CONSOLIDATED FINANCIAL REPORT
For the Third Quarter of Fiscal 2010
(the Fiscal Year Ending March 31, 2011, Japan Standard)

February 1, 2011

Eisai Co., Ltd. — Stock exchange listings: Tokyo, Osaka
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Expected date of quarterly report submission: February 10, 2011
Expected date of dividend payment commencement: -
Preparation of quarterly supplementary explanatory material: Yes
Quarterly results briefing held: Yes

(Figures are rounded down to the nearest million yen unless otherwise stated)

1. Consolidated Financial Results for the Third Quarter of Fiscal 2010 (April 1, 2010 to December 31, 2010)

(1) Consolidated Operating Results (cumulative)

(Percentage figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%
3Q fiscal 2010	613,859	+1.6	109,434	+28.7	102,734	+28.3	67,371	+24.9
3Q fiscal 2009	604,489	+1.0	85,061	+15.9	80,069	+20.6	53,919	+37.7

	Basic earnings per share	Diluted earnings per share
	(¥)	(¥)
3Q fiscal 2010	236.44	236.43
3Q fiscal 2009	189.25	189.23

(2) Consolidated Financial Position

	Total assets	Equity	Shareholder's equity ratio	Book value per share
	(¥ million)	(¥ million)	%	(¥)
As of Dec. 31, 2010	1,054,223	402,933	37.6	1,392.91
As of March 31, 2010	1,101,910	421,740	37.7	1,459.74

(Reference) Total equity less minority interests and stock options:
As of Dec 31, 2010 ¥ 396,885 million As of March 31, 2010 ¥415,935 million

2. Dividends

	Dividend per share				
	1Q end	2Q end	3Q end	Year-end	Total
	(¥)	(¥)	(¥)	(¥)	(¥)
Fiscal 2009	—	70.00	—	80.00	150.00
Fiscal 2010	—	70.00	—		
Fiscal 2010 (Forecast)				80.00	150.00

Note: Revisions to dividends forecast during the quarter: None

3. Consolidated Financial Results Forecast for Fiscal 2010 (April 1, 2010 to March 31, 2011)

(Percentage figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Basic earnings per share
	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥ million)	%	(¥)
Full fiscal year	770,000	(4.1)	116,000	+34.2	107,000	+34.3	70,000	+73.5	245.68

Note: Revisions to financial forecast during the quarter: Yes

4. Other (please refer to "Other information" on page 14 for details.)

(1) Changes in number of significant subsidiaries* during the period: None

Increase: None Decrease: None

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

(Note) The changes to number of subsidiaries in connection with changes to the scope of consolidation during the third quarter of Fiscal 2010

(2) Application of the simplified accounting method and special accounting treatment in connection with the preparation of this consolidated financial statement: Yes

(3) Changes of accounting principles, procedures and representation methods in connection with the preparation of this consolidated financial statement*:
1) Changes in connection with the amendment of accounting policies and methods: Yes
2) Changes other than (1): None

*The changes that are subject to listing in "Summary of Changes of Accounting Principles, Procedures and Representation Methods in Connection with the Preparation of Consolidated Financial Statements" in reference materials.

(4) Number of shares issued and outstanding (common stock):
i. Number of shares issued and outstanding as of the end of the reporting period (including treasury stock):
3Q fiscal 2010: 296,566,949 shares Fiscal 2009: 296,566,949 shares
ii. Number of shares of treasury stock as of the end of the reporting period:
3Q fiscal 2010: 11,633,433 shares Fiscal 2009: 11,629,379 shares
iii. Average number of outstanding shares (3Q cumulative):
3Q fiscal 2010: 284,936,110 shares 3Q fiscal 2009: 284,906,621 shares

* Disclosure concerning the implementation status of quarterly review procedures:
This quarterly financial report is exempt from quarterly review procedures as stipulated under the Financial Instruments and Exchange Act of Japan. At the time of this quarterly financial report's disclosure, quarterly financial statement review procedures have not been completed as stipulated under the Financial Instruments and Exchange Act of Japan.

* Explanation concerning the appropriate use of results forecast and other special instructions:
Please refer to page 12 for details with regard to the assumptions and other related matters concerning consolidated financial results forecasts.

Reference Materials

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1. Qualitative Information Concerning Financial Results

(1) Qualitative Information Concerning Consolidated Operating Results (April 1, 2010 to December 31, 2010)

Sales and Income

- Eisai Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") recorded the following **consolidated financial results** for the quarter ended December 31, 2010:

  Net sales: 613,859 million (1.6% increase year on year)
  Operating income: 109,434 million (28.7% increase year on year)
  Ordinary income: 102,734 million (28.3% increase year on year)
  Net income: 67,371 million (24.9% increase year on year)

- **Sales of Aricept**, an anti-Alzheimer's agent, increased to ¥247,638 million (up 4.2% year on year). **Sales of Pariet** (U.S. brand name: Aciphex), a proton pump inhibitor, came to ¥109,043 million (down 4.7% year on year). **Sales of oncology related products** came to ¥59,674 million (up 3.2% year on year).
- **Operating income**, **ordinary income** and **net income** all exceeded results recorded in the same period of the previous fiscal year, driven by increased gross profit as a result of higher sales as well as improved efficiencies in selling, general and administrative expenses.
- As a result, **basic earnings per share** for this period came to ¥236.44 (up ¥47.19 per share from the same period of 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** was ¥67,371 million; **depreciation of property, plant and equipment** and **amortization of intangible assets** was ¥32,751 million; **amortization of goodwill** was ¥5,913 million; and **loss on impairment of long-lived assets (incl. loss on devaluation of investment securities)** was ¥582 million.
- As a result, **cash income** for this period was ¥106,619 million (up 9.8% year on year), with **cash income per share** of ¥374.19 (up ¥33.30 per share from the same period of 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 as of the end of the year after deduction of treasury stock

Performance by Segment

(Net sales for each segment include only sales to external customers.)

Details concerning performance by segment are provided in accordance with the "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (Accounting Standards Board of Japan (ASBJ) Statement No. 17 released on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 released on March 21, 2008), which were adopted effective from the first quarter of the fiscal year ending March 31, 2011. In addition, indices that compare data with the same period of the previous fiscal year are provided for reference purposes only. For segment information details, please refer to pages 20.

Japan Pharmaceuticals Business

- **Net sales** totaled ¥269,136 million (up 6.5% year on year), with **segment profit** of ¥116,596 million (up 7.3% year on year).
- **Sales of Aricept** increased to ¥80,405 million (up 10.8% year on year), and **sales of Pariet** increased to ¥48,750 million (up 13.2% year on year).

United States Pharmaceuticals Business

- **Net sales** totaled ¥257,966 million (down 0.7% year on year; up 6.9% on a U.S. dollar-denominated basis), with **segment profit** of ¥85,146 million (up 14.7% year on year).
- **Sales of Aricept** came to ¥143,840 million (up 4.0% year on year; up 12.1% on a U.S. dollar-denominated basis), and **sales of Aciphex** came to ¥51,323 million (down 16.2% year on year; down 9.7% on a U.S. dollar-denominated basis)
- **Aricept 23 mg tablet**, a higher dose formulation for the treatment of moderate-to-severe Alzheimer's disease, was launched in August 2010. Sales of the new product accounted for ¥4,039 million of the total sales of **Aricept**.
- Greenstone LLC., a subsidiary of U.S. based Pfizer Inc., launched **Aricept AG** (Authorized Generic: a generic product sold under license from the manufacturer of an original drug). **Sales of Aricept AG** and related business income, including revenue generated from this affiliation, accounted for ¥11,881 million of the total sales of **Aricept**.
- **Halaven,** a novel anticancer agent indicated for the treatment of patients with metastatic breast cancer who have previously been treated with at least two chemotherapeutic regimens including an anthracycline and a taxane, was launched in November 2010. **Sales of Halaven** totaled ¥399 million.

Europe Pharmaceuticals Business

- **Net sales** totaled ¥33,381 million (down 12.0% year on year), with **segment profit** of ¥3,544 million (down 33.4% year on year).
- **Sales of Aricept** came to ¥18,221 million (down 16.2% year on year), and **sales of Pariet** came to ¥5,068 million (down 18.6% year on year).

Asia Pharmaceuticals Business

- **Net sales** totaled ¥23,490 million (up 2.1% year on year), with **segment profit** of ¥4,239 million (down 26.7% year on year).

- **Sales of Aricept** came to ¥5,065 million (up 4.7% year on year), and **sales of Pariet** came to ¥ 3,686 million (down 0.4% year on year).

New Markets Pharmaceuticals Business

- **Net sales** totaled ¥730 million (up 28.0% year on year), with a **segment loss** of ¥413 million.
- **Sales of Aricept** (brand name in India: Aricep) came to ¥105 million (up 21.3% year on year), and **sales of Pariet** (brand name in India: Parit) came to ¥213 million (up 49.9% year on year).

(2) Third Quarter Financial Highlights (October 1, 2010 - December 31, 2010)

- **Consolidated net sales** during the quarter amounted to ¥201,576 million, down 3.8% year on year.
- **Sales of Aricept** came to ¥75,575 million, down 7.3% year on year. Sales of Aricept in Japan totaled ¥29,505 million, up 9.8% year on year, and sales in the U.S. totaled ¥37,782 million, down 17.0% year on year (down 8.4% on a U.S. dollar-denominated basis).

  Sales of Pariet/Aciphex totaled ¥38,703 million, down 5.7% year on year. Sales of Pariet in Japan came to ¥18,878 million, up 12.0% year on year, and sales of Aciphex in the U.S. came to ¥17,313 million, down 16.9% year on year (down 9.8% on a U.S. dollar-denominated basis).

  Sales of oncology related products came to ¥20,162 million, up 7.0% year on year.
- **With respect to sales to external customers** in each reporting segment, pharmaceutical sales were up 5.6% in Japan, down 11.4% in the U.S., down 14.6% in Europe, down 20.8% in Asia, and up 16.7% in New Markets year on year.
- **R&D expenses** came to ¥32,329 million, down 10.5% year on year, and **selling, general and administrative expenses** amounted to ¥83,797 million, down 11.6% year on year.
- **Operating income** was ¥42,243 million, up 17.5% year on year. **Ordinary income** was ¥40,567 million, up 16.3% year on year. **Net income** was ¥27,421 million, up 19.2% year on year, and **net income per share** was ¥96.24, up ¥15.52 from the same period of the previous fiscal year.

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

Status of Ongoing Research & Development Projects

- The **anticancer agent Halaven** (“E7389”, microtubule dynamics inhibitor) received approval in the U.S. for the treatment of patients with metastatic breast cancer previously treated with at least two chemotherapeutic regimens including an anthracycline and a taxane in November 2010. Regulatory applications seeking approval of the agent as a treatment for breast cancer are also currently under review in Japan, the EU, Switzerland, and Singapore, with a priority review status granted in Japan. In January 2011, the agent received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP), the scientific committee of the European Medicines Agency (EMA). A Phase III study investigating the agent as a potential second-line treatment for breast cancer is currently underway in the U.S. The agent is also 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).
- With regard to the **endotoxin antagonist E5564,** the Company has decided that it will not submit applications to regulatory authorities in the U.S., Europe and Japan by the end of March, 2011, as previously planned. The decision was based on the result of a preparatory analysis of the Phase III clinical trials. The Company will continue its analysis of the trial data and determine next steps.
- With regard to the **AMPA-type glutamate receptor antagonist E2007,** the three Phase III studies conducted for the agent showed consistent results in the efficacy and tolerability of the agent given as an adjunctive therapy in patients with refractory partial seizures. Based upon these study results, Eisai is working to make necessary preparations for a simultaneously submission in the U.S. and EU.
- In May 2010, the application submitted for an additional indication and additional dosage and administration of the **anti-arrhythmic agent Tambocor Tablet** for the treatment of tachyarrhythmia (paroxysmal atrial fibrillation/flutter, paroxysmal superventricular tachycardia, ventricular tachycardia) in pediatric patients was approved in Japan.
- In June 2010, the applications submitted for additional indications of the **proton pump inhibitor Pariet** for the treatment of non-erosive gastroesophageal reflux disease (GERD), and concomitant therapy with amoxicillin hydrate and either clarithromycin or metronidazole for the eradication of *Helicobacter pylori* in gastric MALT lymphoma, in the stomach after endoscopic resection of early stage gastric cancer, and in idiopathic thrombocytopenic purpura, were approved in Japan.
- In July 2010, a new **higher dose 23 mg once daily tablet** formulation of the **anti-Alzheimer’s agent Aricept** was approved in the U.S. for the treatment of moderate-to-severe Alzheimer’s disease.
- In July 2010, an additional formulation (orally-disintegrating tablets) of the **anti-epileptic drug Zonegran** obtained marketing approval in Europe.
- In October 2010, the applications for additional indications of the **fully human anti-TNFalpha monoclonal antibody Humira** for the treatment of Crohn's disease and ankylosing spondylitis were approved in Japan. In the same month, the Ministry of Health, Labour and Welfare of Japan notified the Company of clearance of the condition for approval of Humira in terms of the drug use-results survey (all-case surveillance) on rheumatoid arthritis, the first indication for which the drug was approved.
- In December 2010, the **proton pump inhibitor Pariet** received approval in Japan for

additional twice-daily dosage and administration for the treatment of reflux esophagitis patients who are unable to obtain satisfactory relief with conventional proton pump inhibitor treatment.

