EISAI CO., LTD.
AND
CONSOLIDATED SUBSIDIARIES
QUARTERLY FINANCIAL REPORT RELEASE

FOR IMMEDIATE RELEASE
October 31, 2008

Eisai Co., Ltd. hereby announces consolidated financial results for the Second Quarter of the fiscal year ending March 31, 2009.

- Eisai Co., Ltd. is listed on the First Section of the Tokyo Stock Exchange and the Osaka Securities Exchange.
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Expected date of Quarterly Financial Report submission: November 10, 2008
Expected date of initial payment of dividend: November 19, 2008

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. CONSOLIDATED QUARTERLY FINANCIAL RESULTS
Six-month ended September 30, 2008

1) RESULTS OF OPERATIONS

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
April 1, 2008- Sept. 30, 2008	¥398,828 mil.	-%	¥46,544 mil.	-%	¥43,610 mil.	-%
April 1, 2007- Sept. 30, 2007	¥362,817 mil.	13.6%	¥57,061 mil.	14.9%	¥59,560 mil.	15.1%

Period	Net Income	Percent Change	Basic Earnings per Share	Diluted Earnings per Share
April 1, 2008- Sept. 30, 2008	¥28,712 mil.	-%	¥100.78	¥100.74
April 1, 2007- Sept. 30, 2007	¥39,351 mil.	21.0%	¥138.49	¥138.34

Note: Percentage Increase (decrease) reflects changes in comparison with the corresponding period of the previous year.

2) FINANCIAL POSITION

Period End	Total Assets	Equity	Shareholders' Equity Ratio	Book-value per share
Sept. 30, 2008	¥1,156,499 mil.	¥464,871 mil.	39.8%	¥1,614.51
March. 31, 2007	¥1,123,939 mil.	¥453,791 mil.	39.9%	¥1,575.49

Reference: Shareholders' Equity = Equity - Minority interests - Stock acquisition rights:

- As of September 30, 2008: 459,991 million yen
- As of March 31, 2008: 448,860 million yen

2. DIVIDEND CONDITION

	Dividend per share				
(Record Date)	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Annual Total
March 31, 2008	-	¥65.00	-	¥65.00	¥130.00
March 31, 2009	-	¥70.00	-		
March 31, 2009 (Forecast)			-	¥70.00	¥140.00

Note: Revisions to dividend forecast in the quarter: None

3. CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2009

Period	Net Sales	Operating Income	Ordinary Income	Net Income	Basic Earnings per Share
Full Year	¥806,000 mil. 9.8%	¥94,000 mil. 429.6%	¥86,500 mil. 358.9%	¥56,500 mil. - %	¥198.31

Note 1: Percentage Increase (decrease) reflects changes in comparison with the corresponding period of the previous year.

Note 2: Consolidated financial forecast has been revised. (Non-consolidated financial forecast has also been revised accordingly.)

All figures less than 1,000,000 yen have been rounded-down.

4. OTHER

1) There were no transfers of important subsidiaries (transfers of specific subsidiaries* accompanied with a change in scope of consolidation) during the period.

*Subsidiaries that meet the following criteria:
1. The subsidiary's sales or purchases from the parent company represent 10% or more of the sales or purchases of the parent company.
2. The subsidiary's net assets are 30% or more than the net assets of the parent company
3. The amount of common stock is 10% or more than that of the parent company

2) Simplified accounting treatment and accounting treatment specific to the preparation of quarterly financial statements have been applied.

Note: For details, please refer to "6. Other " in "Qualitative Information / Financial Statements" on pages 20~23.

3) Change in accounting rules, procedures and representation method in connection with the preparation of consolidated financial statements:
(1) Changes in accounting principles: Yes
(2) Changes other than (1): Yes

Note: For details, please refer to "6. Other " in "Qualitative Information / Financial Statements" on pages 20~23.

4) Number of shares issued and outstanding (common stock):
(1) Number of shares issued and outstanding at the end of period (including treasury stock)
- Six-month period ended September 30, 2009: 296,566,949 shares
- Fiscal year ended March 31, 2008: 296,566,949 shares

(2) Number of shares of treasury stock at the end of period
- Six-month period ended September 30, 2009: 11,656,846 shares
- Fiscal year ended March 31, 2008: 11,665,319 shares

(3) Average number of shares of treasury stock during the period
- Six-month period ended September 30, 2009: 284,902,381 shares
- 2Q for FY2007 ended March 31, 2008: 284,139,183 shares

Notes and special instructions for the use of financial forecast provided in this document
1: Details for the figures and assumptions for forecast are provided on pages 14 and 15.
2: Effective from this fiscal year, ASBJ Statement No.12, "Accounting Standard for Quarterly Financial Reporting," and ASBJ Guidance No.14, "Guidance on Accounting Standard for Quarterly Financial Reporting," have been applied. In addition, pursuant to Cabinet order No. 50、"Revised version of Regulation concerning terminology, forms and methods of preparation of consolidated financial statements" under supplemental provision of Article 7, paragraph 1, provisory clause of item. 5 issued on August 7, 2008, quarterly consolidated financial statements were prepared in accordance with the "Regulation Concerning Terminology, Forms and Methods of Preparation of Quarterly Consolidated Financial Statements."
3: As a result of applying new accounting principles as stated above, this summary information does not include changes in percentage from the corresponding period (2Q) of the previous year.

[Qualitative Information / Financial Statements]

Index and money amount comparisons to the previous period's figures are stated for reference in this document. Differences arising from changes to accounting treatment between the current six-month period and the previous six-month period are indicated in "6. Other" on pages 20 to 23.

1. Overview of Consolidated Operating Results

1) Operating Results (April 1 - September 30, 2008)

[Sales and income]

- The Company achieved the following **consolidated financial results** for the six months ended September 30, 2008:

Net sales:	¥398,828 million	(9.9% increase year-on-year)
Operating income:	¥46,544 million	(18.4% decrease year-on-year)
Ordinary income:	¥43,610 million	(26.8% decrease year-on-year)
Net income:	¥28,712 million	(27.0% decrease year-on-year)

- **Sales of *Aricept***, an Alzheimer's disease treatment, expanded to ¥152,576 million, up 8.3% year-on-year. **Sales of *Pariet*** (US brand name: *Aciphex*), a proton pump inhibitor, however, decreased to ¥82,555 million, down 10.5%. **Sales of *Aloxi***, an antiemetic agent, were ¥18,920 million and **sales of *Dacogen***, a DNA methyltransferase inhibitor, came to ¥8,666 million. On a geographical segment basis, all regions posted steady sales increases.
- **Operating income**, **ordinary income** and **net income** dropped as a result of amortization of goodwill associated with the acquisition of MGI PHARMA, INC., which was completed in the previous period, and proactive investment in R&D activities.
- Consequently, **net income per share** came to ¥100.78 (down ¥37.72 year-on-year).

[Adjusted basis]

- **Consolidated operating results on an adjusted basis**, in which the figures specific for the accounting treatment related to the acquisition of MGI PHARMA, INC. in the previous period (non-cash items) were deducted from the current GAAP basis figures in order to depict actual business performance, are as follows:

Net sales:	¥398,828 million	(9.9% increase year-on-year)
Operating income:	¥61,916 million	(8.5% increase year-on-year)
Ordinary income:	¥58,982 million	(1.0% decrease year-on-year)
Net income:	¥40,262 million	(2.3% increase year-on-year)

- Consequently, net income per share on adjusted basis came to ¥141.32 (up ¥2.82 year-on-year).

[Cash generating ability]

Cash income* is the total amount of cash available for investment in future growth, business development, dividend payment and repayment of borrowings and it represents the company's ability to generate cash. In this financial reporting, cash income is stated as a measure to examine the company's growth potential and strategies.

Cash income for the period was ¥58,295 million (up 5.3% year on year).

*Cash income = Net income (loss) + depreciation of PP&E and amortization of intangible assets + in-process R&D expenses + amortization of goodwill + impairment loss on long-term assets

[Performance by segment]

(Sales for each segment are those to external customers.)

(1) Performance by operating segment

<Pharmaceuticals segment>

- **Sales of pharmaceuticals** increased as a result of the continued sales growth of *Aricept* as well as the contribution of MGI PHARMA's two main products.
- **Pharmaceutical sales** increased 10.5% year-on-year to ¥388,450 million, while operating income decreased 17.7% year-on-year to ¥47,920 million, due to the amortization of goodwill associated with the acquisition of MGI PHARMA, INC., which was completed in the previous period, and proactive investment in R&D activities.

<Other>

- **Sales of food additives, chemicals and machinery** decreased 8.7% year-on-year to ¥10,378 million, and operating income also decreased 14.4% year-on-year to ¥846 million.

(2) Performance by geographical segments

<Japan>

- **Sales in Japan** amounted to ¥166,286 million, up 5.6% from the previous year, while operating income decreased 14.7% to ¥39,110 million due to proactive investment in R&D activities.
- Among prescription drugs, **sales of *Aricept*** increased to ¥38,254 million, up 27.4%, and sales of ***Pariet*** increased to ¥21,680 million, up 18.7% from

the previous year.

- "**HUMIRA subcutaneous injection 40mg Syringe 0.8mL,"** a fully human monoclonal anti-TNFα antibody, was launched in June 2008 for the treatment of rheumatoid arthritis.

<North America>

- **Sales in North America** increased 14.1% year-on-year to ¥187,381 million. Operating income decreased 62.3% to ¥3,667 million. Operating income on an adjusted basis, calculated by deducting the figures specific for the accounting treatment of acquisition (non-cash items) from the current GAAP basis figures, was ¥19,039 million (up 95.9% year-on-year).
- **Sales of *Aricept*** increased 4.2% to ¥93,265 million, and **sales of *Aciphex*** decreased 20.3% to ¥52,878 million. (Sales on a dollar-denominated basis increased 17.2% for *Aricept*, while sales for *Aciphex* decreased 10.4%) **Sales of *Aloxi*** were ¥18,920 million and **sales of *Dacogen*** were ¥8,666 million.
- **Promotional activities for *Aloxi injection 0.075 mg*** for the prevention of postoperative nausea and vomiting (PONV) was launched in July 2008.

<Europe>

- **Sales in Europe** increased 6.6% to ¥29,070 million, and operating income increased 143.2% to ¥2,160 million.
- **Sales of *Aricept*** decreased 3.9% to ¥16,650 million, and sales of ***Pariet*** increased 10.5% to ¥5,081 million.

<China>

- **Sales in China** increased 27.6% to ¥6,029 million, and operating income increased 20.2% to ¥1,337 million.
- **Sales of *Aricept*** increased 11.6% to ¥443 million, and sales of ***Pariet*** decreased 13.4% to ¥327 million

<Asia and Others (excluding China)>

- **Sales in Asia and other regions** increased 9.0% to ¥10,060 million, and operating income increased 20.8% to ¥2,418 million.
- **Sales of *Aricept*** were ¥3,962 million, up 9.3%, and ***Pariet*** sales increased to ¥2,586 million, up 0.5%.

<Overseas total>

Total overseas sales excluding Japan grew to ¥232,541 million, up 13.2% from the previous year, and accounted for 58.3% of the Company's total net sales, up 1.7 percentage points year-on-year.

2) Second Quarter Financial Highlights (July 1- September 30, 2008)

- **Consolidated net sales** during the quarter amounted to ¥203,008 million, an increase of 8.7% from the previous year.
- **Net sales of *Aricept*** came to ¥79,639 million, an 8.3% rise year-on-year, out of which ¥18,811 million was attributed to Japan, up 24.5%, and ¥49,850 million was attributed to the U.S., up 3.8% (14.1% rise on a U.S. dollar-denominated basis).

  Sales of *Pariet*/*Aciphex* totaled ¥41,710 million, an 11.9% decrease year-on-year, out of which ¥10,638 million was attributed to Japan, up 14.1%, and ¥26,970 million was attributed to the U.S., down 22.0% (14.5% decrease on a U.S. dollar-denominated basis).

  Sales of *Aloxi* were ¥9,466 million and **sales of *Dacogen*** came to ¥4,305 million.
- **With respect to sales to external customers** in each geographic area, sales in Japan increased 3.4%, while those in the North America, Europe, China, and "Asia and other (excluding China)" expanded by 12.0%, 14.7%, 32.5% and 7.5%, respectively.
- **R&D expenses** came to ¥42,303 million, up 26.9% from the previous period, and **Selling, general and administrative expenses** amounted to ¥98,354 million, up 3.0%. **Cost of goods sold** went up 47.2%, to ¥39,867 million, and the cost of sales ratio increased by 5.1 percentage points, to 19.6%.
- **Operating income** was ¥22,483 million, down 27.2% year-on-year, ordinary income was ¥19,747 million, down 36.7%, and net income was ¥12,076 million, down 39.7%. Net income per share decreased by ¥28.04 to ¥42.39.

  Operating income, ordinary income and net income on an adjusted basis were ¥29,789 million (down 3.5% year-on-year), ¥27,052 million (down 13.3%) and ¥17,638 million (down 11.9%), respectively, while net income per share on an adjusted basis was ¥61.91 (down ¥8.52).
- **Net cash provided by operating activities** came to ¥50,772 million, up ¥16,863 million year-on-year. Income before income taxes amounted to ¥18,430 million, depreciation and amortization expenses were ¥12,631 million, trade receivables increased by ¥9,041 million, while income taxes paid totaled ¥1,562 million.

  Net cash used in investing activities increased ¥2,605 million to ¥9,273 million, out of which ¥8,356 million was used to purchase property, plant and equipment.

Net cash used in financing activities amounted to ¥5,538 million, an increase of ¥5,463 million from the same period of the previous year.

3) Research & Development and Other Events

Status of Ongoing Research Projects

- **Anticancer agent E7389** (microtubule dynamics inhibitor) is being investigated for a breast cancer indication in a Phase III study in the U.S. and in Europe, and in a Phase II study in Japan. Phase II studies are ongoing for non-small cell lung cancer (the U.S.), prostate cancer (the U.S. and Europe), and sarcoma (Europe).
- **An AMPA receptor antagonist E2007** is being investigated with a focus on neuropathic pain and epilepsy indications. In the U.S. and Europe, a Phase III study for epilepsy has been initiated, and a Phase II study is ongoing for neuropathic pain.
- **An endotoxin antagonist E5564** is being investigated in a Phase III study for the potential treatment of severe sepsis in Japan, the U.S. and Europe with a plan to submit applications simultaneously at these locations. The study is being conducted at multiple sites globally.
- **A new oral formulation of an anti-emetic agent *Aloxi*** (capsules) received approved for the prevention of acute chemotherapy-induced nausea and vomiting (CINV) in the U.S. in August 2008.
- In October 2008, the U.S. FDA approved an efficacy supplemental biologics license application (sBLA) for ***Ontak*** solution for intravenous injection for the treatment of patients with persistent or recurrent cutaneous T-cell lymphoma (CTCL) whose malignant cells express the CD25 component of the interleukin (IL)-2 receptor (CD25+). The FDA's action, following a priority review, marks the conversion of an accelerated approval indication to full approval. A separate sBLA, which was submitted for the potential treatment of patients with CTCL whose malignant cells did not test positive for the CD25 component of the IL-2 receptor, received a complete response letter and was not approved. Eisai will continue to work with FDA to seek the approval.
- A submission is in preparation for **the DNA hypomethylating agent *Dacogen*** for a five day dosing regimen for the treatment of myelodysplastic syndromes (MDS) in the U.S.
- The development of **the anti-epileptic drug *Zonegran*** was determined to focus on monotherapy in epilepsy and adjunctive therapy in pediatric epilepsy, both of which are being investigated in Phase III studies in Europe. Accordingly, the study for an indication of generalized seizures (adjunctive

therapy) in Europe was terminated.

- A Phase II study of **anticancer agent E7080** (VEGF receptor tyrosine kinase inhibitor) in the U.S. for the indication of thyroid cancer.
- **Human monoclonal anti-TNFα antibody HUMIRA** was approved for the treatment of rheumatoid arthritis in Japan in April 2008.
- **Non-ionic contrast media *Iomeron* 350 and *Iomeron* 350 syringe** received additional approval for usage in dynamic computed tomography of the liver (dynamic CT) in Japan in May 2008. In addition, a higher volume of Iomeron 350 syringe (135 ml formulation) was approved.
- A Phase III study of **SEP-190 ($GABA_A$ receptor agonist)** has been initiated for insomnia indication in Japan.
- **A gastroprokinetic agent *Gasmotin*** received approval for the treatment of gastrointestinal symptoms associated with functional dyspepsia in Thailand in September 2008. The agent has been filed for approval in Malaysia, Indonesia, and the Philippines. Submissions are being prepared for application in six other Asian countries including some ASEAN members.
- A Phase III study of **the Alzheimer's disease treatment, *Aricept*,** has been initiated for pediatric usage in cognitive impairment due to chemotherapy. A Phase III study for pediatric usage in cognitive impairment due to Down syndrome was also initiated in Japan.
- **A proton pump inhibitor *Pariet/Aciphex*** received approval for short-term (up to eight weeks) treatment of gastroesophageal reflux disease in adolescents (ages 12 and above) in the U.S. in June 2008. A Phase II/III study for additional dosage for GERD has been initiated in Japan.
- **The anticancer agents MORAb-003** and **MORAb-009** (monoclonal antibodies) received orphan drug status from the European Commission in April 2008. Since June 2008, clinical sites for conducting a MORAb-009 Phase II study were expanded to the European Union (EU).
- In May 2008, the U.S. FDA Advisory Committee on Anesthetic and Life Support Drugs (ALSDAC) voted in favor of approval of **the sedative-hypnotic agent fospropofol disodium,** which has been under review at FDA. In July 2008, Eisai received a not-approvable letter from the FDA which outlines a pathway to potential approval of this agent for use by appropriately trained physicians.

