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1. CONSOLIDATED SEMIANNUAL FINANCIAL RESULTS (APRIL 1, 2007 – SEPTEMBER 30, 2007)

1) RESULTS OF SEMIANNUAL OPERATIONS

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
April 1, 2007-September 30, 2007	¥362,817 mil.	13.6%	¥57,061 mil.	14.9%	¥59,560 mil.	15.1%
April 1, 2006-September 30, 2006	¥319,389 mil.	13.0%	¥49,643 mil.	9.7%	¥51,745 mil.	9.9%
April 1, 2006-March 31, 2007	¥674,111 mil.		¥105,263 mil.		¥110,462 mil.	

Period	Net Income	Percent Change	Basic Earnings per Share	Diluted Earnings per Share
April 1, 2007-September 30, 2007	¥39,351 mil.	21.0%	¥138.49	¥138.34
April 1, 2006-September 30, 2006	¥32,509 mil.	7.8%	¥113.82	¥113.65
April 1, 2006-March 31, 2007	¥70,614 mil.			

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

Period	Net Sales	Operating Income	Ordinary Income	Net Income	Basic Earnings per Share
Annual	¥739,000 mil. 9.6%	¥117,000 mil. 11.1%	¥121,000 mil. 9.5%	¥78,500 mil. 11.2%	¥275.52

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

4. OTHER

1) There is no change in important subsidiaries (change in specific subsidiaries involving changes in the scope of consolidation) during the period under review.
2) Changes of rule, procedure and representation method in connection with the preparation of the consolidated financial statements (indicated in accounting method changes)
   (1) Changes in connection with the amendment of accounting standard: None
   (2) Changes except (1): None
3) Number of the outstanding shares (common stock)
   (a) Number of the shares outstanding at the end of period (including treasury stock)
   *Interim FY2007: 296,566,949 shares, Interim FY2006: 296,566,949 shares,
   Annual FY2006: 296,566,949 shares
   (b) Number of the treasury stock at the end of period
   *Interim FY2007: 12,404,381 shares, Interim FY2006: 12,568,659 shares
   Annual FY2006: 12,437,412 shares
   (Please see “Per share Information” on page 60 for the base number of shares for calculation of diluted earnings per share (consolidated))

(REFERENCE)

1. NON-CONSOLIDATED SEMIANNUAL FINANCIAL RESULTS (APRIL 1 – SEPTEMBER 30, 2007)

(1) RESULTS OF OPERATIONS

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent

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

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 semiannual results for the period under review:

Net sales:	¥362,817 million (13.6% increase year-on-year)
Operating income:	¥57,061 million (14.9% increase year-on-year)
Ordinary income:	¥59,560 million (15.1% increase year-on-year)
Net income:	¥39,351 million (21.0% increase year-on-year)

¸ Net sales gained ground in Japan, North America, and Asia as sales of *Aricept*, an Alzheimer's disease treatment, expanded to ¥140,864 million, up 21.2% year-on-year and those of

b. Performance by geographical segments

<Japan>

- Sales in Japan amounted to ¥157,401 million, up 9.7% from the previous year and operating income came to ¥45,843 million, up 34.4%.
- Among prescription drugs, as compared to the previous year, sales of *Aricept* increased to ¥30,035 million, up 25.7% and those of *Pariet* increased to ¥18,270 million, an increase of 24.8%.

(2) **Second Quarter Financial Highlight**

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

- **An AMPA receptor antagonist E2007** entered a Phase II study for neuropathic pain in the U.S. and Europe. A Phase III study for Parkinson's disease is ongoing while the study for epilepsy is at the preparation for Phase III after completing Phase II. In addition, a new study for migraine prophylaxis is being considered based on the results from the Phase II study. For multiple sclerosis indication, a Phase II study is now being conducted.
- **An anti-cancer agent E7389** is now under investigated for the treatment of breast cancer in a study to file for accelerated approval under Subpart H in the U.S. as well as in a Phase III study for submission in Europe, and in a Phase II study in Japan. A Phase II study is ongoing for non-small cell lung cancer (the U.S.), prostate cancer (the U.S. and Europe), and sarcoma

test the efficacy for dementia with Lewy bodies has also been initiated. In addition, ***Aricept*** **sustained release formulation** entered a Phase III study in the U.S. and Europe. Phase III study in Europe seeking additional indication for dementia associated with Parkinson's disease was terminated.

- Additional dosage and administration for secondary eradication of *Helicobacter pylori* in peptic ulcer was approved for ***Pariet,*** a proton pump inhibitor, in combination with amoxicillin and metronidazole in Japan in August 2007.
- A Phase III study of **the anti-epileptic agent *Zonegran*** has been initiated for epilepsy monotherapy in Europe.
- **An antiarrthymic treatment *Tambocor*** received approval for an additional indication for paroxysmal atrial fibrillation/flutter in Japan in June 2007.
- **Human monoclonal anti-TNF α antibody**, which was jointly developed with Abbott Japan Co., Ltd. was filed for approval to treat psoriasis vulgaris and psoriatic arthritis in September 2007.

Alliances & Agreements

- **An acquisition of Morphotek, Inc.,** a U.S. biopharmaceutical company that specializes in antibody research & development, was completed. Originally announced in March 2007, the acquisition agreement came into effect in April 2007 with the company now a subsidiary of Eisai Corporation of North America. Morphotek, Inc. develops the therapeutic antibodies through the use of its proprietary technologies including the treatment of cancers, rheumatoid arthritis, and infectious diseases. The acquisition enabled Eisai to expand its capacity and

- **An exclusive in-licensing agreement was signed with Sepracor Inc. (the U.S.) for a sedative hypnotic eszopiclone (US brand name: "LUNESTA")** in July 2007 for development and marketing of the compound in Japan.
- **Eisai Inc. in the U.S. entered into an exclusive agreement with Salix Pharmaceuticals, Ltd. (the U.S.)** in September 2007 to co-promote "**COLAZAL**" for the treatment of ulcerative colitis in the country.

(4) **Other**

- The United States District Court for the Southern District of New York ruled in Eisai's favor on May 11, 2007 (U.S. Eastern Time) with respect to the patent infringement lawsuit Eisai and its U.S. subsidiary Eisai Inc. had filed against generic drug makers concerning ***Aciphex***. The generic makers have appealed to the Circuit Court Appeals in June 2007.

[Forecast on non-consolidated results]

Forecast on non-consolidated results announced in July 2007 is adjusted as follows:

	Current Forecast		Previous Forecast		Increase/ (decrease)	Increase/ (decrease)
	(A)	Percent change	(B)	Percent change	(A-B)	
Net sales	¥388,000 mil.	10.3%	¥382,000 mil.	8.6%	¥6,000 mil.	1.6%
Operating income	¥82,500 mil.	26.9%	¥77,000 mil.	18.4%	¥5,500 mil.	7.1%
Ordinary income	¥83,000 mil.	26.4%	¥77,500 mil.	18.0%	¥5,500 mil.	7.1%
Net income	¥54,600 mil.	27.6%	¥51,000 mil.	19.2%	¥3,600 mil.	7.1%

Prospected net income per share: (Annual) ¥191.63

Note: Prospected net income per share (full-year) is calculated considering the appropriation of treasury stock of Eisai Co., Ltd. for the share exchange to make Sanko Junyaku (Eisai's consolidated subsidiary) its wholly-owned subsidiary on October 1, 2007.

2) Financial conditions for the period

[Assets]

- Total assets at the end of the period under review stood at ¥817,641 million, an increase of ¥25,527 million from the end of the previous period. Major increase comes from Intangible assets increased as a result of acquisition of Morphotek, Inc. On the other hand, cash and cash in bank and investment securities account for decrease.
- Total liabilities amounted to ¥242,534 million, up ¥13,118 million from the end of the previous period. Deferred tax liabilities mainly account for the increase.
- Total equity came to ¥575,107 million, an increase of ¥12,409 million from the end of the previous period, resulting in a ratio of shareholders' equity to total assets of 69.0%, down 0.7 percentage points from the previous year.

[Capital expenditures]

- Capital expenditures amounted to ¥13,065 million, an increase of ¥5,071 million year-on-year, most of which were used to upgrade production facilities and R&D laboratories in Japan, Europe and the U.S.. Property, plant and equipment gained from business acquisition is not included in the figures shown above.

[Cash flow]

- Net cash provided by operating activities for the period under review amounted to ¥41,730 million, up ¥5,114 million from the previous year. Income before income taxes amounted to ¥60,719 million, depreciation and amortization expenses came to ¥15,364 million and while income taxes paid totaled ¥24,404 million.
- Cash outflows arising out of investing activities amounted to ¥52,625 million, an increase of ¥31,419 million, out of which ¥39,166 million was used for the acquisition of Morphotek, Inc., ¥16,443 was for acquiring tangible fixed assets and ¥7,558 million was for acquiring intangible assets.
- Net cash used in financing activities amounted to ¥18,776 million, an decrease of ¥6,339 million from the same period of the previous year, out of which ¥18,468 million was paid as dividends.
- As a result of such operating, investing and financing activities, cash and cash equivalents at the end of the period under review came to ¥140,950 million, down ¥30,140 million from the end of the previous year.

[Trends in Financial Indicators]

	Mar.31, 2004	Mar. 31 2005	Mar.31, 2006	Mar.31, 2007	Sep.30, 2007
Shareholder's Equity*	68.1	69.4	69.5	69.7	69.0
Market Cap. Ratio (%)	131.8	157.0	196.3	202.7	188.7
Debt repayment term (years)	0.03	0.06	0.03	0.03	0.03
Interest coverage ratio	1,040.6	856.3	1,922.7	796.8	800.2

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

- Shareholder's Equity: (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
-

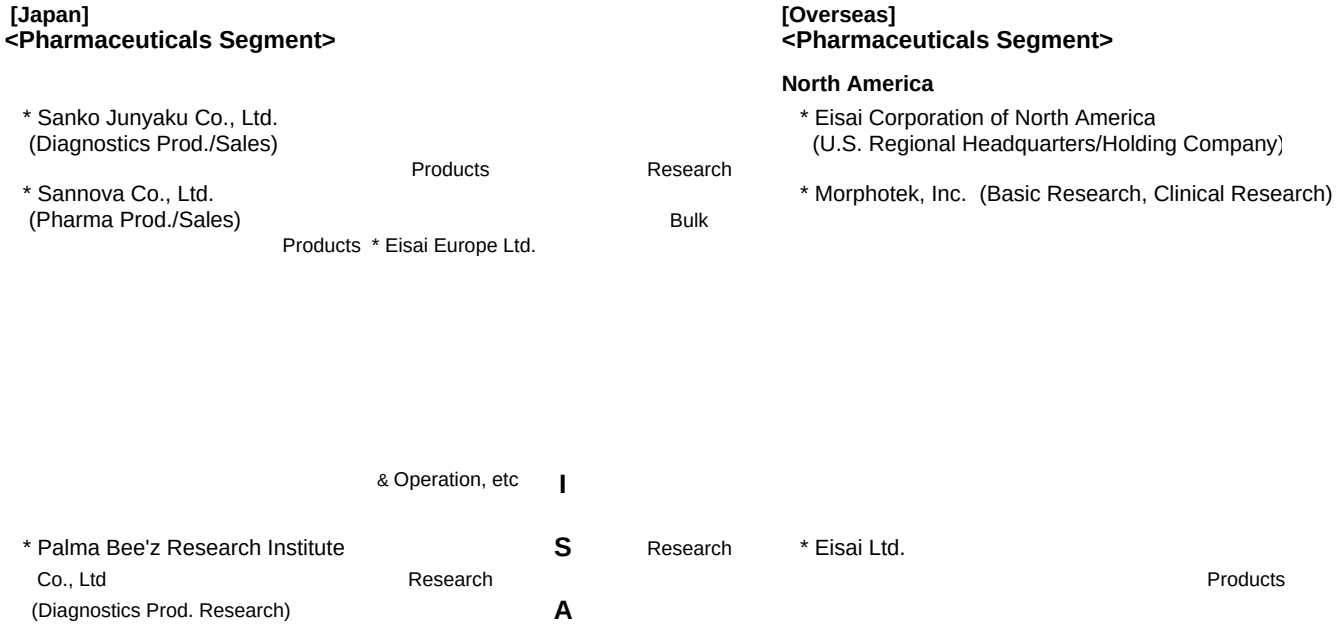
Based on this policy, Eisai recommended an interim dividend of ¥65 per share (an increase of ¥10 per share over the previous year), which, together with the forecasted fiscal year-end dividend of ¥65 per share (same as the previous year), makes a total of ¥130 per share (an increase of ¥10 per share over the

4) Forecast and risk factors

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

2. Business Flows Within the Group

The Group consists of Eisai Co., Ltd. (hereinafter referred to as 'the Parent Company'), 46 consolidated subsidiaries and 1 associated company accounted for by the Equity Method. The diagram below shows the principal operations and flows within the Group.



Subsidiaries and an associated company

(As of September 30, 2007)

Company Name	Location		Voting Rights	Description of Operations	Relationship/Operations	Note
Sanko Junyaku Co., Ltd.	Tokyo	¥5,262 million	50.88%	Diagnostic product production/sales	-	*3,4
Sannova Co., Ltd.	Gunma Pref.	¥926 million	79.95%	Pharmaceutical production/sales	(E) Pharmaceutical product purchase	*4
Elmed Eisai Co., Ltd.	Tokyo	¥450 million	100.00%	Pharmaceutical sales	-	
Eisai Food & Chemicals Co., Ltd.	Tokyo	¥101 million	100.00%	Food additives/chemicals sales	(E) Food additives/chemicals sales	
Eisai Machinery Co., Ltd.	Tokyo	¥100 million	100.00%	Pharma machinery production/sales	(E) Material purchase	
KAN Research Institute, Inc.	Hyogo Pref.	¥70 million	100.00%	Basic research	(E) Basic research	
Eisai Distribution Co., Ltd.	Kanagawa Pref.	¥60 million	100.00%	Pharmaceutical distribution	(E) Pharmaceutical product distribution	
Eisai R&D Management Co., Ltd.	Tokyo	¥11 million	100.00%	Management of drug development/research	(E) Management	
Sunplanet Co., Ltd.	Tokyo	¥455 million	84.95%	Administrative/catering/printing service, real estate management	(E) Purchase of admin./catering/printing service	
Clinical Supply Co., Ltd.	Gifu Pref.	¥80 million	84.80%	Medical devices production/sales	-	
Palma Bee'Z Research Institute Co., Ltd.	Tokyo	¥50 million	75.44% (25.44%)	Diagnostic product research	(E) Diagnostic product research	*2,3
Eisai Seikaken Co., Ltd.	Tokyo	¥50 million	70.00%	Agro-chemical production/sales	-	
		Unit=thousand				
Eisai Corporation of North America	New Jersey, USA	385,900 US$	100.00%	U.S. regional headquarters / holding company	-	*4
Morphotek, Inc.	Pennsylvania, USA	355,000 US$	100.00% (100.00%)	Pharmaceutical (Basic research/clinical research)	(E) Pharmaceutical basic research and clinical research	*2,4,6
Eisai Inc.	New Jersey, USA	151,600 US$	100.00% (100.00%)	Pharmaceutical production/sales	(E) Bulk drug substance sales	*2,4,8
Eisai Research Institute of Boston Inc.	Massachusetts, USA	115,300 US$	100.00% (100.00%)	Basic research/chemical process research	(E) Basic research/process research for clinical trial supply	*2,4
Eisai Medical Research Inc.	New Jersey, USA	1,000 US$	100.00% (100.00%)	Pharmaceutical clinical research	(E) Pharmaceutical clinical research	*2
Eisai Machinery U.S.A. Inc.	New Jersey, USA	1,000 US$	100.00% (100.00%)	Pharmaceutical machinery sales		

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 Articles of Incorporation to share it with shareholders.

