CONSOLIDATED FINANCIAL REPORT [IFRS]
for Fiscal 2014 (Year Ended March 31, 2015)

May 14, 2015
Eisai Co., Ltd.

Stock exchange listings: Tokyo
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Expected date of ordinary general meeting of shareholders: June 19, 2015
Expected date of annual report submission: June 19, 2015
Expected date of dividend payment commencement: May 22, 2015
Preparation of annual supplementary explanatory material: Yes
Annual results briefing: Yes

(Figures are rounded to the nearest million yen.)

1. Consolidated Annual Financial Results (April 1, 2014-March 31, 2015)

(1) Consolidated Operating Results

(Percentage figures show year-on-year change.)

	Revenue		Operating Profit		Profit before income taxes		Profit for the year		Profit for the year attributable to owners of the parent		Comprehensive income for the year	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY 2014	548,465	-8.5	28,338	-57.3	25,875	-58.5	43,453	12.9	43,254	13.1	114,230	35.2
FY 2013	599,490	4.7	66,398	-17.4	62,298	-16.9	38,501	-25.8	38,251	-26.0	84,496	-17.1

	Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)	Profit ratio to equity attributable to owners of the parent	Profit before income taxes ratio to total assets	Operating profit ratio to revenue
	(¥)	(¥)	(%)	(%)	(%)
FY 2014	151.57	151.37	7.7	2.6	5.2
FY 2013	134.13	134.01	7.6	6.3	11.1

(Reference) Equity in earnings of affiliates: for FY 2014 : ¥75 million, for FY 2013 : ¥93 million

(2) Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent	Equity per share attributable to owners of the parent
	(¥ million)	(¥ million)	(¥ million)	(%)	(¥)
March 31, 2015	1,053,818	602,061	598,749	56.8	2,096.39
March 31, 2014	973,823	529,405	526,320	54.0	1,845.06

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of year
	(¥ million)	(¥ million)	(¥ million)	(¥ million)
FY 2014	76,022	(18,841)	(59,742)	173,335
FY 2013	91,276	20,885	(115,109)	153,921

2. Dividends

	Annual dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity attributable to owners of the parent ratio (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Total			
	(¥)	(¥)	(¥)	(¥)	(¥)	(¥ million)	(%)	(%)
FY 2013	—	70.00	—	80.00	150.00	42,799	111.8	8.5
FY 2014	—	70.00	—	80.00	150.00	42,837	99.0	7.6
FY 2015 (Forecast)	—	70.00	—	80.00	150.00		159.9	

3. Consolidated Financial Results Forecasts for Fiscal 2015 (April 1, 2015-March 31, 2016)

(Percentage figures show year-on-year change.)

	Revenue		Operating Profit		Profit before income taxes		Profit for the period		Earnings per share attributable to owners of the parent (basic)
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
Q2 (cumulative)	277,500	3.1	10,000	-44.5	8,400	-48.6	6,000	-42.9	20.66
Fiscal Year	556,500	1.5	46,000	62.3	42,800	65.4	27,000	-37.9	93.83

*** Explanatory Notes**

(1) Changes in number of significant subsidiaries in the period (changes in specified subsidiaries resulting in a change in scope of consolidation): None
Increase: —, Decrease: —

(2) Changes in accounting policies, accounting estimates and restatements:
1) Changes in accounting policies required by IFRS: Yes
2) Changes in accounting policies other than 1): None
3) Changes in accounting estimates: None

(3) Number of shares issued (common shares):

1) Number of shares issued at end of year (including treasury shares)	FY 2014	296,566,949	FY 2013	296,566,949
2) Number of treasury shares at end of year	FY 2014	10,869,758	FY 2013	11,202,048
3) Weighted average number of shares outstanding	FY 2014	285,370,874	FY 2013	285,172,732

The Company's shares held through a trust (88,293 shares) are not included in the number of treasury shares as of the end of the period, but are included in the average number of shares outstanding as treasury shares that are deducted from the basis of the calculation of earnings per share.

*** (Reference) Nonconsolidated Annual Financial Results (April 1, 2014-March 31, 2015)**

(1) Nonconsolidated Operating Results

(Percentage figures show year-on-year change.)

	Revenue		Operating profit		Profit before income taxes		Profit for the year	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
FY 2014	311,160	-9.0	18,756	-48.5	15,136	-52.7	21,128	68.2
FY 2013	342,069	-	36,386	-	31,998	-	12,562	-

	Basic earnings per share	Diluted earnings per share
	(¥)	(¥)
FY 2014	74.04	73.94
FY 2013	44.05	44.01

(Note) Figures for FY 2013 have been retroactively adjusted due to changes in accounting policies. As such, yearly comparisons are not presented in the above table.

(2) Nonconsolidated Financial Positions

	Total assets	Equity	Shareholders' equity ratio	Shareholders' equity per share
	(¥ million)	(¥ million)	(%)	(¥)
FY 2014	765,159	462,790	60.4	1,616.97
FY 2013	834,894	487,873	58.3	1,706.40

(Reference) Shareholders' equity (including valuation and translation adjustments):
As of March 31, 2015 ¥ 461,820, million As of March 31, 2014 ¥ 486,767 million

* Disclosure concerning the implementation status of audit procedures:

This financial report is exempt from audit procedures as stipulated under the Financial Instruments and Exchange Act of Japan. At the date of disclosure, the audit procedures have not been completed as stipulated under the Financial Instruments and Exchange Act of Japan.

* Explanation concerning the appropriate use of results forecast and other special instructions:

The Company voluntarily adopted IFRS for the consolidated financial statements from FY2013 (April 1, 2013 – March 31, 2014), and discloses its consolidated financial statements in accordance with IFRS from the first three months of FY2014.

Materials and information provided in this financial disclosure may contain "forward-looking statements" based on expectations, forecasts, estimates, business goals and assumptions that are subject to risks and uncertainties as of the publication date of these materials. Accordingly, actual outcomes and results may differ materially from these statements depending on a number of important factors. Please refer to page 10, 14-17 for details with regard to the assumptions and other related matters concerning consolidated financial results forecasts.

(Methods for obtaining supplementary materials and content of financial results disclosure)

Supplementary materials are attached to this financial report. The Company plans to hold a financial results disclosure presentation for institutional investors and securities analysts on Thursday, May 14, 2015. The printed materials distributed at the disclosure presentation will be made available on the Company's website after the event.

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1. Operating Results

1) Qualitative Information Concerning Operating Results

(1) Outline of Operating Results

[Revenue and Profit]

○ Eisai Co., Ltd. ("the Company") and its affiliates (collectively referred to as "the Group") recorded the following consolidated financial results for the fiscal year from April 1, 2014 to March 31, 2015.

