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

FOR IMMEDIATE RELEASE
May 14, 2008

Eisai Co., Ltd. announced annual consolidated financial results for the fiscal year ended March 31, 2008.

- Date of the Board of Directors' Meeting: May 14, 2008
- Eisai Co., Ltd. is listed on both the First Section of both the Tokyo Stock Exchange and the Osaka Securities Exchange.
- Securities Code Number: 4523
- Representative of corporation: Haruo Naito

3. CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2009

Period	Net Sales	Operating Income	Ordinary Income	Net Income	Basic Earnings per Share
Semi-Annual	¥390,000 mil. 7.5%	¥44,000 mil. (22.9%)	¥41,000 mil. (31.2%)	¥25,500 mil. (35.2%)	¥89.50
Annual	¥806,000 mil. 9.8%	¥93,000 mil. 423.9%	¥87,000 mil. 361.5%	¥56,000 mil. - %	¥196.56

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 in the scope of consolidation) during the period under review.

2) Change of accounting rules, procedures and representation method in connection to preparation of consolidated financial statements (indicated in “CHANGES IN ACCOUNTING PRINCIPLES”)
   (1) Changes in connection with the amendment of accounting standard: None
   (2) Changes except (1): None

3) Number of shares issued and outstanding (common stock):
   (1) Number of shares issued and outstanding at the end of period (including treasury stock)

(2) FINANCIAL POSITION

Year End	Total Assets	Equity	Shareholders' equity ratio	Book-value per share
March 31, 2008	¥977,256 mil.	¥471,358 mil.	48.2%	¥1,652.51
March 31, 2007	¥573,702 mil.	¥467,541 mil.	81.4%	¥1,644.49

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

- As of March 31, 2008: ¥470,802 million
- As of March 31, 2007: ¥467,246 million

2. NON-CONSOLIDATED FINANCIAL FORECAST FOR THE FISCAL YEAR ENDING MARCH 31, 2009

Period	Net Sales	Operating Income	Ordinary Income	Net Income	Basic Earnings per Share
Semi-annual	¥196,000 mil. 0.6%	¥35,000 mil. (16.1%)	¥30,500 mil. (27.3%)	¥20,500 mil. (27.2%)	¥71.95
Annual	¥398,000 mil. 2.3%	¥66,500 mil. (9.0%)	¥59,500 mil. (16.2%)	¥40,000 mil. (13.0%)	¥140.40

1. Operating Results

1) Overview of operating results

(1) Operating results for the period under review

[Sales and income]

- The Company achieved the following **consolidated financial results** for the period ended March 31, 2008:

Net sales:	¥734,286 million	(8.9% increase year-on-year)
Operating income:	¥17,749 million	(83.1% decrease year-on-year)
Ordinary income:	¥18,850 million	(82.9% decrease year-on-year)
Net loss:	¥17,012 million	

- **Net sales** increased in Japan, North America and Asia as sales of *Aricept*, an Alzheimer's disease treatment, expanded to ¥290,982 million, up 15.1% year-on-year and those of *Pariet* (US brand name: *Aciphex*), a proton pump inhibitor, steadily increased to ¥175,920 million, up 0.9% year-on-year.
- **Operating income** and **ordinary income** dropped as a result of proactive investment in R&D activities and in-process R&D expense (¥87,442 million) related to the acquisition of MGI PHARMA, INC.
- Consequently, **net loss per share** came to ¥59.80 (Basic earnings per share for the previous year were ¥247.85). In addition, net loss resulted from in-process R&D as non-deductible expenses on the tax basis.

  * In-process R&D: The amounts assigned to product candidate compounds under development that have no alternative future use shall be charged to R&D expense.

[Effects of Acquisition of MGI PHARMA, INC.]

- The main items that impact on the results of operation by accounting treatment for the **acquisition of MGI PHARMA, INC.** under the purchase method of accounting in accordance with the U.S. accounting standards SFAS No. 141 are as follows:

  In-process R&D expenses: ¥87,442 million
  [as a component of R&D expenses]
  Amortization of intangible assets: ¥3,135 million
  [as a component of cost of goods sold and R&D expenses]
  Increase of inventories: ¥2,476 million
  [as a component of cost of goods sold]
  Income taxes and other: (¥5,317 million)
  [as a component of income taxes-deferred and other]

- In order to look into the actual business performance, we deducted the figures specific for the accounting treatment of business combination (non-cash items) from

- **Sales in Japan** amounted to ¥312,656 million, up 7.0% from the previous year, while operating income came to ¥80,482 million, up 10.5%.
- Among the prescription drugs, **sales of *Aricept*** increased to ¥62,307 million, (up 25.4% year-on-year) and those of ***Pariet*** increased to ¥37,107 million (up 21.0%).

<North America>

- **Sales in North America** expanded 11.9%, to ¥339,396 million, while an operating loss of ¥66,883 million was incurred as a result of the acquisition of MGI PHARMA, INC. and due to a change in the rate of royalty paid to the parent company.
- **Sales of *Aricept*** advanced 15.2% (up 18.0% on a U.S. dollar-denominated basis), to ¥186,874 million, and **sales of *Aciphex*** decreased 1.7% (up 0.7% on a U.S. dollar-denominated basis), to ¥124,711 million.
- Revenues of **MGI PHARMA, INC.** on a stand-alone basis for the two months from January 28 came to ¥10,015 million.

<Europe>

- **Sales in Europe** decreased 0.7% to ¥54,416 million. Operating income declined 55.7% to ¥1,799 million due to business expansion into new markets and significant competition in Europe.
- **Sales of *Aricept*** decreased 3.5% to ¥33,258 million and those of ***Pariet*** decreased 29.1% to ¥8,595 million.
- A new pharmaceutical marketing subsidiary **Eisai SA/NV** was established in Belgium in September 2007.

<Asia and other regions>

- **Sales and operating income in Asia and other regions** amounted to Belgium in Septe7eased 1 2Pq72a5.090pj-0.0009 Tc 0.Eisai SA/(r7om January 525Td[)

(2) **Fourth Quarter Financial Highlights (January 1, 2008 - March 31, 2008)**

- **Consolidated net sales** during the quarter amounted to ¥174,732 million, an increase of 0.8% from the previous year.
- **Net sales of *Aricept*** came to ¥71,897 million, a 2.5% rise year-on-year, out of which ¥13,323 million was attributed to Japan, up 13.2% and ¥49,361 million was attributed to the U.S., a 3.5% increase. (15.5% increase on a U.S. dollar-denominated basis)

  Sales of *Pariet*/*Aciphex* totaled ¥36,016 million, a 17.0% decrease year-on-year. Though the sales in Japan rose 8.6%, to ¥7,591 million, sales in the U.S. decreased 21.4%, to ¥25,243 million (9.4% decrease on a U.S. dollar-denominated basis).
- **With respect to sales to external customers**

MORAb-003 is currently being developed as a therapeutic antibody for the treatment of ovarian cancer. A multi-institutional Phase II Study is currently being conducted in platinum-sensitive ovarian cancer patients. MORAb-003 received orphan drug designation by the FDA and European Committee for

(4) **Acquisition of MGI PHARMA, INC.**

1. Purpose of Acquisition of MGI PHARMA, INC.

In January 2008, Eisai Network Group successfully completed its acquisition for approximately $3.9 billion of MGI PHARMA, INC. (“MGI PHARMA”), which became a wholly-owned subsidiary of Eisai Corporation of North America.

Through the acquisition, Eisai obtained MGI PHARMA's marketed and pipeline products in oncology and acute care, as well as its R&D and commercial capabilities, bringing a major enhancement to Eisai’s existing oncology products, global infrastructure and global R&D capabilities. By strengthening is business platform in the U.S., the biggest and most significant market, and developing an oncology franchise with the enhancement of its global oncology pipeline, Eisai can increase its probability of achieving its “Dramatic Leap Plan” (DLP), its fifth midterm strategic plan. Moreover, Eisai believes the acquisition will help lead the company to sustained growth beyond FY 2011, as well.

Regarding business in the U.S., a seamless value chain consisting of R&D, production, distribution, marketing, and the post-marketing safety monitoring of pharmaceutical products will be further reinforced. In particular, regarding the commercial infrastructure in the U.S., starting with marketing in the oncology field and hospital channels, the acquisition helps to strengthen Eisai’s organization for dealing with government regulatory and other institutions, professional medical societies, and insurance reimbursement.

Regarding the oncology field, Eisai’s oncology pipeline and products will be enriched with the addition of the pipeline and products of MGI. Furthermore, by bringing to Eisai capabilities in antibody treatments, therapeutic vaccines, and even drug treatments for the supportive care necessary for treatment of oncology, in addition to small molecule treatments, which has been Eisai’s focus up until now, the acquisition enables Eisai to pursue a variety of approaches in meeting patient needs in oncology. In addition, we will maximize the potential of MGI’s products and pipeline through Eisai’s global network.

MGI’s antiemetic agent “Aloxi” and hypo-methylating agent “Dacogen” are leaders in their respective categories, and we expect sales of both products to increase. In addition, we plan to create cost synergies by reallocation and optimization of personnel and functions following this acquisition. As a result, we expect MGI to contribute to higher earnings in our consolidated financial results starting in FY 2008.

2. Background of Acquisition of MGI PHARMA, INC.

Eisai and MGI PHARMA, an oncology and acute care focused biopharmaceutical company, entered into a definitive merger agreement on December 10, 2007 (Eastern Standard Time) under which Eisai would acquire MGI PHARMA for a total consideration of approximately $3.9 billion.

Based on the agreement, Eisai commenced its tender offer for all outstanding shares of MGI PHARMA for US$41.00 per share in an all-cash transaction on December 21, 2007.

The statutory waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, was terminated on January 16, 2008, before the statutory period expired, and as of January 22, 2008, the expiration date of the offer, 78,363,716 shares of MGI PHARMA stock were tendered into the offer, including 18,933,563 MGI PHARMA shares tendered through notices of guaranteed delivery*, together representing over 96.1% of the outstanding shares of MGI PHARMA, thus satisfying all of the conditions to the offer.

A subsequent offering period of 3 business days, starting January 23, 2008, was provided to enable holders of MGI PHARMA shares who did not tender their shares during the initial offering period to participate in the offer. As of January 25, 2008, the expiration date of the subsequent offering period, 76,494,076 MGI PHARMA shares were tendered into the offer, representing 93.8% of the outstanding shares of MGI PHARMA. There is difference between the percentage of the tendered shares as of January 22 and January 25 because a small percentage of shares tendered through notice of guaranteed shares were not delivered prior to the expiration of the offer period.

Eisai consummated a short-form merger, in which MGI PHARMA became a wholly-owned subsidiary of Eisai Corporation of North America, a wholly-owned subsidiary of Eisai Co., Ltd on January 28, 2008.

<Process for MGI PHARMA, INC. Acquisition>

Dec. 10, 2007	Eisai and MGI PHARMA signed definitive merger agreement
Dec. 21, 2007	Eisai commenced cash tender offer
Jan. 16, 2008	The waiting period under U.S. Antitrust Act was terminated before the statutory period expired.
Jan. 22, 2008	Initial tender offer period expired
Jan. 23, 2008	Eisai announced Subsequent Offering Period
Jan. 25, 2008	Subsequent Offering Period expired
Jan. 28, 2008	Eisai completed acquisition of MGI PHARMA through

short-form merger

*All dates above are in U.S. time

*Notice of guaranteed delivery

If shareholders would like to tender their Shares into the offer, but the certificates representing those Shares are not immediately available or a shareholder cannot complete the procedure for book-entry transfer before the end of the offer period, shareholders may still participate in the offer through a procedure known as Notice of Guaranteed Delivery.

*Subsequent offering period

A subsequent offering period provides to shareholders who have not yet tendered their shares prior to the expiration of the initial offer period additional time that will enable them to participate in the offer. Procedures for the tendering of MGI PHARMA shares during the subsequent offering period are the same as during the initial offer period with two exceptions: (1) the guaranteed delivery procedures may not be used and (2) no shares tendered during the subsequent offering period may be withdrawn.

3. About MGI PHARMA, INC.

MGI PHARMA, INC. is a biopharmaceutical company focused in oncology and acute care that acquires, researches, develops, and commercializes proprietary products that address the unmet needs of patients. MGI PHARMA, INC. is headquartered in Bloomington, Minnesota and owns a research laboratory in Lexington, Massachusetts and a manufacturing plant in Baltimore, Maryland. The company was established in 1979 as Molecular Genetics, Inc. In 1982, it went public on the National Association Securities Dealers Automated Quotations (NASDAQ) market, and in 1988 changed its name to MGI PHARMA, INC. along with the company's transition from an agricultural focused company to a pharmaceutical focused company. After the completion of its acquisition by Eisai on January 28, 2008, the company became a wholly-owned subsidiary of Eisai's U.S. subsidiary, Eisai Corporation of North America (ECA) and was delisted from the NASDAQ market.

4. Marketed and Pipeline Products of MGI PHARMA, INC.

MGI PHARMA, INC. owns a variety of first-in-class products or unique products including a therapeutic DNA vaccine, in the areas of oncology & acute care. Following are major marketed and pipeline products of MGI PHARMA, INC.

a) Marketed Products

***Aloxi* (antiemetic agent)**

Aloxi (injection) is a long-acting serotonin (5-HT_3) receptor antagonist that is approved for chemotherapy-induced nausea

5-HT_3 receptor antagonist approved for

(5) Research & Development and Other Events

Status of Ongoing Research Projects

- **An AMPA receptor antagonist E2007** is being investigated with a focus on neuropathic pain and epilepsy indications. In the U.S. and Europe, a Phase II study for epilepsy has been completed, and a Phase III study is being prepared, while a Phase II study is ongoing for neuropathic pain. The agent is also being investigated for additional indications: a new study is being considered for migraine prophylaxis based on the results of the completed Phase II study and a Phase II study for multiple sclerosis is ongoing. The development program for Parkinson's disease has been terminated.
- **Anti-cancer agent E7389** (microtubule growth suppressor) is now under Phase III investigation for breast cancer in the U.S. and in Europe. A Phase II study for breast cancer is also ongoing in Japan. Phase II studies are ongoing for non-small cell lung cancer (the U.S.), prostate cancer (the U.S. and Europe), and sarcoma (Europe). In a completed Phase II study for third line breast cancer therapy, the compound has shown promising anti-tumor activity and a favorable safety profile. Eisai had planned to submit Subpart H* application for third line breast cancer therapy using Phase II studies data to seek FDA's accelerated approval, but is now precluded from doing so because FDA approved another drug for this specific indication last October. Eisai now plans to submit the application based on results from ongoing Phase III studies and Phase II data.

  (*Accelerated 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)
- **An endotoxin antagonist E5564** is being studied in Phase III for the treatment of severe sepsis in Japan, the U.S. and Europe. The study is being conducted at multiple sites globally.
- The Phase II study of **a thrombin receptor antagonist E5555** was resumed. Phase II studies are ongoing for acute coronary syndrome and atherothrombotic disease in the U.S. and Europe. Also, Phase II studies for these indications have been initiated in Japan.
- An application for **a sedative agent *Aquavan*** was filed to the U.S. FDA for approval for sedation in brief therapeutic and diagnostic procedures in December 2007.
- **An anti-cancer agent MORAb-003** (monoclonal antibody) is now under Phase II evaluation for ovarian cancer in the U.S..

- **Anti-cancer agent MORAb-009** (monoclonal antibody) has entered a Phase II study for pancreatic cancer.
- **Anti-cancer agent E7820** (á 2 integrin expression inhibitor) has entered a Phase II study for colon cancer in the U.S..
- **A multikinase inhibitor E6201** (dermatologic application) has entered a Phase II study for psoriasis in the U.S..
- **Human monoclonal anti-TNF á antibody HUMIRA** has been filed for approval for the treatment of psoriasis vulgaris and psoriatic arthritis in Japan in September 2007. The agent received approval for the treatment of rheumatoid arthritis in Japan in April 2008. It has entered a Phase III study for the treatment of ankylosing spondylitis and juvenile rheumatoid arthritis.
- **A central acting serotonin & noradrenalin reuptake inhibitor KES524** was submitted for obesity management in Japan in November 2007.
- **A gastroprokinetic agent *Gasmotin*** was submitted in Thailand and in Malaysia in May 2007 for the treatment of functional dyspepsia. Applications have also been submitted in Indonesia and Philippines. Submission is being prepared in six other Asian countries, including some ASEAN member countries.
- **A DNA polymerase inhibitor clevudine** has been submitted for a hepatitis B treatment in Malaysia in May 2007. Applications have also been submitted in Thailand, Indonesia, Philippines, and India. Submission is being prepared in three other Asian countries, including some ASEAN countries. A Phase III study is being prepared in China.
- **A rapid-acting insulin secretagogue *Glufast*** was submitted for diabetes treatment in Malaysia in March 2008. Submission is being prepared in nine other countries, including some ASEAN countries.
- **An Alzheimer's disease treatment *Aricept*** received approval for additional efficacy and dosage for treatment of severe Alzheimer's disease,

- **A proton pump inhibitor *Pariet/Aciphex*** received approval for secondary eradication of *Helicobacter pylori* in patients with peptic ulcer in combination with amoxicillin and metronidazole in Japan in August 2007. An application was also filed for FDA's approval for a short-term (up to eight weeks) treatment of gastro-esophageal reflux disease in adolescents (ages 12-16) in the U.S. in February 2008. Furthermore, FDA has granted priority review status for this application in accordance with the Best Pharmaceuticals for Children Act, which provides for a 180-day review period. A Phase III study for the long-acting formulation of *Pariet/Aciphex* has been initiated. The application for non-erosive gastro-esophageal reflux disease submitted in Japan was temporarily withdrawn in February 2008 due to additional data requirement for submission. The company will proceed with an additional study and aims to achieve resubmission.
- An application for **an antiemetic agent *Aloxi***

dysplasia, Phase II / III), a thrombocytopenia agent AKR-501 (for Idiopathic thrombocytopenic purpura, Phase II), and a cancer agent Irofulven (Phase II).

Alliances & Agreements

- **The U.S. subsidiary Eisai Corporation of North America signed an acquisition agreement with Morphotek, Inc.,** a U.S. biopharmaceutical company that specializes in antibody research & development, in March 2007. The agreement came into effect in April 2007. Morphotek, Inc. develops therapeutic antibodies through the use of its proprietary technologies for the treatment of cancers, rheumatoid arthritis, and infectious diseases. The acquisition enabled Eisai to expand its capacity and make a full entry into the biologics field.
- **An exclusive in-licensing agreement was signed with Solstice Neurosciences Inc. (the U.S.) for *Neuro Bloc* (botulinum toxin type B agent)** in May 2007 for commercializing the compound in Europe.
- **An exclusive in-licensing agreement was signed with Kissei Pharmaceutical Co., Ltd. for *Glufast* (a rapid-acting insulin secretagogue agent)** in June 2007 for development and marketing of the compound in the 10 ASEAN countries. A similar agreement was signed for commercializing the compound in China in September 2007.
- **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.
- **The U.S. clinical research subsidiary Eisai Medical Research Inc. signed an agreement with Accenture LLC** in August 2007 for outsourcing clinical management activities for clinical research projects in Japan, the U.S., and Europe. In March 2008, the clinical management service was started in Accenture's global delivery center in India based on this agreement.
- **A global exclusive licensing agreement was signed with BioArctic Neuroscience AB** (Sweden) in December 2007 for research & development, manufacturing, and marketing of BAN2401, a novel humanized monoclonal antibody, which is being developed as a next-generation therapeutic treatment for Alzheimer's disease.

- **A definitive merger agreement was signed with MGI PHARMA, INC.**, an U.S. oncology and acute care focused biopharmaceutical company in December 2007. In January 2008, the tender offer regarding this acquisition

and CoaguChek XS Plus (manufactured by F. Hoffmann-La Roche Ltd., Swizerland) for simple and quick PT-INR (Prothrombin Time - International Normalized Ratio) monitoring and other related supplies. Under this agreement, distribution of these products will be transferred to Sanko Junyaku, and the products will be co-promoted with Eisai. Roche Diagnostics will remain as a manufacturer (importer) and distributor of these products, while Nihon Kohden will come to offer sales and technical support as a distributor.

New Facility Launch

- **Eisai Clinical Research Singapore Pte. Ltd.** held an opening ceremony in December 2007 to commence its operation. It will act as the strategic base for Eisai's clinical research activities in the Asia Pacific region.
- **Eisai Pharmatechnology & Manufacturing Pte. Ltd.** in Andhra Pradesh state in south India held a ground breaking ceremony in December 2007 at the construction site of its manufacturing and research base. At completion, it will manufacture and conduct research on new API and dosage form pharmaceutical products.

(6) Other Events

- On May 11, 2007 (U.S. Eastern Standard Time), **the United States District Court for the Southern District of New York ruled in Eisai's favor** with respect to the patent infringement lawsuit Eisai and its U.S. subsidiary Eisai Inc. had filed against generic drug makers concerning Eisai's proton pump inhibitor *Aciphex*. The generic makers have appealed to the Circuit Court Appeals in June 2007.
- On March 28, 2008 (the U.S. Eastern Time), **the United States District Court for the District of New Jersey ruled in Eisai's favor** with respect to Eisai's motion for a preliminary injunction in its patent infringement lawsuit against Teva Pharmaceuticals concerning Eisai's Alzheimer's disease treatment *Aricept*.

