CONSOLIDATED FINANCIAL REPORT FOR FISCAL YEAR ENDED MARCH 31, 2010

FOR IMMEDIATE RELEASE
May 14, 2010

Eisai Co., Ltd. today announced annual consolidated financial results for the fiscal year ended March 31, 2010.

- Eisai Co., Ltd. is listed on the First Section of both the Tokyo Stock Exchange and the Osaka Securities Exchange.
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Expected date of Ordinary General Meeting of Shareholders: June 18, 2010
Expected date of dividend payment: May 24, 2010
Expected date of Annual Security Report (*Yuho*) submission: June 18, 2010

Note: This document is an English translation of the financial report made in Japanese and is provided as a reference only.

1. CONSOLIDATED ANNUAL FINANCIAL RESULTS (APRIL 1, 2009 – MARCH 31, 2010)

(Amounts have been rounded down to the nearest million yen.)

1) RESULTS OF OPERATIONS

Fiscal Year	Net Sales	%	Operating Income	%	Ordinary Income	%
April 1, 2009-March 31, 2010	¥803,152 mil.	2.7%	¥86,406 mil.	(5.9%)	¥79,690 mil.	(3.5%)
April 1, 2008-March 31, 2009	¥781,743 mil.	6.5%	¥91,808 mil.	417.2%	¥82,583 mil.	338.1%

Fiscal Year	Net Income (loss)	%	Basic Earnings per Share	Diluted Earnings per Share	Return on Equity	Ordinary Income/ Total Assets	Operating Income/ Net Sales
April 1, 2009-March 31, 2010	¥40,338 mil.	(15.4%)	¥141.58	¥141.56	9.6%	7.1%	10.8%
April 1, 2008-March 31, 2009	¥47,678 mil.	-	¥167.35	¥167.30	10.9%	7.3%	11.7%

(% denotes increase (decrease) in comparison with the corresponding period of the previous year.)

Reference: Equity in earnings:

- Fiscal year ended March 31, 2010: (¥124 mil.)
- Fiscal year ended March 31, 2009: (¥62 mil.)

2) FINANCIAL POSITION

Year End	Total Assets	Equity	Shareholders' Equity Ratio	Book-value per Share
March 31, 2010	¥1,101,910 mil.	¥421,740 mil.	37.7%	¥1,459.74
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 March 31, 2010: ¥415,935 mil.
- As of March 31, 2009: ¥427,952 mil.

3) CASH FLOWS

Fiscal Year	Net Cash Provided by Operating Activities	Net Cash Used in Investing Activities	Net Cash Used in Financing Activities	Cash & Cash Equivalents
April 1, 2009-March 31, 2010	¥107,947 mil.	(¥69,823 mil.)	(¥49,240 mil.)	¥115,128 mil.
April 1, 2008-March 31, 2009	¥104,988 mil.	(¥54,952 mil.)	(¥30,967 mil.)	¥131,527 mil.

2. DIVIDENDS

	Dividend Per Share					Total Dividends Paid	Dividend Payout Ratio (consolidated)	Dividend on Equity (consolidated)
Fiscal Year	1Q End	2Q End	3Q End	Fiscal Year End	Annual Total			
April 1, 2008-March 31, 2009	-	¥70.00	-	¥70.00	¥140.00	¥39,887 mil.	83.7%	9.1%
April 1, 2009-March 31, 2010	-	¥70.00	-	¥80.00	¥150.00	¥42,738 mil.	105.9%	10.1%
April 1, 2010-March 31, 2011 (Forecast)	-	¥70.00	-	¥80.00	¥150.00		65.7%	

3. CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2011 (April 1, 2010 – March 31, 2011)

Period	Net Sales	%	Operating Income	%	Ordinary Income	%	Net Income	%	Basic Earnings per Share
2nd Quarter (cumulative)	¥416,000 mil.	5.3%	¥56,000 mil.	14.0%	¥52,500 mil.	16.1%	¥34,500 mil.	11.6%	¥121.09
Fiscal Year	¥810,000 mil.	0.9%	¥105,000 mil.	21.5%	¥98,500 mil.	23.6%	¥65,000 mil.	61.1%	¥228.14

(% denotes increase (decrease) in comparison with the corresponding period of the previous year.)

4. OTHER

1) Transfers of important subsidiaries (transfers of specific subsidiaries* accompanied with a change in scope of consolidation) occurred during the fiscal year: Yes

Exclusion - 1 company (Eisai Research Institute of Boston Inc.)

Note: For details, please refer to "2. Status of Affiliated Companies" on pages 23-25.

*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 stock is equal to or more than 10% of that of the parent company

2) Changes of accounting rules, procedures and representation method in connection with the preparation of consolidated financial statements: (indicated in "Changes in Significant Basic Items for Consolidated Financial Statements")

(1) Changes in connection with the amendment of accounting principles: Yes

(2) Changes other than (1): No

Note: For details, please refer to "Changes in Significant Basic Items for Consolidated Financial Statements" on pages 52-54.

3) Number of shares issued and outstanding (common stock):

(1) Number of shares issued and outstanding at the end of fiscal year (including treasury stock)

Fiscal year ended March 31, 2010: 296,566,949 shares

Fiscal year ended March 31, 2009: 296,566,949 shares

(2) Number of shares of treasury stock at the end of fiscal year

Fiscal year ended March 31, 2010: 11,629,379 shares

Fiscal year ended March 31, 2009: 11,660,830 shares

(REFERENCE)

1. NON-CONSOLIDATED ANNUAL FINANCIAL RESULTS (APRIL 1, 2009 – MARCH 31, 2010)

(1) RESULTS OF OPERATIONS

Fiscal Year	Net Sales	%	Operating Income	%	Ordinary Income	%
April 1, 2009-March 31, 2010	¥444,680 mil.	7.0%	¥93,253 mil.	23.0%	¥88,607 mil.	28.2%
April 1, 2008-March 31, 2009	¥415,611 mil.	6.8%	¥75,835 mil.	3.7%	¥69,110 mil.	(2.7%)

Fiscal Year	Net Income	%	Basic Earnings per Share	Diluted Earnings per Share
April 1, 2009-March 31, 2010	¥57,327 mil.	1.2%	¥201.21	¥201.18
April 1, 2008-March 31, 2009	¥56,638 mil.	23.2%	¥198.80	¥198.74

(% denotes increase (decrease) in comparison with the corresponding period of the previous year.)

(2) FINANCIAL POSITION

Year End	Total Assets	Equity	Shareholders' Equity Ratio	Book-value per Share
March 31, 2010	¥951,090 mil.	¥501,318 mil.	52.6%	¥1,756.80
March 31, 2009	¥944,395 mil.	¥480,697 mil.	50.8%	¥1,658.06

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

- As of March 31, 2010: ¥500,577 mil.
- As of March 31, 2009: ¥480,084 mil.

2. NON-CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2011 (April 1, 2010 – March 31, 2011)

Period	Net Sales	%	Operating Income	%	Ordinary Income	%	Net Income	%	Basic Earnings per Share
2nd Quarter (cumulative)	¥233,000 mil.	6.6%	¥50,000 mil.	27.2%	¥47,500 mil.	30.9%	¥34,000 mil.	28.5%	¥119.34
Fiscal Year	¥454,000 mil.	2.1%	¥87,000 mil.	(6.7%)	¥82,000 mil.	(7.5%)	¥58,500 mil.	2.0%	¥205.33

(% denotes increase (decrease) in comparison with the corresponding period of the previous year.)

*Please refer to pages 15-16 and 17-18 for assumptions and special notes related to the above forecast.

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1. Operating Results

1) Overview of Operating Results

(1) Operating Results for the Fiscal Year

[Sales and Income]

- The Eisai Group (hereinafter referred to as "the Group") recorded the following **consolidated financial results** for the fiscal year ended March 31, 2010:

Net sales:	¥803,152 million	(2.7% increase year-on-year)
Operating income:	¥86,406 million	(5.9% decrease year-on-year)
Ordinary income:	¥79,690 million	(3.5% decrease year-on-year)
Net income:	¥40,338 million	(15.4% decrease year-on-year)

- **Sales of Aricept**, an anti-Alzheimer's agent, increased to ¥322,817 million (up 6.3% year-on-year). **Sales of Pariet** (U.S. brand name: Aciphex), a proton pump inhibitor, came to ¥148,032 million (down 7.4% year-on-year). **Sales of oncology related products** came to ¥79,856 million (up 5.7% year-on-year).
- **Operating income, ordinary income and net income** decreased due to **in-process R&D expenses** of ¥23,854 million incurred as a result of the AkaRx, Inc. acquisition as well as the Group's continued investment of resources in R&D activities.
- As a result, **basic earnings per share** for this period came to ¥141.58 (down ¥25.77 per share from the previous fiscal year).

[Cash Income]

- The Group 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 Group considers cash income as an indicator to assess corporate growth potential and strategies.
- **Net income** for this period was ¥40,338 million; **depreciation of property, plant and equipment** and **amortization of intangible assets** was ¥48,903 million; **in-process R&D expense** was ¥23,854 million; **amortization of goodwill** was ¥8,467 million; and **loss on impairment of long-lived assets (incl. loss on devaluation of investment securities)** was ¥4,858 million.
- As a result, **cash income** for this fiscal year was ¥126,422 million (up 6.2% year-on-year), with **cash income per share** of ¥443.73 (up ¥25.95 per share from the previous fiscal year).

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

[Performance by Segment]

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

a. Performance by Operating Segment

<Pharmaceuticals Segment>

- **Pharmaceuticals segment sales** totaled ¥783,039 million (up 2.9% year-on-year), with **operating income** of ¥89,877 million (down 4.9% year-on-year).

<Other Segment>

- **Other sales, including food additives, chemicals and machinery,** totaled ¥20,113 million (down 2.3% year-on-year), with **operating income** of ¥2,073 million (up 19.1% year-on-year).

b. Performance by Geographical Segment

<Japan>

- **Net sales** totaled ¥359,713 million (up 8.2% year-on-year), with **operating income** of ¥103,228 million (up 22.6% year-on-year).
- **Sales of Aricept** increased to ¥93,555 million (up 19.6% year-on-year), and **sales of Pariet** increased to ¥53,780 million (up 20.7% year-on-year), both showing steady increase.

<North America>

- **Net sales** totaled ¥361,162 million (down 2.4% year-on-year), with **operating loss** of ¥ 20,626 million resulting from the acquisition of AkaRx, Inc.
- **Sales of Aricept** came to ¥194,660 million (up 2.7% year-on-year; up 11.2% on a U.S. dollar-denominated basis), and **sales of Aciphex** came to ¥80,981 million (down 20.0% year-on-year; down 13.4% on a U.S. dollar-denominated basis).

<Europe>

- **Net sales** totaled ¥50,717 million (down 0.6% year-on-year), with **operating income** of ¥2,951 million (down 6.4% year-on-year).
- **Sales of Aricept** came to ¥27,869 million (down 3.2% year-on-year), and **sales of Pariet** came to ¥8,242 million (down 9.8% year-on-year).

<China>

- **Net sales** totaled ¥15,692 million (up 37.2% year-on-year), with **operating income** of ¥2,684 million (up 12.0% year-on-year).
- **Sales of Aricept** increased to ¥1,432 million (up 52.6% year-on-year) and **sales of Pariet** increased to ¥1,084 million (up 66.7% year-on-year), both showing

steady increase.

<Asia (excluding China) and Other Regions >

- **Net sales** totaled ¥15,866 million (down 6.2% year-on-year), with **operating income** of ¥2,179 million (down 37.9% year-on-year).
- **Sales of Aricept** came to ¥5,299 million (down 14.9% year-on-year), and **sales of Pariet** came to ¥3,943 million (down 8.7% year-on-year).

<Overseas Total>

Total overseas sales amounted to ¥443,439 million (down 1.3% year-on-year), accounting for 55.2% of consolidated net sales (down 2.3 percentage points year-on-year).

(2) Acquisition of AkaRx, Inc.

In January 2010, the Group acquired the U.S. biopharmaceutical company AkaRx, Inc. for US$ 257 million (including the associated expenses), by exercising an option right to acquire AkaRx, which it obtained through the acquisition of MGI PHARMA, INC. in January 2008.

As a result of the acquisition, AkaRx has become a wholly-owned subsidiary of Eisai Inc., the Group's U.S. subsidiary, while the Group has obtained the exclusive worldwide rights to develop, market, and manufacture AKR-501 (agent to treat thrombocytopenia; current research code: E5501).

AKR-501 is a pharmacological agonist of the receptors of thrombopoietin (TPO), which stimulates platelet production, and is expected to demonstrate its effects in various diseases associated with thrombocytopenia. The Group is currently conducting Phase II clinical studies of the compound in the U.S. for idiopathic thrombocytopenic purpura (ITP) and thrombocytopenia associated with liver diseases, and has confirmed POC (Proof of Concept) in the clinical studies for ITP. In addition, the Group will explore its potential as a treatment for cancer chemotherapy-induced thrombocytopenia.

(3) Research & Development Projects, Alliances, and Other Events

[Status of Ongoing Research & Development Projects]

- In March 2010, regulatory applications for approval of the **anticancer agent E7389** (microtubule dynamics inhibitor) for the treatment of breast cancer were submitted simultaneously in Japan, the United States, and in Europe. Regulatory applications were also filed to the health authorities in Switzerland and Singapore in July 2009 with data derived primarily from Study 211 (Phase II trial). In addition, the compound is being investigated in Phase II and other studies for non-small cell lung cancer (the U.S.), prostate cancer (the U.S. and Europe), and sarcoma (Europe).
- **Endotoxin antagonist E5564** is currently being investigated in a Phase III study for severe sepsis in Japan, the U.S. and Europe with the aim of simultaneous trilateral filing. In March 2010, an independent Data Monitoring Committee (DMC), recommended Eisai continue enrollment in the study to the preset goal of 2,000 patients based on an interim analysis evaluating safety and efficacy data from the Phase III study for the first 1,500 patients. In accordance with the DMC's recommendation, Eisai decided to continue enrollment in the study to the planned goal of 2,000 patients. The study is being conducted as a global development program.
- **AMPA receptor antagonist E2007** is being investigated with priority being placed on epilepsy as the potential indication. Phase III studies for epilepsy are ongoing in the U.S. and Europe, while Phase II studies are underway in Japan. Phase II studies for neuropathic pain are also ongoing in the U.S. and Europe.

<United States and Europe>

- In June 2009, a Written Request was issued by the U.S. Food and Drug Administration (FDA) regarding the study investigating the efficacy of the **DNA hypomethylating agent Dacogen** in pediatric patients with acute myeloid leukemia (AML). In addition, the five-day dosing regimen of Dacogen for injection to treat patients with myelodysplastic syndromes received approval in the U.S. in March 2010.
- In November 2009, an application for approval of **Aricept** 23mg extended release tablet formulation (high-dose formulation) was accepted for review in the U.S.
- Regulatory applications for **the proton pump inhibitor AcipHex** extended release formulation are being processed for submission in the U.S. and Europe.
- A Phase III study of the **anticancer agent MORAb-003** (monoclonal antibody) for ovarian cancer has been initiated in Europe and is now ongoing in both Europe and the U.S.
- Phase II/III studies of the **diabetic complications treatment AS-3201** for diabetic

neuropathy have been initiated and are now ongoing in both Europe and the U.S.

- Phase II studies of the **thrombocytopenia treatment AKR-501** conducted in the U.S. for idiopathic thrombocytopenic purpura (ITP) have been completed. In addition, a Phase II study for thrombocytopenia associated with liver diseases has been initiated and is now ongoing in the U.S.
- A Phase II study of the **anticancer agent E7080** (VEGF receptor tyrosine kinase inhibitor) for thyroid cancer has been initiated in Europe and is now ongoing in both Europe and the U.S. A phase II study of the agent for endometrial cancer has also been initiated in the U.S.
- Development of the **anticancer agent MORAb-009** (monoclonal antibody) is now focused on mesothelioma. A Phase II study for the disease has been initiated in Europe and is now ongoing in both Europe and the U.S.

<Japan>

- A new oral jelly formulation of the **Alzheimer's disease agent Aricept** was approved in Japan in July 2009.
- In September 2009, an application for **Pariet** was submitted in Japan seeking an approval of an additional indication for non-erosive gastro-esophageal reflux disease (GERD). An application was also submitted in Japan in September 2009 seeking an approval of an additional indication for concomitant therapy with amoxicillin hydrate, and either clarithromycin or metronidazole for the eradication of *Helicobacter pylori* in gastric MALT lymphoma, the stomach after endoscopic resection of early stage gastric cancer, and idiopathic thrombocytopenic purpura. In addition, an application for approval of an additional dosage and administration for treating reflux esophagitis was submitted in Japan in April 2010. Furthermore, a Phase II study for functional dyspepsia has been initiated and ongoing in Japan.
- An application for the fully human monoclonal anti-TNF-α antibody **Humira** was submitted in Japan seeking an approval of additional indications for Crohn's disease and ankylosing spondylitis in September and October 2009, respectively. In January 2010, the compound received approval in Japan for the additional indications of plaque psoriasis (PS) and psoriatic arthritis (PSA).
- An application for approval of an additional indication of the anti-arrhythmic agent **Tambocor** Tablets for the treatment of tachyarrhythmia (paroxysmal atrial fibrillation/flutter, paroxysmal supraventricular tachycardia, ventricular tachycardia) in paediatric patients was submitted in Japan in January 2010.
- A Phase III study of the **anti-epileptic agent E2080** for Lennox-Gastaut syndrome has been initiated in Japan.

<Asia>

- The **rapid-acting insulin secretagogue agent Glufast** received approval in the Philippines and Thailand in July and December 2009, respectively.

- In July 2009, the **anti-epileptic agent Inovelon** received approval in South Korea for adjunctive therapy for Lennox-Gastaut syndrome (LGS).
- An application for approval of **Urief, the treatment for Dysuria Associated with Benign Prostatic Hyperplasia** was submitted in Singapore in March 2010.
- A Phase III study of **a chronic hepatitis B treatment clevudine** (generic name) has been initiated in China.

[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 the 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) regarding 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 the 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** (U.K.) 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 related products developed by Biocompatibles in Japan.
- **Eisai and Pfizer Inc. had been in discussions** to resolve their dispute concerning their strategic alliance for the anti-Alzheimer's agent Aricept, the agreement for which originally was signed in October 1994. As a result of these discussions, the two companies reached a new comprehensive agreement in September 2009 which includes following terms:

  1) A partial alteration of the agreement for Aricept

  Eisai and Pfizer will continue to co-promote Aricept in the U.S., Japan and key markets in Europe. The expiry of the Agreement for the co-promotion of Aricept in Japan will cease as of 31 of December, 2012.

  2) New partnership in connection with a new product developed by Pfizer

  Eisai will co-promote Pfizer's Lyrica Capsules in Japan.
- In September 2009, **Eisai and KYORIN Pharmaceutical Co., Ltd., a subsidiary of KYORIN Co., Ltd., concluded a license agreement** for Uritos Tablets, a

therapeutic agent for overactive bladder discovered and developed by KYORIN Pharmaceutical. Under the terms of this agreement, Eisai obtained from KYORIN Pharmaceutical the exclusive rights to develop and market the agent in China, ASEAN countries, India and Sri Lanka.

- In October 2009, **Eisai and TSD Japan, Inc. (Osaka) concluded a license and joint development agreement** for denileukin diftitox (generic name) in Japan. Under the terms of the agreement, Eisai shall grant TSD the exclusive right to co-develop the drug in Japan, while Eisai will retain the exclusive right to market the product once marketing authorization has been granted. The compound has been granted orphan drug status in the U.S. and is currently marketed by Eisai Inc. under the brand name of ONTAK.
- In October 2009, **Eisai and Quintiles concluded a strategic collaboration agreement** to develop six anticancer compounds in Eisai's oncology pipeline, which include E7389, E7080, ONTAK, E7820, E6201, and E7050, to further expedite its Product Creation Strategy for the oncology-related disease area. This collaboration is a new business model in which Eisai and Quintiles share clinical development risks and strategically collaborate, enabling Eisai to develop multiple candidate compounds for multiple indications at the same time in an effort to significantly shorten development time and increase the probability of development success.
- In March 2010, **Eisai signed a license agreement with Almirall, S.A.** (Spain) concerning the development, manufacturing and marketing of the gastroprokinetic agent cinitapride tartrate (generic name) in China.

[Other Events]

- In April 2009, Eisai established a pharmaceutical sales subsidiary **Eisai GesmbH in Austria**.
- 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 Eisai's research facility in London, and therefore consolidates clinical development, production, marketing, and European headquarters operations. Combining these functions in a single site will allow for smooth communication and facilitate the "knowledge creation" that the Centre's name suggests. This will also be Eisai's first production facility in Europe, allowing for an in-house production rather than by outsourcing to the alliance partners.
- Eisai has defined its research and development activities as "Product Creation." To reinforce this transformation, Eisai launched **Eisai Product Creation Systems (EPCS)** in July 2009. (For further details regarding EPCS, please refer to page 29)

- In September 2009, **Eisai signed a collaboration and license agreement with the Drugs for Neglected Diseases *initiative*** ("DND*i*"), a non-profit independent foundation based in Switzerland concerning the clinical development of a promising new drug for the treatment of Chagas disease. Under the terms of the agreement, DND*i* shall retain sole responsibility for the clinical development to assess the safety and efficacy of E1224, which is a pro-drug of ravuconazole, in patients with Chagas disease within endemic countries. Eisai shall provide DND*i* with its scientific expertise in clinical development as well as supply the drug for the clinical studies. Eisai shall also have the option to become the industrial partner with DND*i* to manufacture, register and make available E1224 at an affordable price to the public sector in endemic countries. This partnership further embodies Eisai's human health care (*hhc*) mission to satisfy unmet medical needs and increase the benefits to patients and their families.
- In October 2009, Eisai's U.S. operation, **Eisai Inc.,** merged with **Eisai Research Institute of Boston, Inc.** which is responsible for discovery research, process research and bulk production of pharmaceuticals for use in clinical trials, and **Eisai Medical Research Inc.**, a clinical research company in the U.S. The transition was made to accelerate product creation activities that clarify its commitment to becoming more patient-oriented from the drug discovery phase as well as to support the realization of "Demand Innovation" as Eisai envisions. In Europe, the operations of **Eisai London Research Laboratories Ltd**, Eisai's European discovery research company, have been transferred to its pharmaceutical operations in the U.K., **Eisai Ltd**.
- In October 2009, Eisai opened **a regional office in Bahrain**. The new office was established as a branch of its Asian headquarters, Eisai Asia Regional Services Pte. Ltd. While Eisai currently operates globally in the U.S., Europe, and Asia, it is looking towards full-scale business expansion in the Middle East and North Africa in the future.
- In October 2009, Eisai launched the **anti-epileptic agent Zebinix** in Germany, the U.K., Austria, and Denmark.
- In November 2009, **Lusedra Injection, an intravenous sedative-hypnotic agent,** was launched in the U.S.
- In December 2009, Eisai completed construction of the **Eisai Knowledge Centre, India**, its new manufacturing and process research base in India. The new facility will be Eisai's first base to integrate Active Pharmaceutical Ingredients (APIs) and formulation manufacturing as well as API process research functions on one site. In addition to the manufacturing of APIs and formulations of its major products, Eisai also plans to conduct API process research and manufacture API and formulations of its next generation global products. With the completion of this

facility, Eisai has established an API production system centered on two hubs, together with the Kashima plant (Ibaraki), one of Eisai's manufacturing plants in Japan. Intending to make a future global hub for supplying APIs, Eisai Knowledge Centre, India aims to ensure a stable supply of high quality pharmaceutical products and achieve innovation in API synthesis processes that will provide the platform for producing such products.

- In February 2010, **the treatment of chronic hepatitis B Revovir** was launched in Philippines.
- In March 2010, **U.S. subsidiary, Morphotek, Inc.** held a groundbreaking ceremony for a new pilot manufacturing plant for the production of biologics to be used in preclinical and clinical trials (phases I and II).
- In April 2010, **Lyrica Capsules** which will be jointly promoted by Pfizer and Eisai received approval in Japan for the treatment of postherpetic neuralgia.
- In April 2010, a new pharmaceutical sales subsidiary, **Eisai Ltd. (Canada)** was established in Canada.

(4) Outlook for the Next Fiscal Year (April 1, 2010 - March 31, 2011)

[Consolidated Forecast]

	2nd Quarter (cumulative)	%	Fiscal Year	%
Net sales	¥416,000 million	5.3%	¥810,000 million	0.9%
Operating income	¥56,000 million	14.0%	¥105,000 million	21.5%
Ordinary income	¥52,500 million	16.2%	¥98,500 million	23.6%
Net income	¥34,500 million	11.6%	¥65,000 million	61.1%

(% denotes increase (decrease) in comparison with the corresponding period of the previous year.)

Notes: Forecasted earnings per share: 2nd quarter (cumulative) = ¥121.09, Full year= ¥228.14
(Assumptions) 1 USD=¥90, 1 EUR =¥125, 1 GBP =¥145

*Reference: Currency exchange rates for the year ended March, 2010 (average)
2nd quarter 1 USD=¥95.48, 1 EUR =¥133.15, 1 GBP =¥152.24
Full year: 1 USD=¥92.84, 1 EUR =¥131.15, 1 GBP =¥148.25

<Net Sales>

- The Group expects net sales to increase, as it aims to offset the business impact caused by the loss of exclusivity in the U.S. for its major product Aricept and by Japanese drug price revisions with the contribution of new products such as Aricept 23 mg extended-release formulation as well as sales growth in Japan and China.
- Sales of Aricept and Pariet/AcipHex are expected to total ¥328,000 million and ¥134,000 million, respectively. The percentage of oncology related product sales to the total consolidated sales is expected to be 10 %.

<Income>

- Although the rate of cost of goods sold (COGS) to net sales is expected to increase due to factors including the impact by the Japanese drug price revisions, the Group expects operating income and net income to increase to ¥105,000 million (up 21.5% year-on-year) and ¥65,000 million (up 61.1% year-on-year) respectively, as no in-process R&D expenses is expected to be incurred in the next fiscal year. In addition, the Group will promote greater cost efficiencies in SG&A expenses.

- Cash income, which represents cash generating ability, is expected to increase to ¥120,000 million (down 5.1% year-on-year).

[Non-consolidated Forecast]

	2nd Quarter (cumulative)	%	Fiscal Year	%
Net sales	¥233,000 million	6.6%	¥454,000 million	2.1%
Operating income	¥50,000 million	27.2%	¥87,000 million	(6.7%)
Ordinary income	¥47,500 million	30.9%	¥82,000 million	(7.5%)
Net income	¥34,000 million	28.5%	¥58,500 million	2.0%

(% denotes increase (decrease) in comparison with the corresponding period of the previous year.)

Notes: Forecasted earnings per share: 2nd quarter (cumulative)= ¥119.34, Full year= ¥205.33
(Assumptions) 1 USD=¥90, 1 EUR =¥125, 1 GBP =¥145

2) Financial Position

[Assets, Liabilities and Equity]

- Total **assets** at the end of the fiscal year amounted to ¥1,101,910 million (down ¥46,253 million from the end of the previous fiscal year). Items such as intangible assets decreased due to amortization and the conversion into lower yen amounts as a result of changes in foreign exchange rates.
- Total **liabilities** at the end of the fiscal year amounted to ¥680,170 million (down ¥34,948 million from the end of the previous fiscal year). This decrease is mainly attributable to decreases in income tax payable and long-term borrowings. Long-term borrowings came to ¥265,824 million (down ¥12,937 million from the end of the previous fiscal year) after the Group made a partial repayment of funds borrowed in the U.S. for the acquisition of MGI Pharma, Inc.
- Total **equity** at the end of the fiscal year amounted to ¥421,740 million (down ¥11,305 million from the end of previous year). The shareholders' equity ratio* was 37.7% (up 0.5 percentage points from the previous fiscal year).

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

[Capital Expenditures]

- **Capital expenditures** amounted to ¥22,922 million (down ¥8,830 million from previous fiscal year), most of which were used for expansion of production facilities and R&D laboratories in Japan, Europe and the U.S.

[Cash Flow]

- **Net cash provided by operating activities** for the fiscal year amounted to ¥107,947 million (up ¥2,958 million from the previous fiscal year). More specifically, **income before income taxes and minority interests** was ¥74,277 million; **depreciation and amortization expenses** was ¥48,903 million; **in-process R&D expenses,** which were incurred as a result of an acquisition, were ¥23,854 million;

the increase in notes and accounts receivable-trade was ¥18,939 million; and **income taxes-paid** was ¥49,904 million.

- **Net cash used in investing activities** amounted to ¥69,823 million (up ¥14,871 million from the previous fiscal year). Of this amount, ¥ 23,854 million was used for the acquisition of AkaRx, Inc., ¥22,397 million was used for the purchase of **property, plant and equipment,** and ¥8,862 million was paid in acquiring intangible assets.
- **Net cash used in financing activities** amounted to ¥49,240 million (up ¥18,273 million from the previous fiscal year). Of this amount, ¥39,887 million was used for dividend payments and ¥9,284 million was used for repayment of long-term borrowings.
- As a result, **cash and cash equivalents** at the end of the fiscal year stood at ¥115,128 million (down ¥16,398 million from the end of previous fiscal year).

[Trends in Financial Indicators]

	Year ended March 2006	Year ended March 2007	Year ended March 2008	Year ended March 2009	Year ended March 2010
Shareholders' equity ratio (%)	69.5	69.7	39.9	37.3	37.7
Market Cap. ratio (%)	196.3	202.7	86.2	71.5	86.2
Debt repayment term (years)	0.03	0.03	5.7	4.1	3.8
Interest coverage ratio	1,922.7	796.8	96.2	15.6	14.1

* Shareholders' equity ratio = (Equity - Minority interests - Stock acquisition rights) / Total assets
* Market Cap. Ratio: market capitalization / total assets
* Debt repayment term: interest-bearing debt/ cash flow
*Interest coverage ratio: cash flow / interest payments

(Notes) 1 Figures are calculated based on consolidated financial results.
2 Value of shares are calculated based on the number of outstanding shares excluding common stock.
3 Cash flow represents operating cash flow.
4 Interest-bearing debt includes all debt subject to interest among the debt amounts stated in the consolidated balance sheets.

3) Basic Policy on Profit Appropriation and Dividends for Current and Next Fiscal Year

Eisai Co., Ltd. (“the Company”) is devoted to providing sustainable and stable dividends to its shareholders based on consideration of its consolidated financial performance along with the consolidated Dividend on Equity Ratio (DOE) and cash income.

DOE encompasses both the Dividend Payout Ratio (DPR), which measures the extent to which profits are distributed to shareholders in the form of dividends, and Return on Equity (ROE), which measures how effectively the Company uses the money invested by shareholders to generate profits.

Cash income expresses the Company’s ability to generate cash. Cash income is used for investment in future growth and business development, as well as for dividend payments and repayment of borrowings, in order to improve the financial standing of the Company. Thus, the Company considers that an equal allocation of cash income for these three purposes over the medium term is important. From this standpoint, the Company considers it well-balanced and appropriate to take DOE and cash income, in addition to consolidated financial results, into consideration in a comprehensive manner in mid-term assessments of shareholder return. In addition, acquisition of treasury stock will be carried out flexibly on a timely basis.

The Company operates under a Company with Committees System and, to facilitate a flexible dividend policy as specified in its Articles of Incorporation, dividend payments are to be determined by a resolution of the Board of Directors.

Based on its fundamental policy to provide shareholders with sustainable and stable dividends, the Company intends to pay a year-end dividend of ¥80 per share to shareholders for the fiscal year ended March 31, 2010, resulting in an annual dividend of ¥150 per share (up ¥10 per share from the previous year) when combined with the interim dividend of ¥70 per share. In this context, the DOE is 10.1%.

The annual dividend for the year ending March 31, 2011 is expected to be ¥150 per share (¥70 for interim and ¥80 for year-end dividend), remaining the same amount from the current fiscal year.

4) Forecasts and Risk Factors

(1) 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.

(2) Risks that could cause significant fluctuations in the consolidated results of the Eisai Group or have a material effect on investment decisions are described below. These risks, however, have been evaluated and forecasted as of the disclosure date of the Financial Report.

- Risks related to overseas operations

  The Group conducts production/sales activities with Aricept and Aciphex/Pariet and other major products in countries and regions including Japan, the U.S., Europe and Asia. However, there is no guarantee that the Group can entirely avoid such risks as legal restrictions and socio-political uncertainty in the development of global business activities. In the event the Group faces such risks, there is a possibility that original projected earnings may not be achieved.

- Uncertainty of new drug development

  Development of a drug candidate substance may be discontinued due to shortcomings in its effectiveness or safety profile. Even if clinical trials yield favorable results, approval may not be granted due to changes in pharmaceutical regulations implemented during the development of the product. As a result of the discontinuation of development of a new drug arising from the inherent uncertainties of drug development, future expected profits may not be achieved.

- Risks related to dependence on specific products

  Aricept and Pariet/Aciphex, the Group's two major products, comprise a high level of total revenue, accounting for more than 50% of net sales on a consolidated basis. Risks such as a decline in sales as a result of the launch of new competing products or generic versions of these products after patent expiration, and specifically the expiration of the composition of matter patent for Aricept in the U.S. in November 2010, may significantly impact business performance.

- Risks in alliances with other companies

  The Group has comprehensive business alliances with other companies on its mainstay products, Aricept and Aciphex/Pariet, and obtains promotional assistance from business partners to cover the entire market and maximize product sales in the U.S. and major countries in Europe. If partner relationships are not sustained, sales may decrease and significantly impact business results. Furthermore, expected profits may not be achieved due to uncertainties associated with activities such as product acquisition/licensing.

- Impact of trends to control medical expenses

  In Japan, the government enforces price revisions for ethical drugs every two years as part of its efforts to control medical expenses. Efforts to reduce drug prices are intensifying year after year in the U.S. as well as in countries in both Europe and Asia. Such efforts to control expenses may lead to a drop in sales.