- In January 2011, the **botulinum toxin type B neuromuscular-blocking agent Nerbloc** obtained approval in Japan for the treatment of cervical dystonia.
- In June 2010, the application submitted for the **proton pump inhibitor Aciphex Extended-Release 50 mg** formulation was accepted for review in the U.S. The application submitted in Europe for the **Pariet Extended-Release 50 mg** formulation was also accepted for review in September 2010.
- In June 2010, an application seeking approval of a new granule formulation of the oral **anticoagulant Warfarin** was submitted in Japan.
- In July 2010, the application submitted for a new oral suspension (40mg/mL) formulation of the **anti-epileptic agent Banzel** was accepted for review in the U.S.
- In August 2010, an application seeking approval of an additional indication of the **fully human anti-TNFalpha monoclonal antibody Humira** for the treatment of juvenile idiopathic arthritis was submitted in Japan.
- In September 2010, an application seeking approval of additional dosage and administration of the oral **anticoagulant Warfarin** in pediatric patients was submitted in Japan.
- In October 2010, the application submitted for a new oral suspension formulation of the **anti-epileptic agent Inovelon** was accepted for review in Europe.
- In November 2010, an application seeking approval of **SEP-190** as a treatment for insomnia was submitted in Japan.
- In November 2010, an application seeking approval of additional dosage and administration of the **calcium channel blocker Vasolan** for the treatment of arrhythmia in pediatric patients was submitted in Japan.
- In December 2010, an application seeking approval of the **embolic bead E7040**, a medical device for use in transcatheter arterial embolization in patients with hepatocellular carcinoma, was submitted in Japan.
- A Phase III study of the **anticancer agent MORAb-003 (monoclonal antibody)** for ovarian cancer was initiated in Japan. The study is now ongoing in Europe, the U.S. and Japan, and is being conducted as a global development program. A Phase II study of the agent in patients with non-small cell lung cancer was also initiated in Europe.
- A Phase III study of the **anti-epileptic agent E2080** for Lennox-Gastaut syndrome (LGS) was initiated in Japan.
- A Phase III study of the **anti-Alzheimer's agent Aricept** in patients with Lewy body dementia was initiated in Japan. A Phase II study of the new **higher dose 23 mg tablet** formulation of the **anti-Alzheimer's agent Aricept** was also initiated in Japan.
- A Phase II study of the **anticancer agent E7080** (VEGF receptor tyrosine kinase /multi-kinase inhibitor) for melanoma was initiated and is ongoing in the U.S. A Phase II study in patients with glioma was also initiated in the U.S.
- A Phase II study of the **anticancer agent Ontak** for melanoma was initiated in the U.S.
- The development program conducted in the U.S. and Europe of the **anti-Alzheimer's agent Aricept** for vascular dementia was discontinued.
- The development of **E7101** as a potential treatment for cervical dysplasia, which had been investigated in a Phase II study in the U.S., was discontinued.

Status of Major Alliances and Agreements

- In June 2010, Eisai's U.S. subsidiary **Eisai Inc. concluded an exclusive license agreement with Helsinn Healthcare S.A. of Switzerland** for the commercialization of a new product for potential use in the prevention of chemotherapy-induced nausea and vomiting (CINV) in the U.S. The arrangement covers the development of a combination antiemetic agent (in both oral and intravenous forms) containing netupitant (generic name), a neurokinin receptor antagonist, and palonosetron (generic name, brand name: Aloxi), a serotonin-3 receptor antagonist.
- In July 2010, Eisai's U.S. subsidiary **Eisai Inc. concluded a license agreement with Arena Pharmaceuticals GmbH**, the Swiss subsidiary of U.S. based Arena Pharmaceuticals, Inc., concerning the exclusive U.S. rights to commercialize lorcaserin, a candidate for potential use in the treatment of obesity. In October 2010, the U.S. Food and Drug Administration (FDA) issued a complete response letter regarding the lorcaserin New Drug Application (NDA). In the letter, the FDA outlined the non-clinical and clinical reasons for their decision. Eisai and Arena will work closely with the FDA to address these comments. Meanwhile, top-line data from the one-year Phase III study that investigated lorcaserin in obese and overweight patients with Type II diabetes (BLOOM-DM [Behavioral modification and Lorcaserin for Overweight and Obesity Management in Diabetes Mellitus] study) demonstrated statistically significant weight loss.
- In September 2010, **Eisai concluded an option agreement concerning APS001, a novel anticancer agent currently under development at Shinshu University venture Anaeropharma Science (Tokyo)** that utilizes characteristic features of *Bifidobacterium longum*, as well as an agreement concerning the discovery of novel anticancer agents that utilize *Bifidobacterium* as a drug delivery system.
- In September 2010, **Eisai and Brain Factory Co., Ltd. (Tokyo) concluded a license agreement** concerning the development and commercialization of a dihydrogen phosphonoxy derivative of ravuconazole (ravuconazole prodrug) in Japan.
- In November 2010, **Eisai's U.S. subsidiary Eisai Inc. entered into a broad strategic drug discovery collaboration with U.S. based FORMA Therapeutics**. Under the terms of the agreement, Eisai has non-exclusive access to FORMA's Diversity Oriented Synthesis (DOS) chemistry-generated compound library and cell-based screening platforms to support the discovery of novel compounds for Eisai's pipeline. In addition, Eisai acquired an option for technology transfer of FORMA's cell-based screening platform.
- In December 2010, **Eisai's diagnostics subsidiary Sanko Junyaku Co., Ltd. entered into an exclusive marketing agreement with SEKISUI MEDICAL CO., LTD.** concerning RapidTesta FLU II, an influenza test kit manufactured and marketed by SEKISUI MEDICAL at the time of agreement. Subsequently, Sanko Junyaku launched the kit in January 2011.
- In December 2010, Eisai entered into an exclusive marketing agreement with Teikoku Seiyaku Co., Ltd. (Kagawa Pref.) concerning the anti-inflammatory analgesic poultice Haojishi in China.

Other Events

- In April 2010, Pfizer Japan Inc. received approval to market the **postherpetic neuralgia treatment Lyrica Capsules** in Japan. Subsequently launched in June, Lyrica is the

subject of a co-promotion agreement between Eisai Co., Ltd. and Pfizer Japan Inc. In October 2010, Pfizer received approval to replace the indication of postherpetic neuralgia with the new and broader indication of peripheral neuropathic pain. In December 2010, an internet portal site “Toutsu.jp” (http://toutsu.jp) was launched to provide the general public with easy-to-understand information on neural pain.

- In April 2010, Eisai established the **pharmaceutical sales subsidiary Eisai Ltd.** in Canada.
- In May 2010, a new **parenteral oncology drug production facility was opened at Eisai’s U.S. plant in North Carolina**. The facility will serve as a global production site for the formulation R&D and commercial manufacturing of intravenous drug products, including Eisai's first anticancer agent. Encompassing aseptic processing suites, manufacturing lines for investigational compounds, formulation research laboratories as well as other support functions, the new operation was designed to handle and process highly potent compounds utilizing state-of-the-art isolator containment technology. The opening of the new facility has allowed Eisai to further reinforce its seamless value chain, which integrates the Group's global research and development, production, distribution and sales operations.
- In June 2010, the once-daily **motion sickness remedy Travelmin 1** (class 2 pharmaceutical product) was launched in Japan.
- In September 2010, **the rapid-acting insulin secretagogue Glufast (product name in Chinese “Kuairutao”)** was launched in China.
- In September 2010, the **anticancer agent Symbenda** (generic name: bendamustine hydrochloride) was launched in Singapore as a treatment for low-grade non-Hodgkin’s lymphoma and chronic lymphatic leukemia.
- In September 2010, the U.S. FDA accepted for review the application submitted by Teikoku Pharma USA, Inc. for a new **weekly transdermal patch formulation (once-weekly administration formulation) of the anti-Alzheimer’s agent Aricept,** which was developed by Teikoku Pharma USA, Inc. in the U.S. under a licensing agreement.
- In October 2010, the **anticancer agent Treakisym** (generic name: bendamustine hydrochloride), which is the subject of a licensing agreement between Eisai Co., Ltd. and SymBio Pharmaceutical Limited, was approved in Japan as a treatment for relapsed or refractory low-grade non-Hodgkin’s lymphoma and mantle cell lymphoma. **Treakisym** was launched by Eisai in December 2010.
- **Crystal Veil Cool,** a menthol containing drug-free allergen screen topical gel that utilizes positively charged ions to prevent the inhalation of allergens such as pollen and house dust, was launched in Japan in November 2010.
- In November 2010, Eisai Co., Ltd. signed **a statement of intent with the World Health Organization (WHO)** outlining the Company’s commitment to supply free of charge a medicine for the treatment of lymphatic filariasis. Eisai agreed to produce and supply to WHO free of charge up to 2.2 billion 100 mg tablets of diethylcarbamazine, a medicine to treat lymphatic filariasis, in accordance with the high quality standards of WHO, over a six year period between 2012 and 2017.
- In December 2010, Eisai commenced **online sales of its dietary supplement products** (food with nutrient function claims) in Japan with the launch of its debut product **Juvela zeitaku polyphenol**, a vitamin E dietary supplement to support the health of people over fifty.
- In January 2011, **Skainar AL Tablets** (class 2 pharmaceutical product), an over-the-

counter allergy medication for the relief of rhinitis and skin-related allergic symptoms caused by hay fever and other allergies, was launched in Japan.

- In January 2011, Eisai commenced fully-fledged operations at its new **Chinese pharmaceutical trading subsidiary Eisai (Suzhou) Trading Co., Ltd**.
- In January 2011, Eisai's Indian subsidiary **Eisai Pharmaceuticals India Pvt. Ltd. signed a Public-Private Partnership (PPP) agreement with Apollo Hospitals** (India's largest healthcare provider) and **HelpAge India** (India's largest patient advocacy group) aimed at improving access to medicines in India. Under the PPP agreement, the three parties will develop and implement a program to educate, screen, diagnose, treat and improve adherence among patients for Alzheimer's disease and depression, thereby creating a greater opportunity for early disease detection, diagnosis and access to quality medical care.
- In January 2011, **The National Institute for Health and Clinical Excellence (NICE)** issued final appraisal recommendations regarding the treatment of patients with mild Alzheimer's disease. This final appraisal states that it recommends acetycholinesterase inhibitors including Aricept for the treatment of patients with mild-to-moderate forms of the disease. The new Alzheimer's disease treatment guidance is scheduled for publication in mid March 2011.
- In January 2011, the board of directors of the **Eisai's diagnostic subsidiary Sanko Jyunyaku Co., Ltd.** resolved to change its corporate name to "EIDIA," effective April 1, 2011.
- In January 2011, Eisai's **new research and development subsidiary H3 Biomedicine Inc.** (H3 Biomedicine) commenced its research activities with the aim to discover breakthrough cancer drugs based on two research objectives: 1) the identification of drug targets in order to facilitate individualized medical care based on the genetic characteristics of each cancer patient; and 2) the active utilization of technologies based on advances in contemporary drug discovery chemistry in order to create new classes of safe and effective compounds that interact with these drug targets. In recent years there has been remarkable progress in the understanding of human cancers on a genetic level. H3 Biomedicine will use the latest findings to discover new cancer drugs that lead to individualized care.

(4) Qualitative Information Concerning Financial Position

Assets, Liabilities and Equity

- **Total assets** as of the end of this period amounted to ¥1,054,223 million (down ¥47,686 million from the end of the previous fiscal year). Major decreases included decreases in intangible assets due to the decrease in assets of foreign subsidiaries as a result of yen conversion.
- **Total liabilities** as of the end of this period amounted to ¥651,290 million (down ¥28,879 million from the end of the previous fiscal year).
- **Total equity** as of the end of this period amounted to ¥402,933 million (down ¥18,806 million from the end of the previous fiscal year). The shareholders' equity ratio was 37.6% (down 0.1 percentage points from the end of the previous fiscal year).

Cash Flow (April 1, 2010 to December 31, 2010)

- **Net cash provided by operating activities** for the nine month period ended December 31, 2010 amounted to ¥105,086 million (up ¥45,769 million from the same period of the previous fiscal year). More specifically, **income before income taxes and minority interests** was ¥101,433 million; **depreciation and amortization** was ¥32,751 million; **increase in notes and accounts receivable-trade** was ¥15,003 million; and **income taxes-paid** was ¥18,585 million.
- **Net cash used in investing activities** amounted to ¥34,437 million (up ¥6,634 million from the same period of the previous fiscal year). Of this amount, ¥10,037 million was used for **purchases of property, plant and equipment** and ¥21,583 million was accounted for as **net increase in time deposits exceeding three months**.
- **Net cash used in financing activities** amounted to ¥59,731 million (up ¥45,002 million from the same period of the previous fiscal year). **Net decrease in short-term borrowings** was ¥16,000 million. ¥42,740 million was used for **dividend payments**.
- As a result, **cash and cash equivalents** as of the end of this period stood at ¥113,582 million (down ¥1,546 million from the end of the previous fiscal year).

(5) Basic Policy on Profit Appropriation and Dividend Forecast for Fiscal 2010 (the Fiscal year ending March 31, 2011)

Eisai Co., Ltd. is devoted to providing sustainable and stable dividends based on its consolidated financial performance along with the 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 in order to improve the financial standing of the Company, i.e. investment in future growth and business development, dividend payments, repayment of borrowings, and other expenditures. The Company considers that a well-balanced allocation of cash income for these applications over a 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.

Eisai Co., Ltd. is a company with a committees system and, to facilitate a flexible dividend policy as specified in the Company's Articles of Incorporation, dividend payments are to be determined by a resolution of the Board of Directors.

Based on the Company's dividend policy to provide shareholders with sustainable and stable dividends, the Company intends to set the fiscal year-end dividend at ¥80 per share (same amount as the same period of the previous fiscal year). With an interim dividend of ¥70 per share paid at the end of the second quarter, Eisai intends to set the total dividend for the year at ¥150 per share (same amount as the previous fiscal year).

(6) Consolidated Financial Results Forecast for Fiscal 2010 (April 1, 2010 to March 31, 2011)

Consolidated Forecast

- The full fiscal year consolidated forecast has been revised as follows from that previously announced in October 2010.

	Revised Forecast		Previous Forecast		Increase/ (Decrease)	Rate of Changes (%)
	(A)	(%)	(B)	(%)	(A-B)	
Net sales	¥770,000 mil.	-4.1%	¥795,000 mil.	-1.0%	(¥25,000 mil.)	-3.1%
Operating income	¥116,000 mil.	+34.2%	¥116,000 mil.	+34.2%	-	0.0%
Ordinary income	¥107,000 mil.	+34.3%	¥107,000 mil.	+34.3%	-	0.0%
Net income	¥70,000 mil.	+73.5%	¥70,000 mil.	+73.5%	-	0.0%

Notes: *Forecasted annual earnings per share (full year): ¥245.68
(Assumptions for the 4th quarter) 1 USD=¥82, 1 EUR =¥110, 1 GBP =¥130

<Net Sales>

- Although the net sales in Japan remains strong, the Company revised the full fiscal year consolidated forecast for net sales to ¥770,000 million (down ¥25,000 million from the previous forecast), due to the influence of the current market trends in the U.S., Europe, and Asia.
- The Company revised the sales forecast of its major product Aricept to ¥294,000 million (down ¥18,500 million from the previous forecast), taking into account the latest sales performances in the U.S. and Europe. The sales forecaset of Pariet/Aciphex has been revised to ¥137,000 million (up ¥1,000 million from the previous forecast), driven by steady growth in Japan.