Revenue:	¥548,465	Million	(8.5% decrease year-on-year)
Operating profit:	¥28,338	Million	(57.3% decrease year-on-year)
Profit before income taxes:	¥25,875	Million	(58.5% decrease year-on-year)
Profit for the period:	¥43,453	Million	(12.9% increase year-on-year)

○ Revenue for the Group included growth for Halaven, an anticancer agent, Fycompa, an antiepileptic agent, and BELVIQ, an antiobesity agent, following proactive investment aimed at expanding global brands, but decreased overall owing to lower revenue from Aciphex (U.S. brand name for Pariet), a proton-pump inhibitor, caused by loss of exclusivity (LOE) in the United States, as well as the effects of drug price revisions and intensifying competition with generic products in Japan. By therapeutic category, total revenue from oncology-related products came to ¥98,637 million (down 2.1% year-on-year) following the Group's divesture of its U.S. sales rights for Dacogen, a DNA methylation inhibitor, in the fourth quarter of the previous fiscal year, although double-digit growth was sustained for Halaven and Aloxi, an antiemetic agent. Revenue from epilepsy franchise products greatly increased to ¥31,688 million (up 31.2% year-on-year), with Fycompa, Inovelon (U.S. brand name: Banzel) and other epilepsy products achieving double-digit growth. By product, revenue from Halaven came to ¥35,314 million (up 22.6% year-on-year), while Aricept, a treatment for Alzheimer's disease and dementia with Lewy bodies, and Pariet recorded revenues of ¥65,695 million (down 20.6% year-on-year) and ¥55,973 million (down 38.8% year-on-year), respectively. By segment, the China pharmaceutical business recorded a year-on-year increase of 29.0%, thereby sustaining the high growth recorded for the segment in the previous fiscal year, while the Asia pharmaceutical business excluding China also recorded an increase due to growth in South Korea and other markets. Furthermore, the EMEA pharmaceutical business saw its revenue increase by 20.5% year-on-year, influenced by expanded sales of Halaven, Fycompa and other epilepsy franchise products.

* Revenue for Pariet includes revenue for Rabecure Pack 400, Rabecure Pack 800 and Rabefine Pack, which are triple-formulation combination packs indicated for use in *Helicobacter pylori* eradication.

○ Regarding profit, while there were decreases in co-promotion alliance fees and in other expenses due to the progress on structural reform, operating profit totaled ¥28,338 million (down 57.3% year-on-year) as the result of a decrease in gross

profit and proactive investments made in the following: global brand expansion, acceleration of major R&D activities, as well as business expansion in strategic markets including Asia. Profit for the period came to ¥43,453 million (up 12.9% year-on-year) owing to a decrease in tax expenses in Japan and the United States.

○ Basic earnings per share for the period attributable to owners of the parent came to ¥151.57 (up ¥17.44 year-on-year).

○ Comprehensive income for the period, after adding/deducting other comprehensive income to/from profit for the period, was ¥114,230 million (up 35.2% year-on-year) due to an increase in foreign currency translation differences associated with yen depreciation from the previous fiscal year-end date.

[Performance by Segment]

(Revenue for each segment indicates revenue from external customers)

The Group's business is comprised of pharmaceutical business and other business. The pharmaceutical business conducted in each region is presented as reporting segments in this report.

As of the third quarter of this fiscal year, the Group has changed how it organizes its pharmaceutical business reporting segments by separating its increasingly important China pharmaceutical business from its pre-existing Asia pharmaceutical business. As a result, the pharmaceutical business is newly organized into the following six reporting segments: Japan (Prescription medicines, Generics and Diagnostics), Americas (North America, Central and South America), China, Asia (primarily South Korea, Taiwan, Hong Kong, India and ASEAN), EMEA (Europe, the Middle East, Africa and Oceania) and Consumer Healthcare Business—Japan. In addition, all figures related to segment information in this report are based on the new reporting segments.

＜Japan pharmaceutical business＞

○ Revenue totaled ¥278,399 million (down 10.5% year-on-year), with segment profit at ¥121,529 million (down 21.3% year-on-year). Of this amount, revenue totals for Prescription medicines and Generics were ¥245,539 million (down 12.8% year-on-year) and ¥26,883 million (up 14.8% year-on-year) respectively, while revenue for Diagnostics remained mostly unchanged from the previous period at ¥5,978 million.

○ By product, revenue from Humira, a fully human anti-TNF-alpha monoclonal antibody, came to ¥29,863 million (up 3.8% year-on-year). Co-promotion revenue for Lyrica, a pain treatment being co-promoted with Pfizer Japan Inc., came to ¥21,545 million (up 10.9% year-on-year), while revenue for Lunesta, an anti-insomnia agent, increased to ¥4,529 million (up 55.0% year-on-year). Meanwhile, revenues from Aricept and Pariet were ¥46,959 million (down 27.8% year-on-year) and ¥37,120 million (down 21.6% year-on-year) respectively, due to factors including the impact of drug price revisions and intensifying market

competition. Halaven recorded revenue of ¥6,063 million (down 5.6% year-on-year).

＜Americas pharmaceutical business＞

○ Total revenue came to ¥119,822 million (down 24.6% year-on-year). Segment profit decreased to ¥14,884 million (down 61.9% year-on-year) due to proactive promotional investment in expanding global brands Halaven, Fycompa and BELVIQ. Revenue generated from the divesture of sales rights in the United States for Zonegran, an antiepileptic agent, has been recorded in total revenue.

○ Regarding oncology-related products, Aloxi and Halaven recorded revenue of ¥49,820 million (up 16.1% year-on-year) and ¥16,488 million (up 23.5% year-on-year), respectively. Lenvima achieved revenue of ¥378 million. Regarding epilepsy franchise products, revenue for Banzel came to ¥10,429 million (up 36.4% year-on-year) and revenue for Fycompa came to ¥1,863 million (up 140.9% year-on-year). Revenue for BELVIQ came to ¥5,436 million (up 115.4% year-on-year). Meanwhile, Aciphex has been impacted by LOE since November 2013, recording revenue of ¥11,727 million (down 68.9% year-on-year).

○ Halaven was launched in Brazil in November 2014, making it the first Eisai product to be marketed by the Group in Latin America.

○ Akynzeo, an antiemetic agent, was launched in the United States in December 2014.

○ Lenvima, an anticancer agent, was launched in the United States in February 2015.

○ Anticancer agents Halaven and Gliadel were launched in Mexico in April 2015.