(7) Outlook for FY2008 (From April 1, 2008 to March 31, 2009)

[Forecast on consolidated results]

	Interim	Percent change	Ending	Percent change
Net sales	¥390,000 million	7.5%	¥806,000 million	9.8%
Operating income	¥44,000 million	(22.9%)	¥93,000 million	423.9%
Ordinary income	¥41,000 million	(31.2%)	¥87,000 million	361.5%
Net income	¥25,500 million	(35.2%)	¥56,000 million	-

Percentage increase compares corresponding period of the previous year.
Prospected net income per share: (Interim)¥89.50, (Ending)¥196.56
(Assumptions) US$1=¥105, 1 Euro =¥155, 1 Sterling Pound =¥205

<Net Sales>

- Though our circumstances remain difficult because of world-wide medical expenses reduction, increased competition and yen appreciation against the U.S. dollar, we expect increased sales contributed by further expansion of *Aricept* throughout the world as well as by newly added products from MGI PHARMA, INC.
- We forecast ¥312,000 million sales of *Aricept* and ¥167,000 million of *Pariet /Aciphex*.

<Income>

- Proactive investment in R&D will be continued though amortization expenses for sales rights acquired by MGI PHARMA, INC. and cost of goods sold following the revision of drug price in Japan, are expected to increase. We forecast ¥56,000 million of income for the coming fiscal year, which we plan to achieve by increasing efficacy of SG&A expenses. A significant increase in profits is expected for the coming fiscal year, mainly because in-process R&D expense of ¥87,400 million related to business combination was reported for the current fiscal year.

<Cash generating ability on an actual business basis>

- Operating income, ordinary income and net income on an actual business performance basis (figures specific for the accounting treatment of business combination (non-cash items) were deducted from the current GAAP basis figures) will come to ¥122,500 million (up 10.6% year-on-year), ¥116,500 million (up 4.1%) and ¥78,300 m

included).

[Cash flow]

- **Net cash provided by operating activities** for the period under review amounted to ¥73,242 million, down ¥7,946 million from the previous year. Income before income taxes amounted to ¥17,653 million, depreciation and amortization expenses came to ¥34,559 million and in-process R&D expenses related to M&A that did not accompany cash expense came to ¥88,048 million, while income taxes paid totaled ¥49,324 million.
- **Cash outflows arising out of investing activities** amounted to ¥476,447 million, an increase of ¥421,235 million, out of which ¥435,504 million was used to acquire MGI PHARMA, INC. and Morphotek, Inc., ¥39,227 million was used to purchase property, plant and equipment and ¥14,508 million was paid for purchase of acquiring intangible assets.
- **Net cash provided by financing activities** amounted to ¥375,365 million, an increase of ¥415,986 million from the previous year, due to the borrowings to for corporate acquisiti

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

Eisai is a company with a committee system and the Company's Articles of Incorporation provide that dividend payment should be resolved at the board of directors' meeting, in order to facilitate flexible payment.
Eisai is devoted to providing sustainable and stable dividends for its shareholders based on consideration of its consolidated financial performance along with the dividend on equity ratio (DOE). DOE is considered to be a suitable index for shareholder return as it combines the dividend payout ratio (DPR), which is the proportion of profit distributed to shareholders, and return on equity (ROE), which measures how effectively a company is able to produce a profit with the money invested by shareholders.

Although business combination accounting under the purchase method in accordance with the U.S. accounting standard SFAS No. 141, Business Combinations, applied to the acquisition of MGI PHARMA, INC. results in a ¥17,012 million net loss for the company, net income on an actual business performance basis increased 0.2%, to ¥70,724 million, while cash income (cash generating ability) rose 8.1%, to ¥105,492 million.

Based on the company's dividend policy and increased cash income per share for the period under review, Eisai intends to set the fiscal year-end dividend at ¥65 per share, resulting in an annual dividend of ¥130 per share (an increase of ¥10 per share over the previous year) when combined with the interim dividend of ¥65 per share. In this context, the dividend on equity ratio (DOE) is to be 7.4%.

The annual dividend for the year ending March 31, 2009 is expected to be ¥140 per share (¥70 for interim and ¥70 for year-end dividend), an increase of ¥10 from that for the current period.

4) Forecast and risk factors

(1) Materials and information provided in this financial disclosure may contain "forward-looking statements" based on

made available after patent expiration, resulting in a significant impact on the Company's business performance.

- Risks in alliances with other companies

  The Company has comprehensive business alliances with other companies on our main products of *Aricept* and *Aciphex/Pariet*. We obtain promotional assistance from the business partners to cover the entire market and maximize the product sales in such major countries as the U.S. and Europe. If partner relationships are not sustained, our sales may decrease and have an important influence on the business results. Furthermore, expected profits may not be achieved because of uncertainties associated with such activities as product acquisition/licensing.

- Risks related to MGI PHARMA, INC. acquisition

  The acquisition of MGI PHARMA, INC. will enable the Company to enhance its business strategies. There are, however, potential risks that the intended business plans would be delayed or expected synergies would not be achieved, resulting in a significant impact on the Company's business performance and business plans.

- Influence by trends to control medical expenses

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

- Competition and lawsuits with generic products

  Pharmaceutical patents have a limited term. Frequently, generic makers launch generic products upon the expiration of a patent for the original drug. Requiring less cost for development, such generic products are usually priced lower than the original products, and hence those generic products may have a significant impact on market share. Additionally, in foreign countries like the U.S., an application for a generic product is accepted even during the patent term. As for our own products, applications for generics of

these lawsuits, depending in the outcome, may have a significant impact on our business results.

- Risks related to intellectual property

  If a patent application is dismissed, a patent if found to be invalid after approval, or there is a failure to properly protect a patent, competitors may enter the market earlier than expected, which may decrease our sales.

- Risks of occurrences of side effects

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

- Risks regarding regulations

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

- Risks relating to lawsuits

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

- Plant closure/shutdown

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

- Risks concerning the safety of raw materials

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

results.

- Risks associated with outsourcing

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

- Environmental risks

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

- Risks concerning IT security and information management

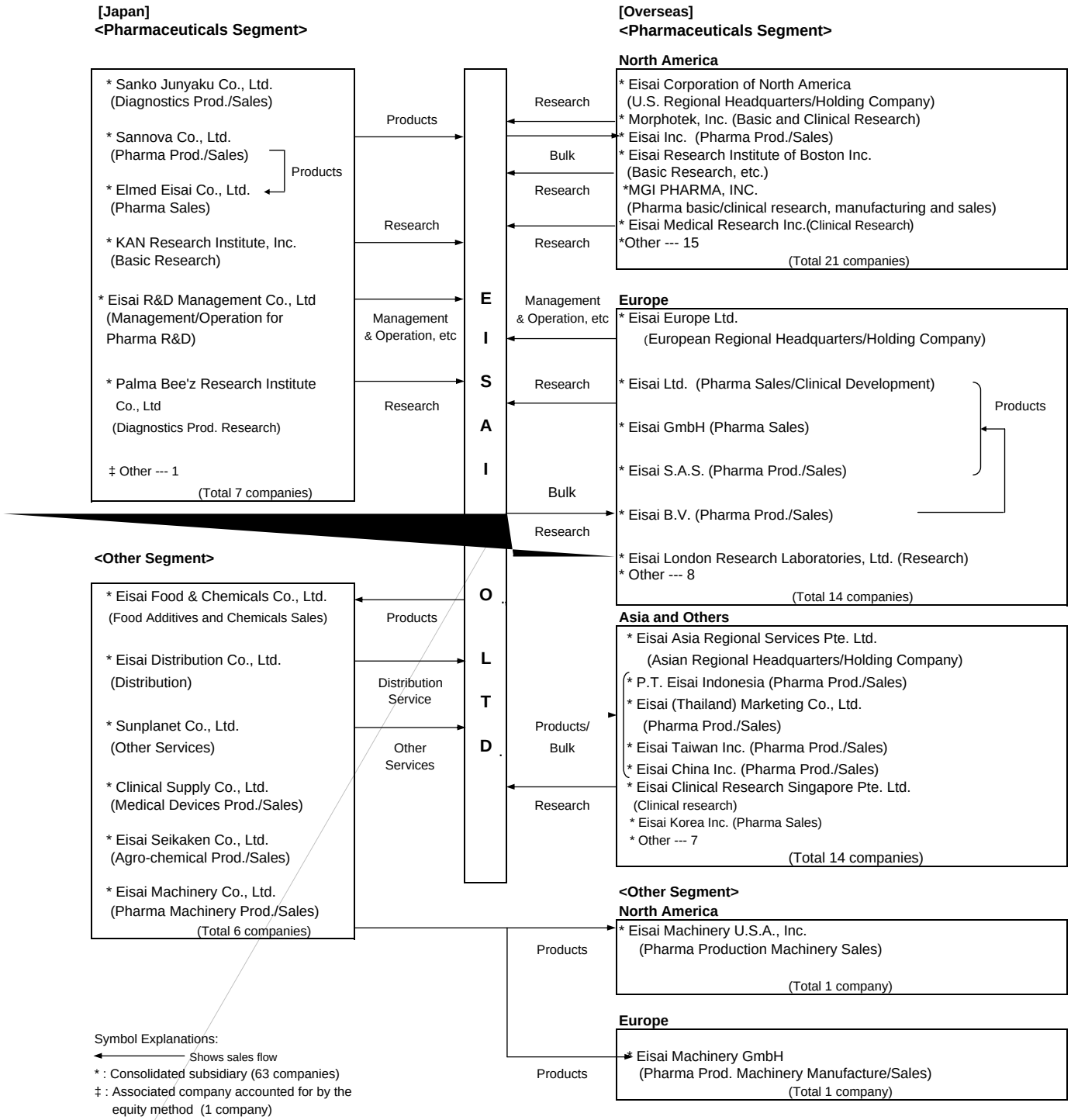
  Since the Company makes full use of various IT systems for business, our operations can be disturbed due to such external factors as inefficient systems and computer viruses. In addition, the Company may have risks of technical accidents that involve personal information leakage out of the Company, which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

- Risks related to credit situation and currency movement

  As the Company holds stocks and other marketable securities, a decline in the stock market could result in losses on stock sales or valuation losses. In addition, an increase in retirement benefits due to changes in the interest rate may have an impact on our business results. Furthermore, foreign exchange fluctuations affect the yen conversion of sales of consolidated subsidiaries, which account for over half of our consolidated net sales. The effect of foreign exchange fluctuations on export and import transactions also impact our business results.

2. Business Flows Within the Group

The Group consists of Eisai Co., Ltd. (hereinafter referred to as 'the Parent Company'), 63 consolidated subsidiaries and 1 associated company accounted for by the Equity Method. The diagram below shows the principal operations and flows within the Group.



			million	79.96%	Production/sales	(E) Pharmaceutical product	*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%	Production/sales of machinery	(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) Distribution of pharmaceutical product	
Human Health Science Research Institute Co., Ltd.	Tokyo	¥50	million	100.00% (50.00%)	Diagnostic product research	(E) Diagnostic product research	*2
Eisai R&D Management Co., Ltd.	Tokyo	¥11	million	100.00%	Management of research and development	(E) Management	
Sunplanet Co., Ltd.	Tokyo	¥455	million	84.96%	Administrative clerical work, catering/printing	(E) Purchase of administrative clerical work, catering/printing	(E)
Clinical Supply Co., Ltd.	Gifu Pref.	¥80	million	84.80%	Production/sales of medical devices	-	
Eisai Seikaken Co., Ltd.	Tokyo	¥50	million	70.00%	Agro-chemical production/sales	-	
		Unit=thousand					
Eisai Corporation of North America	New Jersey, USA	3,416,700	US$	100.00%	Holding company, headquarters of U.S. regional companies	-	*4
Morphotek, Inc.	Pennsylvania, USA	355,000	US$	100.00% (100.00%)	Basic research	(E) Basic research/clinical research	*2,4,7
Eisai Inc.	New Jersey, USA	151,600	US$	100.00% (100.00%)	Production/sales	(E) Bulk drug substance sales	*2,4,9
Eisai Boston Research Institute of Neurology	Massachusetts, USA	115,300	US$	100.00% (100.00%)	Basic research/chemical business research	(E) Basic research/clinical trial supply	*2,4
MGI PHARMA, INC.	Minnesota, USA	815	US$	100.00% (100.00%)	Research, manufacturing of pharmaceutical	-	*2,4,8
Eisai Medical Research Inc.	New Jersey, USA	1,000	US$	100.00% (100.00%)	Research of pharmaceutical clinical	(E) Pharmaceutical clinical research	*2
Eisai Machinery U.S.A. Inc.	New Jersey, USA	1,000	US$	100.00% (100.00%)	Sales of pharmaceutical machinery	-	*2
Eisai Europe Ltd.	London, UK	105,261	UK£	100.00%	European regional holding company	(E) Management of European pharmaceutical business	*4
Eisai Ltd.	London, UK	15,548	UK£	100.00% (100.00%)	Pharmaceutical sales/clinical research	(E) Pharmaceutical clinical research	*2
Eisai London Research Laboratories Ltd.	London, UK	12,000	UK£	100.00% (100.00%)	Basic research	(E) Basic research	*2
Eisai Manufacturing Ltd.	Hartfordshire, UK	2,000	UK£	100.00% (100.00%)	Pharmaceutical	-	*2
Eisai GmbH	Frankfurt, FRG	7,669	EUR	100.00% (100.00%)	Pharmaceutical sales	(E) Pharmaceutical sales	*2
Eisai Machinery GmbH	Cologne, FRG	1,278	EUR	100.00% (100.00%)	Production/sales of machinery	-	*2
Eisai S.A.S.	Paris, France	19,500	EUR	100.00% (100.00%)	Production/sales	-	*2
Eisai B.V.	Netherlands	540	EUR	100.00% (100.00%)	Production/sales	(E) Bulk drug substance sales	*2
Eisai Farmaceutica S.A.	Madrid, Spain	4,000	EUR	100.00% (100.00%)	Pharmaceutical sales promotion	-	*2
Eisai S.r.l.	Milan, Italy	3,500	EUR	100.00% (100.00%)	Pharmaceutical sales	-	*2
Eisai Pharma AG	Zurich, Switzerland	3,000	CHF	100.00% (100.00%)	Pharmaceutical sales	-	*2
Eisai AB	Stockholm, Sweden	10,000	SEK	100.00% (100.00%)	Pharmaceutical sales	-	*2
EF-Eisai Farmacêutica, Unipessoal Lda.	Lisbon, Portugal	4,000	EUR	100.00% (100.00%)	Pharmaceutical	-	*2
Eisai SA/NV	Brussels, Belgium	7,000	EUR	100.00% (100.00%)	Pharmaceutical	-	*2,6
P.T. Eisai Indonesia	Jakarta, Indonesia	5,000	US$	100.00%	Production/sales	(E) Pharmaceutical sales	

(continued on the next page)

Singapore	26,400	S$	100.00%	Pharmaceutial sales	-	
Singapore	300	S$	100.00% (100.00%)	Pharmaceutial sales	(E) Pharmaceutical sales	*2
Singapore	10	S$	100.00% (100.00%)	Clinical research	(E) Clinical research	*2
Petaling Jaya Malaysia	470	M$	100.00% (5.74%)	Pharmaceutical sales	(E) Bulk drug substance sales	*2
Bangkok, Thailand	11,000	Baht	49.90% (49.90%)	Pharmaceutical production/sales	(E) Pharmaceutical sales	*2,5
Taipei, Taiwan	270,000	NT$	100.00%	Pharmaceutical production/sales	(E) Pharmaceutical sales	
Suzhou, China	319,205	RMB	100.00% (100.00%)	Pharmaceutical production/ sales	(E) Bulk drug substance sales	*2
Hong Kong, China	500	HK$	100.00% (10.00%)	Pharmaceutical sales	(E) Pharmaceutical sales	*2
Seoul, Korea	3,512,000	Won	100.00%	Pharmaceutical sales	-	
Manila, Philippines	56,250	Peso	50.00% (1.45%)	Pharmaceutical production/ sales	(E) Pharmaceutical sales	*2,5
Maharashtra, India	160,000	Rupee				

3. Management Policy

1) Basic policy of management

The Eisai Group (hereinafter referred to as the “Company”) defines its mission

In this, the second year of the DLP, the Company is growing and making good progress with successful financial and business performance, including making aggressive investments in areas such as R&D, the upgrading of business technology infrastructure, and the strengthening of global business operations. During the current term, the Company followed its April 2007 purchase of Morphotek Inc. (a U.S. bio-venture company with strengths in the R&D of antibody drugs) with another success—turning U.S. biopharmaceutical company MGI Pharma, Inc., which is strong in cancer and emergency medicine, into a wholly owned subsidiary by acquiring it in January 2008 in a deal worth approximately US$3.9 billion. This purchase will strengthen the Company's position in the important U.S. market, which is the largest in the world, and also reinforce its global pipeline in the field of cancer. It is also expected to raise the Company's likelihood of achieving the goals in its Mid-term Strategic Plan and contribute to sustainable growth from fiscal 2012 onward. (An overview of the purchase of MGI Pharma is given on page 8.)

Taking the advantage of opportunities for future growth, we will continue to strive to create "patient value", "shareholder value" and "employee value" in order to improve our corporate value. In addition, we will work to fulfill our corporate social responsibilities.

(1) Creation of "patient value"

We are committed to the creation of "patient value," which we offer to patients across all aspects of healthcare, from prevention to intervention and treatment innovation. We believe that the creation of "patient value" lies in "the discovery of innovative drugs for combating the diseases for which adequate treatments have not been discovered and raising the quality of life of patients," "ensuring a stable supply of quality products" and "provision of information for safe and proper usage of drugs."

a) Further concentration in the R&D area

By further advancing the concept of focused R&D activities, the Company will continuously endeavor to discover pharmaceutical products in neurology and oncology – areas where adequate treatments have frequently not been established – that are superior in terms of efficacy, safety and economy. At the same time, we are pursuing R&D in the fields of critical care, immunology, and vascular biology, which are areas in need of new, highly efficacious treatments.

Furthermore, we are aggressively executing strategic acquisitions not only of products but also of bio-ventures and biopharmaceutical companies with advanced technologies, forming strategic linkups, and conducting joint research with outside organizations in order to enhance our product lineup and technological capabilities in each area of focus.

In neurology, we aim to discover new therapeutic agents for neurodegenerative disorders such as Alzheimer's disease and Parkinson's disease. At the same time, we will steadily advance research related to epilepsy and other neurological and psychiatric disorders. We are conducting broad-ranging studies with a central emphasis on Alzheimer's disease in particular, focusing on small molecule compounds, immune therapies such as antibody drugs and vaccines, and genetic studies that will lead to the definitive treatment of the disease.

In the area of oncology, we are taking multiple approaches, including working on small molecule compounds that inhibit cancer cell proliferation and restrain angiogenesis, antibody drugs, and therapeutic DNA vaccines, all of which are fast-evolving anticancer treatments, while also enriching our pipeline of treatments for chemotherapy-associated neurological damage and decrease of platelets and other supportive therapies, which are essential for increasing the benefits to cancer patients.

b) Expansion of research and development operations

The Company has built a framework enabling broad approaches to drug discovery research in the areas of small molecule compounds and biologics. We have added the research capabilities of U.S. biopharmaceutical company MGI Pharma, which is strong in cancer and emergency medicine, to our existing five bases for discovery research—Tsukuba Laboratories (Ibaraki Prefecture), Research Institute of Boston (U.S.), London Research Laboratories (U.K.), KAN Research Institute (Hyogo Prefecture), which specializes in life science research, which is fundamental for drug discovery, and Morphotek (U.S), which specializes in human antibody technologies.

In addition, Eisai is also scheduling a plan for establishing a compound optimization research facility within the European strategic operation base being

constructed in Hatfield, United Kingdom, a pharma cluster to the north of London, to further enrich our research activities.

In the area of clinical research, the Company has established an organization in which clinical research operations in all geographic areas—Japan, the U.S., Europe and Asia—are conducted under unified leadership located in the United States in order to increase productivity and efficiency of clinical research and development activities. The addition of the clinical research capabilities of Morphotek and MGI Pharma further strengthened this organization. In addition, we are also strengthening our clinical research activities in Asia, centered on the establishment of a clinical research base in Singapore, as the region's global importance is growing.

c) Selection of corporate program themes

The Company has selected four themes for priority development as corporate programs in order to deliver highly beneficial new drugs as soon as possible to patients in disease areas for which adequate treatment strategies have not yet been established. The Company forms teams for each theme and makes a totally committed effort, including the priority investment of resources. Moreover, we have set up a system in the CEO Office to strengthen promotion of themes that are critical in raising corporate value. Important issues relating to corporate programs and other matters are reported directly to the CEO, enabling swift decision-making and driving appropriate responses for providing new products as quickly as possible.

d) Ensuring stable supply of high-quality pharmaceutical products

The Company aims to provide a stable supply of high-quality products globally while also achieving cost competitiveness. To achieve this aim, the Company is promoting a system that enables production of high-quality pharmaceuticals that meet our original quality assurance standards, which impose stricter requirements. Meanwhile, we are expanding our production functions to prepare for the prospective launch of our oncology products. A new API manufacturing facility started operation in the Kashima plant (Ibaraki Prefecture) in Japan, and 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 bases it is constructing in the U.K. and India.

a) Sustainable growth through aggressive investment

The Eisai Group has established a five-region structure (Japan, the U.S., Europe, China, and Asia/Oceana & the Middle East) and is upgrading its infrastructure and strengthening its business functions in each region in order to drive global business activities forward.