In order to act on this policy, we are committed to further expand the trustworthy

therapies

which imposes stricter requirements. Meanwhile, we are expanding our production functions to prepare prospective launch of our oncology products; a new API manufacturing facility started operation in the Kashima plant (Ibaraki Prefecture) in Japan; Eisai Inc. in U.S. started construction of a new facility for manufacturing oncology treatments. Furthermore, the Company aims to expand its global manufacturing capacity with the new production base which is being constructed in Europe and the planned establishment of a new production base in India. Through such efforts, the Company will pursue the enrichment of its

(2) Creation of “shareholder value”

The Company is committed to global efforts aimed at creating “patient value” while pursuing sustained growth and increased value generation and return to shareholders. In pursuing the above, we shall also engage in a constant effort to enhance “shareholder value” through increasing transparency in our business operations through active and fair disclosure of corporate information.

a) Sustainable growth through aggressive investment

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

research focusing on neglected diseases. The Company expects to transfer selected functions of its operations to these sites in the future.

c) Basic policy on distribution of retained earnings

Eisai operates under a committee system and per the Company's charter, exercises agile distribution of retained earnings based on the decisions of Board of Director's meeting.

The Company is devoted to providing sustainable and stable dividends based on the profitability of the consolidated business as we all emphasizing returns

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

To encourage the employees to pursue the corporate philosophy, the Company is committed to ensure its employee equal opportunities for recruitment, promotion, staffing, and 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 a 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 regios9./080826Tw ra30ate pensw 18.73 .-20.72 0 0 11balanof the

a) Internal control system

Various programs for internal control are being implemented at Eisai Co., Ltd., with a department focused on internal control under the supervision of an executive officer in charge of internal control.

On the global level, the global policy and basic guidelines for internal control have been established which is shared among the Company's global headquarters in Japan, the U.S., Europe, and Asia, for development of the regional policies. An internal control department for promoting specific programs has also been established at each global headquarters.

As part of risk management, we are now taking various measures to comply with the Laws on Sales of Financial Products to secure the credibility of our financial reports. In particular, the Company is promoting the system for documentation of financial risks and control in order inclusive of overseas subsidiaries while we continuously make improvement for a sustainable internal control system and conduct monitoring. Regarding day-to-day risks, the department dedicated to the promotion of internal control is carrying out Control Self Assessment (CSA) through which every division of the Company can conduct self-evaluations of its progress in the establishment of the internal control system.

Furthermore, the Company selects respective executive officers by the risk related to finance/legal/environmental and natural disasters or any other incidents that would incur risks to the Company. Each of these executive officers is responsible for development of the guidelines for appropriate management of the potential loss that would incur significant risks to the Company.

Likewise, the programs for information management are also being implemented with the executive officer appointed specifically for information security for the Company and the policy developed for information security management.

b) Promotion of compliance

To deal with business compliance issues, the Company has stipulated a Charter of Business Conduct as well as Business Conduct Guidelines and requires all officers and employees to rigorously observe compliance in their daily activities.

Eisai Co., Ltd. has appointed an executive officer (Chief Compliance Officer) in charge of promoting and supervising compliance. A department dedicated to the promotion of compliance has also been established. The Compliance Committee, consisting primarily of outside legal specialists, has also been established as an advisory organization to the Chief Compliance 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, is available in twelve different languages and is revised periodically. The fifth edition of the Compliance Handbook was prepared and distributed to the employees in October 2007. In addition, we are providing periodic compliance training opportunities for all officers and employees as well as online education program for promoting compliance.

Furthermore, the "Compliance Counter" or an in-house compliance consulting service operated by an independent agency is available through Eisai Co., Ltd. for the prevention and early resolution of risks. At Eisai group companies, an in-house compliance consulting service is available, allowing easier access for the employees in the group companies. O Td25 -1.5 Tall of's Comil[oup com001 Tc 5a(

d) Philanthropy

With the aim to promote accurate understanding of pharmaceuticals among the general public, Eisai operates “The Naito Museum of Pharmaceutical Science and Industry” in Gifu Prefecture, the first museum in Japan dedicated to pharmaceuticals, and opens it to the public free of charge. In pursuit of its corporate philosophy, the Company is making a number of philanthropic contributions, notably in the healthcare field. Such contributions include sponsorship of an annual program to award healthcare professionals who have dedicated their lives to medical or care services under challenging environments, assistance to encourage natural science research and knowledge dissemination related to human diseases and their remedies, promotion of interdisciplinary healthcare

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 directors. 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

4. SEMIANNUAL CONSOLIDATED FINANCIAL STATEMENTS
1-1) SEMIANNUAL CONSOLIDATED BALANCE SHEETS (ASSETS)

		September 30, 2006		September 30, 2007		March 31, 2007		Increase/ (Decrease)
Account Title	Note	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)
ASSETS								
I. Current assets:								
1. Cash and cash in banks		74,426		66,915		89,775		
2. Notes and accounts receivable-trade	4	154,125		166,196		162,172		
3. Short-term investments		107,868		84,568		90,279		
4. Inventories		48,606		53,440		52,757		
5. Deferred tax assets		30,453		34,438		33,219		
6. Other		11,527		15,663		13,358		
7. Allowance for doubtful receivables		(331)		(369)		(352)		
Total current assets		426,676	56.8	420,853	51.5	441,210	55.7	(20,356)
II. Fixed assets:								
1. Property, plant and equipment								
(1) Buildings and structures	1,3	65,543		73,356		74,421		
(2) Machinery, equipment and vehicles	1,3	23,780		23,225		24,585		
(3) Land		17,052		21,671		18,048		
(4) Construction in progress		11,904		7,318		4,894		
(5) Other	1,3	10,292		11,918		11,891		
Total Property, plant and equipment		128,573	17.1	137,490	16.8	133,842	16.9	3,647
2. Intangible assets								
(1) Sales rights		–		48,358		45,986		
(2) Core technology		–		56,475		–		
(3) Other		–		16,797		16,603		
Total Intangible assets		41,629	5.5	121,631	14.9	62,589	7.9	59,041
3. Investments and other assets								
(1) Investment securities		112,104		88,383		111,855		
(2) Long-term loans receivable		14		15		16		
(3) Deferred tax assets		32,402		37,867		32,586		
(4) Other		10,934		12,042		10,714		
(5) Allowance for doubtful accounts		(737)		(642)		(701)		
Total Investments and other assets		154,718	20.6	137,667	16.8	154,471	19.5	(16,804)
Total fixed assets		324,921	43.2	396,788	48.5	350,904	44.3	45,884
Total assets		751,597	100.0	817,641	100.0	792,114	100.0	25,527

1-2) SEMIANNUAL CONSOLIDATED BALANCE SHEETS (LIABILITIES AND EQUITY)

Account Title	Note	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	Increase/ (Decrease) (Millions of Yen)
LIABILITIES								
I. Current liabilities:								
1. Notes and accounts payable-trade		20,750		17,290		19,268		
2. Short-term borrowings		402		–		236		
3. Accounts payable-other		50,970		58,614		57,911		
4. Accrued expenses		47,749		51,528		51,434		
5. Income taxes payable		20,342		23,881		22,049		
6. Reserve for sales rebates		30,317		33,947		35,066		
7. Other reserves		657		501		628		
8. Other		5,955		6,010		5,185		
Total current liabilities		177,147	23.6	191,774	23.5	191,779	24.2	(5)
II. Long-term liabilities:								
1. Deferred tax liabilities		94		16,778		96		
2. Liability for retirement benefits		33,671		28,073		31,768		
3. Retirement allowances for directors		1,189		1,375		1,330		
4. Other		3,573		4,531		4,439		
Total long-term liabilities		38,529	5.1	50,759	6.2	37,636	4.8	13,123
Total liabilities		215,676	28.7	242,534	29.7	229,416	29.0	13,118
Equity								
I. Owners' Equity								
1. Common stock		44,985		44,985		44,985		
2. Capital surplus		55,222		55,222		55,222		

2) SEMIANNUAL CONSOLIDATED STATEMENTS OF INCOME

	Note	(Millions of Yen)	(%)	(Millions of Yen)	(%)	Increase (Decrease) (Millions of Yen)	(Millions of Yen)	(%)
		319,389	100.0	362,817	100.0	43,428	674,111	100.0
		53,268	16.7	54,694	15.1	1,425	109,367	16.2
		266,120	83.3	308,123	84.9	42,002	564,744	83.8
		(51)	(0.0)	(104)	(0.1)	(52)	(64)	(0.0)
Gross profit		266,172	83.3	308,227	85.0	42,055	564,809	83.8
		216,529	67.8	251,166	69.3	34,637	459,545	68.2
		52,242	[16.4]	63,844	[17.6]		108,296	[16.1]
		164,286		187,321			351,249	
expenses								
		49,643	15.5	57,061	15.7	7,418	105,263	15.6
		3,139	1.0	3,348	0.9	209	6,617	1.0
1. Interest income		2,298		2,705			5,120	
		605		495			966	
		-		-			15	
associated companies								
		235		147			515	
		1,036	0.3	848	0.2	(188)	1,418	0.2
		32		57			65	
2. Foreign exchange loss		694		478			729	
3. Equity in loss of associated companies		8		16			-	
4. Sales discount		121		126			254	
		180		169			369	
		51,745	16.2	59,560	16.4	7,815	110,462	16.4
VI. Special gain		262	0.1	2,258	0.6	1,995	1,901	0.3
1. Gain on sales of fixed assets	1	63		44			213	
2.Gain on sales of investment securities		184		2,202			1,657	
3.Other special gain		15		10			30	
VII. Special loss		702	0.2	1,099	0.3	396	2,029	0.3
1.Loss on disposal of fixed assets	2	644		243			1,147	
2.Loss on impairment of long-lived assets	3	45		1			201	
3.Loss on devaluation of work-in-process inventory		—		845			-	
4.Other special loss		12		7			680	
Income before income taxes and minority interests		51,305	16.1	60,719	16.7	9,414	110,334	16.4
		22,901	7.2	25,350	7.0	2,449	47,711	7.1
		(4,389)	(1.4)	(4,391)	(1.2)	(1)	(8,513)	(1.3)
Minority interests in net income		284	0.1	409	0.1	124	522	0.1
Net income		32,509	10.2	39,351	10.8	6,842	70,614	10.5

3) SEMIANNUAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Semiannual Statement of Changes in Equity (April 1 to September 30, 2006) (Unit：Millions of Yen)

	Owners' Equity					Net unrealized gain and translation adjustments			Stock acquisition Rights	Minority Interests	Equity (Total)
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Owners' Equity	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total			
Balance as of March 31,2006	44,985	55,222	429,025	adjustments							
					(7,512)	91	(2,036)	(9,458)	261	341	(8,855)

4) SEMIANNUAL CONSOLIDATED STATEMENTS OF CASH FLOWS (April 1-September 30, 2007)

Account Title	Note	April 1, 2006 - Sep. 30, 2006 (Millions of Yen)	April 1, 2007 - Sep. 30, 2007 (Millions of Yen)	Increase/ (Decrease) (Millions of Yen)	April 1, 2006 - March 31, 2007 (Millions of Yen)
I. Operating activities:					
1. Income before income taxes and minority interests		51,305	60,719		110,334
2. Depreciation and amortization		12,278	15,364		26,802
3. Loss on impairment of long-lived assets		45	**1**		201

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			Major subsidiaries: Sanko Junyaku Co., Ltd. Sannova Co., Ltd. Eisai Inc. Eisai Research Institute of Boston Inc.
			Following seven companies were newly established and consolidated during the period. Eisai R&D Management Co., Ltd., Eisai (Singapore) Pte. Ltd. Eisai Clinical Research Singapore Pte.Ltd. EF-Eisai Farmaceutica, Unipessoal Lda. Eisai Manufacturing Ltd. MAB Acquisition Corporation Eisai Pharmatechnology & Manufacturing Pte. Ltd.
			Eisai Pharma-Chem Europe Ltd. and Eisai U.S.A. Inc. have been dissolved during the period.
2. Number of Companies Accounted for by the Equity Method	Associated companies: 1 Company (Bracco-Eisai Co., Ltd) Eisai-Novartis Verwaltungs GmbH was merged into Eisai GmbH, one		

Item	April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
4. Accounting Policies and Methods	1. Measurement and valuation for significant assets (1) Securities: Held-to-maturity debt securities: Stated at amortized cost. (Straight-line method) Available-for-sale securities: Marketable securities: Stated at fair value at the interim balance sheet date with unrealized gain and loss, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined by the moving-average method.		

Item	April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007

Item	April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
	To cover retirement benefits to the employees, the Parent Company and certain consolidated subsidiaries provide for liability for retirement benefits at an amount to be prepared as of the interim balance sheet date, which is derived from the projected benefit obligations and estimated plan assets at the end of the interim period. The unrecognized prior service costs of the Parent Company and certain subsidiaries are being amortized over five years and recognized as operating expenses in the statements of income. The unrecognized actuarial gain/loss of the Parent Company and certain domestic consolidated subsidiaries is being amortized		

Item	April 1, 2006- September 30, 2006

Item	April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
	7. Other basis of presenting semiannual consolidated financial statements: Accounting for consumption tax: Both the Parent Company and subsidiaries exclude consumption taxes and local consumption taxes from revenues and expenses.	7. Other basis of presenting semiannual consolidated financial statements: Accounting for consumption tax: Same as the left	7. Other basis of presenting consolidated financial statements: Accounting for consumption tax: Same as the left
5. Amortization of Goodwill and Negative Goodwill	_____	Goodwill and negative goodwill are amortized from the year of acquisition over a period of five years. Certain subsidiaries amortized goodwill and negative goodwill in accordance with the local GAAP.	Same as the left
6. Scope of Cash and Cash Equivalents in	Cash and cash equivalents in the interim 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 of acquisition.		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 of acquisition.

ACCOUNTING CHANGES

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
(Presentation of Equity) On December 9, 2005, 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 the related guidance (the ASBJ Guidance No.8) are applied from April 1, 2006.	_____	(Presentation of Equity) On December 9, 2005, 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 the related guidance (the ASBJ Guidance No.8) are applied.
The shareholders’ equity amounted to 526,064 million based on the former regulation. The Equity at the interim balance sheet date is presented in accordance with the modification of the Regulations Concerning Semiannual Consolidated Financial Statements.		The shareholders’ equity amounted to 552,464 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 acquisition rights) On December 27, 2005, the ASBJ issued "Accounting Standard for Stock Acquisition Rights 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 minority interests decreased by 294 million.	_____	(Standard for stock acquisition rights) On December 27, 2005, the ASBJ issued "Accounting Standard for Stock Acquisition Rights 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 minority interests decreased by 294 million.

CHANGES IN REPRESENTATION

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**
(Consolidated Semiannual Statements of Income) As the amount of “Depreciation” in the non-operating expenses, separately treated and presented in a separate account in the previous interim period, was ¥38 million in the	

NOTES TO THE SEMIANNUAL CONSOLIDATED BALANCE SHEETS

September 30, 2006

NOTES TO THE SEMIANNUAL CONSOLIDATED STATEMENTS OF INCOME

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
*1. The main content of gain on sales of fixed assets is as follows: Land ¥56mil.		
*2. The main contents of loss on disposal of fixed assets are as follows: Intangible assets other (Software and others) ¥389 mil. Buildings and structures ¥164 mil.		
*3. Loss on impairment of long-lived assets The Parent Company and the subsidiaries classify their 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, leased assets, idle assets and sales rights are grouped individually. For the interim period, the Parent Company and the subsidiaries booked an		

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
realizable value. Net realizable value is based on reasonable estimates, either real estates appraised value by a third-party or the assessed value of property for tax purposes.		is measured by value in use (discount rate: 5 - 8%) or net realizable value. Net realizable value is based on reasonable estimates, either real estates appraised value by a third-party or the assessed value of property for tax purposes.

