EISAI CO., LTD.
AND
CONSOLIDATED SUBSIDIARIES
ANNUAL FINANCIAL REPORT RELEASE

FOR IMMEDIATE RELEASE
May 15, 2007

On May 15, 2007, Eisai Co., Ltd. announced annual consolidated financial results for the fiscal year ended March 31, 2007.

- Date of the Board of Directors' Meeting: May 15, 2007
- The financial statements are not prepared in accordance with U.S. GAAP.
- Eisai Co., Ltd. is listed on both the First Section of both the Tokyo Stock Exchange and the Osaka Securities Exchange.
- Securities Code Number: 4523
- Representative of corporation: Haruo Naito
  Director, President & CEO
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3. CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2008

Period	Net Sales	Operating

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

(2) FINANCIAL POSITION

Year End	Total Assets	Equity	(Equity - Minority interests - Stock acquisition rights) / Total assets	Book-value per share
March 31, 2007	¥573,702 mil.	¥467,541 mil.	81.4%	¥1,644.49
March 31, 2006	¥572,912 mil.	¥465,211 mil.	81.2%	¥1,627.33

Notes 1: (Equity - Minority interests - Stock acquisition rights):

- Fiscal year ended March 31, 2007: 467,246 million yen
- Fiscal year ended March 31, 2006: N/A

2: Shareholders' Equity, Equity Ratio and Shareholders' Equity per Share for the periods ended March 31, 2006 are respectively, described as 'Equity', '(Equity - Minority interests - Stock acquisition rights) / Total assets ' and 'Book-value per share'.

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 associated with the above forecast are noted on page 13 and P15~20.

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

1. Operating Results

1) Overview of operating results

(1) Operating results for the period under review

[Sales and income]

- The Company achieved the following consolidated financial results for the period under review:

Net sales:	¥674,111 million (12.1% increase year-on-year)
Operating income:	¥105,263 million (10.0% increase year-on-year)
Ordinary income:	¥110,462 million (10.4% increase year-on-year)
Net income:	¥70,614 million (11.4% increase year-on-year)

- Net sales gained ground in Japan, North America, Europe and Asia as sales of *Aricept*, an Alzheimer's disease treatment, expanded to ¥252,885 million, up 28.7% year-on-year and those of *Pariet* (US brand name: *Aciphex*), a proton pump inhibitor, steadily increased to ¥174,290 million, up 12.8% year-on-year.
- Operating income, ordinary income and net income secured an upward trend mainly due to decreased costs and proactive investment in R&D activities.

[Conditions 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 came to ¥652,936 million, up 12.6% year-on-year while operating income amounted to ¥108,059 million, an increase of 9.8% year-on-year.

<Other>

- Sales in other segment that deals with products such as food additives, chemical and machinery decreased 1.2% year-on-year to ¥21,175 million, and the operating income amounted to ¥1,710 million, a decrease of 27.7% year-on-year.

b. Performance by geographical segments

<Japan>

- Sales in Japan amounted to ¥292,222 million, up 2.5% from the previous year while operating income came to ¥72,802 million, down 1.8%.

  Among ethical drugs, as compared to the previous year, sales of *Aricept* increased to ¥49,680 million, up 17.4% and those of *Pariet* increased to ¥30,669 million, an increase of 11.3%.

<North America>

- Sales in North America expanded 19.9% to ¥303,411 million, and operating income rose 27.9% to ¥28,761 million.
- Sales of *Aricept* advanced 35.3% to ¥162,176 million and sales of *Aciphex* increased 10.9% to ¥126,854 million. (Sales of *Aricept* on a dollar-denominated basis increased 31.0% and those of *Aciphex* increased 7.4%)

<Europe>

- Sales in Europe reached ¥54,774 million, up 20.4% while operating income came to ¥4,059 million, down 12.4%.
- Sales of *Aricept* advanced 15.3% to ¥34,477 million and those of *Pariet* increased 34.0% to ¥12,124 million.
- EF-Eisai Farmacêutica Unipessoal Lda., a pharmaceutical sales subsidiary, was established in Portugal in November 2006.

<Asia and other regions>

- Sales in Asia and other regions soared 34.6% to ¥23,703 million while operating income made an upturn by 44.5% to ¥4,021 million.
- Sales of *Aricept* amounted to ¥6,550 million, up 50.0% and those of *Pariet* increased to ¥4,640 million, up 32.2%.

<Overseas total>

Total overseas sales excluding Japan grew to ¥381,889 million, an increase of 20.8%, accounting for 56.7% of the Company's total net sales, up 4.1 points.

(2) **Fourth Quarter Financial Highlights (January 1, 2007 - March 31, 2007)**

¸ Consolidated net sales during the quarter amounted to ¥173,323 million

(3) **Research Projects and Other Business Development**

- Eisai Group concentrates its managerial resources in the areas of neurology and oncology and engages in proactive R&D activities to support these areas. Centralizing our global R&D decision-making at **Eisai R&D Management Co., Ltd.** (Tokyo, Japan), the Company ensures efficient and productive research operations in order to achieve timely development of new drugs.
- **E7389 for cancer** is now being investigated for the treatment of breast cancer in the U.S. in a Phase III study as well as a Subpart H (an FDA system that gives fast track review to new drugs for severe and life-threatening diseases that meet certain requirements) application study. Studies for breast cancer (Phase III) and for sarcoma (Phase II) have also been initiated in Europe.
- **An AMPA receptor antagonist E2007** is being tested in Phase III for Parkinson's disease in the U.S.. A Phase III study for Parkinson's disease has been initiated in Europe. The agent is also aiming to complete a POC (Proof of Concept) study for epilepsy, multiple sclerosis, and migraine prophylaxis.
- A Phase III study of **an endotoxin antagonist E5564** (generic name: eritoran) for the treatment of severe sepsis has been initiated in the U.S. and Europe.
- A Phase II study of **a thrombin receptor antagonist E5555** was initiated in the U.S. and Europe.
- The European Commission approved the **anti-epileptic agent *Inovelon*** (generic name: rufinamide) for adjunctive therapy of Lennox-Gastaut Syndrome in January 2007.
- **A gastroprokinetic agent *Gasmotin*** (generic name: mosapride citrate) was filed in Thailand in May 2007 for the treatment of functional dyspepsia. The application is being prepared in the nine Asian countries including the ASEAN member countries.
- The application of **botulinum toxin type B E2014** was submitted in Japan in December 2006 for the treatment of cervical dystonia.
- A Phase II/III study of **an anti-rheumatic agent D2E7** (generic name: adalimumab, fully human anti TNF-alpha monoclonal antibody) has been started in Japan for Crohn's disease.

- A Phase II/III study of **E0302** (generic name: mecobalamine) for Amytrophic Lateral Sclerosis (ALS) has been initiated in Japan.
- ***Aricept*** received approval in the U.S. for the treatment of severe Alzheimer's disease in October 2006. The application was also filed in Europe in May 2006 through the mutual recognition procedure, which was withdrawn by the Company in April, 2007. The possibility for reapplication will be investigated after discussing with the MHRA.

development & promotion agreement was revised in February, 2007. In the revised agreement, Eisai's regional subsidiaries will purchase products from the Abbott's regional subsidiaries as the distributor in the regions, and both companies will co-promote the product under the same brand name. Eisai has started sales of the drug in both countries since April, 2007.

- **The acquisition of Morphoteck Inc.,** a U.S. biopharmaceutical company that specializes in antibody research & development announced in March 2007 was completed by Eisai Corporation of North America in April 2007. Morphotek Inc. develops the therapeutic antibodies through the use of its

Production Facility Expansion

- With the objective of achieving a stable and consistent supply of ***Aricept*** and ***Aciphex/Pariet*** to meet increasing global demand, the Company strives to renew or expand related production facilities.
- In November 2006, **Eisai Inc. in the U.S. broke ground at the North Carolina Plant for construction of a new oncology production facility**. The new facility will comprise of aseptic processing suites, laboratories and other support functions.
- A European manufacturing subsidiary **Eisai Manufacturing Ltd. was established in the Knowledge Creation Center in Hatfield, Hartford,** a

set forth in the long-term plan.

- In July 2006, the Kashima Plant in Ibaraki prefecture received an award from the Minister of Health, Labour and Welfare for its long-term efforts to promote safety and health in the work environment.
- In April 2006, Eisai's Kawashima Industrial Complex was recognized as a SEGES (Social and Environmental Green Evaluation System) by the urban greenery foundation due to our commitment to maintain forestland at the site and in the regional ecosystem.
- The Company has published an “Environmental and Social Report 2006” describing the management system for dealing with environmental and occupational health and safety issues and related achievements.

(4) **Outlook for the fiscal year 2007 (From April 1, 2007 to March 31, 2008)**

[Forecast on consolidated results]

	Interim	Percent change	Ending	Percent change
Net sales	¥350,000 million	9.6%	¥720,000 million	6.8%
Operating income	¥52,000 million	4.7%	¥112,000 million	6.4%
Ordinary income	¥53,500 million	3.4%	¥115,000 million	4.1%
Net income	¥35,000 million	7.7%	¥75,000 million	6.2%

Percentage increase compares corresponding period of the previous year.

Prospected net income per share: (Interim)¥123.18, (Ending)¥263.26

(Assumptions) US$1=¥115, 1 Euro =¥150, 1 Sterling Pound =¥220

<Net Sales>

- Though our circumstances remain difficult because of world-wide medical expenses reduction and increased competition, we expect increased sales contributed by further expansion of *Aricept* and *Aciphex/Pariet* throughout the world and four oncology products acquired by Ligand Pharmaceuticals.
- We forecast ¥284,000 million sales in *Aricept* and ¥179,500 million in *Aciphex/Pariet*.

<Income>

- We also envision an increase in profits, building upon improvement in cost-to-sales ratio and efficiency in managerial resources in spite of proactive investment in R&D on a continuous basis.

[Forecast on non-consolidated results]

	Interim	Percent change	Ending	Percent change
Net sales	¥190,000 million	11.7%	¥382,000 million	8.6%
Operating income	¥35,500 million			

2) Financial conditions for the period

[Assets etc.]

¸ Total assets at the end of the period under review stood at ¥792,114 million, an increase of ¥44,882 million from the end of the previous year. Notes and accounts receivable-trade, intangible assets and deferred tax assets were

[Trends in Financial Indicators]

	Year ended March 2003	Year ended March 2004	Year ended March 2005	Year ended March 2006	Year ended March 2007
(Equity- Minority interests - Stock acquisition rights) /Total assets ratio (%)	65.6	68.1	69.4	69.5	69.7
Market Cap. Ratio (%)	107.7	131.8	157.0	196.3	202.7
Debt repayment term (years)	0.04	0.03	0.06	0.03	0.03
Interest coverage ratio	489.6	1,040.6	856.3	1,922.7	796.8

(Note) Calculation method of each indicator in the above table is as follows:

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

*Market Cap. Ratio: market capitalization (the stock price at the end of the period x number of shares outstanding at the end of the period after deduction of treasury stock) / total assets

*Debt repayment term: interest-bearing debt (bonds payable, loans payable, agent deposits payable) / operating cash flow

*Interest coverage ratio: operating cash flow / interest payments (interests paid)

3) Basic policy on profit appropriation and dividend for current and next period

Eisai is a company with a committee system and dividends out of surplus is specified as a matter to be resolved at the board meeting in the Company's Articles of Incorporation, to facilitate a flexible dividend policy.

Eisai is devoted to providing sustainable and stable dividends based on the consolidated financial performance along with dividend on equity. Purchase of treasury stock is to be conducted flexibly at an appropriate time. Furthermore, the internal reserve fund shall be allocated to enhance R&D activities and reinforce business infrastructure with an eye to increasing corporate value. We aim for an 8% level of DOE as a mid-term target.

In connection with the dividend payout, Eisai intends to set the fiscal year-end dividend at ¥65 per share (an increase of ¥15 per share over the previous year), resulting in an annual dividend of ¥120 per share (an increase of ¥30 per share over the previous year) combined with the interim dividend of ¥55 per share.

In this context, the dividend payout ratio and dividends on equity ratio (DOE) were 48.4% and 6.4%, respectively.

Eisai acquired 200 million shares of treasury stock (acquisition cost: ¥11,060 million) on August 30, 2006 for improvement in capital efficiency and implementing of capital policies.

Annual dividend is expected to be ¥130 per share (¥65 for interim and ¥65 for year-end dividend), an increase of ¥10 from the current year. Dividend payout ratio and dividends on equity ratio (DOE) for the next period are expected to be 49.4% and 6.5%, respectively.

4) Forecast and risk factors

influence on the business results. Furthermore, expected profits may not be achieved because of uncertainties associated with such activities as product acquisition/licensing.

¸ Influence by trends in medical expenses control

In Japan, the government enforces price revisions for ethical drugs in every two years as part of its efforts to control medical expenses. Efforts for reducing drug prices are increasing year by year in foreign countries including Europe, the U.S. and Asia. Such efforts of expense control are one of the factors that may lead to a drop in sales.

¸ Competitions and lawsuits with generic products

Pharmaceutical patents have restrictions of the terms. Frequently, generic makers launch generic products on the expiration of a patent for the original drug. Having less cost for development, such generic products are usually priced lower than the original products and hence those generic products may have a significant impact on the market share. Additionally, in foreign countries like the U.S., an application for a generic product is accepted even during the patent term. As for our own products, applications for generics of *Aciphex* and *Aricept* have been filed in the U.S. under the Hatch-Waxman Act. Although we have filed patent infringement suits against these products, the results may have a great impact on our business results.

¸ Risks related to intellectual properties

In case of dismissal of a patent application, an invalidation trial after approval for a patent or failure to protect the obtained patent properly, these factors can lead to the market entry of competitors earlier than expected, which may decrease our sales.

¸ Risks of occurrences of side effects

If a product is found to have any serious side effect, we may take such measures as suspending product prescription or conducting a product recall. These actions can lead to an increase in costs of investigation and communication of the information on the side effects as well as for recalling the products.

¸ Risks regarding regulations

Because the pharmaceutical business is related to various controls including pharmaceutical regulations and product liability, enactment of a law or changes in the regulations may have a great impact on our business results. The Company has risks for product recall, cancellation of an approval and licenses or liability claims in the event where regulatory nonconformity is found in our product.

¸ Risks relating to lawsuits

Results of pending or future lawsuits may have a significant effect on our business results. Currently, the Company is in litigation concerning price and sales promotion of bulk synthetic Vitamin E products.

¸ Plant closure/shutdown

The Company may close or shutdown its plants due to technical problems, raw material shortage, fire, earthquakes and other natural disasters. In such cases, the provision of products may become difficult, which may lead to a significant influence on our business results.

¸ Risks concerning the safety of raw materials

If there is any concern over the safety of raw materials, the Company may take actions such as changing the materials, conducting a recall or suspending sales, which may have a great influence on our business results.

¸ Risks associated with outsourcing

The Company is outsourcing part of its operations such as research and production to other companies. When provision of the commissioned business from outside companies is disturbed due to a shutdown of any of the subcontractors for some reason, there may be an influence on our business results.

¸ Environmental risks

In case a serious environmental pollution event is reported in any of our own business offices, the Company may be subject to follow closure of the office in question or any other proceedings required by certain regulations. Furthermore, the costs required for assuming the compensation liability for the

neighboring region and improving the environment may greatly affect our business results.

¸ Risks concerning IT security and information management

Since the Company makes full use of various IT systems for business, our operations can be disturbed due to such external factors as inefficient systems and computer viruses. In addition, the Company may have risks of technical accidents that involve personal information leakage out of the Company, which may incur a considerable damage on the Company's social reputation and business results.

¸ Risks related to credit situation and currency movement

As the Company holds marketable stocks, unfavorable events such as loss on sales and decreased evaluation of the shares may occur due to the general unfavorable condition of the stock market. In addition, an increase in retirement benefits due to changes in interest rate may have an influence on our business results. Furthermore, foreign exchange fluctuation has an effect in converting the sales of consolidated subsidiaries which account for half of the consolidated net sales. Foreign exchange fluctuation also makes an impact on the business results in export and import transactions.

2. Business Flows Within the Group

The Group consists of Eisai Co., Ltd. (hereinafter referred to as 'the Parent Company'), 45 consolidated subsidiaries and 1 associated company accounted for by the Equity Method. The diagram below shows the principal operations and flows within the Group.

