

hhc

Human Health Care

The script for our "human health care" logo was taken from the signature of Florence Nightingale. The "human health care" concept reflects our commitment to viewing health care not only from the standpoint of the health care professional, but also from that of the patient. This commitment is inspired by Florence Nightingale, who devoted her life to caring for others, yet never lost sight of the importance of listening to her patients.

To Shareholders

97th Interim Report

From April 1, to
September 30, 2008



Eisai Co., Ltd.

<http://www.eisai.co.jp/index-e.html>

To Our Shareholders



Our corporate concept of providing healthcare benefits by giving first thought to patients and their families is the driver of our future growth.

At Eisai, our corporate mission is to create and increase patient value, specifically through (1) satisfying unmet medical needs, (2) ensuring a stable supply of high-quality products and (3) providing useful information on safety and efficacy. Building a stronger presence and involvement in the field of oncology is one means of accomplishing this mission. As you know, we acquired MGI PHARMA, INC., in January 2008 and as a result, oncology treatment-related products now account for 10% of our net sales. The acquisitions in this high-growth therapeutic area are already showing promise of return on investment.

Key product *Aricept* is the highest growth product of the 30 top-selling prescription pharmaceuticals currently sold in Japan. We are beginning to see the results of our efforts to promote *human health care (hhc)*, particularly as they involve

creating communities where people can live with peace of mind even if they get sick.

Priority projects in research and development, Eisai's platform for future growth, are progressing smoothly. We believe that great potential exists in advancing a variety of therapeutic approaches. In addition to small molecules, we are rounding out our portfolio of biologics, including antibodies and therapeutic DNA vaccines. At present, we are boldly striving to create innovative drugs that meet a growing number of unmet medical needs.

Thank you for your unwavering support, guidance and encouragement.

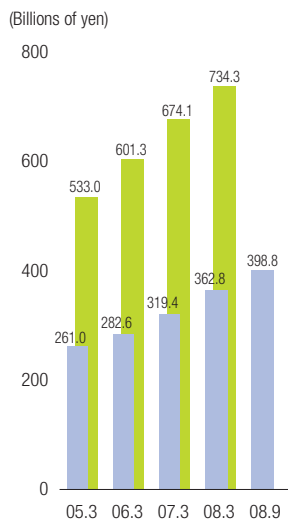
November 2008
President and CEO

Haruo Nitoh

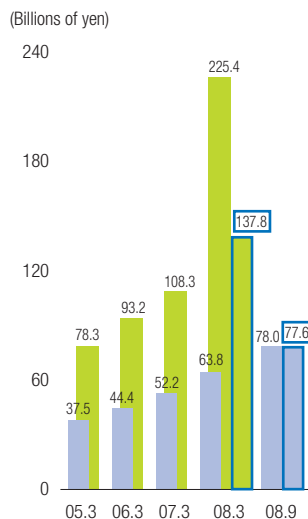
Consolidated Semiannual Financial Results (Figures are rounded.)

■ Full year ■ Interim □ Adjusted

Net Sales



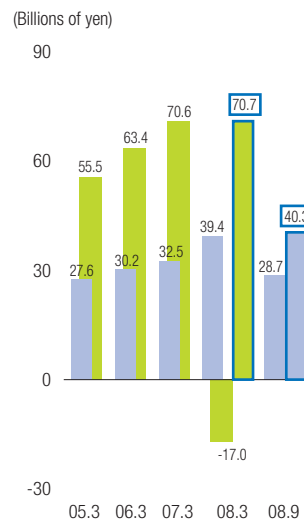
R&D Expenses



Operating Income



Net Income (Loss)



Adjusted Basis

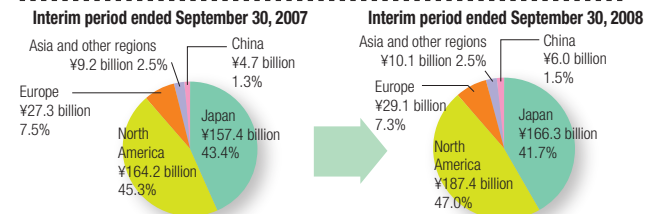
Financial reporting is based on GAAP excluding non-cash accounting items from the business combination of MGI PHARMA, INC., acquired in January 2008, to clarify the actual corporate business operations.

