

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

---

**FOR IMMEDIATE RELEASE  
July 31, 2007**

Eisai Co., Ltd. hereby announces consolidated financial results for the First Quarter of the fiscal year ending March 31, 2008.

- Eisai Co., Ltd. is listed on the First Section of the Tokyo Stock Exchange and the Osaka Securities Exchange.
- Securities Code Number: 4523
- Representative of corporation: Haruo Naito  
Director and President and CEO
- Inquiries should be directed to: Akira Fujiyoshi  
Vice President  
Corporate Communications,  
Investors Relations

4-6-10 Koishikawa, Bunkyo-ku  
Tokyo 112-8088, Japan  
Phone: +81-3-3817-5120  
URL <http://www.eisai.co.jp/index-e.html>

---

Note: For additional specific information, please refer to the official Japanese-language version of this release.  
This non-official English translation is provided as a courtesy only.

# 1. CONSOLIDATED QUARTERLY FINANCIAL RESULTS (APRIL 1 – JUNE 30, 2007)

## 1) RESULTS OF QUARTERLY OPERATIONS

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
April 1, 2007- June 30, 2007	¥176,034 mil.	14.3%	¥26,185 mil.	8.6%	¥28,366 mil.	13.0%
April 1, 2006- June 30, 2006	¥153,943 mil.	13.4%	¥24,110 mil.	7.4%	¥25,110 mil.	7.4%
April 1, 2006- March 31, 2007	¥674,111 mil.		¥105,263 mil.		¥110,462 mil.	

Period	Net Income	Percent Change	Basic Earnings per Share	Diluted Earnings per Share
April 1, 2007- June 30, 2007	¥19,339 mil.	22.1%	¥68.07	¥67.98
April 1, 2006- June 30, 2006	¥15,842 mil.	6.2%	¥55.42	¥55.34
April 1, 2006- March 31, 2007	¥70,614 mil.		¥247.85	¥247.47

Note: Percentages shown in "Percentage Change" are the increase (decrease) from the previous period.

## 2) FINANCIAL POSITION

Period	Total Assets	Equity	Shareholders' Equity	Book-value per share
April 1, 2007- June 30, 2007	¥785,706 mil.	¥568,471 mil.	71.0%	¥1,963.76
April 1, 2006- June 30, 2006	¥724,816 mil.	¥527,250 mil.	71.4%	¥1,811.51
April 1, 2006- March 31, 2007	¥792,114 mil.	¥562,698 mil.	69.7%	¥1,944.41

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

- First Quarter of Fiscal year ended March 31, 2007: 557,962 million yen
- First Quarter of Fiscal year ended March 31, 2006: 517,875 million yen
- Fiscal year ended March 31, 2007: 552,464 million yen

## 3) CASH FLOW

Period	Net Cash Provided by Operating Activities	Net Cash Used in Investing Activities	Net Cash Used in Financing Activities	Cash and Cash Equivalents
April 1, 2007- June 30, 2007	¥7,821 mil.	(¥45,957 mil.)	(¥18,700 mil.)	¥119,628 mil.
April 1, 2006- June 30, 2006	¥8,075 mil.	(¥11,794 mil.)	(¥14,352 mil.)	¥164,353 mil.
April 1, 2006- March 31, 2007	¥81,188 mil.	(¥55,212 mil.)	(¥40,620 mil.)	¥171,090 mil.

# 2. CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2008

Period	Net Sales	Operating Income	Ordinary Income	Net Income	Basic Earnings per Share
Semi-Annual	¥350,000 mil. 9.6%	¥52,000 mil. 4.7%	¥53,500 mil. 3.4%	¥35,000 mil. 7.7%	¥123.18
Annual	¥720,000 mil. 6.8%	¥112,000 mil. 6.4%	¥115,000 mil. 4.1%	¥75,000 mil. 6.2%	¥263.26

Notes: Percentage increase (decrease) compares corresponding period of the previous year.

All figures less than 1,000,000 yen have been omitted.

### 3. OTHER

- 1) There are no significant changes in subsidiaries during the period under review (changes in specific subsidiaries involving changes in the scope of consolidation).
- 2) Simplified accounting method is not applied.
- 3) There are no changes in accounting methods from the most recent fiscal year.

### (REFERENCE)

#### 1. NON-CONSOLIDATED QUARTERLY FINANCIAL RESULTS (APRIL 1 – JUNE 30, 2007)

##### (1) RESULTS OF OPERATIONS

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
April 1, 2007- June 30, 2007	¥98,064 mil.	18.3%	¥20,838 mil.	36.4%	¥21,851 mil.	39.7%
April 1, 2006- June 30, 2006	¥82,924 mil.	4.9%	¥15,282 mil.	(12.9%)	¥15,639 mil.	(13.5%)
April 1, 2006- March 31, 2007	¥351,647 mil.		¥65,026 mil.		¥65,674 mil.	

Period	Net Income	Percent Change	Basic Earnings per Share	Diluted Earnings per Share
April 1, 2007- June 30, 2007	¥15,723 mil.	56.4%	¥55.34	¥55.27
April 1, 2006- June 30, 2006	¥10,051 mil.	(13.1%)	¥35.16	¥35.11
April 1, 2006- March 31, 2007	¥42,803 mil.		¥150.23	¥150.01

Note: Percentages shown in "Percentage Change" are the increase (decrease) from the previous period.

##### (2) FINANCIAL POSITION

Period	Total Assets	Equity	Shareholders' Equity	Book-value per share
April 1, 2007- June 30, 2007	¥562,247 mil.	¥462,104 mil.	82.1%	¥1,625.35
April 1, 2006- June 30, 2006	¥553,918 mil.	¥458,957 mil.	82.9%	¥1,605.41
April 1, 2006- March 31, 2007	¥573,702 mil.	¥467,541 mil.	81.4%	¥1,644.49

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

- First Quarter of Fiscal year ended March 31, 2007: 461,810 million yen
- First Quarter of Fiscal year ended March 31, 2006: 458,957 million yen
- Fiscal year ended March 31, 2007: 467,246 million yen

#### 2. NON-CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2008

Period	Net Sales	Operating Income	Ordinary Income	Net Income	Basic Earnings per Share
Semi-annual	¥190,000 mil. 11.7%	¥35,500 mil. 17.0%	¥35,500 mil. 15.5%	¥23,500 mil. 16.7%	¥82.71
Annual	¥382,000 mil. 8.6%	¥77,000 mil. 18.4%	¥77,500 mil. 18.0%	¥51,000 mil. 19.2%	¥179.02

Notes: Percentage increase (decrease) compares corresponding period of the previous year.  
Assumptions for the financial forecast above is noted on page 8.

All figures less than 1,000,000 yen have been omitted.

## [Qualitative Information]

### 1. Overview of consolidated operating results

#### 1) Operating results for the First Quarter of Fiscal Year ending March 31, 2008

[Sales and income]

- Net sales were ¥176,034 million for the period under review, an increase of 14.3% from the previous year period.
- Sales of *Aricept*, an Alzheimer's disease treatment, expanded to ¥67,345 million, up 25.3% year-on-year, and those of *Pariet* (US brand name: *Aciphex*), a proton pump inhibitor, steadily increased to ¥44,866 million, up 10.9% year-on-year.
- Net sales to external customers expanded in all geographical segments. Sales increased by 10.3% in Japan, by 16.9% in North America, by 13.7% in Europe, and by 40.5% in Asia and Others on a year-on-year basis.
- Research and Development expenses totaled ¥30,506 million, a year-on-year increase of 25.3%, while Selling, General and Administrative expenses amounted to ¥91,838 million, an increase of 16.7%. Cost of sales increased 2.6% to ¥27,504 million and sales-cost ratio decreased 1.8 points to 15.6%.
- Operating income for the quarter increased 8.6% to ¥26,185 million year-on-year; ordinary income achieved ¥28,366 million, up 13.0%; and net income rose 22.1% to ¥19,339 million. As a result, earnings per share (EPS) reached ¥68.07, a ¥12.65 rise from the corresponding period last year.
- Net cash provided by operating activities in this quarter decreased ¥253 million from the previous year to ¥7,821 million, while cash used in investing activities increased ¥34,163 million to ¥45,957 million.

[Performance by segment]

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

#### a. Performance by operating segment

<Pharmaceuticals segment>

- In the Pharmaceuticals segment, sales of *Aricept* and *Aciphex/Pariet* soared in all regions.
- Consequently, pharmaceutical sales increased 15.0% year-on-year to

¥170,853 million, and operating income was ¥26,882 million, an increase of 9.1% year-on-year.

<Other>

- Sales in the other segment, which covers products such as food additives, chemicals and machinery, decreased 3.5% year-on-year to ¥5,180 million, and operating income fell to ¥337 million, down 26.2% year-on-year.

b. Performance by geographical segments

<Japan>

- Sales in Japan amounted to ¥78,273 million, up 10.3% from the previous year, and operating income increased 34.9% to ¥22,969 million.
- Among prescription drugs, sales of *Aricept* increased to ¥14,919 million, up 29.7%, and those of *Pariet* increased to ¥8,949 million, up 25.3% from the previous year.
- “*Actonel* 17.5mg Tablets”, a once-weekly antiosteoporotic agent, was launched in June.

<North America>

- Sales in North America expanded 16.9% year on year to ¥76,792 million. Operating income decreased 31.4% to ¥4,110 million due to the change in royalty rate for the parent company.
- Sales of *Aricept* grew 25.2% to ¥41,459 million, and sales of *Aciphex* increased 8.8% to ¥31,820 million. (Sales on a dollar-denominated basis increased 18.6% for *Aricept*, while those for *Aciphex* increased 3.1%)

<Europe>

- Sales in Europe reached ¥14,078 million, up 13.7%, and operating income rose to ¥607 million, down 17.6%.
- Sales of *Aricept* grew 18.8% to ¥9,187 million, and those of *Pariet* decreased 15.8% to ¥2,486 million.

<Asia and Others>

- Sales in Asia and other regions soared 40.5% to ¥6,889 million, and operating income increased 77.7% to ¥1,662 million.
- Sales of *Aricept* were ¥1,778 million, up 29.0%, and *Pariet* sales increased to ¥1,610 million, up 46.1%.

<Overseas total>

Total overseas sales excluding Japan grew to ¥97,760 million, an increase of 17.8% from the previous year, and accounted for 55.5% of the Company's total net sales, up 1.6 points year-on-year.

## 2) Research Projects and Other Business Development

- **An AMPA receptor antagonist E2007** entered a Phase II study for neuropathic pain in the U.S.. A POC (Proof of Concept) study was completed for epilepsy. In addition, a new study for migraine prophylaxis is being considered based on the results from the Phase II POC study, while a Phase III study is ongoing for Parkinson's disease. For multiple sclerosis indication, a Phase II POC study is now being prepared.
- **An anti-cancer agent E7389** is now being investigated for the treatment of breast cancer in a Subpart H application\* study in the U.S. as well as a Phase III study for submission in Europe. A Phase II study is ongoing for non-small cell lung cancer (the U.S.), prostate cancer (the U.S. and Europe), and sarcoma (Europe).  
(\*Subpart H application: an FDA system that gives fast track review to new drugs for severe and life-threatening diseases that meet certain requirements)
- **An endotoxin antagonist E5564**, which is being investigated in an international joint development project, entered a Phase III study for severe sepsis in Japan.
- The suspended Phase II study of **a thrombin receptor antagonist E5555** was resumed. A Phase II POC study is ongoing for acute coronary syndrome and atherothrombotic disease.
- **An anti-cancer agent MORAb-003 (monoclonal antibody)** is now being tested in Phase II for ovarian cancer in the U.S..
- A Phase III study of **the anti-epileptic agent Zonegran** has been initiated for epilepsy monotherapy in Europe.
- **A gastroprokinetic agent Gasmotin** was filed in Thailand in May 2007 for the treatment of functional dyspepsia. Submission is being prepared in nine other Asian countries, including other ASEAN member countries.
- **Aricept sustained release formulation** entered a Phase III study in the U.S..
- **An antiarrhythmic treatment Tambocor** received approval for an additional indication for paroxysmal atrial fibrillation/flutter in Japan in June 2007.

