

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

**FOR IMMEDIATE RELEASE
February 1, 2008**

Eisai Co., Ltd. cD 06d.e2e qaryterly consolidat2e financialresults for the fiscalyear ending

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

Period	Net Cash Provided by Operating Activities	Net Cash Used in Investing Activities	Net Cash Used in Financing Activities	Cash and Cash Equivalents
October 1, 2007- December 31, 2007	¥10,122 mil.	(¥9,195 mil.)	¥1,311 mil.	¥141,731 mil.
October 1, 2006- December 31, 2006	¥5,918 mil.	(¥32,130 mil.)	(¥15,594 mil.)	¥134,744 mil.

<Nine months ended December 31 >

Period	Net Cash Provided by Operating Activities	Net Cash Used
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[REFERENCE]

1. NON-CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2008

(1) RESULTS OF OPERATIONS

<Three months ended December 31>

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
October 1, 2007-December 31, 2007	¥107,890 mil.	13.7%	¥24,463 mil.	11.8%	¥24,622 mil.	10.4%
October 1, 2006-December 31, 2006	¥94,932 mil.	1.8%	¥21,876 mil.	(8.9%)	¥22,306 mil.	(9.1%)

Period	Net Income	Percent Change	Basic Earnings per Share	Diluted Earnings per Share
October 1, 2007-December 31, 2007	¥16,099 mil.	12.2%	¥56.54	¥56.48
October 1, 2006-December 31, 2006	¥14,344 mil.	(9.7%)	¥50.42	¥50.34

<Nine months ended December 31>

Period	Net Sales	Percent Change	Operating Income	Percent Change	Ordinary Income	Percent Change
April 1, 2007-December 31, 2007	¥302,769 mil.	14.2%	¥66,203 mil.	26.8%	¥66,570 mil.	25.5%
April 1, 2006-December 31, 2006	¥265,046 mil.	4.3%	¥52,227 mil.	(8.1%)	¥53,048 mil.	(9.0%)
April 1, 2006-March 31, 2007	¥351,647 mil.		¥65,026 mil.		¥65,674 mil.	

Period	Net Income	Percent Change	Basic Earnings per Share	Diluted Earnings per Share

1. Operating Results

1) Overview of operating results

(1) Operating results for the period under review

[Sales and income]

- ' **Consolidated net sales** during the quarter amounted to ¥196,736 million (8.5% up year-on-year).
- ' **Sales of Aricept**, an Alzheimer's disease treatment, amounted to ¥78,220 million (17.7% up year-on-year), with **sales in Japan** totaling ¥18,949 million (35.2% up) and **sales in the U.S.** totaling ¥48,036 million (15.1% up; 19.2% up on a dollar-denominated basis). **Sales of Pariet** (U.S. brand name: *AcipHex*), a proton pump inhibitor, amounted to ¥47,696 million (0.4% up year-on-year), with **sales in Japan** amounting to ¥11,246 million (24.4% up) and **sales in the U.S.** amounting to ¥33,081 million (down 3.6%; 0.03% up on a dollar basis).
- ' **The year-on-year increase/decrease in sales to external customers by each geographic area** is as follows: 10.8% increase in Japan; 6.3% increase in North America; 0.1% increase in Europe; and 27.7% increase in all other remaining markets including Asia.
- ' **Research and development (R&D) expenses** came to ¥35,723 million (34.1% up year-on-year). **Selling, general and administrative expenses** (SG & A expenses) amounted to ¥96,590 million (5.2% up). **Cost of goods sold** amounted to ¥28,942 million (0.8% up), with the **cost of sales ratio** being 14.7% (down 1.1 percentage points from the comparable quarter in previous year).
- ' With respect to earnings results, **operating income** for the quarter advanced to ¥35,479 million (3.8% up year-on-year); **ordinary income** to ¥36,714 million (1.8% up); and **net income** to ¥24,162 million (3.5% up). **Basic earnings per share (EPS)** came to ¥84.86 (up ¥2.83 as compared to the same quarter in previous year).
- ' **Net cash provided by operating activities** in the quarter was ¥10,122 million (¥4,204 million up from the comparable quarter in previous year). **Net Cash used in investing activities** totaled ¥9,195 million (down ¥22,934 million as compared to the same quarter in previous year).

2) Consolidated Financial Highlights for the Nine Months] (April 1 – December 31, 2007)

- ' **Consolidated financial results for the nine months** were as follows:
 - Net sales: ¥559,553 million (11.7% increase year-on-year)
 - Operating income: ¥92,540 million (10.4% increase year-on-year)
 - Ordinary income: ¥96,275 million (9.7% increase year-on-year)
 - Net income: ¥63,514 million (13.7% increase year-on-year)
- ' **Net sales of Aricept** increased to ¥219,084 million (19.9% up year-on-year) and those of **AcipHex/Pariet** rose to ¥139,904 million (6.9% up), showing steady growth in Japan, North America 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 operating segment

Pharmaceuticals segment

- 1 **Sales of Aricept** rose to ¥137,512 million (20.1% up year-on-year; 19.0% up on a dollar-denominated basis) and those of **AcipHex** increased to ¥99,467 million (5.0% up; 4.0% up on a dollar-denominated basis).

Europe

- 1 **Sales in Europe** climbed to ¥41,626 million (2.0% up year-on-year). Operating income declined to ¥1,478 million (56.9% down), due to business expansion into new markets and significant competition in Europe.
- 1 **Sales of Aricept** increased to ¥26,323 million (2.0% up year-on-year) and those of **Pariet** declined to ¥6,550 million (28.0% down).

Asia and other regions

- 1 **Sales in Asia and other regions** amounted to ¥21,157 million (32.9% up year-on-year), and operating income increased to ¥4,304 million (52.8% up).
- 1 **Sales of Aricept** grew to ¥6,264 million (38.2% up year-on-year), and sales of **Pariet** surged to ¥4,370 million (28.9% up).

Overseas total

- 1 **Total overseas sales** excluding Japan advanced to ¥313,013 million (13.1% up year-on-year), accounting for 55.9% of the Company's consolidated net sales (a decrease of 0.7 percentage points over the comparable quarter in previous year).

3) Research & Development, Alliance & Agreements, New Facility Launch

Ongoing Projects

- ' **An AMPA receptor antagonist E2007** is being studied in Phase III for Parkinson's disease in the U.S. and Europe. The agent has also completed a Phase II study for epilepsy and is being prepared for Phase III studies. A new study for migraine headache prophylaxis is being considered based on the results of a completed Phase II study. Also, the neuropathic pain and multiple sclerosis indications are in Phase II.
- ' **Anti-cancer agent E7389** (microtubule growth suppressor) is now being investigated for the treatment of breast cancer in the U.S. and in Europe in Phase III studies. A Phase II study for breast cancer is also ongoing in Japan. Regarding other indications, Phase II studies are ongoing for non-small cell lung cancer (the U.S.), prostate cancer (the U.S. and Europe), and sarcoma (Europe). In a Phase II study for a third line breast cancer, the compound has shown promising anti-tumor activity and favorable safety profile. Eisai had planned to submit an NDA to FDA under Subpart H* based on Phase

II trial data to seek accelerated approval for E7389, but is precluded from doing so, because FDA approved another drug for this specific indication last October. Eisai now plans to submit an NDA for E7389 for third line breast cancer treatment based on results from ongoing Phase III clinical trials and Phase II data. .

(*Accelerated Approval under Subpart H: an FDA regulation under which FDA will accelerate the review of certain new drugs for serious or life-threatening illnesses that meet the criteria designated by FDA)

' **An endotoxin antagonist E5564** is being studied in Phase III for the treatment of severe sepsis in Japan, the U.S. and Europe. The study is being conducted as a global

January 2008. As a result, MGI PHARMA, INC. became a wholly-owned company of Eisai's U.S. subsidiary Eisai Corporation of North America, Inc. (For related information, please see the "Other Event" section on Page 9.)