＜China pharmaceutical business＞

○ Revenue totaled ¥41,019 million (up 29.0% year-on-year) with segment profit of ¥10,567 million (up 45.4% year-on-year).

○ By product, revenue for the peripheral neuropathy treatment Methycobal, a major product for the segment, continued to grow, amounting to ¥17,327 million (up 25.1% year-on-year), while revenue from liver disease / anti-allergy agents Stronger Neo-Minophagen C and Glycyron Tablets amounted to ¥6,903 million (up 27.1% year-on-year), and revenue from Aricept and Pariet were ¥4,718 million (up 22.8% year-on-year) and ¥2,864 million (up 29.1% year-on-year), respectively.

＜Asia pharmaceutical business＞

○ Revenue totaled ¥30,894 million (up 17.7% year-on-year) with segment profit of ¥7,413 million (up 33.6% year-on-year).

○ By product, revenue from Aricept came to ¥9,353 million (up 15.2% year-on-year), Humira ¥8,058 million (up 18.5% year-on-year), Pariet ¥3,671 million (up 5.6% year-on-year) and Methycobal ¥2,615 million (up 15.9% year-on-year).

○ Urief, a treatment for dysuria associated with benign prostatic hyperplasia, was

launched in Thailand and India, in April and December 2014, respectively.

○ Fycompa was launched in Hong Kong in November 2014, marking the first launch of Fycompa in the Asia region.

○ Livamin, a branched-chain amino acid formula, was launched in the Philippines in December 2014.

＜EMEA pharmaceutical business＞

○ Revenue totaled ¥38,516 million (up 20.5% year-on-year), with segment profit growing significantly to ¥6,601 million (up 59.2% year-on-year) due to an increase in gross profit.

○ By product, revenue from Halaven totaled ¥11,569 million (up 35.8% year-on-year). Revenue for epilepsy franchise products Zonegran, Zebinix, Fycompa and Inovelon increased to ¥8,115 million (up 22.7% year-on-year), ¥3,235 million (up 34.5% year-on-year), ¥2,397 million (up 85.5% year-on-year) and ¥2,123 million (up 11.5% year-on-year), respectively, with all four products contributing to the growth of the Group's epilepsy franchise.

○ Halaven was launched in Australia in October 2014, making it the first Eisai product to be marketed by the Group in that country. In addition, Fycompa was also launched in Australia in November 2014.

＜Consumer Healthcare Business—Japan＞

○ Revenue totaled ¥17,019 million (down 12.0% year-on-year), recording segment profit of ¥2,222 million (down 47.9% year-on-year) in part due to proactive investment in new products.

○ Revenue from the Chocola BB group of products totaled ¥10,350 million (down 15.4% year-on-year).

○ Joma, an energy drink, was launched in April 2014.

(2) Research & Development Pipeline, Alliances and Other Events

［Status of Ongoing Research & Development Pipelines］

○ Halaven (eribulin), an anticancer agent, obtained approval as a treatment for breast cancer sequentially around the world and, as of April 2015, the agent is approved in 58 countries worldwide. Furthermore, an indication expansion of Halaven to contribute to earlier treatment of patients with locally advanced or metastatic breast cancer (second-line treatment) was approved by the European Commission (EC) in June 2014. As of April 2015, the agent has been approved with this indication in 40 countries. A Phase III study to investigate the agent as a potential first- or second-line chemotherapy for HER2-negative breast cancer is underway in the United States. A Phase III study to investigate the agent as a potential third-line chemotherapy for breast cancer is underway in China. Regarding soft tissue sarcoma, a Phase III study conducted in the U.S., Europe and Asia met its primary endpoint and applications for indication expansion in

Japan, the U.S. and Europe are scheduled for submission during the first half of fiscal 2015. Meanwhile, a Phase III study in non–small cell lung cancer conducted in the U.S., Europe, and Asia including Japan did not meet its primary endpoint and further development strategy regarding this indication is currently under consideration.

○ The antiepileptic agent Fycompa (perampanel) was approved in Europe in July 2012 as an adjunctive therapy for the treatment of partial-onset seizures in patients with epilepsy aged 12 years and older. The agent obtained approval for the same indication in the U.S. in October 2012. As of April 2015, Fycompa is approved in 45 countries worldwide. A Phase III study of the agent as an adjunctive therapy for the treatment of primary generalized tonic-clonic seizures in patients with epilepsy conducted in the U.S., Europe and Asia including Japan met its primary endpoint. In August 2014, applications for indication expansion of the agent were submitted simultaneously in the U.S. and Europe. In addition, a Phase III study of the agent as an adjunctive therapy for the treatment of partial-onset seizures conducted in Asia, including Japan and China, met its primary endpoint. Submission of a new drug application covering partial-onset seizures as well as primary generalized tonic-clonic seizures is scheduled in Japan in the second quarter of fiscal year 2015. Furthermore, a Phase II study of the agent as a potential therapy for partial-onset epilepsy in pediatric patients is being conducted in the U.S. and Europe.

○ The anticancer agent Lenvima (lenvatinib) was approved for the treatment of refractory thyroid cancer in the U.S. and Japan, in February and March 2015, respectively. In Europe, the European Medicines Agency's Committee for Medicinal Products for Human Use (CHMP) issued a positive opinion regarding the agent, while new drug applications are under regulatory review in seven other countries. Currently the agent has been granted Orphan Drug Designation for thyroid cancer in Japan, the U.S. and Europe. In addition, a Phase III study of the agent in hepatocellular carcinoma is underway in the U.S., Europe and Asia, including Japan and China. Furthermore, a Phase II study of the agent in renal cell carcinoma conducted in the U.S. and Europe met its primary endpoint. Discussions with the regulatory authorities are scheduled to determine further development plans for this indication. Meanwhile, a Phase II study of the agent in advanced non-small cell lung cancer (monotherapy) was conducted in the U.S. and Europe. The primary analysis and an additional exploratory analysis of this study both suggested that lenvatinib extended overall survival compared to placebo. Additionally, several other Phase II studies of the agent are underway, including in non–small cell lung cancer (RET translocation), endometrial cancer and other tumor types. Development on an indication covering the treatment of glioma has been discontinued due to project prioritization.

○ In September 2014, the Alzheimer's disease treatment Aricept (donepezil

hydrochloride) was approved as a treatment for dementia with Lewy bodies (DLB) in Japan. Aricept is the first medicine in the world to be approved for the treatment of DLB.