<Income>

- Despite an anticipated decline in gross profit as a result of lower sales, the forecasts for operating income, ordinary income, and net income remain unchanged from the previous forecasts (¥116,000 million, ¥107,000 million and ¥70,000 million, respectively), supported by continued efforts to improve efficiencies in selling, general and administrative expenses.
- Cash income for the full fiscal year is anticipated to be ¥121,000 million (same as the previous forecast).

(Reference)

Non-consolidated Financial Forecast

- The full fiscal year non-consolidated forecast has been revised as follows from that previously announced in October 2010.

	Revised Forecast		Previous Forecast		Increase/ (Decrease)	Rate of Changes (%)
	(A)	(%)	(B)	(%)	(A-B)	
Net sales	¥470,000 mil.	+5.7%	¥455,000 mil.	+2.3%	¥15,000 mil.	+3.3%
Operating income	¥122,000 mil.	+30.8%	¥102,000 mil.	+9.4%	¥20,000 mil.	+19.6%
Ordinary income	¥114,500 mil.	+29.2%	¥94,500 mil.	+6.6%	¥20,000 mil.	+21.2%
Net income	¥79,000 mil.	+37.8%	¥65,500 mil.	+14.3%	¥13,500 mil.	+20.6%

Notes: *Forecasted annual earnings per share (full year): ¥277.27

- The full fiscal year non-consolidated net sales are anticipated to increase to ¥470,000 million (up ¥15,000 million from the previous forecast), as the Company plans to revise the rates of royality payments from its main subsidiaries in Japan and the U.S. in compliace with the regulation regarding transfer pricing taxation.
- The full fiscal year non-consolidated operating income is anticipated to increase to ¥122,000 million (up ¥20,000 million from the previous forecast), supported by the adjustments to be made in the abovementioned intercompany transfer prices as well as continued efforts to improve efficiencies in selling, general and administrative expenses.

Forecasts and Risk Factors

- Materials and information provided in this financial disclosure may contain “forward-looking statements” based on current expectations, forecasts, estimates, business goals and assumptions that are subject to risks and uncertainties, and actual outcomes and results could differ materially from these statements. Risks and uncertainties include general industry and market conditions, as well as general domestic and international economic conditions such as interest rate and currency exchange fluctuations.
- Risks that could cause significant fluctuations in the consolidated results of the Eisai Group or have a material effect on investment decisions include: risks related to overseas operations; uncertainty of new drug development; risks related to dependence on specific products; risks in alliances with other companies; impact of trends to control medical expenses; competition and lawsuits with respect to generic products; risks related to intellectual property; risks of occurrences of side effects; risks regarding regulations; risks relating to lawsuits; plant closure/shutdown; risks concerning the safety of raw materials; risks associated with outsourcing; environmental risks; risks concerning IT security and information management; risks related to credit situation and currency movement; and risks concerning internal control systems. These risks, however, have been evaluated and forecasted as of the disclosure date of this financial report.

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

2. Other Information

(1) Application of the Simplified Accounting Method and Special Accounting Treatment

1) Simplified accounting method

The calculation of the value of inventories as of the end of the quarter ended December 31, 2010 has been made in a rational manner based on the actual inventory value as of the end of the previous fiscal year.

2) Special accounting treatment used in the preparation of consolidated quarterly financial statements: None

(2) Summary of Changes of Accounting Principles, Procedures and Representation Methods in Connection with the Preparation of Consolidated Financial Statements

1) The accounting standard and guidance concerning asset retirement obligations, the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18 released on March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21 released on March 31, 2008), have been applied effective from the first quarter of the fiscal year ending March 31, 2011.

As a result, operating income and ordinary income each decreased by ¥59 million, and income before income taxes and minority interests decreased by ¥714 million.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	December 31, 2010	March 31, 2010
ASSETS		
Current assets:		
Cash and cash in banks	88,185	69,637
Notes and accounts receivable-trade	213,074	207,219
Short-term investments	87,713	83,823
Merchandise and finished goods	37,774	36,564
Work in process	17,621	19,676
Raw materials and supplies	13,274	11,313
Deferred tax assets	38,711	32,457
Other	17,995	19,591
Allowance for doubtful receivables	(88)	(239)
Total current assets	514,262	480,044
Non-current assets:		
Property, plant and equipment		
Buildings and structures-net	84,373	86,525
Other-net	62,562	70,117
Total property, plant and equipment	146,936	156,642
Intangible assets		
Goodwill	127,770	152,768
Sales rights	84,911	109,704
Core technology	42,669	50,967
Other	12,020	12,449
Total intangible assets	267,371	325,890
Investments and other assets		
Investment securities	57,480	64,797
Deferred tax assets	61,093	63,568
Other	7,299	11,255
Allowance for doubtful accounts	(220)	(287)
Total investments and other assets	125,653	139,333
Total non-current assets	539,961	621,865
Total assets	1,054,223	1,101,910

(millions of yen)

	December 31, 2010	March 31, 2010
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	22,429	20,314
Short-term borrowings	8,000	24,000
Bonds and debentures (Current-portion)	39,999	-
Accounts payable-other	53,410	67,913
Accrued expenses	48,810	59,657
Income tax payable	25,082	6,555
Reserve for sales rebates	29,654	32,723
Other reserves	551	556
Other	12,018	8,523
Total current liabilities	239,956	220,244
Non-current liabilities:		
Bonds and debentures	79,991	119,987
Long-term borrowings	258,894	265,824
Deferred tax liabilities	26,623	23,786
Liability for retirement benefits	28,260	26,368
Retirement allowances for directors	1,085	2,723
Other	16,479	21,235
Total non-current liabilities	411,333	459,925
Total liabilities	651,290	680,170
EQUITY		
Owners' equity		
Common stock	44,985	44,985
Capital surplus	56,928	56,928
Retained earnings	448,387	423,756
Treasury stock	(39,585)	(39,574)
Total owners' equity	510,716	486,096
Net unrealized gain (loss) and translation adjustments:		
Net unrealized gain (loss) on available-for-sale securities	1,367	4,884
Deferred gain (loss) on derivatives under hedge accounting	(963)	(609)
Foreign currency translation adjustments	(114,234)	(74,436)
Total net unrealized gain (loss) and translation adjustments	(113,830)	(70,160)
Stock options	840	741
Minority interests	5,207	5,063
Total equity	402,933	421,740
Total liabilities and equity	1,054,223	1,101,910

(2) Consolidated Statements of Income
(Nine month period from April 1 to December 31)

(millions of yen)

	April 1, 2009- December 31, 2009	April 1, 2010- December 31, 2010
Net sales	604,489	613,859
Cost of sales	121,487	127,305
Gross profit	483,002	486,553
Provision for sales returns-net	61	14
Gross profit after deducting sales returns-net	482,941	486,539
Selling, general and administrative expenses	*1 397,880	*1 377,104
Operating income	85,061	109,434
Non-operating income		
Interest income	959	752
Dividend income	848	917
Other	221	210
Total non-operating income	2,029	1,880
Non-operating expenses		
Interest expense	5,775	5,608
Foreign exchange loss	594	2,738
Other	650	233
Total non-operating expenses	7,020	8,580
Ordinary income	80,069	102,734
Special gain		
Gain on sales of fixed assets	12	33
Gain on sales of investment securities	-	46
Reversal of provision for doubtful accounts	-	142
Other	34	2
Total special gain	46	225
Special loss		
Loss on disposal of fixed assets	361	279
Loss on impairment of long-lived assets	-	305
Loss on devaluation of investment securities	-	277
Loss associated with the adoption of Accounting Standard for Asset Retirement Obligation	-	654
Other	6	9
Total special loss	368	1,526
Income before income taxes	79,747	101,433
Income taxes-current	27,524	37,501
Income taxes-deferred	(2,102)	(3,749)
Total income taxes	25,422	33,752
Income before minority interests	-	67,681
Minority interests in income	406	309
Net income	53,919	67,371

(Three month period from October 1 to December 31)

(millions of yen)

	October 1, 2009-December 31, 2009	October 1, 2010-December 31, 2010
Net sales	209,507	201,576
Cost of sales	42,623	43,171
Gross profit	166,884	158,404
Provision for sales returns-net	8	34
Gross profit after deducting sales returns-net	166,875	158,370
Selling, general and administrative expenses	*1 130,934	*1 116,126
Operating income	35,941	42,243
Non-operating income		
Interest income	299	249
Dividend income	372	392
Foreign exchange income	264	-
Other	49	57
Total non-operating income	986	699
Non-operating expenses		
Interest expense	1,879	1,856
Foreign exchange loss	-	425
Other	176	94
Total non-operating expenses	2,055	2,375
Ordinary income	34,872	40,567
Special gain		
Gain on sales of fixed assets	3	4
Gain on sales of investment securities	-	46
Reversal of loss on devaluation of investment securities	-	73
Reversal of provision for doubtful accounts	-	122
Other	23	2
Total special gain	26	249
Special loss		
Loss on disposal of fixed assets	250	22
Other	1	0
Total special loss	252	23
Income before income taxes	34,647	40,793
Income taxes-current	9,072	14,409
Income taxes-deferred	2,484	(1,144)
Total income taxes	11,556	13,264
Income before minority interests	-	27,528
Minority interests in income	94	106
Net income	22,996	27,421

(3) Consolidated Statements of Cash Flows
(Nine month period from April 1 to December 31)

(millions of yen)

	April 1, 2009 - December 31, 2009	April 1, 2010 - December 31, 2010
Operating activities:		
Income before income taxes and minority interests	79,747	101,433
Depreciation and amortization	36,797	32,751
Amortization of goodwill	6,402	5,913
Other loss (gain)-net	4,400	4,573
Increase (decrease) in notes and accounts receivable-trade	(28,212)	(15,003)
Increase (decrease) in inventories	(3,037)	(5,781)
Increase (decrease) in trade payables	555	4,497
Increase (decrease) in other current liabilities	8,330	(4,857)
Increase (decrease) in reserve for sales rebates	4,005	1,058
Other-net	4,559	2,904
Sub-total	113,548	127,489
Interest and dividends received	1,711	1,537
Interest paid	(5,630)	(5,354)
Income taxes paid	(50,312)	(18,585)
Net cash provided by operating activities	59,317	105,086
Investing activities:		
Purchases of property, plant and equipment	(16,363)	(10,037)
Purchases of intangible assets	(7,072)	(4,702)
Purchases of investment securities	(5,186)	(2,972)
Proceeds from sales and redemptions of investment securities	8,174	4,536
Net increase (decrease) in time deposits exceeding three months	-	(21,583)
Other-net	(7,354)	321
Net cash provided by (used in) investing activities	(27,803)	(34,437)
Financing activities:		
Net increase (decrease) in short-term borrowings	27,000	(16,000)
Dividends paid	(39,887)	(42,740)
Other-net	(1,841)	(990)
Net cash provided by (used in) financing activities	(14,728)	(59,731)
Foreign currency translation adjustments on cash and cash equivalents	(5,623)	(12,464)
Net increase (decrease) in cash and cash equivalents	11,161	(1,546)
Cash and cash equivalents at beginning of the period	131,527	115,128
Cash and cash equivalents at end of the period	142,688	113,582

(4) Going Concern

None

(5) Segment Information

1) Overview of reporting segments

The Eisai Group defines its reporting segments as follows: units that comprise the Group for which it can obtain independent financial information; and units for which top management undertakes a periodic review in order to determine the allocation of management resources and to evaluate performance.

The Group's Pharmaceuticals business encompasses operations in five regions worldwide: Japan, the United States, Europe, Asia (including China) and New Markets (India, Middle East, etc), each of which pursues strategies tailored to the specific characteristics of each region or market. In the Pharmaceuticals business, the Group is mainly engaged in the manufacture and sale of prescription drugs.

The Group's segments consist of the Pharmaceuticals and Other businesses, and the Pharmaceuticals business of each region is identified as a reporting segment.

2) Information concerning sales, profit (loss) by reporting segment

Nine month period ended December 31, 2010 (April 1, 2010 to December 31, 2010)

(millions of yen)

	Reporting Segment						Other (Note)	Total
	Pharmaceuticals Business							
	Japan	United States	Europe	Asia	New Markets	Sub-total		
Sales to external customers	269,136	257,966	33,381	23,490	730	584,705	29,153	613,859
Segment profit (loss)	116,596	85,146	3,544	4,239	(413)	209,113	12,980	222,094

Three month period ended December 31, 2010 (October 1, 2010 to December 31, 2010)

(millions of yen)

	Reporting Segment						Other (Note)	Total
	Pharmaceuticals Business							
	Japan	United States	Europe	Asia	New Markets	Sub-total		
Sales to external customers	98,228	76,262	11,302	6,148	221	192,164	9,411	201,576
Segment profit (loss)	44,247	27,917	752	209	(216)	72,910	3,898	76,808

Note: "Other" is a business segment not included in reporting segments. Pharmaceutical raw materials and machinery businesses are included in this segment.

3) Amount and major details of differences between reporting segment profit and loss totals and amounts reported in the quarterly consolidated statements of income (items concerning difference adjustment)

Nine month period ended December 31, 2010 (April 1, 2010 to December 31, 2010)

(millions of yen)

Profit	Amount
Reporting segment profit total	209,113
Profit of "Other"	12,980
R&D expenses	(106,166)
Group headquarters management costs and other expenses	(6,492)
Operating income as recorded in quarterly consolidated financial statements	109,434

Three month period ended December 31, 2010 (October 1, 2010 to December 31, 2010)

(millions of yen)

Profit	Amount
Reporting segment profit total	72,910
Profit of "Other"	3,898
R&D expenses	(32,329)
Group headquarters management costs and other expenses	(2,236)
Operating income as recorded in quarterly consolidated financial statements	42,243

Note: R&D expenses are not allocated to any particular segment as the Group manages such expense on a global basis. Similarly, group headquarters management costs and other expenses are not allocated to any particular segment as this is the cost covering Group-wide operations.

