

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

**FOR IMMEDIATE RELEASE
November 7, 2001**

On November 7, 2001, Eisai Co., Ltd., announced semiannual consolidated financial results for the fiscal year ending March 31, 2002.

- Date of the Board of Directors' Meeting for presentation of semiannual consolidated financial results: November 7, 2001

- These financial presentations do not conform to U.S. financial presentation standards.

- Eisai is listed on the First Section of both the Tokyo Stock Exchange and the Osaka Securities Exchange.

- Securities Code Number: 4523

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Note: For additional specific information, please refer to the official Japanese-language version of this release.
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1. CONSOLIDATED SEMIANNUAL FINANCIAL RESULTS (APRIL 1, 2001 – SEPTEMBER 30, 2001)

(1) RESULTS OF SEMIANNUAL OPERATIONS

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
April 1, 2001- September 30, 2001	¥210,988 mil.	20.6%	¥39,013 mil.	25.5%	¥40,222 mil.	26.3%
April 1, 2000- September 30, 2000	¥174,947 mil.	18.1%	¥31,096 mil.	59.4%	¥31,856 mil.	63.9%
April 1, 2000- March 31, 2001	¥361,712 mil.		¥58,967 mil.		¥63,241 mil.	

Period	Net Income	Percent Change	Earnings per Share (EPS)	Fully Diluted EPS
April 1, 2001- September 30, 2001	¥19,953 mil.	125.1%	¥67.31	¥66.63
April 1, 2000- September 30, 2000	¥8,865 mil.	227.2%	¥29.91	¥29.63
April 1, 2000- March 31, 2001	¥23,322 mil.		¥78.68	¥77.91

- Notes: 1. Equity in earnings of unconsolidated subsidiaries and associated companies accounted for using the equity method was ¥41 mil. and ¥11 mil. for the interim periods ended September 30, 2001 and September 30, 2000, respectively. The equity in losses for year ended March 31, 2001 was ¥62 mil.
2. Average Common Stock issued and outstanding:
- Interim period ended September 30, 2001: 296,450,321
 - Interim period ended September 30, 2000: 296,424,499
 - Fiscal year ended March 31, 2001: 296,433,302
3. There have been no changes in accounting methods used by the Company during the periods ended September 30, 2001, and 2000.
4. Percentage increase (decrease) compares periods ended September 30, 2000 and 1999.

(2) FINANCIAL POSITION

Year End	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Assets	Shareholders' Equity per Share
September 30, 2001	¥555,534 mil.	¥359,318 mil.	64.7%	¥1,212.07
September 30, 2000	¥513,031 mil.	¥332,290 mil.	64.8%	¥1,121.00
March 31, 2001	¥549,444 mil.	¥345,895 mil.	63.0%	¥1,166.80

- Note: Common Stock issued and outstanding:
- Interim period ended September 30, 2001: 296,450,685
 - Interim period ended September 30, 2000: 296,422,662
 - Fiscal year ended March 31, 2001: 296,448,217

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

(3) CASH FLOW CONDITION

Year End	Operating Cash Flow	Investing Cash Flow	Financial Cash Flow	Cash & Cash Equivalents
September 30, 2001	¥33,140 mil.	(¥1,197 mil.)	(¥5,690 mil.)	¥131,167 mil.
September 30, 2000	¥43,236 mil.	(¥28,807 mil.)	(¥3,489 mil.)	¥63,314 mil.
March 31, 2001	¥84,996 mil.	(¥19,552 mil.)	(¥17,712 mil.)	¥106,338 mil.

(4) NUMBER OF CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

- Consolidated subsidiaries: 35
- Associated companies: 3

(5) CHANGES IN NUMBER OF CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

- Number of newly consolidated subsidiaries: 2
- Number of companies omitted from consolidation: 1
- Number of companies to which equity method is newly applied: 0
- Number of companies omitted from application of equity method: 2

2. FORECASTED CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2002

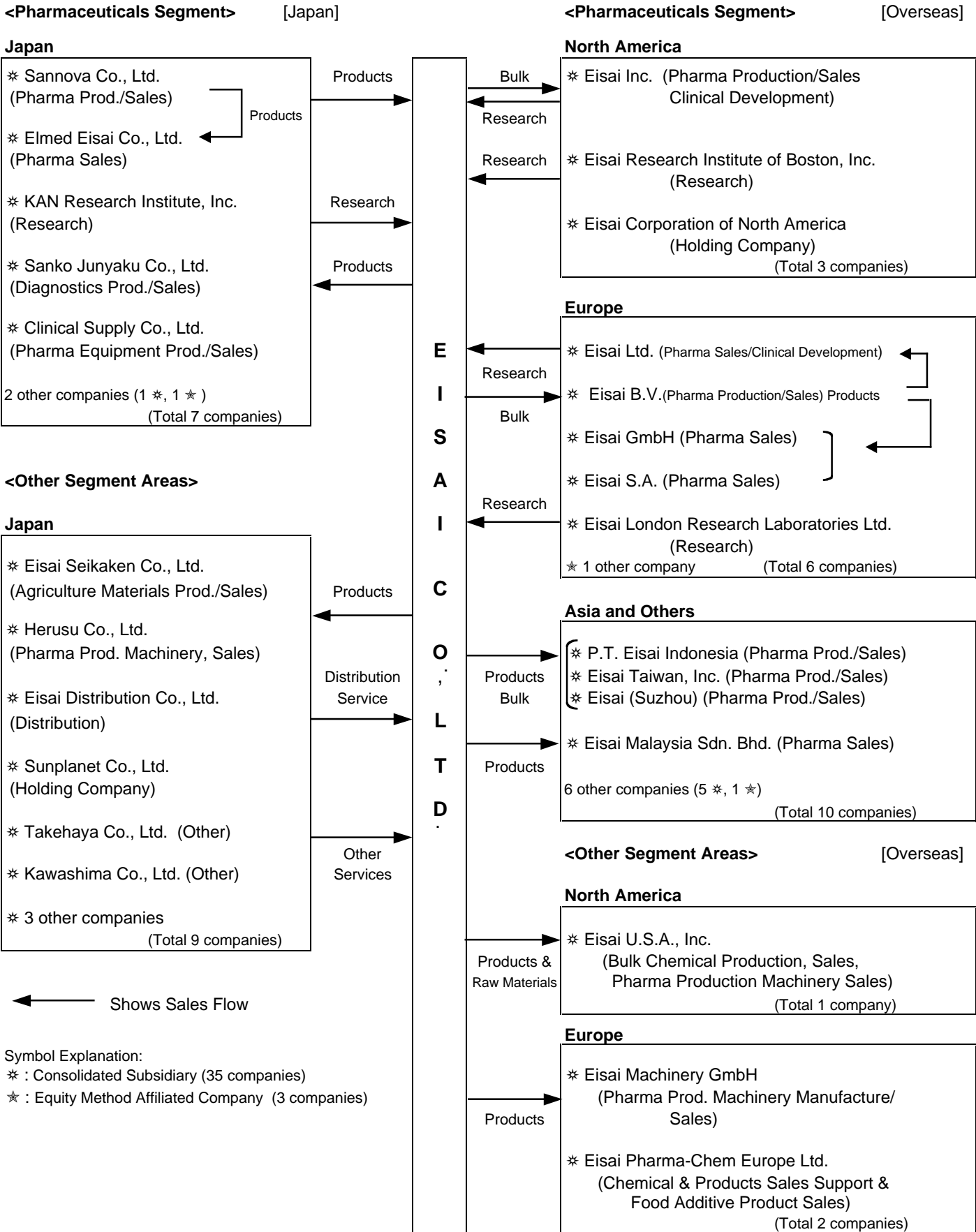
Period	Net Sales	Ordinary Income	Net Income
April 1, 2001- March 31, 2002	¥ 410,000 mil.	¥ 74,000 mil.	¥ 36,000 mil.

Note: Forecasted Annual Earnings per Share (EPS): ¥121.44

I. Business Flows Within the Group

The Company consists of 35 consolidated subsidiaries and 3 associated companies.

The diagram below shows the principal operations and flows within the Group.



Affiliated Companies

(Consolidated Subsidiaries)

Company Name	Location	Common Stock	Equity(%) Ownership	Description of Operations	Relationship/Operations	Com.
Sanko Junyaku Co., Ltd.	Tokyo	¥5,262 million	50.85%	Diagnostic product prod./sales	(E) Diagnostic product production/sales	❄
Sannova Co., Ltd.	Gunma Pref.	¥926 million	79.28%	Pharmaceutical prod./sales	(E) pharmaceutical production/purchase	❄
Elmed Eisai Co., Ltd.	Tokyo	¥450 million	100.00%	Pharmaceutical sales	-	
KAN Research Institute, Inc.	Kyoto	¥70 million	100.00%	Basic research	(E) contract basic research	
Eisai Distribution Co., Ltd.	Kanagawa Pref.	¥60 million	100.00%	Pharmaceutical distribution	(E) pharmaceutical product distributon	
Clinical Supply Co., Ltd.	Gifu Pref.	¥80 million	84.80%	Medical instruments production/sales	-	
Sunplanet Co., Ltd.	Tokyo	¥455 million	84.56%	Holding Company	-	
Herusu Co., Ltd.	Tokyo	¥64 million	75.00%	Pharmaceutical machinery, etc. sales	(E) Pharmaceutical machinery, etc. sales	
Eisai Seikaken Co., Ltd.	Tokyo	¥50 million	70.00%	Agro-chemical prod./sales	-	
Dymec Co., Ltd.	Chiba Pref.	¥30 million	84.80% (84.80%)	Medical instruments production/sales	-	
Eland Co., Ltd.	Tokyo	¥400 million	84.56% (84.56%)	Real estate management	Management of (E) real estate	
Takehaya Co., Ltd.	Tokyo	¥67 million	84.56% (84.56%)	Printing/admin. services, insurance agency services	(E) purchase of printing/admin. serv., insurance agency services	
Kawashima Co., Ltd.	Gifu Pref.	¥50 million	84.56% (84.56%)	Catering /administrative services	(E) purchase of catering /administrative services	
Seiansha Co., Ltd.	Tokyo	¥30 million	84.56% (84.56%)	Promotion/production/sales	(E) purchase of promotion/sales product materials	
Gakuen Shoji Co., Ltd.	Ibaraki Pref.	¥20 million	84.56% (84.56%)	Catering /administrative services	(E) purchase of catering /administrative services	
Unit=thousand						
Eisai Corporation of North America	New Jersey, USA	179,100 US\$	100.00%	U.S. subsidiaries holding company	-	❄
Eisai Inc.	New Jersey, USA	83,600 US\$	100.00% (100.00%)	Pharmaceutical production/sales/clinical research	(E) Pharmaceutical production/sales/clinical research	❄
Eisai Research Institute of Boston, Inc.	Massachusetts, USA	65,300 US\$	100.00% (100.00%)	Basic research/clinical trial process research	(E) Basic research/ clinical trial process research	❄
Eisai U.S.A., Inc.	Texas, USA	29,500 US\$	100.00% (100.00%)	Bulk chem. prod./sales and machinery sales	(E) Bulk chem. prod./sales and machinery sales	
Eisai Ltd.	London, U.K.	15,548 UK£	100.00%	Pharmaceutical sales/clinical research	(E) Pharmaceutical sales/clinical research	
Eisai London Research Laboratories Ltd.	London, U.K.	12,000 UK£	100.00%	Basic research	(E) Basic research	
Eisai Pharma-Chem Europe Ltd.	London, U.K.	100 UK£	100.00%	Bulk chemical sales support	(E) Bulk chemical sales support	
Eisai GmbH	Frankfurt, FRG	7,669 EUR	100.00%	Pharmaceutical sales	(E) Pharmaceutical sales	
Eisai Machinery GmbH	Cologne, FRG	1,278 EUR	100.00% (100.00%)	Pharmaceutical machinery prod./sales	(E) Pharmaceutical machinery sales	
Eisai S.A.	Paris, France	19,500 EUR	100.00%	Pharmaceutical sales	-	
Eisai B.V.	Amsterdam, Neth.	540 EUR	100.00%	Pharmaceutical production/sales	(E) Pharmaceutical bulk sales	
P.T. Eisai Indonesia	Jakarta, Indonesia	5,000 US\$	79.60%	Pharmaceutical prod./sales	(E) Pharmaceutical production/sales	
Eisai Asia Regional Services Pte. Ltd.	Singapore	26,400 S\$	100.00%	Pharmaceutical management/sales support	(E) Pharmaceutical management/sales support	
Eisai (Malaysia) Sdn. Bhd.	Petal. Jaya, Malay.	470 M\$	98.09% (5.74%)	Pharmaceutical sales	(E) Pharmaceutical sales	
Eisai (Thailand) Marketing Co., Ltd.	Bangkok, Thailand	11,000 Baht	49.90% (49.90%)	Pharmaceutical production/sales	(E) Pharmaceutical sales	
Eisai Hong Kong Co., Ltd.	Hong Kong	500 HK\$	100.00% (10.00%)	Pharmaceutical production/sales	(E) Pharmaceutical sales	
Eisai Taiwan, Inc.	Taipei, Taiwan	250,000 NT\$	100.00%	Pharmaceutical production/sales	(E) Pharmaceutical sales	
Weizai Co., Ltd.	Taipei, Taiwan	20,000 NT\$	100.00%	Pharmaceutical sales	-	
Eisai (Suzhou) Pharmaceutical Co., Ltd.	Suzhou, China	139,274 RMB	100.00% (100.00%)	Pharmaceutical production/sales	(E) Pharmaceutical sales	
Eisai Korea Inc.	Seoul, Korea	3,512,000 Won	100.00%	Pharmaceutical sales	-	

(Equity in Earnings in Associated Companies)

Company Name	Location	Common Stock (Unit: millions)		Equity(%) Ownership	Description of Operations	Relationship/Operations	Com.
Bracco-Eisai Co., Ltd.	Tokyo	340	Yen	49.00%	Contrast media import production/sales	(E) Contrast media purchase	
Eisai-Novartis Verwaltungs GmbH	Nuremberg, FRG	0.025	EUR	50.00% (50.00%)	Prescription pharmaceuticals	-	
Hi-Eisai Pharmaceutical Inc.	Manila, Philippines	31	Peso	49.90% (1.45%)	Pharmaceutical sales	(E) Pharmaceutical sales	

- Notes: 1. ※ indicates specially designated subsidiary according to the stock exchange law. (E) indicates Eisai Co., Ltd.
2. The stock of Sanko Junyaku Co., Ltd. is traded in the Over-the-Counter market.
3. The Company has a 50 percent or less equity ownership in Eisai (Thailand) Marketing Co., Ltd., but is considered as a consolidated subsidiary under the application of the "controlling entity" standard.
4. *Equity (%) ownership* : Figures in parenthesis represent percentage indirectly owned by Eisai.
5. Eisai Europe Ltd., and Eisai-Novartis GmbH & Co. KG were liquidated in April and May 2001 respectively. Eisai-Novartis Verwaltungs GmbH is in the process of liquidation.
6. Eland Co., Ltd., Takehaya Co., Ltd., Kawashima Co., Ltd., Seiansha Co., Ltd., and Gakuen Shoji Co., Ltd. came under the auspices of the holding company, Sunplanet Co., Ltd., a consolidated subsidiary, in April 2001 which affects the equity ownership of the Company. The Company has a greater than 50% equity in earnings ownership in Gakuen Shoji Co., Ltd.; therefore, it is treated as a consolidated subsidiary from this period.
7. In August 2001, Eisai U.S.A., Inc. discontinued synthetic vitamin E production and bulk chemical sales operations.
8. In the consolidated financial results for the interim period under review, sales of subsidiaries representing greater than ten (10) percent of consolidated sales include one subsidiary, Eisai Inc. and the principal financial results are noted below.

Sales	¥73,457 mil.
Ordinary income	¥5,408 mil.
Net income	¥3,082 mil.
Shareholders' equity	¥15,494 mil.
Total assets	¥90,953 mil.

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS FOR THE SEMIANNUAL PERIOD ENDED SEPTEMBER 30, 2001

(2) MANAGERIAL POLICY

1. Managerial Policy

Eisai's managerial policy is to be a global human health care (*hhc*) company capable of operating under diverse health care systems by providing products after careful consideration of the health care needs of patients and their families.

2. Mid & Long-term Managerial Strategy

Eisai's mid and long-term strategy actively seeks to address unmet medical needs in order to improve patients' quality of life worldwide.

Fiscal 2001 marks the conclusion of our third Five Year Strategic Plan which was initiated in 1986. At present we are devising our next mid to long-term managerial strategy. In the new millennium, Eisai will continue to focus on the actualization of customer satisfaction, increase corporate value, and providing the strategic resources necessary to maintain growth.

3. Topics/Issues Facing the Company

With the slowdown in the global economy and expected reforms of the health care system in Japan, the Company is expanding efforts to increase transparency and is actively dealing with the important issues noted below.

•Research and Development

The Company is making strategic resource and human capital allocations to ensure the productivity of our research and development operations. In addition, we are taking decisive steps in drug discovery research including cooperating with leading external organizations to maximize cutting-edge genomic sciences in order to promote research in the strategic therapeutic areas of neurology and gastroenterology.

•Quality

The Company is strengthening its quality control systems in the areas of production and distribution. The Company considers that product formulation and packaging are integral to quality and serve to promote appropriate consumption and information.

•Pharmaceutical Operations

Significant changes are occurring in patient awareness and medical technology, and the Company is taking measures to meet the expectations of patients and consumers as well as measures to encourage interactive information exchange in order to increase customer satisfaction.

•**Environmental Preservation**

The Company will make efforts to develop product formulations and packaging which serve to reduce resource requirements, waste disposal, and promote the efficient use of resources such as energy.

In addition, on a corporate-wide basis, these efforts are expected to make contributions to global environmental preservation.

•**Relationship Management**

The Company places a high priority on effective communication with stakeholders and endeavors to contribute to socially desirable activities as a good corporate citizen.

