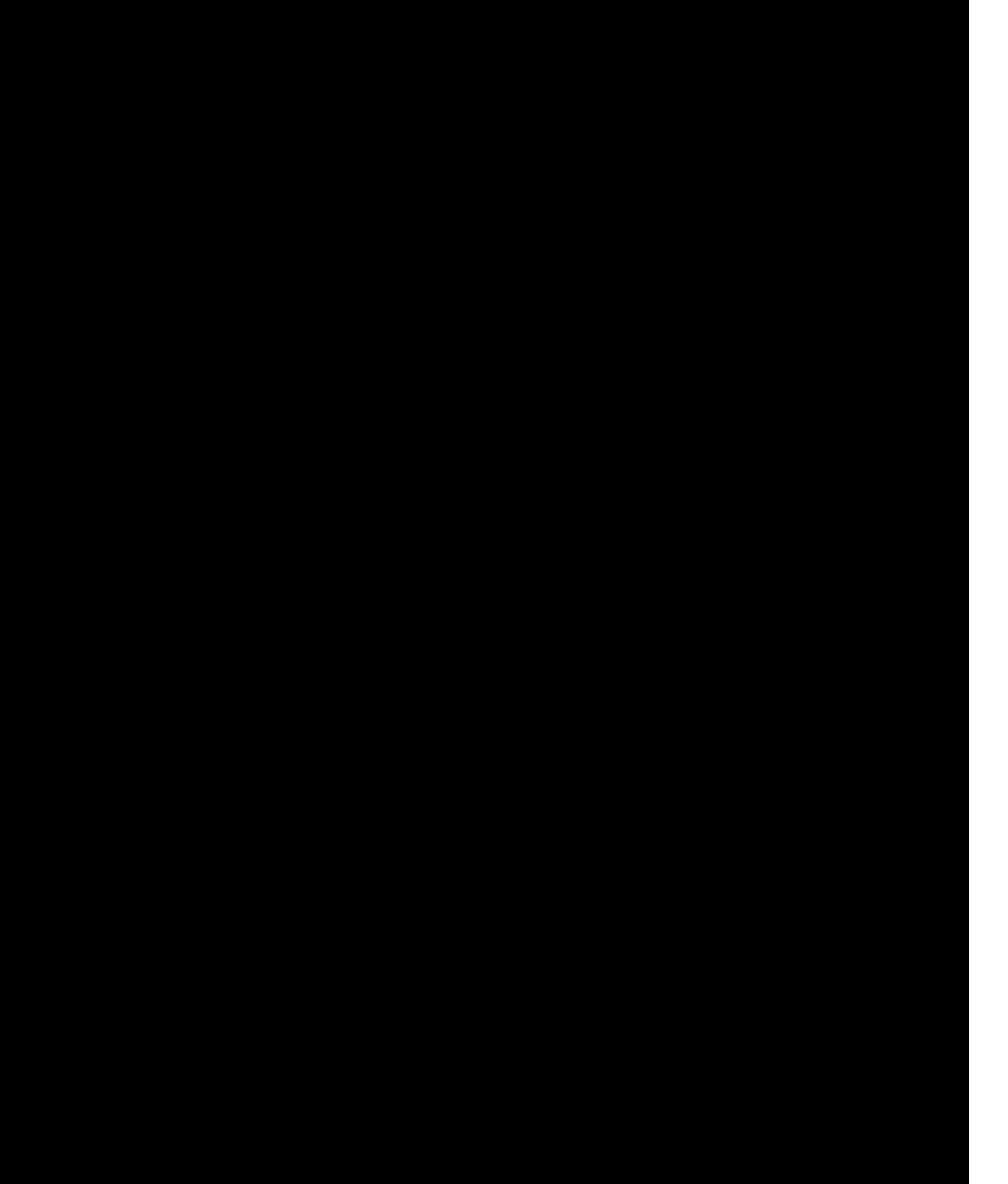
(billions of yen)