' **An in-licensing agreement was signed with Minophagen Pharmaceutical** for liver disease/allergic disease agents *Stronger Neo-Minophagen*[®] C and *Glycyron*[®] tablets in December 2007. Under this agreement, Eisai obtained an exclusive right to develop and market the products in Japan and Euroasia where products are not available. In addition, Eisai will exclusively assume an exclusive first negotiation right for marketing of the products in China and the other Euroasia countries where products have already been launched.

' **A license agreement was finalized with Abbott Japan Co., Ltd. and Abbott Biotechnology Ltd.** for co-development and marketing of D2E7, the fully human monoclonal anti-TNF alpha antibody in January 2008. In the agreement, the two company agreed the following: 1) Abbott Japan will hold the marketing authorization of the product in Japan and Eisai will market the product; 2) promotion of the product will be conducted by the two companies using one brand, one channel two promotion scheme; 3) the two companies will use the product name "Humira[®]" as used in the U.S. and in Europe. In addition, a co-development agreement for the new indications in Japan, ankylosing spondylitis, juvenile rheumatoid arthritis, and ulcerative colitis, has been signed.

New Facility Launch

' **Eisai Clinical Research Singapore Pte. Ltd.** held an opening ceremony in December 2007 to commence its strategic operation. It will promote activities as Eisai's clinical

4) Other Events

[Subsidiarization of Sanko Junyaku Co., Ltd.]

In April 2007, Eisai Co., Ltd. and its consolidated subsidiary Sanko Junyaku Co., Ltd. agreed that Eisai would make Sanko Junyaku its wholly-owned subsidiary through a share exchange (“Share Exchange”) and entered into a share exchange agreement (“Share Exchange Agreement”). Previously, Eisai owned 50.59% of Sanko Junyaku shares. On June 21, 2007, the Annual Shareholders’ Meeting of Sanko Junyaku approved this Share Exchange, and as of October 1, 2007, the shares were exchanged and Sanko Junyaku became Eisai’s wholly-owned subsidiary.

[Acquisition of MGI PHARMA, INC.]

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

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

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

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

with Eisai's existing oncology products, global infrastructure and R&D capabilities, will create a base for continued sales growth, pipeline enhancement and the opportunity for synergies. Eisai believes that this transaction enables it to grow further in the U.S. market and enhance its already-focused oncology business to contribute to achieve "Dramatic Leap Plan", our mid-term strategic plan, and sustained growth after 2012 .

<Process for MGI PHARMA, INC. acquisition>

Dec. 10, 2007 Eisai and MGI PHARMA signed definitive merger agreement

Dec. 21, 2007 Eisai commenced cash tender offer

Jan. 16, 2008 The waiting period under U.S. Antitrust Act was terminated before the statutory period expired.

Jan. 22, 2008 Initial tender offer period expired

Jan. 23, 2008 Eisai announced to provide Subsequent Offering Period

Jan. 25, 2008 Subsequent Offering Period expired

Jan. 28, 2008 Eisai completed acquisition of MGI PHARMA through short-term merger

*All dates above are in U.S. Standard Time

*Notice of guaranteed delivery

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

*Subsequent offering period

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

2. Consolidated Third Quarter Financial Conditions (October 1 – December 31, 2007)

[Assets]

- ' Total assets at the end of the period under review stood at ¥833,274 million, an increase of ¥41,160 million from the end of previous period. Major increase comes from notes and accounts receivable, property, plant and equipment, intangible assets increased related to acquisition of Morphotek, Inc., and deferred tax assets. Cash and cash in banks and investment securities declined.
- ' Total liabilities amounted to ¥256,793 million, up ¥27,376 million from the end of the previous period. Short-term borrowings and deferred tax liabilities mainly account for the increase.
- ' Total equity came to ¥576,481 million, an increase of ¥13,783 million from the end of the previous period, resulting in shareholders' equity ratio being 68.6%, down 1.2 percentage points from the previous year.

[Cash flow]

- ' **Net cash provided by operating activities during the nine months** decreased to ¥51,852 million (up ¥9,318 million from the comparable quarter in previous year). **Income before income taxes** amounted to ¥97,061 million, **depreciation and amortization expenses** came to ¥23,373 million and **increase of notes and accounts receivable-trade** to ¥18,026 million while **income taxes paid** totaled ¥48,100million.
- ' **Net Cash used in investing activities** totaled ¥61,821 million (up ¥8,485 million as compared to the same quarter in previous year) , out of which ¥39,238 million was used for the acquisition of Morphotek, Inc., ¥24,577 million was for acquiring property, plant and equipment and ¥11,186 million for purchasing intangible assets.
- ' **Net Cash used in financing activities** totaled ¥17,464 million (a decrease of ¥23,245 million as compared to the same quarter in previous year). The Company borrowed ¥20,000 million for short-term in Japan for ¥36,938 million dividend payout.
- ' As a result of such **operating, investing and financing activities, cash and cash equivalents at end of the quarter period** stood at ¥141,731 million (down ¥29,359 million from the end of the previous fiscal year).

3. FORECAST OF FULL FISCAL YEAR (April 1, 2007 – March 31, 2008)

[Forecast of consolidated financial performance]

- ' The financial forecast on a consolidated basis for the full fiscal year ending March 2008 was not revised.
- ' The acquisition of MGI PHARMA INC. as of January 28, 2008 affects the result of operation for the forth quarter of the fiscal year ending March 2008, relative expenses and payments will be including:
 - *In-process R&D expenses (fair value appraisal for developed products, will be allocated to R&D expenses)
 - *Sales rights (fair value appraisal for marketed products) amortization expenses
 - *Gain/loss of MGI PHARMA INC. after acquisition until the end of current fiscal year.
- ' Currently, third-party organizations are evaluating in-process R&D expenses and sales rights above, which will be verified by an auditing firm. The finalized amounts for those expenses along with goodwill will be reported, without delay, when they become final.
- ' Goodwill will be amortized from the next fiscal year.
- ' The financial forecast previously announced in October 2007 is provided for your reference as follows:

Period	Net Sales	Operating Income	Ordinary Income	Net Income	Basic Earnings per Share
Annual	¥739,000 mil. 9.6%	¥117,000 mil. 11.1%	¥121,000 mil. 9.5%	¥78,500 mil. 11.2%	¥275.55

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

[Forecast of fiscal year-end dividends]

- ' The company recommended a year-end dividend of ¥65 per share, and anticipates annual dividend to be ¥130 per share (¥10 up year-on-year), together with the interim dividend (¥65 per share).

REFERENCE

[Forecast of non-consolidated financial performance]

- 1 The financial forecast on a non-consolidated basis for the full fiscal year ending March 2008 was not revised due to the same reasons as stated above.
- 1 The financial forecast previously announced in October 2007 is provided for your reference as follows:

Period	Net Sales	Operating Income	Ordinary Income	Net Income	Basic Earnings per Share
Annual	¥388,000 mil. 10.3%	¥82,500 mil. 26.9%	¥83,000 mil. 26.4%	¥54,600 mil. 27.6%	¥191.66