[Japan]
<Pharmaceuticals Segment>

* Sanko Junyaku Co., Ltd.
(Diagnostics Prod./Sales)

Products

* Sannova Co., Ltd.
(Pharma Prod./Sales)

Products

* Elmed Eisai Co., Ltd.
(Pharma Sales)

Research

* KAN Research Institute, Inc.
(Basic Research)

Bulk

Research

Research

* Eisai R&D Management Co., Ltd

E

[Overseas]
<Pharmaceuticals Segment>

North America

* Eisai Corporation of North America
(U.S. Regional Headquarters/Holding Company)

* Eisai Inc. (Pharma Prod./Sales)

* Eisai Research Institute of Boston Inc.
(Basic Research)

* Eisai Medical Research Inc.(Clinical Research)

*Other --- 1

(Total 5 companies)

Affiliated Companies

(Consolidated Subsidiaries) (As of March 31, 2007)

Company Name	Location	Common Stock		Voting Rights	Description of Operations	Relationship/Operations	Note
Sanko Junyaku Co., Ltd.	Tokyo	¥5,262	million	50.89%	Diagnostic product production/sales	-	*3,4
Sannova Co., Ltd.					Pharmaceutical production/sales	(E) Pharmaceutical product purchase	*4
Elmed Eisai Co., Ltd.	Tokyo	¥450	million	100.00%	Pharmaceutical sales	-	
Eisai Food & Chemicals							

Eisai (Thailand) Marketing Co., Ltd.	Bangkok, Thailand	11,000	Baht	49.90% (49.90%)	Pharmaceutical production/sales	(E) Pharmaceutical sales	*2,8
Eisai Taiwan Inc.	Taipei, Taiwan	270,000	NT$	100.00%	Pharmaceutical production/sales	(E) Pharmaceutical sales	
	Hong Kong, China	500	HK$	100.00% (10.00%)	Pharmaceutical sales	(E) Pharmaceutical sales	*2
Eisai Korea Inc.	Seoul, Korea	3,512,000	Won	100.00%	Pharmaceutical sales	-	
HI-Eisai Pharmaceutical Inc.	Manila, Philippines	45,000	Peso	50.00% (1.45%)	Pharmaceutical production/ sales	(E) Pharmaceutical sales	*2,8
Eisai Pharmaceuticals India Pte. Ltd.	Maharashtra, India	100,000	Rupee	100.00% (1.00%)	Pharmaceutical production/ sales	(E) Food additives/chemicals sales	*2
Eisai Pharmatechnology & Manufacturing Pte. Ltd.	Andhra Pradesh, India	4,000	Rupee	100.00% (2.00%)	Pharmaceutical	-	*2,5
Eisai Australia Pty. Ltd	Sydney, Australia	1,000	A$	100.00%	Pharmaceutical	-	

(Associated Companies Accounted for by Equity Method) (As of March 31, 2007)

Company Name	Location	Common Stock (Unit: thousands)		Voting Rights	Description of Operations	Relationship/Operations	Note
Bracco-Eisai Co., Ltd.	Tokyo	340,000	Yen	49.00%	Contrast media import/ production/sales	(E) Contrast media purchase	

*(E) indicates Eisai Co., Ltd.

Notes: *1. Description of Operations' column lists by type of operation segment.

*2. Voting rights (%) ownership: Figures in parenthesis represent percentage indirectly owned by the Parent Company.

*3. Sanko Junyaku is a listed company on JASDAQ. Eisai and Sanko Junyaku agreed that Eisai would make Sankojunyaku its wholly-owned subsidiary through a share exchange on April 26, 2007. The transaction will be in effect as of October 1, 2007.

Sales	¥305,639 mil.
Operating income	¥27,063 mil.
Ordinary income	¥30,246 mil.
Net income	¥19,287 mil.
Equity	¥74,295 mil.
Total assets	¥186,208 mil.

*10. Eisai established MAB Acquisition Corporation (MAC) in the U.S. in March 2007. MAC merged with Morphotek (US) in April with Morphotek being the surviving company.

3. Management Policy

1) Basic policy of management

The Eisai Group (hereinafter referred to as the “Company”) defines its mission as “to give first thought to patients and their families and to increase the benefits healthcare provides.” Consistent with this corporate philosophy, all Eisai Group members aspire to consistently exemplify a *“human health care* (*hhc*) company,” which is capable of making a meaningful contribution under any healthcare system through meeting the various needs of global healthcare. We codified this basic concept into the bylaws to share it with shareholders.

In order to act on this policy, we are committed to further expand the trustworthy relationships with our principal stakeholders including patients, customers, shareholders, and employees and promote compliance while always observing laws and ethical standards, thereby enhancing corporate value.

2) Management strategies and issues that need to be addressed

The business environment surrounding the pharmaceutical industry has been increasingly pressured and is set for great change, as represented by the accelerating healthcare cost-containment measures in Japan, the U.S., Europe

have not been discovered and raising quality of life of patients", "ensuring a stable supply of quality products" and "provision of information for safe and proper usage of drugs".

a) Further concentration in the R&D area

By further advancing the concept of focused R&D activities, the Company will continuously endeavor to discover pharmaceutical products in neurology and oncology – areas where adequate treatments have frequently not been established – that are superior in terms of efficacy, safety and economy.

In neurology, we aim to discover new therapeutic agents for

c) Enhancement of global R&D management ability
One of the most important tasks in

a) Sustainable growth through enhancement of the business foundation

Eisai's business activities are relying on the key strategic bases located in each of the worldwide markets including Japan, the U.S., Europe, and Asia, centralizing the core business functions such as planning, marketing, legal, business development or human resource at each locations. In particular, the Company is emphasizing Europe, with a new strategic base being constructed in U.K., as well as new representative offices in the countries within the enlarged EU, taking into account further growth of its leading products such as Aricept for the Alzheimer's disease treatment, and Pariet (U.S. brand name: Aciphex), the proton pump inhibitor.

Furthermore, aided in part by the oncology product acquisition as well as the acquisition of the biopharmaceutical company with an expertise in biologics field, we are seeking growth through the development of our oncology business, which will support and allow us to prepare for the launch of anticancer compounds that are in our pipeline.

The Company plans to invest resources in R&D activities and strategic alliances in order to strengthen our therapeutic focus areas and achieve sustainable growth.

b) Strategic entry into new market

In addition to Japan, the U.S., Europe, the Company is implementing a plan for strategic market development in India, in hope of utilization of high

corporate value as well as shareholder value. The Company is committed to making efforts to make systems to improve information disclosure to our shareholders.

(3) Creation of “employee value”

The Company believes that employees are the only stakeholders that can solely and directly enhance corporate value. We also seek an environment where all employees share the corporate vision and are motivated to drive the realization of that philosophy through daily business activities. To that end, we consider the key component of our human resource management is to be the encouragement of employee skill development in order to provide a rewarding working environment for employees, taking each individual’s strengths and will into account.

a) Employee skill and career development

Eisai provides programs that enable each of its employees to voluntarily achieve personal growth to encourage innovation. In order to support the acquisition of knowledge and skills necessary for work, we offer scholarship programs for business/law schools and other outside short-term training courses according to the needs of each of the countries in which Eisai operates.

Furthermore, we have established the Global Human Resource Management Section, a department dedicated to the global human resource management strategy. Eisai proactively undertakes efforts to ensure the global career development of employees—through the construction of a system for international exchange of personnel as well as making available leadership training tools.

b) Facilitation of the environment for greater employee satisfaction

The Company is committed to facilitate the environment for a greater satisfaction of its employees. To encourage the employees to pursue the corporate mission, such environment is based on the two policies, to ensure equal opportunities for recruitment/promotion/staffing/skill development as well as to maintain a compensation level that is correlated with the individual contribution to the value creation of the Company.

To allow individuals to maximize capabilities in their area of responsibility as well as maintain work life balance, the Company proactively provides various options for employees with respect to their life needs including providing child care support. Safety Inspections are scheduled and conducted regularly in order to improve the work environment and ensure the health and safety of our employees.

In addition, a health insurance program is provided through the Eisai Health Insurance Union as is a corporate pension program that is funded by Eisai Co., Ltd. The Group companies also offers benefit packages that are tailored to employees in each of the countries and regions where we do business.

(4) Fulfillment of corporate social responsibilities
The Company regards fulfillment of its co

officer.

The compliance programs at the Eisai group companies are conducted with the compliance officers appointed at each company. A regional meeting is organized regularly at the Company's regional headquarters in Japan, the U.S., Europe and Asia, where the officers in the region meet and discuss the issues in promoting compliance at each group company.

Furthermore, the Company develops various tools for promoting compliance within the Company such as a Compliance Handbook and "Compliance Card", a portable card with the contact information for compliance consulting. The Compliance Handbook, which lists the Company's Compliance Charter as well as the guidelines of conduct, has been revised periodically and is available in eleven different languages (the forth edition). In addition, we are providing periodic compliance training opportunities for all officers and employees as well as online education program for promoting compliance.

Furthermore, an in-house/independent compliance consulting service is available through Eisai Co., Ltd. for the prevention and early resolution of risks. Meanwhile, an in-house compliance consulting service is available at the Eisai group companies allowing easier access for the employees in the group companies.

c) Environmental protection

3) Basic policy of corporate governance and structure

Eisai group is committed to the sustainable operation of the Company through realization of the hhc mission, which will contribute to the long-term enhancement of shareholders' value. Based on the recognition that corporate governance is of paramount importance in pursuing this mission, Eisai works on the improvement of its corporate governance structure and programs to promote the corporate governance.

Eisai is a company with committees system where the functions of supervision and operation are clearly independent. The Board of Directors focuses on management by delegating business decision-making extensively to officers in accordance with laws and the bylaws.

In order to oversee the Company's operations objectively and equitably from the shareholders' and stakeholders' perspectives, the half of the members of the Board of Directors is selected from the outside directors. In addition, the role of the Board Chairperson is fully separated from the President & CEO, while the Board of Chairperson is selected from the outside directors. The President & CEO is the only post who alone holds the concurrent post of director.

The outside directors are selected based on certain standards abide by law as well as on the criteria ensuring corporate independence which was resolved by the Company's Nominating Committee for outside. All members of both the Nominating Committee and the Compensation Committee are composed of outside directors. The Audit Committee consists of a majority of outside directors and the internal directors with a good understanding of the Company's operations, with an outside director also takes the responsibility of the chair.

The Company has established Independent Committee of Outside Directors that is independent of management. This committee proactively operates the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders", while occasionally reviews and makes necessary amendments to the policy.

In the meeting of held after the 94th Annual Investors Meeting on June 23, 2006, the member of the Independent Committee of Outside Directors expressed in favor of the continuous employment of this policy, which was resolved later in the Board of Directors meeting in July 31, 2006.

Furthermore, in the Independent Committee of Outside Directors held on March 29, 2007, the policy was approved oe6pp and

4. CONSOLIDATED FINANCIAL STATEMENTS
1-1) CONSOLIDATE BALANCE SHEET (ASSETS)

	Note			(%)			(%)	Increase/ (Decrease) (Millions of Yen)
ASSETS								
I. Current assets:								
1. Cash and cash in banks			74,163			89,775		
2. Notes and accounts receivable-trade	*5		148,720			162,172		
3. Short-term investments			120,021			90,279		
4. Inventories			44,949			52,757		
5. Deferred tax assets			29,272			33,219		
6. Other			15,806			13,358		
7. Allowance for doubtful receivables			(333)			(352)		
Total current assets			432,601	57.9		441,210	55.7	8,608
II. Fixed assets:								
1. Property, plant and equipment								
(1) Buildings and structures		151,030			161,462			
Accumulated depreciation	*4	84,315	66,715		87,040	74,421		
(2) Machinery, equipment and vehicles		99,573			103,398			
Accumulated depreciation	*4	74,108	25,464		78,813	24,585		
(3) Land			17,052			18,048		
(4) Construction in progress			9,300			4,894		
(5) Other		41,705			44,372			
Accumulated depreciation	*4	31,556	10,149		32,480	11,891		
Total property, plant and equipment			128,682	17.2		133,842	16.9	5,159
2. Intangible assets								
(1) Sales rights						45,986		
(2) Other						16,603		
Total intangible assets			43,206	5.8		62,589	7.9	19,383
3. Investments and other assets								
(1) Investment securities	*1		105,452			111,855		
(2) Long-term loans receivable			61			16		
(3) Deferred tax assets			27,612			32,586		
(4) Other	*1		10,393			10,714		
(5) Allowance for doubtful accounts			(779)			(701)		
Total investments and other assets			142,741	19.1		154,471	19.5	11,730
Total fixed assets			314,630	42.1		350,904	44.3	36,273
Total assets								

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

2) CONSOLIDATED STATEMENTS OF INCOME

	Note			(%)			(%)	Increase/ (Decrease) (Millions of Yen)
			601,252	100.0		674,111	100.0	72,859
	*1		104,509	17.4		109,367	16.2	4,857
			496,743	82.6		564,744	83.8	68,001
			(6)	(0.0)		(64)	(0.0)	(58)
			496,749	82.6		564,809	83.8	68,059
	*1	93,249		(15.5)	108,296		(16.1)	
		307,795	401,044	66.7	351,249	459,545	68.2	58,500
			95,704	15.9		105,263	15.6	9,558
1. Interest income		3,352			5,120			
		582			966			
3. Foreign exchange gain		586						
4. Gain on sales of short-term investments		2						
		56						
		25			15			
		426	5,031	0.8	515	6,617	1.0	1,585
		79			65			
2. Foreign Exchange Loss					729			
3. Sales discount		217			254			

3) STATEMENTS OF CAPITAL SURPLUS AND RETAINED EARNINGS AND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Statements of Capital Surplus and Retained Earnings

	April 1, 2005 – March 31, 2006	
Account Title	(Millions of Yen)	
Capital surplus		
I. Capital surplus reserve at beginning		55,222
II. Capital surplus at end		55,222
Retained earnings		
I. Retained earnings at beginning		387,077
II. Increase in retained earnings		
1 Net income		63,410
III. Decrease in retained earnings		
1 Dividends	21,435	
2 Loss on disposal of treasury stock	27	21,462
IV. Retained earnings at end		429,025

Consolidated Statement of Changes in Equity (April 1, 2006 to March 31, 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 at the end of prior year											

*2

VI. Cash and cash equivalents at beginning of period
VII. Cash and cash equivalents at end of perio

BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007

(b) Derivatives:
Stated at fair value

(c) Inventories:

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
To prepare for possible sales return losses incurred after the balance sheet date, the reserve is provided at an amount calculated by multiplying the amount of trade receivables at the balance sheet date by the average of return ratio of goods sold over the previous two fiscal years and the profit ratio of the period. ii) Reserve for disposal of goods returns: To prepare for possible losses on disposal of goods returned after the balance sheet date, the reserve is provided at an amount calculated by multiplying the amount of trade receivables trade at the balance sheet date by the average of returns ratio of goods sold and the average disposal ratio of goods returned over the previous two fiscal years. (d) Liability for retirement benefits: To cover retirement benefits to the employees, the Parent Company and certain consolidated subsidiaries provide for liability for the retirement benefits at an amount to be prepared as of the balance sheet date, which is derived from the projected benefit obligations and estimated plan assets at the end of the period. The unrecognized prior service costs of the Parent [(Comcthe)ible dibtc5 0 -1.23444Se average	

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
(7) Other basis of presenting consolidated financial statements: Accounting for consumption tax: Consumption taxes and local consumption taxes are excluded from revenues and expenses.	(7) Other basis of presenting consolidated financial statements: Accounting for consumption tax: Same as the left
5. Valuation of Assets and Liabilities of Subsidiaries: The assets and liabilities of the subsidiaries are valued using the full mark-to-market method.	5. Valuation of Assets and Liabilities of Subsidiaries: Same as the left
6. _____	6. Amortization of Goodwill and Negative Goodwill: Goodwill and negative goodwill are amortized on a straight-line basis over five years. Goodwill of a part of overseas subsidiaries is amortized under the accounting standard in each country.
7. Amortization of Consolidated Adjustment Account: Consolidated adjustment account is amortized on a straight-line basis over five years.	7. _____
8. Treatment for Appropriations of Retained Earnings: In the statement of capital surplus & retained earnings, the appropriations of retained earnings of consolidated companies are determined based on the appropriations of retained earnings which have been confirmed within the period.	8. _____
9. Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows: Cash and cash equivalents in the consolidated statements of cash flows comprise cash on hand, demand deposits, and short-term investments that are readily convertible into cash, that are exposed to insignificant risk of changes in value, all of which mature or become due within three months from the date from acquisition.	9. Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows: Same as the left

ACCOUNTING CHANGES

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
(Standard for asset impairment accounting) The Accounting Standard for Impairment of Long-Lived Assets (Statement of Opinion, Accounting for Impairment of Long-Lived Assets [the Business Accounting Council issued on August 9, 2002]) and Guidance for Accounting Standard for Impairment of Long-Lived Assets (the Accounting Standards Board of Japan Guidance No.6 issued on October 31, 2003) are applied. The effect of the adoption of these standards was to decrease the income before income taxes and minority interests by ¥190 million. In accordance with the modification of the Regulations Concerning Consolidated Financial Statements, the amount of the accumulated impairment losses on land and intangible assets are directly deducted from the balances of related fixed assets, while those on other assets are included in the accumulated depreciation account. The impacts on profits of business segment are stated	

CHANGES IN REPRESENTATION

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
(Consolidated Statements of Income) 1. As the amount of “Gain on sales of investment securities,” separately treated and presented in an independent account title in the previous period, was ¥4 million in the period, accounting for below 10% of total special gain, it was included in “Other special gain.”	
2. As the amount of “Reversal of provision for doubtful accounts,” included in “Other special gain” in the previous period, exceeded 10% of total special gain in the period, it was separately treated and presented in an independent account title. The reported amount as “Reversal of	

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NOTES TO CONSOLIDATED BALANCE SHEET

March 31, 2006	March 31, 2007
*1. Notes related to subsidiaries and associated companies: Account titles and amounts of investments in associated companies: Investment securities (stocks) ¥353 mil. Other assets in investments and other assets ¥1 mil.	
*2. Contingent liabilities: The Parent Company cosigns following debts:	

NOTES TO THE CONSOLIDATED STATEMENTS OF INCOME

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007

*1. Total research and development expenses included in general and administrative expenses and manufacturing costs for the period:
General and administrative expenses ¥93,249 mil.
Manufacturing costs ¥- mil.