Alliances & Agreements

- **Agreements were concluded with Eisai's diagnostic subsidiary Sanko Junyaku Co., Ltd., Roche Diagnostics K.K., Nihon Kohden Corporation, and F. Hoffmann-La Roche Ltd (Switzerland)** in April 2008 concerning the sale of CoaguChek XS and CoaguChek XS Plus for simple and quick PT-INR (Prothrombin Time - International Normalized Ratio) monitoring along with other related supplies. Under these agreements, effective June 2008, the sales rights of these products in Japan have been transferred from Roche Diagnostics and Nihon Kohden to Sanko Junyaku, with co-promotion rights retained by Eisai. Roche Diagnostics remains as a manufacturer (importer) of CoaguChek XS Series, and Nihon Kohden offers sales and technical support as the distributor.
- **Lion Corporation and Eisai Co., Ltd. signed an agreement granting Eisai exclusive marketing rights in Japan for the Bufferin (ethical drug)** in May, 2008. Prior to this action, Lion Corporation, Bristol-Myers K. K. (BMKK) and Eisai Co., Ltd. had agreed to change the distributor of Bufferin 81mg Tablets (antiplatelet drug), and Bufferin 330mg Tablets (antipyretic /analgesic/ antiphlogistic drug) from BMKK to Eisai starting July 1, 2008. The manufacturing and marketing rights of these products in Japan are owned by Lion.
- **GlaxoSmithKline K.K. and Eisai Co., Ltd. agreed to terminate their marketing alliance for the *Breathe Right* ,** nasal strips manufactured by GlaxoSmithKline group, effective May 31, 2008. The product had been marketed in Japan by Eisai. As a result, the GlaxoSmithKline K.K. has taken over the marketing of the product in Japan as of June 1, 2008.
- **Eisai Co., Ltd. entered into a share transfer agreement with Terumo Corporation for the transfer of Eisai's interest (84.8% of total shares issued) in its consolidated subsidiary, Clinical Supply Co., Ltd.,** to Terumo Corporation in June 2008. The shares were transferred in June 2008 following the exectution of this agreement.
- **Eisai's U.S. subsidiary Morphotek, Inc. signed a license agreement with the National Cancer Institute (NCI)** for the rights to a monoclonal antibody for a novel antigen identified by NCI researchers in June 2008. Morphotek will apply its proprietary MORPHODOMA antibody technology to the development of novel human therapeutic antibodies for use in the treatment of prostate cancer.

- **Eisai's subsidiary Eisai China Inc. entered into a license agreement in July 2008 with Hong-Kong-based Health Vision Enterprise Ltd., a sales subsidiary of the German company STADA Arzneimittel AG,** in which Eisai China Inc. was granted rights in China to sell and repackage of α-Lipon 300 STADA (generic name: α-lipoic acid). α-Lipon 300 STADA is a treatment for diabetic neuropathic pain developed by STADA.
- **Morphotek, Inc. and Pivotal BioSciences, Inc. (the U.S.) entered into an agreement in which Morphotek will access Pivotal BioSciences' LEC (Liver-Expression Chemokine) platform technology** for the development of therapeutic monoclonal antibodies in July 2008. The agreement will allow Morphotek to evaluate the LEC technology in-house and give the company the right to exercise an option for a license. Should Morphotek choose to exercise its option, Morphotek would obtain a worldwide license under Pivotal's LEC technology to develop new therapeutic products, and would retain the responsibility for the commercialization of such products derived using the technology.
- **A license agreement was concluded with SymBio Pharmaceuticals Limited. in August 2008** for the co-development and commercialization in Japan for the bendamustine hydrochloride. In Japan, SymBio owns exclusive development and sales rights for the compound. Currently, SymBio is conducting a study with patients with low-grade non-Hodgkin's lymphoma, which is in the pivotal stage of clinical development prior to submission for approval.

Other events

- **With respect to Eisai's patent infringement lawsuit against U.S. generic manufacturers concerning its proton pump inhibitor *Aciphex* (Product Name in Japan: *Pariet*)**, the United States Court of Appeals for the Federal Circuit affirmed both the United States District Court for the Southern District of New York's summary judgment ruling on the validity of Eisai's composition of matter patent and its ruling on the enforceability of the composition of matter patent in July 2008.

2. Consolidated Financial Position

[Assets, liabilities and equity]

- **Total assets** at the end of the period increased by ¥32,560 million year-on-year to ¥1,156,499 million. Higher balances of short-term investments, property, plant and equipment, and deferred tax assets contributed to the increase. Investment securities, on the other hand, decreased.
- **Total liabilities** increased by ¥21,480 million year-on-year to ¥691,628 million, due to increases in accrued liabilities and income taxes payable.
- **Total equity** increased by ¥11,079 million year-on-year to ¥464,871 million, and the shareholders' equity ratio* decreased by 0.2 percentage points year-on-year to 39.8%.

  *(Equity – Minority interests – Stock acquisition rights) / Total assets

[Financing]

- Short-term borrowings at the end of the current period decreased by ¥359,819 million to ¥3,000 million, and straight bonds increased by ¥119,849 million to ¥120,679 million, and long-term borrowings increased by ¥232,499 million to ¥282,499 million.
- Short-term borrowings Eisai used to finance the acquisition of MGI PHARMA, INC. in the previous fiscal year were refinanced to long-term borrowings, by which all the short-term borrowings for the said acquisition was shifted to straight bonds and long-term borrowings.,
- The Company issued ¥120 billion worth of unsecured straight bonds in Japan in June 2008, and received a long-term loan of $160,000 million in total from banks and insurance companies in July and August 2008.
- The company is promoting the financial strategy that is based on achieving and sustaining higher credit rating than the current standard, while securing flexibility and soundness of financials.
- Moody's Investors Service and Rating and Investment Information, Inc. have assigned ratings of "A" and "AA-" to Eisai Co., Ltd.'s long-term liabilities.

[Cash Flow]

- **Net cash provided by operating activities** for the six months ended September 30, 2008 came to ¥69,336 million, up ¥27,606 million from the previous year. Income before income taxes amounted to ¥43,607 million, depreciation and amortization expenses were ¥24,900 million, trade

receivables increased to ¥8,788 million, and income taxes paid totaled ¥17,025 million.

- **Net cash used in investing activities** amounted to ¥17,009 million, a decrease of ¥35,615 million, out of which ¥19,903 million was used to purchase property, plant and equipment.
- **Net cash used in financing activities** amounted to ¥25,542 million, an increase of ¥6,766 million from the same period of the previous year, out of which ¥18,518 million was paid as dividends. Short-term loan borrowed for the acquisition has been refinanced with straight bonds and long-term borrowings.
- As a result of such operating, investing and financing activities, **cash and cash equivalents** at the end of the period came to ¥142,088 million, up ¥22,138 million from the end of the previous period.

3. Basic policy on profit appropriation and dividend for the end of second quarter for the fiscal year ending March 31, 2009

Eisai is a company with a committee system and, to facilitate a flexible dividend policy, as specified in the Company's Articles of Incorporation, dividend payments are to be determined by a resolution of the Board of Directors.
Eisai is devoted to providing sustainable and stable dividends based on the consolidated financial performance along with the Dividend on Equity ratio (DOE). DOE is considered a suitable and well-balanced index for shareholder return as it encompasses both the Dividend Payout Ratio (DPR), which measures the extent to which profits are distributed to shareholders in the form of dividends, and Return on Equity (ROE), which measures how effectively the company uses the money invested by shareholders to generate profits.

Based on the company's dividend policy and increased cash income per share, Eisai intends to set the interim dividend at ¥70 per share (an increase of ¥5 from the previous year).

Acquisition of treasury stock will be carried out flexibly on a timely basis.

4. Outlook for the Fiscal Year Ending March 31, 2009

[Consolidated Forecast]

- The full-year consolidated forecast announced in July 2008 has been revised as follows:

	Revised Forecast		Forecast in July '08		Increase/ (Decrease)	Rate of Changes
	(A)	y/y (%)	(B)	y/y (%)	(A-B)	
Net sales	¥806,000 mil.	+9.8	¥806,000 mil.	+9.8	-	-
Operating income	¥94,000 mil.	+429.6	¥93,000 mil.	+423.9	¥1,000 mil.	1.1%
Ordinary income	¥86,500 mil.	+358.9	¥87,000 mil.	+361.5	(¥500 mil.)	(0.6%)
Net income	¥56,500 mil.	-	¥56,000 mil.	-	¥500 mil.	0.9%

Notes:

*Forecasted Annual Earnings per share (full year): ¥198.31

(Assumptions for the 3rd and 4th quarter) US$1=¥100, 1 Euro =¥135, 1 Sterling Pound =¥175

*y/y : Percentatge compared with the previous year

*% : Percentage of increase (decrease) compared between revised forecast and previous forecast

<Net Sales>

- Net sales remains unchanged at ¥806,000 million, reflecting strong sales of our main products in Japan which will help to offset the possible effect of the appreciation of the yen perceived in the third and fourth quarter.
- We forecast ¥314,000 million sales in *Aricept,* one of our main products, which is an increase by ¥2,000 million year-on-year. For *Aciphex/Pariet,* however, sales are forecasted to decline by ¥6,000 million to ¥161,000 million.

<Income>

- In order to offset the potential impact to the net sales that may occur by the recent appreciation of the yen, the company is increasing the volume of sales from its initial plan, which may result in an increase in the cost of goods. However, we expect to achieve the operating income unchanged from the initial forecast of ¥122,500 million (adjusted basis), supported by the continuous profit contribution of the Japan business as well as potential decreases in the global R&D and SG&A expenses influenced by the high value of the yen.
- Net income on an adjustment basis remains unchanged at ¥78,300 million.
- Based on the adjusted forecast as stated above, GAAP-based forecast has been revised as below:
- GAAP-based operating income is increased by ¥1,000 million from the previous forecast to ¥94,000 million, due to the appreciation of the yen,

which will result in decrease in expenses related to the acquisition of MGI PHARMA, INC.

- GAAP-based ordinary income is declined by ¥500 million from the previous forecast to ¥86,500 million, and net income is increased by ¥500 million to ¥56,500 million.
- We also envision a proactive investment in R&D activities and for future growth on a continuous basis, while taking effort to achieve improvement in cost-to-sales ratio and efficiency in managerial resources

[Projected year-end dividend]

- Projected year-end dividend remains unchanged.
- Year-end dividend is anticipated to be ¥70 per share (an increase of ¥5 per share from the previous year), which, together with the interim dividend of ¥70 per share, makes a total of ¥140 per share (an increase of ¥10 per share from the previous year). In this context, DOE is anticipated to be 8.9%.

(Reference)
[Non-consolidated Forecast]

- The full-year non-consolidated forecast announced in May 2008 has been revised as follows:

	Revised Forecast		Forecast in July '08		Increase/ (Decrease)	Rate of Changes
	(A)	y/y (%)	(B)	y/y (%)	(A-B)	
Net sales	¥405,000 mil.	+4.1	¥398,000 mil.	+2.3	¥7,000 mil.	1.8%
Operating income	¥70,000 mil.	-4.2	¥66,500 mil.	-9.0	¥3,500 mil.	5.3%
Ordinary income	¥62,500 mil.	-12.0	¥59,500 mil.	-16.2	¥3,000 mil.	5.0%
Net income	¥46,500 mil.	+1.1	¥40,000 mil.	-13.0	¥6,500 mil.	16.3%

Notes:
*Forecasted Annual Earnings per share (full year): ¥163.21
(Assumptions for the 3rd and 4th quarter) US$1=¥100, 1 Euro =¥135, 1 Sterling Pound =¥175
*y/y : Percentatge compared with the previous year
*% : Percentage of increase (decrease) compared between revised forecast and previous forecast

[Forecast and risk factors]

- Materials and information provided in this financial disclosure may contain "forward-looking statements" based on current expectations, forecasts, estimates, business goals and assumptions that are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements. Risks and uncertainties include general

industry and market conditions, and domestic and international economic conditions, such as interest rate and currency exchange fluctuations.

- Risks that may cause significant fluctuations in the consolidated results of the Company or have a material effect on investment decisions of shareholders are described below. These are risk factors that have been identified and assessed as of the disclosure date of the Financial Report. Risk factors associated with our business include, but are not limited to, challenges arising out of global expansion, uncertainties in new drug development, risks related to dependence on specific products, risks related to strategic alliances with partners, risks related to the acquisition of MGI PHARMA, INC., healthcare cost-containment measures, competition from and litigation with manufacturers of generic drugs, intellectual property, possible incidence of adverse events, compliance with laws and regulations, litigations, closure or shutdown of factories, safety issues of raw materials used, outsourcing-related risks, environmental issues, IT security/information management, conditions of financial markets, foreign exchange fluctuations, and the development of an internal control system.

Please refer to “Risk Factors” in the Annual Securities Report for details.

5. Corporate Governance

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

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

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

At the Independent Committee of Outside Directors held on June 20, 2008 following the 96th Ordinary General Meeting of Shareholders, a new Chair of the Independent Committee of Outside Directors was elected among the Committee members, a member who does not concurrently hold the post of the

Chair of the Board of Directors. The Committee agreed to propose a continuation of the Policy in its present form to the Board of Directors, with only a minor and cosmetic change in description caused by the shift of the subject law. The Board of Directors discussed and resolved to continue the Policy at its meeting held on July 31, 2008.

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

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

6. Other

1) Simplified accounting treatments and specific accounting treatment in the quarterly financial statements

(1) Simplified accounting treatments

a) The balances of inventories as of September 30, 2008 are allowed to be calculated based on the physical counts of inventories as of the prior fiscal year end and the proper records of entering and / or dispatching of such inventories during this current period.

2) Changes in Accounting Policies, Practices and Presentation Methods in Quarterly Consolidated Financial Reports

(1) Changes reflecting application of new accounting standards

a) Effective from this fiscal year, ASBJ Statement No.12, “Accounting Standard for Quarterly Financial Reporting,” and ASBJ Guidance No.14, “Guidance on Accounting Standard for Quarterly Financial Reporting,” have been applied. In addition, pursuant to Cabinet order No. 50、”Revised version of Regulation concerning terminology, forms and methods of preparation of consolidated financial statements” under supplemental provision of Article 7, paragraph 1, provisory clause of item. 5 issued on August 7, 2008, quarterly consolidated financial statements were prepared in accordance with the “Regulation Concerning Terminology, Forms and Methods of Preparation of Quarterly Consolidated Financial Statements.”

b) Prior to April 1, 2008, inventories held for sale in the ordinary course of business were stated at cost, determined by the cost averaging method. The Accounting Standard Board of Japan (ASBJ) issued ASBJ Statement No. 9, dated July 5, 2006, “Accounting Standard for Measurement of Inventories,” which is effective for fiscal years beginning on or after April 1, 2008, which requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value. The Company adopted the new accounting standard for measurement of inventories from the first quarter for the fiscal year ending March 31, 2009. The effect of adoption of this accounting standard on operating income, ordinary income, and income before income tax for the current six-month period was not material.

c) Effective from this fiscal year, the Company applied the new Practical Issues Task Force (PITF), “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18, May 17, 2006),” and accordingly made any necessary modifications including amortization of goodwill to its consolidated financial statements. The effect of adoption of this standard was to decrease operating income, and ordinary income and income before income taxes, and minority interests for the current six-month period by ¥4,953 million and ¥4,867 million, respectively. The effect of this change on segment information is stated in the relevant sections.
Goodwill purchased by an overseas subsidiary is amortized over 20 years.

(2) Changes other than (1)

a) Previously, Eisai and its domestic subsidiaries had amortized their property, plant and equipment by the declining balance method, but from this fiscal year, the Company uses the straight line method, which has been used by Eisai’s overseas subsidiaries.
The Company has decided to apply the straight line method mainly for the three reasons stated below to ensure uniformity in the application of its accounting treatment and to more appropriately measure periodic income.

i) As a result of carrying out the Company’s midterm plan started in April 2006, the balance of property, plant and equipment attributable to subsidiaries outside of Japan is expected to get proportionately larger in the future, and global business operations are becoming increasingly important. In this context, the Company found it necessary to ensure consistency with its foreign subsidiaries in its accounting treatment for depreciation and amortization, taking into consideration International Financial Reporting Standards and U.S. GAAP.

ii) As Eisai’s product lines can expect to generate long-term and stable profits, the straight line method is a more suitable way to reflect the allocation of depreciation expenses over a stream of earnings.

iii) Property, plant and equipment held by the Company and its domestic subsidiaries generally are subject to steady operation over its expected lifetime, and repairs and maintenance of facilities are regularly planned and carried out. In this context, repairs and maintenance expenses are

expected to remain regular, with few severe fluctuations.

The effect of adoption of this change from the declining balance method to the straight line method on the results of the current six-month period was to decrease consolidated depreciation expenses by ¥1,207 million and increase operating income, ordinary income, and income before income tax and minority interests by ¥817 million, respectively.
With the start of the change of depreciation method, the Company and its subsidiaries have introduced a unified treatment on residual values in which depreciable assets are to be depreciated to 1 yen (the defined residual value) at the end of their useful life.
The effect of adoption of this change on the results of the current six-month period was to increase depreciation expenses by ¥1,012 million and decrease operating income, ordinary income, and income before income tax and minority interests by ¥668 million.

