



CONSOLIDATED FINANCIAL REPORT
For the Second Quarter of Fiscal 2010
(the Fiscal Year Ending March 31, 2011, Japan Standard)

October 28, 2010

Eisai Co., Ltd.

TSE Code: 4523

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Expected date of quarterly financial report submission: November 5, 2010

Preparation of quarterly supplementary explanatory material: Yes

Quarterly results briefing held: Yes

Expected date of dividend payment commencement: November 17, 2010

2. Dividends

	Dividend per share				
	1Q end	2Q end	3Q end	Year-end	Total
Fiscal 2009	(¥)	(¥) 70.00	(¥)	(¥) 80.00	(¥) 150.00
Fiscal 2010		70.00			

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1. Qualitative Information Concerning Financial Results

(1) Qualitative Information Concerning Consolidated Operating Results

(April 1, 2010 to September 30, 2010)

Sales and Income

- ' Eisai Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") recorded the following **consolidated financial results** for the quarter ended September 30, 2010:

Net sales:	412,283 million (4.4% increase year on year)
Operating income:	67,191 million (36.8% increase year on year)
Ordinary income:	62,167 million (37.5% increase year on year)
Net income:	39,949 million (29.2% increase year on year)

- ' **Sales of Aricept**, an anti-Alzheimer's agent, increased to ¥172,063 million (up 10.3% year on year). **Sales of Pariet** (U.S. brand name: Aciphex), a proton pump inhibitor, came to ¥70,340 million (down 4.1% year on year). **Sales of oncology related products** came to ¥39,511million (up 1.3% year on year).
- ' **Operating income, ordinary income and net income**

Performance by Segment

(Net sales for each segment include only sales to external customers.)

(2) Second Quarter Financial Highlights (July 1, 2010- September 30, 2010)

- ' **Consolidated net sales** during the quarter amounted to ¥207,820 million, up 3.7% year on year.
- ' **Sales of Aricept** came to ¥89,135 million, up 9.7% year on year. Sales of Aricept in Japan totaled ¥25,629 million, up 14.7% year on year, and sales in the U.S. totaled ¥55,887 million, up 11.6% year on year (up 21.4% on a U.S. dollar-denominated basis). **Sales of Pariet/Aciphex** totaled ¥35,055 million, down 4.3% year on year. Sales of

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

Status of Ongoing Research & Development Projects

- ' Regulatory applications for approval of the **anticancer agent E7389** (microtubule dynamics inhibitor) for the treatment of breast cancer are currently under review in Japan, the United States, the European Union, Switzerland, and Singapore. In May 2010, the regulatory applications submitted in Japan and the U.S. were granted priority review status. Results from the global Phase III study with eribulin (EMBRACE Study: Eisai Metastatic Breast Cancer Study Assessing Physician's Choice Versus E7389), which demonstrated that the compound significantly extended median overall survival in heavily pretreated locally recurrent and metastatic breast cancer patients, were announced in a-3(st)di: subat(sIII)-6(s.8(ed in a53 Tw[announc)7.8(ed in a-3(st)di:)7.4()-3dwith eri(ed in a

- anticoagulant **Warfarin in pediatric patients** was submitted in Japan.
- ' A Phase III study of the **anticancer agent MORAb-003 (monoclonal antibody)** for

(4) Qualitative Information Concerning Financial Position

Assets, Liabilities and Equity

' **Total assets** as of the end of this period amounted to ¥1,064,236 million (down ¥37,673 million from the end of the previous fiscal year). Major decreases included

(5) Basic Policy on Profit Appropriation and Dividend for the End of Second Quarter For Fiscal 2010 (April 1, 2010 to March 31, 2011)

Eisai is devoted to providing sustainable and stable dividends based on its consolidated financial performance along with the Dividend on Equity ratio (DOE) and cash income.

DOE encompasses both the Dividend Payout Ratio (DPR), which measures the extent to which profits are distributed to shareholders in the form of dividends, and Return on Equity (ROE), which measures how effectively the Company uses the money invested by shareholders to generate profits.

Cash income expresses the Company's ability to generate cash. Cash income is used in order to improve the financial standing of the Company, i.e. investment in future growth and business development, dividend payments, repayment of borrowings, and other expenditures. Eisai considers that a well-balanced allocation of cash income for these applications over a medium term is important.

From this standpoint, the Company considers it well-balanced and appropriate to take DOE and cash income, in addition to consolidated financial results, into consideration in a comprehensive manner in mid-term assessments of shareholder return. In addition, acquisition of treasury stock will be carried out flexibly on a timely basis.

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

Based on the Company's dividend policy to provide shareholders with sustainable and stable dividends, the Company intends to set the interim dividend for the period (at the end of the second quarter) at ¥70 per share (same amount as the previous year).

**(6) Consolidated Financial Results Forecast for Fiscal 2010
(April 1, 2010 to March 31, 2011)**

Consolidated Forecast

The full fiscal year consolidated forecast has been revised as follows from that previously announced in July 2010.

	Revised Forecast		Previous Forecast		Increase/ (Decrease)	Rate of Changes
	(A)	(%)	(B)	(%)	(A-B)	(%)
Net sales	¥795,000 mil.	-1.0	¥810,000 mil.	+0.9	(¥15,000 mil.)	-1.9
Operating income	¥116,000 mil.	+34.2	¥105,000 mil.	+21.5	¥11,000 mil.	+10.5

(Reference)**Non-consolidated Financial Forecast**

The full fiscal year non-consolidated forecast has been revised as follows from that previously announced in May 2010.

	Revised Forecast		Previous Forecast		Increase/ (Decrease)	Rate of Changes
	(A)	(%)	(B)	(%)	(A-B)	(%)
Net sales	¥455,000 mil.	+2.3	¥454,000 mil.	+2.1	¥1,000 mil.	+0.2
Operating income	¥102,000 mil.	+9.4	¥87,000 mil.	-6.7	¥15,000 mil.	+17.2
Ordinary income	¥94,500 mil.	+6.6	¥82,000 mil.	-7.5	¥12,500 mil.	+15.2
Net income	¥65,500 mil.	+14.3	¥58,500 mil.	+2.0	¥7,000 mil.	+12.0

(7) Corporate Governance

Eisai aims to raise corporate value by adhering to its corporate philosophy, a common set of values that bind together Group companies in Japan and overseas. For the Company to attain sustainable growth in the common interests of shareholders, it is vital that it carries out its corporate strategies based on a long-term vision. Gaining the trust of shareholders is indispensable to this approach. Accordingly, Eisai is working to improve and strengthen its practices to achieve optimal corporate governance.