## Alliances & Agreements

- **An acquisition of Morphotek Inc.**, a U.S. biopharmaceutical company that specializes in antibody research & development. Originally announced in March 2007, the acquisition has been completed in April 2007 with the company now a subsidiary of Eisai Corporation of North America. Morphotek Inc. develops the therapeutic antibodies through the use of its proprietary technologies including the treatment of cancers, rheumatoid arthritis, and infectious diseases. The acquisition will enable Eisai to expand its capacity and make a full entry into the biologics field.
- **An exclusive in-licensing agreement was signed with Solstice Neurosciences Inc. (the U.S.) for *NeuroBloc* (botulinum toxin type B agent)** in May 2007 for commercializing the compound in Europe.
- **An exclusive in-licensing agreement was signed with Kissei Pharmaceutical Co., Ltd. for *Glufast* (a rapid-acting insulin secretagogue agent)** in June 2007 for development and marketing of the compound in the 10 ASEAN countries. Submissions in the licensed countries are to be prepared in the near future.
- **An exclusive in-licensing agreement was signed with Sepracor Inc. (the U.S.) for a sedative hypnotic eszopiclone (generic name, the US brand name “LUNESTA”)** in July 2007 for development and marketing of the compound in Japan.

## 2. Consolidated Financial Position

[Assets, liabilities and equity]

- Total assets at the end of the period under review decreased ¥6,407 million year-on-year to ¥785,706 million. Declines in cash and cash in banks, securities and investment securities contributed to the decline. Intangible assets increased as a result of the acquisition of Morphotek Inc..
- Total liabilities decreased ¥12,180 million year-on-year to ¥217,235 million, due to declines in accounts payable and income tax payable.
- Total equity increased ¥5,773 million year-on-year to ¥568,471 million, and shareholders' equity ratio\* increased 1.3 points year-on-year to 71.0%.

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

[Cash Flow]

- Net cash provided by operating activities for the period under review came to ¥7,821 million, down ¥253 million from the previous year. Income before income taxes amounted to ¥30,550 million, depreciation and amortization expenses came to ¥7,295 million, decrease in notes and accounts payable-trade and other current liabilities came to ¥7,211 million, while income taxes paid totaled ¥18,926 million.
- Net cash used in investing activities amounted to ¥45,957 million, an increase of ¥34,163 million, out of which ¥40,357 million was used for acquisition of Morphotek Inc.. ¥8,150 million was used to purchase property, plant and equipment, and ¥5,479 million for the purchase of intangible assets.
- Net cash used in financing activities amounted to ¥18,700 million, an increase of ¥4,348 million from the same period of the previous year, out of which ¥18,468 million was paid as dividends.
- As a result of such operating, investing and financing activities, cash and cash equivalents at the end of the period under review came to ¥119,628 million, down ¥51,462 million from the end of the previous period.



### 3. Outlook for the fiscal year ending March, 2008 (From April 1, 2007 to March 31, 2008)

There are no changes in annual and semi-annual forecasts on consolidated and non-consolidated results from the ones announced in May 2007. (Consolidated and non-consolidated forecasts are on pages 1 and 2 respectively.)

Note: Projected net income per share (annual) is calculated on the assumption that Eisai will appropriate treasury stock for share exchange to make Sanko Junyaku -one of Eisai's subsidiaries- a wholly-owned subsidiary as of October 2007.

Similarly, there are no changes in dividend forecasts from the ones announced in May 2007.

Year End	Dividend per share			Total dividend (annual)	Dividend Payout ratio (consolidated)	Dividend on equity (consolidated)
	Semi-annual-end	Year-end	Annual total			
	Yen	Yen	Yen	Million Yen	%	%
March 31, 2008 (forecast)	65.00	65.00	130.00		49.4	6.5
March 31, 2007	55.00	65.00	120.00	34,088	48.4	6.4

### 4. Forecast and risk factors

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

incidence of adverse events, compliance with laws and regulations, litigations, closure or shutdown of factories, safety issues of raw materials used, outsourcing-related risks, environmental issues, IT security/information management, and conditions of financial markets and foreign exchange fluctuations.

Please refer to “Risk Factors” in the Annual Security Report for the detail of each risk factor.

## 5. Corporate governance related matters

### 1) Appointment of directors

In the 95th General Meeting held on June 22, 2007, eleven Directors including seven Outside Directors (one newly-appointed) were appointed and assumed their respective offices.

The Nomination Committee of the Company presented the list of prospective directors selected in accordance with the Director selection criteria established by the Committee to the General Meeting as proposed. Outside Directors in particular satisfy the following independence requirements established by the Committee, as well as meeting provision in Article 2, Item 15 of the Corporate Law.

["Independence requirement for Outside Directors" (Revised on November 29, 2006)]

1. Outside Directors should be financially independent from the Company, satisfying the requirements stated below:
  - i) Outside Directors should not have been, in the past five years, a director, an executive officer, or other officer of a major customer (including holding companies) of the Company or the Company's subsidiaries and associate companies, as defined below:
    - a. A customer for which 2% or more of its sales in any of the past five fiscal years have been sales or compensation for a service or transactions to the Company or the Company's subsidiaries and associated companies.
    - b. Regardless of the previous item, customers such as the Company's auditor who have a substantial interest with the Company or the Company's subsidiaries and associated companies.
  - ii) Outside Directors should not have received compensation exceeding a specified amount (excluding directors' remuneration) or monetary reward or property for a service or a transaction directly from the Company or the Company's subsidiaries and associated companies in the past five years.

- a. “Specified amount” refers to ¥10 million or more received in a single fiscal year out of the past five year,
  - b. Compensation which was received indirectly should be considered carefully.
2. Outside Directors should not be close relatives, or have a close relationship to a director or an executive officer of the Company or the Company’s subsidiaries and associated companies.
    - i) “Close relative” refers to a spouse or a blood relative up to three degrees removed, and including any relative living in the same place.
    - ii) “A close relationship” refers to someone with whom there is common mutual interest, who could not reasonably be considered eligible to fulfill the responsibility of an independent director.
  3. Outside Directors should not share a means of livelihood with a person provided in paragraph 1.
  4. Outside Directors must continue to satisfy the independence requirements set out in this Article after his/her being named a Director.

## 2) Appointment of the Board of Directors and Executive Officers

At the Board of Directors meeting following the closing of the 95th Ordinary General Meeting of Shareholders, the Chair of the Board of Directors, as well as Chairs and members of the Nomination, Audit and Compensation committees were appointed and assumed office. All the seven Outside Directors were appointed as members of the Independent Committee of Outside Directors. The Company’s Directors and Executive Officers are listed below.

Director	Haruo Naito	President and CEO
Director	Tadashi Temmyo	Audit Committee Member
Director	Shintaro Kataoka	Audit Committee Member
Director	Tetsushi Ogawa	
Outside Director	Tadashi Kurachi	Chair
Outside Director	Ikujiro Nonaka	Nominating Committee Chair, Compensation Committee Member
Outside Director	Tadahiro Yoshida	Compensation Committee Chair Nominating Committee Member,
Outside Director	Yoshiyuki Kishimoto	Audit Committee Member
Outside Director	Ko-Yung-Tung	Nominating Committee Member, Compensation Committee Member
Outside Director	Shinji Hatta	Audit Committee Chair
Outside Director	Norihiko Tanikawa	Audit Committee Member

### **3) General issues relating to the “Policy for Protection of the Company’s Corporate Value and Common Interests of Shareholders”**

(1) At the Independent Committee of Outside Directors held on June 22, 2007, all the Committee members agreed to propose at the Board of Directors meeting continuation of the “Policy for Protection of the Company’s Corporate Value and Common Interests of Shareholders” (the “Policy”) in its present form. The Independent Committee of Outside Directors determined it was appropriate to continue the Policy on the basis of the resolution at the Board of Directors meeting in consideration of the following condition:

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

(2) At the Board of Directors meeting held on July 31, 2007, a proposal by the Independent Committee of Outside Directors regarding continuing application of the Policy was approved and resolved, and the Company announced it as the “Policy for Protection of the Company’s Corporate Value and Common Interests of Shareholders” in a press release issued on the same day.

For further detail of the Policy, please visit our web site;

<http://www.eisai.co.jp/enews/enews200608.html>

## 6. CONSOLIDATED FINANCIAL STATEMENTS

### 1-1) CONSOLIDATED BALANCE SHEET (ASSETS)

Account Title	April 1, 2006 - March 31, 2007		April 1, 2007 - June 30, 2007		Increase/ (Decrease)
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)
<b>ASSETS</b>					
<b>I. Current assets:</b>					
1. Cash and cash in banks	89,775		68,624		
2. Notes and accounts receivable-trade	162,172		162,727		
3. Short-term investments	90,279		60,892		
4. Inventories	52,757		54,730		
5. Deferred tax assets	33,219		35,323		
6. Other	13,358		14,048		
7. Allowance for doubtful receivables	(352)		(374)		
<b>Total current assets</b>	441,210	55.7	395,971	50.4	(45,238)
<b>II. Fixed assets:</b>					
1. Property, plant and equipment					
(1) Buildings and structures	74,421		74,220		
(2) Machinery, equipment and vehicles	24,585		23,858		
(3) Land	18,048		18,160		
(4) Construction in progress	4,894		7,341		
(5) Other	11,891	133,842	11,725	135,307	17.2
2. Intangible assets					
(1) Sales rights	45,986		50,738		
(2) Other	16,603	62,589	53,275	104,014	13.2
3. Investments and other assets					
(1) Investment securities	111,855		100,406		
(2) Long-term loans receivable	16		17		
(3) Deferred tax assets	32,586		38,959		
(4) Other	10,714		11,721		
(5) Allowance for doubtful accounts	(701)	154,471	(691)	150,413	19.2
<b>Total fixed assets</b>	350,904	44.3	389,735	49.6	38,830
<b>Total assets</b>	792,114	100.0	785,706	100.0	(6,407)

## 1-2) CONSOLIDATED BALANCE SHEET (LIABILITIES AND EQUITY)

Account Title	April 1, 2006 - March 31, 2007		April 1, 2007 - June 30, 2007		Increase/ (Decrease)
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)
<b>LIABILITIES</b>					
<b>I. Current liabilities:</b>					
1. Notes and accounts payable-trade	19,268		16,618		
2. Short-term borrowings	236		123		
3. Accounts payable-other	57,911		51,561		
4. Accrued expenses	51,434		52,896		
5. Income taxes payable	22,049		17,610		
6. Reserve for sales rebates	35,066		33,980		
7. Other reserves	628		458		
8. Other	5,185		7,300		
<b>Total current liabilities</b>	<b>191,779</b>	<b>24.2</b>	<b>180,550</b>	<b>23.0</b>	<b>(11,229)</b>
<b>II. Long-term liabilities:</b>					
1. Deferred tax liabilities	96		96		
2. Liability for retirement benefits	31,768		30,585		
3. Retirement allowances for directors	1,330		1,321		
4. Other	4,439		4,682		
<b>Total long-term liabilities</b>	<b>37,636</b>	<b>4.8</b>	<b>36,685</b>	<b>4.6</b>	<b>(950)</b>
<b>Total liabilities</b>	<b>229,416</b>	<b>29.0</b>	<b>217,235</b>	<b>27.6</b>	<b>(12,180)</b>
<b>Equity</b>					
<b>I. Owners' Equity</b>					
1. Common stock	44,985		44,985		
2. Capital surplus	55,222		55,222		
3. Retained earnings	469,632		470,030		
4. Treasury stock	(42,219)		(42,231)		
<b>Total Owners' Equity</b>	<b>527,620</b>	<b>66.6</b>	<b>528,006</b>	<b>67.2</b>	<b>386</b>
<b>II. Net unrealized gain and translation adjustment:</b>					
1. Net unrealized gain on available-for-sale securities	19,859		17,223		
2. Foreign currency translation adjustments	4,984		12,731		
<b>Total net unrealized gain and translation adjustments</b>	<b>24,844</b>	<b>3.1</b>	<b>29,955</b>	<b>3.8</b>	<b>5,111</b>
<b>III. Stock acquisition rights</b>	<b>294</b>	<b>0.0</b>	<b>294</b>	<b>0.1</b>	<b>-</b>
<b>IV. Minority Interests</b>	<b>9,938</b>	<b>1.3</b>	<b>10,213</b>	<b>1.3</b>	<b>275</b>
<b>Total equity</b>	<b>562,698</b>	<b>71.0</b>	<b>568,471</b>	<b>72.4</b>	<b>5,773</b>
<b>Total liabilities and Equity</b>	<b>792,114</b>	<b>100.0</b>	<b>785,706</b>	<b>100.0</b>	<b>(6,407)</b>

## 2) CONSOLIDATED STATEMENT OF INCOME

First Quarter of Fiscal Year ending March, 2008 (April 1 - June 30, 2007)