(Additional information)

Effective from the first quarter of the fiscal year ending March 31, 2011, the "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 released on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 released on March 21, 2008) have been applied.

(6) Notes to Statements of Changes in Equity

None

(7) Notes to Consolidated Financial Statements

(Notes to Consolidated Statements of Income)

April 1, 2009–December 31, 2009		April 1, 2010–December 31, 2010	
*1. The main contents of selling, general and administrative expenses are as follows:		*1. The main contents of selling, general and administrative expenses are as follows:	
Promotional expenses	¥152,945 mil.	Promotional expenses	¥142,822 mil.
Research and development expenses	¥116,815 mil.	Research and development expenses	¥106,166 mil.
Salaries and bonuses	¥47,669 mil.	Salaries and bonuses	¥47,022 mil.

October 1, 2009– December 31, 2009		October 1, 2010– December 31, 2010	
*1. The main contents of selling, general and administrative expenses are as follows:		*1. The main contents of selling, general and administrative expenses are as follows:	
Promotional expenses	¥52,482 mil.	Promotional expenses	¥40,735 mil.
Research and development expenses	¥36,127 mil.	Research and development expenses	¥32,329 mil.
Salaries and bonuses	¥15,855 mil.	Salaries and bonuses	¥15,350 mil.

Securities Code: 4523

2010.12

Reference Data

Third Quarter Ended December 31, 2010

February 1, 2011

For Inquiry:

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Forward-looking Statements and Risk Factors

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

Risks that may cause significant fluctuations in the consolidated results of the Company or have a material effect on decisions of shareholders are described below. These are risk factors that have been identified and assessed as of the disclosure date of the Financial Report. Risk factors associated with our business include, but are not limited to, challenges arising out of global expansion, uncertainties in new drug development, risks related to strategic alliances with partners, 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.

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* Revisions have been made to the full-year consolidated forecast announced previously. The revised parts are underlined.
* All amounts are rounded to their nearest specified unit.
* 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 (¥/USD)	EU (¥/EUR)	UK (¥/GBP)	China (¥/RMB)
(Apr. 2009 - Dec. 2009) Nine Months Average Rate	93.56	132.99	150.41	13.69
(Dec. 31, 2009) Third Quarter End Rate	92.10	132.00	146.53	13.49
(Apr. 2009 - Mar. 2010) Fiscal Year Average Rate	92.84	131.15	148.25	13.57
(Mar. 31, 2010) Fiscal Year End Rate	93.04	124.92	140.40	13.63
(Apr. 2010 - Dec. 2010) Nine Months Average Rate	86.84	113.30	133.53	12.85
(Dec. 31, 2010) Third Quarter End Rate	81.49	107.90	126.48	12.30
(Mar. 31, 2011) Fourth Quarter Rate (forecast)	82.00	110.00	130.00	12.50

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

Segment information

Details concerning performance by segment are provided in accordance with the “Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan (ASBJ) Statement No. 17 released on March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20 released on March 21, 2008), which were adopted effective from the first quarter of the fiscal year ending March 31, 2011. In addition, indices that compare data with the same period of the previous fiscal year are provided for reference purposes only.

1. Consolidated Financial Highlights

1) Income Statement Data

(billions of yen)

	Nine months ended Dec 31			Full	
	FY2009	FY2010	YOY %	FY2009	FY2010 est.
Net sales	604.5	613.9	101.6	803.2	770.0
Cost of sales	121.5	127.3	104.7	160.7	165.0
R&D expenses	116.8	106.2	90.9	179.1	143.0
SG&A expenses	281.1	270.9	96.4	376.9	346.0
Operating income	85.1	109.4	128.7	86.4	116.0
Ordinary income	80.1	102.7	128.3	79.7	107.0
Net income	53.9	67.4	124.9	40.3	70.0
Cash income	97.1	106.6	109.8	126.4	121.0
			Diff.		
Dividend per share (DPS, yen)	-	-	-	150.0	150.0
Earnings per share (EPS, yen)	189.3	236.4	47.2	141.6	245.7
Cash income per share (Cash EPS, yen)	340.9	374.2	33.3	443.7	424.7

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

2) Cash Flow Data

(billions of yen)

	Nine months ended Dec 31			Full
	FY2009	FY2010	Diff.	FY2009
Net cash provided by (used in) operating activities	59.3	105.1	45.8	107.9
Net cash used in investing activities	(27.8)	(34.4)	(6.6)	(69.8)
Net cash provided by (used in) financing activities	(14.7)	(59.7)	(45.0)	(49.2)
Cash and cash equivalents at end of period	142.7	113.6	(29.1)	115.1
Free cash flow	35.7	90.5	54.8	52.9

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

3) Balance Sheet Data

(billions of yen)

		2010	
	Mar 31	Dec 31	Diff.
Total assets	1101.9	1,054.2	(47.7)
Liabilities	680.2	651.3	(28.9)
Bonds and debentures	120.0	120.0	0.0
Borrowings	289.8	266.9	(22.9)
Equity	421.7	402.9	(18.8)
Shareholders' equity	415.9	396.9	(19.1)
Shareholders' equity ratio to total assets (%)	37.7	37.6	(0.1)
Liabilities ratio（Net DER/times)	0.6	0.5	(0.1)

* "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)

	Nine months ended Dec 31			Full
	FY2009	FY2010	Diff.	FY2009
Capital expenditures	19.0	13.9	(5.1)	28.7
Property, plant and equipment	14.9	9.1	(5.8)	22.9
Intangible assets	4.1	4.8	0.7	5.8
Depreciation and amortization	36.8	32.8	(4.0)	48.9

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

5) Financial Results by Business Segment

(1) Consolidated Net Sales by Reporting Segment

(billions of yen)

	Nine months ended Dec 31		
	FY2009	FY2010	YOY %
Japan pharmaceuticals business	252.6	269.1	106.5
US pharmaceuticals business	259.9	258.0	99.3
Europe pharmaceuticals business	37.9	33.4	88.0
Asia pharmaceuticals business	23.0	23.5	102.1
New markets pharmaceuticals business	0.6	0.7	128.0
Other	30.4	29.2	95.8
Consolidated net sales	604.5	613.9	101.6

* Net sales to external customers for each segment.

(2) Consolidated Operating Income by Reporting Segment

(billions of yen)

	Nine months ended Dec 31		
	FY2009	FY2010	YOY %
Japan pharmaceuticals business	108.6	116.6	107.3
US pharmaceuticals business	74.3	85.1	114.7
Europe pharmaceuticals business	5.3	3.5	66.6
Asia pharmaceuticals business	5.8	4.2	73.3
New markets pharmaceuticals business	(0.2)	(0.4)	-
Other profit	13.2	13.0	98.2
R&D expenses	116.8	106.2	90.9
Non-allocated SG&A expenses	5.2	6.5	125.7
Operating income	85.1	109.4	128.7

*The Group's Pharmaceuticals business is classified into five segments comprising Japan, the United States, Europe, Asia and New Markets (India, Middle East, etc). Steps are taken to pursue strategies and plans that take into account the specific characteristics and attributes of each region or market. In the Pharmaceuticals business, the Group is mainly engaged in the manufacture and sale of prescription drugs.
R&D expenses are not allocated to any segment as the Group manages such expense on a global basis.
Similarly, management cost of the Group headquarters and other are not allocated to any segment as this is the cost covering Group-wide operations.

2. Consolidated Statements of Income

(billions of yen)

	Nine months ended Dec 31						Full	
	FY2009	Sales %	FY2010	Sales %	YOY %	Diff.	FY2009	Sales %
Net sales	604.5	100.0	613.9	100.0	101.6	9.4	803.2	100.0
Cost of sales	121.5	20.1	127.3	20.7	104.7	5.8	160.7	20.0
Gross profit	482.9	79.9	486.5	79.3	100.7	3.6	642.4	80.0
R&D expenses	116.8	19.3	106.2	17.3	90.9	(10.6)	179.1	22.3
SG&A expenses	281.1	46.5	270.9	44.1	96.4	(10.1)	376.9	46.9
Personnel expenses	62.6	10.4	61.8	10.1	98.7	(0.8)	83.4	10.4
Marketing and promotion expenses	174.9	28.9	168.2	27.4	96.1	(6.8)	234.0	29.1
Administrative expenses and others	43.5	7.2	40.9	6.7	94.1	(2.6)	59.5	7.4
Operating income	85.1	14.1	109.4	17.8	128.7	24.4	86.4	10.8
Non-operating income	2.0	0.3	1.9	0.3		(0.1)	2.4	0.3
Non-operating expense	7.0	1.2	8.6	1.4		1.6	9.1	1.1
Ordinary income	80.1	13.2	102.7	16.7	128.3	22.7	79.7	9.9
Special gain	0.0	0.0	0.2	0.0		0.2	0.1	0.0
Special loss	0.4	0.1	1.5	0.2		1.2	5.5	0.7
Income before income taxes and minority interests	79.7	13.2	101.4	16.5	127.2	21.7	74.3	9.2
Income taxes-current	27.5	4.6	37.5	6.1		10.0	26.8	3.3
Income taxes-deferred	(2.1)	(0.3)	(3.7)	(0.6)		(1.6)	6.6	0.8
Minority interests in net income	0.4	0.1	0.3	0.1		(0.1)	0.5	0.1
Net income	53.9	8.9	67.4	11.0	124.9	13.5	40.3	5.0

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

Cash income

Net income	53.9	8.9	67.4	11.0	124.9	13.5	40.3	5.0
Depreciation of PP&E and amortization of intangible assets	22.4		19.5				29.8	
Amortization of intangible assets obtained by acquisition	14.4		13.2				19.1	
In-process R&D expenses	-		-				23.9	
Amortization of goodwill	6.4		5.9				8.5	
Loss on impairment of long-lived assets (including loss on devaluation of investment securities)	-		0.6				4.9	
Cash income	97.1	16.1	106.6	17.4	109.8	9.5	126.4	15.7

Notes

Net sales	Increase in sales of Aricept [+10.1 billions of yen], Increase in sales of Humira [+5.4 billion of yen], Decrease in sales of Aciphex [-5.3 billion of yen]
Ratio of cost of sales <Reason for Increase>	Drug price revision in Japan, influences of currency exchange rates, etc.
R&D expenses <Reason for decrease>	Completion of large-scaled clinical programs in the previous year and influence of currency exchange rates, etc.
Ratio of SG&A expenses <Reason for decrease>	Improve efficiency in administration costs, etc.
Non-operating expense	Increase in foreign exchange loss [2.1 billions of yen]
Special loss	Effect of applying accounting standard for asset retirement obligations [0.7 billions of yen] Loss on devaluation of investment securities and loss on impairment of long-lived assets [0.6 billions of yen]

3. Consolidated Statements of Cash Flows

(billions of yen)

	Nine months ended Dec 31		
	FY2009	FY2010	Diff.
Income before income taxes and minority interests	79.7	101.4	21.7
Depreciation and amortization	36.8	32.8	(4.0)
Decrease (increase) in notes and accounts receivable, trade payables and inventories	(30.7)	(16.3)	14.4
Increase (decrease) in accounts payable-other/accrued expenses etc.	8.3	(4.9)	(13.2)
Other	19.4	14.4	(4.9)
[Sub-total]	113.5	127.5	13.9
Interest and others received (paid)	(3.9)	(3.8)	0.1
Income taxes paid	(50.3)	(18.6)	31.7
Net cash provided by (used in) operating activities	59.3	105.1	45.8
Capital expenditures (incl. acquisition and others)	(23.6)	(14.6)	9.0
Proceeds from sales of (purchases of) securities	3.0	1.6	(1.4)
Net increase (decrease) in time deposits exceeding three months	(7.3)	(21.6)	(14.3)
Other	0.1	0.2	0.1
Net cash used in investing activities	(27.8)	(34.4)	(6.6)
Net increase (decrease) in short-term borrowings	27.0	(16.0)	(43.0)
Dividends paid	(39.9)	(42.7)	(2.9)
Other-net	(1.8)	(1.0)	0.9
Net cash provided by (used in) financing activities	(14.7)	(59.7)	(45.0)
Foreign currency translation adjustments on cash and cash equivalents	(5.6)	(12.5)	(6.8)
Net increase (decrease) in cash and cash equivalents	11.2	(1.5)	(12.7)
Cash and cash equivalents at the beginning of period	131.5	115.1	(16.4)
Cash and cash equivalents at the end of period	142.7	113.6	(29.1)
Free cash flow	35.7	90.5	54.8

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

Notes

Net cash provided by (used in) operating activities
Decease in income taxes paid because of declining taxable income in the previous year

Net cash used in investing activities
Decrease in capital expenditures for fixed assets and intangible assets
Increase in reserve for repayment of long-term borrowings and bonds payable, corporate bonds

Net cash provided by (used in) financing activities
Repayment of short-term borrowings, increase of amount of dividends paid

4. Financial Results by Business Segment

1) Japan Pharmaceuticals Business

(billions of yen)

	Nine months ended Dec 31			Full	
	FY2009	FY2010	YOY %	FY2009	FY2010 est.
Net sales	252.6	269.1	106.5		
Segment profit	108.6	116.6	107.3		
Net sales in Japan					
Pharmaceuticals	228.0	240.3	105.4		
Consumer health care products and other	14.4	15.3	106.7		
Generic drugs (Elmed Eisai Co., Ltd.)	5.9	9.0	152.6		
Diagnostic products (Sanko Junyaku Co., Ltd.)	4.3	4.5	103.0		
Japan ethical drugs (Eisai)					
Anti-Alzheimer's agent Aricept	72.6	80.4	110.8	93.6	109.0
Proton pump inhibitor Pariet	43.0	48.8	113.2	53.8	60.0
Peripheral neuropathy treatment Methycobal	25.0	23.7	94.9	31.3	30.0
Gastritis/gastric ulcer treatment Selbex	11.6	9.0	77.5	14.2	12.0
Osteoporosis treatment Actonel	8.6	8.9	104.3	10.8	12.0
Fully-human monoclonal anti-TNFalpha antibody Humira	4.8	9.5	195.9	6.6	14.0
Oral anticoagulant Warfarin	6.8	7.3	108.6	8.7	9.5
Muscle relaxant Myonal	6.1	5.2	85.3	7.5	7.0
Non-ionic contrast medium Iomeron	5.6	5.3	93.1	7.0	6.5
Japan consumer health care major groups (Eisai)					
Vitamin B_2 preparation Chocola BB Group	7.8	8.0	101.9	10.5	11.0
Active-type Vitamin B_{12} Nabolin Group	1.7	1.9	111.2	2.3	2.5

2) U.S. Pharmaceuticals Business

		Nine months ended Dec 31		
		FY2009	FY2010	YOY %
Net sales	Billions JPY	259.9	258.0	99.3 <106.9>
Segment profit	Billions JPY	74.3	85.1	114.7
U.S. ethical drugs (Eisai)				
Anti-Alzheimer's agent Aricept	Billions JPY [Millions USD]	138.3 [1,478]	143.8 [1,656]	104.0 <112.1>
Proton pump inhibitor Aciphex	Billions JPY [Millions USD]	61.3 [655]	51.3 [591]	83.8 <90.3>
Antiemetic agent Aloxi	Billions JPY [Millions USD]	27.7 [296]	26.5 [305]	95.9 <103.3>
DNA hypomethylating agent Dacogen	Billions JPY [Millions USD]	11.6 [124]	12.2 [141]	105.0 <113.1>
Injectable anti-clotting agent Fragmin	Billions JPY [Millions USD]	9.9 [106]	12.5 [144]	126.2 <135.9>
Anticancer agent Halaven	Billions JPY [Millions USD]	-	0.4 [5]	-

* Sales of Aricept 23mg in total sales of Aricept in FY2010 (April 1, 2010 to December 31, 2010) are ¥4.0 billion (47millions USD.)
Sales of AG (Authorized Generic: a generic product sold under license from the manufacturer of an original drug) are ¥11.9 billion(137millions USD.)