As Eisai operates under a “Company with Committees System,” it has built a corporate structure in which the Board of Directors, to the extent allowed by law, broadly delegates operational decision making to executive officers and focuses on management supervision, based on a clear separation of management oversight functions from business execution functions. The majority of the Board of Directors is composed of outside directors so as to ensure objective and fair supervision from the standpoints of shareholders. In addition, the roles of Chair of the Board and President and CEO are not performed by the same individual, and the Chair of the Board is an outside director. Furthermore, the President and CEO is the only director to serve concurrently as a representative executive officer. Outside directors meet not only the requirements of the Corporate Law of Japan but also “the criteria for independence” laid down by the Company’s Nominating Committee. The Nominating Committee and the Compensation Committee are composed entirely of outside directors. The Audit Committee is composed of a majority of outside directors and includes internal executive directors who are familiar with the state of affairs within the Company.

The Company has established the Independent Committee of Outside Directors composed of all the outside directors. This Committee is responsible for maintaining, reviewing, eliminating, if it so decides, and executing the “Policy for Protection of the Company’s Corporate Value and Common Interests of Shareholders” (“the Policy”).

At the Independent Committee of Outside Directors meeting held on June 18, 2010 following the 98th Ordinary General Meeting of Shareholders, a new Chair of the Independent Committee of Outside Directors was elected from amongst the Committee members, a member who does not concurrently hold the post of the Chair of the Board of Directors. The Committee agreed to propose the continuation of the Policy in its present form to the Board of Directors. The Board of Directors discussed and resolved to continue the Policy at its meeting held on July 30, 2010.

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

Detailed information on Eisai’s corporate governance is available on the corporate website (<http://www.eisai.co.jp/ecompany/egovernance.html>) along with the Company’s Corporate Governance Guidelines, Rules of the Board of Directors, Rules of the Nominating Committee, Rules of the Audit Committee, and Rules of the Compensation Committee. The Corporate Governance Report submitted to the Tokyo Stock Exchange (TSE) and Osaka Securities Exchange (OSE) is available on the websites of TSE, OSE and Eisai.

2. Other Information

(1) Application of the Simplified Accounting Method and Special Accounting Treatment

1) Simplified accounting method

The calculation of the value of inventories as of the end of the quarter ended September 30, 2010 has been made in a rational manner based on the actual inventory value as of the end of the previous fiscal year.

2) Special accounting treatment used in the preparation of consolidated quarterly financial statements: None

(2) Summary of Changes of Accounting Principles, Procedures and Representation

Methods in Connection with the Preparation of Consolidated Financial Statements

1) The accounting standard and guidance concerning asset retirement obligations, the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 released on March 31, 2008) and the "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 released on March 31, 2008), have been applied effective from the first quarter of the fiscal year ending March 31, 2011.

As a result, operating income and ordinary income have each decreased by ¥40 million and income before income taxes and minority interests has decreased by ¥694 million.

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets



(millions of yen)

LIABILITIES

Current liabilities:

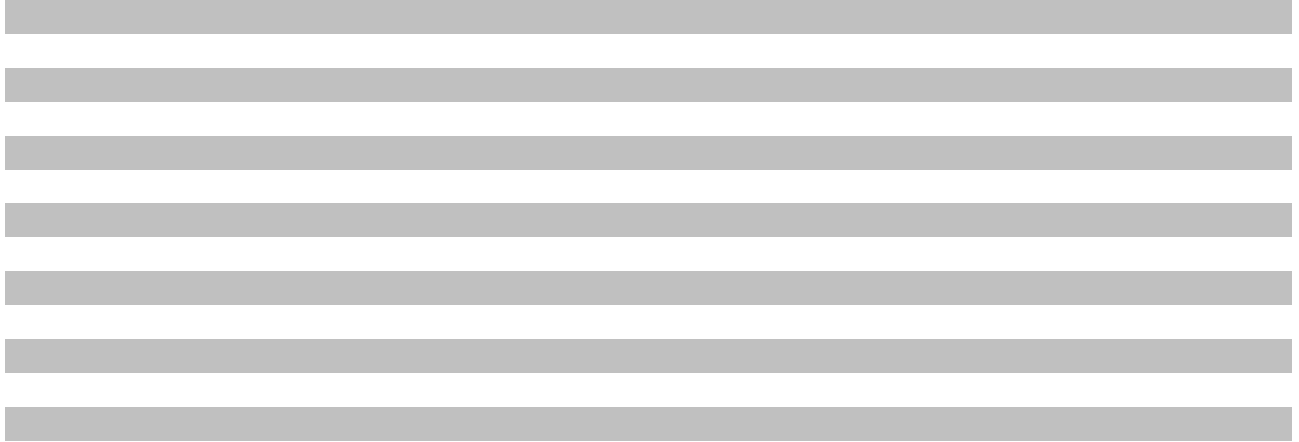
Notes and accounts payable-trade	21,313	20,314
Short-term borrowings	4,000	24,000
Bonds and debentures (Current portion)	39,999	-
Accounts payable-other	62,804	67,432.44

(2) Consolidated Statements of Income
(Six month period from April 1 to September 30)

(millions of yen)

	April 1, 2009- September 30, 2009	April 1, 2010- September 30, 2010
Net sales	394,982	412,283
Cost of sales	78,863	84,134
Gross profit	316,118	328,149
Provision for sales returns-net	52	-
Reversal of sales returns-net	-	19
Gross profit after deducting sales returns-net	316,065	328,169
Selling, general and administrative expenses	*1 266,945	*1 260,977
Operating income	49,119	67,191
Non-operating income		
Interest income	659	503
Dividend income	475	525
Other	171	152
Total non-operating income	1,307	1,181
Non-operating expenses		
Interest expense	3,895	3,751
Foreign exchange loss	858	2,313
Other	474	139
Total non-operating expenses	5,229	6,205
Ordinary income	45,197	62,167
Special gain		
Gain on sales of fixed assets	8	28
Other	11	20
Total special gain	19	49
Special loss		
Loss on disposal of fixed assets	110	256
Loss on impairment of long-lived assets	-	305
Loss on devaluation of investment securities	-	350
Effect of adoption of Accounting Standard for Asset Retirement Obligations	-	654
Other	5	8
Total special loss	116	1,576
Income before income taxes	45,100	60,640
Income taxes-current	18,452	23,092
Income taxes-deferred	(4,587)	(2,604)
Total income taxes	13,865	20,487
Income before minority interests	-	40,152
Minority interests in income	312	202
Net income	30,922	39,949

(3) Consolidated Statements of Cash Flows
(Six month period from April 1 to September 30)



(4) Going Concern

None

(5) Segment Information

1) Summary of reporting segments

The Group defines its reporting segments as follows: units that comprise the Group for which it can obtain independent financial information; and units for which top management undertakes a periodic review in order to determine the allocation of management resources and to evaluate performance.

