



*hvc*  
human health care

# To Shareholders

Interim Report for Fiscal Year Ending March 31, 2012

Eisai Co., Ltd.



Eisai Supports WHO's LF elimination

AFUTUREFREEOFLF  
GlobalAlliance

## To Our Shareholders



*I thank you sincerely for your ongoing support. Here, we provide an overview of the Company's operating performance during the first half of the fiscal year ending March 31, 2012.*

*Haruo Naito*

Haruo Naito  
President and CEO

## Overview of Consolidated Financial Results

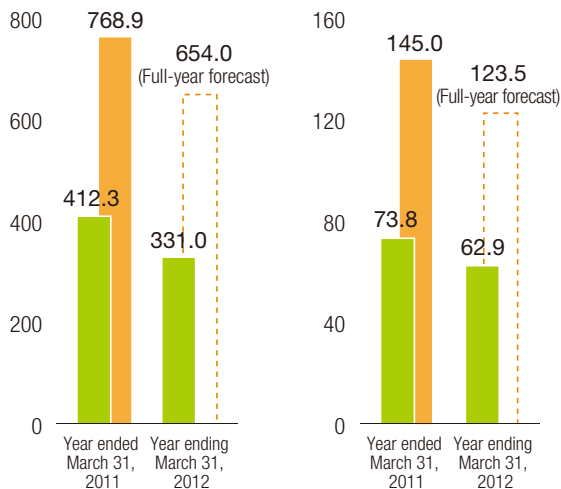
- Consolidated net sales for the six-month period ended September 30, 2011, were ¥331,021 million (19.7% decrease year on year).
- Sales of *Aricept*, an anti-Alzheimer's agent, declined to ¥81,354 million (down 52.7% year on year) as a result of the impact caused by the expiration of the composition of matter patent in the United States. Sales of *Pariet* (U.S. brand name: *Aciphex*), a proton pump inhibitor, came to ¥63,277 million (down 10.0% year on year). sales of oncology-related products increased to ¥46,304 million (up 17.2% year on year). The ratio of sales of oncology-related products to the Group's consolidated net sales rose to 14.0% from the 9.6% ratio of the second quarter of the previous fiscal year.
- Selling expenses significantly declined as a result of lower alliance fees paid to our partner. following the *Aricept* composition of matter patent expiration in the United States, while operating income, ordinary income, and net income decreased due to a decline in gross profit that resulted from lower net sales. The operating income ratio improved by 0.5 percentage point to 15.2% from 14.7% in the previous fiscal year.

## Consolidated Financial Results (1)

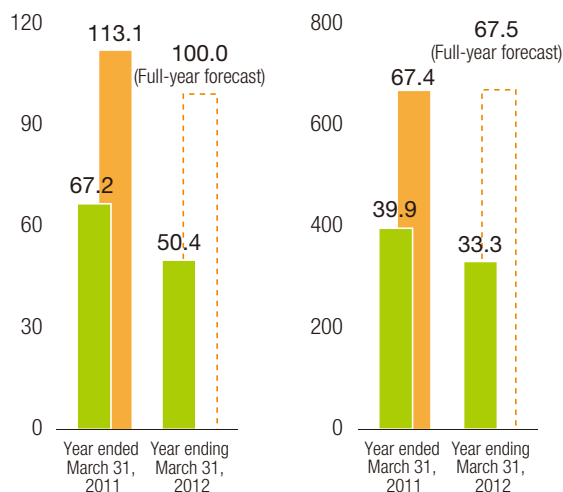
(Figures are rounded.)

Full year Six months ended September 30

### Net Sales (Billions of yen) R&D Expenses (Billions of yen)



### Operating Income (Billions of yen) Net Income (Billions of yen)



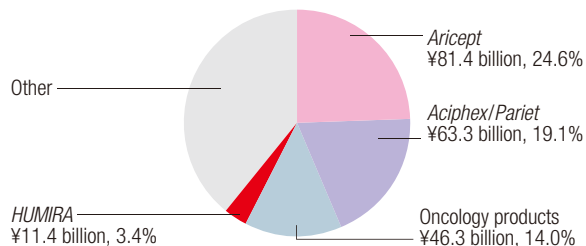
This report includes forward-looking statements with respect to plans and forecasts of future results. Please understand that actual performance may differ significantly from these projections.

## Consolidated Financial Results (2)

(Figures are rounded.)