3) Europe Pharmaceuticals Business

		Nine months ended Dec 31		
		FY2009	FY2010	YOY %
Net sales	Billions JPY	37.9	33.4	88.0 <102.2>
Segment profit	Billions JPY	5.3	3.5	66.6
Europe ethical drugs (Eisai)				
Anti-Alzheimer's agent Aricept	Billions JPY	21.7	18.2	83.8 <97.4>
Proton pump inhibitor Pariet	Billions JPY	6.2	5.1	81.4 <93.8>
Anti-epileptic drug Zonegran	Billions JPY	3.4	3.2	95.7 <110.8>

* Indices showed in parentheses "<>" compare data with the same period of the previous fiscal year on a constant currency basis.

4) Asia Pharmaceuticals Business

		Nine months ended Dec 31		
		FY2009	FY2010	YOY %
Net sales	Billions JPY	23.0	23.5	102.1 <105.8>
Segment profit	Billions JPY	5.8	4.2	73.3
Asia ethical drugs (Eisai)				
Peripheral neuropathy treatment Methycobal	Billions JPY	6.1	5.2	84.9 <89.5>
Anti-Alzheimer's agent Aricept	Billions JPY	4.8	5.1	104.7 <107.0>
Proton pump inhibitor Pariet	Billions JPY	3.7	3.7	99.6 <102.3>
Fully-human monoclonal anti-TNFalpha antibody Humira	Billions JPY	1.6	2.4	151.0 <154.7>
Liver Disease/Allergic Disease Agents Stronger Neo-Minophagen C and Glycyron Tablets	Billions JPY	2.2	2.2	98.9 <105.4>

<Reference> China Pharmaceuticals Business

		Nine months ended Dec 31		
		FY2009	FY2010	YOY %
Net sales	Billions JPY	11.3	10.5	92.7 <98.7>
China ethical drugs (Eisai)				
Peripheral neuropathy treatment Methycobal	Billions JPY [Millions RMB]	5.3 [387]	4.3 [339]	82.2 <87.6>
Liver Disease/Allergic Disease Agents Stronger Neo-Minophagen C and Glycyron Tablets	Billions JPY [Millions RMB]	2.2 [160]	2.2 [169]	98.9 <105.4>
Proton pump inhibitor Pariet	Billions JPY [Millions RMB]	0.8 [58]	1.1 [83]	134.3 <143.1>
Anti-Alzheimer's agent Aricept	Billions JPY [Millions RMB]	0.9 [67]	0.9 [66]	92.9 <99.0>

5) New Markets Pharmaceuticals Business

		Nine months ended Dec 31		
		FY2009	FY2010	YOY %
Net sales	Billions JPY	0.6	0.7	128.0 <131.9>
Segment profit (loss)	Billions JPY	(0.2)	(0.4)	-
New markets ethical drugs (Eisai)				
Anti-Alzheimer's agent Aricept	Billions JPY	0.1	0.1	121.3 <124.4>
Proton pump inhibitor Pariet	Billions JPY	0.1	0.2	149.9 <153.7>

* Indices showed in parentheses "<>" compare data with the same period of the previous fiscal year on a constant currency basis.

6) Sales of Major Products (Eisai)

(1) **Aricept** (Anti-Alzheimer's agent)

		Nine months ended Dec 31			Full
		FY2009	FY2010	YOY %	FY2009
Japan	Billions JPY	72.6	80.4	110.8	93.6
U.S.	Billions JPY	138.3	143.8	104.0	194.7
	[Millions USD]	[1,478]	[1,656]	<112.1>	[2,097]
Europe Total	Billions JPY	21.7	18.2	83.8	27.9
				<97.4>	
UK	Billions JPY	4.0	4.5	113.4	5.3
	[Millions GBP]	[27]	[34]	<127.7>	[36]
France	Billions JPY	10.9	8.8	80.6	14.3
	[Millions EUR]	[82]	[78]	<94.6>	[109]
Germany	Billions JPY	6.8	4.9	71.4	8.3
	[Millions EUR]	[51]	[43]	<83.9>	[63]
Asia	Billions JPY	4.8	5.1	104.7	6.6
				<107.0>	
China	Billions JPY	0.9	0.9	92.9	1.4
	[Millions RMB]	[67]	[66]	<99.0>	[106]
New markets	Billions JPY	0.1	0.1	121.3	0.1
				<124.4>	
Total	Billions JPY	237.6	247.6	104.2	322.8

* Sales of Aricept 23mg in total sales of Aricept in FY2010 (April 1, 2010 to December 31, 2010) are ¥4.0 billion (47millions USD.)
Sales of AG (Authorized Generic: a generic product sold under license from the manufacturer of an original drug) are ¥11.9 billion (USD $137 million).
* Sales forecast for the year ending Mar. 31, 2011 is ¥294.0 billion.

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

		Nine months ended Dec 31			Full
		FY2009	FY2010	YOY %	FY2009
Japan	Billions JPY	43.0	48.8	113.2	53.8
U.S.	Billions JPY	61.3	51.3	83.8	81.0
	[Millions USD]	[655]	[591]	<90.3>	[872]
Europe Total	Billions JPY	6.2	5.1	81.4	8.2
				<93.8>	
UK	Billions JPY	1.8	1.3	72.7	2.2
	[Millions GBP]	[12]	[10]	<81.9>	[15]
Germany	Billions JPY	1.2	1.1	94.8	1.6
	[Millions EUR]	[9]	[10]	<111.3>	[12]
Italy	Billions JPY	2.7	2.1	76.1	3.6
	[Millions EUR]	[20]	[18]	<89.4>	[28]
Asia	Billions JPY	3.7	3.7	99.6	4.8
				<102.3>	
China	Billions JPY	0.8	1.1	134.3	1.1
	[Millions RMB]	[58]	[83]	<143.1>	[80]
New markets	Billions JPY	0.1	0.2	149.9	0.2
				<153.7>	
Total	Billions JPY	114.4	109.0	95.3	148.0

* Sales forecast for the year ending Mar. 31, 2011 is ¥137.0 billion.

* Indices showed in parentheses "<>" compare data with the same period of the previous fiscal year on a constant currency basis.

(3) Oncology Related Products

		Nine months ended Dec 31			Full
		FY2009	FY2010	YOY %	FY2009
Aloxi (Antiemetic agent)					
U.S.	Billions JPY	27.7	26.5	95.9	38.3
	[Millions USD]	[296]	[305]	<103.3>	[413]
Dacogen (DNA Hypomethylating agent)					
U.S.	Billions JPY	11.6	12.2	105.0	15.4
	[Millions USD]	[124]	[141]	<113.1>	[166]
Fragmin (Injectable anti-clotting agent)					
U.S.	Billions JPY	9.9	12.5	126.2	14.5
	[Millions USD]	[106]	[144]	<135.9>	[156]
Halaven (Anticancer agent)					
U.S.	Billions JPY	-	0.4	-	-
	[Millions USD]		[5]		
Other	Billions JPY	8.6	8.0	93.1	11.6
Total	Billions JPY	57.8	59.7	103.2	79.9

(4) **Humira** (Fully-human monoclonal anti-TNFalpha antibody)

		Nine months ended Dec 31			Full
		FY2009	FY2010	YOY %	FY2009
Japan	Billions JPY	4.8	9.5	195.9	6.6
Asia	Billions JPY	1.6	2.4	151.0 <154.7>	2.3
Total	Billions JPY	6.4	11.9	184.7	8.9

* Indices showed in parentheses "<>" compare data with the same period of the previous fiscal year on a constant currency basis.

7) Overseas Sales

(billions of yen)

	Nine months ended Dec 31			Full
	FY2009	FY2010	YOY %	FY2009
Overseas sales	340.1	331.5	97.5	465.5
Overseas sales (%)	56.3	54.0	-	58.0
<Reference>				
Overseas sales by geographical area	324.2	316.6	97.7	443.4
Overseas sales (%) by geographical area	53.6	51.6	-	55.2

* Net sales to external customers for each segment.

* "Overseas sales by geographical area" is amount of overseas subsidiary companys' sales.

5. Consolidated Balance Sheets

1) Consolidated Balance Sheets <Assets>

(billions of yen)

	2010				YOY	Diff.
	Mar 31	%	Dec 31	%	%	
Cash and cash in banks	69.6		88.2			18.5
Notes and accounts receivable-trade	207.2		213.1			5.9
Short-term investments	83.8		87.7			3.9
Inventories	67.6		68.7			1.1
Deferred tax assets	32.5		38.7			6.3
Other	19.6		18.0			(1.6)
Allowance for doubtful receivables	(0.2)		(0.1)			0.2
Total current assets	480.0	43.6	514.3	48.8	107.1	34.2
Buildings and structures-net	86.5		84.4			(2.2)
Other	70.1		62.6			(7.6)
Total property, plant and equipment-net	156.6	14.2	146.9	13.9	93.8	(9.7)
Goodwill	152.8		127.8			(25.0)
Sales rights	109.7		84.9			(24.8)
Core technology	51.0		42.7			(8.3)
Other	12.4		12.0			(0.4)
Total Intangible assets	325.9	29.6	267.4	25.4	82.0	(58.5)
Investment securities	64.8		57.5			(7.3)
Deferred tax assets	63.6		61.1			(2.5)
Other	11.3		7.3			(4.0)
Allowance for doubtful accounts	(0.3)		(0.2)			0.1
Total investments and other assets	139.3	12.6	125.7	11.9	90.2	(13.7)
Total fixed assets	621.9	56.4	540.0	51.2	86.8	(81.9)
Total assets	1,101.9	100.0	1,054.2	100.0	95.7	(47.7)

Notes

Total assets

Decrease resulting from conversion of overseas subsidiaries' assets into yen in accordance with fluctuations in exchange rates.

Decrease resulting from amortization of Intangible assets.

2) Consolidated Balance Sheets <Liabilities and Equity>

(billions of yen)

	2010				YOY	Diff.
	Mar 31	%	Dec 31	%	%	
Notes payable-trade and accounts payable-trade	20.3		22.4			2.1
Short-term borrowings	24.0		8.0			(16.0)
Bonds and debentures(Current portion)	-		40.0			40.0
Accounts payable-other/accrued expenses	127.6		102.2			(25.4)
Income tax payable	6.6		25.1			18.5
Reserve for sales rebates	32.7		29.7			(3.1)
Other	9.1		12.6			3.5
Total current liabilities	220.2	20.0	240.0	22.8	109.0	19.7
Bonds and debentures	120.0		80.0			(40.0)
Long-term borrowings	265.8		258.9			(6.9)
Deferred tax liabilities	23.8		26.6			2.8
Liability for retirement benefits	26.4		28.3			1.9
Retirement allowances for directors	2.7		1.1			(1.6)
Other	21.2		16.5			(4.8)
Total long-term liabilities	459.9	41.7	411.3	39.0	89.4	(48.6)
Total liabilities	680.2	61.7	651.3	61.8	95.8	(28.9)
Common stock	45.0		45.0			-
Capital surplus	56.9		56.9			(0.0)
Retained earnings	423.8		448.4			24.6
Treasury stock	(39.6)		(39.6)			(0.0)
Total owners' equity	486.1	44.1	510.7	48.4	105.1	24.6
Net unrealized gain (loss) on available-for-sale securities	4.9		1.4			(3.5)
Deferred gain (loss) on derivatives under hedge accounting	(0.6)		(1.0)			(0.4)
Foreign currency translation adjustments	(74.4)		(114.2)			(39.8)
Total net unrealized gain (loss) and translation adjustments	(70.2)	(6.4)	(113.8)	(10.8)	162.2	(43.7)
Stock acquisition rights	0.7	0.1	0.8	0.1	113.4	0.1
Minority interests	5.1	0.5	5.2	0.5	102.9	0.1
Total equity	421.7	38.3	402.9	38.2	95.5	(18.8)
Total liabilities and equity	1,101.9	100.0	1,054.2	100.0	95.7	(47.7)

Notes

Total liabilities <Reason for decrease>
Repayment short-term borrowings

Total equity <Reason for Decrease>
Change in B/S conversion rate for overseas subsidiaries due to yen appreciation

6. Changes in Consolidated Quarterly Results

1) Income Statement Data

(billions of yen)

