CONSOLIDATED FINANCIAL REPORT FOR FISCAL YEAR ENDED MARCH 31, 2010

FOR IMMEDIATE RELEASE
May 14, 2010

Eisai Co., Ltd. today announced annual consolidated financial results for the fiscal year ended March 31, 2010.

- Eisai Co., Ltd. is listed on the First Section of both the Tokyo Stock Exchange and the Osaka Securities Exchange.
- Securities Code Number: 4523
-

1. CONSOLIDATED ANNUAL FINANCIAL RESULTS (APRIL 1, 2009 – MARCH 31, 2010)

(Amounts have been rounded down to the nearest million yen.)

1) RESULTS OF OPERATIONS

Fiscal Year	Net Sales	%	Operating Income	%	Ordinary Income	%
April 1, 2009-March 31, 2010	¥803,152 mil.	2.7%	¥86,406 mil.	(5.9%)	¥79,690 mil.	(3.5%)
April 1, 2008-March 31, 2009	¥781,743 mil.	6.5%	¥91,808 mil.	417.2%	¥82,583 mil.	338.1%

Fiscal Year	Net Income (loss)	%	Basic Earnings per Share	Diluted Earnings per Share	Return on Equity	Ordinary Income/ Total Assets	Operating Income/ Net Sales on Equity

3. CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2011 (April 1, 2010 – March 31, 2011)

Period	Net Sales	%	Operating Income	%	Ordinary Income	%	Net Income	%	Basic Earnings per Share
2nd Quarter (cumulative)	¥416,000 mil.	5.3%	¥56,000 mil.	14.0%	¥52,500 mil.	16.1%	¥34,500 mil.	11.6%	¥121.09
Fiscal Year	¥810,000 mil.	0.9%	¥105,000 mil.	21.5%	¥98,500 mil.	23.6%	¥65,000 mil.	61.1%	¥228.14

(% denotes increase (decrease) in comparison with the corresponding period of the previous year.)

4. OTHER

1) Transfers of important subsidiaries (transfers of specific subsidiaries* accompanied with a change in scope of consolidation) occurred during the fiscal year: Yes

Exclusion - 1 company (Eisai Research Institute of Boston Inc.)

Note: For details, please refer to "2. Status of Affiliated Companies" on pages 23-25.

*Subsidiaries that meet the following criteria:

1. The subsidiary's sales or purchases from the parent company represent 10% or more of the sales or purchases of the parent company.
2. The subsidiary's net assets are equal to or more than 30% of the net assets of the parent company
3. The amount of common stock is equal to or more than 10% of that of the parent company

2) Changes of accounting rules, procedures and representation method in connection with the preparation of consolidated financial statements: (indicated in "Changes in Significant Basic Items for Consolidated Financial Statements")

(1) Changes in connection with the amendment of accounting principles: Yes

(2) Changes other than (1): No

Note: For details, please refer to "Changes in Significant Basic Items for Consolidated Financial Statements" on pages 52-54.

3) Number of shares issued and outstanding (common stock):

(1) Number of shares issued and outstanding at the end of fiscal year (including treasury stock)

Fiscal year ended March 31, 2010: 296,566,949 shares

Fiscal year ended March 31, 2009: 296,566,949 shares

(2) Number of shares of treasury stock at the end of fiscal year

Fiscal year ended March 31, 2010: 11,629,379 shares

Fiscal year ended March 31, 2009: 11,660,830 shares

(REFERENCE)

1. NON-CONSOLIDATED ANNUAL FINANCIAL RESULTS (APRIL 1, 2009 – MARCH 31, 2010)

(1) RESULTS OF OPERATIONS

Fiscal Year	Net Sales	%	Operating Income	%	Ordinary Income	%
April 1, 2009-March 31, 2010	¥444,680 mil.	7.0%	¥93,253 mil.	23.0%	¥88,607 mil.	28.2%

TABLE OF CONTENTS

1. Operating Results

1) Overview of Operating Results

(1) Operating Results for the Fiscal Year

[Sales and Income]

¸ The Eisai Group (hereinafter referred to as “the Group“) recorded the following **consolidated financial results** for the fiscal year ended March 31, 2010:

*Cash income = Net income (loss) + Depreciation of PP&E and amortization of intangible assets + In-process R&D expenses + amortization of goodwill + loss on impairment of long-lived assets (incl. loss on devaluation of investment securities)
*Cash income per share = Cash Income / number of shares issued and outstanding at the end of the year after deduction of treasury stock

[Performance by Segment]

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

a. Performance by Operating Segment

<Pharmaceuticals Segment>

¸ **Pharmaceuticals segment**

steady increase.

<Asia (excluding China) and Other Regions >

- **Net sales** totaled ¥15,866 million (down 6.2% year-on-year), with **operating income** of ¥2,179 million (down 37.9% year-on-year).
- **Sales of Aricept** came to ¥5,299 million (down 14.9% year-on-year), and **sales of Pariet** came to ¥3,943 million (down 8.7% year-on-year).

<Overseas Total>

Total overseas sales amounted to ¥443,439 million (down 1.3% year-on-year), accounting for 55.2% of consolidated net sales (down 2.3 percentage points year-on-year).

(2) Acquisition of AkaRx, Inc.

In January 2010, the Group acquired the U.S. biopharmaceutical company AkaRx, Inc. for US$ 257 million (including the associated expenses), by exercising an option right to acquire AkaRx, which it obtained through the acquisition of MGI PHARMA, INC. in January 2008.

As a result of the acquisition, AkaRx has become a wholly-owned subsidiary of Eisai Inc., the Group's U.S. subsidiary, while the Group has obtained the exclusive worldwide rights to develop, market, and manufacture AKR-501 (agent to treat thrombocytopenia; current research code: E5501).

AKR-501 is a pharmacological agonist of the receptors of thrombopoietin (TPO), which stimulates platelet production, and is expected to demonstrate its effects in various diseases associated with thrombocytopenia. The Group is currently conducting Phase

(3) Research & Development Projects, Alliances, and Other Events

[Status of Ongoing Research & Development Projects]

- In March 2010, regulatory applications for approval of the **anticancer agent E7389** (microtubule dynamics inhibitor) for the treatment of breast cancer were submitted simultaneously in Japan, the United States, and in Europe. Regulatory applications were also filed to the health authorities in Switzerland and Singapore in July 2009 with data derived primarily from Study 211 (Phase II trial). In addition, the compound is being investigated in Phase II and other studies for non-small cell lung cancer (the U.S.), prostate cancer (the U.S. and Europe), and sarcoma (Europe).
- **Endotoxin antagonist E5564** is currently being investigated in a Phase III study for severe sepsis in Japan, the U.S. and Europe with the aim of simultaneous trilateral filing. In March 2010, an independent Data Monitoring Committee (DMC), recommended Eisai continue enrollment in the study to the preset goal of 2,000 patients based on an interim analysis evaluating safety and efficacy data from the Phase III study for the first 1,500 patients. In accordance with the DMC's recommendation, Eisai decided to continue enrollment in the study to the planned goal of 2,000 patients. The study is being conducted as a global development program.
- **AMPA receptor antagonist E2007** is being investigated with priority being placed on epilepsy as the potential indication. Phase III studies for epilepsy are ongoing in the U.S. and Europe, while Phase II studies are underway in Japan. Phase II studies for neuropathic pain are also ongoing in the U.S. and Europe.

<United States and Europe>

- In June 2009, a Written Request was issued by the U.S. Food and Drug Administration (FDA) regarding the study investigating the efficacy of the **DNA hypomethylating agent Dacogen** in pediatric patients with acute myeloid leukemia (AML). In addition, the five-day dosing regimen of Dacogen for injection to treat patients with myelodysplastic syndromes received approval in the U.S. in March 2010.
- In November 2009, an application for approval of **Aricept** 23mg extended release tablet formulation (high-dose formulation) was accepted for review in the U.S.
- Regulatory applications for **the proton pump inhibitor AcipHex** extended release formulation are being processed for submission in the U.S. and Europe.
- A Phase III study of the **anticancer agent MORAb-003** (monoclonal antibody) for ovarian cancer has been initiated in Europe and is now ongoing in both Europe and the U.S.
- Phase II/III studies of the **diabetic complications treatment AS-3201** for diabetic

neuropathy have been initiated and are now ongoing in both Europe and the U.S.

- Phase II studies of the **thrombocytopenia treatment AKR-501** conducted in the U.S. for idiopathic thrombocytopenic purpura (ITP) have been completed. In addition, a Phase II study for thrombocytopenia associated with liver diseases has been initiated and is now ongoing in the U.S.
- A Phase II study of the **anticancer agent E7080** (VEGF receptor tyrosine kinase inhibitor) for thyroid cancer has been initiated in Europe and is now ongoing in both Europe and the U.S. A phase II study of the agent for endometrial cancer has also been initiated in the U.S.
- Development of the **anticancer agent MORAb-009** (monoclonal antibody) is now focused on mesothelioma. A Phase II study for the disease has been initiated in Europe and is now ongoing in both Europe and the U.S.

<Japan>

- A new oral jelly formulation of the **Alzheimer's disease agent Aricept** was approved in Japan in July 2009.
- In September 2009, an application for **Pariet** was submitted in Japan seeking an approval of an additional indication for non-erosive gastro-esophageal reflux disease (GERD). An application was also submitted in Japan in September 2009 seeking an approval of an additional indication for concomitant therapy with amoxicillin hydrate, and either clarithromycin or metronidazole for the eradication of *Helicobacter pylori* in gastric MALT lymphoma, the stomach after endoscopic resection of early stage gastric cancer, and idiopathic thrombocytopenic purpura. In addition, an application for approval of an additional dosage and administration for treating reflux esophagitis was submitted in Japan in April 2010. Furthermore, a Phase II study for functional dyspepsia has been initiated and ongoing in Japan.
- An application for the fully human monoclonal anti-TNF-α antibody **Humira** was submitted in Japan seeking an approval of additional indications for Crohn's disease and ankylosing spondylitis in September and October 2009, respectively. In January 2010, the compound received approval in Japan for the additional indications of plaque psoriasis (PS) and psoriatic arthritis (PSA).
- An application for approval of an additional indication of the anti-arrhythmic agent **Tambocor** Tablets for the treatment of tachyarrhythmia (paroxysmal atrial fibrillation/flutter, paroxysmal supraventricular tachycardia, ventricular tachycardia) in paediatric patients was submitted in Japan in January 2010.
- A Phase III study of the **anti-epileptic agent E2080** for Lennox-Gastaut syndrome has been initiated in Japan.

<Asia>

- The **rapid-acting insulin secretagogue agent Glufast** received approval in the Philippines and Thailand in July and December 2009, respectively.

therapeutic agent for overactive bladder discovered and developed by KYORIN Pharmaceutical. Under the terms of this agreement, Eisai obtained from KYORIN Pharmaceutical the exclusive rights to develop and market the agent in China, ASEAN countries, India and Sri Lanka.

- In October 2009, **Eisai and TSD Japan, Inc. (Osaka) concluded a license and joint development agreement** for denileukin diftitox (generic name) in Japan. Under the terms of the agreement, Eisai shall grant TSD the exclusive right to co-develop the drug in Japan, while Eisai will retain the exclusive right to market the product once marketing authorization has been granted. The compound has been granted orphan drug status in the U.S. and is currently marketed by Eisai Inc. under the brand name of ONTAK.
- In October 2009, **Eisai and Quintiles concluded a strategic collaboration agreement** to develop six anticancer compounds in Eisai's oncology pipeline, which include E7389, E7080, ONTAK, E7820, E6201, and E7050, to further expedite its Product Creation Strategy fo

- In September 2009, **Eisai signed a collaboration and license agreement with the Drugs for Neglected Diseases *initiative*** (“DND*i*”), a non-profit independent foundation based in Switzerland concerning the clinical development of a promising new drug for the treatment of Chagas disease. Under the terms of the agreement, DND*i* shall retain sole responsibility for the clinical development to assess the safety and efficacy of E1224, which is a pro-drug of ravuconazole, in patients with Chagas disease within endemic countries. Eisai shall provide DND*i* with its scientific expertise in clinical development as well as supply the drug for the clinical studies. Eisai shall also have the option to become the industrial partner with DND*i* to manufacture, register and make available E1224 at an affordable price to the public sector in endemic countries. This partnership further embodies Eisai’s human health care (*hhc*) mission to satisfy unmet medical needs and increase the benefits to patients and their families.
- In October 2009, Eisai’s U.S. operation, **Eisai Inc.,** merged with **Eisai Research Institute of Boston, Inc.** which is responsible for discovery research, process research and bulk production of pharmaceuticals for use in clinical trials, and **Eisai Medical Research Inc.**, a clinical research company in the U.S. The transition was made to accelerate product creation activities that clarify its commitment to becoming more patient-oriented from the drug discovery phase as well as to support the realization of “Demand Innovation” as Eisai envisions. In Europe, the operations of **Eisai London Research Laboratories Ltd**, Eisai’s European discovery research company, have been transferred to its pharmaceutical operations in the U.K., **Eisai Ltd**.
- In October 2009, Eisai opened **a regional office in Bahrain**. The new office was established as a branch of its Asian headquarters, Eisai Asia Regional Services Pte. Ltd. While Eisai currently operates globally in the U.S., Europe, and Asia, it is looking towards full-scale business expansion in the Middle East and North Africa in the future.
- In October 2009, Eisai launched the **anti-epileptic agent Zebinix** in Germany, the U.K., Austria, and Denmark.
- In November 2009, **Lusedra Injection, an intravenous sedative-hypnotic agent,** was launched in the U.S.
- In December 2009, Eisai completed construction of the **Eisai Knowledge Centre, India**, its new manufacturing and process research base in India. The new facility will be Eisai’s first base to integrate Active Pharmaceutical Ingredients (APIs) and formulation manufacturing as well as API process research functions on one site. In addition to the manufacturing of APIs and formulations of its major products, Eisai also plans to conduct API process research and manufacture API and formulations of its next generation global products. With the completion of this

facility, Eisai has established an API production system centered on two hubs, together with the Kashima plant (Ibaraki), one of Eisai's manufacturing plants in Japan. Intending to make a future global hub for supplying APIs, Eisai Knowledge Centre, India aims to ensure a stable supply of high quality pharmaceutical products and achieve innovation in API synthesis processes that will provide the platform for producing such products.

- In February 2010, **the treatment of chronic hepatitis B Revovir** was launched in Philippines.
- In March 2010, **U.S. subsidiary, Morphotek, Inc.** held a groundbreaking ceremony for a new pilot manufacturing plant for the production of biologics to be used in preclinical and clinical trials (phases I and II).
- In April 2010, **Lyrica Capsules** which will be jointly promoted by Pfizer and Eisai received approval in Japan for the treatment of postherpetic neuralgia.
- In April 2010, a new pharmaceutical sales subsidiary, **Eisai Ltd. (Canada)** was established in Canada.

(4) Outlook for the Next Fiscal Year (April 1, 2010 - March 31, 2011)

[Consolidated Forecast]

	2nd Quarter (cumulative)	%	Fiscal Year	%
Net sales	¥416,000 million	5.3%	¥810,000 million	0.9%
Operating income	¥56,000 million	14.0%	¥105,000 million	21.5%
Ordinary income	¥52,500 million	16.2%	¥98,500 million	23.6%
Net income	¥34,500 million	11.6%	¥65,000 million	61.1%

(% denotes increase (decrease) in comparison with the corresponding period of the previous year.)

Notes: Forecasted earnings per share: 2nd quarter (cumulative) = ¥121.09, Full year= ¥228.14
(Assumptions) 1 USD=¥90, 1 EUR =¥125, 1 GBP =¥145

*Reference: Currency exchange rates for the year ended March, 2010 (average)
2nd quarter 1 USD=¥95.48, 1 EUR =¥133.15, 1 GBP =¥152.24
Full year: 1 USD=¥92.84, 1 EUR =¥131.15, 1 GBP =¥148.25

<Net Sales>

¸ The Group expects net sales to increase, as it aims to offset the business impact caused by the loss of exclusivity in the U.S. for its major pr

[Non-consolidated Forecast]

	2nd Quarter (cumulative)	%	Fiscal Year	%
Net sales	¥233,000 million	6.6%	¥454,000 million	2.1%
Operating income	¥50,000 million	27.2%	¥87,000 million	(6.7%)
Ordinary income	¥47,500 million	30.9%	¥82,000 million	(7.5%)
Net income	¥34,000 million	28.5%	¥58,500 million	2.0%

3) Basic Policy on Profit Appropriation and Dividends for Current and Next Fiscal Year

Eisai Co., Ltd. (“the Company”) is devoted to providing sustainable and stable dividends to its shareholders based on consideration of its consolidated financial performance along with the consolidated

4) Forecasts and Risk Factors

(1) 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

- Risks in alliances with other companies

  The Group has comprehensive business alliances with other companies on its mainstay products, Aricept and Aciphex/Pariet, and obtains promotional assistance from business partners to cover the entire market and maximize product sales in the U.S. and major countries in Europe. If partner relationships are not sustained, sales may decrease and significantly impact business results. Furthermore, expected profits may not be achieved due to uncertainties associated with activities such as product acquisition/licensing.

