Securities Code: 4523

FY 2016 (Ending March 31, 2017)
Second Quarter Financial Results

Reference Data

October 31, 2016

Eisai Co., Ltd.

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Forward-Looking Statements and Risk Factors

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

Risks that may cause significant fluctuations in the consolidated results of the Eisai Group or have a material effect on

Contents

Currency Exchange Rates

		US (USD/JPY)	EU (EUR/JPY)	UK (GBP/JPY)	China (RMB/JPY)
	Q2 YTD Average Rate	121.79	135.06	187.76	19.43
	Quarter End Rate	119.96	134.97	181.86	18.96
	Yearly Average Rate	120.14	132.57	181.30	18.85
	Year End Rate	112.68	127.70	161.92	17.39
	Q2 YTD Average Rate	105.28	118.14	144.87	15.93
	Quarter End Rate	101.12	113.36	131.00	15.14
FY 2016	Q3 - Q4 Forecast Rate	101.00	113.00	131.00	15.00

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* All amounts are rounded to the 54 - Cou9

1. Consolidated Statement of Income

(billions of yen)

						FY 2016			FY 2016	
									Revised	Previous
Revenue	275.5	100.0	547.9	100.0	269.9	100.0	98.0	(5.6)	548.0	580.0
Cost of sales	99.5	36.1	194.5	35.5	98.2	36.4	98.7	(1.3)	199.0	210.5
Gross profit	176.0	63.9	353.5	64.5	171.7	63.6	97.6	(4.3)	349.0	369.5
Selling, general and administrative expenses	96.4	35.0	192.8	35.2	87.0	32.2	90.2	(9.4)	181.0	196.9
Selling expenses	31.5	11.4	61.2	11.2	26.1	9.7	82.8	(5.4)		

2. Capital Expenditures, Depreciation and Amortization

(billions of yen)

					Revised	Previous
Capital expenditures	3.4	19.8	20.7	17.3	34.0	19.0
Property, plant and equipment	2.5	12.8	5.9	3.4	13.0	9.0
Intangible assets	0.9	7.0	14.8	13.9	21.0	10.0
Depreciation and amortization	20.5	34.1	13.8	(6.6)	27.0	29.0
Property, plant and equipment	6.8	13.1	5.6	(1.2)	11.0	13.5
Intangible assets	13.7	21.0	8.3	(5.4)	16.0	15.5

4. Financial Results by Reporting Segment

1) Japan Pharmaceutical Business

(billions of yen)

	FY 2015			
	Q2 YTD	Full year	Q2 YTD	YOY (%)
Revenue	143.2	284.9	149.7	104.5
Prescription medicines	118.2	233.9	126.7	107.2
Generics	13.2	28.5	13.5	102.8
Consumer Healthcare Business	9.0	18.1	9.5	105.9
Diagnostics	2.9	4.4		
Segment profit	58.1	114.3	55.6	95.6
Japan prescription medicines - revenue from major products				
Fully human anti-TNF-α monoclonal antibody Humira	15.7	32.6	19.0	120.7
Alzheimer's disease / Dementia with Lewy bodies treatment Aricept	21.5	40.5	16.4	76.3
Pain treatment (neuropathic pain, fibromyalgia) Lyrica	11.8	24.7	11.9	100.4
Proton-pump inhibitor Pariet**	15.7	30.4	11.5	73.5
Peripheral neuropathy treatment Methycobal	10.6	20.8	9.6	90.8
Anticancer agent Halaven	3.4	6.8	4.0	115.6
Insomnia treatment Lunesta	2.9	6.0	3.8	132.5
Oral anticoagulant Warfarin	3.9	7.6	3.6	92.6
Branched-chain amino acid preparation Livact**			3.4	
Elemental diet Elental**			3.4	
Osteoporosis treatment Actonel	3.3	6.4	3.0	91.7
Anticancer agent Lenvima	0.6	1.5	1.4	224.9
Antiepileptic agent Fycompa			0.2	
Vitamin B2 preparation, "Chocola BB Plus," etc. Chocola BB Group	5.6	11.1	6.3	111.3