| Years Ended/Ending March 31  |       |              | Full  |
|--|-------|--------------|-------|
| 2Q Apr - Sep   | 2008  | 2009         | 2008  |
| Total manufacturing cost   | 22.1  | <b>22.4</b>  | 44.2  |
| Raw materials  | 7.7   | <b>8.3</b>   | 14.7  |
| Labor cost   | 5.5   | <b>5.6</b>   | 10.9  |
| Expenses   | 8.8   | <b>8.5</b>   | 18.6  |
| Beginning inventory of semi-finished goods and work-in-process ( + ) | 9.4   | <b>9.3</b>   | 9.4   |
| Ending inventory of semi-finished goods and work-in-process ( - )    | 9.4   | <b>9.9</b>   | 9.3   |
| Account transfer ( + )   | (3.0) | <b>(2.5)</b> | (5.9) |
| Manufacturing cost   | 19.0  | <b>19.3</b>  | 38.3  |

## 8) Overseas R&D Expenses/SG&A Expenses

(billions of yen)

| Years Ended/Ending March 31                                      | Six months ended Sep 30 |               | Full   |
|--|-------------------------|---------------|--------|
| 2Q Apr - Sep   | 2008                    | 2009          | 2008   |
| R&D expenses   | 61.9                    | <b>71.0</b>   | 134.0  |
| Overseas R&D expenses  | 35.0                    | <b>41.7</b>   | 77.1   |
| [Ratio of overseas R&D expenses to R&D expenses] (%)             | [56.5]                  | <b>[58.7]</b> | [57.5] |
| SG&A expenses  | 52.2                    | <b>56.9</b>   | 106.1  |
| Personnel expenses   | 15.8                    | <b>16.5</b>   | 31.5   |
| Marketing expenses   | 22.7                    | <b>26.9</b>   | 46.2   |
| Administrative expenses and others                               | 13.7                    | <b>13.5</b>   | 28.5   |
| SG&A expenses (including R&D expenses)                           | 114.1                   | <b>127.9</b>  | 240.1  |
| Ratio of SG&A expenses (including R&D expenses) to net sales (%) | 58.5                    | <b>62.6</b>   | 61.7   |



## 8. Stock Information

### 1) Issued Stock and Shareholder Information

As of September 30, 2008

| Total Number of<br>Authorized Shares<br>(shares) | Number of<br>Shares Outstanding<br>(shares) | [Number of<br>Treasury Stock]<br>(shares) | Number of<br>Shareholders<br>(persons) | Average Number of<br>Shares per Shareholder<br>(shares) |
|--|---|---|--|---|
| 1,100,000,000                                    | 296,566,949                                 | 11,656,846                                | 62,747                                 | 4,726   |

### 2) Top 10 Shareholders

As of September 30, 2008

| Name                          | ( 1,000 shares) |      |
|-------------------------------|-----------------|------|
| Nippon Life Insurance Company | 15,344          | 5.17 |

### 5) Breakdown of Shareholders Holding Size/Number of Shareholders

(persons)

|                           | 2008<br>Mar 31 | %     | 2008<br>Sep 30 | %     | Inc./<br>(Dec.) |
|---------------------------|----------------|-------|----------------|-------|-----------------|
| 1 million shares and over | 52             | 0.1   | <b>50</b>      | 0.1   | (2)             |
| 100,000 ~ 999,999 shares  | 184            | 0.3   | <b>162</b>     | 0.3   | (22)            |
| 10,000 ~ 99,999 shares    | 801            | 1.2   | <b>818</b>     | 1.3   | 17              |
| 1,000 ~ 9,999 shares      | 12,452         | 18.6  | <b>12,414</b>  | 19.8  | (38)            |
| 100 ~ 999 shares          | 49,160         | 73.4  | <b>44,937</b>  | 71.6  | (4,223)         |
| less than 100 shares      | 4,281          | 6.4   | <b>4,366</b>   | 7.0   | 85              |
| Total                     | 66,930         | 100.0 | <b>62,747</b>  | 100.0 | (4,183)         |