*2. The main content of gain on sales of fixed assets is as follows:
Land ¥64 mil.

*3. The main contents of loss on disposal of fixed assets are as follows:
Buildings and structures ¥435 mil.
Machinery, equipment and vehicle ¥210 mil.
Others (Tools, furniture and fixtures) ¥110 mil.

*4. Loss on impairment of long-lived assets
The consolidated group classifies its business property to be held and used for business operations into asset groups on the basis of business segments whose profitability the consolidated group is consistently monitoring. In addition, lease assets, idle assets and sales rights are grouped individually. For the period, the consolidated group booked an impairment loss on the following asset groups:

Function	Asset Type	Status
Business properties	Machinery, Equipment and vehicles, Intangible assets (Software), and other	Toshima-ku Tokyo
Leased assets	Property, plant and equipment (Other)	Chiyoda-ku Tokyo
Idle assets	Land	Kamiishizu-cho (Ogaki-shi) Gifu and other

As the business properties and the lease assets decreased in profitability and the future cash flow was less than the carrying amount, a loss on impairment of long-lived assets has been recognized by write-down of their carrying amount to a recoverable amount.
As the Idle assets significantly decreased in market

*1. Total research and development expenses included in gener /P AMCID 40 B2 0.48 36.54 ref- 0.48 36.5

value, a loss on impairment has been recognized by write-down of the book value to a recoverable amount as well.
The total loss on impairment of long-lived assets for the period amounted to ¥ 245 million. The contents of impairment are software of ¥ 85 millions, land of ¥ 64 millions and others.

NOTES TO THE STATEMENTS OF CHANGES IN EQUITY

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007

5) Segment Information

1. Business Segment Information

(1) For the fiscal year ended March 31, 2006 (Millions of Yen)

	Pharma-ceuticals	Others	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income/loss					
(1) Sales to external customers	579,812	21,440	601,252	–	601,252
(2) Intersegment sales	186	17,458	17,645	(17,645)	–
Total sales	579,998	38,899	618,897	(17,645)	601,252
Operating expenses	481,621	36,533	518,155	(12,607)	505,547
Operating income	98,376	2,365	100,742	(5,037)	95,704

For the year ended March 31, 2006: ¥5,052 million
For the year ended March 31, 2007: ¥4,525 million

(4) Corporate assets included in eliminations and corporate consist mainly of surplus operating capital (cash and cash in bank and marketable securities), long-term investments (investment securities) and administrative capital.

For the year ended March 31, 2006: ¥168,474 million
For the year ended March 31, 2007: ¥109,487 million

(5) Accelerated expenses of property, plant and equipment is not included in depreciation.

2. Geographical Segment Information

(1) For the fiscal year ended March 31, 2006 (Millions of Yen)

	Japan	North America	Europe	Asia and Others	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income/loss							
(1) Sales to external customers	285,058	253,075	45,504	17,613	601,252	–	601,252
(2) Intersegment sales	74,322	30,574	10,377	3	115,277	(115,277)	–
Total sales	359,380	283,649	55,882	17,617	716,530	(115,277)	601,252
Operating expenses	285,217	261,162	51,246	14,834	612,460	(106,913)	505,547
Operating income	74,163	22,487	4,635	2,782	104,069	(8,364)	95,704
II. Assets	431,473	168,490	39,927	18,494	658,385	88,845	747,231

(2) For the fiscal year ended March 31, 2007 (Millions of Yen)

	Japan	North America	Europe	Asia and Others	Total	Eliminations and Corporate	Consolidated
I. Net sales and operating income/loss							
(1) Sales to external customers	292,222	303,411	54,774	23,703	674,111	–	674,111
(2) Intersegment sales	86,303	36,896	18,302	10	141,513	(141,513)	–
Total sales	378,526	340,307	73,077	23,714	815,625	(141,513)	674,111
Operating expenses	305,723	311,545	69,017	19,693	705,980	(137,131)	568,848
Operating income	72,802	28,761	4,059	4,021	109,644	(4,381)	105,263
II. Assets	489,912	221,123	57,427	23,516	791,979	134	792,114

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

(2) Major areas and countries included in each category:
-North America: The United States and Canada
-Europe: The United Kingdom, France, Germany, etc.
-Asia and Others: East57.17o South-

3. Overseas Sales

(1) For the period ended March 31, 2006 (Millions of Yen)

	North America	Europe	Asia and Others	Total
1. Overseas sales	262,260	61,717	19,920	343,898
2. Consolidated sales				601,252
3. Share of overseas sales	43.6%	10.3%	3.3%	57.2%

(2) For the period ended March 31, 2007 (Millions of Yen)

	North America	Europe	Asia and Others	Total
1. Overseas sales	312,005	72,218	26,541	410,765

2. Consolidat.72Tf360.l8 0 0 10.98 56.7 590.1204 Tm(2. Consolidat.72Tf360.l85 BD0 0 .96 601.82 0.72 15(66.

6) LEASE TRANSACTIONS

April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007

(Lessee)

1. Finance leases other than those that deem to transfer ownership of the leased property to the lessee

(1) Acquisition cost, Accumulated depreciation, Accumulated loss on impairment of long-lived assets, Net leased property:

(Millions of Yen)

	Acquisition cost	Accumulated depreciation	Accumulated loss on

April 1, 2005 – March 31, 2006		April 1, 2006 – March 31, 2007	
2. Minimum lease payments under non-cancelable operating leases:		2. Minimum lease payments under non-cancelable operating leases:	
Due within one year	¥1,239 mil.	Due within one year	¥2,204 mil.
Due over one year	¥3,149 mil.	Due over one year	¥13,790 mil.
Total	¥4,388 mil.	Total	¥15,994 mil.

April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007

(Lessor)

1. Finance leases other than those under which ownership is transferred to the lessee:

(1) Acquisition cost, Accumulated depreciation, Accumulated loss on impairment of long-lived assets, and Net leased property:

(Millions of Yen)

	Acquisit-ion cost	Accumulated depreciation	Net leased property
Others (Tools, furniture, and fixtures)	18	9	9
Total:	18	9	9

(2)Unearned lease income under financial leases:

Due within one year	¥2 mil.
Due over one year	¥9 mil.
Total	¥104803 Tm(Total)Tj15 0h222222Ytn15l(within)223(one S7.2aa77.(o

7) TRANSACTIONS WITH RELATED PARTIES

April 1, 2005 – March 31, 2006

(1) Directors and main individual shareholders

Attribution	Director	Director	Director
Name			

8) INCOME TAXES

April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007

1. Description of main items by which deferred tax assets and liabilities were calculated.

(1) Current assets:

Deferred tax assets	(Millions of Yen)
Entrusted R&D expenses	¥9,134
Reserve for sales rebates	6,454
Unrealized profits on inventories	5,946
Accrued bonuses	3,971
Other	6,357

April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007
Expenses not permanently deductible for income tax purposes, such as entertainment expense 1.9	
Income not permanently taxable for income	

9) SECURITIES

(1) MARKET VALUE OF HELD-TO-MATURITY SECURITIES

(Millions of Yen)

	Fiscal year ended Mar-31-2006			Fiscal year ended Mar-31-2007		
Carrying amounts below fair value	Carrying amounts	Fair value	Unrealized gain	Carrying amounts	Fair value	Unrealized gain
1. Government and municipal bonds, etc.	–	–	–	–	–	–
2. Corporate bonds	6,203	6,212	9	494	500	5
3. Other	16,196	16,197	0	11,998	12,063	65
Sub-total	22,400	22,410	10	12,492	12,563	71
Carrying amounts exceeding fair value	Carrying amount	Fair value	Unrealized loss	Carrying amount	Fair value	Unrealized loss
1. Government and municipal bonds, etc.	1	1	–	7 4 , 0 1 1		
2. Corporate bonds	27,813	27,159	(653)			
3. Other	23,796	23,777	(19)			
		7 3 , 3 4 8	(662)	35,273	35,046	(226)

(2) MARKET VALUE OF AVAILABLE-FOR-SALE SECURITIES

(Millions of Yen)

	Fiscal year ended Mar-31-2006			Fiscal year ended Mar-31-2007		
Carrying amounts exceeding acquisition cost	Acquisition Cost	Carrying amount	Unrealized gain	Acquisition Cost	Carrying amount	Unrealized gain
1. Stocks	28,820	63,501	34,680	38,303	72,591	34,287
2. Bonds	–	–	–	–	–	–
Government and municipal bonds, etc.	–	–	–	–	–	–
Corporate bonds	–	–	–	–	–	–
3. Other	976	988	11	214	227	13
Sub-total	29,797	64,489	34,692	38,517	72,818	34,300
Carrying amounts below acquisition cost	Acquisition Cost	Carrying amounts	Unrealized loss	Acquisition Cost	Carrying amounts	Unrealized loss
1. Stocks	0	0	(0)	4,916	4,473	(443)
2. Bonds	–	–	–	–	–	–
Government and municipal bonds, etc.	–	–	–	–	–	–
Corporate bonds	–	–	–	–	–	–
3. Other	4,469	4,419	(50)	1,057	1,041	(16)
Sub-total	4,470	4,419	(50)	5,973	5,514	(459)
TOTAL	34,267	68,909	34,641	44,491	78,332	33,840

Notes:

There was no impairment of available-for-sale securities with market value for the period ended March 31, 2007.

(Loss on Impairment for the period ended March 31, 2006 was ¥0 million.)

Impairment of securities is recognized when the market value at end of period becomes less than half of the carrying amounts at beginning other than the case when the market value is recoverable. The loss is also recognized when the decline in value at end is between 30% and 50% of the carrying amount at beginning considering the transition of market price and the fair value at end.

(3) OTHER MARKETABLE SECURITIES SOLD DURING THE FISCAL YEAR PERIOD

(Millions of Yen)

April 1, 2005 – March 31, 2006			April 1, 2006 – March 31, 2007		
Sales amount	Gain on sales	Loss on sales	Sales amount	Gain on sales	Loss on sales
143	5	0	2,293	1,657	0

(4) HELD-TO-MATURITY SECURITIES AND AVAILABLE-FOR-SALE SECURITIES OF WHICH FAIR VALUE IS NOT READILY DETERMINABLE

(Millions of Yen)

	Fiscal Year Ended March 31, 2006	Fiscal Year Ended March 31, 2007
1. Held-to-Maturity Securities		
Unlisted foreign bonds	–	–
2. Available-for-sale securities		
Unlisted stocks, except OTC traded stocks	4,031	3,692
MMF, etc.	56,931	75,226
Preferred investment securities	1,000	1,000
Unlisted bonds, etc.	20,237	8,243

(5) THE CARRYING AMOUNTS OF AVAILABLE-FOR-SALE AND HELD-TO- MATURITY SECURITIES AT CONTRACTUAL MATURITIES

(Millions of Yen)

	Fiscal Year Ended Mar-31-2006				Fiscal Year Ended Mar-31-2007			
	Due within 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years	Due within 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
1. Bonds	42,382	22,527	2,101	7,000	6,591	15,339	13,292	50
Government and municipal bonds, etc.			1					
Corporate bonds	9,589	22,327	2,100		6,491			

11) PENSION PLANS AND RETIREMENT BENEFIT COSTS

April 1, 2005 - March 31, 2006	April 1, 2006 – March 31, 2007

1. Outline of pension plan:

The Parent Company:

The Parent Company adopts defined-benefit pension plan and retirement lump-sum payments. The transfer rate to the defined-benefit pension plan fund is 45%.

Additional severance payment may be made to some employees.

Consolidated subsidiaries:

Certain Japanese subsidiaries adopt a defined-benefit pension type of a joint pension plan, an approved pension scheme and retirement lump-sum payments. Certain overseas subsidiaries adopt a defined contribution plan as well as a defined-benefit plan.

Additional severance payment may be made to some employees.

2. Projected benefit obligation benefits at March 31, 2006

	(Millions of Yen)
Projected benefit obligation	(¥113,096)
Fair value of plan assets	¥103,610
Net unfunded obligation	(9,485)
Unrecognized actuarial gain	(14,284)
Unrecognized prior service cost (Note 1)	(11,808)
Liability for retirement benefits	(¥35,577)

Notes:

(Note 1) Reflects the changes of relevant regulation including the changes in guarantee period in October 2005 and the elimination of additional benefit on December 1, 2004.

(Note 2) Certain subsidiaries adopt the simple method to calculate projected benefit obligation.

3. Components of the retirement benefit costs:

	(Millions of Yen)
Service cost (Note 1)	¥4,004
Interest cost	2,900
Expected return on plan assets	(2,651)
Amortization of unrecognized net actuarial loss	6,473
Amortization of prior service cost (Note 2)	(2,893)
Contribution to defined contribution plan and others	950
Retirement benefit costs	¥8,784

Notes:

(Note 1) All retirement benefit costs of subsidiaries utilizing the simple method are included in Service cost.

1. Outline of pension plan:

The Parent Company:

Same as the left.

12) STOCK OPTION

Details and fluctuation status

(April 1, 2006 - March 31, 2007)

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

(April 1, 2006 - March 31, 2007)

Cost of goods sold, Selling, gend6t160a493d002 Tc De1.18 360.06 0.9 ref85.5 332.16 360.96.7t12 0 0ef85.5 332.16 360.9g,07)

Date of Decision	June 24, 2004	June 24, 2005	June 23, 2006	
After the right is vested				
End of the fiscal year of pre-consolidated account	238,000	262,000	-	
Right vested	-	-	254,000	
Exercise of right	38,300	-	-	
Invalidation	-	-	-	
Unexercised stock options at the end of this consolidated financial	199,700	262,000	254,000	

b) Unit Information (Unit: yen)

Date of Decision	June 29, 2000	June 28, 2001	June 27, 2002	June 24, 2003
Date of grant	September 1, 2000	August 1, 2001	July 1, 2002	July 1, 2003
Price at Execution of right	3,090	2,668	3,165	2,520
Market average at Execution of right	5,905	5,858	5,839	5,698
Fair assessed unit price (Date of u[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

13) Business Combinations

1. Acquisition of business

(1) Description of business acquisition

Name of company (transferor): Ligand Pharmaceuticals (U.S.)
Contents of acquired business: Oncology-related business including four oncology products
Reason and purpose of acquisition: To expand product line in oncology area
Date of acquisition: October 25, 2006
Legal form of acquisition: Business transfer

(2) Period for acquired business included in the consolidated financial statement.
From October 25, 2006 to March 31, 2007

(3) Description of Acquisition costs

Purchased price:	US$ 205 million
Direct costs:	US$ 2 million
Total Acquisition costs:	US$ 207 million

Eisai Inc. (U.S.) acquired the whole business in the U.S., while the Company acquired the sales rights mainly in Europe, and the purchase of each entity was financed by cash in hand.