* The revenue for Pariet includes the revenue for triple formulation packs for *Helicobacter pylori* eradic(iple)4(f)lic4(e)4(f0054.63 1 334.63 252.62 Tm[(e)6(r)5(a)4(d)4

2) Americas Pharmaceutical Business (North, Central and South America)

(billions of yen)

		FY 2015		FY 2016	
		Q2 YTD	Full year	Q2 YTD	YOY (%)
Revenue		60.6	122.2	56.9	93.9 <108.7>
United States		59.9	121.0	56.1	93.7 <108.4>
Segment profit		9.0	23.6	16.2	179.5 <207.8>
Americas - revenue from major products					
Antiemetic agent Aloxi		27.5	54.7	24.1	87.6
United States	[Millions USD]	27.5 [226]	54.7 [455]	24.1 [229]	87.6 <101.3>
Anticancer agent Halaven		9.0	18.3	8.3	92.8
United States	[Millions USD]	8.6 [71]	17.5 [146]	7.9 [75]	92.1 <106.6>
Anticancer agent Lenvima		3.2	8.8	6.9	213.4
United States	[Millions USD]	3.2 [27]	8.8 [73]	6.9 [65]	211.8 <245.0>
Antiepileptic agent Banzel		6.1	13.2	6.4	105.0
United States	[Millions USD]	6.0 [49]	13.1 [109]	6.3 [60]	105.0 <121.5>
Proton-pump inhibitor AcipHex	[Millions USD]	4.3 [35]	8.3 [69]	3.5 [34]	82.8 <95.8>
Antiepileptic agent Fycompa		1.6	3.8	2.3	138.8
United States	[Millions USD]	1.6 [13]	3.7 [31]	2.2 [21]	139.3 <161.1>
Antiobesity agent BELVIQ	[Millions USD]	2.6 [21]	4.4 [37]	1.6 [16]	63.2 <73.1>

* Year-on-year percentage: figures shown in angle brackets “< >” exclude the effects of foreign currency fluctuations.

* The U.S. is the only country in the Americas where Eisai directly markets AcipHex and BELVIQ.

5) EMEA Pharmaceutical Business (Europe, the Middle East, Africa and Oceania)

(billions of yen)

	FY 2015		FY 2016	
	Q2 YTD	Full year	Q2 YTD	YOY (%)
Revenue	20.2	41.3	18.2	90.1 <104.8>
Segment profit	4.4	10.2	6.6	151.0 <168.6>
EMEA - revenue from major products				
Anticancer agent Halaven	6.6	13.2	5.3	80.6 <94.6>
Antiepileptic agent Zonegran	4.1	7.6	2.8	69.0 <81.0>
Antiepileptic agent Fycompa	1.6	3.6	2.1	135.1 <157.9>
Antiepileptic agent Zebinix	1.9	3.8	1.7	91.8 <106.0>
Anticancer agent Lenvima	0.2	1.1	1.2	595.0 <696.5>
Antiepileptic agent Inovelon	1.1	2.2	0.9	86.5 <101.8>

* Year-on-year percentage: figures shown in angle brackets “< >” exclude the effects of foreign currency fluctuations.

5. Revenue from Major Products

1) Neurology Products

2) Oncology Products

(billions of yen)

	FY 2015		FY 2016	
	Q2 YTD	Full year	Q2 YTD	YOY (%)
Oncology Products Total	57.4	118.4	57.9	100.8 <114.8>
Aloxi (Antiemetic agent) - United States	27.5	54.7	24.1	87.6 <101.4>
Halaven (Anticancer agent)	19.9	40.2	18.6	93.6 <105.8>
Japan	3.4	6.8	4.0	115.6
Americas	9.0	18.3	8.3	92.8 <107.6>
Asia	0.9	1.9	1.0	111.5 <132.0>
EMEA	6.6	13.2	5.3	80.6 <94.6>
Lenvima (Anticancer agent)	4.1	11.5	9.6	236.1 <268.3>
Japan	0.6	1.5	1.4	224.9
Americas	3.2	8.8	6.9	213.4 <111.0>
Asia		0.0	0.1	
EMEA	0.2	1.1	1.2	595.0 <243.6>
Treakisym/Symbenda (Anticancer agent)	2.1	4.1	2.2	104.5 <104.0>
Other	3.8	7.9	3.4	88.4 <132.2>