The aggregated effect of the change to the straight line method and the change in residual value as stated above on the results of the current six-month period was to decrease amortization costs by ¥195 million and increase operating income, ordinary income, and income before income tax and minority interests by ¥148 million, respectively. The effect of this change on segment information is stated in the relevant sections.

b) Effective from this fiscal year, Eisai has implemented early adoption of the "Accounting Standard for Lease Transactions (Statement No.13, amended on March 30, 2007)" and the "Guidance on Accounting Standard for Lease Transactions (Guidance No.16, amended on March 30, 2007)," which requires that all finance lease transactions shall be capitalized, although finance leases in which there is no transfer of ownership were accounted for as operating leases under the former accounting standard for lease transactions.
Under the new accounting standard, finance lease transactions in which there is no transfer of ownership are amortized by the straight-line method over the term of the lease, with a residual value of zero.
The effect of adoption on the results of the current six-month period of this accounting standard was not material.

c). Significant Hedge accounting

The Company entered into interest rate swaps agreements during current second quarter as a means of managing its interest rate exposure on the parts of long-term borrowings. The accounting treatment of derivative financial Instruments under hedge accounting are as follows:

i) Hedging accounting method

All derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the income statement, and for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expense or income.

ii) Hedging instruments and hedged items

Hedging instruments	Interest rate swaps
Hedged items	Long-term borrowings

iii) Hedging policies

The Company uses derivative financial instruments for long-term borrowings to manage their exposures to fluctuations in interest rates in accordance with internal policies which regulate the authorization and credit limit amount, and interest rate swaps are utilized by the Company to reduce interest rate risks.

iv) Method for evaluation of effectiveness of hedging instruments

The Company evaluates high correlation and effectiveness between the hedging instruments and the hedged items at every quarterly period end. The Company is allowed to omit this evaluation for Interest rate swap which qualify for hedging accounting and meet specific matching criteria.

7. CONSOLIDATED FINANCIAL STATEMENTS

Effective from this fiscal year, ASBJ Statement No.12, "Accounting Standard for Quarterly Financia Reporting," and ASBJ Guidance No.14, "Guidance on Accounting Standard for Quarterly Financial Reporting," have been applied. In addition, pursuant to Cabinet order No. 50"Revised version of Regulation concerning terminology, forms and methods of preparation of consolidated financial statements" under supplemental provision of Article 7, paragraph 1, provisory clause of item. 5 issued on August 7, 2008, quarterly consolidated financial statements were prepared in accordance with the "Regulation Concerning Terminology, Forms and Methods of Preparation of Quarterly Consolidated Financial Statements."

1) CONSOLIDATED BALANCE SHEETS

(millions of yen)

	September 30, 2008	March 31, 2008
ASSETS		
Current assets:		
Cash and cash in banks	64,969	68,593
Notes and accounts receivable-trade	180,778	172,143
Short-term investments	83,820	56,287
Finished goods and merchandise	29,930	32,070
Work-in process	15,385	12,961
Raw materials and supplies	13,376	13,059
Deferred tax assets	34,892	35,399
Other	21,328	25,361
Allowance for doubtful receivables	(330)	(308)
Total current assets	444,151	415,568
Non-current assets:		
Property, plant and equipment		
Buildings and structures-net	70,256	70,750
Other-net	87,296	76,332
Total property, plant and equipment-net	157,553	147,083
Intangible assets		
Goodwill	177,879	178,671
Sales rights	158,425	164,247
Core technology	61,745	61,346
Other	12,769	13,424
Total intangible assets	410,820	417,690
Investments and other assets		
Investment securities	75,142	89,544
Deferred tax assets	58,362	43,650
Other	10,944	10,994
Allowance for doubtful accounts	(474)	(591)
Total investments and other assets	143,974	143,597
Total non-current assets	712,348	708,370
Total assets	1,156,499	1,123,939

(millions of yen)

	September 30, 2008	March 31, 2008
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	19,514	18,307
Short-term borrowings	3,000	362,819
Accounts payable-other	64,323	59,932
Accrued expenses	62,124	56,738
Income taxes payable	23,051	16,088
Reserve for sales rebates	29,667	23,324
Other reserves	475	437
Other	7,702	5,542
Total current liabilities	209,859	543,191
Long-term liabilities:		
Bonds and debentures	120,679	830
Long-term borrowings	282,499	50,000
Deferred tax liabilities	42,320	40,249
Liability for retirement benefits	23,129	24,104
Retirement allowances for directors	2,252	2,140
Negative goodwill	1,299	1,461
Other	9,589	8,170
Total long-term liabilities	481,769	126,956
Total liabilities	691,628	670,147
Equity		
Owners' Equity		
Common stock	44,985	44,985
Capital surplus	56,954	56,966
Retained earnings	424,282	415,961
Treasury stock	(39,669)	(39,694)
Total Owners' Equity	486,552	478,219
Net unrealized gain (loss) and translation adjustments:		
Net unrealized gain (loss) on available-for-sale securities	4,781	9,509
Deferred gain (loss) on derivatives under hedge accounting	(17)	—
Foreign currency translation adjustments	(31,325)	(38,868)
Total net unrealized gain (loss) and translation adjustments	(26,561)	(29,359)
Stock acquisition rights	574	556
Minority Interests	4,304	4,374
Total equity	464,871	453,791
Total liabilities and Equity	1,156,499	1,123,939

2) CONSOLIDATED STATEMENT OF INCOME
Six months ended September 30, 2008

(millions of yen)

	April 1, 2008 - September 30, 2008
Net sales	398,828
Cost of sales	79,219
Gross profit on sales	319,609
Provision for sales returns-net	0
Gross profit	319,609
Selling, general and administrative expenses*	273,064
Operating income	46,544
Non-operating income	
Interest income	1,802
Dividend income	566
Amortization of negative goodwill	162
Other	191
Total non-operating income	2,722
Non-operating expenses	
Interest expenses	3,445
Bond issue costs	348
Foreign exchange loss	1,061
Equity in loss of an associated company	53
Other	747
Total non-operating expenses	5,656
Ordinary income	43,610
Special gain	
Gain on sales of fixed assets	10
Gain on sales of investment securities	432
Gain on sale of a consolidated subsidiary	1,575
Other	1
Total special gain	2,019
Special loss	
Loss on disposal of non-current assets	142
Loss on devaluation of investment securities	1,448
Retirement benefit costs	377
Other	53
Total special loss	2,022
Income before income taxes and minority interests	43,607
Income taxes-current	24,553
Income taxes-deferred	(9,980)
Total Income taxes	14,572
Minority interests in net income	322
Net income	28,712

Three months ended September 30, 2008

(millions of yen)

	July 1, 2008 - September 30, 2008
Net sales	203,008
Cost of sales	39,874
Gross profit on sales	163,134
Reversal of sales returns-net	6
Gross profit	163,141
Selling, general and administrative expenses*	140,657
Operating income	22,483
Non-operating income	
Interest income	1,002
Dividend income	20
Amortization of negative goodwill	81
Other	89
Total non-operating income	1,193
Non-operating expenses	
Interest expenses	1,930
Foreign exchange loss	1,301
Equity in loss of an associated company	45
Other	651
Total non-operating expenses	3,929
Ordinary income	19,747
Special gain	
Gain on sales of non-current assets	5
Other	1
Total special gain	7
Special loss	
Loss on disposal of fixed assets	83
Loss on devaluation of investment securities	837
Retirement benefit costs	377
Other	25
Total special loss	1,324
Income before income taxes and minority interests	18,430
Income taxes-current	8,512
Income taxes-deferred	(2,281)
Total Income taxes	6,231
Minority interests in net income	122
Net income	12,076

3) CONSOLIDATED STATEMENT OF CASH FLOWS
Six months ended September 30, 2008

(millions of yen)

	April 1, 2008 - September 30, 2008
Operating activities:	
Income before income taxes and minority interests	43,607
Depreciation and amortization	24,900
Amortization of goodwill	4,845
Other loss (income)	2,333
Decrease (Increase) in notes and accounts receivable-trade	(8,788)
Decrease (Increase) in inventories	(1,645)
Increase (Decrease) in notes and accounts payable-trade	1,954
Increase (Decrease) in other current liabilities	12,507
Increase (Decrease) in reserve for sales rebates	5,692
Other-net	1,314
Sub-total	86,721
Interest and dividends received	2,282
Interest paid	(2,640)
Income taxes-paid	(17,025)
Net cash provided by operating activities	69,336
Investing activities:	
Purchases of property, plant and equipment	(19,903)
Purchases of intangible assets	(3,217)
Purchases of securities	(1,304)
Proceeds from sales and redemption of securities	6,210
Other-net	1,205
Net cash used in investing activities	(17,009)
Financing activities:	
Net increase (decrease) in short-term borrowings	(359,539)
Proceeds from long-term borrowings	233,812
Proceeds from bonds and debentures	119,616
Dividends paid	(18,518)
Other-net	(912)
Net cash used in financing activities	(25,542)
Foreign currency translation adjustments on cash and cash equivalents	(4,646)
Net increase (decrease) in cash and cash equivalents	22,138
Cash and cash equivalents at beginning of period	119,950
Cash and cash equivalents at end of period	142,088

4) Going Concern

Not applicable

5) Segment Information

(1) Business Segment Information

Three months ended September 30, 2008

(millions of yen)

	Pharma-ceuticals	Other	Total	Eliminations and Corporate	Consolidated
Sales					
(1) Sales to external customers	197,827	5,181	203,008	-	203,008
(2) Intersegment sales	70	5,751	5,822	[5,822]	-
Total sales	197,898	10,932	208,831	[5,822]	203,008
Operating income	22,976	640	23,616	[1,133]	22,483

Six months ended September 30, 2008

(millions of yen)

	Pharma-ceuticals	Other	Total	Eliminations and Corporate	Consolidated
Sales					
(1) Sales to external customers	388,450	10,378	398,828	-	398,828
(2) Intersegment sales	129	9,381	9,511	[9,511]	-
Total sales	388,580	19,760	408,340	[9,511]	398,828
Operating income	47,920	846	48,766	[2,222]	46,544

Note 1: The Company classifies consolidated operations into two segments: 'Pharmaceuticals', which includes prescription pharmaceuticals, and 'Other', which encompasses all operations other than pharmaceuticals.

Note 2: Major products in each segment are as follows:

Business segment	Major products
Pharmaceuticals	Prescription pharmaceuticals, Consumer health care products, Diagnostic pharmaceuticals, etc.
Other	Food additives, Chemicals, Machinery, Others

Note 3: Changes in accounting principles:

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement)

As stated in "Changes in Accounting Policies and Presentation Methods in Quarterly Consolidated Financial Reports", effective from this fiscal year, the Company applied new Practical Issues Task Force (PITF) "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement (ASBJ PITF No.18, May 17, 2006) and accordingly made any necessary modifications to its consolidated financial statements. As a result, operating income for the current six-month period decreased by ¥4,953 million in the Pharmaceuticals segment.

(Changes in amortization of property, plant and equipment)

As stated in "Changes in Accounting Policies and Presentation Methods in Quarterly Consolidated Financial Reports", Eisai and its domestic subsidiaries had amortized property, plant and equipment by the declining balance method, but from this fiscal year, the Company uses the straight line method, which has been used by Eisai's foreign subsidiaries. As a result, operating income for the current six-month period increased by ¥749 million in the Pharmaceuticals segment and by ¥68 million in the Other segment, respectively.

In addition, the effect of adoption of a new treatment method on residual values in which depreciable assets are depreciated to 1 yen (the defined residual value) at the end of their useful life, was to decrease operating income by ¥648 million in the Pharmaceuticals segment, and ¥20 million in the Other segment, respectively.

The aggregate effect of the change to the straight line method and the change in residual value as stated above was to increase operating income by ¥101 million in the Pharmaceuticals segment and by ¥47 million in the Other segment, respectively.

(2) Geographical Segment Information

Three months ended September 30, 2008

(millions of yen)

	Japan	North America	Europe	China	Asia and others	Total	Eliminations and Corporate	Consolidated
Sales								
(1) Sales to external customers	81,813	97,846	15,136	3,265	4,946	203,008	-	203,008
(2) Intersegment sales	26,277	16,032	7,538	5	115	49,969	[49,969]	-
Total sales	108,091	113,878	22,675	3,270	5,061	252,978	[49,969]	203,008
Operating income	16,919	3,455	1,283	697	1,077	23,433	[950]	22,483

Six months ended September 30, 2008

(millions of yen)

	Japan	North America	Europe	China	Asia and others	Total	Eliminations and Corporate	Consolidated
Sales								
(1) Sales to external customers	166,286	187,381	29,070	6,029	10,060	398,828	-	398,828
(2) Intersegment sales	51,526	30,127	17,187	14	218	99,074	[99,074]	-
Total sales	217,813	217,508	46,258	6,044	10,278	497,903	[99,074]	398,828
Operating income	39,110	3,667	2,160	1,337	2,418	48,694	[2,150]	46,544

Note 1: Segmentation by country or region is based on geographical proximity.

Note 2: Major areas and countries included in each region:

-North America: The United States and Canada

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

-Asia and Others: East and South-East Asia, Latin America, etc., excluding China

Note 3: Intersegment sales in Japan principally represent product sales from Eisai Co., Ltd. (the 'Parent Company') to the overseas subsidiaries. Intersegment sales in North America, Europe, and Asia and Others are principally sales to the Parent Company from the overseas subsidiaries engaging in research and development.

Note 4: Changes in segmentation by country or region

Previously, the Company divided its geographical segment into four regions: "Japan", "North America", "Europe", and "Asia and others". Given that China has been expanding its presence, however, the Company appointed a vice president in charge of operations in China, and changed its promotional segment management structure. With this structural change, China is separated from "Asia and others" and separately posted from this fiscal year. As a result of this reclassification, net sales and operating income for "Asia and others" showed declined by an amount equal to the net sales and operating income for China.

Note 5: Changes in accounting principles:

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement)

As stated in "Changes in Accounting Policies and Presentation Methods in Quarterly Consolidated Financial Reports", effective from this fiscal year, the Company applied new Practical Issues Task Force (PITF) "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement (ASBJ PITF No.18, May 17, 2006) and accordingly made any necessary modifications to its consolidated financial statements. Consequently, operating income in North America during the current six-month period declined by ¥4,759 million, and the impact of this change on Europe, China and Asia and other is insignificant.

(Changes in amortization of property, plant and equipment)

As stated in "Changes in Accounting Policies and Presentation Methods in Quarterly Consolidated Financial Reports", Eisai and its domestic subsidiaries had amortized property, plant and equipment by the declining balance method, but from this fiscal year, the Company uses the straight line method, which has been used by Eisai's foreign subsidiaries. As a result, operating income for the current six-month period increased by ¥817 million in Japan.

In addition, depreciable assets are depreciated to 1 yen (the defined residual value) at the end of their useful life with the introduction of the new treatment method on residual value. As a result, operating income decreased by ¥668 million in Japan.

The aggregate effect of the change to the straight line method and the change in residual value as stated above was to increase operating income by ¥148 million in Japan.

(3) Overseas Sales

Three months ended September 30, 2008

(millions of yen)

	North America	Europe	China	Asia and Others	Total
Overseas sales	100,989	18,779	3,265	5,854	128,888
Consolidated sales					203,008
Share of overseas sales(%)	49.7	9.3	1.6	2.9	63.5

Six months ended September 30, 2008

(millions of yen)

	North America	Europe	China	Asia and Others	Total
Overseas sales	192,382	36,958	6,029	11,915	247,286
Consolidated sales					398,828
Share of overseas sales(%)	48.2	9.3	1.5	3.0	62.0

Note 1: Segmentation of the areas is based on geographical proximity.
Note 2: Major areas and countries included in each region:
-North America: The United States and Canada.
-Europe: The United Kingdom, France, Germany, etc.
-Asia and Others: East and South-East Asia, Latin America, etc., excluding China
Note 3: Overseas sales represent the sales reported from the consolidated subsidiaries operating in countries and areas outside Japan.
Note 4: China is separated from “Asia and others” and separately posted from this fiscal year as stated in details in “Note 5” shown in the previous page. As a result of this reclassification, net sales and operating income for “Asia and others” declined by an amount equal to the net sales and operating income for China.