- Impact of trends to control medical expenses

  In Japan, the government enforces price revisions for ethical drugs every two years as part of its efforts to control medical expenses. Efforts to reduce drug prices are intensifying year after year in the U.S. as well as in countries in both Europe and Asia. Such efforts to control expenses may lead to a drop in sales.

- Competition and lawsuits with generic products

  Pharmaceutical patents have a limited term. Frequently, generic makers launch generic products upon the expiration of a patent for the original drug. Requiring less cost for development, such generic products are usually priced lower than the original products, and hence those generic products may have a significant impact on market share. Additionally, in countries such as the U.S., an application for a generic product is accepted even during the patent term. As for the Group's own products, applications for generic versions of Aricept have been filed in the U.S. under the Hatch-Waxman Act. Although the Group has filed patent infringement suits against this product, these lawsuits, depending on the outcome, may have a significant impact on business results.

- Risks related to intellectual property

  If a patent application is dismissed, a patent is found to be invalid after approval, or if there is a failure to properly protect a patent, competitors may enter the market earlier than expected, which could potentially lead to a decrease in sales.

- Risks of occurrences of side effects

  If a product is found to have any serious side effects, the Group may take measures such as suspending product prescriptions or conducting a product recall. The investigation and communication of information on such side effects as well as the recall of the product in question may lead the Group to incur additional expenses.

- Risks regarding regulations

  Because the Group's pharmaceutical business is subject to various controls including pharmaceutical regulations and product liability, enactment of a law or changes in the regulations may have a significant impact on business results. In the event regulatory nonconformity is found in a product, the Group may issue a product recall, have the product's marketing approval revoked, or face liability claims.

- Risks relating to lawsuits

  Results of pending or future lawsuits may have a significant impact on the Group's business results. Currently, the Group is

viruses. In addition, the Group faces the risk of technical accidents that involve personal information leakage outside of the Group, which may considerably damage the Group's social reputation and significantly impact business results.

- Risks related to credit situation and currency movement

  As the Group holds stocks and other marketable securities, a decline in the stock market could result in losses on stock sales or valuation losses. In addition, an increase in retirement benefits due to changes in the interest rate may have an impact on business results. Furthermore, foreign exchange fluctuations affect the yen conversion of sales of consolidated subsidiaries, which account for over half of consolidated net sales. The effects of foreign exchange fluctuations on export and import transactions also impact business results.

- Risks concerning internal control systems

  In accordance with evaluation and audit standards as well as implementation standards for internal controls related to financial reporting based on the Financial Instruments and Exchange Law, the Group establishes effective internal control systems related to financial reporting and strives to appropriately manage those systems. However, major losses that arise due to the malfunction of internal control systems or occurrence of unexpected problems related to internal control systems may have a significant impact on business results.

2. Status of Affiliated Companies

The Group consists of Eisai Co., Ltd. (hereinafter referred to as 'the Company'), 49 consolidated subsidiaries and 1 associated company accounted for by the Equity Method. The diagram below shows the principal operations and flows within the Group.

North America

List of Affiliated Companies

(Consolidated Subsidiaries) (As of March 31, 2010)

Company Name	Location			Description of Operations (*1)	Voting Rights	Relationship	Note
Sanko Junyaku Co., Ltd.	Tokyo	5,262	JPY	Diagnostic product production/sales	100.00%	-	*3
Sannova Co., Ltd.	Gunma Pref.	926	JPY	Pharmaceutical production/sales	80.02%	The Company purchases pharmaceutical products	*3
Elmed Eisai Co., Ltd.	Tokyo	450	JPY	Pharmaceutical sales	100.00%	-	
Eisai Food & Chemical Co., Ltd.	Tokyo	101	JPY	Food additives/chemicals			

Location	Description of Operations(*1)

3. Management Policy

1) Corporate Philosophy

The Eisai Group defines its corporate philosophy as “to give first thought to patients and their families, and to increase benefits that health care provides”. Guided by this philosophy, all Eisai corporate officers and employees aspire to consistently exemplify a “*human health care (hhc)* company” that is capable of making a meaningful contribution under any healthcare system through meeting the various needs of global healthcare. The Group codified this basic concept into its Articles of Incorporation to share with its shareholders.

In order to translate this philosophy into action, the Group is committed to further expanding the relationships built on trust with its principal stakeholders, including patients, the wider public, shareholders, and employees, and always promoting compliance with laws and ethical standards, thereby enhancing corporate value.

2) Management Strategies and Issues that Need to be Addressed

The pharmaceutical industry today is expected to provide innovative drug development as well as information, services and products of high quality. Meanwhile, the business environment surrounding the pharmaceutical industry has become increasingly challenging and is set for great change, as represented by the acceleration of healthcare cost-containment measures on a global basis, mounting research and development (R&D) expenditures, an increase in activity focused on major acquisitions and industry reorganizations, and the diversified needs when it comes to responding to the risks associated with drug safety and intellectual property issues. Ensuring people around the world access to medicines they need is another issue of global importance.

To address the change in the business environment, the Eisai Group launched its Dramatic Leap Plan (DLP) in fiscal 2006 as the 5th Mid-term Strategic Plan ending in fiscal 2011. The establishment of the DLP was aimed at creating a business entity that seeks to further improve efficiency and productivity by giving the Group the ability to flexibly and thoroughly handle any situation arising anywhere in its global operations.

During the past four years, the Eisai Group has experienced some significant milestones; the Group has successfully completed the expansion of research & development and technology infrastructures, as well as made aggressive investments to strengthen its global business operations. In addition, the U.S. composition of matter patent will expire on Eisai’s key product Aricept for Alzheimer’s disease in November 2010.

E5564, an endotoxin antagonist. The other two candidate products are a new 23 mg high-dose formulation of Aricept, and a new extended-release formulation of Eisai's proton pump inhibitor Aciphex.

The Eisai Group made simultaneous regulatory applications for approval of E7389 in Japan, the U.S., and Europe, and intends to make the product the new gold standard for breast cancer treatment. The Group is also developing E5564 as a potential treatment of severe sepsis with the aim of

(a) Structure and Function of EPCS

EPCS encompasses Product Creation Units (PCUs), Core Function Units (CFUs) and the CEO office.

The PCUs, which comprise seven units, including oncology and neurology, take full responsibility for conducting the series of processes ranging from discovery of innovative drug candidates through NDA filing and obtaining approval. The CFUs, which comprise six units, including CMC and DMPK/TOX, take full responsibility for obtaining or maintaining world-class functional capabilities in the core functions of

establishing regional strategies and applying an optimal regional balance in strategies that match the needs of each region.

(a) Japan

In light of the recent medical trends in Japan focused on prevention, disease management, and the latest treatments, the Eisai Group established Japan Business Headquarters (JBHQ) and has been implementing an integrated business strategy for its four domestic business operations, which comprise prescription drugs, consumer

(c) Europe

Eisai established the European Efficiency Model, a unique new business model which seeks to generate higher efficiency and productivity for its European business. The new model was introduced primarily at the European Knowledge Centre (EKC) in Hatfield (UK), which integrates production, drug discovery research, clinical research, marketing, and the headquarters function for the European region. While consolidating the marketing, medical, financing, IT and other functions for Europe in this center, the sales bases in each European country have specialized sales functions. Through such a model, the Group is set to to achieve growth in its European business.

(d) China

The prescription pharmaceuticals market is projected to see significant growth, and the Company is taking active steps to develop its Chinese business.

In addition to Aricept and Pariet, Eisai's major global products, the Group offers a range of new drugs tailored to the disease structure of the Chinese market such as hepatic disease agents for gastrointestinal disorders, diabetes treatments for the field of endocrinology, and treatments for musculoskeletal disease in the field of orthopedics. In addition to these new products, the Eisai Group is strengthening its sales structure and expanding its sales network in the Chinese market to achieve continuous and high growth.

(e) Asia/Oceania & the Middle East

In its Asia/Oceania & the Middle East (AOME) business, the Eisai Group aims to promote business activities that enable it to increase the quality of its, information, services, and products specific to each market.

As part of this effort, the Eisai Group has t the Europe,J75u7up has 9cl

continuous and sustainable supply of Eisai's products at affordable prices in keeping with the social, economic, and healthcare environment of newly developing countries, thereby contributing to the improvement of their health systems.

Furthermore, the Eisai Group is working to address the unmet medical needs of patients with neglected diseases, for example forming partnerships and concluding license agreements with independent nonprofit organizations for clinical development of new remedies for Chagas disease, and starting pre-clinical testing at Eisai of compounds that are expected to be potentially effective against malaria cerebritis.

3) Corporate Governance

The Company has stipulated its *human health care* philosophy in its Articles of Incorporation and endeavors to share it with its shareholders. To carry out this mission, the Company recognizes the need to establish a corporate governance structure that will sustain the business in the long term. The Company positions the establishment of such a system to encourage corporate vitality, provide fair management, and enhance the transparency of management as the essence of corporate governance, and has implemented and continually strengthened various measures to realize these goals,

In addition, the Group has been promoti

6) Environmental Protection

At the Eisai Group, all officers and employees, under the environmental management system based on the ENW Environmental Protection Policy, share the basic policy of environmental protection and engage in environmental protection activities at the business unit and subsidiary level. The principal manufacturing facilities in Japan are certified according to ISO14001 standards, while other operating units and subsidiaries have established their own environmental management systems and continuing efforts for upgrading and strengthening their environmental controls. The Company strives to obtain quantitative data on its inputs of environmental resources and the environmental impact of its operations, in addition to efforts to reduce its environmental footprint by taking measures against global warming, promoting recycling and waste reduction, establishing stricter controls for the appropriate management and reduction of chemical substances, and promoting green purchasing. In addition, Eisai issues an *Environmental and Social Report* annually to report on its environmental and health and safety management system as well as its actual achievements under the system.

7) Philanthropy

With the aim of increasing public awareness of the history of medicine and pharmaceutical science as well as health science, the Eisai Group opens to the public free of charge the Naito Museum of Pharmaceutical Science and Industry (Gifu Prefecture), the first museum in Japan dedicated to pharmaceuticals. Furthermore, the Group supports the activities of two academic foundations in order to contribute to science and human welfare: the Naito Foundation, which promotes natural science research regarding the prevention and treatment of diseases; and the Health Care Science Institute, a foundation that supports economic and social research on healthcare and pharmaceuticals as well as research on pharmaceutical R&D, production, and distribution to promote healthcare and welfare in Japan. In addition, Eisai has been sponsoring an annual Health and Medical Care Contributions Awards in Japan to reward healthcare professionals who have dedicated their lives to medical or care services under challenging environments. The Company also conducts a number of educational initiatives and support programs for patients, senior citizens, and caregivers, related to Alzheimer’s disease and other areas of expertise in which it markets its major products.

4. Consolidated Financial Statements

1) Consolidated Balance Sheets

(millions of yen)

		April 1, 2008- March 31, 2009		April 1, 2009- March 31, 2010
ASSETS				
Current assets:				
Cash and cash in banks		48,061		69,637
Notes and accounts receivable-trade		191,622		207,219
Short-term investments		104,018		83,823
Merchandise and finished goods		33,853		36,564
Work in process		17,228		19,676
Raw materials and supplies		13,435		11,313
Deferred tax assets		36,860		32,457
Other		20,016		19,591
Allowance for doubtful receivables		(320)		(239)
Total current assets		464,777		480,044
Fixed assets:				
Property, plant and equipment				
Buildings and structures		172,247		185,363
Accumulated depreciation	*2	(93,036)	*2	(98,838)
Buildings and structures-net		79,211		86,525
Machinery, equipment and vehicles		106,071		112,509
Accumulated depreciation	*2	(82,802)	*2	(86,981)
Machinery, equipment and vehicles-net		23,269		25,527
Land		19,840		19,803
Construction in progress		20,296		13,387
Other		50,498		51,609
Accumulated depreciation	*2	(37,618)	*2	(40,211)
Other-net		12,880		11,398
Total property, plant and equipment		155,497		156,642
Intangible assets				
Goodwill		170,570		152,768
Sales rights		143,614		109,704
Core technology		56,978		50,967
Other		13,061		12,449
Total intangible assets		384,225		325,890
Investments and other assets				
Investment securities	*1	60,583	*1	64,797
Deferred tax assets		70,792		63,568
Other		12,659		11,255
Allowance for doubtful accounts		(373)		(287)
Total investments and other assets		143,662		139,333
Total fixed assets		683,385		621,865
Total assets		1,148,163		1,101,910

2) Consolidated Statements of Income

(millions of yen)

Net sales		781,743		803,152
Cost of sales	*2	152,414	*2	160,728
Gross profit				

3) Consolidated Statements of Changes in Equity

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Owners' equity		
Common stock		
Balance at end of the previous fiscal year	44,985	44,985
Changes during the fiscal year		
Total changes during the fiscal year	-	-

(millions of yen)

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Total equity		
Balance at end of the previous fiscal year	453,791	433,045
Adjustments of retained earnings due to change in accounting policies in foreign subsidiaries	(1,872)	-
Changes during the fiscal year		
Dividends	(38,462)	(39,887)
Net income	47,678	40,338
Disposal of treasury stock	64	118
Acquisition of treasury stock	(70)	(30)
Changes in items other than owners' equity-net	(28,084)	(11,844)
Total changes during the fiscal year	(18,873)	(11,305)
Balance at end of the fiscal year	433,045	421,740

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Financing activities:		
Net increase (decrease) in short-term borrowings	(340,539)	2,000
Proceeds from long-term borrowings	229,913	-
Repayment of long-term borrowings	-	(9,284)
Proceeds from issuance of bonds and debentures	119,616	-
Dividends paid	(38,462)	(39,887)
Dividends paid to minority shareholders	(45)	(41)
Other	(1,450)	(2,028)
Net cash provided by (used in) financing activities	(30,967)	(49,240)
Foreign currency translation adjustments on cash and cash equivalents	(7,491)	(5,280)
Net increase (decrease) in cash and cash equivalents	11,576	(16,398)
Cash and cash equivalents at beginning of the fiscal year	119,950	131,527
Cash and cash equivalents at end of the fiscal year	*1 131,527	*1 115,128

Going Concern

Not applicable

Significant Basic Items for Consolidated Financial Statements

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
1. Scope of Consolidation: Consolidated subsidiaries: 50 Companies Major subsidiaries: Sanko Junyaku Co., Ltd. Sannova Co., Ltd. Morphotek, Inc. Eisai Inc. Eisai Research Institute of Boston Inc. Eisai Machinery Shanghai, Inc. was newly established and consolidated during the fiscal year. During the period, the Company sold all shares of Clinical Supply Co., Ltd. to a third party and accordingly Clinical Supply Co., Ltd. was excluded from the scope of the consolidation. In addition, MGI PHARMA, INC. and its 12 subsidiaries were merged with Eisai Corporation of North America, which became the surviving company, during the fiscal year.	1. Scope of Consolidation: Consolidated subsidiaries: 49 Companies Major subsidiaries: Sanko Junyaku Co., Ltd. Sannova Co., Ltd. Morphotek, Inc. Eisai Inc.
2. Equity Method: Associated companies: One company Bracco-Eisai Co., Ltd.	
3. Closing Date of Consolidated Subsidiaries: The fiscal year end of Eisai China Inc. and Eisai Machinery Shanghai, Inc. is December 31. In preparing the consolidated financial statements, the financial statements as of March 31 are used.	
4. Accounting Policies and Methods: (1) Measurement and Valuation for Significant Assets (a) Securities: Held-to-maturity securities: Stated at amortized cost (Straight-line method) Available-for-sale securities: Marketable securities: Stated at fair value at the balance sheet date with unrealized gain or loss and net of applicable taxes reported in a separate component of equity. The cost of securities	

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
sold is determined by the moving-average method. Non-marketable securities: Stated at cost determined by the moving-average method.	
(b) Derivatives: Stated at fair value	(b) Derivatives: Same as the left
(c) Inventories: Merchandises, finished goods, work in process, raw materials, supplies: The Company and Japanese subsidiaries mainly record inventories at cost determined by average method (however, inventories are written down in case the probability become lower significantly). And foreign subsidiaries mainly record inventories at lower of cost or market method determined by the first-in, first-out method.	(c) Inventories: Same as the left
(2) Depreciation and Amortization (a) Property, plant and equipment (excluding leased assets): The straight-line method is applied. Estimated useful lives of the assets are as follows: Buildings: 15 to 50 years Machinery and equipment: 6 to 7 years	(2) Depreciation and Amortization (a) Property, plant and equipment (excluding leased assets): Same as the left
(b) Intangible assets (excluding leased assets): Intangible assets are stated at cost less accumulated amortization, which is computed by the straight-line method. Sales rights: 5 to10 years Core technology: 19 to 20 years Software for internal use: 5 years	(b) Intangible assets (excluding leased assets): Intangible assets are stated at cost less accumulated amortization, which is computed by the straight-line method. Same as the left
(c) Leased assets: Finance lease transactions that do not transfer ownership: Leased assets are depreciated by the straight-line method with the useful life being the lease period and with a residual value of zero.	(c) Leased assets: Finance leases transactions that do not transfer ownership: Same as the left
(3) Accounting for Certain Allowances and Reserves: (a) Allowance for doubtful receivables/accounts:	(3) Accounting for Certain Allowances and Reserves: (a) Allowance for doubtful receivables /accounts:

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
To prepare for potential losses on notes and accounts receivable, loans receivable and others, an allowance for doubtful receivables/ accounts is provided. As for the general receivables/accounts, allowances are calculated based on the past credit loss experience. As for the specific receivables/accounts, allowances were calculated based on the specific probability of uncollectibility.	Same as the left
(b) Reserve for sales rebates: To prepare for possible sales rebates for merchandises and finished goods sold, certain subsidiaries provide for the reserves by multiplying an amount of related sales by an estimated percentage of rebates.	(b) Reserve for sales rebates: Same as the left
(c) Other reserves: The Company and certain Japanese subsidiaries account for the following reserves: As the impact on the balance sheet is not material, they are collectively stated as "Other reserves".	(c) Other reserves: Same as the left
i) Reserve for sales returns: To prepare for possible sales return loss for merchandises and finished goods sold incurred after the balance sheet date, a reserve is provided by multiplying the amount of accounts receivable-trade at the balance sheet date by the average return ratio of the finished goods and merchandise sold over the previous two fiscal years and the profit ratio for the fiscal year.	i) Reserve for sales returns: Same as the left
ii) Reserve for disposal of goods returns: To prepare for the possible loss on disposal of merchandises and finished goods returned after the balance sheet date, a reserve is provided by multiplying the amount of accounts receivable-trade at the balance sheet date by the average returns ratio for the finished goods and merchandises sold and the average disposal ratio for the finished goods and merchandise returned over the previous two fiscal years.	ii) Reserve for disposal of goods returns: Same as the left

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
(5) Accounting for significant hedges: (a) Hedge method: The Company and certain subsidiaries defer to measure derivatives until maturity of the hedged transactions. If foreign currency forward contracts are met the requirements for allocation, the allocation method is applied. And if the interest rate swap contracts are met the requirements for special treatment, the special treatment method is applied.	(5) Accounting for significant hedges: (a) Hedge method: Same as the left
(b) Hedging instruments and hedged items: i) Hedging instruments: Foreign currency forward contracts, Interest rate swaps ii) Hedged items: Accounts receivable and payable including committed transactions denominated in foreign currencies, borrowings	(b) Hedging instruments and hedged items: i) Hedging instruments: Same as the left ii) Hedged items: Same as the left
(c) Hedging policy: The Company and certain subsidiaries enter into hedged transactions in the ordinary course of business to reduce future exposure of foreign currency transactions to fluctuations in foreign currency exchange rates in accordance with internal policy. The Company enters into hedged transactions in the ordinary course of business to reduce future exposures to fluctuations in interest rates of borrowings in accordance with internal policy.	(c) Hedging policy: Same as the left
(d) Method for assessment of effectiveness of hedging: As for the Company and certain subsidiaries, foreign currency forward contracts assigned to receivables and payables in foreign currency have the same currency, amounts and terms of the corresponding receivables and payables. As a result, because of the high correlation and effectiveness maintained between the hedging instruments and the hedged items against fluctuations in foreign exchange rate, the assignment of effectiveness is not performed.	(d) Method for assessment of effectiveness of hedging: Same as the left

Changes in Significant Basic Items for Consolidated Financial Statements

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
1. Change in criteria and methods of measurement for inventories Previously, inventories held for sale in the ordinary course of business were stated at cost, determined by the average method. The Company adopted the Accounting Standard Board of Japan (ASBJ) issued ASBJ Statement No. 9, dated July 5, 2006, "Accounting Standard for Measurement of Inventories," which requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value. The effect of adoption of this accounting standard on operating income, ordinary income, and income before income taxes for the fiscal year was not material. 2. Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements 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 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 fiscal year by ¥9,509 million and ¥9,361 million, respectively. The effect of adoption of this accounting standard on the segment information is described in the corresponding section. 3. Accounting standard for lease transaction Effective from this fiscal year, the Company and its Japanese subsidiaries have implemented early adoption of the "Accounting Standard for Lease Transactions (Statement No.13, amended on March 30, 2007)" and the "Guidance on Accounting Standard for Lease Transactions (Guidance No.16, amended on March 30, 2007)," which requires that all finance lease transactions be capitalized, although finance leases in which	1. Partial Amendments to Accounting Standard for Retirement Benefits (Part3) On July 31, 2008, the Accounting Standards Board of Japan (ASBJ) has issued an Accounting Standard - ASBJ Statement No.19 "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)". The Company and its Japanese subsidiaries have adopted this statement beginning this fiscal year. The adoption of this statement did not result in change of the discount rate the Company and its Japanese subsidiaries have previously applied.

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
there is no transfer of ownership were accounted for as operating leases under the former accounting standard for lease transactions. Under the new accounting standard, finance lease transactions in which there is no transfer of ownership are amortized by the straight-line method over the term of the lease, with a residual value of zero.	

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010

Changes in Representation of Consolidated Financial Statements

April 1, 2008 – March 31, 2009	April 1, 2009 - March 31, 2010
(Consolidated Balance Sheet) . "Merchandise and finished goods", "Work in process" and "Raw materials and supplies," which were collectively presented as "Inventories" in the previous fiscal year, are separately presented in this fiscal year pursuant to Cabinet order No. 50 "Revised Version of Regulation concerning Terminology, Form and Methods of Preparation of Consolidated Financial Statements" issued on August 7, 2008. The amount of "Merchandise and finished goods", "Work in process" and "Raw materials and supplies" included in "Inventories" were ¥32,070 million, ¥12,961 million, ¥13,059 million respectively. . The amount of "Long-term loans receivable" separately presented in the previous fiscal year was ¥14 million in this fiscal year. Since it was less than or equal	

April 1, 2008 – March 31, 2009	April 1, 2009 - March 31, 2010
previous fiscal year, was -¥324 million in this fiscal year. Since the amount was not material, it was included in “Other” in the operating activities in this fiscal year.	

.

Notes to Consolidated Financial Statements
(Consolidated Balance Sheets)

March 31, 2009	March 31, 2010
*1. Notes related to subsidiaries and associated companies Investment securities (stocks) ¥308 mil.	
*2. Accumulated depreciation includes accumulated loss on impairment of	

(Consolidated Statements of Income)

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
*1. The main contents of selling, general and administrative expenses are as follows: Promotional expenses ¥210,503 mil. Research and development expenses ¥156,106 mil. Salaries and bonuses ¥64,585 mil.	*1. The main contents of selling, general and administrative expenses are as follows: Promotional expenses ¥203,879 mil. Research and development expenses ¥179,082 mil. Salaries and bonuses ¥63,807 mil.
*2. Total research and development expenses included in general and administrative expenses and manufacturing costs for the fiscal year: General and administrative expenses ¥156,106 mil. Manufacturing costs ¥- mil.	*2. Total research and development expenses included in general and administrative expenses and manufacturing costs for the fiscal year: General and administrative expenses ¥179,082 mil. Manufacturing costs ¥- mil. In-process R&D expenses of ¥23,854 mil. was included.
*3. The main content of gain on sales of fixed assets is as follows: Machinery and equipment ¥15 mil.	*3. The main content of gain on sales of fixed assets is as follows: Machinery and equipment ¥14 mil.
*4. The main contents of loss on disposal of fixed assets are as follows: Buildings and structures ¥258 mil. Machinery, equipment and vehicle ¥159 mil. Property, plant and equipment and other (Tools, furniture and fixtures) ¥105 mil.	*4. The main contents of loss on disposal of
*5. Loss on impairment of long-lived assets The Group classifies its business assets to be held and used for business operations into asset groups on the basis of business segments. The Group is consistently monitoring the profitability. In addition, leased assets, idle assets and sales rights are grouped individually. For the fiscal year, the Group booked an impairment loss on the following asset groups:	

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010

As the business assets and the leased

(Consolidated Statements of Changes in Equity)

Fiscal year ended March 31, 2009

1. Types and number of shares issued and treasury stock

(thousands of shares)

	Number of shares at the end of the previous year	Increase during the year	Decrease during the year	Number of shares at the end of the year
Shares issued				
Common stock	296,566	-	-	296,566
Total	296,566	-	-	296,566
Treasury stock				
Common stock	11,665	19	24	11,660
Total	11,665	19	24	11,660

Notes: (1) The increase of the treasury stock (common stock) was caused by purchase of fractional shares.
(2) The decrease in treasury stock (common stock) was caused by exercises of stock options

2. Stock acquisition rights and stock ac

Fiscal year ended March 31, 2010

(Consolidated Statements of Cash Flows)

April 1, 2008 - March 31, 2009	April 1, 2009 – March 31, 2010
*1. Reconciliation between the amount of cash and cash equivalents and that of the related accounts shown in the consolidated balance sheet at the balance sheet date. Cash and cash in banks ¥48,061 mil. Short-term investments ¥104,018 mil. Sub-total ¥152,080 mil. Time deposits whose maturities exceed three	

2. Geographical Segment Information

(1) Fiscal year ended March 31, 2009 (millions of Yen)

	Japan	North America	Europe	China	Asia and Others	Total	Elimi-nations and Corporate	Consoli-dated
I. Sales and Operating income or loss	332,453	369,891	51,047	11,437	16,912	781,743	–	781,743
(1) Sales to external customers	111,100	57,190	30,127	36	456	198,910	(198,910)	–
(2) Intersegment sales								
Total sales	443,553	427,081	81,174	11,474	17,369	980,654	(198,910)	781,743
Operating expenses	359,386	427,323	78,022	9,077	13,857	887,667	(197,733)	689,934
Operating income (loss)	84,167	(241)	3,152	2,396	3,511	92,986	(1,177)	91,808
II. Assets	910,185	578,661	59,294	13,880	23,017	1,585,038	(436,875)	1,148,163

(2) Fiscal year ended March 31, 2010 (millions of Yen)

	Japan	North America	Europe	China	Asia and Others	Total	Elimi-nations and Corporate	Consoli-dated
I. Sales and Operating income or loss	359,713	361,162	50,717	15,692	15,866	803,152	–	803,152
(1) Sales to external customers	115,203	57,295	24,345	61	811	197,717	(197,717)	–
(2) Intersegment sales								
Total sales	474,916	418,458	75,062	15,754	16,678	1,000,869	(197,717)	803,152
Operating expenses	371,688	439,085	72,111	13,070	14,499	910,454	(193,708)	716,745
Operating income (loss)	103,228	(20,626)	2,951	2,684	2,179	90,415	(4,009)	86,406
II. Assets	910,003	500,818	65,826	16,777	28,301	1,521,727	(419,816)	1,101,910

Notes:

(1) Segmentation by country or region is based on geographical proximity.

(2) Major areas and countries included in each category other than Japan and China:

-North America: United States and Canada

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

-Asia and Others: Asia, Latin America, etc.

(3) Intersegment sales in Japan principally represent product sales from the Company to the overseas subsidiaries. Intersegment sales in North America, Europe, and Asia and Others are principally sales to the Company from overseas subsidiaries which manage research and development for the Company.

(4) Operating expenses that are not allocated to each segment are included in “Eliminations and Corporate”, which mainly consists of administrative expenses incurred by headquarters.

Fiscal year ended March 31, 2009 ¥4,469 million

Fiscal year ended March 31, 2010 ¥5,525 million

3. Overseas Sales

(1) Fiscal year ended March 31, 2009

(millions of Yen)

	North America	Europe	China	Asia and Others	Total
1. Overseas sales	379,111	64,033	11,437	20,674	475,257
2. Consolidated sales					781,743
3. Share of overseas sales	48.5%	8.2%	1.5%	2.6%	60.8%

(2) Fiscal year ended March 31, 2010

(millions of Yen)

	North America	Europe	China	Asia and Others	Total
1. Overseas sales	369,404	61,266	16,278	18,585	465,535
2. Consolidated sales					803,152
3. Share of overseas sales	46.0%	7.6%	2.0%	2.3%	58.0%

Notes:

(1) Segmentation by country or region is based on geographical proximity.

(2) Major areas and countries included in this category other than Japan and China:

-North America: United States and Canada

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

-Asia and Other: Asia, Latin America, etc.

(3) Overseas sales represent the sales reported from the consolidated subsidiaries operating in countries and areas outside Japan.

(4) Change in Geographical Segment

Fiscal year ended March 31, 2009

China, which was included in the Asia and others segment in the previous fiscal year, is separately represented from this fiscal year for the same reason stated in the geographical segment information. Overseas sales in China included in “Asia and others” for the previous year were ¥9,549 million.

Fiscal year ended March 31, 2010

Not applicable

6) Transactions with Related Parties

Fiscal year ended March 31, 2009
Not applicable

(Additional Information)
From this fiscal year, ASBJ statements No. 11 “Accounting Standard for Related Party Disclosures” (October 17, 2006) and its implementation guidance-ASBJ guidance No. 13 “Guidance on Accounting Standard for Related Party Disclosures” (October 17, 2006) were applied

Fiscal year ended March 31, 2010
Not applicable

7) Income Taxes

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010

1. Description of main items by which deferred tax assets and liabilities were calculated.

(1) Current :

Deferred tax assets	
Entrusted R&D expenses	¥18,237 mil.
Unrealized profits on inventories	¥5,433 mil.
Accrued bonuses	¥4,831 mil.
Reserve for sales rebates	¥4,759 mil.
Other	¥7,687 mil.
Sub-total	¥40,949 mil.
Less valuation allowance	(¥4,089 mil.)
Total deferred tax assets	¥36,860 mil.

(2) Non-current :

Deferred tax assets	
Entrusted R&D expenses	¥43,711 mil.
Tax loss carry forwards	¥18,203 mil.
Liability for retirement benefits	¥17,175 mil.
Depreciation and amortization	¥11,416 mil.
Other	¥25,798 mil.
Sub-total	¥116,304 mil.
Less valuation allowance	(¥5,635 mil.)
Total deferred tax assets	¥110,668 mil.

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010

2. Reconciliation between the effective income tax rate and the statutory tax rate:

	(%)
Statutory tax rate	41.0
(Reconciliation)	
Expenses not permanently deductible for income tax purposes, such as entertainment expense	4.4
Income not permanently taxable for income tax purposes, such as dividend income	(0.2)

8) Financial Instruments

Fiscal year ended March 31, 2010
1. Financial Instruments – Overview

The Group holds its surplus funds as safe and highly liquid financial assets and finances its business by borrowing from banks and issuing commercial paper and company bonds.
Credit risks of our customers in relation to notes and accounts receivable-trade or foreign currency exchange risks are reduced according to the Group's credit control procedure or by the use of forward exchange contracts. Credit risks in relation to short-term investments and investment securities or the price volatility risks are reduced by monitoring the fair values of such securities and the financial conditions of the issuing firms (our business partners) periodically.
With regard to borrowing from banks or issuing corporate bonds, which are financing in relation to short-term working capital or the acquisition of a company, interest-rate risks in relation to long-term borrowings are reduced by the use of derivative transactions (interest-rate swap transactions). In line with the Group's control procedure, derivative transactions are used in order to avoid the risk of currency exchange or change in an interest-rate and the Group does not intend to enter into these transactions for speculative purposes.

2. Fair Value of Financial Instruments

Carrying amount, fair value and net unrealized gain/loss of the financial instruments as of March 31, 2010 (balance sheet date for the current fiscal year) are shown in the table below. It does not include items for which the fair value is recn0.000hor43 -]nt,npcge in

(*1) Allowance for doubtful receivables is deducted from notes and account receivable-trade.
(*2) Net receivables and payables derived as the result of derivative transactions are presented. Values in parentheses show net liabilities.

(Note 1) Method used to calculate fair value of financial instruments and instructions for short-term investments and derivative transactions

Assets :(1) Cash and cash in banks, and (2) Notes and accounts receivable-trade

Carrying values are used as fair values of these items because the fair values are nearly equal to such carrying values because they are settled within a short period.

(3) Short-term investments and investment securities

Fair values of equity securities traded on securities exchanges are based on the market value and values offered by correspondent financial institutions are used for debt securities.

Liability: (1) Notes and accounts payable-trade, (2) Short-term borrowings, (3) Accounts payable-other and (4) Income tax payables

Carrying values are used as fair values of these items because the fair values are nearly equal to such carrying values because they are settled within a short period.

(5)Corporate bonds

Market values offered by correspondent financial institutions are used as fair values.