(4) Goodwill

1) Goodwill: US$ 25 million
2) Nature of goodwill
Four oncology products acquired are expected to generate high-profitability, therefore, regarded as a strategic investment for franchise marketing in oncology area.
3) Method and useful lives of amortization
Since Eisai Inc, the acquired entity, is an U.S. company, goodwill shall not be amortized under U.S. GAAP (SFAS142 Para18).

(5) Assets received and liabilities assumed on the date of acquisition

Inventories	US$ 12 million
Property, plant and equipment	US$ 0 million
Intangible assets: sales rights	US$ 168 million
Intangible assets: goodwill	US$ 25 million
Liabilities	US$ _ million

14) PER SHARE INFORMATION

April 1, 2005 - March 31, 2006		April 1, 2006- March 31, 2007	
Book-value per share:	1,816.23 yen	Book-value per share:	1,944.41 yen
Basic earnings per share:	221.86 yen	Basic earnings per share	247.85 yen
Diluted earnings per share:	221.61 yen		

(3) Description of the acquired company

Name: Morphotek Inc. (U.S.)

Description of business: Research and Development of antibody therapeutic drugs

Financial highlights:

a) Number of employees: 45

b) Total assets: US$ 41 million

c) Net assets: US$ 26 million

d) Sales amount: US$ 0 million

e) Net loss for the current year: US$ 20 million

The figures provided in the above items are from the audited annual report for the fiscal year 2006 (from January 1 to December 31, 2006) of Morphotek Inc.

(4) Date of acquisition

April 16, 2007 (U.S. Eastern time)

(5) Description of the acquired shares

Purchased price: US$ 350 million (Excluding direct costs)

Percentage of ownership as a result of the acquisition: 100%

ECA acquired all the shares of Morphotek Inc., and owns a 100% interest after the acquisition.

(6) Financing and method of payment

ECA established MAB Acquisition Corporation as a wholly-owned subsidiary. Morphotek Inc, as a surviving company, merged with MAB Acquisition Corporation and at the same time, Morphotek Inc. paid cash as a compensation for the merger to the shareholders of Morphotek Inc. As a result of the transaction, Morphotek Inc. became a wholly owned subsidiary of ECA.

The payment to the shareholders of Morphotek Inc,was financed by capital increase provided by ECA.

(7) Ownership of interest

<At the merger>

Eisai Corporation of North America	Morphotek Inc.

16) PRODUCTION, SALES ORDER AND SALES INFORMATION

1. Results of Production

(1) Results of Production

Total	562,721	647,376

17) CONSOLIDATED STATEMENTS OF INCOME
Fourth Quarter of FY2006 (three months ended March 31, 2007)

Account Title	January 1, 2006 - March 31, 2006 (Millions of Yen)		(%)	January 1, 2007 - March 31, 2007 (Millions of Yen)		(%)	Increase/ (Decrease) (Millions of Yen)
I. Net sales		151,342	100.0		173,323	100.0	21,981
II. Cost of sales		25,852	17.1		27,389	15.8	1,537
Gross profit		125,490	82.9		145,934	84.2	20,443
Provision for sales returns-net		(18)	(0.0)		(16)	(0.0)	1
Gross profit		125,508	82.9		145,950	84.2	20,442
III. Selling, general and administrative expenses							
1. Research and development expenses	26,220		[17.3]	29,420		[17.0]	
2. Selling, general and administrative expenses	81,802	108,022	71.3	95,104	124,524	71.8	16,502
Operating income		17,486	11.6		21,426	12.4	3,939
IV. Non-operating income		1,368	0.9		1,554	0.9	186
V. Non-operating expenses		244	0.2		319	0.2	74
Ordinary income		18,610	12.3		22,661	13.1	4,051
VI. Special gain		35	0.0		1,500	0.9	1,464
VII. Special loss		3,560	2.3		1,124	0.7	(2,435)
Income before income taxes and minority interests in income		15,086	10.0		23,037	13.3	7,951
Income taxes-current	12,450			13,548			
Income taxes-deferred	(8,712)	3,737	2.5	(5,408)	8,140	4.7	4,402
Minority interests in income		94	0.1		128	0.1	34
Net income		11,254	7.4		14,768	8.5	3,514

17-2) CONSOLIDATED STATEMENTS OF CASH FLOWS
Fourth Quarter of FY2006 (three months ended March 31, 2007)

	January 1, 2006 - March 31, 2006	January 1, 2007 - March 31, 2007	Increase/ (Decrease)
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
	15,086	23,037	

(3) SEGMENT INFORMATION
Fourth Quarter of FY2005 and FY2006 (three months ended March 31)

1. Business Segment Information

(1) For the fourth quarter, ended March 31, 2006 (Millions of Yen)

	Pharma-ceuticals	Others	Total	Eliminations and Corporate	Consolidated
I. Net sales					
(1) Sales to external customers	145,767	5,575	151,342	–	151,342
(2) Intersegment sales	38	5,367	5,405	(5,405)	–

2. Geographical Segment Information

(1) For the fourth quarter, ended March 31, 2006 (Millions of Yen)

	Japan	North America	Europe	Asia and Others	Total	Eliminations and Corporate	Consolidated
I. Net sales							
(1) Sales to external customers	64,243	69,394	12,647	5,056	151,342	–	151,342
(2) Intersegment sales	20,321	9,505	3,940	0	33,768	(33,768)	–
Total sales	84,565	78,900	16,588	5,057	185,110	(33,768)	151,342
Operating expenses	74,022	72,276					

5. NON-CONSOLIDATED FINANCIAL STATEMENTS
1-1) NON-CONSOLIDATED BALANCE SHEET (ASSETS)

	Note			(%)			(%)	Increase/ (Decrease) (Millions of Yen)
ASSETS								
I. Current assets:								
1. Cash and cash in bank			48,654			43,426		
2. Notes receivable-trade	2, 5		2,879			2,952		
3. Accounts receivable-trade	2		114,443			124,040		
4. Short-term investments			59,648			8,114		
5. Merchandise			4,768			6,178		
			7,548			9,043		
7. Semi-finished goods			9,110			8,935		
8. Raw materials			3,224			5,350		
9. Work in process			383			424		
10. Supplies			1,293			1,043		
11. Deferred tax assets			13,956			16,650		
12. Short-term loans receivable	2		4,782			5,595		
13. Other	2		7,508			13,898		
Total current assets			278,201	48.6		245,655	42.8	(32,546)
II. Fixed assets:								
1. Property, plant and equipment								
(1) Buildings		109,009			107,885			
Accumulated depreciatior		63,725	45,283		65,658	42,226		
(2) Structures		8,167			7,987			
Accumulated depreciatior		5,701	2,465		5,415	2,571		
(3) Machinery and equipmen		75,405			76,616			
Accumulated depreciatior		58,937	16,467		61,897	14,719		
(4) Vehicles and delivery equipmer		368			385			
Accumulated depreciatior		273	95		310	75		
(5) Tools, furniture, and fixtures		31,457			33,589			
Accumulated depreciatior		24,247	7,209		25,418	8,171		
(6) Land			10,373			11,200		
(7) Construction in progress			794			1,386		
			82,690	14.4		80,352	14.0	(2,337)
2. Intangible assets								
(1) Patent			84			24		
(2) Software			10,795			8,891		
(3								

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

	Note		(%)			(%)	Increase/ (Decrease) (Millions of Yen)
I. Current liabilities:							
1. Notes payable-trade		128			62		
		6,762			7,551		
3. Accounts payable-other	2	23,276			26,014		
4. Accrued expenses		16,137			17,667		
5. Income tax payable		18,452			15,257		
6. Deposit received	2	8,842			9,625		
7. Reserve for sales rebates		438			376		
8. Reserve for disposal of goods returns		333			245		
9. Other		232			63		
Total current liabilities		74,605	13.0		76,864	13.4	2,259
II. Long-term liabilities:							
1. Liability for retirement benefits		32,005			28,221		
2. Retirement allowances for directors		1,090			1,073		
Total long-term liabilities		33,095	5.8		29,295	5.1	(3,799)
Total liabilities		\107,700	18.8		106,160	18.5	(1,540)
Equity							
I. Owners' Equity:							
1.Common stock	1	-	-		44,985	7.9	-
2.Capital surplus							
(1) Additional paid-in capital		-		55,222			
Total Capital surplus		-	-		55,222	9.6	-

2) NON-CONSOLIDATED STATEMENTS OF INCOME

	Note			Increase/ (Decrease)
		(%)	(%)	(Millions of Yen)

3) PROFIT AND LOSS APPROPRIATION STATEMENT AND STATEMENT OF CHANGES IN EQUITY

PROFIT AND LOSS APPROPRIATION STATEMENT

(Millions of Yen)

	May 16, 2006 (Approved by Board Meeting)	
I. Unappropriated retained earnings for the period		45,234
II. Reversals of voluntary reserves		
Reversals of reserve for the reduction of fixed assets		0
Total		45,235
III. Appropriation of retained earnings		
1. Dividends	14,293	
2. Voluntary reserves		
-General reserve	14,000	28,293
IV. Retained Earnings Carried Forward		16,941

Notes:

1. Dividends for treasury stock of 10,692,033 shares are excluded from dividends shown above.
2. On December 2, 2005, 11,432 million yen (40.00 yen per share) was paid as an interim dividend.

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(April 1, 2006 to March 31, 2007)

(Unit Millions of Yen)

	Owners' equity							Net unrealized loss and translation adjustments		
	Common stock	Capital surplus	Retained earnings							
		Additional paid-in capital	Legal reserveon	Other Retained earnings						
Dividends (Note 2)					(15,619)	(15,619)		(15,619)		(15,619)
Reversal of reserve for reduction of fixed assets (Note 1)				(0)	0	–		–		–

4) NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (for reference)

	Note	April 1, 2005 - March 31, 2006 (Millions of Yen)	April 1, 2006 - March 31, 2007 (Millions of Yen)	Increase/ (Decrease) (Millions of Yen)
		66,284	66,374	
		16,446	17,916	
3. Loss on impairment of long-lived assets			81	
		(29)	(4)	
		(1,503)	(1,496)	
		48	65	
		586	770	
		5,339		
		(4)	(1,651)	
		4	12	

BASIS OF PRESENTING NON-CONSOLIDATED FINANCIAL STATEMENTS

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
1. Measurement and Cost Formula for Marketable and Investment Securities:	1. Measurement and Cost Formula for Marketable and Investment Securities:
(1) Held-to-Maturity Securities:	(1) Held-to-Maturity Securities:
Stated at amortized cost (straight line method)	Same as the left
(2) Investment in Subsidiaries and Associated Companies:	(2) Investment in Subsidiaries and Associated Companies:
Stated at cost determined by the moving average method.	Same as the left
(3) Available-for-Sale Securities:	
Marketable securities:	
Stated at fair market value on the balance sheet date of the period with unrealized gain and losses, net of applicable taxes, reported in a separate component of shareholder's equity.	
The cost of securities sold is determined by the moving average method.	
Non-marketable securities:	
Stated at cost determined by moving average method.	
2. Derivatives:	
Stated at fair market value.	
3. Inventories:	
Merchandise, finished goods, semi-finished goods, work-in-process, raw materials, and supplies are stated at cost determined by the average method.	Same as the left.
	4. Depreciation of Depreciable Assets:
	(1) Property, plant and equipment:
	Same as the left.
To prepare for potential losses of trade receivable, loans receivable and others, allowance for doubtful receivables/accounts is provided at amounts determined on the basis of the Company's past credit loss experience and an evaluation of potential losses	(2) Intangible assets:
	Intangible assets are stated at cost less accumulated amortization, which is com

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
in receivables outstanding. (2) Reserve for sales returns: To prepare for possible sales return losses incurred after the balance sheet date, the reserve is provided at an amount calculated by multiplying the amount of trade receivables at the balance sheet date by the average return ratio over the previous two fiscal years and the profit ratio of the period. (3) Reserve for disposal of goods returns: To prepare for possible losses on disposal of goods returned after the balance sheet date, the reverse is provided at an amount calculated by multiplying the amount of trade receivables at the balance sheet date by the average of return ratio of goods sold and the average disposal ratio of goods returned over the previous two fiscal years. (4) Liability for retirement benefits: To cover retirement benefits of employees, the Company provides for liability for retirement benefits at an amount to be prepared as of the balance sheet date, which is derived from the projected benefit obligations and estimated plan assets at the balance sheet date. The unrecognized prior service cost is being amortized over five years and recognized as operating expenses in the statements of income. The unrecognized actuarial loss is being amortized over five years by the straight-line method and recognized as operating expenses in the statements of income starting from the following period after the period during which each loss occurred, respectively. (5) Retirement allowances for directors: The reserve for retirement benefits for directors is provided in required amounts calculated based on the bylaw. 6. Methods for Translation of Assets and Liabilities denominated in Foreign Currencies: Monetary receivables and payables denominated in foreign currencies are translated into yen at the current exchange rates as of the balance sheet date. The foreign exchange gain and losses from translation are recognized in the statements of income. 7. Accounting for Lease Transactions: Finance lease transactions other than those under which ownership is transferred to the lessee are accounted for in accordance with the accounting treatment of operating leases. 8. Hedge accounting:	(2) Reserve for sales returns: Same as the left (3) Reserve for disposal of goods returns: Same as the left (4) Liability for retirement benefits: Same as the left (5) Retirement allowances for directors: Same as the left 6. Methods for Translation of Assets and Liabilities denominated in Foreign Currencies: Same as the left 7. Accounting for Lease Transactions: Same as the left

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
(1) Hedge method: Derivatives used for hedging purposes are measured at fair market value and unrealized gain or losses on derivatives are deferred until maturity of the hedged transactions. If the forward contracts qualify for hedge accounting, trade receivables and payables denominated in foreign currencies are translated into yen at the contracted rates. (2) Hedging instruments and hedged items: (a) Hedging instruments: Foreign currency forward contracts (b) Hedged items: Trade receivables and payables including committed transactions denominated in foreign currencies (3) Hedging policy: The Company uses hedged transactions, in the ordinary course of business, to reduce the exposure to fluctuations in foreign currency exchange rate. Hedged transactions used by the Company have been made in accordance with internal policies. (4)Method for assessment of effectiveness of hedging: Foreign currency forward contracts assigned to the associated receivables and payables have the same terms and denominations as the corresponding receivables and payables and the contract amounts will not exceed those of the corresponding assets and liabilities. As a result, high correlation and effectiveness between the hedging instruments and the hedged items are maintained against fluctuations in foreign exchange rate so that assessment of effectiveness has not been performed. 9. Accounting for Consumption Taxes: Consumption taxes and local consumption taxes are excluded from revenues and expenses.	8. Hedge accounting: (1) Hedge method: Same as the left (2) Hedging instruments and hedged items: Same as the left (3) Hedging policy: Same as the left (4)Method for assessment of effectiveness of hedging: Same as the left 9. Accounting for consumption taxes: Same as the left

ACCOUNTING CHANGES

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
(Accounting Standard for impairment of long-lived assets) The Accounting Standard for Impairment of Long-Lived Assets (Statement of Opinion, Accounting for Impairment of Long-Lived Assets [the Business Accounting Council issued August 9, 2002]) and Guidance for Accounting Standard for Impairment of Long-Lived Assets (the Accounting Standards Board of Japan Guidance No.6 issued October 31, 2003), are applied from April 1, 2005. However, the adoption of these standards has no material effect on the profits and losses during the period.	_____
_____	(Presentation of Equity) On December 9, 2005, the the Accounting Standards Board of Japan (the “ASBJ”) published a new accounting standard and related guidance for presentation of equity. The new standard (the ASBJ Statement No.5) and related guidance (the ASBJ Guidance No.8) are applied from April 1, 2006. The shareholders’ equity amounted to ¥467,246 million based on the former regulation. The Equity at the balance sheet date is presented in accordance with the modification of the Regulations Concerning Consolidated Financial Statements.
_____	(Standard for stock option) On December 27, 2005, the ASBJ issued "Accounting Standard for Stock Options and related guidance." The new standard and guidance are applicable to stock options newly granted on and after May 31, 2006. Due to the adoption of the new standards, the amount of operating income, ordinary income and income before income taxes and decreased by 294 million.

CHANGES IN REPRESENTATION

April 1, 2005 - March 31, 2006

intangible assets” as a component of “Intangible assets”.