- Competition and lawsuits with generic products

  Pharmaceutical patents have a limited term. Frequently, generic makers launch generic products upon the expiration of a patent for the original drug. Requiring less cost for development, such generic products are usually priced lower than the original products, and hence those generic products may have a significant impact on market share. Additionally, in countries such as the U.S., an application for a generic product is accepted even during the patent term. As for the Group's own products, applications for generic versions of Aricept have been filed in the U.S. under the Hatch-Waxman Act. Although the Group has filed patent infringement suits against this product, these lawsuits, depending on the outcome, may have a significant impact on business results.

- Risks related to intellectual property

  If a patent application is dismissed, a patent is found to be invalid after approval, or if there is a failure to properly protect a patent, competitors may enter the market earlier than expected, which could potentially lead to a decrease in sales.

- Risks of occurrences of side effects

  If a product is found to have any serious side effects, the Group may take measures such as suspending product prescriptions or conducting a product recall. The investigation and communication of information on such side effects as well as the recall of the product in question may lead the Group to incur additional expenses.

- Risks regarding regulations

  Because the Group's pharmaceutical business is subject to various controls including pharmaceutical regulations and product liability, enactment of a law or changes in the regulations may have a significant impact on business results. In the event regulatory nonconformity is found in a product, the Group may issue a product recall, have the product's marketing approval revoked, or face liability claims.

- Risks relating to lawsuits

  Results of pending or future lawsuits may have a significant impact on the Group's business results. Currently, the Group is involved in litigation concerning the pricing and sales promotion of bulk synthetic Vitamin E products.

- Plant closure/shutdown

  The Group may close or shutdown its plants due to technical problems, raw material shortages, influenza and other pandemics, fire, or earthquakes and other natural disasters. In such cases, the provision of products may become difficult, which could significantly impact business results.

- Risks concerning the safety of raw materials

  If there is any concern over the safety of raw materials, the Group may take action such as changing materials, conducting a recall, or suspending sales, which may have a significant impact on business results.

- Risks associated with outsourcing

  The Group outsources part of its operations, including research and production, to other companies. Business results may be significantly impacted when the provision of the commissioned business from outside companies is disturbed due to the shutdown of operations of any of the subcontractors for whatever reason.

- Environmental risks

  In case a serious environmental pollution event is reported at any of its business offices, the Group may be required to close the office in question or be subject to other proceedings required by law. Furthermore, the costs necessary to assume liability for payment of compensation to neighboring regions and improve the environment may significantly affect business results.

- Risks concerning IT security and information management

  Since the Group makes full use of various IT systems for business, its operations may be disturbed due to external factors such as inefficient systems and computer

viruses. In addition, the Group faces the risk of technical accidents that involve personal information leakage outside of the Group, which may considerably damage the Group's social reputation and significantly impact business results.

- Risks related to credit situation and currency movement

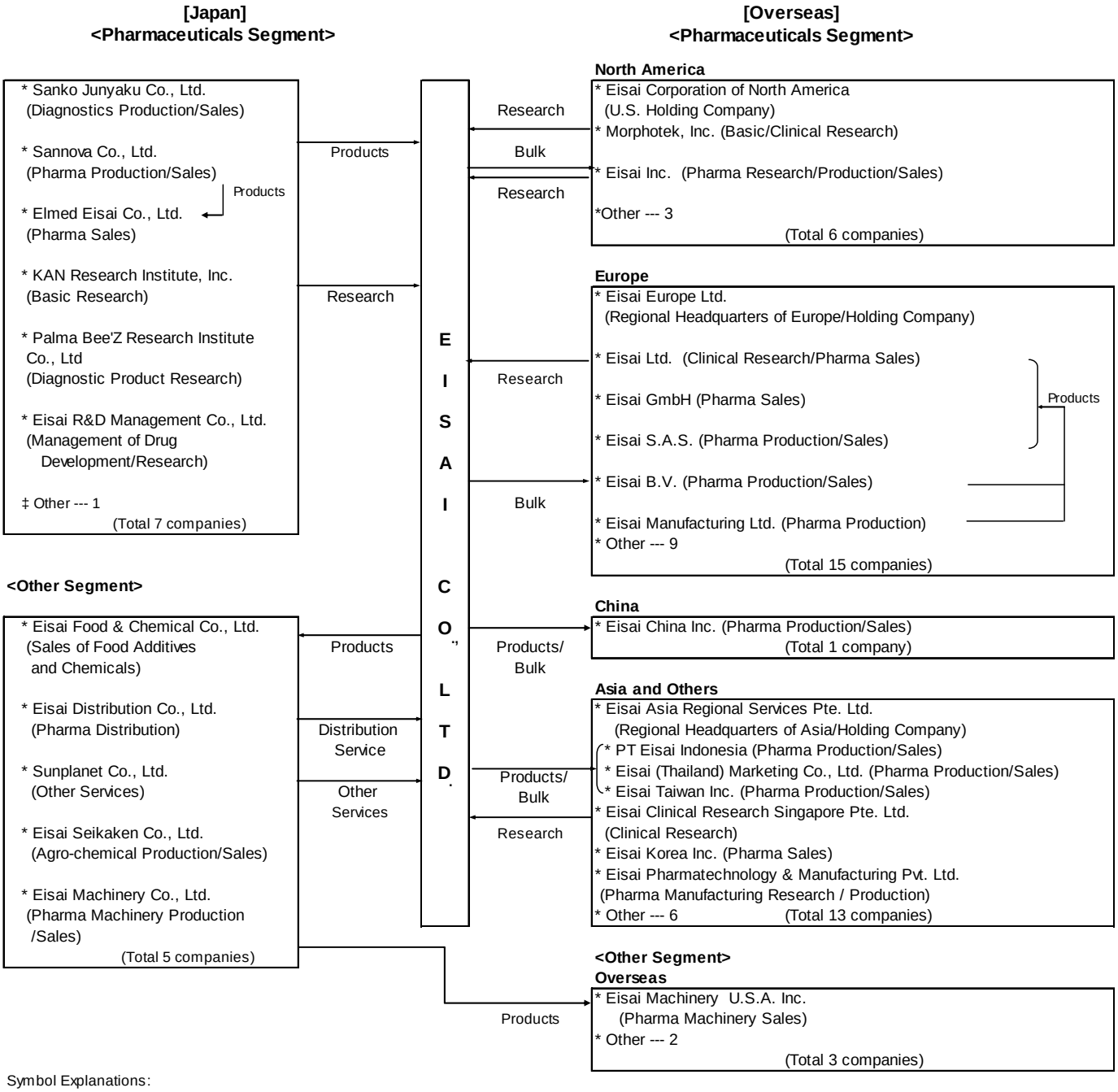
  As the Group holds stocks and other marketable securities, a decline in the stock market could result in losses on stock sales or valuation losses. In addition, an increase in retirement benefits due to changes in the interest rate may have an impact on business results. Furthermore, foreign exchange fluctuations affect the yen conversion of sales of consolidated subsidiaries, which account for over half of consolidated net sales. The effects of foreign exchange fluctuations on export and import transactions also impact business results.

- Risks concerning internal control systems

  In accordance with evaluation and audit standards as well as implementation standards for internal controls related to financial reporting based on the Financial Instruments and Exchange Law, the Group establishes effective internal control systems related to financial reporting and strives to appropriately manage those systems. However, major losses that arise due to the malfunction of internal control systems or occurrence of unexpected problems related to internal control systems may have a significant impact on business results.

2. Status of Affiliated Companies

The Group consists of Eisai Co., Ltd. (hereinafter referred to as 'the Company'), 49 consolidated subsidiaries and 1 associated company accounted for by the Equity Method. The diagram below shows the principal operations and flows within the Group.



Symbol Explanations:

← Shows sales flow

* : Consolidated subsidiary (49 companies)

‡ : Associated company accounted for by the Equity Method (1 company)

List of Affiliated Companies

(Consolidated Subsidiaries) (As of March 31, 2010)

Company Name	Location	Common Stock		Description of Operations (*1)	Voting Rights	Relationship	Note
Unit=million							
Sanko Junyaku Co., Ltd.	Tokyo	5,262	JPY	Diagnostic product production/sales	100.00%	-	*3
Sannova Co., Ltd.	Gunma Pref.	926	JPY	Pharmaceutical production/sales	80.02%	The Company purchases pharmaceutical products	*3
Elmed Eisai Co., Ltd.	Tokyo	450	JPY	Pharmaceutical sales	100.00%	-	
Eisai Food & Chemical Co., Ltd.	Tokyo	101	JPY	Food additives/chemicals sales	100.00%	The Company sells food additives/chemicals	
Eisai Machinery Co., Ltd.	Tokyo	100	JPY	Pharma machinery production/sales	100.00%	The Company purchases raw materials	
KAN Research Institute, Inc.	Hyogo Pref.	70	JPY	Pharmaceutical research & development	100.00%	The Company commissions pharmaceutical research & development	
Eisai Distribution Co., Ltd.	Kanagawa Pref.	60	JPY	Pharmaceutical distribution	100.00%	Pharmaceutical product distribution of the Company	
Palma Bee'Z Research Institute Co., Ltd.	Tokyo	50	JPY	Diagnostic product research & development	100.00% (50.00%)	The Company commissions research & development of diagnostic products	*2
Eisai R&D Management Co., Ltd.	Tokyo	12	JPY	Management and administration of pharmaceutical research & development	100.00%	The Company commissions management of research & development	
Sunplanet Co., Ltd.	Tokyo	455	JPY	Administration/meal/printing service, real estate management	84.90%	The Company purchases services, etc	
Eisai Seikaken Co., Ltd.	Kumamoto Pref.	50	JPY	Agro-chemical production/sales	70.00%	-	
Unit=thousand							
Eisai Corporation of North America	New Jersey, USA	3,416,700	USD	U.S. holding company	100.00%	-	*3
Morphotek, Inc.	Pennsylvania, USA	355,000	USD	Pharmaceutical research & development	100.00% (100.00%)	The Company commissions pharmaceutical research & development	*2,*3
Eisai Inc.	New Jersey, USA	151,600	USD	Pharmaceutical R&D/production/sales	100.00% (100.00%)	The Company sells bulk drug substance and commissions the R&D of pharmaceutical products	*2,*3, *7,*8
Eisai Machinery U.S.A. Inc.	New Jersey, USA	1,000	USD	Pharmaceutical machinery sales	100.00% (100.00%)	-	*2
Eisai Europe Ltd.	Hartfordshire, UK	184,137	GBP	Regional headquarters of Europe/holding company	100.00%	The Company commissions management of pharmaceutical business in Europe	*3
Eisai Ltd.	Hartfordshire, UK	46,008	GBP	Pharmaceutical research & development/sales	100.00% (100.00%)	The Company commissions pharmaceutical research and development	*2,*3
Eisai Manufacturing Ltd.	Hartfordshire, UK	32,300	GBP	Pharmaceutical production	100.00% (100.00%)	-	*2,*3
Eisai GmbH	Frankfurt, Germany	7,669	EUR	Pharmaceutical sales	100.00% (100.00%)	The Company sells pharmaceutical products	*2
Eisai Machinery GmbH	Cologne, Germany	1,278	EUR	Pharmaceutical machinery production/sales	100.00% (100.00%)	-	*2
Eisai S.A.S.	Paris, France	19,500	EUR	Pharmaceutical production/sales	100.00% (100.00%)	-	*2
Eisai B.V.	Amsterdam, Netherlands	540	EUR	Pharmaceutical production/sales	100.00% (100.00%)	The Company sells bulk drug substance	*2
Eisai Farmacéutica S.A.	Madrid, Spain	4,000	EUR	Pharmaceutical sales	100.00% (100.00%)	-	*2
Eisai S.r.l.	Milan, Italy	3,500	EUR	Pharmaceutical sales	100.00% (100.00%)	-	*2
Eisai Pharma AG	Zurich, Switzerland	3,000	CHF	Pharmaceutical sales	100.00% (100.00%)	-	*2
Eisai AB	Stockholm, Sweden	10,000	SEK	Pharmaceutical sales	100.00% (100.00%)	-	*2
Eisai Farmacêutica, Unipessoal Lda.	Lisbon, Portugal	4,000	EUR	Pharmaceutical Sales	100.00% (100.00%)	-	*2
Eisai SA/NV	Brussels, Belgium	7,000	EUR	Pharmaceuticals	100.00% (100.00%)	-	*2
Eisai GesmbH	Vienna, Austria	2,000	EUR	Pharmaceutical sales	100.00% (100.00%)	-	*2,*5

Company Name	Location	Common Stock		Description of Operations(*1)	Voting Rights	Relationship	Note
Unit=thousand							
Eisai China Inc.	Suzhou, China	319,205	RMB	Pharmaceutical production/ sales	100.00% (100.00%)	The Company sells bulk drug substance	*2
Eisai Machinery Shanghai Inc.	Shanghai, China	200	USD	Pharma machinery marketing support/maintenance	100.00% (100.00%)	-	*2
P.T. Eisai Indonesia	Jakarta, Indonesia	5,000	USD	Pharmaceutical production/sales	100.00%	The Company sells bulk drug substance	
Eisai Asia Regional Services Pte. Ltd.	Singapore	26,400	SGD	Regional headquarters of Asia/holding company	100.00%	The company commissions management and administration of pharmaceutical business in Asia, Oceania, and Middle Eastern region	
Eisai (Singapore) Pte. Ltd.	Singapore	300	SGD	Pharmaceutical sales	100.00% (100.00%)	The Company sells pharmaceutical products	*2
Eisai Clinical Research Singapore Pte. Ltd.	Singapore	10	SGD	Pharmaceutical research and development	100.00% (100.00%)	The Company commissions pharmaceutical research and development	*2
Eisai (Malaysia) Sdn. Bhd.	Petaling Jaya, Malaysia	470	MYR	Pharmaceutical sales	100.00% (5.74%)	The Company sells pharmaceutical products	*2
Eisai (Thailand) Marketing Co., Ltd.	Bangkok, Thailand	11,000	THB	Pharmaceutical production/sales	49.91% (49.91%)	The Company sells bulk drug substance	*2,*4
Eisai Taiwan Inc.	Taipei, Taiwan	270,000	TWD	Pharmaceutical production/sales	100.00%	The Company sells pharmaceutical products	
Eisai (Hong Kong) Co., Ltd.	Hong Kong, China	500	HKD	Pharmaceutical sales	100.00% (10.00%)	The Company sells pharmaceutical products	*2
Eisai Korea Inc.	Seoul, South Korea	3,512,000	HRW	Pharmaceutical sales	100.00%	-	
HI-Eisai Pharmaceutical Inc.	Manila, Philippines	56,250	PHP	Pharmaceutical sales	50.00% (1.45%)	The Company sells pharmaceutical products	*2,*4
Eisai Pharmaceuticals India, Pvt. Ltd.	Maharashtra, India	160,000	INR	Pharmaceutical production/ sales	100.00% (0.63%)	The Company sells bulk drug substance	*2
Eisai Pharmatechnology & Manufacturing Pvt. Ltd.	Andhra Pradesh, India	2,404,000	INR	Pharmaceutical manufacturing research/production	100.00% (0.00%)	The Company commissions pharmaceutical manufacturing research/production	*2,*3
Eisai Australia Pty. Ltd.	Sydney, Australia	1,000	AUD	Pharmaceuticals	100.00%	-	
Other-5 companies	-	-	-	-	-	-	*7

(Associated Companies Accounted for by the Equity Method) (As of March 31, 2010)

Company Name	Location	Common Stock		Description of Operations	Voting Rights	Relationship	Note
Unit=million							
Bracco-Eisai Co., Ltd.	Tokyo	340	JPY	Contrast media import/ production/sales	49.00%	The Company purchases pharmaceutical products	

Notes: *1. "Description of Operations" indicates the business segment applicable to respective entity.

*2. Voting rights (%): Figures in parentheses show percentage indirectly owned by the Company.

*3. Specific subsidiaries.

*4. Eisai (Thailand) Marketing Co., Ltd. and HI-Eisai Pharmaceutical Inc. are considered to be consolidated subsidiaries under the "controlling equity" standard, though Eisai's voting rights for these companies do not exceed 50%.

*5. Newly established consolidated subsidiary.

6. Eisai Inc. merged with Eisai Research Institute of Boston Inc. and Eisai Medical Research Inc. in October 2009. The operation of Eisai London Research Laboratories Ltd. was transferred to Eisai Ltd. Consequently, Eisai Research Institute of Boston Inc. is no longer deemed as an specific subsidiary.

*7. "Other 5 companies" comprises four subsidiaries of Eisai Inc., including AkaRx, Inc., as well as Eisai London Research Laboratories Ltd., all of which are included in the scope of consolidation. AkaRx, Inc. merged with the acquisition company, established as a subsidiary of Eisai Inc., in January 2010, in which AkaRx, Inc. became the surviving company. Eisai of Puerto Rico, Inc., a pharmaceutical sales promotion subsidiary of Eisai Inc. also included in "Other 5 companies," has become a consolidated subsidiary upon its establishment in May 2009.

*8. Eisai Inc. is the only subsidiary whose sales to external customers exceed 10% of consolidated sales in the consolidated financial statements for the fiscal year ended March 31, 2010. Principal financial results of Eisai Inc. are as follows;

Net sales	¥380,994 mil.
Operating income	¥12,507 mil.
Ordinary income	¥11,921 mil.
Net income	¥6,043 mil.
Equity	¥300,203 mil.
Total assets	¥535,831 mil.

In addition, a pharmaceutical sales subsidiary Eisai Ltd. (Canada) was established in Canada in April 2010.

3. Management Policy

1) Corporate Philosophy

The Eisai Group defines its corporate philosophy as “to give first thought to patients and their families, and to increase benefits that health care provides”. Guided by this philosophy, all Eisai corporate officers and employees aspire to consistently exemplify a “*human health care (hhc)* company” that is capable of making a meaningful contribution under any healthcare system through meeting the various needs of global healthcare. The Group codified this basic concept into its Articles of Incorporation to share with its shareholders.

In order to translate this philosophy into action, the Group is committed to further expanding the relationships built on trust with its principal stakeholders, including patients, the wider public, shareholders, and employees, and always promoting compliance with laws and ethical standards, thereby enhancing corporate value.

2) Management Strategies and Issues that Need to be Addressed

The pharmaceutical industry today is expected to provide innovative drug development as well as information, services and products of high quality. Meanwhile, the business environment surrounding the pharmaceutical industry has become increasingly challenging and is set for great change, as represented by the acceleration of healthcare cost-containment measures on a global basis, mounting research and development (R&D) expenditures, an increase in activity focused on major acquisitions and industry reorganizations, and the diversified needs when it comes to responding to the risks associated with drug safety and intellectual property issues. Ensuring people around the world access to medicines they need is another issue of global importance.

To address the change in the business environment, the Eisai Group launched its Dramatic Leap Plan (DLP) in fiscal 2006 as the 5th Mid-term Strategic Plan ending in fiscal 2011. The establishment of the DLP was aimed at creating a business entity that seeks to further improve efficiency and productivity by giving the Group the ability to flexibly and thoroughly handle any situation arising anywhere in its global operations.

During the past four years, the Eisai Group has experienced some significant milestones; the Group has successfully completed the expansion of research & development and technology infrastructures, as well as made aggressive investments to strengthen its global business operations. In addition, the U.S. composition of matter patent will expire on Eisai’s key product Aricept for Alzheimer’s disease in November 2010.

The Eisai Group has set up and is implementing a mid-term roadmap that identifies a medium term roadmap, consolidating its product development in the focused areas of critical care, neurology, and vascular and immunological response to shorten the development period and bring products to market faster, while defining growth strategies for each of its business regions around the world. With this roadmap, the Group will strive to minimize the business impact arising from the expiry of the composition of matter patent for Aricept in the U.S. and will pursue future growth.

(1) Dramatic Leap Plan (DLP)—the 5th Mid-term Strategic Plan ending Fiscal 2011

Four years have passed since the initiation of the Dramatic Leap Plan (DLP), during which the Eisai Group has pursued several different new business models.

The Group has established regional headquarters in five business regions: Japan, the U.S., Europe, China and Asia/Oceana & the Middle East. Eisai decided to manage China, which it sees as having high growth potential, as an independent region in order to further its local business activities in the area. In Japan, the Group also set up Japanese Business Headquarters (JBHQ) to further implement an integrated business strategy for its four domestic business operations, comprising prescription drugs, consumer healthcare products, diagnostics, and generics. In Europe, as part of the move to establish a business model based on regional characteristics, the Group switched over to the European Efficiency Model, with the intention of streamlining operations in each European country and consolidating its European regional headquarters.

The Eisai Group has reinforced its operating base in the U.S, the world’s largest market for pharmaceutical products, by obtaining rights to lymphoma products and acquiring Morphotek, Inc., MGI Pharma, Inc., and AkaRx, Inc., while making a full-scale entry into the field of oncology.

At the same time, the Group has redefined its research and development system as Eisai Product Creation Systems (EPCS) with the aim of combining venture-like productivity and speed with the knowledge resources of a global pharmaceutical company. The Group is developing a new business model for clinical development based on strategic cooperation where the risks are shared with external partners.

The Group also established a demand chain as part of its production and distribution activities with the aim of further increasing customer satisfaction and creating customer

joy while ensuring the stable supply of high quality pharmaceutical products. Furthermore, the Group is working to reduce costs at a global level in order to supply its products to people without sufficient access to medicine, and has established a seamless value chain so as to create value for patients in accordance with its corporate philosophy.

The Eisai Group will continue to implement such initiatives, aiming to lay the groundwork for maintaining sustainable growth over the medium-term, even beyond the completion of the Dramatic Leap Plan.

(2) The Mid-term Roadmap for Achieving Growth Over the Medium-term

The Eisai Group has developed a medium term road will strive to minimize the business impact arising from the U.S. expiry of the composition of matter patent for its key product Aricept and will develop a mid-term roadmap for achieving growth over the medium term.

(a) Changes in the Franchise Portfolio

Due to the business impact arising from the expiry of the composition of matter patent in the U.S. for Eisai's flagship product, Aricept, the relative size of Eisai's franchise in the neurological field is expected to decline. While maintaining its established franchises in the fields of neurology and gastrointestinal disorders, the Eisai Group will create highly beneficial new drugs in the fields of oncology and critical care, where unmet medical needs are expanding in both developed countries and emerging markets. In order to achieve rapid expansion, the Group will make changes in its franchise portfolio to pursue further growth.

(b) Pursuit of Optimum Regional Balance

The Eisai Group established five business regions and is applying a strategy that matches the disease characteristics and market structure of each region. At the same time, the Group is pursuing optimum regional balance based on the needs of each region, aiming to offset the business impact caused by the expiry of the composition of matter patent in the U.S. for its major product, Aricept, with sales growth in Japan and China, while achieving growth in emerging markets even after the U.S. has returned to the growth track. (Please refer to page 31 for the strategy for each region.)

(c) Comprehensive New Developments in the Mid-term Roadmap

As flagship items to support growth in fiscal 2010 and beyond, the Eisai Group is pursuing a total of four R&D themes. Two candidate compounds for new drugs, discovered and developed by the Eisai Group are E7389, an anticancer agent, and

E5564, an endotoxin antagonist. The other two candidate products are a new 23 mg high-dose formulation of Aricept, and a new extended-release formulation of Eisai's proton pump inhibitor Aciphex.

The Eisai Group made simultaneous regulatory applications for approval of E7389 in Japan, the U.S., and Europe, and intends to make the product the new gold standard for breast cancer treatment. The Group is also developing E5564 as a potential treatment of severe sepsis with the aim of creating a first-in-class treatment that would serve as a truly life-saving drug. Meanwhile, the Group aims to achieve a paradigm shift in therapy from moderate to severe Alzheimer's disease with a new 23 mg high-dose formulation of Aricept, and to make Aciphex the best proton pump inhibitor in its class by introducing the new extended-release formulation. The Eisai Group will specifically focus its efforts on obtaining approval for these various products and preparing for market launch.

In addition, the Eisai Group has a comprehensive development pipeline which includes new drug candidate compounds as well new indications and formulations in its therapeutic areas of focus, namely oncology, critical care, neurology, and vascular and immunological response. The Group is working to ensure that these next-generation flagship products will support its mid-term roadmap.

(3) Eisai Product Creation Systems (EPCS)

The Eisai Group has defined its R&D activities as product creation and established a new organization, Eisai Product Creation Systems (EPCS), to promote product creation.

Under the new EPCS, the Eisai Group aspires to become more patient-oriented in product creation. The goal of EPCS is to better understand the emotions and realities of patients in order to provide innovative treatments that address their apparent and latent issues, thereby improving their quality of life.

EPCS combines venture-like productivity and speed with the knowledge resources of a global pharmaceutical company. Under this system, the Eisai Group aims to shorten development time so as to ensure the early creation of novel, innovative drugs that satisfy unmet medical needs or that improve the quality of life of patients and their caregivers.

(a) Structure and Function of EPCS

EPCS encompasses Product Creation Units (PCUs), Core Function Units (CFUs) and the CEO office.

The PCUs, which comprise seven units, including oncology and neurology, take full responsibility for conducting the series of processes ranging from discovery of innovative drug candidates through NDA filing and obtaining approval. The CFUs, which comprise six units, including CMC and DMPK/TOX, take full responsibility for obtaining or maintaining world-class functional capabilities in the core functions of preclinical and clinical operations, technology, and regulatory affairs as well as promoting new drug development as an equal partner to the PCUs. A total of 13 units cooperate to create new products using an interactive approach. The CEO office is responsible for the formulation of product creation structural strategy, corporate portfolio management, and the promotion of product creation activities.

With this new system, the Eisai Group is building an organization made up of autonomous units with clear responsibilities and which are specialized in each disease or technology area so as to encourage a sense of ownership and motivate employees to increase their productivity and efficiency.

(b) The Advantage of EPCS and Initiatives to Shorten Development Times

The Eisai Group has comprehensive product creation expertise that is capable of developing both small molecular compounds and biologics, and pursues drug innovation activities using both approaches. Specifically, the Group has unique platforms in the fields of Alzheimer's disease, sepsis, and immune and inflammatory response, and this ability to undertake continuous drug discovery activities contributes to the superiority of EPCS.

Under EPCS, the fully authorized units will reduce development times through appropriate decision making based on the discovery of truly innovative substances, which encompasses superior biomarker imaging research, rapid clinical studies with efficiencies of scale, safety and disposition studies extrapolated from clinical practice, the timely supply of high quality trial drugs and pharmaceutical ingredients for research purposes, and a superior regulatory strategy.

(4) Regional Strategies

Within the Eisai Group, regional headquarters responsible for local business activities were established in five regions—Japan, the U.S., Europe, China and Asia/Oceana & the Middle East. The Group aims to pursue growth over the medium-term by

establishing regional strategies and applying an optimal regional balance in strategies that match the needs of each region.

(a) Japan

In light of the recent medical trends in Japan focused on prevention, disease management, and the latest treatments, the Eisai Group established Japan Business Headquarters (JBHQ) and has been implementing an integrated business strategy for its four domestic business operations, which comprise prescription drugs, consumer healthcare products, diagnostics, and generics. Based on this unique and integrated system, the Eisai Group aims to achieve close collaboration among these four business operations in supplying high quality information, services and products in sufficient quantities; raising disease awareness, taking into account consultation, diagnosis, and treatment; facilitating the concurrent use of diagnostic agents and pharmaceutical products in the same therapeutic area, and supplying high quality products and useful information on generic drugs through cooperation between Eisai Co., Ltd. and its subsidiaries.

On the foundation of these initiatives, the Eisai Group is making a full-scale entry into the fields of oncology and critical care At the same time, the Group will achieve continuous growth through the early commercialization of pipeline products in the fields of immune/inflammatory disorders, neurology, and gastrointestinal disorders.

(b) United States

The Eisai Group enhanced its business platform in the U.S. as well as successfully made a full-scale entry into the oncology field through the acquisition of MGI Pharma, Inc., and has been transforming its business focus into the growing segment centered on oncology and critical care.

On the other hand, the Group is expecting to experience a temporary downturn in business performance after the expiry of the composition of matter patent for its key product Aricept in November 2010. However, the Group will maintain its Aricept franchise with a new 23 mg high-dose formulation of Aricept, a patch formulation, and authorized generic (AG) drugs sold by new drug manufacturers as well as with the currently marketed formulations. At the same time, the Group will promote the growth of its currently marketed products such as Aloxi, Dacogen, Fragmin, and accelerate the early commercialization of new pipeline products such as E7389, E5564 and the extended-release formulation of Aciphex to get the U.S. business back on the growth track as quickly as possible.

(c) Europe

Eisai established the European Efficiency Model, a unique new business model which seeks to generate higher efficiency and productivity for its European business. The new model was introduced primarily at the European Knowledge Centre (EKC) in Hatfield (UK), which integrates production, drug discovery research, clinical research, marketing, and the headquarters function for the European region. While consolidating the marketing, medical, financing, IT and other functions for Europe in this center, the sales bases in each European country have specialized sales functions. Through such a model, the Group is set to to achieve growth in its European business.

(d) China

The prescription pharmaceuticals market is projected to see significant growth, and the Company is taking active steps to develop its Chinese business.

In addition to Aricept and Pariet, Eisai's major global products, the Group offers a range of new drugs tailored to the disease structure of the Chinese market such as hepatic disease agents for gastrointestinal disorders, diabetes treatments for the field of endocrinology, and treatments for musculoskeletal disease in the field of orthopedics. In addition to these new products, the Eisai Group is strengthening its sales structure and expanding its sales network in the Chinese market to achieve continuous and high growth.

(e) Asia/Oceania & the Middle East

In its Asia/Oceania & the Middle East (AOME) business, the Eisai Group aims to promote business activities that enable it to increase the quality of its, information, services, and products specific to each market.

As part of this effort, the Eisai Group has established Eisai Knowledge Centre, India as a new production and process research base. The Group is currently expanding the Indian facilities as its fourth knowledge creation base, with sales and marketing and clinical data management capabilities, positioning it at the heart of its approach to emerging markets.

(5) Towards Sustained Business Development in Emerging Markets

The Eisai Group is undertaking initiatives to ensure patients in emerging markets have access to Eisai's products. The Group has been making a consorted effort to streamline selling, general and administrative expenses in addition to reducing manufacturing costs by utilizing the Eisai Knowledge Centre, India, in order to realize a

continuous and sustainable supply of Eisai's products at affordable prices in keeping with the social, economic, and healthcare environment of newly developing countries, thereby contributing to the improvement of their health systems.

Furthermore, the Eisai Group is working to address the unmet medical needs of patients with neglected diseases, for example forming partnerships and concluding license agreements with independent nonprofit organizations for clinical development of new remedies for Chagas disease, and starting pre-clinical testing at Eisai of compounds that are expected to be potentially effective against malaria cerebritis.

3) Corporate Governance

The Company has stipulated its *human health care* philosophy in its Articles of Incorporation and endeavors to share it with its shareholders. To carry out this mission, the Company recognizes the need to establish a corporate governance structure that will sustain the business in the long term. The Company positions the establishment of such a system to encourage corporate vitality, provide fair management, and enhance the transparency of management as the essence of corporate governance, and has implemented and continually strengthened various measures to realize these goals, including adopting the Company with Committees System in June 2004.

The cornerstone of Eisai's corporate governance is in the clear separation between the functions of supervision and operation that makes the best of its structural feature as a Company with Committees System. In order to ensure the separation, outside directors with independence and neutrality are appointed. By having the Board of Directors delegate business decision making exclusively to officers, the Company ensures the increased mobility and flexibility of officers in operation, as well as autonomy in establishing internal controls, thereby increasing management dynamism. Entrusted by the Company's shareholders, the Board of Directors, in which the majority of members are outside directors, focuses on overall supervision activities to ensure objectivity and equity in management.

4) Internal Control System

The Eisai Group envisages internal control as the structure and processes established and managed internally to ensure proper and efficient operations. All officers and employees are working to promote the establishment and practice of solid internal controls. The Internal Control Promotion Department for internal control development at the global level and the Internal Audit Department for objective assessment have been established under the supervision of an executive officer in charge of internal

control to develop and assess the group-wide internal control system. Specifically, the Company is developing regional internal control systems in Japan, the U.S., Europe, China and the AOME region based on the Company's Internal Control Policy and the Basic Internal Control Rules.

The goals of internal controls are to ensure: the reliability of the Company's financial reporting; the effectiveness and efficiency of business operation; compliance, and maintenance of the Company's assets. For the purpose of making continuous improvements to the systems so as to meet these goals, the Company implements the Control Self Assessment (CSA) every year to detect risks in everyday operations, and improves its control activities.

Regarding the reliability of financial reporting, the Group has been developing and operating internal controls for financial reporting in cooperation with the auditors to fully prepare for the "Internal Control Reporting" mandated by Japan's Financial Instruments and Exchange Law. The Company has been implementing company-wide efforts in which the responsible officers at the Company's subsidiaries or directors of each department submit an internal affidavit of internal control for financial reporting, while both the CEO (Chief Executive Officer) and CFO (Chief Financial Officer) approve the International Control Report after being reviewed by the officer in charge of internal control.

As for compliance, the Company is undertaking measures for compliance promotion in an appropriate manner in collaboration with the Corporate Ethics Compliance Department, the section dedicated to compliance promotion. As for internal audits, Eisai, while striving to improve the quality of audits in line with the global standards of internal audits, conducts an internal audit in cooperation with the Internal Audit Department, or the department responsible for internal audits at each of its subsidiaries. It also assesses internal controls for financial reporting on a global basis. The Company also assures high quality internal audits through assessments by an external institution.

5) Compliance

The Eisai Group places the highest priority on legal and ethical compliance in its corporate activities. As the foundation of its corporate survival, the Company has included compliance in its corporate philosophy and stipulated it in the Articles of Incorporation.

In addition, the Group has been promoting and supervising global compliance with departments dedicated to the promotion of compliance established in Japan, the U.S., and Europe under an executive officer appointed as the Chief Compliance Officer in charge of promoting and supervising compliance. The Company's compliance promotion programs are assessed on a regular basis by the Compliance Committee. The Compliance Committee, an advisory organization consisting primarily of outside legal specialists, such as lawyers and consultants from Japan, the U.S., and European countries, conducts an objective review of the Company's compliance activities on a regular basis and offers necessary advice to the Chief Compliance Officer.

