# EISAI CO., LTD.
# AND
# CONSOLIDATED SUBSIDIARIES
# FIRST QUARTER FINANCIAL REPORT

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**DATE ANNOUNCED: July 31, 2009**

Eisai Co., L td. announced today consolidated f inancial re sults for the F irst Quarter of the fiscal year ending March 31, 2010.

- Eisai Co., Ltd. is listed o n the First Section of both the Tokyo Stock Exchange and the Osaka Securities Exchange.
- Securities Code Number: 4523
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Expected date of quarterly financial report submission: August 11, 2009

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Note: This document is an English translation of the financial report in Japanese.

## 1. CONSOLIDATED QUARTERLY FINANCIAL RESULTS
## (APRIL 1, 2009 – JUNE 30, 2009)

### 1) RESULTS OF OPERATIONS

| Period | Net Sales | Percent Change | Operating Income | Percent Change | Ordinary Income | Percent Change |
|---|---|---|---|---|---|---|
| April 1, 2009– June 30, 2009 | ¥194,671 mil. | (0.6%) | ¥24,144 mil. | 0.3% | ¥23,177 mil. | (2.9%) |
| April 1, 2008– June 30, 2008 | ¥195,819 mil. | -% | ¥24,061 mil. | -% | ¥23,863 mil. | -% |

| Period | Net Income | Percent Change | Basic Earnings per Share | Diluted Earnings per Share |
|---|---|---|---|---|
| April 1, 2009– June 30, 2009 | ¥16,349 mil. | (1.7 %) | ¥57.39 | ¥57.38 |
| April 1, 2008– June 30, 2008 | ¥16,635 mil. | -% | ¥58.39 | ¥58.37 |

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 |
|---|---|---|---|---|
| June 30, 2009 | ¥1,127,408 mil. | ¥430,445 mil. | 37.7% | ¥1,492.20 |
| March 31, 2009 | ¥1,148,163 mil. | ¥433,045 mil. | 37.3% | ¥1,502.08 |

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

- As of June 30, 2009: ¥425,130mil.
- As of March 31, 2009: ¥427,952 mil.

## 2. DIVIDEND CONDITION

| | Dividend per Share | | | | |
|---|---|---|---|---|---|
| (Record Date) | First Quarter End | Second Quarter End | Third Quarter End | Fiscal Year End | Annual Total |
| March 31, 2009 | - | ¥70.00 | - | ¥70.00 | ¥140.00 |
| March 31, 2010 | - | | | | |
| March 31, 2010 (Forecast) | | ¥ 70.00 | - | ¥ 80.00 | ¥ 150.00 |

Note: Revisions to dividend forecast during the quarter: None

## 3. CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2010

| Period | Net Sales | Operating Income | Ordinary Income | Net Income | Basic Earnings per Share |
|---|---|---|---|---|---|
| 2nd Quarter (Accumulated) | ¥ 395,000 mil. (1.0%) | ¥ 47,500 mil. 2.1% | ¥ 44,500 mil. 2.0% | ¥ 28,000 mil. (2.5%) | ¥ 98.28 |
| Fiscal Year | ¥ 820,000 mil. 4.9% | ¥ 103,000 mil. 12.2% | ¥ 97,000 mil. 17.5% | ¥ 63,000 mil. 32.1 % | ¥ 221.13 |

Note: Revisions to financial forecast during the quarter: None

## 4. OTHER

1) Transfers of important subsidiaries (transfers of specific subsidiaries* accompanied with a change in scope of consolidation) that occurred during the period: None

*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 equal to or more than 30% of the net assets of the parent company.
3. The amount of common stocks are equal to or more than 10% of that of the parent company.

2) Application of simplified method or accounting treatment specific to preparation for consolidated quarterly financial statements: Applied

Note: For details, please refer to "5. Other Items" on page 13.

3) Change of accounting rules, procedures and representation method in connection with the preparation of consolidated quarterly financial statements: (indicated in "CHANGES IN ACCOUNTING PRINCIPLES")

(1) Changes in connection with the amendment of accounting principles: None
(2) Changes other than (1): None

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

(2) Number of treasury stock at the end of period
- Three-month period ended June 30, 2009: 11,664,870 shares
- Fiscal year ended March 31, 2009: 11,660,830 shares

(3) Average number of treasury stock during the period
- Three-month period ended June 30, 2009: 2 84,904,136 shares
- Three-month period ended June 30, 2008: 2 84,900,238 shares

Notes and special instructions for the use of financial forecasts provided in this document
1: Please refer to page 10 for more details on forecasted figures and assumptions of the forecast.

# [Qualitative Information / Financial Statements]

## 1. Operating Results

### 1) Overview of Consolidated Operating Results

### (1) Operating Results for the First Quarter of the Fiscal Year Ending March 31, 2010

(April 1, 2009–June 30, 2009)

**[Sales and Income]**

- The Company achieved the following **consolidated financial results** for the three-month period ended June 30, 2009:

| | | |
|---|---|---|
| Net sales: | ¥194,671 million | (0.6% decrease year-on-year) |
| Operating income: | ¥24,144 million | (0.3% increase year-on-year) |
| Ordinary income: | ¥23,177 million | (2.9% decrease year-on-year) |
| Net income: | ¥16,349 million | (1.7% decrease year-on-year) |

- **Sales of *Aricept***, an anti-Alzheimer's agent, steadily increased to ¥74,787 million, up 2.5% year-on-year. **Sales of *Pariet*** (US brand name: *Aciphex*), a proton pump inhibitor, decreased to ¥36,710 million, down 10.1% year-on-year. **Sales of oncology related products** increased to ¥19,725 million, up 0.7% year-on-year, accounting for more than 10% of consolidated sales.
- Despite the Company's continued proactive investment in R&D activities, **Operating income** remained at the same level as last year's as a result of improved efficiency in SG&A expenses. **Ordinary income** and **net income** fell below the result of the same period of the previous fiscal year.
- As a result, **basic earnings per share** for this period came to ¥57.39 (down ¥1.01 from the same period of the previous fiscal year).

**[Cash Income]**

- Eisai Group (hereinafter referred to as "the Company") uses **cash income** as a managerial index to express its ability to generate cash.
- Cash income is the total amount of cash available for investment in future growth and business development, dividend payments, repayment of borrowings, and other expenditures. The Company considers cash income as an indicator to assess corporate growth potential and strategies.
- Posted **net income** for this period was ¥16,349 million; **depreciation of property, plant and equipment** and **amortization of intangible assets** was ¥12,122 million; and **amortization of goodwill** was ¥2,221 million.
- As a result, **cash income** for this period was ¥30,694 million (down 3.6% from the same period of the previous fiscal year), with **cash income per share** of ¥107.73 (down ¥4.02).

* Cash income = Net income for this period + Depreciation of property, plant and equipment and amortization of intangible assets + In-process R&D expenses + Amortization of goodwill + loss on impairment of long-lived assets (including loss on devaluation of investment securities).
* Cash income per share = Cash income / Number of shares issued and outstanding at the end of the year after deduction of treasury stocks.

**[Performance by Segment]**

(Net sales for each segment are those to external customers.)

**a. Performance by Operating Segment**

<Pharmaceuticals segment>

- **Sales of *Aricept*** showed a steady increase. **Sales of *Pariet/ Aciphex***, on the other hand, decreased.
- As a result, **sales in the pharmaceuticals segment** totaled ¥190,147 million (down 0.2% from the same period of the previous fiscal year), with **operating income** of ¥25,108 million, which increased by 0.7% as a result of improved efficiency in SG&A expenses.

<Other segment>

- **Other sales, including food additives, chemicals, and machinery,** totaled ¥ 4,523 million (down 13.0% from the same period of the previous fiscal year), with **operating income** of ¥393 million (up 90.5%).

**b. Performance by Geographic Segment**

<Japan>

- **Net sales** totaled ¥90,727 million (up 7.4% from the same period of the previous fiscal year), with **operating income** of ¥22,428 million (up 1.1%).
- Among prescription drugs, **sales of *Aricept*** increased to ¥23,388 million, (up 20.3% from the same period of the previous fiscal year) and **sales of *Pariet*** increased to ¥13,410 million (up 21.4%).

<North America>

- **Net sales** totaled ¥83,773 million (down 6.4% from the same period of the previous fiscal year), with **operating income** of ¥552 million (up 161.0%).
- **Sales of *Aricept*** came to ¥42,655 million (down 1.7% from the same period of the previous fiscal year; up 5.6% on a U.S. dollar-denominated basis), and **sales of *Aciphex*** decreased to ¥19,788 million (down 23.6%; down 17.9% on a U.S. dollar-denominated basis).

<Europe>

- **Net sales** totaled ¥12,604 million (down 9.5% from the same period of the previous fiscal year), with **operating income** of ¥1,273 million (up 45.3%).
- **Sales of *Aricept*** decreased by 10.0% to ¥7,156 million and **sales of *Pariet*** decreased by 16.2% to ¥2,060 million.
- The pharmaceutical sales subsidiary Eisai GesmbH was established in Austria in April 2009.

<China>

- **Net sales** totaled ¥3,409 million (up 23.4% from the same period of the previous fiscal year), with **operating income** of ¥357 million (down 44.2%).
- **Sales of *Aricept*** and ***Pariet*** increased to ¥202 million (up 58.4% from the same period of the previous fiscal year) and ¥369 million (up 187.7%), respectively.

<Asia and Other Regions (excluding China)>

- **Net sales** totaled ¥4,155 million (down 18.7% from the same period of the previous fiscal year), with **operating income** of ¥813 million (down 39.4%).
- **Sales of *Aricept*** decreased to ¥1,383 million, down 30.8% from the same period of the previous fiscal year, and **sales of *Pariet*** decreased to ¥1,081 million, down 17.3%.

<Overseas Total>

- **Total overseas sales** excluding Japan amounted to ¥103,943 million (down 6.6% from the same period of the previous fiscal year), accounting for 53.4% of consolidated net sales (down 3.5 percentage points).

**(2) Research & Development Projects, Alliances, and Other Events**

**[Status of Ongoing Research & Development Projects]**

- **Anticancer agent E7389** (microtubule dynamics inhibitor) is being investigated for breast cancer in Phase III studies in the U.S. and 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). In July 2009, a submission for approval was filed to the health authorities in Switzerland with data derived primarily from Study 211 (Phase II trial). The Company is seeking approval of the compound as a treatment for locally advanced and metastatic breast cancer.
- **Endotoxin antagonist E5564** is being investigated in a Phase III study for severe sepsis in Japan, the U.S. and Europe with the aim of simultaneous trilateral filing for approval. The study is being conducted as a global development program.
- **AMPA receptor antagonist E2007** is being investigated with a focus on neuropathic pain and epilepsy. In the U.S. and Europe, a Phase III study for epilepsy and a Phase II study for neuropathic pain are ongoing. In Japan, a Phase II study for epilepsy is ongoing.
- A new oral jelly formulation of the **anti-Alzheimer's agent *Aricept*** was approved in Japan in July 2009. In the U.S., Phase III trials for a 23mg sustained release tablet formulation have been concluded, and preparations for a submission for approval are underway. Regarding the development program for pediatric patients with attention impairment following cancer chemotherapy, Eisai received a notice from the U.S. Food and Drug Administration (FDA) in June 2009 that there were insufficient grounds to issue a Written Request to obtain pediatric exclusivity.
- In July 2009, a submission for approval was filed in the U.S. for an alternative five-day dosing regimen of the **DNA hypomethylating agent *Dacogen*** for the treatment of myelodysplastic syndromes (MDS). In June 2009, a Written Request was issued from the U.S. FDA regarding investigation of efficacy in pediatric patients with acute myelogenous leukemia (AML).
- A Phase III study for the **anticancer agent MORAb-003** (monoclonal antibody) to evaluate its efficacy in patients with ovarian cancer has been initiated in the U.S.
- A Phase II/III study for the **diabetic complications treatment AS-3201** for diabetic neuropathy has been initiated in Europe.

**[Status of Major Alliances and Agreements]**

- In May 2009, Eisai concluded an **exclusive license agreement with SymBio Pharmaceuticals Limited** (Tokyo) for the development and marketing of bendamustine hydrochloride in South Korea and Singapore. The agreement grants Eisai exclusive rights to develop and market bendamustine hydrochloride in these countries.
- In July 2009, Eisai's **generic pharmaceuticals subsidiary Elmed Eisai Co., Ltd.**,

concluded a **license agreement with Sanwa Kagaku Kenkyusho Co., Ltd.** (Aichi Prefecture) on sales in Japan of the oral osmotic diuretic and Meniere's disease-improving agent *Menilet* 70% Jelly 20g and *Menilet* 70% Jelly 30g. The agreement grants Elmed Eisai exclusive rights to market these products in Japan. Eisai will collaborate with Elmed Eisai on the marketing of these products.