3. As the amount of “Insurance reserve”, represented as a separate account in the previous period, was ¥3,552 million in the previous period. Since it was less than 1% of total assets, it was included in “Other assets” as a component of “Investments and other assets”.
4. As the amount of “Guarantee deposit”, represented as a separate account in the previous period, was ¥2,061 million in the previous period. Since it was less than 1% of total assets, it was included in “Other assets” as a component of “Investments and other assets”.

(Non-consolidated Statements of Income)

1. As the amount of “Gain on sales of investment securities,” separately represented as an independent account title in the previous period, was ¥4 million in this period, accounting for below 10% of total special gain, it was included in “Other special gain.”

Additional Information

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
(Reserve for sales rebates) In accordance with changes in collection policy of the accounts receivable-trade from wholesalers, The	

NOTES TO NON-CONSOLIDATED BALANCE SHEET

March 31, 2006	March 31, 2007

*1. Authorized stock:
common stock 1,100 million shares
Outstanding stock
common stock 296,566,949 shares
(includes Treasury stock (common stock) of 10,692,033)

*2.Notes related to subsidiaries and associated companies:
Principal assets and liabilities with subsidiaries and associated companies other than accounts presented separately are as follows:

Notes receivable-trade	¥37 mil.
Accounts receivable-trade	¥21,202 mil.
Short-term loans receivable	¥4,735 mil.
Accounts payable-other	¥4,213 mil.
Deposits received	¥6,520 mil.

3. Contingent liabilities:

Warrantee	Item	Yen (mil.)
Employees	Housing loans	119
Eisai Machinery GmbH	Advances received and others from customers	142 (998 thousand Euro)

The Company cosigns the following liabilities:
Notes: Among the above guarantee liabilities, those denominated in foreign currencies are translated into yen, 0 2 in foreign currencies aE0.48 ref/P /MCID 20 /BDC B li1e a33ant 43 2BT/TP /MMMM<erm Pi/M

NOTES TO THE STATEMENTS OF CHANGES IN EQUITY

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
	Types and numbers of treasury stock (thousand of stocks)

	Treasury stocks
Type of stock	Common stock
Number of stocks at the end of the previous period	10,692
Increase	2,023
Decrease	277
Number of stocks at the end of the period	12,437

(Note 1) The increase of the treasury stocks (common stock) is composed of the purchase of 2,000 thousand treasury stocks, which was resolved by the Board of Directors held on July 31, 2006, and the purchase of 23 thousand of fractional shares.
(Note 2) The decrease of the treasury stocks was caused by exercises of stock options.

5) LEASE TRANSACTIONS

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007

1. Finance leases other than those that deem to transfer ownership of the leased property to the lessee

(1) Acquisition cost, Accumulated depreciation, Accumulated loss on impairment of long-lived assets, Net leased property:
(Millions of Yen)

	Acquisition cost	Accumulated depreciation	Net leased property
Vehicles and delivery equipment	67	29	38
Tools, furniture and fixtures	2,645	783	1,862
Software	142	114	27
Total	2,855	927	1,927

Leased assets are depreciated over the lease term by straight-line method with no salvage value.

(5) Interest expense of the leased assets:
Interest expense of the leased assets is allocated every fiscal year by using interest method based on the differences between the total lease payment and the acquisition cost of the asset that are considered to be interest -bearing.

2. Operating Leases:

(Loss on impairment of long-lived assets)
None

6) SECURITIES

Market value of investment in subsidiaries and associated companies
(March 31, 2006) (Millions of Yen)

Type	Carrying amount	Market value	Difference
Subsidiary (Sanko Junyaku Co., Ltd.)	4,279	3,788	(491)

7) INCOME TAXES

April 1, 2005 - March 31, 2006	April 1, 2006 - March 31, 2007
1. Description of main items by which deferred tax assets and liabilities were calculated.	1. Description of main items by which deferred tax assets and liabilities were calculated.

(1) Current assets:

Deferred tax assets	(Millions of Yen)
Entrusted R&D expenses	¥9,134
Accrued bonuses	3,173
Accrued enterprise tax	1,599
Other	2,441
Sub-total	¥16,348

(1) Current assets:

Deferred tax assets	(Millions of Yen)
Entrusted R&D expenses	¥12,830
Accrued bonuses	3,436
Other	3,237
Sub-total	¥19,505
Less valuation allowance	(2,854)
Total deferred tax assets	¥16,650

8) PER SHARE INFORMATION

Basic earnings per share		
(1) Net income (mil. yen)	43,890	42,803
(2) Amount not attributed to common stockholders (mil. yen)	–	–
(3) Net income related to common stock (mil. yen)	43,890	42,803
(4) Average number of common stock outstanding (thousand shares)	285,817	284,911
Diluted earnings per share		
Increased number of common stock (thousand shares)	316	431
[subscription rights] (thousand shares)	(97)	(100)
[stock option] (thousand shares)	(218)	(331)
Diluted securities with no dilutive effects, which were not included in fully diluted net earnings per share.	———	———

9) NON-CONSOLIDATED STATEMENTS OF INCOME

(1) Fourth Quarter of FY2006 (three months ended on March 31,2007) (for reference)

Account Title	January 1, 2006 - March 31 2006 (Millions of Yen)		(%)	January 1, 2007 - March 31 2007 (Millions of Yen)		(%)	Increase/ (Decrease) (Millions of Yen)
I. Net sales		77,728	100.0		86,601	100.0	8,872
II. Cost of sales		17,906	23.0		18,887	21.8	981
Gross profit		59,822	77.0		67,713	78.2	7,891
Provision for sales returns-net		(16)	(0.0)		(16)	(0.0)	0
Gross profit		59,839	77.0		67,730	78.2	7,891
III. Selling, general and administrative expenses							
1. Research and development expenses	26,821		(34.5)	28,846		(33.3)	
2. Selling, general and administrative expenses	24,447	51,269	66.0	26,085	54,931	63.4	3,662
Operating income		8,569	11.0		12,798	14.8	4,228
IV. Non-operating income		463	0.6		241	0.3	(221)
V. Non-operating expenses		(34)	(0.1)		414	0.5	448
Ordinary income		9,067	11.7		12,625	14.6	3,558
VI. Special gain		9	0.0		1,487	1.7	1,477
VII. Special loss		944	1.2		994	1.2	50
Income before income taxes		8,133	10.5		13,118	15.1	4,985
Income taxes-current	8,717			8,306			
Income taxes-deferred	(6,958)	1,758	2.3	(3,508)	4,797	5.5	3,039
Net income		6,374	8.2		8,320	9.6	1,946

(2) NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
Fourth Quarter of FY2006 (three months ended on March 31,2007) (for reference)

Account Title	Jan. 1, 2006- Mar. 31, 2006 (Millions of Yen)	Jan. 1, 2007- Mar. 31, 2007 (Millions of Yen)	Increase/ (Decrease) (Millions of Yen)
I. Operating activities			
1. Income before income taxes	8,133	13,118	
2. Depreciation and amortization	4,422	4,808	
3. Loss on impairment of long-lived assets	-	42	
4. Increase (Deacrease) in allowance for doubtful accounts	79	(4)	
5. Interest and dividend income	(117)	(160)	
6. Interest expenses	12	20	
7. Loss on sales and disposal of fixed assets	355	288	
8. Retirement benefit costs	1,294	-	
tivi21. Gain on saunts payg.M2477P1-ayg0g3zation	-	(1,467)	
10. Loss on devaluation of securities	1	-	
11. Decrease in notes and accounts receivable-trade	11,147	3,536	
12. Increase in inventories	(1,596)	(2,776)	
13. Increase in notes and accounts payable-trade	358	1,881	
14. Increase in other current liabilities	2,950	7,139	
	-	(1,646)	
	(1,173)	(2,550)	
Sub-total	25,868	22,231	
17. Interest and dividends received	132	242	
	(12)	(20)	
	(119)	(105)	
Net cash provided by operating activities	25,869	22,347	(3,521)
II. Investing activities			
1. Proceeds from sales and redemptions of short-term investments	505	3,295	
2. Purchases of property, plant and equipment	(1,391)	(2,953)	
	76	5	
4. Payments for acquisition of business	(7,630)	(1,542)	
	(12,302)	(3,327)	
	5,955	5,517	
7. Investments in subsidiaries and associated companies	(86)	(11,635)	
	13,436	797	
	(1,437)	(9,842)	(8,404)
	120	231	110
	24,552	12,736	(11,816)
	75,954	33,804	(42,150)
	100,507	46,540	(53,966)

6. Others

PROPOSED CHANGES OF CORPORATE OFFICERS (effective as of June 22, 2007)

1) Change of Representative Officer

Candidates for New Representative Officer

Makoto Shiina currently Executive Vice President, Strategy, to be appointed as

(5) Expected Resignation of Executive Officers

Yoji Takaoka	currently Executive Vice President, to be appointed as Corporate Advisor
Jiro Hasegawa	currently Senior Vice President, to be appointed as Corporate Advisor
Toshio Arai	currently Senior Vice President, to be appointed as Corporate Advisor

3) List of Board Members

Haruo Naito	currently Director, President and Chief Executive Officer (CEO), to be appointed as Director, President and CEO
Tadashi Temmyo	currently Board Member, to be appointed as Board Member
Shintaro Kataoka	currently Board Member, to be appointed as Board Member

	Representative Executive Officer and Executive Vice President
Makoto Shiina	currently Executive Vice President, Strategy, to be appointed as Representative Executive Officer and Executive Vice President
Nobuo Deguchi	currently Senior Vice President, Internal Control, Compliance, Legal Affairs, Intellectual Property, to be appointed as Executive Vice President
Kentaro Yoshimatsu	currently Senior Vice President, Research and Development, President of Eisai R&D Management Co. Ltd., to be appointed as Senior Vice President
Kenji Toda	currently Senior Vice President, Government Relations, to be appointed as Senior Vice President
Hideshi Honda	currently Vice President, Japan Business Headquarters, to be appointed as Senior Vice President
Hajime Shimizu	currently Chairman & CEO, Eisai Inc., President, Eisai Corporation of North America, to be appointed as Senior Vice President
Hideki Hayashi	currently Vice President, Business Development, to be appointed as Senior Vice President
Hiroyuki Mitsui	currently Vice President, General Affairs, Environment and Safety Affairs, Information System, to be appointed as Vice President
Norio Kano	currently Vice President, Corporate Regulatory Compliance, Quality Assurance, to be appointed as Vice President
Yukio Akada	currently Vice President, Asia, Oceania and Middle East Business, to be appointed as Vice President
Hisashi Tanaka	currently Vice President, Clinical Research, Japan, to be appointed as

	Transformation, to be appointed as Vice President
Kenta Takahashi	currently Director, Legal, to be appointed as Vice President
Edward Stewart Geary	currently Deputy Director, Corporate Regulatory Compliance, Quality Assurance Headquarters, to be appointed as Vice President

Note: Haruo Naito, President and CEO (Representative Executive Officer), will serve as Director on the Board.

5) Proposed Candidates of Nomination, Audit and Compensation Committees Members

(1) Nomination Committee

Chair:	Ikujiro Nonaka
Members:	Tadahiro Yoshida
	Ko-Yung Tung

(2) Audit Committee

Chair:	Shinji Hatta
Members:	Yoshiyuki Kishimoto
	Norihiko Tanikawa
	Tadashi Temmyo
	Shintaro Kataoka

(3) Compensation Committee

Chair:	Tadahiro Yoshida
Members:	Ikujiro Nonaka
	Ko-Yung Tung

(4) Independent Committee of Outside Directors

Chair:	Tadashi Kurachi
Members:	Ikujiro Nonaka
	Tadahiro Yoshida
	Yoshiyuki Kishimoto
	Ko-Yung Tung
	Shinji Hatta
	Norihiko Tanikawa

6) Career of Candidates for New Outside Board Members and New Representative Officer

(1) Career of Candidates for New Outside Board Members

Name: Norihiko Tanikawa

Date of Birth: March 3, 1945 (age 62)

Career:		
	Apr. 1968	Joined The Fuji Bank, Limited
	Dec. 1990	Managing Director,
		Fuji Wolfensohn International, New York
	Mar. 1993	Senior Managing Director and Representative Director,
		Fuji Wolfensohn International, New York
	May. 1995	General Manager, Business Development Dept.
		The Fuji Bank Ltd., Head Office
	Sep. 1998	Head Office General Manager, The Fuji bank Ltd.
	Dec. 1999	Managing Director,
		Fuji Corporate Advisory Ltd.
	Jan. 2002	Advisor to the President of NSK Ltd.
	Jun. 2002	Senior Vice President, Deputy Head,
		Corporate Planning DIV. Headquarters
		Department Head, Business Strategy Dept.
		NSK Ltd.
	Jun. 2004	Senior Vice President
		Head, Compliance DIV. Headquarters
		Department Head, Business Strategy Dept.
		NSK Ltd.
	Jun. 2006	President and Representative Director,
		NSK-Chugai, Ltd.(current)

(2) Career of Candidates for New Representative Officer

Name: Makoto Shiina

Date of Birth: April 1, 1946 (age 61)

Career:		
	Mar. 1969	Join Eisai Co., Ltd.
	Oct. 1999	Director, Corporate Planning
	Jun. 2000	Corporate Officer
	Jun. 2001	Business Development
	Jun. 2003	Senior Corporate Officer
	Jun. 2004	Senior Vice President
	Jun. 2005	Executive Vice President (current)
	Jun. 2005	Strategy (current)

#####

Securities Code: 4523

Reference Data

Fiscal Year Ended March 31, 2007

May 15, 2007

Eisai Co., Ltd.

For Inquiry:
Corporate Communications Department
Investor Relations Department
TEL 81-3-3817-5120 FAX 81-3-3811-3077
http://www.eisai.co.jp/eir/

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I. Consolidated Financial Highlights

1. Statements of Income Data

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	YoY %	2008 est.
Net sales	500.2	533.0	601.3	**674.1**	112.1	720.0
Cost of sales	97.2	98.5	104.5	**109.3**	104.6	113.0
R&D expenses	69.0	78.3	93.2	**108.3**	116.1	124.0
SG&A expenses	250.9	269.4	307.8	**351.2**	114.1	371.0
Operating income	83.1	86.8	95.7	**105.3**	110.0	112.0
Ordinary income	83.4	89.1	100.0	**110.5**	110.4	115.0
Net income	50.1	55.5	63.4	**70.6**	111.4	75.0
					Inc./(Dec.)	
Dividend on equity (DOE, %)	2.6	3.7	5.3	**6.4**	1.1	6.5
Return on equity (ROE, %)	12.4	12.6	13.0	**13.2**	0.2	13.3
Dividends payout ratio (DPR, %)	20.9	29.0	40.6	**48.4**	7.9	49.4
Dividend per share (DPS, yen)	36.0	56.0	90.0	**120.0**	30.0	130.0
Earnings per Share (EPS, yen)	172.1	193.4	221.9	**247.8**	26.0	263.3

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

2. Balance Sheets Data

(billions of yen)

March 31	2004	2005	2006	**2007**	Inc./ (Dec.)
Total assets	615.8	662.7	747.2	**792.1**	44.9
Equity	428.1	468.6	528.5	**562.7**	34.2
Equity - Minority interests - Stock acquisition rights	419.5	459.6	519.2	**552.5**	33.2
	68.1	69.4	69.5	**69.7**	0.3

*Past data have been reclassified in accordance with the new segmentation of this fiscal year.

3. Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	Inc./ (Dec.)	2008 est.
Capital expenditures	28.7	49.0	37.0	**52.0**	15.0	87.0
Property, plant and equipment	25.4	21.7	21.0	**23.2**	2.3	35.0
Intangible assets	3.3	27.3	16.1	**28.8**	12.7	52.0
Depreciation/Amortization	18.5	22.4	25.0	**26.8**	1.8	31.5

* "Depreciation/Amortization" value represents depreciation for "Property, plant and equipment" and amortization for "Intangible assets".