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

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 5rv and intee not l

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

Account Title	March 31, 2007		December 31, 2007		Increase/ (Decrease) (Millions of Yen)
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	
LIABILITIES					
I. Current liabilities:					
1. Notes and accounts payable-trade	19,268		17,254		
2. Short-term borrowings	236		20,000		
3. Accounts payable-other	57,911		63,312		
4. Accrued expenses	51,434		46,348		
5. Income taxes payable	22,049		12,454		
6. Reserve for sales rebates	35,066		35,672		
7. Other reserves	628		508		
8. Other	5,185		10,114		
Total current liabilities	191,779	24.2	205,664	24.7	13,885
II. Long-term liabilities:					
1. Deferred tax liabilities	96		16,701		
2. Liability for retirement benefits	31,768		26,969		
3. Retirement allowances for directors	1,330		1,447		
4. Other	4,439		6,009		
Total long-term liabilities	37,636	4.8	51,128	6.1	13,491
Total liabilities	229,416	29.0	256,793	30.8	27,376
EQUITY					
I. Owners' Equity:					
1. Common stock	44,985		44,985		
2. Capital surplus	55,222		56,977		
3. Retained earnings	469,632		496,495		
4. Treasury stock	(42,219)		(39,762)		
Total Owners' Equity	527,620	66.6	558,697	67.1	31,076
II. Net unrealized gain and translation adjustments					
1. Net unrealized gain on available-for-sale securities	19,859		11,165		
2. Deferred gain/loss on derivatives under hedge accounting			44		
3. Foreign currency translation adjustments	4,984		1,566		
Total net unrealized gain and translation adjustments	24,844	3.1	12,776	1.5	(12,067)
III. Stock acquisition rights	294	0.0	556	0.1	261
IV. Minority interests	9,938	1.3	4,450	0.5	(5,487)
Total equity	562,698	71.0	576,481	69.2	13,783
Total liabilities and equity	792,114	100.0	833,274	100.0	41,160

2) CONSOLIDATED STATEMENTS OF INCOME
(Three months ended Dec. 31)

		(%)		(%)	Increase/ (Decrease) (Millions of Yen)	
	181,398	100.0	196,736	100.0	15,337	
	28,708	15.8	28,933	14.7	224	
	152,690	84.2	167,802	85.3	15,112	
Provision for sales returns-net	3	0.0	8	0.0	4	
Gross profit	152,686	84.2	167,794	85.3	15,107	
III. Selling, general and administrative expenses						
1. Research and development expenses	26,632	[14.7]	35,723	[18.2]		
2. Selling, general and administrative expenses	91,858	118,491	96,590	132,314	67.3	13,822
Operating income		34,194		35,479	18.0	1,285
IV. Non-operating income		1,923		1,942	1.0	18
V. Non-operating expenses		62		707	0.3	644
		36,055		36,714	18.7	659
		139		8	0.0	(130)
VII. Special loss		201		380	0.2	178
Income before income taxes and minority interests		35,992		36,341	18.5	349
Income taxes-current	11,261		12,400			
Income taxes-deferred	1,284	12,546	(346)	12,054	6.1	(491)
Minority interests in income		109		124	0.1	15
Net income		23,336		24,162	12.3	825

CONSOLIDATED STATEMENTS OF INCOME
(Nine months ended Dec. 31)

3) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Nine months ended 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 gain on available-for-sale securities	Foreign currency translation adjustments	Total			
Balance as of March 31, 2006	44,985	55,222	429,025	(31,913)	497,320	20,327	1,567	21,895		9,296	528,512
Changes in items during the period											
Dividends (Note 1)			(14,293)		(14,293)						(14,293)

4) CONSOLIDATED STATEMENTS OF CASH FLOWS
(Three months ended Dec. 31)

	October 1, 2006 - December 31, 2006	October 1, 2007 - December 31, 2007	Increase (Decrease)
Account Title	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
I. Operating activities:			
1. Income before income taxes and minority interests	35,992	36,341	
2. Depreciation and amortization	6,954	8,009	
3. Loss on impairment of long-lived assets	3	-	
4. Increase (Decrease) in allowance for doubtful accounts	12	(10)	
5. Interest and dividend income	(1,569)	(1,804)	
6. Interest expense	15	34	
7. Equity in earnings	(10)	(3)	
8. Loss on sales and disposal of fixed assets	43	141	
9. Loss on sales of securities	0	-	
10. Loss on devaluation of securities	-	236	
11. Increase in notes and accounts receivable - trade	(10,771)	(13,511)	
12. Increase in inventories	(496)	(2,201)	
13. Decrease in notes and accounts payable - trade	(5,700)	(89)	
14. Increase (Decrease) in other current liabilities	(1,125)	4,488	
15. Increase in reserve for sales rebates	5,479	2,164	
16. Decrease in reserve for retirement benefits	(174)	(1,100)	
17. Other-net	(4,663)	(463)	
Sub-total	23,989	32,231	
18. Interest and dividends received	1,537	1,632	
19. Interest paid	(10)	(46)	
20. Income taxes paid	(19,598)	(23,695)	
Net cash provided by operating activities	5,918	10,122	4,204
II. Investing activities:			
1. Purchases of short-term investments	87	(68)	
2. Proceeds from sales and maturities of short-term investments	1,150	4,375	
3. Purchases of property, plant and equipment	(5,731)	(8,134)	
4. Proceeds from sales of property, plant and equipment	203	(4)	
5. Purchases of intangible assets	(906)	(3,627)	
6. Purchases of investment securities	(2,975)	(1,799)	
7. Proceeds from sales and redemptions of investment securities	185	356	
8. Payment for acquisition of a company	-	(71)	
9. Payment for acquisition of business	(23,904)	-	
10. Net increase in time deposits (exceeding 3 months)	(379)	(127)	
11. Other-net	140	(93)	
Net cash used in investing activities	(32,130)	(9,195)	22,934
III. Financing activities:			
1. Net increase (decrease) in short-term borrowings	(61)	20,002	
2. Dividends paid	(15,619)	(18,470)	
3. Other-net	87	(220)	
Net cash provided (used) in financing activities	(15,594)	1,311	16,905
IV. Foreign currency translation adjustments on cash and cash equivalents	1,572	(1,456)	(3,029)
V. Net increase (decrease) in cash and cash equivalents	(40,234)	781	41,015
VI. Cash and cash equivalents at beginning of period	174,979	140,950	(34,028)
VII. Cash and cash equivalents at end of period	134,744	141,731	6,986

Note: "Payment for acquisition of business" was independently presented in "Investing activities" in the fiscal year ending March 2007. Accordingly, "Payment for acquisition of inventories related to business acquisition" previously reported in "Increase/decrease in inventories" in Operating activities has been reclassified to the "Payment for acquisition of business" in Investing activities.

(Nine months ended Dec. 31)

April 1, 2006 -

5) SEGMENT INFORMATION

1. Business Segment Information

(1) Three months ended December 31

(Millions of Yen)

		October 1, 2006 – December 31, 2006	October 1, 2007 – December 31, 2007
	Sales		
	(1) Sales to external customers	176,091	190,959
	(2) Intersegment sales	79	66

Other	Sales		
	(1) Sales to external customers	5,307	5,776
	(2) Intersegment sales	4,650	5,141
	Total sales	9,957	10,918
	Operating expenses	9,601	10,383
	Operating income	355	534
Total	Sales		
	(1) Sales to external customers	181,398	196,736
	(2) Intersegment sales	4,729	5,207
	Total sales	186,128	201,943
	Operating expenses	150,787	165,499
	Operating income	35,340	36,443
Eliminations and Corporate	Sales		
	(1) Sales to external customers		
	(2) Intersegment sales	[4,729]	[5,207]
	Total sales	[4,729]	[5,207]
	Operating expenses	[3,583]	[4,242]
	Operating income	[1,146]	[964]
	Sales		
	(1) Sales to external customers	181,398	
	(2) Intersegment sales		

(2) Nine months ended December 31

(Millions of Yen)

2. Geographical Segment Information

(1) Three months ended December 31

(Millions of Yen)