(6)Long-term borrowings

With regard to variable interest rate, carryistitu26f-70.92ti3(le (l73s and gic0n2.0004 T)regard t)-8.3(

9) Securities

Fiscal year ended March 31, 2009

(1) Market Value of Held-to-Maturity Securities (March 31, 2009)

(millions of yen)

		Carrying amounts	Fair value	Unrecognized gain/loss
Carrying amounts below fair value	1. Government and municipal bonds and others	-	-	-
	2. Corporate bonds	1,696	1,704	8
	3. Other	7,099	7,293	193
	Sub-total	8,796	8,998	202
Carrying amounts exceeding fair value	1. Government and municipal bonds and others	-	-	-
	2. Corporate bonds	9,050	8,763	(286)
	3. Other	5,001	4,988	(13)
	Sub-total	14,051	13,752	(299)
T O T A L		22,848	22,750	(97)

(2) Market Value of Available-for-Sale Securities (March 31, 2009)

(millions of Yen)

		Acquisition cost	Carrying amounts	Unrecognized gain/loss
Carrying amounts below fair value	1. Stocks	19,120	23,411	4,291
	2. Bonds	-	-	-
	Government and municipal bonds and others	-	-	-
	Corporate bonds	-	-	-
	3. Other	1,227	1,238	11
	Sub-total	20,347	24,650	4,302
	1. Stocks	15,470	13,466	(2,003)

Impairment of securities is recognized when the market value at end of period becomes less than half of the carrying amounts at beginning of the fiscal year, except when it is deemed that the carrying value

Fiscal year ended March 31, 2010

(1) Market Value of Held-to-Maturity Securities (March 31, 2010)

(millions of Yen)

		Carrying amounts	Fair value	Unrecognized gain/loss
Carrying amounts below fair value	1. Government and municipal bonds and others	-	-	-
	2. Corporate bonds	3,346	3,372	25
	3. Other	12,101	12,380	278
	Sub-total	15,448	15,752	304
	1. Government and municipal bonds and others	-	-	-
	2. Corporate bonds	299	299	(0)

(3) Other Marketable Securities Sold During this Fiscal Year (April 1, 2009 - March 31, 2010)

10) Derivative Financial Instruments

Fiscal year ended March 31, 2009

[Foreign Currency Related Derivatives] (millions of Yen)

	Contract Amounts

2. Derivative Financial Instruments Processed by hedge accounting

(1) Foreign Currency Related Derivatives (millions of Yen)

	Contract Amounts

11) Pension Plans and Retirement Benefit Costs

April 1, 2008-March 31, 2009	April 1, 2009-March 31, 2010
1. Outline of pension plan: The Company: The Company adopts defined-benefit pension plan and retirement lump-sum payments. The transfer rate to the defined-benefit pension plan fund is 45%. Additional severance payment may be made to some employees. Consolidated subsidiaries: Certain Japanese subsidiaries adopt a defined-benefit pension type of joint pension plan, an approved pension scheme and retirement lump-sum payments. Certain overseas subsidiaries adopt a defined contribution plan as well as a defined-benefit plan. Additional severance payment may be made to some employees.	1. Outline of pension plan: The Company: Same as the left. Consolidated subsidiaries: Certain Japanese subsidiaries adopt a defined-benefit pension type of joint pension plan, a defined-benefit pension scheme and retirement lump-sum payments. Certain overseas subsidiaries adopt a defined contribution plan as well as a defined-benefit plan. Additional severance payment may be made
2. Projected benefit obligation benefits at March 31, 2009 (millions of Yen) Projected benefit obligation (¥116,212) Fair value of plan assets ¥67,828 Net unfunded obligation (¥48,383) Unrecognized actuarial gain ¥30,514 Unrecognized prior service cost (Note 1) (¥3,905) Liability for retirement benefits (¥21,774) (Note 1) The changes of pension plan on December 1, 2004 generated the elimination of additional benefit and the changes of pension plan on October 1, 2005 generated the prior service cost. (Note 2) Certain subsidiaries adopt the simple method to calculate projected benefit obligation.	
3. Components of retirement benefit costs: (millions of Yen) Service cost (Note 1) ¥3,833 Interest cost ¥ 2,770 Expected return on plan assets (¥2,469) Amortization of unrecognized net actuarial gain (¥994)	

April 1, 2008-March 31, 2009	April 1, 2009-March 31, 2010
Amortization of prior service cost (Note 2) (¥2,638) Contribution to defined contribution plan and others ¥1,989 Adjustment for the change to principle method (Note 3) ¥ 377 Retirement benefit costs ¥ 2,869 (Note 1) All retirement benefit costs of subsidiaries that adopt the simple method are included in service cost. (Note 2) Reflects the current amortization of prior service cost described in (Note 1) of "2. Projected benefit obligation". (Note 3) In this fiscal year, one Japanese consolidated subsidiary changed the calculation method of retirement benefit obligation from simple method to the principle method. The insufficient reserves were charged to income in this fiscal year.	Amortization of prior service cost (¥2,616) Contribution to defined contribution plan and others ¥2,140 Retirement benefit costs ¥9,849 (Note 1) All retirement benefit costs of subsidiaries that adopt the simple method are included in service cost.
4. Basis of the calculation for projected benefit obligation and others: Method of calculation of projected benefit obligation: Straight-line method over the average years of service Discount rate: Principally 2.5 % Expected rate of return on plan assets: Principally 4.0 % Amortization period of prior service cost: Straight-line method over five years Amortization period of actuarial gain/loss: Straight-line method over five years from the following fiscal year	4. Basis of the calculation for projected benefit obligation and others: Same as the left
5. Multi-employer pension plan whose obligations are treated as retirement benefit costs. Three Japanese subsidiaries have pension assets calculated in proportion to the pension contribution amount. Descriptions of the pension plan are as follows: (a) Overall situation of fund (as of 31 March, 2008) Fair value of plan assets: ¥415,832 mil. Benefit obligation on the basis of pension financing: ¥497,473 mil. Difference: (¥81,640 mil.)	5. Multi-employer pension plan whose obligations are treated as retirement benefit costs. Three Japanese subsidiaries have pension assets calculated in proportion to the pension contribution amount. Descriptions of the pension plan are as follows: (a) Overall situation of fund (as of 31 March, 2009) Fair value of plan assets: ¥325,177 mil. Benefit obligation on the basis of pension financing: ¥502,794 mil. Difference: (¥177,616 mil.)

April 1, 2008-March 31, 2009	April 1, 2009-March 31, 2010
Above figures are provided using information available as of the balance sheet date.	Above figures are provided using information available as of the balance sheet date.
(b) Contribution share of the three subsidiaries to the total pension plan (from April 1, 2008 through March 31, 2009): 0.7%	(b) Contribution share of the three subsidiaries to the total pension plan (from April 1, 2009 through March 31, 2010): 0.7%
(c) Supplementary remarks The difference amount of ¥81,640 mil. described in above (a) was calculated by subtracting the general reserve of ¥52,152 mil. from the sum of the balance of unamortized prior service costs of ¥57,689 mil. plus the balance due of ¥76,103 mil. which is to be covered by reversal of the general reserve. Amortization of balance of unamortized prior service costs for the purpose of pension financing calculation is on the following basis; equal repayment method, contribution of employer: 1.55% and residual period as of March 31, 2008: 10 years and 10 months The share ratio in above (b) is not equal to the actual share.	(c) Supplementary remarks The different amount of ¥177,616 mil. described in above (a) was due to unamortized prior service costs of ¥53,210 mil., balance due of ¥100,455 mil. and insufficient carryforwards of ¥23,950 mil. from previous year. Amortization of balance of unamortized prior service costs for the purpose of pension financing calculation is on the following basis; equal repayment method, contribution of employer: 1.55% and residual period as of March 31, 2009: 9 years and 10 months

12) Stock Option

Fiscal Year Ended March 31, 2009 (April 1, 2008 - March 31, 2009)

Details and fluctuation status

Cost of goods sold	3 million yen

2) Scope and changes of stock options

a) Number of stock options

Date of decision	June 29, 2000	June 28, 2001	June 27, 2002	June 24, 2003
After the right is vested				
End of the previous period	53,200	68,600	114,800	72,100
Right vested	-	-	-	-
Exercise of right	-	10,200	-	11,200
Invalidation	-	-	-	-
Unexercised stock options at the end of period	53,200	58,400	114,800	60,900

Date of decision	June 24, 2004	June 24, 2005	June 23, 2006	June 22, 2007
After the right is vested				
End of the previous period	193,700	235,600	254,000	264,000
Right vested	-	-	-	-
Exercise of right	1,500	1,200	-	-
Invalidation	-	-	-	-
Unexercised stock options at the end of period	192,200	234,400	254,000	264,000

Date of decision	June 20, 2008
Before the right is vested	
End of the previous period	-
Number of stock options granted	288,000
Invalidation	-
Right vested	-
Unexercised stock options at the end of period	288,000

b) Unit information

Date of decision	June 29, 2000	June 28, 2001	June 27, 2002	June 24, 2003
Date of grant	September 1, 2000	August 1, 2001	July 1, 2002	July 1, 2003
Exercise price (yen)	3,090	2,668	3,165	2,520
Market average at execution of right (yen)	-	3,659	-	3,742
Fair value (yen) (Date of grant)	-	-	-	-

Date of decision	June 24, 2004	June 24, 2005	June 23, 2006	June 22, 2007
Date of grant	July 1, 2004	July 1, 2005	July 10, 2006	July 9, 2007
Exercise price (yen)	3,170	3,820	5,300	5,480
Market average at execution of right (yen)	3,763	3,930	-	-
Fair value (yen) (Date of grant)	-	-	1,161	991

Date of decision	June 20, 2008
Date of grant	July 7, 2008
Exercise price (yen)	3,760
Market average at execution of right (yen)	-
Fair value (yen) (Date of grant)	530

(3) Estimated valuation for fair market value per stock option

Estimated valuation for fair market value of the stock options granted on July 7, 2008 is as follows:
1) Valuation model: Black-Scholes option pricing model

Expected volatility (Note 1)	23.45%
Expected life (Note 2)	6 years
Expected dividend (Note 3)	140 yen / share
Risk-free interest rate (Note 4)	1.37%

(Notes)
1. This figure is estimated based on historical data on stock price for the past six years.
2. Expected life is estimated in the middle of exercisable period as reasonable estimate is not possible.
3. This is based on the expected dividend for the fiscal year ended March 31, 2009 as of July 2008.
4. This rate is the government bond yield over the above expected life.

(4) Calculation methods for number of rights vested

Only the actual lapsed number of vested stock options is used for calculation of the number of rights vested as a reasonable estimate of the future number of lapsed options is not possible.

Fiscal Year Ended March 31, 2010 (April 1, 2009 - March 31, 2010)

Details and fluctuation status

(1) Amount of cost recorded and name of account items

Cost of goods sold	9 million yen
Selling, general & administrative expenses	118 million yen
Total	127 million yen

(2) Details, scope, and changes of stock options

b) Unit Information

Date of decision	June 29, 2000	June 28, 2001	June 27, 2002	June 24, 2003	June 24, 2004
Date of grant	September 1, 2000	August 1, 2001	July 1, 2002	July 1, 2003	July 1, 2004
Exercise price (yen)	3,090	2,668	3,165	2,520	3,170
Market average at execution of right (yen)	3,492	3,484	3,501	3,531	3,490
Fair value (yen) (Date of grant)	-	-	-	-	-

Date of decision	June 24, 2005	June 23, 2006	June 22, 2007	June 20, 2008	June 19, 2009
Date of grant	July 1, 2005	July 10, 2006	July 9, 2007	July 7, 2008	July 6, 2009
Exercise price (yen)	3,820	5,300	5,480	3,760	3,320
Market average at execution of right (yen)	-	-	-	-	-
Fair value (yen) (Date of grant)	-	1,161	991	530	471

(3) Estimated valuation for fair market value per stock option

Estimated valuation for the fair market value of the stock options granted on July 6, 2009 is as follows:

1) Valuation model: Black-Scholes option pricing model

2) Basic figures for calculation

Expected volatility (Note 1)	27.10%
Expected life (Note 2)	6 years
Expected dividend (Note 3)	150 yen / share
Risk-free interest rate (Note 4)	0.80%

(Notes)

1. This figure is estimated based on historical data on stock price for the past six years.
2. Expected life is estimated in the middle of exercisable period as reasonable estimate is not possible.
3. This is based on the expected dividend for fiscal 2009 as of July 2009.
4. Risk-free interest rate is that of the government bond corresponding to the expected life shown above.

(4) Calculation methods for number of rights vested

Only the actual lapsed number of vested stock options is used for calculation of the number of rights vested as a reasonable estimate of the future number of lapsed options is not possible.

13) Business Combinations

Fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

Not applicable

Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

1. Acquisition of AkaRx, Inc. by share purchase

(1) Outlines

1) Description of the acquired company

a. Name of company acquired: AkaRx, Inc. (U.S.)

b. Description of acquired business:
Development, market and manufacture of AKR-501 (agent to treat thrombocytopenia)

c. Reason and purpose of acquisition:
In order to obtain the exclusive worldwide rights to develop, market and manufacture

14) Rental Properties

Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

Not applicable

(Additional Information)
The Company has adopted the Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No.20, November 28, 2008) and the Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Guidance No.23, November 28, 2008) beginning from this fiscal year.

15) Per Share Information

April 1, 2008 – March 31, 2009		April 1, 2009- March 31, 2010	
Book-value per share:	¥1,502.08	Book-value per share:	¥1,459.74
Basic earnings per share	¥ 167.35	Basic earnings per share	¥141.58
Diluted earnings per share	¥167.30	Diluted earnings per share	¥141.56

Note: The basis of the calculation of basic earnings (loss) per share and diluted earnings per share are as follows:

	April 1, 2008 – March 31, 2009	April 1, 2009 – March 31, 2010
Basic earnings per share		
(1) Net income (mil. yen)		

16) Significant Subsequent Events

Not applicable

5. Non-consolidated Financial Statements

1) Non-consolidated Balance Sheets

(millions of yen)

ASSETS				
Current assets				
Cash and cash in banks		16,667		38,613
Notes receivable-trade	*1	1,289	*1	965
Accounts receivable-trade	*1	146,653	*1	158,415
Short-term investments		7,611		4,143
Merchandise and finished goods		17,314		18,695
Work in process		10,373		12,932
Raw materials and supplies		9,378		8,236
Deferred tax assets		23,012		17,946
Accounts receivable-other	*1	19,496		-
Other		12,344		18,142
Total current assets		264,143		278,091
Fixed assets				
Property, plant and equipment				
Buildings		112,048		117,620
Accumulated depreciation	*3	(69,837)	*3	(73,502)
Buildings-net		42,210		44,118
Structures		8,095		8,191
Accumulated depreciation	*3	(5,794)	*3	(6,054)
Structures-net		2,300		2,136
Machinery and equipment		79,109		82,519
Accumulated depreciation	*3	(64,856)	*3	(67,869)
Machinery and equipment-net		14,253		14,649
Vehicles and delivery equipment		370		382
Accumulated depreciation	*3	(332)	*3	(344)
Vehicles and delivery equipment-net		38		37
Tools, furniture and fixtures		35,064		35,629
Accumulated depreciation	*3	(28,107)	*3	(29,947)

(millions of yen)

Investments and other assets		
Investment securities	55,134	59,393
Investments in subsidiaries and associated companies	434,466	439,543
Long-term loans receivable	4	5
Long-term loans receivable to subsidiaries and		

(millions of yen)

EQUITY		
Owner's equity		
Common stock	44,985	44,985
Capital surplus		
Additional paid-in capital	55,222	55,222
Other	1,726	1,706
Total capital surplus	56,949	56,928
Retained earnings		
Legal reserve	7,899	7,899
Other		
Reserve for reduction of fixed assets	126	125

2) Non-Consolidated Statements of Income

(millions of yen)

Net Sales				
Total Net sales	*1	415,611	*1	444,680
Cost of sales	*3	81,331	*3	82,289
Gross profit		334,280		362,391
Provision for sales returns-net		33		10
Gross profit after deducting provision for sales returns-net		334,246		362,380
Selling, general and administrative expenses				
Total selling, general and administrative expenses	*2, *3	258,411	*2, *3	269,127
Operating income		75,835		93,253
Non-operating income				

3) Non-Consolidated Statements of Changes in Equity

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Owners' equity		
Common stock		
Balance at end of the previous fiscal year	44,985	44,985
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of the fiscal year	44,985	44,985
Capital surplus		
Additional paid-in capital		
Balance at end of the previous fiscal year	55,222	55,222
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of the fiscal year	55,222	55,222
Other		
Balance at end of the previous fiscal year	1,743	1,726
Changes during the fiscal year		
Disposal of treasury stock	(17)	(20)
Total changes during the fiscal year	(17)	(20)
Balance at end of the fiscal year	1,726	1,706
Total capital surplus		
Balance at end of the previous fiscal year	56,966	56,949
Changes during the fiscal year		
Disposal of treasury stock	(17)	(20)
Total changes during the fiscal year	(17)	(20)
Balance at end of the fiscal year	56,949	56,928
Retained earnings		
Legal reserve		
Balance at end of the previous fiscal year	7,899	7,899
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of the fiscal year	7,899	7,899
Other		
Reserve for reduction of fixed assets		
Balance at end of the previous fiscal year	126	126
Changes during the fiscal year		
Reversal of reserve for reduction of fixed assets	(0)	(0)
Total changes during the fiscal year	(0)	(0)
Balance at end of the fiscal year	126	125

(millions of yen)

