



February.13, 2007

Securities and Exchange Commission  
Headquarters  
100 F Street, NE Washington, DC 20549  
Office of Investor Education and Assistance



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SUPPL

EISAI CO., LTD. (File No. 82-4015)

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FEB 13 2007  
SECURITIES AND EXCHANGE COMMISSION

Dear Sir/Madam:

Enclosed please find materials submitted pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

In order to confirm receipt of the enclosed materials, would you kindly stamp the attached copy of this letter and return it in the enclosed pre-addressed, postage-paid envelope.

Thank you for your attention to this matter.

Very truly yours,

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FEB 20 2007

THOMSON  
FINANCIAL

Ryohéi Yanagi  
Director,  
Finance Department  
Eisai Co., Ltd.



**Eisai Co., Ltd.**

4-6-10 Koishikawa, Bunkyo-ku, Tokyo 112-8088, Japan

Phone: 03-3817-5120

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*Eisai is a Human Health Care Corporation striving for innovative solutions in prevention, cure and care for the health and well-being of people worldwide. We combine our talents to understand and meet the needs of patients and their families to enhance the quality of life.*

No. 06-50

**FOR IMMEDIATE RELEASE**

November 21, 2006

Eisai Co., Ltd.

### **Eisai Announces Establishment of New Pharmaceuticals Marketing Subsidiary in Portugal**

Eisai Co., Ltd. (Headquarters: Tokyo, President & CEO: Haruo Naito) announced today that the Company established its pharmaceutical marketing subsidiary, EF-Eisai Farmacêutica, Unipessoal Lda. (Eisai Farmacêutica), in Portugal. Eisai Farmacêutica is owned by Eisai Europe Limited (Headquarters: London, President: Yutaka Tsuchiya).

Eisai's new subsidiary in Portugal Eisai Farmacêutica will start marketing activities in Portugal in FY 2007, with the launch of its neurology products including the anti-epileptic drugs *Zonegran*<sup>®</sup> and *Inovelon*<sup>®</sup> (for which Eisai received positive opinion for *Inovelon*<sup>®</sup> marketing authorization from European Committee for Medicinal Products for Human Use on November 16, 2006), as well as the non-opioid severe chronic pain agent *Priali*<sup>®</sup>. In addition, Eisai Farmacêutica plans to start promotion of its leading product *Aricept*<sup>®</sup> in Portugal with its co-promotion partner.

Eisai has been rapidly expanding its business operations across Europe by strengthening its sales and marketing presence within the territory. The establishment of Eisai Farmacêutica, which will be the Company's eighth marketing subsidiary in Europe, will accelerate further business operations in Europe together with the Company's own sales channels in 12 countries including the United Kingdom, France, Germany, Italy, Spain, Switzerland, Sweden, Ireland, Austria, Denmark, Finland, Norway and Portugal.

Through stable provision of Eisai's products enabled by establishment of the new subsidiary, Eisai is committed to fulfilling the unmet medical needs and increasing the benefit to patients and their families in these countries.

#### **[Company Outline]**

|                     |   |
|---------------------|---|
| Company Name:       | EF-Eisai Farmacêutica, Unipessoal Lda.    |
| Establishment Date: | November 3, 2006                          |
| Capital:            | 4 million Euros (approx. 600 million yen) |
| Location:           | Lisbon, Portugal                          |
| President:          | Yutaka Tsuchiya                           |
| Operations:         | Promotion/sale of pharmaceuticals         |

Contacts:

Corporate Communications Department

Eisai Co., Ltd.

TEL: +81-3-3817-5036

**FOR IMMEDIATE RELEASE**

February 2, 2007

Listed Stock Name: Eisai Co., Ltd.  
Director and President & CEO: Haruo Naito  
Headquarters: 4-6-10 Koishikawa Bunkyo-ku, Tokyo  
Securities Code: 4523  
Listed Locations:  
First Sections of the Tokyo Stock Exchange &  
the Osaka Securities Exchange

Inquiries:  
Akira Fujiyoshi  
Vice president  
Corporate communications, IR  
Phone: 81-3-3817-5120

**Notice Regarding Revision of Year End Dividend Forecast For Fiscal Year Period  
(95th Company Fiscal Period) Ending March 2007**

The updated forecast as to year-end dividend per share for the fiscal period ending March 2007 will be proposed for revision from previous forecast, in accordance with the decision made at the Board of Directors' Meeting on February 2, 2007. This revision will take effect subject to the resolution at the Board of Directors' Meeting scheduled in May 2007 after completion of statutory audit on financial documents for this fiscal year period.

The details of the revision are noted below:

**1. Reason for Revision**

Eisai is devoted to providing continuous and stable dividends based on the consolidated financial performance along with dividend on equity (DOE). Thus the Company plans to pay a fiscal year-end dividend of ¥65 per share, an increase of ¥10 per share over the previous forecast. Consequently the anticipated annual total dividend is expected to be ¥120 per share, combining interim and year-end dividends.

**2. Contents of the Revision**

|  | Dividends per share |          |              |
|--|---------------------|----------|--------------|
|  | Interim             | Year-end | Annual Total |
| <b>Previous forecast<br/>(October 31, 2006)</b>                      | —                   | ¥55      | ¥110         |
| <b>Revised forecast</b>  | —                   | ¥65      | ¥120         |
| <b>Fiscal year ending March<br/>2007 (Actual payout)</b>             | ¥55                 | —        | —            |
| <b>Previous fiscal year<br/>ended March 2006<br/>(Actual payout)</b> | ¥40                 | ¥50      | ¥90          |

RECEIVED  
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**EISAI CO., LTD.  
AND  
CONSOLIDATED SUBSIDIARIES  
THIRD QUARTER FINANCIAL REPORT RELEASE**

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**FOR IMMEDIATE RELEASE  
February 2, 2007**

On February 2, 2007, Eisai Co., Ltd. announced quarterly consolidated financial results for the fiscal year ending March 31, 2007

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

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

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

# CONSOLIDATED THIRD QUARTER FINANCIAL RESULTS

## (October 1, 2006 – December 31, 2006)

### 1. NOTES TO PREPARATION OF THIRD QUARTER FINANCIAL REPORT

- (1) There is no change in accounting treatments used by Eisai Co., Ltd. and its subsidiaries and associated companies during the quarterly period.
- (2) There is no change in the number of subsidiaries and associated companies accounted for by the equity method.
- (3) *Number of newly established subsidiaries: 4 companies: Eisai R&D management Co., Ltd., Eisai (Singapore) Pte. Ltd., Eisai Clinical Research Singapore Pte. Ltd., EF-Eisai Farmacêutica, Unipessoal Lda.*  
*Number of subsidiaries excluded from consolidation: 2 companies: Eisai Pharma-Chem Europe Ltd. and Eisai U.S.A. Inc.*  
*Number of Associated company excluded from consolidation: 1 company: Eisai-Novartis Verwaltungs GmbH*

### 2. CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2007 (for the period ended December 31)

#### (1) RESULTS OF OPERATIONS

##### <Three months ended December 31>

| Period                            | Net Sales     | Percent Change | Operating Income | Percent Change | Ordinary Income | Percent Change |
|-----------------------------------|---------------|----------------|------------------|----------------|-----------------|----------------|
| October 1, 2006-December 31, 2006 | ¥181,398 mil. | 8.4%           | ¥34,194 mil.     | 3.8%           | ¥36,055 mil.    | 5.1%           |
| October 1, 2005-December 31, 2005 | ¥167,280 mil. | 16.6%          | ¥32,949 mil.     | 23.4%          | ¥34,316 mil.    | 29.0%          |

| Period                            | Net Income   | Percent Change | Basic Earnings per Share | Diluted Earnings per Share |
|-----------------------------------|--------------|----------------|--------------------------|----------------------------|
| October 1, 2006-December 31, 2006 | ¥23,336 mil. | 6.1%           | ¥82.03                   | ¥81.90                     |
| October 1, 2005-December 31, 2005 | ¥21,997 mil. | 33.3%          | ¥76.96                   | ¥76.87                     |

Note: Percentage change is a comparison to the same period of the previous year.

##### <Nine months ended December 31>

| Period                          | Net Sales     | Percent Change | Operating Income | Percent Change | Ordinary Income | Percent Change |
|---------------------------------|---------------|----------------|------------------|----------------|-----------------|----------------|
| April 1, 2006-December 31, 2006 | ¥500,788 mil. | 11.3%          | ¥83,837 mil.     | 7.2%           | ¥87,800 mil.    | 7.8%           |
| April 1, 2005-December 31, 2005 | ¥449,910 mil. | 11.2%          | ¥78,218 mil.     | 14.5%          | ¥81,415 mil.    | 16.6%          |
| April 1, 2005-March 31, 2006    | ¥601,252 mil. |                | ¥95,704 mil.     |                | ¥100,025 mil.   |                |

| Period                          | Net Income   | Percent Change | Basic Earnings per Share | Diluted Earnings per Share |
|---------------------------------|--------------|----------------|--------------------------|----------------------------|
| April 1, 2006-December 31, 2006 | ¥55,846 mil. | 7.1%           | ¥195.85                  | ¥195.55                    |
| April 1, 2005-December 31, 2005 | ¥52,156 mil. | 18.4%          | ¥182.49                  | ¥182.31                    |
| April 1, 2005-March 31, 2006    | ¥63,410 mil. |                | ¥221.86                  | ¥221.61                    |

Note: Percentage change is a comparison to the same period of the previous year.

All amounts less than ¥1,000,000 have been omitted.

**(2) FINANCIAL POSITION**

| Period Ended      | Total Assets  | Equity        | (Equity - Minority interests - Stock acquisition rights) / Total assets | Equity per Share |
|-------------------|---------------|---------------|---|------------------|
| December 31, 2006 | ¥756,607 mil. | ¥548,079 mil. | 71.1%   | ¥1,894.24        |
| December 31, 2005 | ¥712,055 mil. | ¥505,238 mil. | 71.0%   | ¥1,767.63        |
| March 31, 2006    | ¥747,231 mil. | ¥519,215 mil. | 69.5%   | ¥1,816.23        |

Note 1: (Reference) Equity - Minority interests - Stock acquisition rights:

- As of December 31, 2006: ¥538,048 million
- As of December 31, 2005: ¥505,238 million
- As of March 31, 2006: ¥519,215 million

Note 2: Shareholders' Equity, Equity Ratio and Shareholders' Equity per Share for the periods ended December 31, 2005 and March 31, 2006 are respectively, described as 'Equity', 'Owners' Equity to Total Assets' and 'Owners' Equity per Share' for the period ended December 31, 2006.

**(3) CASH FLOWS****< Three months ended December 31 >**

| Period                            | Operating Cash Flow | Investing Cash Flow | Financing Cash Flow | Cash & Cash Equivalents |
|-----------------------------------|---------------------|---------------------|---------------------|-------------------------|
| October 1, 2006-December 31, 2006 | ¥4,688 mil.         | (¥30,901 mil.)      | (¥15,594 mil.)      | ¥134,744 mil.           |
| October 1, 2005-December 31, 2005 | ¥9,212 mil.         | (¥10,099 mil.)      | (¥11,737 mil.)      | ¥150,165 mil.           |

**< Nine Months ended December 31 >**

| Period                          | Operating Cash Flow | Investing Cash Flow | Financing Cash Flow | Cash & Cash Equivalents |
|---------------------------------|---------------------|---------------------|---------------------|-------------------------|
| April 1, 2006-December 31, 2006 | ¥41,304 mil.        | (¥52,106 mil.)      | (¥40,710 mil.)      | ¥134,744 mil.           |
| April 1, 2005-December 31, 2005 | ¥49,116 mil.        | (¥24,235 mil.)      | (¥21,864 mil.)      | ¥150,165 mil.           |
| April 1, 2005-March 31, 2006    | ¥87,053 mil.        | (¥29,513 mil.)      | (¥21,843 mil.)      | ¥183,278 mil.           |

**[REFERENCE DATA] NON-CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2007****(1) RESULTS OF OPERATIONS****< Three months ended December 31 >**

| Period                            | Net Sales    | Percent Change | Operating Income | Percent Change | Ordinary Income | Percent Change |
|-----------------------------------|--------------|----------------|------------------|----------------|-----------------|----------------|
| October 1, 2006-December 31, 2006 | ¥94,932 mil. | 1.8%           | ¥21,876 mil.     | (8.9%)         | ¥22,306 mil.    | (9.1%)         |
| October 1, 2005-December 31, 2005 | ¥93,274 mil. | 12.0%          | ¥24,013 mil.     | 14.8%          | ¥24,552 mil.    | 18.8%          |

| Period                            | Net Income   | Percent Change | Basic Earnings per Share | Diluted Earnings per Share |
|-----------------------------------|--------------|----------------|--------------------------|----------------------------|
| October 1, 2006-December 31, 2006 | ¥14,344 mil. | (9.7%)         | ¥50.42                   | ¥50.34                     |
| October 1, 2005-December 31, 2005 | ¥15,893 mil. | 23.7%          | ¥55.61                   | ¥55.54                     |

Note: Percentage change is a comparison to the same period of the previous year.

All amounts less than ¥1,000,000 have been omitted.

**<Nine Months ended December 31>**

| Period                              | Net Sales     | Percent Change | Operating Income | Percent Change | Ordinary Income | Percent Change |
|-------------------------------------|---------------|----------------|------------------|----------------|-----------------|----------------|
| April 1, 2006-<br>December 31, 2006 | ¥265,046 mil. | 4.3%           | ¥52,227 mil.     | (8.1%)         | ¥53,048 mil.    | (9.0%)         |
| April 1, 2005-<br>December 31, 2005 | ¥254,231 mil. | 8.4%           | ¥56,807 mil.     | 5.6%           | ¥58,270 mil.    | 6.3%           |
| April 1, 2005-<br>March 31, 2006    | ¥331,959 mil. |                | ¥65,376 mil.     |                | ¥67,338 mil.    |                |

| Period                              | Net Income   | Percent Change | Basic Earnings per Share | Diluted Earnings per Share |
|-------------------------------------|--------------|----------------|--------------------------|----------------------------|
| April 1, 2006-<br>December 31, 2006 | ¥34,482 mil. | (8.1%)         | ¥120.93                  | ¥120.74                    |
| April 1, 2005-<br>December 31, 2005 | ¥37,515 mil. | 7.3%           | ¥131.26                  | ¥131.14                    |
| April 1, 2005-<br>March 31, 2006    | ¥43,890 mil. |                | ¥153.56                  | ¥153.39                    |

Note: Percentage change is a comparison to the same period of the previous year.

**(2) FINANCIAL POSITION**

| Period Ended      | Total Assets  | Equity        | (Equity - Minority interests - Stock acquisition rights) / Total assets | Equity per Share |
|-------------------|---------------|---------------|---|------------------|
| December 31, 2006 | ¥545,776 mil. | ¥458,793 mil. | 84.0%   | ¥1,614.18        |
| December 31, 2005 | ¥547,395 mil. | ¥456,527 mil. | 83.4%   | ¥1,597.21        |
| March 31, 2006    | ¥572,912 mil. | ¥465,211 mil. | 81.2%   | ¥1,627.33        |

Note 1: (Reference) Equity - Minority interests - Stock acquisition rights:

- As of December 31, 2006: ¥458,498 million
- As of December 31, 2005: ¥456,527 million
- As of March 31, 2006: ¥465,211 million

Note 2: Shareholders' Equity, Equity Ratio and Shareholders' Equity per Share for the periods ended December 31, 2005 and March 31, 2006 are respectively, described as 'Equity', 'Owners' Equity to Total Assets' and 'Owners' Equity per Share' for the period ended December 31, 2006.

All amounts less than ¥1,000,000 have been omitted.

**[Consolidated Third Quarter Financial Highlights] (October 1, 2006 – December 31, 2006)**

- **Consolidated net sales** during the quarter amounted to ¥181,398 million (8.4% up year-on-year).
- **Sales of Aricept**, an Alzheimer's disease treatment, amounted to ¥66,485 million (26.1% up year-on-year), with **sales in Japan** totaling ¥14,017 million (16.0% up) and **sales in the U.S.** totaling ¥41,721 million (31.9% up; 30.9% up on a dollar basis). **Sales of Pariet** (U.S. brand name: *AcipHex*), a proton pump inhibitor, amounted to ¥47,494 million (11.9% up year-on-year), with **sales in Japan** amounting to ¥9,040 million (6.2% up) and **sales in the U.S.** amounting to ¥34,316 million (11.5% up; 10.9% up on a dollar basis). We also started to market four anti-tumor products acquired from Ligand Pharmaceuticals in the United States. In Europe, we entered into agreements with partner companies for distribution of two acquired products in the region.
- **The year-on-year increase/decrease in net sales to external customers by each geographic area** is as follows: 1.0% decrease in Japan; 16.1% increase in North America; 23.0% increase in Europe; and 21.0% increase in all other remaining markets including Asia.
- **Research and development (R&D) expenses** came to ¥26,632 million (17.7% up year-on-year). **Selling, general and administrative expenses (SG &A expenses)** amounted to ¥91,858 million (12.4% up). **Cost of goods sold** amounted ¥28,712 million (4.2% down), with the **cost of sales ratio** being 15.8% (down 2.1 points from the comparable quarter in previous year).
- With respect to earnings results, **operating income** for the quarter advanced to ¥34,194 million (3.8% up year-on-year); **ordinary income** to ¥36,055 million (5.1% up); and **net income** to ¥23,336 million (6.1% up). **Basic earnings per share (EPS)** came to ¥82.03 (up ¥5.07 as compared to the same quarter in previous year).
- **Net cash provided by operating activities** in the quarter was ¥4,688 million (down ¥4,524 million from the comparable quarter in previous year). **Net Cash used by investing activities** totaled ¥30,901 million (up ¥20,801 million as compared to the same quarter in previous year), principally due to capital expenditure for property, plant and equipment procurement, and intangible fixed assets due to the acquisition of four anti-tumor drugs by Ligand Pharmaceuticals. **Net cash used by financing activities**, including but not limited to payment of an interim dividend, amounted to ¥15,594 million (up ¥3,857 million as compared to the same quarter in previous year).

**[Consolidated Financial Highlights for the Nine Months] (April 1, 2006 – December 31, 2006)**

- **Consolidated financial results for the nine months** were as follows:
  - Net sales: ¥500,788 million (11.3% increase year-on-year)
  - Operating income: ¥83,837 million (7.2% increase year-on-year)
  - Ordinary income: ¥87,800 million (7.8% increase year-on-year)
  - Net income: ¥55,846 million (7.1% increase year-on-year)
- **Net sales of *Aricept*** increased to ¥182,727 million (28.1% up year-on-year) and those of ***AcipHex/Pariet*** rose to ¥130,923 million (14.8% up), signifying steady growth in North America, Europe and Asia.
- Despite making **aggressive investments to support our growing R&D activities**, the Company realized an overall gain in **operating income, ordinary income and net income** due to improvements in the cost of sales ratio.