The Company established the ENW Compliance Charter, which outlines the ENW Code of Conduct as the basis of its business activities, in order to ensure the same mindset on compliance is shared by all officers and employees. The *Compliance Handbook,* which is available in 17 languages including Japanese, English and Chinese, gives a clear explanation about the Company's compliance mindset to enhance awareness among officers and employees. In addition, the Company distributes the *Manager's Compliance Guidebook* to assist managers in the guidance and monitoring of their subordinates in compliance issues and in implementing compliance activities within the organization. Eisai also conducts training to familiarize its employees with compliance.

As for internal compliance programs, the Eisai Group conducts various training programs, including seminars for top management; programs focusing on a specific department or on specific personnel, such as newly-appointed managers or newly-hired employees; risk-assessment programs in which the compliance risks detected by each employee are analyzed and assessed through group discussions that include outside lawyers; and compliance e-learning, which enables employees to learn when it is convenient for them.

In April 2000, the Compliance Counter was established to serve as an accessible in-house compliance consulting service for all officers and employees to consult whenever they have compliance concerns about their own conduct or conduct of their supervisors or co-workers. The Counter has become a familiar place for employees to consult on their issues in-house. In addition, an outside counseling counter that is staffed by lawyers and that includes safeguards for those who disclose information in the public interest is also available. Moreover, the Company provides a consultation service staffed by outside counselors, to encourage employees to go for consultation even when they may by hesitant to talk with the Compliance Counter, thereby creating an environment that promotes compliance.

6) Environmental Protection

At the Eisai Group, all officers and employees, under the environmental management system based on the ENW Environmental Protection Policy, share the basic policy of environmental protection and engage in environmental protection activities at the business unit and subsidiary level. The principal manufacturing facilities in Japan are certified according to ISO14001 standards, while other operating units and subsidiaries have established their own environmental management systems and continuing efforts for upgrading and strengthening their environmental controls. The Company strives to obtain quantitative data on its inputs of environmental resources and the environmental impact of its operations, in addition to efforts to reduce its environmental footprint by taking measures against global warming, promoting recycling and waste reduction, establishing stricter controls for the appropriate management and reduction of chemical substances, and promoting green purchasing. In addition, Eisai issues an *Environmental and Social Report* annually to report on its environmental and health and safety management system as well as its actual achievements under the system.

7) Philanthropy

With the aim of increasing public awareness of the history of medicine and pharmaceutical science as well as health science, the Eisai Group opens to the public free of charge the Naito Museum of Pharmaceutical Science and Industry (Gifu Prefecture), the first museum in Japan dedicated to pharmaceuticals. Furthermore, the Group supports the activities of two academic foundations in order to contribute to science and human welfare: the Naito Foundation, which promotes natural science research regarding the prevention and treatment of diseases; and the Health Care Science Institute, a foundation that supports economic and social research on healthcare and pharmaceuticals as well as research on pharmaceutical R&D, production, and distribution to promote healthcare and welfare in Japan. In addition, Eisai has been sponsoring an annual Health and Medical Care Contributions Awards in Japan to reward healthcare professionals who have dedicated their lives to medical or care services under challenging environments. The Company also conducts a number of educational initiatives and support programs for patients, senior citizens, and caregivers, related to Alzheimer’s disease and other areas of expertise in which it markets its major products.

4. Consolidated Financial Statements

1) Consolidated Balance Sheets

(millions of yen)

		April 1, 2008- March 31, 2009		April 1, 2009- March 31, 2010
ASSETS				
Current assets:				
Cash and cash in banks		48,061		69,637
Notes and accounts receivable-trade		191,622		207,219
Short-term investments		104,018		83,823
Merchandise and finished goods		33,853		36,564
Work in process		17,228		19,676
Raw materials and supplies		13,435		11,313
Deferred tax assets		36,860		32,457
Other		20,016		19,591
Allowance for doubtful receivables		(320)		(239)
Total current assets		464,777		480,044
Fixed assets:				
Property, plant and equipment				
Buildings and structures		172,247		185,363
Accumulated depreciation	*2	(93,036)	*2	(98,838)
Buildings and structures-net		79,211		86,525
Machinery, equipment and vehicles		106,071		112,509
Accumulated depreciation	*2	(82,802)	*2	(86,981)
Machinery, equipment and vehicles-net		23,269		25,527
Land		19,840		19,803
Construction in progress		20,296		13,387
Other		50,498		51,609
Accumulated depreciation	*2	(37,618)	*2	(40,211)
Other-net		12,880		11,398
Total property, plant and equipment		155,497		156,642
Intangible assets				
Goodwill		170,570		152,768
Sales rights		143,614		109,704
Core technology		56,978		50,967
Other		13,061		12,449
Total intangible assets		384,225		325,890
Investments and other assets				
Investment securities	*1	60,583	*1	64,797
Deferred tax assets		70,792		63,568
Other		12,659		11,255
Allowance for doubtful accounts		(373)		(287)
Total investments and other assets		143,662		139,333
Total fixed assets		683,385		621,865
Total assets		1,148,163		1,101,910

(millions of yen)

	April 1, 2008- March 31, 2009	April 1, 2009- March 31, 2010
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	19,095	20,314
Short-term borrowings	22,000	24,000
Accounts payable-other	70,870	67,913
Accrued expenses	54,571	59,657
Income tax payable	33,098	6,555
Reserve for sales rebates	32,564	32,723
Other reserves	553	556
Other	8,848	8,523
Total current liabilities	241,603	220,244
Long-term liabilities:		
Bonds and debentures	120,939	119,987
Long-term borrowings	278,761	265,824
Deferred tax liabilities	27,679	23,786
Liability for retirement benefits	21,774	26,368
Retirement allowances for directors	2,408	2,723
Negative goodwill	1,136	-
Other	20,814	21,235
Total long-term liabilities	473,514	459,925
Total liabilities	715,118	680,170
EQUITY		
Owner's equity		
Common stock	44,985	44,985
Capital surplus	56,949	56,928
Retained earnings	423,305	423,756
Treasury stock	(39,683)	(39,574)
Total owner's equity	485,557	486,096
Net unrealized gain (loss) and translation adjustments:		
Net unrealized gain (loss) on available-for-sale securities	1,125	4,884
Deferred gain (loss) on derivatives under hedge accounting	(437)	(609)
Foreign currency translation adjustments	(58,293)	(74,436)
Total net unrealized gain (loss) and translation adjustments	(57,605)	(70,160)
Stock options	613	741
Minority interests	4,479	5,063
Total equity	433,045	421,740
Total liabilities and equity	1,148,163	1,101,910

2) Consolidated Statements of Income

(millions of yen)

		April 1, 2008- March 31, 2009		April 1, 2009- March 31, 2010
Net sales		781,743		803,152
Cost of sales	*2	152,414	*2	160,728
Gross profit		629,328		642,423
Provision for sales returns-net		35		14
Gross profit after deducting provision for sales returns-net		629,292		642,409
Selling, general and administrative expenses				
Total selling, general and administrative expenses	*1, *2	537,484	*1, *2	556,002
Operating income		91,808		86,406
Non-operating income				
Interest income		3,169		1,245
Dividend income		968		853
Other		700		280
Total non-operating income		4,837		2,379
Non-operating expenses				
Interest expenses		7,632		7,659
Foreign exchange loss		4,753		720
Other		1,677		716
Total non-operating expenses		14,063		9,095
Ordinary income		82,583		79,690
Special gain				
Gain on sales of fixed assets	*3	16	*3	17
Gain on sales of investment securities		432		-
Reversal of provision for doubtful accounts		-		55
Gain on sale of a consolidated subsidiary		1,575		-
Other		29		4
Total special gain		2,053		77
Special loss				
Loss on disposal of fixed assets	*4	535	*4	547
Loss on impairment of long-lived assets	*5	4,636	*5	4,814
Loss on devaluation of investment securities		8,404		-
Other		575		129
Total special loss		14,152		5,490
Income before income taxes and minority interests		70,484		74,277
Income taxes-current		53,403		26,781
Income taxes-deferred		(31,268)		6,633
Total income taxes		22,134		33,415
Minority interests in income		671		523
Net income		47,678		40,338

3) Consolidated Statements of Changes in Equity

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Owners' equity		
Common stock		
Balance at end of the previous fiscal year	44,985	44,985
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of the fiscal year	44,985	44,985
Capital surplus		
Balance at end of the previous fiscal year	56,966	56,949
Changes during the fiscal year		
Disposal of treasury stock	(17)	(20)
Total changes during the fiscal year	(17)	(20)
Balance at end of the fiscal year	56,949	56,928
Retained earnings		
Balance at end of the previous fiscal year	415,961	423,305
Adjustments of retained earnings due to change in accounting policies in foreign subsidiaries	(1,872)	-
Changes during the fiscal year		
Dividends	(38,462)	(39,887)
Net income	47,678	40,338
Total changes during the fiscal year	9,216	451
Balance at end of the fiscal year	423,305	423,756
Treasury stock		
Balance at end of the previous fiscal year	(39,694)	(39,683)
Changes during the fiscal year		
Disposal of treasury stock	82	139
Acquisition of treasury stock	(70)	(30)
Total changes during the fiscal year	11	108
Balance at end of the fiscal year	(39,683)	(39,574)
Total owners' equity		
Balance at end of the previous fiscal year	478,219	485,557
Adjustments of retained earnings due to change in accounting policies in foreign subsidiaries	(1,872)	-
Changes during the fiscal year		
Dividends	(38,462)	(39,887)
Net income	47,678	40,338
Disposal of treasury stock	64	118
Acquisition of treasury stock	(70)	(30)
Total changes during the fiscal year	9,210	539
Balance at end of the fiscal year	485,557	486,096

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Net unrealized gain (loss) and translation adjustments		
Net unrealized gain (loss) on available-for-sale securities		
Balance at end of the previous fiscal year	9,509	1,125
Changes during the fiscal year		
Changes in items other than owners' equity-net	(8,384)	3,759
Total changes during the fiscal year	(8,384)	3,759
Balance at end of the fiscal year	1,125	4,884
Deferred gain (loss) on derivatives under hedge accounting		
Balance at end of the previous fiscal year	-	(437)
Changes during the fiscal year		
Changes in items other than owners' equity-net	(437)	(171)
Total changes during the fiscal year	(437)	(171)
Balance at end of the fiscal year	(437)	(609)
Foreign currency translation adjustments		
Balance at end of the previous fiscal year	(38,868)	(58,293)
Changes during the fiscal year		
Changes in items other than owners' equity-net	(19,424)	(16,143)
Total changes during the fiscal year	(19,424)	(16,143)
Balance at end of the fiscal year	(58,293)	(74,436)
Total net unrealized gain (loss) and translation adjustments		
Balance at end of the previous fiscal year	(29,359)	(57,605)
Changes during the fiscal year		
Changes in items other than owners' equity-net	(28,246)	(12,555)
Total changes during the fiscal year	(28,246)	(12,555)
Balance at end of the fiscal year	(57,605)	(70,160)
Stock options		
Balance at end of the previous fiscal year	556	613
Changes during the fiscal year		
Changes in items other than owners' equity-net	57	127
Total changes during the fiscal year	57	127
Balance at end of the fiscal year	613	741
Minority interests		
Balance at end of the previous fiscal year	4,374	4,479
Changes during the fiscal year		
Changes in items other than owners' equity-net	104	583
Total changes during the fiscal year	104	583
Balance at end of the fiscal year	4,479	5,063

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Total equity		
Balance at end of the previous fiscal year	453,791	433,045
Adjustments of retained earnings due to change in accounting policies in foreign subsidiaries	(1,872)	-
Changes during the fiscal year		
Dividends	(38,462)	(39,887)
Net income	47,678	40,338
Disposal of treasury stock	64	118
Acquisition of treasury stock	(70)	(30)
Changes in items other than owners' equity-net	(28,084)	(11,844)
Total changes during the fiscal year	(18,873)	(11,305)
Balance at end of the fiscal year	433,045	421,740

4) Consolidated Statements of Cash Flows

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Operating activities:		
Income before income taxes and minority interests	70,484	74,277
Depreciation and amortization	49,052	48,903
Loss on impairment of long-lived assets	4,636	4,814
Amortization of goodwill	9,579	8,467
In-process R&D expense for acquisition	-	23,854
Increase (decrease) in allowance for doubtful accounts	72	(134)
Interest and dividend income	(4,137)	(2,099)
Interest expenses	7,632	7,659
Loss (gain) on sales and disposal of fixed assets	518	530
Loss (gain) on sales of securities	(421)	(0)
Loss (gain) on devaluation of securities	8,404	44
Increase (decrease) in notes and accounts receivable-trade	(24,734)	(18,939)
Increase (decrease) in inventories	(10,658)	(4,456)
Increase (decrease) in trade payables	3,489	1,717
Increase (decrease) in other current liabilities	16,081	14,511
Increase (decrease) in reserve for sales rebates	9,923	1,874
Increase (decrease) in liability for retirement benefits	(2,212)	4,564
Other	5,309	(2,190)
Sub-total	143,020	163,400
Interest and dividends received	4,181	2,083
Interest paid	(6,727)	(7,632)
Income taxes paid	(35,485)	(49,904)
Net cash provided by operating activities	104,988	107,947
Investing activities:		
Purchases of short-term investments	(1,707)	(2,526)
Proceeds from sales and maturities of short-term investments	2,749	8,975
Purchases of property, plant and equipment	(33,496)	(22,397)
Proceeds from sales of property, plant and equipment	50	79
Purchases of intangible assets	(12,255)	(8,862)
Purchases of investment securities	(2,666)	(3,361)
Proceeds from sales and redemptions of investment securities	4,438	1,056
Acquisition of a company	-	(23,854)
Proceeds from sale of a consolidated subsidiary	2,747	-
Net increase in time deposits (exceeding 3 months)	(12,513)	(19,062)
Other	(2,298)	129
Net cash used in investing activities	(54,952)	(69,823)

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Financing activities:		
Net increase (decrease) in short-term borrowings	(340,539)	2,000
Proceeds from long-term borrowings	229,913	-
Repayment of long-term borrowings	-	(9,284)
Proceeds from issuance of bonds and debentures	119,616	-
Dividends paid	(38,462)	(39,887)
Dividends paid to minority shareholders	(45)	(41)
Other	(1,450)	(2,028)
Net cash provided by (used in) financing activities	(30,967)	(49,240)
Foreign currency translation adjustments on cash and cash equivalents	(7,491)	(5,280)
Net increase (decrease) in cash and cash equivalents	11,576	(16,398)
Cash and cash equivalents at beginning of the fiscal year	119,950	131,527
Cash and cash equivalents at end of the fiscal year	*1 131,527	*1 115,128

Going Concern

Not applicable

Significant Basic Items for Consolidated Financial Statements

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
1. Scope of Consolidation: Consolidated subsidiaries: 50 Companies Major subsidiaries: Sanko Junyaku Co., Ltd. Sannova Co., Ltd. Morphotek, Inc. Eisai Inc. Eisai Research Institute of Boston Inc. Eisai Machinery Shanghai, Inc. was newly established and consolidated during the fiscal year. During the period, the Company sold all shares of Clinical Supply Co., Ltd. to a third party and accordingly Clinical Supply Co., Ltd. was excluded from the scope of the consolidation. In addition, MGI PHARMA, INC. and its 12 subsidiaries were merged with Eisai Corporation of North America, which became the surviving company, during the fiscal year.	1. Scope of Consolidation: Consolidated subsidiaries: 49 Companies Major subsidiaries: Sanko Junyaku Co., Ltd. Sannova Co., Ltd. Morphotek, Inc. Eisai Inc. Eisai GesmbH and Eisai of Puerto Rico, Inc. were newly established and consolidated during the fiscal year. Eisai Research Institute of Boston Inc. and Eisai Medical Research Inc. were merged with Eisai Inc (the surviving company). A special-purpose entity for acquisition of AkaRx, Inc. was merged with AkaRx, Inc, and AkaRx, Inc became the surviving company.
2. Equity Method: Associated companies: One company Bracco-Eisai Co., Ltd.	2. Equity Method: Same as the left
3. Closing Date of Consolidated Subsidiaries: The fiscal year end of Eisai China Inc. and Eisai Machinery Shanghai, Inc. is December 31. In preparing the consolidated financial statements, the financial statements as of March 31 are used.	3. Closing Date of Consolidated Subsidiaries: Same as the left
4. Accounting Policies and Methods: (1) Measurement and Valuation for Significant Assets (a) Securities: Held-to-maturity securities: Stated at amortized cost (Straight-line method) Available-for-sale securities: Marketable securities: Stated at fair value at the balance sheet date with unrealized gain or loss and net of applicable taxes reported in a separate component of equity. The cost of securities	4. Accounting Policies and Methods: (1) Measurement and Valuation for Significant Assets (a) Securities: Same as the left

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
sold is determined by the moving-average method. Non-marketable securities: Stated at cost determined by the moving-average method.	
(b) Derivatives: Stated at fair value	(b) Derivatives: Same as the left
(c) Inventories: Merchandises, finished goods, work in process, raw materials, supplies: The Company and Japanese subsidiaries mainly record inventories at cost determined by average method (however, inventories are written down in case the probability become lower significantly). And foreign subsidiaries mainly record inventories at lower of cost or market method determined by the first-in, first-out method.	(c) Inventories: Same as the left
(2) Depreciation and Amortization (a) Property, plant and equipment (excluding leased assets): The straight-line method is applied. Estimated useful lives of the assets are as follows: Buildings: 15 to 50 years Machinery and equipment: 6 to 7 years	(2) Depreciation and Amortization (a) Property, plant and equipment (excluding leased assets): Same as the left
(b) Intangible assets (excluding leased assets): Intangible assets are stated at cost less accumulated amortization, which is computed by the straight-line method. Sales rights: 5 to10 years Core technology: 19 to 20 years Software for internal use: 5 years	(b) Intangible assets (excluding leased assets): Intangible assets are stated at cost less accumulated amortization, which is computed by the straight-line method. Same as the left
(c) Leased assets: Finance lease transactions that do not transfer ownership: Leased assets are depreciated by the straight-line method with the useful life being the lease period and with a residual value of zero.	(c) Leased assets: Finance leases transactions that do not transfer ownership: Same as the left
(3) Accounting for Certain Allowances and Reserves: (a) Allowance for doubtful receivables/accounts:	(3) Accounting for Certain Allowances and Reserves: (a) Allowance for doubtful receivables /accounts:

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
To prepare for potential losses on notes and accounts receivable, loans receivable and others, an allowance for doubtful receivables/ accounts is provided. As for the general receivables/accounts, allowances are calculated based on the past credit loss experience. As for the specific receivables/accounts, allowances were calculated based on the specific probability of uncollectibility.	Same as the left
(b) Reserve for sales rebates: To prepare for possible sales rebates for merchandises and finished goods sold, certain subsidiaries provide for the reserves by multiplying an amount of related sales by an estimated percentage of rebates.	(b) Reserve for sales rebates: Same as the left
(c) Other reserves: The Company and certain Japanese subsidiaries account for the following reserves: As the impact on the balance sheet is not material, they are collectively stated as "Other reserves".	(c) Other reserves: Same as the left
i) Reserve for sales returns: To prepare for possible sales return loss for merchandises and finished goods sold incurred after the balance sheet date, a reserve is provided by multiplying the amount of accounts receivable-trade at the balance sheet date by the average return ratio of the finished goods and merchandise sold over the previous two fiscal years and the profit ratio for the fiscal year.	i) Reserve for sales returns: Same as the left
ii) Reserve for disposal of goods returns: To prepare for the possible loss on disposal of merchandises and finished goods returned after the balance sheet date, a reserve is provided by multiplying the amount of accounts receivable-trade at the balance sheet date by the average returns ratio for the finished goods and merchandises sold and the average disposal ratio for the finished goods and merchandise returned over the previous two fiscal years.	ii) Reserve for disposal of goods returns: Same as the left

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
(d) Liability for retirement benefits: To cover employee retirement benefits, the Company and certain subsidiaries provide for liability for retirement benefits to be prepared as of the balance sheet date, which is derived from the projected benefit obligations and estimated plan assets at the end of the fiscal year. The unrecognized prior service costs of the Company and certain Japanese subsidiaries are being amortized over five years and recognized as operating expenses in the statements of operation. The unrecognized actuarial gain/loss of the Company and certain consolidated subsidiaries is being amortized over five years by the straight-line method and amortization of the unrecognized actuarial gain/loss is recognized as operating expenses in the statements of operation starting from the fiscal year succeeding the fiscal year during which each gain/loss occurred.	(d) Liability for retirement benefits: Same as the left
(e) Retirement allowances for directors: The Company and certain subsidiaries provide a reserve for retirement allowances for directors, executive officers and corporate auditors in required amounts calculated based on each company's rule.	(e) Retirement allowances for directors: Same as the left
(4) Translation of significant assets and liabilities denominated in foreign currencies: Monetary receivables and payables denominated in foreign currencies are translated into yen at the current exchange rates at the balance sheet date. The foreign exchange gain and loss from translation are recognized in operations. Assets and liabilities of the foreign subsidiaries are translated into yen at the current exchange rate as of the balance sheet date, accounts in the statements of income thereof are translated into yen at the average exchange rates for the fiscal year, and differences arising from such translation are included in the foreign currency translation adjustments and the minority interests in the equity component.	(4) Translation of significant assets and liabilities denominated in foreign currencies: Same as the left

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
(5) Accounting for significant hedges: (a) Hedge method: The Company and certain subsidiaries defer to measure derivatives until maturity of the hedged transactions. If foreign currency forward contracts are met the requirements for allocation, the allocation method is applied. And if the interest rate swap contracts are met the requirements for special treatment, the special treatment method is applied.	(5) Accounting for significant hedges: (a) Hedge method: Same as the left
(b) Hedging instruments and hedged items: i) Hedging instruments: Foreign currency forward contracts, Interest rate swaps ii) Hedged items: Accounts receivable and payable including committed transactions denominated in foreign currencies, borrowings	(b) Hedging instruments and hedged items: i) Hedging instruments: Same as the left ii) Hedged items: Same as the left
(c) Hedging policy: The Company and certain subsidiaries enter into hedged transactions in the ordinary course of business to reduce future exposure of foreign currency transactions to fluctuations in foreign currency exchange rates in accordance with internal policy. The Company enters into hedged transactions in the ordinary course of business to reduce future exposures to fluctuations in interest rates of borrowings in accordance with internal policy.	(c) Hedging policy: Same as the left
(d) Method for assessment of effectiveness of hedging: As for the Company and certain subsidiaries, foreign currency forward contracts assigned to receivables and payables in foreign currency have the same currency, amounts and terms of the corresponding receivables and payables. As a result, because of the high correlation and effectiveness maintained between the hedging instruments and the hedged items against fluctuations in foreign exchange rate, the assignment of effectiveness is not performed.	(d) Method for assessment of effectiveness of hedging: Same as the left

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
The effectiveness of derivatives used for hedging long-term borrowings is assessed by comparing the the cumulative cash flow fluctuations of the underlying borrowings or market fluctuations with cumulative cash flow fluctuations of the hedging method or market fluctuations. The Company does not perform the assessment for interest rate swaps that are met the requirements for special treatment.	
(6) Other significant basic item of consolidated financial statements: Accounting for consumption and other taxes: Both the Company and subsidiaries exclude consumption and other taxes from revenues and expenses.	(6) Other significant basic item of consolidated financial statements: Accounting for consumption and other taxes: Same as the left
5. Valuation of Assets and Liabilities of Subsidiaries: Assets and liabilities of the subsidiaries are valued by fully fair value.	5. Valuation of Assets and Liabilities of Subsidiaries: Same as the left
6. Amortization of Goodwill and Negative Goodwill: Goodwill is amortized over periods of less than 20 years, the exact length depending on the reasons for which it was recorded. Negative goodwill is amortized over a period of five years.	6. Amortization of Goodwill and Negative Goodwill: Same as the left
7. Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows: Cash and cash equivalents in the consolidated statements of cash flows comprise cash on hand, demand deposits, and short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value, all of which mature or become due within three months from the date of acquisition.	7. Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows: Same as the left

Changes in Significant Basic Items for Consolidated Financial Statements

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
1. Change in criteria and methods of measurement for inventories Previously, inventories held for sale in the ordinary course of business were stated at cost, determined by the average method. The Company adopted the Accounting Standard Board of Japan (ASBJ) issued ASBJ Statement No. 9, dated July 5, 2006, "Accounting Standard for Measurement of Inventories," which requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value. The effect of adoption of this accounting standard on operating income, ordinary income, and income before income taxes for the fiscal year was not material. 2. Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements Effective from this fiscal year, the Company applied the new Practical Issues Task Force (PITF), "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ PITF No. 18, May 17, 2006)," and accordingly made necessary modifications including amortization of goodwill to its consolidated financial statements. The effect of adoption of this standard was to decrease operating income and ordinary income and income before income taxes, and minority interests for the fiscal year by ¥9,509 million and ¥9,361 million, respectively. The effect of adoption of this accounting standard on the segment information is described in the corresponding section. 3. Accounting standard for lease transaction Effective from this fiscal year, the Company and its Japanese subsidiaries have implemented early adoption of the "Accounting Standard for Lease Transactions (Statement No.13, amended on March 30, 2007)" and the "Guidance on Accounting Standard for Lease Transactions (Guidance No.16, amended on March 30, 2007)," which requires that all finance lease transactions be capitalized, although finance leases in which	1. Partial Amendments to Accounting Standard for Retirement Benefits (Part3) On July 31, 2008, the Accounting Standards Board of Japan (ASBJ) has issued an Accounting Standard - ASBJ Statement No.19 "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)". The Company and its Japanese subsidiaries have adopted this statement beginning this fiscal year. The adoption of this statement did not result in change of the discount rate the Company and its Japanese subsidiaries have previously applied.

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
there is no transfer of ownership were accounted for as operating leases under the former accounting standard for lease transactions. Under the new accounting standard, finance lease transactions in which there is no transfer of ownership are amortized by the straight-line method over the term of the lease, with a residual value of zero. The effect of adoption of this accounting standard on the results for the fiscal year was not material. 4. Change in depreciation method of significant property, plant and equipment (excluding leased assets) Previously, the Company and its Japanese subsidiaries depreciated their property, plant and equipment by the declining-balance method, but effective from this fiscal year, the Company uses the straight-line method, which has been used by the overseas subsidiaries. The Company has decided to apply the straight-line method mainly for the following three reasons to ensure uniformity in the application of its accounting treatment and to more appropriately measure periodic income: i) As a result of carrying out the Company's midterm plan started in April 2006, the balance of property, plant and equipment attributable to subsidiaries outside of Japan is expected to get proportionately larger in the future, and global business operations are becoming increasingly important. In this context, the Company found it necessary to ensure consistency with its foreign subsidiaries in its accounting treatment for depreciation, taking into consideration International Financial Reporting Standards and U.S. GAAP. ii) As the product lines of the Company and its subsidiaries can expect to generate long-term and stable profits, the straight line method is a more suitable way to reflect the allocation of depreciation expenses over a stream of earnings. iii) Property, plant and equipment held by the Company and its Japanese subsidiaries generally are subject to steady operation over their expected lifetime, and repairs and maintenance of facilities are regularly planned and carried out. In this context, repairs and maintenance expenses are expected to remain stable, with few severe fluctuations.	

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
The effect of adoption of this change from the declining-balance method to the straight-line method on the results for the fiscal year was to decrease consolidated depreciation expenses by ¥2,655 million and increase operating income, ordinary income, and income before income taxes and minority interests by ¥1,798 million respectively. Along with the change of depreciation method, the Group has introduced a unified treatment on residual values in which depreciable assets are to be depreciated to one yen (the defined residual value) at the end of their useful life. The effect of adoption of this change on the results for the fiscal year was to increase depreciation expenses by ¥2,000 million and decrease operating income, ordinary income, and income before income taxes and minority interests by ¥1,323 million. The aggregated effect of the change to the straight-line method and the change in residual value as stated above on the results for the fiscal year was to decrease depreciation expenses by ¥654 million and increase operating income, ordinary income, and income before income taxes and minority interests by ¥475 million, respectively. The effect of this change on segment information is stated in the relevant sections.	

Changes in Representation of Consolidated Financial Statements

April 1, 2008 – March 31, 2009	April 1, 2009 - March 31, 2010
(Consolidated Balance Sheet) 1 . "Merchandise and finished goods", "Work in process" and "Raw materials and supplies," which were collectively presented as "Inventories" in the previous fiscal year, are separately presented in this fiscal year pursuant to Cabinet order No. 50 "Revised Version of Regulation concerning Terminology, Form and Methods of Preparation of Consolidated Financial Statements" issued on August 7, 2008. The amount of "Merchandise and finished goods", "Work in process" and "Raw materials and supplies" included in "Inventories" were ¥32,070 million, ¥12,961 million, ¥13,059 million respectively. 2 . The amount of "Long-term loans receivable" separately presented in the previous fiscal year was ¥14 million in this fiscal year. Since it was less than or equal to 1% of total assets, it was included and represented in "Other" in "Investments and other assets."	(Consolidated Balance Sheet) The amount of "Negative goodwill" separately presented in the previous fiscal year was ¥812 million in this fiscal year. Since it was less than or equal to 1% of total liabilities and equity, it was included and represented in "Other" in "long-term liabilities."
(Consolidated Statements of Income) The amount of "Sales discount" in the non-operating expenses, separately presented in the previous fiscal year, was ¥49 million in this fiscal year. Since it was less than or equal to 10% of total non-operating expenses, it was included and represented in "Other non-operating expenses."	(Consolidated statements of income) 1. As the amount of "gain on sales of investment securities", separately presented as an independent account in the previous fiscal year came to less than or equal to 10% of total special gain, it is included in "special gain-other" in this fiscal year. The amount of "gain on sales of investment securities" was ¥0 million.
(Consolidated Statements of Cash Flows) 1 . As the amount of "Amortization of goodwill" included in "Depreciation and amortization" in the operating activities in the previous fiscal year increases in importance, it is separately presented as an independent account. The amount of "Amortization of goodwill" in "Depreciation and amortization" in operating activities was ¥169 million in the previous fiscal year. 2 . The amount of "Amortization of negative goodwill", separately represented as a component of operating activities in the	2. As the amount of "reversal of provision for doubtful accounts" included in "other special gain" in the previous fiscal year exceeded 10% of total special gains, it is separately presented as an independent account in this fiscal year. The amount of "reversal of provision for doubtful accounts" included in the "other special gain" in the previous fiscal year was ¥0 million. 3. As the amount of "Loss on devaluation of investment securities," presented as an independent account in the previous fiscal year, came to less than or equal to 10% of

April 1, 2008 – March 31, 2009	April 1, 2009 - March 31, 2010
previous fiscal year, was -¥324 million in this fiscal year. Since the amount was not material, it was included in “Other” in the operating activities in this fiscal year. 3. The amount of “equity in earnings of associated companies” separately represented in the component of operating activities in the previous fiscal year, was ¥62 million in this fiscal year. Since the amount was not material, it was included in “Other” in the operating activities in this fiscal year.	total special loss, it is included in “special loss other” in this fiscal year. The amount of “Loss on devaluation of investment securities” was ¥44 million in this fiscal year.

Notes to Consolidated Financial Statements

(Consolidated Balance Sheets)

March 31, 2009	March 31, 2010
*1. Notes related to subsidiaries and associated companies Investment securities (stocks) ¥308 mil.	*1. Notes related to subsidiaries and associated companies Investment securities (stocks) ¥174 mil.
*2. Accumulated depreciation includes accumulated loss on impairment of long-lived assets.	*2. Same as the left

(Consolidated Statements of Income)

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
*1. The main contents of selling, general and administrative expenses are as follows: Promotional expenses ¥210,503 mil. Research and development expenses ¥156,106 mil. Salaries and bonuses ¥64,585 mil.	*1. The main contents of selling, general and administrative expenses are as follows: Promotional expenses ¥203,879 mil. Research and development expenses ¥179,082 mil. Salaries and bonuses ¥63,807 mil.
*2. Total research and development expenses included in general and administrative expenses and manufacturing costs for the fiscal year: General and administrative expenses ¥156,106 mil. Manufacturing costs ¥- mil.	*2. Total research and development expenses included in general and administrative expenses and manufacturing costs for the fiscal year: General and administrative expenses ¥179,082 mil. Manufacturing costs ¥- mil. In-process R&D expenses of ¥23,854 mil. was included.
*3. The main content of gain on sales of fixed assets is as follows: Machinery and equipment ¥15 mil.	*3. The main content of gain on sales of fixed assets is as follows: Machinery and equipment ¥14 mil.
*4. The main contents of loss on disposal of fixed assets are as follows: Buildings and structures ¥258 mil. Machinery, equipment and vehicle ¥159 mil. Property, plant and equipment and other (Tools, furniture and fixtures) ¥105 mil.	*4. The main contents of loss on disposal of fixed assets are as follows: Buildings and structures ¥269 mil. Machinery, equipment and vehicle ¥204 mil.
*5. Loss on impairment of long-lived assets The Group classifies its business assets to be held and used for business operations into asset groups on the basis of business segments. The Group is consistently monitoring the profitability. In addition, leased assets, idle assets and sales rights are grouped individually. For the fiscal year, the Group booked an impairment loss on the following asset groups:	*5. Loss on impairment of long-lived assets The Group classifies its business assets to be held and used for business operations into asset groups on the basis of business segments. The Group is consistently monitoring the profitability. In addition, leased assets, idle assets and sales rights are grouped individually. For the fiscal year, the Group booked an impairment loss on the following asset groups:

April 1, 2008 - March 31, 2009

Function	Asset Type	Location
Business assets	Property, plant and equipment (Other), etc.	Toshima-ku Tokyo
Leased assets	Property, plant and equipment (Other)	Chiyoda-ku Tokyo
Idle assets	Land	Maniwa-shi Okayama, and others
Exclusive rights for sales of ethical drugs	Sales rights	Bunkyo-ku Tokyo, U.S.A. and others

As the business assets and the leased assets decreased in profitability and the future cash flow was less than the carrying amount, a loss on impairment of long-lived assets has been recognized by writing-down their carrying amount to a recoverable amount.
As the idle assets significantly decreased in market value, a loss on impairment has been recognized by writing-down the book value to a recoverable amount as well.
As for the exclusive rights for the sales of certain products, change in marketing environments and less probability of certain indication approval caused undiscounted future cash flows to decline below the carrying amount. The carrying amount was decreased by the recoverable amount and loss on impairment was recognized.
The total loss on impairment of long-lived assets for the fiscal year amounted to ¥4,636 million. The loss on impairment mainly consists of sales rights of ¥4,600 million.
The recoverable amount of asset groups is measured by value in use (discount rate: 5.0%-7.7%) or net realizable value. Net realizable value is based on reasonable estimates, such as real estate appraised value by a third-party.