4. Corporate Governance

The Company has made efforts to improve corporate governance in order to strengthen the oversight role of the Board of Directors, and clarify the functions and responsibilities of the Corporate Officers. As a result, the Company has accomplished speed and transparency of managerial and executive decision-making resulting in a higher degree of managerial efficiency. As of June 2001, two of the nine Board of Director members are Non-Executive Board Members and three of our five Corporate Auditors are outside auditors. In addition, a Non-Executive Board Member chairs the Corporate Governance Committee which proposes Board of Director member, Corporate Officer, and Corporate Auditor appointments well as remuneration. The Company will continue to make efforts to enhance transparency and accountability to our stakeholders and to deal with other corporate governance issues.

5. Compliance

The Company continues to concentrate efforts on complying with legal and ethical standards as a fundamental component of business activities. A department responsible for compliance conducts compliance training in accordance with a renewed compliance program. The department has also established a compliance helpline for employee consultation on compliance issues, and strengthens internal auditing. The Company will continue to promote the observance of the highest legal and ethical standards in the conduct of business.

6. Dividend Policy

The Company maintains a fundamental policy of rewarding shareholders with stable dividends, derived from non-consolidated and consolidated operations, while simultaneously retaining sufficient funds for new product development and strengthening corporate competitiveness.

(3) MANAGERIAL RESULTS

1. Overview

During the period under review, high growth in the pharmaceutical market continued in the U.S. and Europe, and the market in Japan also experienced growth. Sales in Japan were stable while sales growth in the U.S. and Europe was higher than the average market growth yielding the consolidated results noted below.

Operational Results

The Company posted consolidated net sales of ¥210,988 million, a 20.6% increase from the previous year's period; operating income of ¥39,013 million (25.5% increase); ordinary income of ¥40,222 million (26.3% increase); and net income of ¥19,953 million (125.1% increase).

With respect to sales, the Alzheimer's disease treatment, *ARICEPT*, recorded favorable sales in the U.S., Europe, Japan, and Asia of ¥42,512 million (39.0% increase) and the gastrointestinal disorder treatment, *ACIPHEX/PARIET*, achieved a particular sales expansion in the U.S. with recorded sales of ¥46,718 million (103.0% increase). Both of these products contributed to significant increases in revenue and income levels over the same period last year.

In addition, during the period under review, the discontinuance of a synthetic bulk vitamin E production facility operation in the U.S. as well as valuation losses on investment securities among others, led to a extra-ordinary loss of ¥5,871 million.

Cash Flows

Growth in the pharmaceutical area from U.S. and European operations led to significant increases in income before income taxes in comparison to the same period last year. And operating income was ¥55,957 million which was a ¥4,055 million increase over the same period the previous year. Cash paid for income taxes in the period was ¥24,212 million which was a ¥14,883 million increase over the same period the previous year. Net cash provided by operating activities for the period was ¥33,140 million.

Purchases of fixed assets were ¥8,208 million (¥2,663 million increase from the same period last year) and there was a change in investing from 3 months or more financial instruments to less than 3 months financial instruments (cash and cash equivalents). Thus, cash used in investing activities amounted to ¥1,197 million. With respect to financing activities, dividends paid, as well as switching to internal financing in order to reduce bank borrowing, resulted in a total outflow of ¥5,690 million.

The above resulted in an increase in cash and cash equivalents with a balance of ¥131,167 million, which was an increase of ¥24,319 million over the previous fiscal year end period.

Sales by Industry Segment

The breakdown of sales by business segment is noted as follows:

Pharmaceutical

Within the prescription pharmaceutical area, European and U.S. sales of *ARICEPT* and *ACIPHEX/PARIET* continued to make significant contributions, and in Japan, *ARICEPT* and the peripheral neuropathy treatment *METHYCOBAL*, continued sales growth. In the over-the-counter area, contributions were also recorded in the vitamin B₂ product line from additions to the *CHOCOLA BB* family of products, and the introduction of the nasal strip, *BreatheRight*[®]. As a result pharmaceutical sales were ¥196,652 million (22.5% increase). Operating income was ¥43,003 million (17.6% increase).

Others

The impact of poor market conditions on food additives and fine chemicals, veterinary and livestock feed products, and pharmaceutical production machinery led to sales of ¥14,336 million (0.2% decrease), and an operating loss of ¥643 million (¥602 million improvement from the same period last year) in this segment.

Sales by Area

Japan

Sales amounted to ¥125,779 million (1.8% increase) with operating income of ¥38,913 million which was a 4.6% increase over the same period last year. Sales of *ARICEPT* were ¥7,054 million (96.6% increase) and sales of *METHYCOBAL* were ¥15,615 million (5.2% increase). Sales of *PARIET* and the allergy treatment *AZEPTIN* declined.

North America

Sales in North America were ¥72,645 million (70.5% increase). Operating income for the area was ¥4,424 million (¥4,694 million increase from the same period last year) which was a significant contribution to consolidated results in the period. Sales of *ARICEPT* were ¥28,740 million (29.5% increase). Sales of *ACIPHEX* increased significantly and were ¥41,311 million (133.9% increase).

Europe

Sales in Europe were ¥9,254 million (37.5% increase) and operating income was ¥197 million (37.9% decrease from the same period last year). Sales of *ARICEPT* were ¥5,908 million (36.9% increase) and sales of *PARIET* were ¥2,569 million (44.8% increase). Operating income decrease was due to an inventory expansion in synchronization with the sales increase.

Asia & Others

Sales in Asian countries of *ARICEPT*, and *PARIET* also made contributions leading to sales of ¥3,308 million (59.6% increase). Operating income was ¥650 million (176.5% increase).

Overseas Sales

Sales increases in the pharmaceutical segments in the U.S., Europe, and Asia led to overseas sales of ¥92,542 million which represents an increase of 61.2% over the previous fiscal year. The overseas ratio of sales expanded significantly from 32.8% to 43.9%.

Progress in R&D

A new sulfonamide derivative anti-cancer compound E7070, is in phase II clinical trials in the U.S. for the treatment of head and neck cancer and in Europe for colorectal and breast cancer. In the future, clinical trials are planned to focus on kidney and pancreatic cancer.

Phase II clinical trial patient enrollment preparations have been completed for E5564, an endotoxin antagonist for the treatment of sepsis.

In the U.S. preparations are in progress for the application of the additional indication for *ARICEPT* for the treatment of dementia with cerebral vascular disease. Phase III clinical research is in progress for the treatment of severe Alzheimer's disease and Phase II clinical research is in progress for the treatment of adult attention deficit hyperactivity disorder.

With respect to *ACIPHEX/PARIET*, the symptomatic GERD (gastroesophageal reflux disease) additional indication received approval in the E.U. via the Mutual Recognition Procedure, and the same indication is under review by the F.D.A. in the U.S. In Japan, preparations are in progress for the application of a new indication for GERD maintenance. Approval has already been received for the *H. pylori* eradication indication in the E.U. (in combination with antibiotics) and an application is currently being prepared in the U.S.

Production

The Company is taking action to strengthen its quality assurance system, and production operations to ensure the stable supply of *ARICEPT* and *PARIET* at all production sites around the world. In addition, following the successful production of *ARICEPT* at the U.S. production plant in North Carolina, the production of *ACIPHEX* has also commenced in September 2001.

Environmental Issues

The Company has established a corporate-wide Environmental Committee under the supervision of the Corporate Officer responsible for Environmental Affairs, in addition to establishing a specialized department to coordinate with each operating division for the promotion of environmental affairs.

The four principal production facilities in Japan have achieved ISO14001 certification for environmental management systems.

Investment and Financing

The Company's capital expenditure in the period under review amounted to ¥5,466 million focusing on production, and research and development facilities. Principal investments went to expanding U.S. pharmaceutical production facilities and research and development facilities.

Dividend Policy

The Company has increased the interim dividend by ¥3.00 in comparison to the same period last year for an interim dividend of ¥13.00 per share. (Interim dividend payment date, December 7, 2001.)

2. OUTLOOK FOR FISCAL YEAR 2001

The Company projects consolidated net sales of ¥410,000 million, a 13.3% increase from the prior year; operating income of ¥72,000 million, a 22.1% increase; ordinary income of ¥74,000 million, a 17.0% increase; and net income of ¥36,000 million, a 54.4% increase, for the fiscal period ending March 31, 2002.

With respect to dividends, the annual dividends paid last year of ¥23 are expected to be increased by ¥3.00, yielding an expected total annual dividend of ¥26.00 per share.

Note: The Company's performance and financial results could differ materially from those reflected in these forward-looking statements due to general, financial, economic, regulatory and political conditions affecting the pharmaceutical industry.

EISAI CO., LTD.

I. CONSOLIDATED SEMIANNUAL STATEMENTS OF INCOME

For the six-month periods ended September 30, 2001 and 2000, and year ended March 31, 2001

(Millions of Yen)

	April 1, 2001 - Sep. 30, 2001	April 1, 2000 - Sep. 30, 2000	Increase (Decrease)	April 1, 2000 - Mar. 31, 2001
Net sales	¥210,988	¥174,947	¥36,041	¥361,712
Cost of sales	52,301	49,072	3,229	98,601
Reversal of reserve for sales returns	68	102	(33)	132
Gross profit	158,756	125,977	32,779	263,243
Research and development expenses	24,667	22,563	2,103	49,613
Selling, general and administrative expenses	95,076	72,317	22,758	154,661
Operating income	39,013	31,096	7,916	58,967
Non-operating income	2,446	2,002	443	6,181
Interest and dividends income	1,710	1,405	305	3,187
Equity in earnings of associated companies	41	11	29	-
Other non-operating income	694	585	108	2,993
Non-operating expenses	1,236	1,242	(5)	1,907
Interest expense	227	548	(321)	687
Equity in losses in associated companies	-	-	-	62
Other non-operating expenses	1,009	694	315	1,157
Ordinary income	40,224	31,856	8,366	63,241
Extra-ordinary income	201	1,565	(1,363)	2,406
Gain on sales of property, plant & equipment	70	157	(87)	767
Gains on securities contributed to the retirement benefit trust	-	1,382	(1,382)	1,382
Other extra-ordinary income	131	24	106	256
Extra-ordinary loss	5,871	17,227	(11,356)	22,809
Loss on disposal of fixed assets	245	278	(33)	984
Loss on valuation of fixed assets	-	-	-	3,364
Loss on valuation of marketable securities	2,975	-	2,975	-
Loss associated with U.S. vitamin E factory closure	2,417	-	2,417	-
Losses on vitamin E litigation settlement	157	1,561	(1,404)	2,687
Amortization of transitional obligation for employees' retirement benefits	-	15,128	(15,128)	15,128
Other extra-ordinary loss	76	259	(182)	645
Income before income taxes and minority interests	34,553	16,193	18,359	42,837
Income taxes-current	17,332	18,105	(772)	33,131
Income taxes-deferred	(2,804)	(10,791)	7,987	(13,498)
Minority interests	71	15	56	(117)
Net income	¥19,953	¥8,865	¥11,088	¥23,322

EISAI CO., LTD.

II-1. CONSOLIDATED BALANCE SHEET

September 30, 2001, March 31, 2001, and September 30, 2000

(Millions of Yen)

ASSETS	September 30, 2001	March 31, 2001	Increase (Decrease)	September 30, 2000
Current assets:				
Cash and time deposits	¥111,090	¥98,203	¥12,886	¥74,614
Accounts receivable-trade	120,218	116,419	3,798	110,346
Short-term investments	33,023	28,331	4,692	26,854
Inventories	31,193	33,722	(2,528)	32,261
Deferred tax assets	18,062	15,873	2,188	13,945
Other current assets	7,283	14,175	(6,891)	15,334
Allowance for doubtful accounts receivable	(399)	(533)	133	(595)
Total current assets	320,472	306,192	14,280	272,762
Fixed assets:				
Property, plant and equipment	103,613	106,725	(3,111)	106,158
Buildings and structures	56,267	57,718	(1,450)	57,327
Machinery and vehicles	19,053	20,644	(1,590)	21,594
Land	18,575	18,929	(354)	19,047
Construction in progress	2,183	1,631	552	1,074
Others	7,532	7,801	(268)	7,113
Intangible assets	9,654	8,946	707	7,916
Investments and other assets	121,794	127,579	(5,785)	125,782
Investments in securities	71,234	77,243	(6,008)	77,682
Long-term loans receivable	133	145	(12)	184
Deferred tax assets	20,393	18,528	1,865	16,328
Other investments	30,569	32,143	(1,573)	32,037
Allowance for doubtful accounts receivable	(536)	(481)	(55)	(451)
Total fixed assets	235,061	243,251	(8,189)	239,857
Deferred charges	-	-	-	411
Total	¥555,534	¥549,444	¥6,090	¥513,031

EISAI CO., LTD.

II-2. CONSOLIDATED BALANCE SHEET

September 30, 2001, March 31, 2001, and September 30, 2000

(Millions of Yen)

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	September 30, 2001	March 31, 2001	Increase (Decrease)	September 30, 2000
Current liabilities:				
Accounts payable-trade	13,212	13,923	(710)	12,714
Short-term borrowings	5,833	7,500	(1,667)	7,581
Current portion of straight bonds	10,000	10,000	-	10,000
Current portion of long-term debt	85	155	(70)	1,551
Accounts payable-other	43,099	49,646	(6,547)	30,880
Accrued expenses	23,439	23,444	(5)	21,933
Accrued income taxes	16,095	22,997	(6,902)	16,720
Reserve for sales rebates	25,175	19,132	6,043	11,353
Other reserves	669	806	(136)	841
Other current liabilities	5,632	6,147	(515)	5,879
Total current liabilities	143,242	153,754	(10,512)	119,456
Long-term liabilities:				
Straight bonds	100	100	-	10,100
Convertible bonds	5,485	5,485	-	5,488
Long-term debt	210	262	(52)	66
Deferred tax liabilities	927	838	89	1,157
Liability for retirement benefits	34,648	31,403	3,244	32,655
Retirement allowances for Directors	1,827	1,946	(119)	1,890
Other long-term liabilities	718	616	102	462
Total long-term liabilities	43,916	40,651	3,264	51,820
Total liabilities	187,158	194,406	(7,248)	171,277
Minority interests	9,057	9,142	(84)	9,463
Shareholders' equity:				
Common stock	44,887	44,887	-	44,885
Additional paid-in capital	55,124	55,124	-	55,122
Retained earnings	262,347	246,350	15,996	234,854
Net unrealized gains (losses) on available-for-sale securities	(704)	1,005	(1,709)	3,020
Foreign currency translation adjustments	(2,329)	(1,456)	(872)	(5,501)
Treasury stock	(6)	(14)	8	(91)
Total shareholders' equity	359,318	345,895	13,423	332,290
Total	¥555,534	¥549,444	¥6,090	¥513,031

EISAI CO., LTD.

III. CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

April 1 to September 30, 2001, and 2000, and April 1, 2000 to March 31, 2001

(Millions of Yen)

	Apr. - Sept 2001	Apr. - Sept 2000	Apr. - Mar. 2001
Retained earnings, beginning balance	¥246,350	¥229,414	¥229,414
Decrease in retained earnings			
- Dividends	3,853	3,409	6,373
- Bonuses to Directors and Corporate Auditors	102	15	13
Total decrease	3,956	3,424	6,386
Net income	19,953	8,865	23,322
Retained earnings, ending balance	¥262,347	¥234,854	¥246,350

EISAI CO., LTD.

IV. CONSOLIDATED STATEMENTS OF CASH FLOWS

April 1 to September 30, 2001 and 2000 and April 1, 2000 to March 31, 2000

(Millions of Yen)

Periods	Apr. 2001 Sept. 2001	Apr. 2000 Sept. 2000	Inc./Dec.	Apr. 2000 Mar. 2001
I. Operating activities:				
Income before income taxes and minority interests	¥34,553	¥16,193	¥18,359	¥42,837
Depreciation and amortization	7,267	7,226	41	15,004
Increase (decrease) in allowance for doubtful accounts receivable	(78)	13	(92)	(31)
Interest and dividend income	(1,710)	(1,405)	(305)	(3,187)
Interest expense	227	548	(321)	687
Equity in earnings of associated companies	(41)	(11)	(29)	62
Net loss on sales and disposal of fixed assets	174	121	53	217
Loss on valuation of fixed assets	-	-	-	3,364
Gains on securities contributed to the retirement benefits trust	-	(1,382)	1,382	(1,382)
Amortization of transitional obligation for employees' retirement benefits	-	15,128	(15,128)	15,128
Provision for liability for retirement benefits	3,749	5,773	(2,023)	5,513
Gain on sales of securities and investments	(1)	23	(24)	(158)
Loss on valuation of securities	2,975	131	2,844	231
Losses on vitamin E litigation settlement	157	1,561	(1,404)	2,687
Losses associated with U.S. vitamin E factory closure	2,417	-	2,417	-
Increase in trade receivables	(3,650)	(2,916)	(733)	(5,996)
Decrease in inventories	2,029	1,769	259	1,721
Decrease in accounts payable	(1,147)	(1,272)	125	(2,031)
Increase in reserve for sales rebates	6,874	5,197	1,676	10,890
Other	2,161	5,202	(3,041)	16,717
Sub-total	55,957	51,901	4,055	102,275
Interest and dividends received	1,810	1,431	379	3,181
Interest paid	(223)	(501)	277	(768)
Payments on vitamin E litigation settlement	(191)	(266)	74	(1,546)
Cash paid for income taxes	(24,212)	(9,328)	(14,883)	(18,146)
Net cash provided by operating activities	33,140	43,236	(10,096)	84,996
II. Investing activities:				
Purchases of short-term investments	(801)	(8,558)	7,756	(11,733)
Proceeds from sales and maturities of short-term investments	7,562	6,534	1,028	20,671
Purchases of property, plant and equipment	(8,208)	(5,545)	(2,663)	(10,433)
Proceeds from sales of property, plant and equipment	107	238	(130)	1,009
Purchases of intangible assets	(2,124)	(1,060)	(1,063)	(3,484)
Purchases of investment securities	(9,357)	(12,289)	2,932	(29,148)
Proceeds from sales and maturities of investment securities	5,173	7,521	(2,348)	14,056
(Increase) decrease in time deposits (exceeding 3 months)	4,792	(16,343)	21,135	(1,743)
Other	1,657	695	962	1,254
Net cash used in investing activities	(1,197)	(28,807)	27,609	(19,552)
III. Financing activities:				
Increase (decrease) in short-term bank borrowings	(1,699)	87	(1,787)	(34)
Proceeds from long-term debt	-	-	-	345
Repayment of long-term debt	(122)	(50)	(72)	(1,595)
Corporate bond repayment	-	-	-	(10,000)
Dividends paid	(3,853)	(3,409)	(444)	(6,373)
Other	(14)	(118)	103	(55)
Net cash used in financing activities	(5,690)	(3,489)	(2,200)	(17,712)
Effect of exchange rate changes on cash and cash equivalents	(1,933)	(180)	(1,753)	6,051
Net increase (decrease) in cash and cash equivalents	24,319	10,758	13,560	53,782
Cash and cash equivalents at the beginning of year	106,338	52,555	53,782	52,555
Cash and cash equiv. of newly consolidated subsidiaries at beginning of year	509	-	509	-
Cash and cash equivalents at end of period	¥131,167	¥63,314	¥67,853	¥106,338

BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

I. Scope of consolidation

Consolidated subsidiaries: 35 Companies (increase of 2 companies and reduction of 1 company)

Major subsidiaries:

Sanko Junyaku Co., Ltd.
Sannova Co., Ltd.
Eisai Inc.
Eisai Research Institute of Boston, Inc.