* Year-on-year percentage: figures shown in angle brackets “< >” exclude the effects of foreign currency fluctuations.

* From this fiscal year, "Oncology-related products" has been renamed to "Oncology products", in which the related products listed have changed. The figures for the previous fiscal year have been revised and restated to reflect this change.

6. Revenue Forecasts by Reporting Segment (FY 2016)

(billions of yen)

	Q2 YTD	Full year	Q2 YTD	Revised	Previous
Japan	143.2	284.9	149.7	300.0	314.0
	118.2	233.9	126.7	254.0	268.0
	15.7	32.6	19.0	40.0	39.0
	21.5	40.5	16.4	29.0	33.5
	15.7	30.4	11.5	21.5	24.5
	10.6	20.8	9.6	18.5	19.0
	2.9	6.0	3.8	8.0	11.0
	3.4	6.8	4.0	8.0	10.0
	3.9	7.6	3.6	7.0	7.0
			3.4	6.5	6.5
			3.4	6.0	6.0
	3.3	6.4	3.0	6.0	6.0
Generics	13.2	28.5	13.5	28.5	28.5
Consumer Healthcare Business - Japan	9.0	18.1	9.5	17.5	17.5
	5.6	11.1	6.3	11.0	11.0
Diagnostics					

8. Consolidated Statement of Cash Flows

(billions of yen)

	FY 2015 Q2 YTD	FY 2016 Q2 YTD	Diff.
Operating activities			
Profit before income taxes	17.3	38.1	20.8
Depreciation and amortization	20.5	13.8	(6.6)
Impairment losses	0.2	0.2	(0.0)
(Increase) decrease in working capital	13.7	(11.1)	(24.8)
Interest and dividends received	0.9	0.9	(0.0)
Interest paid	(2.3)	(1.3)	1.0
Income taxes paid	(4.8)	(7.8)	(3.0)
Income taxes refund	1.5	1.8	0.2
Other	(3.2)	(7.7)	(4.5)
Net cash from operating activities	43.8	26.8	(17.0)
Investing activities			
Purchases of property, plant and equipment (1)	(2.9)	(2.5)	0.4
Proceeds from sales of property, plant and equipment (2)	13.2	0.2	(12.9)
Purchases of intangible assets (3)	(30.8)	(3.1)	27.7
Net cash inflow on acquisition of subsidiaries (4)		19.3	19.3
Net cash inflow on sale of subsidiaries (5)		6.5	6.5
<Capital expenditures (cash basis)> (1)+(2)+(3)+(4)+(5)	(20.5)	20.4	40.9
Purchases of financial assets	(9.3)	(5.3)	4.0
Proceeds from sales and redemption of financial assets	9.4	5.2	TJE1

9. Consolidated Statement of Financial Position

<Assets>

(billions of yen)

	March 31, 2016	Ratio (%)	September 30, 2016	Ratio (%)	% change	Diff.
Assets						
Non-current assets						
Property, plant and equipment	104.6	10.7	97.2			

10. Changes in Quarterly Results

1) Income Statement

(billions of yen)

	FY 2015					
	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	139.2	136.3	150.9	121.5	136.9	133.0
Cost of sales	49.4	50.1	49.8	45.2	49.8	48.4
Gross profit	89.8	86.2	101.2	76.3	87.1	84.6
Sel Sel 2015						

3) Cash Flows

(billions of yen)