Account Title	April 1, 2006 - June 30, 2006		April 1, 2007 - June 30, 2007		Increase/ (Decrease)		
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)		
<b>I. Net sales</b>		153,943	100.0		176,034	100.0	22,090
<b>II. Cost of sales</b>		26,853	17.4		27,601	15.7	748
Gross profit on sales		127,090	82.6		148,432	84.3	21,342
Provision for sales returns-net		(41)	(0.0)		(97)	(0.1)	(56)
Gross profit		127,131	82.6		148,530	84.4	21,398
<b>III. Selling, general and administrative expenses</b>							
1. Research and development expenses	24,350		[15.8]	30,506		[17.3]	
2. Selling, general and administrative expenses	78,670	103,020	66.9	91,838	122,344	69.5	19,324
Operating income		24,110	15.7		26,185	14.9	2,074
<b>IV. Non-operating income</b>		1,709	1.1		2,352	1.3	643
<b>V. Non-operating expenses</b>		709	0.5		170	0.1	(538)
Ordinary income		25,110	16.3		28,366	16.1	3,256
<b>VI. Special gain</b>		70	0.0		2,218	1.3	2,147
<b>VII. Special loss</b>		473	0.3		34	0.0	(438)
Income before income taxes and minority interests		24,707	16.0		30,550	17.4	5,842
Income taxes-current	11,512			13,537			
Income taxes-deferred	(2,769)	8,742	5.6	(2,560)	10,976	6.3	2,233
Minority interests in net income		122	0.1		234	0.1	111
Net income		15,842	10.3		19,339	11.0	3,496



### 3) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity (April 1 to June 30, 2006)

(Unit : Millions of Yen)

	Owners' Equity					Net unrealized gain and translation adjustments			Minority Interests	Equity (Total)
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Owners' Equity	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total		
Balance as of March 31, 2006	44,985	55,222	429,025	(31,913)	497,320	20,327	1,567	21,895	9,296	528,512
Changes in items during the period										
Dividends			(14,293)		(14,293)					(14,293)
Net income			15,842		15,842					15,842
Purchases of treasury stock				(17)	(17)					(17)
Disposal of treasury stock			(3)	28	25					25
Changes in other items during the period (Net)						(1,999)	(897)	(2,897)	78	(2,819)
Changes in items during the period (Total)	—	—	1,545	11	1,557	(1,999)	(897)	(2,897)	78	(1,261)
Balance as of June 30, 2006	44,985	55,222	430,571	(31,901)	498,877	18,327	669	18,997	9,374	527,250

Consolidated Statement of Changes in Equity (April 1 to June 30, 2007)

(Unit : Millions of Yen)

	Owners' Equity					Net unrealized gain and translation adjustments			Stock acquisition rights	Minority Interests	Equity (Total)
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Owners' Equity	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total			
Balance as of March 31, 2007	44,985	55,222	469,632	(42,219)	527,620	19,859	4,984	24,844	294	9,938	562,698
Changes in items during the period											
Dividends			(18,468)		(18,468)						(18,468)
Net income			19,339		19,339						19,339
Purchases of treasury stock				(30)	(30)						(30)
Disposal of treasury stock			(4)	18	14						14
Other			(468)		(468)						(468)
Changes in other items during the period (Net)						(2,636)	7,747	5,111	—	275	5,386
Changes in items during the period (Total)	—	—	398	(11)	386	(2,636)	7,747	5,111	—	275	5,773
Balance as of June 30, 2007	44,985	55,222	470,030	(42,231)	528,006	17,223	12,731	29,955	294	10,213	568,471

#### 4) CONSOLIDATED STATEMENT OF CASH FLOWS

First Quarter of Fiscal Year ending March 31, 2008 (April 1-June 30, 2007)

	April 1, 2006 - June 30, 2006	April 1, 2007 - June 30, 2007	Increase/ (Decrease)
Account Title	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
<b>I. Operating activities:</b>			
1. Income before income taxes and minority interests	24,707	30,550	
2. Depreciation and amortization	5,921	7,295	
3. Loss on impairment of long-lived assets	4	-	
4. Increase (Decrease) in allowance for doubtful accounts	(12)	3	
5. Interest and dividend income	(1,574)	(1,865)	
6. Interest expenses	14	15	
7. Equity in earnings	(0)	(1)	
8. Loss on sales and disposal of fixed assets	399	20	
9. Gain on sales of securities	(0)	(2,203)	
10. Loss on devaluation of securities	12	4	
11. Decrease in notes and accounts receivables-trade	4,685	2,004	
12. Increase in inventories	(678)	(388)	
13. Decrease in notes and accounts payable-trade	(4,327)	(3,719)	
14. Decrease in other current liabilities	(3,437)	(3,491)	
15. Decrease in reserve for sales rebates	(401)	(2,580)	
16. Decrease in liability for retirement benefits	(439)	(1,202)	
17. Other-net	326	396	
Sub-total	25,199	24,839	
18. Interest and dividends received	1,564	1,934	
19. Interest paid	(38)	(26)	
20. Income taxes-paid	(18,650)	(18,926)	
Net cash provided by operating activities	8,075	7,821	(253)
<b>II. Investing activities:</b>			
1. Purchases of short-term investment	(30)	(119)	
2. Proceeds from sales and redemption of short-term investments	3,343	229	
3. Purchases of property, plant and equipment	(6,889)	(8,150)	
4. Proceeds from sales of property, plant and equipment	63	36	
5. Purchases of intangible assets	(573)	(5,479)	
6. Purchases of investment securities	(7,076)	(6)	
7. Proceeds from sales and redemptions of investment securities	170	9,349	
8. Payment for acquisition of business	-	(40,357)	
9. Net decrease in time deposits (exceeding 3 months)	(114)	(692)	
10. Other-net	(688)	(768)	
Net cash used in investing activities	(11,794)	(45,957)	(34,163)
<b>III. Financing activities:</b>			
1. Net decrease in short-term borrowings	(2)	(123)	
2. Dividends paid	(14,293)	(18,468)	
3. Dividends paid to minority shareholders	(48)	(47)	
4. Other-net	(8)	(61)	
Net cash used in financing activities	(14,352)	(18,700)	(4,348)
<b>IV. Foreign currency translation adjustments on cash and cash equivalents</b>	(853)	5,374	6,228
<b>V. Net decrease in cash and cash equivalents</b>	(18,925)	(51,462)	(32,537)
<b>VI. Cash and cash equivalents at beginning of period</b>	183,278	171,090	(12,188)
<b>VII. Cash and cash equivalents at end of period</b>	164,353	119,628	(44,725)

## 5) SEGMENT INFORMATION

First Quarter of Fiscal Year ending March 31, 2008 (April 1 – June 30, 2007)

### 1. Business Segment Information

(Millions of Yen)

		April 1, 2006 – June 30, 2006	April 1, 2007 – June 30, 2007
Pharma- ceuticals	Net sales		
	(1) Net sales to customers	148,573	170,853
	(2) Intersegment sales	55	42
	Total sales	148,629	170,895
	Operating expenses	123,992	144,013
	Operating income	24,636	26,882
Other	Net sales		
	(1) Net sales to customers	5,369	5,180
	(2) Intersegment sales	3,674	3,807
	Total sales	9,043	8,988
	Operating expenses	8,587	8,651
	Operating income	456	337
Total	Net sales		
	(1) Net sales to customers	153,943	176,034
	(2) Intersegment sales	3,729	3,849
	Total sales	157,673	179,883
	Operating expenses	132,579	152,664
	Operating income	25,093	27,219
Eliminations and Corporate	Net sales		
	(1) Net sales to customers	—	—
	(2) Intersegment sales	[3,729]	[3,849]
	Total sales	[3,729]	[3,849]
	Operating expenses	[2,747]	[2,815]
	Operating income	[982]	[1,034]
Consolidated	Net sales		
	(1) Net sales to customers	153,943	176,034
	(2) Intersegment sales	—	—
	Total sales	153,943	176,034
	Operating expenses	129,832	149,848
	Operating income	24,110	26,185

Notes:

- The Company classifies consolidated operations into two segments: 'Pharmaceuticals' including prescription pharmaceuticals and 'Other' which encompasses all operations other than pharmaceuticals.
- Major products in each segment are as follows:

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

## 2. Geographical Segment Information

(Millions of Yen)

		April 1, 2006 – June 30, 2006	April 1, 2007 – June 30, 2007
Japan	Net sales		
	(1) Net sales to customers	70,943	78,273
	(2) Intersegment sales	18,336	26,360
	Total sales	89,279	104,633
	Operating expenses	72,254	81,663
	Operating income	17,025	22,969
North America	Net sales		
	(1) Net sales to customers	65,713	76,792
	(2) Intersegment sales	8,623	12,466
	Total sales	74,337	89,259
	Operating expenses	68,343	85,148
	Operating income	5,993	4,110
Europe	Net sales		
	(1) Net sales to customers	12,384	14,078
	(2) Intersegment sales	3,069	5,696
	Total sales	15,453	19,775
	Operating expenses	14,717	19,168
	Operating income	736	607
Asia and Others	Net sales		
	(1) Net sales to customers	4,901	6,889
	(2) Intersegment sales	1	13
	Total sales	4,903	6,902
	Operating expenses	3,967	5,240
	Operating income	935	1,662
Total	Net sales		
	(1) Net sales to customers	153,943	176,034
	(2) Intersegment sales	30,030	44,537
	Total sales	183,974	220,571
	Operating expenses	159,282	191,221
	Operating income	24,691	29,350
Eliminations and Corporate	Net sales		
	(1) Net sales to customers	—	—
	(2) Intersegment sales	[30,030]	[44,537]
	Total sales	[30,030]	[44,537]
	Operating expenses	[29,449]	[41,372]
	Operating income	[580]	[3,165]
Consolidated	Net sales		
	(1) Net sales to customers	153,943	176,034
	(2) Intersegment sales	—	—
	Total sales	153,943	176,034
	Operating expenses	129,832	149,848
	Operating income	24,110	26,185

### Notes:

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

### 3. Overseas Sales

(Millions of Yen)

		April 1, 2006 – June 30, 2006	April 1, 2007 – June 30, 2007
North America	Overseas sales	67,921	79,152
	Share of overseas sales (%)	44.1	45.0
Europe	Overseas sales	16,249	18,749
	Share of overseas sales (%)	10.6	10.6
Asia and Others	Overseas sales	5,602	7,844
	Share of overseas sales (%)	3.6	4.5
Total	Overseas sales	89,772	105,746
	Share of overseas sales (%)	58.3	60.1
Consolidated sales		153,943	176,034

Notes:

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

Securities Code: 4523

# 2007.6

# Reference Data

First Quarter Ended June 30, 2007



July 31, 2007



**Eisai Co., Ltd.**

**For Inquiry:**

Corporate Communications Department

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

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

# Contents

	<b>Page</b>
<b>I. Consolidated Financial Highlights</b>	<b>1</b>
<b>II. Consolidated Statements of Income</b>	<b>2</b>
<b>III. Consolidated Balance Sheets</b>	<b>8</b>
<b>IV. Consolidated Statements of Cash Flows</b>	<b>10</b>
<b>V. Non-Consolidated Financial Highlights</b>	<b>11</b>
<b>VI. Changes in Quarterly Results</b>	<b>17</b>
<b>VII. Major R&amp;D Pipeline Candidates</b>	<b>23</b>
<b>VIII. Major Events</b>	<b>26</b>

\* All amounts are rounded to their nearest specified unit.

\* Currency exchange rate utilized in the reference data are noted in the table below.

\* All amounts of overseas profit and loss are converted into yen values based upon the average exchange rates for the periods shown in the table below.

## Currency Exchange Rates

	US	EU	UK
	(¥/US\$)	(¥/EURO)	(¥/£)
(Apr. 2006 - Jun. 2006) Average Rate Three Months	114.50	143.78	209.00
(Jun. 30, 2006) First Quarter End Rate	115.24	146.00	210.70
(Apr. 2006 - Mar. 2007) Fiscal Year Average Rate	117.02	150.09	221.58
(Mar. 31, 2007) Fiscal Year End Rate	118.05	157.33	231.73
(Apr. 2007 - Jun. 2007) Average Rate Three Months	120.78	162.71	239.78
(Jun. 30, 2007) First Quarter End Rate	123.26	165.64	246.88
Fiscal Year Ending March 31, 2008 Forecast Rate	115.00	150.00	220.00

## Forward-looking Statements and Risk Factors

Materials and information provided in this financial disclosure may contain “forward-looking statements” based on current expectations, business goals, estimates, forecasts, 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.