II. Number of Companies Accounted for by the Equity Method

Associated companies: 3 Companies (reduction of 2 companies)

III. Treatment of Subsidiary in which the Semiannual period end is other than that of the Parent Company

The semiannual period end of Eisai (Suzhou) Pharmaceutical Co., Ltd. is June 30. The financial statements of Eisai (Suzhou) Pharmaceutical Co., Ltd., are prepared based on business transactions as of June 30, 2001, with necessary adjustments for material transactions being made in the Parent company's financial statements subsequent to that date.

IV. Significant Accounting Policies

1. Accounting Policies for Certain Assets

(1) Short-term and Investment Securities

Held-to-maturity Securities:

Stated at amortized cost.

Available-for-sale Securities

Marketable securities:

Stated at fair market value, with unrealised gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined by the moving average method.

Non-marketable securities: Stated at cost determined by the moving average method.

(2) Derivatives

Derivatives are stated at fair market value.

(3) Inventories

Inventories are stated at cost substantially determined by the average method for finished products, goods, work-in-process products, raw materials, supplies.

2. Depreciation of Fixed Assets

(1) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is computed by the declining-balance method at rates based on the estimated useful lives of the assets, while the straight-line method is used in consolidated subsidiaries outside Japan. The ranges of useful lives of assets are noted below.

Buildings	15 to 65 years
Machinery and equipment	6 to 7 years

(2) Intangible assets

Intangible assets are carried at cost less accumulated amortization which is computed by the straight-line method in the Company and all consolidated subsidiaries.

Amortization for software utilized internally is computed by the straight-line method over useful lives of five (5) years.

3. Accounting Policies for Certain Reserves

(1) Allowance for doubtful accounts receivable

The allowance for doubtful accounts is stated at amounts considered to be appropriate based on the Company's past credit loss experience and on evaluation of potential losses in the receivables outstanding.

(2) Reserve for sales rebates

Reserve is stated at an amount determined by multiplying inventories of distributors at the end of the period by the average rebate ratio, in order to provide for expenditures of sales rebates expected to be incurred after the end of the period. In addition, a portion of sales rebates in consolidated subsidiaries is calculated using an estimated rebate percentage associated with sales amounts at the end of the period.

(3) Other reserves

For the Company and certain consolidated subsidiaries in Japan, other reserves are stated in amounts noted below and are included in other current reserves in current liabilities.

(a) Reserve for returns of goods sold

A reserve for possible losses on sales returns is stated at the maximum amount permitted to be charged to income under the Japanese Income Tax Law.

(b) Reserve for write-off of goods returned

The reserve for write-off of goods returned is provided at an amount sufficient to cover possible losses on write-off of goods returned. It is stated at an amount calculated by the average of returns of goods sold and the write-off ratio of goods returned over 18 months.

(4) Retirement benefits

The Company accounted for the liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date.

The transitional obligation in the amount of ¥32,357 million determined as of April 1, 2000, was offset by the contribution of certain available-for-sale securities, with the fair value of ¥15,128 million, to the employees' retirement benefit trusts for the Company's pension plans. The remaining unfunded balance of ¥17,229 million (as well as ¥771 million for retirement benefits in consolidated subsidiaries in Japan) is being amortized over five (5) years and charged to income and presented as operating expenses in the statements of income.

The unrecognized prior service cost is being amortized over five (5) years and charged to income as a reduction of operating expense in the statements of income.

The unrecognized actuarial loss is being amortized over five (5) years from the preceding fiscal year.

(5) Retirement allowances for Directors and Corporate Auditors

The reserve for retirement allowance for Directors and Corporate Auditors is provided in the amount required in accordance with internal regulations as if all Directors and Corporate Auditors were to retire at the end of the interim period.

4. Standards for translation of principal assets and liabilities in foreign currencies into Yen

Monetary receivables and payables determined in foreign currency are translated into Yen at the exchange rate at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statements of income. Assets and liabilities of subsidiaries outside Japan are translated into Yen based on the spot rate as of the date of the interim settlement of accounts, income, and expense thereof are translated into Yen based on the average rate during the interim period and any difference arising out of such translation is included in the foreign currency translation adjustment account in shareholders' equity.

5. Leases

Finance leases other than those that deem to transfer ownership of the leased property to the lessee are accounted for as an operating lease for the Company and subsidiaries in Japan. For subsidiaries outside Japan, finance leases are generally accounted for as a capital lease purchase.

6. Consumption tax treatment

Income and expenses are recorded net of consumption taxes.

V. Cash and Cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows comprise cash on hand, demand deposits, and short-term investments that are readily convertible into cash, are exposed to insignificant risk of changes in value, all of which mature or become due within three months of the date of acquisition.

NOTES TO THE INCOME STATEMENT

1. Loss associated with U.S. vitamin E factory closure

Extra-ordinary losses recorded in the period associated with the U.S. vitamin E factory closure amounted to ¥2,417 million. This loss is associated with the closure of a synthetic vitamin E production facility and the discontinuance of bulk chemical sales in a U.S. subsidiary and the loss has been recorded as an extra-ordinary loss in the period under review. The loss is mainly comprised of a valuation loss on property, plant and equipment of ¥1,941 million.

2. Losses on vitamin E litigation settlement

Extra-ordinary losses recorded in the period as "Losses on vitamin E litigation settlement" amounted to ¥157 million including legal fees and other expenses and were associated with civil settlements reached with indirect purchasers of synthetic vitamin E in the United States. Additional information on this issue outside of that noted above regarding damage compensation is not available. With respect to losses on vitamin E litigation, U.S. civil litigation cases are on-going, and the European Commission is continuing an investigation, therefore, future losses may be incurred, but could not be estimated.

NOTES TO BALANCE SHEETS

	Sep-30-2001	Mar- 31-2001	Sep-30-2000
1. Accumulated depreciation of property, plant, and equipment	¥152,488 mil.	¥149,551 mil.	¥144,422 mil.
2. Pledged assets and debts			
Pledged assets	1,254 mil.	1,261 mil.	1,293 mil.
Pledged debts	580 mil.	457 mil.	503 mil.
3. Contingent liabilities			
Pledged liabilities	15 mil.	18 mil.	22 mil.
Factoring contract with bank	--	1,666 mil.	1,926 mil.
Endorsement of notes receivable	8 mil.	--	--
Trade notes receivable discounted	563 mil.	446 mil.	554 mil.
4. Matured notes at closing date			
(1) Notes receivable	523 mil.	596 mil.	488 mil.
(2) Notes payable	79 mil.	92 mil.	--

NOTES TO THE STATEMENTS OF CASH FLOWS

1. Reconciliation between cash and cash equivalents and the related accounts shown in the consolidated balance sheet at period end.

	Sep-30-2001	Sep-30-2000	Mar-31-2001
Cash and time deposits	¥111,090 mil.	¥74,614 mil.	¥98,203 mil.
Marketable securities	33,023 mil.	26,854 mil.	28,331 mil.
Total	¥144,114 mil.	¥101,469 mil.	¥126,535 mil.
Time deposits in which maturities are over three months	(¥3,389 mil.)	(¥22,695 mil.)	(¥8,066 mil.)
Over 3 month investments included in "Short-term investments"	(9,557 mil.)	(15,458 mil.)	(12,130 mil.)
Cash and cash equivalents	¥131,167 mil.	¥63,314 mil.	¥106,338 mil.

VIII. SEGMENT INFORMATION

1. Industry Segment Information

1) For the interim period ended September 30, 2001 (Millions of Yen)

	Pharmaceuticals	Others	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income/loss					
(1) Net sales to customers	¥196,652	¥14,336	¥210,988	-	¥210,988
(2) Intersegment sales	43	4,701	4,744	(¥4,744)	-
Total net sales	196,695	19,038	215,733	(4,744)	210,988
Operating expenses	153,691	19,672	173,363	(1,388)	171,975
Operating income (loss)	¥43,003	(¥634)	¥42,369	(¥3,356)	¥39,013

2) For the interim period ended September 30, 2000 (Millions of Yen)

	Pharmaceuticals	Others	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income/loss					
(1) Net sales to customers	¥160,579	¥14,367	¥174,947	-	¥174,947
(2) Intersegment sales	29	4,804	4,833	(¥4,833)	-
Total net sales	160,608	19,172	179,781	(4,833)	174,947
Operating expenses	124,053	20,408	144,462	(611)	143,850
Operating income (loss)	¥36,554	(¥1,236)	¥35,318	(¥4,222)	¥31,096

3) For the fiscal year ended March 31, 2001 (Millions of Yen)

	Pharmaceuticals	Others	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income/loss					
(1) Net sales to customers	¥334,250	¥27,461	¥361,712	-	¥361,712
(2) Intersegment sales	94	10,574	10,669	(¥10,669)	-
Total net sales	334,345	38,036	372,381	(10,669)	361,712
Operating expenses	265,588	40,785	306,373	(3,629)	302,744
Operating income (loss)	¥68,756	(¥2,749)	¥66,007	(¥7,039)	¥58,967

Notes:

(1) The Company classifies consolidated operations into two segments: Pharmaceuticals, including prescription pharmaceuticals, consumer health care products and diagnostics, and Others, which encompasses all operations other than pharmaceuticals.

(2) Major products in each segment are as follows:

Business segment	Major products
Pharmaceuticals	Prescription pharmaceuticals; Consumer health care products; Diagnostics, etc; Others
Others	Veterinary and livestock feed products; Food additives; Chemicals; Machinery; Others

(3) Operating expenses, which are not allocated to each segment and are included in eliminations and corporate, consist mainly of administrative expenses incurred at headquarters.

For the period ended September 30, 2001: ¥3,544 million
For the period ended September 30, 2000: ¥3,861 million
For the year ended March 31, 2001: ¥7,473 million

2. Geographical Segment Information

1) For the interim period ended September 30, 2001 (Millions of Yen)

	Japan	North America	Europe	Asia and Others	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income							
(1) Net sales to customers	¥125,779	¥72,645	¥9,254	¥3,308	¥210,988	–	¥210,988
(2) Intersegment sales	20,795	6,285	981	49	28,112	(¥28,112)	–
Total net sales	146,575	78,931	10,236	3,358	239,101	(28,112)	210,988
Operating expenses	107,661	74,507	10,038	2,707	194,915	(22,939)	171,975
Operating income	¥38,913	¥4,424	¥197	¥650	¥44,186	(¥5,173)	¥39,013

2) For the interim period ended September 30, 2000 (Millions of Yen)

	Japan	North America	Europe	Asia and Others	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income							
(1) Net sales to customers	¥123,547	¥42,595	¥6,731	¥2,072	¥174,947	–	¥174,947
(2) Intersegment sales	15,542	5,090	639	93	21,365	(¥21,365)	–
Total net sales	139,090	47,685	7,370	2,166	196,312	(21,365)	174,947
Operating expenses	101,870	47,955	7,052	1,930	158,810	(14,959)	143,850
Operating income (loss)	¥37,219	(¥269)	¥317	¥235	¥37,502	(¥6,406)	¥31,096

1) For the fiscal year ended March 31, 2001 (Millions of Yen)

	Japan	North America	Europe	Asia and Others	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income							
(1) Net sales to customers	¥241,012	¥101,783	¥14,294	¥4,623	¥361,712	–	¥361,712
(2) Intersegment sales	32,746	10,817	1,508	150	45,222	(¥45,222)	–
Total net sales	273,758	112,600	15,802	4,773	406,935	(45,222)	361,712
Operating expenses	207,806	110,042	15,179	4,330	337,358	(34,614)	302,744
Operating income	¥65,952	¥2,558	¥622	¥442	¥69,576	(¥10,608)	¥58,967

Notes:

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

(2) Major areas and countries included in each category:

-North America: The United States and Canada

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

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

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

(4) Operating expenses that are not allocated to each segment, and are included in eliminations and corporate, consist mainly of administrative expenses incurred at headquarters.

For the period ended September 30, 2001: ¥3,544 million
 For the period ended September 30, 2000: ¥3,861 million
 For the year ended March 31, 2001: ¥7,473 million

3. Overseas Sales

1) For the interim period ended September 30, 2001 (Millions of Yen)

	North America	Europe	Asia and Others	Total
1. Overseas sales	¥75,346	¥12,216	¥4,979	¥92,542
2. Consolidated sales				¥210,988
3. Share of overseas sales	35.7%	5.8%	2.4%	43.9%

2) For the interim period ended September 30, 2000 (Millions of Yen)

	North America	Europe	Asia and Others	Total
1. Overseas sales	¥44,843	¥8,965	¥3,606	¥57,416
2. Consolidated sales				¥174,947
3. Share of overseas sales	25.6%	5.1%	2.1%	32.8%

1) For the fiscal year ended March 31, 2001 (Millions of Yen)

	North America	Europe	Asia and Others	Total
1. Overseas sales	¥105,703	¥19,073	¥7,304	¥132,080
2. Consolidated sales				¥361,712
3. Share of overseas sales	29.2%	5.3%	2.0%	36.5%

Note:

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

(2) Major areas and countries included in this category:

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

IX. LEASE TRANSACTIONS

1. Finance leases other than those that deem to transfer ownership of the leased property to the lessee

(1) Acquisition cost, Accumulated depreciation, Net leased property (Millions of Yen)

	Sep-30-2001	Sep-30-2000	Mar-31-2001
Buildings and structures:			
Acquisition cost	¥2	¥2	¥2
Accumulated depreciation	1	0	1
Net leased property	¥1	¥2	¥1

Machinery and vehicles:			
Acquisition cost	¥771	¥815	¥824
Accumulated depreciation	317	244	309
Net leased property	¥454	¥571	¥514

Others:			
Acquisition cost	¥3,316	¥4,762	¥3,821
Accumulated depreciation	1,704	3,020	2,499
Net leased property	¥1,611	¥1,742	¥1,322

Total:			
Acquisition cost	¥4,091	¥5,580	¥4,649
Accumulated depreciation	2,024	3,265	2,809
Net leased property	¥2,067	¥2,315	¥1,839

(2) Obligation under financial leases (Millions of Yen)

Period Ended	Sep-30-2001	Sep-30-2000	Mar-31-2001
Due within one year	¥813	¥1,096	¥841
Due over one year	1,289	1,301	1,021
Total	¥2,103	¥2,397	¥1,863

(3) Actual lease payments, Depreciation expense, Interest expense (Millions of Yen)

Period Ended	Sep-30-2001	Sep-30-2000	Mar-31-2001
Actual lease payments	¥546	¥690	¥1,342
Depreciation expense	501	637	1,230
Interest expense	31	45	83

- (4) Depreciation expense for leased assets is computed using the straight-line method over the estimated useful life of the leased assets.

- (5) Interest expense for leased assets is computed using the interest method based on the differences between the lease fees and the respective acquisition cost of the assets which are considered to be interest-bearing.

2. Minimum rental payments under non-cancelable operating leases (Millions of Yen)

Period Ended	Sep-30-2001	Sep-30-2000	Mar-31-2001
Due within one year	¥504	¥621	¥748
Due over one year	1,749	2,099	2,178
Total	¥2,254	¥2,721	¥2,926

X. SECURITIES

1. MARKET VALUE OF HELD-TO-MATURITY MARKETABLE BONDS

(Millions of Yen)

	Sep-30-2001		
	Carrying amount	Aggregated fair value	Unrealized Gain (Loss)
1. National bonds	¥10	¥10	¥--
2. Corporate bonds	44,433	43,736	(697)
3. Other	2,202	2,215	13
TOTAL	¥46,646	¥45,962	(¥683)

(Millions of Yen)

	Sep-30-2000		
	Carrying amount	Aggregated fair value	Unrealized Gain (Loss)
1. National bonds	¥--	¥--	¥--
2. Corporate bonds	51,454	51,493	38
3. Other	14	10	(4)
TOTAL	¥51,469	¥51,503	¥34

(Millions of Yen)

	Mar-31-2001		
	Carrying amount	Aggregated fair value	Unrealized Gain (Loss)
1. National bonds	¥10	¥10	¥--
2. Corporate bonds	45,310	44,909	(401)
3. Other	4,605	4,619	14
TOTAL	¥49,926	¥49,538	(¥387)

2. MARKET VALUE OF AVAILABLE-FOR-SALE SECURITIES

(Millions of Yen)

	Sep-30-2001		
	Cost	Carrying amount	Unrealized Gain (Loss)
1. Equity securities	¥20,238	¥18,989	(¥1,249)
2. Debt securities	220	225	5
3. Trust fund investments & Other	13,109	13,113	4
TOTAL	¥33,568	¥32,328	(¥1,239)

(Millions of Yen)

	Sep-31-2000		
	Cost	Carrying amount	Unrealized Gain (Loss)
1. Equity securities	¥23,389	¥25,538	¥5,149
2. Debt securities	282	288	5
3. Trust fund investments & Other	11,457	11,389	(68)
TOTAL	¥35,130	¥40,216	¥5,086

(Millions of Yen)

	Mar-31-2001		
	Cost	Carrying amount	Unrealized Gain (Loss)
1. Equity securities	¥23,136	¥24,843	¥1,707
2. Debt securities	269	276	6
3. Trust fund investments & Other	12,515	12,499	(16)
TOTAL	¥35,921	¥37,619	¥1,697

Notes:

In the period ended September 30, 2001, the impairment loss associated with the fair market value determination of available-for-sale securities was ¥2,882 million.