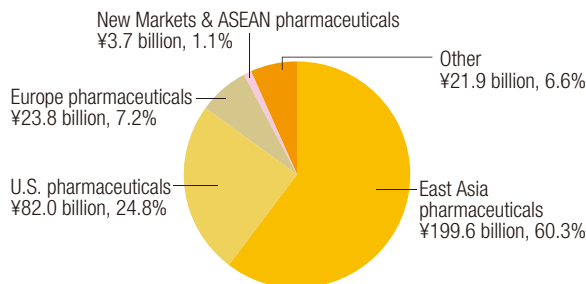
### Key Product Sales

Percentage figures indicate the percentage of total sales.

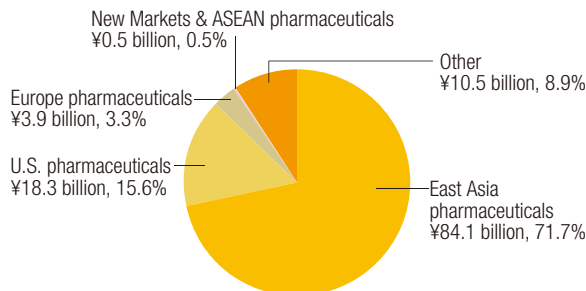


### Net Sales by Reporting Segment\*1

Percentage figures indicate the percentage of total sales.



### Operating Income by Reporting Segment\*1, \*2



\*1: Effective from the fiscal year ending March 31, 2012, the Group has designated four new reporting segments for its Pharmaceuticals Business: East Asia (Japan, China, South Korea, Taiwan, and Hong Kong), the United States, Europe, and New Markets & ASEAN (which includes Brazil, Mexico, Russia, Canada, Australia, India, the Middle East, and Southeast Asia).

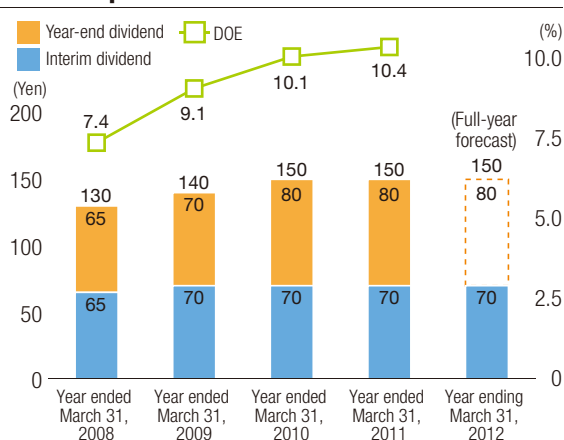
\*2: R&D expenses of ¥62.9 billion and Group Headquarters management costs and other expenses of ¥4.0 billion are not allocated to reporting segment profits.

## Shareholder Return

Eisai is devoted to providing sustainable and stable dividends based on its consolidated financial performance along with the dividend on equity ratio\*1 (DOE) and cash income\*2.

Based on the Company's dividend policy to provide shareholders with sustainable and stable dividends, Eisai intends to set the interim dividend for the period (at the end of the second quarter) at ¥70 per share. Eisai expects to award ¥80 per share for the fiscal year-end dividend.

### Dividends per Share/DOE



\*1 Dividend on equity ratio (DOE) =  
Dividend payout ratio × Return on equity

DOE encompasses both the dividend payout ratio (DPR), which measures the extent to which profits are distributed to shareholders in the form of dividends, and return on equity, which measures how effectively the Company uses the money invested by shareholders to generate profits.

\*2 Cash income is the total amount of cash available for investment in future growth, dividend payments, repayment of borrowings, and other expenditures. The Group considers cash income as an indicator to assess corporate growth potential and strategies.

Cash income: Net income (loss) + depreciation of PP&E and amortization of intangible assets + IPR&D expenses + amortization of goodwill + loss on impairment of long-lived assets (including loss on devaluation of investment securities)

## Topics

### • Eisai Launches Anticancer Agent *Halaven*® in Japan

In July 2011, Eisai launched the novel anticancer agent *Halaven*® 1mg intravenous formulation in Japan for the treatment of inoperable or recurrent breast cancer.

*Halaven*® is the first novel anticancer agent to be discovered and developed by the Eisai. *Halaven*® is the first single-agent chemotherapy to demonstrate a statistically significant overall survival (OS) benefit in pretreated metastatic breast cancer patients.