		October 1, 2006 – December 31, 2006	October 1, 2007 – December 31, 2007
Japan	Sales		
	(1) Sales to external customers	80,446	89,138
	(2) Intersegment sales	21,251	26,132
	Total sales	101,698	115,270
	Operating expenses	78,120	89,123
	Operating income	23,577	26,146
North America	Sales		
	(1) Sales to external customers	80,975	86,046
	(2) Intersegment sales	9,564	13,266
	Total sales	90,539	99,313
	Operating expenses	82,354	92,059
	Operating income	8,185	7,253
Europe	Sales		
	(1) Sales to external customers	14,336	14,346
	(2) Intersegment sales	4,315	7,472
	Total sales	18,652	21,819
	Operating expenses	17,242	21,229
	Operating income	1,410	590
Asia and Others	Sales		
	(1) Sales to external customers	5,640	7,204
	(2) Intersegment sales	1	39
	Total sales	5,641	7,243
	Operating expenses	4,673	6,054
	Operating income	967	1,189
Total	Sales		
	(1) Sales to external customers	181,398	196,736
	(2) Intersegment sales	35,133	46,910
	Total sales	216,531	243,646
	Operating expenses	182,390	208,467
	Operating income	34,141	35,179
Eliminations and Corporate	Sales		
	(1) Sales to external customers		
	(2) Intersegment sales	[35,133]	[46,910]
	Total sales	[35,133]	[46,910]
	Operating expenses	[35,185]	[47,210]
	Operating income	52	299
Consolidated	Sales		
	(1) Sales to external customers	181,398	196,736
	(2) Intersegment sales		
	Total sales	181,398	196,736
	Operating expenses	147,204	161,256
	Operating income	34,194	35,479

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 Asia, South-East Asia, Central and South America, etc.
- Intersegment sales in Japan principally represents product sales from Eisai Co., Ltd. to the overseas subsidiaries. Intersegment sales in North America, Europe, Asia and Others are mainly sales from the overseas subsidiaries, which manage research and development for the Parent Company.

(2) Nine months ended December 31

(Millions of Yen)

		April 1, 2006 – December 31, 2006	April 1, 2007 – December 31, 2007
Japan	Sales		
	(1) Sales to external customers	223,942	246,540
	(2) Intersegment sales	60,945	77,950
	Total sales	284,888	324,491
	Operating expenses	227,198	252,500
	Operating income	57,690	71,990
North America	Sales		
	(1) Sales to external customers	220,105	250,229
	(2) Intersegment sales	27,174	37,257
	Total sales	247,280	287,486
	Operating expenses	225,844	270,513
	Operating income	21,435	16,973
Europe	Sales		
	(1) Sales to external customers	40,815	41,626
	(2) Intersegment sales	13,001	19,833
	Total sales	53,816	61,459
	Operating expenses	50,389	59,981
	Operating income	3,427	1,478
Asia and Others	Sales		
	(1) Sales to external customers	15,924	21,157
	(2) Intersegment sales	3	75
	Total sales	15,927	21,233
	Operating expenses	13,111	16,929
	Operating income	2,816	4,304
Total	Sales		
	(1) Sales to external customers	500,788	559,553
	(2) Intersegment sales	101,125	135,117
	Total sales	601,913	694,670
	Operating expenses	516,544	599,924
	Operating income	85,369	94,746
Eliminations and Corporate	Sales		
	(1) Sales to external customers		
	(2) Intersegment sales	[101,125]	[135,117]
	Total sales	[101,125]	[135,117]
	Operating expenses	[99,593]	[132,911]
	Operating income	[1,531]	[2,205]
Consolidated	Sales		
	(1) Sales to external customers	500,788	559,553
	(2) Intersegment sales		
	Total sales	500,788	559,553
	Operating expenses	416,950	467,013
	Operating income	83,837	92,540

Notes:

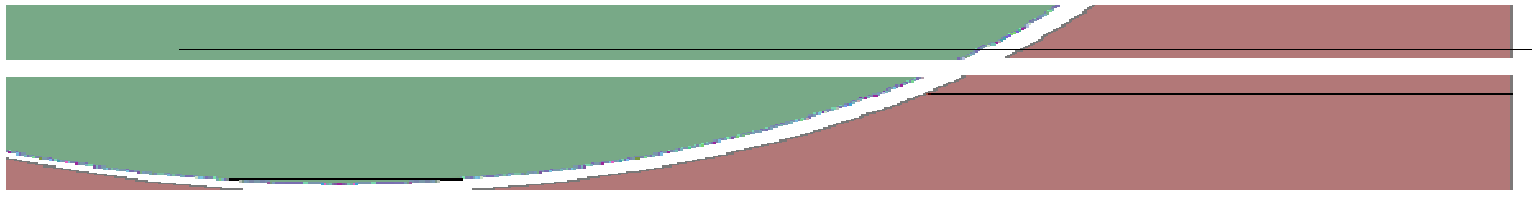
- Segmentation by country or region is based on geographical proximity.
- Major areas and countries included in each category:
 - North America: The United States and Canada
 - Europe: The United Kingdom, France, Germany, etc.
 - Asia and Others: East Asia, South-East Asia, Central and South America, etc.
- Intersegment sales in Japan principally represents product sales from the parent company to the overseas subsidiaries. Intersegment sales in North America, Europe, 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

(Millions of Yen)

		October 1, 2006 – December 31, 2006	October 1, 2007 – December 31, 2007
North America	Overseas sales	82,886	89,484
	Share of overseas sales %	45.7	45.5
Europe	Overseas sales	18,710	18,255
	Share of overseas sales %	10.3	9.3
Asia and Others	Overseas sales	6,266	7,974
	Share of overseas sales %	3.5	4.0
Total	Overseas sales	107,863	115,714
	Share of overseas sales %	59.5	58.8
Consolidated sales		181,398	196,736





I. Consolidated Financial Highlights

1. Statements of Income Data

(billions of yen)

Years Ended/Ending March 31	2007	2008	YoY %	2007	2008 est.
Net sales	500.8	559.6	111.7	674.1	739.0
Cost of sales	81.9	83.5	102.0	109.3	110.5
R&D expenses	78.9	99.6	126.2	108.3	131.0
SG&A expenses	256.1	283.9	110.8	351.2	380.5
Operating income	83.8	92.5	110.4	105.3	117.0
Ordinary income	87.8	96.3	109.7	110.5	121.0
Net income	55.8	63.5	113.7	70.6	78.5
Earnings per share (EPS, yen)	195.8	223.4	27.5	247.8	275.6
Cash dividends per share (DPS, yen)	-	-	-	120.0	130.0

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

2. Balance Sheets Data

(billions of yen)

	31-Mar	31-Dec	Inc./ (Dec.)
Total assets	792.1	833.3	41.2
Equity	562.7	576.5	13.8
Shareholders' Equity	552.5	571.5	19.0
Shareholders' Equity/Total assets (%)	69.7	68.6	(1.2)

3. Capital Expenditures and Depreciation/Amortization

(billions of yen)

Years Ended/Ending March 31	2007	2008	Inc./ (Dec.)	2007	2008 est.
Capital expenditures	40.0	92.6	52.6	52.0	109.0
Property, plant and equipment	13.7	22.6	8.8	23.2	35.0
Intangible assets	26.3	70.1	43.8	28.8	74.0
Depreciation/Amortization	19.2	23.4	4.1	26.8	33.0

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

II. Consolidated Statements of Income

1. Consolidated Statements of Income		(billions of yen)					<Explanations>
		Nine months ended Dec 31					
Years Ended/Ending March 31	2007		2008		YoY %	Inc./ (Dec.)	
		Sales %		Sales %			
Net sales	500.8	100.0	559.6	100.0	111.7	58.8	Net sales
Cost of sales	82.0	16.4	83.6	14.9	102.0	1.6	<Increase Factor> Increase in sales of
(Reversal of) Provision for sales returns-net	(0.0)	(0.0)	(0.1)	(0.0)	-	(0.0)	<i>Aricept</i> and <i>Aciphex/Pariet</i>
Gross profit	418.9	83.6	476.0	85.1	113.6	57.2	
R&D expenses	78.9	15.8	99.6	17.8	126.2	20.7	R&D expenses
SG&A expenses	256.1	51.1	283.9	50.7	110.8	27.8	<Increase Factor> Advanced in clinical studies
Operating income	83.8	16.7	92.5	16.5	110.4	8.7	
Non-operating income	5.1	1.0	5.3	1.0		0.2	
Non-operating expenses	1.1	0.2	1.6	0.3		0.5	
Ordinary income	87.8	17.5	96.3	17.2	109.7	8.5	
Special gain	0.4	0.1	2.3	0.4		1.9	Special gain
Special loss	0.9	0.2	1.5	0.3		0.6	<Increase Factor> Profit by sales of investment securities
Income before income taxes and minority interests	87.3	17.4	97.1	17.3	111.2	9.8	
Income taxes-current	34.2	6.8	37.8	6.7	110.5	3.6	
Income taxes-deferred	(3.1)	(0.6)	(4.7)	(0.8)		(1.6)	
Minority interests in net income	0.4	0.0	0.5	0.0		0.1	
Net income	55.8	11.2	63.5	11.4	113.7	7.7	