The Group's Pharmaceuticals business encompasses operations in five regions worldwide: Japan, the United States, Europe, Asia (including China) and New Markets (India, Middle East, etc), each of which pursues strategies tailored to the specific characteristics of each region or market. In the Pharmaceuticals business, the Group is mainly engaged in the manufacture and sale of prescription drugs.

The Group's segments consist of the Pharmaceuticals and Other businesses, and the Pharmaceuticals business of each region is identified as a reporting segment.

3) The amount and major details of differences between reporting segment profit and loss totals and amounts reported in the quarterly consolidated statements of income (items concerning difference adjustment)

Six month period ended September 30, 2010 (April 1, 2010–September 30, 2010)

(millions of yen)

Profit	Amount
Reporting segment profit total	136,203
Profit of “ Other”	9,081
R&D expenses	(73,837)
Group headquarters management costs and other expenses	(4,256)

(7) Notes to Consolidated Statements of Income

April 1, 2009–September 30, 2009	April 1, 2010–September 30, 2010												
<p>*1. The main contents of selling, general and administrative expenses are as follows:</p> <table><tr><td>Promotional expense</td><td>¥100,463 mil.</td></tr><tr><td>Research and development expenses</td><td>¥80,688 mil.</td></tr><tr><td>Salaries and bonuses</td><td>¥31,813 mil.</td></tr></table>	Promotional expense	¥100,463 mil.	Research and development expenses	¥80,688 mil.	Salaries and bonuses	¥31,813 mil.	<p>*1. The main contents of selling, general and administrative expenses are as follows:</p> <table><tr><td>Promotional expense</td><td>¥102,086 mil.</td></tr><tr><td>Research and development expenses</td><td>¥73,837 mil.</td></tr><tr><td>Salaries and bonuses</td><td>¥31,672mil.</td></tr></table>	Promotional expense	¥102,086 mil.	Research and development expenses	¥73,837 mil.	Salaries and bonuses	¥31,672mil.
Promotional expense	¥100,463 mil.												
Research and development expenses	¥80,688 mil.												
Salaries and bonuses	¥31,813 mil.												
Promotional expense	¥102,086 mil.												
Research and development expenses	¥73,837 mil.												
Salaries and bonuses	¥31,672mil.												

July 1, 2009–September 30, 2009	July 1, 2010–September 30, 2010												
<p>*1. The main contents of selling, general and administrative expenses are as follows:</p> <table><tr><td>Promotional expense</td><td>¥52,124 mil.</td></tr><tr><td>Research and development expenses</td><td>¥41,305 mil.</td></tr><tr><td>Salaries and bonuses</td><td>¥15,581 mil.</td></tr></table>	Promotional expense	¥52,124 mil.	Research and development expenses	¥41,305 mil.	Salaries and bonuses	¥15,581 mil.	<p>*1. The main contents of selling, general and administrative expenses are as follows:</p> <table><tr><td>Promotional expense</td><td>¥52,806 mil.</td></tr><tr><td>Research and development expenses</td><td>¥37,809 mil.</td></tr><tr><td>Salaries and bonuses</td><td>¥15,683 mil.</td></tr></table>	Promotional expense	¥52,806 mil.	Research and development expenses	¥37,809 mil.	Salaries and bonuses	¥15,683 mil.
Promotional expense	¥52,124 mil.												
Research and development expenses	¥41,305 mil.												
Salaries and bonuses	¥15,581 mil.												
Promotional expense	¥52,806 mil.												
Research and development expenses	¥37,809 mil.												
Salaries and bonuses	¥15,683 mil.												



2010.9

[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.

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* Revisions have been made to the full-year consolidated forecast announced previously. The revised parts are underlined.

* All amounts are rounded to their nearest specified unit except for items with a note of omission.

* The exchange rates used in the reference data are noted in the table below.

* All amounts of overseas profit and loss are converted into yen based on the average exchange rates for the periods shown in the table below.

Currency Exchange Rates

	US (¥/USD)	EU (¥/EUR)	UK (¥/GBP)	China (¥/RMB)
(Apr. 2009 - Sep. 2009) Second Quarter Average Rate	95.48	133.15	152.24	13.97
(Sep. 30, 2009) Second Quarter End Rate	90.21	131.72	144.10	13.21
(Apr. 2009 - Mar. 2010) Fiscal Year Average Rate	92.84	131.15	148.25	13.57
(Mar. 31, 2010) Fiscal Year End Rate	93.04	124.92	140.40	13.63
(Apr. 2010 - Sep. 2010) Second Quarter Average Rate	88.95	113.84	134.99	13.08
(Sep. 30, 2010) Second Quarter End Rate	83.82	114.24	132.67	12.52
Fiscal Year Ending March 31, 2011 Second Half Forecast Rate	<u>80.00</u>	<u>115.00</u>	<u>135.00</u>	13.00

About Indications in this Reference Data

Eisai believes that cash generating ability is the most intrinsic element determining the true value of a company. Upon this basic concept, in order to reflect our true earnings capacity, we focus on disclosing "cash income" and "cash EPS," which are not affected by non-cash profit-and-loss items, such as depreciation of property, plant and equipment, amortization of goodwill, loss on impairment (including loss on devaluation of investment securities), and in-process R&D expenses.

Cash income

Cash income is the total amount of cash available for investment in future growth and business development, dividend payments, repayment of borrowings, and other expenditures. We consider cash income as an indicator to assess corporate growth potential and strategies.

1. Consolidated Financial Highlights

1) Income Statement Data

	(billions of yen)				
	Six months ended Sep 30			Full	
	FY2009	FY2010	YOY %	FY2009	FY2010 est.
Net sales	395.0	412.3	104.4	803.2	<u>795.0</u>
Cost of sales	78.9	84.1	106.6	160.7	<u>167.0</u>
R&D expenses	80.7	73.8	91.5	179.1	<u>150.0</u>
SG&A expenses	186.3	187.1	100.5	376.9	<u>362.0</u>
Operating income	49.1	67.2	136.8	86.4	<u>116.0</u>
Ordinary income	45.2	62.2	137.5	79.7	<u>107.0</u>
Net income	30.9	39.9	129.2	40.3	<u>70.0</u>
Cash income	59.8	66.7	111.7	126.4	<u>121.0</u>
			Diff.		
Dividend per share (DPS, yen)	70.0	70.0	-	150.0	150.0
Earnings per share (EPS, yen)	108.5	140.2	31.7	141.6	<u>245.7</u>
Cash income per share (Cash EPS, yen)	209.8	234.3	24.5	443.7	<u>424.7</u>