In Europe, we are working on infrastructure development with the European Knowledge Center, a new strategic base being constructed in the U.K., as well as the gradual establishment of new representative offices in the countries within the enlarged EU. In Asia/Oceana & the Middle East, we are strengthening management support functions for each local subsidiary, plan to develop a coherent governance system and promote internal controls, and have moved the region's control functions to Singapore. In India, we have started constructing a new production base.

Furthermore, as our in-house development of anti-caner agents progresses, we are investing aggressively in the oncology business, including making serious inroads into the biologics field and pursuing corporate acquisitions to strengthen our global pipeline in the cancer field. In addition, we are also expanding our research capacity in antibody drugs and moving ahead with the preparation and enhancement of anti-cancer production systems and commercial infrastructure systems in the U.S.

In this way, we are aggressively investing in strategic linkups to reinforce our R&D, tangible fixed assets, and priority areas. Aiming for sustainable growth, we have put in place a structure for further penetration of our leading products such as *Aricept*, an Alzheimer's disease treatment, and *Pariet* (U.S. brand name: *Aciphex*), a proton pump inhibitor anti-ulcer drug, as well as the appropriate and rapid penetration of new product lines.

b) Strategic entry into new market

The Company is now promoting its "transformation strategy", by which the Company aims to transfer some of its operational functions to the areas/countries with high-quality technology as a part of its business strategy to achieve a more effective organizational structure and increased productivity. We signed a consignment agreement and began clinical data management services

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 employees to pursue the corporate philosophy, the Company is committed to ensuring equal opportunities for recruitment, promotion, staffing, and skill development as well as maintaining 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 a 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 regions where we do business.

(4) Fulfillment of corporate social responsibilities

The Company regards fulfillment of its corporate social responsibilities as a high priority for management, in order to secure and maintain the trust of various stakeholders. Thus, we are dedicated to the enhancement of internal control

systems and compliance, environmental protection and philanthropic activities.

c) Environmental protection

To ensure environmental protection, the Eisai Group has introduced environmental management systems in accordance with ISO14001 standards at its principal manufacturing facilities in Japan and continues efforts for upgrading and strengthening their environmental controls. Other operating units and subsidiaries also are striving to establish their own environmental management systems so that they can reduce the environmental burden generated from their operations by means of stricter control of greenhouse gas emissions, promotion of energy and resource conservation, recycling and waste reduction, and the adoption of green purchasing.

d) Philanthropy

With the aim of increasing public awareness of the history of medicine and pharmaceutical science, expanding k

programs to promote corporate governance.

Eisai is a company with a committee system where the functions of supervision and operation are clearly independent. The Board of Directors focuses on management by delegating business decision-making extensively to officers in accordance with laws and the bylaws. In order to oversee the Company's operations objectively and equitably from the shareholders' and stakeholders' perspectives, half of the members of the Board of Directors are outside directors. In addition, the role of the Board Chairperson is fully separated from the president & CEO, and the Board Chairperson is selected from the outside directors. The president & CEO is the only corporate executive officer who holds the concurrent post of director.

The outside directors are selected based on certain standards set by law as well as on criteria for ensuring corporate independence of outside directors decided by the Company's Nominating Committee. 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 in addition to internal directors who have a good understanding of the Company's operations, and the committee is chaired by an outside director.

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

In a meeting of held after the 95th Annual Shareholders' Meeting on June 22, 2007, the members of the Independent Committee of Outside Directors all expressed their desire that the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" be continued, and this proposal was ratified at a Board of Directors meeting held July 31, 2007. Furthermore, at a meeting of the Independent Committee of Outside Directors held on March 28, 2008, each outside director weighed the pros and cons of this policy and all agreed that it should be continued.

Through proactive and timely disclosure of important information related to the

management of the Company, Eisai will execute fair and highly-transparent management of the Company.

Detailed information of Eisai's corporate governance is available at the corporate website (http://www.eisai.co.jp/ecompany/egovernance.html) along with the Company's Corporate Governance guidelines, Rules of the Board of Directors, Rules of the Nominating Committee, Rules of the Audit Committee and Rules of the Compensation Committee.

The "Corporate Governance Report" is su

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

		March 31, 2007			March 31, 2008			Increase/ (Decrease)
	Note	(Millions of Yen)		(%)	(Millions of Yen)		(%)	(Millions of Yen)
ASSETS								
I. Current assets:								
1. Cash and cash in banks			89,775			68,593		
2. Notes and accounts receivable-trade	*4		162,172			172,143		
3. Short-term investments			90,279			56,287		
4. Inventories			52,757			58,091		
5. Deferred tax assets			33,219			35,399		
6. Other			13,358			25,361		
7. Allowance for doubtful receivables			(352)			(308)		
Total current assets			441,210	55.7		415,568	37.0	(25,641)
II. Fixed assets:								
1. Property, plant and equipment								
(1) Buildings and structures		161,462			159,606			
Accumulated depreciation	*3	87,040	74,421		88,856	70,750		
(2) Machinery, equipment and vehicles		103,398			103,407			
Accumulated depreciation	*3	78,813	24,585		80,311	23,095		
(3) Land			18,048			20,832		
(4) Construction in progress			4,894			19,801		
(5) Other		44,372			46,624			
Accumulated depreciation	*3	32,480	11,891		34,021	12,602		
Total property, plant and equipment			133,842	16.9		147,083	13.1	13,240
2. Intangible assets								
(1) Goodwill						178,671		
(2) Sales rights			45,986			164,247		
(3) Core technology						61,346		
(4) Other			16,603			13,424		
Total intangible assets			62,589	7.9		417,690	37.1	355,100
3. Investments and other assets								
(1) Investment securities	*1		111,855			89,544		
(2) Long-term loans receivable			16			13		
(3) Deferred tax assets			32,586			43,650		
(4) Other			10,714			10,981		
(5) Allowance for doubtful accounts			(701)			(591)		
Total investments and other assets			154,471	19.5		143,597	12.8	(10,874)
Total fixed assets			350,904	44.3		708,370	63.0	357,466
Total assets			792,114	100.0		1,123,939	100.0	331,824

1)-2 CONSOLIDATED BALANCE SHEET

Account Title	March 31, 2007 (Millions of Yen)			March 31, 2008 (Millions of Yen)			
LIABILITIES							
1. Notes payable-trade and accounts							
3. Short-term borrowings							
II. Net unrealized gain and translation adjustment:							
1. Net unrealized gain on available-for-sale securities							
2. Foreign currency translation adjustments							
Total net unrealized gain and translation adjustments							
III. Stock acquisition rights							
IV. Minority Interests							
Total equity							
Total liabilities and equity							

9. Other 5,185

Total current liabilities 191,779 24.2 5

II. Long-term liabilities:

1. Bonds and debentures

Total long-term liabilities

Total liabilities

EQUITY

I. Owners' Equity

1. Common stock
2. Capital surplus
3. Retained earnings
4. Treasury stock

Total Owners' Equity

2) CONSOLIDATED STATEMENTS OF OPERATION

Account Title	Note	April 1, 2006 - March 31, 2007 (Millions of Yen)		(%)	April 1, 2007 - March 31, 2008 (Millions of Yen)		(%)	Increase/ (Decrease) (Millions of Yen)
I. Net sales			674,111	100.0		734,286	100.0	60,174
II. Cost of sales	*1		109,367	16.2		118,938	16.2	9,570
Gross profit on sales			564,744	83.8		615,348	83.8	50,603
Provision for sales returns-net			(64)	(0.0)		(133)	(0.0)	(68)
Gross profit			564,809	83.8		615,481	83.8	50,672
III. Selling, general and administrative expenses								
1. Research and development expenses	*1	108,296		(16.1)	225,427		(30.7)	
2. Selling, general and administrative expenses		351,249	459,545	68.2	372,303	597,731	81.4	138,185
Operating income			105,263	15.6		17,749	2.4	(87,513)
IV. Non-operating income								
1. Interest income		5,120			5,329			
2. Dividend income		966			859			
3. Equity in earnings of associated companies		15			2			
4. Other		515	6,617	1.0	670	6,860	1.0	243
V Non-operating expenses								
1. Interest expenses		65			762			
2. Foreign exchange loss		729			4,138			
3. Sales discount		254			243			
4. Other		369	1,418	0.2	616	5,760	0.8	4,341
Ordinary income			110,462	16.4		18,850	2.6	(91,611)
VI. Special gain								
1. Gain on sales of fixed assets	*2	213			58			
2. Gain on sales of investment securities		1,657			2,203			
3. Other		30	1,901	0.3	51	2,313	0.3	411
VII. Special loss								
1. Loss on disposal of fixed assets	*3	1,147			1,095			
2. Loss on impairment of long-lived assets	*4	201			59			
3. Loss on devaluation of investment securities					1,421			
4. Loss on devaluation of work-in-process inventories					845			
5. Accelerated depreciation of property, plant and equipment		646						
6. Other		34	2,029	0.3	88	3,510	0.5	1,481
Income before income taxes and minority interests			110,334	16.4		17,653	2.4	(92,681)
Income taxes-current		47,711			39,492			
Income taxes-deferred		(8,513)	39,197	5.8	(2,304)	37,188	5.1	(2,008)
Minority interests in income (loss)			522	0.1		(2,522)	(0.4)	(3,045)
Net income (loss)			70,614	10.5		(17,012)	(2.3)	(87,627)

3) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity (April 1, 2006 to March 31, 2007)

(Unit Millions of Yen)

	Owners' Equity					Net unrealized gain and translation adjustments			Stock acquisition rights	Minority Interests	Equity (Total)
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Owners' Equity	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total			
Balance as of March 31, 2006	44,985	55,222	429,025	(31,913)	497,320	20,327	1,567	21,895		9,296	528,512
Changes in items during the period											
Dividends (Note 1)			(14,293)		(14,293)						(14,293)
Dividends (Note 2)			(15,619)		(15,619)						(15,619)
Net income			70,614		70,614						70,614
Disposal of treasury stock			(94)	887	793						793
Acquisition of treasury stock				(11,194)	(11,194)						(11,194)
Changes in other items during the period (Net)						(467)	3,416	2,948	294	642	3,885

Consolidated Statement of Changes in Equity (April 1, 2007 to March 31, 2008)

(Unit Millions of Yen)

	Owners' Equity					Net unrealized gain and translation adjustments			Stock acquisition rights	Minority Interests	Equity (Total)
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Owners' Equity	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total			
Balance as of March 31,2007	44,985	55,222	469,632	(42,219)	527,620	19,859	4,984	24,844	294	9,938	562,698
Changes in items during the period											
Dividends			(36,938)		(36,938)						(36,938)
Net loss			(17,012)		(17,012)						(17,012)

4) CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	April 1, 2006-March 31,2007 (Millions of Yen)	April 1, 2007-March 31,2008 (Millions of Yen)	Increase/Decrease (Millions of Yen)
		110,334	17,653	
		26,802	34,559	
		201	59	
			(162)	
5. In-process R&D expense			88,048	
		(16)	(29)	
		(6,086)	(6,188)	
		65	762	
		(15)	(2)	
		934	1,036	
		(1,657)	(2,203)	
		12	1,421	
		(11,807)	(2,352)	
		(5,481)	(2,777)	
		(6,312)	315	
		10,419	9,075	
		7,040	(7,949)	
		(3,830)	(7,616)	
		3,780	(6,461)	
		124,383	117,187	
		5,855	6,140	
		(101)	(761)	
		(48,948)	(49,324)	
		81,188	73,242	(7,946)
		(215)	(1,516)	
		10,220	10,415	
		(22,549)	(39,227)	
		301	145	
		(6,009)	(14,508)	
		(20,150)	(6,931)	
		8,259	10,363	
8. Payment for acquisition of companies	*3		(435,504)	
	*2	(24,279)		
		(152)	(618)	
		(635)	934	
		(55,212)	(476,447)	(421,235)
		(188)	362,580	
			50,000	
		(11,060)		
		(29,913)	(36,938)	
		(48)	(60)	
		589	(215)	

SIGNIFICANT BASIC ITEMS FOR CONSOLIDATED FINANCIAL STATEMENTS

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
1. Scope of Consolidation: Consolidated subsidiaries: 45 Companies 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 liquidated during the period.	1. Scope of Consolidation: Consolidated subsidiaries: 63 Companies Major subsidiaries: Sanko Junyaku Co., Ltd. Sannova Co., Ltd. Morphotek, Inc. Eisai Inc. Eisai Research Institute of Boston Inc. MGI PHARMA, INC. Eisai SA/NV was newly established and consolidated during the period. During the period, MAB Acquisition Corporation
2. Number of Companies Accounted for by the Equity Method: Associated companies: One Company Bracco-Eisai Co., Ltd. Eisai-Novartis Verwaltungs GmbH was merged into Eisai GmbH, one of the consolidated subsidiaries, during the period.	
3. Closing Date of Consolidated Subsidiaries: The closing date of Eisai China Inc. is December 31. In preparing the consolidated financial statements, the financial statements as of March 31 are used for Eisai China Inc. However, this adjustment does not have a material effect on the financial statements.	
4. Accounting Policies and Methods: (1) Measurement and Valuation for Significant Assets (a) Securities: Held-to-maturity securities: Stated at amortized cost (Straight-line method) Available-for-sale securities: Marketable securities: Stated at fair value at the balance sheet date with unrealized gain or loss, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined by the moving-average method.	

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
Non-marketable securities: Stated at cost determined by the moving-average method.	
(b) Derivatives: Stated at fair value	(b) Derivatives: Same as the left
(c) Inventories: Merchandise and finished products, semi-finished goods, work-in-process , raw materials, and supplies are stated at cost determined by average method for the Company and the Japanese consolidated subsidiaries, and at lower of cost or market method determined by the first-in, first-out method for the foreign consolidated subsidiaries.	(c) Inventories: Same as the left
(2) Depreciation of Significant Depreciable Assets (a) Property, plant and equipment : Depreciation of property, plant and equipment of the Company and Japanese subsidiaries is computed by the declining-balance method. Estimated useful lives of the assets are as follows, Buildings: 15 to 50 years Machinery and equipment: 6 to 7 years In the foreign consolidated subsidiaries, the straight-line method in accordance with each local accounting standard is principally applied.	(2) Depreciation of Significant Depreciable Assets (a) Property, plant and equipment: Same as the left
(b) Intangible assets: Intangible assets are stated at cost less accumulated amortization, which is computed by the straight-line method. Sales rights: 5 to 15 years Software for internal use: mainly 5 years	(b) Intangible assets: Intangible assets are stated at cost less accumulated amortization, which is computed by the straight-line method. Sales rights: 5 to10 years Core technology: 19 to 20 years Software for internal use: 5 years
(3) Accounting for Certain Allowances and Reserves: (a) Allowance for doubtful receivables/accounts: To prepare for potential loss of notes and accounts receivable, loans receivable and others, allowance for doubtful receivables/ accounts are provided. As for the general receivables/accounts, allowances are calculated based on the past credit loss experience. As for the specific receivables/accounts, allowances were calculated based on the specific probability of uncollectibility.	(3) Accounting for Certain Allowances and Reserves: (a) Allowance for doubtful accounts: Same as the left
(b) Reserve for sales rebates: Certain consolidated subsidiaries calculate the reserves by multiplying an amount of related sales by an estimated percentage of rebates.	(b) Reserve for sales rebates: Same as the left
(c) Other reserves: The Company and some Japanese consolidated	(c) Other reserves: Same as the left

foreign exchange gain and loss from translation are recognized in the statements of operation. Assets and liabilities of the foreign consolidated subsidiaries are translated into Yen at the current rate as of the balance sheet date, accounts in the statements of operation thereof are translated into Yen at the average rates of the period and differences arising from such translation are included in the foreign currency translation adjustments and the minority interests in the equity component.

(5) Accounting for significant lease transactions:
The Company and the Japanese subsidiaries accounted for finance lease transactions in accordance with the same accounting treatment of operating lease unless the ownership is transferred to the lessee. Finance leases transactions of the foreign consolidated subsidiaries are principally in accordance with the ordinary sales transaction.

(6) Accounting for significant hedges:
(a) Hedge method:
The Company and certain subsidiaries measured derivatives used for hedging purposes at fair market value and unrealized gains or losses on derivatives are deferred until maturity of the hedged transactions. If the forward contracts qualify for hedge accounting, accounts and notes receivable and payable denominated in foreign currencies are translated into the contracted rates.

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
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 is not performed.	
(7) Other significant basic item of consolidated financial statements: Accounting for consumption tax: Both Parent company and subsidiaries exclude consumption taxes and local consumption taxes from revenues and expenses.	(7) Other significant basic item of consolidated financial statements: Accounting for consumption tax: Same as the left
5. Valuation of Assets and Liabilities of Subsidiaries: Assets and liabilities of the subsidiaries are valued by fully fair market value .	5. Valuation of Assets and Liabilities of Subsidiaries: Same as the left
6. Amortization of Goodwill and Negative Goodwill: Goodwill and negative goodwill are amortized from the year of incurrence over a period of five years. Certain subsidiaries account for goodwill and negative goodwill in accordance with the local GAAP.	6. Amortization of Goodwill and Negative Goodwill: Same as the left
7. Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows: Cash and cash equivalents in the consolidated statements of cash flows comprise cash on hand, demand deposits, and short-term investments that are readily convertible into cash, that are exposed to insignificant risk of changes in value, all of which mature or become due within three months from the date of acquisition.	7. Scope of Cash and Cash Equivalents in the Consolidated Statements of Cash Flows: Same as the left

CHANGES IN ACCOUNTING PRINCIPLES

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
(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 ¥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.	―

CHANGES IN REPRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
(Consolidated Balance Sheet) 1. As the amount of “Sales rights” included in the intangible assets in the previous period exceeded 5% of total assets, it is separately stated from April 1, 2007.	

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period. Since it is less than or equal to 10% of total special gain component, it was included and represented in “Other special gain.”

NOTES TO CONSOLIDATED BALANCE SHEET

March 31, 2007	March 31, 2008
*1. Notes related to subsidiaries and associated companies Investment securities (stocks) ¥367 mil.	*1. Notes related to subsidiaries and associated companies Investment securities (stocks) ¥375 mil.
*2. Contingent liabilities: The Company cosigns the following debts:	*2. Contingent liabilities:

Warrantee	Item	Yen (mil.)
Employees	Housing loans	110

*3. Accumulated depreciation includes accumulated loss on impairment of long-lived assets.

*4. The notes at maturity are regarded as settled on the clearance date.
Since the balance sheet date was a bank holiday, the notes at maturity on the balance sheet date were included in the balance of the related account as follows,
Notes receivable-trade ¥224 mil.

NOTES TO THE CONSOLIDATED STATEMENTS OF OPERATION

April 1, 2006 - March 31, 2007

*1. Total research and development expenses included in general and administrative expenses and manufacturing costs for the period:
General and administrative expenses ¥108,296 mil.
Manufacturing costs ¥ - mil.

*2. The main content of gain on sales of fixed assets is as follows:
Land ¥199 mil.

*3. The main contents of loss on disposal of fixed assets are as follows:
Buildings and structures ¥470 mil.
Property, plant and equipment and other (Tools, furniture and fixtures) ¥146 mil.
Intangible assets and other (Software) ¥352 mil.

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

Function	Asset Type	Location
Business properties	Intangible assets (Other), etc.	Toshima-ku, Tokyo France
Leased assets	Property, plant and equipment (Other)	Chiyoda-ku, Tokyo
Idle assets	Investments and other assets (Other), etc.	Echizen-machi Fukui and others
	Machinery, Equipment and vehicles	Misato-machi Saitama Kakamigahara-shi Gifu

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

April 1, 2007 - March 31, 2008

*1. Total research and development expenses included in general and administrative expenses and manufacturing costs for the period:
General and administrative expenses ¥225,427 mil.
Manufacturing costs ¥ - mil.
In-Process R&D expenses included in the amount above for the acquisition of companies: ¥88,048 mil.

*2. The main content of gain on sales of fixed assets is as follows:
Land ¥33 mil.

*3. The main contents of loss on disposal of fixed assets are as follows:
Buildings and structures ¥667 mil.
Machinery, equipment and vehicle ¥293 mil.
Property, plant and equipment and other (Tools, furniture and fixtures) ¥133 mil.

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

Function	Asset Type	Location
Business properties	Property, plant and equipment (Other), etc.	Kakamigahara-shi Gifu and others
Leased assets	Property, plant and equipment (Other)	Chiyoda-ku, Tokyo
Idle assets	Intangible assets (Other) etc.	Bunkyo-ku Tokyo
	Machinery, equipment and vehicles, etc.	Misato-machi Saitama and others

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

value, a loss on impairment has been recognized by writing-down the book value to a recoverable amount as well.

The total loss on impairment of long-lived assets for the period amounted to ¥201 million. The contents of impairment are Intangible assets (Intangible assets-other) of ¥101 million, Investments and other assets of ¥42 million and Machinery, equipment and vehicles of ¥36 million.

The recoverable amount of asset groups is measured by value in use (discount rate: 5 8%)

NOTES TO THE STATEMENTS OF CHANGES IN EQUITY

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008

1. Types and numbers of stocks issued and treasury stock

(thousand of stocks)

	Stocks 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		2,023
Decrease		277
Number of shares at the end of the period	296,566	12,437

(Note 1) The increase of the 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 23 thousand of fractional shares.
(Note 2) The decrease in treasury stock (common stock) was caur3.38 f íĺhares.

c) Record date September 30, 2006 d) Effective date November 22, 2006 (2) Dividends to be paid after the balance sheet date, but the record date for the payment of dividends belongs to the period. The following was determined in the Board of Directors meeting on 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	¥18,470 mil. b) Cash dividends per share ¥65.00 c) Record date September 30, 2007 d) 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 period. The following was determined in the Board of Directors meeting on May 14, 2008. a) Total amount of the dividends in cash paid ¥18,518 mil. b) Resource of the dividends to be paid Retained earnings c) Cash dividends per share ¥65.00 d) Record date March 31, 2008 e) Effective date May 26, 2008

NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
	*1. Reconciliation between the amount of cash and *1.