NOTES TO THE SEMIANNUAL STATEMENT OF CHANGES IN EQUITY

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007

1. Types and number of stock issued and treasury stock

(thousand of shares)

	Stock issued	Treasury stock
Type of stock	Common stock	Common stock
Number of shares at the end of the previous period	296,566	10,692
Increase	–	2,011
Decrease	–	134
Number of shares at the end of the interim period	296,566	12,568

(Note 1) The increase in treasury stock (common stock) is composed of the purchase of 2,000 thousand shares of treasury stock, which was resolved by the Board of Directors held on July 31, 2006, and the purchase of 11 thousand of fractional shares.

(Note 2) The decrease in treasury stock (common stock) was caused by exercises of stock options.

2. Stock acquisition rights and stock acquisition rights held by an issuing company (Millions of Yen)

Classification	Content of stock acquisition rights	Balance on the interim sheet date
Eisai Co., Ltd.	Stock acquisition rights as a stock option	294

3. Dividends

(1) Dividends paid during the current interim period

The following was resolved by the Board

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
(2) Dividends to be paid after the interim balance sheet date, but the record date for the payment of dividends belongs to the interim period. The following was determined in the Board of Directors held on October 31, 2006. a) Total amount of the dividends in cash paid ¥15,619 mil. b) Resource of the dividends to be paid Retained earnings c) Cash dividends per share ¥55.00 d) Record date September 30, 2006 e) Effective date November 22, 2006	(2) Dividends to be paid after the interim balance sheet date, but the record date for the payment of dividends belongs to the interim period. The following was determined in the Board of Directors meeting in October 30, 2007. a) Total amount of the dividends in cash paid ¥18,470 mil. b) Resource of the dividends to be paid Retained earnings c) Cash dividends per share ¥65.00 d) Record date September 30, 2007 e) Effective date November 20, 2007	(2) Dividends to be paid after the balance sheet date, but the record date for the payment of dividends belongs to the interim period. The following was determined in the Board of Directors meeting in May 15, 2007. a) Total amount of the dividends in cash paid ¥18,468 mil. b) Resource of the dividends to be paid Retained earnings c) Cash dividends per share ¥65.00 d) Record date March 31, 2007 e) Effective date May 28, 2007

NOTES TO THE SEMIANNUAL CONSOLIDATED STATEMENTS OF CASH FLOWS

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
(1)Reconciliation between the amount of cash and cash equivalents and that of the related accounts shown in the interim consolidated balance sheet at the interim balance sheet date.	(1)Reconciliation between the amount of cash and cash equivalents and that of the related accounts shown in the interim consolidated balance sheet at the interim balance sheet date.	(1)Reconciliation between the amount of cash and cash equivalents and that of the related accounts shown in the consolidated balance sheet at the balance sheet date.
Cash and cash in bank ¥74,426 mil.	Cash and cash in bank ¥66,915 mil.	Cash and cash in bank ¥89,775 mil.
Short-term investments ¥107,868 mil.	Short-term investments ¥84,568 mil.	Short-term investments ¥90,279 mil.
Other current assets ¥11,527 mil.	Total ¥151,483 mil.	Total ¥180,054 mil.
Total ¥193,822 mil.	Time deposits whose maturities exceed three months (¥2,183 mil.)	Time deposits whose maturities exceed three months (¥2,133 mil.)
Time deposits whose maturities exceed three months (¥2,191 mil.)	Bonds whose maturities exceed three months (¥8,349 mil.)	Bonds whose maturities exceed three months (¥6,830 mil.)
Bonds whose maturities exceed three months (¥6,123 mil.)	Cash and cash equivalents ¥140,950 mil.	Cash and cash equivalents ¥171,090 mil.
Other current assets other than cash and cash equivalents (¥10,527 mil.)		
Cash and cash equivalents ¥174,979 mil.		

5) SEGMENT INFORMATION

1. Business Segment Information

1) For the semiannual period ended September 30, 2006 (Millions of Yen)

	Pharma-				
			319,389 8,792	– (8,792)	319,389 –
Total sales	308,984	19,196	328,181	(8,792)	319,389
Operating expenses	258,269	18,256	276,526	(6,780)	269,746
Operating income	50,714	940	51,655	(2,011)	49,643

	351,449 95	11,368 9,215	362,817 9,310	– (9,310)	362,817 –
Total sales	351,544	20,583	372,127	(9,310)	362,817
Operating expenses	293,337	19,594	312,932	(7,175)	305,756
Operating income	58,206	989	59,195	(2,134)	57,061

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

	Pharma-ceuticals	Other	Total	Eliminations and Corporate	Consolidated
Sales					
(1) Sales to external customers					
(2) Intersegment sales					
Operating expenses	545,107	40,662	585,770	(16,922)	568,848
Operating income	108,059	1,710	109,769	(4,506)	105,263

Notes:

(1) The Company classifies consolidated operations into two segments: “Pharmaceuticals” including prescription pharmaceuticals, and “Other” which encompasses all operations other than pharmaceuticals.

(2) Major products in each segment are as follows:

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

(3) Operating expenses, which are not allocated to each segment are included in “Elimination and Corporate”, consist mainly of administrative expenses incurred at headquarters.

April – September, 2006 ¥2,011 million
April – September, 2007 ¥2,148 million
April, 2006 – March, 2007 ¥4,525 million

2. Geographic Segment Information

1) For the semiannual period ended September 30, 2006 (Millions of Yen)

	Japan	North America	Europe	Asia and Others

3. Overseas Sales

(Millions of Yen)

		April 1, 2006 – Sep. 30, 2006	April 1, 2007 – Sep. 30, 2007	April 1, 2006 – March 31, 2007
North America	Overseas sales	143,382		
	Share of overseas sales (%)			

6) LEASE TRANSACTIONS

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007

5) Interest expense for leased properties:
Interest expense for leased properties is allocated every fiscal year by using the interest method based on the differences between the total lease payments and the respective acquisition cost of the assets which are considered to be interest-bearing.

5) Interest expense for the leased assets:

Same as the left

2. Minimum lease payments under non-cancelable operating leases:

Due within one year	¥1,417 mil.
Due over one year	¥12,572 mil.
Total	¥13,989 mil.

2. Minimum lease payments under non-cancelable operating leases:

Due within one year	¥1,818 mil.
Due over one year	¥12,940 mil.
Total	¥14,758 mil.

(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)

	Acquisition cost	Accumulated Depreciation	Net Leased Property
Others (tools, furniture,and fixtures)	34	13	21
Total:	34	13	21

(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)

	Acquisition cost	Accumulated Depreciation	Net Leased Property
Other (Tools, furniture and fixtures)	104	40	64
Total:	104	40	64

2) Unearned lease income under financial leases:

Due within one year	¥5 mil.
Due over one year	¥20 mil.
Total	¥26 mil.

2) Unearned lease income under financial leases:

Due within one year	¥20 mil.
Due over one year	¥63 mil.
Total	¥84 mil.

As the proportion of total balance of unearned lease income and estimated residual value of leased property to the balance of notes and accounts receivables-trade at the interim balance sheet date is immaterial, interest income is included in the amount of unearned lease income.

As the proportion of total balance of unearned lease income and estimated residual value of leased property to the balance of notes and accounts receivables-trade at the interim balance sheet date is immaterial, interest income is included in the amount of unearned lease income.

3) Actual lease income: ¥2 mil.
Depreciation expense ¥3 mil.

(Loss on impairment of long-lived assets)
None

3) Actual lease income: ¥10 mil.
Depreciation expense: ¥14 mil.

7) SECURITIES

1. MARKET VALUE OF HELD-TO-MATURITY SECURITIES

(Millions of Yen)

September 30, 2006	**September 30, 2007**	March 31, 2007

8) DERIVATIVE FINANCIAL INSTRUMENTS

FAIR VALUES OF THE TRANSACTION

(Currency)

(Millions of Yen)

Contracts other than market transaction	September 30, 2006				**September 30, 2007**				March 31, 2007			
	Contracted amount	Over 1 Year	Fair value	Unrealized Gain (Loss)	**Contracted amount**	**Over 1 Year**	**Fair value**	Unrealized Gain (Loss)	Contracted amount	Over 1 Year	Fair value	Unrealized Gain (Loss)
Foreign exchange forward contracts												
Selling:												
US dollars												
Euro												

Company	Stock Option 2000	Stock Option 2001	Stock Option 2002	Stock Option 2003
Classification and number of persons for grant	[E] Director 9 [E] Employee 16	[E] Director 7 [E] Employee 35	[E] Director 4 [E] Employee 37	[E] Director 7 [E] Employee 43
Number of Stock option	Common stock 142,000 Stocks	Common stock 180,000 Stocks	Common stock 175,000 Stocks	Common stock 210,000 Stocks
Date of grant	September 1, 2000	August 1, 2001	July 1, 2002	July 1, 2003
Condition of vested right	not specified	same as the left	same as the left	same as the left
Requisite service period	not specified	same as the left	same as the left	same as the left
Exercise period	September 1, 2000- June 29, 2010	September 3, 2001- June 28, 2011	July 1, 2002- June 27, 2012	July 1, 2003- June 24, 2013
Exercise price	¥3,090	¥2,668	¥3,165	¥2,520
Fair value at the date of grant	–	–	–	–

Company	Stock Option 2004	Stock Option 2005	Stock Option 2006
Classification and number of persons for grant	[E] Director 11 [E] Executive officer 18 [E] Employee 27	[E] Director 11 [E] Executive officer 20 [E] Employee 31	[E] Director 10 [E] Executive officer 22 [E] Employee 32
Number of Stock options	Common stock 238,000 Stocks	Common stock 262,000 Stocks	Common stock 254,000 Stocks
Date of g			

10) ACQUISITION OF A COMPANY

Accounting period (From April 1, 2007 to September 30, 2007)
Acquisition of a company by share purchase
(1) Description of an acquired company
Name of company acquired: Morphotek, Inc. (U.S.)
Contents of acquired business:
Oncology-related business including four oncology products
Reason and purpose of acquisition:
In order to enter into the biologics area and facilitate creation of antibody therapeutic drugs in oncology area to expand product line in oncology area
Date of acquisition: April 16, 2007 (U.S. Eastern time)
Legal form of share purchase:
Eisai Corporation of North America “hereinafter, refer to as 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.
Name of the company after acquisition: Morphotek, Inc. (U.S.)
Acquired voting rights 100%

11) PER SHARE INFORMATION

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
	Book value per share: 1,985.73 yen	Book value per share: 1,944.41 yen
	Earnings per share: 138.49 yen	Earnings per share 247.85 yen
113.65 yen	Diluted earnings per share: 138.34 yen	Diluted earnings per share: 247.47 yen

Note: The basis of the report of net earnings per share and diluted earnings per share are as follows:

	April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
Net earnings per share			
(1)Net income (mil. yen)			
(2)Amount not attributed to common shareholders (mil. yen)			
(3)Net income on common shares (mil. yen)			
(4)Average number of common			

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
	import of clinical diagnostics, clinical, Manufacturing, marketing and import of clinical diagnostics, clinical inspection instruments, research reagents, and physical and chemical instruments. (2) Legal form of acquisition; Acquired shares of Sanko Junyaku Co., Ltd. from minority shareholders by share exchange (3) Description of the transaction with the purpose of acquisition; Sanko Junyaku became a wholly-owned subsidiary of the Company on October 1, 2007 by share exchange. The purpose is to aggressively utilize the management resources of the entire group and to effectively and promptly promote the development of existing diagnostic business to reinforce the existing businees and the challenging areas such as gene signal amplification technology, the PALSER Method. Shares of Eisai will be allotted and distributed at the rate of a 0.085 share of Eisai to 1 share of Sanko Junyaku on November 2007. 2. Accounting treatments Accounting treatments with respect to the share exchange is in accordance with "Transactions under common control, etc." set forth in "Accounting standard for business divestitures" and "Implementation guidance on accounting standard for business combinations and accounting standard for business divestitures". In this transaction, 1,624 million yen of negative goodwill is recognized. Negative goodwill will be amortized over 5 years by straight-line method.	2. Acquisition of shares of Sanko Junyaku Co.,Ltd. from minority shareholders by share exchange On April 2007,the Company agreed with Sanko Junyaku Co., Ltd. on the share exchange agreement that makes Sanko Junyaku Co., Ltd. a wholly-owned subsidiary of the Company. Currently, the Company owns 50.59% of Sanko Junyaku's shares. On June 21, 2007, the general shareholders' meeting of Sanko Junyaku was held. It was approved that Sanko Junyaku will become a wholly owned subsidiary of the Company as of October 1, 2007 by share exchange.

13) CONSOLIDATED FINANCIAL STATEMENTS for the Second Quarter of FY2007 (for reference)

(1) STATEMENT OF INCOME

							Increase/ (Decrease)
			(%)			(%)	(Millions of Yen)
		165,445	100.0		186,783	100.0	21,337
		26,415	16.0		27,092	14.5	676
		139,029	84.0		159,690	85.5	20,660
		(10)	(0.0)		(6)	(0.0)	4
Gross profit		139,040	84.0		159,697	85.5	20,656
	27,892		[16.9]	33,338		[17.8]	
	85,615	113,508	68.6	95,483	128,821	69.0	15,313
		25,532	15.4		30,875	16.5	5,343
		1,429	0.9		996	0.5	(433)
		327	0.2		678	0.3	350
		26,634	16.1		31,193	16.7	4,559
		192	0.1		40	0.0	(152)
		229	0.1		1,064	0.5	835
		26,597	16.1		30,169	16.2	3,572
	11,389			11,813			
	(1,620)	9,768	5.9	(1,830)	9,982	5.4	214
Monority interest in net income		161	0.1		174	0.1	12
		16,667	10.1		20,012	10.7	3,345

(2) CONSOLIDATED STATEMENTS OF CASH FLOWS
(Second quarter of FY2007)

Account Title	July 1, 2006 - September 30, 2006 (Millions of Yen)	July 1, 2007 - September 30, 2007 (Millions of Yen)	Increase/ (Decrease) (Millions of Yen)
I. Operating activities:			
1. Income before income taxes and minority interests	26,597	30,169	
2. Depreciation and amortization	6,357	8,068	
3. Loss on impairment of long-lived assets	40	**1**	
4. Increase in allowance for doubtful accounts	0	13	
5. Interest and dividend income	(1,328)	(1,335)	
6. Interest expenses	18	41	
7. Equity in earnings	8	17	
8. Loss on sales and disposal of fixed assets	181	178	
9. Gain on sales of securities	(183)	-	
10. Loss on devaluation of securities	-	0	
11. Increase in notes and accounts receivables-trade	(9,285)	(6,519)	
12. Increase in inventories	(2,550)	(477)	
13. Increase in notes and accounts payable-trade	569	1,507	
14. Increase in other current liabilities	8,814	8,279	
15. Increase in reserve for sales rebates	2,739	2,228	
16. Decrease in liability for retirement benefits	(1,482)	(2,492)	
17. Other-net	4,051	(1,478)	
Sub-total	34,547	38,205	
18. Interest and dividends received	1,133	1,207	
19. Interest paid	(17)	(25)	
20. Income taxes-paid	(7,123)	(5,478)	
Net cash provided by operating activities	28,540	33,908	5,368
II. Investing activities:			
1. Purchases of short-term investment	(119)	(516)	
2. Proceeds from sales and redemption of	2,189	1,224	

(3) SEGMENT INFORMATION
Second Quarter of FY 2007 (July 1 – September 30, 2007)

1) Business Segment Information

(Millions of Yen)

		July 1, 2006 – September 30, 2006	July 1, 2007 – September 30,2007
Pharma-ceuticals	Net sales (1) Net sales to external customers (2) Intersegment sales		
	Total sales	160,354	180,648
	Operating expenses	134,276	149,324
	Operating income	26,078	31,324
Other	Net sales (1) Net sales to external customers	5,153	6,187
	(2) Intersegment sales	4,999	5,407
	Total sales	10,153	11,595
	Operating expenses	9,669	10,943
	Operating income		