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

2) Cash Flow Data

	(billions of yen)			
	Six months ended Sep 30			Full
	FY2009	FY2010	Diff.	FY2009
Net cash provided by (used in) operating activities	32.3	84.6	52.4	107.9
Net cash used in investing activities	(22.6)	(26.9)	(4.3)	(69.8)
Net cash provided by (used in) financing activities	(15.6)	(43.5)	(27.9)	(49.2)
Cash and cash equivalents at end of period	118.4	119.6	1.2	115.1
Free cash flow	15.8	76.5	60.6	52.9

* "Free cash flow" = "Net cash provided by (used in) operating activities" - "Capital expenditures (incl. acquisition and others)"

3) Balance Sheet Data

	(billions of yen)		
	2010		
	Mar 31	Sep 30	Diff.
Total assets	1101.9	1,064.2	(37.7)
Liabilities	680.2	659.6	(20.6)
Bonds and debentures	120.0	120.0	0.0
Borrowings	289.8	264.3	(25.5)
Equity	421.7	404.6	(17.1)
Shareholders' equity	415.9	398.7	(17.3)
Shareholders' equity ratio to total assets (%)	37.7	37.5	(0.3)
Liabilities ratio Net DER/times)	0.6	0.5	(0.1)

* "Liabilities ratio Net DER)" = ("Interest-bearing debt" ("Borrowings" + "Bonds and debentures") - "Cash and cash in banks" - "Short-term investments" / "Shareholders' equity"

2. Consolidated Statements of Income

	(billions of yen)							
	FY2009	Six months ended Sep 30					Full	
		Sales %	FY2010	Sales %	YOY %	Diff.	FY2009	Sales %
Net sales	395.0	100.0	412.3	100.0	104.4	17.3	803.2	100.0
Cost of sales	78.9	20.0	84.1	20.4	106.6	5.2	160.7	20.0
Gross profit	316.1	80.0	328.2	79.6	103.8	12.1	642.4	80.0
R&D expenses	80.7	20.4	73.8	17.9	91.5	(6.9)	179.1	22.3
SG&A expenses	186.3	47.2	187.1	45.4	100.5	0.9	376.9	46.9
Personnel expenses	41.7	10.6	40.8	9.9	97.8	(0.9)	83.4	10.4
Marketing and promotion expenses	115.0	29.1	118.4	28.7	102.9	3.4	234.0	29.1
Administrative expenses and others	29.5	7.5	27.9	6.8	94.7	(1.6)	59.5	7.4
Operating income	49.1	12.4	67.2	16.3	136.8	18.1	86.4	10.8
Non-operating income	1.3	0.3	1.2	0.3		(0.1)	2.4	0.3
Non-operating expense	5.2	1.3	6.2	1.5		1.0	9.1	1.1
Ordinary income	45.2	11.4	62.2	15.1	137.5	17.0	79.7	9.9
Special gain	0.0	0.0	0.0	0.0		0.0	0.1	0.0
Special loss	0.1	0.0	1.6	0.4		1.5	5.5	0.7
Income before income taxes and minority interests	45.1	11.4	60.6	14.7	134.5	15.5	74.3	9.2
Income taxes-current	18.5	4.7	23.1	5.6		4.6	26.8	3.3
Income taxes-deferred	(4.6)	(1.2)	(2.6)	(0.6)		2.0	6.6	0.8
Minority interests in net income	0.3	0.1	0.2	0.0		(0.1)	0.5	0.1
Net income	30.9	7.8	39.9	9.7	129.2	9.0	40.3	5.0

* "Cost of Sales" includes "Provision for (reversal of) sales returns-net."

Cash income

Net income	30.9	7.8	39.9	9.7	129.2	9.0	40.3	5.0
Depreciation of PP&E and amortization of intangible assets	14.7		13.1				29.8	
Amortization of intangible assets obtained by acquisition	9.8		9.0				19.1	
In-process R&D expenses	-		-				23.9	
Amortization of goodwill	4.4		4.0				8.5	
Loss on impairment of long-lived assets (including loss on devaluation of investment securities)	-		0.7				4.9	
Cash income	59.8	15.1	66.7	16.2	111.7	7.0	126.4	15.7

Notes

Net sales	Increase in sales of Aricept [+16.0 billions of yen], Increase in sales of Humira [+3.5 billion yen], Decrease in sales of Aciphex [-3.0 billion yen]
Ratio of cost of sales <Reason for Increase>	Drug price revision in Japan, influences of currency exchange etc.
R&D expenses <Reason for decrease>	Completion of large-scaled clinical programs in the previous year and influence of currency exchange and others
Ratio of SG&A expenses <Reason for decrease>	Improve the efficiency in administration cost and others
Non-operating expense	Increase in foreign exchange loss [1.5billions of yen]
Special loss	Effect of applying accounting standard for asset retirement obligations [0.7billions of yen] Loss on devaluation of investment securities and loss on impairment of long-lived assets [0.7billions of yen]

3. Consolidated Statements of Cash Flows

	(billions of yen)		
	Six months ended Sep 30		
	FY2009	FY2010	Diff.
Income before income taxes and minority interests	45.1	60.6	15.5
Depreciation and amortization	24.5	22.1	(2.4)
Decrease (increase) in notes and accounts receivable, trade payables and inventories	(14.3)	(5.8)	8.4
Increase (decrease) in accounts payable-other/accrued expenses etc.	5.7	3.6	(2.1)
Other	7.6	14.2	6.5
[Sub-total]	68.6	94.7	26.0
Interest and others received (paid)	(2.8)	(2.7)	0.1
Income taxes paid	(33.5)	(7.3)	26.2
Net cash provided by (used in) operating activities	32.3	84.6	52.4
Capital expenditures (incl. acquisition and others)	(16.4)	(8.2)	8.3
Proceeds from sales of (purchases of) securities	1.2	0.2	(1.0)
Net increase (decrease) in time deposits exceeding three months	(7.3)	(19.4)	(12.1)
Other	(0.0)	0.5	0.5
Net cash used in investing activities	(22.6)	(26.9)	(4.3)
Net increase (decrease) in short-term borrowings	5.0	(20.0)	(25.0)
Dividends paid	(19.9)	(22.8)	(2.9)
Other-net	(0.6)	(0.7)	(0.0)
Net cash provided by (used in) financing activities	(15.6)	(43.5)	(27.9)
Foreign currency translation adjustments on cash and cash equivalents	(7.2)	(9.8)	(2.6)
Net increase (decrease) in cash and cash equivalents	(13.2)	4.5	17.6
Cash and cash equivalents at the beginning of period	131.5	115.1	(16.4)
Cash and cash equivalents at the end of period	118.4	119.6	1.2
Free cash flow	15.8	76.5	60.6

* "Free cash flow" = "Net cash provided by (used in) operating activities" - "Capital expenditures (incl. acquisition and others)"

Notes

Net cash provided by (used in) operating activities

Decrease in income taxes paid because of declining taxable income in the previous year