- In July 2009, Eisai concluded a license agreement with Biocompatibles International plc (United Kingdom) for the development and commercialisation of drug-eluting bead products for embolisation in Japan. Under the conditions of the agreement, Eisai obtained the exclusive rights to develop and commercialise Polyvinyl Alcohol Hydrogel Microsphere and its related product, developed by Biocompatibles.

**[Other Events]**

- In June 2009, **Eisai officially opened the European Knowledge Centre** (Hatfield, U.K.) as its strategic base in Europe. The Centre incorporates a discovery research function to extend and strengthen the capabilities of the Company's research facility in London, and consolidates clinical development, production, marketing, and European headquarters operations. Combining these functions in a single location will allow for smoother communication, and facilitate the "knowledge creation" that the center's name suggests. This will also be the Company's first production facility in Europe, allowing for in-house production rather than by the alliance partners on which the Company previously depended.

  In its business development approach in Europe, Eisai considers Europe to be a single market and consolidated its marketing, medical, finance, IT and other service functions in its European headquarters. At the same time, by providing each sales company with sales-specific functions, Eisai is transitioning to a new and unique "European efficiency model" in pursuit of higher efficiency and productivity. The completion of the "European Knowledge Centre" provides the infrastructure that will enable the implementation of this business model.

## 2. Consolidated Financial Conditions

**[Assets, Liabilities, and Equity]**

- Total **assets** at the end of this period amounted to ¥1,127,408 million (down ¥20,755 million from the end of the previous fiscal year). Decreased items were mainly **securities and intangible assets**.
- Total **liabilities** at the end of this period amounted to ¥696,962 million (down ¥18,155 million from the end of the previous fiscal year).
- Total **equity** at the end of this period amounted to ¥430,445 million (down ¥2,599 million from the end of the previous fiscal year). The **shareholders' equity ratio*** was 37.7% (up 0.4 percentage points from the end of the previous fiscal year).

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

**[Cash Flow]**

- **Net cash provided by operating activities** for the three-month period ended June 30, 2009 amounted to ¥537 million (¥18,564 million was provided during the same period of the previous fiscal year). More specifically, **income before income taxes and minority income** was ¥23,145 million; **depreciation and amortization** were ¥12,122 million; **increase in notes and accounts receivable-trade** was ¥6,649 million; and **income taxes-paid** was ¥31,027 million.
- **Net cash used in investing activities** amounted to ¥12,851 million (up ¥5,114 million from the same period of the previous fiscal year), out of which ¥5,881 million was used for **purchases of property, plant and equipment**.
- **Net cash used in financing activities** amounted to ¥12,271 million (down ¥7,732 million from the same period of the previous fiscal year). **Dividends paid** amounted to ¥19,943 million.
- As a result, **cash and cash equivalents** at the end of this period stood at ¥105,219 million, down ¥26,307 million from the end of the previous fiscal year.

## 3. Outlook for the Fiscal Year Ending March 31, 2010

(April 1, 2009–March 31, 2010)

### [Consolidated Forecasts]

- The 2nd quarter (accumulated) and fiscal year consolidated **forecasts remain unchanged** from those announced in May 2009.

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | | Basic Earnings per Share |
|---|---|---|---|---|---|---|---|---|---|
| | ¥mil. | % | ¥mil. | % | ¥mil. | % | ¥mil. | % | ¥ |
| 2nd Quarter (Accumulated) | 395,000 | (1.0) | 47,500 | 2.1 | 44,500 | 2.0 | 28,000 | (2.5) | 98.28 |
| Fiscal Year | 820,000 | 4.9 | 103,000 | 12.2 | 97,000 | 17.5 | 63,000 | 32.1 | 221.13 |

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

### [Forecasts and Risk Factors]

- Materials and information provided in this financial disclosure may contain "forward-looking statements" based on current expectations, forecasts, estimates, business goals and assumptions that are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements. Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions, such as interest rate and currency exchange fluctuations.
- Risks that may cause significant fluctuations in the consolidated results of the Company or have a material effect on decisions of shareholders are described below. These are risk factors that have been identified and assessed as of the disclosure date of the Financial Report. Risk factors associated with our business include, but are not limited to, challenges arising out of global expansion, uncertainties in new drug development, risks related to strategic alliances with partners, healthcare cost-containment measures, intensified competition with generic drugs, intellectual 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.

Please refer to "Risk Factors" in the annual securities report for further details.

## 4. Corporate Governance

### 1) Appointment of Directors

Eleven Directors, including seven Outside Directors, were appointed and assumed their respective offices at the 97th Ordinary General Meeting of Shareholders held on June 19, 2009.

Candidates for Director were selected at the Nomination Committee in accordance with its selection criteria, and the list was presented for approval at the General Meeting of Shareholders. Outside Directors in particular must meet the requirements for Outside Directors set forth in Article 2-3-7 of the Ordinance for Enforcement of the Companies Act, as well as satisfy the following Independence and Neutrality Requirements established by the Nomination Committee.

**Requirements for the Independence and Neutrality of Outside Directors**

(Revised on January 30, 2009)

1. An Outside Director must be economically independent from the Company or its affiliated companies (hereinafter referred to as the Eisai Group collectively) as well as from specified enterprises, etc., as demonstrated by satisfying the following conditions.
   - i) An Outside Director must not have received directly from the Eisai Group, in the past five years, compensation or remuneration for work or transactions (excluding director compensation from Eisai) at or above the fixed amount defined below:
     - a The "fixed amount" is defined as ¥10 million or more in a single fiscal year out of the past five years.
     - b Even when the individual has received the amount indirectly, the actual situation shall be judged prudently.
   - ii) An Outside Director must not have been, in the past five years, a director, executive officer, or other officer of the following types of enterprises (including holding companies), as defined below:
     - a Enterprises, etc., for which 2% or more of its sales in any of the past five fiscal years have been sales or compensation for work or transactions to the Eisai Group; or
     - b Regardless of the previous item, enterprises, etc., with a relationship of substantial interest with Eisai or its affiliated companies, such as Eisai's audit corporation
     - c Enterprises, etc., that are major shareholders of the Company (holding 10% or more of the Company's outstanding shares)
     - d Enterprises, etc., in which the Eisai Group is a major shareholder (holding 10% or more of the outstanding shares of the relevant enterprise, etc.)
   - iii) Even if an Outside Director has been retired from positions as a Director, Executive Officer, or other officer of the previously specified types of enterprises, the Nomination Committee must determine that the Outside Director is independent and neutral with respect to these enterprises based on consideration of the following factors.
     - a The Outside Director's shareholding in the relevant enterprise, etc.
     - b The Outside Director's post-retirement remuneration from the relevant enterprise, etc.
     - c Human interaction between the Eisai Group and the relevant enterprise, etc.
2. An Outside Director must not be a close relative of, or one having a similar relationship to, a Director or Executive Officer of the Eisai Group.
   - i) A "close relative" is defined as a spouse, a blood relative within three degrees of kinship, or a cohabitating relative.
   - ii) "One having a similar relationship to" is defined as one having a human relationship that can be rationally recognized as that which makes it impossible for the individual to fulfill duties as an independent Director, such as a personally interested individual.
3. An Outside Director may not be of the same household of persons holding any of the conflicts of interest described in paragraph 1.
4. In addition, there must not be any other situations rationally recognizable as preventing an Outside Director from performing duties as an independent Director.
5. The requirements for the independence and neutrality of Outside Directors defined in this article continue to apply after the appointment as Director.

**2) Structure of the Board of Directors and Executive Officers**

At the Board of Directors meeting following the closing of the 97th Ordinary General Meeting of Shareholders, the Chair of the Board of Directors, as well as Chairs and members of the Nomination, Audit and Compensation committees, were appointed and assumed office.

| | | |
|---|---|---|
| Director | Haruo Naito | Director, President and CEO |
| Director | Tetsushi Ogawa | Audit Committee Member |
| Director | Hiroyuki Mitsui | |
| Director | Akira Fujiyoshi | Audit Committee Member |
| Outside Director | Ko-Yung-Tung | Compensation Committee Member<br>Chair, Nomination Committee Member |
| Outside Director | Shinji Hatta | Audit Committee Chair |
| Outside Director | Norihiko Tanikawa | Chair of the Board of Directors |
| Outside Director | Satoru Anzaki | Nomination Committee Chair,<br>Compensation Committee Member |
| Outside Director | Junji Miyahara | Nomination Committee Member,<br>Compensation Committee Member |
| Outside Director | Kimitoshi Yabuki | Audit Committee Member |
| Outside Director | Christina Ahmadjian | Audit Committee Member |

The Independent Committee of Outside Directors (Chair: Kimitoshi Yabuki), at a meeting on June 19, 2009, determined that the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" (the "Policy") contained the following mechanisms, and that except for the deletion of phrases pertaining to the real register of shareholders as a result of the digitization of stock certificates, recommended to the Board of Directors that it be continued in its present form.

a) The Policy is operated under the initiative of the Independent Committee of Outside Directors, thereby precluding arbitrary action by Management.
b) Maintenance, review or abandonment of the Policy should be deliberated every year.
c) Shareholders' intentions shall be reflected by exercising their right to designate Directors at the Ordinary General Meeting of Shareholders every year.

At the Board of Directors meeting held on July 31, 2009, a proposal by the Independent Committee of Outside Directors regarding continuing application of the Policy was approved and resolved, and the Company announced it as the "Policy for Protection of the Company's Corporate Value and the Common Interests of Shareholders" in a press release issued on the same day.

For further details on the Policy, please visit our web site;
http://www.eisai.co.jp/ecompany/egovernance.html

## 5. Other Items

**1) Application of Simplified Accounting Method and Accounting Treatment Specific to Preparation for Consolidated Quarterly Financial Statements**

(1) Simplified accounting method

i. The calculation of the value of inventories at the end of this three-month period ended June 30, 2009 is made in a rational manner based on the actual inventory value at the end of the previous fiscal year.

(2) Accounting treatment specific to preparation for consolidated quarterly financial statements: Not applied

# 6. Consolidated Financial Statements
## 1) Consolidated Balance Sheets

(Millions of Yen)

| | June 30, 2009 | March 31, 2009 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash in banks | 50,023 | 48,061 |
| Notes and accounts receivable-trade | 197,631 | 191,622 |
| Short-term investments | 78,400 | 104,018 |
| Merchandise and finished goods | 32,891 | 33,853 |
| Work-in process | 18,751 | 17,228 |
| Raw materials and supplies | 13,059 | 13,435 |
| Deferred tax assets | 35,557 | 36,860 |
| Other | 20,808 | 20,016 |
| Allowance for doubtful receivables | (326) | (320) |
| Total current assets | 446,797 | 464,777 |
| Fixed assets: | | |
| Property, plant and equipment | | |
| Buildings and structures-net | 83,953 | 79,211 |
| Other-net | 73,231 | 76,286 |
| Total property, plant and equipment | 157,184 | 155,497 |
| Intangible assets: | | |
| Goodwill | 164,507 | 170,570 |
| Sales rights | 136,841 | 143,614 |
| Core technology | 54,916 | 56,978 |
| Other | 12,450 | 13,061 |
| Total intangible assets | 368,716 | 384,225 |
| Investments and other assets: | | |
| Investment securities | 66,229 | 60,583 |
| Deferred tax assets | 76,392 | 70,792 |
| Other | 12,420 | 12,659 |
| Allowance for doubtful accounts | (331) | (373) |
| Total investments and other assets | 154,710 | 143,662 |
| Total fixed assets | 680,610 | 683,385 |
| Total assets | 1,127,408 | 1,148,163 |

(Millions of Yen)

| | June 30, 2009 | March 31, 2009 |
|---|---|---|
| **LIABILITIES** | | |
| Current liabilities: | | |
| Notes and accounts payable-trade | 18,559 | 19,095 |
| Short-term borrowings | 30,000 | 22,000 |
| Accounts payable-other | 60,858 | 70,870 |
| Accrued expenses | 58,228 | 54,571 |
| Income tax payable | 14,326 | 33,098 |
| Reserve for sales rebates | 33,571 | 32,564 |
| Other reserves | 632 | 553 |
| Other | 9,130 | 8,848 |
| Total current liabilities | 225,308 | 241,603 |
| Long-term liabilities: | | |
| Bonds and debentures | 120,918 | 120,939 |
| Long-term borrowings | 277,207 | 278,761 |
| Deferred tax liabilities | 26,769 | 27,679 |
| Liability for retirement benefits | 22,889 | 21,774 |
| Retirement allowances for directors | 2,362 | 2,408 |
| Other | 21,507 | 21,951 |
| Total long-term liabilities | 471,654 | 473,514 |
| Total liabilities | 696,962 | 715,118 |
| **Equity** | | |
| Owners' equity | | |
| Common stock | 44,985 | 44,985 |
| Capital surplus | 56,949 | 56,949 |
| Retained earnings | 419,711 | 423,305 |
| Treasury stock | (39,695) | (39,683) |
| Total owners' equity | 481,951 | 485,557 |
| Net unrealized gain (loss) and translation adjustments: | | |
| Net unrealized gain (loss) on available-for-sale securities | 4,464 | 1,125 |
| Deferred gain (loss) on derivatives under hedge accounting | (439) | (437) |
| Foreign currency translation adjustments | (60,846) | (58,293) |
| Total net unrealized gain (loss) and translation adjustments | (56,820) | (57,605) |
| Stock acquisition rights | 631 | 613 |
| Minority interests | 4,682 | 4,479 |
| Total equity | 430,445 | 433,045 |
| Total liabilities and equity | 1,127,408 | 1,148,163 |