○ In December 2014, the proton-pump inhibitor Pariet Tablets 10 mg (rabeprazole) was approved for a new indication covering the prevention of recurrent gastric or duodenal ulcer caused by low-dose aspirin therapy in Japan. An additional 5 mg formulation was also approved with the same indication as Pariet Tablets 10 mg.

○ In February 2015, the gastroprokinetic agent Cidine (cinitapride) was approved for the treatment of functional dyspepsia in China.

○ In February 2015, the antiepileptic agent Banzel (rufinamide) was approved for an additional pediatric indication in the U.S.

○ In February 2015, the anti-tachyarrhythmia agent Tambocor (flecanide acetate) was approved for an additional formulation known as Tambocor Fine Granules 10%, which is a new formulation suitable for pediatric patients.

○ In September 2014, an application was submitted in Japan for seeking an indication expansion for vascular embolization device DC Bead to include treatment of hypervascularized tumors and arteriovenous malformations.

○ In February 2015, an application was submitted in China for seeking an indication expansion for Alzheimer's disease treatment Aricept to include the treatment of severe Alzheimer's disease.

○ A Phase II/III study of compound AS-3201 (ranirestat) as a potential treatment for diabetic neuropathy in Europe and the U.S. met its primary endpoint. However, no statistically significant improvement in the secondary endpoints of the study was observed. The Group considered the further development strategy in light of the product portfolio, and as a result, has discontinued development of AS-3201 and terminated the license agreement with Dainippon Sumitomo Pharmaceutical Co., Ltd. (Osaka).

○ A Phase II study of the serotonin 2C receptor agonist lorcaserin (brand name in the U.S.: BELVIQ) jointly developed by Eisai's U.S. subsidiary Eisai Inc. and Arena Pharmaceuticals as a potential aid for smoking cessation met its primary endpoint and confirmed proof-of-concept.

○ A Phase II study of the investigative Alzheimer's disease treatment E2609, a BACE inhibitor, is underway in the U.S.

○ A Phase III study of a higher (23 mg) dosage of the Alzheimer's disease treatment Aricept conducted in Japan did not meet its primary endpoint. Upon receiving these results, the decision was made to discontinue development of the higher dose formulation for Japan.

○ The Group decided to discontinue development of the poly (ADP-ribose) polymerase inhibitor E7016, an anticancer agent, as a potential treatment for melanoma during the Phase II stage in the U.S. due to project prioritization.

○ Regarding the anticancer agent MORAb-003 (farletuzumab), a humanized anti-folate receptor alpha monoclonal antibody, after consideration of further development strategy for the indication of platinum-sensitive ovarian cancer, a new Phase II study was initiated in Japan, the U.S. and Europe.

[Major Alliances and Agreements and Other Events]

○ In April 2014, the Company entered into a joint industry–academia collaboration to develop a new inflammatory bowel disease treatment utilizing the Company's activated integrin inhibitor E6007 and biomarkers developed by the University of Tsukuba's Life Science Center of Tsukuba Advanced Research Alliance. This project has been adopted by the Japan Science and Technology Agency (JST) for its Newly extended Technology transfer Program (NexTEP).

○ In May 2014, the Company exercised its option in its agreement to jointly develop and commercialize its next generation Alzheimer's disease treatment candidates E2609, a BACE inhibitor, and BAN2401, an anti-amyloid beta (Aβ) protofibril antibody, with Biogen Inc. (U.S.) to also include Japan.

○ In May 2014, the Company's research and development subsidiary KAN Research Institute, Inc. (Hyogo Prefecture) held a dedication ceremony for its new research facility located within the Kobe Biomedical Innovation Cluster, marking the official commencement of its research and development activities at this facility.

○ In May 2014, Helsinn Healthcare S.A. (Switzerland) announced that the U.S. Food and Drug Administration (FDA) has approved an additional indication of the antiemetic agent Aloxi (palonosetron) which is marketed by the Group in the U.S. The new indication covers the prevention of acute nausea and vomiting associated with initial and repeat courses of emetogenic cancer chemotherapy, including highly emetogenic cancer chemotherapy, in children aged 1 month to up to 17 years. Accordingly, the FDA granted additional market exclusivity for six months until October 13, 2015, as the clinical trial data used for this application met the FDA's Written Request requirements for pediatric exclusivity.

○ In August 2014, the Company entered into an agreement to grant a marketing license to exclusively develop, co-promote and non-exclusively manufacture its in-house developed proton pump inhibitor E3710 to Zeria Pharmaceutical Co., Ltd. (Tokyo) in Japan.

○ In September 2014, the Company's U.S. subsidiary Eisai Inc. divested the U.S. and Puerto Rican rights for the antiepileptic agent Zonegran (zonisamide) to Concordia Pharmaceuticals Inc., a subsidiary of Concordia Healthcare Corp. (Canada).

○ In September 2014, the Company entered into an agreement to allow Kyorin Pharmaceutical Co., Ltd. (Tokyo) to evaluate the feasibility of developing compounds for the antibacterial field using the Company's compound library, which includes natural products.

○ In order to develop new antimalarial medicines, the Company entered into a joint research agreement with St. Jude's Children's Research Hospital (U.S.) and

Medicines for Malaria Venture (Switzerland) in August 2014, and a joint research agreement with the Broad Institute (U.S.) in September 2014. These two joint development programs were awarded grants from the Global Health Innovative Technology Fund (GHIT Fund), an international non-profit organization.

○ In October 2014, Helsinn Healthcare S.A. received approval from the U.S. FDA for Akynzeo (an oral fixed combination of netupitant and palonosetron [brand name: Aloxi]), indicated for the prevention of acute and delayed nausea and vomiting associated with initial and repeat courses of cancer chemotherapy, including, but not limited to, highly emetogenic chemotherapy. Based on a licensing agreement signed with Helsinn Healthcare S.A. and the Group's U.S. subsidiary Eisai Inc., the new agent will be co-promoted in the U.S. by Eisai Inc. and Helsinn Therapeutics U.S. Inc., with Eisai Inc. to book the sales of the product.

○ The results of an investigational study on the coadministration of the antiobesity agent lorcaserin (U.S. brand name: BELVIQ) with phentermine conducted in the U.S. supported safety and tolerability of coadministration after 12 weeks of treatment.

○ In November 2014, regarding the resubmission of the antiepileptic agent Fycompa to the German Federal Joint Committee (G-BA) for additional benefit assessment for insurance reimbursement by the Group's German subsidiary Eisai GmbH, the G-BA concluded that it could not prove the additional benefit of Fycompa as adjunctive therapy when compared to existing antiepileptic drugs.