	(GAAP)		(Adjusted)		(GAAP)		(Adjusted)	
	Fiscal year ended March 31, 2008	08/07 (%)	Fiscal year ended March 31, 2008	08/07 (%)	Interim period ended September 30, 2008	08/07 (%)	Interim period ended September 30, 2008	08/07 (%)
Net sales	734.3		734.3	108.9	398.8		398.8	109.9
Cost of sales	118.8		113.3	103.7	79.2		68.9	126.2
R&D expenses	225.4		137.8	127.3	78.0		77.6	121.6
SG&A expenses	372.3		372.3	106.0	195.0		190.4	101.6
Operating income	17.7		110.8	105.3	46.5		61.9	108.5
Ordinary income	18.9		111.9	101.3	43.6		59.0	99.0
Net income (loss)	(17.0)		70.7	100.2	28.7		40.3	102.3

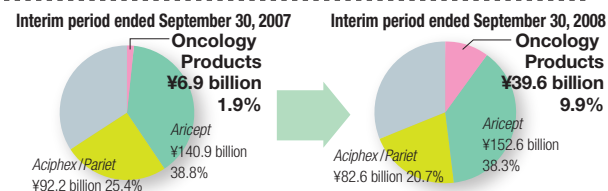
Cash Income

	(GAAP)		(Adjusted)	
	Fiscal year ended March 31, 2008	08/07 (%)	Interim period ended September 30, 2008	08/07 (%)
Cash income	105.5	108.1	58.3	105.3

Proportion of Sales by Region to Net Sales



Proportion of Oncology and Key Product Sales to Net Sales

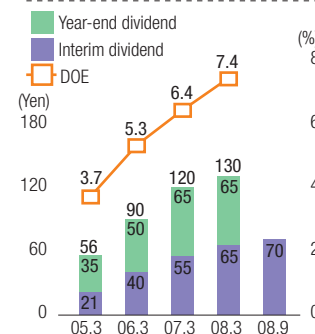


Shareholder Return

Eisai's fundamental dividend policy goal is to provide its shareholders with a sustainable, stable dividend determined by factors such as consolidated results and DOE.

Based on this policy and growth of cash income per share, the interim cash dividend is ¥70 per share, ¥5 higher than the same period in the previous year.

Dividends per Share/ Dividends on Equity (DOE)



Cash Income

The cash income demonstrates a company's ability to generate cash, or the total amount of cash a company can generate for use in growth investments, business development, dividend payments, debt repayments, etc. Cash income is one tool for evaluating a company's strategy and growth potential.

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

*The amounts assigned to product candidate compounds under development that have no alternative future use are charged to R&D expenses at the acquisition date.

Research and Development Status

Priority Projects Progress Report

Eisai has selected four projects for priority development in its effort to deliver new drugs quickly to the patient.

Microtubule Dynamics Inhibitor E7389 (Breast cancer, non-small cell lung cancer, prostate cancer, sarcoma)

Clinical trials for the indication of breast cancer have advanced to Phase III in Europe and the United States, and to Phase II in Japan. Simultaneous application for this indication in Japan, the United States and Europe is planned for the fiscal year ending March 31, 2010. Clinical trials for the indication of non-small cell lung cancer have entered Phase II in the United States, as have trials for the indication of prostate cancer in the United States and Europe and trials for the indication of sarcoma in Europe.

AMPA Receptor Antagonist E2007 (Neuropathic pain, epilepsy)

Phase II clinical trials for the indication of neuropathic pain are under way in Europe and the United States, with plans for application for this indication during the fiscal year ending March 31, 2011. Phase III clinical trials for the indication of epilepsy are ongoing in Europe and the United States, and applications for this indication are expected to be submitted during the fiscal year ending March 31, 2013.

Endotoxin Antagonist E5564 (Severe sepsis)

International Phase III trials are proceeding, with plans for simultaneous filings in the United States, Europe and Japan in the fiscal year ending March 31, 2010.

