

FOR IMMEDIATE RELEASE

May 13, 2013

Listed Company Name: Eisai Co., Ltd.
Representative: Haruo Naito
Director, President & CEO
Headquarters: 4-6-10 Koishikawa,
Bunkyo-ku, Tokyo
Securities Code: 4523
Listed Locations: First Sections of the
Tokyo Stock Exchange &
the Osaka Securities Exchange
Inquiries: Sayoko Sasaki
Vice President,
Corporate Affairs
Phone 81-3-3817-5120

Notification Regarding the Disposal of Treasury Stock through Third-Party Allotment in Accordance with the Introduction of Performance-Related Stock Compensation System

At the Board of Directors meeting held on May 13, 2013, Eisai Co., Ltd. (Headquarters: Tokyo, President & CEO: Haruo Naito) resolved to dispose of treasury stock (by means of third-party allotment) in accordance with the introduction of performance-related stock compensation system (hereinafter "this system") for its Corporate Officers to be determined by the Compensation Committee of the Company.

1. Overview of the disposal

(1) Date of disposal	May 30, 2013
(2) Number of shares being disposed of	105,400 shares
(3) Disposal price	¥ 4,535 per share
(4) Total funds to be procured	¥ 477,989,000
(5) Disposal method	Third-party allotment
(6) Allottee	Mitsubishi UFJ Trust and Banking Corporation (Trust Account for Officers' Compensation Board Incentive Plan (BIP))
(7) Other	This disposal of treasury stock shall be subject to the coming into force of the notification in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reasons for the disposal

The Company is a company with committees and the Compensation Committee thereof determines the compensation, etc., of Directors and Corporate Officers. The Compensation Committee of the Company, with the aim of achieving higher motivation for the Corporate Officers' execution of their duties, has revised the compensation system for its Corporate Officers so as to base it more on performance-related compensation. In accordance with this, in order to contribute to motivating Corporate Officers to enhance medium to long-term corporate value, the Compensation Committee has decided to incorporate a part of the salary-based compensation into the funding for this system and introduced this system under which the shares of the

Company are to be distributed to Corporate Officers each year based on performance.

With the above revision and introduction of the system, the new compensation system for Corporate Officers is composed of “basic compensation”, a “bonus” (being performance-related monetary compensation), and “performance-related and stock compensation.”

For a summary of this system, please see the “Notification Regarding the Introduction of a Performance-Related Stock Compensation System in Accordance with the Revision of the Compensation System for Corporate Officers of the Company” announced today.

This disposal of treasury stock refers to the disposal thereof to Mitsubishi UFJ Trust and Banking Corporation, the allottee, by means of third-party allotment through the introduction of this system.

3. Amount, use, and scheduled timing of use of funds to be procured

(1) Amount of funds to be procured (estimated net amount after expenses, etc.)

¥ 477,989,000

(2) Specific use of the funds to be procured

The funds to be procured through the disposal of the treasury stock will be appropriated in a lump sum by March 2014 for research and development expenses, etc., relating to pharmaceutical products.

The funds will be managed in the Company's bank account until they are used for the above purpose.

4. View on reasonableness of use of funds

The Company believes that the planned use of the funds to be procured by disposal of the treasury stock is reasonable, as it will contribute to the operation of the Company's business.

5. Reasonableness of disposal terms and conditions

(1) Basis for calculation of disposal price

In view of the recent fluctuations in the stock price, in order to determine the disposal price in a non-arbitrary fashion, the Company will determine the disposal price as being the higher of either (i) the closing price of the Company's shares traded on the Tokyo Stock Exchange on the business day immediately preceding the Board of Directors meeting at which the resolution for this disposal has been made, or (ii) the average closing price of the Company's shares traded on the Tokyo Stock Exchange in the one-month period immediately preceding the Board of Directors meeting at which the resolution for this disposal has been made (i.e., from April 11, 2013 to May 10, 2013).