○ In November 2014, a new packaging facility was opened at the Group's Hatfield production plant in the United Kingdom to serve as a global supply center for anticancer agent Lenvima.

○ In November 2014, the Group opened a new parental facility at the site of the Suzhou Industrial Park in China. In addition, the Group has announced its decision to build a new oral solid-dose production facility in the same site in order to transfer and expand the existing oral solid-dose production plant.

○ In November 2014, a new holding company, Eisai China Holdings Ltd. (Suzhou, Jiangsu), was established in China.

○ In March 2015, the Company entered into a research collaboration agreement with Merck & Co., Inc. (Kenilworth, New Jersey, U.S.) to explore combination regimens of anti-PD-1 therapy pembrolizumab with lenvatinib and eribulin.

○ Regarding the strategic partnership with Epizyme, Inc. (U.S.) to discover, develop and commercialize anticancer therapies targeting the EZH2 epigenetic enzyme, the scope of the collaboration was revised in March 2015, with Epizyme assuming responsibility for development and commercialization in regions outside of Japan, and the Company retaining responsibility for development and commercialization within Japan as well as having the right of first negotiation for licensing rights in Asia.

○ In April 2015, the Company entered into a collaborative agreement with Genomics plc (U.K.) to use Genomics' sophisticated statistical analyses of large-scale

multi-phenotype genetic association data to inform the Company's drug discovery process, including target selection, target validation, indication selection and repositioning.

○ In April 2015, the Company entered into a collaboration agreement with Nihon Medi-Physics Co.,Ltd (Tokyo) to contribute to the diagnosis and treatment of dementia with Lewy bodies (DLB) in Japan. The two companies will share with each other information on the disease, and work to generate new evidence as well as hold study meetings in order to improve the diagnosis and treatment of DLB.

(3) Consolidated Financial Results Forecasts for Fiscal 2015 (April 1, 2015 to March 31, 2016)

[Consolidated Forecast]

(Percentage figures for show year-on-year changes)

	2nd Quarter (cumulative)		Fiscal Year	
Revenue	¥277,500 million	3.1%	¥556,500 million	1.5%
Operating profit	¥10,000 million	-44.5%	¥46,000 million	62.3%
Profit before income taxes	¥8,400 million	-48.6%	¥42,800 million	65.4%
Profit for the period	¥6,000 million	-42.9%	¥27,000 million	-37.9%

* Forecasted earnings per share attributable to owners of the parent (basic): 2nd quarter (cumulative) ¥20.66; fiscal year ¥93.83

* Assumptions: 1 USD=¥120, 1 EUR=¥137, 1 GBP=¥183

(Reference) Currency exchange rates for fiscal 2014 (average)
1 USD=¥109.92, 1 EUR=¥138.77, 1 GBP=¥176.79

＜Revenue＞

○ Further expansion of the new global products Halaven, Fycompa, and BELVIQ, as well as secured growth in Japan and continued high growth in China, Asia and EMEA are anticipated. These factors will help offset the impact of the expiry of composition of matter patent (including extension for pediatric use) for Aloxi in the United States, and as such, consolidated revenue is expected to increase to ¥556,500 million (up 1.5% year-on-year)

○ Revenue is expected to increase for Halaven and Fycompa to ¥47,000 million (up 33.1% year-on-year) and ¥10,000 million (up 134.1% year-on-year), respectively, while revenue is expected to decrease for Aricept and Pariet/Aciphex to ¥61,000 million (down 7.1% year-on-year) and ¥46,500 million (down 16.9% year-on-year), respectively.

＜Profit＞

○ In addition to the anticipated increase in revenue due to the expansion of new global products, the Group is making efforts to drastically reform its operation and

cost structures at all levels of production, research and development, sales and administration, in order to bring about an improvement in profitability. Specifically, this involves planned structural reform to increase efficiency in the United States, efficient expenditure on new global products and strategic markets as well as focusing on research and development in the field of dementia and oncology with the aim of striking a balance between growth and investment. As a result, operating profit is expected to come to ¥46,000 million yen (up 62.3% year-on-year).

○ Due to the effect of temporary reductions in tax expenses in Japan and the United States that occurred in the previous period, profit for the year is expected to come to ¥27,000 million yen (down 37.9% year-on-year). Excluding the effects of these temporary reductions in tax expenses, an increase in profit for the year is still expected.

2) Qualitative Information Concerning Financial Position

［Assets, Liabilities and Equity］

○ Total assets as of the end of the period amounted to ¥1,053,818 million (up ¥79,995 million from the end of the previous fiscal year), in part due to increased overseas subsidiary assets resulting from the impact of the depreciation of yen, an increase in deferred tax assets produced in Japan as well as an increase in intangible assets accompanying the acquisition of sales rights.

○ Total liabilities as of the end of the period amounted to ¥451,757 million (up ¥7,338 million from the end of the previous fiscal year).

○ Total equity as of the end of the period amounted to ¥602,061 million (up ¥72,657 million from the end of the previous fiscal year) after recording an increase due to exchange differences on translation of foreign operations resulting from depreciation of the yen, from the previous fiscal year-end date. Meanwhile, the ratio of equity attributable to owners of the parent was 56.8% (up 2.8 percentage points from the end of the previous fiscal year) and the net debt equity ratio (Net DER) as of the end of this period was 0.06 (down 0.08 points from the end of the previous fiscal year).

(Note) Net DER = (Interest-bearing debts [Bonds and borrowings] - Cash and cash equivalents - Time deposits exceeding three months) / Equity attributable to owners of the parent

［Cash Flows］(April 1, 2014 to March 31, 2015)

○ Net cash provided by operating activities amounted to ¥76,022 million (down ¥15,253 million from the same period of the previous fiscal year). Specifically, profit before income taxes was ¥25,875 million; depreciation and amortization amounted to ¥38,940 million.

○ Net cash used in investing activities amounted to ¥18,841 million (compared to ¥20,885 million provided in the same period of the previous fiscal year). Capital expenditures totaled ¥15,612 million.

○ Net cash used in financing activities amounted to ¥59,742 million (down ¥55,367 million from the same period of the previous fiscal year). Repayment of borrowings (net) was ¥17,150 million, and the amount of dividends paid was ¥42,810 million.

○ As a result, cash and cash equivalents as of the end of this fiscal year stood at ¥173,335 million (up ¥19,414 million from the end of the previous fiscal year).

○ Free cash flows (net cash from operating activities less capital expenditures) amounted to ¥60,410 million (down ¥18,944 million from the same period of the previous fiscal year).