### 6) Breakdown by Shareholder Holding Size/Number of Shares Held

(1,000 shares)

|                           | 2008<br>Mar 31 | %     | 2008<br>Sep 30 | %     | Inc./<br>(Dec.) |
|---------------------------|----------------|-------|----------------|-------|-----------------|
| 1 million shares and over | 181,692        | 61.3  | <b>191,265</b> | 64.5  | 9,573           |
| 100,000 ~ 999,999 shares  | 57,209         | 19.3  | <b>47,538</b>  | 16.0  | (9,670)         |
| 10,000 ~ 99,999 shares    | 20,176         | 6.8   | <b>21,020</b>  | 7.1   | 843             |
| 1,000 ~ 9,999 shares      | 26,253         | 8.8   | <b>26,064</b>  | 8.8   | (189)           |
| 100 ~ 999 shares          | 11,056         | 3.7   | <b>10,499</b>  | 3.5   | (557)           |
| less than 100 shares      | 177            | 0.1   | <b>177</b>     | 0.1   | (0)             |
| Total                     | 296,566        | 100.0 | <b>296,566</b> | 100.0 | -               |

\* Number of shares less than one thousand has been omitted.



**(2) Subsidiaries in Japan (11 companies)**

As of September 30, 2008

| Company Name                             | Location       | Common Stock      | Equity (%)<br>Ownership | Description of Operations                                       |
|--|----------------|-------------------|-------------------------|---|
| Sanko Junyaku Co., Ltd.                  | Tokyo          | 5,262 million yen | 100.00%                 | Diagnostic product prod./sales                                  |
| Sannova Co., Ltd.                        | Gunma Pref.    | 926 million yen   | 79.95%                  | Pharma. production/sales  |
| Elmed Eisai Co., Ltd.                    | Tokyo          | 450 million yen   | 100.00%                 | Pharma. sales   |
| Eisai Food & Chemicals Co., Ltd.         | Tokyo          | 101 million yen   | 100.00%                 | Food additives/chemicals sales                                  |
| Eisai Machinery Inc.                     | Tokyo          | 100 million yen   | 100.00%                 | Pharma. machinery prod./sales                                   |
| KAN Research Institute, Inc.             | Hyogo Pref.    | 70 million yen    | 100.00%                 | Basic research  |
| Eisai Distribution Co., Ltd.             | Kanagawa Pref. | 60 million yen    | 100.00%                 | Pharma. distribution  |
| Palma Bee'Z Research Institute Co., Ltd. | Tokyo          | 50 million yen    | 100.00%                 | Diagnostic product research                                     |
| Eisai R&D Management Co., Ltd.           | Tokyo          | 11 million yen    | 100.00%                 | Management of drug development/research                         |
| Sunplanet Co., Ltd.                      | Tokyo          | 455 million yen   | 84.93%                  | Administrative/Catering/Printing service/Real estate management |
| Eisai Seikaken Co., Ltd.                 | Tokyo          | 50 million yen    | 70.00%                  | Agro-chemical prod./sales                                       |

\* The whole shares of Clinical Supply Co., Ltd. held by Eisai Co., Ltd. were transferred in June 2008.

\* Fractions figures in "Common Stock" are rounded down.

**(2) Equity in Earnings in Associated Companies (1 company)**

As of September 30, 2008

| Company Name           | Location | Common Stock    | Equity (%)<br>Ownership | Description of Operations         |
|------------------------|----------|-----------------|-------------------------|-----------------------------------|
| Bracco-Eisai Co., Ltd. | Tokyo    | 340 million yen | 49.00%                  | Contrast media import/prod./sales |

\* Fiscal year of Bracco-Eisai Co., Ltd. ends on December 31.

\* Fractions figures in "Common Stock" are rounded down.