As a result, the amount to be paid per share has been set at ¥ 4,535, being the closing price of the Company's shares traded on the Tokyo Stock Exchange on the business day immediately preceding the Board of Directors meeting (103% of the average closing price (¥ 4,422) from April 11, 2013 to May 10, 2013).

The reason for adopting the disposal price, by comparing (i) the closing price of the Company's shares traded on the Tokyo Stock Exchange on the business day immediately preceding the resolution at the Board of Directors meeting and (ii) the average closing price of the Company's shares traded on the Tokyo Stock Exchange in the one-month period immediately preceding the resolution at the Board of Directors meeting, is because the Company believes that adopting the

disposal price by way of comparison with the average share price over a given period, rather than being based on the share price at one particular point in time, is a reasonable basis for calculation.

In addition, the relevant price per share represents a premium of +7% over the average closing price, rounded down to the nearest yen (¥ 4,243), on the Tokyo Stock Exchange in the three-month period immediately preceding the resolution at the Board of Directors meeting (i.e., from February 11, 2013 to May 10, 2013), or a premium of +15% over the average closing price, rounded down to the nearest yen (¥ 3,930), on the Tokyo Stock Exchange in the six-month period immediately preceding the resolution at the Board of Directors meeting (i.e., from November 11, 2012 to May 10, 2013). The Company therefore believes that the relevant disposal price is not especially favorable to the allottee.

The Audit Committee of the Company has expressed its opinion that the adoption of the disposal price, as the higher of either (i) the closing price of the Company shares traded on the Tokyo Stock Exchange on the business day immediately preceding the resolution at the Board of Directors meeting, or (ii) the average closing price of the Company's shares traded on the Tokyo Stock Exchange in the one-month period immediately preceding the resolution at the Board of Directors meeting (i.e., from April 11, 2013 to May 10, 2013), is a reasonable basis for calculating the disposal price, and that it is not especially favorable to the allottee.

(2) Basis of assessing that the number of shares being disposed of and level of share dilution are reasonable

The number of shares to be disposed of is the number of shares expected to be issued to the Corporate Officers of the Company during the trust period in accordance with the Share Issuance Regulations. The level of share dilution is equal to 0.04% of the issued and outstanding shares (rounded off to two decimal places, and 0.04% of the total voting right units as of the end of March 2013), which is minimal.

In addition, as the shares of the Company allotted through this disposal of treasury stock shall in principle be issued to the Corporate Officers of the Company in accordance with the Share Issuance Regulations, the Company believes that there will only be a minor effect on the secondary market.

Based on the above reasons, as there will only be an extremely minor effect caused by the disposal of the treasury stock, this is a reasonable decision.

6. Reason for selection of allottee

(1) Overview of the allottee

1) Name: Mitsubishi UFJ Trust and Banking Corporation (Trust Account for Officers' Compensation Board Incentive Plan (BIP))

2) Details of Trust Agreement:

Type of Trust: Monetary trust other than a specified solely-administered monetary trust (Third-Party Beneficiary Trust)

Purpose of Trust: Granting incentives to the Corporate Officers of the Company

Trustor: The Company

Trustee: Mitsubishi UFJ Trust and Banking Corporation

Beneficiaries: Corporate Officers satisfying the requirements to become Beneficiaries

Trust Administrator: A third party having no conflict of interest with the Company (Certified Public Accountant)

Trust Agreement Date: May 29, 2013 (scheduled)
Trust Period: From May 29, 2013 (scheduled) to the end of July 2016 (scheduled)
System Commencement Date: The system will start from May 29, 2013 (scheduled), and the distribution of the Company's shares will start from July 2014 (scheduled)
Exercise of Voting Rights: No voting rights shall be exercised