The impairment loss associated with available-for-sale securities is recognized when the market value at the period end becomes less than half of the carrying cost. And the loss is also recognized when it is necessary, judging from the transition of market price and the fair value at period end, except when it is anticipated that the market value is recoverable.

3. HELD-TO-MATURITY SECURITIES AND AVAILABLE-FOR-SALE SECURITIES WHOSE FAIR VALUE IS NOT READILY DETERMINABLE

(Millions of Yen)

1. Held-to-Maturity Securities

	Sep-30-2001	Sep-30-2000	Mar-31-2001
Unlisted foreign bonds	¥ -	¥ -	¥ -

2. Available-for-sale securities

	Sep-30-2001	Sep-30-2001	Mar-31-2001
Unlisted stocks, except OTC traded stocks	¥1,542	¥1,451	¥1,489
Money management fund	11,717	10,148	14,908
Mid-term domestic bond fund	1,544	1,050	1,091
Free financial funds	¥10,204	¥200	¥201

XI. DERIVATIVE FINANCIAL INSTRUMENTS

FOREIGN CURRENCY RELATED DERIVATIVES

(Millions of Yen)

	Period Ended Sep-30-2001			
	Contracted amount		Fair value	Unrealized Gain(Loss)
		Over 1 Year		
Foreign currency Forward contracts				
Receivables: U.S. dollars		-		
Payables: Yen	¥3,637	-	¥3,995	(¥242)
Total				(¥242)

Notes:

1. Market value calculation methods:

The fair market values of these quotations were estimated based on market quotations.

(Millions of Yen)

	Period Ended Sep-30-2000			
	Contracted amount		Fair value	Unrealized Gain(Loss)
		Over 1 Year		
Foreign currency Forward contracts				
Receivables: U.S. dollars		-		
Payables: Yen	¥6,521	-	¥6,222	(¥299)
Total				(¥299)

Notes:

1. Market value calculation methods:

The fair market values of these quotations were estimated based on market quotations.

2. Receivables/payables denominated in foreign currencies and converted into Japanese yen by the rates stated in forward exchange contracts are excluded in the above schedule.

(Millions of Yen)

	Period Ended March-31-2001			
	Contracted amount		Fair value	Unrealized Gain(Loss)
		Over 1 Year		
Foreign currency Forward contracts				
Receivables: U.S. dollars	¥7,199	-	¥7,700	(¥501)
Payables: Yen	¥7,514	-	¥6,313	(¥1,201)
Total				(¥1,702)

Notes:

1. Market value calculation methods:

The fair market values of these quotations were estimated based on market quotations.

XII. PRODUCTION, PRODUCTION BY ORDER AND SALES INFORMATION

1. Production Results

(1) Production results

(Unit: Millions of Yen)

Segment	Apr-1 to Sep-30-2001 Amount	Apr-1 to Sep- 30, 2000 Amount	Apr-1-2000 to Mar-31-2001 Amount
Pharmaceuticals	¥196,685	¥153,856	¥348,882
Other	5,647	5,614	10,131
Total	¥202,332	¥159,470	¥359,013

Note: The amounts are evaluated by sales price and do not include consumption tax.

(2) Product purchases

(Unit: Millions of Yen)

Segment	Apr-1 to Sep-30-2001 Amount	Apr-1 to Sep- 30, 2000 Amount	Apr-1-2000 to Mar-31-2001 Amount
Pharmaceuticals	¥10,780	¥8,417	¥17,561
Other	5,755	5,864	10,227
Total	¥16,535	¥14,281	¥27,788

Note: The amounts are evaluated by purchase price and do not include consumption tax.

2. Production by Order

The Company did not produce by order. Production was made based on sales forecasts.

3. Sales Results

(Unit: Millions of Yen, %)

Sales results by business segment	Apr-1 to Sep-30-2001		Apr-1 to Sep-30-2000		Apr-1 to Mar-31-2001	
	Amount	%	Amount	%	Amount	%
Pharmaceuticals	¥196,652	93.2	¥160,579	91.8	¥334,250	92.4
Japan	108,879	51.6	108,098	61.8	211,374	58.4
North America	73,219	34.7	42,273	24.2	100,895	27.9
Europe	10,568	5.0	7,716	4.4	16,454	4.6
Asia and Others	3,985	1.9	2,490	1.4	5,526	1.5
Others	14,336	6.8	14,367	8.2	27,461	7.6
Japan	9,567	4.5	9,432	5.4	18,256	5.1
North America	2,126	1.0	2,570	1.5	4,807	1.3
Europe	1,648	0.8	1,249	0.7	2,618	0.7
Asia and Others	994	0.5	1,116	0.6	1,778	0.5
Total	¥210,988	100.0	¥174,947	100.0	¥361,712	100.0

Note: In the above noted sales amounts, consumption taxes are not included.

EISAI CO., LTD. NON-CONSOLIDATED SEMIANNUAL FINANCIAL REPORT RELEASE

FOR IMMEDIATE RELEASE November 7, 2001

On November 7, 2001, Eisai Co., Ltd., announced non-consolidated semiannual financial results for the fiscal year ending March 31, 2002.

- Date of the Board of Directors' Meeting for presentation of non-consolidated semiannual financial results: November 7, 2001
- Date for commencement of payment of interim dividends: December 7, 2001
- Eisai Co., Ltd., is listed on the First Sections of both the Tokyo Stock Exchange and the Osaka Securities Exchange.
- Securities code number: 4523
- Inquiries should be directed to: Nobuo Deguchi
Corporate Officer
In Charge of Public Relations & Legal Affairs

Eisai Co., Ltd.
4-6-10 Koishikawa, Bunkyo-ku
Tokyo 112-8088, Japan
Phone: 03-3817-5190

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

1. NON-CONSOLIDATED SEMIANNUAL FINANCIAL RESULTS (APRIL 1, 2001 – SEPTEMBER 30, 2001)

(1) RESULTS OF SEMIANNUAL OPERATIONS

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
April 1, 2001- September 30, 2001	¥137,722 mil.	5.0%	¥34,717 mil.	5.3%	¥35,246 mil.	5.1%
April 1, 2000- September 30, 2000	¥131,146 mil.	15.1%	¥32,962 mil.	70.0%	¥33,549 mil.	72.9%
April 1, 2000- March 31, 2001	¥258,615 mil.		¥58,395 mil.		¥61,557 mil.	

Period	Net Income	Percent Change	Earnings per Share(EPS)
April 1, 2001- September 30, 2001	¥17,208 mil.	163.3%	¥58.05
April 1, 2000 - September 30, 2000	¥6,535 mil.	77.8%	¥22.05
April 1, 2000 - March 31, 2001	¥18,187 mil.		¥61.35

Note 1: Average number of shares outstanding:

- Interim period ended September 30, 2001: 296,450,321
- Interim period ended September 30, 2000: 296,451,156
- Fiscal year ended March 31, 2001: 296,451,638

Note 2: There have been no changes in accounting methods used by the Company during the period ended September 30, 2001 and 2000.

Note 3: Percentage increase (decrease) compares periods ended September 30, 2000 and 1999.

(2) DIVIDENDS

Period	Dividends per Share	
	Interim	Annual
April 1, 2001 - September 30, 2001	¥13.00	-
April 1, 2000 - September 30, 2000	¥10.00	-
April 1, 2000 - March 31, 2001	-	¥23.00

(3) FINANCIAL POSITION

Year End	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Assets	Shareholders' Equity per Share
September 30, 2001	¥464,587 mil.	¥359,303 mil.	77.3%	¥1,212.02
September 30, 2000	¥457,531 mil.	¥341,007 mil.	74.5%	¥1,150.30
March 31, 2001	¥462,594 mil.	¥347,778 mil.	75.2%	¥1,173.13

Notes : Number of shares issued and outstanding:

- As of September 30, 2001: 296,450,685
- As of September 30, 2000: 296,451,253
- As of March 31, 2001: 296,452,988

Treasury Stock (shares):

- As of September 30, 2001: 2,303

2. FORECASTED NON-CONSOLIDATED FINANCIAL RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2002

Period	Net Sales	Ordinary Income	Net Income	Dividends per Share	
				Interim	Annual
April 1, 2001 - March 31, 2002	¥272,000 mil.	¥63,500 mil.	¥33,000 mil.	¥13.00	¥26.00

Note : Forecasted Annual Earnings per Share (EPS): ¥113.32

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

EISAI CO., LTD.

I. NON-CONSOLIDATED SEMIANNUAL STATEMENTS OF INCOME

For the six-month periods ended September 30, 2001 and 2000 and year ended March 31, 2001

(Millions of Yen)

	April 1, 2001 - Sep. 30, 2001	April 1, 2000 - Sep. 30, 2000	Increase (Decrease)	April 1, 2000 - Mar. 31, 2001
Net sales	¥137,722	¥131,146	¥6,575	¥258,615
Cost of sales	42,545	41,606	939	83,380
Reversal of reserve for sales returns	65	95	(30)	119
Gross profit	95,241	89,635	5,606	175,354
Research and development expenses	23,772	21,593	2,179	46,489
Selling, general and administrative expenses	36,751	35,079	1,672	70,468
Operating income	34,717	32,962	1,754	58,395
Non-operating income	1,475	1,461	14	4,582
Non-operating expenses	947	875	71	1,420
Ordinary income	35,246	33,549	1,696	61,557
Extra-ordinary income	1,188	1,466	(278)	2,088
Extra-ordinary loss	6,685	22,921	(16,235)	24,385
Income before income taxes	29,748	12,094	17,653	39,260
Income taxes-current	15,569	17,368	(1,799)	31,034
Income taxes-deferred	(3,028)	(11,808)	8,779	(9,961)
Net income	17,208	6,535	10,673	18,187
Retained earnings brought forward	4,924	5,337	(412)	5,337
Interim dividends paid	-	-	-	2,964
Transfer to legal reserve	-	-	-	296
Unappropriated retained earnings for the period	¥22,133	¥11,872	¥10,260	¥20,264

EISAI CO., LTD.

II-1. NON-CONSOLIDATED BALANCE SHEET

September 30, 2001, March 31, 2001, and September 30, 2000

(Millions of Yen)

ASSETS	September 30, 2001	March 31, 2001	Increase (Decrease)	September 30, 2000
Current assets:				
Cash and time deposits	¥45,696	¥37,432	¥8,263	¥37,326
Notes receivable-trade	13,481	14,899	(1,418)	17,997
Accounts receivable-trade	95,980	96,196	(216)	88,880
Short-term investments	27,549	22,559	4,989	22,275
Inventories	23,982	24,320	(337)	24,382
Short-term deposits	-	4,809	(4,809)	4,809
Deferred tax assets	12,096	10,855	1,241	9,367
Other current assets	7,909	7,943	(34)	8,886
Allowance for doubtful accounts receivable	(1,622)	(633)	(988)	(419)
Total current assets	225,073	218,383	6,689	213,506
Fixed assets:				
Property, plant and equipment:				
Buildings and structures	36,253	36,935	(681)	36,873
Land	10,013	10,019	(6)	10,496
Others	19,460	19,882	(421)	18,727
Total property, plant and equipment	65,727	66,837	(1,110)	66,097
Intangible assets:				
Software	8,441	7,575	865	6,438
Patents, telephone rights and others	456	500	(44)	513
Total intangible assets	8,898	8,076	821	6,952
Investments and other assets:				
Investments in securities	68,264	74,435	(6,171)	74,346
Investments in and advancements to associated companies	42,017	42,015	1	41,369
Insurance reserve	24,066	24,936	(869)	-
Deferred tax assets	19,527	16,500	3,026	18,461
Other investments	14,680	12,887	1,793	38,256
Allowance for doubtful accounts receivable	(3,667)	(1,480)	(2,187)	(1,458)
Total investments and other assets	164,889	169,296	(4,407)	170,975
Total fixed assets	239,514	244,210	(4,696)	244,025
Total	¥464,587	¥462,594	¥1,993	¥457,531

EISAI CO., LTD.
II-2. NON-CONSOLIDATED BALANCE SHEET

September 30, 2001, March 31, 2001, and September 30, 2000

(Millions of Yen)

LIABILITIES AND SHAREHOLDERS' EQUITY	September 30, 2001	March 31, 2001	Increase (Decrease)	September 30, 2000
Current liabilities:				
Notes payable-trade	¥807	¥919	(¥111)	¥839
Accounts payable-trade	6,444	7,159	(714)	7,107
Current portion of straight bonds	10,000	10,000	-	10,000
Current portion of long-term debt	-	-	-	1,000
Other accounts payable	17,038	18,857	(1,818)	-
Accrued expenses	12,235	13,502	(1,267)	12,996
Accrued income taxes	14,628	21,758	(7,129)	16,719
Consumption tax payable	1,054	1,479	(425)	1,499
Reserve for sales rebates	624	550	74	647
Other reserves	702	835	(133)	864
Other current liabilities	2,950	2,940	10	16,529
Total current liabilities	66,487	78,002	(11,515)	68,204
Long-term liabilities:				
Straight bonds	-	-	-	10,000
Convertible bonds	5,485	5,485	-	5,488
Liability for retirement benefits	31,742	28,673	3,068	30,153
Retirement allowances for Directors	1,568	1,674	(105)	1,659
Liability for losses on investment in subsidiary	-	980	(980)	1,020
Total long-term liabilities	38,796	36,813	1,982	48,320
Total liabilities	105,284	114,816	(9,532)	116,524
Shareholders' equity				
Common stock	44,887	44,887	-	44,885
Additional paid-in capital	55,124	55,124	-	55,122
Legal reserve	7,899	7,499	400	7,203
Retained earnings:				
General reserve	230,004	219,005	10,998	219,005
Unappropriated retained earnings				
for the period	22,133	20,264	1,868	11,872
Net unrealized gains on available-for-sale securities	(738)	996	(1,735)	2,917
Treasury stock	(6)	-	(6)	-
Total shareholders' equity	359,303	347,778	11,525	341,007
Total	¥464,587	¥462,594	¥1,993	¥457,531

BASIS OF PRESENTING NON-CONSOLIDATED SEMIANNUAL FINANCIAL STATEMENTS

For the Period ended September 30, 2001

1. Standards and Methods for Evaluating Short-term and Investment Securities

(1) Securities

Held-to-Maturity Securities

Held-to-Maturity Securities: Stated at amortized cost.

Common Stock of Subsidiaries and Associated Companies

Common stock of subsidiaries and associated companies are stated at a cost determined by the moving average method.

Available-for-Sale Securities

Marketable securities: Stated at fair market value with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined by the moving average method.

Non-marketable securities: Stated at cost determined by moving average method.

(2) Derivatives

Derivatives are generally stated at fair market value.

(3) Inventories

Inventories are stated at cost determined by the average method.

2. Depreciation of Fixed Assets

(1) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is computed by the declining-balance method at rates based on the estimated useful lives of the assets. The ranges of useful lives of assets are noted below.

Buildings	15 to 65 years
Machinery & Equipment	6 to 7 years

(2) Intangible assets

Intangible assets are carried at cost less accumulated amortization which is computed by the straight-line method. Amortization for software utilized internally is computed by the straight-line method over useful lives of five (5) years.

(3) Long-term prepaid expenses

Amortization for long-term prepaid expenses is computed according to the Japanese Income Tax Law.

3. Accounting Standards for Reserves

(1) Allowance for doubtful accounts receivable

The allowance for doubtful accounts is stated at amounts considered to be appropriate based on the Company's past credit loss experience and on evaluation of potential losses in the accounts outstanding.

(2) Reserve for sales rebates

Reserve is stated at an amount determined by multiplying the inventories of distributors at the end of the period by the last rebate ratio, in order to provide for expenditure of sales rebates which are expected to be incurred after the end of the period.

(3) Other reserves

(a) Reserve for returns of goods sold

A reserve is provided at an amount sufficient to cover possible losses on sales returns. It is stated at the maximum amount permitted to be charged to income under the Japanese Income Tax Law.

(b) Reserve for write-off of goods returned

The reserve for write-off of goods returned is provided at an amount sufficient to cover possible losses on write-off of goods returned. It is stated at an amount calculated by the average of returns of goods sold and the write-off ratio of goods returned over 18 months.

(4) Retirement benefits

The Company accounted for the liability for retirement benefits based on projected benefit obligations and plan assets at the balance sheet date.

The transitional obligation in the amount of ¥32,357 million determined as of April 1, 2000 was offset by the contribution of certain available-for-sale securities, with the fair value of ¥15,128 million, to the employee retirement benefit trusts for the Company's pension plans. The remaining unfunded balance of ¥17,229 million is being amortized over five (5) years and charged to income and presented as operating expenses in the statements of income.

The unrecognized prior service cost is being amortized over five (5) years and charged to income as a reduction of operating expense in the statements of income.

The unrecognized actuarial loss is being amortized over five (5) years from the preceeding fiscal year.

(5) Retirement allowances for Directors

The reserve for severance benefits for Directors and Corporate Auditors is provided in the amount required in accordance with internal regulations as if all Directors and Corporate Auditors were to retire at the end of the interim period.

(6) Liability for losses on investment in subsidiary

Liability for losses on investment in subsidiary is provided at an estimated loss which exceed amounts of investments and advances to subsidiary considering financial conditions in the subsidiary.

4. Standards for translation of principal assets and liabilities in foreign currencies into Yen

Monetary receivables and payables denominated in foreign currencies are translated into Yen at the exchange rate at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the statements of income.

5. Leases

Finance leases other than those that deem to transfer ownership of the leased property to the lessee are accounted for as an operating lease.

6. Hedge Accounting

(1) Methods of hedge accounting

Gains or losses on or the changes in the measurement of the hedging instruments that are measured at fair value are deferred as an asset or liability until the gains and losses on the hedged items are recognized.

(2) Hedge procedures and hedge targets

- a. Hedge procedures foreign currency forward contracts
- b. Hedge targets to manage the exposures to fluctuations in foreign exchange

(3) Hedge methods

Foreign currency forward contracts are executed in order to hedge foreign currency exchange risk (cash flow) associated with certain assets and liabilities denominated in foreign currencies within the ordinary course of business in accordance with internal policies.