6) Changes in Equity

Not applicable

7) Notes to consolidated statement of income

*Principal items included in “Selling, general and administrative expenses” are as follows:

Six months ended September 30, 2008

Promotional expenses:	¥105,460 million
Research and development expenses:	¥78,049 million
Salaries and bonuses:	¥34,087 million

Three months ended September 30, 2008

Promotional expenses:	¥55,234 million
Research and development expenses:	¥42,303 million
Salaries and bonuses:	¥17,307 million

CONSOLIDATED STATEMENTS OF INCOME (for reference)
Six months ended September 30, 2007

Account Title	April 1, 2007 - September 30, 2007 (millions of yen)	
I. Net sales		362,817
II. Cost of sales		54,694
Gross profit on sales		308,123
Provision for (Reversal) of sales returns-net		(104)
Gross profit		308,227
III. Selling, general and administrative expenses		
1. Research and development expenses	63,844	
2. Selling, general and administrative expenses	187,321	251,166
Operating income		57,061
IV. Non-operating income		
1. Interest income	2,705	
2. Dividend income	495	
3. Other	147	3,348
V. Non-operating expenses		
1. Interest expenses	57	
2. Foreign exchange loss	478	
3. Equity in loss	16	
4. Sales discount	126	
5. Other	169	848
Ordinary Income		59,560
VI. Special gain		
1. Gain on sales of non-current assets	44	
2. Gain on sales of investment securities	2,202	
3. Other	10	2,258
VII. Special loss		
1. Loss on disposal of fixed assets	243	
2. Loss on impairment of long-lived assets	1	
3. Loss on devaluation of work-in-process inventory	845	
4. Other	7	1,099
Income before income taxes and minority interests		60,719
Income taxes-current	25,350	
Income taxes-deferred	(4,391)	20,958
Minority interests in net income		409
Net income		39,351

CONSOLIDATED STATEMENT OF INCOME (for reference)
Three months ended September 30, 2007

Account Title	July 1, 2007 - September 30, 2007 (millions of yen)	
I. Net sales		186,783
II. Cost of sales		27,092
Gross profit on sales		159,690
Provision for (Reversal of) sales returns-net		(6)
Gross profit		159,697
III. Selling, general and administrative expenses		
1. Research and development expenses	33,338	
2. Selling, general and administrative expenses	95,483	128,821
Operating income		30,875
IV. Non-operating income		996
V. Non-operating expenses		678
Ordinary income		31,193
VI. Special gain		40
VII. Special loss		1,064
Income before income taxes and minority interests		30,169
Income taxes-current	11,813	
Income taxes-deferred	(1,830)	9,982
Minority interests in net income		174
Net income		20,012

CONSOLIDATED STATEMENT OF CASH FLOWS (for reference)
Six months ended September 30, 2007

Account Title	April 1, 2007 - September 30, 2007 (millions of yen)
I. Operating activities:	
1. Income before income taxes and minority interests	60,719
2. Depreciation and amortization	15,364
3. Loss on impairment of long-lived assets	1
4. Increase (Decrease) in allowance for doubtful accounts	17
5. Interest and dividend income	(3,200)
6. Interest expenses	57
7. Equity in (earnings) loss	16
8. (Gain) Loss on sales and disposal of fixed assets	199
9. (Gain) Loss on sales of securities	(2,202)
10. Loss on devaluation of securities	5
11. (Increase) Decrease in notes and accounts receivables-trade	(4,515)
12. (Increase) Decrease in inventories	(865)
13. Increase (Decrease) in notes and accounts payable-trade	(2,211)
14. Increase (Decrease) in other current liabilities	4,787
15. Increase (Decrease) in reserve for sales rebates	(351)
16. Increase (Decrease) in liability for retirement benefits	(3,694)
17. Other-net	(1,081)
Sub-total	63,045
18. Interest and dividends received	3,141
19. Interest paid	(52)
20. Income taxes-paid	(24,404)
Net cash provided by operating activities	41,730
II. Investing activities:	
1. Purchases of short-term investment	(635)
2. Proceeds from sales and redemption of short-term investments	1,453
3. Purchases of property, plant and equipment	(16,443)
4. Proceeds from sales of property, plant and equipment	102
5. Purchases of intangible assets	(7,558)
6. Purchases of investment securities	(12)
7. Proceeds from sales and redemptions of investment securities	10,615
8. Payment for acquisition of business	(39,166)
9. Net (increase) decrease in time deposits (exceeding 3 months)	(35)
10. Other-net	(943)
Net cash used in investing activities	(52,625)
III. Financing activities:	
1. Net increase (decrease) in short-term borrowings	(245)
2. Dividends paid	(18,468)
3. Dividends paid to minority shareholders	(60)
4. Other-net	(2)
Net cash used in financing activities	(18,776)
IV. Foreign currency translation adjustments on cash and cash equivalents	(469)
V. Net increase (decrease) in cash and cash equivalents	(30,140)
VI. Cash and cash equivalents at beginning of period	171,090
VII. Cash and cash equivalents at end of period	140,950

Segment Information (for reference)
(1) Business Segment Information

Three months ended September 30, 2007

(millions of yen)

	Pharma-ceuticals	Other	Total	Eliminations and Corporate	Consolidated
Sales					
(1) Sales to external customers	180,595	6,187	186,783	-	186,783
(2) Intersegment sales	53	5,407	5,460	[5,460]	-
Total sales	180,648	11,595	192,244	[5,460]	186,783
Operating expenses	149,324	10,943	160,267	[4,360]	155,907
Operating income	31,324	651	31,976	[1,100]	30,875

Six months ended September 30, 2007

(millions of yen)

	Pharma-ceuticals	Other	Total	Eliminations and Corporate	Consolidated
Sales					
(1) Sales to external customers	351,449	11,368	362,817	-	362,817
(2) Intersegment sales	95	9,215	9,310	[9,310]	-
Total sales	351,544	20,583	372,127	[9,310]	362,817
Operating expenses	293,337	19,594	312,932	[7,175]	305,756
Operating income	58,206	989	59,195	[2,134]	57,061

Note 1: The Company classifies consolidated operations into two segments: 'Pharmaceuticals', which includes prescription pharmaceuticals, and 'Other', which encompasses all operations other than pharmaceuticals.

Note 2: Major products in each segment are as follows:

Business segment	Major products
Pharmaceuticals	Prescription pharmaceuticals, Consumer health care products, Diagnostic pharmaceuticals, etc.
Other	Food additives, Chemicals, Machinery, Others

(2) Geographical Segment Information

Three months ended September 30, 2007

(millions of yen)

	Japan	North America	Europe	Asia and others	Total	Eliminations and Corporate	Consolidated
Net sales							
(1) Sales to external customers	79,128	87,389	13,200	7,064	186,783	-	186,783
(2) Intersegment sales	25,458	11,524	6,664	22	43,669	[43,669]	-
Total sales	104,586	98,914	19,865	7,086	230,452	[43,669]	186,783
Operating expenses	81,712	93,305	19,583	5,634	200,236	[44,329]	155,907
Operating income	22,874	5,608	281	1,451	30,216	659	30,875

Six months ended September 30, 2007

(millions of yen)

	Japan	North America	Europe	Asia and others	Total	Eliminations and Corporate	Consolidated
Net sales							
(1) Sales to external customers	157,401	164,182	27,279	13,953	362,817	-	362,817
(2) Intersegment sales	51,818	23,991	12,361	35	88,206	[88,206]	-
Total sales	209,220	188,173	39,640	13,989	451,024	[88,206]	362,817
Operating expenses	163,376	178,454	38,751	10,875	391,457	[85,701]	305,756
Operating income	45,843	9,719	888	3,114	59,566	[2,505]	57,061

Note 1: Segmentation by country or region is based on geographical proximity.
Note 2: Major areas and countries included in each region:
-North America: The United States and Canada
-Europe: The United Kingdom, France, Germany, etc.
-Asia and Others: East and South-East Asia, Latin America, etc.
Note 3: Intersegment sales in Japan principally represent product sales from Eisai Co., Ltd. (the 'Parent Company') to the overseas subsidiaries. Intersegment sales in North America, Europe, and Asia and Others are principally sales to the Parent Company from the overseas subsidiaries engaging in research and development.

(3) Overseas Sales

Three months ended September 30, 2007

(millions of yen)

	North America	Europe	Asia and Others	Total
Overseas sales	90,321	18,202	7,931	116,455
Consolidated sales				186,783
Share of overseas sales (%)	48.4	9.7	4.2	62.3

Six months ended September 30, 2007

(millions of yen)

	North America	Europe	Asia and Others	Total
Overseas sales	169,474	36,951	15,776	222,202
Consolidated sales				362,817
Share of overseas sales (%)	46.7	10.2	4.3	61.2

Note 1: Segmentation of the areas is based on geographical proximity.
Note 2: Major areas and countries included in each region:
-North America: The United States and Canada.
-Europe: The United Kingdom, France, Germany, etc.
-Asia and Others: East and South-East Asia, Latin America, etc
Note 3: Overseas sales represent the sales reported from the consolidated subsidiaries operating in countries and areas outside Japan.

Securities Code: 4523

2008.9

Reference Data

Second Quarter Ended September 30, 2008

October 31, 2008

Eisai Co., Ltd.

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[Forward-looking Statements and Risk Factors]

Materials and information provided in this financial disclosure may contain “forward-looking statements” based on current expectations, forecasts, estimates, business goals and assumptions that are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements. Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions, such as interest rate and currency exchange fluctuations.

Risks that may cause significant fluctuations in the consolidated results of the Company or have a material effect on decisions of shareholders are described below. These are risk factors that have been identified and assessed as of the disclosure date of the Financial Report. Risk factors associated with our business include, but are not limited to, challenges arising out of global expansion, uncertainties in new drug development, risks related to strategic alliances with partners, risks related to the acquisition of MGI PHARMA, INC., healthcare cost-containment measures, intensified competition with generic drugs, intellectual properties, possible incidence of adverse events, compliance with laws and regulations, litigations, closure or shutdown of factories, safety issues of raw materials used, outsourcing-related risks, environmental issues, IT security/information management, and conditions of financial markets, foreign exchange fluctuations, and internal control system.

Contents

* Revisions have been made to the full-year consolidated forecast announced in July 2008. The revised parts are underlined.
* All amounts are rounded to their nearest specified unit except for items with a note of omission.
* The exchange rates utilized in the reference data are noted in the table below.
* All amounts of overseas profit and loss are converted into yen based on the average exchange rates for the periods shown in the table below.

Currency Exchange Rates

	US	EU	UK
	(¥/US$)	(¥/EURO)	(¥/£)
(Apr. 2007 - Sep. 2007) Second Quarter Average Rate	119.32	162.29	238.98
(Sep. 30, 2007) Second Quarter Period End Rate	115.43	163.38	234.23
(Apr. 2007 - Mar. 2008) Fiscal Year Average Rate	114.28	161.52	229.44
(Mar. 31, 2008) Fiscal Year End Rate	100.19	158.19	200.11
(Apr. 2008 - Sep. 2008) Second Quarter Average Rate	**106.10**	**162.67**	**204.94**
(Sep. 30, 2008) Second Quarter End Rate	**103.57**	**149.05**	**187.15**
Second Half Forecast Rate	**100.00**	**135.00**	**175.00**

<About indications in this Reference Data>

Eisai believes in cash generating ability as the most intrinsic element that decides the true value of a company. Upon this basic concept, we indicate that “cash income” and “cash EPS” are not affected by non-cash profit-and-loss items, such as depreciation of property, plant and equipment, amortization of goodwill, loss on impairment of long-lived assets, and in-process R&D expenses.

Cash income

We consider that cash income is the total amount of cash available for investments for growth, business development, dividend payment, and repayment of borrowings, etc. We also consider that this is an indicator for cash generating ability (a managerial index for evaluating corporate growth potential and strategic appropriateness).

Cash income =Net income (loss) + Depreciation of PP&E and amortization of intangible assets + In-process R&D expenses + amortization goodwill + Impairment loss on long-lived assets

Cash income per share (Cash EPS)

Cash EPS = Cash income / number of shares issued and outstanding (after deducting treasury stock)

In-process R&D expenses

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

In accordance with the amendment of GAAP in Japan, index and amount compared with the same quarter in previous year are indicated as "reference".

1. Consolidated Financial Highlights

1) Statements of Operation Data

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full	
2Q Apr - Sep	2008	**2009**	YOY **%**	2008	2009 est.
Net sales	362.8	**398.8**	109.9	734.3	806.0
Cost of sales	54.6	**79.2**	145.1	118.8	160.6
R&D expenses	63.8	**78.0**	122.2	225.4	155.0
SG&A expenses	187.3	**195.0**	104.1	372.3	396.4
Operating income	57.1	**46.5**	81.6	17.7	94.0
Ordinary income	59.6	**43.6**	73.2	18.9	86.5
Net income (loss)	39.4	**28.7**	73.0	(17.0)	56.5
Cash income	55.3	**58.3**	105.3	105.5	114.0
			Inc./(Dec.)		
Dividend per share (DPS, yen)	65.0	**70.0**	5.0	130.0	140.0
Earnings (Loss) per Share (EPS, yen)	138.5	**100.8**	(37.7)	(59.8)	198.3
Cash income per share (Cash EPS, yen)	194.8	**204.6**	9.8	370.8	400.1

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

<Additional Data>

Statements of Operation Data (Adjusted)

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30				Full		
2Q Apr - Sep	(GAAP) 2009	Accounting treatment of business combination	(Adjusted) **2009**	YOY %	(GAAP) 2009 est.	Accounting treatment of business combination	(Adjusted) 2009 est.
Net sales	398.8		**398.8**	109.9	806.0		806.0
Cost of sales	79.2	**10.3**	**68.9**	126.2	160.6	18.7	141.9
R&D expenses	78.0	**0.4**	**77.6**	121.6	155.0	0.9	154.1
SG&A expenses	195.0	**4.6**	**190.4**	101.6	396.4	9.0	387.4
Operating income	46.5	**[15.4]**	**61.9**	108.5	94.0	[28.5]	122.5
Ordinary income	43.6	**[15.4]**	**59.0**	99.0	86.5	[28.5]	115.0
Net income (loss)	28.7	**[11.5]**	**40.3**	102.3	56.5	[21.8]	78.3
				Inc./(Dec.)			
Earnings per Share (EPS, yen)	100.8		**141.3**	2.8	198.3		274.8

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

Adjusted: Financial reporting excluding non-cash accounting items from business combination of MGI PHARMA, INC. in the previous period to clarify the actual performance of core business operations.

［Accounting treatment of business combinations］

Cost of sales: Sales rights depreciation, Increase of inventory
R&D expenses: Core technology depreciation
SG&A expenses: Goodwill amortization

2) Statements of Cash Flows Data

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full
2Q Apr - Sep	2008	**2009**	Inc./ (Dec.)	2008
Net cash provided by operating activities	41.7	**69.3**	27.6	73.2
Net cash used in investing activities	(52.6)	**(17.0)**	35.6	(476.4)
Net cash provided by (used in) financing activities	(18.8)	**(25.5)**	(6.8)	375.4
Cash and cash equivalents at end of period	141.0	**142.1**	1.1	120.0
Free cash flows	(21.3)	**46.2**	67.6	(415.9)

* "Free cash flows" = "Net cash provided by operating activities" - "Capital expenditures (including acquisition)"

3) Balance Sheets Data

(billions of yen)

	2008		Inc./
	Mar 31	**Sep 30**	(Dec.)
Total assets	1,123.9	**1,156.5**	32.6
Total liabilities	670.1	**691.6**	21.5
Bonds and debentures	1.0	**120.7**	119.7
Short-term & long-term borrowings	412.8	**285.5**	(127.3)
Total equity	453.8	**464.9**	11.1
Shareholders' Equity	448.9	**460.0**	11.1
Shareholders' Equity/Total assets (%)	39.9	**39.8**	(0.2)

4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full	
2Q Apr - Sep	2008	**2009**	Inc./ (Dec.)	2008	2009 est.
Capital expenditures	81.5	**20.8**	(60.7)	434.0	43.0
Property, plant and equipment	13.6	**17.9**	4.2	39.8	35.0
Intangible assets	67.9	**3.0**	(64.9)	394.3	8.0
Depreciation/Amortization	15.4	**24.9**	9.5	34.6	57.5

* Capital expenditures include the increase of asset by acquisition of Morphotek, Inc. and MGI PHARMA, INC..
* "Depreciation/Amortization" value includes amortization for "Intangible assets".