**[Segment Information]**

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

**Performance by business segment**

**Pharmaceuticals segment**

- **Sales of *Aricept* and *AcipHex/Pariet*** gained steadily in all regions
- As a result, **pharmaceutical sales** totaled to ¥484,957 million (11.7% up year-on-year), with operating income amounting to ¥85,699 million (6.6% up).

**Other segments**

- **Sales in other segments** including food additives, chemical, and the machinery businesses came to ¥15,830 million (0.2% down year-on-year), with operating income resulting in ¥1,296 million (28.7% down).

**Performance by geographic area**

**Japan**

- **Sales in Japan** amounted to ¥223,942 million (1.4% up year-on-year), with operating income amounting to ¥57,690 million (9.3% down).
- As for ethical drugs, **sales of *Aricept*** increased to ¥37,912 million (16.4% up year-on-year) and those of ***Pariet*** increased to ¥23,680 million (9.3% up).

**North America**

- **Sales in North America** advanced to ¥220,105 million (19.8% up year-on-year), with operating income expanding to ¥21,435 million (35.1% up).

- **Sales of Aricept** rose to ¥114,467 million (35.8% up year-on-year; 31.0% up on a dollar basis) and those of **AciphHex** increased to ¥94,755 million (12.5% up; 8.6% up on a dollar basis).

### Europe

- **Sales in Europe** climbed to ¥40,815 million (24.2% up year-on-year) and operating income came to ¥3,427 million (0.9% up).
- **Sales of Aricept** increased to ¥25,814 million (14.1% up year-on-year) and those of **Pariet** surged to ¥9,096 million (62.0% up).
- Eisai's new marketing subsidiary EF-Eisai Farmacêutica, Unipessoal Lda. was established in Portugal in November 2006.

### Asia and other regions

- **Sales in Asia and other regions** amounted to ¥15,924 million (26.8% up year-on-year), and operating income increased to ¥2,816 million (28.5% up).
- **Sales of Aricept** grew to ¥4,533 million (44.2% up year-on-year), and sales of **Pariet** surged to ¥3,390 million (34.4% up).

### Overseas total

- **Total overseas sales** advanced to ¥276,845 million (20.8% up year-on-year), accounting for 55.3% of the Company's consolidated net sales (an increase of 4.4 points over the comparable quarter in previous year).

### [Cash flow]

- **Net cash provided by operating activities during the nine months** decreased to ¥41,304 million (down ¥7,812 million from the comparable quarter in previous year). **Income before income taxes** amounted to ¥87,297 million, **depreciation and amortization expenses** came to ¥19,232 million and **increase of notes and accounts receivable-trade** to ¥15,371 million while **income taxes paid** totaled ¥45,371 million.
- **Net Cash used in investing activities** totaled ¥52,106 million (up ¥27,871 million as compared to the same quarter in previous year) , out of which ¥17,366 million was used for the procurement of property, plant and equipment and ¥26,231 million for purchasing intangible assets.
- **Net Cash used in financing activities** totaled ¥40,710 million (an increase of ¥18,845 million as compared to the same quarter in previous year), out of which ¥29,913 million went towards dividend payout and ¥11,060 million was allocated to

market acquisition of our own shares.

- As a result of such **operating, investing and financing activities, cash and cash equivalents at end of the quarter period** stood at ¥134,744 million (down ¥48,534 million from the end of the previous fiscal year).

## **[Research & Development]**

### **Ongoing Projects**

- Eisai Group concentrates its managerial resources in the areas of neurology and oncology and engages in proactive R&D activities to support these areas. Centralizing our global R&D decision-making at **Eisai R&D Management Co., Ltd.** (Tokyo, Japan), the Company ensures efficient and productive research operations in order to achieve timely development of new drugs.
- **E7389 for cancer** is now being investigated for the treatment of breast cancer in the U.S. in a Phase III study as well as a Subpart H (an FDA system that gives fast track review to new drugs for severe and life-threatening diseases that meet certain requirements) application study. Studies for breast cancer (Phase III) and for sarcoma (Phase II) were also started in Europe.
- **An AMPA receptor antagonist E2007** is being tested in Phase III for Parkinson's disease in the U.S. and Europe. The agent is also aiming to complete POC (Proof of Concept) study for epilepsy, multiple sclerosis, and migraine prophylaxis.
- A Phase III study of **an endotoxin antagonist E5564** (generic name: eritoran) for the treatment of severe sepsis is ongoing in the U.S. and Europe.
- The European Commission approved the **anti-epileptic agent Inovelon** (generic name: rufinamide) for adjunctive therapy of Lennox-Gastaut Syndrome in January 2007.
- The application of **botulinum toxin type B E2014** was submitted in Japan in December 2006 for the treatment of cervical dystonia.
- **An ischemic heart disease agent Vasolan** (generic name: verapamil hydrochloride) was filed in Japan in January 2007 for a new indication in the treatment of atrial fibrillation and paroxysmal supraventricular tachycardia (PSVT).
- A Phase II/III study for **an anti-rheumatic agent D2E7** (generic name: adalimumab, fully human anti-TNF-monoclonal antibody) has been started in Japan for Crohn's disease.
- **Aricept** received approval in the U.S. for the treatment of severe Alzheimer's disease in October 2006.
- **Pariet** received approval in Japan in January 2007 for *Helicobacter Pylori* eradication

in combination with certain antibiotics.

- A Phase II study of **E0167** (generic name: menatetrenone) in Japan for the prevention of hepatocellular carcinoma recurrence was discontinued.

#### **New Facility Launch, Alliances & Agreements**

- In October 2006, **KAN Research Institute** (Hyogo, Japan) which specializes in life science research launched operations at its newly relocated facility in *Kobe Biocluster*. Eisai hopes that this relocation will enrich further activities of the institute, particularly with a focus on translational research.
- A new subsidiary **Eisai Clinical Research Singapore Pte. Ltd.** was established in Singapore in October 2006, to facilitate the strategic execution of clinical studies in Asia.
- **Eisai Research Institute of Boston Inc.** completed its expansion in January 2007 with the opening of a new facility. This new facility consolidates discovery and clinical research functions in the United States for accelerating Eisai's global research activities.
- **A joint agreement was signed** in October 2006 between Eisai Co., Ltd./Sanko Junyaku (Eisai's subsidiary) and FUJIREBIO for development of a new KL-6 test kit (supplementary diagnostic marker for interstitial pneumonia) compatible with the LUMIPULSE system (automatic chemiluminescent enzyme immunoassay system) .

### 3. FORECAST OF FULL FISCAL YEAR (April 1, 2006 – March 31, 2007)

#### [Forecast of consolidated financial performance]

- Factoring in the progress of financial performance achieved up until this quarter, the financial forecast on a consolidated basis for the full fiscal year ending March 2007 was revised upward from what was previously announced in October 2006 as follows:

|                  | Revised Forecast |         | Forecast in<br>October '06 | Increase/<br>(Decrease) | Changes | (FYR)<br>Forecast in<br>May 2006 |
|------------------|------------------|---------|----------------------------|-------------------------|---------|----------------------------------|
|                  | (A)              | y/y (%) | (B)                        | (A-B)                   | (%)     |                                  |
| Net sales        | ¥668,000 mil.    | +11.1   | ¥653,000 mil.              | ¥15,000 mil.            | +2.3    | ¥640,000 mil.                    |
| Operating income | ¥107,000 mil.    | +11.8   | ¥105,000 mil.              | ¥2,000 mil.             | +1.9    | ¥101,000 mil.                    |
| Ordinary income  | ¥111,000 mil.    | +11.0   | ¥108,500 mil.              | ¥2,500 mil.             | +2.3    | ¥104,000 mil.                    |
| Net income       | ¥70,000 mil.     | +10.4   | ¥68,500 mil.               | ¥1,500 mil.             | +2.2    | ¥67,000 mil.                     |

Notes:

\*Forecasted Annual Earnings per share (full year): ¥246.44

\*y/y : Percentatge compared with the previous year

\*% : Percentage of increase (decrease ) compared between revised forecast and previous forecast

#### Sales

- **An increase in sales** of 15 billion yen is anticipated, totaling 668 billion yen for the year.
- Our two core products **Aricept** and **AcipHex/Pariet** are anticipated to yield sales of 246.5 billion yen and 172 billion yen, respectively, which exceed the previous forecasts.

#### Profit

- Despite an increase in SG & A expenses allocated for execution of activities in the mid-term strategic plan, **operating income** is anticipated to be 107 billion yen, up 2 billion yen compared to the previous forecast.
- **Ordinary income** for the fiscal year is anticipated to be 111 billion yen , an increase of 2.5 billion yen compared to the previous forecast. **Net income** for fiscal year is anticipated to be 70 billion yen, an increases of 1.5 billion yen compared to the previous forecast.

### [Forecast of fiscal year-end dividends]

- The company plans to modify the year-end dividend forecast of ¥55 per share previously announced in October 2006 to ¥65 per share (15 yen up year-on-year). Consequently, as the interim dividend was ¥55 per share, the anticipated annual total dividend is expected to be ¥120 per share. (¥30 up year-on-year),
- We forecast a 6.4% Dividend on Equity (DOE) ratio for the fiscal year ending March 31, 2007.

### [Reference]

(Forecast of non-consolidated financial performance)

- The financial forecast on a non-consolidated basis for the full fiscal year ending March 31, 2007 was also revised as follows:

|                  | Revised Forecast |         | Forecast in<br>October '06 | Increase/<br>(Decrease) | Changes | (FYR)<br>Forecast in<br>May 2006 |
|------------------|------------------|---------|----------------------------|-------------------------|---------|----------------------------------|
|                  | (A)              | y/y (%) | (B)                        | (A-B)                   | (%)     |                                  |
| Net sales        | ¥345,000 mil.    | +3.9    | ¥346,000 mil.              | (¥1,000 mil.)           | -0.3    | ¥346,000 mil.                    |
| Operating income | ¥61,000 mil.     | -6.7    | ¥64,000 mil.               | (¥3,000 mil.)           | -4.7    | ¥64,000 mil.                     |
| Ordinary income  | ¥62,000 mil.     | -7.9    | ¥65,000 mil.               | (¥3,000 mil.)           | -4.6    | ¥65,000 mil.                     |
| Net income       | ¥39,000 mil.     | -11.1   | ¥41,000 mil.               | (¥2,000 mil.)           | -4.9    | ¥41,000 mil.                     |

Notes:

\* Forecasted Annual Earnings per share (full year): ¥137.30

\*y/y : Percentatge compared with the previous year

\*% : Percentage of increase (decrease ) compared between revised forecast and previous forecast

## 4. FORWARD-LOOKING STATEMENTS AND RISK FACTORS ASSOCIATED WITH OUR BUSINESS

- 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 factors particularly apply with respect to the Company-related

forward-looking statements. Risk factors associated with our business include, but are not limited to, risks related to strategic alliances with partners, challenges arising out of global expansion, intellectual properties, uncertainties in new drug development, healthcare cost-containment measures, intensified competition with generic drugs, possible incidence of adverse events, compliance with laws and regulations, litigations, closure or shutdown of factories, safety issues of raw materials used, environmental issues, conditions of financial markets and foreign exchange fluctuations, and IT security/information management and outsourcing-related risks.

In addition, further details about business risks stated above are described in the Annual Security Report.

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

| Account Title                           | March 31, 2006    |                 | December 31, 2006 |                 | Increase/<br>(Decrease) |
|---|-------------------|-----------------|-------------------|-----------------|-------------------------|
|   | (Millions of Yen) | %               | (Millions of Yen) | %               | (Millions of Yen)       |
| <b>ASSETS</b>                           |                   |                 |                   |                 |                         |
| <b>I. Current assets:</b>               |                   |                 |                   |                 |                         |
| 1. Cash and cash in bank                | ¥74,163           |                 | ¥47,168           |                 |                         |
| 2. Notes and accounts receivable-trade  | 148,720           |                 | 165,973           |                 |                         |
| 3. Short-term investments               | 120,021           |                 | 99,495            |                 |                         |
| 4. Inventories                          | 44,949            |                 | 50,968            |                 |                         |
| 5. Deferred tax assets                  | 29,272            |                 | 28,459            |                 |                         |
| 6. Others                               | 15,806            |                 | 15,639            |                 |                         |
| 7. Allowance for doubtful receivables   | (333)             |                 | (353)             |                 |                         |
| <b>Total current assets</b>             | <b>432,601</b>    | <b>57.9</b>     | <b>407,351</b>    | <b>53.8</b>     | <b>(25,250)</b>         |
| <b>II. Fixed assets:</b>                |                   |                 |                   |                 |                         |
| <b>1. Property, plant and equipment</b> |                   |                 |                   |                 |                         |
| (1) Buildings and structures            | 66,715            |                 | 72,525            |                 |                         |
| (2) Machinery, equipment and vehicles   | 25,464            |                 | 24,260            |                 |                         |
| (3) Land                                | 17,052            |                 | 17,215            |                 |                         |
| (4) Construction in progress            | 9,300             |                 | 5,843             |                 |                         |
| (5) Others                              | 10,149            | 128,682         | 10,523            | 130,368         | 17.2                    |
| <b>2. Intangible assets</b>             |                   | <b>43,206</b>   |                   | <b>63,218</b>   | <b>8.4</b>              |
| <b>3. Investments and other assets</b>  |                   |                 |                   |                 |                         |
| (1) Investment securities               | 105,452           |                 | 113,331           |                 |                         |
| (2) Long-term loans receivable          | 61                |                 | 19                |                 |                         |
| (3) Deferred tax assets                 | 27,612            |                 | 32,193            |                 |                         |
| (4) Others                              | 10,393            |                 | 10,846            |                 |                         |
| (5) Allowance for doubtful accounts     | (779)             | 142,741         | (721)             | 155,669         | 20.6                    |
| <b>Total fixed assets</b>               |                   | <b>314,630</b>  |                   | <b>349,256</b>  | <b>46.2</b>             |
| <b>Total assets</b>                     |                   | <b>¥747,231</b> | <b>100.0</b>      | <b>¥756,607</b> | <b>100.0</b>            |

Note: % - Component percentages, which show respective ratio to Total assets

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

| Account Title   | March 31, 2006    |              | December 31, 2006 |              | Increase/<br>(Decrease) |
|---|-------------------|--------------|-------------------|--------------|-------------------------|
|   | (Millions of Yen) | (%)          | (Millions of Yen) | (%)          | (Millions of Yen)       |
| <b>LIABILITIES</b>  |                   |              |                   |              |                         |
| <b>I. Current liabilities:</b>  |                   |              |                   |              |                         |
| 1. Notes and accounts payable-trade                                   | ¥24,405           |              | ¥15,771           |              |                         |
| 2. Short-term borrowings  | 413               |              | 353               |              |                         |
| 3. Accounts payable-other   | 53,171            |              | 54,958            |              |                         |
| 4. Accrued expenses   | 42,602            |              | 41,193            |              |                         |
| 5. Income taxes payable   | 23,415            |              | 12,021            |              |                         |
| 6. Reserve for sales rebates  | 27,826            |              | 36,229            |              |                         |
| 7. Other reserves   | 781               |              | 659               |              |                         |
| 8. Others   | 5,538             |              | 8,868             |              |                         |
| <b>Total current liabilities</b>                                      | <b>178,154</b>    | <b>23.9</b>  | <b>170,055</b>    | <b>22.5</b>  | <b>(8,098)</b>          |
| <b>II. Long-term liabilities:</b>                                     |                   |              |                   |              |                         |
| 1. Deferred tax liabilities   | 91                |              | 96                |              |                         |
| 2. Liability for retirement benefits                                  | 35,577            |              | 33,509            |              |                         |
| 3. Retirement allowances for directors                                | 1,317             |              | 1,260             |              |                         |
| 4. Others   | 3,578             |              | 3,606             |              |                         |
| <b>Total long-term liabilities</b>                                    | <b>40,565</b>     | <b>5.4</b>   | <b>38,473</b>     | <b>5.1</b>   | <b>(2,091)</b>          |
| <b>Total liabilities</b>  | <b>218,719</b>    | <b>29.3</b>  | <b>208,528</b>    | <b>27.6</b>  | <b>(10,190)</b>         |
| <b>EQUITY</b>   |                   |              |                   |              |                         |
| <b>I. Owners' Equity:</b>   |                   |              |                   |              |                         |
| 1. Common stock   | -                 |              | 44,985            |              |                         |
| 2. Capital surplus  | -                 |              | 55,222            |              |                         |
| 3. Retained earnings  | -                 |              | 454,908           |              |                         |
| 4. Treasury stock   | -                 |              | (42,495)          |              |                         |
| <b>Total Owners' Equity</b>   | <b>-</b>          | <b>-</b>     | <b>512,621</b>    | <b>67.7</b>  | <b>15,300</b>           |
| <b>II. Net unrealized gain and translation adjustments:</b>           |                   |              |                   |              |                         |
| 1. Net unrealized gain on available-for-sale securities               | -                 |              | 19,632            |              |                         |
| 2. Foreign currency translation adjustments                           | -                 |              | 5,794             |              |                         |
| <b>Total Net unrealized gain and translation adjustments</b>          | <b>-</b>          | <b>-</b>     | <b>25,427</b>     | <b>3.4</b>   | <b>3,531</b>            |
| <b>III. Stock acquisition rights</b>                                  | <b>-</b>          | <b>-</b>     | <b>294</b>        | <b>0.0</b>   | <b>294</b>              |
| <b>IV. Minority interests</b>   | <b>-</b>          | <b>-</b>     | <b>9,735</b>      | <b>1.3</b>   | <b>439</b>              |
| <b>Total equity</b>   | <b>-</b>          | <b>-</b>     | <b>548,079</b>    | <b>72.4</b>  | <b>19,567</b>           |
| <b>Total liabilities and equity</b>                                   | <b>-</b>          | <b>-</b>     | <b>¥756,607</b>   | <b>100.0</b> | <b>9,376</b>            |
| <b>Minority interests:</b>  |                   |              |                   |              |                         |
| Minority interests  | 9,296             | 1.2          | -                 | -            | -                       |
| <b>Shareholders' equity:</b>  |                   |              |                   |              |                         |
| I. Common Stock   | 44,985            | 6.0          | -                 | -            | -                       |
| II. Capital surplus   | 55,222            | 7.4          | -                 | -            | -                       |
| III. Retained earnings  | 429,025           | 57.4         | -                 | -            | -                       |
| IV. Net unrealized gain on available-for-sale securities              | 20,327            | 2.7          | -                 | -            | -                       |
| V. Foreign currency translation adjustments                           | 1,567             | 0.2          | -                 | -            | -                       |
| VI. Treasury stock  | (31,913)          | (4.2)        | -                 | -            | -                       |
| <b>Total shareholders' equity</b>                                     | <b>519,215</b>    | <b>69.5</b>  | <b>-</b>          | <b>-</b>     | <b>-</b>                |
| <b>Total liabilities, minority interests and shareholders' equity</b> | <b>¥747,231</b>   | <b>100.0</b> | <b>-</b>          | <b>-</b>     | <b>-</b>                |

Note: % - Component percentages, which shows respective ratio to Total liabilities and equity for the period ended December 31, 2006.  
Increase/(Decrease) shows the difference with the amount of March 31, 2006 in same account title.

