

Listed Company Name:	Eisai Co., Ltd.
Representative:	Haruo Naito Director, President & CEO
Headquarters:	4-6-10 Koishikawa, Bunkyo-ku, Tokyo
Securities Code:	4523
Listed Locations:	First Sections of the Tokyo Stock Exchange & the Osaka Securities Exchange
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### **Notification Regarding the Disposal of Treasury Stock through Third-Party Allotment in Accordance with the Introduction of Performance-Related Stock Compensation System**

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

#### 1. Overview of the disposal

(1) Date of disposal	May 30, 2013
(2) Number of shares being disposed of	105,400 shares
(3) Disposal price	¥ 4,535 per share
(4) Total funds to be procured	¥ 477,989,000

(5) Disposal method

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

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

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

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

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

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

¥ 477,989,000

(2) Specific use of the funds to be procured

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

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

4. View on reasonableness of use of funds

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

5. Reasonableness of disposal terms and conditions

(1) Basis for calculation of disposal price

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

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

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

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

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

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

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

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

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

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

6. Reason for selection of allottee

(1) Overview of the allottee

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

2) Details of Trust Agreement:

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

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

Trustor: The Company


Trustee: Mitsubishi UFJ Trust and Banking Corporation

Beneficiaries: Corporate Officers satisfying the requirements to become Beneficiaries

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

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

(Reference) Overview of the allottee

(1) Name	Mitsubishi UFJ Trust and Banking Corporation
(2) Address	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Name and position of representative	Tatsuo Wakabayashi, President
(4) Business description	Trust banking business, financial related business and others
(5) Capital	324.279 billion yen
(6) Date established	March 10, 1927
(7) Number of shares issued	Common shares: 3,369,441,304 shares Series 1 Type III Preferred Shares: 1,000 shares
(8) Fiscal year	March 31
(9) Number of employees	6,999 (as of March 31, 2012)
(10) Main business partners	Having numerous individual and corporate business partners in each industry field
(11) Main banks	

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

Eisai Employee Shareholding Association	2.37%	Eisai Employee Shareholding Association	2.37%
JPMorgan Chase Bank 385147			

Number of potential shares at upper limit conversion price (strike price)	-	-
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(3) Recent stock prices

1) Most recent three years

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

2) Most recent six months

November    December    January    February    March