April 1, 2009 - March 31, 2010

Function	Asset Type	Location
Business assets	Intangible assets (Other), etc.	Kawasaki-shi Kanagawa
Leased assets	Property, plant and equipment (Other)	Chiyoda-ku Tokyo
Idle assets	Land	Gero-shi Gifu and others
Exclusive rights for sales of ethical drugs	Sales rights	Bunkyo-ku Tokyo, U.S.A. and others

As the business assets and the leased assets decreased in profitability and the future cash flow was less than the carrying amount, a loss on impairment of long-lived assets has been recognized by writing-down their carrying amount to a recoverable amount.
As the idle assets significantly decreased in market value, a loss on impairment has been recognized by writing-down the book value to a recoverable amount as well.
As for the exclusive rights for the sales of certain products, the decline in the profitability affected by the change in market environments caused undiscounted future cash to decline fell below the carrying amount. The carrying amount was decreased by the recoverable amount and loss on impairment was recognized.
The total loss on impairment of long-lived assets for the fiscal year amounted to ¥4,814 million. The loss on impairment mainly consists of sales rights of ¥4,811 million.
The recoverable amount of asset groups is measured by value in use (discount rate: 7.6%-10.0%) or net realizable value. Net realizable value is based on reasonable estimates, such as real estate appraised value by a third-party.

(Consolidated Statements of Changes in Equity)

Fiscal year ended March 31, 2009

1. Types and number of shares issued and treasury stock

(thousands of shares)

	Number of shares at the end of the previous year	Increase during the year	Decrease during the year	Number of shares at the end of the year
Shares issued				
Common stock	296,566	-	-	296,566
Total	296,566	-	-	296,566
Treasury stock				
Common stock	11,665	19	24	11,660
Total	11,665	19	24	11,660

Notes: (1) The increase of the treasury stock (common stock) was caused by purchase of fractional shares.
(2) The decrease in treasury stock (common stock) was caused by exercises of stock options

2. Stock acquisition rights and stock acquisition rights held by an issuing company

Classification	Content of stock acquisition rights	Type of shares intended to be used for stock acquisition rights	Number of shares intended to be used for stock acquisition rights				Balance at the end of the year (millions of yen)
			At the end of the previous year	Increase	Decrease	At the end of the year	
Eisai Co., Ltd.	Stock acquisition rights as stock option	-					613
Subsidiaries	-	-					-
Total		-					613

3. Dividends

(1) Dividends paid during the fiscal year

Dividend declaration	Type of shares	Total amount of dividends paid (millions of yen)	Cash dividend per share (yen)	Record date	Effective date
Board of Directors meeting held on May 14, 2008	Common stock	18,518	65.00	March 31, 2008	May 26, 2008
Board of Directors meeting held on October 31, 2008	Common stock	19,943	70.00	September 30, 2008	November 19, 2008

(2) Dividends to be paid after the fiscal year ending March 31, 2011, but the record date for the payment of dividends is within the fiscal year ended March 31, 2010

Dividend declaration	Type of shares	Total amount of dividends paid (millions of yen)	Source of dividends to be paid	Cash dividend per share (yen)	Record date	Effective date
Board of Directors meeting held on May 14, 2009	Common stock	19,943	Retained earnings	70.00	March 31, 2009	May 25, 2009

Fiscal year ended March 31, 2010

1. Types and number of shares issued and treasury stock

(thousands of shares)

	Number of shares at the end of the previous year	Increase during the year	Decrease during the year	Number of shares at the end of the year
Shares issued				
Common stock	296,566	-	-	296,566
Total	296,566	-	-	296,566
Treasury stock				
Common stock	11,660	9	40	11,629
Total	11,660	9	40	11,629

Notes: (1) The increase in treasury stock (common stock) was caused by purchase of fractional shares.
(2) The decrease in treasury stock (common stock) was caused by exercises of stock options.

2. Stock acquisition rights and stock acquisition rights held by an issuing company

Classification	Content of stock acquisition rights	Type of shares intended to be used for stock acquisition rights	Number of shares intended to be used for stock acquisition rights				Balance at the end of the year (millions of yen)
			At the end of the previous year	Increase	Decrease	At the end of the year	
Eisai Co., Ltd.	Stock acquisition rights as stock option	-					741
Subsidiaries	-	-					-
Total		-					741

3. Dividends

(1) Dividends paid during the year

Dividend declaration	Type of shares	Total amount of the dividends paid (millions of yen)	Cash dividend per share (yen)	Record date	Effective date
Board of Directors meeting held on May 14, 2009	Common stock	19,943	70.00	March 31, 2009	May 25, 2009
Board of Directors meeting held on October 30, 2009	Common stock	19,943	70.00	September 30, 2009	November 18, 2009

(2) Dividends to be paid after the fiscal year ending March 31, 2011, but the record date for the payment of dividends is within the fiscal year ended March 31, 2010

Dividend Declaration	Type of shares	Total amount of the dividends paid (millions of yen)	Source of the dividends to be paid	Cash dividend per share (yen)	Record date	Effective date
Board of Directors meeting held on May 14, 2010	Common stock	22,795	Retained earnings	80.00	March 31, 2010	May 24, 2010

(Consolidated Statements of Cash Flows)

April 1, 2008 - March 31, 2009	April 1, 2009 – March 31, 2010
*1. Reconciliation between the amount of cash and cash equivalents and that of the related accounts shown in the consolidated balance sheet at the balance sheet date. Cash and cash in banks ¥48,061 mil. Short-term investments ¥104,018 mil. Sub-total ¥152,080 mil. Time deposits whose maturities exceed three months (¥14,433 mil.) Debt securities whose maturities exceed three months (¥6,119 mil.) Cash and cash equivalents ¥131,527 mil.	*1. Reconciliation between the amount of cash and cash equivalents and that of the related accounts shown in the consolidated balance sheet at the balance sheet date. Cash and cash in banks ¥69,637 mil. Short-term investments ¥83,823 mil. Sub-total ¥153,460 mil. Time deposits whose maturities exceed three months (¥34,544 mil.) Debt securities whose maturities exceed three months (¥3,787 mil.) Cash and cash equivalents ¥115,128 mil.

5) Segment Information

1. Business Segment Information

(1) Fiscal year ended March 31, 2009 (millions of Yen)

	Pharma-Ceuticals	Other	Total	Eliminations and Corporate	Consolidated
I. Sales					
(1) Sales to external customers	761,158	20,584	781,743	–	781,743
(2) Intersegment sales	305	18,416	18,722	(18,722)	–
Total sales	761,464	39,001	800,465	(18,722)	781,743
Operating expenses	666,928	37,260	704,188	(14,254)	689,934
Operating income	94,535	1,741	96,276	(4,467)	91,808
II. Assets, depreciation and amortization, loss on impairment of long-lived assets and capital expenditures					
-Assets	1,073,781	24,545	1,098,327	49,836	1,148,163
-Depreciation and amortization	57,691	658	58,349	281	58,631
-Loss on impairment of long-lived assets	4,630	6	4,636	–	4,636
-Capital expenditures	46,367	782	47,149	179	47,328

(2) Fiscal year ended March 31, 2010 (millions of Yen)

	Pharma-ceuticals	Other	Total	Eliminations and Corporate	Consolidated
I. Sales					
(1) Sales to external customers	783,039	20,113	803,152	–	803,152
(2) Intersegment sales	357	18,842	19,200	(19,200)	–
Total sales	783,396	38,955	822,352	(19,200)	803,152
Operating expenses	693,519	36,882	730,401	(13,655)	716,745
Operating income	89,877	2,073	91,950	(5,544)	86,406
II. Assets, depreciation and amortization, loss on impairment of long-lived assets and capital expenditures					
-Assets	1,016,115	23,337	1,039,453	62,456	1,101,910
-Depreciation and amortization	56,354	674	57,028	342	57,370
-Loss on impairment of long-lived assets	4,813	0	4,814	–	4,814
-Capital expenditures	27,856	679	28,536	203	28,739

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

(3) Operating expenses, which are not allocated to each segment, are included in "Eliminations and Corporate," which mainly consists of administrative expenses incurred by headquarters.

Fiscal year ended March 31, 2009 ¥4,469 million

Fiscal year ended March 31, 2010 ¥5,525 million

(4) Corporate assets included in Eliminations and Corporate consist mainly of surplus operating funds of the Company (cash and cash in banks and short-term investments), long-term investments (investment securities), and assets for administration.

Fiscal year ended March 31, 2009 ¥54,314 million
Fiscal year ended March 31, 2010 ¥65,963 million

(5) Depreciation and amortization for the pharmaceuticals segment includes amortization of goodwill.

Fiscal year ended March 31, 2009 ¥9,579 million
Fiscal year ended March 31, 2010 ¥8,467 million

(6) Changes in accounting policies:

Fiscal year ended March 31, 2009

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

As stated in “Changes in Significant Basic Items for Consolidated Financial Statements”2, effective from this fiscal year, the Company applied new Practical Issues Task Force (PITF) “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement (ASBJ PITF No.18, dated on May 17, 2006), and accordingly made necessary modifications to its consolidated financial statements. As a result, operating income decreased by ¥9,509 million in the pharmaceuticals segment.

(Changes in depreciation of property, plant and equipment [excluding lease assets])

As stated in “Changes in Significant Basic Items for Consolidated Financial Statements”4, the Company and its Japanese subsidiaries previously had depreciated its property, plant and equipment by the declining-balance method, but effective from this fiscal year, the Company and its Japanese subsidiaries changed to the straight-line method used by the overseas subsidiaries. As a result, depreciation decreased by ¥2,519 million in the pharmaceuticals segment and by ¥135 million in the other segment, and operating income increased by ¥1,663 million in the pharmaceuticals segment and by ¥135 million in the other segment.

The effect of adopting a new treatment method on residual values in which depreciable assets are depreciated to 1 yen (memorandum price) at the end of their useful life was to increase depreciation by ¥1,961 million in the pharmaceuticals segment and ¥38 million in the other segment, and to decrease operating income by ¥1,284 million in the pharmaceuticals segment and ¥38 million in other segment.

The aggregate effect of the change to straight-line method and the change in residual value as stated above was to decrease deprecation by ¥558 million in the pharmaceuticals segment and by ¥96 million in the other segment, and to increase operating income by ¥378 million in the pharmaceuticals segment and by ¥96 million in the other segment.

Fiscal year ended March 31, 2010

Not applicable

2. Geographical Segment Information

(1) Fiscal year ended March 31, 2009 (millions of Yen)

	Japan	North America	Europe	China	Asia and Others	Total	Elimi-nations and Corporate	Consoli-dated
I. Sales and Operating income or loss	332,453	369,891	51,047	11,437	16,912	781,743	–	781,743
(1) Sales to external customers	111,100	57,190	30,127	36	456	198,910	(198,910)	–
(2) Intersegment sales								
Total sales	443,553	427,081	81,174	11,474	17,369	980,654	(198,910)	781,743
Operating expenses	359,386	427,323	78,022	9,077	13,857	887,667	(197,733)	689,934
Operating income (loss)	84,167	(241)	3,152	2,396	3,511	92,986	(1,177)	91,808
II. Assets	910,185	578,661	59,294	13,880	23,017	1,585,038	(436,875)	1,148,163

(2) Fiscal year ended March 31, 2010 (millions of Yen)

	Japan	North America	Europe	China	Asia and Others	Total	Elimi-nations and Corporate	Consoli-dated
I. Sales and Operating income or loss	359,713	361,162	50,717	15,692	15,866	803,152	–	803,152
(1) Sales to external customers	115,203	57,295	24,345	61	811	197,717	(197,717)	–
(2) Intersegment sales								
Total sales	474,916	418,458	75,062	15,754	16,678	1,000,869	(197,717)	803,152
Operating expenses	371,688	439,085	72,111	13,070	14,499	910,454	(193,708)	716,745
Operating income (loss)	103,228	(20,626)	2,951	2,684	2,179	90,415	(4,009)	86,406
II. Assets	910,003	500,818	65,826	16,777	28,301	1,521,727	(419,816)	1,101,910

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: Asia, Latin America, etc.

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

(4) Operating expenses that are not allocated to each segment are included in “Eliminations and Corporate”, which mainly consists of administrative expenses incurred by headquarters.

Fiscal year ended March 31, 2009 ¥4,469 million

Fiscal year ended March 31, 2010 ¥5,525 million

(5) Corporate assets included in “Eliminations and Corporate” consist mainly of surplus operating fund of the Company (cash and cash in banks and short-term investments), long-term investments (investment securities) and assets for administration.

Fiscal year ended March 31, 2009 ¥54,314 million
Fiscal year ended March 31, 2010 ¥65,963 million

(6) Change in Geographical Segment

Fiscal year ended March 31, 2009
The Group changed their management structure, by assigning a corporate officer to manage the China business due to the increase in the importance of China, shifting from the former structure in which the geographical segmentation consisted of Japan, North America, Europe, and Asia and others.
The amount of sales to external customers, intersegment sales, operating expenses, operating income and assets for China included in the Asia and others segment in the previous fiscal year was ¥9,549 million, ¥3 million, ¥7,599 million, ¥1,953 million and ¥11,092 million, respectively.

Fiscal year ended March 31, 2010
Not applicable

(7) Changes in accounting policies:

Fiscal year ended March 31, 2009

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

As stated in “Changes in Significant Basic Items for Consolidated Financial Statements”2, effective from this fiscal year, the Company applied new Practical Issues Task Force (PITF) “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement (ASBJ PITF No.18, dated on May 17, 2006) and accordingly made necessary modifications to its consolidated financial statements. Consequently, operating income in North America declined by ¥9,428 million while the impact of the change on Europe, China and Asia and others was insignificant.

(Changes in depreciation of property, plant and equipment)

As stated in “Changes in Significant Basic Items for Consolidated Financial Statements”4, Eisai and its Japanese subsidiaries previously depreciated their property, plant and equipment by the declining-balance method, but from this fiscal year, the Company uses the straight-line method used by the overseas subsidiaries. As a result, operating income increased by ¥1,798 million in Japan.
In addition, depreciable assets are depreciated to 1 yen (memorandum price) at the end of their useful life with the introduction of the new treatment method on residual value. As a result, operating income decreased by ¥1,323 million in Japan.
The aggregate effect of the change to the straight line method and the change in residual value as stated above was to increase operating income by ¥475 million in Japan.

Fiscal year ended March 31, 2010
Not applicable

3. Overseas Sales

(1) Fiscal year ended March 31, 2009

(millions of Yen)

	North America	Europe	China	Asia and Others	Total
1. Overseas sales	379,111	64,033	11,437	20,674	475,257
2. Consolidated sales					781,743
3. Share of overseas sales	48.5%	8.2%	1.5%	2.6%	60.8%

(2) Fiscal year ended March 31, 2010

(millions of Yen)

	North America	Europe	China	Asia and Others	Total
1. Overseas sales	369,404	61,266	16,278	18,585	465,535
2. Consolidated sales					803,152
3. Share of overseas sales	46.0%	7.6%	2.0%	2.3%	58.0%

Notes:

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

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

-North America: United States and Canada

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

-Asia and Other: Asia, Latin America, etc.

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

(4) Change in Geographical Segment

Fiscal year ended March 31, 2009

China, which was included in the Asia and others segment in the previous fiscal year, is separately represented from this fiscal year for the same reason stated in the geographical segment information. Overseas sales in China included in “Asia and others” for the previous year were ¥9,549 million.

Fiscal year ended March 31, 2010

Not applicable

6) Transactions with Related Parties

Fiscal year ended March 31, 2009
Not applicable

(Additional Information)
From this fiscal year, ASBJ statements No. 11 “Accounting Standard for Related Party Disclosures” (October 17, 2006) and its implementation guidance-ASBJ guidance No. 13 “Guidance on Accounting Standard for Related Party Disclosures” (October 17, 2006) were applied

Fiscal year ended March 31, 2010
Not applicable

7) Income Taxes

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
1. Description of main items by which deferred tax assets and liabilities were calculated.	1. Description of main items by which deferred tax assets and liabilities were calculated.
(1) Current :	(1) Current :
Deferred tax assets	Deferred tax assets
Entrusted R&D expenses ¥18,237 mil.	Entrusted R&D expenses ¥14,599 mil.
Unrealized profits on inventories ¥5,433 mil.	Reserve for sales rebates ¥5,385 mil.
Accrued bonuses ¥4,831 mil.	Unrealized profits on inventories ¥4,944 mil.
Reserve for sales rebates ¥4,759 mil.	Accrued bonuses ¥4,685 mil.
Other ¥7,687 mil.	Other ¥6,337 mil.
Sub-total ¥40,949 mil.	Sub-total ¥35,953 mil.
Less valuation allowance (¥4,089 mil.)	Less valuation allowance (¥3,495 mil.)
Total deferred tax assets ¥36,860 mil.	Total deferred tax assets ¥32,457 mil.
	Deferred tax liabilities
	Other (¥162 mil.)
(2) Non-current :	(2) Non-current :
Deferred tax assets	Deferred tax assets
Entrusted R&D expenses ¥43,711 mil.	Entrusted R&D expenses ¥35,253 mil.
Tax loss carry forwards ¥18,203 mil.	Liability for retirement benefits ¥18,377 mil.
Liability for retirement benefits ¥17,175 mil.	Depreciation and amortization ¥12,409 mil.
Depreciation and amortization ¥11,416 mil.	Tax credit for R&D expenses ¥10,346 mil.
Other ¥25,798 mil.	Tax loss carry forwards ¥9,577 mil.
Sub-total ¥116,304 mil.	Other ¥15,085 mil.
Less valuation allowance (¥5,635 mil.)	Sub-total ¥101,050 mil.
Total deferred tax assets ¥110,668 mil.	Less valuation allowance (¥1,976 mil.)
	Total deferred tax assets ¥99,073 mil
Deferred tax liabilities	Deferred tax liabilities
Sales rights (¥39,799 mil.)	Sales rights (¥31,511 mil.)
Core technology (¥23,155 mil.)	Core technology (¥20,463 mil.)
Other (¥4,600 mil.)	Other (¥7,317 mil.)
Total deferred tax liability (¥67,555 mil.)	Total deferred tax liability (¥59,292 mil.)
Net deferred tax assets(*) ¥43,113 mil.	Net deferred tax assets(*) ¥39,781 mil.
* Note: Net deferred tax asset is included in the following accounts in the balance sheet:	* Note: Net deferred tax asset is included in the following accounts in the balance sheet:
Non-current assets:	Non-current assets:
Deferred tax assets ¥70,792 mil.	Deferred tax assets ¥63,568 mil.
Non-current liabilities:	Non-current liabilities:
Deferred tax liabilities ¥27,679 mil.	Deferred tax liabilities ¥23,786 mil.

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
2. Reconciliation between the effective income tax rate and the statutory tax rate: (%) Statutory tax rate 41.0 (Reconciliation) Expenses not permanently deductible for income tax purposes, such as entertainment expense 4.4 Income not permanently taxable for income tax purposes, such as dividend income (0.2) Tax credit for R&D expenses (15.1) Difference in statutory tax rate of subsidiaries (3.3) Valuation allowance 3.1 Amortization of goodwill 5.3 Others (3.8) Effective income tax rate 31.4	2. Reconciliation between the effective income tax rate and the statutory tax rate: (%) Statutory tax rate 41.0 (Reconciliation) Expenses not permanently deductible for income tax purposes, such as entertainment expense 3.1 Income not permanently taxable for income tax purposes, such as dividend income (0.2) Tax credit for R&D expense (12.9) Difference in statutory tax rate of subsidiaries (0.4) Valuation allowance (2.0) Amortization of goodwill 4.1 In-process R&D expenses 11.2 Others 1.1 Effective income tax rate 45.0

8) Financial Instruments

Fiscal year ended March 31, 2010
1. Financial Instruments – Overview

The Group holds its surplus funds as safe and highly liquid financial assets and finances its business by borrowing from banks and issuing commercial paper and company bonds.
Credit risks of our customers in relation to notes and accounts receivable-trade or foreign currency exchange risks are reduced according to the Group's credit control procedure or by the use of forward exchange contracts. Credit risks in relation to short-term investments and investment securities or the price volatility risks are reduced by monitoring the fair values of such securities and the financial conditions of the issuing firms (our business partners) periodically.
With regard to borrowing from banks or issuing corporate bonds, which are financing in relation to short-term working capital or the acquisition of a company, interest-rate risks in relation to long-term borrowings are reduced by the use of derivative transactions (interest-rate swap transactions). In line with the Group's control procedure, derivative transactions are used in order to avoid the risk of currency exchange or change in an interest-rate and the Group does not intend to enter into these transactions for speculative purposes.

2. Fair Value of Financial Instruments

Carrying amount, fair value and net unrealized gain/loss of the financial instruments as of March 31, 2010 (balance sheet date for the current fiscal year) are shown in the table below. It does not include items for which the fair value is recognized to be infeasible to accurately determine.

(millions of yen)

	Carrying Amount	Fair Value	Unrecognized gain/loss
(1) Cash and cash in banks	69,637	69,637	-
(2) Notes and accounts receivable-trade	207,219		
Allowance for doubtful receivables(*1)	(239)		
Balance	206,980	206,980	-
(3)Short-term investments and investment securities			
a. Held-to-maturity securities	15,748	16,052	303
b. Other securities	130,215	130,215	-
Total assets	422,581	422,884	303
(1)Notes and accounts payable-trade	20,314	20,314	-
(2)Short-term borrowings	24,000	24,000	-
(3)Accounts payable-other	67,913	67,913	-
(4)Income tax payables	6,555	6,555	-
(5)Corporate bonds	119,987	123,684	3,696
(6)Long-term borrowings	265,824	270,608	4,784
Total liabilities	504,595	513,076	8,481
(1). Non-hedge accounting	[454]	[454]	-
(2). Hedge accounting			
a. Basic treatment	[1,032]	[1,032]	-
b. Special treatment (Interest-rate swap)	-	[2,835]	[2,835]
Total derivative transactions(*2)	[1,487]	[4,322]	[2,835]

(*1) Allowance for doubtful receivables is deducted from notes and account receivable-trade.
(*2) Net receivables and payables derived as the result of derivative transactions are presented. Values in parentheses show net liabilities.

(Note 1) Method used to calculate fair value of financial instruments and instructions for short-term investments and derivative transactions

Assets :(1) Cash and cash in banks, and (2) Notes and accounts receivable-trade

Carrying values are used as fair values of these items because the fair values are nearly equal to such carrying values because they are settled within a short period.

(3) Short-term investments and investment securities

Fair values of equity securities traded on securities exchanges are based on the market value and values offered by correspondent financial institutions are used for debt securities.

Liability: (1) Notes and accounts payable-trade, (2) Short-term borrowings, (3) Accounts payable-other and (4) Income tax payables

Carrying values are used as fair values of these items because the fair values are nearly equal to such carrying values because they are settled within a short period.

(5)Corporate bonds

Market values offered by correspondent financial institutions are used as fair values.

(6)Long-term borrowings

With regard to variable interest rate, carrying values are used as fair values of these items because the fair values are nearly equal to such carrying values as market rate is reflected in a short period. On the other hand, as for fixed interest rate, fair values of these items are calculated by discounting the total amount of principal and interest by using the interest rates that would presumably apply if similar borrowings were newly made.

Derivative transactions:

Market values offered by correspondent financial institutions are used as fair values.
The amount of fair value of allocation of gain/loss on foreign exchange forward contracts were included in the fair value of account receivable -trade

(Note: 2) Unlisted equity securities (carrying amount: ¥2,657 million), because they have no market price and their fair values are therefore recognized as being infeasible to accurately determine, are not included in [Asset (3) Short-term investments and investment securities]

(Additional information)
From this fiscal year, ASBJ statements No. 10 “Accounting Standard for Financial Instruments” (March 10, 2008) and its implementation guidance-ASBJ guidance No. 19 “Guidance on Accounting Standard for Financial Instruments Disclosures” (March 10, 2008) were applied.

9) Securities

Fiscal year ended March 31, 2009

(1) Market Value of Held-to-Maturity Securities (March 31, 2009)

(millions of yen)

		Carrying amounts	Fair value	Unrecognized gain/loss
Carrying amounts below fair value	1. Government and municipal bonds and others	-	-	-
	2. Corporate bonds	1,696	1,704	8
	3. Other	7,099	7,293	193
	Sub-total	8,796	8,998	202
Carrying amounts exceeding fair value	1. Government and municipal bonds and others	-	-	-
	2. Corporate bonds	9,050	8,763	(286)
	3. Other	5,001	4,988	(13)
	Sub-total	14,051	13,752	(299)
T O T A L		22,848	22,750	(97)

(2) Market Value of Available-for-Sale Securities (March 31, 2009)

(millions of Yen)

		Acquisition cost	Carrying amounts	Unrecognized gain/loss
Carrying amounts below fair value	1. Stocks	19,120	23,411	4,291
	2. Bonds	-	-	-
	Government and municipal bonds and others	-	-	-
	Corporate bonds	-	-	-
	3. Other	1,227	1,238	11
	Sub-total	20,347	24,650	4,302
Carrying amounts exceeding fair value	1. Stocks	15,470	13,466	(2,003)
	2. Bonds	2,634	2,385	(249)
	Government and municipal bonds and others	-	-	-
	Corporate bonds	2,634	2,385	(249)
	3. Other	1,013	968	(45)
	Sub-total	19,118	16,820	(2,298)
T O T A L		39,466	41,470	2,003

Notes: The Group recorded a loss on impairment of investment securities of ¥8,404 million for the year ended March 31, 2009, which consisted of ¥7,941 million in equity securities and ¥463 million in debt securities.

Impairment of securities is recognized when the market value at end of period becomes less than half of the carrying amounts at beginning of the fiscal year, except when it is deemed that the carrying value is recoverable. The loss is also recognized when the decline in value at end of the fiscal year is between 30% and 50% of the carrying amount at beginning of the fiscal year, considering the trend of the market price and the fair value at the end of the fiscal year.

(3) Other Marketable Securities Sold During the Fiscal Year (April 1, 2008 - March 31, 2009)

(millions of Yen)

Proceeds from sales	Gain on sales	Loss on sales
4,289	433	12

(4) Held-to-Maturity Securities and Available-for-Sale Securities of Which Fair Value is Not Readily Determinable (March 31, 2009)

1. Held-to-Maturity Securities		¥- million
2. Available-for-sale securities		
	Unlisted stocks	¥2,075 million
	MMF and others	¥97,899 million

(5) Scheduled amount of redemption of available-for-sale securities with maturity date and held-to-maturity securities (March 31, 2009)

(millions of Yen)

	Due within 1 year or less	Due after 1 to 5 years	Due after 5-10 years	Due more than 10 years
1. Bonds	4,399	5,719	13,153	1,960
Government and municipal bonds and others	-	-	-	-
Corporate bonds	4,399	5,619	1,151	1,960
Others	-	99	12,001	-
2. Others	1,719	486	-	1
Total	6,119	6,206	13,153	1,961

Fiscal year ended March 31, 2010

(1) Market Value of Held-to-Maturity Securities (March 31, 2010)

(millions of Yen)

		Carrying amounts	Fair value	Unrecognized gain/loss
Carrying amounts below fair value	1. Government and municipal bonds and others	-	-	-
	2. Corporate bonds	3,346	3,372	25
	3. Other	12,101	12,380	278
	Sub-total	15,448	15,752	304
Carrying amounts exceeding fair value	1. Government and municipal bonds and others	-	-	-
	2. Corporate bonds	299	299	(0)
	3. Other	-	-	-
	Sub-total	299	299	(0)
T O T A L		15,748	16,052	303

(2) Market Value of Available-for-Sale Securities (March 31, 2010)

(millions of Yen)

		Carrying amount	Acquisition cost	Unrecognized gain/loss
Carrying amounts below fair value	1. Stocks	40,304	30,937	9,366
	2. Bonds	2,362	2,107	255
	Government and municipal bonds and others	-	-	-
	Corporate bonds	2,362	2,107	255
	Other	-	-	-
	3. Other	2,077	2042	34
	Sub-total	44,744	35,087	9,656
Carrying amounts exceeding fair value	1. Stocks	5,162	6,101	(938)
	2. Bonds	55	55	-
	Government and municipal bonds and others	-	-	-
	Corporate bonds	55	55	-
	Other	-	-	-
	3. Other	80,251	80,254	(2)
	Sub-total	85,470	86,411	(941)
T O T A L		130,215	121,499	8,715

(3) Other Marketable Securities Sold During this Fiscal Year (April 1, 2009 - March 31, 2010)

Type	Proceeds from sales	Gain on sales	Loss on sales
(1) Stock	0	0	-
Total	0	0	-

(4) Available-for-sale securities recorded impairment losses
(April 1, 2009- March 31, 2010)

The Company recorded a loss on impairment of investment securities of ¥44 million for the year ended March 31, 2010, which consists of ¥0 million in shares of equity and ¥44 million in securities. Impairment of securities is recognized when the market value at end of period is less than half of the carrying amounts at beginning of the fiscal year, except when it is deemed that the carrying value is recoverable. A loss is also recognized when the decline in value at end of the fiscal year is between 30% and 50% of the carrying amount at beginning of the fiscal year, taking into consideration the trend of the market price and the fair value at the end of the fiscal year.

10) Derivative Financial Instruments

Fiscal year ended March 31, 2009

[Foreign Currency Related Derivatives] (millions of Yen)

	Contract Amounts	Over 1 Year	Fair Value	Unrealized gain (loss)
Non-market transaction				
Foreign exchange forward Contracts				
Selling: USD	34,071	_	34,679	(607)
Selling: EUR	2,165	_	2,292	(127)
Total	_	_	_	(735)

Notes:

1. The valuation of fair values for those contracts was based on foreign exchange forward market quotations.
2. Contracts subject to hedge accounting are not disclosed.

Fiscal year ended March 31, 2010

1. Derivatives Financial Instruments Not Subject to Hedge Accounting

(1) Foreign Currency Related Derivatives (millions of Yen)

	Contract amounts	Over 1 Year	Fair Value	Unrealized gain (loss)
Non-market transaction				
Foreign exchange forward Contracts				
Selling: USD	25,833	_	(448)	(448)
Selling: EUR	3,416	_	3	3
Buying: EUR	1,260	_	(9)	(9)
Total	30,510	_	(454)	(454)

Notes: 1. The valuation of fair values for those contracts was based on prices disclosed by relevant financial institutions.

2. Derivative Financial Instruments Processed by hedge accounting

(1) Foreign Currency Related Derivatives

(millions of Yen)

	Contract Amounts	Over 1 Year	Fair Value
Allocation of gain/loss on foreign exchange forward contracts			
Foreign exchange forward contracts			
Selling: U.S. dollar			
Account receivable-trade	1,112	—	—

Notes:

1. For the allocation of gain/loss on foreign exchange forward contracts, because they are accounted for in combination with the hedged accounts receivable, their fair value is included in, and presented with, the fair market value of the accounts receivable.

(2) Interest Related Derivatives

(millions of Yen)

	Contract Amounts	Over 1 Year	Fair Value
Basic treatment			
Interest rate swap			
Fixed interest payment			
Floating interest receivable			
Long-term borrowings	40,000	40,000	(1,032)
Special treatment			
Interest rate swap			
Fixed interest payment			
Floating interest receivable			
Long-term borrowings	115,000	115,000	(2,835)
Total	155,000	155,000	(3,867)

Notes:

1. The valuation of fair values for those contracts was based on prices disclosed by relevant financial institutions.

11) Pension Plans and Retirement Benefit Costs

April 1, 2008-March 31, 2009	April 1, 2009-March 31, 2010
1. Outline of pension plan: The Company: The Company adopts defined-benefit pension plan and retirement lump-sum payments. The transfer rate to the defined-benefit pension plan fund is 45%. Additional severance payment may be made to some employees. Consolidated subsidiaries: Certain Japanese subsidiaries adopt a defined-benefit pension type of joint pension plan, an approved pension scheme and retirement lump-sum payments. Certain overseas subsidiaries adopt a defined contribution plan as well as a defined-benefit plan. Additional severance payment may be made to some employees.	1. Outline of pension plan: The Company: Same as the left. Consolidated subsidiaries: Certain Japanese subsidiaries adopt a defined-benefit pension type of joint pension plan, a defined-benefit pension scheme and retirement lump-sum payments. Certain overseas subsidiaries adopt a defined contribution plan as well as a defined-benefit plan. Additional severance payment may be made to some employees
2. Projected benefit obligation benefits at March 31, 2009 (millions of Yen) Projected benefit obligation (¥116,212) Fair value of plan assets ¥67,828 Net unfunded obligation (¥48,383) Unrecognized actuarial gain ¥30,514 Unrecognized prior service cost (Note 1) (¥3,905) Liability for retirement benefits (¥21,774) (Note 1) The changes of pension plan on December 1, 2004 generated the elimination of additional benefit and the changes of pension plan on October 1, 2005 generated the prior service cost. (Note 2) Certain subsidiaries adopt the simple method to calculate projected benefit obligation.	2. Projected benefit obligation benefits at March 31, 2010 (millions of Yen) Projected benefit obligation (¥117,079) Fair value of plan assets ¥72,353 Net unfunded obligation (¥44,726) Unrecognized actuarial gain ¥19,632 Unrecognized prior service cost (Note1) (¥1,274) Liability for retirement benefits (¥26,368) (Note 1) The changes of pension plan on October 1, 2005 generated the prior service cost. (Note 2) Certain subsidiaries adopt the simple method to calculate projected benefit obligation.
3. Components of retirement benefit costs: (millions of Yen) Service cost (Note 1) ¥3,833 Interest cost ¥ 2,770 Expected return on plan assets (¥2,469) Amortization of unrecognized net actuarial gain (¥994)	3. Components of retirement benefit costs: (millions of Yen) Service cost (Note 1) ¥3,854 Interest cost ¥2,834 Expected return on plan assets (¥1,883) Amortization of unrecognized net actuarial gain ¥5,520

April 1, 2008-March 31, 2009	April 1, 2009-March 31, 2010
Amortization of prior service cost (Note 2) (¥2,638) Contribution to defined contribution plan and others ¥1,989 Adjustment for the change to principle method (Note 3) ¥ 377 Retirement benefit costs ¥ 2,869 (Note 1) All retirement benefit costs of subsidiaries that adopt the simple method are included in service cost. (Note 2) Reflects the current amortization of prior service cost described in (Note 1) of "2. Projected benefit obligation". (Note 3) In this fiscal year, one Japanese consolidated subsidiary changed the calculation method of retirement benefit obligation from simple method to the principle method. The insufficient reserves were charged to income in this fiscal year.	Amortization of prior service cost (¥2,616) Contribution to defined contribution plan and others ¥2,140 Retirement benefit costs ¥9,849 (Note 1) All retirement benefit costs of subsidiaries that adopt the simple method are included in service cost.
4. Basis of the calculation for projected benefit obligation and others: Method of calculation of projected benefit obligation: Straight-line method over the average years of service Discount rate: Principally 2.5 % Expected rate of return on plan assets: Principally 4.0 % Amortization period of prior service cost: Straight-line method over five years Amortization period of actuarial gain/loss: Straight-line method over five years from the following fiscal year	4. Basis of the calculation for projected benefit obligation and others: Same as the left
5. Multi-employer pension plan whose obligations are treated as retirement benefit costs. Three Japanese subsidiaries have pension assets calculated in proportion to the pension contribution amount. Descriptions of the pension plan are as follows: (a) Overall situation of fund (as of 31 March, 2008) Fair value of plan assets: ¥415,832 mil. Benefit obligation on the basis of pension financing: ¥497,473 mil. Difference: (¥81,640 mil.)	5. Multi-employer pension plan whose obligations are treated as retirement benefit costs. Three Japanese subsidiaries have pension assets calculated in proportion to the pension contribution amount. Descriptions of the pension plan are as follows: (a) Overall situation of fund (as of 31 March, 2009) Fair value of plan assets: ¥325,177 mil. Benefit obligation on the basis of pension financing: ¥502,794 mil. Difference: (¥177,616 mil.)