4. Statements of Cash Flows Data

(billions of yen)

Years Ended March 31	2004	2005	2006	**2007**	Inc./ (Dec.)
Net cash provided by operating activities	72.7	49.2	87.1	**81.2**	(5.9)
Net cash used in investing activities	(27.3)	(37.5)	(29.5)	**(55.2)**	(25.7)
Net cash used in financing activities	(21.4)	(16.7)	(21.8)	**(40.6)**	(18.8)

II. Consolidated Statements of Income

1. Consolidated Statements of Income

(billions of yen)

Years Ended March 31	2006	Sales %	2007	Sales %	YoY %	Inc./ Dec.
Net sales	601.3	100.0	**674.1**	100.0	112.1	72.9
Cost of sales	104.5	17.4	**109.4**	16.2	104.6	4.9
Provision for sales returns-net	(0.0)	(0.0)	**(0.1)**	(0.0)		(0.1)
Gross profit	496.7	82.6	**564.8**	83.8	113.7	68.1
R&D expenses	93.2	15.5	**108.3**	16.1	116.1	15.0
SG&A expenses	307.8	51.2	**351.2**	52.1	114.1	43.5
Operating income	95.7	15.9	**105.3**	15.6	110.0	9.6
Non-operating income:						
Interest and dividend income	3.9		**6.1**			2.2
Other	1.1		**0.5**			(0.6)
Total non-operating income	5.0	0.8	**6.6**	1.0		1.6
Non-operating expenses:						
Foreign exchange loss	-		**0.7**			0.7
Other	0.7		**0.7**			(0.0)
Total non-operating expense	0.7	0.1	**1.4**	0.2		0.7
Ordinary income	100.0	16.6	**110.5**	16.4	110.4	10.4
Special gain:						
Gain on sales of investment securities	0.0		**1.7**			1.7
Other	0.2		**0.2**			0.0
Total special gain	0.2	0.1	**1.9**	0.3		1.7
Special loss:						
Loss on disposal of fixed assets/ loss on impairment of long-lived assets	1.1		**1.3**			0.3
Accelerated amortization expenses of intangible assets	2.6		**-**			(2.6)
Other	0.5		**0.7**			0.2
Total special loss	4.1	0.7	**2.0**	0.3		(2.1)
Income before income taxes and minority interests	96.1	16.0	**110.3**	16.4	114.8	14.3
Income taxes-current	47.1	7.9	**47.7**	7.1	101.2	0.6
Income taxes-deferred	(14.9)	(2.5)	**(8.5)**	(1.3)		6.4
Minority interests in income	0.4	0.1	**0.5**	0.1		0.1
Net income	63.4	10.5	**70.6**	10.5	111.4	7.2

*Past data have been reclassified in accordance with the new segmentation of this fiscal year.

<Explanation>

Net sales
<Increase Factor(s)>
Increase in sales of *Aricept* and *Aciphex* /*Pariet*

Research and

2. Financial Results by Business Segment

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

(billions of yen)

Years Ended March 31	2004	2005	2006	**2007**
Net sales to customers	500.2	533.0	601.3	**674.1**
Pharmaceuticals	476.8	511.0	579.8	**652.9**
[Ratio of in-house developed products] (%)	[90.8]	[89.1]	[88.8]	**[90.7]**
Japan	239.8	247.7	265.4	**273.2**
North America	193.5	213.5	252.1	**302.3**
Europe	33.6	37.9	44.6	**53.7**
Asia and others	9.9	11.9	17.6	**23.7**
Other	23.4	22.0	21.4	**21.2**
Japan	21.2	20.6	19.6	**19.0**
Overseas	2.2	1.5	1.8	**2.1**

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

* Major areas and countries included in each category:

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)

3. Geographical Segment Information

3-1 Consolidated Net Sales by Geographical Segment

(billions of yen)

5. Global Product Sales (Eisai Territory Sales)

5-1 *ARICEPT* Sales by Geographical Area

Years Ended March 31 Area		2004	2005	2006	**2007**
Japan	¥ Billions	28.4	35.1	42.3	**49.7**
U.S.	¥ Billions	87.9	97.6	119.9	**162.2**
	[U.S. $ Millions]	[777]	[907]	[1,058]	**[1,386]**
UK	¥ Billions	1.0	1.0	1.1	**1.2**
	[UK £ Millions]	[5]	[5]	[5]	**[6]**
France	¥ Billions	15.5	19.1	21.0	**25.8**
	[Euro Millions]	[117]	[141]	[153]	**[172]**
Germany	¥ Billions	6.2	7.1	7.8	**7.4**
	[Euro Millions]	[47]	[53]	[57]	**[50]**
Europe Total	¥ Billions	22.8	27.2	29.9	**34.5**
Asia	¥ Billions	2.5	2.9	4.4	**6.6**
Total	¥ Billions	141.6	162.9	196.5	**252.9**

* Sales forecast for Eisai sales territories for the year ending on March 31, 2008 is ¥284.0 billion.

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

Years Ended March 31 Area		2004	2005	2006	**2007**
Japan	¥ Billions	14.6	19.4	27.6	**30.7**
U.S.	¥ Billions	105.5	104.1	114.3	**126.9**
	[U.S. $ Millions]	[933]	[968]	[1,009]	**[1,084]**
UK	¥ Billions	6.2	5.5	5.1	**3.3**
	[UK £ Millions]	[33]	[28]	[25]	**[15]**
Germany	¥ Billions	1.1	1.2	1.4	**2.5**
	[Euro Millions]	[8]	[9]	[10]	**[17]**
Italy	¥ Billions	-	-	2.5	**6.3**
	[Euro Millions]	[-]	[-]	[18]	**[42]**
Europe Total	¥ Billions	7.3	6.8	9.0	**12.1**
Asia	¥ Billions	1.6	2.1	3.5	**4.6**
Total	¥ Billions	129.0	132.3	154.5	**174.3**

* Sales forecast for Eisai sales territories for the year ending on March 31, 2008 is ¥179.5 billion.

5-3 *ZONEGRAN* Sales by Geographical Area

Years Ended March 31 Area		2004	2005	2006	**2007**
U.S.	¥ Billions	-	11.1	12.7	**3.1**
	[U.S. $ Millions]	[-]	[104]	[112]	**[27]**
Europe, Asia	¥ Billions	-	0.0	0.5	**1.8**
Total	¥ Billions	-	11.1	13.1	**4.9**

<Reference> [Non-Consolidated]

Eisai Inc. (U.S.)/Pharmaceutical Sales, Production

Years Ended March 31		2004	2005	2006	**2007**
Net sales	¥ Billions	196.1	215.2	254.7	**305.6**
	[U.S. $ Millions]	[1,734]	[2,001]	[2,248]	**[2,612]**
Operating income	¥ Billions	10.0	10.3	18.6	**27.1**
	[U.S. $ Millions]	[88]	[96]	[164]	**[231]**
Net income	¥ Billions	6.0	6.6	13.0	**19.3**
	[U.S. $ Millions]	[53]	[62]	[115]	**[165]**
Operating income before royalty deduction	¥ Billions	34.1	43.2	54.2	**72.9**
	[U.S. $ Millions]	[301]	[402]	[479]	**[623]**

Eisai China Inc. (China)/Pharmaceutical Sales, Production

Years Ended December 31		2004	2005	2006	**2007**
Net sales	¥ Billions	3.8	4.8	6.6	**8.9**
	[Chinese RMB Millions]	[273]	[364]	[490]	**[606]**
Operating income	¥ Billions	1.0	1.0	1.3	**1.4**
	[Chinese RMB Millions]	[68]	[78]	[97]	**[97]**
Net income	¥ Billions	0.8	0.9	1.3	**1.2**
	[Chinese RMB Millions]	[59]	[72]	[95]	**[84]**

* Average rate of Japanese yen to Chinese RMB

January 1 to December 31, 2003	14.01 yen/Chinese RMB
January 1 to December 31, 2004	13.07 yen/Chinese RMB
January 1 to December 31, 2005	13.45 yen/Chinese RMB
January 1, 2006 to March 31, 2007	14.75 yen/Chinese RMB

Eisai Korea Inc. (South Korea)/Pharmaceutical Sales

Years Ended March 31		2004	2005	2006	**2007**
Net sales	¥ Billions	2.3	2.7	5.4	**7.5**
	[Korean Won Billions]	[24]	[28]	[48]	**[60]**
Operating income	¥ Billions	0.3	0.4	0.6	**1.1**
	[Korean Won Billions]	[3]	[4]	[5]	**[9]**

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6. SG&A Expenses

6-1 R&D Expenses

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	2008 est.
Net sales	500.2	533.0	601.3	**674.1**	720.0
R&D expenses	69.0	78.3	93.2	**108.3**	124.0
Ratio of R&D expenses to net sales (%)	13.8	14.7	15.5	**16.1**	17.2

6-2 SG&A Expenses

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	2008 est.
Net sales	500.2	533.0	601.3	**674.1**	720.0
SG&A expenses	250.9	269.4	307.8	**351.2**	371.0
Personnel expenses	58.9	60.8	64.5	**72.2**	-
Marketing expenses	161.9	171.9	198.2	**230.6**	-
Administrative expenses and others	30.1	36.6	45.1	**48.4**	-
Ratio of SG&A expenses to net sales (%)	50.2	50.5	51.2	**52.1**	51.5

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

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	2008 est.
Net sales	500.2	533.0	601.3	**674.1**	720.0
SG&A expenses (including R&D expenses)	319.9	347.7	401.0	**459.5**	495.0
Ratio of SG&A expenses including R&D expenses to net sales (%)	64.0	65.2	66.7	**68.2**	68.8

7. Consolidated Personnel Information

(persons)

March 31	2004	2005	2006	**2007**
Japan	5,055	4,993	5,144	**5,334**
U.S.	1,225	1,537	1,787	**1,975**
Europe	452	503	650	**765**
Asia	968	1,262	1,500	**1,575**
Total	7,700	8,295	9,081	**9,649**

2. Consolidated Balance Sheets <Liabilities and Equity>

(billions of yen)

March 31	2006	%	**2007**	%	YoY %	Inc./ (Dec.)	**<Explanation>**
Current liabilities:							
Notes and accounts payable-trade	24.4		**19.3**			(5.1)	
Short-term borrowings	0.4		**0.2**			(0.2)	
Accounts payable-other/accrued expenses etc.	95.8		**109.3**			13.6	
Income taxes payable	23.4		**22.0**			(1.4)	
Reserve for sales rebates	27.8		**35.1**			7.2	
Other	6.3		**5.8**			(0.5)	
Total current liabilities	178.2	23.9	**191.8**	24.2	107.6	13.6	
Long-term liabilities:							
Deferred tax liabilities	0.1		**0.1**			0.0	
Liability for retirement benefits	35.6		**31.8**				

3. Stock Information

3-1 Issued Stock and Shareholder Information

As of March 31, 2007

Total Number of Authorized Shares (shares)	Number of Shares Outstanding (shares)	[Number of Treasury Stock] (shares)	Number of Shareholders (persons)	Average Number of Shares per Shareholder (shares)
1,100,000,000 shares	296,566,949 shares	[12,437,412 shares]	42,849	6,921

* Number of shares of outstanding includes number of treasury stocks.

3-2 Top 10 Shareholders

As of March 31, 2007

Name	Shares (1,000 shares)	%
Nippon Life Insurance Company	15,327	5.17
The Master Trust Bank of Japan, Ltd. (Trust Account)	14,856	5.01
Saitama Resona Bank, Limited	12,398	4.18
Japan Trustee Services Bank, Ltd. (Trust Account)	11,735	3.96
The Chase Manhattan Bank N.A. London S.L. Omnibus Account	10,250	3.46
Mizuho Corporate Bank, Ltd.	5,630	1.90
Eisai Employee Shareholding Association	5,526	1.86
Nomura Securities Co., Ltd.	5,355	1.81
Sumitomo Life Insurance Company	5,000	1.69
State Street Bank and Trust Company 505103	4,886	1.65

* Treasury stock (12,437 thousands shares, 4.19%) is excluded as it has no voting rights.
* Number of shares less than one thousand has been omitted.

3-3 Number of Shareholders by Category

(persons)

	2006 31-Mar	%	**2007 31-Mar**	%	Inc./ (Dec.)
Financial Institutions	170	0.6	**190**	0.4	20
Securities Companies	41	0.1	**63**	0.2	22
Other Japanese Corporations	1,037	3.5	**1,081**	2.5	44
Corporations Outside Japan, etc.	509	1.7	**541**	1.3	32
Treasury Stock	1	0.0	**1**	0.0	-
Individuals and Others	28,261	94.1	**40,973**	95.6	12,712
Total	30,019	100.0	**42,849**	100.0	12,830

3-4 Number of Shares Held by Category

(1,000 shares)

	2006 31-Mar	%	**2007 31-Mar**	%	Inc./ (Dec.)
Financial Institutions	119,347	40.2	**114,782**	38.7	(4,564)
Securities Companies	9,692	3.3	**13,522**	4.5	3,829
Other Japanese Corporations	19,889	6.7	**22,799**	7.7	2,910
Corporations Outside Japan, etc.	99,781	33.7	**92,214**	31.1	(7,566)
Treasury Stock	10,692	3.6	**12,437**	4.2	1,745
Individuals and Others	37,164	12.5	**40,810**	13.8	3,646
Total	296,566	100.0	**296,566**	100.0	-

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

3-5 Breakdown of Shareholders Holding Size/Number of Shareholders

(persons)

	2006 31-Mar	%	**2007 31-Mar**	%	Inc./ (Dec.)
1 million shares and over	56	0.2	**54**	0.1	(2)
100,000 ~ 999,999 shares	169	0.6	**178**	0.4	9
10,000 ~ 99,999 shares	690	2.3	**728**	1.7	38
1,000 ~ 9,999 shares	8,999	30.0	**9,878**	23.1	879
100 ~ 999 shares	16,876	56.2	**28,552**	66.6	11,676
less than 100 shares	3,229	10.7	**3,459**	8.1	230
Total	30,019	100.0	**42,849**	100.0	12,830

3-6 Breakdown by Shareholder Holding Size/Number of Shares Held

(1,000 shares)

	2006 31-Mar	%	**2007 31-Mar**	%	Inc./ (Dec.)
1 million shares and over	199,592	67.3	**188,110**	63.4	(11,481)
100,000 ~ 999,999 shares	55,268	18.6	**60,735**	20.5	5,467
10,000 ~ 99,999 shares	17,521	5.9	**19,568**	6.6	2,046
1,000 ~ 9,999 shares	20,166	6.8	**21,572**	7.3	1,405
100 ~ 999 shares	3,888	1.3	**6,443**	2.2	2,554
less than 100 shares	130	0.1	**136**	0.0	6
Total	296,566	100.0	**296,566**	100.0	-

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

IV. Consolidated Statements of Cash Flows

(billions of yen)

Years Ended March 31	2006	**2007**	Inc./ (Dec.)	**<Explanation>**
Operating activities:				
Income before income taxes and minority interests	96.1	**110.3**	14.3	
Depreciation and amortization	25.0	**26.8**	1.8	
Net increase (decrease) in notes and accounts receivables/payable-trade and inventories	0.8	**(23.6)**	(24.4)	**Net increase (decrease) in notes and accounts receivable/payable-trade and inventories** <Decrease Factor(s)> *****Increase in accounts receivable *****Decrease in accounts payable-trade
Accounts payable-other/accrued expenses etc.	13.9	**10.4**	(3.4)	
Others	(6.9)	**0.4**	7.3	
[Sub-total]	128.9	**124.4**	(4.5)	
Interest paid/received	3.5	**5.8**	2.2	
Income taxes paid	(45.4)	**(48.9)**	(3.5)	
Net cash provided by operating activities	87.1	**81.2**	(5.9)	
Investing activities:				
Capital expenditures/payments for acquisition of business etc.	(43.5)	**(52.5)**	(9.1)	**Capital expenditures/ payments for acquisition of business etc.** <Increase Factor(s)> Oncology products acquisition
Purchases/proceeds from sales of securities etc.	(3.9)	**(1.9)**	2.0	
Others	17.9	**(0.8)**	(18.7)	
Net cash used in investing activities	(29.5)	**(55.2)**	(25.7)	
Financing activities:				
Dividends paid	(21.4)	**(29.9)**	(8.5)	**Dividends paid** <Increase Factor(s)> Increase in Dividend per Share
Purchase of treasury stock	-	**(11.1)**	(11.1)	
Others	(0.4)	**0.4**	0.8	
Net cash used in financing activities	(21.8)	**(40.6)**	(18.8)	
Foreign currency translation adjustments on cash and cash equivalents	5.2	**2.5**	(2.7)	
Net increase (decrease) in cash and cash equivalents	40.8	**(12.2)**	(53.0)	
Cash and cash equivalents at beginning of fiscal year	142.4	**183.3**	40.8	
Cash and cash equivalents at end of fiscal year	183.3	**171.1**	(12.2)	

* Classification of cash flow is changed from this fiscal year. Past data are adjusted accordingly.