## 10. Personnel Information

### 1) Consolidated Personnel Information

(persons)

| March 31                         | 2006  | 2007  | 2008   | <b>2008<br/>Sep 30</b> |
|----------------------------------|-------|-------|--------|------------------------|
| Total employees                  | 9,081 | 9,649 | 10,686 | <b>11,035</b>          |
| Japan                            | 5,144 | 5,334 | 5,453  | <b>5,641</b>           |
| U.S.                             | 1,787 | 1,975 | 2,699  | <b>2,711</b>           |
| Europe                           | 650   | 765   | 861    | <b>918</b>             |
| China                            | 742   | 777   | 834    | <b>921</b>             |
| Asia (excluding Japan and China) | 758   | 798   | 839    | <b>844</b>             |

### 2) Non-consolidated Personnel Information

(persons)

| March 31                               | 2006  | 2007  | 2008  | <b>2008<br/>Sep 30</b> |
|--|-------|-------|-------|------------------------|
| Total employees                        | 3,906 | 4,050 | 4,137 | <b>4,352</b>           |
| Production                             | 817   | 819   | 800   | <b>814</b>             |
| Research and development               | 1,032 | 1,101 | 1,123 | <b>1,176</b>           |
| Sales, marketing and administration    | 2,057 | 2,130 | 2,214 | <b>2,362</b>           |
| Total personnel cost (billions of yen) | 64.0  | 60.9  | 57.9  | <b>30.2</b>            |

\* The number of total employees shown in the above represents all personnel working at Eisai group/Eisai Co., Ltd., including

## 11. Major R&D Pipeline Candidates

### 1) By Development Stages

#### (1) New Approval

| Product Name<br>Research Code | Indication/Mode of Action or Category   | Region | Approved       | Form. |
|-------------------------------|---|--------|----------------|-------|
| <b>HUMIRA<br/>(D2E7)</b>      | <b>Rheumatoid arthritis/human anti TNF-<math>\alpha</math> monoclonal antibody</b>  | Japan  | April 2008     | Inj.  |
| <b>IOMERON<br/>(E7337)</b>    | <b>Additional dosage &amp; formulation: for use in dynamic computed tomography of the liver</b>                             | Japan  | May 2008       | Inj.  |
| <b>ACIPHEX<br/>(E3810)</b>    | <b>Additional indication: short-term treatment of gastroesophageal reflux disease (GERD) in adolescents</b>                 | US     | June 2008      | Oral  |
| # <b>ALOXI<br/>(E3270)</b>    | <b>Additional formulation: oral formulation for the prevention of acute chemotherapy-induced nausea and vomiting (CINV)</b> | US     | August 2008    | Oral  |
| # <b>GASMOTIN</b>             | <b>Gastroprokinetic agent (generic name: mosapride citrate)</b>   |        | September 2008 | Oral  |

#### (2) Under Review/Preparing for Submission

| Product Name<br>Research Code | Indication/Mode of Action or Category                           | Region     | Submission<br>/Target             | Form. |
|-------------------------------|---|------------|-----------------------------------|-------|
| <b>ARICEPT<br/>(E2020)</b>    | <b>Additional indication: vascular dementia</b>                 | US<br>(EU) | November 2002<br>(In preparation) | Oral  |
| <b>T-614</b>                  | <b>Rheumatoid arthritis (generic name: iguratimod)</b>          | Japan      |                                   | Oral  |
| <b>ARICEPT<br/>(E2020)</b>    | <b>Additional formulation: liquid formulation</b>               | EU         | May 2004                          | Oral  |
| <b>rufinamide<br/>(E2080)</b> | <b>Anti-epileptic agent (generic name: rufinamide)</b>          | US         | January 2006                      | Oral  |
| <b>E2014</b>                  | <b>Cervical dystonia (generic name: botulinum toxin type B)</b> | Japan      | December 2006                     | Inj.  |