*3.

*3. Major assets and liabilities increased by corporate acquisition

(1) Major assets and liabilities increased by the acquisition of Morphotek, Inc. (U.S.) and reconciliation with the acquisition costs

Current assets	¥2,548 mil.
Property, plant and equipment	¥535 mil.
Intangible assets	¥55,305 mil.
Deferred tax liabilities	(¥17,433 mil.)
Other liabilities	(¥842 mil.)
Purchase price allocated to R&D expenses	¥605 mil.
Sub total	¥40,720 mil.
Cash and cash equivalent possessed by Morphotek, Inc.	(¥2,485 mil.)
Acquisition costs of Morphotek, Inc.	¥38,234 mil.

(2) Major assets and liabilities increased by the acquisition of MGI PHARMA, INC. (U.S.) and reconciliation with the acquisition costs

5) Segment Information

1. Business Segment Information

(1) Fiscal year ended March 31, 2007 (Millions of Yen)

	Pharma-ceuticals	Other	Total	Eliminations and Corporate	Consolidated

2. Geographical Segment Information

(1) Fiscal year ended March 31, 2007 (Millions of Yen)

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

(2) Fiscal year ended March 31, 2008 (Millions of Yen)

	Japan	North America	Europe	Asia and Others	Total	Eliminations and Corporate	Consolidated
I. Sales							
(1) Sales to external customers	312,656	339,396	54,416	27,817	734,286	–	734,286
(2) Intersegment sales	105,071	50,650	27,150	136	183,008	(183,008)	–
Total sales	417,727	390,046	81,566	27,953	917,294	(183,008)	734,286
Operating expenses	337,245	456,930	79,767	22,336	896,279	(179,742)	716,536
Operating income (loss)	80,482	(66,883)	1,799	5,617	21,015	(3,265)	17,749
II. Assets	930,427	563,108	58,876	27,441	1,579,853	(455,914)	1,123,939

Notes:
(1) Segmentation by country or region is based on geographical proximity.
(2) Major areas and countries included in each category:
-North America: The United States and Canada
-Europe: The United Kingdom, France, Germany, etc.
-Asia and Others: East Asia, South-East Asia, Latin America, etc.
(3) Intersegment sales in Japan principally represents product sales from Eisai Co., Ltd. to the overseas subsidiaries. Intersegment sales in North America, Europe, and Asia and Others are principally sales to the Parent Company from overseas subsidiaries which manage research and development for the Parent company.
(4) Operating expenses that are not allocated to each segment are included in “Eliminat

3. Overseas Sales

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

	North America	Europe	Asia and Others	Total
1. Overseas sales	312,005	72,218	26,541	410,765
2. Consolidated sales				674,111
3. Share of overseas sales	46.3%	10.7%	3.9%	60.9%

(2) For the period ended March 31, 2008 (Millions of Yen)

	North America	Europe	Asia and Others	Total
1. Overseas sales	350,391	73,100	31,059	454,551
2. Consolidated sales				734,286
3. Share of overseas sales	47.7%	10.0%	4.2%	61.9%

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

6) LEASE TRANSACTIONS

April 1, 2006 – March 31, 2007	April 1, 2007 – March 31, 2008

(Lessee)

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

(1) Acquisition cost, Accumulated depreciation, Accumulated loss on impairment, Net leased property:

(Millions of Yen)

	Acquisition cost	Accumulated depreciation	Accumulated loss on impairment	Net leased property
Machinery & equipment	335	81		254
Other (Tools, furniture, and fixtures)	3,617	1,733	16	1,867
Total:	3,952	1,814	16	2,121

(2) Obligation under finance leases and other:

Due within one year ¥1,069 mil.
Due over one year ¥1,102 mil.
Total ¥2,172 mil.
The balance of the allowance for loss on impairment of leased property ¥7 mil.

(3) Actual lease payments, reversal of allowance for loss on impairment of leased property, depreciation, interest expense under finance leases, and loss on impairment of leased property:

7) TRANSACTIONS WITH RELATED PARTIES

April 1, 2006 – March 31, 2007

(1) Directors and main individual shareholders

Attribution	Director	Director

8) INCOME TAXES

	As of March 31, 2007	As of March 31, 2008
Expenses not permanently deductible for income tax purposes, such as entertainment expense	1.6	
Income not permanently taxable for income tax purposes, such as dividend income	(0.2)	
Tax credit for experiment and research expenses	(5.1)	
Difference in statutory tax rate of subsidiaries	(1.5)	
Valuation allowance	0.4	
Other	(0.7)	
Effective income tax rate		

9) SECURITIES

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

(Millions of Yen)

	Fiscal year ended Mar-31-2007			Fiscal year ended Mar-31-2008		
Carrying amounts below fair value	Carrying amounts	Fair value	Unrealized gain	Carrying amounts	Fair value	Unrealized gain
1. Government and municipal Bonds and others	–	–	–	–	–	–
2. Corporate bonds	494	500	5	795	810	14
3. Other	11,998	12,063	65	12,001	12,242	241
Sub-total	12,492	12,563	71	12,796	13,053	256
Carrying amounts exceeding fair value	Carrying amount	Fair value	Unrealized loss	Carrying amount	Fair value	Unrealized loss
1. Government and municipal bonds and others	–	–	–	–	–	–
2. Corporate bonds	22,581	22,283	(297)	11,304	11,085	(218)
3. Other	199	199	(0)	99	99	(0)

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

		72,591	34,287	21,951	42,290	20,338
		–	–	–	–	–
		–	–	–	–	–
		–	–	–	–	–
	214	227	13	903	916	13
Sub-total	38,517	72,818	34,300	22,855	43,206	20,351
		Carrying	Unrealized		Carrying	Unrealized

14,51

						(3,829)
					3,640	(152)
					–	–
					–	–
					3,640	(152)
					985	(29)
Sub-total	5,973	5,514	(459)	23,154	19,143	(4,011)
TOTAL	44,491	78,332	33,840	46,010	62,350	16,339

Notes:
There was impairment of ¥1,244 million for available-for-sale securities with market value for the period ended March 31, 2008.

(Loss on Impairment for the period ended March 31, 2007 was ¥ - million.)

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

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

(Millions of Yen)

April 1, 2006 – March 31, 2007			April 1, 2007 – March 31, 2008		
Sales amount	Gain on sales	Loss on sales	Sales amount	Gain on sales	Loss on sales
2,293	1,657	0	8,204	2,203	-

ITIES

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ded 08
-
5,029
53,869
-
5

ns of Yen)

2008
Due after 10 years
2,957

11) PENSION PLANS AND RETIREMENT BENEFIT COSTS

March 31, 2007	March 31, 2008
1. Outline of pension plan: The Company: The Company adopts defined-benefit pension plan and retirement lump-sum payments. The transfer rate to the defined-benefit pension plan fund is 45%. Additional severance payment may be made to some employees. Consolidated subsidiaries: Certain Japanese subsidiaries adopt a defined-benefit pension type of a joint pension plan, an approved pension scheme and	

March 31, 2007	March 31, 2008

obligation".

4. Basis of the calculation for projected benefit obligation and others:

Method of calculation of projected benefit obligation:
Straight-line method over the average years of service
Discount rate: Principally 2.5 %
Expected rate of return on plan assets:

12) STOCK OPTIONS

Details and fluctuation status

			Director 4	Director 7
		yee 35	Employee 37	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 on the left	same as on the left	same as on the left
Requisite service period	not specified	same as on the left	same as on the left	same as on 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

			Director 10	
Company	Eisai Co., Ltd.		Executive officer 24	
Date of Decision	June 24, 2004	[illegible]	[illegible]	

				ployee 32
Number of Stock options	Common stock 238,000 Stocks	Common stock 262,000 Stocks	Common stock 254,000 Stocks	Common stock 264,000 Stocks
Date of grant	July 1, 2004	July 1, 2005	July 10, 2006	July 9, 2007
Condition of vested right	not specified	same as on the left	same as on the left	same as on the left
Requisite service period	not specified	same as on the left	same as on the left	same as on the left
Exercise period	July 1, 2004-June 24, 2014	July 1, 2007-June 24, 2015	July 10, 2008-June 23, 2016	July 9, 2009-June 22, 2017

(3) Details of Stock Options

a) Number of Stock Options

b) Unit Information

Date of Decision	June 29, 2000	June 28, 2001	June 27, 2002	June 24, 2003
Date of grant	September 1, 2000	August 1, 2001	Jul	

13) BUSINESS COMBINATIONS

Accounting period (from April 1, 2007 to March 31, 2008)

1. Purchase Method Transactions
(1) Acquisition of Morphotek, Inc. by share purchase

Description of the acquired company

a. Name of company acquired: Morphotek, Inc. (U.S.)
b. Description of acquired business:
Research and development for antibody therapeutic drugs
c. 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
d. Date of acquisition: April 16, 2007 (U.S. Eastern Standard Time)
e. Legal form of share purchase
Eisai Corporation of North America (hereinafter, referred to as “ECA”) established MAB Acquisition Corporation as a wholly-owned subsidiary. Morphotek, Inc, as the 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.
f. Name of the company after acquisition: Morphotek, Inc. (U.S.)
g. Acquired voting rights: 100%

Period for acquired business included in the consolidated financial statement

From April 16, 2007 to March 31, 2008

Description of acquisition costs

Purchased price:	US$ 350 million
Direct costs:	US$ 6 million
Total acquisition costs	US$ 356 million

Assets received and liabilities assumed on the date of acquisition

Assets	
Current assets	US$ 22 million
Property, plant and equipment	US$ 4 million
Intangible assets	US$ 483 million
Total assets acquired	US$ 510 million
Liabilities	
Deferred tax liabilities	US$ 152 million
Other liabilities	US$ 7 million
Total liabilities assumed	US$ 159 million
Net assets acquired	US$ 351 million

Description of the purchase price allocated to R&D expenses

In-Process R&D:	US$ 5 million
Accounts:	R&D expenses

Description of the purchase price allocated to intangible assets

Core technology	US$ 478 million

estimated useful life	20 years
Assembled workforce	US$ 5 million
estimated useful life	5 years

(2) Acquisition of MGI PHRAMA INC by share purchase.

Description of the acquired company

a. Name of company acquired: MGI PHARMA, INC. (U.S.)

b. Description of acquired business:

a biopharmaceutical company focused in oncology and acute care that acquires, researches, develops, and commercializes proprietary products

c. Reason and purpose of acquisition:

In order to strengthen oncology research and development and marketing infrastructure on a global basis and to acquire the products and pipeline of oncology and acute care area as well as the commercial and R&D capabilities of MGI PHARMA INC.

d. Date of acquisition: January 28, 2008 (U.S. Eastern Standard Time)

e. Legal form of share purchase

Eisai Corporation of North America (hereinafter, referred to as “ECA”) established Jaguar Acquisition Corporation as a wholly-owned subsidiary. MGI PHARMA INC., as the surviving company, merged with Jaguar Acquisition Corporation and, at the same time, MGI PHARMA INC., paid cash as a compensation for the merger to the shareholders of MGI PHARMA INC. As a result of the transaction, MGI PHARMA INC. became a wholly owned subsidiary of ECA.

f. Name of the company after acquisition: MGI PHARMA, INC.

g. Acquired voting rights: 100%

Period for acquired business included in the consolidated financial statement

From January 28, 2008 to March 31, 2008

Description of acquisition costs

Purchase price:	US$ 3,918 million
Direct costs:	US$ 25 million
Total acquisition costs	US$ 3,943 million.

Information for Goodwill

The amount of goodwill	US$1,744 million

Reason for the recognition of goodwill

Goodwill was incurred as a strategic inveo. 0.0021 Tw6R3j -805 Tcompensation for theof ncl

Current liabilities	US$149 million
Deferred tax liabilities	US$ 302 million
Other liabilities	US$ 22 million
Total liabilities assumed	US$ 474 million
Net assets acquired	US$ 3,136 million

Description of the purchase price allocated to R&D expenses

In-Process R&D	US$ 840 million
Accounts:	R&D expenses

Description of the purchase price allocated to intangible assets

a) Sales rights	US$ 1,220 million
estimated useful life	6 to 10 years
b) Core technology	US$ 157 million
estimated useful life	19 years

Estimated impact on consolidated financial results if the business combination had been completed at the beginning of the fiscal year (4/1/2007),

Net sales	US$357 million
Operating loss	US$ 11 million
Net loss before provision for income taxes	US$ 29 million

The above amounts reflect the difference between sales and income calculated as if the acquisition had been completed on the first day of the fiscal year and the consolidated sales and income reported by the acquiring company. In addition, the calculations take into account special factors based on MGI PHARMA's financial results from April 1, 2007 to January 27, 2008.

2. Common Control Transactions

(1) Sanko Junyaku Co., Ltd. became a wholly-owned subsidiary of Eisai Co., Ltd. by stare exchange

Description of the acquired company

a. Name of the company acquired
   Name of the company: Sanko Junyaku Co., Ltd.
   Contents of business
   Manufacturing, marketing and import of clinical diagnostics, clinical inspection instruments, research reagents, and physical and chemical instruments.
b. Description of acquired business;
   Manufacturing, marketing and import of clinical diagnostics, clinical inspection instruments, research reagents, and physical and chemical instruments.
c. Legal form of acquisition;
   Acquired shares of Sanko Junyaku Co., Ltd. from minority shareholders by share exchange
d. Description of the transaction and 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 our existing diagnostic business as well as new areas, such as the commercialization of the PALSAR (Probe alternation link self-assembly reaction) Method technology for gene signal amplification.
   Shares of Eisai were allotted and distributed at the rate of a 0.085 shares of Eisai to 1

16-1) CONSOLIDATED STATEMENTS OF OPERATION
Fourth Quarter of FY2007 (three months ended March 31, 2008)

					Increase/ (Decrease)
		(%)		(%)	(Millions of Yen)
	173,323	100.0	174,732	100.0	1,408
	27,389	15.8	35,310	20.2	7,920

16-2) CONSOLIDATED STATEMENTS OF CASH FLOWS
Fourth Quarter of FY2007 (three months ended March 31, 2008)

	January 1, 2007 - March 31, 2007	January 1, 2008 - March 31, 2008	Increase/

(3) SEGMENT INFORMATION
Fourth Quarter of FY2007 (three months ended March 31, 2008)

1. Business Segment Information

(1) Three month ended March 31, 2007 (Millions of Yen)

	Pharma-ceuticals	Other	Total	Eliminations and Corporate	Consolidated
I. Sales					
(1) Sales to external customers	167,979	5,344	173,323	–	173,323
(2) Intersegment sales	32	7,873	7,906	(7,906)	–
Total sales	168,011	13,218	181,230	(7,906)	173,323
Operating expenses	145,652	12,804	158,456	(6,558)	151,897
Operating income	22,359	414	22,773	(1,347)	21,426

(2) Three months ended March 31, 2008 (Millions of Yen)

	Pharma-ceuticals	Other	Total	Eliminations and Corporate	Consolidated
I. Net sales					
(1) Sales to external customers	169,435	5,296	174,732	–	174,732
(2) Intersegment sales	25	6,504	6,529	(6,529)	–
Total sales	169,460	11,801	181,261	(6,529)	174,732
Operating expenses	243,755	11,405	255,161	(5,637)	249,523
Operating income (loss)	(74,295)	395	(73,899)	(891)	(74,790)

Notes:

1. The Company's consolidated operations include two segments: 'Pharmaceuticals' which mainly consists of 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

2. Geographical Segment Information

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

	Note					(%)	Increase/ (Decrease) (Millions of Yen)
ASSETS							
I. Current assets:							
1. Cash and cash in bank			43,426		25,566		
2. Notes receivable-trade	*1,3		2,952		1,345		
3. Accounts receivable-trade	*1		124,040		125,402		
4. Short-term investments			8,114		3,927		
5. Merchandise			6,178		6,726		
			9,043		9,215		
7. Semi-finished goods			8,935		8,734		
8. Raw materials			5,350		7,581		
9. Work in process			424		607		
10. Supplies			1,043		1,023		
11. Deferred tax assets			16,650		19,397		
12. Short-term loans receivable	*1		5,595		79,374		
13. Other	*1		13,898		17,217		
Total current assets			245,655	42.8	306,121	31.3	60,466
II. Fixed assets:							
1. Property, plant and equipment							
(1) Buildings		107,885		108,492			

Account Title	Note	March 31, 2007 (Millions of Yen)		(%)	March 31, 2008 (Millions of Yen)		(%)	Increase/ (Decrease) (Millions of Yen)
Liabilities								
I. Current liabilities:								
1. Notes payable-trade			62			67		
2. Accounts payable-trade			7,551			6,708		
3. Short-term borrowings						362,814		
4. Accounts payable-other	*1		26,014			25,062		
5. Accrued expenses			17,667			14,459		
6. Income tax payable			15,257			14,196		
7. Deposit received	*1		9,625			10,313		
8. Reserve for sales returns			376			246		
9. Reserve for disposal of goods returns			245			187		
10. Other			63			288		
Total current liabilities			76,864	13.4		434,345	44.5	357,480
II. Long-term liabilities:								
1. Long-term borrowings						50,000		
2. Liability for retirement benefits			28,221			20,321		
3. Retirement allowances for directors			1,073			1,230		
Total long-term liabilities			29,295	5.1		71,552	7.3	42,256
Total liabilities			106,160	18.5		505,897	51.8	399,737
Equity								
I. Owners' Equity:								
1.Common stock			44,985	7.9		44,985	4.6	
2.Capital surplus								
(1) Additional paid-in capital		55,222			55,222			
(2) Other capital surplus					1,743			
Total Capital surplus			55,222	9.6		56,966	5.8	1,743
3. Retained earnings								
(1) Legal reserve		7,899			7,899			
(2) Other								
Reserve for reduction of fixed assets		126			126			
General reserve		337,880			337,880			
Unappropriated retained earnings		44,026			53,070			
Total retained earnings			389,932	68.0		398,976	40.8	9,043
4. Treasury stock			(42,219)	(7.4)		(39,694)	(4.0)	2,525
Total Owners' Equity			447,921	78.1		461,233	47.2	13,312
II. Net unrealized gain and translation adjustments:								
1. Net unrealized gain on available-for-sale securities			19,325			9,568		
adjustments			19,325	3.3		9,568	1.0	(9,757)
III. Stock acquisition rights			294	0.1		556	0.0	261
Total equity			467,541	81.5		471,358	48.2	3,817
Total liabilities and equity			573,702	100.0				

2) NON-CONSOLIDATED STATEMENTS OF INCOME

Account Title	Note	April 1, 2006 - March 31, 2007 (Millions of Yen)		(%)	April 1, 2007 - March 31, 2008 (Millions of Yen)		(%)	Increase/ (Decrease) (Millions of Yen)
I. Net sales	*2		351,647	100.0		389,200	100.0	37,553
II. Cost of sales	*1		80,149	22.8		76,115	19.6	(4,034)
Gross profit			271,497	77.2		313,085	80.4	41,587
Provision for sales returns-net			(61)	(0.0)		(130)	(0.1)	(69)
Gross profit			271,558	77.2		313,216	80.5	41,657
III. Selling, general and administrative expenses								
1. Research and development expenses	*1	106,378		[30.3]	133,989		[34.4]	
2. Selling, general and administrative expenses		100,154	206,532	58.7	106,119	240,109	61.7	33,577
Operating income			65,026	18.5		73,106	18.8	8,080
IV. Non-operating income								
1. Interest income	*2	109			607			
2. Interest on securities		315			279			
3. Dividend income		1,071			992			
4. Other		382	1,878	0.5	396	2,275	0.6	397
V. Non-operating expenses								
1. Interest expense		65			808			
2. Foreign exchange loss		892			3,078			
3. Depreciation		81						
4. Other		189	1,230	0.3	462	4,349	1.1	3,119
Ordinary Income			65,674	18.7		71,033	18.3	5,358
VI. Special gain								
1. Gain on sales of fixed assets	*3	204			7			
2. Gain on sales of investment securities		1,651			2,202			
3. Reversal of provision for doubtful accounts		25						
4. Disposal of products		554						
5. Other			2,437	0.7	32	2,242	0.5	(194)
VII. Special loss								
1. Loss on disposal of fixed assets	*4	975			948			
2. Loss on impairment of long-lived assets	*5	81			49			
3. Loss on devaluatin of investment securities					1,251			
4. Loss on work-in-progress					845			
5. Accelerated depreciation expenses of property, plant and equipment		646						
6. Other		34	1,738	0.5	52	3,147	0.8	1,409
Income before income taxes			66,374	18.9		70,128	18.0	3,754
Income taxes-current		30,437			33,820			
Income taxes-deferred		(6,866)	23,570	6.7	(9,673)	24,146	6.2	575
Net income			42,803	12.2		45,982	11.8	3,179

3) NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(April 1, 2006 to March 31, 2007)

(Unit Millions of Yen)

	Owners' equity		Net unrealized gain (loss) and translation adjustments		
	Capital surplus				

4) NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	April 1, 2006 - March 31, 2007 (Millions of Yen)	April 1, 2007 - March 31, 2008 (Millions of Yen)	Increase/ (Decrease) (Millions of Yen)
		66,374	70,128	
		17,916	17,767	
		81	49	
		(4)	20	
		(1,496)	(1,879)	
		65	808	
		770	940	
		(1,651)	(2,202)	
		12	1,251	
		(9,670)	245	
		(4,579)	(2,914)	
		723	(838)	
		4,294	(1,578)	
		(3,783)	(7,899)	
		(6,374)	(2,968)	
		62,677	70,929	
		1,507	1,443	
		(65)	(808)	
		(33,520)	(34,905)	
		30,598	36,658	6,060
		8,795	5,000	
		(11,419)	(16,630)	
		1,249	40	
		(4,067)	(10,486)	
		(19,695)	(3,667)	
		7,340	9,357	
		(19,627)	(340,960)	
		(6,276)		
			(74,222)	
		(549)	239	
		(44,250)	(431,331)	(387,080)
1. Increase of short-term borrowings-net			362,814	
2. Proceeds from long-term borrowings			50,000	
3. Purchase of treasury stock		(11,060)		
4. Dividend91ividend90.028,814(927N029 -1.3714 3inancing 8e1-e,[		(29,913))	(29,913))	(36,938)
5. Other		658	(49)	
Net cash provided by (used in) financing activities		(40,314)	375,825	416,140
V. Net decrease in cash and cash equivalents		(53,966)	(18,847)	35,119
VI. Cash and cash equivalents at beginning of period		100,507	46,540	(53,966)
VII. Cash and cash equivalents at end of perio		46,540	27,693	(18,847)

SIGNIFICANT BASIC ITEMS FOR NON-CONSOLIDATED FINANCIAL STATEMENTS

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
1. Measurement and Cost Formula for Marketable and Investment Securities:	
(1) Held-to-Maturity securities:	
Stated at amortized cost (straight line method)	
(2) Investment in Subsidiaries and Associated Companies:	
Stated at cost determined by the moving-average method.	
(3) Available-for-Sale Securities:	
Marketable securities:	
Stated at fair market value on the balance sheet date of the period with unrealized gain or loss, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is determined by the moving-average method.	Same as the left
Non-marketable securities:	
Stated at cost determined by moving-average method.	Non-marketable securities: Same as the left
2. Derivatives:	2. Derivatives: Same as the left
	3. Inventories: Same as the left.
(2) Intangible assets:	
Intangible assets are stated at cost less accumulated amortization, which is computed by the straight-line method.	
Software for internal use Mainly 5 years	
Sales rights 5 to10 years	
5. Accounting for Allowances and Reserves:	
(1) Allowance for doubtful receivables/accounts:	
To prepare for potential loss of notes and accounts receivable, loans receivable and others, allowance for doubtful receivables/accounts is provided. As for the general receivables/accounts, allowances are calculated based on the past credit loss experience. As for the specimcased on the M	arketable Securities:

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
8. Hedge accounting: (1) Hedge method: Derivatives used for hedging purposes are measured at fair market value and unrealized gain or loss on	

period. Since it was less than or equal to 10% of total special loss, it was included in “Other special loss.”