(billions of yen)

Years Ended March 31	2006	**2007**	Inc./ (Dec.)	**<Explanation>**
Free Cash Flows	43.6	**28.6**	(14.9)	

* "Free cash flows" = "Net cash provided by operating activities" - ("Capital expenditures" + "Payments for acquisition of business")

V. Consolidated Subsidiaries - Associated Companies

1. Consolidated Subsidiaries (45 companies)

1-1 Subsidiaries Outside Japan (33 companies)

As of March 31, 2007

Company Name	Location	Common Stock	Voting Rig

1-2 Subsidiaries in Japan (12 companies)

As of March 31, 2007

Company Name	Location	Common Stock	Equity (%) Ownership	Description of Operations
Sanko Junyaku Co., Ltd.	Tokyo	5,262 million yen	50.89%	Diagnostic product prod./sales
Sannova Co., Ltd.	Gunma Pref.	926 million yen	79.97%	Pharm. prod./sales
Elmed Eisai Co., Ltd.	Tokyo	450 million yen	100.00%	Pharm. sales
Eisai Food & Chemicals Co., Ltd.	Tokyo	101 million yen	100.00%	Food additives/chemicals sales
Eisai Machinery Inc.	Tokyo	100 million yen	100.00%	Pharm. machinery prod./sales
KAN Research Institute, Inc.	Hyogo Pref.	70 million yen	100.00%	Basic research
Eisai Distribution Co., Ltd.	Kanagawa Pref.	60 million yen	100.00%	Pharm. distribution
Eisai R&D Management Co., Ltd.	Tokyo	10 million yen	100.00%	Management of the R&D division and intellectual properties
Sunplanet Co., Ltd.	Tokyo	455 million yen	84.95%	Administrative/Catering/Printing service/Real estate management
Clinical Supply Co., Ltd.	Gifu Pref.	80 million yen	84.80%	Medical devices prod./sales
Palma Bee'Z Research Institute Co., Ltd.	Tokyo	50 million yen	75.44%	Diagnostic product research
Eisai Seikaken Co., Ltd.	Tokyo	50 million yen	70.00%	Agro-chemical prod./sales

* Management function of the R&D Division and other relevant functions of Eisai Co., Ltd. were separated and newly established Eisai R&D Management Co., Ltd., a wholly-owned subsidiary of Eisai Co., Ltd., has taken over the functions in April 2006
* KAN Research Institute, Inc. was moved to Kobe in Hyogo Prefecture in October 2006.
* Fractions figures in "Common Stock" are rounded down.

2 Equity in Earnings in Associated Companies (1 company)

As of March 31, 2007

Bracco-Eisai Co., Ltd.	Tokyo	340 million yen	49.00%	Contrast media import/prod./sales

* Fiscal year of Bracco-Eisai Co., Ltd. ends on December 31.
* Eisai-Novartis Verwaltungs GmbH was merged to a consolidated subsidiary, Eisai GmbH

VII. Non-Consolidated Financial Highlights

1. Non-Consolidated Financial Highlights

1-1 Statements of Income Data

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	YoY %	2008 est.
Net sales	303.6	307.9	332.0	**351.6**	105.9	382.0
Cost of sales	83.6	77.5	78.0	**80.1**	102.7	75.0
R&D expenses	67.4	77.1	92.9	**106.4**	114.6	123.0
SG&A expenses	85.6	85.6	95.8	**100.2**	104.6	107.0
Operating income	67.1	67.6	65.4	**65.0**	99.5	77.0
Ordinary income	66.6	69.1	67.3	**65.7**	97.5	77.5
Net income	41.9	43.5	43.9	**42.8**	97.5	51.0

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

1-2 Balance Sheets Data

(billions of yen)

March 31	2004	2005	2006	**2007**	Inc./ (Dec.)
Total assets	515.6	530.6	572.9	**573.7**	0.8
Equity	405.1	431.7	465.2	**467.5**	2.3
Equity - Minority interests - Stock acquisition rights	405.1	431.7	465.2	**467.2**	2.0
(Equity - Minority interests - Stock acquisition rights)/Total assets (%) 0 0 7.02 746.8469 157.4603 Tm()]TJ/T2_0BT8.1 0 0 8.1 0 0 Tm[45.+."f reW 0.269 157.4603 T	78.6	81.4	81.2	**81.4**	0.2

*Past data have been reclassified in accordance with the new segmentation of this fiscal year.

1-3 Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	Inc./ (Dec.)	2008 est.
Capital expenditures	20.6	25.0	24.5	**22.0**	(2.6)	21.0
Property, plant and equipment	17.7	16.3	11.2	**11.7**	0.5	13.0
Intangible assets	2.8	8.7	13.4	**10.3**	(3.1)	8.0
Depreciation/Amortization	13.6	14.3	16.4	**17.9**	1.5	18.0

* "Depreciation/Amortization" value represents depreciation for "Property, plant and equipment" and amortization for "Intangible assets".

1-4 Statements of Cash Flows Data

(billions of yen)

Years Ended March 31	2005	2006	**2007**	Inc./ (Dec.)
Net cash provided by operating activities	35.0	55.8	**30.6**	(25.2)
Net cash used in investing activities	(26.1)	(13.5)	**(44.3)**	(30.7)
Net cash used in financing activities	(17.4)	(21.2)	**(40.3)**	(19.1)
Cash and cash equivalents at end of period	79.5	100.5	**46.5**	(54.0)
Free cash flows	11.3	30.9	**10.1**	(20.8)

* "Free cash flows" = "Net cash provided by operating activities" - ("Capital expenditures" + "Payments for acquisition of business")

2. Net Sales by Business Segment

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	YoY %	2008 est.
Net sales	303.6	307.9	332.0	**351.6**	105.9	382.0
Prescription pharmaceuticals	189.0	196.3	211.5	**217.0**	102.6	229.0
[Ratio of in-house developed products to prescription pharmaceuticals] (%)	[80.4]	[81.5]	[82.3]	**[82.8]**	-	-
Pharmaceuticals exports	52.1	45.9	53.9	**55.9**	103.7	58.5
Consumer health care products	19.5	18.8	17.6	**19.6**	111.6	19.5
Other (Food additives/Chemicals, etc.)	9.7	3.1	1.8	**1.2**	67.3	1.5
Industrial property rights, etc. income	33.3	43.8	47.2	**57.9**	122.8	73.5

3. Exports by Geographical Area

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	YoY %
Net Sales	303.6	307.9	332.0	**351.6**	105.9
Exports	85.9	88.1	99.7	**113.5**	113.8
North America	62.7	64.6	69.6	**78.6**	112.9
Europe	18.8	19.0	24.9	**28.5**	114.3

4. Prescription Pharmaceuticals

(billions of yen)

Years Ended/Ending March 31 Description / *Product*	2004	2005	2006	**2007**	YoY %	2008 est.
Alzheimer's type dementia treatment *ARICEPT*	28.4	35.1	42.3	**49.7**	117.4	58.0
Peripheral neuropathy treatment *METHYCOBAL*	30.6	30.9	32.1	**31.4**	98.0	31.5
Proton pump inhibitor *PARIET*	14.6	19.4	27.6	**30.7**	111.3	36.0
Gastritis/gastric ulcer treatment *SELBEX*	24.4	22.7	21.7	**19.3**	89.0	20.5
Non-ionic contrast medium *IOMERON*	9.4	8.9	8.7	**8.3**	95.3	8.5
Muscle relaxant *MYONAL*	8.6	8.5	8.5	**8.2**	95.9	8.0
Osteoporosis treatment *ACTONEL*	-	-	4.0	**7.5**	186.9	9.0
Osteoporosis treatment *GLAKAY*	10.0	9.0	8.4	**7.5**	89.1	7.0
Genetically engineered glucagon preparation *GLUCAGON G NOVO*	4.4	4.2	4.4	**4.1**	94.2	4.0
Long-acting isosorbide denigrate preparation *NITOROL-R*	5.3	4.8	4.4	**3.9**	88.2	3.5
Antiallergic agent *AZEPTIN*	3.5	3.8	2.9	**2.6**	88.9	2.0
Others	49.8	49.0	46.6	**43.9**	94.2	41.0
Prescription pharmaceuticals total	189.0	196.3	211.5	**217.0**	102.6	229.0

*The sales of *Actonel* have been booked since October 2005 after Eisai launched its marketing.

5. Exports by Products

(billions of yen)

Years Ended/Ending March 31 *Product*	2004	2005	2006	**2007**	YoY %	2008 est.
ARICEPT	16.7	21.1	22.8	**23.1**	101.3	24.5
ACIPHEX/PARIET	32.7	22.0	26.8	**28.4**	105.9	28.5
Others	2.7	2.9	4.3	**4.4**	102.4	5.5
Exports total	52.1	45.9	53.9	**55.9**	103.7	58.5

6. Consumer Health Care Products

(billions of yen)

Years Ended/Ending March 31 Description / *Product*	2004	2005	2006	**2007**	YoY %	2008 est.
Vitamin B_2 preparation *CHOCOLA BB* Group	8.7	8.4	8.3	**8.8**	106.2	8.5
Active-type Vitamin B_{12} *NABOLIN* Group	1.5	1.4	1.4	**1.9**	137.3	2.0
JUVELUX / Natural Vitamin E preparation *Vitamin-E* Group	2.8	2.2	1.8	**1.8**	102.2	1.5
Stomach ache and heartburn treatment *SACLON* Group	2.3	2.1	1.9	**1.8**	91.3	1.5
Others	4.3	4.7	4.2	**5.3**	127.2	6.0
Consumer health care products total	19.5	18.8	17.6	**19.6**	111.6	19.5

7. Gross Profit/Manufacturing Cost

7-1 Breakdown of Cost of Sales

(billions of yen)

Years Ended March 31	2004	2005	2006	**2007**
Net sales	303.6	307.9	332.0	**351.6**
Cost of sales	83.5	77.7	78.0	**80.1**

8. SG&A Expenses

8-1 R&D Expenses

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	2008 est.
Net sales	303.6	307.9	332.0	**351.6**	382.0
R&D expenses	67.4	77.1	92.9	**106.4**	123.0
Overseas R&D expenses	24.3	31.2	42.7	**53.6**	-
[Ratio of overseas R&D expenses to R&D expenses] (%)	[36.1]	[40.5]	[46.0]	**[50.4]**	-
Ratio of R&D expenses to net sales (%)	22.2	25.0	28.0	**30.3**	32.2

8-2 SG&A Expenses

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	2008 est.
Net sales	303.6	307.9	332.0	**351.6**	382.0
SG&A expenses	85.6	85.6	95.8	**100.2**	107.0
Personnel expenses	38.1	35.4	34.4	**32.6**	-
Marketing expenses	30.9	32.8	37.8	**42.3**	-
Administrative expenses and others	16.6	17.5	23.5	**25.3**	-
Ratio of SG&A expenses to net sales (%)	28.2	27.8	28.8	**28.5**	28.0

8-3 SG&A Expenses (including R&D expenses)

(billions of yen)

Years Ended/Ending March 31	2004	2005	2006	**2007**	2008 est.
Net sales	303.6	307.9	332.0	**351.6**	382.0
SG&A expenses (including R&D expenses)	153.0	162.8	188.6	**206.5**	230.0
Ratio of SG&A expenses (including R&D expenses) to net sales (%)	50.4	52.8	56.8	**58.7**	60.2

9. Balance Sheets Data

<Assets>

(billions of yen)

March 31	2004	2005	2006	**2007**
Current assets	261.6	249.3	278.2	**245.7**
Fixed assets	254.0	281.3	294.7	**328.0**
Property, plant and equipment	79.2	84.1	82.7	**80.4**
Intangible assets	11.2	17.8	26.5	**30.3**

11. Statements of Cash Flows

(billions of yen)

Years Ended March 31	2006	**2007**	Inc./ (Dec.)
Operating activities:			
Income before income taxes	66.3	**66.4**	0.1
Depreciation and amortization	16.4	**17.9**	1.5
Net increase (decrease) in notes and accounts receivables/payable-trade and inventories	(1.8)	**(13.5)**	(11.8)
Accounts payable - other/accrued expenses etc.	4.2	**4.3**	0.1
Other	(0.4)	**(12.4)**	(11.9)

VIII. Changes in Quarterly Results

1. Statements of Income Data [Consolidated]

(billions of yen)

Years Ended March 31	2006				2007			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	**Fourth Quarter**
Net sales	135.8	146.8	167.3	151.3	153.9	165.4	181.4	**173.3**
Cost of sales	24.1	24.6	30.0	25.8	26.8	26.4	28.7	**27.4**
R&D expenses	19.9	24.5	22.6	26.2	24.4	27.9	26.6	**29.4**
SG&A expenses	69.3	74.9	81.7	81.8	78.7	85.6	91.9	**95.1**
Operating income	22.5	22.8	32.9	17.5	24.1	25.5	34.2	**21.4**
Non-operating income & expenses	0.9	0.9	1.4	1.1	1.0	1.1	1.9	**1.2**
Ordinary income	23.4	23.7	34.3	18.6	25.1	26.6	36.1	**22.7**
Special gain & loss	(0.2)	(0.3)	0.0	(3.5)	(0.4)	(0.0)	(0.1)	**0.4**
Income before income taxes and minority interests	23.2	23.5	34.4	15.1	24.7	26.6	36.0	**23.0**
Net income	14.9	15.2	22.0	11.3	15.8	16.7	23.3	**14.8**
Earnings per share (yen)	52.2	53.3	77.0	39.4	55.4	58.4	82.0	**52.0**

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

2. Balance Sheets Data [Consolidated]

<Assets>

(billions of yen)

Years Ended March 31	2006				2007			
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	**31-Mar**
Current assets	368.7	392.8	408.5	432.6	406.6	426.7	407.4	**441.2**
Fixed assets	293.9	300.9	303.6	314.6	318.2	324.9	349.3	**350.9**
Property, plant and equipment	123.2	124.8	125.8	128.7	127.3	128.6	130.4	**133.8**
Intangible assets	36.2	38.5	38.7	43.2	41.3	41.6	63.2	**62.6**
Investments and other assets	134.5	137.5	139.1	142.7	149.5	154.7	155.7	**154.5**
Total assets	662.6	693.6	712.1	747.2	724.8	751.6	756.6	**792.1**

<Liabilities and Equity>

(billions of yen)

Years Ended March 31	20069a 45Tj0 -1.26 TD(ad)TjETq 317yd 2007							
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	**31-Mar**
Current liabilities	143.2	154.4	157.2	178.2	157.7	177.1	170.1	**191.8**
Long-term liabilities	44.2	42.7	40.5	40.6	39.9	38.5	38.5	**37.6**
Total liabilities	187.4	197.1	197.6	218.7	197.6	215.7	208.5	**229.4**
Owners' equity	460.1	475.4	485.9	497.3	498.9	504.8	512.6	**527.6**
Net unrealized gain and translation adjustments	6.1	12.0	19.3	21.9	19.0	21.3	25.4	**24.8**
Stock acquisition rights	-	-	-	-	-	0.3	0.3	**0.3**
Minority interests	9.0	9.2	9.2	9.3	9.4	9.6	9.7	**9.9**
Total equity	475.2	496.5	514.4	528.5	527.3	535.9	548.1	**562.7**
Total liabilities and equity	662.6	693.6	712.1	747.2	724.8	751.6	756.6	**792.1**

*Past data have been reclassified in accordance with the new segmentation of this fiscal year.