2) Geographical Segment Information

(Millions of Yen)

		July 1, 2006 – September 30, 2006	July 1, 2007 – September 30, 2007
Japan	Net sales		
	(1) Net sales to external customers	72,553	79,128
	(2) Intersegment sales	21,357	25,458
	Total sales	93,910	104,586
	Operating expenses	76,823	81,712

3) Overseas Sales

(Millions of Yen)

		July 1, 2006 – September 30, 2006	July 1, 2007 – September 30, 2007
North America	Overseas sales	75,461	90,321
	Share of overseas sales (%)	45.6	48.4
Europe	Overseas sales	17,861	18,202
	Share of overseas sales (%)	10.8	9.7
Asia and Others	Overseas sales	6,245	7,931
	Share of overseas sales (%)	3.8	4.2
Total			

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

		September 30, 2006		September 30, 2007		March 31, 2007		Increase/ (Decrease)
Account Title	Note		(%)		(%)		(%)	(Millions of Yen)
ASSETS								
I. Current assets:								
1. Cash and cash in bank		44,313		23,091		43,426		
2. Notes receivable-trade	5	2,776		1,966		2,952		
3. Accounts receivable-trade		117,495		130,835		124,040		
4. Short-term investments		32,465		17,922		8,114		
5. Inventories		28,389		31,817		30,975		
6. Deferred tax assets		15,658		19,036		16,650		
7. Other		16,605		18,839		19,494		
Total current assets		257,704	46.1	243,508	42.5	245,655	42.8	(2,146)
II. Fixed assets:								
1. Property, plant and equipment								
(1) Buildings	1,4	43,205		42,019		42,226		
(2) Land		10,369		11,208		11,200		
(3) Other	1,4	25,381		25,449		26,925		
Total property, plant and equipment		78,956	14.1	78,677	13.8	80,352	14.0	(1,674)
2. Intangible assets		25,016	4.5	32,610	5.7	30,253	5.3	2,357
3. Investments and other assets								
(1) Investments securities		102,532		82,970		103,424		
(2) Investment in subsidiaries and associated companies		57,634		89,279		77,228		
(3) Deferred tax assets		29,106		36,738		28,960		
(4) Other assets		11,642		12,281		11,366		
(5) Allowance for doubtful accounts		(3,600)		(3,477)		(3,539)		
Total investments and other assets		197,315	35.3	217,792	38.0	217,441	37.9	351
Total fixed assets		301,288	53.9	329,081	57.5	328,046	57.2	1,034
Total assets		558,992	100.0	572,589	100.0	573,702	100.0	(1,112)

1)-2 SEMIANNUAL NON-CONSOLIDATED BALANCE SHEETS (LIABILITIES AND EQUITY)

		September. 30, 2006		September. 30, 2007		March 31, 2007		Increase/ (Decrease)
Account Title	Note	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)
LIABILITIES								
I. Current liabilities:								
1. Notes and accounts payable-trade		67		105		62		
2. Accounts payable-trade		6,628		5,774		7,551		
3. Accounts payable-other		20,012		23,205		26,014		
4. Accrued expenses		16,907		16,342		17,667		
5. Income tax payable		16,081		20,350		15,257		
6. Reserve for sales returns		389		274		376		
7. Reserve for disposal of goods returns		262		222		245		
8. Other	3	9,185		10,476		9,688		
Total current liabilities		69,535	12.4	76,752	13.4	76,864	13.4	(112)
II. Long-term liabilities:								
1. Liability for retirement benefits		30,058		24,470		28,221		
2. Retirement allowances for directors		966		1,113		1,073		
Total long-term liabilities		31,024	5.6	25,584	4.5	29,295	5.1	(3,711)
Total liabilities		100,559	18.0	102,336	17.9	106,160	18.5	(3,824)
EQUITY								
I. Owners' Equity:								
1.Common stock		44,985	8.0	44,985	7.9	44,985	7.9	–
2.Capital surplus								
(1) Additional paid-in capital		55,222		55,222		55,222		
Total Capital surplus		55,222	9.9	55,222	9.6	55,222	9.6	–
3. Retained earnings								
(1) Legal reserve		7,899		7,899		7,899		
(2) Other								
Reserve for reduction of fixed assets		121		126		126		
General reserve		337,880		337,880		337,880		
Unappropriated retained earnings		37,060		53,732		44,026		
Total retained earnings		382,962	68.5	399,639	69.8	389,932	68.0	9,706
4. Treasury stock		(42,631)	(7.6)	(42,129)	(7.4)	(42,219)	(7.4)	90
Total owner's equity		440,540	78.8	457,718	79.9	447,921	78.1	9,797
II. Net unrealized gain and translation adjustments:								
1. Net unrealized gain on available-for-sale securities		17,598		11,887		19,325		
2. Deferred gain/loss on derivatives under hedge accounting		-		91		-		
Total net unrealized gain and translation adjustments		17,598	3.2	11,978	2.1	19,325	3.3	(7,346)
III. Stock acquisition rights		294	0.0	556	0.1	294	0.1	261
Total equity		458,433	82.0	470,253	82.1	467,541	81.5	2,711
Total liabilities and equity		558,992	100.0	572,589	100.0	573,702	100.0	(1,112)

2) SEMIANNUAL NON-CONSOLIDATED STATEMENTS OF INCOME

	Note	(Millions of Yen)	Increase/ (Decrease)

3) SEMIANNUAL NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(April 1 - September 30, 2006)

(Unit：Millions of Yen)

	Owners' equity				Net unrealized	
Reversal of reserve for reduction of fixed assets	(0)	0	—	—	—	

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

(Unit：Millions of Yen)

	Owners' equity									Net unrealized loss and translation adjustments	Stock acquisition rights	Equity (Total)
	Common stock	Capital surplus	Retained earnings					Treasury stock	Owners' equity (Total)	Net unrealized loss on available-for-sale securities		
		Additional paid-in capital	Legal reserve	Other Retained earnings			Retained earnings Total					
				Reserve for reduction of fixed assets	General reserve	Unappropriated retained earnings						
Balance at the end of prior year (March 31,2006)	44,985	55,222	7,899	122	323,880	45,234	377,137	(31,913)	445,432	19,779	—	465,211
Changes in items during the period												

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

Account Title	April 1, 2006 - September 30, 2006 (Millions of Yen)	April 1, 2007 - September 30, 2007 (Millions of Yen)	Increase/ (Decrease) (Millions of Yen)	April 1, 2006 - March 31, 2007 (Millions of Yen)
I. Operating activities				
1. Income before income taxes	30,912	43,096		66,374
2. Depreciation and amortization	8,497	8,513		17,916
3. Loss on impairment of long-lived assets	35	1		81
4. Increase (Decrease) in allowance for doubtful accounts	40	(7)		(4)
5. Interest income, interest on securities and dividend income	(948)	(883)		(1,496)
6. Interest expenses	27	77		65
7. Loss on sales and disposal of fixed assets	481	209		770
8. Gain on sales of securities	(183)	(2,202)		(1,651)
9. Loss on devaluation of securities	12	5		12
10. Increase in notes and accounts receivable-trade	(2,950)	(5,808)		(9,670)
11. Increase in inventories	(2,061)	(841)		(4,579)
12. Increase (Decrease) in notes and accounts payable-trade	(194)	(1,735)		723
13. Increase (Decrease) in other current liabilities	785	(381)		4,294
14. Decrease in liability for retirement benefit	(1,946)	(3,751)		(3,783)
15. Other	(2,816)	310		(6,374)
Sub-total	29,689	36,603		62,677
16. Interest and dividends received	904	880		1,507
17. Interest paid	(27)	(77)		(65)
18. Income tax paid	(17,948)	(14,969)		(33,520)
Net cash provided by operating activities	12,619	22,436	9,817	30,598
II. Investing activities				
1. Proceeds from sales and maturities of short-term investments	4,500	1,000		8,795
2. Purchases of property, plant and equipment	(6,405)	(6,895)		(11,419)
3. Proceeds from sales of property, plant and equipment	1,046	18		1,249
4. Purchases of intangible assets	(1,721)	(5,524)		(4,067)
5. Purchases of investment securities	(13,493)	(9)		(19,695)
6. Proceeds from sales and redemptions of investments	1,694	9,321		7,340
7. Investments in subsidiaries and associated companies	(34)	(12,050)		(19,627)
8. Payment of acquisition of business	–	–		(6,276)
9. Other	(1,201)	(242)		(549)
Net cash used in investing activities	(15,614)	(14,381)	1,232	(44,250)
III. Financing activities				
1. Purchase of treasury stock	(11,060)	–		(11,060)
2. Dividends paid	(14,293)	(18,468)		(29,913)
3. Other	323	87		658
Net cash used in financing activities	(25,030)	(18,381)	6,649	(40,314)
IV. Foreign currency translation adjustments on cash and cash equivalents	0	(0)	(1)	0
V. Net decrease in cash and cash equivalents	(28,025)	(10,326)	17,698	(53,966)
VI. Cash and cash equivalents at beginning of period	100,507	46,540	(53,966)	100,507
VII. Cash and cash equivalents at end of period	72,481	36,213	(36,268)	46,540

BASIS OF PRESENTING SEMIANNUAL NON-CONSOLIDATED FINANCIAL STATEMENTS

Item	April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
1. Measurement and Cost Formula for Marketable and			

Item	April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
	(2) Reserve for sales returns: To prepare for possible sales return losses incurred after the interim balance sheet date, the reserve is provided at an amount calculated by multiplying the amount of trade receivables at the interim balance sheet date by the average return ratio over the previous 18 months and the profit ratio of the interim period.	(2) Reserve for sales returns: Same as the left	(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 interim period.
	(3) Reserve for disposal of goods returns To prepare for possible losses on disposal of goods returned after the interim balance sheet date, the reserve is provided at an amount calculated by multiplying the amount of trade receivables at the interim balance sheet date by the average return ratio of goods sold and the average write-off ratio of goods returned over the previous 18 months.	(3) Reserve for disposal of goods returns: Same as the left	(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 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 interim balance sheet date, which is derived from the projected benefit obligations and estimated plan assets at the interim 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 amortization of the unrecognized actuarial loss is recognized as operating expenses in the statements of income starting from the period following the period during which each loss occurred.		

Item	April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
5. 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.	Same as the left	Same as the left
6. Hedge Accounting	(1) Hedge method: Derivatives used for hedging purposes are measured at fair market value and unrealized gain or loss on derivatives is 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.	(1) Hedge accounting 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	(1) Hedge accounting 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
7. Accounting for Consumption Taxes	Consumption taxes and local consumption taxes are excluded from revenues and expenses.	Same as the left	Same as the left

ACCOUNTING CHANGES

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
(Presentation of Equity) On December 9, 2005, 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 the related guidance		

NOTES TO THE SEMIANNUAL NON-CONSOLIDATED BALANCE SHEETS

September 30, 2006	**September 30, 2007**	March 31, 2007
*1. Accumulated depreciation of property, plant and equipment is ¥154,784 mil. including accumulated loss on impairment of long-lived assets.	*1. Accumulated depreciation of property, plant and equipment is ¥162,568 mil. including accumulated loss on impairment of long-lived assets.	*1. Accumulated depreciation of property, plant and equipment is $158,699 mil. Including accumulated loss on impairment of long-lived assets.

2. Contingent liabilities:
The Company guarantees ¥113 mil. for employee's housing loans from financial institutions.
The Company guarantees ¥1 mil. (EUR 9 thousand) for advance received and others from customers of Eisai Machinery GmbH.

Notes: Among the above guarantee liabilities, those denominated in foreign currencies are translated into yen, using the exchange rate at the interim balance sheet date.

*3. Consumption tax
Suspense consumption tax payment and consumption tax receipt are netted and the balance is presented as "Other current liabilities."

*4. 412 mil. yen was deducted from acquisition costlce

NOTES TO THE SEMIANNUAL NON-CONSODIDATED STATEMENTS OF INCOME

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007
*1. Non-operating income	*1. Non-operating income	*1. Non-operating income
Interest income ¥41 mil.	Interest income ¥85 mil.	Interest income ¥109mil.
Interest on securities ¥192 mil.	Interest on securities ¥163 mil.	Interest on securities ¥315mil.
Dividend income ¥714 mil.	Dividend income ¥633 mil.	Dividend income ¥1,071mil.
*2. Non-operating expense	*2. Non-operating expense	*2. Non-operating expense
Interest expenses ¥27 mil.	Interest expenses ¥77 mil.	Interest expenses ¥65 mil.
Foreign exchange losses ¥624 mil.	Foreign exchange losses ¥611 mil.	Foreign exchange losses ¥892 mil.
*3. Special income	*3. Special income	
Gain on sales of fixed assets ¥62 mil.	Gain on sales of fixed assets	
Gain on sales of investment Securities ¥183 mil.		
Disposal of products incurred by subsidiaries ¥554 mil.		

April 1, 2006- September 30, 2006	**April 1, 2007- September 30, 2007**	April 1, 2006- March 31, 2007

5) LEASE TRANSACTIONS

6) SECURITIES

Market value of investment in subsidiaries:

(Millions of Yen)

Period Ended	September 30, 2006	**September 30, 2007**	March 31, 2007
Carrying amount	4,279	-	4,279
Market value	2,786	-	2,950
Difference	(1,493)	-	(1,329)

7) PER SHARE INFORMATION

April 1, 2006 - September 30, 2006	**April 1, 2007 - September 30, 2007**	April 1, 2006 **-** March 31, 2007
Book value per share: ¥1,613.17	Book value per share: ¥1,652.92	Book value per share: ¥1,644.49
Earnings per share: ¥70.50	Earnings per share: ¥99.17	Earnings per share: ¥150.23
Diluted earnings per share: ¥70.40	Diluted earnings per share: ¥99.06	Diluted earnings per share: ¥150.01

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

	April 1, 2006- Sep.30, 2006	**April 1, 2007- Sep. 30, 2007**	April 1, 2006- March 31, 2007
Basic earnings per share			
(1) Net income (mil. yen)	¥20,137	¥28,178	¥42,803
(2) Amount not attributed to common shareholders (mil. yen)	-	-	-
(3) Net income on common shares (mil. yen)	20,137	28,178	42,803
(4) Average number of common shares outstanding (thousand shares)	285,636	284,139	284,911
Diluted earnings per share			
Increased number of common shares (thousand shares)	412	320	431
[Subscription rights] (thousand shares)	[110]	[62]	[100]
[Stock option] (thousand shares)	[302]	[257]	[331]

Dilutive securities with no dilutive effects, which were not included in fully diluted earnings per share.