## 2-1) CONSOLIDATED STATEMENT OF INCOME

Third Quarter of FY2005 and FY2006 (Three Months ended Dec. 31)

| Account Title  | October 1, 2005 -<br>December 31, 2005 |          | October 1, 2006 -<br>December 31, 2006 |        | Increase/<br>(Decrease) |        |         |
|--|--|----------|--|--------|-------------------------|--------|---------|
|  | (Millions of Yen)                      | (%)      | (Millions of Yen)                      | (%)    | (Millions of Yen)       |        |         |
| <b>I. Net sales</b>  |  | ¥167,280 | 100.0                                  |        | ¥181,398                | 100.0  | 14,118  |
| <b>II. Cost of sales</b>   |  | 29,930   | 17.9                                   |        | 28,708                  | 15.8   | (1,222) |
| Gross profit on sales  |  | 137,349  | 82.1                                   |        | 152,690                 | 84.2   | 15,340  |
| Provision for sales returns-net                                    |  | 42       | 0.0                                    |        | 3                       | 0.0    | (38)    |
| <b>Gross profit</b>  |  | 137,307  | 82.1                                   |        | 152,686                 | 84.2   | 15,378  |
| <b>III. Selling, general and administrative expenses</b>           |  |          |  |        |                         |        |         |
| 1. Research and development expenses                               | 22,628                                 |          | [13.5]                                 | 26,632 |                         | [14.7] |         |
| 2. Selling, general and administrative expenses                    | 81,729                                 | 104,357  | 62.4                                   | 91,858 | 118,491                 | 65.3   | 14,134  |
| <b>Operating income</b>  |  | 32,949   | 19.7                                   |        | 34,194                  | 18.9   | 1,244   |
| <b>IV. Non-operating income</b>                                    |  | 1,514    | 0.9                                    |        | 1,923                   | 1.0    | 408     |
| <b>V. Non-operating expenses</b>                                   |  | 148      | 0.1                                    |        | 62                      | 0.0    | (85)    |
| <b>Ordinary income</b>   |  | 34,316   | 20.5                                   |        | 36,055                  | 19.9   | 1,738   |
| <b>VI. Special gain</b>  |  | 127      | 0.1                                    |        | 139                     | 0.0    | 11      |
| <b>VII. Special loss</b>   |  | 90       | 0.1                                    |        | 201                     | 0.1    | 111     |
| <b>Income before income taxes and minority interests in income</b> |  | 34,353   | 20.5                                   |        | 35,992                  | 19.8   | 1,638   |
| Income taxes-current   | 13,223                                 |          |  | 11,261 |                         |        |         |
| Income taxes-deferred  | (990)                                  | 12,233   | 7.3                                    | 1,284  | 12,546                  | 6.9    | 313     |
| <b>Minority interests in income</b>                                |  | 122      | 0.0                                    |        | 109                     | 0.0    | (13)    |
| <b>Net income</b>  |  | ¥21,997  | 13.2                                   |        | ¥23,336                 | 12.9   | 1,339   |

Note: % - Component percentages, which show respective ratio to Net sales.

III.2 "Selling, general and administrative expenses" includes III.1 "Research and development expenses".

**2-2) CONSOLIDATED STATEMENT OF INCOME  
(Nine Months Ended Dec. 31, 2005 and 2006)**

| Account Title  | April 1, 2005 -<br>December 31, 2005 |          | April 1, 2006 -<br>December 31, 2006 |         | Increase<br>(Decrease) |        |        |
|--|--------------------------------------|----------|--------------------------------------|---------|------------------------|--------|--------|
|  | (Millions of Yen)                    | (%)      | (Millions of Yen)                    | (%)     | (Millions of Yen)      |        |        |
| <b>I. Net sales</b>  |                                      | ¥449,910 | 100.0                                |         | ¥500,788               | 100.0  | 50,877 |
| <b>II. Cost of sales</b>   |                                      | 78,657   | 17.5                                 |         | 81,977                 | 16.4   | 3,320  |
| Gross profit on sales  |                                      | 371,252  | 82.5                                 |         | 418,810                | 83.6   | 47,557 |
| Provision for sales returns-net                                    |                                      | 11       | 0.0                                  |         | (48)                   | (0.0)  | (59)   |
| <b>Gross profit</b>  |                                      | 371,241  | 82.5                                 |         | 418,858                | 83.6   | 47,617 |
| <b>III. Selling, general and administrative expenses</b>           |                                      |          |                                      |         |                        |        |        |
| 1 Research and development expenses                                | 67,029                               |          | [14.9]                               | 78,875  |                        | [15.8] |        |
| 2 Selling, general and administrative expenses                     | 225,993                              | 293,022  | 65.1                                 | 256,145 | 335,021                | 66.9   | 41,998 |
| <b>Operating income</b>  |                                      | 78,218   | 17.4                                 |         | 83,837                 | 16.7   | 5,618  |
| <b>IV. Non-operating income</b>                                    |                                      | 3,663    | 0.8                                  |         | 5,062                  | 1.0    | 1,399  |
| <b>V. Non-operating expenses</b>                                   |                                      | 466      | 0.1                                  |         | 1,099                  | 0.2    | 632    |
| <b>Ordinary income</b>   |                                      | 81,415   | 18.1                                 |         | 87,800                 | 17.5   | 6,385  |
| <b>VI. Special gain</b>  |                                      | 168      | 0.0                                  |         | 401                    | 0.1    | 232    |
| <b>VII. Special loss</b>   |                                      | 588      | 0.1                                  |         | 904                    | 0.2    | 316    |
| <b>Income before income taxes and minority interests in income</b> |                                      | 80,996   | 18.0                                 |         | 87,297                 | 17.4   | 6,301  |
| Income taxes-current   | 34,691                               |          |                                      | 34,162  |                        |        |        |
| Income taxes-deferred  | (6,194)                              | 28,496   | 6.3                                  | (3,105) | 31,057                 | 6.2    | 2,561  |
| <b>Minority interests in income</b>                                |                                      | 343      | 0.1                                  |         | 393                    | 0.0    | 50     |
| <b>Net income</b>  |                                      | ¥52,156  | 11.6                                 |         | ¥55,846                | 11.2   | 3,690  |

Note: % - Component percentages, which shows respective ratio to Net sales.

III.2 "Selling, general and administrative expenses" includes III.1 "Research and development expenses".

### 3. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

#### Consolidated Earned Surplus Statements

| Account Title                         | Nine months ended Dec 31,2005<br>April 1, 2005 – December 31, 2005 |         |
|---------------------------------------|--|---------|
|                                       | (Millions of Yen)  |         |
| <b>Capital surplus</b>                |  |         |
| I. Capital surplus at beginning       |  | 55,222  |
| II. Capital surplus at end            |  | 55,222  |
| <b>Retained earnings</b>              |  |         |
| I. Retained earnings at beginning     |  | 387,077 |
| II. Increase in retained earnings     |  |         |
| 1. Net income                         |  | 52,156  |
| III. Decrease in retained earnings    |  |         |
| 1. Dividends                          | 21,435   |         |
| 2. Loss on disposal of treasury stock | 18   | 21,453  |
| IV. Retained earnings at end          |  | 417,780 |

#### Consolidated Statements of Changes in Equity (April 1, 2006 to December 31, 2006)

(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    | Net unrealized gains on available-for-sale securities | Foreign currency translation adjustments | Total  |                          |                    |                |
| Balance at the end of previous period (March 31,2006)                | 44,985         | 55,222          | 429,025           | (31,913)       | 497,320  | 20,327  | 1,567                                    | 21,895 | —                        | 9,296              | 528,512        |
| Changes of items during the period                                   |                |                 |                   |                |          |   |  |        |                          |                    |                |
| Dividends (Note 1)   |                |                 | (14,293)          |                | (14,293) |   |  |        |                          |                    | (14,293)       |
| Dividends (Note 2)   |                |                 | (15,619)          |                | (15,619) |   |  |        |                          |                    | (15,619)       |
| Net income   |                |                 | 55,846            |                | 55,846   |   |  |        |                          |                    | 55,846         |
| Loss on disposal of treasury stock                                   |                |                 | (50)              |                | (50)     |   |  |        |                          |                    | (50)           |
| Acquisition of treasury stock  |                |                 |                   | (11,163)       | (11,163) |   |  |        |                          |                    | (11,163)       |
| Disposal of treasury stock   |                |                 |                   | 581            | 581      |   |  |        |                          |                    | 581            |
| Changes of other items except Owners' equity during the period (Net) |                |                 |                   |                |          | (695)   | 4,226                                    | 3,531  | 294                      | 439                | 4,266          |
| Changes of items during the period (Total)                           | —              | —               | 25,882            | (10,581)       | 15,300   | (695)   | 4,226                                    | 3,531  | 294                      | 439                | 19,567         |
| Balance at the end of current period (December 31, 2006)             | 44,985         | 55,222          | 454,908           | (42,495)       | 512,621  | 19,632  | 5,794                                    | 25,427 | 294                      | 9,735              | 548,079        |

Note 1: Approved by the Board of Directors Meeting in May, 2006.

Note 2: Approved by the Board of Directors Meeting in October, 2006.

**Third Quarter of FY2005 and FY2006 (Three Months ended Dec. 31)**

|  | October 1, 2005 -<br>December 31, 2005 | October 1, 2006 -<br>December 31, 2006 | Increase<br>(Decrease) |
|--|--|--|------------------------|
| Account Title  | (Millions of Yen)                      | (Millions of Yen)                      | (Millions of Yen)      |
| <b>I. Operating activities:</b>  |  |  |                        |
| 1. Income before income taxes and minority interests in income                   | ¥34,353                                | ¥35,992                                |                        |
| 2. Depreciation and amortization   | 6,520                                  | 6,954                                  |                        |
| 3. Loss on impairment of long-lived assets                                       | 20                                     | 3                                      |                        |
| 4. Increase (Decrease) in allowance for doubtful accounts                        | (86)                                   | 12                                     |                        |
| 5. Interest and dividend income  | (1,180)                                | (1,569)                                |                        |
| 6. Interest expense  | 16                                     | 15                                     |                        |
| 7. Equity in earnings of associated companies                                    | (7)                                    | (10)                                   |                        |
| 8. Loss on sales and disposal of fixed assets                                    | 38                                     | 43                                     |                        |
| 9. Provision for liability for retirement benefits                               | 1,411                                  | -                                      |                        |
| 10. (Gain) Loss on sales of short-term investments and investment securities     | (4)                                    | 0                                      |                        |
| 11. Increase in notes and accounts receivable - trade                            | (21,291)                               | (10,771)                               |                        |
| 12. (Increase) Decrease in inventories   | 1,394                                  | (1,726)                                |                        |
| 13. Increase (Decrease) in notes and accounts payable - trade                    | 1,390                                  | (5,700)                                |                        |
| 14. Increase (Decrease) in other current liabilities                             | 4,731                                  | (1,125)                                |                        |
| 15. Increase (Decrease) in reserve for sales rebates                             | (579)                                  | 5,479                                  |                        |
| 16. Decrease in reserve for retirement benefits                                  | -                                      | (174)                                  |                        |
| 17. Others   | (1,767)                                | (4,663)                                |                        |
| <b>Sub-total</b>   | <b>24,959</b>                          | <b>22,759</b>                          | <b>(2,199)</b>         |
| 18. Interest and dividends received  | 1,149                                  | 1,537                                  |                        |
| 19. Interest paid  | (13)                                   | (10)                                   |                        |
| 20. Income taxes paid  | (16,882)                               | (19,598)                               |                        |
| <b>Net cash provided by operating activities</b>                                 | <b>9,212</b>                           | <b>4,688</b>                           | <b>(4,524)</b>         |
| <b>II. Investing activities:</b>   |  |  |                        |
| 1. Purchases of short-term investments   | (14)                                   | 87                                     |                        |
| 2. Proceeds from sales and redemptions of short-term investments                 | 515                                    | 1,150                                  |                        |
| 3. Purchases of property, plant and equipment                                    | (5,114)                                | (5,731)                                |                        |
| 4. Proceeds from sales of property, plant and equipment                          | 53                                     | 203                                    |                        |
| 5. Purchases of intangible assets  | (7,106)                                | (23,581)                               |                        |
| 6. Purchases of investment securities  | (7,383)                                | (2,975)                                |                        |
| 7. Proceeds from sales and redemptions of investment securities                  | 4,202                                  | 185                                    |                        |
| 8. Net increase in time deposits (exceeding 3 months)                            | (361)                                  | (379)                                  |                        |
| 9. Others  | 5,109                                  | 140                                    |                        |
| <b>Net cash used in investing activities</b>                                     | <b>(10,099)</b>                        | <b>(30,901)</b>                        | <b>(20,801)</b>        |
| <b>III. Financing activities:</b>  |  |  |                        |
| 1. Net decrease in short-term borrowings   | (288)                                  | (61)                                   |                        |
| 2. Dividends paid  | (11,432)                               | (15,619)                               |                        |
| 3. Others  | (15)                                   | 87                                     |                        |
| <b>Net cash used in financing activities</b>                                     | <b>(11,737)</b>                        | <b>(15,594)</b>                        | <b>(3,857)</b>         |
| <b>IV. Foreign currency translation adjustments on cash and cash equivalents</b> | <b>2,651</b>                           | <b>1,572</b>                           | <b>(1,079)</b>         |
| <b>V. Net decrease in cash and cash equivalents</b>                              | <b>(9,972)</b>                         | <b>(40,234)</b>                        | <b>(30,262)</b>        |
| <b>VI. Cash and cash equivalents at beginning of period</b>                      | <b>160,137</b>                         | <b>174,979</b>                         | <b>14,841</b>          |
| <b>VII. Cash and cash equivalents at end of period</b>                           | <b>¥150,165</b>                        | <b>¥134,744</b>                        | <b>(15,421)</b>        |

Note: Increase/decrease shows the difference for each line item with respect to the prior year.

**(Nine Months ended Dec. 31, 2005 and 2006)**

|  | April 1, 2005 -<br>December 31, 2005 | April 1, 2006 -<br>December 31, 2006 | Increase<br>(Decrease) |
|--|--------------------------------------|--------------------------------------|------------------------|
| Account Title  | (Millions of Yen)                    | (Millions of Yen)                    | (Millions of Yen)      |
| <b>I. Operating activities:</b>  |                                      |                                      |                        |
| 1. Income before income taxes and minority interests in income                   | ¥80,996                              | ¥87,297                              |                        |
| 2. Depreciation and amortization   | 18,546                               | 19,232                               |                        |
| 3. Loss on impairment of long-lived assets                                       | 230                                  | 48                                   |                        |
| 4. Increase (Decrease) in allowance for doubtful accounts                        | (69)                                 | 0                                    |                        |
| 5. Interest and dividend income  | (2,998)                              | (4,473)                              |                        |
| 6. Interest expense  | 37                                   | 48                                   |                        |
| 7. Equity in earnings of associated companies                                    | (0)                                  | (2)                                  |                        |
| 8. Loss on sales and disposal of fixed assets                                    | 279                                  | 624                                  |                        |
| 9. Provision for liability for retirement benefits                               | 4,409                                | -                                    |                        |
| 10. Gain on sales of short-term investments and investment securities            | (5)                                  | (184)                                |                        |
| 11. Loss on devaluation of securities  | 3                                    | 12                                   |                        |
| 12. Increase in notes and accounts receivable - trade                            | (18,658)                             | (15,371)                             |                        |
| 13. Increase in inventories  | (1,499)                              | (4,954)                              |                        |
| 14. Increase (Decrease) in notes and accounts payable - trade                    | 3,122                                | (9,459)                              |                        |
| 15. Increase in other current liabilities  | 10,579                               | 4,251                                |                        |
| 16. Increase (Decrease) in reserve for sales rebates                             | (3,249)                              | 7,818                                |                        |
| 17. Increase in reserve for retirement benefits                                  | -                                    | (2,096)                              |                        |
| 18. Others   | (3,961)                              | (286)                                |                        |
| Sub-total  | 87,760                               | 82,506                               | (5,253)                |
| 19. Interest and dividends received  | 2,821                                | 4,235                                |                        |
| 20. Interest paid  | (29)                                 | (66)                                 |                        |
| 21. Income taxes paid  | (41,435)                             | (45,371)                             |                        |
| Net cash provided by operating activities  | 49,116                               | 41,304                               | (7,812)                |
| <b>II. Investing activities:</b>   |                                      |                                      |                        |
| 1. Purchases of short-term investments   | (54)                                 | (62)                                 |                        |
| 2. Proceeds from sales and redemptions of short-term investments                 | 2,070                                | 6,683                                |                        |
| 3. Purchases of property, plant and equipment                                    | (18,356)                             | (17,366)                             |                        |
| 4. Proceeds from sales of property, plant and equipment                          | 221                                  | 289                                  |                        |
| 5. Purchases of intangible assets  | (13,244)                             | (26,231)                             |                        |
| 6. Purchases of investment securities  | (10,151)                             | (16,766)                             |                        |
| 7. Proceeds from sales and redemptions of investment securities                  | 10,391                               | 2,566                                |                        |
| 8. Net increase in time deposits (exceeding 3 months)                            | (190)                                | (746)                                |                        |
| 9. Others  | 5,078                                | (470)                                |                        |
| Net cash used in investing activities  | (24,235)                             | (52,106)                             | (27,871)               |
| <b>III. Financing activities:</b>  |                                      |                                      |                        |
| 1. Net decrease in short-term borrowings   | (439)                                | (65)                                 |                        |
| 2. Purchase of treasury stock  | -                                    | (11,060)                             |                        |
| 3. Dividends paid  | (21,435)                             | (29,913)                             |                        |
| 4. Dividends paid to minority interests  | (49)                                 | (48)                                 |                        |
| 5. Others  | 59                                   | 376                                  |                        |
| Net cash used in financing activities  | (21,864)                             | (40,710)                             | (18,845)               |
| <b>IV. Foreign currency translation adjustments on cash and cash equivalents</b> |                                      |                                      |                        |
|  | 4,719                                | 2,978                                | (1,740)                |
| <b>V. Net increase (decrease) in cash and cash equivalents</b>                   |                                      |                                      |                        |
|  | 7,736                                | (48,534)                             | (56,270)               |
| <b>VI. Cash and cash equivalents at beginning of period</b>                      |                                      |                                      |                        |
|  | 142,429                              | 183,278                              | 40,849                 |
| <b>VII. Cash and cash equivalents at end of period</b>                           |                                      |                                      |                        |
|  | ¥150,165                             | ¥134,744                             | (15,421)               |

Note: Increase/decrease shows the difference for each line item with respect to the prior year.