[Trends in Financial Indicators]

	FY 2012	FY 2013	FY 2014
Ratio of equity attributable to owners of the parent (%)	48.0	54.0	56.8
Ratio of equity attributable to owners of the parent on market basis (%)	118.7	117.7	231.3
Debt to cash flow ratio	4.3	2.8	3.2
Interest coverage ratio	11.2	15.6	17.3

Ratio of equity attributable to owners of the parent: Equity attributable to owners of the parent / total assets
Ratio of equity attributable to owners of the parent on market basis: Market capitalization / total assets
Debt to cash flow ratio: Interest-bearing debts / cash flow
Interest coverage ratio: Cash flow / interest payments

(Notes)

1. Figures are calculated based on consolidated financial results.
2. Market capitalization is calculated based on the number of outstanding shares excluding treasury stock.
3. Cash flow represents operating cash flow.
4. Interest-bearing debts include all debts subject to interest payment among the debt amounts stated in the consolidated balance sheet.
5. As IFRS was adopted from fiscal 2013, only the past three periods are shown for comparison.

3) Basic Policy on Profit Appropriation and Dividend for Fiscal 2014 and 2015

At Eisai Co., Ltd., the dividend payments are to be determined by a resolution of the Board of Directors as specified in the Company's Articles of Incorporation. Regarding profit appropriation policy, the Board of Directors has determined "Eisai's Policy on Shareholder Returns" as follows.

<Eisai's Policy on Shareholder Returns>

The Company is devoted to providing sustainable and stable dividends based on a healthy balance sheet while giving consideration to various factors such as consolidated financial performance, the dividend on equity ratio (DOE)*[1] and free cash flow. Acquisition of treasury stock will be carried out appropriately after factors such as the market environment and capital efficiency are taken into account.

DOE is an index contributing to shareholder value which encompasses both the dividend payout ratio, which measures the extent to which profits are distributed to shareholders in the form of dividends, and return on equity (ROE)*[2], which measures capital efficiency. Also, DOE shows the ratio of dividend to shareholders' equity and thus serves as an index for balance sheet management.

The Company has set the year-end dividend for fiscal 2014 at ¥80 per share as previously projected. With the interim dividend of ¥70 per share, the company intends to pay the total dividend of ¥150 per share for the year (same amount as the previous year). In this context, the DOE ratio is 7.6%.

The annual dividend for fiscal 2015 (the year ending March 31, 2016) is expected to be ¥150 per share (¥70 for interim and ¥80 for year-end dividend), unchanged from fiscal 2014.

*[1] DOE (Dividend on equity attributable to owners of the parent ratio) = Total dividend payout / Equity attributable to owners of the parent

*[2] ROE (Profit ratio to equity attributable to owners of the parent) = Profit attributable to owners of the parent / Equity attributable to owners of the parent

4) Forecasts and Risk Factors

(1) 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, and actual outcomes and results could differ materially from these statements depending on changes in important factors. Risks and uncertainties include general industry and market conditions, as well as general domestic and international economic conditions such as interest rate and currency exchange fluctuations.

(2) Risks that could cause significant fluctuations in the consolidated results of the Eisai Group or have a material effect on investment decisions are described below. These

risks, however, have been evaluated and forecasted as of the disclosure date of the Financial Report.

○ Risks related to overseas operations

The Group conducts production/sales activities for products in countries and regions such as the Americas, Europe, and Asia. However, there is no guarantee that the Group can entirely avoid risks such as legal restrictions and socio-political uncertainty in its global business activities. In the event the Group faces such risks, there is a possibility that original projected earnings may not be achieved.

○ Uncertainties in new drug development

Development of a drug candidate substance may be discontinued due to shortcomings in its effectiveness or safety profile. Even if clinical trials yield favorable results, approval may not be granted due to changes in pharmaceutical regulations implemented during the development of the product. As a result of the delay or discontinuation of development of a new drug arising from the inherent uncertainties of drug development, future expected profits may not be achieved.

○ Risks in alliances with other companies

The Group has some products for which sales promotion activities are carried out through business alliances with other companies. If productive relations with partners are not sustained, revenues may decrease and significantly impact business results. Furthermore, expected profits may not be achieved due to uncertainties associated with product acquisition, or the licensing-in of products including products under development.

○ Impact of medical cost containment measures

In Japan, the government enacts price revisions for prescription drugs every two years and is adopting measures such as the promotion of generic drugs as part of its efforts to control medical costs. Efforts to reduce drug costs are intensifying year after year in the United States as well as in countries in both Europe and Asia. These kinds of measures aimed at controlling medical costs may lead to a drop in revenues. Especially in Europe, even if marketing approval is obtained for a product, the product may not be eligible for health insurance reimbursement at the expected price and so there is a possibility that original projected earnings may not be achieved.

○ Risks related to generic products

Pharmaceutical patents have a limited term. It is common for generic makers to launch generic products upon the expiration of a patent for the original drug. Additionally, in countries such as the United States, an application for a generic product is accepted even during the patent term. Generic products may have a significant impact on market share because of their low price.

○ Risks related to intellectual property

If a patent application is dismissed, a patent is found to be invalid after approval, or if there is a failure to properly protect a patent, competitors may enter the market

earlier than expected, which could potentially lead to a decrease in revenues. Additionally, if the business activities of the Group infringe on the intellectual property rights of a third party, it may deteriorate profitability as well as necessitate a change in the business plan of the Group or cause a significant impact on business performance of the Group, as a result of the third party in question exercising its rights.

○ Risks related to occurrences of side effects

If a product is found to have any serious side effects, there may be a serious impact on performance due to the Group taking measures such as suspending product sales or conducting a product recall.

○ Risks regarding laws and regulations

As the Group's pharmaceutical business is subject to various laws and regulations, including pharmaceutical regulations and product liability, enactment of a law or changes in the regulations may have a significant impact on business results. In the event regulatory nonconformity is found in a product, the Group may issue a product recall, have the product's marketing approval revoked, or face liability claims.

○ Risks relating to lawsuits

Results of pending or future lawsuits may have a significant impact on the Group's business results.

○ Plant closure or shutdown

The Group's plants may be closed or shut down due to technical problems, raw material shortages, influenza and other pandemics, fire, earthquakes and other natural disasters. In such cases, the supply of products may become difficult and can significantly impact business results.

○ Risks concerning the safety and quality of raw materials

If there is any concern over the safety and quality of raw materials, the Group may take actions such as changing materials, conducting a recall, or suspending sales, which may have a significant impact on business results.

○ Risks associated with outsourcing

The Group outsources part of its operations, including research and production, to other companies. Business results may be significantly impacted if the provision of outsourced business service is disrupted due to the shutdown of any of the subcontractors' operations for any kind of reason.