9) SEMIANNUAL NON-CONSOLIDATED FINANCIAL STATEMENTS for the second quarter of FY 2007

(1) STATEMENTS OF INCOME (for reference)

							Increase/ (Decrease)
			(%)			(%)	(Millions of Yen)
		87,189	100.0		96,814	100.0	9,625
		19,964	22.9		18,111	18.7	(1,853)
		67,224	77.1		78,702	81.3	11,478
		(10)	(0.0)		(6)	(0.0)	4
Gross profit		67,235	77.1		78,709	81.3	11,473
	27,323		[31.3]	31,688		[32.7]	
	24,843	52,166	59.8	26,119	57,807	59.7	5,641
expenses							
		15,068	17.3		20,901	21.6	5,832
		367	0.4		(86)	(0.1)	(454)
		332	0.4		718	0.7	385
		15,103	17.3		20,096	20.8	4,992
		744	0.8		4	0.0	(740)
		117	0.1		1,040	1.1	922
		15,730	18.0		19,059	19.7	3,329
	7,178			8,374			
	(1,5294(8, 5639)-1415.1(19.7)JT26						8,374

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

Account Title	July 1, 2006- September. 30, 2006 (Millions of Yen)	July 1, 2007- September 30, 2007 (Millions of Yen)	Increase/ (Decrease) (Millions of Yen)
I. Operating activities			
1. Income before income taxes	15,730	19,059	
2. Depreciation and amortization	4,439	4,320	
3. Loss on impairment of long-lived assets	35	1	
4. Deacrease in allowance for doubtful accounts	(17)	—	
5. Interest and dividend income	(200)	(162)	
6. Interest expenses	15	52	
7. Loss on sales and disposal of fixed assets	93	188	
8. Gain on sales of short-term investment and investment securities	(183)	—	
9. Loss on devaluation of securities	—	0	
10. Increase in notes and accounts receivable-trade	(7,385)	(1,772)	
11. Increase in inventories	(1,123)	(817)	
12. Decrease in notes and accounts payable-trade	(96)	(1,558)	
13. Increase (Decrease) in other current liabilities	1,194	(3,554)	
14. Dearease in reserve for retirement benefit	(1,484)	(2,554)	
15. Other	(1,437)	3,594	
Sub-total	9,581	16,798	
16. Interest and dividends received	151	182	
17. Interest paid	(15)	(52)	
18. Income tax paid	(1,691)	37	
Net cash provided by operating activities	8,026	16,965	8,939
II. Investing activities			
1. Proceeds from sales and maturities of short-term investments	1,500	1,000	
2. Purchases of property, plant and equipment	(1,714)	(1,282)	
3. Proceeds from sales of property, plant and equipment	13	8	
4. Payments for acquisition of business	(1,196)	(1,329)	
5. Purchases of investment securities	(6,712)	(4)	
6. Proceeds from sales and redemptions of investment securities	1,569	5	
7. Investments in subsidiaries and associated companies	—	(1,145)	
8. Other	(144)	80	
Net cash used in investing activities	(6,684)	(2,668)	4,015
III. Financing activities			
1. Purchase of treasury stock	(11,060)	—	
2. Other	314	103	
Net cash provided by (used in) financial activities	(10,745)	103	10,848
IV. Foreign currency translation adjustments on cash and cash equivalents	0	(1)	(1)
V. Net (decrease) increase in cash and cash equivalents	(9,402)	14,398	23,801
VI. Cash and cash equivalents at beginning of period	81,884	21,814	(60,069)
VII. Cash and cash equivalents at end of period	72,481	36,213	(36,268)

6. Other

Subsidiarization of Sanko Junyaku Co., Ltd.

Sanko Junyaku Co. Ltd. (“Sanko Junyaku”) became a wholly-owned subsidiary of Eisai Co., Ltd. (“Eisai”) on October 1st, 2007.

advances in medical technologies. Under this operational framework, Sanko Junyaku takes responsibility as the diagnostic agent which is one of Eisai's core businesses, and aims to satisfy the various needs of patients and their family, and the general public through providing clinical reagents that are intimately connected with therapeutic products.

<The Process of Subsidiarization of Sanko Junyaku>

April 26, 2007	Eisai Co., Ltd. and Sanko Junyaku agreed on share exchange agreement (announced)
June 21, 2007	Share exchange was approved at the ordinary meeting of shareholders of Sanko Junyaku
June 22, 2007	Sanko Junyaku was allocated to the adjustment post of JASDAQ
September 25, 2007	Sanko Junyaku was delisted from JASDAQ
October 1, 2007	Share exchange
November 20, 2007	Delivery of certificate (scheduled date)

Summary of the financial result of Sanko Junyaku (consolidated) for the Interim of fiscal year ending March 31, 2008 were attached for your reference.

6. FINANCIAL STATEMENTS of Sanko Junyaku Co., Ltd.
1-1) BALANCE SHEETS (ASSETS)

	September 30, 2006			September 30, 2007			March 31, 2007		
Account Title	(Thousands of Yen)		(%)	(Thousands of Yen)		(%)	(Thousands of Yen)		(%)
ASSETS									
I. Current assets:									
1. Cash and cash in banks		188,984			248,586			138,091	
2. Notes and accounts receivable-trade		1,599,359			1,578,742			1,551,996	
3. Short-term investments		1,560,881			836,618			1,284,638	
4. Inventories		1,470,273			1,335,981			1,418,078	
5. Deferred tax assets		180,853			252,272			171,293	
6. Deposit paid		2,243,117			3,015,976			2,662,766	
7. Other		76,669			84,642			94,706	
Allowance for doubtful receivables		(12,390)			(13,070)			(12,710)	
Total current assets		7,307,750	54.4		7,339,750	54.2		7,308,861	54.1
II. Fixed assets:									
1. Property, plant and equipment									
(1) Buildings and structures	1,033,215			949,263			987,124		
(2) Land	247,930			247,930			247,930		
(3) Other	632,394	1,913,539	14.2	660,500	1,857,693	13.7	610,082	1,845,137	13.7
2. Intangible assets		5,304	0.0		5,041	0.0		5,173	0.0
3. Investments and other assets									
(1) Investment securities	2,162,436			1,978,479			2,097,826		
(2) Deferred tax assets	884,586			789,330			889,545		
(3) Long-term deposit in banks	1,100,000			1,500,000			1,300,000		
(4) Other	66,348	4,213,371	31.4	68,827	4,336,637	32.1	66,414	4,353,786	32.2
Total fixed assets		6,132,215	45.6		6,199,372	45.8		6,204,096	45.9
Total assets		13,439,965	100.0		13,539,123	100.0		13,512,957	100.0

1-2) BALANCE SHEETS (LIABILITIES AND EQUITY)

Account Title	September 30, 2006 (Thousands of Yen)	(%)	September 30, 2007 (Thousands of Yen)	(%)	March 31, 2007 (Thousands of Yen)	(%)
LIABILITIES						
I. Current liabilities:						
1. Accounts payable-trade	261,795		278,586		331,245	
2. Short-term borrowings	60,207		–		50,110	
3. Income taxes payable	19,935		19,619		23,229	
4. Reserve for bonuses	176,874		172,309		158,817	
5. Reserve for sales returns	4,590		3,090		4,400	
6. Other	321,055		492,101		335,442	
Total current liabilities	844,457	6.3	965,707	7.1	903,245	6.7
II. Long-term liabilities:						
1. Deferred tax liabilities	725,363		773,960		749,587	
2. Other	276,900		232,812		268,869	
Total long-term liabilities	1,002,264	7.4	1,006,773	7.5	1,018,457	7.5
Total liabilities	1,846,722	13.7	1,972,480	14.6	1,921,703	14.2
Equity						
I. Owners' Equity						
1. Common stock	5,262,480	39.2	5,262,480	38.9	5,262,480	38.9
2. Capital surplus	5,383,920	40.1	5,383,920	39.8	5,383,920	39.8
3. Retained earnings	836,178	6.2	816,101	6.0	840,661	6.2
4. Treasury stock	(7,619)	(0.1)	–	–	(8,298)	(0.0)
Total Owners' Equity	11,474,959	85.4	11,462,501	84.7	11,478,762	84.9
II. Net unrealized gain and translation adjustment:						
1. Net unrealized gain on available-for-sale securities	78,868	0.6	60,210	0.4	70,746	0.6
Total net unrealized gain and translation adjustments	78,868	0.6	60,210	0.4	70,746	0.6
III. Minority Interests	39,416	0.3	43,931	0.3	41,745	0.3
Total equity	11,593,243	86.3	11,566,643	85.4	11,591,254	85.8
Total liabilities and Equity	13,439,965	100.0	13,539,123	100.0	13,512,957	100.0

2) STATEMENTS OF INCOME

Account Title			(%)			(%)			(%)
I. Net sales		2,552,026	100.0		2,494,281	100.0		5,136,625	100.0
II. Cost of sales		1,074,077	42.1		1,047,671	42.0		2,169,207	42.2
Gross profit on sales		1,477,948	57.9		1,446,610	58.0		2,967,418	57.8
Reversal of provision for sales returns-net	8,130			4,400			8,130		
Provision for sales returns-net	4,590	(3,540)	(0.2)	3,090	(1,310)	(0.1)	4,400	(3,730)	(0.0)
Gross profit		1,481,488	58.1		1,447,920	58.1		2,971,148	57.8
III. Selling, general and administrative expenses		1,453,634	57.0		1,416,002	56.8		2,927,525	57.0
Operating income		27,854	1.1		31,917	1.3		43,622	0.8
IV. Non-operating income									
1. Interest income	23,158			42,029			62,076		
2. Dividend income	730			906			1,121		
3. Other	1,408	25,297	1.0	2,765	45,702	1.8	3,975	67,173	1.3
V. Non-operating expenses									
1. Interest expenses	1,750			2,060			4,024		
2. Loss on disposal of inventories	129			-			-		
3. Quality assurance expenses	4,450			-			4,664		
4. Foreign exhange gain	913			-			3,845		
5. Fee for a service for corporate stock affairs	-			7,691			9,000		
6. Other	319	7,562	0.3	588	10,339	0.4	1,885	23,419	0.4
Ordinary income		45,589	1.8		67,280	2.7		87,376	1.7
VI. Special gain									
1. Gain on sales of fixed assets	42			-			57		
2. Proceeds from redemptions of securities	-	42	0.0	-	-	-			

4) STATEMENT OF CASH FLOWS

Account Title	April 1, 2006 - September 30, 2006 (Thousands of Yen)	April 1, 2007 - September 30, 2007 (Thousands of Yen)	April 1, 2006 - March 31, 2007 (Thousands of Yen)
I. Operating activities:			
1. Income before income taxes and minority interests	34,062	63,881	56,457
2. Depreciation and amortization	151,215	140,204	312,210
3. Loss on impairment of long-lived assets	4,065	333	15,380
4. Loss on cancellation of an insurance policy for prior year	-	-	7,089
5. Increase in allowance for doubtful accounts	2,960	360	3,280
6. Interest and dividend income	(23,889)	(42,936)	(63,198)
7. Interest expenses	1,750	2,060	4,024
8. Loss on disposal of inventories	18,129	10,264	31,884
9. Loss on devaluation of ivventories	3,708	329	2,615
10. Gain on sales of fixed assets	(42)	-	(57)
11. Loss on disposal of fixed assets	7,503	1,305	8,527
12. Increase in liability for retirement benefits	40,345	24,372	64,570
13. Decrease in retirement allowance for directors	(17,701)	-	(17,701)
14. Increase (decrease) in liability for bonuses	8,381	13,492	(9,675)
15. Decrease in provision for sales returns	(3,540)	(1,310)	(3,730)
16. Loss on redemption of securities	-	-	740
17. Increase in notes and accounts receivable-trade	(83,336)	(26,745)	(35,973)
18. (Decrease) Increase in inventories	(100,836)	62,400	(105,004)
19. Increase (Decrease) in other current assets	(11,312)	2,962	(22,765)
20. Decrease (Increase) in other investment	650	136	(727)
21. Increase (Decrease) in notes and accounts payable-trade	27,669	(54,920)	98,992
22. Increase (Decrease) in accrued expenses	(1,589)	(2,878)	2,907
23. Increase (Decrease) in other current liabilities	(14,537)	145,220	(3,927)
24. Other-net	(11,963)	(18,236)	(31,703)
Sub-total	31,692	320,294	314,214
25. Interest and dividends received	25,939	44,204	64,047
26. Interest paid	(1,750)	(2,060)	(4,024)
27. Income taxes paid	(7,643)	(5,622)	(14,727)
Net cash provided by operating activities	48,237	356,816	359,509
II. Investing activities:			
1. Proceeds from sales and maturities of short-term investments	300,000	300,000	649,259
2. Purchases of property, plant and equipment	(126,556)	(146,719)	(182,887)
3. Proceeds from sales of property, plant and equipment	42	-	57
4. Purchases of investment securities	(293,751)	-	(443,751)
5. Proceeds from sales and redemption of investments	-	-	100,020
6. Investments in and purchases of other assets	(700,000)	(200,000)	(900,000)
Net cash used in investing activities	(820,264)	(46,719)	(777,301)
III. Financing activities:			
1. Net decrease in short-term borrowings	41,928	(50,110)	31,832
2. Purchase of treasury stock	(37)	(1,107)	(716)
3. Dividends paid	(53,180)	(44,554)	(53,513)
Net cash used in financing activities	(11,289)	(95,773)	(22,397)
IV. Foreign currency translation adjustments on cash and cash equivalents	97	676	118
V. Net increase (decrease) in cash and cash equivalents	(783,218)	215,000	(440,071)
VI. Cash and cash equivalents at beginning of period	4,125,105	3,685,034	4,125,105
VII. Cash and cash equivalents at end of period	3,341,886	3,900,035	3,685,034

Securities Code: 4523

October 30, 2007

Eisai Co., Ltd.

For Inquiry:

Corporate Communications Department

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

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* All amounts are rounded to their nearest specified unit.
* Currency exchange rate utilized in the reference data are noted in the table below.
* All amounts of overseas profit and loss are converted into yen values based upon the average exchange rates for the periods shown in the table below.

Currency Exchange Rates

	US (¥/US$)	EU (¥/EURO)	UK (¥/£)
(Apr. 2006 - Sep. 2006) Interim Period Average Rate	115.37	145.97	213.45
(Sep. 30, 2006) Interim Period End Rate	117.90	149.77	221.10
(Apr. 2006 - Mar. 2007) Fiscal Year Average Rate	117.02	150.09	221.58

I. Consolidated Financial Highlights

1. Statements of Income Data

(billions of yen)

Years Ended/Ending March 31	Interim			Full	
Interim Apr. - Sep.	2007	**2008**	YoY %	2007	2008 est.
Net sales	319.4	**362.8**	113.6	674.1	739.0
Cost of sales	53.2	**54.6**	102.6	109.3	110.5
R&D expenses	52.2	**63.8**	122.2	108.3	127.0
SG&A expenses	164.3	**187.3**	114.0	351.2	384.5
Operating income	49.6	**57.1**	114.9	105.3	117.0
Ordinary income	51.7	**59.6**	115.1	110.5	121.0
Net income	32.5	**39.4**	121.0	70.6	78.5
			Inc./(Dec.)		
Earnings per share (EPS, yen)	113.8	**138.5**	24.7	247.8	275.5
Dividend per share (DPS, yen)	55.0	**65.0**	10.0	120.0	130.0

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

2. Balance Sheets Data

(billions of yen)

	2007		Inc./
	31-Mar	**30-Sep**	(Dec.)
Total assets	792.1	**817.6**	25.5
Equity	562.7	**575.1**	12.4
Shareholders' Equity	552.5	**564.3**	11.8
Shareholders' Equity/Total assets (%)	69.7	**69.0**	(0.7)

3. Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	Interim			Full	
Interim Apr. - Sep.	2007	**2008**	Inc./ (Dec.)	2007	2008 est.
Capital expenditures	10.7	**81.5**	70.8	52.0	107.0
Property, plant and equipment	8.0	**13.6**	5.6	23.2	35.0
Intangible assets	2.7	**67.9**	65.1	28.8	72.0
Depreciation/Amortization	12.3	**15.4**	3.1	26.8	33.0

* Capital expenditures include the increase of asset by acquisition of Morphotek, Inc. (Property, plant and equipment: 0.6billions of yen, Intangible assets: 60.3 billions of yen)

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

4. Statements of Cash Flows Data

(billions of yen)

Years Ended/Ending March 31	Interim			Full
Interim Apr. - Sep.	2007	**2008**	Inc./ (Dec.)	2007
Net cash provided by operating activities	36.6	**41.7**	5.1	81.2
Net cash used in investing activities	(21.2)	**(52.6)**	(31.4)	(55.2)
Net cash used in financing activities	(25.1)	**(18.8)**	6.3	(40.6)
Cash and cash equivalents at end of period	175.0	**141.0**	(34.0)	171.1
Free cash flows	22.4	**(21.3)**	(43.8)	28.6

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

II. Consolidated Statements of Income

1. Consolidated Statements of Income

(billions of yen)