April 1, 2008-March 31, 2009	April 1, 2009-March 31, 2010
Above figures are provided using information available as of the balance sheet date. (b) Contribution share of the three subsidiaries to the total pension plan (from April 1, 2008 through March 31, 2009): 0.7% (c) Supplementary remarks The difference amount of ¥81,640 mil. described in above (a) was calculated by subtracting the general reserve of ¥52,152 mil. from the sum of the balance of unamortized prior service costs of ¥57,689 mil. plus the balance due of ¥76,103 mil. which is to be covered by reversal of the general reserve. Amortization of balance of unamortized prior service costs for the purpose of pension financing calculation is on the following basis; equal repayment method, contribution of employer: 1.55% and residual period as of March 31, 2008: 10 years and 10 months The share ratio in above (b) is not equal to the actual share.	Above figures are provided using information available as of the balance sheet date. (b) Contribution share of the three subsidiaries to the total pension plan (from April 1, 2009 through March 31, 2010): 0.7% (c) Supplementary remarks The different amount of ¥177,616 mil. described in above (a) was due to unamortized prior service costs of ¥53,210 mil., balance due of ¥100,455 mil. and insufficient carryforwards of ¥23,950 mil. from previous year. Amortization of balance of unamortized prior service costs for the purpose of pension financing calculation is on the following basis; equal repayment method, contribution of employer: 1.55% and residual period as of March 31, 2009: 9 years and 10 months The share ratio in above (b) is not equal to the actual share.

12) Stock Option

Fiscal Year Ended March 31, 2009 (April 1, 2008 - March 31, 2009)

Details and fluctuation status

(1) Amount of cost recorded and name of account items

Cost of goods sold	3 million yen
Selling, general & administrative expenses	53 million yen
Total	57 million yen

(2) Details, scope, and changes of stock options

1) Details of stock options

Company Date of decision	Eisai Co., Ltd. June 29, 2000	Eisai Co., Ltd. June 28, 2001	Eisai Co., Ltd. June 27, 2002	Eisai Co., Ltd. June 24, 2003
Classification and number of persons for grant	Director 9 Employee 16	Director 7 Employee 35	Director 4 Employee 37	Director 7 Employee 43
Number of stock options*	Common stock 142,000 shares	Common stock 180,000 shares	Common stock 175,000 shares	Common stock 210,000 shares
Date of grant	September 1, 2000	August 1, 2001	July 1, 2002	July 1, 2003
Condition of vested right	not specified	same as the left	same as the left	same as the left
Requisite service period	not specified	same as the left	same as the left	same as the left
Exercise period	September 1, 2000- June 29, 2010	September 3, 2001- June 28, 2011	July 1, 2002- June 27, 2012	July 1, 2003- June 24, 2013

Company Date of decision	Eisai Co., Ltd. June 24, 2004	Eisai Co., Ltd. June 24, 2005	Eisai Co., Ltd. June 23, 2006	Eisai Co., Ltd. June 22, 2007
Classification and number of persons for grant	Director 11 Executive officer 18 Employee 27	Director 11 Executive officer 20 Employee 31	Director 10 Executive officer 22 Employee 32	Director 10 Executive officer 24 Employee 32
Number of stock options*	Common stock 238,000 shares	Common stock 262,000 shares	Common stock 254,000 shares	Common stock 264,000 shares
Date of grant	July 1, 2004	July 1, 2005	July 10, 2006	July 9, 2007
Condition of vested right	not specified	same as the left	same as the left	same as the left
Requisite service period	not specified	same as the left	same as the left	same as the left
Exercise period	July 1, 2004- June 24, 2014	July 1, 2007- June 24, 2015	July 10, 2008- June 23, 2016	July 9, 2009- June 22, 2017

Company Date of decision	Eisai Co., Ltd. June 20, 2008
Classification and number of persons for grant	Director 10 Executive officer 26 Employee 36
Number of stock options*	Common stock 288,000 Stocks
Date of grant	July 7, 2008
Condition of vested right	Continuous service for the duration from the date of grant (July 7, 2008) to the date of right allotment (June 20, 2010). The other conditions are subject to contracts of allotment of share option concluded with the persons allotted the share option.
Requisite service period	July 7, 2008- June 20, 2010
Exercise period	July 21, 2010- June 20, 2018

*: the number has been coverted to number of shares

2) Scope and changes of stock options

a) Number of stock options

Date of decision	June 29, 2000	June 28, 2001	June 27, 2002	June 24, 2003
After the right is vested				
End of the previous period	53,200	68,600	114,800	72,100
Right vested	-	-	-	-
Exercise of right	-	10,200	-	11,200
Invalidation	-	-	-	-
Unexercised stock options at the end of period	53,200	58,400	114,800	60,900

Date of decision	June 24, 2004	June 24, 2005	June 23, 2006	June 22, 2007
After the right is vested				
End of the previous period	193,700	235,600	254,000	264,000
Right vested	-	-	-	-
Exercise of right	1,500	1,200	-	-
Invalidation	-	-	-	-
Unexercised stock options at the end of period	192,200	234,400	254,000	264,000

Date of decision	June 20, 2008
Before the right is vested	
End of the previous period	-
Number of stock options granted	288,000
Invalidation	-
Right vested	-
Unexercised stock options at the end of period	288,000

b) Unit information

Date of decision	June 29, 2000	June 28, 2001	June 27, 2002	June 24, 2003
Date of grant	September 1, 2000	August 1, 2001	July 1, 2002	July 1, 2003
Exercise price (yen)	3,090	2,668	3,165	2,520
Market average at execution of right (yen)	-	3,659	-	3,742
Fair value (yen) (Date of grant)	-	-	-	-

Date of decision	June 24, 2004	June 24, 2005	June 23, 2006	June 22, 2007
Date of grant	July 1, 2004	July 1, 2005	July 10, 2006	July 9, 2007
Exercise price (yen)	3,170	3,820	5,300	5,480
Market average at execution of right (yen)	3,763	3,930	-	-
Fair value (yen) (Date of grant)	-	-	1,161	991

Date of decision	June 20, 2008
Date of grant	July 7, 2008
Exercise price (yen)	3,760
Market average at execution of right (yen)	-
Fair value (yen) (Date of grant)	530

(3) Estimated valuation for fair market value per stock option

Estimated valuation for fair market value of the stock options granted on July 7, 2008 is as follows:
1) Valuation model: Black-Scholes option pricing model

Expected volatility (Note 1)	23.45%
Expected life (Note 2)	6 years
Expected dividend (Note 3)	140 yen / share
Risk-free interest rate (Note 4)	1.37%

(Notes)
1. This figure is estimated based on historical data on stock price for the past six years.
2. Expected life is estimated in the middle of exercisable period as reasonable estimate is not possible.
3. This is based on the expected dividend for the fiscal year ended March 31, 2009 as of July 2008.
4. This rate is the government bond yield over the above expected life.

(4) Calculation methods for number of rights vested

Only the actual lapsed number of vested stock options is used for calculation of the number of rights vested as a reasonable estimate of the future number of lapsed options is not possible.

Fiscal Year Ended March 31, 2010 (April 1, 2009 - March 31, 2010)
Details and fluctuation status

(1) Amount of cost recorded and name of account items

Cost of goods sold	9 million yen
Selling, general & administrative expenses	118 million yen
Total	127 million yen

(2) Details, scope, and changes of stock options

1) Details of stock options

Company Date of decision	Eisai Co., Ltd. June 29, 2000	Eisai Co., Ltd. June 28, 2001	Eisai Co., Ltd. June 27, 2002	Eisai Co., Ltd. June 24, 2003	Eisai Co., Ltd. June 24, 2004
Classification and number of persons for grant	Director 9 Employee 16	Director 7 Employee 35	Director 4 Employee 37	Director 7 Employee 43	Director 11 Executive officer 18 Employee 27
Number of stock options*	Common stock 142,000 shares	Common stock 180,000 shares	Common stock 175,000 shares	Common stock 210,000 shares	Common stock 238,000 shares
Date of grant	September 1, 2000	August 1, 2001	July 1, 2002	July 1, 2003	July 1, 2004
Condition of vested right	not specified	same as the left	same as the left	same as the left	same as the left
Requisite service period	not specified	same as the left	same as the left	same as the left	same as the left
Exercise period	September 1, 2000- June 29, 2010	September 3, 2001- June 28, 2011	July 1, 2002- June 27, 2012	July 1, 2003- June 24, 2013	July 1, 2004- June 24, 2014

Company Date of decision	Eisai Co., Ltd. June 24, 2005	Eisai Co., Ltd. June 23, 2006	Eisai Co., Ltd. June 22, 2007	Eisai Co., Ltd. June 20, 2008	Eisai Co., Ltd. June 19, 2009
Classification and number of persons for grant	Director 11 Executive officer 20 Employee 31	Director 10 Executive officer 22 Employee 32	Director 10 Executive officer 24 Employee 32	Director 10 Executive officer 26 Employee 36	Director 10 Executive officer 27 Employee 36
Number of stock options*	Common stock 262,000 shares	Common stock 254,000 shares	Common stock 264,000 shares	Common stock 288,000 shares	Common stock 291,000 shares
Date of grant	July 1, 2005	July 10, 2006	July 9, 2007	July 7, 2008	July 6, 2009
Condition of vested right	not specified	same as the left	same as the left	Continuous service for the duration from the date of grant (July 7, 2008) to the date of right allotment (June 20, 2010). The other conditions are subject to contracts of allotment of share option concluded with the persons allotted the share option.	Continuous service for the duration from the date of grant (July 6, 2009) to the date of right allotment (June 19, 2011). The other conditions are subject to contracts of allotment of share option concluded with the persons allotted the share option.
Requisite service period	not specified	same as the left	same as the left	July 7, 2008- June 20, 2010	July 6, 2009- June 19, 2011
Exercise period	July 1, 2007- June 24, 2015	July 10, 2008- June 23, 2016	July 9, 2009- June 22, 2017	June 21, 2010- June 20, 2018	June 20, 2011- June 19, 2019

*: the number has been coverted to number of shares

2) Scope and changes of stock options

a) Number of stock options

Date of decision	June 29, 2000	June 28, 2001	June 27, 2002	June 24, 2003
After the right is vested				
End of the previous period	53,200	58,400	114,800	60,900
Right vested	-	-	-	-
Exercise of right	16,400	10,100	6,400	7,000
Invalidation	-	-	-	-
Unexercised stock options at the end of period	36,800	48,300	108,400	53,900

Date of decision	June 24, 2004	June 24, 2005	June 23, 2006	June 22, 2007
After the right is vested				
End of the previous period	192,200	234,400	254,000	264,000
Right vested	-	-	-	-
Exercise of right	1,000	-	-	-
Invalidation	-	-	-	-
Unexercised stock options at the end of period	191,200	234,400	254,000	264,000

Date of decision	June 20, 2008*	June 19, 2009
Before the right is vested		
End of the previous period	288,000	-
Number of stock options granted	-	291,000
Invalidation	5,000	-
Right vested	-	-
Unexercised stock options at the end of period	283,000	291,000

* : the stock option of 5,000 shares was invalidated as of June 20, 2008, due to a resignation of a corporate officer from the Company on April 2009 before the exiration of the duration of continuous service conditioned for vesting the stock options

b) Unit Information

Date of decision	June 29, 2000	June 28, 2001	June 27, 2002	June 24, 2003	June 24, 2004
Date of grant	September 1, 2000	August 1, 2001	July 1, 2002	July 1, 2003	July 1, 2004
Exercise price (yen)	3,090	2,668	3,165	2,520	3,170
Market average at execution of right (yen)	3,492	3,484	3,501	3,531	3,490
Fair value (yen) (Date of grant)	-	-	-	-	-

Date of decision	June 24, 2005	June 23, 2006	June 22, 2007	June 20, 2008	June 19, 2009
Date of grant	July 1, 2005	July 10, 2006	July 9, 2007	July 7, 2008	July 6, 2009
Exercise price (yen)	3,820	5,300	5,480	3,760	3,320
Market average at execution of right (yen)	-	-	-	-	-
Fair value (yen) (Date of grant)	-	1,161	991	530	471

(3) Estimated valuation for fair market value per stock option

Estimated valuation for the fair market value of the stock options granted on July 6, 2009 is as follows:

1) Valuation model: Black-Scholes option pricing model

2) Basic figures for calculation

Expected volatility (Note 1)	27.10%
Expected life (Note 2)	6 years
Expected dividend (Note 3)	150 yen / share
Risk-free interest rate (Note 4)	0.80%

(Notes)

1. This figure is estimated based on historical data on stock price for the past six years.
2. Expected life is estimated in the middle of exercisable period as reasonable estimate is not possible.
3. This is based on the expected dividend for fiscal 2009 as of July 2009.
4. Risk-free interest rate is that of the government bond corresponding to the expected life shown above.

(4) Calculation methods for number of rights vested

Only the actual lapsed number of vested stock options is used for calculation of the number of rights vested as a reasonable estimate of the future number of lapsed options is not possible.

13) Business Combinations

Fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

Not applicable

Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

1. Acquisition of AkaRx, Inc. by share purchase

(1) Outlines

1) Description of the acquired company

a. Name of company acquired: AkaRx, Inc. (U.S.)

b. Description of acquired business:
Development, market and manufacture of AKR-501 (agent to treat thrombocytopenia)

c. Reason and purpose of acquisition:
In order to obtain the exclusive worldwide rights to develop, market and manufacture AKR-501 which is expected to demonstrate its effects in various diseases associated with thrombocytopenia to further enhance its portfolio of pipeline products

d. Date of acquisition: January 6, 2010 (U.S. Eastern Standard Time)

e. Legal form of share purchase
Eisai Inc. (hereinafter referred to as ESI) exercised an option to acquire AkaRx,Inc. that was obtained through the acquisition of MGI PHARMA, INC. in January 2008. A special-purpose entity for acquisition, that ESI had established, paid cash as compensation for the merger to the shareholders of AkaRx, Inc. As a result of the transaction, AkaRx, Inc.,a surviving company, merged with the special-purpose entity and became a wholly-owned subsidiary of ESI.

f. Name of the company after acquisition: AkaRx, Inc.

g. Acquired voting rights: 100%

2) Description of acquisition costs

Cash paid:	USD 255 million
Direct costs relating to the acquisition:	USD 2 million
Total acquisition costs:	USD 257 million

3) Description of the purchase price allocated to R&D expenses

Amount :	USD 257 million
Accounts:	R&D expenses

Despite the lack of equity ownership, in accordance with the U.S. GAAP, AkaRx,Inc. has been treated as a consolidated subsidiary of Eisai from the time of Eisai's acquisition of MGI PHARMA in January 2008.

14) Rental Properties

Fiscal year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

Not applicable

(Additional Information)
The Company has adopted the Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No.20, November 28, 2008) and the Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Guidance No.23, November 28, 2008) beginning from this fiscal year.

15) Per Share Information

April 1, 2008 – March 31, 2009		April 1, 2009- March 31, 2010	
Book-value per share:	¥1,502.08	Book-value per share:	¥1,459.74
Basic earnings per share	¥ 167.35	Basic earnings per share	¥141.58
Diluted earnings per share	¥167.30	Diluted earnings per share	¥141.56

Note: The basis of the calculation of basic earnings (loss) per share and diluted earnings per share are as follows:

	April 1, 2008 – March 31, 2009	April 1, 2009 – March 31, 2010
Basic earnings per share		
(1) Net income (mil. yen)	47,678	40,338
(2) Amount not attributed to common stockholders (mil. yen)	-	-
(3) Net income related to common stock (mil. yen)	47,678	40,338
(4) Average number of common stock shares outstanding (thousand shares)	284,904	284,909
Diluted earnings per share		
Increased number of common stock (thousand shares)	81	44
[Subscription rights] (thousand shares)	[22]	[13]
[Stock options] (thousand shares)	[59]	[31]
Diluted securities with no dilutive effects, which were not included in diluted EPS	Stock options (involving 518 thousand stock options) approved by the General Meeting of Shareholders or Directors Meeting on the following dates: *June 23, 2006 *June 22, 2007	Stock options (involving 1,035 thousand stock options) approved by the General Meeting of Shareholders or Directors Meeting on the following dates: *June 24, 2005 *June 23, 2006 *June 22, 2007 *June 20, 2008

16) Significant Subsequent Events

Not applicable

5. Non-consolidated Financial Statements

1) Non-consolidated Balance Sheets

(millions of yen)

		March 31, 2009		March 31, 2010
ASSETS				
Current assets				
Cash and cash in banks		16,667		38,613
Notes receivable-trade	*1	1,289	*1	965
Accounts receivable-trade	*1	146,653	*1	158,415
Short-term investments		7,611		4,143
Merchandise and finished goods		17,314		18,695
Work in process		10,373		12,932
Raw materials and supplies		9,378		8,236
Deferred tax assets		23,012		17,946
Accounts receivable-other	*1	19,496		-
Other		12,344		18,142
Total current assets		264,143		278,091
Fixed assets				
Property, plant and equipment				
Buildings		112,048		117,620
Accumulated depreciation	*3	(69,837)	*3	(73,502)
Buildings-net		42,210		44,118
Structures		8,095		8,191
Accumulated depreciation	*3	(5,794)	*3	(6,054)
Structures-net		2,300		2,136
Machinery and equipment		79,109		82,519
Accumulated depreciation	*3	(64,856)	*3	(67,869)
Machinery and equipment-net		14,253		14,649
Vehicles and delivery equipment		370		382
Accumulated depreciation	*3	(332)	*3	(344)
Vehicles and delivery equipment-net		38		37
Tools, furniture and fixtures		35,064		35,629
Accumulated depreciation	*3	(28,107)	*3	(29,947)
Tools, furniture and fixtures-net		6,957		5,682
Land		11,208		11,205
Leased assets		3,218		3,554
Accumulated depreciation	*3	(1,449)	*3	(1,569)
Leased assets-net		1,769		1,984
Construction in progress		4,970		338
Total property, plant and equipment		83,708		80,153
Intangible assets				
Patents		16		11
Software		8,874		8,876
Sales rights		18,607		14,133
Other		490		463
Total intangible assets		27,989		23,485

(millions of yen)

	March 31, 2009	March 31, 2010
Investments and other assets		
Investment securities	55,134	59,393
Investments in subsidiaries and associated companies	434,466	439,543
Long-term loans receivable	4	5
Long-term loans receivable to subsidiaries and associated companies	2,579	1,691
Long-term prepaid expenses	424	423
Deferred tax assets	69,505	62,210
Other	9,378	8,060
Allowance for doubtful accounts	(2,937)	(1,968)
Total investments and other assets	568,554	569,359
Total fixed assets	680,252	672,998
Total assets	944,395	951,090
LIABILITIES		
Current liabilities		
Notes payable-trade	338	135
Accounts payable-trade	8,754	9,327
Short-term borrowings	22,000	24,000
Lease obligation	751	846
Accounts payable-other	24,784	28,324
Accrued expenses	12,165	12,392
Income tax payable	31,432	4,119
Deposit received	*1 10,449	*1 12,549
Reserve for sales returns	279	290
Reserve for disposal of goods returns	268	257
Other	1,398	1,376
Total current liabilities	112,622	93,618
Long-term liabilities		
Bonds and debentures	119,983	119,987
Long-term borrowings	210,000	210,000
Lease obligation	1,046	1,168
Liability for retirement benefits	17,869	22,355
Retirement allowances for directors	1,434	1,608
Other	741	1,032
Total long-term liabilities	351,075	356,152
Total liabilities	463,698	449,771

(millions of yen)

	March 31, 2009	March 31, 2010
EQUITY		
Owner's equity		
Common stock	44,985	44,985
Capital surplus		
Additional paid-in capital	55,222	55,222
Other	1,726	1,706
Total capital surplus	56,949	56,928
Retained earnings		
Legal reserve	7,899	7,899
Other		
Reserve for reduction of fixed assets	126	125
General reserve	337,880	337,880
Unappropriated retained earnings	71,246	88,686
Total retained earnings	417,152	434,592
Treasury stock	(39,683)	(39,574)
Total owner's equity	479,404	496,932
Net unrealized gain (loss) and translation adjustments		
Net unrealized gain on available-for-sale securities	1,117	4,254
Deferred gain (loss) on derivatives under hedge accounting	(437)	(609)
Total net unrealized gain and translation adjustments	679	3,645
Stock options	613	741
Total equity	480,697	501,318
Total liabilities and equity	944,395	951,090

2) Non-Consolidated Statements of Income

(millions of yen)

	April 1, 2008 - March 31, 2009		April 1, 2009 - March 31, 2010	
Net Sales				
Total Net sales	*1	415,611	*1	444,680
Cost of sales	*3	81,331	*3	82,289
Gross profit		334,280		362,391
Provision for sales returns-net		33		10
Gross profit after deducting provision for sales returns-net		334,246		362,380
Selling, general and administrative expenses				
Total selling, general and administrative expenses	*2, *3	258,411	*2, *3	269,127
Operating income		75,835		93,253
Non-operating income				
Interest income	*1	346		185
Interest on securities		227		210
Dividend income		1,061		933
Other		290		201
Total non-operating income		1,925		1,531
Non-operating expenses				
Interest expenses		3,577		3,748
Interest expenses for bonds and debentures		1,552		1,904
Foreign exchange loss		2,487		-
Other		1,033		524
Total non-operating expenses		8,650		6,176
Ordinary income		69,110		88,607
Special gain				
Gain on sales of fixed assets	*4	2	*4	2
Reversal of provision for doubtful accounts		-		894
Gain on sale of a consolidated subsidiary		2,904		-
Inter-company transfer price adjustments	*7	17,602		-
Other		774		0
Total special gain		21,283		896
Special loss				
Loss on disposal of fixed assets	*5	224	*5	239
Loss on impairment of long-lived assets	*6	3,702	*6	2,850
Loss on devaluation of investment securities		6,542		-
Other		75		2
Total special loss		10,544		3,092
Income before income taxes		79,849		86,412
Income taxes-current		47,506		18,695
Income taxes-deferred		(24,295)		10,390
Total income taxes		23,210		29,085
Net income		56,638		57,327

3) Non-Consolidated Statements of Changes in Equity

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Owners' equity		
Common stock		
Balance at end of the previous fiscal year	44,985	44,985
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of the fiscal year	44,985	44,985
Capital surplus		
Additional paid-in capital		
Balance at end of the previous fiscal year	55,222	55,222
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of the fiscal year	55,222	55,222
Other		
Balance at end of the previous fiscal year	1,743	1,726
Changes during the fiscal year		
Disposal of treasury stock	(17)	(20)
Total changes during the fiscal year	(17)	(20)
Balance at end of the fiscal year	1,726	1,706
Total capital surplus		
Balance at end of the previous fiscal year	56,966	56,949
Changes during the fiscal year		
Disposal of treasury stock	(17)	(20)
Total changes during the fiscal year	(17)	(20)
Balance at end of the fiscal year	56,949	56,928
Retained earnings		
Legal reserve		
Balance at end of the previous fiscal year	7,899	7,899
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of the fiscal year	7,899	7,899
Other		
Reserve for reduction of fixed assets		
Balance at end of the previous fiscal year	126	126
Changes during the fiscal year		
Reversal of reserve for reduction of fixed assets	(0)	(0)
Total changes during the fiscal year	(0)	(0)
Balance at end of the fiscal year	126	125

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
General reserve		
Balance at end of the previous fiscal year	337,880	337,880
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance at end of the fiscal year	337,880	337,880
Unappropriated retained earnings		
Balance at end of the previous fiscal year	53,070	71,246
Changes during the fiscal year		
Reversal of reserve for reduction of fixed assets	0	0
Dividends	(38,462)	(39,887)
Net income	56,638	57,327
Total changes during the fiscal year	18,176	17,440
Balance at end of the fiscal year	71,246	88,686
Total retained earnings		
Balance at end of the previous fiscal year	398,976	417,152
Changes during the fiscal year		
Reversal of reserve for reduction of fixed assets	-	-
Dividends	(38,462)	(39,887)
Net income	56,638	57,327
Total changes during the fiscal year	18,176	17,439
Balance at end of the fiscal year	417,152	434,592
Treasury stock		
Balance at end of the previous fiscal year	(39,694)	(39,683)
Changes during the fiscal year		
Disposal of treasury stock	82	139
Acquisition of treasury stock	(70)	(30)
Total changes during the fiscal year	11	108
Balance at end of the fiscal year	(39,683)	(39,574)
Total owners' equity		
Balance at end of the previous fiscal year	461,233	479,404
Changes during the fiscal year		
Dividends	(38,462)	(39,887)
Net income	56,638	57,327
Disposal of treasury stock	64	118
Acquisition of treasury stock	(70)	(30)
Total changes during the fiscal year	18,170	17,528
Balance at end of the fiscal year	479,404	496,932

(millions of yen)

	April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Net unrealized gain (loss) and translation adjustments		
Net unrealized gain (loss) on available-for-sale securities		
Balance at end of the previous fiscal year	9,568	1,117
Changes during the fiscal year		
Changes in items other than owners' equity-net	(8,451)	3,137
Total changes during the fiscal year	(8,451)	3,137
Balance at end of the fiscal year	1,117	4,254
Deferred gain (loss) on derivatives under hedge accounting		
Balance at end of the previous fiscal year	-	(437)
Changes during the fiscal year		
Changes in items other than owners' equity-net	(437)	(171)
Total changes during the fiscal year	(437)	(171)
Balance at end of the fiscal year	(437)	(609)
Total net unrealized gain (loss) and translation adjustments		
Balance at end of the previous fiscal year	9,568	679
Balance at end of the fiscal year		
Changes in items other than owners' equity-net	(8,888)	2,965
Total changes during the fiscal year	(8,888)	2,965
Balance at end of the fiscal year	679	3,645
Stock options		
Balance at end of the previous fiscal year	556	613
Changes during the fiscal year		
Changes in items other than owners' equity-net	57	127
Total changes during the fiscal year	57	127
Balance at end of the fiscal year	613	741
Total equity		
Balance at end of the previous fiscal year	471,358	480,697
Changes during the fiscal year		
Dividends	(38,462)	(39,887)
Net income	56,638	57,327
Disposal of treasury stock	64	118
Acquisition of treasury stock	(70)	(30)
Changes in items other than owners' equity-net	(8,831)	3,092
Total changes during the fiscal year	9,338	20,620
Balance at end of the fiscal year	480,697	501,318

Going Concern

Not applicable

Significant Accounting Policies for Non-consolidated Financial Statements

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
1. Measurement and Cost Formula for Marketable and Investment Securities: (1) Held-to-Maturity securities: Stated at amortized cost (straight-line method) (2) Investment in Subsidiaries and Associated Companies: Stated at cost determined by the moving-average method. (3) Available-for-Sale Securities: Marketable securities: Stated at fair value on the balance sheet date of the fiscal year with unrealized gain or loss and net of applicable taxes reported in a separate component of equity. The cost of securities sold is determined by the moving-average method. Non-marketable securities: Stated at cost determined by the moving-average method.	1. Measurement and Cost Formula for Marketable and Investment Securities: (1) Held-to-Maturity securities: Same as the left (2) Investment in Subsidiaries and Associated Companies: Same as the left (3) Available-for-Sale Securities: Marketable Securities: Same as the left Non-marketable securities: Same as the left
2. Derivatives: Stated at fair value.	2. Derivatives: Same as the left
3. Inventories: Merchandise, finished goods, work in process, raw materials, supplies: The Company records inventories at cost determined by average method (however, inventories are written down in case the profitability become lower significantly).	3. Inventories: Same as the left
4. Depreciation and Amortization (excluding leased assets): (1) Property, plant and equipment: Depreciation of property, plant and equipment is computed by the straight-line method. Estimated useful lives of the assets are as follows: Buildings 15 to 50 years Machinery and Equipment 6 to 7 years	4. Depreciation and Amortization (excluding leased assets): (1) Property, plant and equipment: Same as the left
(2) Intangible assets: Intangible assets are stated at cost less accumulated amortization, which is computed by the straight-line method. Software for internal use 5 years Sales rights 5 to10 years	(2) Intangible assets (excluding leased assets): Same as the left

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
(3) Leased assets: Finance leases transactions that do not transfer ownership: Leased assets are depreciated by the straight-line method with the useful life being the lease period and with a residual value of zero.	(3) Leased assets: Same as the left
5. Accounting for Allowances and Reserves: (1) Allowance for doubtful receivables/accounts: To prepare for potential losses on notes and accounts receivable, loans receivable, etc., an allowance for doubtful receivables/accounts is provided. As for the general receivables/accounts, allowances are calculated based on past credit loss. As for the specific receivables/accounts, allowances were calculated based on the specific probability of uncollectibility.	5. Accounting for Allowances and Reserves: (1) Allowance for doubtful receivables/accounts: Same as the left
(2) Reserve for sales returns: To prepare for a possible sales return loss for merchandise and finished goods sold incurred after the balance sheet date, a reserve is provided by multiplying the amount of accounts receivable-trade at the balance sheet date by the average return ratio of the merchandise and finished goods sold over the previous two fiscal years and the profit ratio of the period.	(2) Reserve for sales returns: Same as the left
(3) Reserve for disposal of goods returns: To prepare for a possible loss on disposal of merchandise and finished goods returned after the balance sheet date, a reserve is provided by multiplying the amount of accounts receivable-trade at the balance sheet date by the average returns ratio of the merchandises and finished goods sold and the average disposal ratio of the merchandises and finished goods returned over the previous two fiscal years.	(3) Reserve for disposal of goods returns: Same as the left
(4) Liability for retirement benefits: To cover employee retirement benefits, the Company provides for liability for retirement benefits at an amount to be prepared as of the balance sheet date, which is derived from the projected benefit obligations and estimated plan assets at the balance sheet date.	(4) Liability for retirement benefits: Same as the left

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
The unrecognized prior service cost is being amortized over five years and recognized as operating expenses in the statements of operation. The unrecognized actuarial loss is being amortized over five years by the straight-line method and amortization of the unrecognized actuarial loss is recognized as operating expenses in the statements of operation starting from the fiscal year succeeding the fiscal year during which gain/ loss occurred.	
(5) Retirement allowances for directors: The Company provides a reserve for retirement benefits for directors and executive officers in required amounts calculated based on each company's rule.	(5) Retirement allowances for directors: Same as the left
6. Translation of Assets and Liabilities denominated in Foreign Currencies: Monetary receivables and payables denominated in foreign currencies are translated into yen at the current exchange rates as of the balance sheet date. The foreign exchange gain or loss from translation is recognized in the statements of operations.	6. Translation of Assets and Liabilities denominated in Foreign Currencies: Same as the left
7. Hedge accounting: (1) Hedge method: The Company defers to measure derivatives until maturity of the hedged transactions. If foreign currency forward contracts are met the requirements for allocation, the allocation method is applied. And if the interest rate swap contracts are met the requirements for special treatment, the special treatment method is applied.	7. Hedge accounting: (1) Hedge method: Same as the left
(2) Hedging instruments and hedged items: (a) Hedging instruments: Foreign currency forward contracts, Interest rate swaps (b) Hedged items: Accounts receivables and trade payables including committed transactions denominated in foreign currencies, long-term borrowings	(2) Hedging instruments and hedged items: Same as the left
(3) Hedging policy: The Company enters into hedged transactions in the ordinary course of business to reduce the exposure of foreign currency transactions to fluctuations in foreign	(3) Hedging policy: Same as the left

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
currency exchange rates. The hedged transactions used by the companies have been made in accordance with internal policy. The Company enters into hedged transactions in the ordinary course of business to reduce exposures to fluctuations in interest rates of borrowings.	
(4) Method for assessment of effectiveness of hedging: Foreign currency forward contracts assigned to receivables and payables in foreign currency have the same currency, amount and term of corresponding receivables and payables. As a result, because of the hign correlation and effectiveness maintained between the hedging instruments and the hedged items against fluctuations in foreign exchange rate, an assignment of effectiveness is not performed. The effectiveness of derivatives used for hedging long-term borrowings is assessed by comparing the cumulative cash flow fluctuations of the underlying borrowings or market fluctuations with the cumulative cash flow fluctuations of the hedging method or market fluctuations. The Company does not perform the assessment for interest rate swaps that are met the requirements for special treatment.	(4)Method for assessment of effectiveness of hedging: Same as the left
8. Accounting treatment for consumption taxes: Consumption taxes and local consumption taxes are excluded from revenues and expenses.	8. Accounting treatment for consumption taxes: Same as the left

Changes in Significant Account Policies for Non-consolidated Financial Statements

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
1. Change in criteria and methods of measurement for significant assets Prior to April 1, 2008, inventories held for sale in the ordinary course of business were stated at cost determined by the average method. The Accounting Standard Board of Japan (ASBJ) issued ASBJ Statement No. 9, dated July 5, 2006, “Accounting Standard for Measurement of Inventories,” which is effective for fiscal years beginning or after April 1, 2008, and requires that inventories held for sale in the ordinary course of business be measured at cost or net selling value, whichever is lower. The Company adopted the new accounting standard for measurement of inventories from the fiscal year. The effect of adoption of this accounting standard on operating income, ordinary income, and income before income taxes for the period was not material. 2. Accounting standard for lease transactions Effective from this fiscal year, the Company has adopted the “Accounting Standard for Lease Transactions (Statement No.13, amended on March 30, 2007)” and the “Guidance on Accounting Standard for Lease Transactions (Guidance No.16, amended on March 30, 2007),” which requires that all finance lease transactions be capitalized, although finance leases in which there is no transfer of ownership were accounted for as operating leases under the former accounting standard for lease transactions. Under the new accounting standard, finance lease transactions in which there is no transfer of ownership are amortized by the straight-line method over the term of the lease, with a residual value of zero. The effect of adoption of this accounting standard on operating income, ordinary income, and income before income tax in the fiscal year was not material. 3. Change in depreciation method of fixed assets Property, plant and equipment (excluding lease assets) Previously, the Company had depreciated its property, plant and equipment by the declining balance method, but from this period, the Company uses the straight-line method used by its overseas subsidiaries.	1. Partial amendments to Accounting Standard for Retirement Benefits (Part 3) On July 31, 2008, the Accounting Standards Board of Japan (ASBJ) issued an Accounting Standard - ASBJ Statement No.19: Partial Amendments to Accounting Standard for Retirement Benefits (Part 3), which the Company has adopted beginning from this fiscal year. The adoption of this accounting standard did not result in any change in the discount rate previously applied by the Company.