## 2) Consolidated Statements of Income

(Millions of Yen)

| | April 1, 2008– June 30, 2008 | April 1, 2009– June 30, 2009 |
|---|---|---|
| Net sales | 195,819 | 194,671 |
| Cost of sales | 39,345 | 38,289 |
| Gross profit | 156,474 | 156,381 |
| Provision for sales returns-net | 6 | 52 |
| Gross profit after deducting provision for and reversal of provision for sales returns | 156,467 | 156,328 |
| Selling, general and administrative expenses | *1 132,406 | *1 132,184 |
| Operating income | 24,061 | 24,144 |
| Non-operating income | | |
| Interest income | 800 | 320 |
| Dividend income | 546 | 469 |
| Foreign exchange gain | 240 | 541 |
| Amortization of negative goodwill | 81 | - |
| Other | 101 | 65 |
| Total non-operating income | 1,769 | 1,397 |
| Non-operating expenses | | |
| Interest expenses | 1,514 | 2,060 |
| Bond issue cost | 348 | - |
| Equity in loss of an associated company | 8 | - |
| Other | 95 | 303 |
| Total non-operating expenses | 1,967 | 2,364 |
| Ordinary income | 23,863 | 23,177 |
| Special gain | | |
| Gain on sales of fixed assets | 4 | 2 |
| Gain on sales of investment securities | 432 | - |
| Gain on sale of a consolidated subsidiary | 1,575 | - |
| Other | - | 2 |
| Total special gain | 2,011 | 5 |
| Special loss | | |
| Loss on disposal of fixed assets | 59 | 36 |
| Loss on devaluation of investment securities | 610 | - |
| Other | 28 | 0 |
| Total special loss | 698 | 37 |
| Income before income taxes and minority interests | 25,177 | 23,145 |
| Income taxes-current | 16,041 | 13,291 |
| Income taxes-deferred | (7,699) | (6,674) |
| Total income taxes | 8,341 | 6,617 |
| Minority interests in income | 199 | 178 |
| Net income | 16,635 | 16,349 |

## 3) Consolidated Statements of Cash Flows

(Millions of Yen)

| | April 1, 2008– June 30, 2008 | April 1, 2009– June 30, 2009 |
|---|---|---|
| **Operating activities:** | | |
| Income before income taxes and minority interests | 25,177 | 23,145 |
| Depreciation and amortization | 12,268 | 12,122 |
| Amortization of goodwill | 2,390 | 2,221 |
| Other items in statement of income-net | 464 | 1,324 |
| Decrease (increase) in notes and accounts receivables | (17,830) | (6,649) |
| Decrease (increase) in inventories | (594) | 52 |
| Increase (decrease) in trade payables | (511) | (819) |
| Increase (decrease) in other current liabilities | 6,549 | (1,137) |
| Increase (decrease) in reserve for sales rebates | 6,194 | 1,767 |
| Other-net | (4) | (564) |
| Sub-total | 34,104 | 31,463 |
| Interest and dividends received | 1,395 | 832 |
| Interest paid | (1,472) | (1,806) |
| Payment of Income taxes | (15,462) | (31,027) |
| Net cash provided by (used in) operating activities | 18,564 | (537) |
| Investing activities: | | |
| Purchases of property, plant and equipment | (11,546) | (5,881) |
| Purchases of intangible assets | (760) | (4,320) |
| Purchases of securities | (8,004) | (3,273) |
| Proceeds from sales and redemptions of securities | 11,312 | 3,373 |
| Other-net | 1,262 | (2,749) |
| Net cash used in investing activities | (7,736) | (12,851) |
| Financing activities: | | |
| Net increase (decrease) in short-term borrowings | (193,825) | 8,000 |
| Proceeds from long-term borrowings | 73,185 | - |
| Proceeds from issuance of bonds and debentures | 119,616 | - |
| Dividends paid | (18,518) | (19,943) |
| Other-net | (461) | (328) |
| Net cash provided by (used in) financing activities | (20,003) | (12,271) |
| Foreign currency translation adjustments on cash and cash equivalents | 2,202 | (647) |
| Net increase (decrease) in cash and cash equivalents | (6,972) | (26,307) |
| Cash and cash equivalents at beginning of period | 119,950 | 131,527 |
| Cash and cash equivalents at end of period | 112,977 | 105,219 |

## 4) Going Concern

Not applicable

## 5) Segment Information

### (1) Business Segment Information

Three-month period ended June 30, 2008 (April 1, 2008–June 30, 2008)

(Millions of Yen)

| | Pharma-ceuticals | Other | Total | Eliminations and Corporate | Consolidated |
|---|---|---|---|---|---|
| Sales | | | | | |
| (1) Sales to external customers | 190,622 | 5,197 | 195,819 | – | 195,819 |
| (2) Intersegment sales | 58 | 3,629 | 3,688 | (3,688) | – |
| Total sales | 190,681 | 8,827 | 199,508 | (3,688) | 195,819 |
| Operating income | 24,943 | 206 | 25,150 | (1,089) | 24,061 |

Three-month period ended June 30, 2009 (April 1, 2009–June 30, 2009)

(Millions of Yen)

| | Pharma-ceuticals | Other | Total | Eliminations and Corporate | Consolidated |
|---|---|---|---|---|---|
| Sales | | | | | |
| (1) Sales to external customers | 190,147 | 4,523 | 194,671 | – | 194,671 |
| (2) Intersegment sales | 66 | 4,211 | 4,277 | (4,277) | – |
| Total sales | 190,214 | 8,734 | 198,948 | (4,277) | 194,671 |
| Operating income | 25,108 | 393 | 25,502 | (1,357) | 24,144 |

Notes:

(1) The Company's consolidated operation includes two segments: "Pharmaceuticals," which mainly consists of prescription pharmaceuticals, and "Other," which encompasses all operations other than pharmaceuticals.

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

| Business Segment | Major Products |
|---|---|
| Pharmaceuticals | Prescription pharmaceuticals, Consumer health care products, Diagnostics, etc. |
| Other | Food additives, Chemicals, Machinery, Others |

## (2) Geographical Segment Information

Three-month period ended June 30, 2008 (April 1, 2008–June 30, 2008)

(Millions of Yen)

| | Japan | North America | Europe | China | Asia and Others | Total | Eliminations and Corporate | Consolidated |
|---|---|---|---|---|---|---|---|---|
| Sales | | | | | | | | |
| (1) Sales to external customers | 84,473 | 89,535 | 13,934 | 2,763 | 5,113 | 195,819 | – | 195,819 |
| (2) Intersegment sales | 25,248 | 14,094 | 9,648 | 9 | 103 | 49,105 | (49,105) | – |
| Total sales | 109,721 | 103,629 | 23,582 | 2,773 | 5,216 | 244,925 | (49,105) | 195,819 |
| Operating income (loss) | 22,190 | 211 | 876 | 640 | 1,341 | 25,260 | (1,199) | 24,061 |

Three-month period ended June 30, 2009 (April 1, 2009–June 30, 2009)

(Millions of Yen)

| | Japan | North America | Europe | China | Asia and Others | Total | Eliminations and Corporate | Consolidated |
|---|---|---|---|---|---|---|---|---|
| Sales | | | | | | | | |
| (1) Sales to external customers | 90,727 | 83,773 | 12,604 | 3,409 | 4,155 | 194,671 | – | 194,671 |
| (2) Intersegment sales | 24,884 | 16,147 | 7,050 | 13 | 118 | 48,214 | (48,214) | – |
| Total sales | 115,612 | 99,920 | 19,654 | 3,423 | 4,274 | 242,885 | (48,214) | 194,671 |
| Operating income (loss) | 22,428 | 552 | 1,273 | 357 | 813 | 25,425 | (1,281) | 24,144 |

Notes:

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

(2) Major areas and countries included in each category other than Japan and China:

-North America: United States and Canada

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

-Asia and Others: Asian countries, Latin America, etc.

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

### (3) Overseas Sales

Three-month period ended June 30, 2008 (April 1, 2008–June 30, 2008)

(Millions of Yen)

| | North America | Europe | China | Asia and Others | Total |
|---|---|---|---|---|---|
| 1. Overseas sales | 91,393 | 18,179 | 2,763 | 6,061 | 118,397 |
| 2. Consolidated sales | | | | | 195,819 |
| 3. Share of overseas sales | 46.7% | 9.3% | 1.4% | 3.1% | 60.5% |

Three-month period ended June 30, 2009 (April 1, 2009–June 30, 2009)

(Millions of Yen)

| | North America | Europe | China | Asia and Others | Total |
|---|---|---|---|---|---|
| 1. Overseas sales | 85,312 | 15,798 | 3,573 | 5,242 | 109,927 |
| 2. Consolidated sales | | | | | 194,671 |
| 3. Share of overseas sales | 43.8% | 8.1% | 1.8% | 2.7% | 56.5% |

Notes:

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

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

-North America: United States and Canada

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

-Asia and Others: Asian countries, Latin America, etc.

(3) Overseas sales represent the sales reported from the consolidated subsidiaries operating in countries and areas outside Japan.

## 6) Changes in Equity

Not applicable

## 7) Notes to Consolidated Statements of Income

| April 1, 2008–June 30, 2008 | April 1, 2009–June 30, 2009 |
|---|---|
| *1. The main contents of selling, general and administrative expenses are as follows: | *1. The main contents of selling, general and administrative expenses are as follows: |
| Promotional expenses ¥50,225 mil. | Promotional expenses ¥48,338 mil. |
| Research and development expenses ¥35,745 mil. | Research and development expenses ¥39,383 mil. |
| Salaries and bonuses ¥16,779 mil. | Salaries and bonuses ¥16,231 mil. |

Securities Code: 4523

# 2009.6

# Reference Data

First Quarter Ended June 30, 2009

July 31, 2009

For Inquiry:
Public Relations / Investor Relations

TEL 81-3-3817-5120 FAX 81-3-3811-3077
http://www.eisai.co.jp/eir/

Eisai

**[Forward-looking Statements and Risk Factors]**

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

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

# Contents



* All amounts are rounded to their nearest specified unit.
* 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 |
|---|---|---|---|
| | (¥/USD) | (¥/EUR) | (¥/GBP) |
| (Apr. 2008 - Jun. 2008) Three Months Average Rate | 104.55 | 163.42 | 206.06 |
| (Jun. 30, 2008) First Quarter End Rate | 106.42 | 168.07 | 212.35 |
| (Apr. 2008 - Mar. 2009) Fiscal Year Average Rate | 100.53 | 143.47 | 173.98 |
| (Mar. 31, 2009) Fiscal Year End Rate | 98.23 | 129.84 | 140.45 |
| **(Apr. 2009 - Jun. 2009) Three Months Average Rate** | **97.32** | **132.57** | **150.77** |
| **(Jun. 30, 2009) First Quarter End Rate** | **96.01** | **135.53** | **159.54** |
| **Fiscal Year Ending March 31, 2010 Forecast Rate** | **95.00** | **125.00** | **135.00** |

### <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 (including loss on devaluation of investment securities), and in-process R&D expenses.