## 5. SEGMENT INFORMATION

### 1. Business Segment Information

(1) Three months ended December 31, 2005

(Millions of Yen)

|                        | Pharmaceuticals | Others | Total    | Eliminations and Corporate | Consolidated |
|------------------------|-----------------|--------|----------|----------------------------|--------------|
| I. Sales               |                 |        |          |                            |              |
| (1) Sales to customers | ¥161,673        | ¥5,607 | ¥167,280 | -                          | ¥167,280     |
| (2) Intersegment sales | 69              | 4,295  | 4,365    | (¥4,365)                   | -            |
| Total sales            | 161,742         | 9,903  | 171,645  | (4,365)                    | 167,280      |
| Operating expenses     | 128,096         | 9,236  | 137,333  | (3,002)                    | 134,330      |
| Operating income       | ¥33,646         | ¥666   | ¥34,312  | (¥1,362)                   | ¥32,949      |

(2) Three months ended December 31, 2006

(Millions of Yen)

|                        | Pharmaceuticals | Others | Total    | Eliminations and Corporate | Consolidated |
|------------------------|-----------------|--------|----------|----------------------------|--------------|
| I. Sales               |                 |        |          |                            |              |
| (1) Sales to customers | ¥176,091        | ¥5,307 | ¥181,398 | -                          | ¥181,398     |
| (2) Intersegment sales | 79              | 4,650  | 4,729    | (¥4,729)                   | -            |
| Total sales            | 176,170         | 9,957  | 186,128  | (4,729)                    | 181,398      |
| Operating expenses     | 141,185         | 9,601  | 150,787  | (3,583)                    | 147,204      |
| Operating income       | ¥34,984         | ¥355   | ¥35,340  | (¥1,146)                   | ¥34,194      |

Notes:

1. The Company's consolidated operations include two segments: 'Pharmaceuticals' mainly prescription pharmaceuticals and 'Others' 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; Diagnostic pharmaceuticals; etc. |
| Others           | Food additives; Chemicals; Machinery; Others  |

(3) Nine months ended December 31, 2005

(Millions of Yen)

|                        | Pharmaceuticals | Others  | Total    | Eliminations and Corporate | Consolidated |
|------------------------|-----------------|---------|----------|----------------------------|--------------|
| I. Sales               |                 |         |          |                            |              |
| (1) Sales to customers | ¥434,045        | ¥15,865 | ¥449,910 | -                          | ¥449,910     |
| (2) Intersegment sales | 147             | 12,091  | 12,239   | (¥12,239)                  | -            |
| Total sales            | 434,192         | 27,956  | 462,149  | (12,239)                   | 449,910      |
| Operating expenses     | 353,833         | 26,139  | 379,972  | (8,281)                    | 371,691      |
| Operating income       | ¥80,359         | ¥1,817  | ¥82,176  | (¥3,957)                   | ¥78,218      |

## (4) Nine months ended December 31, 2006

(Millions of Yen)

|                        | Pharmaceuticals | Others  | Total    | Eliminations and Corporate | Consolidated |
|------------------------|-----------------|---------|----------|----------------------------|--------------|
| I. Sales               |                 |         |          |                            |              |
| (1) Sales to customers | ¥484,957        | ¥15,830 | ¥500,788 | -                          | ¥500,788     |
| (2) Intersegment sales | 197             | 13,324  | 13,522   | (¥13,522)                  | -            |
| Total sales            | 485,155         | 29,154  | 514,310  | (13,522)                   | 500,788      |
| Operating expenses     | 399,455         | 27,858  | 427,314  | (10,363)                   | 416,950      |
| Operating income       | ¥85,699         | ¥1,296  | ¥86,995  | (¥3,158)                   | ¥83,837      |

## Notes:

- The Company's consolidated operations include segments: 'Pharmaceuticals' mainly prescription pharmaceuticals and 'Others' which encompasses all operations other than pharmaceuticals.
- Major products in each segment are as follows:

| Business segment | Major products  |
|------------------|---|
| Pharmaceuticals  | Prescription pharmaceuticals; Consumer health care products; Diagnostic pharmaceuticals; etc. |
| Others           | Food additives; Chemicals; Machinery; Others  |

## 2. Geographical Segment Information

## (1) Three months ended December 31, 2005

(Millions of Yen)

|                        | Japan   | North America | Europe  | Asia and Others | Total    | Eliminations and Corporate | Consolidated |
|------------------------|---------|---------------|---------|-----------------|----------|----------------------------|--------------|
| I. Sales               |         |               |         |                 |          |                            |              |
| (1) Sales to customers | ¥81,238 | ¥69,723       | ¥11,659 | ¥4,659          | ¥167,280 | -                          | ¥167,280     |
| (2) Intersegment sales | 19,463  | 7,516         | 2,474   | 0               | 29,455   | (¥29,455)                  | -            |
| Total sales            | 100,701 | 77,239        | 14,134  | 4,660           | 196,736  | (29,455)                   | 167,280      |
| Operating expenses     | 74,069  | 69,885        | 13,418  | 3,990           | 161,363  | (27,032)                   | 134,330      |
| Operating income       | ¥26,632 | ¥7,353        | ¥715    | ¥669            | ¥35,372  | (¥2,422)                   | ¥32,949      |

## (2) Three months ended December 31, 2006

(Millions of Yen)

|                        | Japan   | North America | Europe  | Asia and Others | Total    | Eliminations and Corporate | Consolidated |
|------------------------|---------|---------------|---------|-----------------|----------|----------------------------|--------------|
| I. Sales               |         |               |         |                 |          |                            |              |
| (1) Sales to customers | ¥80,446 | ¥80,975       | ¥14,336 | ¥5,640          | ¥181,398 | -                          | ¥181,398     |
| (2) Intersegment sales | 21,251  | 9,564         | 4,315   | 1               | 35,133   | (¥35,133)                  | -            |
| Total sales            | 101,698 | 90,539        | 18,652  | 5,641           | 216,531  | (35,133)                   | 181,398      |
| Operating expenses     | 78,120  | 82,354        | 17,242  | 4,673           | 182,390  | (35,185)                   | 147,204      |
| Operating income       | ¥23,577 | ¥8,185        | ¥1,410  | ¥967            | ¥34,141  | ¥52                        | ¥34,194      |

## Notes:

- Segmentation by country or region is based on geographical proximity.
- 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 and South-East Asia, Latin America, etc.
- Intersegment sales in Japan principally represent product sales from Eisai Co., Ltd. to the overseas subsidiaries. Intersegment sales in North America, Europe, and Asia and Others are mainly sales from the overseas subsidiaries, which manage research and development for the parent Company.

**(3) Nine months ended December 31, 2005** (Millions of Yen)

|                        | Japan    | North America | Europe  | Asia and Others | Total    | Eliminations and Corporate | Consolidated |
|------------------------|----------|---------------|---------|-----------------|----------|----------------------------|--------------|
| I. Sales               |          |               |         |                 |          |                            |              |
| (1) Sales to customers | ¥220,814 | ¥183,681      | ¥32,857 | ¥12,557         | ¥449,910 | -                          | ¥449,910     |
| (2) Intersegment sales | 54,001   | 21,068        | 6,436   | 2               | 81,509   | (¥81,509)                  | -            |
| Total sales            | 274,815  | 204,749       | 39,294  | 12,559          | 531,419  | (81,509)                   | 449,910      |
| Operating expenses     | 211,194  | 188,886       | 35,897  | 10,367          | 446,346  | (74,654)                   | 371,691      |
| Operating income       | ¥63,621  | ¥15,862       | ¥3,396  | ¥2,192          | ¥85,073  | (¥6,854)                   | ¥78,218      |

**(4) Nine months ended December 31, 2006** (Millions of Yen)

|                        | Japan    | North America | Europe  | Asia and Others | Total    | Eliminations and Corporate | Consolidated |
|------------------------|----------|---------------|---------|-----------------|----------|----------------------------|--------------|
| I. Sales               |          |               |         |                 |          |                            |              |
| (1) Sales to customers | ¥223,942 | ¥220,105      | ¥40,815 | ¥15,924         | ¥500,788 | -                          | ¥500,788     |
| (2) Intersegment sales | 60,945   | 27,174        | 13,001  | 3               | 101,125  | (¥101,125)                 | -            |
| Total sales            | 284,888  | 247,280       | 53,816  | 15,927          | 601,913  | (101,125)                  | 500,788      |
| Operating expenses     | 227,198  | 225,844       | 50,389  | 13,111          | 516,544  | (99,593)                   | 416,950      |
| Operating income       | ¥57,690  | ¥21,435       | ¥3,427  | ¥2,816          | ¥85,369  | (¥1,531)                   | ¥83,837      |

## Notes:

- Segmentation by country or region is based on geographical proximity.
- 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 and South-East Asia, Latin America, etc.
- Intersegment sales in Japan principally represent product sales from the parent company to the overseas subsidiaries. Intersegment sales in North America, Europe, and Asia and Others are mainly sales from the overseas subsidiaries, which manage research and development for the parent Company.

**3. Overseas Sales****(1) Three months ended December 31, 2005** (Millions of Yen)

|                            | North America | Europe  | Asia and Others | Total    |
|----------------------------|---------------|---------|-----------------|----------|
| 1. Overseas sales          | ¥72,092       | ¥15,283 | ¥5,318          | ¥92,694  |
| 2. Consolidated sales      |               |         |                 | ¥167,280 |
| 3. Share of overseas sales | 43.1%         | 9.1%    | 3.2%            | 55.4%    |

**(2) Three months ended December 31, 2006** (Millions of Yen)

|                            | North America | Europe  | Asia and Others | Total    |
|----------------------------|---------------|---------|-----------------|----------|
| 1. Overseas sales          | ¥82,886       | ¥18,710 | ¥6,266          | ¥107,863 |
| 2. Consolidated sales      |               |         |                 | ¥181,398 |
| 3. Share of overseas sales | 45.7%         | 10.3%   | 3.5%            | 59.5%    |

## Notes:

- Segmentation of the areas is based on geographical proximity.
- 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 and South-East Asia, Latin America, etc.
- Overseas sales represent the sales reported in countries and areas outside Japan by the parent Company and the consolidated subsidiaries.

**(3) Nine months ended December 31, 2005**

(Millions of Yen)

|                            | North America | Europe  | Asia and Others | Total    |
|----------------------------|---------------|---------|-----------------|----------|
| 1. Overseas sales          | ¥190,471      | ¥44,929 | ¥14,253         | ¥249,654 |
| 2. Consolidated sales      |               |         |                 | ¥449,910 |
| 3. Share of overseas sales | 42.3%         | 10.0%   | 3.2%            | 55.5%    |

**(4) Nine months ended December 31, 2006**

(Millions of Yen)

|                            | North America | Europe  | Asia and Others | Total    |
|----------------------------|---------------|---------|-----------------|----------|
| 1. Overseas sales          | ¥226,269      | ¥52,821 | ¥18,113         | ¥297,204 |
| 2. Consolidated sales      |               |         |                 | ¥500,788 |
| 3. Share of overseas sales | 45.2%         | 10.5%   | 3.6%            | 59.3%    |

## 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 and South-East Asia, Latin America, etc.
3. Overseas sales represent the sales reported in countries and areas outside Japan by the parent Company and the consolidated subsidiaries.

**-End of Report-**

# 2006.12

## Reference Data

Third Quarter Ended December 31, 2006



February 2, 2007



**Eisai Co., Ltd.**

**For Inquiry:**

Corporate Communications Department

Investor Relations Department

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

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\* All amounts are rounded to their nearest specified unit unless stated as "rounded down".

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

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

## Currency Exchange Rates

|   | US<br>(¥/US\$) | EU<br>(¥/EURO) | UK<br>(¥/£) |
|---|----------------|----------------|-------------|
| (Apr 2005 - Dec 2005) Nine Month Average Rate     | 112.10         | 136.91         | 201.18      |
| (Dec 31, 2005) Third Quarter End Rate             | 118.07         | 139.83         | 203.74      |
| (Apr 2005 - Mar 2006) Fiscal Year Average Rate    | 113.31         | 137.85         | 202.16      |
| (Mar 31, 2006) Fiscal Year End Rate               | 117.47         | 142.81         | 205.16      |
| (Apr 2006 - Dec 2006) Nine Month Average Rate     | 116.19         | 147.95         | 217.55      |
| (Dec 31, 2006) Third Quarter End Rate             | 119.11         | 156.50         | 233.66      |
| (Jan 2007 - Mar 2007) Forth Quarter Forecast Rate | 120.00         | 150.00         | 230.00      |

## Forward-looking Statements and Risk Factors

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

Certain risk factors particularly apply with respect to the Company-related forward-looking statements. Risk factors associated with our business include, but are not limited to, challenges arising out of global expansion, uncertainties in new drug development, risks related to strategic alliances with partners, healthcare cost-containment measures, intensified competition and litigation with generic drugs, risks related to intellectual property rights, possible incidence of adverse events, compliance with laws and regulations, litigations, closure or shutdown of factories, safety issues of raw materials used, risks related to outsourcing, environmental issues, risks related to IT security and information management, conditions in the financial markets, and foreign exchange fluctuations.

# I. Consolidated Financial Highlights

## 1. Statements of Income Data

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |       |             | Full  |              |
|---|--------------------------|-------|-------------|-------|--------------|
|   | 2006                     | 2007  | Change<br>% | 2006  | 2007<br>est. |
| Net sales                                   | 449.9                    | 500.8 | 111.3       | 601.3 | 668.0        |
| Cost of sales                               | 78.7                     | 81.9  | 104.1       | 104.5 | 110.0        |
| R&D expenses                                | 67.0                     | 78.9  | 117.7       | 93.2  | 107.0        |
| SG&A expenses                               | 226.0                    | 256.1 | 113.3       | 307.8 | 344.0        |
| Operating income                            | 78.2                     | 83.8  | 107.2       | 95.7  | 107.0        |
| Ordinary income                             | 81.4                     | 87.8  | 107.8       | 100.0 | 111.0        |
| Net income                                  | 52.2                     | 55.8  | 107.1       | 63.4  | 70.0         |
| Earnings per share (EPS, yen)               | 182.5                    | 195.8 | 13.4        | 221.9 | 246.4        |
| Cash dividends per share (yen)              | -                        | -     | -           | 90.0  | 120.0        |

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

## 2. Balance Sheets Data

(billions of yen)

|   | 2006   |        | Inc./<br>(Dec.) |
|---|--------|--------|-----------------|
|   | 31-Mar | 31-Dec |                 |
| Total assets  | 747.2  | 756.6  | 9.4             |
| Equity  | 528.5  | 548.1  | 19.6            |
| Equity - Minority interests - Stock acquisition rights                    | 519.2  | 538.0  | 18.8            |
| (Equity - Minority interests - Stock acquisition rights)/Total assets (%) | 69.5%  | 71.1%  | 1.6             |

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

## 3. Capital Expenditures and Depreciation/Amortization

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |      |                 | Full |              |
|---|--------------------------|------|-----------------|------|--------------|
|   | 2006                     | 2007 | Inc./<br>(Dec.) | 2006 | 2007<br>est. |
| Capital expenditures                        | 19.8                     | 40.0 | 20.2            | 37.0 | 52.5         |
| Property, plant and equipment               | 13.1                     | 13.7 | 0.6             | 21.0 | 23.0         |
| Intangible assets                           | 6.7                      | 26.3 | 19.6            | 16.1 | 29.5         |
| Depreciation/Amortization                   | 18.5                     | 19.2 | 0.7             | 25.0 | 27.0         |

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

## 4. Statements of Cash Flows Data

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |        |                 | Full<br>2006 |
|---|--------------------------|--------|-----------------|--------------|
|   | 2006                     | 2007   | Inc./<br>(Dec.) |              |
| Net cash provided by operating activities   | 49.1                     | 41.3   | (7.8)           | 87.1         |
| Net cash used in investing activities       | (24.2)                   | (52.1) | (27.9)          | (29.5)       |
| Net cash used in financing activities       | (21.9)                   | (40.7) | (18.8)          | (21.8)       |
| Cash and cash equivalents at end of period  | 150.2                    | 134.7  | (15.4)          | 183.3        |
| Free cash flows                             | 17.7                     | (2.0)  | (19.7)          | 43.6         |

\* "Free cash flows" = "Net cash provided by operating activities" - ("Capital expenditures" + "Other revenue/payment for continuing activities")

## II. Consolidated Statements of Income

### 1. Consolidated Statements of Income

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec                    | Nine months ended Dec.31 |       |              |       |       |        | <Explanation>   |
|--|--------------------------|-------|--------------|-------|-------|--------|---|
|  | 2006                     | Sales | 2007         | Sales | Chg.  | Inc./  |   |
|  |                          | %     |              | %     | %     | (Dec.) |   |
| Net sales  | 449.9                    | 100.0 | <b>500.8</b> | 100.0 | 111.3 | 50.9   | <b>Net sales</b>  |
| Cost of sales  | 78.7                     | 17.5  | <b>82.0</b>  | 16.4  | 104.2 | 3.3    | <Increase Factor(s)>  |
| (Reversal of) Provision for sales returns-net                  | 0.0                      | 0.0   | <b>(0.0)</b> | (0.0) | -     | (0.1)  | Increase in sales of<br><i>Aricept</i> and<br><i>Aciphex/Pariet</i> |
| Gross profit   | 371.2                    | 82.5  | <b>418.9</b> | 83.6  | 112.8 | 47.6   |   |
| R&D expenses   | 67.0                     | 14.9  | <b>78.9</b>  | 15.8  | 117.7 | 11.8   | <b>Research and<br/>development expenses</b>                        |
| SG&A expenses  | 226.0                    | 50.2  | <b>256.1</b> | 51.1  | 113.3 | 30.2   | <Increase Factor(s)>  |
| Operating income   | 78.2                     | 17.4  | <b>83.8</b>  | 16.7  | 107.2 | 5.6    | Advanced in clinical<br>studies                                     |
| Non-operating income   | 3.7                      | 0.8   | <b>5.1</b>   | 1.0   |       | 1.4    |   |
| Non-operating expenses   | 0.5                      | 0.1   | <b>1.1</b>   | 0.2   |       | 0.6    |   |
| Ordinary income  | 81.4                     | 18.1  | <b>87.8</b>  | 17.5  | 107.8 | 6.4    |   |
| Special gain   | 0.2                      | 0.0   | <b>0.4</b>   | 0.1   |       | 0.2    |   |
| Special loss   | 0.6                      | 0.1   | <b>0.9</b>   | 0.2   |       | 0.3    |   |
| Income before income taxes and minority<br>interests in income | 81.0                     | 18.0  | <b>87.3</b>  | 17.4  | 107.8 | 6.3    |   |
| Income taxes-current   | 34.7                     | 7.7   | <b>34.2</b>  | 6.8   | 98.5  | (0.5)  |   |
| Income taxes-deferred  | (6.2)                    | (1.4) | <b>(3.1)</b> | (0.6) |       | 3.1    |   |
| Minority interests in net income                               | 0.3                      | 0.1   | <b>0.4</b>   | 0.0   |       | 0.1    |   |
| Net income   | 52.2                     | 11.6  | <b>55.8</b>  | 11.2  | 107.1 | 3.7    |   |