○ Environmental risks

If a serious environmental pollution event is reported at any of its business offices, the Group may be required to close the office in question or be subject to other proceedings required by law. Furthermore, the costs necessary to assume liability for payment of compensation to neighboring regions and improve the environment may significantly affect business results.

○ Risks concerning IT security and information management

Since the Group makes full use of various IT systems for business, its operations may be disrupted due to external factors such as inadequate system infrastructure and computer viruses. In addition, the Group faces the risk of technical accidents that involve personal information leakage outside of the Group, which may considerably damage the Group's social reputation and significantly impact business results.

○ Risks related to financial market conditions and currency movement

As the Group holds stocks and other marketable securities, a decline in the stock market could result in losses on sales or devaluation of stocks and other securities. In addition, an increase in projected benefit obligations due to changes in the interest rate may have an impact on business results. Furthermore, the effect of foreign exchange fluctuations on the yen conversion of sales of overseas consolidated subsidiaries as well as export and import transactions may also impact business results.

○ Risks concerning internal control systems

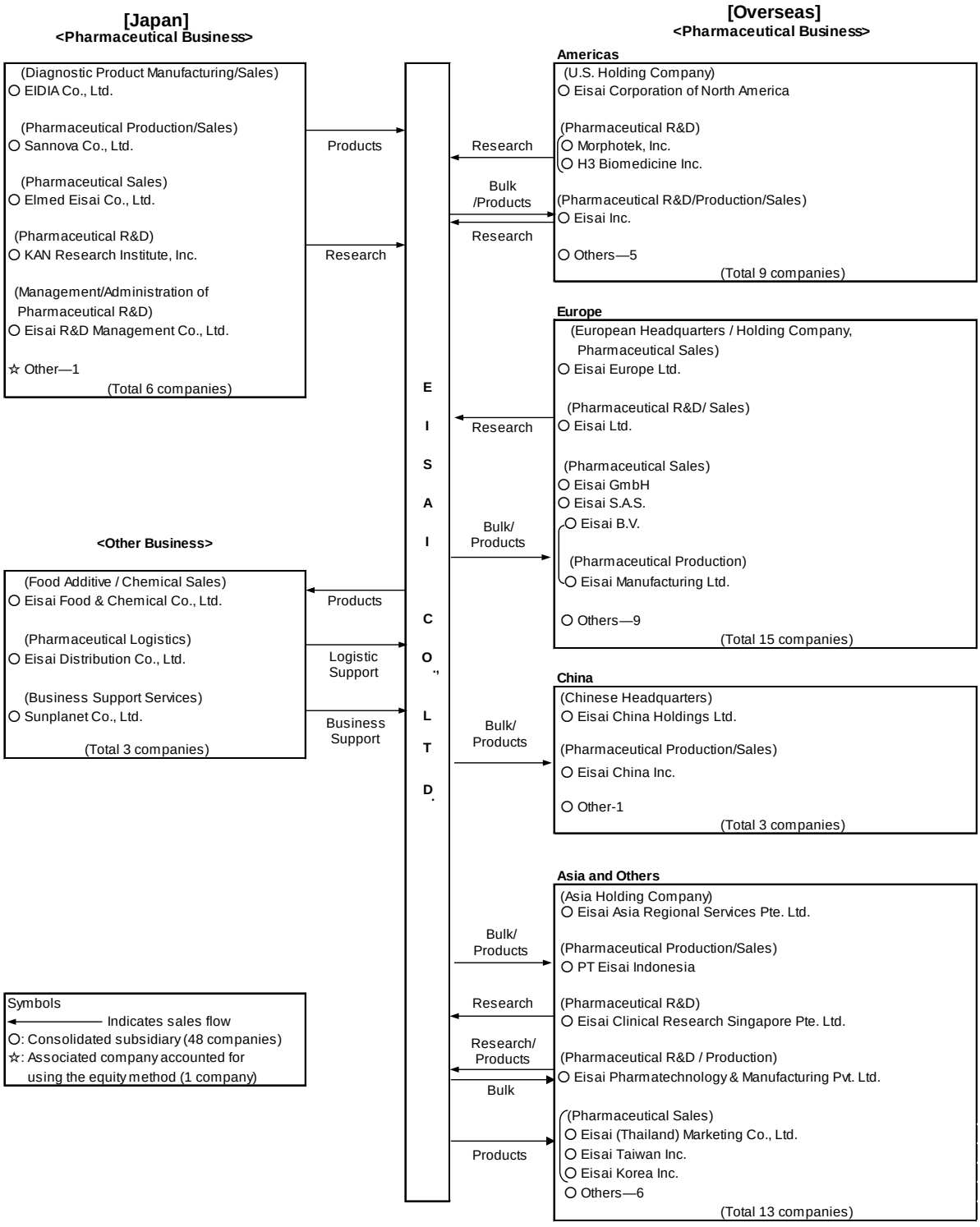
In accordance with assessment and audit standards as well as implementation standards for internal controls pertaining to financial reporting as mandated by the Financial Instruments and Exchange Law of Japan, the Group establishes effective internal control systems related to financial reporting and strives to appropriately manage those systems. However, major losses that arise due to the malfunction of internal control systems or occurrence of unexpected problems related to internal control systems may have a significant impact on business results.

○ Risks concerning disasters

The occurrence of disasters, including natural disasters, such as earthquakes and typhoons, as well as accidents, such as fires, could result in large-scale damage to business facilities and impact the business activities of the Group. In addition, repairs to facilities damaged by these disasters may cause the Company to incur significant expenses and have a major impact on business results.

2. Overview of the Eisai Group

The diagram below shows the principal operations and business flows within the Group.