2. Financial Results by Business Segment

2-1 Consolidated Net Sales by Business Segment

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		Full
	2007	2008	2007
Net sales to customers	500.8	559.6	674.1
Pharmaceuticals	485.0	542.4	652.9
Japan	210.1	231.1	273.2
North America	219.1	249.4	302.3
Europe	39.9	40.8	53.7
Asia and others	15.9	21.2	23.7
Other segment	15.8	17.1	21.2
Japan	13.9	15.5	19.0
Overseas	1.9	1.7	2.1

* Net sales for each segment are those to external customers

* Major areas and countries included in each region:

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

2-2 Consolidated Operating Income by Business Segment

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31		Full
	2007	2008	2007
Operating income	83.8	92.5	105.3
Pharmaceuticals	85.7	94.1	108.1
Other	1.3	1.5	1.7
Eliminations and corporate	(3.2)	(3.1)	(4.5)

3. Geographical Segment Information

3-1 Consolidated Net Sales by Geographical Segment

(billions of yen)

Years Ended/Ending March 31	2007	2008	Full 2007
Net sales to customers	500.8	559.6	674.1
Japan	223.9	246.5	292.2
North America	220.1	250.2	303.4
Europe	40.8	41.6	

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
		2007	2008	2007
Area				
Japan	¥ Billions	37.9	49.0	49.7
U.S.	¥ Billions [U.S. \$ Millions]	114.5 [985]	137.5 [1,173]	162.2 [1,386]
Europe Total	¥ Billions	25.8	26.3	34.5
UK	¥ Billions [UK £ Millions]	1.0 [4]	1.0 [4]	1.2 [6]
France	¥ Billions [Euro Millions]	19.2 [130]	19.5 [120]	25.8 [172]
Germany	¥ Billions [Euro Millions]	5.6 [38]	5.8 [36]	7.4 [50]
Asia	¥ Billions	4.5	6.3	6.6
Total	¥ Billions	182.7	219.1	252.9

* Sales forecast for Eisai sales territories for the year ending March 31, 2008 is ¥294.0 billion.

5-2 ACIPHEX/PARIET Sales by Geographical Area

Years Ended/Ending March 31		Nine months ended Dec 31		Full
		2007	2008	2007
Area				
Japan	¥ Billions	23.7	29.5	30.7
U.S.	¥ Billions [U.S. \$ Millions]	94.8 [816]	99.5 [848]	126.9 [1,084]
Europe Total	¥ Billions	9.1	6.6	12.1
UK	¥ Billions [UK £ Millions]	2.8 [13]	1.8 [8]	3.3 [15]
Germany	¥ Billions [Euro Millions]	1.6 [11]	1.3 [8]	2.5 [17]
Italy	¥ Billions [Euro Millions]	4.7 [32]	3.4 [21]	6.3 [42]
Asia	¥ Billions	3.4	4.4	4.6
Total	¥ Billions	130.9	139.9	174.3

* Sales forecast for Eisai sales territories for the year ending March 31, 2008 is ¥182.0 billion.

5-3 ZONEGRAN Sales by Geographical Area

Years Ended/Ending March 31		Nine months ended Dec 31		Full
		2007	2008	2007
Area				
U.S.	¥ Billions [U.S. \$ Millions]	2.5 [22]	1.8 [16]	3.1 [27]
Europe, Asia	¥ Billions	1.2	2.6	1.8
Total	¥ Billions	3.7	4.4	4.9

<Reference> [Non-consolidated]

Eisai Inc. (U.S.) / Pharmaceutical production/sales

Years Ended/Ending March 31		2007	2008	Full 2007
Net sales	¥ Billions	221.3	252.8	305.6



6. SG&A Expenses

6-1 R&D Expenses

(billions of yen)

Years Ended/Ending March 31	2007	2008	2007	2008 est.
Net sales	500.8	559.6	674.1	739.0
R&D expenses	78.9	99.6	108.3	131.0
Ratio of R&D expenses to net sales (%)	15.8	17.8	16.1	17.7

6-2 SG&A Expenses

(billions of yen)

Years Ended/Ending March 31	2007	2008	2007	2008 est.
Net sales	500.8	559.6	674.1	739.0
SG&A expenses	256.1	283.9		

III. Consolidated Balance Sheets

1. Consolidated Balance Sheets <Assets>

(billions of yen)

	2007				YoY	Inc./	<Explanations>
	31-Mar	%	31-Dec	%	%	(Dec.)	
Current assets:							
Cash and cash in banks	89.8		64.7			(25.1)	Cash and cash in banks
Notes and accounts receivable-trade	162.2		179.4			17.3	<Decrease Factor>
Short-term investments	90.3		84.6			(5.7)	Company acquisition payment
Inventories	52.8		55.5			2.7	
Deferred tax assets	33.2		31.4			(1.8)	
Other	13.4		15.6			2.2	
Allowance for doubtful receivables	(0.4)		(0.4)			(0.0)	
Total current assets	441.2	55.7	430.9	51.7	97.7	(10.4)	
Fixed assets:							
Property, plant and equipment:							
Buildings and structures	74.4		72.6			(1.8)	
Machinery, equipment and vehicles	24.6		23.2			(1.4)	
Land	18.0		21.5			3.5	
Construction in progress	4.9		12.1			7.2	
Other	11.9		11.9			0.0	
Total property, plant and equipment	133.8	16.9	141.4	17.0	105.6	7.6	
Intangible assets:							
Sales rights	46.0		48.4			2.4	
Core technology	-		55.1			55.1	Core technology
Other	16.6		16.9			0.3	<Accrual Factor> Company acquisition
Total Intangible assets	62.6	7.9	120.4	14.4	192.4	57.9	
Investments and other assets:							
Investment securities	111.9		86.5			(25.4)	Investment securities
Deferred tax assets	32.6		42.1			9.5	<Decrease Factors>
Other	10.7		12.7			2.0	Decrease in fair market value of investment securities
Allowance for doubtful accounts	(0.7)		(0.6)			0.1	Sales of investment securities
Total investments and other assets	154.5	19.5	140.6	16.9	91.0	(13.9)	
Total fixed assets	350.9	44.3	402.4	48.3	114.7	51.5	
Total assets	792.1	100.0	833.3	100.0	105.2	41.2	

2. Consolidated Balance Sheets <Liabilities and Equity>

(billions of yen)