(Reference) Overview of the allottee

(1) Name	Mitsubishi UFJ Trust and Banking Corporation		
(2) Address	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo		
(3) Name and position of representative	Tatsuo Wakabayashi, President		
(4) Business description	Trust banking business, financial related business and others		
(5) Capital	324.279 billion yen		
(6) Date established	March 10, 1927		
(7) Number of shares issued	Common shares: 3,369,441,304 shares Series 1 Type III Preferred Shares: 1,000 shares		
(8) Fiscal year	March 31		
(9) Number of employees	6,999 (as of March 31, 2012)		
(10) Main business partners	Having numerous individual and corporate business partners in each industry field		
(11) Main banks	-		
(12) Major shareholders and shareholding ratio	Mitsubishi UFJ Financial Group, Inc.	100%	
(13) Relationship of the parties	Capital relationship: Holding 1,540,756 shares of the common stock of the Company		
	Personnel relationship: N/A		
	Business relationship: Trust banking transactions		
	Ties to related parties: N/A		
(14) Business results and financial conditions over the last three fiscal years (million yen)			
Fiscal year ended	March 31, 2010	March 31, 2011	March 31, 2012
Net assets (consolidated)	1,449,384	1,413,486	1,595,779
Total assets (consolidated)	22,707,238	25,280,070	26,897,506
Net assets per share (yen)	395.81	385.07	432.95
Ordinary revenue (consolidated)	556,032	569,227	611,257
Ordinary income (consolidated)	59,874	112,185	127,273

Net income (consolidated)	66,325	76,227	80,488
Net income per share (yen)	19.68	22.62	23.88
Dividends per share (yen) (common stock)	10.98	8.17	8.01

3) Relationship between the Company and the allottee, etc.

In terms of the capital relationship, the allottee possesses 1,540,756 shares of the common stock of the Company (0.52% of the issued and outstanding shares). As for the business relationship, the Company and the allottee have trust banking transactions. The allottee is not a related party of the Company.

The allottee is a trading participant at the Tokyo Stock Exchange.

(2) Reason for selecting the allottee

In accordance with the introduction of this system, and based on the above-mentioned Trust Agreement, the Company disposes of the shares to Mitsubishi UFJ Trust and Banking Corporation, the trustee.

(3) Allottee's policy on holding shares

In accordance with the above-mentioned Trust Agreement, the allottee, Mitsubishi UFJ Trust and Banking Corporation (Trust Account for Officers' Compensation Board Incentive Plan (BIP)), will possess the shares of the Company allotted by means of the disposal of treasury stock in order to distribute the shares of the Company to the Corporate Officers of the Company during the Trust Period in accordance with the Share Issuance Regulations.

If the allottee, Mitsubishi UFJ Trust and Banking Corporation (Trust Account for Officers' Compensation Board Incentive Plan (BIP)), transfers all or part of the disposed-of shares within a two-year period from the allotment date, the allottee informally consents to concluding a pledge agreement with the Company, under which the allottee shall immediately report to the Company, in writing, the purchaser's name and address, the number of shares transferred, the transfer date, transfer price, transfer reason, transfer method, etc., thereof, and the Company shall report the details of such report to the Tokyo Stock Exchange, Inc., and the Osaka Securities Exchange Co., Ltd., and the details of such report shall be made available for public inspection.

(4) Confirmation that the allottee has the funds required for payment

The Company has confirmed through the above-mentioned Trust Agreement that, with respect to the monetary equivalent to the funds required for payment by the allottee, the initial trust money to be contributed by the Company to this system will exist within the trust assets as of the disposal date.

7. Major shareholders and shareholding ratio following the disposal

Before disposal (as of March 31, 2013)		After disposal	
Japan Trustee Service Trust Bank, Ltd. (trust account)	7.03%	Japan Trustee Service Trust Bank, Ltd. (trust account)	7.03%
The Master Trust Bank of Japan, Ltd. (trust account)	5.80%	The Master Trust Bank of Japan, Ltd. (trust account)	5.80%
Nippon Life Insurance Company	5.17%	Nippon Life Insurance Company	5.17%
Saitama Resona Bank, Limited	2.80%	Saitama Resona Bank, Limited	2.80%
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	2.46%	SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	2.46%

Eisai Employee Shareholding Association	2.37%	Eisai Employee Shareholding Association	2.37%
JPMorgan Chase Bank 385147	2.09%	JPMorgan Chase Bank 385147	2.09%
Mizuho Corporate Bank, Ltd.	1.58%	Mizuho Corporate Bank, Ltd.	1.58%
The Naito Foundation	1.42%	The Naito Foundation	1.42%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	0.90%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	0.90%

*1 The major shareholders and shareholding ratios following the disposal are based on the register of shareholders as of March 31, 2013.