2. Consolidated Statements of Operation

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30					
2Q Apr - Sep	2008	Sales %	**2009**	Sales %	YOY %	Inc./ (Dec.)
Net sales	362.8	100.0	**398.8**	100.0	109.9	36.0
Cost of sales	54.7	15.1	**79.2**	19.9	144.8	24.5
(Reversal of) Provision for sales returns-net	(0.1)	(0.1)	**0.0**	0.0		0.1
Gross profit	308.2	85.0	**319.6**	80.1	103.7	11.4
R&D expenses	63.8	17.6	**78.0**	19.6	122.2	14.2
SG&A expenses	187.3	51.6	**195.0**	48.9	104.1	7.7
Operating income	57.1	15.7	**46.5**	11.7	81.6	(10.5)
Non-operating income	3.3	0.9	**2.7**	0.7		(0.6)
Non-operating expenses	0.8	0.2	**5.7**	1.4		4.8
Ordinary income	59.6	16.4	**43.6**	10.9	73.2	(16.0)
Special gain	2.3	0.6	**2.0**	0.5		(0.2)
Special loss	1.1	0.3	**2.0**	0.5		0.9
Income before income taxes and minority interests	60.7	16.7	**43.6**	10.9	71.8	(17.1)
Income taxes-current	25.4	7.0	**24.6**	6.2	96.9	(0.8)
Income taxes-deferred	(4.4)	(1.2)	**(10.0)**	(2.5)		(5.6)
Minority interests in net income	0.4	0.1	**0.3**	0.1		(0.1)
Net income (loss)	39.4	10.8	**28.7**	7.2	73.0	(10.6)
<Cash generating ability>						
Net income (loss)	39.4	10.8	**28.7**	7.2	73.0	(10.6)
Depreciation of PP&E and amortization of intangible assets	13.9		**14.0**			0.1
Amortization of intangible assets obtained by acquisition	1.4		**10.9**			9.5
In-process R&D expenses	0.6		**-**			(0.6)
Amortization of goodwill	0.1		**4.7**			4.6
Impairment loss on long-lived assets	0.0		**-**			(0.0)
Cash income	55.3	15.3	**58.3**	14.6	105.3	2.9

<Explanations>

Net sales
<Increase Factors>
Increase in sales of *ARICEPT,* Contribution of *ALOXI* and *DACOGEN*

R&D expenses
<Increase Factors>
Progress of clinical studies

Non-operating expenses
<Increase Factor>
Increase in interest paid due to increase of borrowings

3. Consolidated Statements of Cash Flows

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			<Explanations>
2Q Apr - Sep	2008	**2009**	Inc./ (Dec.)	
Operating activities:				
Income before income taxes and minority interests in net income	60.7	**43.6**	(17.1)	
Depreciation and amortization	15.4	**24.9**	9.5	
Net increase (decrease) in notes and accounts receivables/payable-trade and inventories	(7.6)	**(8.5)**	(0.9)	
Net increase (decrease) in accounts payable-other/accrued expenses etc.	4.8	**12.5**	7.7	
Other-net	(10.2)	**14.2**	24.4	**Other-net** <Increase Factor> Increase in reserve for sales rebates, Booking of amortization of goodwill
[Sub-total]	63.0	**86.7**	23.7	
Interest paid/received	3.1	**(0.4)**	(3.4)	
Income taxes paid	(24.4)	**(17.0)**	7.4	
Net cash provided by operating activities	41.7	**69.3**	27.6	
Investing activities:				
Capital expenditures (including acquisition and other)	(63.1)	**(23.1)**	40.0	**Capital expenditures (including acquisition and other)** <Decrease Factor> Impact from company acquisitions occurred in previous year
Purchases/proceeds from sales of securities etc.	11.4	**4.9**	(6.5)	
Other-net	(1.0)	**1.2**	2.2	
Net cash used in investing activities	(52.6)	**(17.0)**	35.6	
Financing activities:				
Net increase (decrease) in short-term borrowings	(0.2)	**(359.5)**	(359.3)	**Net increase (decrease) in short-term borrowings** **Proceeds from long-term borrowings** **Proceeds from bonds and debenture** <Increase Factor> Fund for acquisition (Shift borrowings from short-term to long-term)
Proceeds from long-term borrowings	-	**233.8**	233.8	
Proceeds from bonds and debentures	-	**119.6**	119.6	
Dividends paid	(18.5)	**(18.5)**	(0.1)	
Other-net	(0.1)	**(0.9)**	(0.9)	
Net cash provided by (used in) financing activities	(18.8)	**(25.5)**	(6.8)	
Foreign currency translation adjustments on cash and cash equivalents	(0.5)	**(4.6)**	(4.2)	
Net increase (decrease) in cash and cash equivalents	(30.1)	**22.1**	52.3	
Cash and cash equivalents at beginning of period	171.1	**120.0**	(51.1)	
Cash and cash equivalents at end of period	141.0	**142.1**	1.1	

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			<Explanations>
2Q Apr - Sep	2008	**2009**	Inc./ (Dec.)	
Free Cash Flows	(21.3)	**46.2**	67.6	

* "Free cash flows" = "Net cash provided by operating activities" - "Capital expenditures (including acquisition and other)"

4. Financial Results by Business Segment

1) Consolidated Net Sales by Business Segment

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30		Full
2Q Apr - Sep	2008	**2009**	2008
Net sales to customers	362.8	**398.8**	734.3
Pharmaceuticals	351.4	**388.5**	711.8
Japan	147.0	**157.5**	292.7
North America	163.7	**186.5**	338.2
Europe	26.7	**28.4**	53.2
China	4.7	**6.0**	9.5
Asia and others	9.2	**10.1**	18.3
Other segment	11.4	**10.4**	22.4
Japan	10.4	**8.8**	20.0
Overseas	1.0	**1.6**	2.4

* Net sales to external customers for each segment.

* Major areas and countries included in each region:

1. North America: The U.S. and Canada
2. Europe: The United Kingdom, France, Germany, etc.
3. Asia and Others: Asian countries except Japan and China, and South America, etc.

2) Consolidated Operating Income by Business Segment

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30		Full
2Q Apr - Sep	2008	**2009**	2008
Operating income	57.1	**46.5**	17.7
Pharmaceuticals	58.2	**47.9**	19.8
Other	1.0	**0.8**	1.9
Eliminations and corporate	(2.1)	**(2.2)**	(4.0)

* We deducted the figures specific for the accounting treatment of business combinations (non-cash items) with the acquisition of MGI PHARMA, INC. from the current GAAP basis figures. The operating income of Pharmaceuticals on an adjusted basis is ¥63.3 billion.

3) Geographical Segment Information

(1) Consolidated Net Sales by Geographical Segment

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30		Full
2Q Apr - Sep	2008	**2009**	2008
Net sales to customers	362.8	**398.8**	734.3
Japan	157.4	**166.3**	312.7
North America	164.2	**187.4**	339.4
Europe	27.3	**29.1**	54.4
China	4.7	**6.0**	9.5
Asia and others	9.2	**10.1**	18.3
Overseas sales	205.4	**232.5**	421.6
Overseas sales (%)	56.6	**58.3**	57.4

* Net sales to external customers for each segment.

(2) Consolidated Operating Income by Geographical Segment

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30		Full
2Q Apr - Sep	2008	**2009**	2008
Operating income	57.1	**46.5**	17.7
Japan	45.8	**39.1**	80.5
North America	9.7	**3.7**	(66.9)
Europe	0.9	**2.2**	1.8
China	1.1	**1.3**	2.0
Asia and others	2.0	**2.4**	3.7
Eliminations and corporate	(2.5)	**(2.2)**	(3.3)

* We deducted the figures specific for the accounting treatment of business combinations (non-cash items) with the acquisition of MGI PHARMA, INC. from the current GAAP basis figures. The operating income of North America on an adjusted basis is ¥19.0 billion.

4) Overseas Sales

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30		Full
2Q Apr - Sep	2008	**2009**	2008
Net sales	362.8	**398.8**	734.3
Overseas sales	222.2	**247.3**	454.6
North America	169.5	**192.4**	350.4
Europe	37.0	**37.0**	73.1
China	4.7	**6.0**	9.5
Asia and others	11.1	**11.9**	21.5
Overseas sales (%)	61.2	**62.0**	61.9

* Major areas and countries included in each category in this page:
1. North America: The U.S. and Canada
2. Europe: The United Kingdom, France, Germany, etc.
3. Asia and Others: Asian countries except Japan and China, and South America, etc.

5) Global Product Sales by Geographical Area(Eisai Territory Sales)

(1) *ARICEPT* (Alzheimer's disease treatment)

Years Ended/Ending March 31		Six months ended Sep 30		Full
2Q Apr - Sep		2008	**2009**	2008
Area				
Japan	¥ Billions	30.0	**38.3**	62.3
U.S.	¥ Billions	89.5	**93.3**	186.9
	[U.S. $ Millions]	[750]	**[879]**	[1,635]
Europe Total	¥ Billions	17.3	**16.7**	33.3
UK	¥ Billions	0.6	**2.0**	1.4
	[UK £ Millions]	[3]	**[10]**	[6]
France	¥ Billions	12.9	**10.1**	24.3
	[Euro Millions]	[79]	**[62]**	[151]
Germany	¥ Billions	3.8	**4.5**	7.6
	[Euro Millions]	[23]	**[28]**	[47]
China	¥ Billions	0.4	**0.4**	1.2
	[Chinese RMB Millions]	[25]	**[29]**	[75]
Asia (excluding Japan and China)	¥ Billions	3.6	**4.0**	7.4
Total	¥ Billions	140.9	**152.6**	291.0

* Sales forecast for Eisai sales territories for the year ending on March 31, 2009 is ¥314.0 billion.

(2) *ACIPHEX/PARIET* (Proton pump inhibitor)

Years Ended/Ending March 31		Six months ended Sep 30		Full
2Q Apr - Sep		2008	**2009**	2008
Area				
Japan	¥ Billions	18.3	**21.7**	37.1
U.S.	¥ Billions	66.4	**52.9**	124.7
	[U.S. $ Millions]	[556]	**[498]**	[1,091]
Europe Total	¥ Billions	4.6	**5.1**	8.6
UK	¥ Billions	1.5	**1.3**	2.2
	[UK £ Millions]	[6]	**[7]**	[9]
Germany	¥ Billions	0.9	**1.3**	1.8
	[Euro Millions]	[5]	**[8]**	[11]
Italy	¥ Billions	2.3	**2.3**	4.5
	[Euro Millions]	[14]	**[14]**	[28]
China	¥ Billions	0.4	**0.3**	0.7
	[Chinese RMB Millions]	[24]	**[21]**	[43]
Asia (excluding Japan and China)	¥ Billions	2.6	**2.6**	4.8
Total	¥ Billions	92.2	**82.6**	175.9

* Sales forecast for Eisai sales territories for the year ending on March 31, 2009 is ¥161.0 billion.

* Average exchange rate of Japanese yen to Chinese RMB

April 1, 2007 to September 30, 2007	15.66 yen/Chinese RMB
April 1, 2008 to September 30, 2008	15.38 yen/Chinese RMB
April 1, 2007 to March 31, 2008	15.30 yen/Chinese RMB

(3) ***METHYCOBAL*** (Peripheral neuropathy treatment)

Years Ended/Ending March 31		Six months ended Sep 30		Full
2Q Apr - Sep		2008	**2009**	2008
Area				
Japan	¥ Billions	16.2	**16.0**	31.7
Asia (Including China)	¥ Billions	3.7	**4.8**	7.1
Total	¥ Billions	19.8	**20.8**	38.7

(4) ***ALOXI*** (Antiemetic agent)

Years Ended/Ending March 31		Six months ended Sep 30		Full
2Q Apr - Sep		2008	**2009**	2008
Area				
U.S.	¥ Billions	-	**18.9**	6.5
	[U.S. $ Millions]	[-]	**[178]**	[62]

(5) ***DACOGEN*** (Anticancer properties through inhibition of DNA methylation)

Years Ended/Ending March 31		Six months ended Sep 30		Full
2Q Apr - Sep		2008	**2009**	2008
Area				
U.S.	¥ Billions	-	**8.7**	2.7
	[U.S. $ Millions]	[-]	**[82]**	[26]

(6) ***ZONEGRAN*** (Anti-epileptic drug)

Years Ended/Ending March 31		Six months ended Sep 30		Full
2Q Apr - Sep		2008	**2009**	2008
Area				
U.S.	¥ Billions	1.4	**1.0**	2.2
	[U.S. $ Millions]	[12]	**[10]**	[19]
Europe	¥ Billions	1.5	**2.0**	3.2
Asia	¥ Billions	0.1	**0.1**	0.2
Total	¥ Billions	3.0	**3.1**	5.6

6) SG&A Expenses

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30		Full
2Q Apr - Sep	2008	**2009**	2008
Net sales	362.8	**398.8**	734.3
SG&A expenses	187.3	**195.0**	372.3
Personnel expenses	37.2	**42.2**	77.1
Marketing promotion expenses	123.1	**121.0**	241.9
Administrative expenses and others	27.0	**31.8**	53.3
Ratio of SG&A expenses to net sales (%)	51.6	**48.9**	50.7

7) Eisai Inc. (U.S.)

Years Ended/Ending March 31		Six months ended Sep 30		Full
2Q Apr - Sep		2008	**2009**	2008
Net sales	¥ Billions	166.1	**172.8**	332.7
	[U.S. $ Millions]	[1,392]	**[1,629]**	[2,911]
Operating income	¥ Billions	10.7	**12.0**	25.2
	[U.S. $ Millions]	[90]	**[114]**	[221]
Net income	¥ Billions	7.5	**7.8**	17.1
	[U.S. $ Millions]	[63]	**[74]**	[149]
Operating income before royalty deduction	¥ Billions	41.5	**42.0**	87.7
	[U.S. $ Millions]	[348]	**[396]**	[767]

*Starting July 2008, the sales operation of MGI PHARMA INC. has been integrated to Eisai Inc. As a result, the net sales of U.S. $142 million (¥15.1 billion) by MGI PHARMA INC. were included to the above figures.

5. Consolidated Balance Sheets

1) Consolidated Balance Sheets <Assets>

(billions of yen)

	2008				Change	Inc./	<Explanations>
	Mar 31	%	**Sep 30**	%	%	(Dec.)	
Current assets:							
Cash and cash in banks	68.6		**65.0**			(3.6)	**Cash and cash in banks+ Short-term investments** <Increase Factor> Sales Increase
Notes and accounts receivable-trade	172.1		**180.8**			8.6	
Short-term investments	56.3		**83.8**			27.5	
Inventories	58.1		**58.7**			0.6	
Deferred tax assets	35.4		**34.9**			(0.5)	
Other	25.4		**21.3**			(4.0)	
Allowance for doubtful receivables	(0.3)		**(0.3)**			(0.0)	
Total current assets	415.6	37.0	**444.2**	38.4	106.9	28.6	
Non-current assets:							
Property, plant and equipment:							
Buildings and structures	70.8		**70.3**			(0.5)	
Machinery, equipment and vehicles	23.1		**22.1**			(1.0)	
Land	20.8		**20.7**			(0.1)	
Construction in progress	19.8		**31.0**			11.2	
Other	12.6		**13.5**			0.9	
Total property, plant and equipment	147.1	13.1	**157.6**	13.6	107.1	10.5	
Intangible assets:							
Goodwill	178.7		**177.9**			(0.8)	
Sales rights	164.2		**158.4**			(5.8)	
Core technology	61.3		**61.7**			0.4	
Other	13.4		**12.8**			(0.7)	
Total Intangible assets	417.7	37.1	**410.8**	35.5	98.4	(6.9)	
Investments and other assets:							
Investment securities	89.5		**75.1**			(14.4)	**Investment securities** <Decrease Factor> Decline in Market price of share held by the company
Deferred tax assets	43.7		**58.4**			14.7	
Other	11.0		**10.9**			(0.1)	
Allowance for doubtful accounts	(0.6)		**(0.5)**			0.1	
Total investments and other assets	143.6	12.8	**144.0**	12.4	100.3	0.4	
Total non-current assets	708.4	63.0	**712.3**	61.6	100.6	4.0	
Total assets	1,123.9	100.0	**1,156.5**	100.0	102.9	32.6	

2) Consolidated Balance Sheets <Liabilities and Equity>

(billions of yen)

	2008				Change	Inc./	<Explanations>
	Mar 31	%	**Sep 30**	%	%	(Dec.)	
Current liabilities:							
Notes and accounts payable-trade	18.3		**19.5**			1.2	
Short-term borrowings	362.8		**3.0**			(359.8)	**Short-term borrowings** <Decrease Factor> Shift to Bonds and debenture and Long-term borrowings
Accounts payable-other/accrued expenses etc.	116.7		**126.4**			9.8	
Income taxes payable	16.1		**23.1**			7.0	
Reserve for sales rebates	23.3		**29.7**			6.3	
Other	6.0		**8.2**			2.2	
Total current liabilities	543.2	48.3	**209.9**	18.1	38.6	(333.3)	
Long-term liabilities:							
Bonds and debentures	0.8		**120.7**			119.8	**Bonds and debentures** <Increase Factor> Issuance of unsecured straight bonds
Long-term borrowings	50.0		**282.5**			232.5	
Deferred tax liabilities	40.2		**42.3**			2.1	
Liability for retirement benefits	24.1		**23.1**			(1.0)	**Long-term borrowings** <Increase Factor> Financing for acquisition
Retirement allowances for directors	2.1		**2.3**			0.1	
Other	9.6		**10.9**			1.3	
Total long-term liabilities	127.0	11.3	**481.8**	41.7	379.5	354.8	
Total liabilities	670.1	59.6	**691.6**	59.8	103.2	21.5	
Owners' equity:							
Common stock	45.0		**45.0**			-	
Capital surplus	57.0		**57.0**			(0.0)	
Retained earnings	416.0		**424.3**			8.3	
Treasury stock	(39.7)		**(39.7)**			0.0	
Total owners' equity	478.2	42.5	**486.6**	42.1	101.7	8.3	
Net unrealized gain (loss) and translation adjustments:							
Net unrealized gain (loss) on available-for-sale securities	9.5		**4.8**			(4.7)	
Deferred gain (loss) on derivatives under hedge accounting	-		**(0.0)**			(0.0)	
Foreign currency translation adjustments	(38.9)		**(31.3)**			7.5	
Total net unrealized gain (loss) and translation adjustments	(29.4)	(2.6)	**(26.6)**	(2.3)	—	2.8	
Stock acquisition rights	0.6	0.1	**0.6**	0.0	103.3	0.0	
Minority interests	4.4	0.4	**4.3**	0.4	98.4	(0.1)	
Total equity	453.8	40.4	**464.9**	40.2	102.4	11.1	
Total liabilities and equity	1,123.9	100.0	**1,156.5**	100.0	102.9	32.6	

6. Consolidated Changes in Quarterly Results

1) Statements of Operation Data

(billions of yen)

Years Ended/Ending March 31	2008				2009	
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Net sales	176.0	186.8	196.7	174.7	195.8	**203.0**
Cost of sales	27.5	27.1	28.9	35.3	39.4	**39.9**
R&D expenses	30.5	33.3	35.7	125.9	35.7	**42.3**
SG&A expenses	91.8	95.5	96.6	88.4	96.7	**98.4**
Operating income (loss)	26.2	30.9	35.5	(74.8)	24.1	**22.5**
Non-operating income & expenses	2.2	0.3	1.2	(2.6)	(0.2)	**(2.7)**
Ordinary income (loss)	28.4	31.2	36.7	(77.4)	23.9	**19.7**
Special gain & loss	2.2	(1.0)	(0.4)	(2.0)	1.3	**(1.3)**
Income (loss) before income taxes and minority interests in income	30.6	30.2	36.3	(79.4)	25.2	**18.4**
Net income (loss)	19.3	20.0	24.2	(80.5)	16.6	**12.1**
Cash Income	27.3	28.1	32.1	18.1	31.2	**27.1**
Earnings (loss) per share, yen	68.1	70.4	84.9	(283.2)	58.4	**42.4**
Cash income per share (Cash EPS, yen)	96.0	98.8	112.7	63.4	109.6	**95.0**