NOTES TO NON-CONSOLIDATED STATEMENTS OF OPERATION

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
*1. Total research and development expenses included in general and administrative expenses and manufacturing costs for the period were ¥106,378 million. The research and development cost includes the following: Retirement benefit costs ¥16 mil. Depreciation expenses ¥5,509 mil.	*1. Total research and development expenses included in general and administrative expenses and manufacturing costs for the period were ¥133,989 million. The research and development cost includes the following: Retirement benefit costs (¥644 mil.) Depreciation expenses ¥5,863 mil.
*2. Principal intercompany transaction: Sales ¥85,310 mil.	*2. Principal intercompany transaction: Sales ¥103,576 mil. Interest income ¥535 mil.
*3. Principal gain on sales of fixed assets: Land ¥199 mil.	*3. Principal gain Tc214945535mil.
*4. Principal loss on disposal of fixed assets: Buildings ¥290 mil. Machinery and Equipment ¥113 mil. Tools, furniture and fixtures ¥101 mil. Software ¥352 mil.	
*5. Loss on impairment of long-lived assets The company classifies its business property to be held and used for business operations into asset groups on the basis of business segments whose profitability are consistently monitoring. In addition, leased assets, idle assets and sales rights are grouped individually. For the period, the Company booked an impairment loss on the following asset groups.	

Function	Asset Type	Location
Idle assets	Investments and other assets (Other)	Echizen-machi Fukui and others
	Machinery and Equipment	Misato-machi Saitama Kakamigahara-shi Gifu

As the Idle assets significantly decreased in market value, a loss on impairment has been recognized by write-down of the book value to a recoverable amount as well.

The total loss on impairment of long-lived assets for the period amounted to ¥81 million. The contents of impairment are Investments and other assets (Other) of ¥42 million, Machinery and equipment of ¥33 million, Tools, furniture, and fixtures of ¥3 million. The recoverable amount of asset group is measured by net realized value. Net realizable value is based on reasonable estimates, either real estates appraised value by a third-party and others or the assessed value of property for tax purposes.

NOTES TO THE STATEMENTS OF CHANGES IN EQUITY

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
Types and numbers stock issued and treasury stock (thousand of shares) Type of stock / Common stock Number of shares at the end of the previous period: 10,692 Increase: 2,023 Decrease: 277 Number of shares at the end of the period: 12,437 (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 23 thousand of fractional shares. (Note 2) The decrease of the treasury stock was caused by exercises of stock options.	Types and numbers stock issued and treasury stock (thousand of shares) Type of stock / Common stock Number of shares at the end of the previous period: 12,437 Increase: 51 Decrease: 824 Number of shares at the end of the period: 11,665 (Note 1) The increase in treasury stock (common stock) is composed of the purchase of 33 thousand shares of Sanko Junyaku Co., Ltd. from the opposite shareholders against the whole acquisition by the Company, which is required by Corporation Law, and the purchase of 18 thousand of fractional shares. (Note 2) The decrease of the treasury stock was caused by exercises of stock options of 69 thousand shares and share exchange of 754 thousand shares associated with the whole acquisition of Sanko Junyaku Co., Ltd.

5) LEASE TRANSACTIONS

April 1, 2006 - March 31, 2007

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

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

	Acquisition cost	Accumulated depreciation	Net leased property
Vehicles and delivery equipment	68	29	38
Tools, furniture and fixtures	2,914	1,361	1,552
Software	47	39	7
Total	3,030	1,431	1,599

(2) Obligation under financial leases and other:

Due within one year	¥885 mil.
Due over one year	¥751 mil.
Total	¥1,636 mil.

(3) Actual lease payments, reversal of impairment of leased property, depreciation, interest expense under finance leases, and losses on leased property:

Actual lease payments	¥938 mil.
Depreciation	¥885 mil.
Interest expenses under finance lease	¥65 mil.

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

(5) Interest expenses of the 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 costs of the assets which are considered to be interest -bearing.

2. Operating Leases:

(Loss on impairment of long-lived assets)
None

April 1, 2007 - March 31, 2008

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

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

	Acquisition cost	Accumulated depreciation	Net leased property
Vehicles and delivery equipment	72	43	28
Tools, furniture and fixtures	2,534	890	1,643
Software	45	14	30
Total	2,652	948	1,703

(2) Obligation under financial leases and other:

Due within one year

(5) Interest expenses of the leased properties:
Same as the left

2. Operating Leases:

(Loss on impairment of long-lived assets)
Same as the left

6) SECURITIES

Market value of investment in subsidiaries and associated companies

(March 31, 2007) (Millions of Yen)

Type	Carrying amount	Market value	Difference
Subsidiary (Sanko Junyaku Co., Ltd.)	4,279	2,950	

7) INCOME TAXES

April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008

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

(1) Current assets:

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

(2) Non-current assets:

Deferred tax assets	(Millions of Yen)
Liability for retirement benefits	¥20,898
Entrusted R&D expenses	15,003
Deferred assets for income tax purpose	4,565
Other	

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

(1) Current assets:

Deferred tax assets	(Millions of Yen)
Entrusted R&D expenses	¥15,602
Accrued bonuses	3,488
Other	3,631
Sub-total	¥22,722
Less valuation allowance	(3,325)
Total deferred tax assets	¥19,397

(2) Non-current assets:

Deferred tax assets	(Millions of Yen)
Liability for retirement benefits	¥24,975
Entrusted R&D expenses	17,724

8) PER SHARE INFORMATION

	April 1, 2006 - March 31, 2007	April 1, 2007 - March 31, 2008
Book value per share	¥1,644.49	

10) NON-CONSOLIDATED STATEMENTS OF INCOME (for reference)

(1) Fourth Quarter of FY2007 (three months ended on March 31, 2008)

h63.Tj13.2647profit	January 1, 2007 - March 31, 2007 (Millions of Yen)		(%)	January 1, 2008 - March 31, 2008 (Millions of Yen)		(%)	Increase/ (Decrease) (Millions of Yen)
I. Net sales		86,601	100.0		86,431	100.0	(169)
		18,887	21.8		16,389	19.0	(2,497)
Gross profit		67,713	78.2		70,041	81.0	2,327
Provision for sales returns-net		(16)	(0.0)		(36)	(0.1)	(20)
Gross profit		67,730	78.2		70,078	81.1	2,348
III. Selling, general and administrative expenses							
1. Research and development expenses	28,846		[33.3]	37,462		[43.3]	
2. Selling, general and administrative expenses	26,085	54,931	63.4	25,712	63,174	73.1	8,242
Operating income (loss)		12,798	14.8		6,903	8.0	(5,894)
IV. Non-operating income		241	0.3		787	0.9	545
V. Non-operating expenses		414	0.5		3,228	3.7	2,813
Ordinary income (loss)		12,625	14.6		4,462	5.2	(8,163)
VI. Special gain		1,487	1.7		19	0.0	(1,467)
VII. Special loss		994	1.2		1,729	2.0	734
Income before income taxes		13,118	15.1		2,753	3.2	(10,364)
Income taxes-current	8,306			5,136			
Income taxes-deferred	(3,508)	4,797	5.5	(4,087)	1,048	1.2	(3,748)
Net income		8,320	9.6		1,705	2.0	(6,615)

(2) NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
Fourth Quarter of FY2007 (three months ended on March 31, 2008)

	Jan. 1, 2007- Mar. 31, 2007	Jan. 1, 2008- Mar. 31, 2008	Increase/ (Decrease)
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
	13,118	2,753	
	4,808	4,719	

6. Others

1) PROPOSED CHANGES OF CORPORATE OFFICERS (effective as of June 20, 2008)

1) Change of Representative Officer

Candidate for New Representative Officer

Nobuo Deguchi	currently Executive Vice President, Internal Control, Compliance, Intellectual Property and concurrently Director of Corporate Internal Control Department

2) Change of Corporate Officers

(1) Candidates for New Board Members

Hiroyuki Mitsui	currently Vice President, General Affairs, Environment and Safety Affairs, Information System and concurrently Director of Corporate Information Systems Planning Department, to be appointed as Board Member
Satoru Anzaki	currently Advisor, Komatsu, Ltd.
Junji Miyahara	currently Comprehensive Science and Technology

(4) Expected Promotion of Executive Officers

Norio Kano	currently Vice President, Director of Corporate Regulatory Compliance, Quality Assurance Headquarters, to be appointed as Senior Vice President
Hisashi Tanaka	currently Vice President, Director of Clinical Research Center, to be appointed as Senior Vice President

(5) Expected Resignation of Executive Officers

Hiroyuki Mitsui	To be appointed as Board Member

3) List of Board Members

Haruo Naito	currently Director, President and Chief Executive

Junji Miyahara	currently Comprehensive Science and Technology Management Research Professor, Graduate School of Specialized Studies, Tokyo University of Science, to be appointed as Outside Board Member
Kimitoshi Yabuki	currently Yabuki Law Office, to be appointed as Outside Board Member

Note: Yoshiyuki Kishimoto, Ko-Yung Tung, Shinji Hatta, Norihiko Tanikawa, Satoru Anzaki, Junji Miyahara and Kimitoshi Yabuki are candidates who meet the requirements of an Outside Director set forth in Item 15 of Article 2 of the Company Law of Japan.

4) List of Executive Officers

Haruo Naito	currently Representative Executive Officer and President and Chief Executive Officer (CEO), to be appointed as Representative Executive Officer and President and CEO
Soichi Matsuno	currently Representative Executive Officer and Deputy President, CEO Office, International Business, to be appointed as Representative Executive Officer and Deputy President
Hideaki Matsui	currently Representative Executive Officer and Executive Vice President and concurrently CEO Office, Administration and CFO, to be appointed as Representative Executive Officer and Executive Vice President
Makoto Shiina	currently Representative Executive Officer and Executive Vice President, CEO Office, Strategy, to be appointed as Representative Executive Officer and Executive Vice President
Nobuo Deguchi	currently Executive Vice President, Internal Control, Compliance, Intellectual Property, and concurrently Director of Corporate Internal Control Department, to be appointed as Representative Executive Officer and Executive Vice President
Kentaro Yoshimatsu	currently Senior Vice President, CEO Office, Research and Development and concurrently President of Eisai R&D Management Co. Ltd., to be appointed as Senior Vice President

Kenji Toda	currently Senior Vice President, Government Relations, to be appointed as Senior Vice President
Hideshi Honda	currently Senior Vice President, Japan Business Headquarters, to be appointed as Senior Vice President
Hajime Shimizu	currently Senior Vice President, Pharmaceutical Business, U.S. and concurrently Chairman & CEO, Eisai Corporation of North America and Chairman & CEO, Eisai Inc. to be appointed as Senior Vice President
Hideki Hayashi	currently Senior Vice President, Business Development and concurrently Director of Business Development, to be appointed as Senior Vice President
Norio Kano	currently Vice President, Director of Corporate Regulatory Compliance, Quality Assurance Headquarters, to be appointed as Senior Vice President
Hisashi Tanaka	currently Vice President, Director of Clinical Research Center, to be appointed as Senior Vice President
Yukio Akada	currently Vice President, Pharmaceutical Business, China and concurrently Chairman and President, Eisai China Inc., to be appointed as Vice President
Yutaka Tsuchiya	currently Vice President, Pharmaceutical Business, Europe and concurrently Chairman of Eisai Europe Limited, to be appointed as Vice President
Noboru Naoe	currently Vice President, Director of Prescription Drug Supervision Department, to be appointed as Vice President
Yasushi Okada	currently Vice President, Director of Asia, Oceania and Middle East Business and concurrently Managing Director of Eisai Asia Regional Services, to be appointed as Vice President
Seiichi Kobayashi	currently Vice President, Director of Discovery and Development Research Headquarters of Japan, to be appointed as Vice President
Akira Fujiyoshi	currently Vice President, Corporate

	Communications, Investors Relations and concurrently Director of Corporate Communications Department, to be appointed as Vice President
Kiyoshi Hasegawa	currently Vice President, Director of Consumer Health Product Division, to be appointed as Vice President
Masanori Tsuno	currently Vice President, Global Clinical Research, to be appointed as Vice President
Takafumi Asano	currently Vice President, Production and Logistics, Transformation and Concurrently Director of Production & Logistics Headquarters and Director of Planning & Coordination Department, to be appointed as Vice President
Kenta Takahashi	currently Vice President, General Council and Director of Legal Department, to be appointed as Vice President
Edward Stewart Geary	currently Vice President, Deputy Director of Corporate Regulatory Compliance, Quality Assurance Headquarters, to be appointed as Vice President
Lonnel Coats	currently President & COO, Eisai Corporation of North America, to be appointed as Vice President
Folker Kindl	currently President & COO, Eisai Europe Limited, to be appointed as Vice President
Kazuo Hirai	currently Director of Corporate Management Planning Department, to be appointed as Vice President

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

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

(1) Nomination Committee

Chair:	Satoru Anzaki
Members:	Ko-Yung Tung
	Junji Miyahara

(2) Audit Committee

Chair:	Shinji Hatta
Members:	Yoshiyuki Kishimoto
	Kimitoshi Yabuki
	Tadashi Temmyo
	Tetsushi Ogawa

(3) Compensation Committee

Chair:	Ko-Yung Tung
Members:	Satoru Anzaki
	Junji Miyahara

(4) Independent Committee of Outside Directors

Chair:	Yoshiyuki Kishimoto
Members:	Ko-Yung Tung
	Shinji Hatta
	Norihiko Tanikawa
	Satoru Anzaki
	Junji Miyahara
	Kimitoshi Yabuki

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

(1) Career of Candidates for New Outside Board Members

Name: Satoru Anzaki

Date of Birth: March 3, 1937 (age 71)

Career:

Apr. 1968	Joined Komatsu, Limited
Mar.1985	Director,
Jun. 1993	Representative Director and President
Jun. 2001	Director and Chairman
Jun. 2003	Director and Advisor

	Jun. 2005	Special Advisor
	Mar. 2007	Director, Shoei Co., Ltd. (current)
	Jul. 2007	Advisor, Komatsu, Ltd. (current)

Name: Junji Miyahara

Date of Birth: April 9, 1942 (age 66)

Career:	Apr. 1967	Joined Nippon Glass Co., Ltd.
	Jun.1970	Joined Fuji Photo Film Co., Ltd.
	Jul. 1975	Research Manager, Central R&D Laboratories, Shigara R&D Center, Project Team, and MIyadai Technology Development Center
	Apr. 1996	Department Manager / Responsible for

Tokyo University Law School (current)

(2) Career of Candidate for New Representative Officer

Name: Nobuo Deguchi

Date of Birth: October 11, 1947 (age 60)

Career:

Mar.1970	Join Eisai Co., Ltd.
Oct. 1999	Director, Corporate Ethics
Jun. 2001	Corporate Officer
Jun. 2001	Corporate Ethics, Public Relations, Legal
Jun. 2003	Corporate Ethics, Legal, Environment
Jun. 2004	Executive Office
Jun. 2005	Internal Control, Corporate Ethics, Legal, Intellectual Property
Jun. 2005	Senior Vice President
Jun. 2006	Internal Control, Compliance, Legal, Intellectual Property
Jun. 2007	Executive Vice President (current)
Jun. 2007	Internal Control, Compliance, Intellectual Property (current)

2) Conversion of Sanko Junyaku Co., Ltd. to Wholly Owned Subsidiary

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

As one of Eisai’s consolidated subsidiaries, Sanko Junyaku aims to meet the needs of a great variety of patients and their families, as well as the general public, through providing information and products that are closely linked to the diagnosis and treatment of diseases.

The important role of diagnostics in the prevention and control of diseases is well recognized, and its importance will increase far more in the future. Genetic

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 certificates

Financial statements of Sanko Junyaku (consolidated) for the fiscal year ended March 31, 2008 are attached for your reference.