Going Concern

Not applicable

Significant Accounting Policies for Non-consolidated Financial Statements

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
(3) Leased assets: Finance leases transactions that do not transfer ownership: Leased assets are depreciated by the straight-line method with the useful life being the lease period and with a residual value of zero.	(3) Leased assets: Same as the left
5. Accounting for Allowances and Reserves: (1) Allowance for doubtful receivables/accounts: To prepare for potential losses on notes and accounts receivable, loans receivable, etc., an allowance for doubtful receivables/accounts is provided. As for the general receivables/accounts, allowances are calculated based on past credit loss. As for the specific receivables/accounts, allowances were calculated based on the specific probability of uncollectibility.	5. Accounting for Allowances and Reserves: (1) Allowance for doubtful receivables/accounts: Same as the left
(2) Reserve for sales returns: To prepare for a possible sales return loss for merchandise and finished goods sold incurred after the balance sheet date, a reserve is provided by multiplying the amount of accounts receivable-trade at the balance sheet date by the average return ratio of the merchandise and finished goods sold over the previous two fiscal years and the profit ratio of the period.	(2) Reserve for sales returns: Same as the left
(3) Reserve for disposal of goods returns: To prepare for a possible loss on disposal of merchandise and finished goods returned after the balance sheet date, a reserve is provided by multiplying the amount of accounts receivable-trade at the balance sheet date by the average returns ratio of the merchandises and finished goods sold and the average disposal ratio of the merchandises and finished goods returned over the previous two fiscal years.	(3) Reserve for disposal of goods returns: Same as the left
(4) Liability for retirement benefits: To cover employee retirement benefits, the Company provides for liability for retirement benefits at an amount to be prepared as of the balance sheet date, which is derived from the projected benefit obligations and estimated plan assets at the balance sheet date.	(4) Liability for retirement benefits: Same as the left

se left se left
mco1

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
The unrecognized prior service cost is being amortized over five years and recognized as operating expenses in the statements of operation. The unrecognized actuarial loss is being amortized over five years by the straight-line method and amortization of the unrecognized actuarial loss is recognized as operating expenses in the statements of operation starting from the fiscal year succeeding the fiscal year during which gain/ loss occurred.	
(5) Retirement allowances for directors: The Company provides a reserve for retirement benefits for directors and executive officers in required amounts calculated based on each company's rule.	(5) Retirement allowances for directors: Same as the left
6. Translation of Assets and Liabilities denominated in Foreign Currencies: Monetary receivables and payables denominated in foreign currencies are translated into yen at the current exchange rates as of the balance sheet date. The foreign exchange gain or loss from translation is recognized in the statements of operations.	6. Translation of Assets and Liabilities denominated in Foreign Currencies: Same as the left
7. Hedge accounting: (1) Hedge method: The Company defers to measure derivatives until maturity of the hedged transactions. If foreign currency forward contracts are met the requirements for allocation, the allocation method is applied. And if the interest rate swap contracts are met the requirements for special treatment, the special treatment method is applied.	7. Hedge accounting: (1) Hedge method: Same as the left
(2) Hedging instruments and hedged items: (a) Hedging instruments: Foreign currency forward contracts, Interest rate swaps (b) Hedged items: Accounts receivables and trade payables including committed transactions denominated in foreign currencies, long-term borrowings	(2) Hedging instruments and hedged items: Same as the left
(3) Hedging policy: The Company enters into hedged transactions in the ordinary course of business to reduce the exposure of foreign currency transactions to fluctuations in foreign	(3) Hedging policy: Same as the left

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
currency exchange rates. The hedged transactions used by the companies have been made in accordance with internal policy. The Company enters into hedged transactions in the ordinary course of business to reduce exposures to fluctuations in interest rates of borrowings.	
(4) Method for assessment of effectiveness of hedging: Foreign currency forward contracts assigned to receivables and payables in foreign currency have the same currency, amount and term of corresponding receivables and payables. As a result, because of the hign correlation and effectiveness maintained between the hedging instruments and the hedged items against fluctuations in foreign exchange rate, an assignment of effectiveness is not performed. The effectiveness of derivatives used for hedging long-term borrowings is assessed by comparing the cumulative cash flow fluctuations of the underlying borrowings or market fluctuations with the cumulative cash flow fluctuations of the hedging method or market fluctuations. The Company does not perform the assessment for interest rate swaps that are met the requirements for special treatment.	(4)Method for assessment of effectiveness of hedging: Same as the left
8. Accounting treatment for consumption taxes: Consumption taxes and local consumption taxes are excluded from revenues and expenses.	8. Accounting treatment for consumption taxes: Same as the left

Changes in Significant Account Policies for Non-consolidated Financial

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
The Company has decided to apply the straight-line method mainly for the following three reasons to ensure uniformity in the application of its accounting treatment and to more appropriately measure periodic income: i) As a result of carrying out the Company's midterm plan started in April 2006, the balance of property, plant and equipment attributable to subsidiaries outside of Japan is expected to get proportionately larger in the future, and global business operations are becoming increasingly important. In this context, the Company found it necessary to ensure consistency with its foreign subsidiaries in its accounting treatment for depreciation, taking into consideration International Financial Reporting Standards and U.S. GAAP. ii) As the Company's product lines can expect to generate long-term and stable profits, the straight-line method is a more suitable way to reflect the allocation of depreciation expenses over a stream of earnings. iii) Property, plant and equipment held by the Company are generally subject to steady operation over their expected lifetime, and repairs and maintenance of facilities are regularly planned and carried out. In this context, repairs and maintenance expenses are expected to remain level 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 period was to decrease consolidated depreciation expenses by ¥2,296 million and increase operating income, ordinary income, and income before income taxes and minority interests by ¥1,493 million. Along with the change with depreciation method, the Company and its subsidiaries have introduced a unified treatment on residual values in which depreciable assets are to be depreciated to one yen (the defined residual value) at the end of their useful life. The effect of adoption of this change on the results of the fiscal year was to increase depreciation expenses by ¥1,845 million and decrease operating income, ordinary income, and income before income taxes and minority interests by ¥1,199 million. The aggregate effect of the change to the straight-line method and the change in residual value as stated above in the results of the period was to decrease depreciation costs by ¥451 million and increase operating income, ordinary income, and income before	

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
income taxes and minority interests by ¥293 million.	

Changes in Representation of Non-Consolidated Financial Statements

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
(Non-consolidated balance sheet) . “Merchandise” and “Finished goods,” which were separately presented as independent accounts in the previous fiscal year, are collectively presented as ““Merchandise” and finished goods” in this fiscal year pursuant to Cabinet order No. 50 “Revised Version of Regulation Concerning Terminology, Form and Methods of Preparation of Consolidated Financial Statements” issued on August 7, 2008. The amounts of “Merchandise” and “Finished Goods” included in “Merchandise and finished goods” was ¥8,309 million and ¥9,005 million, respectively, and “Raw materials” and “Supplies” included in “Raw materials and supplies” was ¥8,337 million and ¥1,041 million, respectively, in this fiscal year. . “Semi-finished goods” and “Work in process,” which was separately presented as independent accounts in the previous fiscal year, are collectively presented as “Work-in-process” in this fiscal year pursuant to Cabinet order No. 50 “Revised Version of Regulation Concerning Terminology, Form and Methods of Preparation of Consolidated Financial Statements” issued on August 7, 2008. The amount of “Semi-finished goods” and “Work in process” included in “Work in process” was ¥9,909 million and ¥464 million, respectively, in this fiscal year. . As the amount of “Accounts receivable-other” included in “Other current assets” in the previous fiscal year exceeded 1% of total assets, it is separately presented as an independent account in this fiscal year. The amount of “Accounts receivable-other” was ¥1,556 million in the fiscal year. . “Short-term loans receivable,” separately presented as an independent account in the previous fiscal year, was ¥4,030 million in this fiscal year. Since the amount is less than or equal to 1% of the total assets, it is included in “Other current assets.”	(Non-consolidated balance sheet) 1. ”Accounts receivable-other”, separately presented as an independent account in the previous fiscal year, was ¥2,187 million in this fiscal year. Since the amount is less than or equal to 1% of the total assets, it is included in “other current assets.”

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
(Non-consolidated statements of income) 1. “Gain on sales of investment securities,” separately presented as an independent account in the previous fiscal year, is ¥432 million in this fiscal year. Since the amount is less than or equal to 10% of total special gains, it is included in “Other special gain.”	(Non-consolidated statements of income) 1. “Foreign exchange loss”, separately presented as an independent account in the previous fiscal year, is ¥206 million in this fiscal year. Since the amount is less than or equal to 10% of total non-operating expenses, it is included in “other non-operating expenses.” 2. As the amount of “reversal of provision for doubtful accounts” included in “other special gain” in the previous fiscal year exceeded 10% of total special gains, it is separately presented as an independent account in this fiscal year. The amount of “reversal of provision for doubtful accounts” included in the “other special gain” in the previous fiscal year was ¥313 million. 3. “Loss on devaluation of investment securities,” separately presented as an independent account in the previous fiscal

Notes to Non-consolidated Financial Statements

(Non-consolidated Balance Sheets)

<table>
<tr><th>March 31, 2009</th><th>March 31, 2010</th></tr>
<tr><td>*1. Notes related to subsidiaries and associated companies:
Major assets and liabilities with subsidiaries and affiliated companies other than accounts presented separately are as follows:
Notes and accounts receivable-trade ¥38,618 mil.
Accounts receivable-other ¥18,455 mil.
Deposits received ¥8,555 mil.</td><td>*1. Notes related to subsidiaries and associated companies:
Major assets and liabilities with subsidiaries and affiliated companies other than accounts presented separately are as follows:
Notes and accounts receivable-trade ¥38,945 mil.
Other current assets ¥12,293 mil.
Deposits received ¥9,666 mil.</td></tr>
<tr><td>2. Contingent liabilities:
The Company cosigns the following liabilities:
<table><tr><th>Warrantee</th><th>Item</th><th>Yen (mil.)</th></tr><tr><td>Eisai Machinery GmbH</td><td>Advances received from customers, etc.</td><td>163 [1,260 thousand Euro]</td></tr></table>Notes: Among the above guarantee liabilities, those denominated in foreign currencies are translated into yen using the exchange rate at the balance sheet date.</td><td>2. Contingent liabilities:
—</td></tr>
<tr><td>*3. Accumulated deprecation includes accumulated losses on impairment for long-lived assets</td><td>*3. Same as the left</td></tr>
</table>

(Non-consolidated Statements of Income)

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010

*1. Principal intercompany transaction:

Sales	¥109,817 mil.
Interest income	¥278 mil.

*2. Principal items in selling, general & administrative expenses

Promotional expenses	¥41,793 mil.
Salaries & bonuses	¥27,548 mil.
Office expenses	¥15,693 mil.
Depreciation expenses	¥2,760 mil.
Research and development expenses	¥143,038 mil.

*3. Total research and development expenses included in general and administrative expenses and manufacturing costs for the fiscal year

General and administrative expense	¥143,038 mil.
Manufacturing costs	¥-mil.

*4. Principal gain on sales of fixed assets:

Machinery and Equipment	¥1 mil.
Tools, furniture and fixtures	¥1 mil.

*5. Principal loss on disposal of fixed assets:

Buildings	¥41 mil.
Machinery and Equipment	¥127 mil.
Tools, furniture and fixtures	¥48 mil.

*6. Loss on impairment of long-lived assets

The Company classifies its business assets to be held and used for business operations into asset groups on the basis of business segments whose profitability are consistently being monitored. In addition, idle assets and sales rights are grouped individually.

For the fiscal year, the Company booked an impairment loss on exclusive sales rights for certain products at an amount of ¥3,702 million.

As for exclusive sales rights, changes in the market environments and less probability of certain indication approvals caused

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
*7. Inter-company transfer pricing adjustment The Company records the gain on inter-company transfer pricing adjustment between the Company and the U.S. subsidiary, Eisai Inc., which is attributable to previous years, pursuant to the conditions of the agreement for the relevant transfer price reached by tax authorities in both Japan and the U.S. in March 2009.	

(Non-consolidated Statements of Change in Equity)

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Types of treasury stock and number of shares (thousand of shares)	Types of treasury stock and number of shares (thousand of shares)

Type of stock	Common stock
Number of shares at the end of the previous year	11,665
Increase	19
Decrease	24
Number of shares at the end of this year	11,660

(Note 1) The increase in treasury stock (common stock) was due to the purchase of fractional shares.
(Note 2) The decrease in the treasury stock was due to exercises of stock options.

Type of stock	Common stock
Number of shares at the end of the previous year	11,660
Increase	9
Decrease	40
Number of shares at the end of this year	11,629

(Note 1) The increase in treasury stock (common stock) was due to the purchase of fractional shares.
(Note 2) The decrease in the treasury stock was due to exercises of stock options.

6) Per Share Information

April 1, 2008 - March 31, 2009		April 1, 2009 - March 31, 2010	
Book value per share	¥1,685.06	Book value per share	¥1,756.80
Earnings per share	¥198.80	Earnings per share	¥ 201.21
Diluted earnings per share	¥198.74	Diluted earnings per share	¥201.18

Note: The basis of the calculation of basic earnings per share and diluted earnings per share are as follows:

	April 1, 2008 – March 31, 2009	April 1, 2009 – March 31, 2010
Basic earnings per share		
(1) Net income (mil. yen)	56,638	57,327
(2) Amount not attributed to common shareholders (mil. yen)	–	–
(3) Net income related to common stock (mil. yen)	56,638	57,327
(4) Average number of common stocks outstanding (thousand shares)	284,904	284,909
Diluted earnings per share		
Increased number of common stocks (thousand shares)	81	44
[Stock subscription rights] (thousand shares)	[22]	[13]
[Stock options] (thousand shares)	[59]	[31]

Dilutive securities with no dilutive effects,

6. Other

1) Proposed Changes of Corporate Officers (effective as of June 18, 2010)

(1) Change of Representative Officers:

a) Expected Promotion of Executive Officers:

i) Deputy President (Representative Executive Officer)

Nobuo Deguchi	currently, Executive Vice President (Representative Executive Officer), Chief Compliance Officer, Human Resources/Labor Management, General Affairs

b) Retiring Executive Officers:

Soichi Matsuno	currently, Deputy President (Representative Executive Officer, to be appointed as Senior Advisor)
Makoto Shiina	currently, Executive Vice President (Representative Executive Officer, to be appointed as Senior Advisor)

(2) Change of Corporate Officers:

a) Nominees for New Directors:

Norio Kano	currently, Senior Vice President, Clinical Research, Japan
Tokuji Izumi	currently, Advisor, TMI Associates
Koichi Masuda	currently, Chairman and President, The Japanese Institute of Certified Public Accountants

b) Retiring Directors:

ii) Senior Vice President

Lonnel Coats	currently, Vice President, President & COO, Eisai Inc.
Yukio Akada	currently, Vice President, Pharmaceutical Business, China
Yutaka Tsuchiya	currently, Vice President, GSQ Office, Corporate Regulatory Compliance, Quality Assurance, Environment and Safety Affairs

e) Retiring Executive Officers:

Norio Kano	currently, Senior Vice President, to be appointed as Director
Noboru Naoe	currently, Vice President, to be appointed as Senior Group Officer
Yasushi Okada	currently, Vice President, to be appointed as Senior Group Officer
Seiichi Kobayashi	currently, Vice President, to be appointed as Corporate Adviser
Kiyoshi Hasegawa	currently, Vice President, to be appointed as Senior Group Officer
Masanori Tsuno	currently, Vice President, to be appointed as Senior Group Officer
Hidenobu Ando	currently, Vice President, to be appointed as Corporate Adviser
Folker Kindl	currently, Vice President, to be appointed as Chairman of Eisai Europe Ltd.

Senior Group Officers will be appointed under the new Corporate Officer System (employee) which is scheduled to initiate in June 2010.

(3) Nominees for Directors

Haruo Naito	currently, Director, President and CEO
Hiroyuki Mitsui	currently, Director
Akira Fujiyoshi	currently, Director
Norio Kano	currently, Senior Vice President, Clinical Research, Japan
Norihiko Tanikawa	currently, Outside Director, and Senior Advisor to the Board, NSK-Chugai, Ltd.
Satoru Anzaki	currently, Outside Director, and Adviser Komatsu Ltd.
Junji Miyahara	currently, Outside Director
Kimitoshi Yabuki	currently, Outside Director, and Yabuki Law Office

Christina Ahmadjian	currently, Dean of Hitotsubashi University Graduate School of International Corporate Strategy
Tokuji Izumi	currently, Advisor, TMI Associates
Koichi Masuda	currently, Chairman and President, The Japanese Institute of Certified Public Accountants

NOTE: Norihiko Tanikawa, Satoru Anzaki, Junji Miyahara, Kimitoshi Yabuki, Christina Ahmadjian, Tokuji Izumi, and Koichi Masuda are nominees who meet the requirements of an Outside Board Member set forth in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan.