Years Ended/Ending March 31 Interim Apr. - Sep.	Interim						<Explanations>
	2007	Sales %	**2008**	Sales %	YoY %	Inc./ Dec.	
Net sales	319.4	100.0	**362.8**	100.0	113.6	43.4	**Net sales** <Increase Factor> Increase in sales of *Aricept* and *Aciphex*/*Pariet*
Cost of sales	53.3	16.7	**54.7**	15.1	102.7	1.4	
Provision for sales returns-net	(0.1)	(0.0)	**(0.1)**	(0.1)		(0.1)	
Gross profit	266.2	83.3	**308.2**	85.0	115.8	42.1	
R&D expenses	52.2	16.4	**63.8**	17.6	122.2	11.6	**R&D expenses** <Increase Factor> Advanced in clinical studies
SG&A expenses	164.3	51.4	**187.3**	51.6	114.0	23.0	
Operating income	49.6	15.5	**57.1**	15.7	114.9	7.4	
Non-operating income	3.1	1.0	**3.3**	0.9		0.2	
Non-operating expenses	1.0	0.3	**0.8**	0.2		(0.2)	
Ordinary income	51.7	16.2	**59.6**	16.4	115.1	7.8	
Special gain	0.3	0.1	**2.3**	0.6		2.0	**Special gain** <Increase Factor> Profit by sales of investment securities
Special loss	0.7	0.2	**1.1**	0.3		0.4	
Income before income taxes and minority interests	51.3	16.1	**60.7**	16.7	118.3	9.4	
Income taxes-current	22.9	7.2	**25.4**	7.0	110.7	2.4	
Income taxes-deferred	(4.4)	(1.4)	**(4.4)**	(1.2)		(0.0)	
Minority interests in net income	0.3	0.1	**0.4**	0.1		0.1	
Net income	32.5	10.2	**39.4**	10.8	121.0	6.8	

2. Financial Results by Operating Segment

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

(billions of yen)

Years Ended/Ending March 31 Interim Apr. - Sep.	2007	**2008**	Full 2007
Net sales to customers	319.4	**362.8**	674.1
Pharmaceuticals	308.9	**351.4**	652.9
Japan	134.2	**147.0**	273.2
North America	138.4	**163.7**	302.3
Europe	26.0	**26.7**	53.7
Asia and others	10.3	**14.0**	23.7
Other	10.5	**11.4**	21.2
Japan	9.3	**10.4**	19.0
Overseas	1.2	**1.0**	2.1

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

* Major areas and countries included in each region:

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

(billions of yen)

Years Ended/Ending March 31 Interim Apr. - Sep.	2007	**2008**	Full 2007
Operating income	49.6	**57.1**	105.3
Pharmaceuticals	50.7	**58.2**	108.1
Other	0.9	**1.0**	1.7
Eliminations and corporate	(2.0)	**(2.1)**	

3. Geographical Segment Information

3-1 Consolidated Net Sales by Geographical Segment

(billions of yen)

Years Ended/Ending March 31			Full
Interim Apr. - Sep.	2007	**2008**	2007

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

5-1 *ARICEPT* Sales by Geographical Area

Years Ended/Ending March 31		Interim		Full
Interim Apr. - Sep.		2007	**2008**	2007
Area				
Japan	¥ Billions	23.9	**30.0**	49.7
U.S.	¥ Billions	72.7	**89.5**	162.2
	[U.S. $ Millions]	[631]	**[750]**	[1,386]
Europe	¥ Billions	16.8	**17.3**	34.5
UK	¥ Billions	0.7	**0.6**	1.2
	[UK £ Millions]	[3]	**[3]**	[6]
France	¥ Billions	12.4	**12.9**	25.8
	[Euro Millions]	[85]	**[79]**	[172]
Germany	¥ Billions	3.6	**3.8**	7.4
	[Euro Millions]	[25]	**[23]**	[50]
Asia	¥ Billions	2.8	**4.0**	6.6
Total	¥ Billions	116.2	**140.9**	252.9

* Sales forecast for Eisai sales territories for the year ending March 2008 is ¥294.0 billion.

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

Years Ended/Ending March 31		Interim		Full
Interim Apr. - Sep.		2007	**2008**	2007
Area				
Japan	¥ Billions	14.6	**18.3**	30.7
U.S.	¥ Billions	60.4	**66.4**	126.9
	[U.S. $ Millions]	[524]	**[556]**	[1,084]
Europe	¥ Billions	6.0	**4.6**	12.1
UK	¥ Billions	2.0	**1.5**	3.3
	[UK £ Millions]	[9]	**[6]**	[15]
Germany	¥ Billions	0.9	**0.9**	2.5
	[Euro Millions]	[6]	**[5]**	[17]
Italy	¥ Billions	3.1	**2.3**	6.3
	[Euro Millions]	[21]	**[14]**	[42]
Asia	¥ Billions	2.3	**3.0**	4.6
Total	¥ Billions	83.4	**92.2**	174.3

* Sales forecast for Eisai sales territories for the year ending March 2008 is ¥184.0 billion.

5-3 *ZONEGRAN* Sales by Geographical Area

Years Ended/Ending March 31		Interim		Full
Interim Apr. - Sep.		2007	**2008**	2007
Area				
U.S.	¥ Billions	1.6	**1.4**	3.1
	[U.S. $ Millions]	[14]	**[12]**	[27]
Europe, Asia	¥ Billions	0.7	**1.6**	1.8
Total	¥ Billions	2.3	**3.0**	4.9

6. SG&A Expenses

6-1 R&D Expenses

(billions of yen)

Years Ended/Ending March 31	Interim		Full	
Interim Apr. - Sep.	2007	**2008**	2007	2008 est.
Net sales	319.4	**362.8**	674.1	739.0
R&D expenses	52.2	**63.8**	108.3	127.0
Ratio of R&D expenses to net sales (%)	16.4	**17.6**	16.1	17.2

6-2 SG&A Expenses

(billions of yen)

Years Ended/Ending March 31	Interim		Full	
Interim Apr. - Sep.	2007	**2008**	2007	2008 est.
Net sales	319.4	**362.8**	674.1	739.0
SG&A expenses	164.3	**187.3**	351.2	384.5
Personnel expenses	34.0	**37.2**	72.2	-
Marketing expenses	107.5	**123.1**	230.6	-
Administrative expenses and others	22.7	**27.0**	48.4	-
Ratio of SG&A expenses to net sales (%)	51.4	**51.6**	52.1	52.0

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

(billions of yen)

Years Ended/Ending March 31	Interim		Full	
Interim Apr. - Sep.	2007	**2008**	2007	2008 est.
Net sales	319.4	**362.8**	674.1	739.0
SG&A expenses (including R&D expenses)	216.5	**251.2**	459.5	511.5
Ratio of SG&A expenses including R&D expenses to net sales (%)	67.8	**69.3**	68.2	69.2

7. Personnel Information (Consolidated)

(persons)

	2006 31-Mar	2007 31-Mar	2007 **30-Sep**
Total	9,081	9,649	**9,996**
Japan	5,144	5,334	**5,506**
U.S.	1,787	1,975	**2,040**
Europe	650	765	**814**
Asia	1,500	1,575	**1,636**

III. Consolidated Balance Sheets

1. Consolidated Balance Sheets <Assets>

(billions of yen)

	31-Mar	%	**30-Sep**	%	Change %	Inc./ (Dec.)	**<Explanations>**
Current assets:							
Cash and cash in banks	89.8		**66.9**			(22.9)	
Notes and accounts receivable-trade	162.2		**166.2**			4.0	
Short-term investments	90.3		**84.6**			(5.7)	
Inventories	52.8		**53.4**			0.7	
Deferred tax assets	33.2		**34.4**			1.2	
Other	13.4		**15.7**				

2. Consolidated Balance Sheets <Liabilities and Equity>

(billions of yen)

	2007				Change	Inc./	<Explanations>
	31-Mar	%	**30-Sep**	%	%	(Dec.)	
Current liabilities:							
Notes and accounts payable-trade	19.3		**17.3**			(2.0)	
Short-term borrowings	0.2		**-**			(0.2)	
Accounts payable-other/accrued expenses etc.	109.3		**110.1**			0.8	
Income taxes payable	22.0		**23.9**			1.8	
Reserve for sales rebates	35.1		**33.9**			(1.1)	
Other	5.8		**6.5**			0.7	
Total current liabilities	191.8	24.2	**191.8**	23.5	100.0	(0.0)	
Long-term liabilities:							
Deferred tax liabilities	0.1		**16.8**			16.7	**Deferred tax liabilities** <Increase Factor> Company acquisition
Liability for retirement benefits	31.8		**28.1**			(3.7)	
Retirement allowances for directors	1.3		**1.4**			0.0	
Other	4.4		**4.5**			0.1	
Total long-term liabilities	37.6	4.8	**50.8**	6.2	134.9	13.1	
Total liabilities	229.4	29.0	**242.5**	29.7	105.7	13.1	
Owners' equity:							
Common stock	45.0		**45.0**			-	
Capital surplus	55.2		**55.2**			-	
Retained earnings	469.6		**490.8**			21.2	
Treasury stock	(42.2)		**(42.1)**			0.1	
Total owners' equity	527.6	66.6	**548.9**	67.1	104.0	21.3	
Net unrealized gain and translation adjustments:							
Net unrealized gain on available-for-sale securities	19.9		**12.3**			(7.5)	**Net unrealized gain on available-for-sale securities** <Decrease Factor> Decrease in fair market value of investment securities
Deferred hedge gains and loses	-		**0.1**			0.1	
Foreign currency translation adjustments	5.0		**2.9**			(2.0)	
Total net unrealized gain and translation adjustments	24.8	3.1	**15.4**	1.9	61.9	(9.5)	
Stock acquisition rights	0.3	0.0	**0.6**	0.1	188.7	0.3	
Minority interests	9.9	1.3	**10.3**	1.2	103.4	0.3	
Total equity	562.7	71.0	**575.1**	70.3	102.2	12.4	
Total liabilities and equity	792.1	100.0	**817.6**	100.0	103.2	25.5	

3. Stock Information

3-1 Issued Stock and Shareholder Information

As of September 30, 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	[12,404,381 shares]	51,497	5,759

3-2 Top 10 Shareholders

As of September 30, 2007

Name	(1,000 shares)	
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,029	5.41
Nippon Life Insurance Company	15,327	5.17
Saitama Resona Bank, Limited	12,398	4.18
Japan Trustee Services Bank, Ltd. (Trust Account)	12,147	4.10
The Chase Manhattan Bank N.A. London S.L. Omnibus Account	10,501	3.54
Nomura Securities Co., Ltd.	6,512	2.20
Mizuho Corporate Bank, Ltd.	5,630	1.90
Eisai Employee Shareholding Association	5,566	1.88
Sumitomo Life Insurance Company	5,000	1.69
The Naito Foundation	4,207	1.42

* Treasury stock (12,404 thousands shares, 4.18%) 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)

	2007 31-Mar		**2007 30-Sep**		Inc./ (Dec.)
Financial Institutions	190	0.4	**219**	0.4	29
Securities Companies	63	0.2	**65**	0.1	2
Other Japanese Corporations	1,081	2.5	**1,122**	2.2	41
Corporations Outside Japan, etc.	541	1.3	**483**	1.0	(58)
Individuals and Others	40,974	95.6	**49,608**	96.3	8,634
Total	42,849	100.0	**51,497**	100.0	8,648

3-4 Number of Shares Held by Category

(1,000 shares)

	2007 31-Mar		**2007 30-Sep**		Inc./ (Dec.)
Financial Institutions	114,782	38.7	**117,825**	39.7	3,042
Securities Companies	13,522	4.5	**13,805**	4.7	282
Other Japanese Corporations	22,799	7.7			

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

(persons)

	2007 31-Mar	%	**2007 30-Sep**	%	Inc./ (Dec.)
1 million shares and over	54	0.1	**52**	0.1	(2)
100,000 ~ 999,999 shares	178	0.4	**179**	0.3	1
10,000 ~ 99,999 shares	728	1.7	**751**	1.5	23
1,000 ~ 9,999 shares	9,878	23.1	**10,899**	21.2	1,021
100 ~ 999 shares	28,552	66.6	**36,051**	70.0	7,499
less than 100 shares	3,459	8.1	**3,565**	6.9	106
Total	42,849	100.0	**51,497**	100.0	8,648

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

(1,000 shares)

	2007 31-Mar	%	**2007 30-Sep**	%	Inc./ (Dec.)
1 million shares and over	188,110	63.4	**184,786**	62.3	(3,324)
100,000 ~ 999,999 shares	60,735	20.5	**60,687**	20.5	(47)
10,000 ~ 99,999 shares	19,568	6.6	**19,323**	6.5	(244)
1,000 ~ 9,999 shares	21,572	7.3	**23,463**	7.9	1,891
100 ~ 999 shares	6,443	2.2	**8,167**	2.8	1,724
less than 100 shares	136	0.0	**138**	0.0	1
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/Ending March 31 Interim Apr. - Sep.	2007	**2008**	Inc./	**<Explanations>**

V. Consolidated Subsidiaries - Associated Companies

1. Consolidated Subsidiaries (46 companies)

1-1 Subsidiaries Outside Japan (34 companies)

As of September 30, 2007

Company Name	Location	Common Stock	Voting Rights	Description of Operations
		Unit: thousand		
Eisai Corporation of North America	New Jersey, USA	385,900 US$	100.00%	

1-2 Subsidiaries in Japan (12 companies)

As of September 30, 2007

Company Name	Location	Common Stock	Equity (%) Ownership	Description of Operations
Sanko Junyaku Co., Ltd.	Tokyo	5,262 million yen	50.88%	Diagnostic product prod./sales
Sannova Co., Ltd.	Gunma Pref.	926 million yen	79.95%	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

VI. Financial Trend

(billions of yen)