	FY2009				FY2010		
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Net sales	194.7	200.3	209.5	198.7	204.5	207.8	201.6
Cost of sales	38.3	40.6	42.6	39.2	43.5	40.6	43.2
R&D expenses	39.4	41.3	36.1	62.3	36.0	37.8	32.3
SG&A expenses	92.8	93.5	94.8	95.9	92.1	95.0	83.8
Operating income	24.1	25.0	35.9	1.3	32.8	34.4	42.2
Ordinary income (decrease)	23.2	22.0	34.9	(0.4)	30.2	32.0	40.6
Net income (decrease)	16.3	14.6	23.0	(13.6)	18.8	21.2	27.4
Cash income	30.7	29.1	37.3	29.3	32.6	34.2	39.9
Earnings per share (decrease) (EPS, yen)	57.4	51.2	80.7	(47.7)	65.9	74.3	96.2
Cash income per share (Cash EPS, yen)	107.7	102.1	131.1	102.8	114.4	119.9	139.9

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

2) Cash Flow Data

(billions of yen)

	FY2009				FY2010		
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Net cash provided by (used in) operating activities	(0.5)	32.8	27.1	48.6	28.2	56.5	20.5
Net cash used in investing activities	(12.9)	(9.8)	(5.2)	(42.0)	(5.1)	(21.8)	(7.6)
Net cash provided by (used in) financing activities	(12.3)	(3.3)	0.8	(34.5)	(31.1)	(12.3)	(16.3)
Cash and cash equivalents at the end of period	105.2	118.4	142.7	115.1	101.4	119.6	113.6
Free cash flow	(10.7)	26.5	19.9	17.2	23.9	52.6	14.0

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

3) Balance Sheet Data

(billions of yen)

	2009				2010		
	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31
Total assets	1,127.4	1,109.9	1,140.3	1101.9	1,065.5	1,064.2	1,054.2
Liabilities	697.0	686.4	708.3	680.2	667.4	659.6	651.3
Bonds and debentures	120.9	120.9	120.0	120.0	120.0	120.0	120.0
Borrowings	307.2	300.1	323.5	289.8	279.1	264.3	266.9
Equity	430.4	423.5	432.0	421.7	398.1	404.6	402.9
Shareholders' equity	425.1	418.1	426.4	415.9	392.3	398.7	396.9
Shareholders' equity ratio to total assets (%)	37.7	37.7	37.4	37.7	36.8	37.5	37.6
Liabilities ratio（Net DER/times)	0.7	0.7	0.6	0.6	0.6	0.5	0.5

* "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)

	FY2009				FY2010		
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Capital expenditures	5.8	7.2	6.0	9.7	3.5	3.7	6.7
Property, plant and equipment	4.8	5.9	4.2	8.0	2.5	2.8	3.9
Intangible assets	1.0	1.3	1.8	1.7	1.0	0.9	2.8
Depreciation and amortization	12.1	12.4	12.3	12.1	11.4	10.7	10.7

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

5) Sales of Major Products (Eisai)

(1) Aricept

		FY2009				FY2010		
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Japan	Billions JPY	23.4	22.3	26.9	21.0	25.3	25.6	29.5
U.S.	Billions JPY	42.7	50.1	45.5	56.4	50.2	55.9	37.8
	[Millions USD]	[438]	[533]	[507]	[619]	[545]	[647]	[464]
Europe	Billions JPY	7.2	7.1	7.5	6.1	5.8	5.8	6.6
UK	Billions JPY	1.5	1.3	1.2	1.3	1.7	1.5	1.4
	[Millions GBP]	[10]	[9]	[8]	[9]	[13]	[11]	[10]
France	Billions JPY	3.5	3.6	3.8	3.3	2.8	2.8	3.2
	[Millions EUR]	[27]	[27]	[29]	[27]	[24]	[25]	[28]
Germany	Billions JPY	2.1	2.2	2.5	1.5	1.2	1.6	2.1
	[Millions EUR]	[16]	[16]	[19]	[12]	[10]	[14]	[18]
Asia	Billions JPY	1.6	1.6	1.6	1.8	1.7	1.8	1.6
China	Billions JPY	0.2	0.4	0.3	0.5	0.3	0.3	0.2
	[Millions RMB]	[14]	[27]	[26]	[38]	[22]	[27]	[17]
New markets	Billions JPY	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	Billions JPY	74.8	81.2	81.5	85.3	82.9	89.1	75.6

(2) Aciphex/Pariet

		FY2009				FY2010		
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Japan	Billions JPY	13.4	12.8	16.9	10.7	15.1	14.8	18.9
U.S.	Billions JPY	19.8	20.6	20.8	19.7	17.0	17.0	17.3
	[Millions USD]	[203]	[220]	[231]	[217]	[185]	[198]	[209]
Europe	Billions JPY	2.1	2.0	2.1	2.0	1.8	1.9	1.4
UK	Billions JPY	0.6	0.6	0.6	0.5	0.5	0.4	0.3
	[Millions GBP]	[4]	[4]	[4]	[3]	[4]	[3]	[3]
Germany	Billions JPY	0.4	0.4	0.4	0.4	0.4	0.6	0.1
	[Millions EUR]	[3]	[3]	[3]	[3]	[4]	[5]	[1]
Italy	Billions JPY	0.9	0.9	0.9	0.9	0.6	0.7	0.7
	[Millions EUR]	[7]	[7]	[7]	[7]	[5]	[6]	[7]
Asia	Billions JPY	1.4	1.1	1.2	1.1	1.3	1.3	1.1
China	Billions JPY	0.4	0.2	0.3	0.3	0.4	0.5	0.2
	[Millions RMB]	[26]	[12]	[20]	[22]	[26]	[37]	[19]
New markets	Billions JPY	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Total	Billions JPY	36.7	36.6	41.1	33.6	35.3	35.1	38.7

(3) Oncology Related Products

		FY2009				FY2010		
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Aloxi								
U.S.	Billions JPY	9.5	9.5	8.7	10.6	8.8	8.5	9.2
	[Millions USD]	[97]	[101]	[97]	[117]	[96]	[99]	[111]
Dacogen								
U.S.	Billions JPY	4.2	3.7	3.8	3.8	4.3	4.1	3.8
	[Millions USD]	[43]	[40]	[42]	[42]	[47]	[47]	[46]
Fragmin								
U.S.	Billions JPY	3.2	3.1	3.7	4.6	4.3	4.2	3.9
	[Millions USD]	[33]	[33]	[41]	[50]	[47]	[49]	[48]
Halaven								
U.S.	Billions JPY	-	-	-	-	-	-	0.4
	[Millions USD]							[5]
Other	Billions JPY	2.9	3.0	2.7	3.0	2.8	2.4	2.8
Total	Billions JPY	19.7	19.3	18.8	22.0	20.3	19.2	20.2

(4) Humira

		FY2009				FY2010		
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
Japan	Billions JPY	1.2	1.6	2.0	1.8	2.6	3.0	3.8
Asia	Billions JPY	0.5	0.5	0.6	0.7	0.8	0.8	0.8
Total	Billions JPY	1.7	2.1	2.6	2.5	3.5	3.8	4.5

7. Non-Consolidated Financial Highlights

1) Non-Consolidated Financial Highlights

(1) Income Statement Data

(billions of yen)

	Nine months ended Dec 31			Full	
	FY2009	FY2010	YOY %	FY2009	FY2010 est.
Net sales	335.8	361.4	107.6	444.7	470.0
Cost of sales	63.8	69.7	109.4	82.3	90.0
R&D expenses	109.5	91.8	83.9	145.3	124.0
SG&A expenses	95.1	96.9	102.0	123.9	134.0
Operating income	67.5	102.9	152.5	93.3	122.0
Ordinary income	64.0	97.6	152.5	88.6	114.5
Net income	45.4	67.0	147.4	57.3	79.0

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

(2) Cash Flow Data

(billions of yen)

	Nine months ended Dec 31			Full
	FY2009	FY2010	Diff.	FY2009
Net cash provided by (used in) operating activities	37.8	89.4	51.6	71.5
Net cash used in investing activities	(16.5)	(28.8)	(12.3)	(31.3)
Net cash provided by (used in) financing activities	(13.5)	(59.5)	(45.9)	(38.7)
Cash and cash equivalents at end of period	18.0	12.7	(5.2)	11.7
Free cash flow	29.6	81.2	51.6	58.3

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

(3) Balance Sheet Data

(billions of yen)

	2010		
	Mar 31	Dec 31	Diff.
Total assets	951.1	978.8	27.7
Liabilities	449.8	456.7	7.0
Bonds and debentures	120.0	120.0	0.0
Borrowings	234.0	218.0	(16.0)
Equity	501.3	522.0	20.7
Shareholders' equity	500.6	521.2	20.6
Shareholders' equity ratio to total assets (%)	52.6	53.2	0.6

2) Net Sales by Business Segment

(billions of yen)

	Nine months ended Dec 31			Full
	FY2009	FY2010	YOY %	FY2009
Net sales	335.8	361.4	107.6	444.7
Ethical drugs	228.0	240.2	105.4	
Consumer health care products and other	14.5	15.4	106.6	
Industrial property rights and other	57.0	62.7	110.1	
Exports of pharmaceuticals	35.1	41.9	119.3	
Other	1.2	1.2	95.0	

8. Major Events

Date	Description
April 2010	・ Signed a license agreement with Almirall, S.A. concerning the gastroprokinetic agent cinitapride in China <announced on April 16>
	・ Postherpetic neuralgia treatment Lyrica Capsules received approval in Japan <announced on April 16>
May	・ Submitted applications in Japan for twice-daily dosage and administration of proton pump inhibitor Pariet for the treatment of reflux esophagitis <announced on May 6>
	・ Announced plans to commence a Phase III clinical trial in Japan 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>
	・ Received approval for an additional indication and additional administration and dosage for anti-arrhythmic agent Tambocor Tablets for the treatment of tachyarrhythmia in pediatric patients in Japan <announced on May 13>
	・ Issued a notice regarding the issuance of stock acquisition rights for the purpose of granting stock options to employees <announced on May 14>
	・ Opened a new parenteral oncology drug production facility at Eisai's U.S. plant in North Carolina <announced on May 20>
	・ Announced plans to present new research on the Company's oncology pipeline and portfolio products at the American Society of Clinical Oncology annual meeting, including new Phase III data on the investigational anticancer agent eribulin mesylate (E7389) in locally recurrent or metastatic breast cancer <announced on May 24>
June	・ Anticancer agent eribulin mesylate (E7389) was granted priority review status in the U.S. <announced on June 1>
	・ The new drug application for Aciphex Extended-Release 50 mg Formulation was accepted for review in the U.S. <announced on June 3>
	・ Announced that Phase III study results showed that eribulin mesylate (E7389) significantly improved overall survival in patients with locally recurrent or metastatic breast cancer <announced on June 7>
	・ U.S. subsidiary Eisai Inc. entered into a U.S. license agreement with Helsinn Healthcare S.A. concerning the commercialization of a new combination antiemetic agent <announced on June 9>
	・ Announced the Japan launch of postherpetic neuralgia treatment Lyrica Capsules (launched on June 22) <announced on June 11>
	・ Issued a notice on allocation of stock options (stock acquisition rights) <announced on June 18>
	・ Received approval for an additional indication of proton pump inhibitor Pariet for *Helicobacter Pylori* eradication by concomitant therapy <announced on June 18>
	・ Anticancer agent eribulin mesylate (E7389) was granted priority review status in Japan <announced on June 23>
	・ Received approval for an additional indication and additional administration and dosage of proton pump inhibitor Pariet for the treatment of non-erosive GERD in Japan <announced on June 24>
	・ Announced the Japan launch of Travelmin 1, a once-daily rapidly disintegrating tablet for the prevention and alleviation of motion sickness (launched on June 30) <announced on June 29>
July	・ U.S. subsidiary Eisai Inc. entered into a marketing and supply agreement with Arena Pharmaceuticals GmbH, the wholly-owned Swiss subsidiary of U.S. based Arena Pharmaceuticals, concerning the potential obesity and weight management treatment lorcaserin <announced on July 1>
	・ Issued a notice on determination of details of stock options (stock acquisition rights) to be allotted <announced on July 5>
	・ The New England Journal of Medicine published results of the two-year BLOOM Trial, which showed that obesity and weight management treatment lorcaserin caused significant weight loss and maintenance of weight loss <announced on July 15>
	・ The new drug application for a new oral suspension formulation of anti-epileptic agent Banzel was accepted for review in the U.S. <announced on July 20>
	・ A new higher dose Aricept 23 mg tablet was approved in the U.S. for the treatment of moderate-to-severe Alzheimer's disease <announced on July 24>
	・ Announced the continuation of policy for protection of the Company’s corporate value and common interests of shareholders (shareholder rights plan) <announced on July 30>