### (3)Clinical (Phase III-II/III)

| Product Name<br>Research Code | Indication/Mode of Action or Category   | Region            | Phase                | Submission Target | Form.          |
|-------------------------------|---|-------------------|----------------------|-------------------|----------------|
| <b>E5564</b>                  | <b>Severe sepsis/endotoxin antagonist<br/>(generic name: eritoran)</b>                              | US<br>EU<br>Japan |                      | FY2009            | Inj.           |
| <b>E7389</b>                  | <b>Anticancer agent (breast cancer)/microtubule<br/>dynamics inhibitor (generic name: eribulin)</b> | US<br>EU<br>Japan |                      | FY2009            | Inj.           |
| <b>AS-3201</b>                | <b>Diabetic complications/aldose reductase<br/>inhibitor (generic name: ranirestat)</b>             | US                |                      | FY2012            | Oral           |
| <b>ARICEPT<br/>(E2020)</b>    | <b>Additional formulation and dosage:<br/>sustained release formulation</b>                         | US<br>EU          |                      | FY2009            | Oral           |
| <b>ARICEPT<br/>(E2020)</b>    | <b>Pediatric usage<br/>(cognitive impairment due to chemotherapy)</b>                               | US                |                      | FY2009            | Oral           |
| <b>ARICEPT<br/>(E2020)</b>    | <b>Pediatric usage (Down's syndrome)</b>  | US                | III                  | FY2009            | Oral           |
| <b>ACIPHEX<br/>(E3810)</b>    | <b>Additional formulation: long-acting formulation</b>  | US                |                      | FY2009            | Oral           |
| <b>SAFORIS<br/>(E6014)</b>    | <b>Oral mucositis/glutamine oral suspension</b>   | US                |                      |                   | Oral<br>Suspe. |
| <b>ZONEGRAN<br/>(E2090)</b>   | <b>Additional indication: monotherapy for epilepsy</b>  | EU                |                      | FY2010            | Oral           |
| <b>ZONEGRAN<br/>(E2090)</b>   | <b>Additional indication: pediatric epilepsy</b>  | EU                |                      | FY2009            | Oral           |
| <b>DACOGEN<br/>(E7373)</b>    | <b>Additional indication: efficacy in survival benefit in<br/>myelodysplastic syndrome (MDS)</b>    | US                |                      |                   | Inj.           |
| <b>DACOGEN<br/>(E7373)</b>    | <b>Additional indication: acute myeloid leukemia (AML)</b>  | US                |                      | FY2010            | Inj.           |
| <b>HUMIRA<br/>(D2E7)</b>      | <b>Additional Indication: juvenile rheumatoid arthritis</b>   | Japan             |                      | FY2011            | Inj.           |
| <b>HUMIRA<br/>(D2E7)</b>      | <b>Additional Indication: ankylosing spondylitis</b>  | Japan             |                      |                   | Inj.           |
| <b>E2007</b>                  | <b>Anti-epileptic agent/AMPA receptor antagonist<br/>(generic name: perampanel)</b>                 | US<br>EU          | III<br>III           | FY2012            | Oral           |
| <b>SEP-190</b>                | <b>Insomnia/GABA<sub>A</sub> receptor agonist<br/>(generic name: eszopiclone )</b>                  | Japan             |                      | FY2010            | Oral           |
| <b>clevudine</b>              | <b>anti-chronic hepatitis B agent<br/>(generic name: clevudine)</b>                                 | China             | preparing<br>for III |                   | Oral           |
| <b>E0302</b>                  | <b>Amyotrophic Lateral Sclerosis (ALS)<br/>(generic name: mecobalamine)</b>                         | Japan             | /                    |                   | Inj.           |
| <b>HUMIRA<br/>(D2E7)</b>      | <b>Additional Indication: Crohn's disease</b>   | Japan             | /                    | FY2009            | Inj.           |
| <b>amolmogone<br/>(E7101)</b> | <b>Cervical dysplasia/therapeutic DNA vaccine</b>   | US                | /                    | FY2011            | Inj.           |
| <b>PARIET<br/>(E3810)</b>     | <b>Additional dosage: Reflux esophagitis</b>  | Japan             | /                    |                   | Oral           |

#: updates from July 2008

NOTE: development of ZONEGRAN was determined to focus on monotherapy in epilepsy and adjunctive therapy in pediatric epilepsy. Accordingly, the development for generalized seizures adjunctive therapy in Europe (Phase III) has been terminated.