Years Ended/Ending March 31		1999	2000	2001	2002	2003	2004	2005	2006	2007	**2008**
Interim Apr. - Sep.											
<Statements of Income Data>											
Net sales	Interim		148.1	174.9	211.0	234.4	247.8	261.0	282.6	319.4	**362.8**
		284.9	302.5	361.7	431.7	466.6	500.2	533.0	601.3	674.1	
Cost of sales	Interim		44.7	49.0	52.2	52.9	47.6	50.4	48.7	53.2	**54.6**
		87.1	91.6	98.5	101.5	102.6	97.2	98.5	104.5	109.3	
R&D expenses	Interim		23.7	22.6	24.7	27.9	33.5	37.5	44.4	52.2	**63.8**
		43.7	46.7	49.6	55.0	59.7	69.0	78.3	93.2	108.3	
SG&A expenses	Interim		60.3	72.3	95.1	113.3	125.7	131.5	144.3	164.3	**187.3**
		115.4	127.1	154.7	202.5	228.4	250.9	269.4	307.8	351.2	
Operating income	Interim		19.5	31.1	39.0	40.4	41.0	41.6	45.3	49.6	**57.1**
		38.6	37.1	59.0	72.7	75.9	83.1	86.8	95.7	105.3	
Ordinary income	Interim		19.4	31.9	40.2	40.1	40.7	43.2	47.1	51.7	**59.6**
		39.8	36.9	63.2	76.1	76.1	83.4	89.1	100.0	110.5	
Net income	Interim		2.7	8.9	20.0	22.2	24.9	27.6	30.2	32.5	**39.4**
		15.9	11.3	23.3	36.5	41.0	50.1	55.5	63.4	70.6	
<Statements of Cash Flows>											
Operating cash flows	Interim		22.0	43.2	33.1	19.6	45.8	40.8	39.9	36.6	**41.7**
		35.9	27.2	85.0	56.9	57.6	72.7	49.2	87.1	81.2	
Net cash used in investing activities	Interim		(0.7)	(28.8)	(1.2)	(18.0)	(15.3)	(21.5)	(14.1)	(21.2)	**(52.6)**
		(33.9)	(4.0)	(19.6)	(7.2)	(27.7)	(27.3)	(37.5)	(29.5)	(55.2)	
Net cash used in financing activities	Interim		(3.4)	(3.5)	(5.7)	(14.6)	(4.5)	(4.6)	(10.1)	(25.1)	**(18.8)**
		(10.0)	(15.4)	(17.7)	(39.1)	(19.8)	(21.4)	(16.7)	(21.8)	(40.6)	
Cash and	Interim		61.6	63.3	131.2	104.6	150.0	163.7	160.1	175.0	**141.0**
cash equivalents at end of period		46.9	52.6	106.3	121.8	127.3	146.1	142.4	183.3	171.1	
Free cash flows	Interim		13.6	36.8	22.8	5.3	36.0	16.6	20.7	22.4	**(21.3)**
		21.1	12.6	71.8	32.1	31.1	48.9	10.5	43.6	28.6	
<Balance Sheet Data>											
Common stock		44.9	44.9	44.9	44.9	45.0	45.0	45.0	45.0	45.0	**45.0**
Total assets		463.4	485.7	549.4	557.6	591.7	615.8	662.7	747.2	792.1	**817.6**
Shareholders' equity		308.6	329.4	345.9	362.1	388.2	419.5	459.6	519.2	552.5	**564.3**
<Capital Expenditures and Depreciation/Amortization>											
Capital expenditures		14.2	16.3	15.0	27.2	21.9	28.7	49.0	37.0	52.0	**81.5**
Depreciation/Amortization		13.0	15.1	15.0	15.3	18.0	18.5	22.4	25.0	26.8	**15.4**
<Managerial Indices>											(Interim)
Dividends On Equity (DOE, %)		2.1	2.0	2.0	2.4	2.5	2.6	3.7	5.3	6.4	
Return On Equity (ROE, %)		5.2	3.5	6.9	10.3	10.9	12.4	12.6	13.0	13.2	
Dividend payout ratio (%)		40.1	56.5	29.2	23.3	22.7	20.9	29.0	40.6	48.4	
Earnings Per Share (EPS, yen)		53.6	38.0	78.7	123.5	141.2	172.1	193.4	221.9	247.8	
Diluted EPS (yen)		53.1	37.7	77.9	122.3	139.9	172.1	193.3	221.6	247.5	
Return on sales ratio (%)		5.6	3.7	6.4	8.5	8.8	10.0	10.4	10.5	10.5	
Shareholders' Equity Ratio (%)		66.6	67.8	63.0	64.9	65.6	68.1	69.4	69.5	69.7	

VII. Non-Consolidated Financial Highlights

1. Non-Consolidated Financial Highlights

1-1 Statements of Income Data

(billions of yen)

Years Ended/Ending March 31	Interim			Full	
Interim Apr. - Sep.	2007	**2008**	YoY %	2007	2008 est.
Net sales	170.1	**194.9**	114.6	351.6	388.0
Cost of sales	39.9	**39.1**	98.0	80.1	74.0
R&D expenses	51.7	**61.9**	119.6	106.4	124.5
SG&A expenses	48.1	**52.2**	108.4	100.2	107.0
Operating income	30.4	**41.7**	137.5	65.0	82.5
Ordinary income	30.7	**41.9**	136.4	65.7	83.0
Net income	20.1	**28.2**	139.9	42.8	54.6

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

1-2 Balance Sheets Data

(billions of yen)

	2007		Inc./
	31-Mar	**30-Sep**	(Dec.)
Total assets	573.7	**572.6**	(1.1)
Equity	467.5	**470.3**	2.7
Shareholders' Equity	467.2	**469.7**	2.4
Shareholders' Equity/Total assets (%)	81.4	**82.0**	0.6

1-3 Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	Interim			Full	
Interim Apr. - Sep.	2007	**2008**	Inc./ (Dec.)	2007	2008 est.
Capital expenditures	4.8	**9.4**	4.5	22.0	21.0
Property, plant and equipment	3.0	**3.9**	0.8	11.7	13.0
Intangible assets	1.8	**5.5**	3.7	10.3	8.0
Depreciation/Amortization	8.5	**8.5**	0.0	17.9	18.0

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

1-4 Statements of Cash Flows Data

(billions of yen)

Years Ended/Ending March 31	Interim			Full
Interim Apr. - Sep.	2007	**2008**	Inc./ (Dec.)	2007
Net cash provided by operating activities	12.6	**22.4**	9.8	30.6
Net cash used in investing activities	(15.6)	**(14.4)**	1.2	(44.3)
Net cash used in financing activities	(25.0)	**(18.4)**	6.6	(40.3)
Cash and cash equivalents at end of period	72.5	**36.2**	(36.3)	46.5
Free cash flows	5.5	**10.0**	4.5	10.1

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

2. Net Sales by Operating Segment

(billions of yen)

Years Ended/Ending March 31	Interim			Full	
Interim Apr. - Sep.	2007	**2008**	YoY **%**	2007	2008 est.
Net sales	170.1	**194.9**	114.6	351.6	388.0
Prescription pharmaceuticals	107.5	**117.0**	108.8	217.0	232.0
Pharmaceuticals exports	26.4	**30.5**	115.6	55.9	59.5
Consumer health care products	9.4	**9.5**	101.4	19.6	19.0
Other (Food additives/Chemicals, etc.)	0.6	**0.7**	108.5	1.2	1.5
Industrial property rights, etc. income	26.2	**37.3**	142.0	57.9	76.0

3. Exports by Geographical Area

(billions of yen)

Years Ended/Ending March 31	Interim			Full
Interim Apr. - Sep.	2007	**2008**	YoY **%**	2007
Net Sales	170.1	**194.9**	114.6	351.6
Exports	52.5	**67.6**	128.8	113.5
North America	36.5	**48.4**	132.6	78.6
Europe	12.7	**15.8**	124.7	28.5
Asia and others	3.2	**3.3**	102.0	6.5
Ratio of exports to sales (%)	30.8	**34.7**	-	32.3

* Major areas and countries included in each region:
1. North America: The U.S. and Canada
2. Europe: The United Kingdom, France, Germany, etc.
3. Asia and others: East Asia, South-East Asia, and Latin America, etc.

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

4. Prescription Pharmaceuticals

(billions of yen)

Years Ended/Ending March 31 Interim Apr. - Sep. Description / *Product*	2007	**2008**	YoY **%**	2007	2008 est.
Alzheimer's type dementia treatment *ARICEPT*	23.9	**30.0**	125.7	49.7	60.0
Proton pump inhibitor *PARIET*	14.6	**18.3**	124.8	30.7	37.0
Peripheral neuropathy treatment *METHYCOBAL*	15.9	**16.2**	102.0	31.4	31.5
Gastritis/gastric ulcer treatment *SELBEX*	9.8	**9.4**	96.4	19.3	19.5
Osteoporosis treatment *ACTONEL*	3.9	**4.8**	125.3	7.5	9.5
Muscle relaxant *MYONAL*	4.1	**4.2**	100.3	8.2	8.0
Non-ionic contrast medium *IOMERON*	4.2	**4.1**	96.0	8.3	8.0
Osteoporosis treatment *GLAKAY*					

7. Gross Profit/Manufacturing Cost

7-1 Breakdown of Cost of Sales

(billions of yen)

Years Ended/Ending March 31	Interim		Full
Interim Apr. - Sep.	2007	**2008**	2007
Net sales	170.1	**194.9**	351.6
Cost of sales	39.9	**39.2**	80.1
Beginning inventory (+)	12.3	**15.2**	12.3
Manufacturing cost (+)	21.7	**19.0**	42.0
Product purchase (+)	12.6	**13.1**	25.5
Account transfer (+)	7.0	**7.0**	15.6
Ending inventory (-)	13.7	**15.2**	15.2
COGS ratio to net sales (%)	23.5	**20.1**	22.8
Provision for sales returns-net	(0.0)	**(0.1)**	0.1
Gross profit	130.2	**155.8**	271.6

7-2 Breakdown of Manufacturing Cost

(billions of yen)

Years Ended/Ending March 31	Interim		Full
Interim Apr. - Sep.	2007	**2008**	2007
Total manufacturing cost	24.5	**22.1**	48.2
Raw materials	9.6	**7.7**	18.1
Labor cost	5.9	**5.5**	11.9
Expenses	9.0	**8.8**	18.3
Beginning inventory of semi-finished goods and work-in-process (+)	9.5	**9.4**	9.5
Ending inventory of semi-finished goods and work-in-process (-)	9.3	**9.4**	9.4
Account transfer (+)	(3.0)	**(3.0)**	(6.3)
Manufacturing cost	21.7	**19.0**	42.0

8. SG&A Expenses

8-1 R&D Expenses

(billions of yen)

Years Ended/Ending March 31	Interim		Full	
Interim Apr. - Sep.	2007	**2008**	2007	2008 est.
Net sales	170.1	**194.9**	351.6	388.0
R&D expenses	51.7	**61.9**	106.4	124.5
Overseas R&D expenses	26.1	**35.0**	53.6	-
[Ratio of overseas R&D expenses to R&D expenses] (%)	[50.4]	**[56.5]**	[50.4]	-
Ratio of R&D expenses to net sales (%)	30.4	**31.8**	30.3	32.1

8-2 SG&A Expenses

(billions of yen)

Years Ended/Ending March 31	Interim		Full	
Interim Apr. - Sep.	2007	**2008**	2007	2008 est.
Net sales	170.1	**194.9**	351.6	388.0
SG&A expenses	48.1	**52.2**	100.2	107.0
Personnel expenses	16.1	**15.8**	32.6	-
Marketing expenses	19.9	**22.7**	42.3	-
Administrative expenses and others	12.1	**13.7**	25.3	-
Ratio of SG&A expenses to net sales (%)	28.3	**26.8**	28.5	27.6

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

(billions of yen)

Years Ended/Ending March 31			Full	
Interim Apr. - Sep.	2007	**2008**	2007	2008 est.
Net sales	170.1	**194.9**	351.6	388.0
SG&A expenses (including R&D expenses)	99.9	**114.1**	206.5	231.5
Ratio of SG&A expenses (including R&D expenses) to net sales (%)	58.7	**58.5**	58.7	59.7

9. Balance Sheets Data

<Assets>

(billions of yen)

	2007		Inc./
	31-Mar	**30-Sep**	(Dec.)
Current assets	245.7	**243.5**	(2.1)
Fixed assets	328.0	**329.1**	1.0
Property, plant and equipment	80.4	**78.7**	(1.7)
Intangible assets	30.3	**32.6**	2.4
Investments and other assets	217.4	**217.8**	0.4
Total assets	573.7	**572.6**	(1.1)

<Liabilities and Equity>

(billions of yen)

	2007		Inc./
	31-Mar	**30-Sep**	(Dec.)
Current liabilities	76.9	**76.8**	(0.1)
Long-term liabilities	29.3	**25.6**	(3.7)
Total liabilities	106.2	**102.3**	(3.8)
Owners' equity	447.9	**457.7**	9.8
Net unrealized gain and translation adjustments	19.3	**12.0**	(7.3)
Stock acquisition rights	0.3	**0.6**	0.3
Total equity	467.5	**470.3**	2.7
Total liabilities and equity	573.7	**572.6**	(1.1)

10. Personnel Information

	2005	2006	2007	**2007**
	31-Mar	31-Mar	31-Mar	**30-Sep**
Total employees (permanent employees)	3,783	3,906	4,050	4,195
Production	841	817	819	824
R&D	997	1,032	1,101	1,146
Sales, marketing and administration	1,945	2,057	2,130	2,225
Total personnel cost (billions of yen)	65.3	64.0	60.9	29.1

*From this fiscal year, the number of total employees consists of all employees of Eisai Co., Ltd. excluding secondees to other companies and Eisai's affiliated companies plus secomdees from other companies.

11. Statements of Cash Flows

(billions of yen)

Years Ended/Ending March 31	Interim		
Interim Apr. - Sep.	2007	**2008**	Inc./ (Dec.)
Operating activities:			
Income before income taxes	30.9	**43.1**	12.2
Depreciation and amortization	8.5	**8.5**	0.0
Net decrease (increase) in notes and accounts receivables/payable-trade and inventories	(5.2)	**(8.4)**	(3.2)
Net increase (decrease) in accounts payable-other/accrued expenses etc.	0.8	**(0.4)**	(1.2)
Other	(5.3)	**(6.2)**	(0.9)
[Sub-total]	29.7	**36.6**	6.9
Interest paid/received	0.9	**0.8**	(0.1)
Income taxes paid	(17.9)	**(15.0)**	3.0
Net cash provided by operating activities	12.6	**22.4**	9.8
Investing activities:			
Capital expenditures (including acquisition)	(7.1)	**(12.4)**	(5.3)
Purchases/proceeds from sales of securities etc.	(7.3)	**10.3**	17.6
Investments in subsidiaries and associated companies	(0.0)	**(12.1)**	(12.0)
Other	(1.2)	**(0.2)**	1.0
Net cash used in investing activities	(15.6)	**(14.4)**	1.2
Financing activities:			
Dividends paid	(14.3)	**(18.5)**	(4.2)
Purchase of treasury stock	(11.1)	**-**	11.1
Other	0.3	**0.1**	(0.2)
Net cash used in financing activities	(25.0)	**(18.4)**	6.6
Foreign currency translation adjustments on cash and cash equivalents	0.0	**(0.0)**	(0.0)
Net increase (decrease) in cash and cash equivalents	(28.0)	**(10.3)**	17.7
Cash and cash equivalents at beginning of period	100.5	**46.5**	(54.0)
Cash and cash equivalents at end of period	72.5	**36.2**	(36.3)

(billions of yen)

Years Ended/Ending March 31	Interim		
Interim Apr. - Sep.	2007	**2008**	Inc./ (Dec.)
Free Cash Flows	5.5	**10.0**	4.5

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

VIII. Changes in Quarterly Results

1. Statements of Income Data [Consolidated]

(billions of yen)

Years Ended/Ending March 31	2007				2008	
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Net sales	153.9	165.4	181.4	173.3	176.0	**186.8**
Cost of sales	26.8	26.4	28.7	27.4	27.5	**27.1**
R&D expenses	24.4	27.9	26.6	29.4	30.5	**33.3**
SG&A expenses	78.7	85.6	91.9	95.1	91.8	**95.5**
Operating income	24.1	25.5	34.2	21.4	26.2	**30.9**
Non-operating income & expenses	1.0	1.1	1.9	1.2	2.2	**0.3**
Ordinary income	25.1	26.6	36.1	22.7	28.4	**31.2**
Special gain & loss	(0.4)	(0.0)	(0.1)	0.4	2.2	**(1.0)**
Income before income taxes and minority interests	24.7	26.6	36.0	23.0	30.6	**30.2**
Net income	15.8	16.7	23.3	14.8	19.3	**20.0**
Earnings per share (yen)	55.4	58.4	82.0	52.0	68.1	**70.4**

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

2. Balance Sheets Data [Consolidated]

<Assets>

(billions of yen)

	2006			2007		
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	**30-Sep**
Current assets	406.6	426.7	407.4	441.2	396.0	**420.9**
Fixed assets	318.2	324.9	349.3	350.9	389.7	**396.8**
Property, plant and equipment	127.3	128.6	130.4	133.8	135.3	**137.5**
Intangible assets	41.3	41.6	63.2	62.6	104.0	**121.6**
Investments and other assets	149.5	154.7	155.7	154.5	150.4	**137.7**
Total assets	724.8	751.6	756.6	792.1	785.7	**817.6**

<Liabilities and Equity>

(billions of yen)

	2006				2007 676.14 1207	
	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	**30-Sep**
Current liabilities	157.7	177.1	170.1	191.8	180.6	**191.8**
Long-term liabilities	39.9	38.5	38.5	37.6	36.7	**50.8**
Total liabilities	197.6	215.7	208.5	229.4	217.2	**242.5**
Owners' equity	498.9	504.8	512.6	527.6	528.0	**548.9**
Net unrealized gain and translation adjustments	19.0	21.3	25.4	24.8	30.0	**15.4**
Stock acquisition rights	-	0.3	0.3	0.3	0.3	**0.6**
Minority interests	9.4	9.6	9.7	9.9	10.2	**10.3**
Total equity	527.3	535.9	548.1	562.7	568.5	**575.1**
Total liabilities and equity	724.8	751.6	756.6	792.1	785.7	**817.6**

3. Capital Expenditures and Depreciation/Amortization [Consolidated]

(billions of yen)

Years Ended/Ending March 31	2007				2008	
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Capital expenditures	3.7	7.0	29.3	12.0	46.2	**35.3**
Property, plant and equipment	3.2	4.8	5.7	9.5	3.9	**9.7**
Intangible assets	0.6	2.2	23.6	2.5	42.3	**25.6**
Depreciation/Amortization	5.9	6.4	7.0	7.6	7.3	**8.1**

* Capital expenditures include the increase of asset by acquisition of Morphotek, Inc. (Property, plant and equipment: 0.6billions of yen, Intangible assets: 60.3 billions of yen)

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

4. Cash Flows Data [Consolidated]

(billions of yen)

Years Ended/Ending March 31	2007				2008	
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Net cash provided by operating activities	8.1	28.5	5.9	38.7	7.8	**33.9**
Net cash used in investing activities	(11.8)	(9.4)	(32.1)	(1.9)	(46.0)	**(6.7)**
Net cash provided by (used in) financing activities	(14.4)	(10.8)	(15.6)	0.1	(18.7)	**(0.1)**
Cash and cash equivalents at end of period	164.4	175.0	134.7	171.1	119.6	**141.0**
Free cash flows	0.7	21.7	(24.4)	30.7	(46.1)	**24.8**

* “Payment for acquisition business” was categorized as an investing activity in the Annual Financial Report for FY2007. In this context, “Capital expenditures/payments for acquisition of business” (-1,200mil.) included in “Increase in inventries” as an Operating activity for 3Q quarterly report for FY2007 was reclassified as an Financing activity.