Date	Description
August	・ Announced that a Phase III study with AMPA receptor antagonist perampanel (E2007) conducted in patients with epilepsy met its primary endpoint <announced on August 24>
	・ Submitted an application for additional indication of Humira, a fully human anti-TNF-alpha monoclonal antibody, for the treatment of juvenile idiopathic arthritis in Japan <announced on August 30>
	・ Received notification from the U.S. FDA about an extension to the review period of the new drug application for investigational anticancer agent eribulin mesylate (E7389) <announced on August 30>
September	・ Commenced the first clinical study of BAN2401, a novel monoclonal antibody targeting the neurotoxic protofibrils believed to cause Alzheimer's disease, in the U.S. <announced on September 2>
	・ Launched the rapid acting secretagogue Glufast in China <announced on September 3>
	・ Launched Symbenda (bendamustine hydrochloride) in Singapore for the treatment of low-grade non-Hodgkin’s lymphoma and chronic lymphatic leukemia <announced on September 7>
	・ Announced results of a Japanese clinical trial that confirmed the safety and efficacy of insomnia treatment SEP-190 as well as plans to submit a marketing authorization application to the regulatory authorities in Japan in fiscal 2010 <announced on September 15>
	・ Announced results of a U.S. FDA Advisory Committee meeting concerning lorcaserin, a potential obesity and weight management treatment <announced on September 17>
	・ The new drug application for a new weekly transdermal patch formulation of the Alzheimer's disease agent Aricept was accepted for review in the U.S. <announced on September 17>
	・ Concluded agreements with Anaeropharma Science, Inc. concerning the novel anticancer agent APS001 and a drug delivery system using *Bifidobacterium Longum* <announced on September 29>
	・ Concluded a licensing agreement with Brain Factory Co., Ltd. concerning the development and commercialization of a derivate of the antifungal agent ravuconazole (ravuconazole prodrug) in Japan <announced on September 30>
October	・ The National Institute for Health and Clinical Excellence (NICE) issued new draft guidance recommending that Alzheimer's disease medications be made available to patients with mild forms of the disease <announced on October 7>
	・ The U.S. FDA issued a complete response letter concerning the potential obesity and weight management treatment lorcaserin new drug application <announced on October 23>
	・ Announced the Japan approval of the anticancer agent Treakisym (bendamustine hydrochloride) for the treatment of relapsed or refractory low-grade B-cell non-Hodgkin’s lymphoma and mantle cell lymphoma <announced on October 27>
	・ Announced Japanese approval of indication replacement concerning Lyrica from its current indication of postherpetic neuralgia to a new and broader indication of peripheral neuropathic pain <announced on October 27>
	・ Announced the withdrawal of the Japanese marketing authorization application for the potential obesity management agent KES524 <announced on October28>
	・ Received notification that the Japanese Ministry of Health, Labour and Welfare had cleared the condition for approval of Humira, a fully human anti-TNF-alpha monoclonal antibody , in terms of the use results survey (all-case surveillance) on rheumatoid arthritis <announced on October 28>
	・ Announced the Japan approval of Crohn's disease and ankylosing spondylitis as additional indications for the fully human anti-TNF-alpha monoclonal antibody Humira <announced on October 29>
November	・ Issued a notice for objection to sale of shares held by untraceable shareholders <announced November 1>
	・ Launched Crystal Veil Cool, a positively charged menthol allergen screen topical gel that protects against pollen and house dust, in Japan (launched on November 9) <announced on November 8>
	・ Announced that a Phase III clinical trial of the potential obesity and weight management treatment lorcaserin in patients with type II diabetes showed statistically significant weight loss <announced on November 10>

Date	Description
November	・ Anticancer agent Halaven (eribulin mesylate) received approval in the U.S. for the treatment of patients with metastatic breast cancer who have previously received at least two chemotherapeutic regimens, including an anthracycline and a taxane, for the treatment of metastatic disease <announced on November 16>
	・ U.S. subsidiary Eisai Inc. entered into a broad drug discovery collaboration with U.S. based FORMA Therapeutics, Inc. <announced on November 17>
	・ Signed a statement-of-intent with the World Health Organization (WHO) to provide free supply of a medicine for the treatment of lymphatic filariasis <announced on November 18>
	・ Submitted a marketing authorization application in Japan for insomnia treatment SEP-190 <announced on November 30>
December	・ Eisai and Pfizer Japan Ltd. launched "Toutsu.jp," the first portal site to provide the general public with information about neural pain on December 1 <announced on December 1>
	・ Launched anticancer agent Treakisym (bendamustine hydrochloride) in Japan as a treatment for relapsed or refractory low-grade B-cell non-Hodgkin's lymphoma and mantle cell lymphoma <announced on December 10>
	・ Diagnostics subsidiary Sanko Junyaku Co., Ltd concluded an exclusive Japan marketing agreement with SEKISUI MEDICAL CO., LTD concerning the influenza test kit RapidTesta FLU II <announced on December 14>
	・ Submitted a marketing authorization application in Japan seeking approval to market the embolic bead E7040 for transcatheter arterial embolization (TAE) in patients with hepatocellular carcinoma (HCC) <announced on December 16>
	・ Signed an exclusive China marketing agreement with Teikoku Seiyaku Co., Ltd. concerning the anti-inflammatory analgesic poultice Haojishi <announced on December 21>
	・ Received approval in Japan for additional twice-daily dosage and administration of proton pump inhibitor Pariet for the treatment of reflux esophagitis patients who are unable to obtain satisfactory relief with conventional proton pump inhibitor treatment <announced on December 21>
	・ Commenced online sales of dietary supplement products (food with nutrient function claims) in Japan with the launch of the debut product Juvela zeitaku polyphenol, a vitamin E dietary supplement to support the health of the over fifty population (launched on December 27) <announced on December 27>
January 2011	・ Launched Skainar AL Tablets in Japan as an over-the-counter allergy medication for the relief of rhinitis and skin-related allergic symptoms caused by hay fever and other allergies (launched on January 11) <announced on January 7>
	・ Chinese pharmaceutical trading subsidiary Eisai (Suzhou) Trading Co., Ltd. commenced fully-fledged operations <announced on January 17>
	・ Signed a Public-Private Partnership agreement with Apollo Hospitals and HelpAge India to improve access to medicines in India <announced on January 17>
	・ The National Institute for Health and Clinical Excellence (NICE) issued final appraisal recommendations for new guidance regarding the treatment of patients with mild Alzheimer's disease <announced on January 18>
	・ Received approval to market the botulinum toxin type B neuromuscular-blocking agent Nerbloc in Japan for the treatment of cervical dystonia <announced on January 21>
	・ Anticancer agent Halaven (eribulin mesylate) received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP), the scientific committee of the European Medicines Agency (EMA), for use in the treatment of metastatic breast cancer <announced on January 24>
	・ Issued a notice regarding the corporate name change of the diagnostic subsidiary Sanko Junyaku Co., Ltd. <announced on January 25>
	・ Announced that a Phase III study of endotoxin antagonist eritoran (E5564) in patients with severe sepsis did not meet its primary endpoint <announced on January 25>
	・ Announced plans to submit marketing authorization applications in the U.S. and EU for the AMPA receptor antagonist E2007 (perampanel) as a treatment for epilepsy in the first quarter of fiscal 2011 <announced on January 25>
	・ U.S. subsidiary H3 Biomedicine Inc. commenced the development of next generation cancer drugs; the new company was established to actively utilize cancer genomic information and advanced drug discovery chemistry <announced on January 28>

9．Major R&D Pipeline

1) R&D Pipeline (Japan, United States, Europe)

R&D Pipeline List

	Product Name/Research Code	Additional Indication, etc.*1	Development Stage	Therapeutic Area
New Approval				
	Tambocor (Tachyarrhythmia in pediatric patients)	AI, ADA	(Japan) approved	Vascular and Immunological Reaction
	Pariet (Non-erosive gastroesophageal reflux disease)	AI, ADA	(Japan) approved	Gastrointestinal Disorders
	Pariet (Concomitant therapy for eradication of *Helicobacter pylori*)	AI	(Japan) approved	Gastrointestinal Disorders
	Aricept (Higher dose 23 mg tablet)	ADA, AF	(US) approved	Neurology
	Zonegran (Orally disintegrating tablets)	AF	(Europe) approved	Neurology
○	Humira (Crohn's disease)	AI	(Japan) approved	Vascular and Immunological Reaction
○	Humira (Ankylosing spondylitis)	AI	(Japan) approved	Vascular and Immunological Reaction
○	Halaven (Breast cancer)		(US) approved	Oncology and Supportive Care
○	Pariet (Reflux esophagitis)	ADA	(Japan) approved	Gastrointestinal Disorders
○	Nerbloc (Cervical dystonia)		(Japan) approved	Neurology
Under Review/Preparing for Submission				
	E7389 (Breast cancer)		(Japan/EU/Switzerland/ Singapore) under review	Oncology and Supportive Care
	Pariet/Aciphex (Extended-release 50 mg formulation)	AF	(US) under review (EU) under review	Gastrointestinal Disorders
	Warfarin (Granules)	AF	(Japan) under review	Vascular and Immunological Reaction
	Inovelon/Banzel (Oral suspension)	AF	(US) under review ○ (EU) under review	Neurology
	Humira (Juvenile idiopathic arthritis)	AI	(Japan) under review	Vascular and Immunological Reaction
	Warfarin (Pediatric dosage and administration)	ADA	(Japan) under review	Vascular and Immunological Reaction
○	Vasolan (Pediatric dosage and administration)	ADA	(Japan) under review	Vascular and Immunological Reaction
○	SEP-190 (Insomnia)		(Japan) under review	Neurology
○	E7040 (Transcatheter arterial embolization (TAE) in patients with hepatocellular carcinoma (HCC))		(Japan) under review	Oncology and Supportive Care
Clinical				
	E2007 (Epilepsy)		(US/EU)PIII (Japan) PII	Neurology
	E2080 (Adjunctive therapy for Lennox-Gastaut syndrome (LGS))		(Japan) PIII	Neurology
	E5564 (Severe sepsis)		(Global Development Program) PIII	Vascular and Immunological Reaction
	E6014 (Oral mucositis)		(US) PIII	Oncology and Supportive Care
	MORAb-003 (Ovarian cancer)		(Global Development Program) PIII	Oncology and Supportive Care
	Dacogen (Acute myelogenous leukemia (AML))	AI	(US) PIII	Oncology and Supportive Care
	T-614 (Rheumatoid arthritis)		(Japan) PIII	Vascular and Immunological Reaction
○	Aricept (Lewy body dementia)	AI	(Japan) PIII	Neurology
	Zonegran (Pediatric epilepsy)	AI	(EU) PIII	Neurology
	Zonegran (Monotherapy for epilepsy)	AI	(EU) PIII	Neurology
	Humira (Inhibition of structural damage of joints)	AI	(Japan) PIII	Vascular and Immunological Reaction
	E0302 (Amyotrophic lateral sclerosis (ALS))	AI	(Japan) PII/III	Neurology
	AS-3201 (Diabetic neuropathy)		(US/EU) PII/III	Neurology
	Humira (Ulcerative colitis)	AI	(Japan) PII/III	Vascular and Immunological Reaction
	E2007 (Neuropathic pain)		(US/EU) PII	Neurology
	E2007 (Multiple sclerosis)		(EU) PII	Neurology
	E2007 (Migraine prophylaxis)		(US) PII	Neurology
	E5501 (Idiopathic thrombocytopenic purpura (ITP))		(US) PII	Oncology and Supportive Care
	E5501 (Thrombocytopenia associated with liver disease (TLD))		(US) PII	Oncology and Supportive Care
	E5555 (Acute coronary syndrome)		(Japan/US/EU) PII	Vascular and Immunological Reaction
	E5555 (Atherothrombosis)		(Japan/US/EU) PII	Vascular and Immunological Reaction
	E6201 (Psoriasis)		(US/EU) PII	Vascular and Immunological Reaction
	E7080 (Thyroid cancer)		(US/EU) PII	Oncology and Supportive Care
	E7080 (Endometrial cancer)		(US) PII	Oncology and Supportive Care
	E7080 (Melanoma)		(US) PII	Oncology and Supportive Care
○	E7080 (Glioma)		(US) PII	Oncology and Supportive Care
	E7389 (Non-small cell lung cancer)		(US) PII	Oncology and Supportive Care
	E7389 (Prostate cancer)		(US/EU) PII	Oncology and Supportive Care
	E7389 (Sarcoma)		(EU) PII	Oncology and Supportive Care
	E7820 (Colorectal cancer)		(US) PII	Oncology and Supportive Care
	E7850 (Prostate cancer, etc)		(US) PII	Oncology and Supportive Care
○	MORAb-003 (Non-small cell lung cancer)		(US) PII	Oncology and Supportive Care
	MORAb-009 (Mesothelioma)		(US/EU) PII	Oncology and Supportive Care
	Ontak (Melanoma)	AI	(US) PII	Oncology and Supportive Care
○	Aricept (Higher dose 23 mg tablet)	ADA, ADF	(Japan) PII	Neurology
	Pariet (Functional dyspepsia)	AI	(Japan) PII	Gastrointestinal Disorders

・ The development of E7101 (cervical dysplasia) has been discontinued.

・ The development program conducted in the U.S. and Europe of Aricept for vascular dementia has been discontinued in the U.S. and Europe.

*1 AI：Additional Indication, ADA：Additional Dosage & Administration, AF：Additional Formulation P：Clinical phase

○ Development progress from October 2010 onwards

(1) Oncology and Supportive Care

Product Name: **Halaven** (US) Research Code: **E7389** Generic name: **eribulin mesylate** (Anticancer agent/microtubule dynamics inhibitor)

Description: A synthetic analog of halichondrin B derived from a marine sponge. Believed to exert an antitumor effect by arresting the cell cycle through inhibition of the growth of microtubules. Currently being investigated as a potential treatment for breast cancer and various other solid tumors. Received approval in the United States. A priority review status was granted in Japan. In addition, a Phase III study is ongoing in the United States to investigate the agent as a potential second-line treatment for recurrent and metastatic breast cancer.				
	Breast cancer	○ US: approved (November 2010) Switzerland: under review (July 2009) Singapore: under review (July 2009) EU: submitted (March 2010), accepted (May 2010) Japan: under review (March 2010)		Inj.
	Non-small cell lung cancer	US: PII		Inj.
	Prostate cancer	US: PII EU: PII		Inj.
	Sarcoma	EU: PII		Inj.

Research Code: **E7820** (Anticancer agent/angiogenesis inhibitor that suppresses alpha 2 integrin expression)

Description: An angiogenesis inhibitor that suppresses the expression of alpha 2 integrin, a vascular endothelial cell adhesion molecule.				
	Colorectal cancer	US: PII		Oral

Research Code: **E7080** (Anticancer agent/VEGF receptor tyrosine kinase inhibitor/multi-kinase inhibitor)

Description: An anti-angiogenic agent that inhibits tyrosine kinase of the VEGF receptor, VEGFR2, and a number of other types of kinase involved in angiogenesis and tumor proliferation. Currently being investigated as a potential treatment for various solid tumors.				
*	Thyroid cancer	US: PII EU: PII	Submission Target FY2013	Oral
	Endometrial cancer	US: PII		Oral
	Melanoma	US: PII		Oral
○	Glioma	US: PII		Oral

Research Code: **MORAb-003** Generic name: **farletuzumab** (Anticancer agent/monoclonal antibody)

Description: A humanized IgG1 MAb that targets folate receptor alpha (FRA). Expected to exhibit an antitumor effect against carcinomas that over-express FRA. A Phase III study was initiated in Japan for ovarian cancer. The study is now ongoing in Europe, the United States and Japan, and is being conducted as a global development program.				
	Ovarian cancer	Global Development Program: PIII	Submission Target FY2012	Inj.
○	Non-small cell lung cancer	US: PII		Inj.