Certain risk particularly apply with respect to the Company-related forward-looking statements. 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 and litigation with generic drugs, risks related to intellectual property rights, possible incidence of adverse events, compliance with laws and regulations, litigations, closure or shutdown of factories, safety issues of raw materials used, risks related to outsourcing, environmental issues, risks related to IT security and information management, conditions in the financial markets, and foreign exchange fluctuations. The risk factors mentioned above are based on the analysis made by Eisai Co., Ltd. as of the date this document was published.

# I. Consolidated Financial Highlights

## 1. Statements of Income Data

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full	
	2007	2008	YoY %	2007	2008 est.
Net sales	153.9	<b>176.0</b>	114.3	674.1	720.0
Cost of sales	26.8	<b>27.5</b>	102.6	109.3	113.0
R&D expenses	24.4	<b>30.5</b>	125.3	108.3	124.0
SG&A expenses	78.7	<b>91.8</b>	116.7	351.2	371.0
Operating income	24.1	<b>26.2</b>	108.6	105.3	112.0
Ordinary income	25.1	<b>28.4</b>	113.0	110.5	115.0
Net income	15.8	<b>19.3</b>	122.1	70.6	75.0
			Inc./(Dec.)		
Earnings per share (EPS, yen)	55.4	<b>68.1</b>	12.6	247.8	263.3
Dividend per share (DPS, yen)	-	-	-	120.0	130.0

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

## 2. Balance Sheets Data

(billions of yen)

	2007		Inc./ (Dec.)
	Mar 31	Jun 30	
Total assets	792.1	<b>785.7</b>	(6.4)
Equity	562.7	<b>568.5</b>	5.8
Shareholders' Equity	552.5	<b>558.0</b>	5.5
Shareholders' Equity/Total assets (%)	69.7	<b>71.0</b>	1.3

\*\*Shareholders' Equity="Equity" - "Minority interests" - "Stock acquisition rights"

## 3. Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full 2007
	2007	2008	Inc./ (Dec.)	
Capital expenditures	3.7	<b>46.2</b>	42.5	52.0
Property, plant and equipment	3.2	<b>3.9</b>	0.7	23.2
Intangible assets	0.6	<b>42.3</b>	41.7	28.8
Depreciation/Amortization	5.9	<b>7.3</b>	1.4	26.8

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

## 4. Statements of Cash Flows Data

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full 2007
	2007	2008	Inc./ (Dec.)	
Net cash provided by operating activities	8.1	<b>7.8</b>	(0.3)	81.2
Net cash used in investing activities	(11.8)	<b>(46.0)</b>	(34.2)	(55.2)
Net cash used in financing activities	(14.4)	<b>(18.7)</b>	(4.3)	(40.6)
Cash and cash equivalents at end of fiscal year	164.4	<b>119.6</b>	(44.7)	171.1
Free cash flows	0.7	<b>(46.1)</b>	(46.8)	28.6

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



## II. Consolidated Statements of Income

### 1. Consolidated Statements of Income

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30						<Explanations>
	2007	Sales %	2008	Sales %	YoY %	Inc./Dec.	
<b>Net sales</b>	153.9	100.0	<b>176.0</b>	100.0	114.3	22.1	<b>Net sales</b> <Increase Factor> Increase in sales of <i>Aricept</i> and <i>Aciphex/Pariet</i>
Cost of sales	26.9	17.4	<b>27.6</b>	15.7	102.8	0.7	
Provision for sales returns-net	(0.0)	(0.0)	<b>(0.1)</b>	(0.1)		(0.1)	
<b>Gross profit</b>	127.1	82.6	<b>148.5</b>	84.4	116.8	21.4	
R&D expenses	24.4	15.8	<b>30.5</b>	17.3	125.3	6.2	<b>Research and development expenses</b> <Increase Factor>
SG&A expenses	78.7	51.1	<b>91.8</b>	52.2	116.7	13.2	Advanced in clinical studies
<b>Operating income</b>	24.1	15.7	<b>26.2</b>	14.9	108.6	2.1	
Non-operating income	1.7	1.1	<b>2.4</b>	1.3		0.6	
Non-operating expenses	0.7	0.5	<b>0.2</b>	0.1		(0.5)	
<b>Ordinary income</b>	25.1	16.3	<b>28.4</b>	16.1	113.0	3.3	
Special gain	0.1	0.0	<b>2.2</b>	1.3		2.1	
Special loss	0.5	0.3	<b>0.0</b>	0.0		(0.4)	
<b>Income before income taxes and minority interests</b>	24.7	16.0	<b>30.6</b>	17.4	123.6	5.8	
Income taxes-current	11.5	7.5	<b>13.5</b>	7.7	117.6	2.0	
Income taxes-deferred	(2.8)	(1.8)	<b>(2.6)</b>	(1.4)		0.2	
Minority interests in net income	0.1	0.1	<b>0.2</b>	0.1		0.1	
<b>Net income</b>	15.8	10.3	<b>19.3</b>	11.0	122.1	3.5	

## 2. Financial Results by Business Segment

### 2-1 Consolidated Net Sales by Business Segment (by Geographical Segment)

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full
	2007	2008	2007
Net sales to customers	153.9	<b>176.0</b>	674.1
Pharmaceuticals	148.6	<b>170.9</b>	652.9
Japan	66.4	<b>73.5</b>	273.2
North America	65.2	<b>76.5</b>	302.3
Europe	12.0	<b>14.0</b>	53.7
Asia and others	4.9	<b>6.9</b>	23.7
Other	5.4	<b>5.2</b>	21.2
Japan	4.5	<b>4.8</b>	19.0
Overseas	0.8	<b>0.4</b>	2.1

\* Net sales for each segment are those to external customers.

\* Major areas and countries included in each region:

1. North America: The U.S. and Canada
2. Europe: The United Kingdom, France, Germany, etc.
3. Asia and others: East Asia, South-East Asia, and Latin America, etc. (excluding Japan)

### 2-2 Consolidated Operating Income by Business Segment

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full
	2007	2008	2007
Operating income	24.1	<b>26.2</b>	105.3
Pharmaceuticals	24.6	<b>26.9</b>	108.1
Other	0.5	<b>0.3</b>	1.7
Eliminations and corporate	(1.0)	<b>(1.0)</b>	(4.5)

### 3. Geographical Segment Information

#### 3-1 Consolidated Net Sales by Geographical Segment

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full
	2007	2008	2007
Net sales to customers	153.9	<b>176.0</b>	674.1
Japan	70.9	<b>78.3</b>	292.2
North America	65.7	<b>76.8</b>	303.4
Europe	12.4	<b>14.1</b>	54.8
Asia and others	4.9	<b>6.9</b>	23.7
Overseas sales	83.0	<b>97.8</b>	381.9
Overseas sales (%)	53.9	<b>55.5</b>	56.7

\* Net sales for each region are those to external customers.

#### 3-2 Consolidated Operating Income by Geographical Segment

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full
	2007	2008	2007
Operating income	24.1	<b>26.2</b>	105.3
Japan	17.0	<b>23.0</b>	72.8
North America	6.0	<b>4.1</b>	28.8
Europe	0.7	<b>0.6</b>	4.1
Asia and others	0.9	<b>1.7</b>	4.0
Eliminations and corporate	(0.6)	<b>(3.2)</b>	(4.4)

### 4. Overseas Sales

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full
	2007	2008	2007
Net sales	153.9	<b>176.0</b>	674.1
Overseas sales	89.8	<b>105.7</b>	410.8
North America	67.9	<b>79.2</b>	312.0
Europe	16.2	<b>18.7</b>	72.2
Asia and others	5.6	<b>7.8</b>	26.5
Overseas sales (%)	58.3	<b>60.1</b>	60.9

\* Major areas and countries included in each region:

1. North America: The U.S. and Canada
2. Europe: The United Kingdom, France, Germany, etc.
3. Asia and others: East Asia, South-East Asia, and Latin America, etc. (excluding Japan)

## 5. Global Product Sales (Independent and Co-promotion)

### 5-1 ARICEPT Sales by Geographical Area

Years Ended/Ending March 31		Three months ended Jun 30		Full
1Q Apr - Jun		2007	2008	2007
Area				
Japan	¥ Billions	11.5	<b>14.9</b>	49.7
U.S.	¥ Billions [U.S. \$ Millions]	33.1 [289]	<b>41.5</b> <b>[343]</b>	162.2 [1,386]
Europe	¥ Billions	7.7	<b>9.2</b>	34.5
UK	¥ Billions [UK £ Millions]	0.4 [2]	<b>0.3</b> <b>[1]</b>	1.2 [6]
France	¥ Billions [Euro Millions]	5.5 [38]	<b>7.0</b> <b>[43]</b>	25.8 [172]
Germany	¥ Billions [Euro Millions]	1.8 [13]	<b>1.9</b> <b>[12]</b>	7.4 [50]
Asia	¥ Billions	1.4	<b>1.8</b>	6.6
Total	¥ Billions	53.7	<b>67.3</b>	252.9

### 5-2 ACIPHEX/PARIET Sales by Geographical Area

Years Ended/Ending March 31		Three months ended Jun 30		Full
1Q Apr - Jun		2007	2008	2007
Area				
Japan	¥ Billions	7.1	<b>8.9</b>	30.7
U.S.	¥ Billions [U.S. \$ Millions]	29.3 [256]	<b>31.8</b> <b>[263]</b>	126.9 [1,084]
Europe	¥ Billions	3.0	<b>2.5</b>	12.1
UK	¥ Billions [UK £ Millions]	1.0 [5]	<b>0.8</b> <b>[3]</b>	3.3 [15]
Germany	¥ Billions [Euro Millions]	0.3 [2]	<b>0.5</b> <b>[3]</b>	2.5 [17]
Italy	¥ Billions [Euro Millions]	1.7 [12]	<b>1.2</b> <b>[7]</b>	6.3 [42]
Asia	¥ Billions	1.1	<b>1.6</b>	4.6
Total	¥ Billions	40.5	<b>44.9</b>	174.3

### 5-3 ZONEGRAN Sales by Geographical Area

Years Ended/Ending March 31		Three months ended Jun 30		Full
1Q Apr - Jun		2007	2008	2007
Area				
U.S.	¥ Billions [U.S. \$ Millions]	1.0 [9]	<b>0.7</b> <b>[6]</b>	3.1 [27]
Europe, Asia	¥ Billions	0.3	<b>0.8</b>	1.8
Total	¥ Billions	1.3	<b>1.5</b>	4.9

## <Reference>

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

Years Ended/Ending March 31 1Q Apr - Jun		Three months ended Jun 30		Full
		2007	2008	2007
Net sales	¥ Billions [U.S. \$ Millions]	65.9 [576]	<b>77.8</b> <b>[644]</b>	305.6 [2,612]
Operating income	¥ Billions [U.S. \$ Millions]	5.5 [48]	<b>3.6</b> <b>[29]</b>	27.1 [231]
Net income	¥ Billions [U.S. \$ Millions]	3.9 [34]	<b>2.6</b> <b>[22]</b>	19.3 [165]
Operating income before royalty deduction	¥ Billions [U.S. \$ Millions]	15.2 [132]	<b>18.0</b> <b>[149]</b>	72.9 [623]

### Eisai China Inc.

Years Ended/Ending March 31 1Q Apr - Jun		Three months ended Jun 30		Full
		2007	2008	2007
Net sales	¥ Billions [Chinese RMB Millions]	1.5 [103]	<b>2.3</b> <b>[144]</b>	8.9 [606]
Operating income	¥ Billions [Chinese RMB Millions]	0.3 [19]	<b>0.5</b> <b>[34]</b>	1.4 [97]
Net income	¥ Billions [Chinese RMB Millions]	0.3 [17]	<b>0.5</b> <b>[31]</b>	1.2 [84]

\*Fiscal year of Eisai China Inc. ends on December 31, and therefore, it prepares provisional financial statement of account at the date of consolidated financial settlement from the annual announcement for the fiscal year ended March 2007. Consequently, figures for the 1Q of fiscal year ended March 2007 and fiscal year ending March 2008 above indicate three-month results from January to March, 2006 and 2007 respectively, while annual result of FY2007 shows 15-month result from January 2006 to March 2007.