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
The Company has decided to apply the straight-line method mainly for the following three reasons to ensure uniformity in the application of its accounting treatment and to more appropriately measure periodic income: i) As a result of carrying out the Company's midterm plan started in April 2006, the balance of property, plant and equipment attributable to subsidiaries outside of Japan is expected to get proportionately larger in the future, and global business operations are becoming increasingly important. In this context, the Company found it necessary to ensure consistency with its foreign subsidiaries in its accounting treatment for depreciation, taking into consideration International Financial Reporting Standards and U.S. GAAP. ii) As the Company's product lines can expect to generate long-term and stable profits, the straight-line method is a more suitable way to reflect the allocation of depreciation expenses over a stream of earnings. iii) Property, plant and equipment held by the Company are generally subject to steady operation over their expected lifetime, and repairs and maintenance of facilities are regularly planned and carried out. In this context, repairs and maintenance expenses are expected to remain level with few severe fluctuations. The effect of adoption of this change from the declining balance method to the straight-line method on the results of the period was to decrease consolidated depreciation expenses by ¥2,296 million and increase operating income, ordinary income, and income before income taxes and minority interests by ¥1,493 million. Along with the change with depreciation method, the Company and its subsidiaries have introduced a unified treatment on residual values in which depreciable assets are to be depreciated to one yen (the defined residual value) at the end of their useful life. The effect of adoption of this change on the results of the fiscal year was to increase depreciation expenses by ¥1,845 million and decrease operating income, ordinary income, and income before income taxes and minority interests by ¥1,199 million. The aggregate effect of the change to the straight-line method and the change in residual value as stated above in the results of the period was to decrease depreciation costs by ¥451 million and increase operating income, ordinary income, and income before	

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
income taxes and minority interests by ¥293 million.	

Changes in Representation of Non-Consolidated Financial Statements

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
(Non-consolidated balance sheet) 1 . “Merchandise” and “Finished goods,” which were separately presented as independent accounts in the previous fiscal year, are collectively presented as ““Merchandise” and finished goods” in this fiscal year pursuant to Cabinet order No. 50 “Revised Version of Regulation Concerning Terminology, Form and Methods of Preparation of Consolidated Financial Statements” issued on August 7, 2008. The amounts of “Merchandise” and “Finished Goods” included in “Merchandise and finished goods” was ¥8,309 million and ¥9,005 million, respectively, and “Raw materials” and “Supplies” included in “Raw materials and supplies” was ¥8,337 million and ¥1,041 million, respectively, in this fiscal year. 2 . “Semi-finished goods” and “Work in process,” which was separately presented as independent accounts in the previous fiscal year, are collectively presented as “Work-in-process” in this fiscal year pursuant to Cabinet order No. 50 “Revised Version of Regulation Concerning Terminology, Form and Methods of Preparation of Consolidated Financial Statements” issued on August 7, 2008. The amount of “Semi-finished goods” and “Work in process” included in “Work in process” was ¥9,909 million and ¥464 million, respectively, in this fiscal year. 3 . As the amount of “Accounts receivable-other” included in “Other current assets” in the previous fiscal year exceeded 1% of total assets, it is separately presented as an independent account in this fiscal year. The amount of “Accounts receivable-other” was ¥1,556 million in the fiscal year. 4 . “Short-term loans receivable,” separately presented as an independent account in the previous fiscal year, was ¥4,030 million in this fiscal year. Since the amount is less than or equal to 1% of the total assets, it is included in “Other current assets.”	(Non-consolidated balance sheet) 1. ”Accounts receivable-other”, separately presented as an independent account in the previous fiscal year, was ¥2,187 million in this fiscal year. Since the amount is less than or equal to 1% of the total assets, it is included in “other current assets.”

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
(Non-consolidated statements of income) 1. “Gain on sales of investment securities,” separately presented as an independent account in the previous fiscal year, is ¥432 million in this fiscal year. Since the amount is less than or equal to 10% of total special gains, it is included in “Other special gain.”	(Non-consolidated statements of income) 1. “Foreign exchange loss”, separately presented as an independent account in the previous fiscal year, is ¥206 million in this fiscal year. Since the amount is less than or equal to 10% of total non-operating expenses, it is included in “other non-operating expenses.” 2. As the amount of “reversal of provision for doubtful accounts” included in “other special gain” in the previous fiscal year exceeded 10% of total special gains, it is separately presented as an independent account in this fiscal year. The amount of “reversal of provision for doubtful accounts” included in the “other special gain” in the previous fiscal year was ¥313 million. 3. “Loss on devaluation of investment securities,” separately presented as an independent account in the previous fiscal year, is ¥0 million in this fiscal year. Since the amount is less than or equal to 10% of total special loss, it is included in “other special loss.”

Notes to Non-consolidated Financial Statements

(Non-consolidated Balance Sheets)

<table>
<tr><th>March 31, 2009</th><th>March 31, 2010</th></tr>
<tr><td>*1. Notes related to subsidiaries and associated companies:
Major assets and liabilities with subsidiaries and affiliated companies other than accounts presented separately are as follows:
Notes and accounts receivable-trade ¥38,618 mil.
Accounts receivable-other ¥18,455 mil.
Deposits received ¥8,555 mil.</td><td>*1. Notes related to subsidiaries and associated companies:
Major assets and liabilities with subsidiaries and affiliated companies other than accounts presented separately are as follows:
Notes and accounts receivable-trade ¥38,945 mil.
Other current assets ¥12,293 mil.
Deposits received ¥9,666 mil.</td></tr>
<tr><td>2. Contingent liabilities:
The Company cosigns the following liabilities:
<table><tr><th>Warrantee</th><th>Item</th><th>Yen (mil.)</th></tr><tr><td>Eisai Machinery GmbH</td><td>Advances received from customers, etc.</td><td>163 [1,260 thousand Euro]</td></tr></table>Notes: Among the above guarantee liabilities, those denominated in foreign currencies are translated into yen using the exchange rate at the balance sheet date.</td><td>2. Contingent liabilities:
—</td></tr>
<tr><td>*3. Accumulated deprecation includes accumulated losses on impairment for long-lived assets</td><td>*3. Same as the left</td></tr>
</table>

(Non-consolidated Statements of Income)

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
*1. Principal intercompany transaction: Sales ¥109,817 mil. Interest income ¥278 mil.	*1. Principal intercompany transaction: Sales ¥114,438 mil.
*2. Principal items in selling, general & administrative expenses Promotional expenses ¥41,793 mil. Salaries & bonuses ¥27,548 mil. Office expenses ¥15,693 mil. Depreciation expenses ¥2,760 mil. Research and development expenses ¥143,038 mil.	*2. Principal items in selling, general & administrative expenses Promotional expenses ¥47,424 mil. Salaries & bonuses ¥27,768 mil. Office expenses ¥13,650 mil. Depreciation expenses ¥2,938 mil. Research and development expenses ¥145,252 mil.
*3. Total research and development expenses included in general and administrative expenses and manufacturing costs for the fiscal year General and administrative expense ¥143,038 mil. Manufacturing costs ¥-mil.	*3. Total research and development expenses included in general and administrative expenses and manufacturing costs for the fiscal year General and administrative expenses ¥145,252 mil. Manufacturing costs ¥- mil.
*4. Principal gain on sales of fixed assets: Machinery and Equipment ¥1 mil. Tools, furniture and fixtures ¥1 mil.	*4. Principal gain on sales of fixed assets: Machinery and Equipment ¥0 mil.
*5. Principal loss on disposal of fixed assets: Buildings ¥41 mil. Machinery and Equipment ¥127 mil. Tools, furniture and fixtures ¥48 mil.	*5. Principal loss on disposal of fixed assets: Buildings ¥88 mil. Machinery and Equipment ¥78 mil.
*6. Loss on impairment of long-lived assets The Company classifies its business assets to be held and used for business operations into asset groups on the basis of business segments whose profitability are consistently being monitored. In addition, idle assets and sales rights are grouped individually. For the fiscal year, the Company booked an impairment loss on exclusive sales rights for certain products at an amount of ¥3,702 million. As for exclusive sales rights, changes in the market environments and less probability of certain indication approvals caused undiscounted future cash flows to fall below the carrying amount. The carrying amount was reduced to its recoverable amount, and a loss on impairment was recognized. The recoverable amounts for the asset group were measured by value in use (at a discount rate of 7.4%).	*6. Loss on impairment of long-lived assets The Company classifies its business assets to be held and used for business operations into asset groups on the basis of business segments whose profitability are consistently being monitored. In addition, idle assets and sales rights are grouped individually. For the fiscal year, the Company booked an impairment loss on exclusive sales rights for certain products at an amount of ¥2,850 million. As for exclusive sales rights, deterioration of profitability due to changes in the market environments caused undiscounted future cash flows to fall below the carrying amount. The carrying amount was reduced to its recoverable amount, and a loss on impairment was recognized. The recoverable amounts for the asset group were measured by value in use (at a discount rate of 7.6%).

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
*7. Inter-company transfer pricing adjustment The Company records the gain on inter-company transfer pricing adjustment between the Company and the U.S. subsidiary, Eisai Inc., which is attributable to previous years, pursuant to the conditions of the agreement for the relevant transfer price reached by tax authorities in both Japan and the U.S. in March 2009.	

(Non-consolidated Statements of Change in Equity)

April 1, 2008 - March 31, 2009	April 1, 2009 - March 31, 2010
Types of treasury stock and number of shares (thousand of shares)	Types of treasury stock and number of shares (thousand of shares)

Type of stock	Common stock
Number of shares at the end of the previous year	11,665
Increase	19
Decrease	24
Number of shares at the end of this year	11,660

(Note 1) The increase in treasury stock (common stock) was due to the purchase of fractional shares.
(Note 2) The decrease in the treasury stock was due to exercises of stock options.

Type of stock	Common stock
Number of shares at the end of the previous year	11,660
Increase	9
Decrease	40
Number of shares at the end of this year	11,629

(Note 1) The increase in treasury stock (common stock) was due to the purchase of fractional shares.
(Note 2) The decrease in the treasury stock was due to exercises of stock options.

4) Securities

Fiscal year ended March 31, 2009:
There are no marketable securities among investments in subsidiaries and affiliated companies for the fiscal years covering April 1, 2008 to March 31, 2009 and April 1, 2009 to March 31, 2010.

Fiscal year ended March 31, 2010:
Investments in subsidiaries and associated companies (carrying amount of Investment in subsidiaries : ¥439,376 mil., Investments in associated companies : ¥166 mil.), which have no market values and therefore the fair value are recognized as extremely difficult to determine, are not presented.

5) Income Taxes

April 1, 2008 - March 31, 2009		April 1, 2009 - March 31, 2010	
1. Description of main items by which deferred tax assets and liabilities were calculated.		1. Description of main items by which deferred tax assets and liabilities were calculated.	
	(millions of Yen)		(millions of Yen)
(1) Current assets:		(1) Current assets:	
Deferred tax assets		Deferred tax assets	
Entrusted R&D expenses	¥18,237	Entrusted R&D expenses	¥14,599
Accrued bonuses	¥3,506	Accrued bonuses	¥3,559
Other	¥5,210	Other	¥2,864
Sub-total	¥26,955	Sub-total	¥21,023
Less valuation allowance	(¥3,943)	Less valuation allowance	(¥3,076)
Total deferred tax assets	¥23,012	Total deferred tax assets	¥17,946
(2) Non-current assets:		(2) Non-current assets:	
Deferred tax assets		Deferred tax assets	
Entrusted R&D expenses	¥43,711	Entrusted R&D expenses	¥35,253
Liability for retirement benefits	¥15,686	Liability for retirement benefits	¥16,792
Other	¥14,899	Other	¥16,605
Sub-total	¥74,296	Sub-total	¥68,651
Less valuation allowance	(¥3,916)	Less valuation allowance	(¥3,486)
Total deferred tax assets	¥70,380	Total deferred tax assets	¥65,164
Deferred tax liabilities		Deferred tax liabilities	
Net unrealized gain (loss) on available-for-sale securities	(¥787)	Net unrealized gain (loss) on available-for-sale securities	(¥2,866)
Retained earnings for reduction of fixed assets costs	(¥87)	Retained earnings for reduction of fixed assets costs	(¥87)
Total deferred tax liabilities	(¥875)	Total deferred tax liabilities	(¥2,954)
Net deferred tax assets	¥69,505	Net deferred tax assets	¥62,210
2. Reconciliation between the effective income tax rate and the statutory effective tax rate:		2. Reconciliation between the effective income tax rate and the statutory effective tax rate:	
	(%)		(%)
Statutory effective tax rate	41.0	Statutory effective tax rate	41.0
(Reconciliation)		(Reconciliation)	
Expenses not permanently deductible for income tax purposes, such as entertainment expense	1.7	Expenses not permanently deductible for income tax purposes, such as entertainment expense	1.7
Income not permanently taxable for income tax purposes, such as dividend income	(0.2)	Income not permanently taxable for income tax purposes, such as dividend income	(0.2)
Tax credit for experiment and research expenses	(13.3)	Tax credit for experiment and research expenses	(8.3)
Valuation allowance	0.8	Valuation allowance	(1.5)
Other	(0.9)	Other	1.0
Effective income tax rate	29.1	Effective income tax rate	33.7

6) Per Share Information

April 1, 2008 - March 31, 2009		April 1, 2009 - March 31, 2010	
Book value per share	¥1,685.06	Book value per share	¥1,756.80
Earnings per share	¥198.80	Earnings per share	¥ 201.21
Diluted earnings per share	¥198.74	Diluted earnings per share	¥201.18

Note: The basis of the calculation of basic earnings per share and diluted earnings per share are as follows:

	April 1, 2008 – March 31, 2009	April 1, 2009 – March 31, 2010
Basic earnings per share		
(1) Net income (mil. yen)	56,638	57,327
(2) Amount not attributed to common shareholders (mil. yen)	–	–
(3) Net income related to common stock (mil. yen)	56,638	57,327
(4) Average number of common stocks outstanding (thousand shares)	284,904	284,909
Diluted earnings per share		
Increased number of common stocks (thousand shares)	81	44
[Stock subscription rights] (thousand shares)	[22]	[13]
[Stock options] (thousand shares)	[59]	[31]
Dilutive securities with no dilutive effects, which were not included in fully diluted earnings per share.	Stock options (involving 518 thousand stock options) approved by the General Meeting of Shareholders or Board of Directors Meeting on the following dates: *June 23, 2006 *June 22, 2007	Stock options (involving 1,035 thousands of stock options) approved by the General Meeting of Shareholders or Board of Directors Meeting on the following dates: *June 24, 2005 *June 23, 2006 *June 22, 2007 *June 20, 2008

7) Significant Subsequent Events

Not applicable

6. Other

1) Proposed Changes of Corporate Officers (effective as of June 18, 2010)

(1) Change of Representative Officers:

a) Expected Promotion of Executive Officers:

i) Deputy President (Representative Executive Officer)

Nobuo Deguchi	currently, Executive Vice President (Representative Executive Officer), Chief Compliance Officer, Human Resources/Labor Management, General Affairs

b) Retiring Executive Officers:

Soichi Matsuno	currently, Deputy President (Representative Executive Officer, to be appointed as Senior Advisor)
Makoto Shiina	currently, Executive Vice President (Representative Executive Officer, to be appointed as Senior Advisor)

(2) Change of Corporate Officers:

a) Nominees for New Directors:

Norio Kano	currently, Senior Vice President, Clinical Research, Japan
Tokuji Izumi	currently, Advisor, TMI Associates
Koichi Masuda	currently, Chairman and President, The Japanese Institute of Certified Public Accountants

b) Retiring Directors:

Tetsushi Ogawa	currently, Director, to be appointed as Corporate Advisor
Ko-Yung Tung	currently, Outside Director
Shinji Hatta	currently, Outside Director

c) Nominees for New Executive Officers:

Gary Hendler	currently, Eisai Europe Ltd., Commercial Development Director

d) Expected Promotion of Executive Officers:

i) Executive Vice President:

Hideshi Honda	currently, Senior Vice President, Japan Business Head Quarters
Hajime Shimizu	currently, Senior Vice President, Pharmaceutical Business, U.S.
Hideki Hayashi	currently, Senior Vice President, CEO Office, Chief Product Creation Officer

ii) Senior Vice President

Lonnel Coats	currently, Vice President, President & COO, Eisai Inc.
Yukio Akada	currently, Vice President, Pharmaceutical Business, China
Yutaka Tsuchiya	currently, Vice President, GSQ Office, Corporate Regulatory Compliance, Quality Assurance, Environment and Safety Affairs

e) Retiring Executive Officers:

Norio Kano	currently, Senior Vice President, to be appointed as Director
Noboru Naoe	currently, Vice President, to be appointed as Senior Group Officer
Yasushi Okada	currently, Vice President, to be appointed as Senior Group Officer
Seiichi Kobayashi	currently, Vice President, to be appointed as Corporate Adviser
Kiyoshi Hasegawa	currently, Vice President, to be appointed as Senior Group Officer
Masanori Tsuno	currently, Vice President, to be appointed as Senior Group Officer
Hidenobu Ando	currently, Vice President, to be appointed as Corporate Adviser
Folker Kindl	currently, Vice President, to be appointed as Chairman of Eisai Europe Ltd.

Senior Group Officers will be appointed under the new Corporate Officer System (employee) which is scheduled to initiate in June 2010.

(3) Nominees for Directors

Haruo Naito	currently, Director, President and CEO
Hiroyuki Mitsui	currently, Director
Akira Fujiyoshi	currently, Director
Norio Kano	currently, Senior Vice President, Clinical Research, Japan
Norihiko Tanikawa	currently, Outside Director, and Senior Advisor to the Board, NSK-Chugai, Ltd.
Satoru Anzaki	currently, Outside Director, and Adviser Komatsu Ltd.
Junji Miyahara	currently, Outside Director
Kimitoshi Yabuki	currently, Outside Director, and Yabuki Law Office

Christina Ahmadjian	currently, Dean of Hitotsubashi University Graduate School of International Corporate Strategy
Tokuji Izumi	currently, Advisor, TMI Associates
Koichi Masuda	currently, Chairman and President, The Japanese Institute of Certified Public Accountants

NOTE: Norihiko Tanikawa, Satoru Anzaki, Junji Miyahara, Kimitoshi Yabuki, Christina Ahmadjian, Tokuji Izumi, and Koichi Masuda are nominees who meet the requirements of an Outside Board Member set forth in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan.

(4) Selected Candidates for Members of Each Committee

a) Nomination Committee

Chair: Satoru Anzaki
Members: Junji Miyahara
Tokuji Izumi

b) Audit Committee

Chair: Koichi Masuda
Members: Kimitoshi Yabuki
Christina Ahmadjian
Akira Fujiyoshi
Norio Kano

c) Compensation Committee

Chair: Tokuji Izumi
Members: Satoru Anzaki
Junji Miyahara

d) Independent Committee of Outside Board Members

Members: Norihiko Tanikawa
Satoru Anzaki
Junji Miyahara
Kimitoshi Yabuki
Christina Ahmadjian
Tokuji Izumi
Koichi Masuda

(5) Career of Nominee for New Outside Board Members

Name:Tokuji Izumi

Academic Affiliation:

Apr. 1963 Assistant Judge, Tokyo District Court

Apr. 1973 Judge, Kanazawa District Court

Apr. 1983 Judicial Research Official, Supreme Court

Nov. 1996 Secretary General, Supreme Court

Mar. 2000 President, Tokyo High Court

Nov. 2002 Justice, Supreme Court

Feb. 2009 Registered as member of the Tokyo Bar Association

Mar. 2009 Advisor, TMI Associates (current)

Apr. 2009 Member of Compliance Committee of the Company

Name: Koichi Masuda

Academic Affiliation:

Apr. 1966 Joined Yoshiji Tanaka Certified Public Accountant Office

Sep. 1978 Joined Shinwa Audit Corporation

Jul. 1992 Managing Partner, Asahi Shinwa Audit Corporation (currently KPMG AZUSA & Co.)

Jul. 2001 Deputy Chairman and President, The Japanese Institute of Certified Public Accountants

Jul. 2004 Chairman, Political Federation in The Japanese of certified public accountants (current)

Jul. 2007 Chairman and President, The Japanese Institute of Certified Public Accountants (current)

Oct. 2009 Auditor, Enterprise Turnaround Initiative Corporation of Japan (current)

Apr. 2010 Outside Auditor, NKSJ Holdings, Inc. (current)

(6) Nominees for Executive Officers

Haruo Naito	currently, President (Representative Executive Officer) and CEO
Nobuo Deguchi	currently, Executive Vice President (Representative Executive Officer) Chief Compliance Officer, Human Resources/Labor Management, General Affairs
Hideaki Matsui	currently, Executive Vice President (Representative Executive Officer), CEO Office, CFO and Customer Joy
Hideshi Honda	currently, Senior Vice President, Japan Business Headquarters

Hajime Shimizu	currently, Senior Vice President, Pharmaceutical Business, U.S.
Hideki Hayashi	currently, Senior Vice President, CEO Office, Chief Product Creation Officer
Kentaro Yoshimatsu	currently, Senior Vice President, CEO Office, Chief Scientific Officer
Kenji Toda	currently, Senior Vice President, Government Relations
Lonnel Coats	currently, Vice President, President & COO, Eisai Inc.
Yukio Akada	currently, Vice President, Pharmaceutical Business, China
Yutaka Tsuchiya	currently, Vice President, GSQ Office, Corporate Regulatory Compliance, Quality Assurance, Environment and Safety Affairs
Takafumi Asano	currently, Vice President, Deputy Director of Demand Chain Headquarters
Kenta Takahashi	currently, Vice President, General Counsel, Intellectual Property
Edward Stewart Geary	currently, Vice President, GSQ Office, Deputy Director of Corporate Regulatory Compliance, Quality Assurance
Kazuo Hirai	currently, Vice President, Corporate Management Planning, Information System
Hideto Ueda	currently, Vice President, Internal Control
Yuji Matsue	currently, Vice President, Corporate Communications
Gary Hendler	currently, Commercial Development Director, Eisai Europe Ltd.

NOTE: President (Representative Executive Officer) and CEO Haruo Naito will also take the responsibility of Director.

Securities Code: 4523

2010.3

Reference Data

Fiscal Year Ended March 31, 2010

May 14, 2010

For Inquiry:

Eisai Co., Ltd.

Public Relations / Investor Relations

TEL 81-3-3817-5120 FAX 81-3-3811-3077

http://www.eisai.co.jp/eir/

[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 systems.

Contents

* All amounts are rounded to their nearest specified unit except for items with a note of omission.
* The exchange rates used 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. 2006 - Mar. 2007) Fiscal Year Average Rate	117.02	150.09	221.58
(Mar. 31, 2007) Fiscal Year End Rate	118.05	157.33	231.73
(Apr. 2007 - Mar. 2008) Fiscal Year Average Rate	114.28	161.52	229.44
(Mar. 31, 2008) Fiscal Year End Rate	100.19	158.19	200.11
(Apr. 2008 - 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 - Mar. 2010) Fiscal Year Average Rate	**92.84**	**131.15**	**148.25**
(Mar. 31, 2010) Fiscal Year End Rate	**93.04**	**124.92**	**140.40**
Fiscal Year Ending March 31, 2011 Forecast Rate	**90.00**	**125.00**	**145.00**

<About Indications in this Reference Data>

Eisai believes that cash generating ability is the most intrinsic element determining the true value of a company. Upon this basic concept, in order to reflect our true earnings capacity, we focus on disclosing “cash income” and “cash EPS,” which 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 as an indicator to assess 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)

	2007	2008	2009	**2010**	YOY %	2011 est.
Net sales	674.1	734.3	781.7	**803.2**	102.7	810.0
Cost of sales	109.3	118.8	152.5	**160.7**	105.4	169.0
R&D expenses	108.3	225.4	156.1	**179.1**	114.7	157.0
SG&A expenses	351.2	372.3	381.4	**376.9**	98.8	379.0
Operating income	105.3	17.7	91.8	**86.4**	94.1	105.0
Ordinary income	110.5	18.9	82.6	**79.7**	96.5	98.5
Net income	70.6	(17.0)	47.7	**40.3**	84.6	65.0
Cash income	97.6	106.9	119.0	**126.4**	106.2	120.0
					Diff.	
Dividend on equity (DOE, %)	6.4	7.4	9.1	**10.1**	1.0	10.2
Return on equity (ROE, %)	13.2	(3.4)	10.9	**9.6**	(1.3)	15.5
Dividend payout ratio (DPR, %)	48.4	-	83.7	**105.9**	22.3	65.7
Dividend per share (DPS, yen)	120.0	130.0	140.0	**150.0**	10.0	150.0
Earnings per share (EPS, yen)	247.8	(59.8)	167.3	**141.6**	(25.8)	228.1
Cash income per share (Cash EPS, yen)	342.7	375.8	417.8	**443.7**	26.0	421.2

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

2) Cash Flow Data

(billions of yen)

	2007	2008	2009	**2010**	Diff.
Net cash provided by (used in) operating activities	81.2	73.2	105.0	**107.9**	3.0
Net cash used in investing activities	(55.2)	(476.4)	(55.0)	**(69.8)**	(14.9)
Net cash provided by (used in) financing activities	(40.6)	375.4	(31.0)	**(49.2)**	(18.3)
Cash and cash equivalents at end of period	171.1	120.0	131.5	**115.1**	(16.4)
Free cash flow	28.6	(415.9)	59.3	**52.9**	(6.4)

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

3) Balance Sheet Data

(billions of yen)

	2007	2008	2009	**2010**	Diff.
Total assets	792.1	1,123.9	1148.2	**1,101.9**	(46.3)
Liabilities	229.4	670.1	715.1	**680.2**	(34.9)
Bonds and debentures	-	1.0	120.9	**120.0**	(1.0)
Borrowings	0.2	412.8	300.8	**289.8**	(10.9)
Equity	562.7	453.8	433.0	**421.7**	(11.3)
Shareholders' equity	552.5	448.9	428.0	**415.9**	(12.0)
Shareholders' equity ratio to total assets (%)	69.7	39.9	37.3	**37.7**	0.5
Liabilities ratio（Net DER/times)	-	0.6	0.6	**0.6**	(0.0)

* "Liabilities ratio（Net DER)" = ("Interest-bearing debt" ("Borrowings" + "Bonds and debentures") - "Cash and cash in banks" - "Short-term investments" / "Shareholders' equity"

4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

	2007	2008	2009	**2010**	Diff.
Capital expenditures	52.0	434.0	47.3	**28.7**	(18.6)
Property, plant and equipment	23.2	39.8	31.8	**22.9**	(8.8)
Intangible assets	28.8	394.3	15.6	**5.8**	(9.8)
Depreciation and amortization	26.8	34.6	49.1	**48.9**	(0.1)

* Capital expenditures include the increase of assets from the acquisitions of Morphotek, Inc. and MGI PHARMA, INC..
* "Depreciation and amortization" includes amortization of "Intangible assets." The definition has been partially changed starting the year ended Mar. 2009.

2. Consolidated Statements of Income

(billions of yen)

	2009	Sales %	**2010**	Sales %	YOY %	Diff.
Net sales	781.7	100.0	**803.2**	100.0	102.7	21.4
Cost of sales	152.4	19.5	**160.7**	20.0	105.5	8.3
Provision for (reversal of) sales returns-net	0.0	0.0	**0.0**	0.0		(0.0)
Gross profit	629.3	80.5	**642.4**	80.0	102.1	13.1
R&D expenses	156.1	20.0	**179.1**	22.3	114.7	23.0
SG&A expenses	381.4	48.8	**376.9**	46.9	98.8	(4.5)
Personnel expenses	80.5	10.3	**83.4**	10.4	103.6	2.9
Marketing and promotion expenses	240.1	30.7	**234.0**	29.1	97.5	(6.1)
Administrative expenses and others	60.8	7.8	**59.5**	7.4	97.9	(1.3)
Operating income	91.8	11.7	**86.4**	10.8	94.1	(5.4)
Non-operating income	4.8	0.6	**2.4**	0.3		(2.5)
Non-operating expense	14.1	1.8	**9.1**	1.1		(5.0)
Ordinary income	82.6	10.6	**79.7**	9.9	96.5	(2.9)
Special gain	2.1	0.3	**0.1**	0.0		(2.0)
Special loss	14.2	1.8	**5.5**	0.7		(8.7)
Income before income taxes and minority interests	70.5	9.0	**74.3**	9.2	105.4	3.8
Income taxes-current	53.4	6.8	**26.8**	3.3		(26.6)
Income taxes-deferred	(31.3)	(4.0)	**6.6**	0.8		37.9
Minority interests in net income	0.7	0.1	**0.5**	0.1		(0.1)
Net income	47.7	6.1	**40.3**	5.0	84.6	(7.3)

<Cash income>

Net income	47.7	6.1	**40.3**	5.0	84.6	(7.3)
Depreciation of PP&E and amortization of intangible assets	28.4		**29.8**			1.4
Amortization of intangible assets obtained by acquisition	20.7		**19.1**			(1.6)
In-process R&D expenses	-		**23.9**			23.9
Amortization of goodwill	9.3		**8.5**			(0.8)
Loss on impairment of long-lived assets (including loss on devaluation of investment securities)	13.0		**4.9**			(8.2)
Cash income	119.0	15.2	**126.4**	15.7	106.2	7.4

<Notes>

Net sales
Increase in sales of Aricept
Contribution of oncology related products
Decrease in sales of Aciphex

R&D expenses
<Reason for Increase>
Booking of in-process R&D expenses

Non-operating expense
<Reason for decrease>
Decrease in foreign exchange loss

In-process R&D expenses
<Reason for Increase>
Acquisition of AkaRx, Inc.

3. Consolidated Statements of Cash Flows

(billions of yen)

	2009	**2010**	Diff.	**<Notes>**
Income before income taxes and minority interests	70.5	**74.3**	3.8	
Depreciation and amortization	49.1	**48.9**	(0.1)	
In-process R&D expenses related to acquisition	-	**23.9**	23.9	**In-process R&D expenses related to acquisition** <Reason for Increase> Acquisition of AkaRx, Inc.
Decrease (increase) in notes and accounts receivable, trade payables and inventories	(31.9)	**(21.7)**	10.2	
Increase (decrease) in accounts payable-other/accrued expenses etc.	16.1	**14.5**	(1.6)	
Other	39.3	**23.5**	(15.8)	
[Sub-total]	143.0	**163.4**	20.4	
Interest and others received (paid)	(2.5)	**(5.5)**	(3.0)	
Income taxes paid	(35.5)	**(49.9)**	(14.4)	
Net cash provided by (used in) operating activities	105.0	**107.9**	3.0	
Capital expenditures (incl. acquisition and others)	(45.7)	**(55.0)**	(9.3)	
Proceeds from sales of (purchases of) securities	2.8	**4.1**	1.3	
Other	(12.1)	**(18.9)**	(6.9)	
Net cash used in investing activities	(55.0)	**(69.8)**	(14.9)	
Net increase (decrease) in short-term borrowings	(340.5)	**2.0**	342.5	
Proceeds from long-term borrowings	229.9	**-**	(229.9)	
Repayment of long-term borrowings	-	**(9.3)**	(9.3)	**Repayment of long-term borrowings** <Reason for Increase> Partial repayment of funds borrowed in the United Stats
Proceeds from issuance of bonds and debentures	119.6	**-**	(119.6)	
Dividends paid	(38.5)	**(39.9)**	(1.4)	
Other-net	(1.5)	**(2.1)**	(0.6)	
Net cash provided by (used in) financing activities	(31.0)	**(49.2)**	(18.3)	
Foreign currency translation adjustments on cash and cash equivalents	(7.5)	**(5.3)**	2.2	
Net increase (decrease) in cash and cash equivalents	11.6	**(16.4)**	(28.0)	
Cash and cash equivalents at the beginning of period	120.0	**131.5**	11.6	
Cash and cash equivalents at the end of period	131.5	**115.1**	(16.4)	
Free cash flow	59.3	**52.9**	(6.4)	

* "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)

	2007	2008	2009	**2010**	YOY %
Net sales	674.1	734.3	781.7	**803.2**	102.7
Pharmaceuticals	652.9	711.8	761.2	**783.0**	102.9
Japan	273.2	292.7	314.7	**343.1**	109.0
North America	302.3	338.2	368.4	**358.9**	97.4
Europe	53.7	53.2	49.7	**49.5**	99.6
China	8.9	9.5	11.4	**15.7**	137.2
Asia and others	14.8	18.3	16.9	**15.9**	93.8
Other	21.2	22.4	20.6	**20.1**	97.7
Japan	19.0	20.0	17.7	**16.6**	93.8
Overseas	2.1	2.4	2.9	**3.5**	121.6

* 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)

	2007	2008	2009	**2010**	YOY %
Operating income	105.3	17.7	91.8	**86.4**	94.1
Pharmaceuticals	108.1	19.8	94.5	**89.9**	95.1
Other	1.7	1.9	1.7	**2.1**	119.1
Eliminations and corporate	(4.5)	(4.0)	(4.5)	**(5.5)**	-

3) Geographical Segment Information

(1) Consolidated Net Sales by Geographical Segment

(billions of yen)

	2007	2008	2009	**2010**	YOY %
Net sales	674.1	734.3	781.7	**803.2**	102.7
Japan	292.2	312.7	332.5	**359.7**	108.2
North America	303.4	339.4	369.9	**361.2**	97.6
Europe	54.8	54.4	51.0	**50.7**	99.4
China	8.9	9.5	11.4	**15.7**	137.2
Asia and others	14.8	18.3	16.9	**15.9**	93.8
Overseas sales	381.9	421.6	449.3	**443.4**	98.7
Overseas sales (%)	56.7	57.4	57.5	**55.2**	-

* Net sales to external customers for each segment.

