

April 14, 2008

Effector Cell Institute, Inc
 (Nagoya Stock Market, Centrex:4567)
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 Japan

Summary of Financial Report for the 3rd Quarter FY2007 (Ending May 31, 2008)

(Amounts less than one million yen are omitted.)

1. Consolidated results for the third quarter of FY2007 (June 1, 2007 to February 29, 2008)

(1) Consolidated operating results

(The percentage figures accompanying net sales, operating income, ordinary income and net income represent year-over-year changes.)

	Net sales		Operating income		Ordinary income		Net income (Current)	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine months ended Feb. 2008	186	87.9	△880	-	△931	-	△1,065	-
Nine months ended Feb. 2007	99	-	△935	-	△920	-	△1,088	-
Year ended May 2007	164	-	△1,316	-	△1,286	-	△1,455	-

	Earning per share (Current)
	¥
Nine months ended Feb. 2008	△9,024.50
Nine months ended Feb. 2007	△9,289.38
Year ended May 2007	△12,395.97

(2) Consolidated financial position

	Total assets	Net assets	Net worth ratio	Net asset worth
	¥ million	¥ million	%	¥
As of Feb. 29, 2008	1,897	1,527	80.6	12,859.72
As of Feb. 28, 2007	3,249	2,948	90.7	25,002.2
As of May 31, 2007	2,936	2,583	88.0	21,885.54

(3) Consolidated cash flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of year
	¥ million	¥ million	¥ million	¥ million
As of Feb. 29, 2008	△1,265	30	△54	427
As of Feb. 28, 2007	△761	△667	10	1,958
As of May 31, 2007	△986	△654	20	1,769

2. Dividends

(Reference date)	Dividend per share				
	End 1st quarter	End interim period	End 3rd quarter	Year-end	Total dividend for the year
	¥	¥	¥	¥	¥
FY2006	—	—	—	—	—
FY2007	—	—	—	—	—
FY2007 (projected)	—	—	—	—	

3. Projected consolidated results for FY2007 (June 1, 2007 to May 31, 2008) (Percentages represent changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Earning per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2007 full-year	264	61.0	△1,412	—	△1,430	—	△1,541	—	△13,059.59

4. Other Information

- (1) Changes in significant consolidated subsidiaries (Changes affecting the scope of consolidation): None
- (2) Preparation standard of quarterly consolidated financial reports: Interim consolidated accounting procedures are used for preparing quarterly consolidated financial reports.
- (3) Changes in accounting policies from the most recent consolidated financial year: None
- (4) Financial statement audit: Yes

The company's quarterly financial statements undergo audit by a third party as set forth in the "Standard concerning the Audit Opinion on the Financial Statements," appended to Nagoya Stock Exchange's "Rules for Timely Disclosure of Corporate Information by the Issuer of Listed Securities."

5. Summary of non-consolidated results for the third quarter of FY2007 (June 1, 2007 to February 29, 2008)

(1) Non-consolidated operating results

(The percentage figures accompanying net sales, operating income, ordinary income and net income represent year-over-year changes.)

	Net sales		Operating income		Ordinary income		Net income (Current)	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine months ended Feb. 2008	154	59.6	△760	–	△801	–	△1,065	–
Nine months ended Feb. 2007	97	△81.1	△832	–	△809	–	△1,312	–
Year ended May 2007	153	△78.1	△1,130	–	△1,090	–	△1,769	–

	Earning per share (Current)
	¥
Nine months ended Feb. 2008	△9,024.50
Nine months ended Feb. 2007	△11,200.96
Year ended May 2007	△15,073.29

(2) Non-consolidated financial position

	Total assets	Net assets	Net worth ratio	Net asset worth
	¥ million	¥ million	%	¥
As of Feb. 29, 2008	1,885	1,527	81.0	12,859.72
As of Feb. 28, 2007	3,321	3,038	91.5	25,767.29
As of May 31, 2007	2,931	2,583	88.1	21,885.54

6. Projected non-consolidated results for FY2007 (June 1, 2007 to May 31, 2008)

(Percentages represent changes from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Earning per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2007 full-year	201	31.8	△1,210	–	△1,229	–	△1,339	–	△11,350.97

Note: The projected results above are based on currently available information and uncertain factors as may affect the projected performance as of the date of release of this financial report. Actual business performance may differ depending on various factors in the future.

For particulars related to the projected results above, refer to Qualitative Information, Financial Statements and Other Information given below.



Qualitative Information, Financial Statements and Other Information

1. Qualitative Information on Consolidated Financial Results

The ECI Group consists of Effector Cell Institute, Inc. and one consolidated subsidiary. The group's major business fields are drug discovery business, including research and development activities for medical and pharmaceutical products, drug discovery tool supply business, including marketing and sales of biotechnological devices, and manufacturing and sales of cosmetics.

In the drug discovery field, ECI's joint research with AstraZeneca Plc., UK is ongoing with the aim of achieving personalized therapy, particularly narrowing the focus of our research to asthma and chronic obstructive pulmonary disease (COPD). With respect to the eMIP/ECI30I Project for development of biological drug for cancer immunotherapy, compound formulation and preclinical studies are in progress in compliance with Good Manufacturing Practice (GMP - Manufacturing and Quality System Regulations for Medical Products). ECI is working toward establishing a clinical protocol for combined use with radiotherapy for non-small cell lung cancers. When successful, an application for clinical research in the United States will be made. Under the FROUNT Drug Development Project, on the other hand, a joint research agreement between the company and Astellas Pharma Inc. is ongoing for development of medicines effective against various intractable inflammatory diseases such as chronic articular rheumatism and arterial sclerosis, with minimized harmful side effects.

In the drug discovery tool supply field, the company is active in design and development of new products along with successful sales of its products through the agent network of GE Healthcare Bio-science.

Manufacturing and sales of cosmetics is a relatively new field for the company and it has started to develop, with manufacture and sales of new OEM brand products.

As a result of these activities, the ECI Group's consolidated net sales for the period under review amounted to ¥186 million with ordinary loss of ¥931 million and net current loss of ¥1,065 million.

2. Qualitative Information on Consolidated Financial Position

As of February 29, 2008 (in nine months from June 1, 2007 to Feb. 29, 2008), there was a decrease of ¥1,039 million in total assets, and a decrease of ¥1,056 million in net assets, compared to the end of the previous fiscal year.

Net cash provided by operating activities declined by ¥1,265 million, mainly due to net loss of ¥1,064 million before adjustments for income taxes during the period under review and to an increase of ¥504 million in current assets.

Net cash used in investing activities totaled ¥30 million. This mainly reflected the income resulting from the sale of securities (¥100 million), refundment of deposits (¥19 million) and

loan disbursement in the amount of ¥65 million.

Net cash used in financing activities resulted in a decline of ¥54 million, mainly due to repayment of a long-term loan (¥80 million).

3. Qualitative Information on Projected Results

The company's business performance during the third quarter was as projected, and ECI has not revised previously announced projections for full-year financial results (announced on July 12, 2007).

The projected results above are based on currently available information and uncertain factors as may affect the projected performance as of the date of release of this financial report. The actual business performance may differ depending on various factors in the future. The company will from time to time revise projected results, with timely announcements in compliance with the disclosure rule.

4. Other Information

Changes in significant consolidated subsidiaries (Changes affecting the scope of consolidation): None

(Contacts for inquiries or additional information)

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