	Q1	Q2	Q3	Q4	Q1	Q2
Cash flow from operating activities						

5) Changes in Quarterly Revenue from Major Products

(1) Neurology Products

(billions of yen)

	FY 2015					
	Q1	Q2	Q3	Q4	Q1	Q2
Neurology Total	46.8	45.6	49.5	37.9	40.6	39.4
Aricept (treatment for Alzheimer's Disease / Dementia with Lewy Bodies)	18.0	16.0	17.6	11.7	13.2	11.9

Japanwy Bodies)

11. Stock Information

5) Breakdown of Shareholders by Number of Shares Held

(investors)

	March 31, 2016	Ratio (%)	September 30, 2016	Ratio (%)	Diff.
1 million or more shares	51	0.1	51	0.1	0
100,000 ~ 999,999 shares	156	0.3	146	0.2	(10)
10,000 ~ 99,999 shares	733	1.2	746	1.3	13
1,000 ~ 9,999 shares	10,734	17.9	10,623	17.9	(111)
100 ~ 999 shares	43,805	73.0	43,823	73.8	18
Less than 100 shares	4,517	7.5	3,979	6.7	(538)
Total	59,996	100.0	59,368	100.0	(628)

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

(1,000 shares)

	March 31, 2016	Ratio (%)	September 30, 2016	Ratio (%)	Diff.
1 million or more shares	195,575	65.9	199,628	67.3	4,052
100,000 ~ 999,999 shares	49,573	16.7	45,686	15.4	(3,887)
10,000 ~ 99,999 shares	18,721	6.3	18,779	6.3	58
1,000 ~ 9,999 shares	22,588	7.6	22,392	7.6	(196)
100 ~ 999 shares	9,951	3.4	9,943	3.4	(7)
Less than 100 shares	157	0.1	136	0.0	(20)
Total	296,566	100.0	296,566	100.0	

* Number of shares has been rounded down to the nearest thousand.

12. Number of Employees

1) Number of Employees on Consolidated Basis

(employees)

	March 31, 2014	March 31, 2015	March 31, 2016	September 30, 2016
Total employees	10,419	10,183	9,877	10,410
Japan	5,200	4,712	4,523	5,102
Americas (North America, Central and South America)	1,768	1,745	1,316	1,326
China	1,559	1,607	1,875	1,803
Asia (excl. Japan, China)	1,081	1,226	1,250	1,239
EMEA (Europe, the Middle East, Africa and Oceania)	811	893	913	940

2) Number of Employees on Non-Consolidated Basis

(employees)

	March 31, 2014	March 31, 2015	March 31, 2016	September 30, 2016
Total employees (Eisai Co., Ltd.)	4,003	3,514	3,504	3,287
Production	642	463	459	474
Research and development	981	885	871	870
Sales, marketing and administration	2,380	2,166	2,174	1,943

* The number of total employees shown above includes staff dispatched to Eisai Co., Ltd. from other group companies, and excludes the employees of Eisai Co., Ltd. who are on loan to other group companies.

13. Major R&D Pipeline

In-House R&D Pipeline List

Product Name / Development Code	Additional Indication, etc.**	Development Stage***	Therapeutic Area****
New Approval			
○ Halaven (Liposarcoma)	AI	(EU) approved	Oncology
◎ Fycompa (Oral suspension)	AF	(US/EU) approved	Neurology
◎ Lenvima/Kisplyx (Renal cell carcinoma/Second-line)	AI		

(1) Neurology

Development Code: **E2020** Generic Name: **donepezil** Product Name: **Aricept**

Indications / Drug class: Treatment for Alzheimer's disease / dementia with Lewy bodies			In-house	
Description: Increases levels of the neurotransmitter acetylcholine in the brain by inhibiting the enzyme acetylcholinesterase from breaking down acetylcholine, thereby slowing the overall progression of symptoms associated with Alzheimer's disease (AD). Currently approved in more than 90 countries around the world for the treatment of mild to moderate AD. Also approved as a treatment for patients with severe AD in numerous countries including the United States, Japan, Canada, and several other Asian and Latin American countries. Approved in Japan and the Philippines for dementia with Lewy bodies.				
	Severe Alzheimer's disease (Additional Indication)	Study 339	CN: Submitted (February 2015)	Oral
	Regression symptoms in people with Down syndrome (Additional Indication)	345	JP: PII	Oral

◎ The transdermal formulation for Aricept has been removed from this list as the developer was changed to Teikoku Pharmaceuticals Co., Ltd.