Net cash used in investing activities

Decrease in capital expenditures for fixed assets and intangible assets

Increase in reserve for repayment of long-term borrowings and bonds payable, corporate bonds

Net cash provided by (used in) financing activities

Repayment of short-term borrowings, increase of amount of dividends paid

4. Financial Results by Business Segment

1) Japan Pharmaceuticals Business

(billions of yen)

	Six months ended Sep 30			Full	
	FY2009	FY2010	YOY %	FY2009	FY2010 est.
Net sales	159.7	170.9	107.0		
Segment profit	66.1	72.3	109.4		
Net sales in Japan					
Pharmaceuticals	143.7	152.5	106.1		
Consumer health care products and other	9.6	9.7	101.3		
Generic drugs (Elmed Eisai Co., Ltd.)	3.5	5.7	162.2		
Diagnostic products (Sanko Junyaku Co., Ltd.)	2.8	3.0	104.9		
Japan ethical drugs (Eisai)					
Anti-Alzheimer's agent					
Aricept	45.7	50.9	111.3	93.6	109.0
Proton pump inhibitor					
Pariet	26.2	29.9	114.1	53.8	60.0
Peripheral neuropathy treatment					
Methycobal	16.1	15.6	96.9	31.3	30.0
Gastritis/gastric ulcer treatment					
Selbex	7.5	6.0	79.8	14.2	12.0
Osteoporosis treatment					
Actonel	5.3	5.8	108.4	10.8	12.0
Fully-human monoclonal anti-TNFalpha antibody					
Humira	2.8	5.7	200.7	6.6	14.0
Oral anticoagulant					
Warfarin	4.3	4.8	111.3	8.7	9.5
Muscle relaxant					
Myonal	4.0	3.4	86.8	7.5	7.0
Non-ionic contrast medium					
Iomeron	3.6	3.4	94.4	7.0	6.5
Japan consumer health care major groups (Eisai)					
Vitamin B2 preparation					
Chocola BB Group	5.4	5.4	99.4	10.5	11.0
Active-type Vitamin B12					
Nabolin Group	1.2	1.4	113.3	2.3	2.5

4) Asia Pharmaceuticals Business

		<u>Six months ended Sep 30</u>		
		FY2009	FY2010	YOY %
Net sales	Billions JPY	15.2	17.3	113.7 <117.9>
Segment profit	Billions JPY	4.0	4.0	101.3
Asia ethical drugs (Eisai)				
Peripheral neuropathy treatment Methycobal	Billions JPY	4.0	4.5	112.2 <118.8>
Anti-Alzheimer's agent Aricept	Billions JPY	3.2	3.4	107.5 <109.3>
Proton pump inhibitor Pariet	Billions JPY	2.5	2.6	105.0 <107.7>
Fully-human monoclonal anti-TNFalpha antibody Humira	Billions JPY	1.0	1.7	170.2 <173.6>
Liver Disease/Allergic Disease Agents Stronger Neo-Minophagen C and Glycyron Tablets	Billions JPY	1.3	1.6	119.6 <127.7>

<Reference> China Pharmaceuticals Business

		<u>Six months ended Sep 30</u>		
		FY2009	FY2010	YOY %
Net sales	Billions JPY	7.3	8.5	116.2 <124.1>
China ethical drugs (Eisai)				
Peripheral neuropathy treatment Methycobal	Billions JPY [Millions RMB]	3.4 [245]	3.9 [299]	114.5 <122.3>
Liver Disease/Allergic Disease Agents Stronger Neo-Minophagen C and Glycyron Tablets	Billions JPY [Millions RMB]	1.3 [94]	1.6 [121]	120.2 <128.4>
Proton pump inhibitor Pariet	Billions JPY [Millions RMB]	0.5 [38]	0.8 [63]	157.1 <167.8>
Anti-Alzheimer's agent Aricept	Billions JPY [Millions RMB]	0.6 [41]	0.6 [50]	113.9 <121.6>

5) New Markets Pharmaceuticals Business

		<u>Six months ended Sep 30</u>		
		FY2009	FY2010	YOY %
Net sales	Billions JPY	0.4	0.5	133.6 <136.9>
Segment profit (loss)	Billions JPY	(0.1)	(0.2)	-
New markets ethical drugs (Eisai)				
Anti-Alzheimer's agent Aricept	Billions JPY	0.1	0.1	120.1 <121.9>
Proton pump inhibitor Pariet	Billions JPY	0.1	0.2	156.4 <158.7>

* Indices showed in parentheses "<>" compare data with the same period of the previous fiscal year on a constant currency basis.

6) Sales of Major Products (Eisai)

(1) Aricept

(3) Oncology Related Products

		FY2009	FY2010	YOY %	<u>Full</u> FY2009
Aloxi (Antiemetic agent)					
U.S.	Billions JPY [Millions USD]	19.0 [199]	17.3 [195]	91.3 <98.0>	38.3 [413]
Dacogen (DNA Hypomethylating agent)					
U.S.	Billions JPY	7.9	8.4	106.3	15.4

2) Consolidated Balance Sheets <Liabilities and Equity>

					(billions of yen)	
	Mar 31	%	Sep 30	%	YOY	Diff.
					%	
Notes payable-trade and accounts payable-trade	20.3		21.3			1.0
Short-term borrowings	24.0		4.0			(20.0)
Bonds and debentures(Current portion)	-		40.0			40.0
Accounts payable-other/accrued ex						

6. Changes in Consolidated Quarterly Results

1) Income Statement Data

(billions of yen)

	FY2009				FY2010	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Net sales	194.7	200.3	209.5	198.7	204.5	207.8
Cost of sales	38.3	40.6	42.6	39.2	43.5	40.6
R&D expenses	39.4	41.3	36.1	62.3	36.0	37.8
SG&A expenses	92.8	93.5	94.8	95.9	92.1	95.0
Operating income	24.1	25.0	35.9	1.3	32.8	34.4
Ordinary income (decrease)	23.2	22.0	34.9	(0.4)	30.2	32.0
Net income (decrease)	16.3	14.6	23.0	(13.6)	18.8	21.2
Cash income	30.7	29.1	37.3	29.3	32.6	34.2
Earnings per share (decrease) (EPS, yen)	57.4	51.2	80.7	(47.7)	65.9	74.3
Cash income per share (Cash EPS, yen)	107.7	102.1	131.1	102.8	114.4	119.9

* "Cost of Sales" includes "Provision for (reversal of) sales returns-net."