1-2) BALANCE SHEETS
(LIABILITIES AND EQUITY)

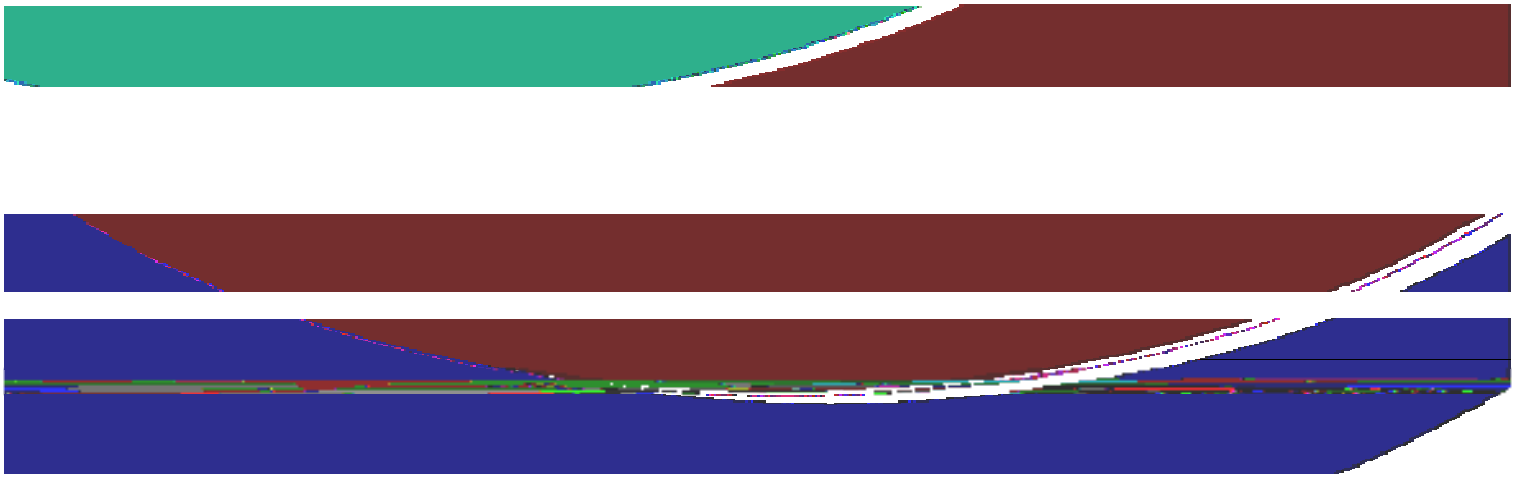
Account Title		(%)		(%)
LIABILITIES				
I. Current liabilities:				
1. Accounts payable-trade	331,245		323,019	
2. Short-term borrowings	50,110			
3. Income taxes payable	23,229		23,624	
4. Reserve for bonuses	158,817		171,905	
5. Reserve for sales returns	4,400		2,140	
6. Other	335,442		454,049	
Total current liabilities	903,245	6.7	974,739	7.4
II. Long-term liabilities:				
1. Liabilities for retirement benefits	749,587		796,415	
2. Other	268,869		232,828	
Total long-term liabilities	1,018,457	7.5	1,029,244	7.8
Total liabilities	1,921,703	14.2	2,003,983	15.2
Equity				
I. Owners' Equity				
1. Common stock	5,262,480	38.9	5,262,480	39.8
2. Capital surplus	5,383,920	39.8	5,383,920	40.7
3. Retained earnings	840,661	6.2	468,212	3.6
4. Treasury stock	(8,298)	(0.0)		
Total Owners' Equity	11,478,762	84.9	11,114,612	84.1
II. Net unrealized gain and translation adjustment:				
1. Net unrealized gain on available-for-sale securities	70,746	0.6	53,316	0.4
Total net unrealized gain and translation adjustment	70,746	0.6	53,316	0.4
III. Minority Interests	41,745	0.3	46,501	0.3
Total equity	11,591,254	85.8	11,214,430	84.8

2) STATEMENTS OF INCOME

Account Title	April 1, 2006 - March 31, 2007 (Thousands of Yen)		(%)	April 1, 2007 - March 31, 2008 (Thousands of Yen)		(%)
I. Net sales		5,136,625	100.0		5,035,480	100.0
II. Cost of sales		2,169,207	42.2		2,132,361	42.3
Gross profit on sales		2,967,418	57.8		2,903,118	57.7
Reversal of provision for sales returns-net	8,130			4,400		
Provision for sales returns-net	4,400	(3,730)	(0.0)	2,140	(2,260)	(0.0)
Gross profit		2,971,148	57.8		2,905,378	57.7
III. Selling, general and administrative expenses		2,927,525	57.0		2,888,004	57.4
Operating income		43,622	0.8		17,374	0.3
IV. Non-operating income						
1. Interest income	62,076			88,567		
2. Dividend income	1,121			1,395		
3. Other	3,975	67,173	1.3	10,900	100,863	2.0
V. Non-operating expenses						
1. Interest expenses	4,024			3,893		
2. Quality assurance expenses	4,664					
3. Foreign exhange gain	3,845					
4. Fee for a service for corporate stock affairs	9,000			8,851		
5. Other	1,885	23,419	0.4	1,083	13,828	0.2
Ordinary income		87,376	1.7		104,409	2.1
VI. Special gain						
1. Reversal of provision for doubtful accounts				3,430		
					3,430	0.1
					7,394	0.2
					100,444	2.0
					413,777	8.2
					4,756	0.1
					(318,088)	(6.3)

3) STATEMENT OF CASH FLOWS

Account Title	April 1, 2006 - March 31, 2007 (Thousands of Yen)	April 1, 2007 - March 31, 2008 (Thousands of Yen)
I. Operating activities:		
1. Income before income taxes and minority interests	56,457	100,444
2. Depreciation and amortization	312,210	297,635
3. Loss on impairment of long-lived assets	15,380	811
4. Loss on cancellation of an insurance policy for prior year	7,089	
5. Increase (decrease) in allowance for doubtful accounts	3,280	(3,430)
6. Interest and dividend income	(63,198)	(89,963)
7. Interest expenses	4,024	3,893
8. Loss on disposal of inventories	31,884	32,780
9. Loss on devaluation of inventories	2,615	(94)
10. Gain on sales of fixed assets	(57)	
11. Loss on disposal of fixed assets	8,527	6,583
12. Increase in liability for retirement benefits	64,570	46,827
13. Decrease in retirement allowance for directors	(17,701)	
14. Increase (decrease) in liability for bonuses	(9,675)	13,088
15. Decrease in provision for sales returns	(3,730)	(2,260)
16. Loss on redemption of securities	740	
17. Increase (decrease) in notes and accounts receivable-trade	(35,973)	82,511
18. (Decrease) Increase in inventories	(105,004)	137,300
19. Increase (Decrease) in other current assets	(22,765)	22,528
20. Increase in other investment	(727)	(1,455)
21. Increase (Decrease) in notes and accounts payable-trade	98,992	(8,194)
22. Increase (Decrease) in accrued expenses	2,907	(2,671)
23. Increase (Decrease) in other current liabilities	(3,927)	69,847
24. Other-net	(31,703)	(11,773)
Sub-total	314,214	694,412
25. Interest and dividends received	64,047	93,450
26. Interest paid	(4,024)	(3,893)
27. Income taxes paid	(14,727)	(13,490)
Net cash provided by operating activities	359,509	770,478
II. Investing activities:		
1. Proceeds from sales and maturities of short-term investment	649,259	400,000
2. Purchases of property, plant and equipment	(182,887)	(208,564)
3. Proceeds from sales of property, plant and equipment	57	
4. Purchases of investment securities	(443,751)	
5. Proceeds from sales and redemption of investments	100,020	50,000
6. Investments in and purchases of other assets	(900,000)	(200,000)
7. Proceeds from redemptions of other assets		308,108
Net cash provided by (used in) investing activities	(777,301)	349,543
III. Financing activities:		
1. Net increase (decrease) in short-term borrowings	31,832	(50,110)
2. Purchase of treasury stock	(716)	(1,107)
3. Dividends paid	(53,513)	(44,651)
Net cash used in financing activities	(22,397)	(95,870)
IV. Foreign currency translation adjustments on cash and cash equivalents	118	(2,325)
V. Net increase (decrease) in cash and cash equivalents	(440,071)	1,021,826
VI. Cash and cash equivalents at beginning of period	4,125,105	3,685,034
VII. Cash and cash equivalents at end of period	3,685,034	4,706,860



[Forward-looking Statements and Risk Factors]

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

Certain risk particularly apply with respect to the Company-related forward-looking statements. Risk factors associated with our business include, but are not limited to, challenges arising out of global expansion, uncertainties in new drug development, risks related to dependence on specific products, risks related to strategic alliances with partners, risks related to MGI PHARMA, INC. acquisition, healthcare cost-containment measures, intensified competition and litigation with generic drugs, risks related to intellectual property rights, possible incidence of adverse events, compliance with laws and regulations, litigations, closure or shutdown of factories, safety issues of raw materials used, risks related to outsourcing, environmental issues, risks related to IT security and information management, conditions in the financial markets, and foreign exchange fluctuations. The risk factors mentioned above are based on the analysis made by Eisai Co., Ltd. as of the date this document was published.

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1. Consolidated Financial Highlights

1) Statements of Operation Data

(billions of yen)

Years Ended/Ending March 31	2005	2006	2007	**2008**

2) Statements of Cash Flows Data

(billions of yen)

Years Ended March 31	2005	2006	2007	**2008**	Inc./ (Dec.)
Net cash provided by operating activities	49.2	87.1	81.2	**73.2**	(7.9)
Net cash used in investing activities	(37.5)	(29.5)	(55.2)	**(476.4)**	(421.2)
Net cash provided by (used in) financing activities	(16.7)	(21.8)	(40.6)	**375.4**	416.0
Cash and cash equivalents at end of period	142.4	183.3	171.1	**120.0**	(51.1)
Free cash flows	10.5	43.6	28.6	**(415.9)**	(444.5)

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

3) Balance Sheets Data

(billions of yen)

March 31	2005	2006	2007	**2008**	Inc./ (Dec.)
Total assets	662.7	747.2	792.1	**1,123.9**	331.8
Total liabilities	194.1	218.7	229.4	**670.1**	440.7
Short-term & long-term borrowings	0.8	0.4	0.2	**412.8**	412.6
Total equity	468.6	528.5	562.7	**453.8**	(108.9)
Shareholders' Equity	459.6	519.2	552.5	**448.9**	(103.6)
Shareholders' Equity/Total assets (%)	69.4	69.5	69.7	**39.9**	(29.8)

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

4) Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	2005	2006	2007	**2008**	Inc./ (Dec.)	2009 est.
Capital expenditures	49.0	37.0	52.0	**434.0**	382.0	45.0
Property, plant and equipment	21.7	21.0	23.2	**39.8**	16.5	35.0
Intangible assets	27.3	16.1	28.8	**394.3**	365.5	10.0
Depreciation/Amortization	22.4	25.0	26.8	**34.6**	7.8	60.8

* Capital expenditures include the increase of asset by acquisition of Morphotek, Inc. and MGI PHARMA, INC..
Asset Increase by acquisition of Morphotek, Inc. (Property, plant and equipment: 0.5billions of yen, Intangible assets: 55.3 billions of yen)
Asset Increase by acquisition of MGI PHARMA, INC. (Property, plant and equipment: 1.1billions of yen, Intangible assets: 325.2 billions of yen)

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

2. Consolidated Statements of Operation

(billions of yen)

Years Ended March 31	2007	Sales %	**2008**	Sales %	YoY %	Inc./ Dec.	**<Explanations>**
Net sales	674.1	100.0	**734.3**	100.0	108.9	60.2	
Cost of sales	109.4	16.2	**118.9**	16.2	108.8	9.6	
(Reversal of) Provision for sales returns-net	(0.1)	(0.0)	**(0.1)**	(0.0)		(0.1)	
Gross profit	564.8	83.8	**615.5**	83.8	109.0	50.7	
R&D expenses	108.3	16.1	**225.4**	30.7	208.2	117.1	
SG&A expenses	351.2	52.1	**372.3**	50.7	106.0	21.1	
Operating income	105.3	15.6	**17.7**	2.4	16.9	(87.5)	
Non-operating income:							
Interest and dividend income	6.1		**6.2**			0.1	
Other	0.5		**0.7**			0.1	
Total non-operating income	6.6	1.0	**6.9**	1.0		0.2	
Non-operating expenses:							
Foreign exchange loss	0.7		**4.1**			3.4	
Other	0.7		**1.6**			0.9	
Total non-operating expense	1.4	0.2	**5.8**	0.8		4.3	
Ordinary income	110.5	16.4	**18.9**	2.6	17.1	(91.6)	
Special gain:							
Gain on sales of investment securities	1.7		**2.2**			0.5	
Other	0.2		**0.1**			(0.1)	
Total special gain	1.9	0.3	**2.3**	0.3		0.4	
Special loss:							
Loss on disposal of fixed a:							

3. Consolidated Statements of Cash Flows

(billions of yen)

Years Ended March 31	2007	**2008**	Inc./ (Dec.)	**<Explanation>**
Operating activities:				
Income before income taxes and minority interests in net income	110.3	**17.7**	(92.7)	
Depreciation and amortization	26.8	**34.6**	7.8	
In-process R&D expenses	-	**88.0**	88.0	
Net increase (decrease) in notes and accounts receivables/payable-trade and inventories	(23.6)	**(4.8)**	18.8	
Net increase (decrease) in accounts payable-other/accrued expenses etc.	10.4	**9.1**	(1.3)	
Other-net	0.4	**(27.3)**	(27.8)	
[Sub-total]	124.4	**117.2**	(7.2)	
Interest paid/received	5.8	**5.4**	(0.4)	
Income taxes paid	(48.9)	**(49.3)**	(0.4)	
Net cash provided by operating activities	81.2	**73.2**	(7.9)	
Investing activities:				
Capital expenditures (including acquisition and other)	(52.5)	**(489.1)**	(436.6)	
Purchases/proceeds from sales of securities etc.	(1.9)	**12.3**	14.2	
Other-net	(0.8)	**0.3**	1.1	
Net cash used in investing activities	(55.2)	**(476.4)**	(421.2)	
Financing activities:				
Net increase (decrease) in short-term borrowings	(0.2)	**362.6**	362.8	
Proseeds from long-term borrowings	-	**50.0**	50.0	
Dividends paid	(29.9)	**(36.9)**	(7.0)	
Purchase of treasury stock	(11.1)	**-**	11.1	
Other-net	0.5	**(0.3)**	(0.8)	
Net cash provided by (used in) financing activities	(40.6)	**375.4**	416.0	
Foreign currency translation adjustments on cash and cash equivalents	2.5	**(23.3)**	(25.8)	
Net increase (decrease) in cash and cash equivalents	(12.2)	**(51.1)**	(39.0)	
Cash and cash equivalents at beginning of fiscal year	183.3	**171.1**	(12.2)	
Cash and cash equivalents at end of period	171.1	**120.0**	(51.1)	

(billions of yen)

Years Ended March 31	2007	**2008**	Inc./ (Dec.)	**<Explanation>**
Free Cash Flows	28.6	**(415.9)**	(444.5)	

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

4. Financial Results by Business Segment

1) Consolidated Net Sales by Business Segment

(billions of yen)

Years Ended March 31	2005	2006	2007	**2008**
Net sales to customers	533.0	601.3	674.1	**734.3**
Pharmaceuticals	511.0	579.8	652.9	**711.8**
Japan	247.7	265.4	273.2	**292.7**
North America	213.5	252.1	302.3	**338.2**
Europe	37.9	44.6	53.7	**53.2**
Asia and others	11.9	17.6	23.7	**27.8**
Other segment	22.0	21.4	21.2	**22.4**
Japan	20.6	19.6	19.0	**20.0**
Overseas	1.5	1.8	2.1	**2.4**

* 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 Central and South America, etc. (excluding Japan)

2) Consolidated Operating Income by Business Segment

(billions of yen)

Years Ended March 31	2005	2006	2007	**2008**
Operating income	86.8	95.7	105.3	**17.7**

3. Asia and O

3) Geographical Segment Information

(1) Consolidated Net Sales by Geographical Segment

(billions of yen)

Years Ended March 31	2005	2006	2007	**2008**
Net sales to customers	533.0	601.3	674.1	**734.3**
Japan	268.3	285.1	292.2	**312.7**
North America	214.5	253.1	303.4	**339.4**
Europe	38.3	45.5	54.8	**54.4**
Asia and others	11.9	17.6	23.7	**27.8**
Overseas sales	264.7	316.2	381.9	**421.6**
Overseas sales (%)	49.7	52.6	56.7	**57.4**

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

(2) Consolidated Operating Income by Geographical Segment

(billions of yen)

Years Ended March 31	2005	2006	2007	**2008**
Operating income	86.8	95.7	105.3	**17.7**
Japan	74.4	74.2	72.8	**80.5**
North America	11.4	22.5	28.8	**(66.9)**
Europe	3.5	4.6	4.1	**1.8**
Asia and others	2.1	2.8	4.0	**5.6**
Eliminations and corporate	(4.5)	(8.4)	(4.4)	**(3.3)**

* Operating income on actual business performance basis excluding the effects of accounting transactions specific to business combination by MGI acquisition in this

4) Overseas Sales

(billions of yen)

Years Ended March 31	2005	2006	2007	**2008**
Net sales	533.0	601.3	674.1	**734.3**
Overseas sales	288.1	343.9	410.8	**454.6**
North America	222.8	262.3	312.0	**350.4**
Europe	51.2	61.7	72.2	**73.1**
Asia and others	14.1	19.9	26.5	**31.1**
Overseas sales (%)	54.1	57.2	60.9	**61.9**

* Major areas and countries included in each category:
  1. North America: The U.S. and Canada
  2. Europe: The United Kingdom, France, Germany, etc.
  3. Asia and Others: East Asia, South-East Asia, and Latin America, etc. (excluding Japan)

5) SG&A Expenses

(billions of yen)

Years Ended March 31	2005	2006	2007	**2008**
Net sales	533.0	601.3	674.1	**734.3**
SG&A expenses	269.4	307.8	351.2	**372.3**
Personnel expenses	60.8	64.5	72.2	**77.1**
Marketing expenses	171.9	198.2	230.6	**241.9**
Administrative expenses and others	36.6	45.1	48.4	**53.3**
Ratio of SG&A expenses to net sales (%)	50.5	51.2	52.1	**50.7**

7) Eisai Inc. (U.S.)

Years Ended March 31		2005	2006	2007	**2008**
Net sales	¥ Billions	215.2	254.7	305.6	**332.7**
	[U.S. $ Millions]	[2,001]	[2,248]	[2,612]	**[2911]**
Operating income	¥ Billions	10.3	18.6	27.1	**25.2**
	[U.S. $ Millions]	[96]	[164]	[231]	**[221]**
Net income	¥ Billions	6.6	13.0	19.3	**17.1**
	[U.S. $ Millions]	[62]	[115]	[165]	**[149]**
Operating income before royalty deduction	¥ Billions	43.2	54.2	72.9	**87.7**
	[U.S. $ Millions]	[402]	[479]	[623]	**[767]**

8) Eisai China Inc. (China)

Years Ended December 31		2005	2006	2007	**2008**
Net sales	¥ Billions	4.8	6.6	8.9	**9.6**

5. Consolidated Balance Sheets

1) Consolidated Balance Sheets <Assets>

(billions of yen)

March 31	2007	%	**2008**	%	YoY %	Inc./ (Dec.)	**<Explanations>**
Current assets:							
Cash and cash in banks	89.8		**68.6**			(21.2)	**Cash and cash in banks**
Notes and accounts receivable-trade	162.2		**172.1**			10.0	**Short-term investments**
Short-term investments	90.3		**56.3**			(34.0)	<Decrease Factor>
Inventories	52.8		**58.1**			5.3	Payment for company acquisition
Deferred tax assets	33.2		**35.4**			2.2	
Other	13.4		**25.4**			12.0	
Allowance for doubtful receivables	(0.4)		**(0.3)**			0.0	
Total current assets	441.2	55.7	**415.6**	37.0	94.2	(25.6)	
Fixed assets:							
Property, plant and equipment:							
Buildings and structures	74.4		**70.8**			(3.7)	
Machinery, equipment and vehicles	24.6		**23.1**			(1.5)	
Land	18.0		**20.8**			2.8	
Construction in progress	4.9		**19.8**			14.9	
Other	11.9		**12.6**			0.7	
Total property, plant and equipment	133.8	16.9	**147.1**	13.1	109.9	13.2	
Intangible assets:							
Goodwill	4.5		**178.7**			174.1	
Sales rights	46.0		**164.2**			118.3	
Core technology	-		**61.3**			61.3	
Other	12.1		**13.4**			1.4	
Total Intangible assets	62.6	7.9	**417.7**	37.1	667.3	355.1	**Total Intangible assets** <Increase Factor> Company acquisition
Investments and other assets:							
Investment securities	111.9		**89.5**			(22.3)	**Investment securities**
Deferred tax assets	32.6		**43.7**			11.1	<Decrease Factors>
Other	10.7		**11.0**			0.3	Decrease in fair market value of investment securities
Allowance for doubtful accounts	(0.7)		**(0.6)**			0.1	Sales of investment securities
Total investments and other assets	154.5	19.5	**143.6**	12.8	93.0	(10.9)	
Total fixed assets	350.9	44.3	**708.4**	63.0	201.9	357.5	
Total assets	792.1	100.0	**1,123.9**	100.0	141.9	331.8	

2) Consolidated Balance Sheets <Liabilities and Equity>

(billions of yen)

March 31	2007	%	**2008**	%	YoY %	Inc./ (Dec.)	**<Explanations>**
Current liabilities:							
Notes and accounts payable-trade	19.3		**18.3**			(1.0)	
Short-term borrowings	0.2		**362.8**			362.6	
Accounts payable-other/accrued expenses etc.	109.3		**116.7**			7.3	

6. Changes in Quarterly Results [Consolidated]

1) Statements of Operation Data [Consolidated]

(billions of yen)

Years Ended March 31	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	**Fourth Quarter**
Net sales	153.9	165.4	181.4	173.3	176.0	186.8	196.7	**174.7**
Cost of sales	26.8	26.4	28.7	27.4	27.5	27.1	28.9	**35.3**
R&D expenses	24.4	27.9	26.6	29.4	30.5	33.3	35.7	**125.9**
SG&A expenses	78.7	85.6	91.9	95.1	91.8	95.5	96.6	**88.4**
Operating income (loss)	24.1	25.5	34.2	21.4	26.2	30.9	35.5	**(74.8)**
Non-operating income & expenses	1.0	1.1	1.9	1.2	2.2	0.3	1.2	**(2.6)**
Ordinary income (loss)	25.1	26.6	36.1	22.7	28.4	31.2	36.7	**(77.4)**
Special gain & loss	(0.4)	(0.0)	(0.1)	0.4	2.2	(1.0)	(0.4)	**(2.0)**
Income (loss) before income taxes and minority interests in income	24.7	26.6	36.0	23.0	30.6	30.2	36.3	**(79.4)**
Net income (loss)	15.8	16.7	23.3	14.8	19.3	20.0	24.2	**(80.5)**
Cash Income	21.8	23.1	30.3	22.5	27.3	28.1	32.1	**18.1**
Earnings per share (loss), yen	55.4	58.4	82.0	52.0	68.1	70.4	84.9	

3) Balance Sheets Data [Consolidated]

<Assets>

(billions of yen)

	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	2008 **31-Mar**
Current assets	406.6	426.7	407.4	441.2	396.0	420.9	430.9	**415.6**
Fixed assets	318.2	324.9	349.3	350.9	389.7	396.8	402.4	**708.4**
Property, plant and equipment	127.3	128.6	130.4	133.8	135.3	137.5	141.4	**147.1**
Intangible assets	41.3	41.6	63.2	62.6	104.0	121.6	120.4	**417.7**
Investments and other assets	149.5	154.7	155.7	154.5	150.4	137.7	140.6	**143.6**
Total assets	724.8	751.6	756.6	792.1	785.7	817.6	833.3	**1,123.9**

<Liabilities and Equity>

(billions of yen)

	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	2008 **31-Mar**
Current liabilities	157.7	177.1	170.1	191.8	180.6	191.8	205.7	**543.2**
Long-term liabilities	39.9	38.5	38.5	37.6	36.7	50.8	51.1	**127.0**
Total liabilities	197.6	215.7	208.5	229.4	217.2	242.5	256.8	**670.1**
Owners' equity	498.9	504.8	512.6	527.6	528.0	548.9	558.7	**478.2**
Net unrealized gain and translation adjustments	19.0	21.3	25.4	24.8	30.0	15.4	12.8	**(29.4)**

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

Years Ended March 31		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	**Fourth Quarter**
Japan	¥ Billions	11.5	12.4	14.0	11.8	14.9	15.1	18.9	**13.3**
U.S.	¥ Billions	33.1	39.6	41.7	47.7	41.5	48.0	48.0	**49.4**
	[U.S. $ Millions]	[289]	[341]	[355]	[401]	[343]	[407]	[423]	**[463]**
Europe	¥ Billions	7.7	9.0	9.1	8.7	9.2	8.1	9.0	**6.9**
UK	¥ Billions	0.4	0.3	0.3	0.3	0.3	0.3	0.4	**0.3**
	[UK £ Millions]	[2]	[1]	[1]	[1]	[1]	[1]	[2]	**[2]**

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

Years Ended March 31		2007				2008			
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	**Fourth Quarter**
U.S.	¥ Billions	1.0	0.6	0.9	0.6	0.7	0.7	0.4	**0.4**
	[U.S. $ Millions]	[9]	[5]	[8]	[5]	[6]	[6]	[4]	**[4]**
Europe, Asia	¥ Billions	0.3	0.4	0.5	0.6	0.8	0.8	1.0	**0.8**
Total	¥ Billions	1.3	1.0	1.4	1.2	1.5	1.6	1.4	**1.2**

8) Eisai Inc. (U.S.)