	2007				YoY %	Inc./ (Dec.)	<Explanations>
	31-Mar	%	31-Dec	%			
Current liabilities:							
Notes and accounts payable-trade	19.3		17.3			(2.0)	
Short-term borrowings	0.2		20.0			19.8	Short-term borrowings
Accounts payable-other/accrued expenses etc.	109.3		109.7			0.3	<Increase Factor>
Income taxes payable	22.0		12.5			(9.6)	Borrowings of operating capital
Reserve for sales rebates	35.1		35.7			0.6	
Other	5.8		10.6			4.8	
Total current liabilities	191.8	24.2	205.7	24.7	107.2	13.9	
Long-term liabilities:							
Deferred tax liabilities	0.1		16.7			16.6	Deferred tax liabilities
Liability for retirement benefits	31.8		27.0			(4.8)	<Increase Factor>
Retirement allowances for directors	1.3		1.4			0.1	Company acquisition
Other	4.4		6.0			1.6	
Total long-term liabilities	37.6	4.8	51.1	6.1	135.8	13.5	
Total liabilities	229.4	29.0	256.8	30.8	111.9	27.4	
Owners' equity:							
Common stock	45.0		45.0			-	
Capital surplus	55.2		57.0			1.8	
Retained earnings	469.6		496.5			26.9	
Treasury stock	(42.2)		(39.8)			2.5	
Total owners' equity	527.6	66.6	558.7	67.1	105.9	31.1	
Net unrealized gain and translation adjustments:							
Net unrealized gain on available-for-sale securities	19.9		11.2			(8.7)	Net unrealized gain on available-for-sale securities
Deferred hedge gains and losses	-		0.0			0.0	
Foreign currency translation adjustments	5.0		1.6			(3.4)	<Decrease Factor>
Total net unrealized gain and translation adjustments	24.8	3.1	12.8	1.5	51.4	(12.1)	Decrease in fair market value of investment securities
Stock acquisition rights	0.3	0.0	0.6	0.1	188.7	0.3	
Minority interests	9.9	1.3	4.5	0.5	44.8	(5.5)	
Total equity	562.7	71.0	576.5	69.2	102.4	13.8	
Total liabilities and equity	792.1	100.0	833.3	100.0	105.2	41.2	

IV. Consolidated Statements of Cash Flows

(billions of yen)

Years Ended/Ending March 31	2007	2008	Inc./ (Dec.)	<Explanations>
Operating activities:				
Income before income taxes and minority interests	87.3	97.1	9.8	



V. Non-Consolidated Financial Highlights

1. Non-Consolidated Financial Highlights

1-1 Statements of Income Data

(billions of yen)

Years Ended/Ending March 31	2007	2008	YoY %	2007	2008 est.
Net sales	265.0	302.8	114.2	351.6	388.0
Cost of sales	61.2	59.6	97.4	80.1	74.0
R&D expenses	77.5	96.5	124.5	106.4	127.5
SG&A expenses	74.1				



2. Net Sales by Business Segment

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31			Full	
	2007	2008	YoY %	2007	2008 est.
Net sales	265.0	302.8	114.2	351.6	388.0
Prescription pharmaceuticals	168.7	184.9	109.6	217.0	232.0
Pharmaceuticals exports	39.2	44.6	113.6	55.9	59.0
Consumer health care products	15.0	15.4	102.6	19.6	19.5
Other (Food additives/Chemicals, etc.)	0.9	1.0	115.5	1.2	1.5
Industrial property rights, etc. income	41.2	56.8	138.0	57.9	76.0

3. Exports by Geographical Area

(billions of yen)

Years Ended/Ending March 31	Nine months ended Dec 31			Full	
	2007	2008	YoY %	2007	2008
Net Sales	265.0	302.8	114.2	351.6	388.0
Exports	80.1	101.1	126.2	113.5	132.0
North America	56.0	73.2	130.7	78.6	85.0
Europe	19.3	22.6	117.4	28.5	32.0
Asia and Others	4.8	5.3	109.6	6.5	7.0
Ratio of exports to sales (%)	30.2	33.4	-	32.3	34.0

* Major areas and countries included in each region:

1. North America: The U.S. and Canada

2. Europe: The United Kingdom, France, Germany, etc.

3. Asia and Others: East Asia, South-East Asia, and Central and South America, etc. (excluding Japan)

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

4. Prescription Pharmaceuticals

(billions of yen)

Years Ended/Ending March 31	2007	2008	YoY %	2007	2008 est.
<i>Description / Product</i>					
Alzheimer's type dementia treatment <i>ARICEPT</i>	37.9	49.0	129.2	49.7	62.0
Proton pump inhibitor <i>PARIET</i>	23.7	29.5	124.6	30.7	37.0
Peripheral neuropathy treatment <i>METHYCOBAL</i>	24.5	25.3	103.0	31.4	31.5
Gastritis/gastric ulcer treatment <i>SELBEX</i>	15.3	14.6	95.8	19.3	19.5
Osteoporosis treatment <i>ACTONEL</i>	5.9	6.9	116.2	7.5	9.5
Muscle relaxant <i>MYONAL</i>	6.4	6.4	100.7	8.2	8.0
Non-ionic contrast medium <i>IOMERON</i>	6.6	6.4	97.2	8.3	8.0
Osteoporosis treatment <i>GLAKAY</i>	5.9	5.3	89.2	7.5	7.0
Genetically engineered glucagon preparation <i>GLUCAGON G NOVO</i>	3.3	3.2	95.9	4.1	4.0
Long-acting isosorbide denigrate preparation <i>NITOROL-R</i>	3.1	2.7	89.4	3.9	3.0
Antiallergic agent <i>AZEPTIN</i>	1.8	1.5	86.1	2.6	2.0
Others	34.3	34.0	99.1	43.9	40.5
Prescription pharmaceuticals total	168.7	184.9	109.6	217.0	232.0

5. Exports by Products

(billions of yen)

Years Ended/Ending March 31	2007	2008	YoY %	2007	2008 est.
<i>Product</i>					
<i>ARICEPT</i>	16.0	20.8	130.4	23.1	26.0
<i>ACIPHEX/PARIET</i>	20.2	18.4	91.3	28.4	27.0
Others	1028.1	1018.8	99.2	1184.5	1126.6



8. Balance Sheets Data

<Assets>

(billions of yen)

	2007		Inc./ (Dec.)
	31-Mar	31-Dec	
Current assets	245.7	238.2	(7.4)
Fixed assets	328.0	339.7	11.7
Property, plant and equipment	80.4	79.0	(1.3)
Intangible assets	30.3	33.5	3.3
Investments and other assets	217.4	227.2	9.8
Total assets	573.7	578.0	4.3

<Liabilities and Equity>

(billions of yen)

	2007		Inc./ (Dec.)
	31-Mar	31-Dec	
Current liabilities	76.9	82.7	5.9
Long-term liabilities	29.3	24.5	(4.8)
Total liabilities	106.2	107.2	1.1
Owners' equity	447.9	459.5	11.6
Net unrealized gain and translation adjustments	19.3	10.7	(8.6)
Stock acquisition rights	0.3	0.6	0.3
Total equity	467.5	470.7	3.2
Total liabilities and equity	573.7	578.0	4.3

9. Statements of Cash Flows

(billions of yen)

Years Ended/Ending March 31	2007	2008	Inc./ (Dec.)
Operating activities:			
Income before income taxes	53.3	67.4	14.1
Depreciation and amortization	13.1	13.0	(0.1)
Net decrease (increase) in notes and accounts receivables/payable-trade and inventories	(16.2)	(20.3)	(4.0)
Net increase (decrease) in accounts payable-other/accrued expenses etc.	(2.8)	(3.1)	(0.2)
Other-net	(6.9)	(8.0)	(1.1)
[Sub-total]	40.4	49.1	8.7
Interest paid/received	1.2	1.1	(0.1)
Income taxes paid	(33.4)	(34.3)	(0.9)
Net cash provided by operating activities	8.2	15.9	7.7
Investing activities:			
Capital expenditures (including acquisition)	(16.0)	(19.1)	(3.2)

VI. Changes in Quarterly Results

1. Statements of Income Data [Consolidated]

(billions of yen)

Years Ended/Ending March 31	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Net sales	153.9	165.4	181.4	173.3	176.0	186.8	196.7
Cost of sales	26.8	26.4	28.7	27.4	27.5	27.1	28.9
R&D expenses	24.4	27.9	26.6	29.4	30.5	33.3	35.7
SG&A expenses	78.7	85.6	91.9	95.1	91.8	95.5	96.6