**Cash income**

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

Cash income =Net income + Depreciation of PP&E and amortization of intangible assets + In-process R&D expenses + Amortization of goodwill + Loss on impairment of long-lived assets (including loss on devaluation of investment securities)

**Cash income per share (Cash EPS)**

Cash EPS = Cash income / number of shares issued and outstanding at the end of the year after deducting treasury stocks

# 1. Consolidated Financial Highlights

## 1) Income Statement Data

(billions of yen)

| | Three months ended Jun 30 | | | Full | |
|---|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 | 2010 est. |
| Net sales | 195.8 | **194.7** | 99.4 | 781.7 | 820.0 |
| Cost of sales | 39.4 | **38.3** | 97.4 | 152.5 | 157.5 |
| R&D expenses | 35.7 | **39.4** | 110.2 | 156.1 | 164.0 |
| SG&A expenses | 96.7 | **92.8** | 96.0 | 381.4 | 395.5 |
| Operating income | 24.1 | **24.1** | 100.3 | 91.8 | 103.0 |
| Ordinary income | 23.9 | **23.2** | 97.1 | 82.6 | 97.0 |
| Net income | 16.6 | **16.3** | 98.3 | 47.7 | 63.0 |
| Cash income | 31.8 | **30.7** | 96.4 | 119.0 | 120.0 |
| | | | Diff. | | |
| Dividend per share (DPS, yen) | - | **-** | - | 140.0 | 150.0 |
| Earnings per Share (EPS, yen) | 58.4 | **57.4** | (1.0) | 167.3 | 221.1 |
| Cash income per share (Cash EPS, yen) | 111.8 | **107.7** | (4.0) | 417.8 | 421.2 |

* "Cost of sales" includes "Provision for (reversal of) sales returns-net."
* In accordance with the partial change of definition of "Cash income" as well as "Cash income per share", we have also changed the previous year's results based on the new definition.

## 2) Cash Flow Data

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | Diff. | 2009 |
| Net cash provided by (used in) operating activities | 18.6 | **(0.5)** | (19.1) | 105.0 |
| Net cash used in investing activities | (7.7) | **(12.9)** | (5.1) | (55.0) |
| Net cash provided by (used in) financing activities | (20.0) | **(12.3)** | 7.7 | (31.0) |
| Cash and cash equivalents at end of period | 113.0 | **105.2** | (7.8) | 131.5 |
| Free cash flow | 6.3 | **(10.7)** | (17.0) | 59.3 |

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

## 3) Balance Sheet Data

(billions of yen)

| | 2009 | | Diff. |
|---|---|---|---|
| | Mar 31 | **Jun 30** | |
| Total assets | 1,148.2 | **1,127.4** | (20.8) |
| Liabilities | 715.1 | **697.0** | (18.2) |
| Equity | 433.0 | **430.4** | (2.6) |
| Shareholders' Equity | 428.0 | **425.1** | (2.8) |
| Shareholders' Equity to Total assets (%) | 37.3 | **37.7** | 0.4 |

## 4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

| | Three months ended Jun 30 | | | Full | |
|---|---|---|---|---|---|
| | 2009 | **2010** | Diff. | 2009 | 2010 est. |
| Capital expenditures | 8.5 | **5.8** | (2.7) | 47.3 | 29.5 |
| Property, plant and equipment | 7.5 | **4.8** | (2.7) | 31.8 | 22.5 |
| Intangible assets | 1.0 | **1.0** | 0.1 | 15.6 | 7.0 |
| Depreciation and amortization | 12.3 | **12.1** | (0.1) | 49.1 | 48.5 |

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

## 2. Consolidated Statements of Income

(billions of yen)

| | Three months ended Jun 30 | | | | | |
|---|---|---|---|---|---|---|
| | 2009 | Sales % | **2010** | Sales % | YOY % | Diff. |
| Net sales | 195.8 | 100.0 | **194.7** | 100.0 | 99.4 | (1.1) |
| Cost of sales | 39.3 | 20.1 | **38.3** | 19.7 | 97.3 | (1.1) |
| Provision for (reversal of) sales returns-net | 0.0 | 0.0 | **0.1** | 0.0 | | 0.0 |
| Gross profit | 156.5 | 79.9 | **156.3** | 80.3 | 99.9 | (0.1) |
| R&D expenses | 35.7 | 18.3 | **39.4** | 20.2 | 110.2 | 3.6 |
| SG&A expenses | 96.7 | 49.4 | **92.8** | 47.7 | 96.0 | (3.9) |
| Operating income | 24.1 | 12.3 | **24.1** | 12.4 | 100.3 | 0.1 |
| Non-operating income | 1.8 | 0.9 | **1.4** | 0.7 | | (0.4) |
| Non-operating expense | 2.0 | 1.0 | **2.4** | 1.2 | | 0.4 |
| Ordinary income | 23.9 | 12.2 | **23.2** | 11.9 | 97.1 | (0.7) |
| Special gain | 2.0 | 1.0 | **0.0** | 0.0 | | (2.0) |
| Special loss | 0.7 | 0.4 | **0.0** | 0.0 | | (0.7) |
| Income before income taxes and minority interests | 25.2 | 12.9 | **23.1** | 11.9 | 91.9 | (2.0) |
| Income taxes-current | 16.0 | 8.2 | **13.3** | 6.8 | 82.9 | (2.7) |
| Income taxes-deferred | (7.7) | (3.9) | **(6.7)** | (3.4) | | 1.0 |
| Minority interests in net income | 0.2 | 0.1 | **0.2** | 0.1 | | (0.0) |
| Net income | 16.6 | 8.5 | **16.3** | 8.4 | 98.3 | (0.3) |

**<Cash income>**

| | | | | | | |
|---|---|---|---|---|---|---|
| Net income | 16.6 | 8.5 | **16.3** | 8.4 | 98.3 | (0.3) |
| Depreciation of PP&E and amortization of intangible assets | 6.9 | | **7.1** | | | 0.2 |
| Amortization of intangible assets obtained by acquisition | 5.4 | | **5.0** | | | (0.4) |
| Amortization of goodwill | 2.3 | | **2.2** | | | (0.1) |
| Loss on impairment of long-lived assets (including loss on devaluation of investment securities) | 0.6 | | **-** | | | (0.6) |
| Cash income | 31.8 | 16.3 | **30.7** | 15.8 | 96.4 | (1.1) |

* We have changed the previous year's results in accordance with a partial change of definition.

**<Notes>**

**Net sales**
Increase in sales of *Aricept*
Decrease in sales of *Aciphex/Pariet*

**R&D expenses**
<Reason for Increase>
Progress of clinical programs

## 3. Consolidated Statements of Cash Flows

(billions of yen)

| | Three months ended Jun 30 | | | <Notes> |
|---|---|---|---|---|
| | 2009 | **2010** | Diff. | |
| Income before income taxes and minority interests | 25.2 | **23.1** | (2.0) | |
| Depreciation and amortization | 12.3 | **12.1** | (0.1) | |
| Increase/decrease notes and accounts receivable, trade payables and inventories | (18.9) | **(7.4)** | 11.5 | |
| Increase (decrease) in accounts payable-other/accrued expenses etc. | 6.5 | **(1.1)** | (7.7) | |
| Other | 9.0 | **4.7** | (4.3) | |
| [Sub-total] | 34.1 | **31.5** | (2.6) | |
| Interest and others received (paid) | (0.1) | **(1.0)** | (0.9) | |
| Payment of Income taxes | (15.5) | **(31.0)** | (15.6) | **Payment of Income taxes**<br><Reason for Increase><br>Increase in taxable income in the previous year |
| **Net cash provided by (used in) operating activities** | 18.6 | **(0.5)** | (19.1) | |
| Capital expenditures (incl. acquisition and others) | (12.3) | **(10.2)** | 2.1 | |
| Proceeds from sales of (purchases of) securities | 3.3 | **0.1** | (3.2) | |
| Other | 1.2 | **(2.8)** | (4.0) | |
| **Net cash used in investing activities** | (7.7) | **(12.9)** | (5.1) | |
| Net increase (decrease) in short-term borrowings | (193.8) | **8.0** | 201.8 | |
| Proceeds from long-term borrowings | 73.2 | **-** | (73.2) | |
| Proceeds from issuance of bonds and debentures | 119.6 | **-** | (119.6) | |
| Dividends paid | (18.5) | **(19.9)** | (1.4) | |
| Other-net | (0.5) | **(0.3)** | 0.1 | |
| **Net cash provided by (used in) financing activities** | (20.0) | **(12.3)** | 7.7 | |
| Foreign currency translation adjustments on cash and cash equivalents | 2.2 | **(0.6)** | (2.9) | |
| Net increase (decrease) in cash and cash equivalents | (7.0) | **(26.3)** | (19.3) | |
| Cash and cash equivalents at beginning of period | 120.0 | **131.5** | 11.6 | |
| **Cash and cash equivalents at end of period** | 113.0 | **105.2** | (7.8) | |
| **Free cash flow** | 6.3 | **(10.7)** | (17.0) | |

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

# 4. Financial Results by Business Segment

## 1) Consolidated Net Sales by Business Segment

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 |
| Net sales | 195.8 | **194.7** | 99.4 | 781.7 |
| Pharmaceuticals | 190.6 | **190.1** | 99.8 | 761.2 |
| Japan | 79.8 | **87.2** | 109.3 | 314.7 |
| North America | 89.3 | **83.0** | 93.0 | 368.4 |
| Europe | 13.6 | **12.4** | 90.5 | 49.7 |
| China | 2.8 | **3.4** | 123.4 | 11.4 |
| Asia and others | 5.1 | **4.2** | 81.3 | 16.9 |
| Other | 5.2 | **4.5** | 87.0 | 20.6 |
| Japan | 4.7 | **3.5** | 75.0 | 17.7 |
| Overseas | 0.5 | **1.0** | 193.2 | 2.9 |

* Net sales to external customers for each segment.

* Major areas and countries included in each category other than Japan and China:

1. North America:United States and Canada
2. Europe:United Kingdom, France, Germany, etc.
3. Asia and others:Asian countries, Latin America, etc.

## 2) Consolidated Operating Income by Business Segment

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 |
| Operating income | 24.1 | **24.1** | 100.3 | 91.8 |
| Pharmaceuticals | 24.9 | **25.1** | 100.7 | 94.5 |
| Other | 0.2 | **0.4** | 190.5 | 1.7 |
| Eliminations or corporate | (1.1) | **(1.4)** | - | (4.5) |

## 3) Geographical Segment Information

### (1) Consolidated Net Sales by Geographical Segment

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 |
| Net sales | 195.8 | **194.7** | 99.4 | 781.7 |
| Japan | 84.5 | **90.7** | 107.4 | 332.5 |
| North America | 89.5 | **83.8** | 93.6 | 369.9 |
| Europe | 13.9 | **12.6** | 90.5 | 51.0 |
| China | 2.8 | **3.4** | 123.4 | 11.4 |
| Asia and others | 5.1 | **4.2** | 81.3 | 16.9 |
| Overseas sales | 111.3 | **103.9** | 93.4 | 449.3 |
| Overseas sales (%) | 56.9 | **53.4** | - | 57.5 |

* Net sales to external customers for each segment.

### (2) Consolidated Operating Income by Geographical Segment

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 |
| Operating income | 24.1 | **24.1** | 100.3 | 91.8 |
| Japan | 22.2 | **22.4** | 101.1 | 84.2 |
| North America | 0.2 | **0.6** | 261.0 | (0.2) |
| Europe | 0.9 | **1.3** | 145.3 | 3.2 |
| China | 0.6 | **0.4** | 55.8 | 2.4 |
| Asia and others | 1.3 | **0.8** | 60.6 | 3.5 |
| Eliminations and corporate | (1.2) | **(1.3)** | - | (1.2) |

## 4) Overseas Sales

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 |
| Net sales | 195.8 | **194.7** | 99.4 | 781.7 |
| Overseas sales | 118.4 | **109.9** | 92.8 | 475.3 |
| North America | 91.4 | **85.3** | 93.3 | 379.1 |
| Europe | 18.2 | **15.8** | 86.9 | 64.0 |
| China | 2.8 | **3.6** | 129.3 | 11.4 |
| Asia and others | 6.1 | **5.2** | 86.5 | 20.7 |
| Overseas sales (%) | 60.5 | **56.5** | - | 60.8 |

* Major areas and countries included in each category other than Japan and China:
1. North America:United States and Canada
2. Europe:United Kingdom, France, Germany, etc.
3. Asia and others:Asian countries, Latin America, etc.

## 5) Sales of Major Products by Geographical Area (Eisai)

### (1) *Aricept* (Alzheimer's disease treatment)

| | | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|---|
| | | 2009 | **2010** | YOY % | 2009 |
| Japan | Billions JPY | 19.4 | **23.4** | 120.3 | 78.2 |
| U.S. | Billions JPY | 43.4 | **42.7** | 98.3 | 189.6 |
| | [Millions USD] | [415] | **[438]** | [105.6] | [1,886] |
| Europe Total | Billions JPY | 8.0 | **7.2** | 90.0 | 28.8 |
| UK | Billions JPY | 0.7 | **1.5** | 204.0 | 3.4 |
| | [Millions GBP] | [4] | **[10]** | [278.8] | [19] |
| France | Billions JPY | 5.1 | **3.5** | 69.0 | 17.3 |
| | [Millions EUR] | [31] | **[27]** | [85.1] | [121] |
| Germany | Billions JPY | 2.1 | **2.1** | 101.7 | 8.1 |
| | [Millions EUR] | [13] | **[16]** | [125.3] | [57] |
| China | Billions JPY | 0.1 | **0.2** | 158.4 | 0.9 |
| | [Millions RMB] | [9] | **[14]** | [166.9] | [64] |
| Asia (exc. Japan and China) | Billions JPY | 2.0 | **1.4** | 69.2 | 6.2 |
| Total | Billions JPY | 72.9 | **74.8** | 102.5 | 303.8 |

* Sales forecast for the year ending on Mar. 31, 2010 is ¥330.0 billion.