## 2. Financial Results by Business Segment

### 2-1 Consolidated Net Sales by Business Segment

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |         | Full    |
|---|--------------------------|---------|---------|
|   | 2006                     | 2007    | 2006    |
| Net sales to customers                      | 449.9                    | 500.8   | 601.3   |
| Pharmaceuticals                             | 434.0                    | 485.0   | 579.8   |
| [Ratio of in-house developed products (%)]  | [89.2%]                  | [90.2%] | [88.8%] |
| Japan                                       | 206.4                    | 210.1   | 265.4   |
| North America                               | 183.0                    | 219.1   | 252.1   |
| Europe                                      | 32.1                     | 39.9    | 44.6    |
| Asia and others                             | 12.6                     | 15.9    | 17.6    |
| Other segments                              | 15.9                     | 15.8    | 21.4    |
| Japan                                       | 14.4                     | 13.9    | 19.6    |
| Overseas                                    | 1.5                      | 1.9     | 1.8     |

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

\* Major areas and countries included in each category:

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

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

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |       | Full  |
|---|--------------------------|-------|-------|
|   | 2006                     | 2007  | 2006  |
| Operating income                            | 78.2                     | 83.8  | 95.7  |
| Pharmaceuticals                             | 80.4                     | 85.7  | 98.4  |
| Others                                      | 1.8                      | 1.3   | 2.4   |
| Eliminations and corporate                  | (4.0)                    | (3.2) | (5.0) |

### 3. Geographical Segment Information

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

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |              | Full  |
|---|--------------------------|--------------|-------|
|   | 2006                     | 2007         | 2006  |
| Net sales to customers                      | 449.9                    | <b>500.8</b> | 601.3 |
| Japan                                       | 220.8                    | <b>223.9</b> | 285.1 |
| North America                               | 183.7                    | <b>220.1</b> | 253.1 |
| Europe                                      | 32.9                     | <b>40.8</b>  | 45.5  |
| Asia and others                             | 12.6                     | <b>15.9</b>  | 17.6  |
| Overseas sales                              | 229.1                    | <b>276.8</b> | 316.2 |
| Overseas sales (%)                          | 50.9%                    | <b>55.3%</b> | 52.6% |

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

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

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |              | Full  |
|---|--------------------------|--------------|-------|
|   | 2006                     | 2007         | 2006  |
| Operating income                            | 78.2                     | <b>83.8</b>  | 95.7  |
| Japan                                       | 63.6                     | <b>57.7</b>  | 74.2  |
| North America                               | 15.9                     | <b>21.4</b>  | 22.5  |
| Europe                                      | 3.4                      | <b>3.4</b>   | 4.6   |
| Asia and others                             | 2.2                      | <b>2.8</b>   | 2.8   |
| Eliminations and corporate                  | (6.9)                    | <b>(1.5)</b> | (8.4) |

#### 4. Overseas Sales

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |              | Full  |
|---|--------------------------|--------------|-------|
|   | 2006                     | 2007         | 2006  |
| Net sales                                   | 449.9                    | <b>500.8</b> | 601.3 |
| Overseas sales                              | 249.7                    | <b>297.2</b> | 343.9 |
| North America                               | 190.5                    | <b>226.3</b> | 262.3 |
| Europe                                      | 44.9                     | <b>52.8</b>  | 61.7  |
| Asia and others                             | 14.3                     | <b>18.1</b>  | 19.9  |
| Overseas sales (%)                          | 55.5%                    | <b>59.3%</b> | 57.2% |

\* 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. Global Product Sales (Eisai Territory Sales)

### 5-1 ARICEPT Sales by Geographical Area

| Years Ended/Ending March 31 |                    | Nine months ended Dec 31 |       | Full    |
|-----------------------------|--------------------|--------------------------|-------|---------|
| 3Q Apr - Dec                |                    | 2006                     | 2007  | 2006    |
| Area                        |                    |                          |       |         |
| Japan                       | ¥ Billions         | 32.6                     | 37.9  | 42.3    |
| U.S.                        | ¥ Billions         | 84.3                     | 114.5 | 119.9   |
|                             | [U.S. \$ Millions] | [752]                    | [985] | [1,058] |
| UK                          | ¥ Billions         | 0.8                      | 1.0   | 1.1     |
|                             | [UK £ Millions]    | [4]                      | [4]   | [5]     |
| France                      | ¥ Billions         | 15.8                     | 19.2  | 21.0    |
|                             | [Euro Millions]    | [115]                    | [130] | [153]   |
| Germany                     | ¥ Billions         | 6.0                      | 5.6   | 7.8     |
|                             | [Euro Millions]    | [44]                     | [38]  | [57]    |
| Europe Total                | ¥ Billions         | 22.6                     | 25.8  | 29.9    |
| Asia                        | ¥ Billions         | 3.1                      | 4.5   | 4.4     |
| Total                       | ¥ Billions         | 142.6                    | 182.7 | 196.5   |

\* Sales forecast for Eisai sales territories for the year ending March 31, 2007 is ¥246.5 billion.

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

| Years Ended/Ending March 31 |                    | Nine months ended Dec 31 |       | Full    |
|-----------------------------|--------------------|--------------------------|-------|---------|
| 3Q Apr - Dec                |                    | 2006                     | 2007  | 2006    |
| Area                        |                    |                          |       |         |
| Japan                       | ¥ Billions         | 21.7                     | 23.7  | 27.6    |
| U.S.                        | ¥ Billions         | 84.2                     | 94.8  | 114.3   |
|                             | [U.S. \$ Millions] | [751]                    | [816] | [1,009] |
| UK                          | ¥ Billions         | 4.1                      | 2.8   | 5.1     |
|                             | [UK £ Millions]    | [21]                     | [13]  | [25]    |
| Germany                     | ¥ Billions         | 1.1                      | 1.6   | 1.4     |
|                             | [Euro Millions]    | [8]                      | [11]  | [10]    |
| Italy                       | ¥ Billions         | 0.4                      | 4.7   | 2.5     |
|                             | [Euro Millions]    | [3]                      | [32]  | [18]    |
| Europe Total                | ¥ Billions         | 5.6                      | 9.1   | 9.0     |
| Asia                        | ¥ Billions         | 2.5                      | 3.4   | 3.5     |
| Total                       | ¥ Billions         | 114.0                    | 130.9 | 154.5   |

\* Sales forecast for Eisai sales territories for the year ending March 31, 2007 is ¥172.0 billion.

### 5-3 ZONEGRAN Sales by Geographical Area

| Years Ended/Ending March 31 |                    | Nine months ended Dec 31 |      | Full  |
|-----------------------------|--------------------|--------------------------|------|-------|
| 3Q Apr - Dec                |                    | 2006                     | 2007 | 2006  |
| Area                        |                    |                          |      |       |
| U.S.                        | ¥ Billions         | 11.2                     | 2.5  | 12.7  |
|                             | [U.S. \$ Millions] | [100]                    | [22] | [112] |
| Europe, Asia                | ¥ Billions         | 0.3                      | 1.2  | 0.5   |
| Total                       | ¥ Billions         | 11.5                     | 3.7  | 13.1  |

\* Sales forecast for Eisai sales territories for the year ending March 31, 2007 is ¥5.0 billion.

**<Reference> [Non-consolidated]****Eisai Inc. (U.S.)/Pharmaceutical Sales, Production**

| Years Ended/Ending March 31                  |                                | Nine months ended Dec 31 |                         | Full             |
|--|--------------------------------|--------------------------|-------------------------|------------------|
| 3Q Apr - Dec                                 |                                | 2006                     | 2007                    | 2006             |
| Net sales                                    | ¥ Billions<br>[US \$ Millions] | 184.7<br>[1,648]         | <b>221.3</b><br>[1,904] | 254.7<br>[2,248] |
| Operating income                             | ¥ Billions<br>[US \$ Millions] | 15.0<br>[133]            | <b>19.9</b><br>[172]    | 18.6<br>[164]    |
| Net income                                   | ¥ Billions<br>[US \$ Millions] | 10.1<br>[90]             | <b>14.5</b><br>[124]    | 13.0<br>[115]    |
| Operating income before<br>royalty deduction | ¥ Billions<br>[US \$ Millions] | 40.3<br>[360]            | <b>52.7</b><br>[454]    | 54.2<br>[479]    |

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

| Years Ended/Ending December 31 |                                      | Nine months ended Sep 31 |                     | Full         |
|--------------------------------|--------------------------------------|--------------------------|---------------------|--------------|
| 3Q Jan - Sep                   |                                      | 2006                     | 2007                | 2006         |
| Net sales                      | ¥ Billions<br>[Chinese RMB Millions] | 4.6<br>[349]             | <b>4.9</b><br>[341] | 6.6<br>[490] |
| Operating income               | ¥ Billions<br>[Chinese RMB Millions] | 1.0<br>[73]              | <b>0.6</b><br>[45]  | 1.3<br>[97]  |
| Net income                     | ¥ Billions<br>[Chinese RMB Millions] | 0.9<br>[66]              | <b>0.5</b><br>[38]  | 1.3<br>[95]  |

\*The fiscal year of Eisai China Inc. ends on December 31.

\* Average rate of Japanese yen to Chinese RMB

January 1, 2005 to September 30, 2005 13.10 yen/Chinese RMB

January 1, 2006 to September 30, 2006 14.46 yen/Chinese RMB

January 1, 2005 to December 31, 2005 13.45 yen/Chinese RMB

**Eisai Korea Inc. (South Korea)/Pharmaceutical Sales**

| Years Ended/Ending March 31 |                                     | Nine months ended Dec 31 |                    | Full        |
|-----------------------------|-------------------------------------|--------------------------|--------------------|-------------|
| 3Q Apr - Dec                |                                     | 2006                     | 2007               | 2006        |
| Net sales                   | ¥ Billions<br>[Korean Won Billions] | 3.8<br>[35]              | <b>5.5</b><br>[45] | 5.4<br>[48] |
| Operating income            | ¥ Billions<br>[Korean Won Billions] | 0.4<br>[4]               | <b>0.8</b><br>[7]  | 0.6<br>[5]  |
| Net income                  | ¥ Billions<br>[Korean Won Billions] | 0.2<br>[2]               | <b>0.6</b><br>[5]  | 0.3<br>[3]  |

\* Average rate of Japanese yen to Korean Won

April 1, 2005 to December 31, 2005 0.1100 yen/Won

April 1, 2006 to December 31, 2006 0.1232 yen/Won

April 1, 2005 to March 31, 2006 0.1126 yen/Won

## 6. SG&A Expenses

### 6-1 R&D Expenses

(billions of yen)

| Years Ended/Ending March 31/<br>3Q Apr - Dec | Nine months ended Dec 31 |       | Full  |              |
|--|--------------------------|-------|-------|--------------|
|  | 2006                     | 2007  | 2006  | 2007<br>est. |
| Net sales                                    | 449.9                    | 500.8 | 601.3 | 668.0        |
| R&D expenses                                 | 67.0                     | 78.9  | 93.2  | 107.0        |
| Ratio of R&D expenses to net sales (%)       | 14.9%                    | 15.8% | 15.5% | 16.0%        |

### 6-2 SG&A Expenses

(billions of yen)

| Years Ended/Ending March 31/<br>3Q Apr - Dec | Nine months ended Dec 31 |       | Full  |              |
|--|--------------------------|-------|-------|--------------|
|  | 2006                     | 2007  | 2006  | 2007<br>est. |
| Net sales                                    | 449.9                    | 500.8 | 601.3 | 668.0        |
| SG&A expenses                                | 226.0                    | 256.1 | 307.8 | 344.0        |
| Personnel expenses                           | 47.4                     | 51.8  | 64.5  | -            |
| Marketing expenses                           | 146.2                    | 169.6 | 198.2 | -            |
| Administrative expenses and others           | 32.4                     | 34.8  | 45.1  | -            |
| Ratio of SG&A expenses to net sales (%)      | 50.2%                    | 51.1% | 51.2% | 51.5%        |

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

(billions of yen)

| Years Ended/Ending March 31/<br>3Q Apr - Dec                   | Nine months ended Dec 31 |       | Full  |              |
|--|--------------------------|-------|-------|--------------|
|  | 2006                     | 2007  | 2006  | 2007<br>est. |
| Net sales  | 449.9                    | 500.8 | 601.3 | 668.0        |
| SG&A expenses (including R&D expenses)                         | 293.0                    | 335.0 | 401.0 | 451.0        |
| Ratio of SG&A expenses including R&D expenses to net sales (%) | 65.1%                    | 66.9% | 66.7% | 67.5%        |

### III. Consolidated Balance Sheets

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

(billions of yen)

|                                     | 2006         |              | 2005         |              | Chg.         | Inc./<br>(Dec.) | <Explanation>   |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|-----------------|---|
|                                     | 31-Mar       | %            | 31-Dec       | %            |              |                 |   |
| <b>Current assets:</b>              |              |              |              |              |              |                 |   |
| Cash and cash in bank               | 74.2         |              | 47.2         |              |              | (27.0)          | Cash and cash in bank   |
| Notes and accounts receivable-trade | 148.7        |              | 166.0        |              |              | 17.3            | Short-term investments<br><Decrease Factor(s)>                                |
| Short-term investments              | 120.0        |              | 99.5         |              |              | (20.5)          | Product acquisition<br>expenses   |
| Inventories                         | 44.9         |              | 51.0         |              |              | 6.0             | Payment of income and<br>other taxes  |
| Deferred tax assets                 | 29.3         |              | 28.5         |              |              | (0.8)           | Payment of interim<br>dividends   |
| Others                              | 15.8         |              | 15.6         |              |              | (0.2)           |   |
| Allowance for doubtful receivables  | (0.3)        |              | (0.4)        |              |              | (0.0)           |   |
| <b>Total current assets</b>         | <b>432.6</b> | <b>57.9</b>  | <b>407.4</b> | <b>53.8</b>  | <b>94.2</b>  | <b>(25.3)</b>   |   |
| <b>Fixed assets:</b>                |              |              |              |              |              |                 |   |
| Property, plant and equipment:      |              |              |              |              |              |                 |   |
| Buildings and structures            | 66.7         |              | 72.5         |              |              | 5.8             |   |
| Machinery, equipment and vehicles   | 25.5         |              | 24.3         |              |              | (1.2)           |   |
| Land                                | 17.1         |              | 17.2         |              |              | 0.2             |   |
| Construction in progress            | 9.3          |              | 5.8          |              |              | (3.5)           |   |
| Others                              | 10.1         |              | 10.5         |              |              | 0.4             |   |
| Total property, plant and equipment | 128.7        | 17.2         | 130.4        | 17.2         | 101.3        | 1.7             |   |
| Intangible assets                   | 43.2         | 5.8          | 63.2         | 8.4          | 146.3        | 20.0            | Intangible assets<br><Increase Factor(s)><br>Oncology products<br>acquisition |
| Investments and other assets:       |              |              |              |              |              |                 |   |
| Investment securities               | 105.5        |              | 113.3        |              |              | 7.9             |   |
| Long-term loans receivable          | 0.1          |              | 0.0          |              |              | (0.0)           |   |
| Deferred tax assets                 | 27.6         |              | 32.2         |              |              | 4.6             |   |
| Others                              | 10.4         |              | 10.8         |              |              | 0.5             |   |
| Allowance for doubtful accounts     | (0.8)        |              | (0.7)        |              |              | 0.1             |   |
| Total investments and other assets  | 142.7        | 19.1         | 155.7        | 20.6         | 109.1        | 12.9            |   |
| <b>Total fixed assets</b>           | <b>314.6</b> | <b>42.1</b>  | <b>349.3</b> | <b>46.2</b>  | <b>111.0</b> | <b>34.6</b>     |   |
| <b>Total assets</b>                 | <b>747.2</b> | <b>100.0</b> | <b>756.6</b> | <b>100.0</b> | <b>101.3</b> | <b>9.4</b>      |   |

## 2. Consolidated Balance Sheets <Liabilities and Equity> (billions of yen)

|  | 2006         |              | Chg.         | Inc./        | <Explanation>  |               |
|--|--------------|--------------|--------------|--------------|--|---------------|
|  | 31-Mar-06    | 31-Dec-05    |              |              |  | %             |
| <b>Current liabilities:</b>                                  |              |              |              |              |  |               |
| Notes and accounts payable-trade                             | 24.4         | 15.8         | (8.6)        |              | Notes and accounts payable-trade                                   |               |
| Short-term borrowings  | 0.4          | 0.4          | (0.1)        |              | <Decrease Factor(s)>   |               |
| Accounts payable-other                                       | 53.2         | 55.0         | 1.8          |              | Payment of accounts payable-trade                                  |               |
| Accrued expenses   | 42.6         | 41.2         | (1.4)        |              |  |               |
| Income tax payable   | 23.4         | 12.0         | (11.4)       |              | Income tax payable   |               |
| Reserve for sales rebates                                    | 27.8         | 36.2         | 8.4          |              | <Decrease Factor(s)>   |               |
| Other reserves   | 0.8          | 0.7          | (0.1)        |              | Payment of income and other taxes                                  |               |
| Others   | 5.5          | 8.9          | 3.3          |              |  |               |
| <b>Total current liabilities</b>                             | <b>178.2</b> | <b>23.9</b>  | <b>170.1</b> | <b>22.5</b>  | <b>95.5</b>  | <b>(8.1)</b>  |
| <b>Long-term liabilities:</b>                                |              |              |              |              |  |               |
| Deferred tax liabilities                                     | 0.1          | 0.1          | 0.0          |              |  |               |
| Liability for retirement benefits                            | 35.6         | 33.5         | (2.1)        |              |  |               |
| Retirement allowances for directors                          | 1.3          | 1.3          | (0.1)        |              |  |               |
| Others   | 3.6          | 3.6          | 0.0          |              |  |               |
| <b>Total long-term liabilities</b>                           | <b>40.6</b>  | <b>5.4</b>   | <b>38.5</b>  | <b>5.1</b>   | <b>94.8</b>  | <b>(2.1)</b>  |
| <b>Total liabilities</b>                                     | <b>218.7</b> | <b>29.3</b>  | <b>208.5</b> | <b>27.6</b>  | <b>95.3</b>  | <b>(10.2)</b> |
| <b>Owners' equity:</b>                                       |              |              |              |              |  |               |
| Common stock   | 45.0         | 45.0         | -            |              |  |               |
| Capital surplus  | 55.2         | 55.2         | -            |              |  |               |
| Retained earnings  | 429.0        | 454.9        | 25.9         |              |  |               |
| Treasury stock   | (31.9)       | (42.5)       | (10.6)       |              | Treasury stock   |               |
| <b>Total owners' equity</b>                                  | <b>497.3</b> | <b>66.6</b>  | <b>512.6</b> | <b>67.7</b>  | <b>103.1</b>   | <b>15.3</b>   |
| Net unrealized gains and translation adjustments             | 20.3         | 19.6         | (0.7)        |              | <Increase Factor(s)>   |               |
| Foreign currency translation adjustments                     | 1.6          | 5.8          | 4.2          |              | Acquisition of Company's own shares (August, 2 millions of shares) |               |
| <b>Total net unrealized gain and translation adjustments</b> | <b>21.9</b>  | <b>2.9</b>   | <b>25.4</b>  | <b>3.4</b>   | <b>116.1</b>   | <b>3.5</b>    |
| Stock acquisition rights                                     | -            | 0.3          | 0.0          |              | -  | 0.3           |
| Minority interests   | 9.3          | 9.7          | 1.3          |              | 104.7  | 0.4           |
| <b>Total equity</b>  | <b>528.5</b> | <b>70.7</b>  | <b>548.1</b> | <b>72.4</b>  | <b>103.7</b>   | <b>19.6</b>   |
| <b>Total liabilities and equity</b>                          | <b>747.2</b> | <b>100.0</b> | <b>756.6</b> | <b>100.0</b> | <b>101.3</b>   | <b>9.4</b>    |