(2) Consolidated Operating Income by Geographical Segment

(billions of yen)

	2007	2008	2009	**2010**	YOY %
Operating income	105.3	17.7	91.8	**86.4**	94.1
Japan	72.8	80.5	84.2	**103.2**	122.6
North America	28.8	(66.9)	(0.2)	**(20.6)**	-
Europe	4.1	1.8	3.2	**3.0**	93.6
China	1.4	2.0	2.4	**2.7**	112.0
Asia and others	2.6	3.7	3.5	**2.2**	62.1
Eliminations and corporate	(4.4)	(3.3)	(1.2)	**(4.0)**	-

4) Overseas Sales

(billions of yen)

	2007	2008	2009	**2010**	YOY %
Net sales	674.1	734.3	781.7	**803.2**	102.7
Overseas sales	410.8	454.6	475.3	**465.5**	98.0
North America	312.0	350.4	379.1	**369.4**	97.4
Europe	72.2	73.1	64.0	**61.3**	95.7
China	8.9	9.5	11.4	**16.3**	142.3
Asia and others	17.6	21.5	20.7	**18.6**	89.9
Overseas sales (%)	60.9	61.9	60.8	**58.0**	-

* 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** (Anti-Alzheimer's agent)

		2007	2008	2009	**2010**	YOY %
Japan	Billions JPY	49.7	62.3	78.2	**93.6**	119.6
U.S.	Billions JPY	162.2	186.9	189.6	**194.7**	102.7
	[Millions USD]	[1,386]	[1,635]	[1,886]	**[2,097]**	[111.2]
Europe Total	Billions JPY	34.5	33.3	28.8	**27.9**	96.8
UK	Billions JPY	1.2	1.4	3.4	**5.3**	156.7
	[Millions GBP]	[6]	[6]	[19]	**[36]**	[183.9]
France	Billions JPY	25.8	24.3	17.3	**14.3**	82.5
	[Millions EUR]	[172]	[151]	[121]	**[109]**	[90.3]
Germany	Billions JPY	7.4	7.6	8.1	**8.3**	102.4
	[Millions EUR]	[50]	[47]	[57]	**[63]**	[112.1]
China	Billions JPY	0.9	1.2	0.9	**1.4**	152.6
	[Millions RMB]	[60]	[75]	[64]	**[106]**	[164.6]
Asia (exc. Japan and China)	Billions JPY	5.7	7.4	6.2	**5.3**	85.1
Total	Billions JPY	252.9	291.0	303.8	**322.8**	106.3

* Sales forecast for the year ending Mar. 31, 2011 is ¥328.0 billion.

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

		2007	2008	2009	**2010**	YOY %
Japan	Billions JPY	30.7	37.1	44.6	**53.8**	120.7
U.S.	Billions JPY	126.9	124.7	101.2	**81.0**	80.0
	[Millions USD]	[1,084]	[1,091]	[1,007]	**[872]**	[86.6]
Europe Total	Billions JPY	12.1	8.6	9.1	**8.2**	90.2
UK	Billions JPY	3.3	2.2	2.1	**2.2**	105.4
	[Millions GBP]	[15]	[9]	[12]	**[15]**	[123.7]
Germany	Billions JPY	2.5	1.8	2.1	**1.6**	78.8
	[Millions EUR]	[17]	[11]	[14]	**[12]**	[86.2]
Italy	Billions JPY	6.3	4.5	4.1	**3.6**	88.3
	[Millions EUR]	[42]	[28]	[29]	**[28]**	[96.6]
China	Billions JPY	0.6	0.7	0.7	**1.1**	166.7
	[Millions RMB]	[41]	[43]	[44]	**[80]**	[179.7]
Asia (exc. Japan and China)	Billions JPY	4.0	4.8	4.3	**3.9**	91.3
Total	Billions JPY	174.3	175.9	159.9	**148.0**	92.6

* Sales forecast for the year ending Mar. 31, 2011 is ¥134.0 billion.

* The fiscal year of subsidiary Eisai China Inc. ends on December 31. Figures showed above for the fiscal year ended Mar. 2007 indicate results for 15 months from Jan. 2006 to Mar. 2007 because first provisional settlement was performed for the fiscal year ended Mar. 2007.
* Average exchange rate of JPY to RMB

January 1, 2006 to March 31, 2007	14.75 yen/Chinese RMB
April 1, 2007 to March 31, 2008	15.30 yen/Chinese RMB
April 1, 2008 to March 31, 2009	14.63 yen/Chinese RMB
April 1, 2009 to March 31, 2010	13.57 yen/Chinese RMB

(3) Methycobal (Peripheral neuropathy treatment)

		2007	2008	2009	**2010**	YOY %
Japan	Billions JPY	31.4	31.7	31.3	**31.3**	100.3
Asia (Incl. China)	Billions JPY	6.6	7.1	8.3	**8.4**	101.6
Total	Billions JPY	38.1	38.7	39.5	**39.8**	100.6

(4) Aloxi (Antiemetic agent)

		2007	2008	2009	**2010**	YOY %
U.S.	Billions JPY	-	6.5	36.5	**38.3**	105.0
	[Millions USD]	[-]	[62]	[363]	**[413]**	[113.7]

* Sales of Aloxi for the year ended Mar. 2008 was from January 28 until March 31.

(5) Dacogen (DNA hypomethylating agent)

		2007	2008	2009	**2010**	YOY %
U.S.	Billions JPY	-	2.7	15.1	**15.4**	102.3
	[Millions USD]	[-]	[26]	[150]	**[166]**	[110.8]

* Sales of Dacogen for the year ended Mar. 2008 was from January 28 until March 31.

(6) Zonegran (Anti-epileptic drug)

		2007	2008	2009	**2010**	YOY %
U.S.	Billions JPY	3.1	2.2	2.1	**1.9**	90.4
	[Millions USD]	[27]	[19]	[21]	**[21]**	[97.9]
Europe	Billions JPY	1.7	3.2	3.8	**4.4**	117.8
Asia	Billions JPY	0.2	0.2	0.2	**0.2**	101.7
Total	Billions JPY	4.9	5.6	6.1	**6.5**	107.7

6) Eisai Inc. (U.S.)

		2007	2008	2009	**2010**	YOY %
Net sales	Billions JPY	305.6	332.7	356.7	**381.0**	106.8
	[Millions USD]	[2,612]	[2,911]	[3,548]	**[4,104]**	[115.7]
Net sales of former MGI PHARMA	[Millions USD]	[-]	[-]	[416]	**[624]**	[150.1]
Operating income	Billions JPY	27.1	25.2	13.9	**12.5**	89.7
	[Millions USD]	[231]	[221]	[139]	**[135]**	[97.1]
Net income	Billions JPY	19.3	17.1	(1.7)	**6.0**	-
	[Millions USD]	[165]	[149]	[(16)]	**[65]**	-
Operating income before royalty deduction	Billions JPY	72.9	87.7	85.3	**-**	-
	[Millions USD]	[623]	[767]	[848]	**-**	-

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

* Eisai Research Institute of Boston Inc. and Eisai Medical Research Inc. have been merged into Eisai Inc. since October 2009.

* Figures for "Operating income before royalty deduction" are not shown starting in the third quarter of the fiscal year ended March 2010 because the R&D function has been integrated into Eisai Inc.

5. Consolidated Balance Sheets

1) Consolidated Balance Sheets <Assets>

(billions of yen)

	2009	%	**2010**	%	YOY %	Diff.	**<Notes>**
Cash and cash in banks	48.1		**69.6**			21.6	
Notes and accounts receivable-trade	191.6		**207.2**			15.6	**Notes and accounts receivable-trade**
Short-term investments	104.0		**83.8**			(20.2)	<Reason for Increase>
Inventories	64.5		**67.6**			3.0	Increase in sales in Japan
Deferred tax assets	36.9		**32.5**			(4.4)	
Other	20.0		**19.6**			(0.4)	
Allowance for doubtful receivables	(0.3)		**(0.2)**			0.1	
Total current assets	464.8	40.5	**480.0**	43.6	103.3	15.3	
Buildings and structures-net	79.2		**86.5**			7.3	
Other	76.3		**70.1**			(6.2)	
Total property, plant and equipment-net	155.5	13.5	**156.6**	14.2	100.7	1.1	
Goodwill	170.6		**152.8**			(17.8)	
Sales rights	143.6		**109.7**			(33.9)	
Core technology	57.0		**51.0**			(6.0)	
Other	13.1		**12.4**			(0.6)	
Total Intangible assets	384.2	33.5	**325.9**	29.6	84.8	(58.3)	**Total intangible assets**
Investment securities	60.6		**64.8**			4.2	<Reason for Decrease>
Deferred tax assets	70.8		**63.6**			(7.2)	Amortization and others
Other	12.7		**11.3**			(1.4)	
Allowance for doubtful accounts	(0.4)		**(0.3)**			0.1	
Total investments and other assets	143.7	12.5	**139.3**	12.6	97.0	(4.3)	
Total fixed assets	683.4	59.5	**621.9**	56.4	91.0	(61.5)	
Total assets	1,148.2	100.0	**1,101.9**	100.0	96.0	(46.3)	

2) Consolidated Balance Sheets <Liabilities and Equity>

(billions of yen)

	2009	%	**2010**	%	YOY %	Diff.	**<Notes>**
Notes payable-trade and accounts payable-trade	19.1		**20.3**			1.2	
Short-term borrowings	22.0		**24.0**			2.0	
Accounts payable-other/accrued expenses	125.4		**127.6**			2.1	
Income tax payable	33.1		**6.6**			(26.5)	
Reserve for sales rebates	32.6		**32.7**			0.2	
Other	9.4		**9.1**			(0.3)	
Total current liabilities	241.6	21.0	**220.2**	20.0	91.2	(21.4)	
Bonds and debentures	120.9		**120.0**			(1.0)	
Long-term borrowings	278.8		**265.8**			(12.9)	
Deferred tax liabilities	27.7		**23.8**			(3.9)	**Long-term borrowings** <Reason for decrease> Repayment a part of all in the U.S.
Liability for retirement benefits	21.8		**26.4**			4.6	
Retirement allowances for directors	2.4		**2.7**			0.3	
Other	22.0		**21.2**			(0.7)	
Total long-term liabilities	473.5	41.2	**459.9**	41.7	97.1	(13.6)	
Total liabilities	715.1	62.3	**680.2**	61.7	95.1	(34.9)	
Common stock	45.0		**45.0**			-	
Capital surplus	56.9		**56.9**			(0.0)	
Retained earnings	423.3		**423.8**			0.5	
Treasury stock	(39.7)		**(39.6)**			0.1	
Total owners' equity	485.6	42.3	**486.1**	44.1	100.1	0.5	
Net unrealized gain (loss) on available-for-sale securities	1.1		**4.9**			3.8	
Deferred gain (loss) on derivatives under hedge accounting	(0.4)		**(0.6)**			(0.2)	
Foreign currency translation adjustments	(58.3)		**(74.4)**			(16.1)	**Foreign currency translation adjustments** <Reason for Decrease> Change in B/S conversion rate for overseas subsidiaries due to yen appreciation
Total net unrealized gain (loss) and translation adjustments	(57.6)	(5.0)	**(70.2)**	(6.4)	121.8	(12.6)	
Stock acquisition rights	0.6	0.1	**0.7**	0.1	120.7	0.1	
Minority interests	4.5	0.4	**5.1**	0.5	113.0	0.6	
Total equity	433.0	37.7	**421.7**	38.3	97.4	(11.3)	
Total liabilities and equity	1,148.2	100.0	**1,101.9**	100.0	96.0	(46.3)	

6. Changes in Consolidated Quarterly Results

1) Income Statement Data

(billions of yen)

	2009				2010			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Net sales	195.8	203.0	199.9	183.0	194.7	200.3	209.5	**198.7**
Cost of sales	39.4	39.9	39.6	33.6	38.3	40.6	42.6	**39.2**
R&D expenses	35.7	42.3	38.9	39.2	39.4	41.3	36.1	**62.3**
SG&A expenses	96.7	98.4	94.5	91.9	92.8	93.5	94.8	**95.9**
Operating income	24.1	22.5	26.9	18.4	24.1	25.0	35.9	**1.3**
Ordinary income (decrease)	23.9	19.7	22.8	16.2	23.2	22.0	34.9	**(0.4)**
Net income (decrease)	16.6	12.1	10.5	8.5	16.3	14.6	23.0	**(13.6)**
Cash income	31.8	27.9	30.3	29.0	30.7	29.1	37.3	**29.3**
Earnings per share (decrease) (EPS, yen)	58.4	42.4	36.7	29.9	57.4	51.2	80.7	**(47.7)**
Cash income per share (Cash EPS, yen)	111.8	97.9	106.2	101.8	107.7	102.1	131.1	**102.8**

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

2) Cash Flow Data

(billions of yen)

	2009				2010			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Net cash provided by (used in) operating activities	18.6	50.8	1.6	34.0	(0.5)	32.8	27.1	**48.6**
Net cash used in investing activities	(7.7)	(9.3)	(19.8)	(18.1)	(12.9)	(9.8)	(5.2)	**(42.0)**
Net cash provided by (used in) financing activities	(20.0)	(5.5)	19.5	(24.9)	(12.3)	(3.3)	0.8	**(34.5)**
Cash and cash equivalents at the end of period	113.0	142.1	130.3	131.5	105.2	118.4	142.7	**115.1**
Free cash flow	6.3	40.0	(6.7)	19.8	(10.7)	26.5	19.9	**17.2**

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

3) Balance Sheet Data

(billions of yen)

	2008			2009				2010
	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	**Mar 31**
Total assets	1,165.3	1,156.5	1,097.1	1,148.2	1,127.4	1,109.9	1,140.3	**1101.9**
Liabilities	691.5	691.6	697.2	715.1	697.0	686.4	708.3	**680.2**
Bonds and debentures	120.9	120.7	120.6	120.9	120.9	120.9	120.0	**120.0**
Borrowings	293.2	285.5	318.7	300.8	307.2	300.1	323.5	**289.8**
Equity	473.9	464.9	399.9	433.0	430.4	423.5	432.0	**421.7**
Shareholders' equity	469.0	460.0	395.0	428.0	425.1	418.1	426.4	**415.9**
Shareholders' equity ratio to total assets (%)	40.2	39.8	36.0	37.3	37.7	37.7	37.4	**37.7**
Liabilities ratio（Net DER/times)	0.6	0.6	0.7	0.6	0.7	0.7	0.6	**0.6**

* "Liabilities ratio（Net DER)" = ("Interest-bearing debt" ("Borrowings" + "Bonds and debentures") - "Cash and cash in banks" - "Short-term investments" / "Shareholders' equity"

4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

	2009				2010			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Capital expenditures	8.5	12.3	7.1	19.4	5.8	7.2	6.0	**9.7**
Property, plant and equipment	7.5	10.3	6.2	7.7	4.8	5.9	4.2	**8.0**
Intangible assets	1.0	2.0	0.9	11.7	1.0	1.3	1.8	**1.7**
Depreciation and amortization	12.3	12.6	11.9	12.3	12.1	12.4	12.3	**12.1**

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

5) Aricept Sales by Area (Eisai)

		2009				2010			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Japan	Billions JPY	19.4	18.8	22.7	17.2	23.4	22.3	26.9	**21.0**
U.S.	Billions JPY	43.4	49.9	45.8	50.5	42.7	50.1	45.5	**56.4**
	[Millions USD]	[415]	[464]	[474]	[534]	[438]	[533]	[507]	**[619]**
Europe	Billions JPY	8.0	8.7	6.3	5.8	7.2	7.1	7.5	**6.1**
UK	Billions JPY	0.7	1.3	0.5	0.8	1.5	1.3	1.2	**1.3**
	[Millions GBP]	[4]	[6]	[4]	[6]	[10]	[9]	[8]	**[9]**
France	Billions JPY	5.1	5.0	3.8	3.4	3.5	3.6	3.8	**3.3**
	[Millions EUR]	[31]	[31]	[30]	[28]	[27]	[27]	[29]	**[27]**
Germany	Billions JPY	2.1	2.4	2.0	1.6	2.1	2.2	2.5	**1.5**
	[Millions EUR]	[13]	[15]	[15]	[13]	[16]	[16]	[19]	**[12]**
China	Billions JPY	0.1	0.3	0.2	0.2	0.2	0.4	0.3	**0.5**
	[Millions RMB]	[9]	[20]	[18]	[18]	[14]	[27]	[26]	**[38]**
Asia (exc. Japan and China)	Billions JPY	2.0	2.0	1.2	1.0	1.4	1.3	1.3	**1.3**
Total	Billions JPY	72.9	79.6	76.4	74.8	74.8	81.2	81.5	**85.3**

6) Aciphex/Pariet Sales by Area (Eisai)

		2009				2010			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Japan	Billions JPY	11.0	10.6	13.4	9.5	13.4	12.8	16.9	**10.7**
U.S.	Billions JPY	25.9	27.0	23.6	24.7	19.8	20.6	20.8	**19.7**
	[Millions USD]	[248]	[251]	[245]	[263]	[203]	[220]	[231]	**[217]**
Europe	Billions JPY	2.5	2.6	2.5	1.6	2.1	2.0	2.1	**2.0**
UK	Billions JPY	0.6	0.7	0.4	0.3	0.6	0.6	0.6	**0.5**
	[Millions GBP]	[3]	[3]	[3]	[3]	[4]	[4]	[4]	**[3]**
Germany	Billions JPY	0.6	0.7	0.5	0.3	0.4	0.4	0.4	**0.4**
	[Millions EUR]	[4]	[4]	[4]	[3]	[3]	[3]	[3]	**[3]**
Italy	Billions JPY	1.2	1.2	1.0	0.8	0.9	0.9	0.9	**0.9**
	[Millions EUR]	[7]	[7]	[8]	[7]	[7]	[7]	[7]	**[7]**
China	Billions JPY	0.1	0.2	0.2	0.1	0.4	0.2	0.3	**0.3**
	[Millions RMB]	[9]	[13]	[13]	[10]	[26]	[12]	[20]	**[22]**
Asia (exc. Japan and China)	Billions JPY	1.3	1.3	1.0	0.7	1.1	1.0	1.0	**0.9**
Total	Billions JPY	40.8	41.7	40.6	36.7	36.7	36.6	41.1	**33.6**

7) Methycobal Sales by Area (Eisai)

		2009				2010			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Japan	Billions JPY	8.3	7.7	8.7	6.5	8.3	7.7	8.9	**6.4**
Asia (incl. China)	Billions JPY	2.4	2.4	1.8	1.7	1.8	2.2	2.1	**2.3**
Total	Billions JPY	10.7	10.1	10.5	8.2	10.2	9.9	11.0	**8.6**

8) Aloxi Sales by Area (Eisai)

		2009				2010			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
U.S.	Billions JPY	9.5	9.5	9.1	8.5	9.5	9.5	8.7	**10.6**
	[Millions USD]	[90]	[88]	[94]	[91]	[97]	[101]	[97]	**[117]**

9) Dacogen Sales by Area (Eisai)

		2009				2010			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
U.S.	Billions JPY	4.4	4.3	3.9	2.5	4.2	3.7	3.8	**3.8**
	[Millions USD]	[42]	[40]	[41]	[28]	[43]	[40]	[42]	**[42]**

10) Zonegran Sales by Area (Eisai)

		2009				2010			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
U.S.	Billions JPY	0.5	0.6	0.6	0.5	0.5	0.4	0.5	**0.5**
	[Millions USD]	[4]	[5]	[6]	[5]	[5]	[5]	[6]	**[5]**
Europe	Billions JPY	1.0	1.0	0.9	0.8	1.0	1.1	1.3	**1.0**
Asia	Billions JPY	0.1	0.1	0.0	0.0	0.0	0.0	0.0	**0.0**
Total	Billions JPY	1.5	1.6	1.5	1.4	1.6	1.6	1.8	**1.6**

11) Eisai Inc. (U.S.)

		2009				2010			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	**4th Quarter**
Net sales	Billions JPY	74.8	98.0	90.6	93.2	83.9	91.8	97.0	**108.3**
	[Millions USD]	[716]	[913]	[932]	[986]	[862]	[978]	[1,074]	**[1,189]**
Net sales of former MGI PHARMA	[Millions USD]	[-]	[142]	[148]	[126]	[151]	[153]	[151]	**[169]**
Operating income	Billions JPY	4.0	8.1	7.4	(5.5)	2.7	5.6	4.2	**0.0**
	[Millions USD]	[39]	[75]	[76]	[(51)]	[27]	[59]	[47]	**[1]**
Net income (decrease)	Billions JPY	2.6	5.2	5.6	(15.1)	1.7	3.6	2.0	**(1.2)**
	[Millions USD]	[25]	[48]	[57]	[(147)]	[18]	[38]	[22]	**[(12)]**
Operating income before royalty deduction	Billions JPY	18.1	23.9	21.8	21.5	18.2	23.3	-	**-**
	[Millions USD]	[174]	[222]	[225]	[228]	[187]	[248]	-	**-**

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

* Eisai Research Institute of Boston Inc. and Eisai Medical Research Inc. have been merged with Eisai Inc. since October 2009.

* Figures for "Operating income before royalty deduction" are not shown starting in the third quarter of the fiscal year ended March 2010 because the R&D function has been integrated into Eisai Inc.

7. Trend of Financial Results (Main Items)

(billions of yen)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	**2010**
<Income Statement Data>										
Net sales	361.7	431.7	466.6	500.2	533.0	601.3	674.1	734.3	781.7	**803.2**
Cost of sales	98.5	101.5	102.6	97.2	98.5	104.5	109.3	118.8	152.5	**160.7**
R&D expenses	49.6	55.0	59.7	69.0	78.3	93.2	108.3	225.4	156.1	**179.1**
SG&A expenses	154.7	202.5	228.4	250.9	269.4	307.8	351.2	372.3	381.4	**376.9**
Operating income	59.0	72.7	75.9	83.1	86.8	95.7	105.3	17.7	91.8	**86.4**
Ordinary income	63.2	76.1	76.1	83.4	89.1	100.0	110.5	18.9	82.6	**79.7**
Net income (loss)	23.3	36.5	41.0	50.1	55.5	63.4	70.6	(17.0)	47.7	**40.3**
Cash income							97.6	106.9	119.0	**126.4**
<Cash Flow Statement>										
Net cash provided by operating activities	85.0	56.9	57.6	72.7	49.2	87.1	81.2	73.2	105.0	**107.9**
Net cash used in investing activities	(19.6)	(7.2)	(27.7)	(27.3)	(37.5)	(29.5)	(55.2)	(476.4)	(55.0)	**(69.8)**
Net cash used in financing activities	(17.7)	(39.1)	(19.8)	(21.4)	(16.7)	(21.8)	(40.6)	375.4	(31.0)	**(49.2)**
Free cash flow	71.8	32.1	31.1	48.9	10.5	43.6	28.6	(415.9)	59.3	**52.9**
<Balance Sheet Data>										
Common stock	44.9	44.9	45.0	45.0	45.0	45.0	45.0	45.0	45.0	**45.0**
Total assets	549.4	557.6	591.7	615.8	662.7	747.2	792.1	1,123.9	1,148.2	**1,101.9**
Shareholders' equity	345.9	362.1	388.2	419.5	459.6	519.2	552.5	448.9	428.0	**415.9**
<Capital Expenditures and Depreciation/Amortization>										
Capital expenditures	15.0	27.2	21.9	28.7	49.0	37.0	52.0	434.0	47.3	**28.7**
Depreciation and Amortization	15.0	15.3	18.0	18.5	22.4	25.0	26.8	34.6	49.1	**48.9**
<Managerial Indices>										
Dividend payment (billions of yen)	6.8	8.5	9.3	10.4	16.0	25.7	34.1	37.0	39.9	**42.7**
Dividends on equity (DOE, %)	2.0	2.4	2.5	2.6	3.7	5.3	6.4	7.4	9.1	**10.1**
Dividend payout ratio (DPR, %)	29.2	23.3	22.7	20.9	29.0	40.6	48.4	-	83.7	**105.9**
Return on sales ratio (%)	6.4	8.5	8.8	10.0	10.4	10.5	10.5	(2.3)	6.1	**5.0**
Return on equity (ROE, %)	6.9	10.3	10.9	12.4	12.6	13.0	13.2	(3.4)	10.9	**9.6**
Return on assets (ROA, %)	4.5	6.6	7.1	8.3	8.7	9.0	9.2	(1.8)	4.2	**3.6**
Turnover ratio of total capital (Times)	0.7	0.8	0.8	0.8	0.8	0.9	0.9	0.8	0.7	**0.7**
Shareholders' equity ratio (%)	63.0	64.9	65.6	68.1	69.4	69.5	69.7	39.9	37.3	**37.7**
Liabilities ratio (Times)	-	-	-	-	-	-	-	0.6	0.6	**0.6**
Leverage (Times)	1.6	1.5	1.5	1.5	1.4	1.4	1.4	2.5	2.7	**2.6**
Earnings per share (EPS, yen)	78.7	123.5	141.2	172.1	193.4	221.9	247.8	(59.8)	167.3	**141.6**
Diluted EPS* (yen)	77.9	122.3	139.9	172.1	193.3	221.6	247.5	-	167.3	**141.6**
Cash EPS (Cash EPS/yen)							342.7	375.8	417.8	**443.7**
Cash dividends per share (yen)	23.0	29.0	32.0	36.0	56.0	90.0	120.0	130.0	140.0	**150.0**
Price-book value ratio (PBR, Times)	2.7	2.5	1.6	1.9	2.3	2.8	2.9	2.2	1.9	**2.3**
Treasury stock purchase (thousand of shares)		4,590	3,000	4,000	1,970	-	2,000	-	-	**-**
Treasury stock purchase (billions of yen)		13.9	9.2	11.4	6.1	-	11.1	-	-	**-**
Consolidated subsidiaries	34	36	33	34	38	40	45	63	50	**49**

* "Cost of sales" includes "Provision for (reversal of) sales returns".
* "Free cash flow" = "Net cash provided by (used in) operating activities" - "Capital expenditures (incl. acquisition and others)"
* "Shareholders' equity", "Dividends on equity", "Return on equity" and "Shareholders' equity ratio" in previous years were reclassified in accordance with the classification of the current year.
* "Earnings per share" and "Diluted EPS" have been calculated based on new accounting standards since the year ended Mar. 2003.
* "Depreciation and Amortization" represents amortization of "Intangible assets".
The definition has been partially changed starting the year ended Mar. 2009.
* Cash income = Net income (loss) + 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)
* In accordance with the partial change in definition of "Cash income" as well as "Cash income per share", we have also changed the past years' results based on the new definition.
* "Cash EPS (Cash income per share) " = "Cash income" / "Number of shares issued and outstanding after deduction of treasury stock"
* "Liabilities ratio（Net DER)" = ("Interest-bearing debt" ("Borrowings" + "Bonds and debentures") - "Cash and cash in banks" - "Short-term investments" / "Shareholders' equity"
* "Leverage" = "Total assets" / "Shareholders' equity"

8. Non-Consolidated Financial Highlights

1) Non-Consolidated Financial Highlights

(1) Income Statement Data

(billions of yen)

	2007	2008	2009	**2010**	YOY %	2011 est.
Net sales	351.6	389.2	415.6	**444.7**	107.0	454.0
Cost of sales	80.1	76.0	81.4	**82.3**	101.1	90.0
R&D expenses	106.4	134.0	143.0	**145.3**	101.5	140.0
SG&A expenses	100.2	106.1	115.4	**123.9**	107.4	137.0
Operating income	65.0	73.1	75.8	**93.3**	123.0	87.0
Ordinary income	65.7	71.0	69.1	**88.6**	128.2	82.0
Net income	42.8	46.0	56.6	**57.3**	101.2	58.5

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

(2) Cash Flow Data

(billions of yen)

	2007	2008	2009	**2010**	Diff.
Net cash provided by (used in) operating activities	30.6	36.7	42.0	**71.5**	29.5
Net cash used in investing activities	(44.3)	(431.3)	41.5	**(31.3)**	(72.8)
Net cash provided by (used in) financing activities	(40.3)	375.8	(100.9)	**(38.7)**	62.2
Cash and cash equivalents at end of period	46.5	27.7	10.2	**11.7**	1.5
Free cash flow	10.1	9.6	25.3	**58.3**	33.0

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

(3) Balance Sheet Data

(billions of yen)

	2007	2008	2009	**2010**	Diff.
Total assets	573.7	977.3	944.4	**951.1**	6.7
Liabilities	106.2	505.9	463.7	**449.8**	(13.9)
Bonds and debentures	-	-	120.0	**120.0**	0.0
Borrowings	-	412.8	232.0	**234.0**	2.0
Equity	467.5	471.4	480.7	**501.3**	20.6
Shareholders' equity	467.2	470.8	480.1	**500.6**	20.5
Shareholders' equity ratio to total assets (%)	81.4	48.2	50.8	**52.6**	1.8

(4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

	2007	2008	2009	**2010**	Diff.
Capital expenditures	22.0	24.9	14.7	**14.2**	(0.5)
Property, plant and equipment	11.7	15.2	10.2	**9.3**	(0.9)
Intangible assets	10.3	9.7	4.5	**5.0**	0.5
Depreciation and amortization	17.9	17.8	17.8	**19.2**	1.4

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

2) Net Sales by Business Segment

(billions of yen)

	2007	2008	2009	**2010**	YOY %
Net sales	351.6	389.2	415.6	**444.7**	107.0
Ethical drugs	217.0	231.8	260.4	**288.4**	110.8
Exports of Pharmaceuticals	55.9	60.7	52.5	**47.6**	90.6
Consumer health care products	19.6	20.1	19.0	**20.2**	106.3
Other (Food additives, Chemicals, etc.)	1.2	1.4	1.7	**1.4**	83.1
Industrial property rights, and other income	57.9	75.3	82.1	**87.2**	106.2

3) Exports by Geographical Area

(billions of yen)

	2007	2008	2009	**2010**	YOY %
Net sales	351.6	389.2	415.6	**444.7**	107.0
Exports	113.5	135.6	134.1	**134.2**	100.1
North America	78.6	98.0	101.6	**104.8**	103.2
Europe	28.5	29.7	23.6	**19.4**	82.1
Asia and Others (incl. China)	6.5	7.9	8.9	**10.0**	112.4
Ratio of exports to sales (%)	32.3	34.8	32.3	**30.2**	-

* 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)

	2007	2008	2009	**2010**	YOY %
Aricept	23.1	28.1	25.6	**22.3**	87.1
Aciphex/Pariet	28.4	25.1	18.5	**15.0**	80.7
Others	4.4	7.5	8.4	**10.3**	123.1
Total exports	55.9	60.7	52.5	**47.6**	90.6

5) Ethical Drugs

(billions of yen)

	2007	2008	2009	**2010**	YOY %	2011 est.
Anti-Alzheimer's agent Aricept	49.7	62.3	78.2	**93.6**	119.6	109.0
Proton pump inhibitor Pariet	30.7	37.1	44.6	**53.8**	120.7	55.0
Peripheral neuropathy treatment Methycobal	31.4	31.7	31.3	**31.3**	100.3	30.0
Gastritis/gastric ulcer treatment Selbex	19.3	18.2	16.0	**14.2**	89.0	12.0
Osteoporosis treatment Actonel	7.5	8.2	9.3	**10.8**	116.1	12.0
Oral anticoagulant Warfarin	6.3	6.8	7.9	**8.7**	110.0	9.5
Muscle relaxant Myonal	8.2	8.0	7.7	**7.5**	98.1	7.0
Non-ionic contrast medium Iomeron	8.3	7.9	7.1	**7.0**	98.5	6.5
Fully-human monoclonal anti-TNF-alpha antibody Humira	-	-	1.9	**6.6**	350.6	14.0
Osteoporosis treatment Glakay	7.5	6.4	5.4	**4.9**	89.3	4.0
Others	48.2	45.2	51.0	**49.9**	97.9	49.0
Ethical drugs total	217.0	231.8	260.4	**288.4**	110.8	308.0

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

6) Consumer Health Care Products

(billions of yen)

	2007	2008	2009	**2010**	YOY %	2011 est.
Vitamin B_2 preparation Chocola BB Group	8.8	9.5	9.9	**10.5**	106.5	11.0
Active-type Vitamin B_{12} Nabolin Group	1.9	2.3	2.2	**2.3**	105.2	2.5
Juvelux / Natural Vitamin E preparation Vitamin-E Group	1.8	1.7	1.5	**1.4**	92.4	1.0
Stomach ache and heartburn treatment Saclon Group	1.8	1.6	1.4	**1.4**	97.1	1.5
Others	5.3	5.1	4.0	**4.6**	114.6	4.5
Consumer health care products total	19.6	20.1	19.0	**20.2**	106.3	20.5

7) Cost of Sales

(1) Breakdown of Cost of Sales

(billions of yen)

	2007	2008	2009	**2010**
Net sales	351.6	389.2	415.6	**444.7**
Cost of sales	80.1	76.1	81.3	**82.3**
Beginning inventory (+)	12.3	15.2	15.9	**17.3**
Manufacturing cost (+)	42.0	38.3	38.6	**41.3**
Product purchase (+)	25.5	26.1	34.7	**35.9**
Account transfer (+)	15.6	12.4	9.5	**6.5**
Ending inventory (-)	15.2	15.9	17.3	**18.7**
Cost of Sales ratio to net sales (%)	22.8	19.6	19.6	**18.5**
Provision for (reversal of) sales returns-net	(0.1)	(0.1)	0.0	**0.0**
Gross profit	271.6	313.2	334.2	**362.4**

(2) Breakdown of Manufacturing Cost

(billions of yen)

	2007	2008	2009	**2010**
Total manufacturing cost	48.2	44.2	45.3	**50.9**
Cost of raw materials	18.1	14.7	16.6	**17.8**
Labor cost	11.9	10.9	11.0	**12.0**
Expenses	18.3	18.6	17.7	**21.0**
Beginning inventory of semi-finished goods and work-in-process (+)	9.5	9.4	9.3	**10.4**
Ending inventory of semi-finished goods and work-in-process (-)	9.4	9.3	10.4	**12.9**
Account transfer (+)	(6.3)	(5.9)	(5.7)	**(7.0)**
Manufacturing cost	42.0	38.3	38.6	**41.3**

* The amounts of "ending inventory of semi-finished goods and work-in-process" and "accounting transfer" for the fiscal year ended March 2010 due to reclassification of certain items.