(4) Selected Candidates for Members of Each Committee

a) Nomination Committee

Chair: Satoru Anzaki
Members: Junji Miyahara
Tokuji Izumi

b) Audit Committee

Chair: Koichi Masuda
Members: Kimitoshi Yabuki
Christina Ahmadjian
Akira Fujiyoshi
Norio Kano

c) Compensation Committee

Chair: Tokuji Izumi
Members: Satoru Anzaki
Junji Miyahara

d) Independent Committee of Outside Board Members

Members: Norihiko Tanikawa
Satoru Anzaki
Junji Miyahara
Kimitoshi Yabuki
Christina Ahmadjian
Tokuji Izumi
Koichi Masuda

(5) Career of Nominee for New Outside Board Members

Name:Tokuji Izumi

Academic Affiliation:

Apr. 1963 Assistant Judge, Tokyo District Court

Apr. 1973 Judge, Kanazawa District Court

Apr. 1983 Judicial Research Official, Supreme Court

Nov. 1996 Secretary General, Supreme Court

Mar. 2000 President, Tokyo High Court

Nov. 2002 Justice, Supreme Court

Feb. 2009 Registered as member of the Tokyo Bar Association

Mar. 2009 Advisor, TMI Associates (current)

Apr. 2009 Member of Compliance Committee of the Company

Name: Koichi Masuda

Academic Affiliation:

Apr. 1966 Joined Yoshiji Tanaka Certified Public Accountant Office

Sep. 1978 Joined Shinwa Audit Corporation

Jul. 1992 Managing Partner, Asahi Shinwa Audit Corporation (currently KPMG AZUSA & Co.)

Jul. 2001 Deputy Chairman and President, The Japanese Institute of Certified Public Accountants

Jul. 2004 Chairman, Political Federation in The Japanese of certified public accountants (current)

Jul. 2007 Chairman and President, The Japanese Institute of Certified Public Accountants (current)

Oct. 2009 Auditor, Enterprise Turnaround Initiative Corporation of Japan (current)

Apr. 2010 Outside Auditor, NKSJ Holdings, Inc. (current)

(6) Nominees for Executive Officers

Haruo Naito	currently, President (Representative Executive Officer) and CEO
Nobuo Deguchi	currently, Executive Vice President (Representative Executive Officer) Chief Compliance Officer, Human Resources/Labor Management, General Affairs
Hideaki Matsui	currently, Executive Vice President (Representative Executive Officer), CEO Office, CFO and Customer Joy
Hideshi Honda	currently, Senior Vice President, Japan Business Headquarters

Hajime Shimizu	currently, Senior Vice President, Pharmaceutical Business, U.S.
Hideki Hayashi	currently, Senior Vice President, CEO Office, Chief Product Creation Officer
Kentaro Yoshimatsu	currently, Senior Vice President, CEO Office, Chief Scientific Officer
Kenji Toda	currently, Senior Vice President, Government Relations
Lonnel Coats	currently, Vice President, President & COO, Eisai Inc.
Yukio Akada	currently, Vice President, Pharmaceutical Business, China
Yutaka Tsuchiya	currently, Vice President, GSQ Office, Corporate Regulatory Compliance, Quality Assurance, Environment and Safety Affairs
Takafumi Asano	currently, Vice President, Deputy Director of Demand Chain Headquarters
Kenta Takahashi	currently, Vice President, General Counsel, Intellectual Property
Edward Stewart Geary	currently, Vice President, GSQ Office, Deputy Director of Corporate Regulatory Compliance, Quality Assurance
Kazuo Hirai	currently, Vice President, Corporate Management Planning, Information System
Hideto Ueda	currently, Vice President, Internal Control
Yuji Matsue	currently, Vice President, Corporate Communications
Gary Hendler	currently, Commercial Development Director, Eisai Europe Ltd.

NOTE: President (Representative Executive Officer) and CEO Haruo Naito will also take the responsibility of Director.

[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, healthcare cost-containment measures, intensified competition with generic drugs, intellectual property, possible incidence of adverse events, compliance with laws and regulations, litigation, 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 systems.

1. Consolidated Financial Highlights

1) Income Statement Data

(billions of yen)

	2007	2008	2009	**2010**	YOY %	2011 est.
Net sales	674.1	734.3	781.7	**803.2**	102.7	810.0
Cost of sales	109.3	118.8	152.5	**160.7**	105.4	169.0
R&D expenses	108.3	225.4	156.1	**179.1**	114.7	157.0
SG&A expenses	351.2	372.3	381.4	**376.9**	98.8	379.0
Operating income	105.3	17.7	91.8	**86.4**	94.1	105.0
Ordinary income	110.5	18.9	82.6	**79.7**	96.5	98.5
Net income	70.6	(17.0)	47.7	**40.3**	84.6	65.0
Cash income	97.6	106.9	119.0	**126.4**	106.2	120.0

4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

2. Consolidated Statements of Income

(billions of yen)

	2009	Sales	**2010**	Sales	YOY	Diff.	**<Notes>**

4. Financial Results by Business Segment

1) Consolidated Net Sales by Business Segment

(billions of yen)

	2007	2008	2009	**2010**	YOY %
Net sales	674.1	734.3	781.7	**803.2**	102.7
Pharmaceuticals	652.9	711.8	761.2	**783.0**	102.9
Japan	273.2	292.7	314.7	**343.1**	109.0
North America	302.3	338.2	368.4	**358.9**	97.4
Europe	53.7	53.2	49.7	**49.5**	99.6
China	8.9	9.5	11.4	**15.7**	137.2
Asia and others	14.8	18.3	16.9	**15.9**	93.8
Other	21.2	22.4	20.6	**20.1**	97.7
Japan	19.0	20.0	17.7	**16.6**	93.8
Overseas	2.1	2.4	2.9	**3.5**	121.6

* Net sales to external customers for each segment.

* Major areas and countries included in each category other than Japan and China:

1. North America: United States and Canada
2. Europe: United Kingdom, France, Germany, etc.
3. Asia and others: Asian countries, Latin America, etc.

2) Consolidated Operating Income by Business Segment

(billions of yen)

	2007	2008	2009	**2010**

3) Geographical Segment Information

(1) Consolidated Net Sales by Geographical Segment

(billions of yen)

	2007	2008	2009	**2010**	YOY %
Net sales	674.1	734.3	781.7	**803.2**	102.7
Japan	292.2	312.7	332.5	**359.7**	108.2
North America	303.4	339.4	369.9	**361.2**	97.6
Europe	54.8	54.4	51.0	**50.7**	99.4
China	8.9	9.5	11.4	**15.7**	137.2
Asia and others	14.8	18.3	16.9	**15.9**	93.8
Overseas sales	381.9	421.6	449.3	**443.4**	98.7
Overseas sales (%)	56.7	57.4	57.5	**55.2**	-

* Net sales to external customers for each segment.

(2) Consolidated Operating Income by Geographical Segment

(billions of yen)

	2007	2008	2009	**2010**	YOY %
Operating income	105.3	17.7	91.8	**86.4**	94.1
Japan	72.8	80.5	84.2	**103.2**	122.6
North America	28.8	(66.9)	(0.2)	**(20.6)**	-
Europe	4.1	1.8	3.2	**3.0**	93.6
China	1.4	2.0	2.4	**2.7**	112.0
Asia and others	2.6	3.7	3.5	**2.2**	62.1
Eliminations and corporate	(4.4)	(3.3)	(1.2)	**(4.0)**	-

4) Overseas Sales

(billions of yen)

	2007	2008	2009	**2010**	YOY %
Net sales	674.1	734.3	781.7	**803.2**	102.7
Overseas sales	410.8	454.6	475.3	**465.5**	98.0
North America	312.0	350.4	379.1	**369.4**	97.4
Europe	72.2	73.1	64.0	**61.3**	95.7
China	8.9	9.5	11.4	**16.3**	142.3
Asia and others	17.6	21.5	20.7	**18.6**	89.9
Overseas sales (%)	60.9	61.9	60.8	**58.0**	-

* Major areas and countries included in each category other than Japan and China:
  1. North America: United States and Canada
  2. Europe: United Kingdom, France, Germany, etc.
  3. Asia and others: Asian countries, Latin America, etc.

5) Sales of Major Products by Geographical Area (Eisai)

(1) **Aricept** (Anti-Alzheimer's agent)

		2007	2008	2009	**2010**	YOY %
Japan	Billions JPY	49.7	62.3	78.2	**93.6**	119.6
U.S.	Billions JPY	162.2	186.9	189.6	**194.7**	102.7
	[Millions USD]	[1,386]	[1,635]	[1,886]	**[2,097]**	[111.2]
Europe Total	Billions JPY	34.5	33.3	28.8	**27.9**	96.8
UK	Billions JPY	1.2	1.4	3.4	**5.3**	156.7
	[Millions GBP]	[6]	[6]	[19]	**[36]**	[183.9]
France	Billions JPY	25.8	24.3	17.3	**14.3**	82.5
	[Millions EUR]	[172]	[151]	[121]	**[109]**	[90.3]
Germany	Billions JPY	7.4	7.6	8.1	**8.3**	102.4
	[Millions EUR]	[50]	[47]	[57]	**[63]**	[112.1]
China	Billions JPY	0.9	1.2	0.9	**1.4**	152.6
	[Millions RMB]	[60]	[75]	[64]	**[106]**	[164.6]
Asia (exc. Japan and China)	Billions JPY	5.7	7.4	6.2	**5.3**	85.1
Total	Billions JPY	252.9	291.0	303.8	**322.8**	106.3

* Sales forecast for the year ending Mar. 31, 2011 is ¥328.0 billion.

(2) **Aciphex/Pariet** (Proton pump inhibitor)

		2007	2008	2009	**2010**	YOY %
Japan	Billions JPY	30.7	37.1	44.6	**53.8**	120.7
U.S.	Billions JPY	126.9	124.7	101.2	**81.0**	80.0
	[Millions USD]	[1,084]	[1,091]	[1,007]	**[872]**	[86.6]
Europe Total	Billions JPY	12.1	8.6	9.1	**8.2**	90.2
UK	Billions JPY	3.3	2.2	2.1	**2.2**	105.4
	[Millions GBP]	[15]	[9]	[12]	**[15]**	[123.7]
Germany	Billions JPY	2.5	1.8	2.1	**1.6**	78.8
	[Millions EUR]	[17]	[11]	[14]	**[12]**	[86.2]
Italy	Billions JPY	6.3	4.5	4.1	**3.6**	88.3
	[Millions EUR]	[42]	[28]	[29]	**[28]**	[96.6]
China	Billions JPY	0.6	0.7	0.7	**1.1**	166.7
	[Millions RMB]	[41]	[43]	[44]	**[80]**	[179.7]
Asia (exc. Japan and China)	Billions JPY	4.0	4.8	4.3	**3.9**	91.3
Total	Billions JPY	174.3	175.9	159.9	**148.0**	92.6

* Sales forecast for the year ending Mar. 31, 2011 is ¥134.0 billion.

* The fiscal year of subsidiary Eisai China Inc. ends on December 31. Figures showed above for the fiscal year ended Mar. 2007 indicate results for 15 months from Jan. 2006 to Mar. 2007 because first provisional settlement was performed for the fiscal year ended Mar. 2007.
* Average exchange rate of JPY to RMB

January 1, 2006 to March 31, 2007	14.75 yen/Chinese RMB
April 1, 2007 to March 31, 2008	15.30 yen/Chinese RMB
April 1, 2008 to March 31, 2009	14.63 yen/Chinese RMB
April 1, 2009 to March 31, 2010	13.57 yen/Chinese RMB

(3) Methycobal (Peripheral neuropathy treatment)

		2007	2008	2009	**2010**	YOY %
Japan	Billions JPY	31.4	31.7	31.3	**31.3**	100.3
Asia (Incl. China)	Billions JPY	6.6	7.1	8.3	**8.4**	101.6
Total	Billions JPY	38.1	38.7	39.5	**39.8**	100.6

(4) Aloxi (Antiemetic agent)

		2007	2008	2009	**2010**	YOY %
U.S.	Billions JPY	-	6.5	36.5	**38.3**	105.0
	[Millions USD]	[-]	[62]	[363]	**[413]**	[113.7]

* Sales of Aloxi for the year ended Mar. 2008 was from January 28 until March 31.

(5) Dacogen (DNA hypomethylating agent)

		2007	2008	2009	**2010**	YOY %
U.S.	Billions JPY	-	2.7	15.1	**15.4**	102.3
	[Millions USD]	[-]	[26]	[150]	**[166]**	[110.8]

* Sales of Dacogen for the year ended Mar. 2008 was from January 28 until March 31.

(6) Zonegran (Anti-epileptic drug)

		2007	2008	2009	**2010**	YOY %
U.S.	Billions JPY	3.1	2.2	2.1	**1.9**	90.4
	[Millions USD]	[27]	[19]	[21]	**[21]**	[97.9]
Europe	Billions JPY	1.7	3.2	3.8	**4.4**	117.8
Asia	Billions JPY	0.2	0.2	0.2	**0.2**	101.7
Total	Billions JPY	4.9	5.6	6.1	**6.5**	107.7

6) Eisai Inc. (U.S.)

		2007	2008	2009	**2010**	YOY %
Net sales	Billions JPY	305.6	332.7	356.7	**381.0**	106.8
	[Millions USD]	[2,612]	[2,911]	[3,548]	**[4,104]**	[115.7]
Net sales of former MGI PHARMA	[Millions USD]	[-]	[-]	[416]	**[624]**	[150.1]
Operating income	Billions JPY	27.1	25.2	13.9	**12.5**	89.7
	[Millions USD]	[231]	[221]	[139]	**[135]**	[97.1]
Net income	Billions JPY	19.3	17.1	(1.7)	**6.0**	-
	[Millions USD]	[165]	[149]	[(16)]	**[65]**	-
Operating income before royalty deduction	Billions JPY	72.9	87.7	85.3	**-**	-
	[Millions USD]	[623]	[767]	[848]	**-**	-

* The sales function of MGI PHARMA, INC. has been integrated into Eisai Inc. since July 2008.

* Eisai Research Institute of Boston Inc. and Eisai Medical Research Inc. have been merged into Eisai Inc. since October 2009.

* Figures for "Operating income before royalty deduction" are not shown starting in the third quarter of the fiscal year ended March 2010 because the R&D function has been integrated into Eisai Inc.

5. Consolidated Balance Sheets

1) Consolidated Balance Sheets <Assets>

(billions of yen)

	2009	%	**2010**	%	YOY %	Diff.	**<Notes>**
Cash and cash in banks	48.1		**69.6**			21.6	
Notes and accounts receivable-trade	191.6		**207.2**			15.6	**Notes and accounts receivable-trade**
Short-term investments	104.0		**83.8**			(20.2)	<Reason for Increase>
Inventories	64.5		**67.6**			3.0	Increase in sales in Japan
Deferred tax assets	36.9		**32.5**			(4.4)	
Other	20.0		**19.6**			(0.4)	
Allowance for doubtful receivables	(0.3)		**(0.2)**			0.1	
Total current assets	464.8	40.5	**480.0**	43.6	103.3	15.3	
Buildings and structures-net	79.2		**86.5**			7.3	
Other	76.3		**70.1**			(6.2)	
Total property, plant and equipment-net	155.5	13.5	**156.6**	14.2	100.7	1.1	
Goodwill	170.6		**152.8**			(17.8)	
Sales rights	143.6		**109.7**			(33.9)	
Core technology	57.0		**51.0**			(6.0)	
Other	13.1		**12.4**			(0.6)	
Total Intangible assets	384.2	33.5	**325.9**	29.6	84.8	(58.3)	**Total intangible assets**
Investment securities	60.6		**64.8**			4.2	<Reason for Decrease>
Deferred tax assets	70.8		**63.6**			(7.2)	Amortization and others
Other	12.7		**11.3**			(1.4)	
Allowance for doubtful accounts	(0.4)		**(0.3)**			0.1	
Total investments and other assets	143.7	12.5	**139.3**	12.6	97.0	(4.3)	
Total fixed assets	683.4	59.5	**621.9**	56.4	91.0	(61.5)	
Total assets	1,148.2	100.0	**1,101.9**	100.0	96.0	(46.3)	

2) Consolidated Balance Sheets <Liabilities and Equity>

(billions of yen)

	2009	**2010**	YOY	Diff.	