Years Ended March 31		2007				2008			
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	**Fourth Quarter**
Net sales	¥ Billions	65.9	73.9	81.5	84.4	77.8	88.3	86.7	**79.9**
	[U.S. $ Millions]	[576]	[636]	[693]	[707]	[644]	[748]	[764]	**[756]**
Operating income	¥ Billions	5.5	6.9	7.6	7.1	3.6	7.1	7.4	**7.1**
	[U.S. $ Millions]	[48]	[59]	[64]	[60]	[29]	[60]	[65]	**[66]**
Net income	¥ Billions	3.9	4.7	5.9	4.8	2.6	4.9	5.0	**4.6**
	[U.S. $ Millions]	[34]	[41]	[50]	[40]	[22]	[41]	[44]	**[43]**
Operating income before royalty deduction	¥ Billions	15.2	18.1	19.5	20.2	18.0	23.5	23.6	**22.6**
	[U.S. $ Millions]	[132]	[156]	[166]	[169]	[149]	[199]	[207]	**[212]**

7. Financial Trend

(billions of yen)

Years Ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007	**2008**

<Statements of Operation Data>

8. Non-Consolidated Financial Highlights

1) Non-Consolidated Financial Highlights

2 Net Sales by Business Segment

(billions of yen)

Years Ended/Ending March 31	2005	2006	2007	**2008**	YoY %	2008 est.
Net sales	307.9	332.0	351.6	**389.2**	110.7	398.0
Prescription pharmaceuticals	196.3	211.5	217.0	**231.8**	106.8	248.0
Pharmaceuticals exports	45.9	53.9	55.9	**60.7**	108.5	53.0
Consumer health care products	18.8	17.6	19.6	**20.1**	102.4	20.0
Other (Food additives/Chemicals, etc.)	3.1	1.8	1.2	**1.4**	115.7	1.5
Industrial property rights, etc. income	43.8	47.2	57.9	**75.3**	129.9	75.5

3) Exports by Geographical Area

(billions of yen)

Years Ended March 31	2005	2006	2007	**2008**	YoY %
Net Sales	307.9	332.0	351.6	**389.2**	110.7
Exports	88.1	99.7	113.5	**135.6**	119.4
North America	64.6	69.6	78.6	**98.0**	124.8
Europe	19.0	24.9	28.5	**29.7**	104.2
Asia and Others	4.4	5.2	6.5	**7.9**	121.8
Ratio of exports to sales (%)	28.6	30.0	32.3	**34.8**	-

* 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 Central and South America, etc. (excluding Japan)

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

4) Statements of Cash Flows

(billions of yen)

Years Ended March 31	2007	**2008**	Inc./ (Dec.)
Operating activities:			
Income before income taxes	66.4	**70.1**	3.8
Depreciation and amortization	17.9	**17.8**	(0.1)
Net decrease (increase) in notes and accounts receivables/payable-trade and inventories	(13.5)	**(3.5)**	10.0
Net increase (decrease) in accounts payable-other/accrued expenses etc.	4.3	**(1.6)**	(5.9)
Other-net	(12.4)	**(11.9)**	0.5
[Sub-total]	62.7	**70.9**	8.3

5) Prescription Pharmaceuticals

(billions of yen)

Years Ended/Ending March 31 Description / *Product*	2005	2006	2007	**2008**	YoY %	2009 est.
Alzheimer's type dementia treatment *ARICEPT*	35.1	42.3	49.7	**62.3**	125.4	72.0
Proton pump inhibitor *PARIET*	19.4	27.6	30.7	**37.1**	121.0	41.0
Peripheral neuropathy treatment *METHYCOBAL*	30.9	32.1	31.4	**31.7**	100.7	31.0
Gastritis/gastric ulcer treatment *SELBEX*	22.7	21.7	19.3	**18.2**	94.2	16.0
Osteoporosis treatment *ACTONEL*	-	4.0	7.5	**8.2**	109.0	10.0
Muscle relaxant *MYONAL*	8.5	8.5	8.2	**8.0**	98.0	6.5
Non-ionic contrast medium *IOMERON*	8.9	8.7	8.3	**7.9**	95.3	7.5
Osteoporosis treatment *GLAKAY*	9.0	8.4	7.5	**6.4**	86.3	5.5
Genetically engineered glucagon preparation *GLUCAGON G NOVO*	4.2	4.4	4.1	**3.9**	94.6	3.5
Long-acting isosorbide denigrate preparation *NITOROL-R*	4.8	4.4	3.9	**3.4**	87.4	3.0
Others	52.8	49.5	46.5	**44.7**	96.3	52.0
Prescription pharmaceuticals total	196.3	211.5	217.0	**231.8**	106.8	248.0

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

6) Exports by Products

(billions of yen)

Years Ended/Ending March 31 *Product*	2005	2006	2007	**2008**	YoY %	2009 est.
ARICEPT	21.1	22.8	23.1	**28.1**	121.6	24.5
ACIPHEX/PARIET	22.0	26.8	28.4	**25.1**	88.3	21.0
Others	2.9	4.3	4.4	**7.5**	169.3	7.5
Exports total	45.9	53.9	55.9	**60.7**	108.5	53.0

7) Consumer Health Care Products

(billions of yen)

Years Ended/Ending March 31 Description / *Product*	2005	2006	2007	**2008**	YoY %	2009 est.
Vitamin B_2 preparation *CHOCOLA BB* Group	8.4	8.3	8.8	**9.5**	108.3	10.0
Active-type Vitamin B_{12} *NABOLIN* Group	1.4	1.4	1.9	**2.3**	118.8	2.5
JUVELUX / Natural Vitamin E preparation *Vitamin-E* Group	2.2	1.8	1.8	**1.7**	92.2	1.5
Stomach ache and heartburn treatment *SACLON* Group	2.1	1.9	1.8	**1.6**	88.9	1.5
Others	4.7	4.2	5.3	**5.1**	94.7	4.5
Consumer health care products total	18.8	17.6	19.6	**20.1**	102.4	20.0

8) Gross Profit/Manufacturing Cost

(1) Breakdown of Cost of Sales

(billions of yen)

Years Ended March 31	2005	2006	2007	**2008**
Net sales	307.9	332.0	351.6	**389.2**
Cost of sales	77.7	78.0	80.1	**76.1**
Beginning inventory (+)	13.5	11.8	12.3	**15.2**
Manufacturing cost (+)	40.1	39.3	42.0	**38.3**
Product purchase (+)	24.3	26.3	25.5	**26.1**

10) Balance Sheets Data

<Assets>

(billions of yen)

March 31	2005	2006	2007	**2008**
Current assets	249.3	278.2	245.7	**306.1**
Fixed assets	281.3	294.7	328.0	**671.1**
Property, plant and equipment	84.1	82.7	80.4	**83.4**
Intangible assets	17.8	26.5	30.3	**33.5**
Investments and other assets	179.4	185.5	217.4	**554.3**
Total assets	530.6	572.9	573.7	**977.3**

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

<Liabilities and Equity>

(billions of yen)

March 31	2005	2006	2007	**2008**
Total liabilities	98.9	107.7	106.2	**505.9**
Current liabilities	67.9	74.6	76.9	**434.3**
Long-term liabilities	30.9	33.1	29.3	**71.6**
Total equity	431.7	465.2	467.5	**471.4**
Owners' equity	422.8	445.4	447.9	**461.2**
Net unrealized gain and translation adjustments	9.0	19.8	19.3	**9.6**
Stock acquisition rights	-	-	0.3	**0.6**
Total liabilities and equity	530.6	572.9	573.7	**977.3**

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

9. Stock Information

1) Issued Stock and Shareholder Information

As of March 31, 2008

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	[11,665,319 shares]	66,930	4,431

2) Top 10 Shareholders

As of March 31, 2008

Name	(1,000 shares)	
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,645	5.28
Nippon Life Insurance Company	15,344	5.17
Japan Trustee Services Bank, Ltd. (Trust Account)	12,554	4.23
Saitama Resona Bank, Limited	12,398	4.18
The Chase Manhattan Bank N.A. London S.L. Omnibus Account	9,953	3.36
Nomura Securities Co., Ltd.	6,517	2.20
Eisai Employee Shareholding Association	5,639	1.90
Sumitomo Life Insurance Company	5,015	1.69
Mizuho Corporate Bank, Ltd.	4,680	1.58
Deutsche Securities Inc.	4,315	1.46

* Treasury stock (11,665 thousands shares, 3.93%) is excluded as it has no voting rights.
* Number of shares less than one thousand has been omitted.

3) Number of Shareholders by Cateyo(p)TETQTs b

5) Breakdown of Shareholders Holding Size/Number of Shareholders

(persons)

	2007 31-Mar	%	**2008 31-Mar**	%	Inc./ (Dec.)
1 million shares and over	54	0.1	**52**	0.1	(2)
100,000 ~ 999,999 shares	178	0.4	**184**	0.3	6
10,000 ~ 99,999 shares	728	1.7	**801**	1.2	73
1,000 ~ 9,999 shares	9,878	23.1	**12,452**	18.6	2,574
100 ~ 999 shares	28,552	66.6	**49,160**	73.4	20,608
less than 100 shares	3,459	8.1	**4,281**	6.4	822
Total	42,849	100.0	**66,930**	100.0	24,081

6) Breakdown by Shareholder Holding Size/Number of Shares Held

(1,000 shares)

	2007 31-Mar	%	**2008 31-Mar**	%	Inc./ (Dec.)
1 million shares and over	188,110	63.4	**181,692**	61.3	(6,418)
100,000 ~ 999,999 shares	60,735	20.5	**57,209**	19.3	(3,526)
10,000 ~ 99,999 shares	19,568	6.6	**20,176**	6.8	608
1,000 ~ 9,999 shares	21,572	7.3	**26,253**	8.8	4,681
100 ~ 999 shares	6,443	2.2	**11,056**	3.7	4,613
less than 100 shares	136	0.0	**177**	0.1	41
Total	296,566	100.0	**296,566**	100.0	-

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

10. Consolidated Subsidiaries - Associated Companies

1) Consolidated Subsidiaries (63 companies)

(1) Subsidiaries Outside Japan (51 companies)

As of March 31, 2008

Company Name	Location	Common Stock		Voting Rights	Description of Operations
		Unit: thousand			
Eisai Corporation of North America	New Jersey, USA	3,416,700	US$	100.00%	U.S. regional headquarters/holding company
Morphotek, Inc.	Pennsylvania, USA	355,000	US$	100.00%	Pharma. basic research/clincial research
Eisai Inc.	New Jersey, USA	151,600	US$	100.00%	Pharma. production/sales
Eisai Research Institute of Boston Inc.	Massachusetts, USA	115,300	US$	100.00%	Basic research, clincial trial process research/production
MGI PHARMA, INC.	Minnesota, USA	815	US$	100.00%	Pharma. basic research/clincial research, production, sales
Eisai Medical Research Inc.	New Jersey, USA	1,000	US$	100.00%	Pharma. clinical research
Eisai Machinery U.S.A. Inc.	New Jersey, USA	1,000	US$	100.00%	Pharma. machinery sales
Eisai Europe Ltd.	London, U.K.	105,261	UKPS	100.00%	European regional headquarters/holding company
Eisai Ltd.	London, U.K.	15,548	UKPS	100.00%	Pharma. clinical/sales research
Eisai London Research Laboratories Ltd.	London, U.K.	12,000	UKPS	100.00%	Basic research
Eisai Manufacturing Ltd.	Hertfordshire, U.K.	2,000	UKPS	100.00%	-
Eisai GmbH	Frankfurt, FRG	7,669	EUR	100.00%	Pharma. sales
Eisai Machinery GmbH	Cologne, FRG	1,278	EUR	100.00%	Pharma. machinery production/sales
Eisai S.A.S.	Paris, France	19,500	EUR	100.00%	Pharma. production/sales
Eisai B.V.	Amsterdam, Netherlands	540	EUR	100.00%	Pharma. production/sales
Eisai Farmacêutica S.A.	Madrid, Spain	4,000	EUR	100.00%	Pharma. marketing
Eisai S.r.l.	Milan, Italy	3,500	EUR	100.00%	Pharma. sales
Eisai Pharma AG	Zurich, Switzerland	3,000	CHF	100.00%	Pharma. sales
Eisai AB	Stockholm, Sweden	10,000	SEK	100.00%	Pharma. sales
EF-Eisai Farmacêutica, Unipessoal Lda.	Lisbon, Portugal	4,000	EUR	100.00%	-
Eisai SA/NV	Brussels, Belgium	7,000	EUR	100.00%	-
P.T. Eisai Indonesia	Jakarta, Indonesia	5,000	US$	100.00%	Pharma. production/sales
Eisai Asia Regional Services Pte. Ltd.	Singapore, Singapore	26,400	S$	100.00%	Asian subsidiaries holding company
Eisai (Singapore) Pte. Ltd.	Singapore, Singapore	300	S$	100.00%	Pharma. sales
Eisai Clinical Research Singapore Pte. Ltd.	Singapore, Singapore	10	S$	100.00%	Pharma. clinical research
Eisai (Malaysia) Sdn. Bhd.	Petaling Jaya, Malaysia	470	M$	100.00%	Pharma. sales
Eisai (Thailand) Marketing Co., Ltd.	Bangkok, Thailand	11,000	Baht	49.90%	Pharma. production/sales
Eisai Taiwan Inc.	Taipei, Taiwan	270,000	NT$	100.00%	Pharma. production/sales
Eisai China Inc.	Suzhou, China	319,205	RMB	100.00%	Pharma. production/sales
Eisai (Hong Kong) Co., Ltd.	Hong Kong, China	500	HK$	100.00%	Pharma. sales
Eisai Korea Inc.	Seoul, Korea	3,512,000	Won	100.00%	Pharma. sales
HI-Eisai Pharmaceutical Inc.	Manila, Philippines	56,250	Peso	50.00%	Pharma. production/sales
Eisai Pharmaceuticals India Pte. Ltd.	Maharashtra, India	160,000	INR	100.00%	Pharma. production/sales
Eisai Pharmatechnology & Manufacturing Pte. Ltd.	Andhra Pradesh, India	604,000	INR	100.00%	-
Eisai Australia Pty. Ltd.	Sydney, Australia	1,000	A$	100.00%	-

* The closing date of Eisai's consolidated subsidiaries is March 31 excluding Eisai China Inc. (December 31). Eisai China Inc. started provisional financial settlement on March 31 from the fiscal year ended March 2007.

* MAB Acquisition Corporation (MAB) was merged with Morphotek, Inc.(U.S.) being surviving company in April 2007.
* Eisai SA/NV was established in Belgium in September 2007.

* Fractions figures in "Common Stock" are rounded down.

(2) Subsidiaries in Japan (12 companies)

As of March 31, 2008

Company Name	Location	Common Stock	Equity (%) Ownership	Description of Operations
Sanko Junyaku Co., Ltd.	Tokyo	5,262 million yen	100.00%	Diagnostic product prod./sales
Sannova Co., Ltd.	Gunma Pref.	926 million yen	79.96%	Pharm. production/sales
Elmed Eisai Co., Ltd.	Tokyo	450 million yen	100.00%	Pharm. sales
Eisai Food & Chemicals Co., Ltd.	Tokyo	101 million yen	100.00%	Food additives/chemicals sales
Eisai Machinery Inc.	Tokyo	100 million yen	100.00%	Pharm. machinery prod./sales
KAN Research Institute, Inc.	Hyogo Pref.	70 million yen	100.00%	Basic research
Eisai Distribution Co., Ltd.	Kanagawa Pref.	60 million yen	100.00%	Pharm. distribution
Palma Bee'Z Research Institute Co., Ltd.	Tokyo	50 million yen	100.00%	Diagnostic product research
Eisai R&D Management Co., Ltd.	Tokyo	11 million yen	100.00%	Management of drug development/research
Sunplanet Co., Ltd.	Tokyo	455 million yen	84.96%	Administrative/Catering/Printing service/Real estate management
Clinical Supply Co., Ltd.	Gifu Pref.	80 million yen	84.80%	Medical devices prod./sales
Eisai Seikaken Co., Ltd.	Tokyo	50 million yen	70.00%	Agro-chemical prod./sales

* Sanko Junyaku became a wholly-owned s

* Fractions figures in "Common Stock" are rounded down.

2) Equity in Earnings in Associated Companies (1 company)

As of March 31, 2008

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

* Fiscal year of Bracco-Eisai Co., Ltd. ends on December 31.

* Fractions figures in "Common Stock" are rounded down.

11. Personnel Information

1) Consolidated Personnel Information

(persons)

March 31	2005	2006	2007	**2008**
Total	8,295	9,081	9,649	**10,686**
Japan	4,993	5,144	5,334	**5,453**
U.S.	1,537	1,787	1,975	**2,699**
Europe	503	650	765	**861**
Asia	1,262	1,500	1,575	**1,673**

2) Personnel Information

(persons)

March 31	2005	2006	2007	**2008**
Total employees (permanent employees)	3,783	3,906	4,050	**4,137**
Production	841	817	819	**800**
Research and development	997	1,032	1,101	**1,123**
Sales, marketing and administration	1,945	2,057	2,130	**2,214**
Total personnel cost (billions of yen)	65.3	64.0	60.9	**57.9**

* From this fiscal year, the number of total employees consists of all employees Eisai Co., Ltd. excluding secondees to other

12. Major R&D Pipeline Candidates

By Development Stages

New Approval

	Product Name Research Code	Indication/Mode of Action or Category	Region	Approved Date	Form.
○	**TAMBOCOR**	**Additional indication: paroxysmal atrial fibrillation/flutter**	Japan	June, 2007	Oral
○	**RASOLAN**	**Additional indication: atrial fibrillation/flutter, paroxysmal**			
			Japan	February, 2008	Oral
	(E0103)	**supraventricular tachycardia**			
	ALOXI	**Additional indication: prevention of postoperative nausea and vomiting**	US	February, 2008	Inj.
	HUMIRA	**Rheumatoid arthritis/human anti TNF-alpha monoclonal**			

Clinical (Phase III-II)

	Product Name Research Code	Indication/Mode of Action or Category	Region	Phase	Submission Target	Form.
○	**E5564**	**Severe sepsis treatment/endotoxin antagonist (generic name: eritoran)**	US EU Japan		FY2009	Inj.
	E7389	**Anti-cancer agent (breast cancer)/microtubule growth suppressor (generic name: eribulin)**	US EU Japan		FY2009	Inj.
	AS-3201	**Diabetic complications treatment/aldose reductase inhibitor (generic name: ranirestat)**	US		FY2012	Oral
○	**ARICEPT (E2020)**	**Additional formulation: sustained release formulation**	US EU		FY2009	Oral
	ACIPHEX (E3810)	**Additional formulation: long-acting formulation**	US			Oral
	SAFORIS	**Oral mucositis treatment/glutamine suspended solution**	US			Topical/ Oral
○	**ZONEGRAN**	**Additional indication: anti-epilepsy monotherapy**	EU		FY2010	Oral
○	**ZONEGRAN**	**Additional indication: anti-epilepsy pediatric indication**	EU		FY2009	Oral
	DACOGEN	**Additional indication: efficacy in myelodysplastic syndrome (MDS) survival benefit**	US			Inj.
	DACOGEN	**Additional indication: acute myeloid leukemia (AML)**	US			Inj.
	HUMIRA (D2E7)	**Additional Indication: juvenile rheumatoid arthritis / human anti TNF-alpha monoclonal antibody**	Japan		FY2011	Inj.
	HUMIRA (D2E7)	**Additional Indication: ankylosing spondylitis/ human anti TNF-alpha monoclonal antibody**	Japan			Inj.
	CLEVUDINE	**Chronic anti-hepatitis B Agent (generic name: clevudine)**	China	preparing for		Oral
	E0302	**Amyotrophic Lateral Sclerosis (ALS) (generic name: mecobalamine)**	Japan	/		Inj.
	HUMIRA (D2E7)	**Additional Indication: Crohn's disease/ human anti TNF-alpha monoclonal antibody**	Japan	/	FY2009	Inj.
	AMOLIMOGENE	**Cervical dysplasia/therapeutic DNA vaccine**	US	/		Inj.
	E2007	**Anti-epilepsy agent/AMPA receptor antagonist (generic name: perampanel)**	US EU			Oral
○	**E2007**	**Neuropathic pain/AMPA receptor antagonist (generic name: perampanel)**	US EU			Oral
	E2007	**Multiple sclerosis/AMPA receptor antagonist (generic name: perampanel)**	EU			Oral
	E2007	**migraine headache prophylaxis/AMPA receptor antagonist (generic name: perampanel)**	US			Oral
	E5555	**Acute coronary syndrome/thrombin receptor antagonist**	US EU Japan		FY2012	Oral
	E5555	**Atherothrombotic disease/thrombin receptor antagonist**	US EU Japan		FY2012	Oral
○	**E6201**	**Psoriasis/novel MEK-1/MEKK-1 kinase inhibitor**	US			Topical
	E7389	**Anti-cancer agent (non-small cell lung cancer)/microtubule growth suppressor (generic name: eribulin)**	US			Inj.
	E7389	**Anti-cancer agent (prostate cancer)/microtubule growth suppressor (generic name: eribulin)**	US EU			Inj.
	E7389	**Anti-cancer agent (sarcoma)/microtubule growth suppressor (generic name: eribulin)**	EU			Inj.