3. Capital Expenditures and Depreciation/Amortization [Consolidated]

(billions of yen)

Years Ended March 31	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	**Fourth Quarter**
Capital expenditures	4.6	9.4	5.9	17.2	3.7	7.0	29.3	**12.0**
Property, plant and equipment	3.6	5.3	4.2	7.8	3.2	4.8	5.7	**9.5**
Intangible assets	1.0	4.0	1.7	9.4	0.6	2.2	23.6	

5. *ARICEPT* Sales by Area (Eisai Territory Sales) [Consolidated]

Years Ended March 31		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	**Fourth Quarter**
Japan	¥ Billions	9.9	10.6	12.1	9.7	11.5	12.4	14.0	**11.8**
U.S.	¥ Billions	23.5	29.1	31.6	35.6	33.1	39.6	41.7	**47.7**
	[U.S. $ Millions]	[219]	[262]	[271]	[306]	[289]	[341]	[355]	**[401]**
UK	¥ Billions	0.3	0.2	0.3	0.2	0.4	0.3	0.3	**0.3**
	[UK £ Millions]	[2]	[1]	[1]	[1]	[2]	[1]	[1]	**[1]**
France	¥ Billions	5.1	5.1	5.5	5.3	5.5	6.9	6.8	**6.6**
	[Euro Millions]	[38]	[38]	[40]	[37]	[38]	[47]	[45]	**[42]**
Germany	¥ Billions	1.9	2.1	2.1	1.8	1.8	1.8	2.0	**1.8**
	[Euro Millions]	[14]	[15]	[15]	[12]	[13]	[12]	[13]	**[12]**
Europe total	¥ Billions	7.3	7.4	7.9	7.3	7.7	9.0	9.1	**8.7**
Asia	¥ Billions	0.9	1.1	1.1	1.2	1.4	1.5	1.7	**2.0**
Total	¥ Billions	41.7	48.2	52.7	53.8	53.7	62.5	66.5	**70.2**

6. *ACIPHEX/PARIET* Sales by Area (Eisai Territory Sales) [Consolidated]

Years Ended March 31		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	**Fourth Quarter**
Japan	¥ Billions	6.3	6.8	8.5	5.9	7.1	7.5	9.0	**7.0**
U.S.	¥ Billions	25.3	28.2	30.8	30.1	29.3	31.2	34.3	**32.1**
	[U.S. $ Millions]	[235]	[253]	[263]	[258]	[256]	[268]	[292]	**[269]**
UK	¥ Billions	1.5	1.3	1.3	1.0	1.0	1.0	0.8	**0.5**
	[UK £ Millions]	[7]	[7]	[6]	[5]	[5]	[5]	[4]	**[2]**
Germany	¥ Billions	0.3	0.3	0.4	0.3	0.3	0.6	0.7	**0.9**
	[Euro Millions]	[2]	[2]	[3]	[2]	[2]	[4]	[4]	**[6]**
Italy	¥ Billions	-	-	0.4	2.1	1.7	1.5	1.6	**1.6**
	[Euro Millions]	[-]	[-]	[3]	[15]	[12]	[10]	[10]	**[11]**
Europe total	¥ Billions	1.8	1.7	2.1	3.4	3.0	3.1	3.0	**3.0**
Asia	¥ Billions	0.7	0.8	1.0	1.0	1.1	1.2	1.1	

9. Statements of Income Data [Non-Consolidated]

(billions of yen)

Years Ended March 31

	First Quarter	Second Quarter	Third Quarter

IX. Major R&D Pipeline Candidates

Updates since April 2006

Approved

* 1. ***INOVELON*** approved in Europe for adjunctive therapy of Lennox-Gastaut Syndrome.

2. ***ARICEPT*** approved in U.S. for an additional indication in severe Alzheimer's disease.

* 3. ***PARIET*** approved in Japan for a new indication for *Helicobacter pylori* (*H. pylori*) eradication.

* 4. New pre-filled syringe formulation for ***NITOROL*** approved in Japan.

Filed for approval

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

2. **E2014** filed in Japan for cervical dystonia.

* 3. ***ARICEPT*** filed in Europe for an additional indication in severe Alzheimer's disease.
(The application is temporarily withdrawn while discussios with regulatory authorities for reapplication are ongoing.

4. ***PARIET*** filed in Japan for a new indication in secondary treatment for *Helicobacter pylori (H. pylori)* eradication.

* 5. ***VASOLAN*** filed in Japan for a new indication for atrial fibrillation and paroxysmal supraventricular tachycardia.

* 6. An X-ray contrast medium ***IOMERON*** filed in Japan for an additional dosage & administration in CT angiography.

Progress in clinical studies

1. **E2007** entered a Phase III study for Parkinson's disease in the U.S.
2. **E5564** entered a Phase III study for severe sepsis in the U.S. and Europe.
3. **E7389** entered a Phase III study for breast cancer in the U.S. and Europe.
4. **D2E7** entered a Phase II/III study for Crohn's disease in Japan.
5. **E0302** entered a Phase II/III study for amyotrophic lateral sclerosis (ALS) in Japan.
6. **E7389** entered a Phase II study for sarcoma in Europe.
7. **E5555** entered a Phase II study for Acute Coronary Syndrome (ACS) in the U.S. and Europe.

Discontinued projects

1. The joint project for development of **TVP-1012 (rasagiline)** in the U.S. was ended.
2. The development of ***ACIPHEX*** in the U.S. for intermittent therapy for symptomatic GERD was discontinued.
3. The development of **E7070** in Japan for gastric cancer was discontinued.
(Development for other types of cancer is now being investigated in the U.S.)
4. The development of **E0167** in Japan for prevention of hepatocellular carcinoma recurrence was discontinued.

* Updates since January 2007.

1. International Development

1-1 Approved

(Product) Name (Research Code)	Region	Date	Description	Form.	Origin
ARICEPT (E2020) (Additional indication)	U.S.	Oct-06	**Severe Alzheimer's Disease** Supplemental New Drug Application was approved by the FDA for severe Alzheimer's disease in addition to the h r 8 TD(disease i4Ea8lc Rn5ugmas rh 0 2 ipplicat ohorities for reappliTjETq10j45.603123ot) Na	Tab.	In-house
INOVELON (E2080)	EU	Jan-07	**Anti-Epilepsy (generic name: rufinamide)**	Tab.	Novartis

1-2 Filed for Approval

(Product) Name (Research Code)	Region	Date	Description	Form.	Origin
ARICEPT (E2020) (Additional indication)	U.S.	Sep-02	**Vascular Dementia**	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.		
ARICEPT (E2020) (Additional formulation)	EU	May-04	**Liquid Formulation** Originally approved as a tablet formulation. Filed for a liquid formulation for prescription to people who have difficulty swallowing tablets.	Liquid	In-house
E2080	U.S.	Nov-05	**Anti-Epilepsy (generic name: rufinamide)**	Tab.	Novartis
GASMOTIN	Asia	May-07	**Gastroprokinetic Agent (generic name: mosapride citrate)**	Tab.	Dainippon Sumitomo Pharma

NOTE: The application for *ARICEPT* is temporarily withdrawn while discussions with regulatory authorities for reapplication are ongoing.

1-3 Phase III&II

(Product) Name (Research Code)	Region	Phase	Description	Form.	Origin	Expected Application
ARICEPT (E2020) (Additional indication)	EU	III	**Dementia Associated with Parkinson's Disease**	Tab.	In-house	FY2007
E2007	U.S. EU	III III	**Parkinson's Disease/AMPA Receptor Antagonist**	Tab.	In-house	FY2007
E5564	U.S. EU	III III	**Severe Sepsis/Endotoxin Antagonist (generic name: eritoran)**	Inj.	In-house	FY2009
E7389	U.S. U.S. EU	II III III	**Anti-cancer (breast cancer)/Microtubule Growth Suppressor**	Inj.	In-house	FY2007 Subpart H application
AS-3201	U.S.	III	**Diabetic complications/Aldose Reductase Inhibitor** 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
clevudine	Asia	being prepared for Phase III	**Anti-hepatitis B Agent (generic name: clevudine)** Clevudine is an antiviral agent which shows efficacy in treatment of chronic hepatitis caused by the hepatitis B virus through DNA polymerase inhibition. The 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	
ARICEPT (E2020) (Additional indication)	U.S. EU	II II	**Migraine Prophylaxis** Currently indicated for the treatment of mild-to-moderate Alzheimer's disease (mild-to-severe AD in the U.S.) . Now being tested in Phase II for a new indication for migraine prophylaxis.	Tab.	In-house	
E2007	U.S. EU	II II	**Epilepsy, Multiple Sclerosis and Migraine Prophylaxis/AMPA Receptor Antagonist** The compound selectively antagonizes the AMPA-type glutamate receptor. Now being investigated as a potential treatment for epilepsy, multiple sclerosis and migraine prophylaxis.	Tab.	In-house	
E7389	U.S. EU	II II	**Anti-cancer (non-small cell lung cancer, prostate cancer, sarcoma) /Microtubule Growth Suppressor** 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 Subpart H application study for breast cancer as well as Phase II studies for prostate cancer and sarcoma are ongoing.	Inj.	In-house	
E5555	U.S. EU	II II	**Acute Coronary Syndrome (ACS)/Thrombin receptor antagonist** The compound inhibits platelet aggregation and smooth-muscle proliferation based on thrombin receptor antagonism. A Phase II study for ACS is ongoing.	Tab.	In-house	FY2010

NOTES:

The expected application date for *ARICEPT* for the treatment of dementia associated with Parkinson's disease in Europe has been changed from FY2006 to FY2007.

The expected application date for E7389 for Subpart H in the U.S. for the treatment of breast cancer has been changed from FY2006 to FY2007.

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
PARIET (E3810) (Additional indication)	Jan-07	**Eradication of *H. pylori* in Combination with Antibiotics**	Tab.	In-house
NITOROL (additional formulation)	Mar-07	**Pre-filled Syringe (additional formulation)**		In-house

2-2 Filed for Approval

(Product) Name (Research Code)	Date	Description	Form.	Origin
T-614 (Additional indication)	Sep-03	**Rheumatoid Arthritis (generic name: iguratimod)**	Tab.	Toyama Chemical
TAMBOCOR (E0735) (Additional indication)	Dec-04	**Paroxysmal Atrial Fibrillation/Flutter**	Tab.	iNova Pharma-ceuticals
ARICEPT (E2020) (Additional indication)	Dec-05	**Severe Alzheimer's disease**	Tab.	In-house
D2E7	Dec-05		Inj.	Abbott
PARIET (E3810) (Additional indication)	Mar-06	**Symptomatic GERD**	Tab.	In-house
PARIET (E3810) (Additional indication)	Aug-06	**Secondary Eradication of *H. pylori* in Combination with Antibiotics**	Tab.	In-house
E2014	Dec-06	**Cervical Dystonia/Botulinum Toxin Type B**	Inj.	Solstice Neuro-sciences
VASOLAN (E0103) (Additional Indication)	Jan-07	**Atrial Fibrillation, Paroxysmal Supraventricular Tachycardia (PSVT)**	Tab.	Abbott
IOMERON (E7337) (Additional dosage/administration)	Mar-07	**Nonionic X-ray Contrast Medium**	Inj.	Bracco

2-3 Phase III & II

(Product) Name (Research Code)	Phase	Description	Form.	Origin	Expected Application
KES524	III	**Obesity Management/Central Acting Serotonin & Noradrenalin Reuptake Inhibitor (generic name: sibutramine)**	Cap.	Abbott	FY2007
E0302	II/III	**Amyotrophic Lateral Sclerosis(ALS)/mecobalamine**	Inj.	In-house	
D2E7	II/III	**Psoriasis, Crohn's disease/Human Anti TNF-alpha Monoclonal Antibody (generic name: adalimumab)** Filed for a new indication for rheumatoid arthritis. Now being investigated in Phase II/III for psoriasis. A Phase II/III study for Crohn's disease was recently initia	Inj.	Abbott	FY2007 (Psoriasis)

X. Major Events

2007

Date	Description < >=Date Announced
May	Announced basic principle and policies concerning reduction of minimum trading lots for shares <May 15>
	Announced notice on new stock issuance in the form of stock options <May 15>
	Submitted application for *Gasmotine* (gastroprokinetic agent) in Thailand for the treatment of functional dyspepsia <May 15>
	Obtained favorble ruling in *ACIPHEX* patent infringement lawsuit in the U.S. <May 12>
	Fragmin (injectable anti-clotting agent) received an FDA approval for extended treatment to reduce the recurrence of blood clots in patients with cancer <May 7>
	Introduced Chocola BB Light 2 Vitamin B2 Drink <May 7>
Apr.	Announced complete subsidiarization of Sanko Junyaku <Apr. 26>
	Actonel 17.5 mg tablets (a once-weekly treatment of osteoporosis) received approval in Japan <Apr. 18>
	Completed the acquisition of a U.S. based biopharmaceutical company Morphotek Inc. <Apr. 17>
	Announced temporary withdrawal of the application for *ARICEPT* in Europe for the treatment of severe Alzheimer's disease <Apr. 13>
Mar.	Signed an agreement with Asahi Kasei Pharma Corporation for the license of vasodilator *Eril* in Korea <Mar. 26>
	Entered into an acquisition agreement with an antibody specialized biopharmaceutical company Morphotek Inc. <Mar. 22>
	Established a manufacturing subsidiary in the UK <Mar. 5>
	New formulations of a 0.05% isosorbide dinitrate injection, *Nitorol* Injection 5mg Syringe and *Nitorol* Injection 25mg Syringe, received approval in Japan
	Submitted an application for X-ray contrast medium *IOMERON* in Japan for an additional dosage & administration in CT angiography
	Established an API R&D and manufacturing subsidiary in India
Feb.	Eisai and Abbott agreed on the co-promotion of the rheumatoid arthritis drug *HUMIRA* in Taiwan and Korea <Mar. 1>
	Announced a revision of year-end dividend forecast for FY2006 (the period ending March 2007) <Feb. 2>
Jan.	*PARIET* Tablets 10mg received approval in Japan for a new indication in *Helicobacter pylori* eradication <Jan. 30>
	The anti-epilepsy agent *INOVELON* received marketing approval in Europe for adjunctive treatment of LGS <Jan. 22>
	Submitted an application for *VASOLAN* (ischemic heart disease treatment) in Japan for a new indication for atrial fibrillation and paroxysmal supraventricular tachycardia
	Eisai Research Institute of Boston opened a new facility (opened on Jan. 17)

2006

Date	Description < >=Date Announced
Dec.	Submitted an NDA in Japan for Botulinum toxin type B E2014 in treatment of cervical dystonia
Nov.	Established pharmaceutical marketing subsidiary in Portugal EF-Eisai Farmacêutica, Unipessoal Lda <Nov. 21>
	Positive opinion issued for *INOVELON* for marketing authorization by the European Committee for Medical Products for Human Use (CHMP) <Nov. 20>
	Eisai Inc in US broke ground for a new oncology facility in North Carolina (announced in the U.S. on Nov. 13)
	Launched a new RX-to-OTC switch product *HIGUARD* for allergy-related Rhinitis and Skin Problems in Japan <Oct. 31>
Oct.	Eisai's subsidiary Sanko Junyaku Co., Ltd. announced revision of forecast of annual business/year-end dividend <Oct. 30>
	The acquisition of four oncology-related products from Ligand was completed <Oct. 26>
	Eisai, Sanko Junyaku and FUJIREBIO signed a joint agreement for development of a New KL-6 Test Kit (supplementary diagnostic marker for interstitial pneumonia) compatible with the LUMIPULSE system <Oct. 19>
	Sanko Junyaku Co., Ltd. announced revision of semiannual business forecast <Oct. 19>
	ARICEPT received approval from the U.S. FDA for the treatment of severe Alzheimer's disease <Oct.14>
	Received Court decisions for summary judgment motion in US legal action over *ACIPHEX* ANDA filing <Oct. 9>
	Eisai's subsidiary KAN Research Institute relaunched operations in the Kobe Medical Industry Development Project Site <Oct.2>
	Established Eisai Clinical Research Singapore Pte. Ltd.
Sep.	Court dismissed Eisai's lawsuits against generic drug manufacturers/distributors regarding the sales of *SELBEX* 50mg based on the Japanese Unfair Competition Prevention Law <Sep. 27>
	Acquired four oncology-related products from Ligand <Sep. 8>
Aug.	Announced results of the Company's own share acquisition through ToSTNeT-2 <Aug. 30>
	Announced acquisition of the Company's own shares through ToSTNet-2 <Aug. 29>
	Commenced legal action in the United States over *ARICEPT* ODT ANDA filing <Aug. 4>
	Submitted an application for *PARIET* 10mg in Japan for secondary treatment for *Helicobacter pylori* eradication

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

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Date	Description	< >=Date Announced
Jul.	Launched severe chronic agent *PRIALT* in the UK and Germany <Jul. 31>	
	Continuation of policy for protection of the company's corporate value and common interests of shareholders was resolved in the BOD meeting <Jul. 31>	
	Acquisition of treasury stock <Jul. 31>	
	Concluded agreement with Solvay Pharmaceuticals Marketing & Licensing AG on co-development and distribution of pancreatic exocrine insufficiency treatment (SA-001) in Japan <Jul. 27>	
	Mutually agreed with Teva to terminate collaboration agreement for rasagiline < Jul. 12>	
	Announced outline of new stock option (new share subscription rightiCsddan <Jul. .if2feiop(non (new shad CsddbiD*l0 eva with Solv3 7tment (SAg	