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

## IV. Consolidated Statements of Cash Flows

| (billions of yen)   |                          |               |                 | <Explanation>   |
|---|--------------------------|---------------|-----------------|---|
| Years Ended/Ending March 31   | Nine months ended Dec 31 |               |                 |   |
| 3Q Apr - Dec  | 2006                     | 2007          | Inc./<br>(Dec.) |   |
| <b>Operating activities:</b>  |                          |               |                 |   |
| Income before income taxes and minority interests in income           | 81.0                     | 87.3          | 6.3             |   |
| Depreciation and amortization   | 18.5                     | 19.2          | 0.7             |   |
| Other non-cash gains/losses   | 0.1                      | 0.4           | 0.3             |   |
| Operating assets/liabilities increase/decrease                        | (7.7)                    | (20.3)        | (12.6)          | <b>Operating assets/<br/>liabilities increase/<br/>decrease</b> |
| Others  | (4.2)                    | (4.1)         | 0.1             |   |
| [Sub-total]   | 87.8                     | 82.5          | (5.3)           | <Decrease Factor(s)>  |
| Interest paid/received  | 2.8                      | 4.2           | 1.4             | Decrease in accounts payable-trade                              |
| Income taxes paid   | (41.4)                   | (45.4)        | (3.9)           |   |
| <b>Net cash provided by operating activities</b>                      | <b>49.1</b>              | <b>41.3</b>   | <b>(7.8)</b>    |   |
| <b>Investing activities:</b>  |                          |               |                 |   |
| Capital expenditures  | (31.6)                   | (43.6)        | (12.0)          | <b>Capital expenditures</b><br><Increase Factor(s)>             |
| Other revenue/payment for continuing activities                       | 0.2                      | 0.3           | 0.1             |   |
| Purchases/sales of securities etc.                                    | 2.3                      | (7.6)         | (9.8)           | Oncology products acquisition                                   |
| Others  | 4.9                      | (1.2)         | (6.1)           |   |
| <b>Net cash used in investing activities</b>                          | <b>(24.2)</b>            | <b>(52.1)</b> | <b>(27.9)</b>   |   |
| <b>Financing activities:</b>  |                          |               |                 |   |
| Dividends paid  | (21.4)                   | (29.9)        | (8.5)           | <b>Dividends paid</b><br><Increase Factor(s)>                   |
| Short-term debt proceeds/payment                                      | (0.4)                    | (0.1)         | 0.4             |   |
| Treasury stock purchase   | -                        | (11.1)        | (11.1)          | ¥ 75 per share to ¥ 105 per share                               |
| Others  | 0.0                      | 0.3           | 0.3             |   |
| <b>Net cash used in financing activities</b>                          | <b>(21.9)</b>            | <b>(40.7)</b> | <b>(18.8)</b>   |   |
| Foreign currency translation adjustments on cash and cash equivalents | 4.7                      | 3.0           | (1.7)           |   |
| Net increase (decrease) in cash and cash equivalents                  | 7.7                      | (48.5)        | (56.3)          |   |
| Cash and cash equivalents at beginning of period                      | 142.4                    | 183.3         | 40.8            |   |
| <b>Cash and cash equivalents at end of period</b>                     | <b>150.2</b>             | <b>134.7</b>  | <b>(15.4)</b>   |   |

\*Classifications of cash flow concerning retirement benefit have been reorganized since this quarter. The past data have been reclassified accordingly.

| (billions of yen)           |                          |              |                 | <Explanation> |
|-----------------------------|--------------------------|--------------|-----------------|---------------|
| Years Ended/Ending March 31 | Nine months ended Dec 31 |              |                 |               |
| 3Q Apr - Dec                | 2006                     | 2007         | Inc./<br>(Dec.) |               |
| <b>Free Cash Flows</b>      | <b>17.7</b>              | <b>(2.0)</b> | <b>(19.7)</b>   |               |

\* "Free cash flows" = "Net cash provided by operating activities" - ("Capital expenditures" + "Other revenue/payment for continuing activities")

## V. Non-Consolidated Financial Highlights

### 1. Non-Consolidated Financial Highlights

#### 1-1 Statements of Income Data

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |       |          | Full  |           |
|---|--------------------------|-------|----------|-------|-----------|
|   | 2006                     | 2007  | Change % | 2006  | 2007 est. |
| Net sales                                   | 254.2                    | 265.0 | 104.3    | 332.0 | 345.0     |
| Cost of sales                               | 60.1                     | 61.2  | 101.9    | 78.0  | 77.5      |
| R&D expenses                                | 66.0                     | 77.5  | 117.4    | 92.9  | 105.0     |
| SG&A expenses                               | 71.3                     | 74.1  | 103.9    | 95.8  | 101.5     |
| Operating income                            | 56.8                     | 52.2  | 91.9     | 65.4  | 61.0      |
| Ordinary income                             | 58.3                     | 53.0  | 91.0     | 67.3  | 62.0      |
| Net income                                  | 37.5                     | 34.5  | 91.9     | 43.9  | 39.0      |

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

#### 1-2 Balance Sheets Data

(billions of yen)

|   | 2006   |        | Inc./ (Dec.) |
|---|--------|--------|--------------|
|   | 31-Mar | 31-Dec |              |
| Total assets  | 572.9  | 545.8  | (27.1)       |
| Equity  | 465.2  | 458.8  | (6.4)        |
| Equity - Minority interests - Stock acquisition rights                    | 465.2  | 458.5  | (6.7)        |
| (Equity - Minority interests - Stock acquisition rights)/Total assets (%) | 81.2%  | 84.0%  | 2.8%         |

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

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

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |      |              | Full |           |
|---|--------------------------|------|--------------|------|-----------|
|   | 2006                     | 2007 | Inc./ (Dec.) | 2006 | 2007 est. |
| Capital expenditures                        | 11.0                     | 14.0 | 3.0          | 24.5 | 21.0      |
| Property, plant and equipment               | 6.1                      | 5.2  | (0.9)        | 11.2 | 10.0      |
| Intangible assets                           | 4.9                      | 8.8  | 3.9          | 13.4 | 11.0      |
| Depreciation/Amortization                   | 12.0                     | 13.1 | 1.1          | 16.4 | 16.0      |

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

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

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |        |              | Full   |      |
|---|--------------------------|--------|--------------|--------|------|
|   | 2006                     | 2007   | Inc./ (Dec.) | 2006   | 2007 |
| Net cash provided by operating activities   | 29.9                     | 8.2    | (21.7)       | 55.8   |      |
| Net cash used in investing activities       | (12.1)                   | (34.3) | (22.2)       | (13.5) |      |
| Net cash used in financing activities       | (21.4)                   | (40.5) | (19.2)       | (21.2) |      |
| Cash and cash equivalents at end of period  | 76.0                     | 33.8   | (42.2)       | 100.5  |      |
| Free cash flows                             | 14.0                     | (7.8)  | (21.7)       | 30.9   |      |

\* "Free cash flows" = "Net cash provided by operating activities" - ("Capital expenditures" + "Other revenue/payment for continuing activities")

## 2. Net Sales by Business Segment

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec                                   | Nine months ended Dec 31 |                  |             | Full    |              |
|---|--------------------------|------------------|-------------|---------|--------------|
|   | 2006                     | 2007             | Change<br>% | 2006    | 2007<br>est. |
| Net sales   | 254.2                    | <b>265.0</b>     | 104.3       | 332.0   | 345.0        |
| Prescription pharmaceuticals  | 165.1                    | <b>168.7</b>     | 102.2       | 211.5   | 216.0        |
| [Ratio of in-house developed<br>products to prescription pharmaceuticals] (%) | [84.0%]                  | [ <b>82.7%</b> ] | -           | [82.3%] | -            |
| Pharmaceuticals exports   | 39.6                     | <b>39.2</b>      | 99.0        | 53.9    | 54.0         |
| Consumer health care products   | 13.9                     | <b>15.0</b>      | 108.1       | 17.6    | 18.5         |
| Food additives/Chemicals, etc.  | 1.4                      | <b>0.9</b>       | 66.3        | 1.8     | 1.5          |
| Industrial property rights, etc. income                                       | 34.3                     | <b>41.2</b>      | 120.1       | 47.2    | 55.0         |

## 3. Exports by Geographical Area

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |              |             | Full  |              |
|---|--------------------------|--------------|-------------|-------|--------------|
|   | 2006                     | 2007         | Change<br>% | 2006  | 2007<br>est. |
| Net Sales                                   | 254.2                    | <b>265.0</b> | 104.3       | 332.0 | 345.0        |
| Exports                                     | 72.6                     | <b>80.1</b>  | 110.4       | 99.7  | 107.5        |
| North America                               | 50.7                     | <b>56.0</b>  | 110.6       | 69.6  | -            |
| Europe                                      | 17.9                     | <b>19.3</b>  | 107.4       | 24.9  | -            |
| Asia and Others                             | 4.0                      | <b>4.8</b>   | 121.9       | 5.2   | -            |
| Ratio of exports to sales (%)               | 28.6%                    | <b>30.2%</b> | -           | 30.0% | 31.2%        |

\* 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.

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

#### 4. Prescription Pharmaceuticals

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec                           | Nine months ended Dec 31 |       |          | Full  |           |
|---|--------------------------|-------|----------|-------|-----------|
|   | 2006                     | 2007  | Change % | 2006  | 2007 est. |
| Description / Product   |                          |       |          |       |           |
| Alzheimer's type dementia treatment<br><i>ARICEPT</i>                 | 32.6                     | 37.9  | 116.4    | 42.3  | 49.0      |
| Peripheral neuropathy treatment<br><i>METHYCOBAL</i>                  | 24.9                     | 24.5  | 98.4     | 32.1  | 31.5      |
| Proton pump inhibitor<br><i>PARIET</i>                                | 21.7                     | 23.7  | 109.3    | 27.6  | 30.5      |
| Gastritis/gastric ulcer treatment<br><i>SELBEX</i>                    | 16.9                     | 15.3  | 90.3     | 21.7  | 20.5      |
| Non-ionic contrast medium<br><i>IOMERON</i>                           | 6.9                      | 6.6   | 95.3     | 8.7   | 8.0       |
| Muscle relaxant<br><i>MYONAL</i>                                      | 6.7                      | 6.4   | 95.5     | 8.5   | 8.0       |
| Osteoporosis treatment<br><i>GLAKAY</i>                               | 6.7                      | 5.9   | 89.2     | 8.4   | 8.0       |
| Osteoporosis treatment<br><i>ACTONEL</i>                              | 2.6                      | 5.9   | 230.2    | 4.0   | 8.0       |
| Genetically engineered glucagon preparation<br><i>GLUCAGON G NOVO</i> | 3.5                      | 3.3   | 94.8     | 4.4   | 4.0       |
| Long-acting isosorbide denigrate preparation<br><i>NITOROL-R</i>      | 3.5                      | 3.1   | 87.9     | 4.4   | 4.0       |
| Antiallergic agent<br><i>AZEPTIN</i>                                  | 2.0                      | 1.8   | 87.7     | 2.9   | 2.5       |
| Others  | 37.1                     | 34.3  | 92.5     | 46.6  | 42.0      |
| Prescription pharmaceuticals total                                    | 165.1                    | 168.7 | 102.2    | 211.5 | 216.0     |

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

#### 5. Exports by Products

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |      |          | Full |           |
|---|--------------------------|------|----------|------|-----------|
|   | 2006                     | 2007 | Change % | 2006 | 2007 est. |
| Product                                     |                          |      |          |      |           |
| <i>ARICEPT</i>                              | 17.2                     | 16.0 | 92.6     | 22.8 | 21.0      |
| <i>ACIPHEX/PARIET</i>                       | 19.3                     | 20.2 | 104.9    | 26.8 | 27.5      |
| Others                                      | 3.1                      | 3.0  | 98.0     | 4.3  | 5.5       |
| Exports total                               | 39.6                     | 39.2 | 99.0     | 53.9 | 54.0      |

#### 6. Consumer Health Care Products

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec                              | Nine months ended Dec 31 |      |          | Full |           |
|--|--------------------------|------|----------|------|-----------|
|  | 2006                     | 2007 | Change % | 2006 | 2007 est. |
| Description / Product  |                          |      |          |      |           |
| Vitamin B2 preparation<br><i>CHOCOLA BB</i> Group                        | 6.7                      | 7.0  | 104.4    | 8.3  | 8.5       |
| Active-type Vitamin B12<br><i>NABOLIN</i> Group                          | 1.1                      | 1.5  | 130.9    | 1.4  | 1.5       |
| <i>JUVELUX</i> / Natural Vitamin E preparation<br><i>Vitamin-E</i> Group | 1.5                      | 1.4  | 98.3     | 1.8  | 1.5       |
| Stomach ache and heartburn treatment<br><i>SACLON</i> Group              | 1.5                      | 1.4  | 89.9     | 1.9  | 2.0       |
| Others   | 3.1                      | 3.8  | 121.3    | 4.2  | 5.0       |
| Consumer health care products total                                      | 13.9                     | 15.0 | 108.1    | 17.6 | 18.5      |

## 7. SG&A Expenses

### 7-1 R&D Expenses

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec          | Nine months ended Dec 31 |         | Full    |              |
|--|--------------------------|---------|---------|--------------|
|  | 2006                     | 2007    | 2006    | 2007<br>est. |
| Net sales  | 254.2                    | 265.0   | 332.0   | 345.0        |
| R&D expenses   | 66.0                     | 77.5    | 92.9    | 105.0        |
| Overseas R&D expenses                                | 29.5                     | 39.5    | 42.7    | -            |
| [Ratio of overseas R&D expenses to R&D expenses] (%) | [44.7%]                  | [50.9%] | [46.0%] | -            |
| Ratio of R&D expenses to net sales (%)               | 26.0%                    | 29.3%   | 28.0%   | 30.4%        |

### 7-2 SG&A Expenses

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec | Nine months ended Dec 31 |       | Full  |              |
|---|--------------------------|-------|-------|--------------|
|   | 2006                     | 2007  | 2006  | 2007<br>est. |
| Net sales                                   | 254.2                    | 265.0 | 332.0 | 345.0        |
| SG&A expenses                               | 71.3                     | 74.1  | 95.8  | 101.5        |
| Personnel expenses                          | 25.9                     | 24.2  | 34.4  | -            |
| Marketing expenses                          | 27.8                     | 31.2  | 37.8  | -            |
| Administrative expenses and others          | 17.6                     | 18.7  | 23.5  | -            |
| Ratio of SG&A expenses to net sales (%)     | 28.0%                    | 27.9% | 28.8% | 29.4%        |

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

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr - Dec                      | Nine months ended Dec 31 |       | Full  |              |
|--|--------------------------|-------|-------|--------------|
|  | 2006                     | 2007  | 2006  | 2007<br>est. |
| Net sales  | 254.2                    | 265.0 | 332.0 | 345.0        |
| SG&A expenses (including R&D expenses)                           | 137.3                    | 151.6 | 188.6 | 206.5        |
| Ratio of SG&A expenses (including R&D expenses) to net sales (%) | 54.0%                    | 57.2% | 56.8% | 59.9%        |

## 8. Balance Sheets Data

### <Assets>

(billions of yen)

|                               | 2006         |              | Inc./<br>(Dec.) |
|-------------------------------|--------------|--------------|-----------------|
|                               | 31-Mar       | 31-Dec       |                 |
| Current assets                | 278.2        | 230.5        | (47.7)          |
| Fixed assets                  | 294.7        | 315.3        | 20.6            |
| Property, plant and equipment | 82.7         | 78.0         | (4.7)           |
| Intangible assets             | 26.5         | 30.4         | 3.9             |
| Investments and other assets  | 185.5        | 206.9        | 21.4            |
| <b>Total assets</b>           | <b>572.9</b> | <b>545.8</b> | <b>(27.1)</b>   |

### <Liabilities and Equity>

(billions of yen)

|   | 2006         |              | Inc./<br>(Dec.) |
|---|--------------|--------------|-----------------|
|   | 31-Mar       | 31-Dec       |                 |
| Current liabilities                             | 74.6         | 56.1         | (18.5)          |
| Long-term liabilities                           | 33.1         | 30.9         | (2.2)           |
| <b>Total liabilities</b>                        | <b>107.7</b> | <b>87.0</b>  | <b>(20.7)</b>   |
| Owners' equity                                  | 445.4        | 439.4        | (6.1)           |
| Net unrealized gain and translation adjustments | 19.8         | 19.1         | (0.6)           |
| Stock acquisition rights                        | -            | 0.3          | 0.3             |
| <b>Total equity</b>                             | <b>465.2</b> | <b>458.8</b> | <b>(6.4)</b>    |
| <b>Total liabilities and equity</b>             | <b>572.9</b> | <b>545.8</b> | <b>(27.1)</b>   |