6. Changes in Consolidated Quarterly Results

1) Income Statement Data

(billions of yen)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Net sales	195.8	203.0	199.9	183.0	194.7	200.3	209.5	**198.7**
Cost of sales	39.4	39.9	39.6	33.6	38.3	40.6	42.6	**39.2**
R&D expenses	35.7	42.3	38.9	39.2	39.4	41.3	36.1	**62.3**
SG&A expenses	96.7	98.4	94.5	91.9	92.8	93.5	94.8	**95.9**
Operating income	24.1	22.5	26.9	18.4	24.1	25.0	35.9	**1.3**
Ordinary income (decrease)	23.9	19.7	22.8	16.2	23.2	22.0	34.9	**(0.4)**
Net income (decrease)	16.6	12.1	10.5	8.5	16.3	14.6	23.0	**(13.6)**
Cash income	31.8	27.9	30.3	29.0	30.7	29.1	37.3	**29.3**

3) Balance Sheet Data

(billions of yen)

	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	2010 **Mar 31**
Total assets	1,165.3	1,156.5	1,097.1	1,148.2	1,127.4	1,109.9	1,140.3	**1101.9**
Liabilities	691.5	691.6	697.2	715.1	697.0	686.4	708.3	**680.2**
Bonds and debentures	120.9	120.7	120.6	120.9	120.9	120.9	120.0	**120.0**
Borrowings	293.2	285.5	318.7	300.8	307.2	300.1	323.5	**289.8**
Equity	473.9	464.9	399.9	433.0	430.4	423.5	432.0	**421.7**
Shareholders' equity	469.0	460.0	395.0	428.0	425.1	418.1	426.4	**415.9**
Shareholders' equity ratio to total assets (%)	40.2	39.8	36.0	37.3	37.7	37.7	37.4	**37.7**
Liabilities ratio Net DER/times)	0.6	0.6	0.7	0.6	0.7	0.7	0.6	**0.6**

5) Aricept Sales by Area (Eisai)

		2009				2010			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Japan	Billions JPY	19.4	18.8	22.7	17.2	23.4	22.3	26.9	**21.0**
U.S.	Billions JPY	43.4	49.9	45.8	50.5	42.7	50.1	45.5	**56.4**
	[Millions USD]	[415]	[464]	[474]	[534]	[438]	[533]	[507]	**[619]**
Europe	Billions JPY	8.0	8.7	6.3	5.8	7.2	7.1	7.5	**6.1**
UK	Billions JPY	0.7	1.3	0.5	0.8	1.5	1.3	1.2	**1.3**
	[Millions GBP]	[4]	[6]	[4]	[6]	[10]	[9]	[8]	**[9]**
France	Billions JPY	5.1	5.0	3.8	3.4	3.5	3.6	3.8	**3.3**
	[Millions EUR]	[31]	[31]	[30]	[28]	[27]	[27]	[29]	**[27]**
Germany	Billions JPY	2.1	2.4	2.0	1.6	2.1	2.2	2.5	**1.5**
	[Millions EUR]	[13]	[15]	[15]	[13]	[16]	[16]	[19]	**[12]**
China	Billions JPY	0.1	0.3	0.2	0.2	0.2	0.4	0.3	**0.5**
	[Millions RMB]	[9]	[20]	[18]	[18]	[14]	[27]	[26]	**[38]**
Asia (exc. Japan and China)	Billions JPY	2.0	2.0	1.2	1.0	1.4	1.3	1.3	**1.3**
Total	Billions JPY	72.9	79.6	76.4	74.8	74.8	81.2	81.5	**85.3**

6) Aciphex/Pariet Sales by Area (Eisai)

		2009				2010			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Japan	Billions JPY	11.0	10.6	13.4	9.5	13.4	12.8	16.9	**10.7**
U.S.	Billions JPY	25.9	27.0	23.6	24.7	19.8	20.6	20.8	**19.7**
	[Millions USD]	[248]	[251]	[245]	[263]	[203]	[220]	[231]	**[217]**
Europe	Billions JPY	2.5	2.6	2.5	1.6	2.1	2.0	2.1	**2.0**
UK	Billions JPY	0.6	0.7	0.4	0.3	0.6	0.6	0.6	**0.5**
	[Millions GBP]	[3]	[3]	[3]	[3]	[4]	[4]	[4]	**[3]**
Germany	Billions JPY	0.6	0.7	0.5	0.3	0.4	0.4	0.4	**0.4**
	[Millions EUR]	[4]	[4]	[4]	[3]	[3]	[3]	[3]	**[3]**
Italy	Billions JPY	1.2	1.2	1.0	0.8	0.9	0.9	0.9	**0.9**
	[Millions EUR]	[7]	[7]	[8]	[7]	[7]	[7]	[7]	**[7]**
China	Billions JPY	0.1	0.2	0.2	0.1	0.4	0.2	0.3	**0.3**
	[Millions RMB]	[9]	[13]	[13]	[10]	[26]	[12]	[20]	**[22]**
Asia (exc. Japan and China)	Billions JPY	1.3	1.3	1.0	0.7	1.1	1.0	1.0	**0.9**
Total	Billions JPY	40.8	41.7	40.6	36.7	36.7	36.6	41.1	**33.6**

7) Methycobal Sales by Area (Eisai)

		2009				2010			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Japan	Billions JPY	8.3	7.7	8.7	6.5	8.3	7.7	8.9	**6.4**
Asia (incl. China)	Billions JPY	2.4	2.4	1.8	1.7	1.8	2.2	2.1	**2.3**
Total	Billions JPY	10.7	10.1	10.5	8.2	10.2	9.9	11.0	**8.6**

7. Trend of Financial Results (Main Items)

(billions of yen)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	(billions of yen)
Operating income	59.0	72.7	75.9	83.1	86.8	95.7	105.3	17.7	91.8	**86.4**
Ordinary income	63.2	76.1	76.1	83.4	89.1	100.0	110.5	18.9	82.6	**79.7**
Net income (loss)	23.3	36.5	41.0	50.1	55.5	63.4	70.6	(17.0)	47.7	**40.3**
Cash income							97.6	106.9	119.0	**126.4**
<Cash Flow Statement>										
Net cash provided by operating activities	85.0	56.9	57.6	72.7	49.2	87.1	81.2	73.2	105.0	**107.9**
Net cash used in investing activities	(19.6)	(7.2)	(27.7)	(27.3)	(37.5)	(29.5)	(55.2)	(476.4)	(55.0)	**(69.8)**
Net cash used in financing activities	(17.7)	(39.1)	(19.8)	(21.4)	(16.7)	(21.8)	(40.6)	375.4	(31.0)	**(49.2)**
Free cash flow	71.8	32.1	31.1	48.9	10.5	43.6	28.6	(415.9)	59.3	**52.9**
<Balance Sheet Data>										
Depreciation and Amortization	44.9	54.0	45.3	35.0	35.0	24.4	25.0	26.8	34.6	49.1
Capital expenditures	28.2	54.9	45.3	35.0	35.0	24.4				**48.9**
<Managerial Indices>										
Dividend payment (billions of yen)	6.8	8.5	9.3	10.4	16.0	25.7	34.1	37.0	39.9	**42.7**
Dividends on equity (DOE, %)	2.0	2.4	2.5	2.6	3.7	5.3	6.4	7.4	9.1	**10.1**
Dividend payout ratio (DPR, %)	29.2	23.3	22.7	20.9	29.0	40.6	48.4	-	83.7	**105.9**
Return on sales ratio (%)	6.4	8.5	8.8	10.0	10.4	10.5	10.5	(2.3)	6.1	**5.0**
Return on equity (ROE, %)	6.9	10.3	10.9	12.4	12.6	13.0	13.2	(3.4)	10.9	**9.6**
Return on assets (ROA, %)	4.5	6.6	7.1	8.3	8.7	9.0	9.2	(1.8)	4.2	**3.6**
Turnover ratio of total capital (Times)	0.7	0.8	0.8	0.8	0.8	0.9	0.9	0.8	0.7	**0.7**
Shareholders' equity ratio (%)	63.0	64.9	65.6	68.1	69.4	69.5	69.7	39.9	37.3	**37.7**
Liabilities ratio (Times)	-	-	-	-	-	-	-	0.6	0.6	**0.6**
Leverage (Times)	1.6	1.5	1.5	1.5	1.4	1.4	1.4	2.5	2.7	**2.6**
Earnings per share (EPS, yen)	78.7	123.5	141.2	172.1	193.4	221.9	247.8	(59.8)	167.3	**141.6**
Diluted EPS* (yen)	77.9	122.3	139.9	172.1	193.3	221.6	247.5	-	167.3	**141.6**
Cash EPS (Cash EPS/yen)							342.7	375.8	417.8	**443.7**
Cash dividends per share (yen)	23.0	29.0	32.0	36.0	56.0	90.0	120.0	130.0	140.0	**150.0**
Price-book value ratio (PBR, Times)	2.7	2.5	1.6	1.9	2.3	2.8	2.9	2.2	1.9	**2.3**
Treasury stock purchase (thousand of shares)		4,590	3,000	4,000	1,970	-	2,000	-	-	**-**
Treasury stock purchase (billions of yen)		13.9	9.2	11.4	6.1	-	11.1	-	-	**-**
Consolidated subsidiaries	34	36	33	34	38	40	45	63	50	**49**

* "Cost of sales" includes "Provision for (reversal of) sales returns".
* "Free cash flow" = "Net cash provided by (used in) operating activities" - "Capital expenditures (incl. acquisition and others)"
* "Shareholders' equity", "Dividends on equity", "Return on equity" and "Shareholders' equity ratio" in previous years were reclassified in accordance with the classification of the current year.
* "Earnings per share" and "Diluted EPS" have been calculated based on new accounting standards since the year ended Mar. 2003.
* "Depreciation and Amortization" represents amortization of "Intangible assets".
The definition has been partially changed starting the year ended Mar. 2009.
* Cash income = Net income (loss) + Depreciation of PP&E and amortization of intangible assets +
In-process R&D expenses + Amortization of goodwill + Loss on impairment of long-lived assets (including loss on devaluation of investment securities)
* In accordance with the partial change in definition of "Cash income" as well as "Cash income per share",
we have also changed the past years' results based on the new definition.
* "Cash EPS (Cash income per share) " = "Cash income" / "Number of shares issued and outstanding after deduction of treasury stock"
* "Liabilities ratio Net DER)" = ("Interest-bearing debt" ("Borrowings" + "Bonds and debentures") - "Cash and cash in banks" -
"Short-term investments" / "Shareholders' equity"
* "Leverage" = "Total assets" / "Shareholders' equity"

8. Non-Consolidated Financial Highlights

1) Non-Consolidated Financial Highlights

5) Ethical Drugs

(billions of yen)

	2007	2008	2009	**2010**	YOY %	2011 est.
Anti-Alzheimer's agent Aricept	49.7	62.3	78.2	**93.6**	119.6	109.0
Proton pump inhibitor Pariet	30.7	37.1	44.6	**53.8**	120.7	55.0
Peripheral neuropathy treatment Methycobal	31.4	31.7	31.3	**31.3**	100.3	30.0
Gastritis/gastric ulcer treatment Selbex	19.3	18.2	16.0	**14.2**		

7) Cost of Sales

(1) Breakdown of Cost of Sales

(billions of yen)

	2007	2008	2009	**2010**
Net sales	351.6	389.2	415.6	**444.7**
Cost of sales	80.1	76.1	81.3	**82.3**
Beginning inventory (+)	12.3	15.2	15.9	**17.3**
Manufacturing cost (+)	42.0	38.3	38.6	**41.3**
Product purchase (+)	25.5	26.1	34.7	**35.9**
Account transfer (+)	15.6	12.4	9.5	**6.5**
Ending inventory (-)	15.2	15.9	17.3	**18.7**
Cost of Sales ratio to net sales (%)	22.8	19.6	19.6	**18.5**
Provision for (reversal of) sales returns-net	(0.1)	(0.1)	0.0	**0.0**
Gross profit	271.6	313.2	334.2	**362.4**

(2) Breakdown of Manufacturing Cost

(billions of yen)

	2007	2008	2009	**2010**
Total manufacturing cost	48.2	44.2	45.3	**50.9**
Cost of raw materials	18.1	14.7	16.6	**17.8**
Labor cost	11.9	10.9	11.0	**12.0**
Expenses	18.3	18.6	17.7	**21.0**
Beginning inventory of semi-finished goods and work-in-process (+)	9.5	9.4	9.3	**10.4**
Ending inventory of semi-finished goods and work-in-process (-)	9.4	9.3	10.4	**12.9**

9. Stock Information

1) Number of Shares Issued and Shareholder

As of March 31, 2010

Total Number of Authorized Shares (shares)	Number of Shares issued and Outstanding (shares)	Number of Shares Held as Treasury Stock (shares)	Number of Shareholders (persons)	Average Number of Shares per Shareholder (shares)
1,100,000,000	296,566,949	11,629,379	76,185	3,893

2) Top 10 Shareholders

As of March 31, 2010

	(1,000 shares)	
The Master Trust Bank of Japan, Ltd. (Trust Account)	18,675	6.30
Japan Trustee Services Bank, Ltd. (Trust Account)	15,712	5.30
Nippon Life Insurance Company	15,344	5.17
Saitama Resona Bank, Limited	12,398	4.18
JP MORGAN CHASE BANK 385147	8,693	2.93
Eisai Employee Shareholding Association	6,485	2.19
National Mutual Insurance Federation of Agricultural Cooperative		

5) Breakdown of Shareholders by Number of Shares Held

(investors)

	2009 Mar 31	%	**2010 Mar 31**	%	Diff.
1 million shares and over	45	0.1	**53**	0.1	8
100,000 ~ 999,999 shares	168	0.2	**154**	0.2	(14)
10,000 ~ 99,999 shares	853	1.3	**867**	1.1	14
1,000 ~ 9,999 shares	13,183	19.3	**14,712**	19.3	1,529
100 ~ 999 shares	49,433	72.5	**55,471**	72.8	6,038
less than 100 shares	4,466	6.6	**4,928**	6.5	462
Total	68,148	100.0	**76,185**	100.0	8,037

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

(1,000 shares)

	2009 Mar 31	%	**2010 Mar 31**	%	Diff.
1 million shares and over	186,314	62.8	**186,231**	62.8	(82)
100,000 ~ 999,999 shares	49,380	16.7	**45,408**	15.3	(3,971)
10,000 ~ 99,999 shares	21,641	7.3	**21,357**	7.2	(284)
1,000 ~ 9,999 shares	27,485	9.3	**30,290**	10.2	2,805
100 ~ 999 shares	11,567	3.9	**13,098**	4.4	1,530
less than 100 shares	177	0.1	**181**	0.1	3
Total	296,566	100.0	**296,566**	100.0	-

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

10. Consolidated Subsidiaries - Associated Companies

1) Consolidated Subsidiaries (49 companies)

(1) Subsidiaries Outside Japan (38 companies)

As of March 31, 2010

Company Name	Location	Common Stock Unit: thousand		Equity (%) Ownership	Description of Operations
Eisai Corporation of North America	New Jersey, USA	3,416,700	USD	100.00%	U.S. holding company
Morphotek, Inc.	Pennsylvania, USA	355,000	USD	100.00%	Pharma. research and development
Eisai Inc.	New Jersey, USA	151,600	USD	100.00%	Pharma. research and development/production/sales
Eisai Machinery U.S.A. Inc.	New Jersey, USA	1,000	USD	100.00%	Pharma. machinery sales
Eisai Europe Ltd.	Hertfordshire, U.K.	184,137	GBP	100.00%	European regional headquarters/holding company
Eisai Ltd.	Hertfordshire, U.K.	46,008	GBP	100.00%	Pharma. research and development/sales
Eisai Manufacturing Ltd.	Hertfordshire, U.K.	32,300	GBP	100.00%	Pharma. production
Eisai GmbH	Frankfurt, FRG	7,669	EUR	100.00%	Pharma. sales
Eisai Machinery GmbH	Cologne, FRG	1,278	EUR	100.00%	Pharma. machinery production/sales
Eisai S.A.S.	Paris, France	19,500	EUR	100.00%	Pharma. production/sales
Eisai B.V.	Amsterdam, Netherlands	540	EUR	100.00%	Pharma. production/sales
Eisai Farmacéutica S.A.	Madrid, Spain	4,000	EUR	100.00%	Pharma. sales
Eisai S.r.l.	Milan, Italy	3,500	EUR	100.00%	Pharma. sales
Eisai Pharma AG	Zurich, Switzerland	3,000	CHF	100.00%	Pharma. sales
Eisai AB	Stockholm, Sweden	10,000	SEK	100.00%	Pharma. sales
Eisai Farmacêutica, Unipessoal Lda.	Lisbon, Portugal	4,000	EUR	100.00%	Pharma. sales
Eisai SA/NV	Brussels, Belgium	7,000	EUR	100.00%	-
Eisai GesmbH	Austria, Vienna	2,000	EUR	100.00%	Pharma. sales
Eisai China Inc.	Suzhou, China	319,205	RMB	100.00%	Pharma. production/sales
Eisai Machinery Shanghai, Inc.	Shanghai, China	200	USD	100.00%	Pharma. machinery marketing support/maintenance
PT Eisai Indonesia	Jakarta, Indonesia	5,000	USD	100.00%	Pharma. production/sales
Eisai Asia Regional Services Pte. Ltd.	Singapore, Singapore	26,400	SGD	100.00%	Asian regional headquarters/ holding company
Eisai (Singapore) Pte. Ltd.	Singapore, Singapore	300	SGD	100.00%	Pharma. sales
Eisai Clinical Research Singapore Pte. Ltd.	Singapore, Singapore	10	SGD	100.00%	Pharma. research and development
Eisai (Malaysia) Sdn. Bhd.	Petaling Jaya, Malaysia	470	MYR	100.00%	Pharma. sales
Eisai (Thailand) Marketing Co., Ltd.	Bangkok, Thailand	11,000	THB	49.91%	Pharma. production/sales
Eisai Taiwan Inc.	Taipei, Taiwan	270,000	TWD	100.00%	Pharma. production/sales
Eisai (Hong Kong) Co., Ltd.	Hong Kong, China	500	HKD	100.00%	Pharma. sales
Eisai Korea Inc.	Seoul, Korea	3,512,000	KRW	100.00%	Pharma. sales
HI-Eisai Pharmaceutical Inc.	Manila, Philippines	56,250	PHP	50.00%	Pharma. production/sales
Eisai Pharmaceuticals India Pvt. Ltd.	Maharashtra, India	160,000	INR	100.00%	Pharma. production/sales
Eisai Pharmatechnology & Manufacturing Pvt. Ltd.	Andhra Pradesh, India	2,404,000	INR	100.00%	Pharma. manufacturing research/production
Eisai Australia Pty. Ltd.	Sydney, Australia	1,000	AUD	100.00%	-
(Other 5 companies)					

* The closing date of Eisai's consolidated subsidiaries is March 31 except for Eisai China Inc. and Eisai Machinery Shanghai, Inc. (December 31). Provisional settlement of account is made on a consolidated basis for both consolidated subsidiaries.
* Eisai (Thailand) Marketing Co., Ltd. and HI-Eisai Pharmaceutical Inc. are considered as Eisai's consolidated subsidiaries under the "controlling entity" standard, although Eisai's voting rights for these companies are no more than 50%.
* Eisai Ltd. (Canada) for marketing was established in Canada in April 2010, Eisai of Puerto Rico Inc. for marketing support was established in Puerto Rico in May 2009, and Eisai GesmbH for marketing was established in Austria in April 2009.
* Eisai Research Institute of Boston Inc. and Eisai Medical Research Inc. were merged with Eisai Inc. in October 2009. The operations of Eisai London Research Laboratories Ltd. were transferred to Eisai Ltd. in October 2009.
* Of "other 5 companies" shown in the above four are subsidiaries of Eisai Inc. and the other is Eisai London Research Labratories Ltd. They are included in the consolidation.
* Fractional figures in "Common Stock" are rounded down.