\* Average rate of Japanese yen to Chinese RMB

January 1, 2006 to March 31, 2006 14.52 yen/Chinese RMB

April 1, 2007 to June 30, 2007 15.73 yen/Chinese RMB

January 1, 2006 to March 31, 2007 14.75 yen/Chinese RMB

### Eisai Korea Inc.

Years Ended/Ending March 31 1Q Apr - Jun		Three months ended Jun 30		Full
		2007	2008	2007
Net sales	¥ Billions [Korean Won Billions]	1.8 [14]	<b>2.2</b> <b>[17]</b>	7.5 [60]
Operating income	¥ Billions [Korean Won Billions]	0.2 [2]	<b>0.3</b> <b>[2]</b>	1.1 [9]
Net income	¥ Billions [Korean Won Billions]	0.2 [1]	<b>0.2</b> <b>[2]</b>	0.8 [6]

\* Average rate of Japanese yen to Korean Won

April 1, 2006 to June 30, 2006 0.1211 yen/Korean won

April 1, 2007 to June 30, 2007 0.1304 yen/Korean won

April 1, 2006 to March 31, 2007 0.1243 yen/Korean won

## 6. SG&A Expenses

### 6-1 R&D Expenses

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full	
	2007	2008	2007	2008 est.
Net sales	153.9	<b>176.0</b>	674.1	720.0
R&D expenses	24.4	<b>30.5</b>	108.3	124.0
Ratio of R&D expenses to net sales (%)	15.8	<b>17.3</b>	16.1	17.2

### 6-2 SG&A Expenses

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full	
	2007	2008	2007	2008 est.
Net sales	153.9	<b>176.0</b>	674.1	720.0
SG&A expenses	78.7	<b>91.8</b>	351.2	371.0
Personnel expenses	16.9	<b>18.4</b>	72.2	-
Marketing expenses	50.4	<b>59.7</b>	230.6	-
Administrative expenses and others	11.4	<b>13.8</b>	48.4	-
Ratio of SG&A expenses to net sales (%)	51.1	<b>52.2</b>	52.1	51.5

### 6-3 SG&A Expenses (Including R&D Expenses)

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full	
	2007	2008	2007	2008 est.
Net sales	153.9	<b>176.0</b>	674.1	720.0
SG&A expenses (including R&D expenses)	103.0	<b>122.3</b>	459.5	495.0
Ratio of SG&A expenses including R&D expenses to net sales (%)	66.9	<b>69.5</b>	68.2	68.8

### III. Consolidated Balance Sheets

#### 1. Consolidated Balance Sheets <Assets>

(billions of yen)

	2007		Change		Inc./ (Dec.)	<Explanations>
	Mar 31	%	Jun 30	%		
<b>Current assets:</b>						
Cash and cash in banks	89.8		<b>68.6</b>		(21.2)	<b>Cash and cash in banks plus Short-term investments</b> <Decrease Factors> *Company acquisition expenses *Income tax payment *Year-end dividend payment
Notes and accounts receivable-trade	162.2		<b>162.7</b>		0.6	
Short-term investments	90.3		<b>60.9</b>		(29.4)	
Inventories	52.8		<b>54.7</b>		2.0	
Deferred tax assets	33.2		<b>35.3</b>		2.1	
Other	13.4		<b>14.0</b>		0.7	
Allowance for doubtful receivables	(0.4)		<b>(0.4)</b>		(0.0)	
<b>Total current assets</b>	<b>441.2</b>	<b>55.7</b>	<b>396.0</b>	<b>50.4</b>	<b>89.7</b>	<b>(45.2)</b>
<b>Fixed assets:</b>						
Property, plant and equipment:						
Buildings and structures	74.4		<b>74.2</b>		(0.2)	
Machinery, equipment and vehicles	24.6		<b>23.9</b>		(0.7)	
Land	18.0		<b>18.2</b>		0.1	
Construction in progress	4.9		<b>7.3</b>		2.4	
Other	11.9		<b>11.7</b>		(0.2)	
<b>Total property, plant and equipment</b>	<b>133.8</b>	<b>16.9</b>	<b>135.3</b>	<b>17.2</b>	<b>101.1</b>	<b>1.5</b>
Intangible assets:						
Sales rights	46.0		<b>50.7</b>		4.8	
Other	16.6		<b>53.3</b>		36.7	
<b>Intangible assets</b>	<b>62.6</b>	<b>7.9</b>	<b>104.0</b>	<b>13.2</b>	<b>166.2</b>	<b>41.4</b>
Investments and other assets:						
Investment securities	111.9		<b>100.4</b>		(11.4)	<b>Investment securities</b>
Long-term loans receivable	0.0		<b>0.0</b>		0.0	<Decrease Factor> Sales of investment securities
Deferred tax assets	32.6		<b>39.0</b>		6.4	
Other	10.7		<b>11.7</b>		1.0	
Allowance for doubtful accounts	(0.7)		<b>(0.7)</b>		0.0	
<b>Total investments and other assets</b>	<b>154.5</b>	<b>19.5</b>	<b>150.4</b>	<b>19.2</b>	<b>97.4</b>	<b>(4.1)</b>
<b>Total fixed assets</b>	<b>350.9</b>	<b>44.3</b>	<b>389.7</b>	<b>49.6</b>	<b>111.1</b>	<b>38.8</b>
<b>Total assets</b>	<b>792.1</b>	<b>100.0</b>	<b>785.7</b>	<b>100.0</b>	<b>99.2</b>	<b>(6.4)</b>

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

(billions of yen)

	2007				Change %	Inc./ (Dec.)	<Explanations>
	Mar 31	%	Jun 30	%			
Current liabilities:							
Notes and accounts payable-trade	19.3		<b>16.6</b>			(2.7)	
Short-term borrowings	0.2		<b>0.1</b>			(0.1)	
Accounts payable-other/accrued expenses etc.	109.3		<b>104.5</b>			(4.9)	
Income taxes payable	22.0		<b>17.6</b>			(4.4)	<b>Income taxes payable</b>
Reserve for sales rebates	35.1		<b>34.0</b>			(1.1)	<Decrease Factor>
Other	5.8		<b>7.8</b>			1.9	Income tax payment
<b>Total current liabilities</b>	<b>191.8</b>	<b>24.2</b>	<b>180.6</b>	<b>23.0</b>	<b>94.1</b>	<b>(11.2)</b>	
Long-term liabilities:							
Deferred tax liabilities	0.1		<b>0.1</b>			0.0	
Liability for retirement benefits	31.8		<b>30.6</b>			(1.2)	
Retirement allowances for directors	1.3		<b>1.3</b>			(0.0)	
Other	4.4		<b>4.7</b>			0.2	
<b>Total long-term liabilities</b>	<b>37.6</b>	<b>4.8</b>	<b>36.7</b>	<b>4.6</b>	<b>97.5</b>	<b>(1.0)</b>	
<b>Total liabilities</b>	<b>229.4</b>	<b>29.0</b>	<b>217.2</b>	<b>27.6</b>	<b>94.7</b>	<b>(12.2)</b>	
Owners' equity:							
Common stock	45.0		<b>45.0</b>			-	
Capital surplus	55.2		<b>55.2</b>			-	
Retained earnings	469.6		<b>470.0</b>			0.4	
Treasury stock	(42.2)		<b>(42.2)</b>			(0.0)	
<b>Total owners' equity</b>	<b>527.6</b>	<b>66.6</b>	<b>528.0</b>	<b>67.2</b>	<b>100.1</b>	<b>0.4</b>	
Net unrealized gain on available-for-sale securities	19.9		<b>17.2</b>			(2.6)	
Foreign currency translation adjustments	5.0		<b>12.7</b>			7.7	
<b>Total net unrealized gain and translation adjustments</b>	<b>24.8</b>	<b>3.1</b>	<b>30.0</b>	<b>3.8</b>	<b>120.6</b>	<b>5.1</b>	
Stock acquisition rights	0.3	0.0	<b>0.3</b>	0.1	100.0	-	
Minority interests	9.9	1.3	<b>10.2</b>	1.3	102.8	0.3	
<b>Total equity</b>	<b>562.7</b>	<b>71.0</b>	<b>568.5</b>	<b>72.4</b>	<b>101.0</b>	<b>5.8</b>	
<b>Total liabilities and equity</b>	<b>792.1</b>	<b>100.0</b>	<b>785.7</b>	<b>100.0</b>	<b>99.2</b>	<b>(6.4)</b>	



## IV. Consolidated Statements of Cash Flows

Years Ended/Ending March 31 1Q Apr - Jun	(billions of yen)			<Explanations>
	Three months ended Jun 30			
	2007	2008	Inc./ (Dec.)	
<b>Operating activities:</b>				
Income before income taxes and minority interests	24.7	<b>30.6</b>	5.8	
Depreciation and amortization	5.9	<b>7.3</b>	1.4	
Net decrease (increase) in notes and accounts receivables/payable-trade and inventories	(0.3)	<b>(2.1)</b>	(1.8)	
Net increase (decrease) in accounts payable-other/accrued expenses etc.	(3.4)	<b>(3.5)</b>	(0.1)	
Other	(1.7)	<b>(7.4)</b>	(5.7)	<b>Other</b>
[Sub-total]	25.2	<b>24.8</b>	(0.4)	<Decrease Factor> Decrease in reverse for sales rebates
Interest paid/received	1.5	<b>1.9</b>	0.4	
Income taxes paid	(18.7)	<b>(18.9)</b>	(0.3)	
<b>Net cash provided by operating activities</b>	<b>8.1</b>	<b>7.8</b>	(0.3)	
<b>Investing activities:</b>				
Capital expenditures (including acquisition)	(7.4)	<b>(54.0)</b>	(46.6)	<b>Capital expenditures (including acquisition)</b> <Increase Factor> Company acquisition expenses
Purchases/proceeds from sales of securities etc.	(3.6)	<b>9.5</b>	13.0	<b>Purchases/proceeds from sales of securities etc.</b>
Other	(0.8)	<b>(1.5)</b>	(0.7)	<Increase Factor> Sales of investment securities
<b>Net cash used in investing activities</b>	<b>(11.8)</b>	<b>(46.0)</b>	(34.2)	
<b>Financing activities:</b>				
Dividends paid	(14.3)	<b>(18.5)</b>	(4.2)	<b>Dividends paid</b>
Other	(0.1)	<b>(0.2)</b>	(0.2)	<Increase Factor> Increase in Dividend per Share
<b>Net cash used in financing activities</b>	<b>(14.4)</b>	<b>(18.7)</b>	(4.3)	
Foreign currency translation adjustments on cash and cash equivalents	(0.9)	<b>5.4</b>	6.2	
Net increase (decrease) in cash and cash equivalents	(18.9)	<b>(51.5)</b>	(32.5)	
Cash and cash equivalents at beginning of period	183.3	<b>171.1</b>	(12.2)	
<b>Cash and cash equivalents at end of period</b>	<b>164.4</b>	<b>119.6</b>	(44.7)	

Years Ended/Ending March 31 1Q Apr - Jun	(billions of yen)			<Explanations>
	Three months ended Jun 30			
	2007	2008	Inc./ (Dec.)	
<b>Free Cash Flows</b>	<b>0.7</b>	<b>(46.1)</b>	(46.8)	

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

## V. Non-Consolidated Financial Highlights

### 1. Non-Consolidated Financial Highlights

#### 1-1 Statements of Income Data

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full	
	2007	2008	YoY %	2007	2008 est.
Net sales	82.9	<b>98.1</b>	118.3	351.6	382.0
Cost of sales	19.9	<b>21.0</b>	105.2	80.1	75.0
R&D expenses	24.4	<b>30.2</b>	123.7	106.4	123.0
SG&A expenses	23.3	<b>26.1</b>	111.9	100.2	107.0
Operating income	15.3	<b>20.8</b>	136.4	65.0	77.0
Ordinary income	15.6	<b>21.9</b>	139.7	65.7	77.5
Net income	10.1	<b>15.7</b>	156.4	42.8	51.0

\* "Cost of sales" includes "Provision for sales returns-net".