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

(billions of yen)

	2007	2008	2009	**2010**
R&D expenses	106.4	134.0	143.0	**145.3**
Overseas R&D expenses	53.6	77.1	82.5	**79.5**
[Ratio of overseas R&D expenses to total R&D expenses] (%)	[50.4]	[57.5]	[57.7]	**[54.7]**
SG&A expenses	100.2	106.1	115.4	**123.9**
Personnel expenses	32.6	31.5	33.1	**37.2**
Marketing expenses	42.3	46.2	55.7	**62.3**
Administrative expenses and others	25.3	28.5	26.6	**24.3**
SG&A expenses (incl. R&D expenses)	206.5	240.1	258.4	**269.1**
Ratio of SG&A expenses (incl. R&D expenses) to net sales (%)	58.7	61.7	62.2	**60.5**

9. Stock Information

1) Number of Shares Issued and Shareholder

As of March 31, 2010

Total Number of Authorized Shares (shares)	Number of Shares issued and Outstanding (shares)	Number of Shares Held as Treasury Stock (shares)	Number of Shareholders (persons)	Average Number of Shares per Shareholder (shares)
1,100,000,000	296,566,949	11,629,379	76,185	3,893

* Number of shares issued and outstanding includes treasury stock.

2) Top 10 Shareholders

As of March 31, 2010

	Shares (1,000 shares)	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	18,675	6.30
Japan Trustee Services Bank, Ltd. (Trust Account)	15,712	5.30
Nippon Life Insurance Company	15,344	5.17
Saitama Resona Bank, Limited	12,398	4.18
JP MORGAN CHASE BANK 385147	8,693	2.93
Eisai Employee Shareholding Association	6,485	2.19
National Mutual Insurance Federation of Agricultural Cooperatives	5,091	1.72
Sumitomo Life Insurance Company	5,015	1.69
Mizuho Corporate Bank, Ltd.	4,680	1.58
The Naito Foundation	4,207	1.42

* Treasury stock (11,629 thousands shares, 3.92%) is excluded as it has no voting rights.
* Number of shares less than one thousand has been omitted.

3) Number of Shareholders by Category

	2009 Mar 31	%	**2010 Mar 31**	%	Diff.
Financial institutions	194	0.3	**193**	0.3	(1)
Securities companies	66	0.1	**55**	0.1	(11)
Other Japanese corporations	1,164	1.7	**1,126**	1.5	(38)
Corporations outside Japan, etc.	542	0.8	**525**	0.7	(17)
Individuals and others	66,181	97.1	**74,285**	97.5	8,104
Treasury stock	1	0.0	**1**	0.0	0
Total	68,148	100.0	**76,185**	100.0	8,037

4) Number of Shares Held by Category

(1,000 shares)

	2009 Mar 31	%	**2010 Mar 31**	%	Diff.
Financial institutions	130,344	44.0	**130,057**	43.9	(286)
Securities companies	8,449	2.8	**10,536**	3.6	2,087
Other Japanese corporations	21,818	7.4	**22,201**	7.5	383
Corporations outside Japan, etc.	69,213	23.3	**61,655**	20.8	(7,557)
Individuals and others	55,081	18.6	**60,486**	20.4	5,405
Treasury stock	11,660	3.9	**11,629**	3.9	(31)
Total	296,566	100.0	**296,566**	100.0	-

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

5) Breakdown of Shareholders by Number of Shares Held

(investors)

	2009 Mar 31	%	**2010 Mar 31**	%	Diff.
1 million shares and over	45	0.1	**53**	0.1	8
100,000 ~ 999,999 shares	168	0.2	**154**	0.2	(14)
10,000 ~ 99,999 shares	853	1.3	**867**	1.1	14
1,000 ~ 9,999 shares	13,183	19.3	**14,712**	19.3	1,529
100 ~ 999 shares	49,433	72.5	**55,471**	72.8	6,038
less than 100 shares	4,466	6.6	**4,928**	6.5	462
Total	68,148	100.0	**76,185**	100.0	8,037

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

(1,000 shares)

	2009 Mar 31	%	**2010 Mar 31**	%	Diff.
1 million shares and over	186,314	62.8	**186,231**	62.8	(82)
100,000 ~ 999,999 shares	49,380	16.7	**45,408**	15.3	(3,971)
10,000 ~ 99,999 shares	21,641	7.3	**21,357**	7.2	(284)
1,000 ~ 9,999 shares	27,485	9.3	**30,290**	10.2	2,805
100 ~ 999 shares	11,567	3.9	**13,098**	4.4	1,530
less than 100 shares	177	0.1	**181**	0.1	3
Total	296,566	100.0	**296,566**	100.0	-

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

10. Consolidated Subsidiaries - Associated Companies

1) Consolidated Subsidiaries (49 companies)

(1) Subsidiaries Outside Japan (38 companies)

As of March 31, 2010

Company Name	Location	Common Stock Unit: thousand		Equity (%) Ownership	Description of Operations
Eisai Corporation of North America	New Jersey, USA	3,416,700	USD	100.00%	U.S. holding company
Morphotek, Inc.	Pennsylvania, USA	355,000	USD	100.00%	Pharma. research and development
Eisai Inc.	New Jersey, USA	151,600	USD	100.00%	Pharma. research and development/production/sales
Eisai Machinery U.S.A. Inc.	New Jersey, USA	1,000	USD	100.00%	Pharma. machinery sales
Eisai Europe Ltd.	Hertfordshire, U.K.	184,137	GBP	100.00%	European regional headquarters/holding company
Eisai Ltd.	Hertfordshire, U.K.	46,008	GBP	100.00%	Pharma. research and development/sales
Eisai Manufacturing Ltd.	Hertfordshire, U.K.	32,300	GBP	100.00%	Pharma. production
Eisai GmbH	Frankfurt, FRG	7,669	EUR	100.00%	Pharma. sales
Eisai Machinery GmbH	Cologne, FRG	1,278	EUR	100.00%	Pharma. machinery production/sales
Eisai S.A.S.	Paris, France	19,500	EUR	100.00%	Pharma. production/sales
Eisai B.V.	Amsterdam, Netherlands	540	EUR	100.00%	Pharma. production/sales
Eisai Farmacéutica S.A.	Madrid, Spain	4,000	EUR	100.00%	Pharma. sales
Eisai S.r.l.	Milan, Italy	3,500	EUR	100.00%	Pharma. sales
Eisai Pharma AG	Zurich, Switzerland	3,000	CHF	100.00%	Pharma. sales
Eisai AB	Stockholm, Sweden	10,000	SEK	100.00%	Pharma. sales
Eisai Farmacêutica, Unipessoal Lda.	Lisbon, Portugal	4,000	EUR	100.00%	Pharma. sales
Eisai SA/NV	Brussels, Belgium	7,000	EUR	100.00%	-
Eisai GesmbH	Austria, Vienna	2,000	EUR	100.00%	Pharma. sales
Eisai China Inc.	Suzhou, China	319,205	RMB	100.00%	Pharma. production/sales
Eisai Machinery Shanghai, Inc.	Shanghai, China	200	USD	100.00%	Pharma. machinery marketing support/maintenance
PT Eisai Indonesia	Jakarta, Indonesia	5,000	USD	100.00%	Pharma. production/sales
Eisai Asia Regional Services Pte. Ltd.	Singapore, Singapore	26,400	SGD	100.00%	Asian regional headquarters/ holding company
Eisai (Singapore) Pte. Ltd.	Singapore, Singapore	300	SGD	100.00%	Pharma. sales
Eisai Clinical Research Singapore Pte. Ltd.	Singapore, Singapore	10	SGD	100.00%	Pharma. research and development
Eisai (Malaysia) Sdn. Bhd.	Petaling Jaya, Malaysia	470	MYR	100.00%	Pharma. sales
Eisai (Thailand) Marketing Co., Ltd.	Bangkok, Thailand	11,000	THB	49.91%	Pharma. production/sales
Eisai Taiwan Inc.	Taipei, Taiwan	270,000	TWD	100.00%	Pharma. production/sales
Eisai (Hong Kong) Co., Ltd.	Hong Kong, China	500	HKD	100.00%	Pharma. sales
Eisai Korea Inc.	Seoul, Korea	3,512,000	KRW	100.00%	Pharma. sales
HI-Eisai Pharmaceutical Inc.	Manila, Philippines	56,250	PHP	50.00%	Pharma. production/sales
Eisai Pharmaceuticals India Pvt. Ltd.	Maharashtra, India	160,000	INR	100.00%	Pharma. production/sales
Eisai Pharmatechnology & Manufacturing Pvt. Ltd.	Andhra Pradesh, India	2,404,000	INR	100.00%	Pharma. manufacturing research/production
Eisai Australia Pty. Ltd.	Sydney, Australia	1,000	AUD	100.00%	-
(Other 5 companies)					

* The closing date of Eisai's consolidated subsidiaries is March 31 except for Eisai China Inc. and Eisai Machinery Shanghai, Inc. (December 31). Provisional settlement of account is made on a consolidated basis for both consolidated subsidiaries.
* Eisai (Thailand) Marketing Co., Ltd. and HI-Eisai Pharmaceutical Inc. are considered as Eisai's consolidated subsidiaries under the "controlling entity" standard, although Eisai's voting rights for these companies are no more than 50%.
* Eisai Ltd. (Canada) for marketing was established in Canada in April 2010, Eisai of Puerto Rico Inc. for marketing support was established in Puerto Rico in May 2009, and Eisai GesmbH for marketing was established in Austria in April 2009.
* Eisai Research Institute of Boston Inc. and Eisai Medical Research Inc. were merged with Eisai Inc. in October 2009. The operations of Eisai London Research Laboratories Ltd. were transferred to Eisai Ltd. in October 2009.
* Of "other 5 companies" shown in the above four are subsidiaries of Eisai Inc. and the other is Eisai London Research Labratories Ltd. They are included in the consolidation.
* Fractional figures in "Common Stock" are rounded down.

(2) Subsidiaries in Japan (11 companies)

As of March 31, 2010

Company Name	Location	Common Stock Unit: million JPY	Equity (%) Ownership	Description of Operations
Sanko Junyaku Co., Ltd.	Tokyo	5,262	100.00%	Diagnostic product prod./sales
Sannova Co., Ltd.	Gunma Pref.	926	80.02%	Pharma. production/sales
Elmed Eisai Co., Ltd.	Tokyo	450	100.00%	Pharma. sales
Eisai Food & Chemicals Co., Ltd.	Tokyo	101	100.00%	Food additives/chemicals sales
Eisai Machinery Inc.	Tokyo	100	100.00%	Pharma. machinery prod./sales
KAN Research Institute, Inc.	Hyogo Pref.	70	100.00%	Pharma. research and development
Eisai Distribution Co., Ltd.	Kanagawa Pref.	60	100.00%	Pharma. distribution
Palma Bee'Z Research Institute Co., Ltd.	Tokyo	50	100.00%	Diagnostic product research and development
Eisai R&D Management Co., Ltd.	Tokyo	12	100.00%	Management of drug development/research
Sunplanet Co., Ltd.	Tokyo	455	84.90%	Administrative/Catering/Printing service/Real estate management
Eisai Seikaken Co., Ltd.	Kumamoto Pref.	50	70.00%	Agro-chemical prod./sales

* Fractions in "Common Stock" are rounded down.

2) Associated Company (1 company)

As of March 31, 2010

Company Name	Location	Common Stock Unit: million JPY	Equity (%) Ownership	Description of Operations
Bracco-Eisai Co., Ltd.	Tokyo	340	49.00%	Import/prod./sales of contrast media

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

11. Number of Employees

1) Number of Employees on Consolidated Basis

(persons)

	2007 Mar 31	2008 Mar 31	2009 Mar 31	**2010 Mar 31**
Total employees	9,649	10,686	10,977	**11,415**
Japan	5,334	5,453	5,592	**5,675**
U.S.	1,975	2,699	2,647	**2,701**
Europe	765	861	951	**1,015**
China	777	834	944	**1,114**
Asia and others (exc. Japan and China)	798	839	843	**910**

2) Number of Employees and Labor Cost on Non-consolidated Basis

(persons)

	2007 Mar 31	2008 Mar 31	2009 Mar 31	**2010 Mar 31**
Total employees	4,050	4,137	4,308	**4,367**
Production	819	800	801	**774**
Research and development	1,101	1,123	1,174	**1,236**
Sales, marketing and administration	2,130	2,214	2,333	**2,357**
Total personnel cost (billions of yen)	60.9	57.9	60.6	**68.3**

* The number of total employees shown in the above includes the staff assigned to Eisai from companies outside of the group, and excludes Eisai employees who are loaned to companies outside of the group.

12. Major R&D Pipeline

1) By Development Stage

(1) New Approval

	Product Name Research Code	Indication/Mode of Action or Category	Region	Approved	Form.
○	**Aricept (E2020)**	**Additional Formulation: oral jelly formulation**	Japan	July 2009	Oral
○	**Glufast**	**Rapid-acting insulin secretagogue agent/type 2 diabetes mellitus (generic name: mitiglinide)**	Philippines Thailand	July 2009 December 2009	Oral
○	**Inovelon (E2080)**	**Antiepileptic agent for adjunctive therapy for Lennox-Gastaut syndrome (LGS) (generic name: rufinamide)**	South Korea	July 2009	Oral
◉	**Humira (D2E7)**	**Additional Indication & Dosage: psoriasis**	Japan	January 2010	Inj.
◉	**Dacogen (E7373)**	**Additional Dosage & Administration: five-day dosing regimen for treatment of myelodysplastic syndromes**	US	March 2010	Inj.

(2) Under Review/Preparing for Submission

	Product Name Research Code	Indication/Mode of Action or Category	Region	Submission /Target	Form.
	Aricept (E2020)	**Additional Indication: vascular dementia**	US (EU)	November 2002 (preparing for submission)	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**	Asia*[1]	March 2008	Oral
	Zonegran (E2090)	**Additional Formulation: orally disintegrating tablet (generic name: zonisamide)**	EU	March 2009	Oral
○	**E7389**	**Anticancer agent (breast cancer)/microtubule dynamics inhibitor (generic name: eribulin mesylate)**	Switzerland Singapore ◉ Japan ◉ US ◉ EU	July 2009 March 2010 March 2010 (application submitted) March 2010 (application submitted)	Inj.
○	**Pariet (E3810)**	**Additional Indication: non-erosive gastroesophageal reflux disease**	Japan	September 2009	Oral
○	**Pariet (E3810)**	**Additional Indication: concomitant therapy for eradication of *Helicobacter pylori* in gastric MALT lymphoma, the stomach after endoscopic resection of early stage gastric cancer, and idiopathic thrombocytopenic purpura**	Japan	September 2009	Oral
○	**Humira (D2E7)**	**Additional Indication: Crohn's disease**	Japan	September 2009	Inj.
○	**Humira (D2E7)**	**Additional Indication: ankylosing spondylitis**	Japan	October 2009	Inj.
○	**Aricept (E2020)**	**Additional Formulation: extended release formulation**	US	November 2009	Oral
◉	**Tambocor**	**Additional Indication, Dosage & Administration: tachyarrhythmia in paediatric patients**	Japan	January 2010	Oral
◉	**Aciphex (E3810)**	**Additional Formulation: extended release formulation**	US EU	submission being processed	Oral
◉	**Urief**	**Treatment for Dysuria Associated with Benign Prostatic Hyperplasia (generic name:silodosin)**	Asia*[1]	March 2010	Oral
◉	**Pariet (E3810)**	**Additional Dosage & Administration: reflux esophagitis**	Japan	April 2010	Oral

○development progress from April 2009 onwards ◉development progress from January 2010 onwards

*[1]: The countries in which applications have been filed or are under review can be found in the "2) by Therapeutic Area" section. (p.31)

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

	Product Name Research Code	Indication/Mode of Action or Category	Region	Phase	Submission Target	Form.
	E2007	**Anti-epileptic agent/AMPA receptor antagonist (generic name: perampanel)**	US EU Japan	III III II	FY2011	Oral
	E5564	**Severe sepsis/endotoxin antagonist (generic name: eritoran)**	US EU Japan	III III III	FY2010	Inj.
○	**MORAb-003**	**Anticancer agent (ovarian cancer)/monoclonal antibody (generic name: farletuzumab)**	US EU	III III	FY2012	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
	Saforis (E6014)	**Oral mucositis/glutamine oral suspension**	US	III		Oral Suspe.
	Zonegran (E2090)	**Additional Indication: paediatric epilepsy**	EU	III	FY2011	Oral
	Zonegran (E2090)	**Additional Indication: monotherapy for epilepsy**	EU	III	FY2012	Oral
	Dacogen (E7373)	**Additional Indication: acute myelogenous leukemia (AML)**	US	III	FY2010	Inj.
	Humira (D2E7)	**Additional Indication: juvenile rheumatoid arthritis**	Japan	III	FY2010	Inj.
	Humira (D2E7)	**Additional Indication: inhibition of structural damage of joints**	Japan	III	FY2011	Inj.
⦿	**clevudine**	**Anti-chronic hepatitis B agent (generic name: clevudine)**	China	III		Oral
⦿	**E2080**	**Antiepileptic agent/adjunctive therapy for Lennox-Gastaut syndrome (generic name: rufinamide)**	Japan	III		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 EU	II/III II/III		Oral
	amolimogene (E7101)	**Treatment for cervical dysplasia/therapeutic DNA vaccine**	US	II/III		Inj.
	Humira (D2E7)	**Additional Indication: ulcerative colitis**	Japan	II/III	FY2011	Inj.

○development progress from April 2009 onwards ⦿development progress from January 2010 onwards

✶submission target changed from the previous announcement

(4) Clinical (Phase II)

	Product Name 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 EU	II II		Oral
	E2007	**Treatment for multiple sclerosis/AMPA receptor antagonist**	EU	II		Oral
	E2007	**Migraine prophylaxis/AMPA receptor antagonist**	US	II		Oral
✶	**E5555**	**Treatment for acute coronary syndrome/thrombin receptor antagonist**	US EU Japan	II II II		Oral
	E5555	**Treatment for atherothrombosis/thrombin receptor antagonist**	US EU Japan	II II II		Oral
	E6201	**Antipsoriatic agent/novel MEK-1/MEKK-1 kinase inhibitor**	US EU	II II		Topical
	E7080	**Anticancer agent (thyroid cancer) /VEGF receptor tyrosine kinase inhibitor**	US EU	II II		Oral
⦿	**E7080**	**Anticancer agent (endometrial 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 EU	II 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	FY2012	Oral
	MORAb-009	**Anticancer agent (mesothelioma)/ monoclonal antibody**	US EU	II II		Inj.
	Aricept (E2020)	**Additional Indication: Lewy body dementia**	Japan	II		Oral
	irofulven (E7850)	**Anticancer agent (prostate and other types of cancer) /DNA synthesis inhibitor**	US	II		Inj.
⦿	**Pariet (E3810)**	**Additional Indication: functional-dyspepsia**	Japan	II		Oral

○development progress from April 2009 onwards ⦿development progress from January 2010 onwards

✶submission target changed from the previous announcement

· submission target for E5555 has been deleted as the Company is reviewing future development strategy for this compound.

2) By Therapeutic Area

(1) Neurology

Product Name Research Code	Description	Development Status
Aricept (E2020)	An acetylcholinesterase inhibitor currently approved for the treatment of Alzheimer's disease. (Generic name: donepezil)	**Additional Indications** Vascular dementia: under review (US) Lewy body dementia: Phase II (Japan) **Additional Formulations** Oral jelly: approved (Japan) Extended release formulation: under review (US)
E2007	A selective AMPA-type glutamate receptor antagonist for the treatment of a variety of neurological disorders. (Generic name: perampanel)	Epilepsy: Phase III (EU/US), Phase II (Japan) Neuropathic pain: Phase II (EU/US) Migraine prophylaxis: Phase II (US) Multiple sclerosis: Phase II (EU)
AS-3201	An aldose reductase inhibitor that is believed to reduce intracellular accumulation of sorbitol. Currently being investigated as a potential treatment for diabetic neuropathy, one of the most common diabetic complications. (Generic name: ranirestat)	Diabetic neuropathy: Phase II/III (EU/US)
Zonegran (E2090)	Believed to exhibit a wide anti-epileptic spectrum and is well-tolerated. Currently indicated as an adjunctive therapy in the treatment of patients with partial seizures. (Generic name: zonisamide)	**Additional Indications** Monotherapy: Phase III (EU) Paediatric indication: Phase III (EU) **Additional Formulations** 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 potential treatment for 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)
Inovelon/ Banzel (E2080)	A triazole derivative that is structurally unrelated to currently marketed antiepileptic drugs (AEDs). It is believed to regulate the activity of sodium channels in the brain which carry excessive electrical charges. The agent has been approved for adjunctive therapy for Lennox-Gastaut syndrome (LGS) in Europe (under the brand name of Inovelon) and in the U.S. (under the brand name of Banzel). Approval was also granted in South Korea and clinical development is ongoing in Japan. (Generic name: rufinamide)	Adjunctive therapy for LGS: approved (South Korea), Phase III (Japan)

(2) Oncology and Supportive Care

Product Name Research Code	Description	Development Status
E7389	A synthetic analog of halichondrin B derived from a marine sponge. Believed to exert an antitumor effect by arresting cell cycle through inhibiting the growth of microtubules. Currently being investigated as a potential treatment for various solid tumors such as breast cancer. (Generic name: eribulin)	Breast cancer: under review (Japan/Switzerland/Singapore), application submitted (EU/US) NSCLC: Phase II (US) Prostate cancer: Phase II (EU/US) 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 a VEGF receptor, VEGFR2. Currently being investigated as a potential treatment of various solid tumors.	Thyroid cancer: Phase II (EU/US) Endometrial cancer: Phase II (US)

(2) Oncology and Supportive Care (cont.)

Product Name Research Code	Description	Development Status
MORAb-003	A humanized IgG1 MAb that targets folate receptor alpha (FRA). Expected to exhibit an anti-tumor effect against carcinomas with excessive expression of FRA. (Generic name: farletuzumab)	Ovarian cancer: Phase III (EU/US)
MORAb-009	A chimeric IgG1 MAb that blocks the function of mesothelin. Expected to exhibit an anti-tumor effect against carcinomas that express methothelin.	Mesothelioma: Phase II (EU/US)
Dacogen (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** Acute myelogenous leukemia (AML): Phase III (US) **Additional Dosage**: alternative five-day dosing regimen for MDS: approved (US)
irofulven (E7850)	Believed to exhibit an anticancer effect by inhibiting DNA synthesis.	Prostate cancer, etc: Phase II (US)
AKR-501 (E5501)	A thrombopoietin receptor agonist for oral administration that increases platelet production. Expected to exhibit effects against conditions that show thrombopenia.	Idiopathic thrombocytopenic purpura: Phase II (US) Thrombocytopenia associated with liver disease: Phase II (US)
amolimogene (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 (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 Research Code	Description	Development Status
Humira (D2E7)	A fully human monoclonal anti-TNF-α antibody that neutralizes the activity of tumor necrosis factor alpha (TNF-α), a type of cytokine that plays a central role in inflammatory reactions in patients with autoimmune diseases. Approved in Japan for the treatment of rheumatoid arthritis and psoriasis. (Generic name: adalimumab)	**Additional Indications** Psoriasis: approved (Japan) Crohn's disease: under review (Japan) Juvenile rheumatoid arthritis: Phase III (Japan) Ankylosing spondylitis: under review (Japan) Inhibition of structural damage of joints: Phase III (Japan) Ulcerative colitis: Phase II/III (Japan)
E5564	Exhibits endotoxin antagonist effects that inhibit isolation of inflammatory cytokines. It suppresses various clinical conditions caused by endotoxins. (Generic name: eritoran)	Severe sepsis: Phase III (Global Development Program)
E5555	Selectively binds to the 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) Atherothrombosis: Phase II (Japan/US/EU)
E6201	A novel MEK-1/MEKK-1 kinase inhibitor. Expected to inhibit inflammatory cellular signaling as well as overgrowth of epidermal cells in patients with psoriasis.	Psoriasis: Phase II (EU/US)
T-614	Suppresses inflammatory cytokine production and immunoglobulin production. Expected to exhibit effects against rheumatoid arthritis. (Generic name: iguratimod)	Rheumatoid arthritis: Phase III (Japan)
Tambocor	Suppress tachyarrhythmia by blocking cardiac sodium channels. Currently approved for the treatment of tachyarrhythmia (paroxysmal atrial fibrillation/flutter and ventricular tachycardia) in adults. (Generic name: flecainide)	Tachyarrhythmia in peadiatric patients: under review (Japan)

(4) Gastrointestinal Disorders

Product Name Research Code	Description	Development Status
Aciphex/ Pariet (E3810)	A proton pump inhibitor approved for the treatment of gastric and duodenal ulcers, reflux esophagitis and eradication of *Helicobacter pylori* infections, etc. (Generic name: rabeprazole)	**Additional Indications** Non-erosive GERD: under review (Japan), concomitant therapy for eradication of *Helicobacter pylori* in gastric MALT lymphoma, the stomach after endoscopic resection of early stage gastric cancer, and idiopathic thrombocytopenic purpura: under review (Japan), functional-dyspepsia: Phase II (Japan) **Additional Dosage** Reflux esophagitis: under review (Japan) **Additional Formulations** Extended release formulation: submission being processed (EU/US)
Gasmotin	A selective serotonin 5-HT$_4$ receptor agonist that exhibits gastroprokinetic and gastric evacuation effects by enhancing acetylcholine release. Currently approved in Thailand. Approval was also granted in the Philippines. The application for marketing authorization in Singapore has been withdrawn. (Generic name: mosapride)	Gastroprokinetic agent: approved (Philippines), under review (Malaysia/Indonesia/Vietnam), being prepared for submission (four other Asian (including ASEAN member) countries)

(5) Other Therapeutic Areas

Product Name 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 in 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), being prepared for submission (two ASEAN member countries), 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. Received approval in the Philippines and Thailand. (Generic name: mitiglinide)	Diabetes: approved (Philippines, Thailand), under review (Malaysia/Indonesia/Singapore), in preparation for submission (five ASEAN member countries)
Urief	A selective alpha 1A-adrenergic receptor antagonist. By selectively blocking alpha 1A-adrenergic receptors that are primarily distributed in the prostate gland, the compound reduces urethral resistance by relaxing certain muscles of the prostate gland, thereby improving dysuria associated with benign prostatic hyperplasia (BPH) .	Dysuria associated with BPH: under review (Singapore), being prepared for submission (nine ASEAN member countries)

13. 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 the establishment of a new sales subsidiary in Austria <announced on June 17>
	・Announced a notice on the allocation of stock options (stock acquisition rights) <announced on June 19>
	・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 for 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 initiate a clinical trial of the DNA hypomethylating agent Dacogen in the U.S. in pediatric patients with Acute Myelogenous Leukemia <announced on July 6>
	・U.S. Food and 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 myelodysplastic syndromes (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>
	・Announced Eisai's determination to continue "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" <announced on July 31>
	・A rapid-acting insulin secretagogue agent Glufast received approval in the Philippines for the treatment of type II diabetes mellitus
	・An anti-epileptic agent Inovelon received approval in South Korea for adjunctive therapy in Lennox-Gastaut syndrome (LGS)

Date	Description
September	・ Announced an agreement with Pfizer on the strategic alliance for Alzheimer's disease treatment Aricept <announced on September 25>
	・ Signed a license agreement with KYORIN Pharmaceutical Co., Ltd., a subsidiary of KYORIN Co., Ltd., for the development and marketing of a therapeutic agent for overactive bladder Uritos Tablets in China, India, Sri Lanka and ASEAN member countries <announced on September 29>
	・ Submitted an application for an additional indication for proton pump inhibitor Pariet to treat non-erosive GERD <announced on September 29>
	・ Entered into a collaboration and license agreement with DNDi (Drugs for Neglected Diseases *initiative*) to develop a new drug treatment for Chagas disease <announced on September 29>
	・ Submitted an application for an additional indication for Humira, a fully human monoclonal anti-TNF-α antibody, for the treatment of Crohn's disease in Japan <announced on September 30>
October	・ Eisai Research Institute of Boston Inc. and Eisai Medical Research Inc. were merged into Eisai Inc. in the U.S.
	・ Operations of Eisai London Research Laboratories Ltd. were transferred to Eisai Ltd. in the U.K.
	・ Launched anti-epileptic agent Zebinix in Germany, the U.K., Austria, and Denmark
	・ Submitted an application for an additional indication for proton pump inhibitor Pariet for use as a concomitant therapy in the eradication of Helicobacter *pylori* in gastric MALT lymphoma, the stomach after endoscopic resection of early stage gastric cancer, and idiopathic thrombocytopenic purpura in Japan <announced on October 1>
	・ Opened regional office in Bahrain <announced on October 16>
	・ Launched Crystal Veil, a positively-charged allergen screen topical gel for protection against pollen and house dust, in Japan (launched on October 20) <announced on October 19>
	・ Signed a license and joint development agreement with TSD Japan, Inc. for the development of denileukin diftitox, a treatment for cutaneous T-cell lymphoma, in Japan <announced on October 26>
	・ Submitted an application for an additional indication for Humira, a fully human monoclonal anti-TNF-α antibody, for the treatment of ankylosing spondylitis in Japan <announced on October 28>
	・ Concluded a strategic collaboration agreement with Quintiles regarding the development of anticancer compounds <announced on October 30>
	・ Announced preliminary results of a Phase III study of eribulin; results showed eribulin meets primary endpoint of overall survival <announced on October 30>
November	・ Launched a sedative-hypnotic agent Lusedra Injection CIV in the U.S. <announced on November 17>
	・ FDA accepted a new drug application for Aricept 23mg extended release tablets, a treatment for Alzheimer's disease <announced on November 25>
December	・ Launched a new oral jelly formulation of Aricept in Japan <announced on December 1>
	・ Opened a new manufacturing and process research base in India <announced on December 17>
	・ Announced the initiation of procedures to acquire AkaRx, Inc. in the U.S. <announced on December 18>
	・ Announced the submission of a new drug application for pancreatic enzyme replacement therapy agent SA-001 in Japan <announced on December 24>
	・ A rapid-acting insulin secretagogue agent Glufast received approval in Thailand
January 2010	・ Completed acquisition of AkaRx, Inc. in the U.S. <announced on January 7>
	・ Announced launch of the new Chocola BB series pharmaceutical product Chocola BB Royal T for the alleviation of daily fatigue symptoms (launched on February 8) <announced on January 12>
	・ Submitted an application for additional indication of anti-arrhythmic agent Tambocor tablets for tachyarrhythmia in paediatric patients in Japan <announced on January 14>
	・ Made contribution to Haiti earthquake relief efforts <announced on January 19>
	・ Fully human monoclonal anti-TNF-α antibody Humira received approval as a treatment of psoriasis in Japan <announced on January 20>

Date	Description
February	・ Launched chronic hepatitis B treatment Revovir in the Phillipines <announced on February 24>
March	・ Announced the launch of the drop-type motion sickness remedy Travelmin Churop Lemon Flavor in Japan (launched on March 8) <announced on March 2>
	・ Broke ground on new Morphotek pilot plant <announced on March 9>
	・ An alternative five-day dosing regimen for hypermethylating agent Dacogen to treat patients with myelodysplastic syndromes (MDS) received approval in the U.S. <announced on March 12>
	・ Announced the continuation of a phase III trial of endotoxin antagonist E5564 to the preset goal of 2000 patients <announced on March 26>
	・ Announced a notice concerning shelf registration for issuance of stock options <announced on March 26>
	・ Submitted regulatory applications in Japan, the U.S. and Europe for investigational anticancer agent E7389 for the treatment of locally advanced or metastatic breast cancer <announced on March 31>
April	・ Signed a license agreement with Almirall, S.A. concerning the gastroprokinetic agent cinitapride in China <announced on April 16>
	・ Lyrica Capsules for the treatment of postherpetic neuralgia received approval in Japan <announced on April 16>
May	・ Submitted applications in Japan for twice-daily dosing treatments of proton pump inhibitor Pariet for the treatment of reflux esophagitis <announced on May 6>
	・ announced to commence a Japan phase III clinical trial of the antiepileptic agent rufinamide in patients with Lennox-Gastaut syndrome <announced on May 7>
	・ Established a pharmaceutical sales subsidiary in Canada <announced on May 11>