(4) Method of evaluating effectiveness of hedges

Foreign currency forward contracts were made with the same currency, amount and duration which are assigned to associated assets or liabilities and are assured to hedge the currency fluctuation risks and evaluated at the time of the end of the interim period.

7. Consumption Taxes

Income and expenses are recorded net of consumption taxes.

Change in method of disclosure

1. At September 30, 2000, investments and insurance reserves totaling ¥21,970 million were included as other assets in the balance sheet. At September 30, 2001, such amounts exceed five (5) percent of total assets and, therefore, have been presented separately in the balance sheet.

2. At September 30, 2000, accounts payable totaling ¥12,601 million were included as other liabilities in the balance sheet. At September 30, 2001, such amounts exceed five (5) percent of total liabilities and, therefore, have been presented separately in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

1. Non-Operating Income

(Millions of Yen)

	Six-month Period Ended	Six-month Period Ended	Year Ended
	Sep-30-2001	Sep-30-2000	Mar-31-2001
Interest Income	220	48	141
Interest on Securities	280	327	689
Dividends Income	319	481	689
Rental Income	260	300	583
Foreign Exchange Gains	-	-	1,451

2. Non-Operating Expense

(Millions of Yen)

	Six-month Period Ended	Six-month Period Ended	Year Ended
	Sep-30-2001	Sep-30-2000	Mar-31-2001
Interest Expense	11	42	80
Interest on Bonds	137	241	420
Foreign Exchange Losses	380	49	-

3. Extra-ordinary Income

(Millions of Yen)

	Six-month Period Ended	Six-month Period Ended	Year Ended
	Sep-30-2001	Sep-30-2000	Mar-31-2001
Gains on Sales of Property	43	0	589
Gain on Securities Contributed to the Retirement Benefit Trust	-	1,382	1,382
Reversal of Provision for Losses on Investment in Subsidiary	980	-	-
Reversal of Allowance for Doubtful Accounts Receivable	164	83	70

4. Extra-ordinary Losses

(Millions of Yen)

	Six-month Period Ended	Six-month Period Ended	Year Ended
	Sep-30-2001	Sep-30-2000	Mar-31-2001
Provision for Doubtful Accounts Receivable	3,294	-	200
Loss Valuation of Investment Securities	2,940	130	227
Amortization of Transitional Obligation for Employees' Retirement Benefits	-	15,128	15,128
Provision for Losses on Investment in Subsidiary	-	5,596	4,949
Losses on vitamin E Litigation Settlement	157	1,561	2,687

Note: In the interim period ended September 30, 2001, special losses on vitamin E settlement were ¥157 million, including legal fees and other expenses. With respect to losses on vitamin E litigation, U.S. civil litigation cases are on-going, and the European Commission is continuing an investigation and future losses, therefore, may be incurred, but cannot be estimated.

5. Depreciation Expense

(Millions of Yen)

	Six-month Period Ended	Six-month Period Ended	Year Ended
Period Ended	Sep-30-2001	Sep-30-2000	Mar-31-2001
Property, Plant and Equipment	3,981	4,100	8,516
Intangible Assets	1,165	1,037	2,145

Notes to the Balance Sheets

1. Treasury Stock, Number of stocks issued and outstanding

From this interim period, pursuant to Article 36.2.3 of the revised regulation for the presentation of interim financial statements, treasury stock is deducted from shareholders' equity. As a result, the numbers of stock issued and outstanding represents numbers of stock less numbers of treasury stock as follow:

Period Ended	(Unit: share)		
	Sep-30-2001	Mar-31-2001	Sep-30-2000
	296,452,988	296,452,988	296,451,253
Treasury Stock	<u>(2,303)</u>		
	296,450,685		

2. Accumulated Depreciation of Property Plant, & Equipment

Period Ended	(Millions of Yen)		
	Sep-30-2001	Mar-31-2001	Sep-30-2000
	129,082	126,619	124,210

3. Retained Earnings

In accordance with the special rules for the presentation of retained earnings, amounts associated with reduction of assets cost are noted below.

Period Ended	(Millions of Yen)		
	Sep-30-2001	Mar-31-2001	Sep-30-2000
	124	125	125

4. Contingent Liability

(1). Below are noted liabilities that are guaranteed by the Company.

a. Guarantees for housing loans to employees made by third parties.

Period Ended	(Millions of Yen)		
	Sep-30-2001	Mar-31-2001	Sep-30-2000
	10	13	17

b. Guarantees for accounts receivable of Eisai Machinery GmbH for sales of pharmaceutical production machinery.

Period Ended	(Millions of Yen)		
	Sep-30-2001	Mar-31-2001	Sep-30-2000
	112	112	62

(2). Below are contingency liable under the factoring contract with a bank for certain trade account payables:

Period Ended	(Millions of yen)		
	Sep-30-2001	Mar-31-2001	Sep-30-2000
	-	1,666	1,926

5. Consumption taxes

Consumption tax payables and consumption tax receivables are netted and the balance is disclosed as "Accrued consumption taxes."

6. Treatment of accounts at closing date

The standard for accounts maturity dates are those occurring at the exchange date. However, the end of this period, and the last period, occurred on a date whereby financial institutions were closed, thus the balance exchange date was that of the following business day. The amount noted below is included in "Current Assets."

Notes Receivable-trade	(Millions of Yen)		
	Sep-30-2001	Mar-31-2001	Sep-30-2000
	182	279	401

III. LEASE TRANSACTIONS

1 Finance leases other than those that deem to transfer ownership of the leased property to the lessee

(1) Acquisition cost, Accumulated depreciation, Net leased property (Millions of Yen)

Period Ended	Sep-30-2001	Sep-30-2000	Mar-31-2001
Vehicles:			
Acquisition cost	¥37	¥50	¥54
Accumulated depreciation	20	24	31
Net leased property	¥16	¥26	¥23

Tools, furniture and fixtures:			
Acquisition cost	¥2,512	¥3,970	¥3,063
Accumulated depreciation	1,275	2,643	2,093
Net leased property	¥1,237	¥1,327	¥970

Software:			
Acquisition cost	¥256	¥208	¥196
Accumulated depreciation	144	123	131
Net leased property	¥111	¥85	¥64

Total:			
Acquisition cost	¥2,806	¥4,229	¥3,314
Accumulated depreciation	1,440	2,790	2,256
Net leased property	¥1,365	¥1,439	¥1,058

(2) Obligation under financial leases

(Millions of Yen)

Period Ended	Sep-30-2001	Sep-30-2000	Mar-31-2001
Due within one year	¥605	¥859	¥628
Due over one year	788	643	471
Total	¥1,393	¥1,503	¥1,100

(3) Actual lease payments, Depreciation expense, Interest expense

(Millions of Yen)

Period Ended	Sep-30-2001	Sep-30-2000	Mar-31-2001
Actual lease payments	¥421	¥559	¥1,080
Depreciation expense	388	517	991
Interest expense	¥18	¥31	¥54

(4) Depreciation expense for leased assets is computed using the straight-line method over the useful life of the leased assets.

(5) Interest expense for leased assets is computed using the interest method based on the differences between the lease fees and the respective acquisition cost of the assets which are considered to be interest bearing.

2. Minimum rental payments under non-cancelable operating leases

(Millions of Yen)

	Sep-30-2001	Sep-30-2000	Mar-31-2001
Due within one year	-	-	-
Due over one year	-	-	-
Total	-	-	-

IV. INVESTMENT SECURITIES

Carrying amounts and aggregate market value of investments in subsidiaries for which there is a readily-available market from which to obtain the market value thereof.

(Millions of Yen)

	Sep-30-2001	Sep-30-2000	Mar-31-2001
Carrying amount	¥4,279	¥3,633	¥4,279
Aggregate market value	6,246	3,633	4,279
Unrealized gain	¥1,966	-	-

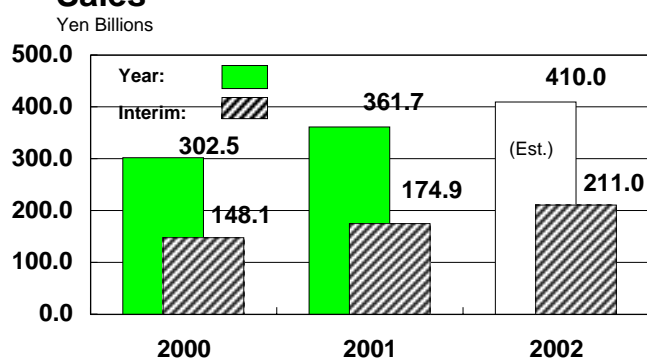
I. Financial Highlights

Years Ended March 31	2001	2002	% Chg.	2001	2002 (e)
Interim Apr-Sept	Interim	Interim			
< Statements of Income Data >					
Net Sales (billions of yen)	174.9	211.0	120.6	361.7	410.0
Operating Income (billions of yen)	31.1	39.0	125.5	59.0	72.0
Ordinary Income (billions of yen)	31.9	40.2	126.3	63.2	74.0
Net Income (billions of yen)	8.9	20.0	225.1	23.3	36.0
Earnings per Share (yen)	59.81	134.62	-	78.68	121.44
Fully Diluted Earnings per Share (yen)	59.25	133.26	-	77.91	-
< Balance Sheet Data >					
Total Assets (billions of yen)	513.0	555.5	-	549.4	-
Shareholders' Equity (billions of yen)	332.3	359.3	-	345.9	-
< Cash Flow Data >					
Free Cash Flow (billions of yen)	36.8	22.8	61.9	71.8	-
< Others >					
Return on Equity (ROE) (Period Begin-End Average) (%)	5.4	11.3	-	6.9	-
Return on Assets (ROA) (Period Begin-End Average) (%)	3.6	7.2	-	4.5	-
Turnover Ratio of Total Assets (Period Begin-End Average) (Times)	0.70	0.76	-	0.70	-
Shareholders' Equity to Total Assets (%)	64.8	64.7	-	63.0	-
Number of Consolidated Subsidiaries	35	35	-	34	-

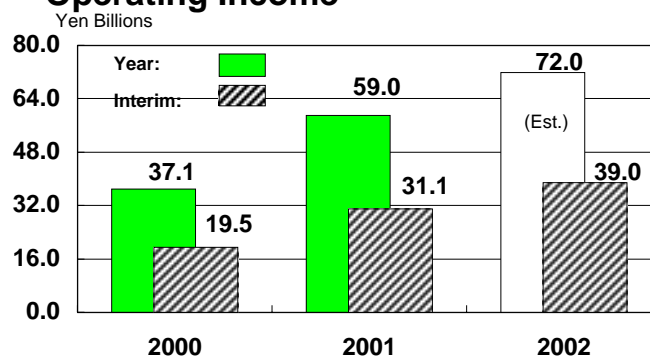
* Earnings per Share, Fully Diluted Earnings per Share, ROE, and ROA are calculated based on doubling the interim period net income.

* Turnover Ratio of Total Assets is calculated based on doubling the interim period net sales.

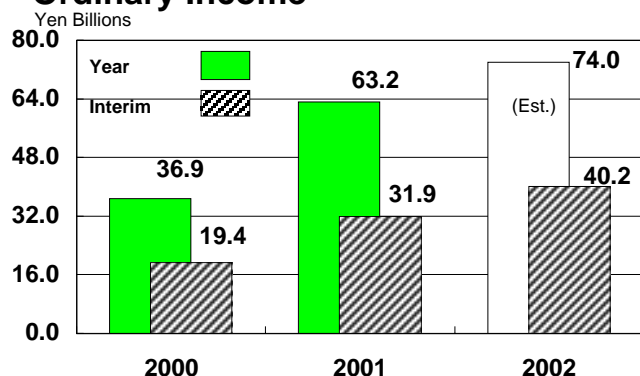
● Sales



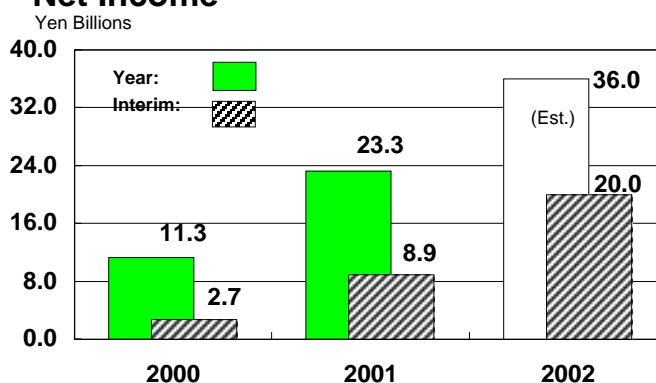
● Operating Income



● Ordinary Income



● Net Income



II. Consolidated Statements of Income

1. Consolidated Statements of Income & Explanation

(billions of yen)

<Explanation>

Years Ended March 31 Interim Apr-Sept	2001 Interim	Sales %	2002 Interim	Sales %	Chg. %	Change	
Net sales	174.9	100.0	211.0	100.0	120.6	36.0	Net sales <Increase Factor(s)> •U.S./Europe sales increase of <i>Aricept</i> and <i>Aciphex</i> / <i>Pariet</i> sales
Cost of sales	49.1	28.0	52.3	24.8	106.6	3.2	Cost of sales ratio <Improvement Factor(s)> •Sales product mix change
Reversal of reserve for sales returns	0.1	0.0	0.1	0.0	67.3	(0.0)	
Gross profit	126.0	72.0	158.8	75.2	126.0	32.8	Selling, general and administrative expenses <Increase Factor(s)> •Selling expense increase due to pharmaceuticals sales increases in the U.S. and Europe
Research and development expenses	22.6	12.9	24.7	11.7	109.3	2.1	
Selling, general and administrative expenses	72.3	41.3	95.1	45.0	131.5	22.8	
Operating income	31.1	17.8	39.0	18.5	125.5	7.9	
Non-operating income:							
Interest and dividends income	1.4		1.7			0.3	
Equity in earnings of associated companies	0.0		0.0			0.0	
Other non-operating income	0.6		0.7			0.1	
Non-operating income total	2.0	1.1	2.4	1.2	122.2	0.4	
Non-operating expenses:							
Interest expense	0.5		0.2			(0.3)	
Other non-operating expenses	0.7		1.0			0.3	Other non-oper- ating expenses <Increase Factor(s)> •Foreign exchange loss
Non-operating expenses total	1.2	0.7	1.2	0.6	99.5	(0.0)	
Ordinary income	31.9	18.2	40.2	19.1	126.3	8.4	
Extra-ordinary:							
Gain on sales of property, plant & equipment	0.2		0.1			(0.1)	
Gains on securities contributed to the retirement benefit trust	1.4		-			(1.4)	
Other extra-ordinary income	0.0		0.1			0.1	
Extra-ordinary income total	1.6	0.9	0.2	0.1	12.9	(1.4)	
Extra-ordinary loss:							
Loss on disposal of fixed assets	0.3		0.2			(0.0)	
Loss on valuation of marketable securities	-		3.0			3.0	
Losses associated with U.S. vitamin E factory closure	-		2.4			2.4	Losses associated with U.S. vitamin E factory closure •Losses related to the synthetic vitamin E factory closure and discontinuance of bulk chemical sales at U.S. subsidiary
Losses on vitamin E litigation settlement	1.6		0.2			(1.4)	
Amortization of transitional obligation for employees' retirement benefits	15.1		-			(15.1)	
Other extra-ordinary loss	0.3		0.1			(0.2)	
Extra-ordinary loss total	17.2	9.8	5.9	2.8	34.1	(11.4)	
Income before income taxes & minority interests	16.2	9.3	34.6	16.4	213.4	18.4	
Income taxes-current	18.1	10.4	17.3	8.2	95.7	(0.8)	
Income taxes-deferred	(10.8)	(6.2)	(2.8)	(1.3)	26.0	8.0	
Minority interests	0.0	0.0	0.1	0.0		0.1	
Net income	8.9	5.1	20.0	9.5	225.1	11.1	

2. Financial Results by Industry Segment

2-1. Consolidated Net Sales by Industry Segment

(billions of yen)

Years Ended March 31 Interim Apr-Sept	2001 Interim	2002 Interim	2001
Net sales to customers	174.9	211.0	361.7
Pharmaceuticals	160.6	196.7	334.3
(In house developed products %)	-	(87.5%)	(82.7)
Others	14.4	14.3	27.5

2-2. Consolidated Operating Income by Industry Segment

(billions of yen)

Years Ended March 31 Interim Apr-Sept	2001 Interim	2002 Interim	2001
Operating income/loss	31.1	39.0	59.0
Pharmaceuticals	36.6	43.0	68.8
Others	(1.2)	(0.6)	(2.7)
Eliminations and Corporate	(4.2)	(3.4)	(7.0)

3. Financial Results by Geographical Area

3-1. Consolidated Net Sales by Geographical Segment

(billions of yen)

Years Ended March 31 Interim Apr-Sept	2001 Interim	2002 Interim	2001
Net sales to customers	174.9	211.0	361.7
Japan	123.5	125.8	241.0
North America	42.6	72.6	101.8
Europe	6.7	9.3	14.3
Asia & Others	2.1	3.3	4.6

3-2. Consolidated Operating Income by Geographical Segment

(billions of yen)

Years Ended March 31 Interim Apr-Sept	2001 Interim	2002 Interim	2001
Operating income/loss	31.1	39.0	59.0
Japan	37.2	38.9	66.0
North America	(0.3)	4.4	2.6
Europe	0.3	0.2	0.6
Asia & Others	0.2	0.7	0.4
Eliminations and Corporate	(6.4)	(5.2)	(10.6)

* Major areas and countries included in each category:

1. North America: The U.S. and Canada
2. Europe: The United Kingdom, Germany, France, etc.
3. Asia and Others: East Asia, South-East Asia, and South-Central America, etc.