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

## 9. Statements of Cash Flows

(billions of yen)

| Years Ended/Ending March 31<br>3Q Apr. Dec.                              | Nine months ended Dec 31 |               |                 |
|--|--------------------------|---------------|-----------------|
|  | 2006                     | 2007          | Inc./<br>(Dec.) |
| <b>Operating activities:</b>   |                          |               |                 |
| Income before income taxes   | 58.2                     | 53.3          | (4.9)           |
| Depreciation and amortization  | 12.0                     | 13.1          | 1.1             |
| Other non-cash gains/losses  | (0.1)                    | 0.3           | 0.5             |
| Operating assets/liabilities increase/decrease                           | (8.9)                    | (25.4)        | (16.5)          |
| Others   | (2.3)                    | (0.9)         | 1.3             |
| [Sub-total]  | 58.9                     | 40.4          | (18.5)          |
| Interest paid/received   | 1.3                      | 1.2           | (0.1)           |
| Income taxes paid  | (30.3)                   | (33.4)        | (3.1)           |
| <b>Net cash provided by operating activities</b>                         | <b>29.9</b>              | <b>8.2</b>    | <b>(21.7)</b>   |
| <b>Investing activities:</b>   |                          |               |                 |
| Capital expenditures   | (16.2)                   | (17.2)        | (1.0)           |
| Other revenue/payment for continuing activities                          | 0.2                      | 1.2           | 1.0             |
| Purchases/sales of securities  | 1.3                      | (9.0)         | (10.4)          |
| Others   | 2.5                      | (9.3)         | (11.8)          |
| <b>Net cash used in investing activities</b>                             | <b>(12.1)</b>            | <b>(34.3)</b> | <b>(22.2)</b>   |
| <b>Financing activities:</b>   |                          |               |                 |
| Dividends paid   | (21.4)                   | (29.9)        | (8.5)           |
| Treasury stock purchase  | -                        | (11.1)        | (11.1)          |
| Others   | 0.1                      | 0.4           | 0.3             |
| <b>Net cash used in financing activities</b>                             | <b>(21.4)</b>            | <b>(40.5)</b> | <b>(19.2)</b>   |
| Foreign currency translation adjustments<br>on cash and cash equivalents | (0.0)                    | 0.0           | 0.0             |
| Net decrease in cash and cash equivalents                                | (3.6)                    | (66.7)        | (63.1)          |
| Cash and cash equivalents at beginning of period                         | 79.5                     | 100.5         | 21.0            |
| <b>Cash and cash equivalents at end of period</b>                        | <b>76.0</b>              | <b>33.8</b>   | <b>(42.2)</b>   |

\*Classifications of cash flow concerning retirement benefit have been reorganized since this quarter. The past data have been reclassified accordingly.

| Years Ended/Ending March 31<br>3Q Apr. Dec. | Nine months ended Dec 31 |              |                 |
|---|--------------------------|--------------|-----------------|
|   | 2006                     | 2007         | Inc./<br>(Dec.) |
| <b>Free Cash Flows</b>                      | <b>14.0</b>              | <b>(7.8)</b> | <b>(21.7)</b>   |

\* "Free cash flows" = "Net cash provided by operating activities" - ("Capital expenditures" + "Other revenue/payment for continuing activities")

## VI. Changes in Quarterly Results

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

(billions of yen)

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

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

### 2. Balance Sheets Data [Consolidated]

#### <Assets>

(billions of yen)

|                               | 2005   |        |        |        | 2006   |        |        |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|
|                               | 30-Jun | 30-Sep | 31-Dec | 31-Mar | 30-Jun | 30-Sep | 31-Dec |
| Current assets                | 368.7  | 392.8  | 408.5  | 432.6  | 406.6  | 426.7  | 407.4  |
| Fixed assets                  | 293.9  | 300.9  | 303.6  | 314.6  | 318.2  | 324.9  | 349.3  |
| Property, plant and equipment | 123.2  | 124.8  | 125.8  | 128.7  | 127.3  | 128.6  | 130.4  |
| Intangible assets             | 36.2   | 38.5   | 38.7   | 43.2   | 41.3   | 41.6   | 63.2   |
| Investments and other assets  | 134.5  | 137.5  | 139.1  | 142.7  | 149.5  | 154.7  | 155.7  |
| Total assets                  | 662.6  | 693.6  | 712.1  | 747.2  | 724.8  | 751.6  | 756.6  |

#### <Liabilities and Equity>

(billions of yen)

|   | 2005   |        |        |        | 2006   |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|
|   | 30-Jun | 30-Sep | 31-Dec | 31-Mar | 30-Jun | 30-Sep | 31-Dec |
| Current liabilities                             | 143.2  | 154.4  | 157.2  | 178.2  | 157.7  | 177.1  | 170.1  |
| Long-term liabilities                           | 44.2   | 42.7   | 40.5   | 40.6   | 39.9   | 38.5   | 38.5   |
| Total liabilities                               | 187.4  | 197.1  | 197.6  | 218.7  | 197.6  | 215.7  | 208.5  |
| Owners' equity                                  | 460.1  | 475.4  | 485.9  | 497.3  | 498.9  | 504.8  | 512.6  |
| Net unrealized gain and translation adjustments | 6.1    | 12.0   | 19.3   | 21.9   | 19.0   | 21.3   | 25.4   |
| Stock acquisition rights                        | -      | -      | -      | -      | -      | 0.3    | 0.3    |
| Minority interests                              | 9.0    | 9.2    | 9.2    | 9.3    | 9.4    | 9.6    | 9.7    |
| Total equity                                    | 475.2  | 496.5  | 514.4  | 528.5  | 527.3  | 535.9  | 548.1  |
| Total liabilities and equity                    | 662.6  | 693.6  | 712.1  | 747.2  | 724.8  | 751.6  | 756.6  |

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

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

(billions of yen)

| Years Ended/Ending March 31   | 2006          |                |               |                | 2007          |                |               |
|-------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                               | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter | Third Quarter |
| Capital expenditures          | 4.6           | 9.4            | 5.9           | 17.2           | 3.7           | 7.0            | 29.3          |
| Property, plant and equipment | 3.6           | 5.3            | 4.2           | 7.8            | 3.2           | 4.8            | 5.7           |
| Intangible assets             | 1.0           | 4.0            | 1.7           | 9.4            | 0.6           | 2.2            | 23.6          |
| Depreciation/Amortization     | 5.9           | 6.1            | 6.5           | 6.5            | 5.9           | 6.4            | 7.0           |

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

### 4. Cash Flows Data [Consolidated]

(billions of yen)

| Years Ended/Ending March 31                | 2006          |                |               |                | 2007          |                |               |
|--|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|  | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter | Third Quarter |
| Net cash provided by operating activities  | 12.1          | 27.8           | 9.2           | 37.9           | 8.1           | 28.5           | 4.7           |
| Net cash used in investing activities      | (8.9)         | (5.3)          | (10.1)        | (5.3)          | (11.8)        | (9.4)          | (30.9)        |
| Net cash used in financing activities      | (10.1)        | (0.0)          | (11.7)        | 0.0            | (14.4)        | (10.8)         | (15.6)        |
| Cash and cash equivalents at end of period | 136.5         | 160.1          | 150.2         | 183.3          | 164.4         | 175.0          | 134.7         |
| Free cash flows                            | 1.3           | 19.4           | (3.0)         | 25.8           | 0.7           | 21.7           | (24.4)        |

\* "Free cash flows" = "Net cash provided by operating activities" - ("Capital expenditures" + "Other revenue/payment for continuing activities")

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

| Years Ended/Ending March 31 |                    | 2006          |                |               |                | 2007          |                |               |
|-----------------------------|--------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                             |                    | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter | Third Quarter |
| Japan                       | ¥ Billions         | 9.9           | 10.6           | 12.1          | 9.7            | 11.5          | 12.4           | 14.0          |
| U.S.                        | ¥ Billions         | 23.5          | 29.1           | 31.6          | 35.6           | 33.1          | 39.6           | 41.7          |
|                             | [U.S. \$ Millions] | [219]         | [262]          | [271]         | [306]          | [289]         | [341]          | [355]         |
| UK                          | ¥ Billions         | 0.3           | 0.2            | 0.3           | 0.2            | 0.4           | 0.3            | 0.3           |
|                             | [UK £ Millions]    | [2]           | [1]            | [1]           | [1]            | [2]           | [1]            | [1]           |
| France                      | ¥ Billions         | 5.1           | 5.1            | 5.5           | 5.3            | 5.5           | 6.9            | 6.8           |
|                             | [Euro Millions]    | [38]          | [38]           | [40]          | [37]           | [38]          | [47]           | [45]          |
| Germany                     | ¥ Billions         | 1.9           | 2.1            | 2.1           | 1.8            | 1.8           | 1.8            | 2.0           |
|                             | [Euro Millions]    | [14]          | [15]           | [15]          | [12]           | [13]          | [12]           | [13]          |
| Europe total                | ¥ Billions         | 7.3           | 7.4            | 7.9           | 7.3            | 7.7           | 9.0            | 9.1           |
| Asia                        | ¥ Billions         | 0.9           | 1.1            | 1.1           | 1.2            | 1.4           | 1.5            | 1.7           |
| Total                       | ¥ Billions         | 41.7          | 48.2           | 52.7          | 53.8           | 53.7          | 62.5           | 66.5          |

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

| Years Ended/Ending March 31 |                    | 2006          |                |               |                | 2007          |                |               |
|-----------------------------|--------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                             |                    | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter | Third Quarter |
| Japan                       | ¥ Billions         | 6.3           | 6.8            | 8.5           | 5.9            | 7.1           | 7.5            | 9.0           |
| U.S.                        | ¥ Billions         | 25.3          | 28.2           | 30.8          | 30.1           | 29.3          | 31.2           | 34.3          |
|                             | [U.S. \$ Millions] | [235]         | [253]          | [263]         | [258]          | [256]         | [268]          | [292]         |
| UK                          | ¥ Billions         | 1.5           | 1.3            | 1.3           | 1.0            | 1.0           | 1.0            | 0.8           |
|                             | [UK £ Millions]    | [7]           | [7]            | [6]           | [5]            | [5]           | [5]            | [4]           |
| Germany                     | ¥ Billions         | 0.3           | 0.3            | 0.4           | 0.3            | 0.3           | 0.6            | 0.7           |
|                             | [Euro Millions]    | [2]           | [2]            | [3]           | [2]            | [2]           | [4]            | [4]           |
| Italy                       | ¥ Billions         | -             | -              | 0.4           | 2.1            | 1.7           | 1.5            | 1.6           |
|                             | [Euro Millions]    | [-]           | [-]            | [3]           | [15]           | [12]          | [10]           | [10]          |
| Europe total                | ¥ Billions         | 1.8           | 1.7            | 2.1           | 3.4            | 3.0           | 3.1            | 3.0           |
| Asia                        | ¥ Billions         | 0.7           | 0.8            | 1.0           | 1.0            | 1.1           | 1.2            | 1.1           |
| Total                       | ¥ Billions         | 34.1          | 37.4           | 42.4          | 40.4           | 40.5          | 43.0           | 47.5          |

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

| Years Ended/Ending March 31 |                    | 2006          |                |               |                | 2007          |                |               |
|-----------------------------|--------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                             |                    | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter | Third Quarter |
| U.S.                        | ¥ Billions         | 3.6           | 3.9            | 3.7           | 1.5            | 1.0           | 0.6            | 0.9           |
|                             | [U.S. \$ Millions] | [33]          | [35]           | [32]          | [12]           | [9]           | [5]            | [8]           |
| Europe, Asia                | ¥ Billions         | 0.0           | 0.1            | 0.1           | 0.2            | 0.3           | 0.4            | 0.5           |
| Total                       | ¥ Billions         | 3.6           | 4.0            | 3.9           | 1.7            | 1.3           | 1.0            | 1.4           |

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

| Years Ended/Ending March 31               |                    | 2006          |                |               |                | 2007          |                |               |
|---|--------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|   |                    | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter | Third Quarter |
| Net sales                                 | ¥ Billions         | 52.9          | 61.8           | 70.1          | 70.0           | 65.9          | 73.9           | 81.5          |
|   | [U.S. \$ Millions] | [491]         | [556]          | [601]         | [600]          | [576]         | [636]          | [693]         |
| Operating income                          | ¥ Billions         | 3.0           | 4.9            | 7.0           | 3.7            | 5.5           | 6.9            | 7.6           |
|   | [U.S. \$ Millions] | [28]          | [44]           | [61]          | [31]           | [48]          | [59]           | [64]          |
| Net income                                | ¥ Billions         | 2.0           | 3.4            | 4.8           | 2.9            | 3.9           | 4.7            | 5.9           |
|   | [U.S. \$ Millions] | [18]          | [30]           | [42]          | [24]           | [34]          | [41]           | [50]          |
| Operating income before royalty deduction | ¥ Billions         | 10.3          | 13.6           | 16.5          | 13.9           | 15.2          | 18.1           | 19.5          |
|   | [U.S. \$ Millions] | [95]          | [122]          | [142]         | [119]          | [132]         | [156]          | [166]         |

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

(billions of yen)

| Years Ended/Ending March 31 | 2006          |                |               |                | 2007          |                |               |
|-----------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                             | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter | Third Quarter |
| Net sales                   | 79.0          | 81.9           | 93.3          | 77.7           | 82.9          | 87.2           | 94.9          |
| Cost of sales               | 19.0          | 18.9           | 22.2          | 17.9           | 19.9          | 20.0           | 21.3          |
| R&D expenses                | 19.6          | 24.3           | 22.1          | 26.8           | 24.4          | 27.3           | 25.8          |
| SG&A expenses               | 22.9          | 23.4           | 25.0          | 24.4           | 23.3          | 24.8           | 25.9          |
| Operating income            | 17.5          | 15.3           | 24.0          | 8.6            | 15.3          | 15.1           | 21.9          |
| Ordinary income             | 18.1          | 15.6           | 24.6          | 9.1            | 15.6          | 15.1           | 22.3          |
| Net income                  | 11.6          | 10.1           | 15.9          | 6.4            | 10.1          | 10.1           | 14.3          |

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

## 10. Prescription Pharmaceuticals [Non-Consolidated]

(billions of yen)

| Years Ended/Ending March 31   | 2006          |                |               |                | 2007          |                |               |
|---|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|   | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter | Third Quarter |
| Alzheimer's type dementia treatment<br><i>ARICEPT</i>                 | 9.9           | 10.6           | 12.1          | 9.7            | 11.5          | 12.4           | 14.0          |
| Peripheral neuropathy treatment<br><i>METHYCOBAL</i>                  | 7.8           | 8.2            | 8.9           | 7.2            | 7.9           | 8.0            | 8.7           |
| Proton pump inhibitor<br><i>PARIET</i>                                | 6.3           | 6.8            | 8.5           | 5.9            | 7.1           | 7.5            | 9.0           |
| Gastritis/gastric ulcer treatment<br><i>SELBEX</i>                    | 5.4           | 5.5            | 6.0           | 4.8            | 4.9           | 4.9            | 5.5           |
| Non-ionic contrast medium<br><i>IOMERON</i>                           | 2.2           | 2.2            | 2.5           | 1.8            | 2.1           | 2.1            | 2.4           |
| Muscle relaxant<br><i>MYONAL</i>                                      | 2.2           | 2.2            | 2.4           | 1.8            | 2.1           | 2.0            | 2.3           |
| Osteoporosis treatment<br><i>GLAKAY</i>                               | 2.2           | 2.2            | 2.3           | 1.7            | 1.9           | 1.9            | 2.1           |
| Osteoporosis treatment<br><i>ACTONEL</i>                              | -             | -              | 2.6           | 1.5            | 1.9           | 2.0            | 2.1           |
| Genetically engineered glucagon preparation<br><i>GLUCAGON G NOVO</i> | 1.1           | 1.1            | 1.3           | 0.9            | 1.0           | 1.1            | 1.2           |
| Long-acting isosorbide denigrate preparation<br><i>NITOROL-R</i>      | 1.2           | 1.1            | 1.2           | 0.9            | 1.0           | 1.0            | 1.1           |
| Antiallergic agent<br><i>AZEPTIN</i>                                  | 0.8           | 0.5            | 0.7           | 0.9            | 0.6           | 0.5            | 0.7           |
| Others  | 11.9          | 11.7           | 13.5          | 9.5            | 11.2          | 10.7           | 12.3          |
| Prescription pharmaceuticals total                                    | 50.9          | 52.2           | 62.0          | 46.4           | 53.4          | 54.1           | 61.2          |

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

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

(billions of yen)

| Years Ended/Ending March 31/<br>Product | 2006             |                   |                  |                   | 2007             |                   |                  |
|---|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
|   | First<br>Quarter | Second<br>Quarter | Third<br>Quarter | Fourth<br>Quarter | First<br>Quarter | Second<br>Quarter | Third<br>Quarter |
| ARICEPT                                 | 6.3              | 4.8               | 6.1              | 5.5               | 5.4              | 5.9               | 4.7              |
| ACIPHEX/PARIET                          | 6.1              | 7.0               | 6.2              | 7.6               | 6.5              | 6.7               | 7.0              |
| Others                                  | 1.2              | 1.0               | 0.9              | 1.2               | 0.6              | 1.4               | 1.1              |
| Exports total                           | 13.6             | 12.8              | 13.2             | 14.3              | 12.4             | 14.0              | 12.8             |

\* "Exports total" includes bulk substance and tablets.

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

(billions of yen)

| Years Ended/Ending March 31/<br>Description / Product      | 2006             |                   |                  |                   | 2007             |                   |                  |
|--|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
|  | First<br>Quarter | Second<br>Quarter | Third<br>Quarter | Fourth<br>Quarter | First<br>Quarter | Second<br>Quarter | Third<br>Quarter |
| Vitamin B <sub>2</sub> preparation<br>CHOCOLA BB Group     | 2.0              | 2.2               | 2.5              | 1.6               | 2.1              | 2.3               | 2.5              |
| Active-type Vitamin B <sub>12</sub><br>NABOLIN Group       | 0.3              | 0.4               | 0.4              | 0.3               | 0.4              | 0.6               | 0.5              |
| JUVELUX / Natural Vitamin E preparation<br>Vitamin-E Group | 0.4              | 0.5               | 0.6              | 0.3               | 0.4              | 0.5               | 0.5              |
| Stomach ache and heartburn treatment<br>SACLON Group       | 0.4              | 0.5               | 0.6              | 0.4               | 0.4              | 0.4               | 0.5              |
| Others   | 0.8              | 0.9               | 1.4              | 1.1               | 1.0              | 1.2               | 1.6              |
| Consumer health care total                                 | 4.0              | 4.5               | 5.4              | 3.7               | 4.3              | 5.0               | 5.7              |

# VII. Major R&D Pipeline Candidates

## Updates from October 2006

1. **ARICEPT** received an approval in U.S. for an additional indication for severe Alzheimer's disease.
2. **INOVELON** received an approval in Europe for adjunctive therapy of Lennox-Gastaut Syndrome.
3. **PARIET** received an approval in Japan for a new indication for *Helicobacter pylori* (*H. pylori*) eradication.
4. NDA was submitted in Japan for **E2014** for cervical dystonia.
5. An application was submitted for **VASOLAN** for a new indication for atrial fibrillation and paroxysmal supraventricular tachycardia.
6. **E7389** entered Phase III study (for breast cancer) and Phase II study (for sarcoma) in Europe.
7. The Phase II/III study of **D2E7** was started in Japan for the treatment of Crohn's disease.
8. The clinical study of **E0167** for prevention of recurrence of hepatocellular carcinoma in Japan was discontinued.