### (2) *Aciphex/Pariet* (Proton pump inhibitor)

| | | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|---|
| | | 2009 | **2010** | YOY % | 2009 |
| Japan | Billions JPY | 11.0 | **13.4** | 121.4 | 44.6 |
| U.S. | Billions JPY | 25.9 | **19.8** | 76.4 | 101.2 |
| | [Millions USD] | [248] | **[203]** | [82.1] | [1,007] |
| Europe Total | Billions JPY | 2.5 | **2.1** | 83.8 | 9.1 |
| UK | Billions JPY | 0.6 | **0.6** | 88.8 | 2.1 |
| | [Millions GBP] | [3] | **[4]** | [121.3] | [12] |
| Germany | Billions JPY | 0.6 | **0.4** | 67.3 | 2.1 |
| | [Millions EUR] | [4] | **[3]** | [83.0] | [14] |
| Italy | Billions JPY | 1.2 | **0.9** | 76.5 | 4.1 |
| | [Millions EUR] | [7] | **[7]** | [94.3] | [29] |
| China | Billions JPY | 0.1 | **0.4** | 287.7 | 0.7 |
| | [Millions RMB] | [9] | **[26]** | [303.3] | [44] |
| Asia (exc. Japan and China) | Billions JPY | 1.3 | **1.1** | 82.7 | 4.3 |
| Total | Billions JPY | 40.8 | **36.7** | 89.9 | 159.9 |

* Sales forecast for the year ending Mar. 31, 2010 is ¥157.0 billion.

* Average exchange rate of Japanese yen to Chinese RMB

| | |
|---|---|
| April 1, 2008 to June 30, 2008 | 15.02 yen/Chinese RMB |
| April 1, 2009 to June 30, 2009 | 14.25 yen/Chinese RMB |
| April 1, 2008 to March 31, 2009 | 14.63 yen/Chinese RMB |

### (3) ***Methycobal*** (Peripheral neuropathy treatment)

| | | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|---|
| | | 2009 | **2010** | YOY % | 2009 |
| Japan | Billions JPY | 8.3 | **8.3** | 101.0 | 31.3 |
| Asia (Incl. China) | Billions JPY | 2.4 | **1.8** | 76.1 | 8.3 |
| Total | Billions JPY | 10.7 | **10.2** | 95.3 | 39.5 |

### (4) ***Aloxi*** (Antiemetic agent)

| | | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|---|
| | | 2009 | **2010** | YOY % | 2009 |
| U.S. | Billions JPY | 9.5 | **9.5** | 100.3 | 36.5 |
| | [Millions USD] | [90] | **[97]** | [107.8] | [363] |

### (5) ***Dacogen*** (DNA Hypomethylating agent)

| | | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|---|
| | | 2009 | **2010** | YOY % | 2009 |
| U.S. | Billions JPY | 4.4 | **4.2** | 95.8 | 15.1 |
| | [Millions USD] | [42] | **[43]** | [102.9] | [150] |

### (6) ***Zonegran*** (Anti-epileptic drug)

| | | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|---|
| | | 2009 | **2010** | YOY % | 2009 |
| U.S. | Billions JPY | 0.5 | **0.5** | 112.2 | 2.1 |
| | [Millions USD] | [4] | **[5]** | [120.5] | [21] |
| Europe | Billions JPY | 1.0 | **1.0** | 97.4 | 3.8 |
| Asia | Billions JPY | 0.1 | **0.0** | 73.1 | 0.2 |
| Total | Billions JPY | 1.5 | **1.6** | 100.8 | 6.1 |

## 6) SG&A Expenses

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 |
| Net sales | 195.8 | **194.7** | 99.4 | 781.7 |
| SG&A expenses | 96.7 | **92.8** | 96.0 | 381.4 |
| Personnel expenses | 20.8 | **21.3** | 102.0 | 80.5 |
| Marketing and promotion expenses | 58.7 | **56.3** | 95.9 | 240.1 |
| Administrative expenses and others | 17.1 | **15.2** | 89.0 | 60.8 |
| Ratio of SG&A expenses to net sales (%) | 49.4 | **47.7** | - | 48.8 |

## 7) Eisai Inc. (U.S.)

| | | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|---|
| | | 2009 | **2010** | YOY % | 2009 |
| Net sales | Billions JPY | 74.8 | **83.9** | 112.1 | 356.7 |
| | [Millions USD] | [716] | **[862]** | [120.5] | [3,548] |
| Net sales of former MGI PHARMA | [Millions USD] | [-] | **[151]** | [-] | [416] |
| Operating income | Billions JPY | 4.0 | **2.7** | 66.5 | 13.9 |
| | [Millions USD] | [39] | **[27]** | [70.2] | [139] |
| Net income | Billions JPY | 2.6 | **1.7** | 66.2 | (1.7) |
| | [Millions USD] | [25] | **[18]** | [69.4] | [(16)] |
| Operating income before royalty deduction | Billions JPY | 18.1 | **18.2** | 100.3 | 85.3 |
| | [Millions USD] | [174] | **[187]** | [107.4] | [848] |

* The sales function of MGI PHARMA, INC. has been integrated into Eisai Inc. since July 2008.

# 5. Consolidated Balance Sheets

## 1) Consolidated Balance Sheets <Assets>

(billions of yen)

| | 2009 | | | | YOY | Diff. | <Notes> |
|---|---|---|---|---|---|---|---|
| | Mar 31 | % | **Jun 30** | % | % | | |
| Cash and cash in banks | 48.1 | | **50.0** | | | 2.0 | **Cash and cash in banks+ Short-term investments**<br><Reason for Decrease><br>Payment of income taxes and dividens |
| Notes and accounts receivable-trade | 191.6 | | **197.6** | | | 6.0 | |
| Short-term investments | 104.0 | | **78.4** | | | (25.6) | |
| Inventories | 64.5 | | **64.7** | | | 0.2 | |
| Deferred tax assets | 36.9 | | **35.6** | | | (1.3) | |
| Other | 20.0 | | **20.8** | | | 0.8 | |
| Allowance for doubtful receivables | (0.3) | | **(0.3)** | | | (0.0) | |
| **Total current assets** | 464.8 | 40.5 | **446.8** | 39.6 | 96.1 | (18.0) | |
| Buildings and structures-net | 79.2 | | **84.0** | | | 4.7 | |
| Other | 76.3 | | **73.2** | | | (3.1) | |
| Total property, plant and equipment-net | 155.5 | 13.5 | **157.2** | 13.9 | 101.1 | 1.7 | |
| Goodwill | 170.6 | | **164.5** | | | (6.1) | |
| Sales rights | 143.6 | | **136.8** | | | (6.8) | |
| Core technology | 57.0 | | **54.9** | | | (2.1) | |
| Other | 13.1 | | **12.5** | | | (0.6) | |
| Total Intangible assets | 384.2 | 33.5 | **368.7** | 32.7 | 96.0 | (15.5) | **Total intangible assets**<br><Reason for Decrease><br>Amortization |
| Investment securities | 60.6 | | **66.2** | | | 5.6 | |
| Deferred tax assets | 70.8 | | **76.4** | | | 5.6 | |
| Other | 12.7 | | **12.4** | | | (0.2) | |
| Allowance for doubtful accounts | (0.4) | | **(0.3)** | | | 0.0 | |
| Total investments and other assets | 143.7 | 12.5 | **154.7** | 13.7 | 107.7 | 11.0 | |
| **Total fixed assets** | 683.4 | 59.5 | **680.6** | 60.4 | 99.6 | (2.8) | |
| **Total assets** | 1,148.2 | 100.0 | **1,127.4** | 100.0 | 98.2 | (20.8) | |

## 2) Consolidated Balance Sheets <Liabilities and Equity>

(billions of yen)

| | 2009 | | | | YOY | Diff. | <Notes> |
|---|---|---|---|---|---|---|---|
| | Mar 31 | % | **Jun 30** | % | % | | |
| Notes and accounts payable-trade | 19.1 | | **18.6** | | | (0.5) | |
| Short-term borrowings | 22.0 | | **30.0** | | | 8.0 | |
| Accounts payable-other/accrued expenses etc. | 125.4 | | **119.1** | | | (6.4) | |
| Income tax payable | 33.1 | | **14.3** | | | (18.8) | **Income tax payable** <Reason for Decrease> Payment of Income taxes |
| Reserve for sales rebates | 32.6 | | **33.6** | | | 1.0 | |
| Other | 9.4 | | **9.8** | | | 0.4 | |
| Total current liabilities | 241.6 | 21.0 | **225.3** | 20.0 | 93.3 | (16.3) | |
| Bonds and debentures | 120.9 | | **120.9** | | | (0.0) | |
| Long-term borrowings | 278.8 | | **277.2** | | | (1.6) | |
| Deferred tax liabilities | 27.7 | | **26.8** | | | (0.9) | |
| Liability for retirement benefits | 21.8 | | **22.9** | | | 1.1 | |
| Retirement allowances for directors | 2.4 | | **2.4** | | | (0.0) | |
| Other | 22.0 | | **21.5** | | | (0.4) | |
| Total long-term liabilities | 473.5 | 41.2 | **471.7** | 41.8 | 99.6 | (1.9) | |
| **Total liabilities** | 715.1 | 62.3 | **697.0** | 61.8 | 97.5 | (18.2) | |
| Common stock | 45.0 | | **45.0** | | | - | |
| Capital surplus | 56.9 | | **56.9** | | | - | |
| Retained earnings | 423.3 | | **419.7** | | | (3.6) | |
| Treasury stock | (39.7) | | **(39.7)** | | | (0.0) | |
| Total owners' equity | 485.6 | 42.3 | **482.0** | 42.7 | 99.3 | (3.6) | |
| Net unrealized gain (loss) on available-for-sale securities | 1.1 | | **4.5** | | | 3.3 | |
| Deferred gain (loss) on derivatives under hedge accounting | (0.4) | | **(0.4)** | | | (0.0) | |
| Foreign currency translation adjustments | (58.3) | | **(60.8)** | | | (2.6) | |
| Total net unrealized gain (loss) and translation adjustments | (57.6) | (5.0) | **(56.8)** | (5.0) | 98.6 | 0.8 | |
| Stock acquisition rights | 0.6 | 0.1 | **0.6** | 0.1 | 103.0 | 0.0 | |
| Minority interests | 4.5 | 0.4 | **4.7** | 0.4 | 104.5 | 0.2 | |
| **Total equity** | 433.0 | 37.7 | **430.4** | 38.2 | 99.4 | (2.6) | |
| **Total liabilities and equity** | 1,148.2 | 100.0 | **1,127.4** | 100.0 | 98.2 | (20.8) | |

# 6. Changes in Consolidated Quarterly Results

## 1) Income Statement Data

(billions of yen)

| | 2009 | | | | 2010 |
|---|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | **First Quarter** |
| Net sales | 195.8 | 203.0 | 199.9 | 183.0 | **194.7** |
| Cost of sales | 39.4 | 39.9 | 39.6 | 33.6 | **38.3** |
| R&D expenses | 35.7 | 42.3 | 38.9 | 39.2 | **39.4** |
| SG&A expenses | 96.7 | 98.4 | 94.5 | 91.9 | **92.8** |
| Operating income | 24.1 | 22.5 | 26.9 | 18.4 | **24.1** |
| Non-operating gain (loss) | (0.2) | (2.7) | (4.1) | (2.2) | **(1.0)** |
| Ordinary income | 23.9 | 19.7 | 22.8 | 16.2 | **23.2** |
| Special gain (loss) | 1.3 | (1.3) | (5.6) | (6.5) | **(0.0)** |
| Income before income taxes and minority interests in income | 25.2 | 18.4 | 17.2 | 9.7 | **23.1** |
| Net income | 16.6 | 12.1 | 10.5 | 8.5 | **16.3** |
| Cash income | 31.8 | 27.9 | 30.3 | 29.0 | **30.7** |
| Earnings per share (EPS, yen) | 58.4 | 42.4 | 36.7 | 29.9 | **57.4** |
| Cash income per share (Cash EPS, yen) | 111.8 | 97.9 | 106.2 | 101.8 | **107.7** |

* "Cost of Sales" includes "Provision for (reversal of) sales returns-net."
* In accordance with the partial change of definition of "Cash income" as well as "Cash income per share", we have also changed the previous year's results based on the new definition.