#### (4)Clinical (Phase II)

| Product Name<br>Research Code | Indication/Mode of Action or Category | Region | Phase |
|-------------------------------|---------------------------------------|--------|-------|
|-------------------------------|---------------------------------------|--------|-------|

## 2)By Therapeutic Areas

### (1)Neurology

| Product Name<br>Research Code | Description  | Development Status   | Origin                          |
|-------------------------------|--|--|---------------------------------|
| <b>ARICEPT<br/>(E2020)</b>    | Currently approved acetylcholinesterase inhibitor for the treatment of Alzheimer's disease.  | <b>Additional indications</b><br>Vascular dementia: under review (US)<br>Pediatric usage: Phase III (US)<br>Lewy body dementia: Phase II (Japan)<br><b>Additional formulations</b><br>Liquid: under review (EU)<br>Jelly: under review (Japan)<br>Sustained-release formulation: Phase III (EU/US) | in-house                        |
| <b>E2007</b>                  | The generic name is perampanel. It could potentially be developed for treating a variety of neurodegenerative disorders by selectively antagonizing the AMPA-type glutamate receptor.                | Epilepsy: Phase III (EU/US)<br>Neuropathic pain: Phase II (EU/US)<br>Migraine prophylaxis: Phase II (US)<br>Multiple sclerosis: Phase II (EU)  | in-house                        |
| <b>AS-3201</b>                | The generic name is ranirestat. It is being investigated as a potential treatment for diabetic complications through inhibition of aldose reductase.   | Diabetic neuropathy: Phase III (US)  | Dainippon<br>Sumitomo<br>Pharma |
| <b>rufinamide<br/>(E2080)</b> | The agent has been approved in Europe for adjunctive therapy for Lennox-Gastaut syndrome (LGS) under the brand name of INOVELON . (The brand name in the US has not been decided.)                   | Adjunctive therapy in LGS and partial-onset seizures (in adult): under review (US)   | Novartis                        |
| <b>ZONEGRAN<br/>(E2090)</b>   | The generic name is zonisamide. It is believed to have broad anti-epileptic action and to be well-tolerated. Currently indicated as adjunctive therapy for partial seizures in adults with epilepsy. | <b>Additional indications</b><br>Monotherapy: Phase III (EU)<br>Pediatric indication: Phase III (EU)   | Dainippon<br>Sumitomo<br>Pharma |
| <b>E0302</b>                  | Mecobalamin is widely used for the treatment of peripheral neuropathy in Japan. A Phase II/III study for amyotrophic lateral sclerosis (ALS) is ongoing.   | Amyotrophic lateral sclerosis: Phase II/III (Japan)  | in-house                        |
| <b>E2014</b>                  | Botulinum toxin acts on cholinergic nerve ending synapses and inhibits the release of acetylcholine to relax muscles.  | Cervical dystonia: under review (Japan)  | Solstice Neuro-<br>sciences     |
| <b>SEP-190</b>                | Eszopiclone is a non-benzodiazepine type allosteric GABA <sub>A</sub> receptor agonist that may help patients with transient insomnia as well as insomnia in the elderly.                            | Insomnia: Phase III (Japan)  | Sepracor                        |