Aricept New Indications and Formulations (Pediatric usage, transdermal patch/sustained release)

In the United States, Eisai is conducting Phase III clinical trials for pediatric usages. New formulations include the development of a transdermal patch designed to be applied once a week, with Phase I trials of this formulation. Phase III trials of a sustained-release formulation also are currently underway in Europe and the United States. During the fiscal year ending March 31, 2010, we intend to submit an application for these formulations, as well as for the new indication.

Enhanced Presence in Oncology

Eisai has proactively sought to strengthen its R&D and commercial structure related to oncology, through its acquisition of four oncology products from U.S.-based Ligand Pharmaceuticals Inc. in October 2006, and its April 2007 acquisition of U.S.-based bioventure firm Morphotek, Inc. In January 2008, Eisai gained an immediate and full-fledged presence in the oncology field with its acquisition of MGI PHARMA, INC. Leveraging MGI's products and product candidates and utilizing its own global development strengths and marketing network, Eisai aims to tap the unlimited potential of oncology.

Small Molecules

Novel anti-mitosis (E7389, E7974)
Anti-proliferation/induction of cell differentiation (E6201, *Dacogen*, *Targretin*, *Panretin*, *Gladel Wafer*, *irofulven*)
Novel mechanism of action (E7070, E7107)
Anti-angiogenesis (E7820, E7080)
Cancer therapy sensitizer (GPI 21016)

Antibodies/Cytotoxic Protein

Monoclonal antibodies (MORAb-003, MORAb-004, MORAb-009, MORAb-028)
Denileukin diftitox (*Ontak*)

Therapeutic Vaccines

DNA vaccines (*amolmogene*, ZYC300)
Vaccine adjuvant (E6020)

Supportive Care

Chemotherapy-induced nausea and vomiting (*Aloxi*)
Oral mucositis (*Saforis*)
Thrombocytopenia (AKR-501)
Chemotherapy-induced neuropathy (GCP II inhibitor)

Contributing to a wide spectrum of unmet oncological needs

■ MGI PHARMA ■ Morphotek ■ Ligand Pharmaceuticals

Topics

- Apr.** European Regulatory Agency grants orphan status to Morphotek's MORAb-003 for the treatment of ovarian cancer and MORAb-009 for the treatment of pancreatic cancer.
- May** Eisai authorized for exclusive sales in Japan of ethical drugs Bufferin 81mg Tablets and Bufferin 330mg Tablets through agreement with Lion Corporation and Bristol-Myers K.K.
- May** Non-ionic contrast agents, *Iomeron 350* and *Iomeron 350* syringe approved for use in dynamic CT liver imaging.
- Jun.** *Humira* subcutaneous injection 40mg syringe 0.8mL is made available for the treatment of rheumatoid arthritis.
- Jul.** Proton pump inhibitor *Aciphex* 20 mg approved in the United States for short-term treatment of GERD in adolescents.
- Jul.** *Aloxi* injection made available in the United States for prevention of postoperative nausea and vomiting.
- Jul.** Antiosteoporotic drugs *Actonel* 17.5 mg tablets approved for additional indication in patients with Paget's disease bone disorder.
- Jul.** U.S. Federal Circuit Court of Appeals fully upholds Eisai's favorable ruling in proton pump inhibitor *Aciphex* patent infringement lawsuit.
- Jul.** Eisai China Inc. signs license agreement with Health Vision Enterprise Ltd., for sales and repacking in China of *α-Lipon 300 Stada* for diabetic neuropathic pain.
- Aug.** Symbio Pharmaceuticals and Eisai sign license agreement for bendamustine hydrochloride for the treatment of low-grade non-Hodgkin's lymphoma.
- Aug.** FDA approves *Aloxi* capsules for prevention of acute chemotherapy-induced nausea and vomiting.
- Sep.** Eisai launches new over-the-counter drug *Hotmin* for improving peripheral blood circulation.
- Oct.** Eisai launches new over-the-counter product *Chocola BB Drink bit*, a pharmaceutical drink for acne and skin care.
- Oct.** FDA grants full approval to *Ontak* for use in patients with cutaneous T-cell lymphoma (CTCL).



Humira subcutaneous injection 40mg syringe 0.8mL



Hotmin