Research Code: **MORAb-009** Generic name: **amatuximab** (Anticancer agent/monoclonal antibody)

Description: A chimeric IgG1 MAb that blocks the function of mesothelin. Expected to exhibit an antitumor effect against carcinomas that express mesothelin.				
	Mesothelioma	US: PII EU: PII		Inj.

Product Name: **Dacogen** Research Code: **E7373** Generic name: **decitabine** (DNA methylation inhibitor)

Description: Induces cell differentiation through inhibition of DNA methylation. Currently approved for the treatment of myelodysplastic syndromes (MDS) in the United States.				
	Additional Indications: Acute myelogenous leukemia (AML)	US: PIII	Submission Target FY2010	Inj.

○ Development progress from October 2010 onwards
✶ Submission target changed from the previous announcement

Research Code: **E7850** Generic Name: **irofulven** (Anticancer agent/DNA synthesis inhibitor)

Description: Expected to exhibit an anticancer effect against various solid tumors by inhibiting DNA synthesis.			
Prostate cancer, etc.	US: PII		Inj.

Research Code: **E5501/AKR-501** (Treatment for thrombocytopenia/thrombopoietin receptor agonist)

Description: An oral thrombopoietin receptor agonist that increases platelet production. Expected to exhibit effects against conditions that are associated with thrombocytopenia.			
Idiopathic thrombocytopenic purpura (ITP)	US: PII	Submission Target FY2012	Oral
Thrombocytopenia associated with liver disease (TLD)	US: PII		Oral

Research Code: **E6014** Generic name: **glutamine** (Oral mucositis/glutamine oral suspension)

Description: A topical, oral glutamine suspension for the treatment of chemotherapy-induced mucositis.			
Oral mucositis	US: PIII		Oral Susp.

Product Name: **Ontak** Research Code: **E7272** Generic name: **denileukin diftitox**
(Anticancer agent/interleukin-2 diphtheria toxin fusion protein)

Description: A fusion protein that combines the interleukin-2 (IL-2) receptor binding domain with diphtheria toxins. It specifically binds to IL-2 receptors on the cell surface, causing diphtheria toxins that have entered cells to inhibit protein synthesis. The agent is already approved in the United States as a treatment for CD25 (a component of the IL-2 receptor) positive cutaneous T-cell lymphoma.			
Additional Indications: Melanoma	US: PII		Inj.

Research Code: **E7040** (Embolic bead/medical device)

Description: A hydrophilic microspherical particle produced from a polyvinyl alcohol polymer. An embolic bead that is injected through a catheter to physically and selectively embolize targeted blood vessels. Microscopic and uniformly spherical in shape, it allows for precise embolization of targeted vessels based on vascular diameter and tumor size.			
○ Transcatheter arterial embolization (TAE) in patients with hepatocellular carcinoma (HCC)	Japan: under review (December 2010)		Embolic Agent

(2) Neurology

Product Name: **Aricept** Research Code: **E2020** Generic name: **donepezil** (Treatment for Alzheimer's disease)

Description: Increases levels of the neurotransmitter acetylcholine in the brain by inhibiting its breakdown by the enzyme acetylcholinesterase, thereby slowing the overall progression of symptoms associated with Alzheimer's disease (AD). Currently approved in more than 90 countries around the world for the treatment of mild to moderate AD. It is also approved as a treatment for patients with severe AD in countries including the United States, Canada, Japan, and some Asian and South/Central American countries.			
Additional Dosage & Administration, Formulation: Higher dose 23 mg tablet	US: approved (July 2010) ○ Japan: PII		Oral
○ **Additional Indications:** Lewy body dementia	Japan: PIII		Oral

Research Code: **E2007** Generic name: **perampanel** (AMPA receptor antagonist)

Description: A selective AMPA-subtype glutamate receptor antagonist for the treatment of a variety of neurological disorders.			
Epilepsy	US: PIII EU: PIII Japan: PII	Submission Target FY2011	Oral
Neuropathic pain	US: PII EU: PII		Oral
Multiple sclerosis	EU: PII		Oral

○ Development progress from October 2010 onwards
✶ Submission target changed from the previous announcement

	Migraine prophylaxis	US: PII	Oral

Research Code: **AS-3201** Generic name: **ranirestat** (Treatment for diabetic complications/aldose reductase inhibitor)

Description: 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.			
	Diabetic neuropathy	US: PII/III EU: PII/III	Oral

Product Name: **Zonegran** Research Code: **E2090** Generic name: **zonisamide** (Anti-epileptic agent)

Description: Believed to exhibit a broad anti-epileptic spectrum and is well-tolerated. Currently indicated as an adjunctive therapy in the treatment of patients with partial seizures.				
	Additional Formulations: Orally disintegrating tablet	EU: approved (July 2010)		Oral
	Additional Indications: Pediatric epilepsy	EU: PIII	Submission Target FY2011	Oral
	Additional Indications: Monotherapy for epilepsy	EU: PIII	Submission Target FY2011	Oral

Research Code: **E0302** Generic name: **mecobalamin** (Amyotrophic lateral sclerosis)

Description: A mecobalamin (vitamin B_{12} coenzyme) formulation. Restores 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).			
	Amyotrophic Lateral Sclerosis (ALS)	Japan: PII/III	Inj.

Product Name: **Nerbloc** Research Code: **E2014** Generic name: **botulinum toxin type B** (Cervical dystonia)

Description: By acting specifically on motor nerve terminals at the neuromuscular junction, it inhibits the release of acetylcholine from the cholinergic nerve endings and exhibits muscle relaxant effects.			
○	Cervical dystonia	Japan: approved (January 2011)	Inj.

Research Code: **SEP-190** Generic name: **eszopiclone** (Treatment for insomnia/$GABA_A$ receptor agonist)

Description: A non-benzodiazepine type allosteric $GABA_A$ receptor agonist that may help patients with transient or short-term insomnia, as well as insomnia in the elderly.			
○	Insomnia	Japan: under review (November 2010)	Oral

Product Name: **Inovelon(EU) / Banzel(US)** Research Code: **E2080** Generic name: **rufinamide** (Anti-epileptic agent)

Description: 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 product name Inovelon) and in the United States (under the product name Banzel).			
	Additional Formulation: Oral suspension	US: submitted (April 2010), accepted (July 2010) ◯EU: submitted (September 2010), accepted (October 2010)	Oral
	Adjunctive therapy for LGS	Japan: PIII	Oral

(3) Vascular and Immunological Reaction

Product Name: **Humira** Research Code: **D2E7** Generic name: **adalimumab** (Fully human monoclonal anti-TNF alpha antibody)

Description: A fully human monoclonal anti-TNF-alpha antibody that neutralizes the activity of tumor necrosis factor alpha (TNF-alpha), 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, psoriasis, Crohn's disease and ankylosing spondylitis.			
○	**Additional Indications:** Crohn's disease	Japan: approved (October 2010)	Inj.
○	**Additional Indications:** Ankylosing spondylitis	Japan: approved (October 2010)	Inj.
	Additional Indications: Juvenile idiopathic arthritis	Japan: under review (August 2010)	Inj.

◯ Development progress from October 2010 onwards
✶ Submission target changed from the previous announcement

	Additional Indications: Inhibition of structural damage of joints	Japan: PIII	Submission Target FY2011	Inj.
	Additional Indications: Ulcerative colitis	Japan: PII/III	Submission Target FY2011	Inj.

Research Code: **E5564** Generic name: **eritoran** (Severe sepsis/endotoxin antagonist)

Description: Exhibits endotoxin antagonist effects that inhibit isolation of inflammatory cytokines. Suppresses various clinical conditions caused by endotoxins.				
✶	Severe sepsis	Global Development Program: PIII		Inj.

· The further development plan for E5564 will be determined in accordance with the data obtained through the Phase III trials.

Research Code: **E5555** (Thrombin receptor antagonist)

Description: Selectively binds to the thrombin receptor (PAR-1) and inhibits platelet aggregation and vascular smooth muscle cell proliferation by suppressing thrombin-mediated cellular activation.				
	Acute coronary syndrome	US: PII EU: PII Japan: PII		Oral
	Atherothrombosis	US: PII EU: PII Japan: PII		Oral

Research Code: **E6201** (Novel MEK-1/MEKK-1 kinase inhibitor)

Description: 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	US: PII EU: PII		Topical

Research Code: **T-614** Generic name: **iguratimod** (Rheumatoid arthritis)

Description: Suppresses inflammatory cytokine production and immunoglobulin production. Expected to exhibit effects against rheumatoid arthritis.				
	Rheumatoid arthritis	Japan: PIII	Submission Target FY2011	Oral

Product Name: **Tambocor** Generic name: **flecainide** (Anti-arrhythmic agent)

Description: Suppresses tachyarrhythmia by blocking cardiac sodium channels. The agent was approved for the treatment of tachyarrhythmia (paroxysmal atrial fibrillation/flutter, paroxysmal superventricular tachycardia, ventricular tachycardia) in pediatric patients, in addition to the existing indication for the treatment of tachyarrhythmia (paroxysmal atrial fibrillation/flutter and ventricular tachycardia) in adults.				
	Additional Indication, Dosage & Administration: Tachyarrhythmia in pediatric patients	Japan: approved (May 2010)		Oral

Product Name: **Warfarin** Generic name: **warfarin potassium** (Oral anticoagulant)

Description: Exhibits anticoagulant effects by antagonizing vitamin K and inhibiting the production of blood clotting factors. Widely used for the treatment and prevention of thromboembolisms in adults. An application seeking approval for pediatric dosage and administration was submitted in Japan after a special committee for the use of unapproved and off-label drugs for which there is a high medical need, operating under the Japanese Ministry of Health, Labour and Welfare, designated the agent as a drug that can provide significant clinical benefits to pediatric patients.				
	Additional Formulation: Granules	Japan: under review (June 2010)		Oral
	Additional Dosage & Administration: Pediatric dosage & administration	Japan: under review (September 2010)		Oral

○ Development progress from October 2010 onwards
✶ Submission target changed from the previous announcement

Product Name: **Vasolan** Generic name: **verapamil** (Calcium channel blocking antiarrhythmic agent)

Description: Slows cardiac excitation and regulates tachyarrhythmia by blocking calcium channels. Also exhibits coronary dilating and peripheral vasodilator action and is widely used as a treatment for ischemic heart disease and tachyarrhythmia in adults. An application seeking approval for pediatric dosage and administration was submitted in Japan after a special committee for the use of unapproved and off-label drugs for which there is a high medical need, operating under the Japanese Ministry of Health, Labour and Welfare, designated the agent as a drug that can provide significant clinical benefits to pediatric patients.		
○	**Additional Dosage & Administration:** Pediatric dosage & administration	Japan: under review (November 2010)	Oral Inj.

(4) Gastrointestinal Disorders

Product Name: **Pariet/Aciphex** Research Code: **E3810** Generic name: **rabeprazole** (Proton pump inhibitor)

Description: A proton pump inhibitor approved for the treatment of gastric and duodenal ulcers, reflux esophagitis and eradication of *Helicobacter pylori* infections, etc.			
	Additional Indications, Additional Dosage & Administration: Non-erosive gastroesophageal reflux disease	Japan: approved (June 2010)	Oral
	Additional Indications: Concomitant therapy for the eradication of *Helicobacter pylori* in gastric MALT lymphoma, the stomach after endoscopic resection of early stage gastric cancer, and idiopathic thrombocytopenic purpura.	Japan: approved (June 2010)	Oral
○	**Additional Dosage & Administration:** Reflux esophagitis	Japan: approved (December 2010)	Oral
	Additional Formulation: Extended-release 50 mg formulation	US: submitted (March 2010), accepted (June 2010) EU: submitted (March 2010), accepted (September 2010)	Oral
	Additional Indications: Functional dyspepsia	Japan: PII	Oral

○ Development progress from October 2010 onwards
✶ Submission target changed from the previous announcement

2) R&D Pipeline (Asia)

Product Name: **Glufast** Generic name: **mitiglinide** (Rapid-acting insulin secretagogue agent)

Description: By selectively binding to sulfonylurea receptors in pancreatic beta cells, it accelerates insulin release, resulting in the reduction of blood glucose. (In-licensed from Kissei Pharmaceutical Co., Ltd.)		
Type 2 diabetes mellitus	approved: Thailand, Philippines under review: Indonesia, Malaysia	Oral

Product Name: **Gasmotin** Generic name: **mosapride** (Gastroprokinetic agent)

Description: A selective serotonin 5-HT_4 receptor agonist that exhibits gastroprokinetic and gastric evacuation effects by enhancing acetylcholine release. (In-licensed from Dainippon Sumitomo Pharma Co., Ltd.)		
Gastroprokinetic agent	currently marketed: Thailand approved: Philippines, Vietnam under review: Malaysia, Myanmar, Laos	Oral

Generic name: **clevudine** (Anti-chronic hepatitis B agent)

Description: An antiviral drug that exerts an anti-HBV effect by inhibiting DNA polymerase. (In-licensed from Bukwang Pharmaceutical Co., Ltd.)		
Chronic hepatitis B	currently marketed: Philippines (Product Name: Revovir) under review: Indonesia, Thailand, India, China	Oral

Product Name: **Urief** Generic name: **silodosin** (Treatment for dysuria associated with benign prostatic hyperplasia)

Description: A selective alpha 1A-adrenergic receptor antagonist. By selectively blocking alpha 1A-adrenergic receptors that are found primarily 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). (In-licensed from Kissei Pharmaceutical Co., Ltd.)		
Dysuria associated with BPH	under review: Singapore	Oral

Generic name: **cinitapride** (Gastroprokinetic agent)

Description: By stimulating 5-HT_2 and 5-HT_4 receptors found in the gastrointestinal tract, the agent increases acetylcholine release and improves upper gastrointestinal motility. Its antidopaminergic activity also helps stimulate the release of acetylcholine by blocking dopamine receptors, thereby improving upper gastrointestinal function. (In-licensed from Almirall, S.A.)		
Functional dyspepsia	clinical development ongoing: China (PIII)	Oral

○ Development progress from October 2010 onwards
✶ Submission target changed from the previous announcement