## **(2)Oncology and Supportive Care**

Product Name  
Research Code

### (3)Vascular and Immunological Reaction

| Product Name<br>Research Code | Description   | Development Status   | Origin          |
|-------------------------------|---|--|-----------------|
| <b>HUMIRA<br/>(D2E7)</b>      | The generic name is adalimumab. It is a human anti-TNF- $\alpha$ monoclonal antibody. In Japan, approval was obtained for the indication of rheumatoid arthritis.   | Rheumatoid arthritis: approved (Japan)<br><b>Additional indication</b><br>Psoriasis: under review (Japan)<br>Juvenile rheumatoid arthritis: Phase III (Japan)<br>Ankylosing spondylitis: Phase III (Japan) | Abbott          |
| <b>E5564</b>                  | The generic name is eritoran. The compound has demonstrated endotoxin antagonist activity. It showed expected efficacy and tolerability in a Phase II POC study for severe sepsis, which is caused by endotoxin from various types of gram-negative bacteria. | Severe sepsis: Phase III (Global Development Program)  | in-house        |
| <b>E5555</b>                  | The compound inhibits platelet aggregation and smooth-muscle proliferation based on thrombin receptor antagonistic action.  | Acute coronary syndrome: Phase II (Japan/US/EU)<br>Atherothrombotic disease: Phase II (Japan/US/EU)  | in-house        |
| <b>E6201</b>                  | The agent is a novel MEK-1/MEKK-1kinase inhibitor.  | Psoriasis: Phase II (US)   | in-house        |
| <b>T-614</b>                  | The agent suppresses inflammatory cytokine production, lymphocyte proliferation and immunoglobulin production.  | Rheumatoid arthritis: under review (Japan)   | Toyama Chemical |

### (4)Gastrointestinal Disorders

| Product Name<br>Research Code          | Description   | Development Status  | Origin                    |
|--|---|---|---------------------------|
| <b>ACIPHEX/<br/>PARIET<br/>(E3810)</b> | The agent is a proton pump inhibitor and is approved for duodenal ulcers, reflux esophagitis and eradication of <i>H. pylori</i> infection, etc. In addition, short-term treatment of GERD in adolescents was approved. | <b>Additional indications</b><br>Gastro-esophageal reflux disease (GERD) in adolescents: approved (US)<br>Non-erosive GERD: in preparation for resubmission (Japan)<br><b>Additional dosage</b><br>Reflux esophagitis: Phase II/III (Japan)<br><b>Additional formulation</b><br>Long-acting formulation: Phase III (US) | in-house                  |
| <b>GASMOTIN</b>                        | The generic name is mosapride citrate. It is a selective serotonin 5-HT <sub>4</sub> receptor agonist that has gastroprokinetic and gastric evacuation effects by enhancing acetylcholine release.                      | Gastroprokinetic agent: approved (Thailand), under review (Malaysia/Indonesia/the Philippines), prepared for submission (six Asian countries including some ASEAN members)  | Dainippon Sumitomo Pharma |

### (5)Other Therapeutic Areas

| Product Name<br>Research Code | Description  | Development Status   | Origin                 |
|-------------------------------|--|--|------------------------|
| <b>IOMERON<br/>(E7337)</b>    | The agent received approval as a non-ionic X-ray contrast medium in computerized tomography in Japan. Additional dosage & formulation for usage in dynamic computerized tomography of the liver was approved.                                      | <b>Additional indication and formulation</b><br>Contrast medium in computerized tomography: approved (Japan)   | Bracco                 |
| <b>KES524</b>                 | The generic name is sibutramine. It inhibits the reuptake of the cerebral neurotransmitters serotonin and noradrenaline. By enhancing the feeling of satiety and increasing energy consumption, it is expected to promote the loss of body weight. | Obesity management: under review (Japan)   | Abbott                 |
| <b>clevudine</b>              | The compound is a DNA polymerase inhibitor that shows efficacy as an antiviral agent for chronic hepatitis caused by hepatitis B virus.  | Chronic hepatitis B: under review (Malaysia/Thailand/Indonesia/the Philippines/India), submission in preparation (three Asian countries including some ASEAN member countries), in preparation for Phase III (China) | Bukwang                |
| <b>GLUFAST</b>                | The generic name is mitiglinide. It is an agonist for sulfonylurea receptors in pancreatic beta cells and reduces blood glucose levels by accelerating insulin release.  | Diabetes: under review (Malaysia/Thailand/the Philippines/Indonesia), submission in preparation (six ASEAN member countries)   | Kissei Pharmaceuticals |
| <b>E7210</b>                  | The compound is a contrast medium for ultrasounds based on the principle of ultrasound reflection by micro bubbles.  | Suspended (Japan)  | Bracco                 |