#### 1-2 Balance Sheets Data

(billions of yen)

	2007		Inc./ (Dec.)
	Mar 31	Jun 30	
Total assets	573.7	<b>562.2</b>	(11.5)
Equity	467.5	<b>462.1</b>	(5.4)
Shareholders' Equity	467.2	<b>461.8</b>	(5.4)
Shareholders' Equity/Total assets (%)	81.4	<b>82.1</b>	0.7

\*\*Shareholders' Equity="Equity" - "Minority interests" - "Stock acquisition rights"

#### 1-3 Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full
	2007	2008	Inc./ (Dec.)	2007
Capital expenditures	1.5	<b>5.4</b>	4.0	22.0
Property, plant and equipment	0.9	<b>1.1</b>	0.1	11.7
Intangible assets	0.5	<b>4.3</b>	3.8	10.3
Depreciation/Amortization	4.1	<b>4.2</b>	0.1	17.9

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

#### 1-4 Statements of Cash Flows Data

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full
	2007	2008	Inc./ (Dec.)	2007
Net cash provided by operating activities	4.6	<b>5.5</b>	0.9	30.6
Net cash used in investing activities	(8.9)	<b>(11.7)</b>	(2.8)	(44.3)
Net cash used in financing activities	(14.3)	<b>(18.5)</b>	(4.2)	(40.3)
Cash and cash equivalents at end of period	81.9	<b>21.8</b>	(60.1)	46.5
Free cash flows	0.4	<b>(4.3)</b>	(4.7)	10.1

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

## 2. Net Sales by Business Segment

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full	
	2007	2008	YoY %	2007	2008 est.
Net sales	82.9	<b>98.1</b>	118.3	351.6	382.0
Prescription pharmaceuticals	53.4	<b>59.3</b>	111.0	217.0	229.0
Pharmaceuticals exports	12.4	<b>16.5</b>	132.9	55.9	58.5
Consumer health care products	4.3	<b>4.4</b>	101.2	19.6	19.5
Other (Food additives/Chemicals, etc.)	0.4	<b>0.3</b>	85.1	1.2	1.5
Industrial property rights, etc. income	12.4	<b>17.6</b>	142.0	57.9	73.5

## 3. Exports by Geographical Area

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full
	2007	2008	YoY %	2007
Net Sales	82.9	<b>98.1</b>	118.3	351.6
Exports	24.7	<b>34.0</b>	137.6	113.5
North America	17.3	<b>24.1</b>	139.1	78.6
Europe	5.8	<b>7.9</b>	136.2	28.5
Asia and others	1.5	<b>1.9</b>	125.7	6.5
Ratio of exports to sales (%)	29.8	<b>34.7</b>	-	32.3

\* Major areas and countries included in each region:

1. North America: The U.S. and Canada
2. Europe: The United Kingdom, France, Germany, etc.
3. Asia and others: East Asia, South-East Asia, and Latin America, etc.

\* Export sales includes revenues from industrial property rights, etc.

#### 4. Prescription Pharmaceuticals

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full
	2007	2008	YoY %	2007
Description / Product				
Alzheimer's type dementia treatment <i>ARICEPT</i>	11.5	<b>14.9</b>	129.7	49.7
Proton pump inhibitor <i>PARIET</i>	7.1	<b>8.9</b>	125.3	30.7
Peripheral neuropathy treatment <i>METHYCOBAL</i>	7.9	<b>8.2</b>	104.8	31.4
Gastritis/gastric ulcer treatment <i>SELBEX</i>	4.9	<b>5.0</b>	100.9	19.3
Osteoporosis treatment <i>ACTONEL</i>	1.9	<b>2.9</b>	152.5	7.5
Muscle relaxant <i>MYONAL</i>	2.1	<b>2.1</b>	100.7	8.2
Non-ionic contrast medium <i>IOMERON</i>	2.1	<b>2.1</b>	98.5	8.3
Osteoporosis treatment <i>GLAKAY</i>	1.9	<b>1.8</b>	94.3	7.5
Genetically engineered glucagon preparation <i>GLUCAGON G NOVO</i>	1.0	<b>1.0</b>	100.9	4.1
Long-acting isosorbide denigrate preparation <i>NITOROL-R</i>	1.0	<b>0.9</b>	88.9	3.9
Antiallergic agent <i>AZEPTIN</i>	0.6	<b>0.6</b>	88.9	2.6
Other	11.2	<b>10.8</b>	95.8	43.9
Prescription pharmaceuticals total	53.4	<b>59.3</b>	111.0	217.0

#### 5. Exports by Products

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full
	2007	2008	YoY %	2007
Product				
<i>ARICEPT</i>	5.4	<b>7.6</b>	142.0	23.1
<i>ACIPHES/PARIET</i>	6.5	<b>6.6</b>	101.1	28.4
Other	0.6	<b>2.3</b>	405.6	4.4
Exports total	12.4	<b>16.5</b>	132.9	55.9

#### 6. Consumer Health Care Products

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30			Full
	2007	2008	YoY %	2007
Description / Product				
Vitamin B2 preparation <i>CHOCOLA BB</i> Group	2.1	<b>2.3</b>	107.8	8.8
Active-type Vitamin B12 <i>NABOLIN</i> Group	0.4	<b>0.5</b>	135.2	1.9
<i>JUVELUX</i> / Natural Vitamin E preparation <i>Vitamin-E</i> Group	0.4	<b>0.4</b>	85.3	1.8
Stomach ache and heartburn treatment <i>SACLON</i> Group	0.4	<b>0.3</b>	81.3	1.8
Other	1.0	<b>0.9</b>	89.8	5.3
Consumer health care products total	4.3	<b>4.4</b>	101.2	19.6

## 7. SG&A Expenses

### 7-1 R&D Expenses

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full	
	2007	2008	2007	2008 est.
Net sales	82.9	<b>98.1</b>	351.6	382.0
R&D expenses	24.4	<b>30.2</b>	106.4	123.0
Overseas R&D expenses	12.4	<b>17.1</b>	53.6	-
[Ratio of overseas R&D expenses to R&D expenses] (%)	[50.8]	<b>[56.8]</b>	[50.4]	-
Ratio of R&D expenses to net sales (%)	29.4	<b>30.8</b>	30.3	32.2

### 7-2 SG&A Expenses

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full	
	2007	2008	2007	2008 est.
Net sales	82.9	<b>98.1</b>	351.6	382.0
SG&A expenses	23.3	<b>26.1</b>	100.2	107.0
Personnel expenses	8.0	<b>7.9</b>	32.6	-
Marketing expenses	9.4	<b>11.4</b>	42.3	-
Administrative expenses and others	5.8	<b>6.7</b>	25.3	-
Ratio of SG&A expenses to net sales (%)	28.1	<b>26.6</b>	28.5	28.0

### 7-3 SG&A Expenses (including R&D expenses)

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		Full	
	2007	2008	2007	2008 est.
Net sales	82.9	<b>98.1</b>	351.6	382.0
SG&A expenses (including R&D expenses)	47.7	<b>56.2</b>	206.5	230.0
Ratio of SG&A expenses (including R&D expenses) to net sales (%)	57.5	<b>57.4</b>	58.7	60.2

## 8. Balance Sheets Data

### <Assets>

(billions of yen)

	2007		Inc./ (Dec.)
	Mar 31	Jun 30	
Current assets	245.7	<b>229.6</b>	(16.0)
Fixed assets	328.0	<b>332.6</b>	4.6
Property, plant and equipment	80.4	<b>78.8</b>	(1.6)
Intangible assets	30.3	<b>33.0</b>	2.8
Investments and other assets	217.4	<b>220.8</b>	3.4
Total assets	573.7	<b>562.2</b>	(11.5)

### <Liabilities and Equity>

(billions of yen)

	2007		Inc./ (Dec.)
	Mar 31	Jun 30	
Current liabilities	76.9	<b>72.1</b>	(4.8)
Long-term liabilities	29.3	<b>28.1</b>	(1.2)
Total liabilities	106.2	<b>100.1</b>	(6.0)
Owners' equity	447.9	<b>445.2</b>	(2.8)
Net unrealized gain and translation adjustments	19.3	<b>16.6</b>	(2.7)
Stock acquisition rights	0.3	<b>0.3</b>	-
Total equity	467.5	<b>462.1</b>	(5.4)
Total liabilities and equity	573.7	<b>562.2</b>	(11.5)

## 9. Statements of Cash Flows

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		
	2007	2008	Inc./ (Dec.)
<b>Operating activities:</b>			
Income before income taxes	15.2	<b>24.0</b>	8.9
Depreciation and amortization	4.1	<b>4.2</b>	0.1
Net decrease (increase) in notes and accounts receivables/payable-trade and inventories	3.4	<b>(4.2)</b>	(7.6)
Net increase (decrease) in accounts payable-other/accrued expenses etc.	(0.4)	<b>3.2</b>	3.6
Other	(2.1)	<b>(7.4)</b>	(5.2)
[Sub-total]	20.1	<b>19.8</b>	(0.3)
Interest paid/received	0.7	<b>0.7</b>	(0.1)
Income taxes paid	(16.3)	<b>(15.0)</b>	1.2
<b>Net cash provided by operating activities</b>	4.6	<b>5.5</b>	0.9
<b>Investing activities:</b>			
Capital expenditures (including acquisition)	(4.2)	<b>(9.8)</b>	(5.6)
Purchases/proceeds from sales of securities etc.	(3.7)	<b>9.3</b>	13.0
Investments in subsidiaries and associated companies	(0.0)	<b>(10.9)</b>	(10.9)
Other	(1.1)	<b>(0.3)</b>	0.7
<b>Net cash used in investing activities</b>	(8.9)	<b>(11.7)</b>	(2.8)
<b>Financing activities:</b>			
Dividends paid	(14.3)	<b>(18.5)</b>	(4.2)
Other	0.0	<b>(0.0)</b>	(0.0)
<b>Net cash used in financing activities</b>	(14.3)	<b>(18.5)</b>	(4.2)
Foreign currency translation adjustments on cash and cash equivalents	(0.0)	<b>0.0</b>	0.0
Net increase (decrease) in cash and cash equivalents	(18.6)	<b>(24.7)</b>	(6.1)
Cash and cash equivalents at beginning of period	100.5	<b>46.5</b>	(54.0)
<b>Cash and cash equivalents at end of period</b>	81.9	<b>21.8</b>	(60.1)

(billions of yen)

Years Ended/Ending March 31 1Q Apr - Jun	Three months ended Jun 30		
	2007	2008	Inc./ (Dec.)
<b>Free Cash Flows</b>	0.4	<b>(4.3)</b>	(4.7)

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

## VI. Changes in Quarterly Results

### 1. Statements of Income Data [Consolidated]

(billions of yen)

Years Ended/Ending March 31	2007				2008
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Net sales	153.9	165.4	181.4	173.3	<b>176.0</b>
Cost of sales	26.8	26.4	28.7	27.4	<b>27.5</b>
R&D expenses	24.4	27.9	26.6	29.4	<b>30.5</b>
SG&A expenses	78.7	85.6	91.9	95.1	<b>91.8</b>
Operating income	24.1	25.5	34.2	21.4	<b>26.2</b>
Non-operating income & expenses	1.0	1.1	1.9	1.2	<b>2.2</b>
Ordinary income	25.1	26.6	36.1	22.7	<b>28.4</b>
Special gain & loss	(0.4)	(0.0)	(0.1)	0.4	<b>2.2</b>
Income before income taxes and minority interests	24.7	26.6	36.0	23.0	<b>30.6</b>
Net income	15.8	16.7	23.3	14.8	<b>19.3</b>
Earnings per share (yen)	55.4	58.4	82.0	52.0	<b>68.1</b>

\* "Cost of Sales" includes "Provision for sales returns-net".

### 2. Balance Sheets Data [Consolidated]

#### <Assets>

(billions of yen)

	2006			2007	
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun
Current assets	406.6	426.7	407.4	441.2	<b>396.0</b>
Fixed assets	318.2	324.9	349.3	350.9	<b>389.7</b>
Property, plant and equipment	127.3	128.6	130.4	133.8	<b>135.3</b>
Intangible assets	41.3	41.6	63.2	62.6	<b>104.0</b>
Investments and other assets	149.5	154.7	155.7	154.5	<b>150.4</b>
Total assets	724.8	751.6	756.6	792.1	<b>785.7</b>

#### <Liabilities and Equity>

(billions of yen)

	2006			2007	
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun
Current liabilities	157.7	177.1	170.1	191.8	180.6
Long-term liabilities	39.9	38.5	38.5	37.6	36.7
Total liabilities	197.6	215.7	208.5	229.4	217.2
Owners' equity	498.9	504.8	512.6	527.6	528.0
Net unrealized gain and translation adjustments	19.0	21.3	25.4	24.8	30.0
Stock acquisition rights	-	0.3	0.3	0.3	0.3
Minority interests	9.4	9.6	9.7	9.9	10.2
Total equity	527.3	535.9	548.1	562.7	568.5
Total liabilities and equity	724.8	751.6	756.6	792.1	785.7



### 3. Capital Expenditures and Depreciation/Amortization [Consolidated]

(billions of yen)

Years Ended/Ending March 31	2007				2008
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Capital expenditures	3.7	7.0	29.3	12.0	<b>46.2</b>
Property, plant and equipment	3.2	4.8	5.7	9.5	<b>3.9</b>
Intangible assets	0.6	2.2	23.6	2.5	<b>42.3</b>
Depreciation/Amortization	5.9	6.4	7.0	7.6	<b>7.3</b>

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

### 4. Cash Flows Data [Consolidated]

(billions of yen)

Years Ended/Ending March 31	2007				2008
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Net cash provided by operating activities	8.1	28.5	5.9	38.7	<b>7.8</b>
Net cash used in investing activities	(11.8)	(9.4)	(32.1)	(1.9)	<b>(46.0)</b>
Net cash provided by (used in) financing activities	(14.4)	(10.8)	(15.6)	0.1	<b>(18.7)</b>
Cash and cash equivalents at end of period	164.4	175.0	134.7	171.1	<b>119.6</b>
Free cash flows	0.7	21.7	(24.4)	30.7	<b>(46.1)</b>

\* Cash used for payments for acquisition of business is classified as part of "Net cash used in financial activities" for this fiscal year. Therefore, "Payment for inventories related to the acquisition of business" classified in "Net cash used in operating activities" (1.2 billion yen) for 3rd quarter 2007, is reclassified into "Net cash used in financial activities".