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

2) Cash Flows Data

(billions of yen)

Years Ended/Ending March 31	2008				2009	
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Net cash provided by operating activities	7.8	33.9	10.1	21.4	18.6	**50.8**
Net cash used in investing activities	(46.0)	(6.7)	(9.2)	(414.6)	(7.7)	**(9.3)**
Net cash provided by (used in) financing activities	(18.7)	(0.1)	1.3	392.8	(20.0)	**(5.5)**
Cash and cash equivalents at end of period	119.6	141.0	141.7	120.0	113.0	**142.1**
Free cash flows	(46.1)	24.8	(1.7)	(392.8)	6.3	**40.0**

* "Free cash flows" = "Net cash provided by operating activities" - "Capital expenditures (including acquisition and other)"

3) Balance Sheets Data

<Assets>

(billions of yen)

	2007			2008		
	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	**Sep 30**
Current assets	396.0	420.9	430.9	415.6	433.4	**444.2**
Property, plant and equipment	135.3	137.5	141.4	147.1	155.0	**157.6**
Intangible assets	104.0	121.6	120.4	417.7	430.3	**410.8**
Investments and other assets	150.4	137.7	140.6	143.6	146.6	**144.0**
Non-current assets	389.7	396.8	402.4	708.4	731.9	**712.3**
Total assets	785.7	817.6	833.3	1,123.9	1,165.3	**1,156.5**

<Liabilities and Equity>

(billions of yen)

	2007			2008		
	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	**Sep 30**
Current liabilities	180.6	191.8	205.7	543.2	367.1	**209.9**
Long-term liabilities	36.7	50.8	51.1	127.0	324.4	**481.8**
Total liabilities	217.2	242.5	256.8	670.1	691.5	**691.6**
Owners' equity	528.0	548.9	558.7	478.2	474.5	**486.6**
Net unrealized gain (loss) and translation adjustments	30.0	15.4	12.8	(29.4)	(5.4)	**(26.6)**
Stock acquisition rights	0.3	0.6	0.6	0.6	0.6	**0.6**
Minority interests	10.2	10.3	4.5	4.4	4.3	**4.3**
Total equity	568.5	575.1	576.5	453.8	473.9	**464.9**
Total liabilities and equity	785.7	817.6	833.3	1,123.9	1,165.3	**1,156.5**

4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	2008				2009	
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Capital expenditures	46.2	35.3	11.1	341.4	8.5	**12.3**
Property, plant and equipment	3.9	9.7	8.9	17.2	7.5	**10.3**
Intangible assets	42.3	25.6	2.2	324.2	1.0	**2.0**
Depreciation/Amortization	7.3	8.1	8.0	11.2	12.3	**12.6**

* Capital expenditures include the increase of assets through the acquisition of Morphotek, Inc. and MGI PHARMA, INC.

* "Depreciation/Amortization" includes amortization for "Intangible assets".

5) *ARICEPT* Sales by Area (Eisai Territory Sales)

Years Ended/Ending March 31		2008				2009	
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Japan	¥ Billions	14.9	15.1	18.9	13.3	19.4	**18.8**
U.S.	¥ Billions	41.5	48.0	48.0	49.4	43.4	**49.9**
	[U.S. $ Millions]	[343]	[407]	[423]	[463]	[415]	**[464]**
Europe	¥ Billions	9.2	8.1	9.0	6.9	8.0	**8.7**
UK	¥ Billions	0.3	0.3	0.4	0.3	0.7	**1.3**
	[UK £ Millions]	[1]	[1]	[2]	[2]	[4]	**[6]**
France	¥ Billions	7.0	5.9	6.6	4.8	5.1	**5.0**
	[Euro Millions]	[43]	[36]	[40]	[31]	[31]	**[31]**
Germany	¥ Billions	1.9	1.9	2.0	1.8	2.1	**2.4**
	[Euro Millions]	[12]	[12]	[12]	[11]	[13]	**[15]**
China	¥ Billions	0.0	0.3	0.3	0.5	0.1	**0.3**
	[Chinese RMB Millions]	[3]	[22]	[17]	[33]	[9]	**[20]**
Asia (excluding Japan and China)	¥ Billions	1.7	1.9	2.0	1.8	2.0	**2.0**
Total	¥ Billions	67.3	73.5	78.2	71.9	72.9	**79.6**

6) *ACIPHEX/PARIET* Sales by Area (Eisai Territory Sales)

Years Ended/Ending March 31		2008				2009	
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Japan	¥ Billions	8.9	9.3	11.2	7.6	11.0	**10.6**
U.S.	¥ Billions	31.8	34.6	33.1	25.2	25.9	**27.0**
	[U.S. $ Millions]	[263]	[293]	[292]	[243]	[248]	**[251]**
Europe	¥ Billions	2.5	2.1	1.9	2.0	2.5	**2.6**
UK	¥ Billions	0.8	0.7	0.4	0.4	0.6	**0.7**
	[UK £ Millions]	[3]	[3]	[2]	[2]	[3]	**[3]**
Germany	¥ Billions	0.5	0.3	0.4	0.5	0.6	**0.7**
	[Euro Millions]	[3]	[2]	[2]	[3]	[4]	**[4]**
Italy	¥ Billions	1.2	1.1	1.1	1.2	1.2	**1.2**
	[Euro Millions]	[7]	[7]	[7]	[7]	[7]	**[7]**
China	¥ Billions	0.2	0.2	0.1	0.1	0.1	**0.2**
	[Chinese RMB Millions]	[14]	[10]	[9]	[10]	[9]	**[13]**
Asia (excluding Japan and China)	¥ Billions	1.4	1.2	1.3	1.0	1.3	**1.3**
Total	¥ Billions	44.9	47.3	47.7	36.0	40.8	**41.7**

7) *METHYCOBAL* Sales by Area (Eisai Territory Sales)

Years Ended/Ending March 31		2008				2009	
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Japan	¥ Billions	8.2	8.0	9.1	6.4	8.3	**7.7**
Asia (including China)	¥ Billions	1.8	1.8	1.7	1.7	2.4	**2.4**
Total	¥ Billions	10.1	9.8	10.8	8.1	10.7	**10.1**

8) *ALOXI* Sales by Area (Eisai Territory Sales)

Years Ended/Ending March 31		2008				2009	
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
U.S.	¥ Billions	-	-	-	6.5	9.5	**9.5**
	[U.S. $ Millions]	[-]	[-]	[-]	[62]	[90]	**[88]**

9) *DACOGEN* Sales by Area (Eisai Territory Sales)

Years Ended/Ending March 31		2008				2009	
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
U.S.	¥ Billions	-	-	-	2.7	4.4	**4.3**
	[U.S. $ Millions]	[-]	[-]	[-]	[26]	[42]	**[40]**

10) *ZONEGRAN* Sales by Area (Eisai Territory Sales)

Years Ended/Ending March 31		2008				2009	
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
U.S.	¥ Billions	0.7	0.7	0.4	0.4	0.5	**0.6**
	[U.S. $ Millions]	[6]	[6]	[4]	[4]	[4]	**[5]**
Europe	¥ Billions	0.7	0.8	0.9	0.8	1.0	**1.0**
Asia	¥ Billions	0.0	0.0	0.0	0.1	0.1	**0.1**
Total	¥ Billions	1.5	1.6	1.4	1.2	1.5	**1.6**

11) Eisai Inc. (U.S.)

Years Ended/Ending March 31		2008				2009	
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Net sales	¥ Billions	77.8	88.3	86.7	79.9	74.8	**98.0**
	[U.S. $ Millions]	[644]	[748]	[764]	[756]	[716]	**[913]**
Operating income	¥ Billions	3.6	7.1	7.4	7.1	4.0	**8.1**
	[U.S. $ Millions]	[29]	[60]	[65]	[66]	[39]	**[75]**
Net income	¥ Billions	2.6	4.9	5.0	4.6	2.6	**5.2**
	[U.S. $ Millions]	[22]	[41]	[44]	[43]	[25]	**[48]**
Operating income before royalty deduction	¥ Billions	18.0	23.5	23.6	22.6	18.1	**23.9**
	[U.S. $ Millions]	[149]	[199]	[207]	[212]	[174]	**[222]**

*Starting July 2008, the sales operation of MGI PHARMA INC. has been integrated to Eisai Inc. As a result, the net sales of U.S. $142 million (¥15.1 billion) by MGI PHARMA INC. were included to the above figures.

7. Non-Consolidated Financial Highlights

1) Non-Consolidated Financial Highlights

(1) Statements of Income Data

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full	
2Q Apr - Sep	2008	**2009**	YOY **%**	2008	2009 est.
Net sales	194.9	**204.1**	104.8	389.2	405.0
Cost of sales	39.1	**41.3**	105.8	76.0	79.0
R&D expenses	61.9	**71.0**	114.7	134.0	141.5
SG&A expenses	52.2	**56.9**	109.0	106.1	114.5
Operating income	41.7	**34.9**	83.7	73.1	70.0
Ordinary income	41.9	**32.3**	77.0	71.0	62.5
Net income	28.2	**26.0**	92.3	46.0	46.5

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

(2) Statements of Cash Flows Data

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full
2Q Apr - Sep	2008	**2009**	Inc./ (Dec.)	2008
Net cash provided by operating activities	22.4	**31.6**	9.1	36.7
Net cash used in investing activities	(14.4)	**64.9**	79.3	(431.3)
Net cash provided by (used in) financing activities	(18.4)	**(99.5)**	(81.2)	375.8
Cash and cash equivalents at end of period	36.2	**24.6**	(11.6)	27.7
Free cash flows	10.0	**22.0**	11.9	9.6

* "Free cash flows" = "Net cash provided by operating activities" - "Capital expenditures (including acquisition)"

(3) Balance Sheets Data

(billions of yen)

	2008		Inc./
	Mar 31	**Sep 30**	(Dec.)
Total assets	977.3	**908.0**	(69.3)
Total liabilities	505.9	**434.4**	(71.5)
Total equity	471.4	**473.6**	2.2
Shareholders' Equity	470.8	**473.0**	2.2
Shareholders' Equity/Total assets (%)	48.2	**52.1**	3.9

(4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full	
2Q Apr - Sep	2008	**2009**	Inc./ (Dec.)	2008	2009 est.
Capital expenditures	9.4	**7.5**	(1.9)	24.9	16.0
Property, plant and equipment	3.9	**5.7**	1.9	15.2	11.0
Intangible assets	5.5	**1.7**	(3.8)	9.7	5.0
Depreciation/Amortization	8.5	**8.7**	0.2	17.8	16.0

* "Depreciation/Amortization" includes amortization for "Intangible assets".

2) Net Sales by Business Segment

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full	
2Q Apr - Sep	2008	**2009**	YOY **%**	2008	2009 est.
Net sales	194.9	**204.1**	104.8	389.2	405.0
Prescription pharmaceuticals	117.0	**129.0**	110.3	231.8	256.5
Pharmaceuticals exports	30.5	**28.9**	94.8	60.7	52.5
Consumer health care products	9.5	**9.5**	100.0	20.1	20.0
Other (Food additives/Chemicals, etc.)	0.7	**0.7**	108.1	1.4	1.5
Industrial property rights, and other income	37.3	**36.1**	96.7	75.3	74.5

3) Exports by Geographical Area

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full
2Q Apr - Sep	2008	**2009**	YOY **%**	2008
Net Sales	194.9	**204.1**	104.8	389.2
Exports	67.6	**64.7**	95.8	135.6
North America	48.4	**45.9**	94.7	98.0
Europe	15.8	**14.4**	90.7	29.7
Asia and Others (including China)	3.3	**4.5**	135.4	7.9
Ratio of exports to sales (%)	34.7	**31.7**	-	34.8

* Major areas and countries included in each region:
1. North America: The U.S. and Canada
2. Europe: The United Kingdom, France, Germany, etc.
3. Asia and Others: East Asia, South-East Asia, and Central and South America, etc. excluding Japan

* The figures in "Exports" include revenues from industrial property rights, etc.

4) Prescription Pharmaceuticals

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full	
2Q Apr - Sep	2008	**2009**	YOY	2008	2009
Description / *Product*			**%**		est.
Alzheimer's disease treatment *ARICEPT*	30.0	**38.3**	127.4	62.3	77.0
Proton pump inhibitor *PARIET*	18.3	**21.7**	118.7	37.1	43.5
Peripheral neuropathy treatment *METHYCOBAL*	16.2	**16.0**	98.7	31.7	30.0
Gastritis/gastric ulcer treatment *SELBEX*	9.4	**8.2**	87.4	18.2	16.0
Osteoporosis treatment *ACTONEL*	4.8	**4.4**	90.9	8.2	10.0
Muscle relaxant *MYONAL*	4.2	**4.0**	95.8	8.0	7.5
Non-ionic contrast medium *IOMERON*	4.1	**3.7**	90.4	7.9	7.5
Osteoporosis treatment *GLAKAY*	3.5	**2.9**	81.9	6.4	5.5
Genetically engineered glucagon preparation *GLUCAGON G NOVO*	2.0	**1.9**	94.1	3.9	3.5
Long-acting isosorbide denigrate preparation *NITOROL-R*	1.8	**1.6**	89.2	3.4	3.0
Others	22.7	**26.4**	116.5	44.7	53.0
Prescription pharmaceuticals total	117.0	**129.0**	110.3	231.8	256.5

5) Exports by Products

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full	
2Q Apr - Sep	2008	**2009**	YOY	2008	2009
Description / *Product*			**%**		est.
ARICEPT	14.2	**14.1**	99.2	28.1	24.5
ACIPHEX/PARIET	12.9	**11.1**	86.0	25.1	21.0
Others	3.4	**3.8**	109.3	7.5	7.0
Exports total	30.5	**28.9**	94.8	60.7	52.5

6) Consumer Health Care Products

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30			Full	
2Q Apr - Sep	2008	**2009**	YOY	2008	2009
Description / *Product*			**%**		est.
Vitamin B_2 preparation *CHOCOLA BB* Group	4.7	**5.1**	107.2	9.5	10.0
Active-type Vitamin B_{12} *NABOLIN* Group	1.1	**1.1**	100.7	2.3	2.5
JUVELUX / Natural Vitamin E preparation *Vitamin-E* Group	0.8	**0.8**	94.0	1.7	1.5
Stomach ache and heartburn treatment *SACLON* Group	0.7	**0.8**	101.9	1.6	1.5
Others	2.1	**1.8**	85.1	5.1	4.5
Consumer health care products total	9.5	**9.5**	100.0	20.1	20.0

7) Gross Profit/Manufacturing Cost

(1) Breakdown of Cost of Sales

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30		Full
2Q Apr - Sep	2008	**2009**	2008
Net sales	194.9	**204.1**	389.2
Cost of sales	39.2	**41.3**	76.1
Beginning inventory (+)	15.2	**15.9**	15.2
Manufacturing cost (+)	19.0	**19.3**	38.3
Product purchase (+)	13.1	**16.3**	26.1
Account transfer (+)	7.0	**6.1**	12.4
Ending inventory (-)	15.2	**16.3**	15.9
COGS ratio to net sales (%)	20.1	**20.2**	19.6
(Reversal of) provision for sales returns	(0.1)	**(0.2)**	(0.1)
Gross profit	155.8	**162.6**	313.2

(2) Breakdown of Manufacturing Cost

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30		Full
2Q Apr - Sep	2008	**2009**	2008
Total manufacturing cost	22.1	**22.4**	44.2
Raw materials	7.7	**8.3**	14.7
Labor cost	5.5	**5.6**	10.9
Expenses	8.8	**8.5**	18.6
Beginning inventory of semi-finished goods and work-in-process (+)	9.4	**9.3**	9.4
Ending inventory of semi-finished goods and work-in-process (-)	9.4	**9.9**	9.3
Account transfer (+)	(3.0)	**(2.5)**	(5.9)
Manufacturing cost	19.0	**19.3**	38.3

8) Overseas R&D Expenses/SG&A Expenses

(billions of yen)

Years Ended/Ending March 31	Six months ended Sep 30		Full
2Q Apr - Sep	2008	**2009**	2008
R&D expenses	61.9	**71.0**	134.0
Overseas R&D expenses	35.0	**41.7**	77.1
[Ratio of overseas R&D expenses to R&D expenses] (%)	[56.5]	**[58.7]**	[57.5]
SG&A expenses	52.2	**56.9**	106.1
Personnel expenses	15.8	**16.5**	31.5
Marketing expenses	22.7	**26.9**	46.2
Administrative expenses and others	13.7	**13.5**	28.5
SG&A expenses (including R&D expenses)	114.1	**127.9**	240.1
Ratio of SG&A expenses (including R&D expenses) to net sales (%)	58.5	**62.6**	61.7

9) Balance Sheets Data

<Assets>

(billions of yen)

	2008		Inc./
	Mar 31	**Sep 30**	(Dec.)
Current assets	306.1	**228.3**	(77.8)
Property, plant and equipment	83.4	**85.1**	1.7
Intangible assets	33.5	**32.2**	(1.3)
Investments and other assets	554.3	**562.4**	8.2
Non-current assets	671.1	**679.7**	8.6
Total assets	977.3	**908.0**	(69.3)

<Liabilities and Equity>

(billions of yen)

	2008		Inc./
	Mar 31	**Sep 30**	(Dec.)
Current liabilities	434.3	**82.8**	(351.5)
Long-term liabilities	71.6	**351.6**	280.0
Total liabilities	505.9	**434.4**	(71.5)
Owners' equity	461.2	**468.7**	7.5
Net unrealized gain and translation adjustments	9.6	**4.3**	(5.3)
Stock acquisition rights	0.6	**0.6**	0.0
Total equity	471.4	**473.6**	2.2
Total liabilities and equity	977.3	**908.0**	(69.3)

8. Stock Information

1) Issued Stock and Shareholder Information

As of September 30, 2008

Total Number of Authorized Shares (shares)	Number of Shares Outstanding (shares)	[Number of Treasury Stock] (shares)	Number of Shareholders (persons)	Average Number of Shares per Shareholder (shares)
1,100,000,000	296,566,949	11,656,846	62,747	4,726

* Number of shares of outstanding includes number of treasury stocks.