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

Years Ended/Ending March 31		2007				2008		
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Japan	¥ Billions	11.5	12.4	14.0	11.8	14.9	15.1	18.9
U.S.	¥ Billions [U.S. \$ Millions]	33.1 [289]	39.6 [341]	41.7 [355]	47.7 [401]	41.5 [343]	48.0 [407]	48.0 [423]
Europe	¥ Billions	7.7	9.0	9.1	8.7	9.2	8.1	9.0
UK	¥ Billions [UK £ Millions]	0.4 [2]	0.3 [1]	0.3 [1]	0.3 [1]	0.3 [1]	0.3 [1]	0.4 [2]
France	¥ Billions [Euro Millions]	5.5 [38]	6.9 [47]	6.8 [45]	6.6 [42]	7.0 [43]	5.9 [36]	6.6 [40]
Germany	¥ Billions [Euro Millions]	1.8 [13]	1.8 [12]	2.0 [13]	1.8 [12]	1.9 [12]	1.9 [12]	2.0 [12]
Asia	¥ Billions	1.4	1.5	1.7	2.0	1.8	2.2	2.2
Total	¥ Billions	53.7	62.5	66.5	70.2	67.3	73.5	78.2

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

Years Ended/Ending March 31		2007				2008		
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Japan	¥ Billions	7.1	7.5	9.0	7.0	8.9	9.3	11.2
U.S.	¥ Billions [U.S. \$ Millions]	29.3 [256]	31.2 [268]	34.3 [292]	32.1 [269]	31.8 [263]	34.6 [293]	33.1 [292]
Europe	¥ Billions	3.0	3.1	3.0	3.0	2.5	2.1	1.9
UK	¥ Billions [UK £ Millions]	1.0 [5]	1.0 [5]	0.8 [4]	0.5 [2]	0.8 [3]	0.7 [3]	0.4 [2]
Germany	¥ Billions [Euro Millions]	0.3 [2]	0.6 [4]	0.7 [4]	0.9 [6]	0.5 [3]	0.3 [2]	0.4 [2]
Italy	¥ Billions [Euro Millions]	1.7 [12]	1.5 [10]	1.6 [10]	1.6 [11]	1.2 [7]	1.1 [7]	1.1 [7]
Asia	¥ Billions	1.1	1.2	1.1	1.2	1.6	1.3	1.4
Total	¥ Billions	40.5	43.0	47.5	43.4	44.9	47.3	47.7

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

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

8. Eisai Inc. (U.S.)

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

9. Statements of Income Data [Non-Consolidated]

(billions of yen)

Years Ended/Ending March 31	2007				2008		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Net sales	82.9	87.2	94.9	86.6	98.1	96.8	107.9
Cost of sales	19.9	20.0	21.3	18.9	21.0	18.1	20.6
R&D expenses	24.4	27.3	25.8	28.8	30.2	31.7	34.7
SG&A expenses	23.3	24.8	25.9	26.1	26.1	26.1	28.2
Operating income	15.3	15.1	21.9	12.8	20.8	20.9	24.5
Ordinary income	15.6	15.1	22.3	12.6	21.9	20.1	24.6
Net income	10.1	10.1	14.3	8.3	15.7	12.5	16.1

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

10. Prescription Pharmaceuticals [Non-Consolidated]

(billions of yen)

Years Ended/Ending March 31	2007				2008		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter
Alzheimer's type dementia treatment <i>ARICEPT</i>	11.5	12.4	14.0	11.8	14.9	15.1	18.9
Proton pump inhibitor <i>PARIET</i>	7.1	7.5	9.0	7.0	8.9	9.3	11.2
Peripheral neuropathy treatment <i>METHYCOBAL</i>	7.9	8.0	8.7	6.9	8.2	8.0	9.1
Gastritis/gastric ulcer treatment <i>SELBEX</i>	4.9	4.9	5.5	4.0	5.0	4.5	5.2
Osteoporosis treatment <i>ACTONEL</i>	1.9	2.0	2.1	1.6	2.9	2.0	2.0
Muscle relaxant <i>MYONAL</i>	2.1	2.0	2.3	1.8	2.1	2.0	2.3
Non-ionic contrast medium <i>IOMERON</i>	2.1	2.1	2.4	1.7	2.1	2.0	2.3
Osteoporosis treatment <i>GLAKAY</i>	1.9	1.9	2.1	1.5	1.8	1.7	1.8
Genetically engineered glucagon preparation <i>GLUCAGON G NOVO</i>	1.0	1.1	1.2	0.8	1.0	1.0	1.1
Long-acting isosorbide denigrate preparation <i>NITOROL-R</i>	1.0	1.0	1.1	0.8	0.9	0.8	1.0
Antiallergic agent <i>AZEPTIN</i>	0.6	0.5	0.7	0.8	0.6	0.4	0.6
Other	11.2	10.7	12.3	9.6	10.8	10.9	12.3
Prescription pharmaceuticals total	53.4	54.1	61.2	48.2	59.3	57.7	68.0

11. Exports by Products [Non-Consolidated]

(billions of yen)

Years Ended/Ending March 31	First Quarter	Second Quarter	Quarter
<i>Product</i>			



VII. Major R&D Pipeline Candidates

Updates since October 2007

Filed for approval



1-3 Phase III&II

(Product) Name (Research Code)	Region	Phase	Description	Form.	Origin	Expected Application
E2007			Parkinson's Disease/AMPA Receptor Antagonist (perampanel)	Tab.	In-house	FY2008
	U.S.	III	The compound selectively antagonizes the AMPA-type glutamate receptor.			
	EU	III				

1-3 Phase III&II (continued)

(Product) Name (Research Code)	Region	Phase	Description	Form.	Origin	Expected Application
MORAb-003	U.S.	II	Anti-cancer (ovarian cancer)/Monoclonal antibody The compound is a humanized IgG1 MAb to folate receptor alpha. Now being studied in Phase II for treatment of ovarian cancers in the U.S..	Inj.	In-house (Morphotek)	
E6201	U.S.	II	Psoriasis/Multikinase Inhibitor The compound is a multikinase inhibitor. A Phase II study for psoriasis was initiated.	Transdermal	In-house	
MORAb-009	U.S.	II	Anti-cancer (pancreatic cancer)/Monoclonal antibody The compound is an IgG1 MAb that targets mesothelin. A Phase II study for pancreatic cancer was initiated in the U.S..	Inj.	In-house (Morphotek)	
E7820	U.S.	II	Anti-cancer (colon cancer)/Alpha 2 integrin expression inhibitor The compound is an alpha 2 integrin expression inhibitor. A phase II study for colon cancer was initiated.	Tab.	In-house	
ARICEPT (E2020) (Additional indication)	U.S.	II	Pediatric Indication Currently indicated for the treatment of Alzheimer's disease. A Phase II study for pediatric Down syndrome was initiated.	Tab.	In-house	