2) Cash Flow Data

(billions of yen)

	FY2009				FY2010	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Net cash provided by (used in) operating activities	(0.5)	32.8	27.1	48.6	28.2	56.5
Net cash used in investing activities	(12.9)	(9.8)	(5.2)	(42.0)	(5.1)	(21.8)
Net cash provided by (used in) financing activities	(12.3)	(3.3)	0.8	(34.5)	(31.1)	(12.3)
Cash and cash equivalents at the end of period	105.2	118.4	142.7	115.1	101.4	119.6
Free cash flow	(10.7)	26.5	19.9	17.2	23.9	52.6

* "Free cash flow" = "Net cash provided by (used in) operating activities" - "Capital expenditures (incl. acquisition and others)"

3) Balance Sheet Data

(billions of yen)

	2009				2010	
	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30
Total assets	1,127.4	1,109.9	1,140.3	1101.9	1,065.5	1,064.2
Liabilities	697.0	686.4	708.3	680.2	667.4	659.6
Bonds and debentures	120.9	120.9	120.0	120.0	120.0	120.0
Borrowings	307.2	300.1	323.5	289.8	279.1	264.3
Equity	430.4	423.5	432.0	421.7	398.1	404.6
Shareholders' equity	425.1	418.1	426.4	415.9	392.3	398.7
Shareholders' equity ratio to total assets (%)	37.7	37.7	37.4	37.7	36.8	37.5
Liabilities ratio Net DER(times)	0.7	0.7	0.6	0.6	0.6	0.5

* "Liabilities ratio Net DER" = ("Interest-bearing debt" ("Borrowings" + "Bonds and debentures") - "Cash and cash in banks" - "Short-term investments" / "Shareholders' equity"

4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

	FY2009				FY2010	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Capital expenditures	5.8	7.2	6.0	9.7	3.5	3.7
Property, plant and equipment	4.8	5.9	4.2	8.0	2.5	2.8
Intangible assets	1.0	1.3	1.8	1.7	1.0	0.9
Depreciation and amortization	12.1	12.4	12.3	12.1	11.4	10.7

* "Depreciation and amortization" includes amortization of "Intangible assets."

5) Sales of Major Products (Eisai)

(1) Aricept

		FY2009				FY2010	
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Japan	Billions JPY	23.4	22.3	26.9	21.0	25.3	25.6
U.S.	Billions JPY [Millions USD]	42.7 [438]	50.1 [533]	45.5 [507]	56.4 [619]	50.2 [545]	55.9 [647]
Europe	Billions JPY	7.2	7.1	7.5	6.1	5.8	5.8
UK	Billions JPY [Millions GBP]	1.5 [10]	1.3 [9]	1.2 [8]	1.3 [9]	1.7 [13]	1.5 [11]
France	Billions JPY [Millions EUR]	3.5 [27]	3.6 [27]	3.8 [29]	3.3 [27]	2.8 [24]	2.8 [25]
Germany	Billions JPY [Millions EUR]	2.1 [16]	2.2 [16]	2.5 [19]	1.5 [12]	1.2 [10]	1.6 [14]
Asia	Billions JPY	1.6	1.6	1.6	1.8	1.7	1.8
China	Billions JPY [Millions RMB]	0.2 [14]	0.4 [27]	0.3 [26]	0.5 [38]	0.3 [22]	0.3 [27]
New markets	Billions JPY	0.0	0.0	0.0	0.0	0.0	0.0
Total	Billions JPY	74.8	81.2	81.5	85.3	82.9	89.1

(2) Aciphex/Pariet

		FY2009				FY2010	
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Japan	Billions JPY	13.4	12.8	16.9	10.7	15.1	14.8
U.S.	Billions JPY [Millions USD]	19.8 [203]	20.6 [220]	20.8 [231]	19.7 [217]	17.0 [185]	17.0 [198]
Europe	Billions JPY	2.1	2.0	2.1	2.0	1.8	1.9
UK	Billions JPY [Millions GBP]	0.6 [4]	0.6 [4]	0.6 [4]	0.5 [3]	0.5 [4]	0.4 [3]
Germany	Billions JPY [Millions EUR]	0.4 [3]	0.4 [3]	0.4 [3]	0.4 [3]	0.4 [4]	0.6 [5]
Italy	Billions JPY [Millions EUR]	0.9 [7]	0.9 [7]	0.9 [7]	0.9 [7]	0.6 [5]	0.7 [6]
Asia	Billions JPY	1.4	1.1	1.2	1.1	1.3	1.3
China	Billions JPY [Millions RMB]	0.4 [26]	0.2 [12]	0.3 [20]	0.3 [22]	0.4 [26]	0.5 [37]
New markets	Billions JPY	0.0	0.0	0.0	0.1	0.1	0.1
Total	Billions JPY	36.7	36.6	41.1	33.6	35.3	35.1

(3) Oncology Related Products

		<u>FY2009</u>				<u>FY2010</u>	
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Aloxi							
U.S.	Billions JPY [Millions USD]	9.5 [97]	9.5 [101]	8.7 [97]	10.6 [117]	8.8 [96]	8.5 [99]
Dacogen							
U.S.	Billions JPY [Millions USD]	4.2 [43]	3.7 [40]	3.8 [42]	3.8 [42]	4.3 [47]	4.1 [47]
Fragmin							
U.S.	Billions JPY [Millions USD]	3.2 [33]	3.1 [33]	3.7 [41]	4.6 [50]	4.3 [47]	4.2 [49]
Other	Billions JPY	2.9	3.0	2.7	3.0	2.8	2.4
Total	Billions JPY	19.7	19.3	18.8	22.0	20.3	19.2

(4) Humira

		<u>FY2009</u>				<u>FY2010</u>	
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Japan	Billions JPY	1.2	1.6	2.0	1.8	2.6	3.0
Asia	Billions JPY	0.5	0.5	0.6	0.7	0.8	0.8
Total	Billions JPY	1.7	2.1	2.6	2.5	3.5	3.8

7. Non-Consolidated Financial Highlights

1) Non-Consolidated Financial Highlights

(1) Income Statement Data

	Six months ended Sep 30			(billions of yen)	
	FY2009	FY2010	YOY %	Full	
				FY2009	FY2010 est.
Net sales	218.5	235.9	107.9	444.7	<u>455.0</u>
Cost of sales	41.4	45.4	109.6	82.3	90.0
R&D expenses	75.6	63.5	84.0	145.3	<u>131.0</u>
SG&A expenses	62.3	62.7	100.7	123.9	<u>132.0</u>
Operating income	39.3	64.3	163.7	93.3	<u>102.0</u>
Ordinary income	36.3	60.3	166.1	88.6	<u>94.5</u>
Net income	26.5	40.7	153.6	57.3	<u>65.5</u>