2) Top 10 Shareholders

As of September 30, 2008

Name	Shares (1,000 shares)	%
Nippon Life Insurance Company	15,344	5.17
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,165	5.11
Japan Trustee Services Bank, Ltd. (Trust Account)	14,747	4.97
Saitama Resona Bank, Limited	12,398	4.18
The Chase Manhattan Bank N.A. London S.L. Omnibus Account	10,407	3.51
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	7,777	2.62
Eisai Employee Shareholding Association	5,847	1.97
Nomura Securities Co., Ltd.	5,098	1.72
Sumitomo Life Insurance Company	5,015	1.69
Mizuho Corporate Bank, Ltd.	4,680	1.58

* Treasury stock (11,656 thousands shares, 3.93%) is excluded as it has no voting rights.
* Number of shares less than one thousand has been omitted.

3) Number of Shareholders by Category

(persons)

	2008 Mar 31	%	**2008 Sep 30**	%	Inc./ (Dec.)
Financial Institutions	217	0.3	**204**	0.3	(13)
Securities Companies	74	0.1	**58**	0.1	(16)
Other Japanese Corporations	1,300	2.0	**1,172**	1.9	(128)
Corporations Outside Japan, etc.	493	0.7	**498**	0.8	5
Individuals and Others	64,846	96.9	**60,815**	96.9	(4,031)
Total	66,930	100.0	**62,747**	100.0	(4,183)

4) Number of Shares Held by Category

(1,000 shares)

	2008 Mar 31	%	**2008 Sep 30**	%	Inc./ (Dec.)
Financial Institutions	117,703	39.7	**122,274**	41.2	4,570
Securities Companies	15,233	5.2	**12,834**	4.3	(2,398)
Other Japanese Corporations	22,884	7.7	**23,312**	7.9	427
Corporations Outside Japan, etc.	76,479	25.8	**74,203**	25.0	(2,276)
Treasury Stock	11,665	3.9	**11,656**	3.9	(8)
Individuals and Others	52,600	17.7	**52,285**	17.6	(315)
Total	296,566	100.0	**296,566**	100.0	—

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

5) Breakdown of Shareholders Holding Size/Number of Shareholders

(persons)

	2008 Mar 31	%	**2008 Sep 30**	%	Inc./ (Dec.)
1 million shares and over	52	0.1	**50**	0.1	(2)
100,000 ~ 999,999 shares	184	0.3	**162**	0.3	(22)
10,000 ~ 99,999 shares	801	1.2	**818**	1.3	17
1,000 ~ 9,999 shares	12,452	18.6	**12,414**	19.8	(38)
100 ~ 999 shares	49,160	73.4	**44,937**	71.6	(4,223)
less than 100 shares	4,281	6.4	**4,366**	7.0	85
Total	66,930	100.0	**62,747**	100.0	(4,183)

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

(1,000 shares)

	2008 Mar 31	%	**2008 Sep 30**	%	Inc./ (Dec.)
1 million shares and over	181,692	61.3	**191,265**	64.5	9,573
100,000 ~ 999,999 shares	57,209	19.3	**47,538**	16.0	(9,670)
10,000 ~ 99,999 shares	20,176	6.8	**21,020**	7.1	843
1,000 ~ 9,999 shares	26,253	8.8	**26,064**	8.8	(189)
100 ~ 999 shares	11,056	3.7	**10,499**	3.5	(557)
less than 100 shares	177	0.1	**177**	0.1	(0)
Total	296,566	100.0	**296,566**	100.0	-

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

9. Consolidated Subsidiaries - Associated Companies

1) Consolidated Subsidiaries (63 companies)

(1) Subsidiaries Outside Japan (52 companies)

As of September 30, 2008

Company Name	Location	Common Stock		Equity (%) Ownership	Description of Operations
		Unit: thousand			
Eisai Corporation of North America	New Jersey, USA	3,416,700	US$	100.00%	U.S. regional headquarters/holding company
Morphotek, Inc.	Pennsylvania, USA	355,000	US$	100.00%	Pharma. basic research/clinical research
Eisai Inc.	New Jersey, USA	151,600	US$	100.00%	Pharma. production/sales
Eisai Research Institute of Boston Inc.	Massachusetts, USA	115,300	US$	100.00%	Basic research, clinical trial process research/production
Eisai Medical Research Inc.	New Jersey, USA	1,000	US$	100.00%	Pharma. clinical research
Eisai Machinery U.S.A. Inc.	New Jersey, USA	1,000	US$	100.00%	Pharma. machinery sales
Eisai Europe Ltd.	London, U.K.	137,261	UKPS	100.00%	European regional headquarters/holding company
Eisai Ltd.	London, U.K.	15,548	UKPS	100.00%	Pharma. clinical/sales research
Eisai London Research Laboratories Ltd.	London, U.K.	13,000	UKPS	100.00%	Basic research
Eisai Manufacturing Ltd.	Hertfordshire, U.K.	5,000	UKPS	100.00%	-
Eisai GmbH	Frankfurt, FRG	7,669	EUR	100.00%	Pharma. sales
Eisai Machinery GmbH	Cologne, FRG	1,278	EUR	100.00%	Pharma. machinery production/sales
Eisai S.A.S.	Paris, France	19,500	EUR	100.00%	Pharma. production/sales
Eisai B.V.	Amsterdam, Netherlands	540	EUR	100.00%	Pharma. production/sales
Eisai Farmacéutica S.A.	Madrid, Spain	4,000	EUR	100.00%	Pharma. sales
Eisai S.r.l.	Milan, Italy	3,500	EUR	100.00%	Pharma. sales
Eisai Pharma AG	Zurich, Switzerland	3,000	CHF	100.00%	Pharma. sales
Eisai AB	Stockholm, Sweden	10,000	SEK	100.00%	Pharma. sales
EF-Eisai Farmacêutica, Unipessoal Lda.	Lisbon, Portugal	4,000	EUR	100.00%	Pharma. sales
Eisai SA/NV	Brussels, Belgium	7,000	EUR	100.00%	-
Eisai China Inc.	Suzhou, China	319,205	RMB	100.00%	Pharma. production/sales
Eisai Machinery Shanghai, Inc.	Shanghai, China	200	US$	100.00%	Pharma. machinery promotion/maintenance
PT Eisai Indonesia	Jakarta, Indonesia	5,000	US$	100.00%	Pharma. production/sales
Eisai Asia Regional Services Pte. Ltd.	Singapore, Singapore	26,400	S$	100.00%	Asian subsidiaries holding company
Eisai (Singapore) Pte. Ltd.	Singapore, Singapore	300	S$	100.00%	Pharma. sales
Eisai Clinical Research Singapore Pte. Ltd.	Singapore, Singapore	10	S$	100.00%	Pharma. clinical research
Eisai (Malaysia) Sdn. Bhd.	Petaling Jaya, Malaysia	470	M$	100.00%	Pharma. sales
Eisai (Thailand) Marketing Co., Ltd.	Bangkok, Thailand	11,000	Baht	49.90%	Pharma. production/sales
Eisai Taiwan Inc.	Taipei, Taiwan	270,000	NT$	100.00%	Pharma. production/sales
Eisai (Hong Kong) Co., Ltd.	Hong Kong, China	500	HK$	100.00%	Pharma. sales
Eisai Korea Inc.	Seoul, Korea	3,512,000	Won	100.00%	Pharma. sales
HI-Eisai Pharmaceutical Inc.	Manila, Philippines	56,250	Peso	50.00%	Pharma. production/sales
Eisai Pharmaceuticals India Pvt. Ltd.	Maharashtra, India	160,000	INR	100.00%	Pharma. production/sales
Eisai Pharmatechnology & Manufacturing Pvt. Ltd.	Andhra Pradesh, India	904,000	INR	100.00%	-
Eisai Australia Pty. Ltd.	Sydney, Australia	1,000	A$	100.00%	-
(Other 17 companies)					

* The closing date of Eisai's consolidated subsidiaries is March 31 excluding Eisai China Inc. (December 31). Eisai China Inc. started provisional financial settlement on March 31 from the fiscal year ended March 2007.
* Eisai (Thailand) Marketing Co., Ltd., and HI-Eisai Pharmaceutical Inc., are considered as Eisai's consolidated subsidiaries under the "controlling entity" standard though Eisai's voting rights for these companies are no more than 50%.
* The operation of MGI PHARMA, INC. has been succeeded by the U.S. subsidiaries.
* The "other 17 companies" shown in the above refer to MGI PHARMA, INC. and its subsidiaries, which are included in the consolidation.
* Eisai Machinery Shanghai, Inc. for marketing support and maintenance of pharmaceutical manufacturing machinery was established in China in April 2008.
* Fractions figures in "Common Stock" are rounded down.

(2) Subsidiaries in Japan (11 companies)

As of September 30, 2008

Company Name	Location	Common Stock	Equity (%) Ownership	Description of Operations
Sanko Junyaku Co., Ltd.	Tokyo	5,262 million yen	100.00%	Diagnostic product prod./sales
Sannova Co., Ltd.	Gunma Pref.	926 million yen	79.95%	Pharma. production/sales
Elmed Eisai Co., Ltd.	Tokyo	450 million yen	100.00%	Pharma. sales
Eisai Food & Chemicals Co., Ltd.	Tokyo	101 million yen	100.00%	Food additives/chemicals sales
Eisai Machinery Inc.	Tokyo	100 million yen	100.00%	Pharma. machinery prod./sales
KAN Research Institute, Inc.	Hyogo Pref.	70 million yen	100.00%	Basic research
Eisai Distribution Co., Ltd.	Kanagawa Pref.	60 million yen	100.00%	Pharma. distribution
Palma Bee'Z Research Institute Co., Ltd.	Tokyo	50 million yen	100.00%	Diagnostic product research
Eisai R&D Management Co., Ltd.	Tokyo	11 million yen	100.00%	Management of drug development/research
Sunplanet Co., Ltd.	Tokyo	455 million yen	84.93%	Administrative/Catering/Printing service/Real estate management
Eisai Seikaken Co., Ltd.	Tokyo	50 million yen	70.00%	Agro-chemical prod./sales

* The whole shares of Clinical Supply Co., Ltd. held by Eisai Co., Ltd. were transferred in June 2008.
* Fractions figures in "Common Stock" are rounded down.

2) Equity in Earnings in Associated Companies (1 company)

As of September 30, 2008

Company Name	Location	Common Stock	Equity (%) Ownership	Description of Operations
Bracco-Eisai Co., Ltd.	Tokyo	340 million yen	49.00%	Contrast media import/prod./sales

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

10. Personnel Information

1) Consolidated Personnel Information

(persons)

March 31	2006	2007	2008	**2008 Sep 30**
Total employees	9,081	9,649	10,686	**11,035**
Japan	5,144	5,334	5,453	**5,641**
U.S.	1,787	1,975	2,699	**2,711**
Europe	650	765	861	**918**
China	742	777	834	**921**
Asia (excluding Japan and China)	758	798	839	**844**

2) Non-consolidated Personnel Information

(persons)

March 31	2006	2007	2008	**2008 Sep 30**
Total employees	3,906	4,050	4,137	**4,352**
Production	817	819	800	**814**
Research and development	1,032	1,101	1,123	**1,176**
Sales, marketing and administration	2,057	2,130	2,214	**2,362**
Total personnel cost (billions of yen)	64.0	60.9	57.9	**30.2**

* The number of total employees shown in the above represents all personnel working at Eisai group/Eisai Co., Ltd., including contracted employees and temporary staff. In addition, the number includes the staff assigned to Eisai from companies outside of the group, and excludes Eisai employees who are loaned to companies outside of the group.

11. Major R&D Pipeline Candidates

1) By Development Stages

(1)New Approval

	Product Name Research Code	Indication/Mode of Action or Category	Region	Approved	Form.
	HUMIRA (D2E7)	**Rheumatoid arthritis/human anti TNF-α monoclonal antibody**	Japan	April 2008	Inj.
	IOMERON (E7337)	**Additional dosage & formulation: for use in dynamic computed tomography of the liver**	Japan	May 2008	Inj.
	ACIPHEX (E3810)	**Additional indication: short-term treatment of gastroesophageal reflux disease (GERD) in adolescents**	US	June 2008	Oral
#	**ALOXI (E3270)**	**Additional formulation: oral formulation for the prevention of acute chemotherapy-induced nausea and vomiting (CINV)**	US	August 2008	Oral
#	**GASMOTIN**	**Gastroprokinetic agent (generic name: mosapride citrate)**	Thai-land	September 2008	Oral

(2)Under Review/Preparing for Submission

	Product Name Research Code	Indication/Mode of Action or Category	Region	Submission /Target	Form.
	ARICEPT (E2020)	**Additional indication: vascular dementia**	US (EU)	November 2002 (In preparation)	Oral
	T-614	**Rheumatoid arthritis (generic name: iguratimod)**	Japan	September 2003	Oral
	ARICEPT (E2020)	**Additional formulation: liquid formulation**	EU	May 2004	Oral
	rufinamide (E2080)	**Anti-epileptic agent (generic name: rufinamide)**	US	January 2006	Oral
	E2014	**Cervical dystonia (generic name: botulinum toxin type B)**	Japan	December 2006	Inj.
	GASMOTIN	**Gastroprokinetic agent (generic name: mosapride citrate)**	Asia*	May 2007	Oral
	clevudine	**Anti-chronic hepatitis B agent (generic name: clevudine)**	Asia*	May 2007	Oral
	HUMIRA (D2E7)	**Additional Indication: psoriasis**	Japan	September 2007	Inj.
	KES524	**Obesity management/central acting serotonin & noradrenaline reuptake inhibitor (generic name: sibutramine)**	Japan	November 2007	Oral
	fospropofol (E2083)	**Sedative-hypnotic agent/sedation in patients undergoing brief diagnostic or surgical procedures such as colonoscopy and (generic name: fospropofol disodium)**	US	December 2007	Inj.
	ARICEPT (E2020)	**Additional formulation: jelly formulation**	Japan	March 2008	Oral
	GLUFAST	**Rapid-acting insulin secretagogue agent (generic name: mitiglinide)**	Asia*	March 2008	Oral
	DACOGEN (E7373)	**Additional dosage: five-day dosing regimen for myelodysplastic syndrome (MDS)**	US	FY2008 (target)	Inj.
	PARIET (E3810)	**Additional indication: Non-erosive gastroesophageal reflux disease (GERD)**	Japan	FY2008 (target for resubmission)	Oral

#: updates from July 2008

*: the countries in which applications have been filed or are under review are described in the "by therapeutic area" page. (page 29-31)

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

	Product Name Research Code	Indication/Mode of Action or Category	Region	Phase	Submission Target	Form.
	E5564	**Severe sepsis/endotoxin antagonist**	US	III	FY2009	Inj.
		(generic name: eritoran)	EU	III		
			Japan	III		
	E7389	**Anticancer agent (breast cancer)/microtubule**	US	III	FY2009	Inj.
		dynamics inhibitor (generic name: eribulin)	EU	III		
			Japan	II		
	AS-3201	**Diabetic complications/aldose reductase**	US	III	FY2012	Oral
		inhibitor (generic name: ranirestat)				
	ARICEPT	**Additional formulation and dosage:**	US	III	FY2009	Oral
	(E2020)	**sustained release formulation**	EU	III		
	ARICEPT	**Pediatric usage**	US	III	FY2009	Oral
	(E2020)	**(cognitive impairment due to chemotherapy)**				
#	**ARICEPT**	**Pediatric usage (Down's syndrome)**	US	III	FY2009	Oral
	(E2020)					
	ACIPHEX	**Additional formulation: long-acting formulation**	US	III	FY2009	Oral
	(E3810)					
	SAFORIS	**Oral mucositis/glutamine oral suspension**	US	III		Oral
	(E6014)					Suspe.
	ZONEGRAN	**Additional indication: monotherapy for epilepsy**	EU	III	FY2010	Oral
	(E2090)					
	ZONEGRAN	**Additional indication: pediatric epilepsy**	EU	III	FY2009	Oral
	(E2090)					
	DACOGEN	**Additional indication: efficacy in survival benefit in**	US	III		Inj.
	(E7373)	**myelodysplastic syndrome (MDS)**				
	DACOGEN	**Additional indication: acute myeloid leukemia (AML)**	US	III	FY2010	Inj.
	(E7373)					
	HUMIRA	**Additional Indication: juvenile rheumatoid arthritis**	Japan	III	FY2011	Inj.
	(D2E7)					
	HUMIRA	**Additional Indication: ankylosing spondylitis**	Japan	III		Inj.
	(D2E7)					
	E2007	**Anti-epileptic agent/AMPA receptor antagonist**	US	III	FY2012	Oral
		(generic name: perampanel)	EU	III		
	SEP-190	**Insomnia/GABA$_A$ receptor agonist**	Japan	III	FY2010	Oral
		(generic name: eszopiclone)				
	clevudine	**anti-chronic hepatitis B agent**	China	preparing		Oral
		(generic name: clevudine)		for III		
	E0302	**Amyotrophic Lateral Sclerosis (ALS)**	Japan	II/III		Inj.
		(generic name: mecobalamine)				
	HUMIRA	**Additional Indication: Crohn's disease**	Japan	II/III	FY2009	Inj.
	(D2E7)					
	amolimogene	**Cervical dysplasia/therapeutic DNA vaccine**	US	II/III	FY2011	Inj.
	(E7101)					
	PARIET	**Additional dosage: Reflux esophagitis**	Japan	II/III		Oral
	(E3810)					

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NOTE: development of ZONEGRAN was determined to focus on monotherapy in epilepsy and adjunctive therapy in pediatric epilepsy. Accordingly, the development for generalized seizures adjunctive therapy in Europe (Phase III) has been terminated.