## 1. International Development

### 1-1 Approved

| (Product) Name                                       | Region | Date   | Description   | Form | Origin   |
|--|--------|--------|---|------|----------|
| <b>ARICEPT</b><br>(E2020)<br>(Additional indication) | U.S.   | Oct-06 | <b>Severe Alzheimer's Disease</b><br>Supplemental New Drug Application was approved by the FDA for severe Alzheimer's disease in addition to the previous indications for the treatment of mild-to-moderate Alzheimer's disease.                            | Tab. | In-house |
| <b>INOVELON</b><br>(E2080)                           | EU     | Jan-07 | <b>Anti-Epilepsy (generic name: rufinamide)</b><br>A novel anticonvulsant which shows efficacy in epilepsy treatment in combination with other anti-epilepsy drugs. Received an approval in Europe for adjunctive therapy of Lennox-Gastaut Syndrome (LGS). | Tab. | Novartis |

### 1-2 Filed for Approval (including submission in preparation)

| (Product) Name  | Region | Date                            | Description  | Form   | Origin                          |
|---|--------|---------------------------------|--|--------|---------------------------------|
| <b>ARICEPT</b><br>(E2020)<br>(Additional indication)  | U.S.   | Sep-02                          | <b>Vascular Dementia</b><br>Currently approved for the treatment of dementia due to Alzheimer's disease. An additional indication for the treatment of vascular dementia is being sought in the U.S.   | Tab.   | In-house                        |
|   | (EU)   | in preparation                  | The application in the EU for vascular dementia was withdrawn in April 2004. Supportive data showing efficacy of the compound is now being collected for resubmission of the application.  |        |                                 |
| <b>ARICEPT</b><br>(E2020)<br>(Additional formulation) | EU     | May-04                          | <b>Liquid Formulation</b><br>Originally approved in the form of tablets. Filed for a liquid formulation for prescription to people who have difficulty swallowing tablets.   | Liquid | In-house                        |
| <b>E2080</b>  | U.S.   | Nov-07                          | <b>Anti-Epilepsy (generic name: rufinamide)</b><br>NDA for adjunctive therapy of LGS has been filed in the U.S. The compound is approved for an orphan drug status in the treatment of LGS and adult partial seizures. (The brand name in the U.S. is under consideration)   | Tab.   | Novartis                        |
| <b>ARICEPT</b><br>(E2020)<br>(Additional indication)  | EU     | May-06                          | <b>Severe Alzheimer's Disease</b><br>Submitted an application for the treatment of severe Alzheimer's disease through mutual recognition procedure in the EU.  | Tab.   | In-house                        |
| <b>GASMOTIN</b>                                       | Asia   | in preparation<br>(for FY 2006) | <b>Gastroprokinetic Agent (generic name: mosapride citrate)</b><br>This compound is a selective serotonin 5-HT <sub>4</sub> receptor agonist which has gastroprokinetic and gastric evacuant effects by enhancing acetylcholine release. Submission is in preparation in 10 Asian countries including ASEAN members. | Tab.   | Dainippon<br>Sumitomo<br>Pharma |

### 1-3 Phase III&II

| (Product) Name:<br>(Research Code)                   | Region             | Phase                        | Description  | Form | Origin                          | Expected Application            |
|--|--------------------|------------------------------|--|------|---------------------------------|---------------------------------|
| <b>ARICEPT</b><br>(E2020)<br>(Additional indication) | EU                 | III                          | <b>Dementia Associated with Parkinson's Disease</b><br>Currently indicated for the treatment of mild to moderate Alzheimer's disease. Now being tested in Phase III for dementia associated with Parkinson's disease.  | Tab. | In-house                        | FY2007                          |
| <b>E2007</b>   | U.S.<br>EU         | III<br>III                   | <b>Parkinson's Disease/AMPA Receptor Antagonist</b><br>The compound selectively antagonizes the AMPA-type glutamate receptor. Development in progress for the treatment of Parkinson's disease. Now being tested in Phase III in the U.S. and EU.  | Tab. | In-house                        | FY2007                          |
| <b>E5564</b>   | U.S.<br>EU         | III<br>III                   | <b>Severe Sepsis/Endotoxin Antagonist (generic name: eritoran)</b><br>A synthetic endotoxin antagonist which is being investigated for severe sepsis caused by endotoxin from various types of gram-negative bacteria. Phase III study is ongoing.   | Inj. | In-house                        | FY2009                          |
| <b>E7389</b>   | U.S.<br>U.S.<br>EU | II<br>III<br>III             | <b>Anti-cancer (breast cancer)/Microtubule Growth Suppressor</b><br>A synthetic analog of Halichondrin B derived from a marine sponge. Acts against tumor growth by inhibiting cell division through blocking microtubule growth. Currently being investigated in the U.S. for breast cancer in a Subpart H application study as well as in Phase III. In Europe, Phase III study for breast cancer was also initiated.  | Inj. | In-house                        | FY2007<br>Subpart H application |
| <b>AS-3201</b>                                       | U.S.<br>EU         | III                          | <b>Diabetic complications/Aldose Reductase Inhibitor</b><br>This compound is being explored as a potential treatment of diabetic complications utilizing its strong property to inhibit aldose reductase. Now being tested in Phase III for treatment of diabetic neuropathy in the U.S..  | Tab. | Dainippon<br>Sumitomo<br>Pharma | FY2009                          |
| <b>clevudine</b>                                     | Asia               | being prepared for Phase III | <b>Anti-hepatitis B Agent (generic name: clevudine)</b><br>Clevudine is an antiviral agent which shows efficacy in treatment of chronic hepatitis caused by the hepatitis B virus through DNA polymerase inhibition. The Phase III study in China is in preparation. Submission is scheduled in FY2006 in Asian countries where no new clinical studies are required.  | Cap. | Bukwang                         |                                 |
| <b>ARICEPT</b><br>(E2020)<br>(Additional indication) | U.S.<br>EU         | II<br>II                     | <b>Migraine Prophylaxis</b><br>Currently indicated for the treatment of mild-to-moderate Alzheimer's disease (mild-to-severe AD in the U.S.) . Now being tested in Phase II for a new indication for migraine prophylaxis.   | Tab. | In-house                        |                                 |
| <b>E2007</b>   | U.S.<br>EU         | II<br>II                     | <b>Epilepsy, Multiple Sclerosis and Migraine Prophylaxis/AMPA Receptor Antagonist</b><br>The compound selectively antagonizes the AMPA-type glutamate receptor. Now being investigated as a potential treatment for epilepsy, multiple sclerosis and migraine prophylaxis.   | Tab. | In-house                        |                                 |
| <b>E7389</b>   | U.S.<br>EU         | II<br>II                     | <b>Anti-cancer (non-small cell lung cancer, prostate cancer, sarcoma) /Microtubule Growth Suppressor</b><br>A synthetic analog of Halichondrin B derived from a marine sponge. Acts against tumor growth by inhibiting cell division through blocking microtubule growth. POC achieved for breast cancer and non-small cell lung cancer. Currently Subpart H Application study (for breast cancer), Phase III ( for breast cancer) and Phase II (for prostate cancer and sarcoma) studies are ongoing. | Inj. | In-house                        |                                 |
| <b>E5555</b>   | U.S.<br>EU         | II<br>II                     | <b>Acute Coronary Syndrome (ACS)/Thrombin receptor antagonist</b><br>The compound inhibits platelet aggregation and smooth-muscle proliferation based on thrombin receptor antagonism. Phase II study for the treatment of ACS is ongoing.   | Tab. | In-house                        | FY2010                          |

\*The expected application date of Aricept for the treatment of dementia associated with Parkinson's disease was changed to FY2007.

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

- Subpart H application: an FDA system which gives fast track review to new drugs that shows efficacy in treatment of severe or fatal diseases that fulfill other criteria.

## 2. Development in Japan

### 2-1 Approved

| (Product) Name<br>(Research Code)                   | Date   | Description   | Form | Origin   |
|---|--------|---|------|----------|
| <b>PARIET</b><br>(E3810)<br>(Additional indication) | Jan-07 | <b>Eradication of <i>H. pylori</i> in Combination with Antibiotics</b><br>Currently approved for the treatment of peptic ulcers, erosive GERD, and Zollinger-Ellison syndrome in Japan. Approved for eradication of <i>H. pylori</i> in combination with antibiotics. | Tab. | In-house |

### 2-2 Filed for Approval

| (Product) Name<br>(Research Code)                     | Date   | Description  | Form | Origin                         |
|---|--------|--|------|--------------------------------|
| <b>T-614</b>  | Sep-03 | <b>Rheumatoid Arthritis (generic name: iguratimod)</b><br>Suppresses lymphocyte proliferation, immunoglobulin and inflammatory cytokines production. Now being investigated for potential treatment of chronic rheumatoid arthritis.   | Tab. | Toyama<br>Chemical             |
| <b>TAMBOCOR</b><br>(E0735)<br>(Additional indication) | Dec-04 | <b>Paroxysmal Atrial Fibrillation/Flutter</b><br>The compound is currently approved for treatment of ventricular tachyarrhythmia in Japan and is being filed for the treatment of paroxysmal atrial fibrillation/flutter.  | Tab. | 3M                             |
| <b>ARICEPT</b><br>(E2020)<br>(Additional indication)  | Dec-05 | <b>Severe Alzheimer's disease</b><br>Currently approved for the treatment of mild-to-moderate dementia Alzheimer's disease. Submitted for a new indication for severe Alzheimer's disease.   | Tab. | In-house                       |
| <b>D2E7</b>   | Dec-05 | <b>Rheumatoid Arthritis/Human Anti TNF-alpha Monoclonal Antibody (generic name: adalimumab)</b><br>Blocks the activity of Tumor Necrosis Factor-alpha (TNF-alpha) which plays a central role in inflammation in autoimmune diseases. An application was submitted for treatment of Rheumatoid Arthritis. | Inj. | Abbott                         |
| <b>PARIET</b><br>(E3810)<br>(Additional indication)   | Mar-06 | <b>Symptomatic GERD</b><br>Currently approved for treatment of peptic ulcers, erosive GERD, and Zollinger-Ellison syndrome in Japan. Submitted for treatment of symptomatic GERD.  | Tab. | In-house                       |
| <b>PARIET</b><br>(E3810)<br>(Additional Indication)   | Aug-06 | <b>Secondary Eradication of <i>H. pylori</i> in Combination with Antibiotics</b><br>Filed an application for a new indication of secondary eradication of <i>H. pylori</i> (an alternative eradication for patients who do not respond to primary eradication).  | Tab. | In-house                       |
| <b>E2014</b>  | Dec-06 | <b>Cervical Dystonia/Botulinum Toxin Type B</b><br>Botulinum toxin acts on cholinergic nerve ending synapses and inhibits the release of acetylcholine to relax muscles. Filed application for treatment of Cervical Dystonia.   | Inj. | Solstice<br>Neuro-<br>Sciences |
| <b>VASOLAN</b><br>(E0103)<br>(Additional Indication)  | Jan-07 | <b>Atrial Fibrillation, Paroxysmal Supraventricular Tachycardia (PSVT) (generic name: verapamil hydrochloride)</b><br>Currently approved for Ischemic heart disease treatment. An application was submitted for a new indication for atrial fibrillation and paroxysmal supraventricular tachycardia.    | Tab. | Abbott                         |

### 2-3 Phase III & II

| (Product) Name<br>(Research Code)                               | Phase  | Description  | Form | Origin   | Expected Application  |
|---|--------|--|------|----------|-----------------------|
| <b>KES524</b>   | III    | <b>Obesity Management/Central Acting Serotonin &amp; Noradrenalin Reuptake Inhibitor (generic name: sibutramine)</b><br>Inhibits the reuptake of the cerebral neurotransmitters, noradrenalin and serotonin. By enhancing the feeling of satiety and increasing energy consumption, it is expected to result in loss of body weight. | Cap. | Abbott   | FY2007                |
| <b>E0302</b>  | II/III | <b>Amyotrophic Lateral Sclerosis(ALS)/mecobalamine</b><br>Mecobalamine is currently approved for treatment of peripheral neuropathy. Phase II/III study for amyotrophic lateral sclerosis (ALS) is ongoing.  | Inj. | In-house |                       |
| <b>D2E7</b><br>(additional indication)                          | II/III | <b>Psoriasis, Crohn's disease/Human Anti TNF-alpha Monoclonal Antibody (generic name: adalimumab)</b><br>Filed for a new indication for rheumatoid arthritis. Now being investigated in Phase II/III study for psoriasis. Phase II/III study for Crohn's disease was initiated in Japan.   | Inj. | Abbott   | FY2007<br>(Psoriasis) |
| <b>IOMERON</b><br>(E7337)<br>(Additional dosage/administration) | II     | <b>X-ray Contrast Medium</b><br>Currently approved for CT (computerized tomography) angiography. An application of additional dosage and administration is being sought.   | Inj. | Bracco   |                       |
| <b>E7210</b><br>(Suspended)                                     | II     | <b>Ultrasonic Contrast Medium</b><br>Development in progress for potential Ultrasonic Contrast Medium by employing microbubbles that reflect ultrasounds. (The Phase II study is currently suspended.)   | Inj. | Bracco   |                       |

\*The clinical study in Japan for E0167 for the prevention of recurrence of hepatocellular carcinoma was discontinued.

## VIII. Major Events

| Date      | Description  | < >=Press Release Date |
|-----------|--|------------------------|
| Jan. 2007 | <i>PARIET</i> Tablets 10mg received approval in Japan for a new indication in <i>Helicobacter pylori</i> eradication <Jan. 30><br>The anti-epilepsy agent <i>NOVELON</i> received marketing approval in Europe for adjunctive treatment of LGS <Jan. 22><br>Eisai Research Institute of Boston opened a new facility (opened on January 17)  |                        |
| Dec. 2006 | Submitted an NDA in Japan for Botulinum toxin type B E2014 in treatment of cervical dystonia   |                        |
| Nov.      | Established pharmaceutical marketing subsidiary in Portugal EF-Eisai Farmacêutica, Unipessoal Lda <Nov. 21><br>A positive opinion was issued for <i>NOVELON</i> for marketing authorization by European Committee for Medical Products for Human Use (CHMP). <Nov. 20><br>Eisai Inc in US broke grounds for new oncology facility in North Carolina (announced in US on Nov. 13)<br>Launched a new RX-to-OTC switch product <i>HIGUARD</i> for allergy-related Rhinitis and Skin Problems in Japan<br><launch date: Nov. 01, press release announced on Oct. 31>   |                        |
| Oct.      | Eisai's subsidiary Sanko Junyaku Co., Ltd. announced revision of forecast of annual business/year-end dividend. <Oct. 30><br>The acquisition of four oncology-related products from Ligand was completed <Oct. 26><br><br>Eisai, Sanko Junyaku and FUJIREBIO signed a joint agreement for development of a New KL-6 Test Kit (supplementary diagnostic marker for interstitial pneumonia) compatible with the LUMIPULSE system <Oct. 19><br>Sanko Junyaku Co., Ltd. announced revision of semiannual business forecast <Oct. 19><br><i>ARICEPT</i> received approval from U.S. FDA in treatment of severe Alzheimer's disease <Oct.14><br>Received Court decisions for summary judgment motion in US legal action over <i>ACIPHEX</i> ANDA filing <Oct. 9><br>Eisai's subsidiary KAN Research Institute relaunched operations in the Kobe Medical Industry Development Project Site <Oct.2><br>Established Eisai Clinical Research Singapore Pte. Ltd. |                        |
| Sep.      | Court dismissed Eisai's lawsuits against generic drug manufacturers/distributors regarding the sales of <i>SELBEX</i> 50mg based on the Japanese Unfair Competition Prevention Law <Sep. 27><br>Acquired four oncology-related products from Ligand <Sep. 8>   |                        |
| Aug.      | Announced the result of the Company's own share acquisition through ToSTNet-2 <Aug. 30><br>Announced acquisition of the Company's own shares through ToSTNet-2 <Aug. 29><br>Commenced legal action in the United States over <i>ARICEPT</i> ODT ANDA filing <Aug. 4>   |                        |
| Jul.      | Launched severe chronic agent <i>PRIALT</i> in the UK and Germany. <Jul. 31><br><br>Continuation of policy for protection of the company's corporate value and common interests of shareholders was resolved in the BOD meeting <Jul. 31><br>Acquisition of treasury stock <Jul. 31><br><br>Concluded agreement with Solvay Pharmaceuticals Marketing & Licensing AG on co-development and distribution of pancreatic exocrine insufficiency treatment (SA-001) in Japan <Jul. 27><br>Mutually agreed with Teva to terminate collaboration agreement for rasagiline. < Jul. 12><br>Announced outline of new stock option (new share subscription right) <Jul.10><br>Eisai (Singapore) Pte. Ltd. started marketing operation <Jul. 4>   |                        |
| Jun.      | Licensed selective estrogen receptor modulators (SERMs) to Radius. <Jun. 29><br>Announced allotment of stock option (new share subscription right) <Jun. 23>   |                        |
| May.      | Resolved dissolution of Eisai U.S.A. Inc. <May 19><br>Issued partial amendment of articles of corporation <May 16><br>Introduced "new share subscription right" as a stock option <May 16><br>Filed application with the MHRA for <i>ARICEPT</i> in treatment of severe Alzheimer's Disease. <May 16><br>Signed joint development agreement with Nitto Denko regarding transdermal patch formulation of <i>ARICEPT</i> . <May 10><br>Clinical studies of the next generation of Alzheimer's Disease treatment E2012 was initiated. <May 9><br>Established pharmaceutical marketing subsidiary in Singapore Eisai (Singapore) Pte. Ltd..  |                        |
| Apr.      | Announced press release regarding reported loss of document containing personal information <Apr. 21><br><br>License agreement is signed with Dainippon Sumitomo Pharma regarding development, manufacturing and marketing of <i>GASMOTIN</i> , a gastroprokinetic agent, for countries including Asean members. <Apr. 17><br>Established Eisai R&D Management Co., Ltd.<br>The fifth Medium-term Strategic Plan "Dramatic Leap Plan" was initiated.   |                        |

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

END