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

(2) Cash Flow Data

	Six months ended Sep 30			(billions of yen)	
	FY2009	FY2010	Diff.	Full	
				FY2009	
Net cash provided by (used in) operating activities	32.4	70.7	38.2		71.5
Net cash used in investing activities	(15.9)	(24.1)	(8.2)		(31.3)
Net cash provided by (used in) financing activities	(15.4)	(43.3)	(27.9)		(38.7)
Cash and cash equivalents at end of period	11.3	14.9	3.6		11.7
Free cash flow	27.2	65.9	38.7		58.3

* "Free cash flow" = "Net cash provided by (used in) operating activities" - "Capital expenditures (incl. acquisition and others)"

(3) Balance Sheet Data

	(billions of yen)		
	2010		
	Mar 31	Sep 30	Diff.
Total assets	951.1	963.9	12.8
Liabilities	449.8	448.0	(1.8)
Bonds and debentures	120.0	120.0	0.0
Borrowings	234.0	214.0	(20.0)
Equity	501.3	515.9	14.6
Shareholders' equity	500.6	515.1	14.5
Shareholders' equity ratio to total assets (%)	52.6	53.4	0.8

2) Net Sales by Business Segment

(billions of yen)

	FY2009	FY2010	YOY %	<u>Full</u> FY2009
Net sales	218.5	235.9	107.9	444.7
Ethical drugs	143.7	152.5	106.1	

8. Stock Information

1) Number of Shares Issued and Shareholder

As of September 30, 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	Average Number of Shares per Shareholder (shares)
1,100,000,000	296,566,949	11,629,885	99,986	2,966

* Number of shares issued and outstanding includes treasury stock.

2) Top 10 Shareholders

As of September 30, 2010

	Shares (1,000 shares)	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,398	5.53
Nippon Life Insurance Company	15,344	5.17
Japan Trustee Services Bank, Ltd. (Trust Account)	14,652	4.94
Saitama Resona Bank, Limited	12,398	4.18
JP MORGAN CHASE BANK 385147	7,993	2.70
Eisai Employee Shareholding Association	6,816	2.30
Sumitomo Life Insurance Company	5,015	1.69
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	4,982	1.68
Mizuho Corporate Bank, Ltd.	4,680	1.58
National Mutual Insurance Federation of Agricultural Cooperatives	4,521	1.52

* Treasury stock (11,629 thousands shares, 3.92%) is excluded as it has no voting rights.

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

3) Number of Shareholders by Category

	2010 Mar 31	%	2010 Sep 30	%	Diff.
Financial institutions	193	0.3	206	0.2	13
Securities companies	55	0.1	74	0.1	19
Other Japanese corporations	1,126	1.5	1,229	1.2	103
Corporations outside Japan, etc.	525	0.7	502	0.5	(23)
Individuals and others	74,285	97.5	97,974	98.0	23,689
Treasury stock	1	0.0	1	0.0	0
Total	76,185	100.0	99,986	100.0	23,801

4) Number of Shares Held by Category

(1,000 shares)

	2010 Mar 31	%	2010 Sep 30	%	Diff.
Financial institutions	130,057	43.9	126,171	42.5	(3,885)
Securities companies	10,536	3.6	8,511	2.9	(2,025)
Other Japanese corporations	22,201	7.5	22,774	7.7	572
Corporations outside Japan, etc.	61,655	20.8	51,777	17.5	(9,878)
Individuals and others	60,486	20.4	75,701	25.5	15,215
Treasury stock	11,629	3.9	11,629	3.9	0
Total	296,566	100.0	296,566	100.0	-

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

5) Breakdown of Shareholders by Number of Shares Held

(investors)

	2010	%	2010	%	Diff.
	Mar 31		Sep 30		
1 million shares and over	53	0.1	46	0.0	(7)
100,000 ~ 999,999 shares	154	0.2	154	0.2	0
10,000 ~ 99,999 shares	867	1.1	999	1.0	132
1,000 ~ 9,999 shares	14,712	19.3	18,967	19.0	4,255
100 ~ 999 shares	55,471	72.8	74,605	74.6	19,134
less than 100 shares	4,928	6.5	5,215	5.2	287
Total	76,185	100.0	99,986	100.0	23,801

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

(1,000 shares)

	2010	%	2010	%	Diff.
	Mar 31		Sep 30		
1 million shares and over	186,231	62.8	172,501	58.2	(13,729)
100,000 ~ 999,999 shares	45,408	15.3	44,256	14.9	(1,151)
10,000 ~ 99,999 shares	21,357	7.2	23,113	7.8	1,756
1,000 ~ 9,999 shares	30,290	10.2	38,403	12.9	8,113
100 ~ 999 shares	13,098	4.4	18,107	6.1	5,008
less than 100 shares	181	0.1	184	0.1	3
Total	296,566	100.0	296,566	100.0	-

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

(2) Subsidiaries in Japan (11 companies)

As of September 30, 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	70.39%	Agro-chemical prod./sales

* Fractions in "Common Stock" are rounded down.

2) Associated Company (1 company)

As of September 30, 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.

10. Number of Employees

1) Number of Employees on Consolidated Basis

	(persons)			
	2008	2009	2010	2010
	Mar 31	Mar 31	Mar 31	Sep 30
Total employees	10,686	10,977	11,415	11,653
Japan	5,453	5,592	5,675	5,709
U.S.	2,699	2,647	2,701	2,562
Europe	861	951	1,015	1,045
Asia and others (exc. Japan)	1,673	1,787	2,024	2,337

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

	(persons)			
	2008	2009	2010	2010
	Mar 31	Mar 31	Mar 31	Sep 30
Total employees (non-consolidated)	4,137	4,308	4,367	4,372
Production	800	801	774	764
Research and development	1,123	1,174	1,236	1,210
Sales, marketing and administration	2,214	2,333	2,357	2,398

* 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.