In line with its *human health care (hhc)* mission, Eisai's entire force of medical representatives (MRs) will work together to strengthen the Company's activities in the oncology market, thereby contributing to fulfilling the needs of women and families throughout the country living with breast cancer and improving their quality of life.



### • Eisai Group Establishes New Pharmaceutical Sales Subsidiaries in Brazil and Mexico

In April 2011, the Eisai Group established a company in Brazil as its first pharmaceutical sales subsidiary in Latin America, followed by a company in Mexico in August.

Eisai seeks to establish a presence in each of the world's top 20 largest pharmaceutical markets as part of its mid-term strategic plan, "HAYABUSA." The Company is working to expand access to medicine in Latin America and has introduced a policy of affordable pricing. Through these initiatives, Eisai will contribute to increasing the benefits provided to as many patients and their families as possible in emerging markets.

## Ongoing Research & Development Projects

Development progress since April 2011 is as follows. (As of October 31, 2011)

Therapeutic Areas	Product Name (Research Code)	Form	Description	Region	Phase II	Phase III	Submission	Approved
Oncology and Supportive Care	<b>Halaven (E7389)</b>	Injection	Microtubule dynamics inhibitor/Breast cancer	Japan Switzerland				Apr. May
			Breast cancer	Australia 4 countries in Asia*				
			Non-small cell lung cancer	Global				
			Sarcoma	Japan				
	<b>Dacogen (E7373)</b>	Injection	DNA methylation inhibitor/Additional indication: Acute myeloid leukemia (AML)	US				
			Additional Indication: Pediatric acute myeloid leukemia (AML)	US				
	<b>E7080</b>	Oral	VEGF receptor tyrosine kinase inhibitor/Multi-kinase inhibitor/Thyroid cancer	Global				
<b>MORAb-003</b>	Injection	Monoclonal antibody/Platinum-resistant ovarian cancer	US/EU					
<b>MORAb-004</b>	Injection	Monoclonal antibody/Melanoma	US					
Neurology	<b>BANZEL (E2080)</b>	Oral	Anti-epileptic agent/Adjunctive treatment for pediatric patients with supraventricular tachyarrhythmia	Canada				Jun.
	<b>Zonegran (E2090)</b>	Oral	Anti-epileptic agent/Additional indication: Monotherapy for epilepsy	EU				
	<b>E2007 (Generic name: perampanel)</b>	Oral	AMPA receptor antagonist/Adjunctive treatment for partial-onset epilepsy	EU				
			Adjunctive treatment for partial-onset epilepsy (preparing for resubmission)	US				
		Adjunctive treatment for generalized epilepsy	Global					
Vascular and Immunological Reaction	<b>HUMIRA (D2E7)</b>	Injection	Fully human anti-TNF-alpha monoclonal antibody/Additional indication: Juvenile idiopathic arthritis	Japan				Jul.
			Additional formulation: <i>Humira</i> Pre-filled Syringe 20mg/0.4mL for Subcutaneous Injection, a new formulation for patients with a low body weight	Japan				Jul.
			Additional indication: Inhibition of structural damage of joints in rheumatoid arthritis	Japan				
	<b>Vasolan</b>	Oral Injection	Calcium channel blocking anti-arrhythmic agent/Additional indication: pediatric patients with supraventricular tachyarrhythmia	Japan				May
	<b>Warfarin</b>	Oral	Oral anticoagulant/Additional formulation: Granules	Japan				Jul.
			Additional dosage & administration: Granules pediatric dosage & administration	Japan				Oct.
	<b>T-614</b>	Oral	Rheumatoid arthritis	Japan				
<b>E6005</b>	Topical	Phosphodiesterase 4 inhibitor/Atopic dermatitis	Japan					
Gastrointestinal Disorders	<b>Pariet (E3810)</b>	Oral	Proton pump inhibitor/Additional indication: Prevention of recurrence of gastric and duodenal ulcers during treatment with low-dosage aspirin	Japan				

\* 4 countries in Asia: South Korea, Thailand, Malaysia, Hong Kong

- The Group decided to terminate the development of its investigational proton pump inhibitor (PPI) *Pariet/Aciphex* extended-release capsules, 50 mg and with drew the marketing authorization applications it had submitted to the regulatory authorities in the U.S. and Europe.
- The phase III study initiated in the U.S. to evaluate the anticancer agent *Ontak* as a potential treatment for peripheral T-cell lymphoma was temporarily terminated to focus on the development of a new formulation to improve the benefit of the agent to patients.