4. Consolidated Overseas Sales

(billions of yen)

Years Ended March 31 Interim	2001 Interim	2002 Interim	2001
Net sales	174.9	211.0	361.7
Overseas sales	57.4	92.5	132.1
North America	44.8	75.3	105.7
Europe	9.0	12.2	19.1
Asia & Others	3.6	5.0	7.3
Overseas sales (%)	32.8%	43.9%	36.5%

5. Global Product Sales

5-1. ARICEPT Area Sales

Area	Currency	Apr. 00- Sept. 00	Apr. 01- Sept. 01	Apr. 00- Mar. 01
Japan	Yen Billions	3.6	7.1	8.5
U.S.	Yen Billions	22.2	28.7	52.7
	US \$ millions	207	235	476
U.K.	Yen Billions	0.6	0.6	0.6
	UK £ millions	3	3	4
Germany	Yen Billions	1.1	1.6	2.3
	€ millions	11	15	23
France	Yen Billions	2.7	3.7	6.0
	€ millions	27	34	59
Europe Total	Yen Billions	4.3	5.9	8.9
Asia	Yen Billions	0.5	0.8	1.1
Total	Yen Billions	30.6	42.5	71.1

Sales forecast for the year ending March 2002 is ¥89.5 billion.

Sales for the period ended September 2000 and March 2001 for Germany and France have been translated into the EURO.

5-2. ACIPHEX/PARIET Area Sales

Area	Currency	Apr. 00- Sept. 00	Apr. 01- Sept. 01	Apr. 00- Mar. 01
Japan	Yen Billions	3.4	2.5	6.3
U.S.	Yen Billions	17.7	41.3	44.0
	US \$ millions	165	338	398
U.K.	Yen Billions	1.4	2.2	3.3
	UK £ millions	9	12	20
Germany	Yen Billions	0.4	0.4	0.8
	€ millions	4	4	8
Europe Total	Yen Billions	1.8	2.6	4.0
Asia	Yen Billions	0.1	0.3	0.4
Total	Yen Billions	23.0	46.7	54.7

Sales forecast for the year ending March 2002 is ¥84.0 billion.

Sales for the period ended September 2000 and March 2001 for Germany have been translated into the EURO.

6. US / EU Pharmaceutical Operations [Non-consolidated]

6-1. Eisai Inc. (U.S.) /

Clinical Research • Production • Pharmaceutical Sales

Years Ended March 31		2001	2002	2001
Interim Apr-Sept		Interim	Interim	
Net sales	Yen Billions	42.7	73.5	102.9
	US \$ millions	399	601	931
Operating income	Yen Billions	0.5	4.7	4.1
	US \$ millions	4	38	37
Net income	Yen Billions	0.4	3.1	2.9
	US \$ millions	4	25	26

6-2. Eisai Ltd. (U.K.) / Clinical Research • Pharmaceutical Sales

Years Ended March 31		2001	2002	2001
Interim Apr-Sept		Interim	Interim	
Net sales	Yen Billions	2.3	3.3	4.7
	UK£ millions	14	19	29
Operating income (loss)	Yen Billions	(0.0)	0.2	0.0
	UK£ millions	(0)	1	0
Net income (loss)	Yen Billions	0.0	0.2	0.1
	UK£ millions	0	1	1

6-3. Eisai GmbH (Germany) / Pharmaceutical Sales

Years Ended March 31		2001	2002	2001
Interim Apr-Sept		Interim	Interim	
Net sales	Yen Billions	1.6	2.1	3.3
	€ millions	16	19	33
Operating income (loss)	Yen Billions	(0.1)	0.0	(0.2)
	€ millions	(1)	0	(2)
Net income (loss)	Yen Billions	(0.3)	0.1	(0.5)
	€ millions	(3)	1	(5)

Note: Sales for the periods ended September 30, 2000, and 2001, and March 31, 2001 have been translated into the EURO.

6-4. Eisai S.A. (France) / Pharmaceutical Sales

Years Ended March 31		2001	2002	2001
Interim Apr-Sept		Interim	Interim	
Net sales	Yen Billions	2.7	3.8	6.0
	€ millions	28	35	60
Operating income (loss)	Yen Billions	0.3	0.2	0.5
	€ millions	3	2	5
Net income (loss)	Yen Billions	0.3	0.1	0.4
	€ millions	3	1	4

Note: Sales for the periods ended September 30, 2000, and 2001, and March 31, 2001 have been translated into the EURO.

7 . Selling, General & Administrative Expenses (Including R&D)

7-1. Research and Development Expenses (R&D)

(billions of yen)

Years Ended March 31 Interim Apr-Sept	2001 Interim	2002 Interim	2001	2002 (e)
Net sales	174.9	211.0	361.7	410.0
Research & development expenses	22.6	24.7	49.6	55.0
Percentage of sales (%)	12.9%	11.7%	13.7%	13.4%

7-2. Selling, General & Administrative Expenses (SG&A)

(billions of yen)

Years Ended March 31 Interim Apr-Sept	2001 Interim	2002 Interim	2001	2002 (e)
Net sales	174.9	211.0	361.7	410.0
Selling, general & administrative expenses	72.3	95.1	154.7	183.0
Personnel expense	23.0	24.3	46.5	-
Marketing expense	39.0	59.9	87.1	-
Administrative expense	9.8	10.2	19.8	-
Others	0.5	0.6	1.3	-
Percentage of sales (%)	41.3%	45.0%	42.8%	44.6%

7-3. Selling, General & Administrative Expenses (Including R&D Expenses)

(billions of yen)

Years Ended March 31 Interim Apr-Sept	2001 Interim	2002 Interim	2001	2002 (e)
Net sales	174.9	211.0	361.7	410.0
Selling, general & administrative expenses (including R&D expenses)	94.9	119.7	204.3	238.0
Percentage of sales (%)	54.2%	56.7%	56.5%	58.0%

8. PERSONNEL INFORMATION

(persons)

Years Ended March 31 Interim Apr-Sept	2000	2001	2002 Interim
Pharmaceutical Business Operations	6,094	6,125	6,098
Other Business Operations	730	685	648
Global Administrative	219	222	247
Total Employees	7,043	7,032	6,993

III. Consolidated Balance Sheet

1. Consolidated Balance Sheet & Explanation

<Assets>		(billions of yen)						<Explanation>
March 31 Interim September 30	2001	%	2002 Interim	%	Chg. %	Inc./ Dec.		
Current assets:								
Cash and time deposits	98.2		111.1		113.1	12.9	Cash and time deposits <Increase Factor(s)> •Expansion of U.S. pharmaceutical business operations	
Accounts receivable-trade	116.4		120.2		103.3	3.8		
Short-term investments	28.3		33.0		116.6	4.7		
Inventories	33.7		31.2		92.5	(2.5)		
Deferred tax assets	15.9		18.1		113.8	2.2		
Other current assets	14.2		7.3		51.4	(6.9)		
Allowance for doubtful accounts receivable	(0.5)		(0.4)		74.9	0.1		
Total current assets	306.2	55.7	320.5	57.7	104.7	14.3		
Fixed assets:								
Property, plant and equipment:								
Buildings and structures	57.7		56.3		97.5	(1.5)	Property, plant, and equipment <Decrease Factor(s)> •Loss valuation of U.S. vitamin E factory •Depreciation greater than investment	
Machinery and vehicles	20.6		19.1		92.3	(1.6)		
Land	18.9		18.6		98.1	(0.4)		
Construction in progress	1.6		2.2		133.9	0.6		
Others	7.8		7.5		96.6	(0.3)		
Total property, plant and equipment	106.7	19.4	103.6	18.7	97.1	(3.1)		
Intangible assets	8.9	1.7	9.7	1.7	107.9	0.7		
Investments and other assets:								
Investments in securities	77.2		71.2		92.2	(6.0)	Investments in securities <Increase Factor(s)> •Fair market value	
Long-term loans receivable	0.1		0.1		91.5	(0.0)		
Deferred tax assets	18.5		20.4		110.1	1.9		
Other investments	32.1		30.6		95.1	(1.6)		
Allowance for doubtful accounts receivable	(0.5)		(0.5)		111.6	(0.1)		
Total investments and other assets	127.6	23.2	121.8	21.9	95.5	(5.8)		
Total fixed assets	243.3	44.3	235.1	42.3	96.6	(8.2)		
Total assets	549.4	100.0	555.5	100.0	101.1	6.1		

<Liabilities, Minority Interests & Shareholders' Equity>

(billions of yen)

Year Ended March 31	2001		2002			
Interim September 30		%	Interim	%	% chg.	Inc./Dec.
Current liabilities:						
Accounts payable-trade	13.9		13.2		94.9	(0.7)
Short-term borrowings	7.5		5.8		77.8	(1.7)
Current portion of straight bonds	10.0		10.0		100.0	-
Current portion of long-term debt	0.2		0.1		54.8	(0.1)
Accounts payable-other	49.6		43.1		86.8	(6.5)
Accrued expenses	23.4		23.4		100.0	(0.0)
Accrued income taxes	23.0		16.1		70.0	(6.9)
Reserve for sales rebates	19.1		25.2		131.6	6.0
Other reserves	0.8		0.7		83.0	(0.1)
Other current liabilities	6.1		5.6		91.6	(0.5)
Total current liabilities	153.8	28.0	143.2	25.8	93.2	(10.5)
Long-term liabilities:						
Straight bonds	0.1		0.1		100.0	-
Convertible bonds	5.5		5.5		100.0	-
Long-term debt	0.3		0.2		80.2	(0.1)
Deferred tax liabilities	0.8		0.9		110.6	0.1
Liability for retirement benefits	31.4		34.6		110.3	3.2
Retirement allowances for Directors	1.9		1.8		93.9	(0.1)
Other long-term liabilities	0.6		0.7		116.6	0.1
Total long-term liabilities	40.7	7.4	43.9	7.9	108.0	3.3
Total liabilities	194.4	35.4	187.2	33.7	96.3	(7.2)
Minority interests	9.1	1.6	9.1	1.6	99.1	(0.1)
Shareholders' equity:						
Common stock	44.9		44.9		100.0	-
Additional paid-in capital	55.1		55.1		100.0	-
Retained earnings	246.4		262.3		106.5	16.0
Net unrealized gains/losses on available-for-sale securities	1.0		(0.7)			(1.7)
Foreign currency translation adjustments	(1.5)		(2.3)		160.0	(0.9)
Treasury stock	(0.0)		(0.0)			0.0
Total shareholders' equity	345.9	63.0	359.3	64.7	103.9	13.4
Total liabilities, minority interests and shareholders' equity	549.4	100.0	555.5	100.0	101.1	6.1

< Explanation >

Reserve for sales rebates
 <Increase Factor(s)>
 •Expansion in sales of U.S. pharmaceutical business

Retained earnings
 <Increase Factor(s)>
 •Increase in interim period net income

2 . Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended March 31 Interim Apr-Sept	2001 Interim	2002 Interim	2001	2002(e)
Capital expenditures	4.0	7.6	15.0	24.0
Property, plant and equipment	2.9	5.5	11.5	18.5
Intangible assets	1.1	2.1	3.5	5.5
Depreciation/Amortization	7.2	7.3	15.0	15.0

* Depreciation/amortization includes property, plant and equipment and intangible assets.

3. Current Status of Bonds

3-1. Straight Bonds

As of September 30, 2001 (billions of yen)

Type/Date of Issue	Amount	Balance	Maturity Date	Coupon Rate
No. 4 unsecured straight bonds Dec-14-1995	10.0	10.0	Dec-14-2001	2.40% per year
No. 4 secured straight bonds Mar-29-2000	0.1	0.1	Mar-29-2004	1.50% per year

3-2. Convertible Bonds

As of September 30, 2001 (billions of yen)

Type/Date of Issue	Amount	Converted Amount	Conversion Percentage	Balance	Maturity Date	Conversion Price	Coupon Rate
No. 4 unsecured convertible bonds Nov-16-1995	10.0	4.5	45.2%	5.5	Mar-31-2003	1,728.60 yen	0.60% per year

4. Stock Information

4-1. Issued Stock and Shareholder Information

As of September 30, 2001

Total Number of Authorized Shares	Number of Shares Outstanding	Number of Shareholders	Average Number of Shares per Shareholder
700,000,000 shares	296,450,685 shares	20,793	14,257 shares

4-2. Top 10 Shareholders

As of September 30, 2001

Name	Shares	Percentage
Nippon Life Insurance Co.	16,364 Thousands	5.52%
The Asahi Bank, Ltd.	14,765 Thousands	4.98%
The Fuji Bank, Ltd.	12,848 Thousands	4.33%
Mizuho Trust and Banking Company (Dai-ichi-Kangyo Bank, Limited Account)	12,716 Thousands	4.29%
The Chase Manhattan Bank N.A. London S.L. Omnibus Account	10,660 Thousands	3.60%
Nihon Trustee Service Trust Bank, Ltd. (Trust Account)	9,644 Thousands	3.25%
Sumitomo Mutual Life Insurance Co.	8,844 Thousands	2.98%
The Dai-ichi Mutual Life Insurance Co.	8,091 Thousands	2.73%
Eisai Employee Shareholding Association	6,885 Thousands	2.32%
The Toyo Trust Bank & Banking Co., Ltd. (Trust Account)	5,985 Thousands	2.02%

4-3. Number of Shareholders by Category

As of September 30, 2001

	3/2001	%	9/2001	%	Change
Financial Institutions	159	0.8%	180	0.9%	21
Securities Companies	37	0.2%	42	0.2%	5
Other Japanese Corporations	1,148	6.0%	1,158	5.6%	10
Corporations Outside Japan, etc.	417	2.2%	450	2.1%	33
Individuals and Others	17,481	90.8%	18,963	91.2%	1,482
Total	19,242	100.0%	20,793	100.0%	1,551

4-4. Number of Shares Held by Category

As of September 30, 2001

(One unit = 1,000 shares)	3/2001	%	9/2001	%	Change
Financial Institutions	149,082	50.3%	153,952	51.9%	4,869
Securities Companies	1,537	0.5%	1,711	0.6%	174
Other Japanese Corporations	22,052	7.4%	22,041	7.4%	(10)
Corporations Outside Japan, etc.	81,534	27.5%	74,256	25.1%	(7,277)
Individuals and Others	42,247	14.3%	44,491	15.0%	2,243
Total	296,452	100.0%	296,452	100.0%	-

*Stock numbers less than one thousand have been omitted.

IV. Consolidated Statements of Cash Flows

				(billions of yen)	<Explanation>	
Years Ended March 31	2001	2002	Change			
Interim Apr-Sept	Interim	Interim				
Operating activities						
Income before income taxes & minority interests	16.2	34.6	18.4			
Depreciation and amortization	7.2	7.3	0.0			
Other non-cash losses/gains	19.7	6.6	(13.0)	Other non-cash losses/gains •Amortization of transitional obligation for employees' retirement benefits		
Operating assets/liability increase/decrease	2.8	4.1	1.3			
Others	6.1	3.4	(2.6)	Operating assets/ liability increase/decrease •Increase of reserve for sales rebates associated with U.S. pharmaceutical operations		
Subtotal	51.9	56.0	4.1			
Interest paid/received	0.9	1.6	0.7			
Payments on vitamin E litigation settlement	(0.3)	(0.2)	0.1			
Cash paid for income taxes	(9.3)	(24.2)	(14.9)	Cash paid for income taxes <Increase Factor(s)> •Tax payment increase in the interim period		
Net cash provided by operating activities	43.2	33.1	(10.1)			
Investing activities						
Capital expenditures	(6.6)	(10.3)	(3.7)	Capital expenditures <Increase Factor(s)> •Increase of investment in property, plant and equipment		
Other revenue/payment for continuous activities	0.2	(0.0)	(0.2)			
Purchases of securities	(20.8)	(10.0)	10.7	Purchases of securities <Decrease Factor(s)> •Bonds purchase decrease		
Sales of securities	14.1	12.7	(1.3)			
Others	(15.6)	6.5	22.1			
Net cash used in investing activities	(28.8)	(1.2)	27.6	Others •Funds transfer to short-term investments(free financial funds etc.) from time deposits (exceeding 3 months)		
Financing activities						
Dividends paid	(3.4)	(3.9)	(0.4)			
Long-term debt proceeds/payment	(0.1)	(0.1)	(0.1)			
Short-term bank borrowing increase/decrease	0.1	(1.7)	(1.8)			
Others	(0.1)	(0.0)	0.1			
Net cash used in financing activities	(3.5)	(5.7)	(2.2)			
Effect of exchange rate changes on cash and cash equivalents	(0.2)	(1.9)	(1.8)			
Net increase (decrease) in cash and cash equivalents	10.8	24.3	13.6			
Cash and cash equivalents at beginning of year	52.6	106.3	53.8			
Cash and cash equivalents of newly consolidated subsidiaries at the beginning of the year	-	0.5	0.5			
Cash and cash equivalents at end of year	63.3	131.2	67.9			
<hr/>						
Years Ended March 31	2001	2002	Change			
Interim Apr-Sept	Interim	Interim				
Free Cash Flow	36.8	22.8	(14.0)			

* Free Cash Flow equals the net cash provided by operating activities minus the cash from capital expenditures and other revenue/payment for continuous activities.

V. Consolidated Subsidiaries - Associated Companies

1. Consolidated Subsidiaries (35 companies)

As of September 30, 2001

1-1. Subsidiaries in Japan (15 companies)

Company Name	Location	Common Stock	Equity(%) Ownership ¹	Description of Operations
Sanko Junyaku Co., Ltd.	Tokyo	¥5,262 million	50.59%	Diagnostic product prod./sales
Sannova Co., Ltd.	Gunma Pref.	¥926 million	79.28%	Pharmaceutical prod./sales
Elmed Eisai Co., Ltd.	Tokyo	¥450 million	100.00%	Pharmaceutical sales
KAN Research Institute, Inc.	Kyoto	¥70 million	100.00%	Basic research
Eisai Distribution Co., Ltd.	Kanagawa Pref.	¥60 million	100.00%	Pharmaceutical distribution
Clinical Supply Co., Ltd.	Gifu Pref.	¥80 million	84.80%	Medical instruments sales/prod.
Sunplanet Co., Ltd.	Tokyo	¥455 million	84.56%	Holding company
Herusu Co., Ltd.	Tokyo	¥64 million	75.00%	Pharma. machinery, etc. sales
Eisai Seikaken Co., Ltd.	Tokyo	¥50 million	70.00%	Agro-chemical prod./sales
Dymec Co., Ltd.	Chiba Pref.	¥30 million	84.80%	Medical instruments prod./sales
Eland Co., Ltd. ²	Tokyo	¥400 million	84.56%	Real estate management
Takehaya Co., Ltd. ²	Tokyo	¥67 million	84.56%	Printing/admin./insurance agency services
Kawashima Co., Ltd. ²	Gifu Pref.	¥50 million	84.56%	Catering /admin. services
Seiansha Co., Ltd. ²	Tokyo	¥30 million	84.56%	Promotion/sales production
Gakuen Shoji Co., Ltd. ²	Ibaraki Pref.	¥20 million	84.56%	Catering/horticultural services

Notes: 1. Equity direct/indirect ownership percentage.