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

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

Years Ended/Ending March 31		
	First Quarter	Secoostfding March 31

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

Years Ended/Ending March 31		2007				2008	
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
U.S.	¥ Billions	1.0	0.6	0.9	0.6	0.7	**0.7**
	[U.S. $ Millions]	[9]	[5]	[8]	[5]	[6]	**[6]**
Europe, Asia	¥ Billions	0.3	0.4	0.5	0.6	0.8	**0.8**
Total	¥ Billions	1.3	1.0	1.4	1.2	1.5	**1.6**

8. Eisai Inc. (U.S.)

Years Ended/Ending March 31		2007				2008	
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	**Second Quarter**
Net sales	¥ Billions	65.9	73.9	81.5	84.4	77.8	**88.3**
	[U.S. $ Millions]	[576]	[636]	[693]	[707]	[644]	**[748]**
Operating income	¥ Billions	5.5	6.9	7.6	7.1	3.6	**7.1**
	[U.S. $ Millions]	[48]	[59]	[64]	[60]	[29]	**[60]**
Net income	¥ Billions	3.9	4.7	5.9	4.8	2.6	**4.9**
	[U.S. $ Millions]	[34]	[41]	[50]	[40]	[22]	**[41]**
Operating income before royalty deduction	¥ Billions	15.2	18.1	19.5	20.2	18.0	**23.5**
	[U.S. $ Millions]	[132]	[156]	[166]	[169]	[149]	**[199]**

9. Statements of Income Data [Non-Consolidated]

(billions of yen)

Years Ended/Ending March 31	First

11. Exports by Products [Non-Consolidated]

(billions of yen)

Years Ended/Ending March 31
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IX. Major R&D Pipeline Candidates

Updates since April 2007

Approved

* 1. ***ARICEPT*** received approval in Japan for severe Alzheimer's disease and for a new formulation.

* 2. ***PARIET*** received approval in Japan for secondary eradicaton of *Helicobactor pylori (H. pylori)*.

3. ***TAMBOCOR*** received approval in Japan for paroxysmal atrial fibrillation/flutter.

Filed for approval

* 1. **D2E7** filed in Japan for psoriasis.

2. ***GASMOTIN*** filed in Thailand and in Malaysia for functional dyspepsia.

Progress in clinical studies

1. **E5564** entered a Phase III study for severe sepsis in Japan.

2. ***ARICEPT*** entered a Phase III study for sustained release formulation in the U.S. and Europe.

3. ***Zonegran*** entered a Phase III study for epilepsy monotherapy in Europe.

4. **E2007** entered a Phase II study for neuropathic pain in the U.S. and Europe.

* 5. **E6201** entered a Phase II study for psoriasis in the U.S..

* 6. **E7389** entered a Phase II study for breast cancer in Japan.

* 7. **E5555** entered Phase II studies for acute coronary syndrome and atherothrombotic disease in Japan.

* 8. ***ARICEPT*** entered a Phase II study for dementia with Lewy bodies in Japan.

In-licensed compounds

1. ***GLUFAST*** is being prepared for submission for type II diabetes indication in ten ASEAN countries.

2. **MORAb-003** is being investigated in Phase II for ovarian cancer in the U.S..

Change in filing schedule

* 1. The expected filing of **E2007** in the U.S. and Europe was changed from FY2007 to FY2008.

Termination of studies

* 1. ***ARICEPT*** discontinued filing strategy for dementia associted with Parkinson's disease in Europe.

*information added since July 2007

1. International Development

1-1 Filed for Approval

(Product) Name (Research Code)	Region	Date	Description	Form.	Origin
ARICEPT (E2020) (Additional indication)	U.S.	Sep-02	**Vascular Dementia** Currently approved for the treatment of dementia due to Alzheimer's disease. An additional indication for the treatment of vascular dementia is being sought in the U.S..	Tab.	In-house
	(EU)	In preparation	The application in the EU for vascular dementia was withdrawn in April 2004. Supportive data showing efficacy of the compound is now being collected for resubmission of the application.		
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 (rufinamide)** An NDA for adjunctive therapy of Lennox-Gastaut Syndrome (LGS) and adult partial seizures has been filed in the U.S.. The compound has also received an orphan status for the treatment of LGS. (The brand name in the U.S.. is under consideration)	Tab.	Novartis
GASMOTIN	Asia	May-07	**Gastroprokinetic Agent (mosapride citrate)** This compound is a selective serotonin 5-HT4 receptor agonist which has gastroprokinetic and gastric evacuant effects by enhancing acetylcholine release. Filed for functional dyspepsia in Thailand and Malaysia. Submission is being prepared in eight ASEAN member countries.	Tab.	Dainippon Sumitomo Pharma

1-2 Submission in Preparation

(Product) Name (Research Code)	Region	Expected Application	Description	Form.	Origin
GLUFAST			**Rapid-acting Insulin Secretagogue Agent (mitiglinide calcium hydrate)**	Tab.	Kissei
	Asia	FY 2007	This compound is an agonist for sulfonylurea receptor in pancreatic beta cell which shows hypoglycemic effect by accelerating insulin release. Submission is being prepared in ten ASEAN countries.		

1-3 Phase III&II

(Product) Name (Research Code)	Region	Phase	Description	Form.	Origin	Expected Application
E2007			**Parkinson's Disease/AMPA Receptor Antagonist (perampanel)**	Tab.	In-house	FY2008
	U.S.	III	The compound selectively antagonizes the AMPA-type glutamate receptor.			
	EU	III	Development in progress for Parkinson's disease. Now being tested in Phase III in the U.S. and EU.			
E5564			**Severe Sepsis/Endotoxin Antagonist (eritoran)**	Inj.	In-house	FY2009
	U.S.	III	Synthetic endotoxin antagonist which is being investigated for severe sepsis caused by endotoxin from various types of gram-negative bacteria. The safety profile and efficacy was confirmed through the previous study. Currently, a Phase III study in an international joint development project is ongoing.			
	EU	III				
E7389			**Anti-cancer (breast cancer)/Microtubule Growth Suppressor (eribulin)**	Inj.	In-house	FY2007 Subpart H Application
	U.S.	II	Synthetic analog of Halichondrin B derived from marine sponges. Acts against tumor growth by inhibiting cell division through blocking microtubule growth. Currently being investigated for breast cancer in a study to file for accelerated approval under a Subpart H[i)] in the U.S. as well as in the Phase III after achieving the POC[ii)] for the disease. In addition, a Phase III study for breast cancer is ongoing in Europe.			
	U.S.	III				
	EU	III				
AS-3201			**Diabetic complications/Aldose Reductase Inhibitor (ranirestat)**	Tab.	Dainippon Sumitomo Pharma	Filing schedule under review
	U.S.	III	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..			
ARICEPT			**Sustained Release Formulation**	SR Tab.	In-house	FY2009
(E2020) (Additional formulation, dosage/administration)	U.S.	III	Originally approved as a tablet formulation. A Phase III study has been initiated for a sustained release formulation.			
	EU	III				
Zonegran (Additional indication)			**Anti-Epilepsy Monotherapy**	Cap.	Dainippon Sumitomo Pharma	FY2010
	EU	III	Currently indicated for the adjunctive therapy in the treatment of adult patients with partial seizures. Now being tested in Phase III for monotherapy in EU.			
clevudine			**Anti-hepatitis B Agent (clevudine)**	Cap.	Bukwang	
	Asia	being prepared for Phase	Clevudine is an antiviral agent which shows efficacy in treatment of chronic hepatitis caused by the hepatitis B virus through DNA polymerase inhibition. A Phase III study in China is in preparation. Filing is scheduled in FY2007 in Asian countries that do not require a new clinical study for submission.			
ARICEPT			**Migraine Prophylaxis**	Tab.	In-house	
(E2020) (Additional indication)	U.S.	II	Currently indicated for the treatment of Alzheimer's disease. Now being tested in Phase II for a new indication for migraine prophylaxis.			
	EU	II				
E2007			**Epilepsy, Neuropathic Pain, Multiple Sclerosis and Migraine Prophylaxis/AMPA Receptor Antagonist**	Tab.	In-house	
	U.S.	II	The compound selectively antagonizes the AMPA-type glutamate receptor. Now being investigated for the treatment of epilepsy, neuropathic pain, multiple sclerosis and migraine prophylaxis. A Phase II study for neuropathic pain has been initiated in the U.S. and Europe.			
	EU	II				

NOTES:

The filing strategy of ARICEPT for dementia associated with Parkinson's disease in Europe was discontinued.

i. Approval under Subpart H: an FDA regulation under which FDA will accelerate the review of certain new drugs for serious or life-threatening illnesses that meet the criteria designated by FDA.
ii. POC (Proof of Concept): Proof of drug concept in clinical study

1-3 Phase III&II (continued)

(Product) Name (Research Code)	Region	Phase	Description	Form.	Origin	Expected Application
E7389			**Anti-cancer (non-small cell lung cancer, prostate cancer, sarcoma) /Microtubule Growth Suppressor**	Inj.	In-house	
	U.S.	II				
	EU	II				
E5555			**Acute Coronary Syndrome (ACS), Atherothrombotic Disease /Thrombin Receptor Antagonist**	Tab.	In-house	FY2012
	U.S.	II				
	EU	II				
MORAb-003			**Anti-cancer (ovarian cancer)/Monoclonal antibody**			

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 (sibutramine)** Inhibits the reuptake of the cerebral neurotransmitters noradrenalin and serotonin. By enhancing the feeling of satiety and increasing energy consumption, it is expected to result in loss of body weight.	Cap.	Abbott	FY2007
E5564		**Severe Sepsis/Endotoxin Antagonist (eritoran)** Synthetic endotoxin antagonist which is being investigated for severe sepsis caused by endotoxin from various types of gram-negative bacteria. The safety profile and	Inj.	In-house	FY2009
E0302		**Amyotrophic Lateral Sclerosis (ALS) (mecobalamine)**	Inj.	In-house	
D2E7		**Psoriasis, Crohn's Disease/Human Anti TNF-alpha Monoclonal Antibody (adalimumab)** The compound is being filed for rheumatoid arthritis and psoriasis. A Phase II/III study for Crohn's disease is ongoing.	Inj.	Abbott	FY2009
E7389	II	**Anti-cancer (breast cancer)/Microtubule Growth Suppressor (eribulin)** Synthetic analog of Halichondrin B derived from marine sponges. Acts against tumor growth by inhibiting cell division through blocking microtubule growth. A Phase II study has been intiated in Japan.	Inj.	In-house	
E5555	II	**Acute Coronary Syndrome (ACS), Atherothrombotic Disease /Thrombin Receptor Antagonist** The compound inhibits platelet aggregation and smooth-muscle proliferation based on thrombin receptor antagonism. Phase II studies have been initiated in Japan.	Tab.	In-house	FY2012
ARICEPT (E2020) (Additional indication)	II	**Dementia with Lewy Bodies** Currently indicated for the treatment of Alzheimer's disease. A Phase II for Lewy bodies has been initiated in Japan.	Tab.	In-house	
E7210 (Suspended)		**Ultrasonic Contrast Medium** Development in progress for potential Ultrasonic Contrast Medium by employing micro bubbles that reflect ultrasounds. (The Phase II study is currently suspended.)	Inj.	Bracco	

X. Major Events

Date	Description	< >=Date Announced
Oct. 2007	Sanko Junyaku became Eisai's wholly-owned subsidiary	
Sep. 2007	Annouced establishment of new pharmaceutical marketing subsidiary in Belgium	<September 28>
	Agreement signed with Kissei Pharmaceutical for development and commercialization of Glufast (rapid-acting insulin secretagogue) for China	<September 28>
	Joint application with Abbott Japan for adalimumab (fully human monoclonal anti-TNFa anti-body) to treat psoriasis	<September 25>
	Announced co-promotion of Sanko Junyaku's "*PyloriTek Test Kit*" (*H. Pylori* infection diagnostic kit which was made available by Sanko Junyaku on September 11)	<July 27>
	Entered into exclusive agreement with Salix Pharmaceuticals, Ltd. to co-promote "*COLAZAL*" for Ulcerative Colitis in U.S.	<September 5>
Aug. 2007	*PARIET* received approval for additional dosage and administration for secondary eradication of *H.pylori* in Japan	<August 24>

Date	Description < >=Date Announced
Jun. 2007	Tambocor (antiarrthymic treatment) received approval in Japan for paroxysmal atrial fibrillation/flutter <June 26>
	Announced allotment of stock option (new share subscription right) <June 22>
	Launched *Inovelon* (anti-epileptic agent) in Germany <June 18>
	Launched *Actonel* 17.5 mg tablets (a once-weekly antiosteoporotic agent) in Japan <June 15>
	Agreement signed with Kissei Pharmaceutical for development and commercialization of *Glufast* (rapid-acting insulin secretagogue) for the 10 ASEAN countries <June 12>
May 2007	Announced basic principle and policies concerning reduction of minimum trading lots for shares <May 15>
	Announced outline of new stock option (new share subscription right) <May 15>
	Agreement signed with Solstice Neurosciences for commercialization of *NeuroBloc* (botulinum toxin type B agent) for Europe <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. 2007	Announced complete subsidiarization of Sanko Junyaku <April 26>
	Actonel 17.5 mg tablets (a once-weekly treatment of osteoporosis) received approval in Japan <April 18>
	Completed the acquisition of a U.S. based biopharmaceutical company Morphotek Inc. <April 17>
	Announced temporary withdrawal of the application for *ARICEPT* in Europe for the treatment of severe Alzheimer's disease <April 13>

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

Sanko Junyaku Co., Ltd. Financial Result (Summary)

1. Statements of Income Data

(millions of yen)

Years Ended/Ending March 31		Full
Interim Apr. - Sep.	2007	