## 12. Major Events

| Date       | Description  |
|------------|--|
| 2008 April | <p>Eisai received a notification from the U.S. FDA that it may proceed with the clinical study for E2012, a potential next generation Alzheimer's disease treatment &lt;announced on April 3&gt;</p> <p>Announced a status of the E2007 (AMPA-type glutamate receptor antagonist) development program &lt;announced on April 11&gt;</p> <p>HUMIRA, a fully-human monoclonal anti-TNF-<math>\alpha</math> antibody received approval in Japan for the treatment of rheumatoid arthritis &lt;announced on April 16&gt;</p> <p>European Commission granted orphan drug status to anticancer agents MORAb-003 and MORAb-009 &lt;announced on April 16&gt;</p> <p>Signed an agreement with Sanko Junyaku Co., Ltd., Roche Diagnostics K.K., and Nihon Kohden Corp. concerning the sales of COAGUCHEK XS series for simple and quick PT-INR monitoring for warfarin-treated patients &lt;announced on April 17&gt;</p> <p>Announced a notice of revised business forecast for fiscal year ended March 31, 2008, as a result of acquisition of MGI PHARMA, INC. &lt;announced on April 21&gt;</p> <p>Introduced CHOCOLA BB ROYAL 2, vitamin B<sub>2</sub> drink for extreme fatigue in Japan (Launched on May 12) &lt;announced on April 24&gt;</p>   |
| May        | <p>Gained a favorable ruling by Court of Appeal in the U.K., as the NICE process for developing guidance on anti-dementia medicines ruled unfair &lt;announced on May 1&gt;</p> <p>Established a new subsidiary for marketing support and maintenance of pharmaceutical machinery in China &lt;announced on May 7&gt;</p> <p>The U.S. FDA advisory committee voted in favor of approval of fospropofol disodium injection &lt;announced on May 8&gt;</p> <p>The U.K. Court of Appeal makes decision following ruling with regards to the NICE process on anti-dementia medicines &lt;announced on May 9&gt;</p> <p>Signed an agreement with Lion Corporation regarding exclusive authorization for sales in Japan for an ethical drug of BUFFERIN tablets &lt;announced on May 12&gt;</p> <p>Announced the notice on new stock issuance in the form of stock options &lt;announced on May 14&gt;</p> <p>Presented 16 papers accepted for ASCO Annual Meeting reporting the latest results from the oncology research &lt;announced on May 16&gt;</p> <p>Presented a study report of E7389 in heavily pretreated patients with advanced breast cancer in ASCO Annual Meeting &lt;announced on May 16&gt;</p> <p>Non-ionic contrast media, IOMERON 350 and IOMERON 350 syringe, received approval for use in dynamic CT of the liver &lt;announced on May 22&gt;</p> <p>Terminated a marketing alliance of BREATHE RIGHT nasal strips with GlaxoSmithKline K.K. &lt;announced on May 29&gt;</p> <p>Announced a notice with respect to issuance of Unsecured Straight Bonds &lt;announced on May 29&gt;</p> |
| June       | <p>Launched HUMIRA subcutaneous injection 40mg Syringe 0.8mL (fully-human monoclonal anti-TNF<math>\alpha</math> antibody) for the treatment of rheumatoid arthritis in Japan. &lt;announced on June 17&gt;</p> <p>Announced the transfer of subsidiary stock of Clinical Supply Co., Ltd. &lt;announced on June 19&gt;</p> <p>Announced a notice on allocation of stock options (stock acquisition rights) &lt;announced on June 20&gt;</p> <p>Clinical sites for MORAb-009 Phase II study was expanded to the European Union (EU)</p> <p>A U.S. subsidiary Morphotek, Inc. signed a license agreement with the National Cancer Institute (NCI) for the development of therapeutic antibodies for use in the treatment of prostate cancer</p>   |