## 2) Cash Flow Data

(billions of yen)

| | 2009 | | | | 2010 |
|---|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | **First Quarter** |
| Net cash provided by (used in) operating activities | 18.6 | 50.8 | 1.6 | 34.0 | **(0.5)** |
| Net cash used in investing activities | (7.7) | (9.3) | (19.8) | (18.1) | **(12.9)** |
| Net cash provided by (used in) financing activities | (20.0) | (5.5) | 19.5 | (24.9) | **(12.3)** |
| Cash and cash equivalents at end of period | 113.0 | 142.1 | 130.3 | 131.5 | **105.2** |
| Free cash flow | 6.3 | 40.0 | (6.7) | 19.8 | **(10.7)** |

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

## 3) Balance Sheet Data

### <Assets>

(billions of yen)

| | 2008 | | | 2009 | |
|---|---|---|---|---|---|
| | Jun 30 | Sep 30 | Dec 31 | Mar 31 | **Jun 30** |
| Current assets | 433.4 | 444.2 | 441.3 | 464.8 | **446.8** |
| Property, plant and equipment | 155.0 | 157.6 | 149.3 | 155.5 | **157.2** |
| Intangible assets | 430.3 | 410.8 | 360.5 | 384.2 | **368.7** |
| Investments and other assets | 146.6 | 144.0 | 146.0 | 143.7 | **154.7** |
| Fixed assets | 731.9 | 712.3 | 655.8 | 683.4 | **680.6** |
| Total assets | 1,165.3 | 1,156.5 | 1,097.1 | 1,148.2 | **1,127.4** |

### <Liabilities and Equity>

(billions of yen)

| | 2008 | | | 2009 | |
|---|---|---|---|---|---|
| | Jun 30 | Sep 30 | Dec 31 | Mar 31 | **Jun 30** |
| Current liabilities | 367.1 | 209.9 | 227.3 | 241.6 | **225.3** |
| Long-term liabilities | 324.4 | 481.8 | 469.9 | 473.5 | **471.7** |
| Liabilities | 691.5 | 691.6 | 697.2 | 715.1 | **697.0** |
| Owners' equity | 474.5 | 486.6 | 477.0 | 485.6 | **482.0** |
| Net unrealized gain (loss) and translation adjustments | (5.4) | (26.6) | (82.0) | (57.6) | **(56.8)** |
| Stock acquisition rights | 0.6 | 0.6 | 0.6 | 0.6 | **0.6** |
| Minority interests | 4.3 | 4.3 | 4.2 | 4.5 | **4.7** |
| Equity | 473.9 | 464.9 | 399.9 | 433.0 | **430.4** |
| Total liabilities and equity | 1,165.3 | 1,156.5 | 1,097.1 | 1,148.2 | **1,127.4** |

## 4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

| | 2009 | | | | 2010 |
|---|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | **First Quarter** |
| Capital expenditures | 8.5 | 12.3 | 7.1 | 19.4 | **5.8** |
| Property, plant and equipment | 7.5 | 10.3 | 6.2 | 7.7 | **4.8** |
| Intangible assets | 1.0 | 2.0 | 0.9 | 11.7 | **1.0** |
| Depreciation and amortization | 12.3 | 12.6 | 11.9 | 12.3 | **12.1** |

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

## 5) *Aricept* Sales by Area (Eisai)

| | | 2009 | | | | 2010 |
|---|---|---|---|---|---|---|
| | | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | **First Quarter** |
| Japan | Billions JPY | 19.4 | 18.8 | 22.7 | 17.2 | **23.4** |
| U.S. | Billions JPY | 43.4 | 49.9 | 45.8 | 50.5 | **42.7** |
| | [Millions USD] | [415] | [464] | [474] | [534] | **[438]** |
| Europe | Billions JPY | 8.0 | 8.7 | 6.3 | 5.8 | **7.2** |
| UK | Billions JPY | 0.7 | 1.3 | 0.5 | 0.8 | **1.5** |
| | [Millions GBP] | [4] | [6] | [4] | [6] | **[10]** |
| France | Billions JPY | 5.1 | 5.0 | 3.8 | 3.4 | **3.5** |
| | [Millions EUR] | [31] | [31] | [30] | [28] | **[27]** |
| Germany | Billions JPY | 2.1 | 2.4 | 2.0 | 1.6 | **2.1** |
| | [Millions EUR] | [13] | [15] | [15] | [13] | **[16]** |
| China | Billions JPY | 0.1 | 0.3 | 0.2 | 0.2 | **0.2** |
| | [Millions RMB] | [9] | [20] | [18] | [18] | **[14]** |
| Asia (exc. Japan and China) | Billions JPY | 2.0 | 2.0 | 1.2 | 1.0 | **1.4** |
| Total | Billions JPY | 72.9 | 79.6 | 76.4 | 74.8 | **74.8** |

## 6) *Aciphex/Pariet* Sales by Area (Eisai)

| | | 2009 | | | | 2010 |
|---|---|---|---|---|---|---|
| | | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | **First Quarter** |
| Japan | Billions JPY | 11.0 | 10.6 | 13.4 | 9.5 | **13.4** |
| U.S. | Billions JPY | 25.9 | 27.0 | 23.6 | 24.7 | **19.8** |
| | [Millions USD] | [248] | [251] | [245] | [263] | **[203]** |
| Europe | Billions JPY | 2.5 | 2.6 | 2.5 | 1.6 | **2.1** |
| UK | Billions JPY | 0.6 | 0.7 | 0.4 | 0.3 | **0.6** |
| | [Millions GBP] | [3] | [3] | [3] | [3] | **[4]** |
| Germany | Billions JPY | 0.6 | 0.7 | 0.5 | 0.3 | **0.4** |
| | [Millions EUR] | [4] | [4] | [4] | [3] | **[3]** |
| Italy | Billions JPY | 1.2 | 1.2 | 1.0 | 0.8 | **0.9** |
| | [Millions EUR] | [7] | [7] | [8] | [7] | **[7]** |
| China | Billions JPY | 0.1 | 0.2 | 0.2 | 0.1 | **0.4** |
| | [Millions RMB] | [9] | [13] | [13] | [10] | **[26]** |
| Asia (exc. Japan and China) | Billions JPY | 1.3 | 1.3 | 1.0 | 0.7 | **1.1** |
| Total | Billions JPY | 40.8 | 41.7 | 40.6 | 36.7 | **36.7** |

## 7) *Methycobal* Sales by Area (Eisai)

| | | 2009 | | | | 2010 |
|---|---|---|---|---|---|---|
| | | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | **First Quarter** |
| Japan | Billions JPY | 8.3 | 7.7 | 8.7 | 6.5 | **8.3** |
| Asia (incl. China) | Billions JPY | 2.4 | 2.4 | 1.8 | 1.7 | **1.8** |
| Total | Billions JPY | 10.7 | 10.1 | 10.5 | 8.2 | **10.2** |

## 8) *Aloxi* Sales by Area (Eisai)

| | | 2009 | | | | 2010 |
|---|---|---|---|---|---|---|
| | | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | **First Quarter** |
| U.S. | Billions JPY | 9.5 | 9.5 | 9.1 | 8.5 | **9.5** |
| | [Millions USD] | [90] | [88] | [94] | [91] | **[97]** |

## 9) *Dacogen* Sales by Area (Eisai)

| | | 2009 | | | | 2010 |
|---|---|---|---|---|---|---|
| | | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | **First Quarter** |
| U.S. | Billions JPY | 4.4 | 4.3 | 3.9 | 2.5 | **4.2** |
| | [Millions USD] | [42] | [40] | [41] | [28] | **[43]** |

## 10) *Zonegran* Sales by Area (Eisai)

| | | 2009 | | | | 2010 |
|---|---|---|---|---|---|---|
| | | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | **First Quarter** |
| U.S. | Billions JPY | 0.5 | 0.6 | 0.6 | 0.5 | **0.5** |
| | [Millions USD] | [4] | [5] | [6] | [5] | **[5]** |
| Europe | Billions JPY | 1.0 | 1.0 | 0.9 | 0.8 | **1.0** |
| Asia | Billions JPY | 0.1 | 0.1 | 0.0 | 0.0 | **0.0** |
| Total | Billions JPY | 1.5 | 1.6 | 1.5 | 1.4 | **1.6** |

## 11) Eisai Inc. ( U.S. )

| | | 2009 | | | | 2010 |
|---|---|---|---|---|---|---|
| | | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | **First Quarter** |
| Net sales | Billions JPY | 74.8 | 98.0 | 90.6 | 93.2 | **83.9** |
| | [Millions USD] | [716] | [913] | [932] | [986] | **[862]** |
| Net sales of former MGI PHARMA | [Millions USD] | [-] | [142] | [148] | [126] | **[151]** |
| Operating income | Billions JPY | 4.0 | 8.1 | 7.4 | (5.5) | **2.7** |
| | [Millions USD] | [39] | [75] | [76] | [(51)] | **[27]** |
| Net income | Billions JPY | 2.6 | 5.2 | 5.6 | (15.1) | **1.7** |
| | [Millions USD] | [25] | [48] | [57] | [(147)] | **[18]** |
| Operating income before royalty deduction | Billions JPY | 18.1 | 23.9 | 21.8 | 21.5 | **18.2** |
| | [Millions USD] | [174] | [222] | [225] | [228] | **[187]** |

*The sales function of MGI PHARMA, INC. has been integrated into Eisai Inc. since July 2008.

# 7. Non-Consolidated Financial Highlights

## 1) Non-Consolidated Financial Highlights

### (1) Income Statement Data

(billions of yen)

| | Three months ended Jun 30 | | | Full | |
|---|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 | 2010 est. |
| Net sales | 103.1 | **109.2** | 106.0 | 415.6 | 441.0 |
| Cost of sales | 21.3 | **20.9** | 98.2 | 81.4 | 82.0 |
| R&D expenses | 33.0 | **36.8** | 111.3 | 143.0 | 155.5 |
| SG&A expenses | 28.6 | **31.7** | 111.0 | 115.4 | 132.5 |
| Operating income | 20.2 | **19.9** | 98.4 | 75.8 | 71.0 |
| Ordinary income | 20.2 | **19.2** | 94.8 | 69.1 | 66.0 |
| Net income | 16.9 | **14.8** | 87.2 | 56.6 | 47.0 |

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

### (2) Cash Flow Data

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | Diff. | 2009 |
| Net cash provided by operating activities | 12.2 | **20.7** | 8.5 | 42.0 |
| Net cash used in investing activities | 70.5 | **(9.9)** | (80.4) | 41.5 |
| Net cash provided by (used in) financing activities | (93.2) | **(12.2)** | 81.0 | (100.9) |
| Cash and cash equivalents at end of period | 17.2 | **8.8** | (8.4) | 10.2 |
| Free cash flow | 6.5 | **17.4** | 10.9 | 25.3 |

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

### (3) Balance Sheet Data

**<Assets>**

(billions of yen)

| | 2009 | | Diff. |
|---|---|---|---|
| | Mar 31 | **Jun 30** | |
| Current assets | 264.1 | **242.7** | (21.5) |
| Property, plant and equipment | 83.7 | **82.4** | (1.3) |
| Intangible assets | 28.0 | **27.2** | (0.8) |
| Investment and other assets | 568.6 | **584.3** | 15.7 |
| Fixed assets | 680.3 | **693.9** | 13.7 |
| Total assets | 944.4 | **936.6** | (7.8) |

## <Liabilities and Equity>

(billions of yen)

| | 2009 | | Diff. |
|---|---|---|---|
| | Mar 31 | **Jun 30** | |
| Current liabilities | 112.6 | **105.5** | (7.1) |
| Long-term liabilities | 351.1 | **352.3** | 1.2 |
| Liabilities | 463.7 | **457.9** | (5.8) |
| Owners' equity | 479.4 | **474.2** | (5.2) |
| Net unrealized gain and translation adjustments | 0.7 | **3.9** | 3.2 |
| Stock acquisition rights | 0.6 | **0.6** | 0.0 |
| Equity | 480.7 | **478.7** | (2.0) |
| Total liabilities and equity | 944.4 | **936.6** | (7.8) |
| Shareholders' Equity | 480.1 | **478.1** | (2.0) |
| Shareholders' Equity to Total assets (%) | 50.8 | **51.0** | 0.2 |

## (4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

| | Three months ended Jun 30 | | | Full | |
|---|---|---|---|---|---|
| | 2009 | **2010** | Diff. | 2009 | 2010 est. |
| Capital expenditures | 3.1 | **2.6** | (0.5) | 14.7 | 14.0 |
| Property, plant and equipment | 2.2 | **1.7** | (0.4) | 10.2 | 10.0 |
| Intangible assets | 0.9 | **0.9** | (0.1) | 4.5 | 4.0 |
| Depreciation and amortization | 4.4 | **4.7** | 0.3 | 17.8 | 18.0 |

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

## 2) Net Sales by Business Segment

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 |
| Net sales | 103.1 | **109.2** | 106.0 | 415.6 |
| Ethical drugs | 66.3 | **74.2** | 112.0 | 260.4 |
| Exports of Pharmaceuticals | 15.3 | **12.8** | 83.5 | 52.5 |
| Consumer health care products | 4.4 | **4.3** | 98.1 | 19.0 |
| Other (Food additives, Chemicals, etc.) | 0.4 | **0.3** | 84.1 | 1.7 |
| Industrial property rights, and other income | 16.7 | **17.6** | 105.2 | 82.1 |

## 3) Exports by Geographical Area

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 |
| Net sales | 103.1 | **109.2** | 106.0 | 415.6 |
| Exports | 31.9 | **30.2** | 94.7 | 134.1 |
| North America | 22.2 | **22.3** | 100.6 | 101.6 |
| Europe | 7.3 | **5.1** | 69.7 | 23.6 |
| Asia and Others (incl. China) | 2.4 | **2.8** | 116.1 | 8.9 |
| Ratio of exports to sales (%) | 31.0 | **27.7** | - | 32.3 |

* Major areas and countries included in each category other than Japan and China:
  1. North America:United States and Canada
  2. Europe:United Kingdom, France, Germany, etc.
  3. Asia and others:Asian countries, Latin America, etc.