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

## 5. ARICEPT Sales by Area (Independent and Co-promotion) [Consolidated]

Years Ended/Ending March 31		2007				2008
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Japan	¥ Billions	11.5	12.4	14.0	11.8	<b>14.9</b>
U.S.	¥ Billions [U.S. \$ Millions]	33.1 [289]	39.6 [341]	41.7 [355]	47.7 [401]	<b>41.5</b> <b>[343]</b>
Europe	¥ Billions	7.7	9.0	9.1	8.7	<b>9.2</b>
UK	¥ Billions [UK £ Millions]	0.4 [2]	0.3 [1]	0.3 [1]	0.3 [1]	<b>0.3</b> <b>[1]</b>
France	¥ Billions [Euro Millions]	5.5 [38]	6.9 [47]	6.8 [45]	6.6 [42]	<b>7.0</b> <b>[43]</b>
Germany	¥ Billions [Euro Millions]	1.8 [13]	1.8 [12]	2.0 [13]	1.8 [12]	<b>1.9</b> <b>[12]</b>
Asia	¥ Billions	1.4	1.5	1.7	2.0	<b>1.8</b>
Total	¥ Billions	53.7	62.5	66.5	70.2	<b>67.3</b>

## 6. ACIPHEX/PARIET Sales by Area (Independent and Co-promotion) [Consolidated]

Years Ended/Ending March 31		2007				2008
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Japan	¥ Billions	7.1	7.5	9.0	7.0	<b>8.9</b>
U.S.	¥ Billions [U.S. \$ Millions]	29.3 [256]	31.2 [268]	34.3 [292]	32.1 [269]	<b>31.8</b> <b>[263]</b>
Europe	¥ Billions	3.0	3.1	3.0	3.0	<b>2.5</b>
UK	¥ Billions [UK £ Millions]	1.0 [5]	1.0 [5]	0.8 [4]	0.5 [2]	<b>0.8</b> <b>[3]</b>
Germany	¥ Billions [Euro Millions]	0.3 [2]	0.6 [4]	0.7 [4]	0.9 [6]	<b>0.5</b> <b>[3]</b>
Italy	¥ Billions [Euro Millions]	1.7 [12]	1.5 [10]	1.6 [10]	1.6 [11]	<b>1.2</b> <b>[7]</b>
Asia	¥ Billions	1.1	1.2	1.1	1.2	<b>1.6</b>
Total	¥ Billions	40.5	43.0	47.5	43.4	<b>44.9</b>

## 7. ZONEGRAN Sales by Area (Eisai Territory Sales) [Consolidated]

Years Ended/Ending March 31		2007				2008
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
U.S.	¥ Billions [U.S. \$ Millions]	1.0 [9]	0.6 [5]	0.9 [8]	0.6 [5]	<b>0.7</b> <b>[6]</b>
Europe, Asia	¥ Billions	0.3	0.4	0.5	0.6	<b>0.8</b>
Total	¥ Billions	1.3	1.0	1.4	1.2	<b>1.5</b>

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

Years Ended/Ending March 31		2007				2008
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Net sales	¥ Billions [U.S. \$ Millions]	65.9 [576]	73.9 [636]	81.5 [693]	84.4 [707]	<b>77.8</b> <b>[644]</b>
Operating income	¥ Billions [U.S. \$ Millions]	5.5 [48]	6.9 [59]	7.6 [64]	7.1 [60]	<b>3.6</b> <b>[29]</b>
Net income	¥ Billions [U.S. \$ Millions]	3.9 [34]	4.7 [41]	5.9 [50]	4.8 [40]	<b>2.6</b> <b>[22]</b>
Operating income before royalty deduction	¥ Billions [U.S. \$ Millions]	15.2 [132]	18.1 [156]	19.5 [166]	20.2 [169]	<b>18.0</b> <b>[149]</b>

## 9. Statements of Income Data [Non-Consolidated]

(billions of yen)

Years Ended/Ending March 31	2007				2008
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
Net sales	82.9	87.2	94.9	86.6	<b>98.1</b>
Cost of sales	19.9	20.0	21.3	18.9	<b>21.0</b>
R&D expenses	24.4	27.3	25.8	28.8	<b>30.2</b>
SG&A expenses	23.3	24.8	25.9	26.1	<b>26.1</b>
Operating income	15.3	15.1	21.9	12.8	<b>20.8</b>
Ordinary income	15.6	15.1	22.3	12.6	<b>21.9</b>
Net income	10.1	10.1	14.3	8.3	<b>15.7</b>

\* "Cost of Sales" includes "Provision for sales returns-net".

## 10. Prescription Pharmaceuticals [Non-Consolidated]

(billions of yen)

Years Ended/Ending March 31	2007				2008
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
<i>Description / Product</i>					
Alzheimer's type dementia treatment <i>ARICEPT</i>	11.5	12.4	14.0	11.8	<b>14.9</b>
Proton pump inhibitor <i>PARIET</i>	7.1	7.5	9.0	7.0	<b>8.9</b>
Peripheral neuropathy treatment <i>METHYCOBAL</i>	7.9	8.0	8.7	6.9	<b>8.2</b>
Gastritis/gastric ulcer treatment <i>SELBEX</i>	4.9	4.9	5.5	4.0	<b>5.0</b>
Osteoporosis treatment <i>ACTONEL</i>	1.9	2.0	2.1	1.6	<b>2.9</b>
Muscle relaxant <i>MYONAL</i>	2.1	2.0	2.3	1.8	<b>2.1</b>
Non-ionic contrast medium <i>IOMERON</i>	2.1	2.1	2.4	1.7	<b>2.1</b>
Osteoporosis treatment <i>GLAKAY</i>	1.9	1.9	2.1	1.5	<b>1.8</b>
Genetically engineered glucagon preparation <i>GLUCAGON G NOVO</i>	1.0	1.1	1.2	0.8	<b>1.0</b>
Long-acting isosorbide denigrate preparation <i>NITOROL-R</i>	1.0	1.0	1.1	0.8	<b>0.9</b>
Antiallergic agent <i>AZEPTIN</i>	0.6	0.5	0.7	0.8	<b>0.6</b>
Other	11.2	10.7	12.3	9.6	<b>10.8</b>
Prescription pharmaceuticals total	53.4	54.1	61.2	48.2	<b>59.3</b>

**11. Exports by Products [Non-Consolidated]**

(billions of yen)

Years Ended/Ending March 31	2007				2008
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
<i>Product</i>					
ARICEPT	5.4	5.9	4.7	7.1	<b>7.6</b>
ACIPHEX/PARIET	6.5	6.7	7.0	8.2	<b>6.6</b>
Other	0.6	1.4	1.1	1.4	<b>2.3</b>
Exports total	12.4	14.0	12.8	16.7	<b>16.5</b>

**12. Consumer Health Care Products [Non-Consolidated]**

(billions of yen)

Years Ended/Ending March 31	2007				2008
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
<i>Description / Product</i>					
Vitamin B <sub>2</sub> preparation CHOCOLA BB Group	2.1	2.3	2.5	1.8	<b>2.3</b>
Active-type Vitamin B <sub>12</sub> NABOLIN Group	0.4	0.6	0.5	0.4	<b>0.5</b>
JUVELUX/Natural Vitamin E preparation Vitamin-E Group	0.4	0.5	0.5	0.4	<b>0.4</b>
Stomach ache and heartburn treatment SACLON Group	0.4	0.4	0.5	0.4	<b>0.3</b>
Other	1.0	1.2	1.6	1.6	<b>0.9</b>
Consumer health care total	4.3	5.0	5.7	4.6	<b>4.4</b>

## VII. Major R&D Pipeline Candidates

### Updates since April 2007

#### Approved

1. **TAMBOCOR** received approval in Japan for an additional indication, dosage and administration for paroxysmal atrial fibrillation/flutter.

#### Filed for approval

1. **GASMOTIN** filed in Thailand for functional dyspepsia.

#### Progress in clinical studies

1. **E5564** entered a Phase III study for severe sepsis in Japan.
2. **ARICEPT** entered a Phase III study for sustained release formulation in the U.S.
3. **Zonegran** entered a Phase III study for epilepsy monotherapy in Europe.
4. **E2007** entered a Phase II study for neuropathic pain in the U.S.

#### In-licensed compounds

1. **GLUFAST** is being prepared for submission for type II diabetes indication in 10 ASEAN countries.
2. **MORAb-003** is being investigated in Phase II for ovarian cancer in the U.S.

## 1. International Development

### 1-1 Filed for Approval

(Product) Name (Research Code)	Region	Date	Description	Form.	Origin
<b>ARICEPT</b> (E2020) (Additional indication)	U.S.	Sep-02	<b>Vascular Dementia</b> Currently approved for the treatment of dementia due to Alzheimer's disease. An additional indication for the treatment of vascular dementia is being sought in the U.S.	Tab.	In-house
	(EU)	in preparation	The application in the EU for vascular dementia was withdrawn in April 2004. Supportive data showing efficacy of the compound is now being collected for resubmission of the application.		
<b>ARICEPT</b> (E2020) (Additional formulation)	EU	May-04	<b>Liquid Formulation</b> Originally approved as a tablet formulation. Filed for a liquid formulation for prescription to people who have difficulty swallowing tablets.	Liquid	In-house
<b>E2080</b>	U.S.	Nov-05	<b>Anti-Epilepsy (rufinamide)</b> An NDA for adjunctive therapy of LGS and adult partial seizures has been filed in the U.S. The compound has also received an orphan status for the treatment of LGS. (The brand name in the U.S. is under consideration)	Tab.	Novartis
<b>GASMOTIN</b>	Asia	May-07	<b>Gastroprokinetic Agent (mosapride citrate)</b> This compound is a selective serotonin 5-HT <sub>4</sub> receptor agonist which has gastroprokinetic and gastric evacuant effects by enhancing acetylcholine release. Filed for functional dyspepsia in Thailand. Submission is being prepared in nine ASEAN member countries.	Tab.	Dainippon Sumitomo Pharma

### 1-2 Submission in Preparation

(Product) Name (Research Code)	Region	Expected Application	Description	Form.	Origin
<b>GLUFAST</b>	Asia	FY2007	<b>Rapid-acting Insulin Secretagogue Agent (mitiglinide calcium hydrate)</b> This compound is an agonist for sulfonylurea receptor in pancreatic beta cell which shows hypoglycemic effect by accelerating insulin release. Submission is being prepared in ten ASEAN countries.	Tab.	Kissei