11. Major Events

Date	Description
April 2010	

Date	Description
August	<p>Announced that a Phase III study with AMPA receptor antagonist perampanel (E2007) conducted in patients with epilepsy met its primary endpoint <announced on August 24></p> <p>Submitted an application for additional indication of Humira, a fully human anti-TNF monoclonal antibody, for the treatment of juvenile idiopathic arthritis in Japan <announced on August 30></p> <p>Received notification from the U.S. FDA about an extension to the review period of the NDA for investigational anticancer agent eribulin mesylate(E7839) <announced on August 30></p>
September	<p>Commenced the first clinical study of BAN2401 in the U.S., a novel monoclonal antibody targeting the neurotoxic protofibrils believed to cause Alzheimer's disease <announced on September 2></p> <p>Launched the rapid acting secretagogue Glufast in China <announced on September 3></p> <p>Launched Symbenda (bendamustine hydrochloride) in Singapore for the treatment of low-grade non-Hodgkin's lymphoma and chronic lymphatic leukemia <announced on September 7></p> <p>Announced results of a Japanese clinical trial that confirmed the safety and efficacy of insomnia treatment SEP-190 as well as plans to submit a marketing authorization application to the regulatory authorities in Japan in fiscal 2010 <announced on September 15></p> <p>Announced results of a U.S. FDA Advisory Committee meeting concerning lorcaserin, a potential obesity and weight management treatment <announced on September 17></p> <p>The new drug application for a new weekly transdermal patch formulation of the Alzheimer's disease agent Aricept was accepted for review in the U.S. <announced on September 17></p> <p>Concluded agreements with Anaeropharma Science, Inc. concerning the novel anticancer agent APS001 and a drug delivery system using <i>Bifidobacterium Longum</i> <announced on September 29></p> <p>Concluded a licensing agreement with Brain Factory Co., Ltd. concerning the development and commercialization of a derivative of the antifungal agent ravuconazole (ravuconazole prodrug) in Japan <announced on September 30></p>
October	<p>The National Institute for Health and Clinical Excellence (NICE) issued new draft guidance recommending that Alzheimer's disease medications be made available to patients with mild forms of the disease <announced on October 7></p> <p>The U.S. FDA issues a complete response letter for lorcaserin new drug application <announced on October 23></p> <p>Announced Japan approval of the anticancer agent Treakisym for the treatment of relapsed or refractory low-grade B-cell non-Hodgkin's lymphoma and mantle cell lymphoma <announced on October 27></p> <p>Announced Japanese approval of indication replacement concerning Lyrica from its current indication of postherpetic neuralgia to a new and broader indication of peripheral neuropathic pain <announced on October 27></p> <p>Announced withdrawal of Japanese marketing authorization application of a potential obesity management agent KES524 <announced on October 28></p>

12 Major R&D Pipeline

1) R&D Pipeline (Japan, United States, Europe)

R&D Pipeline List

Product Name/Research Code	Additional Indication, etc.	Development Stage	Therapeutic Area
New Approval			
Tambocor (Tachyarrhythmia in pediatric patients)	AI, ADA	(Japan) approved	Vascular and Immunological Reaction
Pariet (Concomitant therapy for eradication of <i>Helicobacter pylori</i>)	AI	(Japan) approved	Gastrointestinal Disorders
Pariet (Non-erosive gastroesophageal reflux disease)	AI, ADA	(Japan) approved	Gastrointestinal Disorders
Humira (Ankylosing spondylitis)	AI	(Japan) under review	Vascular and Immunological Reaction
Pariet/Aciphex (Extended-release 50 mg formulation)	AF	(US) under review (EU) under review	Gastrointestinal Disorders

(1) Oncology and Supportive Care

Research Code: **E7389** Generic name: **eribulin mesylate** (Anticancer agent/microtubule dynamics inhibitor)

Description: A synthetic analog of halichondrin B derived from a marine sponge. Believed to exert an antitumor effect by arresting the cell cycle through inhibition of the growth of microtubules. Currently being investigated as a potential treatment for various solid tumors such as breast cancer. Granted priority review status in the United States and Japan.

Breast cancer	Switzerland: under review(July 2009) Singapore: under review(July 2009) US: submitted(March 2010), accepted(May 2010) EU: submitted(March 2010), accepted(May 2010) Japan: under review(March 2010)	Inj.
Non small cell lung cancer	US: PII	Inj.
Prostate cancer	US: PII EU: PII	Inj.
Sarcoma	EU: PII	Inj.

Research Code: **E7820** (Anticancer agent/angiogenesis inhibitor that suppresses alpha 2 integrin expression)

Description: An angiogenesis inhibitor that suppresses the expression of alpha 2 integrin, a vascular endothelial cell adhesion molecule.

Colorectal cancer	US: PII	Oral
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† development progress from July 2010 onwards

ç submission target changed from the previous announcement

' development progress from July 2010 onwards
ç submission target changed from the previous announcement

Research Code: **E2007** Generic name: **perampanel** (AMPA receptor antagonist)

Description: A selective AMPA-subtype glutamate receptor antagonist for the treatment of a variety of neurological disorders.			
Epilepsy	US: PIII EU: PIII Japan: PII	Submission Target FY2011	Oral
Neuropathic pain	US: PII EU: PII		Oral
Multiple sclerosis	EU: PII		Oral
Migraine prophylaxis	US: PII		Oral

Research Code: **AS-3201** Generic name: **ranirestat** (Treatment for diabetic complications/aldose reductase inhibitor)

Description: 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.			
Diabetic neuropathy	US: PII/III EU: PII/III		Oral

Product Name: **Zonegran** Research Code: **E2090** Generic name: **zonisamide** (Anti-epileptic agent)

Description: 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.			
Additional Formulations: Orally disintegrating tablet	EU: approved (July 2010)		Oral
Additional Indications: Pediatric epilepsy	EU: PIII	Submission Target FY2011	Oral
Additional Indications: Monotherapy for epilepsy	EU: PIII	Submission Target FY2011	Oral

Research Code: **E0302** Generic name: **mecobalamin** (Amyotrophic lateral sclerosis)

Description: A mecobalamin Vitamin B ₁₂ coenzyme formulation. Restores 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).			
Amyotrophic Lateral Sclerosis (ALS)	Japan: PII/III		Inj.

Research Code: **E2014** Generic name: **botulinum toxin type B** (Cervical dystonia)

Description: Acts on cholinergic nerve terminal synapses at neuromuscular junction and inhibits the release of acetylcholine to relax muscles. Currently seeking approval as a treatment for cervical dystonia.			
Cervical dystonia	Japan: under review (December 2006)		Inj.

Research Code: **SEP-190** Generic name: **eszopiclone** (Treatment for insomnia/GABA_A receptor agonist)

Description: A non-benzodiazomnia/GABA

† development progress from July 2010 onwards
ç submission target changed from the previous announcement

(3) Vascular and Immunological Reaction

Product Name: **Humira** Research Code: **D2E7** Generic name: **adalimumab**

’ development progress from July 2010 onwards
ç submission target changed from the previous announcement

' development progress from July 2010 onwards
ç submission target changed from the previous announcement

2) R&D Pipeline (Asia)

Product Name: **Glufast** Generic name: **mitiglinide** (Rapid-acting insulin secretagogue agent)

Description: By selectively binding to sulfonylurea receptors in pancreatic beta cells, it accelerates insulin release which results in the reduction of blood glucose. (In-licensed from Kissei Pharmaceutical Co., Ltd.)

Type 2 diabetes mellitus	approved: Thailand, Philippines	Oral
	under review: Indonesia, Malaysia	

Product Name: **G 0 987848(i)12(c n)75-15()2c n77 1721 Tf794269(ipt)98(i)-59(o)84(n)04(:)J98787 0 0 721 Tf782 7n26(c n)7**

’ development progress from July 2010 onwards
ç submission target changed from the previous announcement