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

## 4) Exports by Product

(billions of yen)

| | Three months ended Jun 30 | | | Full |
|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 |
| *Aricept* | 7.4 | **5.6** | 75.2 | 25.6 |
| *Aciphex/Pariet* | 5.7 | **5.2** | 92.4 | 18.5 |
| Others | 2.2 | **1.9** | 88.8 | 8.4 |
| Total exports | 15.3 | **12.8** | 83.5 | 52.5 |

## 5) Ethical Drugs

(billions of yen)

| | Three months ended Jun 30 | | | Full | |
|---|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 | 2010 est. |
| Alzheimer's disease treatment *Aricept* | 19.4 | **23.4** | 120.3 | 78.2 | 96.0 |
| Proton pump inhibitor *Pariet* | 11.0 | **13.4** | 121.4 | 44.6 | 52.0 |
| Peripheral neuropathy treatment *Methycobal* | 8.3 | **8.3** | 101.0 | 31.3 | 31.0 |
| Gastritis/gastric ulcer treatment *Selbex* | 4.4 | **4.0** | 90.4 | 16.0 | 13.5 |
| Osteoporosis treatment *Actonel* | 2.1 | **2.7** | 129.0 | 9.3 | 10.0 |
| Oral anticoagulant *Warfarin* | 2.0 | **2.2** | 110.6 | 7.9 | 9.0 |
| Muscle relaxant *Myonal* | 2.1 | **2.1** | 99.9 | 7.7 | 7.5 |
| Non-ionic contrast medium *Iomeron* | 1.9 | **1.9** | 100.5 | 7.1 | 6.0 |
| Osteoporosis treatment *Glakay* | 1.5 | **1.4** | 90.1 | 5.4 | 4.0 |
| **F**ully-human monoclonal anti-TNF-alpha antibody *Humira* | 0.1 | **1.2** | - | 1.9 | 7.5 |
| Others | 13.4 | **13.5** | 100.9 | 51.0 | 49.0 |
| Ethical drugs total | 66.3 | **74.2** | 112.0 | 260.4 | 285.5 |

* The sales of Humira have been booked since June 2008.

## 6) Consumer Health Care Products

(billions of yen)

| | Three months ended Jun 30 | | | Full | |
|---|---|---|---|---|---|
| | 2009 | **2010** | YOY % | 2009 | 2010 est. |
| Vitamin $B_2$ preparation *Chocola BB* Group | 2.4 | **2.3** | 97.1 | 9.9 | 10.5 |
| Active-type Vitamin $B_{12}$ *Nabolin* Group | 0.6 | **0.6** | 99.1 | 2.2 | 2.5 |
| Stomach ache and heartburn treatment *Saclon* Group | 0.3 | **0.3** | 98.0 | 1.4 | 1.5 |
| Juvelux / Natural Vitamin E preparation *Vitamin-E* Group | 0.4 | **0.3** | 81.4 | 1.5 | 1.0 |
| Others | 0.8 | **0.8** | 108.7 | 4.0 | 4.0 |
| Consumer health care products total | 4.4 | **4.3** | 98.1 | 19.0 | 19.5 |

# 8. Major R&D Pipeline

## 1) By Development Stage

### (1) New Approval

| | Product Name<br>Research Code | Indication/Mode of Action or Category | Region | Approved | Form. |
|---|---|---|---|---|---|
| ○ | ***Aricept***<br>**(E2020)** | **Additional formulation: oral jelly formulation** | Japan | July 2009 | Oral |

### (2) Under Review/Preparing for Submission

| | Product Name<br>Research Code | Indication/Mode of Action or Category | Region | Submission<br>/Target | Form. |
|---|---|---|---|---|---|
| | ***Aricept***<br>**(E2020)** | **Additional Indication: vascular dementia** | US<br>(EU) | November 2002<br>(In preparation) | Oral |
| | **E2014** | **Cervical dystonia (generic name: botulinum toxin type B)** | Japan | December 2006 | Inj. |
| | ***Gasmotin*** | **Gastroprokinetic agent (generic name: mosapride)** | Asia*[1] | May 2007 | Oral |
| | ***clevudine*** | **Anti-chronic hepatitis B agent (generic name: clevudine)** | Asia*[1] | May 2007 | Oral |
| | **KES524** | **Anti-obesity agent/central acting serotonin & noradrenaline reuptake inhibitor (generic name: sibutramine)** | Japan | November 2007 | Oral |
| | ***Glufast*** | **Rapid-acting insulin secretagogue agent (generic name: mitiglinide)** | Asia*[1] | March 2008 | Oral |
| | ***HUMIRA***<br>**(D2E7)** | **Additional Indication: psoriasis** | Japan | May 2008 | Inj. |
| | ***Zonegran***<br>**(E2090)** | **Additional Formulation: orally disintegrating tablet (generic name: zonisamide)** | EU | March 2009 | Oral |
| ○ | ***Dacogen***<br>**(E7373)** | **Additional Dosage: alternative five-day dosing regimen for myelodysplastic syndromes (MDS)** | US | July 2009 | Inj. |
| ○ | **E7389** | **Anticancer agent (breast cancer)/microtubule dynamics inhibitor (generic name: eribulin)** | Switzerland | July 2009 | Inj. |
| | ***Pariet***<br>**(E3810)** | **Additional Indication: non-erosive gastroesophageal reflux disease** | Japan | FY2009<br>(target for resubmission) | Oral |

○: development progress in or after April 2009

*[1]: the countries in which applications have been filed or are under review can be found in the "2) by therapeutic area" section. (p. 23-25)

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

| | Product Name<br>Research Code | Indication/Mode of Action or Category | Region | Phase | Submission Target | Form. |
|---|---|---|---|---|---|---|
| | **E2007** | **Anti-epileptic agent/AMPA receptor antagonist (generic name: perampanel)** | US<br>EU<br>Japan | III<br>III<br>II | FY2012 | Oral |
| | **E5564** | **Severe sepsis/endotoxin antagonist (generic name: eritoran)** | US<br>EU<br>Japan | III<br>III<br>III | FY2009 | Inj. |
| | **E7389** | **Anticancer agent (breast cancer)/microtubule dynamics inhibitor (generic name: eribulin)** | US<br>EU<br>Japan | III<br>III<br>II | FY2009 | Inj. |
| ○ | **MORAb-003** | **Anticancer agent (ovarian cancer)/monoclonal antibody (generic name: farletuzumab)** | US | III | | Inj. |
| | **SEP-190** | **Treatment for insomnia/$GABA_A$ receptor agonist (generic name: eszopiclone )** | Japan | III | FY2010 | Oral |
| | **T-614** | **Rheumatoid arthritis (generic name: iguratimod )** | Japan | III | FY2011 | Oral |
| | ***Aricept*<br>(E2020)** | **Additional Formulation and Dosage: sustained release formulation** | US<br>EU | III<br>III | FY2009 | Oral |
| | ***Aciphex*<br>(E3810)** | **Additional Formulation: extended-release formulation** | US | III | FY2009 | Oral |
| | ***Saforis*<br>(E6014)** | **Oral mucositis/glutamine oral suspension** | US | III | | Oral Suspe. |
| | ***Zonegran*<br>(E2090)** | **Additional Indication: pediatric epilepsy** | EU | III | FY2011 | Oral |
| | ***Zonegran*<br>(E2090)** | **Additional Indication: monotherapy for epilepsy** | EU | III | FY2012 | Oral |
| | ***Dacogen*<br>(E7373)** | **Additional Indication: acute myelogenous leukemia (AML)** | US | III | FY2010 | Inj. |
| | ***HUMIRA*<br>(D2E7)** | **Additional Indication: ankylosing spondylitis** | Japan | III | FY2009 | Inj. |
| | ***HUMIRA*<br>(D2E7)** | **Additional Indication: juvenile rheumatoid arthritis** | Japan | III | FY2011 | Inj. |
| | ***HUMIRA*<br>(D2E7)** | **Additional Indication: inhibition of structural damage of joints** | Japan | III | FY2011 | Inj. |
| | **clevudine** | **Anti-chronic hepatitis B agent (generic name: clevudine)** | China | III (in preparation) | | Oral |
| | **E0302** | **Amyotrophic Lateral Sclerosis (ALS) (generic name: mecobalamine)** | Japan | II/III | | Inj. |
| | **AS-3201** | **Treatment for diabetic complications/aldose reductase inhibitor (generic name: ranirestat)** | US<br>○EU | II/III<br>II/III | | Oral |
| | **amolimogene<br>(E7101)** | **Treatment for cervical dysplasia/therapeutic DNA vaccine** | US | II/III | | Inj. |
| | ***Pariet*<br>(E3810)** | **Additional Dosage: reflux esophagitis** | Japan | II/III | | Oral |
| | ***HUMIRA*<br>(D2E7)** | **Additional Indication: Crohn's disease** | Japan | II/III | FY2009 | Inj. |
| | ***HUMIRA*<br>(D2E7)** | **Additional Indication: ulcerative colitis** | Japan | II/III | FY2011 | Inj. |

○: development progress in or after April 2009

・The development program for pediatric patients with attention impairment following cancer chemotherapy (Phase III/US) has been delisted from the above, as Eisai received a notice from the U.S. FDA that there were insufficient grounds to issue a Written Request to obtain pediatric exclusivity.

・The study of *Dacogen* to evaluate survival benefit in patients with myelodysplastic syndrome (MDS) is not for additional indication and therefore has been delisted from the above.

## (4) Clinical (Phase II)

| Product Name<br>Research Code | Indication/Mode of Action or Category | Region | Phase | Submission Target | Form. |
|---|---|---|---|---|---|
| **E2007** | **Treatment for neuropathic pain/AMPA receptor antagonist (generic name: perampanel)** | US<br>EU | II<br>II | | Oral |
| **E2007** | **Treatment for multiple sclerosis/AMPA receptor antagonist** | EU | II | | Oral |
| **E2007** | **Migraine prophylaxis/AMPA receptor antagonist** | US | II | | Oral |
| **E5555** | **Treatment of acute coronary syndrome/thrombin receptor antagonist** | US<br>EU<br>Japan | II<br>II<br>II | FY2012 | Oral |
| **E5555** | **Treatment of atherothrombosis/thrombin receptor antagonist** | US<br>EU<br>Japan | II<br>II<br>II | | Oral |
| **E6201** | **Antipsoriatic agent/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 dynamics inhibitor (generic name: eribulin)** | US | II | | Inj. |
| **E7389** | **Anticancer agent (prostate cancer)/microtubule dynamics inhibitor** | US<br>EU | II<br>II | | Inj. |
| **E7389** | **Anticancer agent (sarcoma)/microtubule dynamics inhibitor** | EU | II | | Inj. |
| **E7820** | **Anticancer agent (colorectal cancer)/angiogenesis inhibitor that suppresses alpha 2 integrin expression** | US | II | | Oral |
| **AKR-501 (E5501)** | **Treatment of thrombocytopenia/thrombopoietin receptor agonist** | US | II | | Oral |
| **MORAb-009** | **Anticancer agent (pancreatic cancer)/ monoclonal antibody** | US | II | | Inj. |
| **MORAb-009** | **Anticancer agent (mesothelioma)/ monoclonal antibody** | US | II | | Inj. |
| ***Aricept* (E2020)** | **Additional Indication: Lewy body dementia** | Japan | II | | Oral |
| **irofulven (E7850)** | **Anticancer agent (prostate and other types cancer) /DNA synthesis inhibitor** | US | II | | Inj. |

○: development progress in or after April 2009

・The development program of an ultrasonic contrast medium E7210 (Phase II/ Japan) has been temporarily suspended and therefore has been delisted from the above.