### 1-3 Phase III&II

(Product) Name (Research Code)	Region	Phase	Description	Form.	Origin	Expected Application
<b>E2007</b>	U.S.	III	<b>Parkinson's Disease/AMPA Receptor Antagonist(perampanel)</b> The compound selectively antagonizes the AMPA-type glutamate receptor. Development in progress for Parkinson's disease. Now being tested in Phase III in the U.S. and EU.	Tab.	In-house	FY2007
	EU	III				
<b>E5564</b>	U.S.	III	<b>Severe Sepsis/Endotoxin Antagonist (eritoran)</b> Synthetic endotoxin antagonist which is being investigated for severe sepsis caused by endotoxin from various types of gram-negative bacteria. The safety profile and efficacy was confirmed through the previous study. Currently, a Phase III study in an international joint development project is ongoing.	Inj.	In-house	FY2009
	EU	III				
<b>E7389</b>	U.S.	II	<b>Anti-cancer (breast cancer)/Microtubule Growth Suppressor (eribulin)</b> Synthetic analog of Halichondrin B derived from marine sponges. Acts against tumor growth by inhibiting cell division through blocking microtubule growth. Currently being investigated in the U.S. for breast cancer in a Subpart H <sup>i)</sup> application study as well as in the Phase III after achieving the POC <sup>ii)</sup> for the disease. In addition, a Phase III study for breast cancer is ongoing in Europe.	Inj.	In-house	FY2007 Subpart H application
	U.S.	III				
	EU	III				
<b>AS-3201</b>	U.S.	III	<b>Diabetic complications/Aldose Reductase Inhibitor (ranirestat)</b> This compound is being explored as a potential treatment of diabetic complications, utilizing its strong property to inhibit aldose reductase. Now being tested in Phase III for treatment of diabetic neuropathy in the U.S..	Tab.	Dainippon Sumitomo Pharma	FY2009
<b>ARICEPT</b> (E2020) (Additional indication)	EU	III	<b>Dementia Associated with Parkinson's Disease</b> Currently indicated for the treatment of mild to moderate Alzheimer's disease. Now being tested in Phase III for dementia associated with Parkinson's disease.	Tab.	In-house	FY2007
<b>ARICEPT</b> (E2020) (Additional formulation, dosage/administration)	U.S.	III	<b>Sustained Release Formulation</b> Originally approved as a tablet formulation. A Phase III study has been initiated for a sustained release formulation.	SR Tab.	In-house	FY2009
<b>Zonegran</b> (Additional indication)	EU	III	<b>Anti-Epilepsy Monotherapy</b> Currently indicated for the adjunctive therapy in the treatment of adult patients with partial seizures. Now being tested in Phase III for monotherapy.	Cap.	Dainippon Sumitomo Pharma	FY2010
<b>clevudine</b>	Asia	being prepared for Phase III	<b>Anti-hepatitis B Agent (clevudine)</b> Clevudine is an antiviral agent which shows efficacy in treatment of chronic hepatitis caused by the hepatitis B virus through DNA polymerase inhibition. A Phase III study in China is in preparation. Submission is scheduled in FY2007 in Asian countries that do not require a new clinical study.	Cap.	Bukwang	
<b>ARICEPT</b> (E2020) (Additional indication)	U.S.	II	<b>Migraine Prophylaxis</b> Currently indicated for the treatment of Alzheimer's disease. Now being tested in Phase II for a new indication for migraine prophylaxis.	Tab.	In-house	
	EU	II				
<b>E2007</b>	U.S.	II	<b>Epilepsy, Neuropathic Pain, Multiple Sclerosis and Migraine Prophylaxis/AMPA Receptor Antagonist</b> The compound selectively antagonizes the AMPA-type glutamate receptor. Now being investigated for the treatment of epilepsy, neuropathic pain, multiple sclerosis and migraine prophylaxis. A Phase II study for neuropathic pain has been initiated in the U.S..	Tab.	In-house	
	EU	II				
<b>E7389</b>	U.S.	II	<b>Anti-cancer (non-small cell lung cancer, prostate cancer, sarcoma) /Microtubule Growth Suppressor</b> Synthetic analog of Halichondrin B derived from marine sponges. Acts against tumor growth by inhibiting cell division through blocking microtubule growth. POC achieved for breast cancer and non-small cell lung cancer. Currently being investigated in a Phase III and Subpart H application study for breast cancer. In addition. Phase II studies for prostate cancer and sarcoma are ongoing.	Inj.	In-house	
	EU	II				
<b>E5555</b>	U.S.	II	<b>Acute Coronary Syndrome (ACS)/Thrombin receptor antagonist</b> The compound inhibits platelet aggregation and smooth-muscle proliferation based on thrombin receptor antagonism. The suspended Phase II study for ACS has been resumed.	Tab.	In-house	FY2012
	EU	II				
<b>MORAb-003</b>	U.S.	II	<b>Anti-cancer (ovarian cancer)/Monoclonal antibody</b> The compound is humanized IgG1 mAb to folate receptor alpha. Now being tested in Phase II for treatment of ovarian cancer in the U.S..	Inj.	Morphotek	

The expected application date for E5555 in the U.S. and Europe has been changed from FY2010 to FY2012.

i. Subpart H application: an FDA system which gives fast track review to new drugs that shows efficacy in a severe or fatal disease that fulfils other criteria.

ii. POC (Proof of Concept): Proof of drug concept in clinical study

## 2. Development in Japan

### 2-1 Approved

(Product) Name (Research Code)	Date	Description	Form.	Origin
<b>TAMBOCOR</b> (E0735) (Additional indication, dosage/administration)	Jun-07	<b>Paroxysmal Atrial Fibrillation/Flutter</b> The compound is currently approved for the treatment of ventricular tachyarrhythmia. Received approval for an additional indication in the treatment of paroxysmal atrial fibrillation/flutter.	Tab.	iNova Pharma- ceuticals

### 2-2 Filed for Approval

(Product) Name (Research Code)	Date	Description	Form.	Origin
<b>T-614</b>	Sep-03	<b>Rheumatoid Arthritis (iguratimod)</b> Suppresses lymphocyte proliferation, immunoglobulin and inflammatory cytokines production. Now being investigated for chronic rheumatoid arthritis.	Tab.	Toyama Chemical
<b>ARICEPT</b> (E2020) (Additional indication)	Dec-05	<b>Severe Alzheimer's disease</b> Currently approved for the treatment of mild-to-moderate dementia Alzheimer's disease. Submitted for a new indication for severe Alzheimer's disease.	Tab.	In-house
<b>D2E7</b>	Dec-05	<b>Rheumatoid Arthritis/Human Anti TNF-alpha Monoclonal Antibody (adalimumab)</b> Blocks the activity of Tumor Necrosis Factor-alpha (TNF-alpha) which plays a central role in inflammation in autoimmune diseases. An application was submitted for the treatment of Rheumatoid Arthritis.	Inj.	Abbott
<b>PARIET</b> (E3810) (Additional indication)	Mar-06	<b>Symptomatic GERD</b> Currently approved for treatment of peptic ulcers, erosive GERD, and Zollinger-Ellison syndrome in Japan. Submitted for treatment of symptomatic GERD.	Tab.	In-house
<b>PARIET</b> (E3810) (Additional dosage/administration)	Aug-06	<b>Secondary Eradication of <i>H. pylori</i> in Combination with Antibiotics</b> Filed an application for a new indication of secondary eradication of <i>H. pylori</i> (an alternative eradication for patients who do not respond to primary eradication).	Tab.	In-house
<b>E2014</b>	Dec-06	<b>Cervical Dystonia/Botulinum Toxin Type B</b> Botulinum toxin acts on cholinergic nerve ending synapses and inhibits the release of acetylcholine to relax muscles. Filed an application for the treatment of Cervical Dystonia.	Inj.	Solstice Neuro- sciences
<b>VASOLAN</b> (E0103) (Additional Indication)	Jan-07	<b>Atrial Fibrillation, Paroxysmal Supraventricular Tachycardia (PSVT)</b> Currently approved for Ischemic heart disease treatment. An application was submitted for a new indication for atrial fibrillation and paroxysmal supraventricular tachycardia.	Tab.	Abbott
<b>IOMERON</b> (E7337) (Additional dosage /administration)	Mar-07	<b>Nonionic X-ray Contrast Medium</b> Currently approved for CT (computerized tomography) angiography. An additional dosage and administration was filed in March 2007.	Inj.	Bracco

### 2-3 Phase III & II

(Product) Name (Research Code)	Phase	Description	Form.	Origin	Expected Application
<b>KES524</b>	III	<b>Obesity Management/Central Acting Serotonin &amp; Noradrenalin Reuptake Inhibitor (sibutramine)</b> Inhibits the reuptake of the cerebral neurotransmitters noradrenalin and serotonin. By enhancing the feeling of satiety and increasing energy consumption, it is expected to result in loss of body weight.	Cap.	Abbott	FY2007
<b>E5564</b>	III	<b>Severe Sepsis/Endotoxin Antagonist (eritoran)</b> Synthetic endotoxin antagonist which is being investigated for severe sepsis caused by endotoxin from various types of gram-negative bacteria. The safety profile and efficacy was confirmed through the previous study. A Phase III study was initiated in Japan as part of the ongoing international joint development project.	Inj.	In-house	FY2009
<b>E0302</b>	II/III	<b>Amyotrophic Lateral Sclerosis (ALS) (mecobalamine)</b> Mecobalamine is currently approved for treatment of peripheral neuropathy. Phase II/III study for amyotrophic lateral sclerosis (ALS) is ongoing.	Inj.	In-house	
<b>D2E7</b>	II/III	<b>Psoriasis, Crohn's disease/Human Anti TNF-alpha Monoclonal Antibody (adalimumab)</b> Filed for a new indication for rheumatoid arthritis. Phase II/III studies for psoriasis and for Crohn's disease are ongoing.	Inj.	Abbott	FY2007 (Psoriasis) FY2009 (Crohn's disease)
<b>E7210</b> (Suspended)	II	<b>Ultrasonic Contrast Medium</b> Development in progress for potential Ultrasonic Contrast Medium by employing micro bubbles that reflect ultrasounds. (The Phase II study is currently suspended.)	Inj.	Bracco	



## VIII. Major Events

Date	Description	< >=Date Announced
July 2007	<p>Announced continuation of policy for protection of the company's corporate value and common interests of shareholders &lt;July 31&gt;</p> <p>Announced co-promotion of Sanko Junyaku's "PyloriTek Test Kit" (<i>H. Pylori</i> infection diagnostic kit which will be made available by Sanko Junyaku on September 11) &lt;July 27&gt;</p> <p>In-licensing agreement signed with Sepracor for the insomnia treatment "eszopiclone" for Japan &lt;July 27&gt;</p> <p>Launched the individually-wrapped tablets of <i>Selbelle</i> (stomach medication) &lt;July 17&gt;</p> <p>Launched "Nitorol injection 5mg syringe" and "Nitorol continuous intravenous infusion 25mg syringe" (the first nitric acid syringe formulations approved in Japan) &lt;July 11&gt;</p> <p>Details announced for stock option (new share subscription right) &lt;July 9&gt;</p>	
June	<p>Received approval for <i>Tambocor</i> (antiarrhythmic treatment) in Japan for paroxysmal atrial fibrillation/flutter &lt;June 26&gt;</p> <p>Announced allotment of stock option (new share subscription right) &lt;June 22&gt;</p> <p>Launched <i>Inovelon</i> (anti-epileptic agent) in Germany &lt;June 18&gt;</p> <p>Launched <i>Actonel</i> 17.5 mg tablets (a once-weekly antiosteoporotic agent) in Japan &lt;June 15&gt;</p> <p>Agreement signed with Kissei Pharmaceutical for development and commercialization of <i>Glufast</i> (rapid-acting insulin secretagogue) for the 10 ASEAN countries &lt;June 12&gt;</p>	
May	<p>Announced basic principle and policies concerning reduction of minimum trading lots for shares &lt;May 15&gt;</p> <p>Announced outline of new stock option (new share subscription right) &lt;May 15&gt;</p> <p>Agreement signed with Solstice Neurosciences for commercialization of <i>NeuroBloc</i> (botulinum toxin type B agent) for Europe &lt;May 15&gt;</p> <p>Submitted application for <i>Gasmotone</i> (gastroprokinetic agent) in Thailand for the treatment of functional dyspepsia &lt;May 15&gt;</p> <p>Obtained favorable ruling in <i>ACIPHEX</i> patent infringement lawsuit in the U.S. &lt;May 12&gt;</p> <p><i>Fragmin</i> (injectable anti-clotting agent) received an FDA approval for extended treatment to reduce the recurrence of blood clots in patients with cancer &lt;May 7&gt;</p> <p>Introduced <i>Chocola BB Light 2</i> Vitamin B2 Drink &lt;May 7&gt;</p>	
April	<p>Announced complete subsidiarization of Sanko Junyaku &lt;April 26&gt;</p> <p><i>Actonel</i> 17.5 mg tablets (a once-weekly treatment of osteoporosis) received approval in Japan &lt;April 18&gt;</p> <p>Completed the acquisition of a U.S. based biopharmaceutical company Morphotek Inc. &lt;April 17&gt;</p> <p>Announced temporary withdrawal of the application for <i>ARICEPT</i> in Europe for the treatment of severe Alzheimer's disease &lt;April 13&gt;</p>	

\* Events above are listed in the order of execution dates and may not be consistent with the announcement dates.