*2 Treasury shares (3.87% before disposal) are excluded from the above table since they have no voting rights.

8. Matters relating to transactions with a controlling shareholder

This transaction does not constitute a transaction with a controlling shareholder.

9. Outlook for the future

There will be no impact on either the current accounting term or thereafter.

10. Procedures under the Business Code of Conduct

Since the stock dilution resulting from this transaction is less than 25%, and since this disposal does not cause a change in a controlling shareholder, it is not required to obtain an opinion from an independent third party and to confirm the intention of the shareholders as set forth in Rule 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange, Inc.

11. Business results and equity finance position for the past three fiscal years

(1) Results for the past three years (Consolidated)

Fiscal year ended	March 31, 2011	March 31, 2012	March 31, 2013
Net Sales	768,914 million yen	647,976 million yen	573,658 million yen
Operating income	113,117 million yen	95,748 million yen	70,462 million yen
Ordinary income	105,205 million yen	90,036 million yen	65,577 million yen
Net income	67,394 million yen	58,511 million yen	48,275 million yen
Net income per share	236.52 yen	205.33 yen	169.38 yen
Dividends per share	150.00 yen	150.00 yen	150.00 yen
Net assets per share	1,418.35 yen	1,462.53 yen	1,646.31 yen

(2) Number of issued shares and number of potential shares (as of March 31, 2013)

	Number of shares	Percentage of issued shares
Number of issued shares	296,566,949	100.0%
Number of potential shares at current conversion price (strike price)	2,358,100	0.8%
Number of potential shares at lower limit conversion price (strike price)	-	-

Number of potential shares at upper limit conversion price (strike price)	-	-
---	---	---

(3) Recent stock prices

1) Most recent three years

Fiscal year ended	March 31, 2011	March 31, 2012	March 31, 2013
Opening price	3,365 yen	2,978 yen	3,295 yen
High	3,425 yen	3,385 yen	4,405 yen
Low	2,743 yen	2,832 yen	3,070 yen
Closing price	2,984 yen	3,290 yen	4,200 yen

2) Most recent six months

	November	December	January	February	March	April	May
Opening price	3,585 yen	3,465 yen	3,655 yen	4,000 yen	4,080 yen	4,165 yen	4,415 yen
High	3,590 yen	3,650 yen	4,000 yen	4,155 yen	4,405 yen	4,525 yen	4,595 yen
Low	3,330 yen	3,420 yen	3,625 yen	3,675 yen	4,080 yen	3,905 yen	4,300 yen
Closing price	3,460 yen	3,600 yen	4,000 yen	4,130 yen	4,200 yen	4,445 yen	4,535 yen

*The prices for May include the share price (closing price) up to and including May 10.

3) Stock prices on the business day preceding the disposal resolution

	May 10, 2013
Opening price	4,585 yen
High	4,585 yen
Low	4,465 yen
Closing price	4,535 yen

(4) Equity finance position during the most recent three years

There are no applicable matters.

12. Overview of the disposal

(1) Number of shares being disposed of: 105,400 shares

(2) Disposal price: 4,535 yen per share

(3) Total disposal price: 477,989,000 yen

(4) Disposal method: To be transferred to Mitsubishi UFJ Trust and Banking Corporation (Trust Account for Officers' Compensation Board Incentive Plan (BIP))

(5) Paid-in date: May 30, 2013

(6) Treasury stock following the disposal: 11,365,497 shares

(However, the purchase portion of shares of less than one unit and the exercise portion of stock options after April 1, 2013 are not included in the above.)