(4)Clinical (Phase II)

	Product Name Research Code	Indication/Mode of Action or Category	Region	Phase	Submission Target	Form.
	E2007	**Neuropathic pain/AMPA receptor antagonist (generic name: perampanel)**	US EU	II II		Oral
	E2007	**Multiple sclerosis/AMPA receptor antagonist (generic name: perampanel)**	EU	II		Oral
	E2007	**Migraine prophylaxis/AMPA receptor antagonist (generic name: perampanel)**	US	II		Oral
	E5555	**Acute coronary syndrome/thrombin receptor antagonist**	US EU Japan	II II II	FY2012	Oral
	E5555	**Atherothrombotic disease/thrombin receptor antagonist**	US EU Japan	II II II		Oral
	E6201	**Psoriasis/novel MEK-1/MEKK-1 kinase inhibitor**	US	II		Topical
#	**E7080**	**Anticancer agent (thyroid cancer) /VEGF receptor tyrosine kinase inhibitor**	US	II		Oral
	E7389	**Anticancer agent (non-small cell lung cancer)/ microtubule dymamics ihihibitor (generic name: eribulin)**	US	II		Inj.
	E7389	**Anticancer agent (prostate cancer)/microtubule dynamics inhibitor (generic name: eribulin)**	US EU	II II		Inj.
	E7389	**Anticancer agent (sarcoma)/microtubule dynamics inhibitor (generic name: eribulin)**	EU	II		Inj.
	E7820	**Anticancer agent (colorectal cancer)/angiogenesis inhibitor with alpha 2 integrin expression**	US	II		Oral
	AKR-501	**Thrombocytopenia/thrombopoietin receptor agonist**	US	II		Oral
	MORAb-003	**Anticancer agent (ovarian cancer)/monoclonal antibody (generic name: farletuzumab)**	US	II		Inj.
	MORAb-009	**Anticancer agent (pancreatic cancer)/ monoclonal antibody**	US	II		Inj.
	ARICEPT (E2020)	**Additional indication: Lewy body dementia**	Japan	II		Oral
	irofulven (E7850)	**Anticancer agent (prostate and other cancer) /DNA synthesis inhibitor**	US	II		Oral
	E7210 (suspended)	**Ultrasonic contrast medium**	Japan	II		Inj.

#: updates from July 2008

2)By Therapeutic Areas

(1)Neurology

Product Name Research Code	Description	Development Status	Origin
ARICEPT (E2020)	Currently approved acetylcholinesterase inhibitor for the treatment of Alzheimer's disease.	**Additional Indications** Vascular dementia: under review (US) Pediatric usage: Phase III (US) Lewy body dementia: Phase II (Japan) **Additional formulations** Liquid: under review (EU) Jelly: under review (Japan) Sustained-release formulation: Phase III (EU/US)	in-house
E2007	The generic name is perampanel. It could potentially be developed for treating a variety of neurodegenerative disorders by selectively antagonizing the AMPA-type glutamate receptor.	Epilepsy: Phase III (EU/US) Neuropathic pain: Phase II (EU/US) Migraine prophylaxis: Phase II (US) Multiple sclerosis: Phase II (EU)	in-house
AS-3201	The generic name is ranirestat. It is being investigated as a potential treatment for diabetic complications through inhibition of aldose reductase.	Diabetic neuropathy: Phase III (US)	Dainippon Sumitomo Pharma
rufinamide (E2080)	The agent has been approved in Europe for adjunctive therapy for Lennox-Gastaut syndrome (LGS) under the brand name of INOVELON . (The brand name in the US has not been decided.)	Adjunctive therapy in LGS and partial-onset seizures (in adult): under review (US)	Novartis
ZONEGRAN (E2090)	The generic name is zonisamide. It is believed to have broad anti-epileptic action and to be well-tolerated. Currently indicated as adjunctive therapy for partial seizures in adults with epilepsy.	**Additional indications** Monotherapy: Phase III (EU) Pediatric indication: Phase III (EU)	Dainippon Sumitomo Pharma
E0302	Mecobalamine is widely used for the treatment of peripheral neuropathy in Japan. A Phase II/III study for amyotrophic lateral sclerosis (ALS) is ongoing.	Amyotrophic lateral sclerosis: Phase II/III (Japan)	in-house
E2014	Botulinum toxin acts on cholinergic nerve ending synapses and inhibits the release of acetylcholine to relax muscles.	Cervical dystonia: under review (Japan)	Solstice Neuro-sciences
SEP-190	Eszopiclone is a non-benzodiazepine type allosteric $GABA_A$ receptor agonist that may help patients with transient insomnia as well as insomnia in the elderly.	Insomnia: Phase III (Japan)	Sepracor

(2)Oncology and Supportive Care

Product Name Research Code	Description	Development Status	Origin
E7389	The generic name is eribulin. It is a synthetic analog of halichondrin B derived from a marine sponge. It prevents tumor development by inhibiting cell division through inhibition of microtubule dynamics. Proof of concept (POC) was achieved in breast cancer.	Breast cancer: Phase III (EU/US), Phase II (Japan) NSCLC: Phase II (US) Prostate cancer: Phase II (EU/US) Sarcoma: Phase II (EU)	in-house
E7820	The compound is an angiogenesis inhibitor with alpha 2 integrin expression.	Colorectal cancer: Phase II (US)	in-house
E7080	The compound is a VEGF receptor tyrosine kinase inhibitor.	Thyroid cancer: Phase II (US)	in-house
MORAb-003	The compound is a humanized IgG1 MAb to folate receptor alpha.	Ovarian cancer: Phase II (US)	in-house (Morphotek)
MORAb-009	The compound is an IgG1 MAb that targets mesothelin.	Pancreatic cancer: Phase II (US)	in-house (Morphotek)
DACOGEN (E7373)	The generic name is decitabine. It induces cell differentiation activity through inhibition of DNA methylation. It is currently approved for myelodysplastic syndrome (MDS) in the United States.	**Additional indications** Acute myeloid leukemia: Phase III (US) Efficacy in survival benefit in MDS patients: Phase III (US) **Additional dosage**: five-day dosing regimen for MDS: submission in preparation (US)	in-house (MGI)
irofulven (E7850)	This compound is believed to show an anticancer effect by its DNA synthesis inhibiting action.	Prostate cancer: Phase II (US)	in-house (MGI)
ALOXI (E3270)	The agent is approved for chemotherapy-induced nausea and vomiting (CINV) as well as postoperative nausea and vomiting (PONV) with its serotonin (5-HT_3) receptor antagonizing action in the United States.	**Additional formulation** Oral formulation (acute prevention of CINV) : approved (US)	in-house (MGI)
AKR-501	The agent is an orally available thrombopoietin receptor agonist.	Idiopathic thrombocytopenic purpura: Phase II (US)	in-house (MGI)
amolimogene (E7101)	The agent is a therapeutic DNA vaccine that has shown activity against human papillomavirus.	Cervical dysplasia: Phase II/III (US)	in-house (MGI)
fospropofol (E2083)	The agent is a water-soluble prodrug of propofol.	Sedation in patients undergoing brief diagnostic or surgical procedures such as colonoscopy and bronchoscopy: under review (US)	in-house (MGI)
SAFORIS (E6014)	The agent is a topical, oral suspension of glutamine to protect oral mucosa from the damaging effects of chemotherapy.	Oral mucositis: Phase III (US)	in-house (MGI)

(3)Vascular and Immunological Reaction

Product Name Research Code	Description	Development Status	Origin
HUMIRA (D2E7)	The generic name is adalimumab. It is a human anti-TNF-α monoclonal antibody. In Japan, approval was obtained for the indication of rheumatoid arthritis.	Rheumatoid arthritis: approved (Japan) **Additional indication** Psoriasis: under review (Japan) Juvenile rheumatoid arthritis: Phase III (Japan) Ankylosing spondylitis: Phase III (Japan)	Abbott
E5564	The generic name is eritoran. The compound has demonstrated endotoxin antagonist activity. It showed expected efficacy and tolerability in a Phase II POC study for severe sepsis, which is caused by endotoxin from various types of gram-negative bacteria.	Severe sepsis: Phase III (Global Development Program)	in-house
E5555	The compound inhibits platelet aggregation and smooth-muscle proliferation based on thrombin receptor antagonistic action.	Acute coronary syndrome: Phase II (Japan/US/EU) Atherothrombotic disease: Phase II (Japan/US/EU)	in-house
E6201	The agent is a novel MEK-1/MEKK-1kinase inhibitor.	Psoriasis: Phase II (US)	in-house
T-614	The agent suppresses inflammatory cytokine production, lymphocyte proliferation and immunoglobulin production.	Rheumatoid arthritis: under review (Japan)	Toyama Chemical

(4)Gastrointestinal Disorders

Product Name Research Code	Description	Development Status	Origin
ACIPHEX/ PARIET (E3810)	The agent is a proton pump inhibitor and is approved for duodenal ulcers, reflux esophagitis and eradication of *H. pylori* infection, etc. In addition, short-term treatment of GERD in adolescents was approved.	**Additional indications** Gastro-esophageal reflux disease (GERD) in adolescents: approved (US) Non-erosive GERD: in preparation for resubmission (Japan) **Additional dosage** Reflux esophagitis: Phase II/III (Japan) **Additional formulation** Long-acting formulation: Phase III (US)	in-house
GASMOTIN	The generic name is mosapride citrate. It is a selective serotonin 5-HT_4 receptor agonist that has gastroprokinetic and gastric evacuation effects by enhancing acetylcholine release.	Gastroprokinetic agent: approved (Thailand), under review (Malaysia/Indonesia/the Philippines), prepared for submission (six Asian countries including some ASEAN members)	Dainippon Sumitomo Pharma

(5)Other Therapeutic Areas

Product Name Research Code	Description	Development Status	Origin
IOMERON (E7337)	The agent received approval as a non-ionic X-ray contrast medium in computerized tomography in Japan. Additional dosage & formulation for usage in dynamic computerized tomography of the liver was approved.	**Additional indication and formulation** Contrast medium in computerized tomography: approved (Japan)	Bracco
KES524	The generic name is sibutramine. It inhibits the reuptake of the cerebral neurotransmitters serotonin and noradrenaline. By enhancing the feeling of satiety and increasing energy consumption, it is expected to promote the loss of body weight.	Obesity management: under review (Japan)	Abbott
clevudine	The compound is a DNA polymerase inhibitor that shows efficacy as an antivirus agent for chronic hepatitis caused by hepatitis B virus.	Chronic hepatitis B: under review (Malaysia/Thailand/Indonesia/the Philippines/India), submission in preparation (three Asian countries including some ASEAN member countries), in preparation for Phase III (China)	Bukwang
GLUFAST	The generic name is mitiglinide. It is an agonist for sulfonylurea receptors in pancreatic beta cells and reduces blood glucose levels by accelerating insulin release.	Diabetes: under review (Malaysia/Thailand/the Philippines/Indonesia), submission in preparation (six ASEAN member countries)	Kissei Pharma-ceuticals
E7210	The compound is a contrast medium for ultrasounds based on the principle of ultrasound reflection by micro bubbles.	Suspended (Japan)	Bracco

12. Major Events

Date	Description
2008 April	・ Eisai received a notification from the U.S. FDA that it may proceed with the clinical study for E2012, a potential next generation Alzheimer's disease treatment <announced on April 3>
	・ Announced a status of the E2007 (AMPA-type glutamate receptor antagonist) development program <announced on April 11>
	・ HUMIRA, a fully-human monoclonal anti-TNF-α antibody received approval in Japan for the treatment of rheumatoid arthritis <announced on April 16>
	・ European Commission granted orphan drug status to anticancer agents MORAb-003 and MORAb-009 <announced on April 16>
	・ Signed an agreement with Sanko Junyaku Co., Ltd., Roche Diagnostics K.K., and Nihon Kohden Corp. concerning the sales of COAGUCHEK XS series for simple and quick PT-INR monitoring for warfarin-treated patients <announced on April 17>
	・ Announced a notice of revised business forecast for fiscal year ended March 31, 2008, as a result of acquisition of MGI PHARMA, INC. <announced on April 21>
	・ Introduced CHOCOLA BB ROYAL 2, vitamin B_2 drink for extreme fatigue in Japan (Launched on May 12) <announced on April 24>
May	・ Gained a favorable ruling by Court of Appeal in the U.K., as the NICE process for developing guidance on anti-dementia medicines ruled unfair <announced on May 1>
	・ Established a new subsidiary for marketing support and maintenance of pharmaceutical machinery in China <announced on May 7>
	・ The U.S. FDA advisory committee voted in favor of approval of fospropofol disodium injection <announced on May 8>
	・ The U.K. Court of Appeal makes decision following ruling with regards to the NICE process on anti-dementia medicines <announced on May 9>
	・ Signed an agreement with Lion Corporation regarding exclusive authorization for sales in Japan for an ethical drug of BUFFERIN tablets <announced on May 12>
	・ Announced the notice on new stock issuance in the form of stock options <announced on May 14>
	・ Presented 16 papers accepted for ASCO Annual Meeting reporting the latest results from the oncology research <announced on May 16>
	・ Presented a study report of E7389 in heavily pretreated patients with advanced breast cancer in ASCO Annual Meeting <announced on May 16>
	・ Non-ionic contrast media, IOMERON 350 and IOMERON 350 syringe, received approval for use in dynamic CT of the liver <announced on May 22>
	・ Terminated a marketing alliance of BREATHE RIGHT nasal strips with GlaxoSmithKline K.K. <announced on May 29>
	・ Announced a notice with respect to issuance of Unsecured Straight Bonds <announced on May 29>
June	・ Launched HUMIRA subcutaneous injection 40mg Syringe 0.8mL (fully-human monoclonal anti-TNFα antibody) for the treatment of rheumatoid arthritis in Japan. <announced on June 17>
	・ Announced the transfer of subsidiary stock of Clinical Supply Co., Ltd. <announced on June 19>
	・ Announced a notice on allocation of stock options (stock acquisition rights) <announced on June 20>
	・ Clinical sites for MORAb-009 Phase II study was expanded to the European Union (EU)
	・ A U.S. subsidiary Morphotek, Inc. signed a license agreement with the National Cancer Institute (NCI) for the development of therapeutic antibodies for use in the treatment of prostate cancer

Date	Description
July	・ Proton pump inhibitor ACIPHEX 20 mg received approval for the short-term treatment of GERD in adolescents in United States <announced on July 1>
	・ Announced the preliminary efficacy update on EORTC Phase III Trial of DACOGEN versus supportive care in patients with myelodysplastic syndromes (MDS) <announced on July 1>
	・ Issued a notice on determination of details of stock options (stock acquisition rights) to be allocated <announced on July 7>
	・ ALOXI injection 0.075 mg became available for prevention of postoperative nausea and vomiting (PONV) in the U.S. <announced on July 9>
	・ Antiosteoporotic drug “ACTONEL 17.5 mg tablets” received approval for additional indication in patients with Paget's disease of bone: A new package became available <announced on July 16>
	・ U.S. Federal Circuit Court of Appeals fully upheld Eisai's favorable ruling in ACIPHEX patent infringement lawsuit <announced on July 22>
	・ Eisai received Action Letter on fospropofol disodium injection for sedation in diagnostic or therapeutic procedures which outlines pathway to potential approval <announced on July 26>
	・ Eisai China Inc. signed a license agreement with a Chinese subsidiary of *STADA Arzneimittel* (Germany) AG Health Vision Enterprise Ltd. (Hong Kong) for the sales of the treatment for diabetic neuropathic pain α-LIPON 300 STADA in China <announced on July 30>
	・ Announced a determination to continue "Policy for Protection of the Company’s Corporate Value and Common Interests of Shareholders" <announced on July 31>
	・ A U.S. subsidiary Morphotek, Inc. signed an agreement with Pivotal BioSciences, Inc. (the U.S.) for the evaluation of LEC (Liver-Expression Chemokine) platform technology
August	・ Signed an exclusive license agreement with SymBio Pharmaceuticals Limited. for the co-development and commercialization of bendamustine hydrochloride in Japan <announced on August 18>
	・ ALOXI Capsules, anti-emetogenic agent for the prevention of chemotherapy-induced nausea and vomiting (CINV) received marketing approval in the U.S. <announced on August 24>
September	・ Introduced HOTMIN in Japan for improving peripheral blood circulation to relieve symptoms of coldness in extremities and stiff shoulders (launched on September 16) <announced on September 3>
October	・ Introduced CHOCOLA BB DRINK BIT, new pharmaceutical drink for acne and skin care in Japan (launched on October 15) <announced on October 8>
	・ The U.S. FDA approved an efficacy supplemental biologics license application (sBLA) for ONTAK for the treatment of patients with cutanous T-cell lymphoma (CTCL) (conversion of accelerated approval to full approval) <announced on October 16>