○ : updates from April 2007 : updates from January 2008

Clinical (Phase III-II continued)

	Product Name Research Code	Indication/Mode of Action or Category	Region	Phase	Submission Target	Form.
○	**E7820**	**Anti-cancer agent (colon cancer)/Alpha 2 integrin expression inhibitor**	US			Oral
	AKR-501	**Thrombocytopenia treatment/thrombopoietin receptor agonist**	US			Oral
	MORAb-003	**Anti-cancer agent (ovarian cancer)/monoclonal antibody**	US			Inj.
○	**MORAb-009**	**Anti-cancer agent (pancreatic cancer)/ monoclonal antibody**	US			Inj.
○	**ARICEPT (E2020)**	**Additional indication: pediatric indication**	US			Oral
○	**ARICEPT (E2020)**	**Additional indication: dementia with Lewy bodies**	Japan			Oral
	IROFULVEN	**Anti-cancer agent (prostate and other cancer) /DNA synthesis inhibitor**	US			Oral
	E7210 (suspended)	**Ultrasonic contrast medium**	Japan			Inj.

○ : updates from April 2007 : updates from January 2008

*E2007 Parkinson's disease program in US/EU (Phase III) has been terminated.

*ARICEPT Migraine Headache Prophylaxis program in US/EU (Phase II) has been terminated.

By Therapeutic Areas

Neurology

Product Name Research Code	Description	Development Status	Origin
ARICEPT (E2020)	Currently approved acetylcholinesterase inhibitor for the treatment of dementia due to Alzheimer's disease.	**Additional Indications** Severe Alzheimer's disease: approved (Japan/US) Vascular dementia: under review (US) Pediatric: Phase II (US) Lewy bodies dementia: Phase II (Japan) **Additional formulations** Liquid: under review (EU) Jelly: under review (Japan) Sustained release formulation: Phase III (EU/US)	in-house
E2007	The generic name is perampanel. It could potentially be developed for treating a variety of neurodegenerative disorders by selectively antagonizing the AMPA-type glutamate receptor.	Epilepsy: Phase II (EU/US) Neuropathic pain: Phase II (EU/US) Migraine headache prophylaxis: Phase II (US) Multiple sclerosis: Phase II (EU)	in-house
AS-3201	The generic name is ranirestat. It is being investigated as a potential treatment for diabetic complications via its ability to strongly inhibit aldose reductase.	Diabetic neuropathy: Phase III (US)	Dainippon Sumitomo Pharma
rufinamide (E2080)	The agent has been approved in Europe for adjunctive therapy in Lennox-Gastaut syndrome. (The brand name in the US has not been decided.)	Adjunctive therapy in Lennox-Gastaut Syndrome and partial-onset seizures in adult and adolescent patients with epilepsy: under review (US)	Novartis
ZONEGRAN	The generic name is zonisamide. It is believed to have a broad anti-epileptic action and to be well-tolerated. Currently indicated as adjunctive therapy for partial seizures in adults with epilepsy.	**Additional indications** Monotherapy: Phase III (EU) Pediatric indication: Phase III (EU)	Dainippon Sumitomo Pharma
E0302	Mecobalamine is widely used for the treatment of peripheral neuropathy in Japan. A Phase II/III study for amyotrophic lateral sclerosis (ALS) is ongoing.	Amyotrophic lateral sclerosis: Phase II/III (Japan)	in-house
E2014	Botulinum toxin acts on cholinergic nerve ending synapses and inhibits the release of acetylcholine to relax muscles.	Cervical dystonia: under review (Japan)	Solstice Neuro-sciences

Gastrointestinal Disorders

	Description	Development Status	Origin
PARIET /ACIPHEX (E3810)	The agent is a proton pump inhibitor and is approved for various gastrointestinal disorders such as peptic ulcers, reflux esophagitis and eradication of H. Pylori infection.	**Additional indications** Secondary eradication in H. Pylori infection: Approved (Japan) Non-erosive gastro-esophageal reflux disease (GERD): in preparation for resubmission (Japan) GERD in adolescents: under review (US) **Additional formulation** Long-acting formulation: Phase III (US)	in-house
GASMOTIN	The generic name is mosapride citrate. It is a selective serotonin 5-HT_4 receptor agonist which has gastroprokinetic and gastric evacuation effects by enhancing acetylcholine release.	Gastroprokinetic agent: under review (Thailand, Malaysia, Indonesia, Philippines), prepared for submission (six Asian countries including some ASEAN members)	Dainippon Sumitomo Pharma

Oncology & Supportive Care

Product Name Research Code	Description	Development Status	Origin
E7389	The generic name is eribulin. It is a synthetic analog of Halichondrin B derived from marine sponges. It prevents tumor development by inhibiting cell division through supression of microtubule growth. POC was achieved in breast cancer.	Breast cancer: Phase III (EU/US), Phase II (Japan) NSCLC: Phase II (US) Prostate cancer: Phase II (EU/US) Sarcoma: Phase II (EU)	in-house
E7820	The compound is an alpha 2 integrin expression inhibitor.	Colon cancer: Phase II (US)	in-house
MORAb-003	The compound is a humanized IgG1 MAb to folate receptor alpha.	Ovarian cancer: Phase II (US)	in-house (Morphotek)
MORAb-009	The compound is a humanized IgG1 MAb that targets mesothelin.	Pancreatic cancer: Phase II (US)	in-house (Morphotek)
DACOGEN	The generic name is decitabine. It shows an anti-cancer activity through inhibition of DNA methylation. It is currently approved for myelodysplastic syndrome (MDS) in the United States.	**Additional indications** Acute myeloid leukemia: Phase III (US) Efficacy in survival benefit in MDS patients: Phase III (US)	in-house (MGI)
IROFULVEN	This compound is expected to show an anti-cancer effect by its DNA synthesis inhibiting action.	Prostate cancer: Phase II (US)	in-house (MGI)
ALOXI	The agent is approved for chemotherapy-induced nausea and vomiting (CINV) with its serotonin (5-HT_3) receptor antagonizing action in the United States. An additional indication was approved for postoperative nausea and vomiting (PONV).	**Additional indication** PONV: approved (US) **Additional formulation** Oral formulation (CINV) : under review (US)	in-house (MGI)
AKR-501	The agent is an orally available thrombopoietin receptor agonist.US)		

Other Therapeutic Areas

Product Name Research Code	Description	Development Status	Origin
E5564	The generic name is eritoran. It shows synthetic endotoxin antagonist action and the safety profile and efficacy were confirmed in severe sepsis caused by endotoxin from various types of gram-negative bacteria.	Severe sepsis: Phase III (Global Development Program)	in-house
E5555	The compound inhibits platelet aggregation and smooth-muscle proliferation based on thrombin receptor antagonistic action.	Acute coronary syndrome: Phase II (Japan/US/EU) Atherothrombotic disease: Phase II (Japan/US/EU)	in-house
IOMERON (E7337)	The agent received approval as a non-ionic X-ray contrast medium in computerized tomography in Japan.	**Additional indication** Contrast medium in computerized tomography: under review (Japan)	Bracco
TAMBOCOR (E0735)	The agent blocks sodium channels in the cardiac muscle. It has been already approved in Japan for the treatment of ventricular tachyarrhythmia.	**Additional indication** Paroxysmal atrial fibrillation/flutter: Approved (Japan)	inova
VASOLAN (E0103)	The agent is a calcium channel blocker with coronary/peripheral vasodilator actions. It was previously approved in Japan for the treatment of ischaemic heart disease.	**Additional indication** Atrial fibrillation/flutter, paroxysmal supraventricular tachycardia: Approved (Japan)	Abbott
KES524	The generic name is sibutramine. It inhibits the reuptake of the cerebral neurotransmitters noradrenalin and serotonin. By enhancing the feeling of satiety and increasing energy consumption, it is expected to promote the loss of body weight.	Obesity management: under review (Japan)	Abbott
CLEVUDINE	The compound is a DNA polymerase inhibitor that shows efficacy as an anti-virus agent for chronic hepatitis caused by hepatitis B virus.	Chronic hepatitis B: under review (Malaysia/Thailand/Indonesia/Philippines/India), submission in preparation (three Asian countries including some ASEAN member countries), in preparation for Phase III (China)	Bukwang
GLUFAST	The generic name is mitiglinide. It is an agonist for sulfonylurea receptors in pancreatic beta cells and reduces blood glucose levels by accelerating insulin release.	Diabetes: under review (Malaysia), submission in preparation (nine ASEAN member countries)	Kissei Pharma-ceuticals
E7210	The compound is an ultrasonic contrast medium based on the principle of ultrasounds reflection by micro bubbles.	Suspended (Japan)	Bracco

13 Major Events

Date	Description
April 2007	Announced temporary withdrawal of the application for ARICEPT in Europe for the treatment of severe Alzheimer's disease <announced on April 13>
	Completed the acquisition of a U.S. based biopharmaceutical company Morphotek Inc. <announced on April 17>
	ACTONEL 17.5 mg tablets (a once-weekly treatment of osteoporosis) received approval in Japan <announced April 18>
	Announced complete subsidiarization of Sanko Junyaku Co., Ltd. <announced on April 26>
May	FRAGMIN (injectable anti-clotting agent) received the U.S. FDA approval for extended treatment to reduce the recurrence of blood clots in patients with cancer <announced on May 7>
	Introduced Chocola BB Light 2 Vitamin B_2 Drink with enhanced formula and reduced calories <announced on May 7>
	Obtained favorable ruling in ACIPHEX patent infringement lawsuit in the U.S. <announced on May 12>
	Announced basic principle and policies concerning reduction of minimum trading lots for shares <announced on May 15>
	Announced outline of new stock option (new share subscription right) <announced on May 15>
	Submitted an application for GASMOTINE (gastroprokinetic agent) in Thailand for the treatment of functional dyspepsia <announced on May 15>
	Signed an agreement with Solstice Neurosciences for commercialization of NEUROBLOC (botulinum toxin type B agent) for Europe <announced on May 15>
June	Signed an agreement with Kissei Pharmaceutical Co., Ltd. for development and commercialization of GLUFAST (rapid-acting insulin secretagogue) for the 10 ASEAN countries <announced on June 12>
	Launched ACTONEL 17.5 mg tablets (a once-weekly antiosteoporotic agent) in Japan <announced on June 15>
	Launched INOVELON (anti-epileptic agent) in Germany <announced on June 18>
	Announced allotment of stock option (new share subscription right) <announced on June 22>
	TAMBOCOR (antiarrthymic treatment) received approval in Japan for paroxysmal a trial fibrillation/flutter <announced on June 26>
July	Details announced for stock option (new share subscription right) <announced on July 9>
	Launched NITOROL injection 5mg syringe and NITOROL continuous intravenous infusion 25mg syringe" (the first nitric acid syringe formulations approved in Japan) <announced on July 11>
	Launched the individually-wrapped tablets of SELBELLE (stomach medication which promotes the secretion of gastric mucus and protects gastric mucosa) <announced on July 17>
	In-licensing agreement signed with Sepracor Inc. for the insomnia treatment "eszopiclone" for Japan <announced on July 27>
	Announced continuation of policy for protection of the company's corporate value and common interests of shareholders <announced on July 31>
August	UK High Court ruled NICE guidance for Alzheimer's disease discriminatory <announced on August 10>
	UK High Court ordered NICE to amend a guidance for Alzheimer's disease <announced on August 11>
	ARICEPT received approval for additional efficacy and dosage and new formulation for treatment of severe Alzheimer's disease in Japan <August 23>
	Announced co-promotion with Sanko Junyaku Co., Ltd. for PICOLUMI UCOC, a new diagnostic agent used in Vitamin K_2 medication therapy for the patients with osteoporosis <announced on August 23>
	PARIET received approval for secondary eradication of H. pylori in Japan <announced on August 24>

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

Dates	Description
September	Entered into an exclusive agreement with Salix Pharmaceuticals, Ltd. to co-promote COLAZAL for Ulcerative Colitis in U.S. <announced on September 5>
	Announced co-promotion of Sanko Junyaku's PyloriTek Test Kit (H. Pylori infection diagnostic kit) in Japan <announced on July 27, the kit made available on September 11>
	Submitted an application with Abbott Japan Ltd. for HUMIRA (fully human monoclonal anti-TNF alpha anti-body) to treat psoriasis <announced on September 25>
	Signed an agreement with Kissei Pharmaceutical Co., Ltd. for development and commercialization of GLUFAST (rapid-acting insulin secretagogue) for China <announced on September 28>
	Established a new pharmaceutical marketing subsidiary in Belgium <announced on September 28>
October	Sanko Junyaku Co., Ltd. became Eisai's wholly-owned subsidiary
	Announced change in regulatory submission strategy of E2007 for Parkinson's disease <announced on October 30>
November	Submitted an application of a serotonin & noradrenalin reuptake inhibitor KES524 for obesity management in Japan <announced on November 29>
December	Signed an exclusive licensing agreement with BioArctic Neuroscience AB for BAN2401, novel antibody treatment for Alzheimer's disease <announced on December 4>
	A regional clinical research center in Singapore held opening ceremony to commence initiation of its operation <December 5>
	UK Court of Appeal granted permission to challenge NICE judicial review verdict on Alzheimer's disease <December 5 (the local time in U.K.)>
	Held ground-breaking ceremony for new manufacturing & research base in India <announced on December 6>
	Signed a definitive merger agreement to acquire an U.S. biopharmaceutical company MGI PHARMA, INC. <announced on December 10>
	Signed an in-licensing agreement with Minophagen Pharmaceutical for liver disease/allergic disease agents STRONGER NEO-MINOPHAGEN C and GLYCYRON tablets <announced on December 18>
	Commenced cash tender offer for all outstanding shares of MGI PHARMA, INC. <December 21 (the local time in the U.S.)>
	Announced launch of ARICEPT Tablet 10 mg and ARICEPT D Tablet 10 mg for treatment of severe Alzheimer's disease in Japan <announced on December 25>
	Announced U.S. District Court decision about Eisai's legal action over ARICEPT ODT ANDA filing <announced on December 27>
January 2008	The HSR waiting period was terminated early for Eisai's acquisition of MGI PHARMA, INC. <January 16 (the local time in the U.S.)>
	Announced satisfaction of conditions to tender offer for MGI PHARMA, INC. shares <announced on January 23>
	Subsequent offering period for the tender offer for MGI PHARMA, INC. shares expired <January 25 (the local time in the U.S.)>
	Concluded changes to the sales scheme for HUMIRA, a fully human monoclonal antibody in the co-development & marketing agreement with Abbott Japan Co., Ltd. and Abbott Biotechnology Ltd. <announced on January 28>
	Completed acquisition of MGI PHARMA, INC. <announced on January 29>
	Finalized a license agreement for the additional indications for HUMIRA, a fully human monoclonal antibody with Abbott Japan Co., Ltd., and Abbott Biotechnology Ltd.. <announced on January 29>

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

Dates	Description
February	Decision announced for the additional study for PARIET for non-erosive gastro-esophageal reflux disease in Japan <announced on February 1>
	Announced change in U.S. submission schedule for E7389 New Drug Application <announced on February 1>
	Eisai and Accenture launch clinical data management in Accenture's delivery center in India under global outsourcing agreement <announced on February 13>
	Launched CHOCOLA BB LUCENT C and CHOCOLA BB LUCENT C CREAM for blemishes and brown spots on skin <announced on February 28>
March	The U.S. FDA granted priority review for ACIPHEX sNDA for short-term treatment of gastroesophageal reflux disease in Adolescents <announced on March 1>
	VASOLAN (ischaemic heart disease treatment) received approval for atrial fibrillation/flutter and paroxysmal supraventricular tachycardia <announced on March 3>
	The U.S. FDA approved ALOXI injection for prevention of postoperative nausea and vomiting <announced on March 3>
	Eisai and M's Science signed option agreement for sigma agonist SA4503 <announced on March 12>
	Launched LUMIPULSE KL-6 EISAI and LUMIPULSE PRESTO KL-6 EISAI, new KL-6 test kits that detect KL-6 (a marker of interstitial pneumonia,) in Japan <announced on March 13>
	Submitted an application for ARICEPT oral jelly formulation in Japan <announced on March 14>
	Announced a notice concerning shelf registration for issuance of straight bonds <announced on March 28>
	Announced a notice concerning shelf registration for issuance of stock options <announced on March 28>
	Eisai is granted favorable preliminary injunction ruling in ARICEPT patent infringement lawsuit against Teva Pharmaceuticals <announced on March 29>
April	Eisai received a notification from the U.S. FDA that it may proceed with the clinical study for E2012, a potential next generation Alzheimer's disease treatment <announced on April 3>
	Announced a status of the E2007 (AMPA-type glutamate receptor antagonist) development program <announced on April 11>
	HUMIRA, a fully-human monoclonal anti-TNF- antibody received approval in Japan for the treatment of rheumatoid arthritis <announced on April 16>
	European regulatory agency grants orphan status to anti-cancer agents MORAb-003 and MORAb-009 <announced on April 16>
	Sanko Junyaku Co., Ltd., Roche Diagnostics K.K, and Nihon Kohden Corp. singed a sales agreement for CoaguChek XS and CoaguChek XS Plus for simple and quick PT-INR monitoring to be used for warfarin-treateed patients <announced on April 17>
	Announced a notice of revised business forecast for fiscal year ended March 31, 2008, as a result of acquisition of MGI PHARMA, INC. <announced on April 21>
	Introduced CHOCOLA BB ROYAL 2 Vitamin B_2 Drink for extreme fatigue in Japan (Launched on May 12) <announced on April 24>
May	Gained a favourable ruling by Court of Appeal, as the UK's NICE process for developing guidance on anti-dementia medicines ruled unfair <announced on May 1>
	Established a new subsidiary for marketing support and maintenance of pharmaceutical machinery in China <announced on May 7>
	The U.S. FDA advisory committee votes in favor of approval of fospropofol disodium injection <announced on May 8>
	Court of Appeal makes decision following ruling that the UK's NICE process on anti-dementia medicines unfair <announced on May 9>
	Signed an agreement with Lion Corporation regarding exclusive authorization for sales in the Japan for an ethical version of BUFFERIN tablets <announced on May 12>

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

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

1. Statements of Income Data

(millions of yen)

Years Ended March 31	2007	**2008**	YoY **%**
Net sales	5,137	**5,035**	98.0
Cost of sales	2,165	**2,130**	98.4
SG&A expenses	2,928	**2,888**	98.6
[R&D expenses]	[753]	**[763]**	101.4
Operating income	44	**17**	39.8
Ordinary income	87	**104**	119.5
Net income	16	**(318)**	-

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

2. Balance Sheets Data

(millions of yen)

March 31	2007	**2008**	Inc./(Dec.)
Total assets	13,513	**13,218**	(295)
Equity	11,591	**11,214**	(377)

3. Statements of Cash Flows Data

(millions of yen)

Years Ended March 31	2007	**2008**	Inc./(Dec.)
Net cash provided by operating activities	360	**770**	411
Net cash used in investing activities	(777)	**350**	1,127
Net cash used in financing activities	(22)	**(96)**	(73)

Accounting Treatment for Acquisition of MGI PHARMA, INC.

(millions of US dollar)

			Balance Sheets
Acquisition cost [3,944]	Fair value of assets [2,200]	In-process R&D expenses [840]	Recording all as expenses in this fiscal year
	Goodwill [1,744]		Balance Sheets

1. Intangible assets

Sales rights (fair value of products that has been launched:US $1,220 million), Core technology fair value of R&D technology with relevant company:US $158million are to be recorded as Intangible assets. The amortization period of each Sales right is different from each product.

2. In-Process R&D expenses

The amounts assigned to product candidate compounds under development that have no alternative future use shall be charged to R&D expense at the acquisition date.

3.Goodwill

Goodwill will not be amortized; instead, impairment will be tested on a periodic basis in accordance with US GAAP. From fiscal year 2008, "Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" is adopted in accordance with Japanese GAAP, and goodwill will be amortized over 20 years on the straight-line basis.accountingac bee of

* Business combination accounting using purchase method in accordance with U.S. accounting standards allow one year valuation period to complete purchase price allocation process. The figures may be changed due to this accounting treatment.