Development Code: **E2006** Generic Name: **lemborexant**

Indications / Drug class: Anti-insomnia agent / orexin receptor antagonist				In-house	
Description: By antagonizing the orexin receptors that are involved in the regulation of sleep and wakefulness, it is expected to alleviate wakefulness, thereby facilitating the initiation and maintenance of natural sleep.					
○	Insomnia disorder	Study 304	JP/US/EU: PIII	Joint development with Purdue Pharma L.P.	Oral
◎	Irregular sleep-wake rhythm disorder				

Development Code: **APD356** Generic Name: **lorcaserin** Product Name: **BELVIQ**

Indications / Drug class: Antiobesity agent / serotonin 2C receptor agonist	In-license (Arena Pharmaceuticals)

Description: Antiobesity agent with novel mechanism of action. By selectively activating serotonin 2C receptors in the brain, it is believed to decrease food consumption and promote satiety. Approved in the United States by the U.S.

(2) Oncology

Development Code: **E7389** Generic Name: **eribulin** Product Name: **Halaven**

Indications / Drug class: Anticancer agent / microtubule dynamics inhibitor					In-house
Description: A synthetic analog of halichondrin B derived from the marine sponge, *Halichondria okadai*. Shows an antitumor effect by arresting the cell cycle through inhibition of the growth of microtubules. Approved in over 60 countries including in the United States, in Europe, Japan and Asia for use in chemotherapy for breast cancer. Approved in countries including the United States, Japan and in Europe for use in the treatment of soft tissue sarcoma.					
◎	Breast cancer	Study 304	CN: submitted (July 2016)		Inj.
○	Advanced soft tissue sarcoma (Additional Indication)	309	EU: approved (May 2016, for liposarcoma)		Inj.
	Non-small cell lung cancer (Additional Indication)	302	JP/US/EU/AS: PIII		Inj.
	Bladder cancer (Additional Indication)	702	US/EU: PI/II		Inj.
	Triple negative breast cancer (in combination with anti-PD1 antibody pembrolizumab)	218	US: PI/II	Co-development with Merck & Co., Inc., Kenilworth, NJ, USA	Inj.
◎	HER2-negative breast cancer (in combination with PEGPH20)	219	US: PI/II	Co-development with Halozyme Therapeutics, Inc.	Inj.
	Liposome formulation (Additional Formulation)	112	EU: PI		Inj.

Development Code: **E7080** Generic Name: **lenvatinib** Product Name: **Lenvima/Kisplyx**

Indications / Drug class: Anticancer agent / molecular targeted drug					In-house
Description: Discovered and developed in-house, the agent is an orally administered multiple receptor tyrosine kinase (RTK) inhibitor that selectively inhibits the kinase activities of vascular endothelial growth factor receptors (VEGFR) and fibroblast growth factor receptors (FGFR) in addition to other proangiogenic and oncogenic pathway related RTKs (including the platelet-derived growth factor receptor (PDGFR), KIT and RET) involved in angiogenesis and tumor proliferation. Confirmed through X-ray crystal structural analysis to be the first compound to demonstrate a new binding mode (Type V) to VEGFR2, exhibiting rapid and potent inhibition of kinase activity, according to kinetic analysis. Approved as a treatment for refractory thyroid cancer in over 45 countries including the United States, Japan, in Europe and South Korea. Also approved as a treatment for renal cell carcinoma in the United States and Europe. The agent is marketed under the product name Kisplyx only for this indication in Europe.					
	Renal cell carcinoma/Second-line (Additional Indication)	Study 205	○ US: approved (May 2016) ◎ EU: approved (August 2016) JP: PI		Oral
◎	Renal cell carcinoma/First-line (Additional Indication)	307	US/EU: PIII		Oral
	Hepatocellular carcinoma (Additional Indication)	304	JP/US/EU/CN/AS: PIII	Submission Target: FY2016	Oral
	Endometrial cancer (Additional Indication)	204	US/EU: PII		Oral
	Melanoma (Additional Indication)	702	US/EU: PII		Oral
	Non-small cell lung cancer (Third-line, MonotherapyM				