2. Development in Japan

2-1 Filed for Approval

(Product) Name (Research Code)	Date	Description	Form.	Origin
T-614	Sep-03	Rheumatoid Arthritis (iguratimod) Suppresses lymphocyte proliferation, immunoglobulin and inflammatory cytokines production. Now being investigated for chronic rheumatoid arthritis.	Tab.	Toyama Chemical
D2E7	Dec-05 (Rheumatoid Arthritis) Sep-07 (Psoriasis)	Rheumatoid Arthritis/Human Anti TNF-alpha Monoclonal Antibody (adalimumab) Blocks the activity of Tumor Necrosis Factor-alpha (TNF-alpha) which plays a central role in inflammation in autoimmune diseases. Applications have been submitted for rheumatoid arthritis and psoriasis indications.	Inj.	Abbott
E2014	Dec-06	Cervical Dystonia/Botulinum Toxin Type B Botulinum toxin acts on cholinergic nerve ending synapses and inhibits the release of acetylcholine to relax muscles. Filed an application for the treatment of cervical dystonia.	Inj.	Solstice Neuro- sciences
VASOLAN (E0103) (Additional Indication)	Jan-07	Atrial Fibrillation, Paroxysmal Supraventricular Tachycardia (PSVT) Currently approved for Ischemic heart disease treatment. An application was submitted for a new indication for atrial fibrillation and paroxysmal supraventricular tachycardia.	Tab.	Abbott
IOMERON (E7337) (Additional dosage /administration)	Mar-07	Nonionic X-ray Contrast Medium Currently approved for CT (computerized tomography) angiography. An application for additional dosage and administration has been filed.	Inj.	Bracco
KES524	Nov-07	Obesity Management/Central Acting Serotonin & Noradrenalin Reuptake Inhibitor (sibutramine) Inhibits the reuptake of the cerebral neurotransmitters noradrenalin and serotonin. By enhancing the feeling of satiety and increasing energy consumption, it is expected to result in the loss of body weight. An application was submitted for obesity management.	Cap.	Abbott
PARIET (E3810) (Additional indication) (Temporarily withdrawn)	In Preparation (expected resubmission schedule is FY2008)	Non-Erosive Gastro-Esophageal Reflux Disease (non-erosive GERD) Currently approved for treatment of peptic ulcers, erosive GERD, and Zollinger-Ellison syndrome in Japan. Submitted for treatment of non-erosive GERD in March 2006. The application was withdrawn temporarily to account for data required for submission. The company will proceed with an additional study and aims to achieve resubmission.	Tab.	In-house

2-2 Phase III & II

(Product) Name (Research Code)	Phase	Description	Form.	Origin	Expected Application
E5564	III	Severe Sepsis/Endotoxin Antagonist (eritoran) Synthetic endotoxin antagonist which is being investigated for severe sepsis caused by endotoxin from various types of gram-negative bacteria. The safety profile and efficacy were confirmed through the previous study. A Phase III global study is ongoing in Japan as well as in the U.S., and EU.	Inj.	In-house	FY2009
E0302	II/III	Amyotrophic Lateral Sclerosis (ALS) (mecobalamine) Mecobalamine is widely used for treatment of peripheral neuropathy. A Phase II/III study for amyotrophic lateral sclerosis (ALS) is ongoing.	Inj.	In-house	
D2E7	II/III	Crohn's Disease/Human Anti TNF-alpha Monoclonal Antibody (adalimumab) The compound is being filed for the rheumatoid arthritis and psoriasis indications. A Phase II/III study for Crohn's disease is ongoing.	Inj.	Abbott	FY2009
E7389	II	Anti-cancer (breast cancer)/Microtubule Growth Suppressor (eribulin) Synthetic analog of Halichondrin B derived from marine sponges. Acts against tumor growth by inhibiting cell division through blocking microtubule growth. A Phase II study is ongoing.	Inj.	In-house	
E5555	II	Acute Coronary Syndrome (ACS), Atherothrombotic Disease /Thrombin Receptor Antagonist The compound inhibits platelet aggregation and smooth-muscle proliferation based on thrombin receptor antagonism. A Phase II study is ongoing.	Tab.	In-house	FY2012
ARICEPT (E2020) (Additional indication)	II	Dementia with Lewy Bodies Currently indicated for the treatment of Alzheimer's disease. A Phase II study for Lewy bodies has been initiated in Japan.	Tab.	In-house	
E7210 (Suspended)	II	Ultrasonic Contrast Medium Development in progress for potential Ultrasonic Contrast Medium by employing micro bubbles that reflect ultrasounds. (Development is currently suspended.)	Inj.	Bracco	

VIII. Major Events

Date	Description
Jan. 2008	<p>Finalized a license agreement for the additional indications for D2E7, a fully human monoclonal antibody with Abbott Japan Co., Ltd., and Abbott Biotechnology Ltd.. <announced on January 29></p> <p>Completed acquisition of MGI PHARMA <announced on January 29></p> <p>Concluded changes to the sales scheme for D2E7, a fully human monoclonal antibody in the co-development & marketing agreement with Abbott Japan Co., Ltd., and Abbott Biotechnology Ltd.. <announced on January 28></p> <p>Subsequent offering period for the tender offer for MGI PHARMA shares expired <January 25></p> <p>Announced satisfaction of conditions to tender offer for MGI PHARMA shares <announced on January 23></p> <p>Announced early termination of HSR waiting period for Eisai's acquisition of MGI PHARMA <the HSR waiting period terminated on January 16></p>
Dec. 2007	<p>Announced U.S. District Court decision about Eisai's legal action over Aricept ODT® ANDA filing <announced on December 27></p> <p>Announced launch of new <i>Aricept</i>® dose formulations for treatment of severe Alzheimer's disease in Japan <announced on December 25></p> <p>Commenced cash tender offer for all outstanding shares of MGI PHARMA <announced on December 21></p> <p>Signed an in-licensing agreement with Minophagen Pharmaceutical for liver disease/allergic disease agents <i>Stronger Neo-Minophagen</i>® C and <i>Glycyron</i>® Tablets <announced on December 18></p> <p>Signed a definitive merger agreement to acquire an U.S. biopharmaceutical company MGI PHARMA, Inc. <announced on December 10></p> <p>Held Ground-Breaking Ceremony For New Manufacturing and Research Base in India <announced on December 6></p> <p>UK Court of Appeal granted permission to challenge NICE judicial review verdict on Alzheimer's disease <December 6></p> <p>Eisai's regional clinical research center in Singapore held opening ceremony to commence initiation of its operation <December 5></p> <p>Signed an exclusive licensing agreement with BioArctic Neuroscience AB for BAN2401, novel antibody treatment for Alzheimer's disease <announced on December 4></p>

Date	Description
Jun. 2007	Tambocor (antiarrhythmic treatment) received approval in Japan for paroxysmal atrial fibrillation/flutter <announced on June 26>
	Announced allotment of stock option (new share subscription right) <announced on June 22>
	Launched <i>Inovelon</i> (anti-epileptic agent) in Germany <announced on June 18>
	Launched <i>Actonel</i> 17.5 mg tablets (a once-weekly antiosteoporotic agent) in Japan <announced on June 15>
	Signed an agreement with Kissei Pharmaceutical Co., Ltd. for development and commercialization of <i>Glufast</i> (rapid-acting insulin secretagogue) for the 10 ASEAN countries <announced on June 12>
May 2007	Announced basic principle and policies concerning reduction of minimum trading lots for shares <announced on May 15>
	Announced outline of new stock option (new share subscription right) <announced on May 15>
	Signed an agreement with Solstice Neurosciences for commercialization of <i>NeuroBloc</i> (botulinum toxin type B agent) for Europe <announced on May 15>
	Submitted an application for <i>Gasmotine</i> (gastroprokinetic agent) in Thailand for the treatment of functional dyspepsia <announced on May 15>
	Obtained favorable ruling in <i>ACIPHEX</i> patent infringement lawsuit in the U.S. <announced on May 12>
	<i>Fragmin</i> (injectable anti-clotting agent) received an FDA approval for extended treatment to reduce the recurrence of blood clots in patients with cancer <announced on May 7>
Introduced <i>Chocola BB Light 2</i> Vitamin B ₂ Drink <announced on May 7>	
Apr. 2007	Announced complete subsidiarization of Sanko Junyaku Co., Ltd. <announced on April 26>
	<i>Actonel</i> 17.5 mg tablets (a once-weekly treatment of osteoporosis) received approval in Japan <announced on April 18>
	Completed the acquisition of a U.S. based biopharmaceutical company Morphotek Inc. <announced on April 17>
	Announced temporary withdrawal of the application for <i>ARICEPT</i> in Europe for the treatment of severe Alzheimer's disease <announced on April 13>

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