## 2) By Therapeutic Area

## (1) Neurology

| Product Name<br>Research Code | Description | Development Status |
|---|---|---|
| ***Aricept***<br>**(E2020)** | Acetylcholinesterase inhibitor currently approved for the treatment of Alzheimer's disease. (Generic name: donepezil) | **Additional Indications**<br>Vascular dementia: under review (US)<br>Lewy body dementia: Phase II (Japan)<br>**Additional Formulations**<br>Oral jelly: approved (Japan)<br>Sustained release formulation: Phase III (EU/US) |
| **E2007** | A selective AMPA-type glutamate receptor antagonist for the treatment of a variety of neurodegenerative disorders. (Generic name: perampanel) | Epilepsy: Phase III (EU/US), Phase II (Japan)<br>Neuropathic pain: Phase II (EU/US)<br>Migraine prophylaxis: Phase II (US)<br>Multiple sclerosis: Phase II (EU) |
| **AS-3201** | An aldose reductase inhibitor that is believed to reduce intracellular accumulation of sorbitol. Currently being investigated for the treatment of diabetic neuropathy, one of the most popular diabetic complications. (Generic name: ranirestat) | Diabetic neuropathy: Phase II/III (EU/US) |
| ***Zonegran***<br>**(E2090)** | Believed to exhibit a wide anti-epileptic spectrum and is well-tolerated. Currently indicated as adjunctive therapy in the treatment of patients with partial seizures. (Generic name: zonisamide) | **Additional Indications**<br>Monotherapy: Phase III (EU)<br>Pediatric indication: Phase III (EU)<br>**Additional Formulations**<br>Orally disintegrating tablet: under review (EU) |
| **E0302** | Has an effect on restoring damaged peripheral nerves and is widely used for the treatment of peripheral neuropathy. Currently being investigated as a new treatment of amyotrophic lateral sclerosis (ALS). (Generic name: mecobalamine) | Amyotrophic lateral sclerosis (ALS): Phase II/III (Japan) |
| **E2014** | Acts on cholinergic nerve ending synapses at neuromuscular junction and inhibits the release of acetylcholine to relax muscles. Currently seeking approval as a treatment of cervical dystonia. (Generic name: botulinum toxin type B) | Cervical dystonia: under review (Japan) |
| **SEP-190** | A non-benzodiazepine type allosteric $GABA_A$ receptor agonist that may help patients with transient insomnia as well as insomnia in the elderly. (Generic name: eszopiclone) | Insomnia: Phase III (Japan) |

## (2) Oncology and Supportive Care

| Product Name<br>Research Code | Description | Development Status |
|---|---|---|
| **E7389** | A synthetic analog of halichondrin B derived from a marine sponge. Believed to exert antitumor effect by arresting cell division and inhibiting the growth of microtubules. Currently being investigated for a potential treatment of various solid tumors such as breast cancer. (Generic name: eribulin) | Breast cancer: Phase III (EU/US), Phase II (Japan), under review (Switzerland)<br>NSCLC: Phase II (US)<br>Prostate cancer: Phase II (EU/US)<br>Sarcoma: Phase II (EU) |
| **E7820** | An angiogenesis inhibitor that suppresses the expression of alpha 2 integrin, an adhesion molecule of vascular endothelial cells. | Colorectal cancer: Phase II (US) |
| **E7080** | An anti-angiogenic agent that inhibits tyrosine kinase of VEGFR2, a receptor of VEGF. Currently being investigated as a potential treatment of various solid tumors. | Thyroid cancer: Phase II (US) |
| **MORAb-003** | A humanized IgG1 MAb that targets folate receptor alpha (FRA). Expected to show an anti-tumor effect against carcinomas with excessive expression of FRA. (Generic name: farletuzumab) | Ovarian cancer: Phase III (US) |
| **MORAb-009** | A chimeric IgG1 MAb that blocks the function of mesothelin. Expected to effect an anti-tumor effect against carcinomas that express methothelin. | Pancreatic cancer: Phase II (US)<br>Mesothelioma: Phase II (US) |

## (2) Oncology and Supportive Care (cont.)

| Product Name<br>Research Code | Description | Development Status |
|---|---|---|
| ***Dacogen***<br>**(E7373)** | Induces cell differentiation through inhibition of DNA methylation. Currently approved for the treatment of myelodysplastic syndromes (MDS) in the United States. (Generic name: decitabine) | **Additional Indications**<br>Acute myelogenous leukemia: Phase III (US)<br>**Additional Dosage**: alternative five-day dosing regimen for MDS: under review (US) |
| **irofulven**<br>**(E7850)** | Believed to show an anticancer effect by inhibiting DNA synthesis. | Prostate cancer, etc: Phase II (US) |
| **AKR-501**<br>**(E5501)** | A thrombopoietin receptor agonist for oral administration that promotes increases in platelet production. Expected to show effects against conditions that show thrombopenia. | Idiopathic thrombocytopenic purpura: Phase II (US) |
| **amolimogene**<br>**(E7101)** | A therapeutic DNA vaccine against human papilloma virus (HPV) that is believed to cause diseases such as cervical dysplasia. | Cervical dysplasia: Phase II/III (US) |
| ***Saforis***<br>**(E6014)** | A topical, oral glutamine suspension for the treatment of chemotherapy-induced mucositis. | Oral mucositis: Phase III (US) |

## (3) Vascular and Immunological Reaction

| Product Name<br>Research Code | Description | Development Status |
|---|---|---|
| ***HUMIRA***<br>**(D2E7)** | A human anti-TNF alpha monoclonal antibody that neutralizes the activity of tumor necrosis factor alpha (TNF alpha), a protein that plays a central role in inflammatory reactions in patients with autoimmune diseases. Approved in Japan for the treatment of rheumatoid arthritis. (Generic name: adalimumab) | **Additional Indications**<br>Psoriasis: under review (Japan)<br>Juvenile rheumatoid arthritis: Phase III (Japan)<br>Ankylosing spondylitis: Phase III (Japan)<br>Inhibition of structural damage of joints: Phase III (Japan)<br>Crohn's disease: Phase II/III (Japan)<br>Ulcerative colitis: Phase II/III (Japan) |
| **E5564** | Shows endotoxin antagonist effects that inhibit isolation of inflammatory cytokine. It suppresses various clinical conditions caused by endotoxin. (Generic name: eritoran) | Severe sepsis: Phase III<br>(Global Development Program) |
| **E5555** | Selectively binds to a thrombin receptor (PAR-1) and inhibits platelet aggregation and vascular smooth muscle cell proliferations by suppressing thrombin-mediated cellular activation. | Acute coronary syndrome: Phase II (Japan/US/EU)<br>Atherothrombosis: Phase II (Japan/US/EU) |
| **E6201** | A novel MEK-1/MEKK-1 kinase inhibitor. Expected to show inhibition of inflammatory cellular signaling as well as overgrowth of epidermal cells of patients with psoriasis. | Psoriasis: Phase II (US) |
| **T-614** | Suppresses inflammatory cytokine production, lymphocyte proliferation and immunoglobulin production. Expected to show effects against rheumatoid arthritis. (Generic name: iguratimod) | Rheumatoid arthritis: Phase III (Japan) |

## (4) Gastrointestinal Disorders

| Product Name<br>Research Code | Description | Development Status |
|---|---|---|
| ***Aciphex / Pariet***<br>**(E3810)** | A proton pump inhibitor approved for the treatment of gastric ulcer, duodenal ulcer, reflux esophagitis and eradication of *H.pylori* infection, etc. (Generic name: rabeprazole) | **Additional Indications**<br>Non-erosive GERD: in preparation for resubmission (Japan)<br>**Additional Dosage**<br>Reflux esophagitis: Phase II/III (Japan)<br>**Additional Formulations**<br>Extended-release formulation: Phase III (US) |
| ***Gasmotin*** | A selective serotonin 5-HT$_4$ receptor agonist that shows gastroprokinetic and gastric evacuation effects by enhancing acetylcholine release. Currently approved in Thailand. Approval was also granted in the Philippines. (Generic name: mosapride) | Gastroprokinetic agent: approved (Philippines), under review (Malaysia/Indonesia/Singapore), in preparation for submission<br>(five other ASEAN member countries) |

## (5) Other Therapeutic Areas

| Product Name<br>Research Code | Description | Development Status |
|---|---|---|
| **KES524** | Expected to enhance the feeling of satiety and increase energy consumption by inhibiting the reuptake of the cerebral neurotransmitters serotonin and noradrenaline, thereby preventing increase of body weight. (Generic name: sibutramine) | Obesity: under review (Japan) |
| **clevudine** | An antiviral drug that exerts an anti-HBV effect by inhibiting DNA polymerase. Approved in the Philippines for the treatment of chronic hepatitis B. (Generic name: clevudine) | Chronic hepatitis B: under review (Malaysia/Thailand/Indonesia/India), in preparation for submission (two ASEAN member countries), in preparation for Phase III (China) |
| ***Glufast*** | By selectively binding to sulfonylurea receptors in pancreatic beta cells, it accelerates insulin release which results in the reduction of blood glucose. (Generic name: mitiglinide) | Diabetes: under review (Malaysia/Thailand/Philippines/Indonesia/Singapore), in preparation for submission (five ASEAN member countries) |

## 9. Major Events

| Date | Description |
|---|---|
| April 2009 | ・ Signed a license agreement with Kissei Pharmaceutical Co., Ltd. for the development and commercialization of *Urief*, a treatment for dysuria associated with benign prostatic hyperplasia, in ASEAN Countries, India, and Sri Lanka <announced on April 2> |
| | ・ Signed a license agreement with Nobelpharma Co., Ltd. for the development and commercialization of *Gliadel Wafer* in Japan <announced on April 6> |
| | ・ The antiepileptic agent *Zebinix* received approval in Europe as an adjunctive therapy in adult patients with partial-onset seizures <announced on April 28> |
| May | ・ Issued a press release regarding the statement in Pfizer's 10-Q report dated May 8, 2009 <announced on May 9> |
| | ・ Announced a notice on new stock issuance in the form of stock options <announced on May 14> |
| | ・ Signed an exclusive license agreement with SymBio Pharmaceuticals Limited for the development and commercialization of Bendamustine Hydrochloride in South Korea and Singapore <announced on May 18> |
| June | ・ Diagnostics subsidiary Sanko Junyaku launched a new diagnostic reagent kit *Nanopia KL-6 Eisai* for its automated clinical chemistry analyser to determine KL-6, a detecting marker of interstitial pneumonia, in Japan (launch date: July 1) <announced on June 1> |
| | ・ Announced to set up a new sales subsidiary in Austria <announced on June 17> |
| | ・ Established the European Knowledge Centre as European strategic base <announced on June 26> |
| July | ・ "Eisai Product Creation Systems", new organizational structure, commenced |
| | ・ Issued a press release regarding the current status of the development programs of new indications and formulations of *Aricept* for enhancing patient value <announced on July 2> |
| | ・ Announced a notice on determination of details of stock options (stock acquisition rights) to be allotted <announced on July 6> |
| | ・ Announced a plan to initiatiate a clinical trial of a DNA hypomethylating agent *Dacogen* in the U.S. in pediatric patients with acute Myelogenous Leukemia <announced on July 6> |
| | ・ U.S. Food andl Drug Administration (FDA) accepted Eisai's supplemental new drug application for an alternative 5-day dosing regimen of *Dacogen*, a DNA hypomethylating agent, to treat patients with myelodysplasticsyndromes (MDS) <announced on July 8> |
| | ・ Generics subsidiary Elmed Eisai Co., Ltd. signed a license agreement with Sanwa Kagaku Kenkyusho Co., Ltd. for the commercialization of *Menilet*, an oral osmotic diuretic and Meniere's disease-improving agent, in Japan <announced on July 14> |
| | ・ A new oral jelly formulation of *Aricept* received approval in Japan for the treatment of Alzheimer's disease <announced on July 22> |
| | ・ Filed submission to the health authorities in Switzerland for an anticancer agent E7389 for the treatment of metastatic and locally advanced breast cancer <announced on July 27> |
| | ・ Signed a license agreement with Biocompatibles International plc for the development and commercialization of drug-eluting bead products for embolisation in Japan <announced on July 28> |