2. Eland Co., Ltd., Takehaya Co., Ltd., Kawashima Co., Ltd., Seiansha Co., Ltd., and Gakuen Shoji Co., Ltd. came under the auspices of the holding company, Sunplanet Co., Ltd. in April 2001. In addition, the Company has a 50 percent or greater equity ownership in Gakuen Shoji Co., Ltd., and it is considered as a consolidated subsidiary from this interim period.

1-2. Subsidiaries Outside Japan (20 companies)

As of September 30, 2001

Company Name	Location	Common Stock	Equity(%) Ownership ¹	Description of Operations
		Unit: thousand		
Eisai Corporation of North America	New Jersey, USA	179,100 US\$	100.00%	U.S. subsidiaries holding company
Eisai Inc.	New Jersey, USA	83,600 US\$	100.00%	Pharma. prod./sales/clinical research
Eisai Research Institute of Boston, Inc.	Massachusetts, USA	65,300 US\$	100.00%	Basic research/clinical trial process research
Eisai U.S.A., Inc.	Texas, USA	29,500 US\$	100.00%	Bulk chemical prod./sales & machinery sales
Eisai Ltd.	London, U.K.	15,548 UKPS	100.00%	Pharma. sales/clinical research
Eisai London Research Laboratories Ltd.	London, U.K.	12,000 UKPS	100.00%	Basic research
Eisai Pharma-Chem Europe Ltd.	London, U.K.	100 UKPS	100.00%	Bulk chemical sales support & food additive product sales
Eisai GmbH	Frankfurt, FRG	7,669 EUR	100.00%	Pharmaceutical sales
Eisai Machinery GmbH	Cologne, FRG	1,278 EUR	100.00%	Pharm. machinery prod./sales
Eisai S.A.	Paris, France	19,500 EUR	100.00%	Pharmaceutical sales
Eisai B.V.	Amsterdam, Netherlands	540 EUR	100.00%	Pharmaceutical prod./sales
P.T. Eisai Indonesia	Jakarta, Indonesia	5,000 US\$	79.60%	Pharmaceutical prod./sales
Eisai Asia Regional Services Pte. Ltd.	Singapore	26,400 S\$	100.00%	Pharm. management/sales support
Eisai (Malaysia) Sdn. Bhd.	Petaling Jaya, Malaysia	470 M\$	98.09%	Pharmaceutical sales
Eisai (Thailand) Marketing Co., Ltd. ²	Bangkok, Thailand	11,000 Baht	49.90%	Pharmaceutical prod./sales
Eisai Hong Kong Co., Ltd.	Hong Kong	500 HK\$	100.00%	Pharmaceutical prod./sales
Eisai Taiwan, Inc.	Taipei, Taiwan	250,000 NT\$	100.00%	Pharmaceutical prod./sales
Weizai Co., Ltd.	Taipei, Taiwan	20,000 NT\$	100.00%	Pharmaceutical sales
Eisai (Suzhou) Pharmaceutical Co., Ltd.	Suzhou, China	139,274 RMB	100.00%	Pharmaceutical prod./ sales
Eisai Korea Inc.	Seoul, Korea	3,512,000 Won	100.00%	Pharmaceutical sales

- Notes:
1. Equity direct/indirect ownership percentage.
 2. The Company has a less than 50 percent equity ownership in Eisai (Thailand) Marketing Co., Ltd., but it is considered as a consolidated subsidiary under the application of the "controlling entity" standard.
 3. Eisai Europe Ltd. was liquidated in May 2001.
 4. In August 2001, Eisai U.S.A., Inc. discontinued synthetic vitamin E production and bulk chemical sales operations.

2. Equity in Earnings in Associated Companies (3 companies)

As of September 30, 2001

Company Name	Location	Common Stock	Equity (%) Ownership ¹	Description of Operations
[Associated companies in Japan: 1]				
Bracco-Eisai Co., Ltd.	Tokyo	¥340 million	49.00%	Contrast media import prod./sales
[Associated companies outside Japan: 2]				
		Unit: thousand		
Eisai-Novartis Verwaltungs GmbH ²	Nuremberg, FRG	25 EUR	50.00%	-
Hi-Eisai Pharmaceutical Inc.	Manila, Philippines	31,250 Peso	49.90%	Pharmaceutical sales

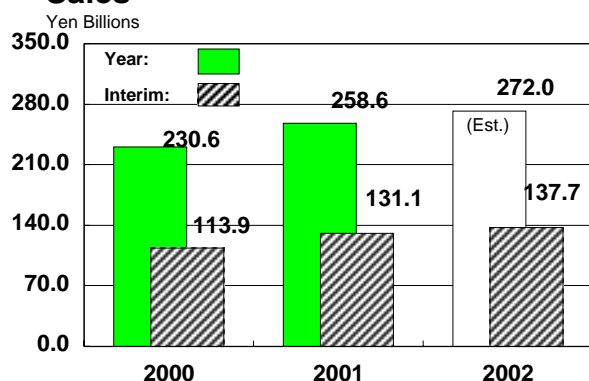
- Notes:
1. Equity indirect/direct ownership percentage.
 2. Eisai-Novartis GmbH and Co. KG, was liquidated in April 2001 and Eisai-Novartis Verwaltungs GmbH is in the process of liquidation, but remains in existence as a registered company.

I. Non-Consolidated Financial Highlights

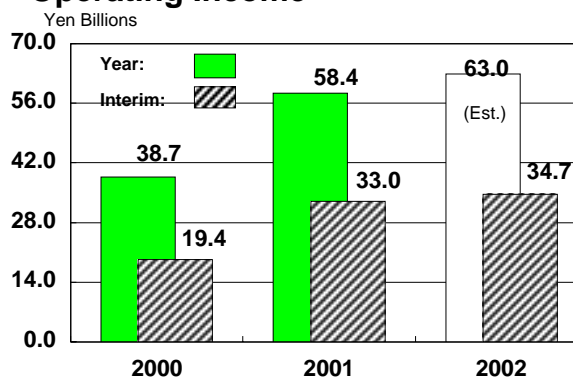
Years Ended March 31	2001	2002	% chg.	2001	2002(e)
Interim Apr-Sept	Interim	Interim			
<Statements of Income Data>					
Net Sales (billions of yen)	131.1	137.7	105.0	258.6	272.0
Operating Income (billions of yen)	33.0	34.7	105.3	58.4	63.0
Ordinary Income (billions of yen)	33.5	35.2	105.1	61.6	63.5
Net Income (billions of yen)	6.5	17.2	263.3	18.2	33.0
Earnings per Share (EPS) (yen)	44.09	116.10	-	61.35	111.32
Fully Diluted Earnings per Share (yen)	43.69	114.94	-	60.77	-
<Balance Sheet Data>					
Total Assets (billions of yen)	457.5	464.6	-	462.6	-
Shareholders' Equity (billions of yen)	341.0	359.3	-	347.8	-
<Others>					
Return on Equity (ROE) (Period Begin-End Average) (%)	3.9	9.7	-	5.3	-
Return on Assets (ROA) (Period Begin-End Average) (%)	2.9	7.4	-	4.0	-
Turnover Ratio of Total Assets (Period Begin - End Average) (times)	0.59	0.59	-	0.57	-
Shareholders' Equity to Total Assets (%)	74.5	77.3	-	75.2	-

* Earnings per Share, Fully Diluted Earnings Per Share, ROE, and ROA, are calculated based on doubling the interim period net income.
 The application of new regulations concerning the treatment of treasury stock has resulted in the subtraction of treasury stock from assets.
 EPS and fully diluted EPS are calculated based on the average number of common stock after deducting the number of treasury stock.
 * Turnover Ratio of Total Assets is calculated based on doubling the interim period net sales.

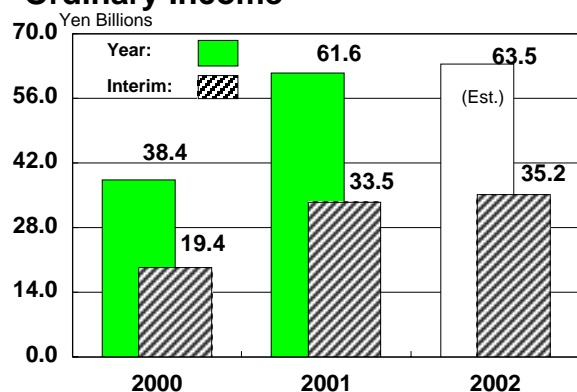
•Sales



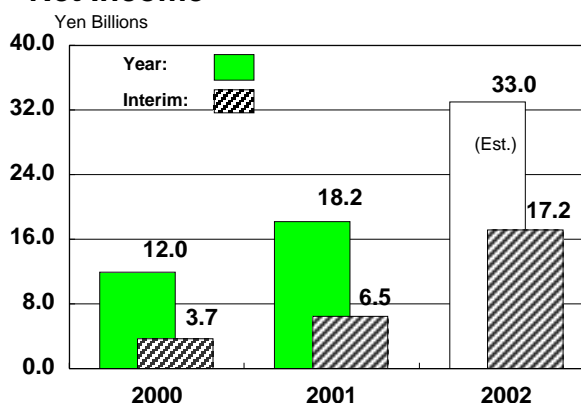
•Operating Income



•Ordinary Income



•Net Income



II. Non-Consolidated Statements of Income

1. STATEMENTS OF INCOME & EXPLANATION

(billions of yen)

Years Ended March 31	2001	Sales %	2002	Sales %	Chg. %	Change
Interim Apr-Sept	Interim		Interim			
Net sales	131.1	100.0	137.7	100.0	105.0	6.6
Cost of sales	41.6	31.7	42.5	30.9	102.3	0.9
Reversal of reserve for sales returns	0.1	0.0	0.1	0.1	68.4	(0.0)
Gross profit	89.6	68.3	95.2	69.2	106.3	5.6
Research and development expenses	21.6	16.5	23.8	17.3	110.1	2.2
Selling, general & administrative expenses	35.1	26.7	36.8	26.7	104.8	1.7
Operating income	33.0	25.1	34.7	25.2	105.3	1.8
Non-operating income:						
Interest and dividends income	0.9		0.8			(0.0)
Other non-operating income	0.6		0.7			0.1
Total non-operating income	1.5	1.1	1.5	1.1	101.0	0.0
Non-operating expenses:						
Interest expense	0.3		0.1			(0.1)
Other non-operating expenses	0.6		0.8			0.2
Total non-operating expenses	0.9	0.6	0.9	0.7	108.2	0.1
Ordinary income	33.5	25.6	35.2	25.6	105.1	1.7
Extra-ordinary income:						
Gain on sales of property, plant & equipment	0.0		0.0			0.0
Reversal of provision for losses on investment in subsidiary	-		1.0			1.0
Reversal of allowance for doubtful accounts receivable	0.1		0.2			0.1
Gains on securities contributed to the retirement benefits trust	1.4		-			(1.4)
Total extra-ordinary income	1.5	1.1	1.2	0.9	81.0	(0.3)
Extra-ordinary loss:						
Loss on disposal of fixed assets	0.2		0.2			0.0
Losses on allowance for doubtful accounts receivable	-		3.3			3.3
Loss valuation of investment securities	0.1		2.9			2.8
Losses on vitamin E litigation settlement	1.6		0.2			(1.4)
Amortization of transitional obligation for employees' retirement benefits	15.1		-			(15.1)
Losses on investments in subsidiaries	5.6		-			(5.6)
Other extra-ordinary loss	0.3		0.1			(0.3)
Total extra-ordinary loss	22.9	17.5	6.7	4.9	29.2	(16.2)
Income before Income Taxes	12.1	9.2	29.7	21.6	246.0	17.7
Income taxes-current	17.4	13.2	15.6	11.3	89.6	(1.8)
Income taxes-deferred	(11.8)	(9.0)	(3.0)	(2.2)	25.6	8.8
Net income	6.5	5.0	17.2	12.5	263.3	10.7
Retained earnings brought forward	5.3		4.9			(0.4)
Unappropriated retained earnings for the period	11.9		22.1			10.3

<Explanation>

Net sales

<Increase Factor(s)>

- Aricept sales increase in Japan
- Industrial property rights, etc. income increase
- Export of Aricept/Aciphex/Pariet drug substance/bulk tablets increase

Cost of sales ratio

<Improvement Factor(s)>

- Sales product mix change
- Industrial property rights, etc. income increase

R&D expenses

<Increase Factor(s)>

- Contract research increase at U.S. research subsidiaries

Reversal of provision for losses on investment in subsidiary

<Increase Factor(s)>

- Transfer to allowance for doubtful accounts receivable

Losses on allowance for doubtful accounts receivable

<Increase Factor(s)>

- Reserve for receivables from subsidiary

Loss valuation of investment securities

<Increase Factor(s)>

- Loss valuation of securities

2. SALES DATA

2-1. Non-Consolidated Net Sales by Business Segment

(billions of yen)

Years Ended March 31	2001	2002	2001	2002(e)
Interim Apr-Sept	Interim	Interim		
Net sales	131.1	137.7	258.6	272.0
Pharmaceuticals	116.5	120.4	228.9	240.0
Prescription Pharmaceuticals	105.4	109.2	205.8	216.5
(Ratio of in-house developed products to Prescription Pharmaceuticals) (%)	(74.8%)	(77.0%)	(75.8%)	-
Consumer Health Care Products	11.2	11.2	23.1	23.5
Animal Health, Food Additives/Chemicals, Machinery, etc	8.3	7.9	16.0	11.0
Industrial Property Rights, etc. Income	6.3	9.5	13.7	21.0

2-2. Sales by Therapeutic Area

(billions of yen)

Years Ended March 31	2001	2002	2001	2002(e)
Interim Apr-Sept	Interim	Interim		
Prescription Pharmaceuticals	116.5	120.4	228.9	240.0
Central Nervous System	35.6	40.0	69.9	-
Cardiorespiratory	23.9	21.9	46.5	-
Gastrointestinal & Reproductive Health	29.2	30.7	57.8	-
Vitamins	8.1	8.5	15.9	-
Nutritional Supplementation	2.0	1.9	2.6	-
Dermatological Preparations	1.7	1.7	4.7	-
Antibiotics & Chemotherapy	2.0	2.0	4.3	-
Diagonistics	6.1	6.0	11.7	-
Metabolics	7.9	7.8	15.3	-
Others	0.0	0.0	0.1	-

2-3. Exports by Geographical Area

(billions of yen)

Years Ended March 31	2001	2002	2001	2002(e)
Interim Apr-Sept	Interim	Interim		
Net sales	131.1	137.7	258.6	272.0
Export	21.5	28.1	44.1	59.5
North America	15.7	21.2	32.4	-
Europe	3.9	5.0	8.2	-
Asia & Others	1.9	1.9	3.5	-
Ratio of Exports to Sales (%)	16.4%	20.4%	17.1%	21.9%

Note: Export segment areas noted below:

1. North America: U.S., Canada
2. Europe: U.K., Germany, France, etc.
3. Asia & Others: East Asia, South East Asia, South-Central America, etc.

2-4. PRESCRIPTION PHARMACEUTICALS

(billions of yen)

Years Ended March 31, Interim Apr-Sept		2001	2002	%	2001	2002(e)
Product	Description	Interim	Interim	Chg.		
METHYCOBAL	Peripheral neuropathy treatment	14.8	15.6	105.2	28.6	30.0
SELBEX	Gastritis/gastric ulcer medication	15.4	14.8	96.4	29.7	31.0
ARICEPT	Alzheimer's disease treatment	3.6	7.1	193.7	8.5	14.0
GLAKAY	Osteoporosis treatment	6.7	6.7	100.1	12.9	13.0
IOMERON	Non-ionic contrast medium	5.5	5.4	98.3	10.6	10.0
MYONAL	Muscle relaxant	5.1	5.1	98.6	9.7	9.5
NITOROL-R	Long-acting isosorbide dinitrate	3.8	3.5	93.6	7.3	7.0
AZEPTIN	Anti-allergy agent	3.5	2.9	81.6	7.1	6.5
PARIET	Proton pump inhibitor	3.5	2.5	72.1	6.3	6.0
GLUCAGON G NOVO	Endoscopic examination/hypoglycemia treatment	2.3	2.3	100.4	4.5	5.0
INHIBACE	Long-acting ACE inhibitor	2.4	2.0	82.7	4.4	4.0
RULID	Long-acting macrolide antibiotic	1.8	1.8	100.7	3.7	4.0
Others		26.2	25.0	95.5	50.7	44.5
Prescription Pharmaceuticals Total		94.7	94.7	100.0	184.0	184.5

2-5. ARICEPT • PARIET DRUG SUBSTANCE / BULK TABLETS SALES

(billions of yen)

Years Ended March 31, Interim Apr-Sept		2001	2002	%	2001	2002(e)
Product	Description	Interim	Interim	Chg.		
ARICEPT drug substance (export)		5.2	5.8	111.3	9.6	11.0
PARIET bulk tablets/drug substance (export)		5.4	8.7	160.6	12.1	21.0
Bulk Substance/Tablets Total		10.7	14.5	135.5	21.8	32.0

2-6. CONSUMER HEALTH CARE PRODUCTS

(billions of yen)

Years Ended March 31, Interim Apr-Sept		2001	2002	%	2001	2002(e)
Product	Description	Interim	Interim	Chg.		
CHOCOLA BB Group	CHOCOLA BB / Vitamin B ₂ preparation	4.2	4.6	110.7	8.2	9.5
Vitamin-E Group	JUVELUX / Natural Vitamin E preparation	1.8	1.8	97.0	3.6	3.7
SACLON Group	SACLON / Indigestion & heartburn treatment	1.5	1.3	86.1	3.2	3.0
NABOLIN Group	NABOLIN / Active-type Vitamin B ₁₂	0.8	0.8	95.3	1.6	1.7
Others		2.8	2.6	95.5	6.5	5.6
Consumer Health Care Products Total		11.2	11.2	100.1	23.1	23.5