(2) Subsidiaries in Japan (11 companies)

As of March 31, 2010

Company Name	Location	Common Stock Unit: million JPY	Equity (%) Ownership	Description of Operations
Sanko Junyaku Co., Ltd.	Tokyo	5,262	100.00%	Diagnostic product prod./sales
Sannova Co., Ltd.	Gunma Pref.	926	80.02%	Pharma. production/sales
Elmed Eisai Co., Ltd.	Tokyo	450	100.00%	Pharma. sales
Eisai Food & Chemicals Co., Ltd.	Tokyo	101	100.00%	Food additives/chemicals sales
Eisai Machinery Inc.	Tokyo	100	100.00%	Pharma. machinery prod./sales
KAN Research Institute, Inc.	Hyogo Pref.	70	100.00%	Pharma. research and development
Eisai Distribution Co., Ltd.	Kanagawa Pref.	60	100.00%	Pharma. distribution
Palma Bee'Z Research Institute Co., Ltd.	Tokyo	50	100.00%	Diagnostic product research and development
Eisai R&D Management Co., Ltd.	Tokyo	12	100.00%	Management of drug development/research
Sunplanet Co., Ltd.	Tokyo	455	84.90%	Administrative/Catering/Printing service/Real estate management
Eisai Seikaken Co., Ltd.	Kumamoto Pref.	50	70.00%	Agro-chemical prod./sales

* Fractions in "Common Stock" are rounded down.

2) Associated Company (1 company)

As of March 31, 2010

Company Name	Location	Common Stock Unit: million JPY	Equity (%) Ownership	Description of Operations
Bracco-Eisai Co., Ltd.	Tokyo	340	49.00%	Import/prod./sales of contrast media

* Fiscal year of Bracco-Eisai Co., Ltd. ends on December 31.
* Fractions in "Common Stock" are rounded down.

11. Number of Employees

1) Number of Employees on Consolidated Basis

(persons)

	2007 Mar 31	2008 Mar 31	2009 Mar 31	**2010 Mar 31**
Total employees	9,649	10,686	10,977	**11,415**
Japan	5,334	5,453	5,592	**5,675**
U.S.	1,975	2,699	2,647	**2,701**
Europe	765	861	951	**1,015**
China	777	834	944	**1,114**
Asia and others (exc. Japan and China)	798	839	843	**910**

2) Number of Employees and Labor Cost on Non-consolidated Basis

(persons)

	2007 Mar 31	2008 Mar 31	2009 Mar 31	**2010 Mar 31**
Total employees	4,050	4,137	4,308	**4,367**
Production	819	800	801	**774**
Research and development	1,101	1,123	1,174	**1,236**
Sales, marketing and administration	2,130	2,214	2,333	**2,357**
Total personnel cost (billions of yen)	60.9	57.9	60.6	**68.3**

* The number of total employees shown in the above includes the staff assigned to Eisai from companies outside of the group, and excludes Eisai employees who are loaned to companies outside of the group.

12. Major R&D Pipeline

1) By Development Stage

(1) New Approval

	Product Name Research Code	Indication/Mode of Action or Category	Region	Approved	Form.
¡	**Aricept** **(E2020)**	**Additional Formulation: oral jelly formulation**	Japan	July 2009	Oral
[1]	**Glufast**	**Rapid-acting insulin secretagogue agent/type 2 diabetes mellitus (generic name: mitiglinide)**	Philippines Thailand	July 2009 December 2009	Oral
[1]	**Inovelon** **(E2080)**	**Antiepileptic agent for adjunctive therapy for Lennox-Gastaut syndrome (LGS) (generic name: rufinamide)**		July 2009	Oral
¾	**Humira** **(D2E7)**	**Additional Indication & Dosage: psoriasis**	Japan		Inj.
¾	**Dacogen** **(E7373)**	**Additional Dosage & Administration: five-day dosing regimen for treatment of myelodysplastic syndromes**	US		Inj.

(2) Under Review/Preparing for Submission

	Product Name Research Code	Indication/Mode of Action or Category	Region	Submission /Target	Form.
	Aricept **(E2020)**	**Additional Indication: vascular dementia**	US (EU)	November 2002 (preparing for submission)	Oral
	E2014	**Cervical dystonia (generic name: botulinum toxin type B)**	Japan	December 2006	Inj.
	Gasmotin	**Gastroprokinetic agent (generic name: mosapride)**		May 2007	Oral
	clevudine	**Anti-chronic hepatitis B agent (generic name: clevudine)**	Asia*[1]	May 2007	Oral
	KES524	**Anti-obesity agent/central acting serotonin & noradrenaline reuptake inhibitor (generic name: sibutramine)**	Japan	November 2007	Oral
	Glufast	**Rapid-acting insulin secretagogue agent**	Asia*[1]	March 2008	Oral
	Zonegran **(E2090)**	**Additional Formulation: orally disintegrating tablet (generic name: zonisamide)**	EU	March 2009	Oral
[1]	**E7389**	**Anticancer agent (breast cancer)/microtubule dynamics inhibitor (generic name: eribulin mesylate)**	Switzerland Singapore Japan US EU	July 2009 March 2010 March 2010 (application submitted) March 2010 (application submitted)	Inj.
[1]	**Pariet** **(E3810)**	**Additional Indication: non-erosive gastroesophageal reflux disease**	Japan		Oral
[1]	**Pariet** **(E3810)**	**Additional Indication: concomitant therapy for eradication of *Helicobacter pylori* in gastric MALT lymphoma, the stomach after endoscopic resection of early stage gastric cancer, and idiopathic thrombocytopenic purpura**	Japan		Oral
[1]	**Humira** **(D2E7)**	**Additional Indication: Crohn's disease**	Japan		Inj.
○	**Humira** **(D2E7)**	**Additional Indication: ankylosing spondylitis**	Japan		Inj.
○	**Aricept** **(E2020)**	**Additional Formulation: extended release formulation**	US	November 2009	Oral
¾	**Tambocor**	**Additional Indication, Dosage & Administration: tachyarrhythmia in paediatric patients**	Japan		Oral
¾	**Aciphex** **(E3810)**	**Additional Formulation: extended release formulation**	US EU		Oral
¾	**Urief**	**Treatment for Dysuria Associated with Benign Prostatic Hyperplasia (generic name:silodosin)**	Asia*[1]		Oral
¾	**Pariet** **(E3810)**	**Additional Dosage & Administration: reflux esophagitis**	Japan		Oral

[1] development progress from April 2009 onwards ¾development progress from January 2010 onwards

*[1]

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

Product Name Research Code	Indication/Mode of Action or Category	Region	Phase	Submission Target	Form.
E2007	**Anti-epileptic agent/AMPA receptor antagonist**	US	III	FY2011	Oral
	(generic name: perampanel)	EU	III		
		Japan	II		
E5564	**Severe sepsis/endotoxin antagonist**	US		FY2010	Inj.
	(generic name: eritoran)	EU			
		Japan			

(4) Clinical (Phase II)

	Product Name Research Code	Indication/Mode of Action or Category	Region	Phase	Submission Target	Form.
	E2007	**Treatment for neuropathic pain/AMPA receptor antagonist (generic name: perampanel)**	US EU			Oral
	E2007	**Treatment for multiple sclerosis/AMPA receptor antagonist**	EU			Oral
	E2007	**Migraine prophylaxis/AMPA receptor antagonist**	US			Oral
ċ	**E5555**	**Treatment for acute coronary syndrome/thrombin**	US			Oral

2) By Therapeutic Area
(1) Neurology

	Description	Development Status
	An acetylcholinesterase inhibitor currently approved for the treatment of Alzheimer's disease. (Generic name: donepezil)	**Additional Indications** Vascular dementia: under review (US) Lewy body dementia: Phase II (Japan) **Additional Formulations** Oral jelly: approved (Japan) Extended release formulation: under review (US)
	A selective AMPA-type glutamate receptor antagonist for the treatment of a variety of neurological disorders. (Generic name: perampanel)	Epilepsy: Phase III (EU/US), Phase II (Japan) Neuropathic pain: Phase II (EU/US) Migraine prophylaxis: Phase II (US) Multiple sclerosis: Phase II (EU)
	An aldose reductase inhibitor that is believed to reduce intracellular accumulation of sorbitol. Currently being investigated as a potential treatment for diabetic neuropathy, one of the most common diabetic complications. (Generic name: ranirestat)	Diabetic neuropathy: Phase II/III (EU/US)
	Believed to exhibit a wide anti-epileptic spectrum and is well-tolerated. Currently indicated as an adjunctive therapy in the treatment of patients with partial seizures. (Generic name: zonisamide)	**Additional Indications** Monotherapy: Phase III (EU) Paediatric indication: Phase III (EU) **Additional Formulations** Orally disintegrating tablet: under review (EU)
	Has an effect on restoring damaged peripheral nerves and is widely used for the treatment of peripheral neuropathy. Currently being investigated as a potential treatment for amyotrophic lateral sclerosis (ALS). (Generic name: mecobalamine)	Amyotrophic lateral sclerosis (ALS): Phase II/III (Japan)
E2014	Acts on cholinergic nerve ending synapses at neuromuscular junction and inhibits the release of acetylcholine to relax muscles. Currently seeking approval as a treatment of cervical dystonia. (Generic name: botulinum toxin type B)	Cervical dystonia: under review (Japan)
	A non-benzodiazepine type allosteric $GABA_A$ receptor agonist that may help patients with transient insomnia as well as insomnia in the elderly. (Generic name: eszopiclone)	Insomnia: Phase III (Japan)
	A triazole derivative that is structurally unrelated to currently marketed antiepileptic drugs (AEDs). It is believed to regulate the activity of sodium channels in the brain which carry excessive electrical charges. The agent has been approved for adjunctive therapy for Lennox-Gastaut syndrome (LGS) in Europe (under the brand name of Inovelon) and in the U.S. (under the brand name of Banzel). Approval was also granted in South Korea and clinical development is ongoing in Japan. (Generic name: rufinamide)	Adjunctive therapy for LGS: approved (South Korea), Phase III (Japan)

(2) Oncology and Supportive Care (cont.)

Product Name Research Code	Description	Development Status
MORAb-003	A humanized IgG1 MAb that targets folate receptor alpha (FRA). Expected to exhibit an anti-tumor effect against carcinomas with excessive expression of FRA. (Generic name: farletuzumab)	Ovarian cancer: Phase III (EU/US)
MORAb-009	A chimeric IgG1 MAb that blocks the function of mesothelin. Expected to exhibit an anti-tumor effect against carcinomas that express methothelin.	Mesothelioma: Phase II (EU/US)
Dacogen (E7373)	Induces cell differentiation through inhibition of DNA methylation. Currently approved for the treatment of myelodysplastic syndromes (MDS) in the United States. (Generic name: decitabine)	**Additional Indications** Acute myelogenous leukemia (AML): Phase III (US) **Additional Dosage**: alternative five-day dosing regimen for MDS: approved (US)
irofulven (E7850)	Believed to exhibit an anticancer effect by inhibiting DNA synthesis.	Prostate cancer, etc: Phase II (US)
AKR-501 (E5501)	A thrombopoietin receptor agonist for oral administration that increases platelet production. Expected to exhibit effects against conditions that show thrombopenia.	Idiopathic thrombocytopenic purpura: Phase II (US) Thrombocytopenia associated with liver disease: Phase II (US)
amolimogene (E7101)	A therapeutic DNA vaccine against human papilloma virus (HPV) that is believed to cause diseases such as cervical dysplasia.	Cervical dysplasia: Phase II/III (US)
Saforis (E6014)	A topical, oral glutamine suspension for the treatment of chemotherapy-induced mucositis.	Oral mucositis: Phase III (US)

(4) Gastrointestinal Disorders

Product Name Research Code	Description	Development Status
Aciphex/ Pariet (E3810)	A proton pump inhibitor approved for the treatment of gastric and duodenal ulcers, reflux esophagitis and eradication of *Helicobacter pylori* infections, etc. (Generic name: rabeprazole)	**Additional Indications** Non-erosive GERD: under review (Japan), concomitant therapy for eradication of *Helicobacter pylori* in gastric MALT lymphoma, the stomach after endoscopic resection of early stage gastric cancer, and idiopathic thrombocytopenic purpura: under review (Japan), functional-dyspepsia: Phase II (Japan) **Additional Dosage** Reflux esophagitis: under review (Japan) **Additional Formulations** Extended release formulation: submission being processed (EU/US)
Gasmotin	A selective serotonin 5-HT$_4$ receptor agonist that exhibits gastroprokinetic and gastric evacuation effects by enhancing acetylcholine release. Currently approved in Thailand. Approval was also granted in the Philippines. The application for marketing authorization in Singapore has been withdrawn. (Generic name: mosapride)	Gastroprokinetic agent: approved (Philippines), under review (Malaysia/Indonesia/Vietnam), being prepared for submission (four other Asian (including ASEAN member) countries)

(5) Other Therapeutic Areas

Product Name Research Code	Description	Development Status
KES524	Expected to enhance the feeling of satiety and increase energy consumption by inhibiting the reuptake of the cerebral neurotransmitters serotonin and noradrenaline, thereby preventing increase in body weight. (Generic name: sibutramine)	Obesity: under review (Japan)
clevudine	An antiviral drug that exerts an anti-HBV effect by inhibiting DNA polymerase. Approved in the Philippines for the treatment of chronic hepatitis B. (Generic name: clevudine)	Chronic hepatitis B: under review (Malaysia/Thailand/Indonesia/India), being prepared for submission (two ASEAN member countries), Phase III (China)
Glufast	By selectively binding to sulfonylurea receptors in pancreatic beta cells, it accelerates insulin release which results in the reduction of blood glucose. Received approval in the Philippines and Thailand. (Generic name: mitiglinide)	Diabetes: approved (Philippines, Thailand), under review (Malaysia/Indonesia/Singapore), in preparation for submission (five ASEAN member countries)
Urief	A selective alpha 1A-adrenergic receptor antagonist. By selectively blocking alpha 1A-adrenergic receptors that are primarily distributed in the prostate gland, the compound reduces urethral resistance by relaxing certain muscles of the prostate gland, thereby improving dysuria associated with benign prostatic hyperplasia (BPH) .	Dysuria associated with BPH: under review (Singapore), being prepared for submission (nine ASEAN member countries)

13. Major Events

Date	Description
April 2009	Signed a license agreement with Kissei Pharmaceutical Co., Ltd. for the development and commercialization of Urief, a treatment for dysuria associated with benign prostatic hyperplasia, in ASEAN Countries, India, and Sri Lanka <announced on April 2> Signed a license agreement with Nobelpharma Co., Ltd. for the development and commercialization of Gliadel Wafer in Japan <announced on April 6> The antiepileptic agent Zebinix received approval in Europe as an adjunctive therapy in adult patients with partial-onset seizures <announced on April 28>
May	Issued a press release regarding the statement in Pfizer's 10-Q report dated May 8, 2009 <announced on May 9>

Date	Description
September	Announced an agreement with Pfizer on the strategic alliance for Alzheimer's disease treatment Aricept <announced on September 25> Signed a license agreement with KYORIN Pharmaceutical Co., Ltd., a subsidiary of KYORIN Co., Ltd., for the

Date	Description
February	Launched chronic hepatitis B treatment Revovir in the Phillipines <announced on February 24>
March	