○ Development progress from April 2016 onwards ◎ Development progress from July 2016 onwards

○ Development progress from April 2016 onwards ◎ Development progress from July 2016 onwards

(3) Gastrointestinal Disorders

Development Code: **E3810** Generic Name: **rabeprazole** Product Name: **Pariet/AcipHex**

Indications / Drug class: Proton pump inhibitor			In-house	
Description: A proton pump inhibitor approved for the treatment of gastric and duodenal ulcers, reflux esophagitis, eradication of *Helicobacter pylori* infections and triple formulation packs (combination packs) for *H. pylori* eradication that include rabeprazole. Approved for the prevention of recurrent gastric or duodenal ulcer caused by low-dose aspirin therapy as well as 5 mg tablet formulation in December 2014.				
◎	Maintenance therapy for proton pump inhibitor (PPI)-resistant reflux esophagitis10 mg twice daily (Additional Dosage and Administration)	Study 311	JP: submitted (October 2016) Joint development with EA Pharma	Oral

Development Code: **AJG511** Generic Name: **budesonide**

Indications / Drug class: Ulcerative colitis treatment / locally-active steroid			In-license (Dr. Falk Pharma)	
Description: The first rectal foam product in Japan containing budesonide as active ingredient. Budesonide is a locally-active steroid and, thus, is expected to reduce systemic side effects. In addition, AJG511 is a foam type product that can reach the inflamed sites of rectum and sigmoid colon by rectal administration, and has a characteristic feature of preventing leakage after administration. Budesonide rectal foam is already available on the market in Europe.				
◎	Ulcerative colitis		JP: submitted (October 2016) Joint development by EA Pharma and Kissei Pharmaceutical	Foam

Development Code: **AJG533** Generic Name: **elobixibat**

Indications / Drug class: Chronic constipation treatment / bile acid transporter inhibitor			In-license (Albireo)	
Description: An orally available constipation treatment having a novel action mechanism. AJG533 inhibits the bile acid transporter that regulates reabsorption of bile acids and thereby increases spontaneous colonic motility				
	Chronic constipation	JP: PIII	Joint development by EA Pharma and Mochida Pharmaceutical	Oral

Development Code: **AJM300** Generic Name: **carotegrast methyl**

Indications / Drug class: Ulcerative colitis treatment / α4 integrin antagonist			In-house	
Description: α4 integrin antagonist with a novel mechanism of action believed to suppress adhesion and infiltration of lymphocytes. Aiming to be marketed as the first orally-available α4 integrin antagonist in the world to be effective in ulcerative colitis.				
	Ulcerative colitis	JP: PIII	Joint development by EA Pharma and Kissei Pharmaceutical	Oral

Development Code: **AJG555**

Indications / Drug class: Chronic constipation treatment / polyethylene glycol preparation			In-license (Norgine)	
Description: An orally available constipation treatment consisting of a polyethylene glycol preparation which facilitates bowel movement by suppressing osmotic pressure in the intestines.				
	Chronic constipation	JP: PIII	Development conducted by EA Pharma	Oral

[redacted]

Development Code: **E6007**

Indications / Drug class: Ulcerative colitis treatment / integrin activation inhibitor	In-house

Description: A compound with a novel mechanism of action that is believed to suppress the adhesion and infiltration by multiple leukocyte types by inhibiting integrin activation. Development is conducted jointly with the University of Tsukuba as an