3. GROSS PROFIT/MANUFACTURING COST

3-1. Breakdown of Cost of Sales

(billions of yen)

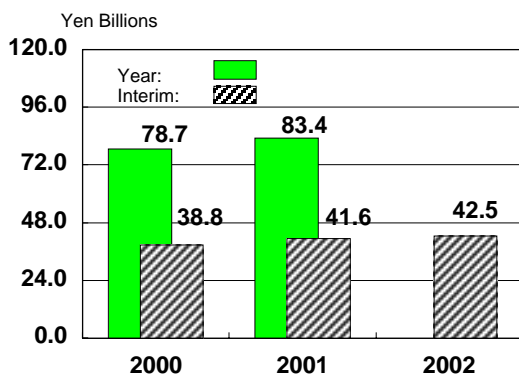
Years Ended March 31	2001	2002	2001
Interim Apr-Sept	Interim	Interim	
Net sales	131.1	137.7	258.6
Cost of sales	41.6	42.5	83.4
Beginning inventory (+)	12.5	11.9	12.5
Manufacturing cost (+)	21.8	21.4	45.5
Product purchase (+)	17.6	18.0	34.6
Account transfer (+)	0.9	3.2	2.7
Ending inventory (-)	11.2	12.0	11.9
Cost of sales %	31.7%	30.9%	32.2%
Reversal of reserve for sales returns	0.1	0.1	0.1
Gross profit	89.6	95.2	175.4

3-2. Breakdown of Manufacturing Costs

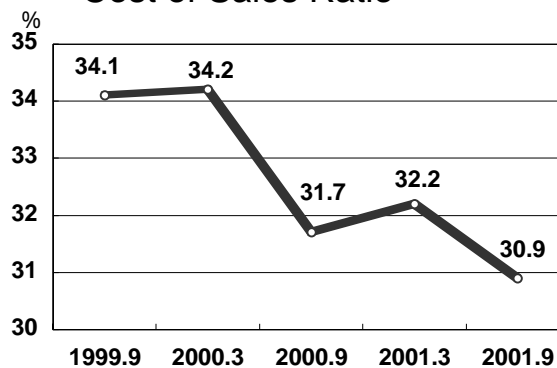
(billions of yen)

Years Ended March 31	2001	2002	2001
Interim Apr-Sept	Interim	Interim	
Total manufacturing cost	23.1	22.8	45.2
Raw materials	9.7	9.3	18.3
Labor cost	6.7	6.6	13.3
Expenses	6.7	6.8	13.6
Beginning inventory of semi-finished goods and work-in-process (+)	8.4	7.2	8.4
Ending inventory of semi-finished goods and work-in-process (-)	8.5	7.3	7.2
Account transfer (+)	(1.4)	(1.2)	(2.0)
Cost variances (+)	0.2	(0.0)	1.1
Manufacturing cost	21.8	21.4	45.5

•Cost of Sales



•Cost of Sales Ratio



4. SELLING, GENERAL & ADMINISTRATIVE EXPENSES (including R&D)

4-1. RESEARCH AND DEVELOPMENT EXPENSES (R&D)

(billions of yen)				
Years Ended March 31	2001	2002	2001	2002(e)
Interim Apr-Sept	Interim	Interim		
Net sales	131.1	137.7	258.6	272.0
R&D expenses	21.6	23.8	46.5	53.0
(Ratio of Overseas R&D Expenses to Total R&D Expenses) (%)	(26.2%)	(31.3%)	(26.8%)	(33.1%)
Percentage of sales (%)	16.5%	17.3%	18.0%	19.5%

4-2. SELLING, GENERAL & ADMINISTRATIVE EXPENSES(SG&A)

(billions of yen)				
Years Ended March 31	2001	2002	2001	2002(e)
Interim Apr-Sept	Interim	Interim		
Net sales	131.1	137.7	258.6	272.0
SG&A expenses	35.1	36.8	70.5	72.0
Personnel expenses	17.4	17.4	33.8	-
Marketing expenses	9.4	11.9	21.3	-
Administrative expenses	8.3	7.5	15.3	-
Percentage of sales (%)	26.7%	26.7%	27.2%	26.5%

4-3. SELLING, GENERAL & ADMINISTRATIVE EXPENSES (Including R&D Expenses)

(billions of yen)				
Years Ended March 31	2001	2002	2001	2002(e)
Interim Apr-Sept	Interim	Interim		
Net sales	131.1	137.7	258.6	272.0
SG&A expenses (including R&D expenses)	56.7	60.5	117.0	125.0
Percentage of sales (%)	43.2%	43.9%	45.2%	46.0%

5. PERSONNEL INFORMATION

(persons)			
Years Ended March 31	2000	2001	2002
Interim Apr-Sept			Interim
Total Employees	4,182	4,042	3,929
Research and development	1,040	1,011	950
Production	946	907	859
Sales, marketing and administration	2,196	2,124	2,120
Total Personnel cost (billions of yen)	62.5	63.7	32.0

* Employee numbers are expected to be 3,900 at the end of March 2002.

III. Non-Consolidated Balance Sheet

1 . Balance Sheet & Explanation

<Assets>

March 31 Interim September 30	2001		2002		(billions of yen)	
		%	Interim	%	Chg.	Change
Current assets:						
Cash and time deposits	37.4		45.7		122.1	8.3
Notes receivable-trade	14.9		13.5		90.5	(1.4)
Accounts receivable-trade	96.2		96.0		99.8	(0.2)
Short-term investments	22.6		27.5		122.1	5.0
Inventories	24.3		24.0		98.6	(0.3)
Short-term deposits	4.8		-		-	(4.8)
Deferred tax assets	10.9		12.1		111.4	1.2
Other current assets	7.9		7.9		99.6	(0.0)
Allowance for doubtful accounts receivable	(0.6)		(1.6)		255.9	(1.0)
Total current assets	218.4	47.2	225.1	48.4	103.1	6.7
Fixed assets:						
Property, plant and equipment:						
Buildings and structures	36.9		36.3		98.2	(0.7)
Land	10.0		10.0		99.9	(0.0)
Others	19.9		19.5		97.9	(0.4)
Total property, plant and equipment	66.8	14.4	65.7	14.2	98.3	(1.1)
Intangible assets:						
Software	7.6		8.4		111.4	0.9
Patents, telephone rights and others	0.5		0.5		91.2	(0.0)
Total intangible assets	8.1	1.8	8.9	1.9	110.2	0.8
Investments and other assets:						
Investments in securities	74.4		68.3		91.7	(6.2)
Investments in and advancements to and associated companies	42.0		42.0		100.0	0.0
Insurance reserve	24.9		24.1		96.5	(0.9)
Deferred tax assets	16.5		19.5		118.3	3.0
Other investments	12.9		14.7		113.9	1.8
Allowance for doubtful accounts receivable	(1.5)		(3.7)		247.7	(2.2)
Total investments and other assets	169.3	36.6	164.9	35.5	97.4	(4.4)
Total fixed assets	244.2	52.8	239.5	51.6	98.1	(4.7)
Total assets	462.6	100.0	464.6	100.0	100.4	2.0

<Explanation>

Cash and time deposits

Short-term investments

<Increase Factor(s)>
•Funds transfer in anticipation of bonds redemption

Short-term deposits

<Decrease Factor(s)>
•Settlement payments associated with losses on vitamin E litigation in the U.S.

Allowance for doubtful accounts receivable

<Increase Factor(s)>
•Transfer from "Provision for loss on investment in subsidiary"

Property, plant and equipment

<Decrease Factor(s)>
•Depreciation greater than investment

Investments in securities

<Decrease Factor(s)>
•Fair market value

Deferred tax assets

<Increase Factor(s)>
•Expansion of taxable income associated with liability for retirement benefit

Allowance for doubtful accounts receivable

<Increase Factor(s)>
•Provision for losses in subsidiary

<Liabilities And Shareholders' Equity>

(billions of yen)

Years Ended March 31	2001		2002		Chg.	Change	<Explanation>
Interim September 30		%	Interim	%	%		
Current liabilities:							
Notes payable-trade	0.9		0.8		87.9	(0.1)	
Accounts payable-trade	7.2		6.4		90.0	(0.7)	
Current portion of straight bonds	10.0		10.0		100.0	-	
Other accounts payable	18.9		17.0		90.4	(1.8)	
Accrued expenses	13.5		12.2		90.6	(1.3)	
Accrued income taxes	21.8		14.6		67.2	(7.1)	Accrued income taxes
Consumption tax payable	1.5		1.1		71.3	(0.4)	<Decrease Factor(s)>
Reserve for rebates of sales	0.6		0.6		113.6	0.1	•Increase in taxable income of prior year end
Other reserves	0.8		0.7		84.1	(0.1)	
Other current liabilities	2.9		3.0		100.3	0.0	
Total current liabilities	78.0	16.9	66.5	14.3	85.2	(11.5)	
Long-term liabilities:							
Convertible bonds	5.5		5.5		100.0	-	Liability for retirement benefits
Liability for retirement benefits	28.7		31.7		110.7	3.1	<Increase Factor(s)>
Retirement allowances for Directors	1.7		1.6		93.7	(0.1)	•Amortization of actuarial loss
Liability for losses on investment in subsidiary	1.0		-		-	(1.0)	Liability for losses on investment in subsidiary
							<Decrease Factor(s)>
Total long-term liabilities	36.8	7.9	38.8	8.4	105.4	2.0	•Transfer to "Allowance for Doubtful Accounts Receivable"
Total liabilities	114.8	24.8	105.3	22.7	91.7	(9.5)	
Shareholders' equity:							
Common stock	44.9	9.7	44.9	9.7	100.0	-	
Additional paid-in capital	55.1		55.1		100.0	-	
Legal reserve	7.5		7.9		105.3	0.4	
Retained earnings:							
General reserve	219.0		230.0		105.0	11.0	
Unappropriated retained earnings for the period	20.3		22.1		109.2	1.9	Net realized gains/losses on available-for-sale securities
Net realized gains/losses on available-for-sale securities	1.0		(0.7)		-	(1.7)	<Decrease Factor(s)>
							•Decline in market value
Treasury stock	-		(0.0)		-	(0.0)	Treasury stock
							•Application of new regulations concerning treatment of Treasury stock
Total Shareholders' equity	347.8	75.2	359.3	77.3	103.3	11.5	
Total Liabilities and shareholders' equity	462.6	100.0	464.6	100.0	100.4	2.0	

2 . Capital Expenditures and Depreciation/Amortization

Years Ended March 31	2001	2002	2001	2002
Interim Apr-Sept	Interim	Interim		(Exp.)
Capital expenditures	2.2	7.6	10.4	19.0
Property, plant and equipment	1.2	5.6	7.2	14.0
Intangible assets	1.0	2.0	3.2	5.0
Depreciation/Amortization	5.1	5.1	10.7	11.5

Note: Depreciation/amortization includes property, plant and equipment as well as intangible assets.

I. Major R&D Pipeline Candidates

<JAPAN>

1-1 . FILED FOR APPROVAL

(Product) Name (Research Code)	Description	Application	Form.	Origin
MYONAL E2000 (Additional form)	Muscle Relaxant Absorption via a transdermal patch form has been shown to relieve central nervous skeletal muscle spasticity and to mitigate muscle stiffness and pain from poor circulation, and is expected to improve various symptoms of muscle tension.	Mar.97	Transdermal	In-house
E7155	MRI Contrast Medium A gadolinium contrast medium for magnetic resonance imaging which increases the contrast of lesions in many tissues, achieving particularly high contrast in hepatic lesions.	Mar.00	Inj.	Bracco

1-2 . PHASE III

(Product) Name (Research Code)	Description	Expected Application	Form.	Origin
T-614	Anti-rheumatic Agent Inhibits lymphocyte proliferation and immunoglobulin production by suppressing the production of inflammatory cytokines. Expected to improve chronic rheumatoid arthritis.	2003	Tab.	Toyama Chemical
CLEACTOR E6010 (Additional indication)	Pulmonary Embolism Treatment A novel second generation t-PA with a structure modified utilizing recombinant DNA techniques. Designated as an orphan drug, E6010 is expected to be the first t-PA indicated for the treatment of pulmonary embolism.	2002	Inj.	In-house
PARIET E3810 (Additional indication)	GERD Maintenance/Proton Pump Inhibitor The compound has already been approved for the treatment of peptic ulcers in Japan and is in phase III clinical trials for GERD Maintenance.	2001	Tab.	In-house

1-3 . PHASE II

(Product) Name (Research Code)	Description	Form.	Origin
E3620	Gastrointestinal Motility/5-HT3 Receptor Antagonist/5-HT4 Receptor Agonist Serotonin type 3 receptor antagonist and type 4 receptor agonist under development for motility. Expected to improve diarrhea and the sense of fullness and anorexia associated with chronic gastritis and irritable bowel syndrome.	Tab.	In-house
KES524	Obesity Management/Central Serotonin & Noradrenaline Reuptake Inhibitor Inhibits the reuptake of cerebral neurotransmitters such as noradrenaline and serotonin, and enhances the feeling of satiety and the metabolic rate resulting in a loss of body weight.	Cap.	Abbott
CLEACTOR E6010 (Additional indication)	Cerebral Embolism Treatment A novel second generation t-PA with a structure modified utilizing recombinant techniques. The first t-PA expected to become indicated for the treatment of cerebral embolism.	Inj.	In-house
TAMBOCOR (E0735) (Additional indication)	Atrial Fibrillation The compound has already been approved as a treatment for tachycardias in Japan and is in phase II clinical trials for the treatment of atrial fibrillation.	Inj.	3M

2. INTERNATIONAL DEVELOPMENT

2-1. APPROVED

(Product) Name (Research Code)	Area	Date	Description	Form.	Origin
PARIET E3810 (Additional indication)	E.U.	From Aug-01	Symptomatic GORD (GERD) (Gastroesophageal reflux disease) The compound has already been approved for the treatment of peptic ulcers and has now received agreement for approval from all 15 EU countries.	Tab.	In-house

2-2. FILED FOR APPROVAL

(Product) Name (Research Code)	Area	Date	Description	Form.	Origin
ACIPHEX E3810 (Additional indication)	U.S.	Apr. 01	The compound has already been approved for the treatment of peptic ulcers and has been submitted for approval for symptomatic gastroesophageal reflux disease.		

2-3. PHASE III

(Product) Name (Research Code)	Area	Description	Form.	Origin
ACIPHEX E3810 (Additional indication)	U.S.	<i>H. pylori</i> Eradication (In combination with antibiotics) The compound has already been approved for the treatment of peptic ulcers in Japan, Europe, and the U.S. Phase III trials are ongoing for <i>H. pylori</i> eradication utilizing a triple therapy regimen.	Tab.	In-house
ARICEPT E2020 (Additional indication)	U.S.	Dementia with Cerebral Vascular Disease Currently approved for the treatment of mild to moderate dementia of the Alzheimer's type. E2020 is now in phase III trials for the treatment of dementia with cerebral vascular disease.	Tab.	In-house
ARICEPT E2020 (Additional indication)	U.S.	Severe Alzheimer's disease Currently approved for the treatment of mild to moderate dementia of the Alzheimer's type. E2020 is now in phase III trials for the treatment of dementia due to severe Alzheimer's disease.	Tab.	In-house

2-4. PHASE II

(Product) Name (Research Code)	Area	Description	Form.	Origin
E5564	U.S.	Septic Shock/Endotoxin Antagonist A synthetic endotoxin antagonist effective against endotoxin from various types of gram negative bacteria. Under development for the treatment of sepsis.	Inj.	In-house
E7070	U.S. E.U.	Anti-cancer / antimetabolic agent The compound promotes apoptosis in the G1-cell cycle stage. This is the first compound to exhibit this mechanism of action in anti-cancer treatment.	Inj.	In-house
ARICEPT E2020 (Additional indication)	U.S.	Attention Deficit/Hyperactivity Disorder Currently approved for the treatment of mild to moderate dementia of the Alzheimer's type, E2020 is now in phase II trials for the treatment of attention deficit/hyperactivity disorder.	Tab.	In-house
ARICEPT E2020 (Additional indication)	U.S.	Memory Impairment Resulting From Closed Head Injury Currently approved for the treatment of mild to moderate dementia of the Alzheimer's type, E2020 is now in phase II trials for the treatment of memory impairment resulting from closed head injury.	Tab.	In-house

*Phase II clinical trials of E5531 have been discontinued.

II. Principal New Products

<CONSUMER HEALTH CARE PRODUCTS>

Product Name	Launch	Product Description
CHOCOLA BB LIGHT	Jul-01	A vitamin B ₂ drink product also containing 1000 mg of taurine. The product has an easy to consume passion fruits and orange flavor with reduced calories. And is a good nutritional supplement in times of physical exhaustion and fatigue.
CHOCOLA SAHNE LOTION	Sep-01	Contains five active ingredients (vitamin E, glycyrrhizinate dipotassium, urea, crotamiton, diphenhydramine) and these ingredients promote relief from itching, skin moisturization and improve skin dryness.
SELBELLE	Oct-01	Contains an herbal extract and teprenone which is used in prescription stomach medications. Teprenone increases gastric mucous and also protects gastric mucosa from stomach acid. The product can improve gastric peristalsis and unpleasant stomach symptoms such as heaviness and heartburn.
BREATHE RIGHT COOL NASAL STRIPS	Oct-01	Adhesive nasal strips with plastic bands worn on the nose. Two bands of plastic in the nasal strip attempt to gently straighten lifting the nostrils and improves nasal breathing by approximately 30%. The new product contains microencapsulated menthol.
CHOCOLA BB ROYAL	Nov-01	A vitamin B ₂ drink product containing 1000 mg of taurine, royal jelly, herbal extract, and white grape flavoring in a 50 ml bottle. The product is a good nutritional supplement in times of physical exhaustion due to overwork, strenuous activity, and in times of fever and chills due to colds and flu.

2. Sanko Junyaku

<DIAGNOSTIC PRODUCTS>

Product Name	Listing/Launch	Product Description
RANA TP Auto	Jul-99 Dec-01	A diagnostic kit which provides a rapid and convenient titration of anti-TP (treponema pallidum) antibodies in serum and is useful for diagnosing syphilitic TP infection and can be used in a conventional clinical analyzer. (Produced by Nippon Kayaku Co., Ltd.)