(As of March 31, 2015)

List of Group Companies

(Consolidated Subsidiaries) (As of March 31, 2015)

Company Name	Location	Common Stock		Description of Operations (*1)	Voting Rights (%) (*2)	Relationship	Note
Japan		Unit=million					
EIDIA Co., Ltd.	Tokyo	5,262	JPY	Diagnostic product production / sales	100.00%	-	*3
Sannova Co., Ltd.	Gunma Pref.	927	JPY	Pharmaceutical production / sales	80.01%	The Company purchases pharmaceutical products	
Elmed Eisai Co., Ltd.	Tokyo	450	JPY	Pharmaceutical sales	100.00%	-	
Eisai Food & Chemical Co., Ltd.	Tokyo	101	JPY	Food additive / chemical sales	100.00%	The Company sells food additives / chemicals	
KAN Research Institute, Inc.	Hyogo Pref.	70	JPY	Pharmaceutical R&D	100.00%	The Company commissions pharmaceutical R&D	
Eisai Distribution Co., Ltd.	Kanagawa Pref.	60	JPY	Pharmaceutical logistics	100.00%	The Company commissions pharmaceutical logistics	
Eisai R&D Management Co., Ltd.	Tokyo	14	JPY	Management and administration of pharmaceutical R&D	100.00%	The Company is entrusted with a part of management, administration and other functions related to R&D	
Sunplanet Co., Ltd.	Tokyo	455	JPY	Business support services / catering / printing / property management	84.87%	The Company purchases business support services, etc.	
Overseas		Unit=thousand					
Eisai Corporation of North America	New Jersey, USA	2,766,700	USD	U.S. holding company	100.00%	-	*3
Morphotek, Inc.	Pennsylvania, USA	355,000	USD	Pharmaceutical R&D	100.00% (100.00%)	The Company commissions pharmaceutical R&D	*3
Eisai Inc.	New Jersey, USA	151,600	USD	Pharmaceutical R&D / production / sales	100.00% (100.00%)	The Company sells bulk drug substances and commissions production, R&D of pharmaceutical products	*3 *5
H3 Biomedicine Inc.	Massachusetts, USA	8	USD	Pharmaceutical R&D	100.00% (100.00%)	The Company commissions pharmaceutical R&D	
Eisai Ltd.	Ontario, Canada	30,000	CAD	Pharmaceutical sales	100.00% (100.00%)	-	
Eisai Laboratórios Ltda.	São Paulo, Brazil	43,575	BRL	Pharmaceutical sales	100.00% (100.00%)	-	
Eisai Laboratorios S. de R.L. de C.V.	Mexico City, Mexico	3	MXN	Pharmaceutical business	100.00% (100.00%)	-	
Eisai Medicamentos S. de R.L. de C.V.	Mexico City, Mexico	3	MXN	Pharmaceutical business	100.00% (100.00%)	-	
Eisai Europe Ltd.	Hertfordshire, UK	184,138	GBP	European headquarters / holding company, pharmaceutical sales	100.00%	The Company commissions management and administration of its Europe Pharmaceutical business	*3
Eisai Ltd.	Hertfordshire, UK	46,009	GBP	Pharmaceutical R&D / sales	100.00% (100.00%)	The Company commissions pharmaceutical R&D	*3
Eisai Manufacturing Ltd.	Hertfordshire, UK	38,806	GBP	Pharmaceutical R&D / production	100.00% (100.00%)	The Company sells bulk drug substances	*3
Eisai GmbH	Frankfurt, Germany	7,669	EUR	Pharmaceutical sales	100.00% (100.00%)	-	
Eisai S.A.S.	Paris, France	19,500	EUR	Pharmaceutical sales	100.00% (100.00%)	-	
Eisai B.V.	Amsterdam, Netherlands	540	EUR	Pharmaceutical sales	100.00% (100.00%)	The Company sells bulk drug substances	
Eisai Farmacéutica S.A.	Madrid, Spain	4,000	EUR	Pharmaceutical sales	100.00% (100.00%)	-	
Eisai S.r.l.	Milan, Italy	3,500	EUR	Pharmaceutical sales	100.00% (100.00%)	-	
Eisai Pharma AG	Zurich, Switzerland	3,000	CHF	Pharmaceutical sales	100.00% (100.00%)	-	
Eisai AB	Stockholm, Sweden	10,000	SEK	Pharmaceutical sales	100.00% (100.00%)	-	
Eisai Farmacêutica, Unipessoal Lda.	Lisbon, Portugal	4,000	EUR	Pharmaceutical sales	100.00% (100.00%)	-	

Company Name	Location	Common Stock		Description of Operations (*1)	Voting Rights (%) (*2)	Relationship	Note
Unit=thousand							
Eisai SA/NV	Brussels, Belgium	2,001	EUR	Pharmaceutical sales	100.00% (100.00%)	-	
Eisai GesmbH	Vienna, Austria	2,000	EUR	Pharmaceutical sales	100.00% (100.00%)	-	
Limited Liability Company Eisai	Moscow , Russia	4,000	RUB	Pharmaceutical sales	100.00% (100.00%)	-	
Eisai China Holdings Ltd.	Jiangsu, China	27,533	RMB	Chinese headquarters	100.00% (100.00%)	-	*6
Eisai China Inc.	Jiangsu, China	576,125	RMB	Pharmaceutical production/ sales	100.00% (100.00%)	The Company sells bulk drug substances	*3
Eisai (Suzhou) Trading Co., Ltd.	Jiangsu, China	70,000	RMB	Pharmaceutical sales	100.00% (100.00%)	The Company sells pharmaceutical products	
Eisai Asia Regional Services Pte. Ltd.	Singapore	34,468	SGD	Asia holding company	100.00%	-	
Eisai (Singapore) Pte. Ltd.	Singapore	300	SGD	Pharmaceutical sales	100.00% (100.00%)	The Company sells pharmaceutical products	
Eisai Clinical Research Singapore Pte. Ltd.	Singapore	10	SGD	Pharmaceutical R&D	100.00% (100.00%)	The Company commissions pharmaceutical R&D	
Eisai (Hong Kong) Co., Ltd.	Hong Kong, China	500	HKD	Pharmaceutical sales	100.00% (10.00%)	The Company sells pharmaceutical products	
P.T. Eisai Indonesia	Jakarta, Indonesia	5,000	USD	Pharmaceutical production/sales	100.00%	The Company sells bulk drug substances	
Eisai (Malaysia) Sdn. Bhd.	Petaling Jaya, Malaysia	470	MYR	Pharmaceutical sales	100.00% (5.74%)	The Company sells pharmaceutical products	
Eisai (Thailand) Marketing Co., Ltd.	Bangkok, Thailand	103,000	THB	Pharmaceutical sales	100.00% (100.00%)	The Company sells pharmaceutical products	
Eisai Taiwan Inc.	Taipei, Taiwan	270,000	TWD	Pharmaceutical sales	100.00%	The Company sells pharmaceutical products	
Eisai Korea Inc.	Seoul, South Korea	3,512,000	KRW	Pharmaceutical sales	100.00%	The Company sells pharmaceutical products	
HI-Eisai Pharmaceutical Inc.	Manila, Philippines	62,000	PHP	Pharmaceutical sales	50.00% (1.45%)	The Company sells pharmaceutical products	*4
Eisai Pharmatechnology & Manufacturing Pvt. Ltd.	Andhra Pradesh, India	2,704,000	INR	Pharmaceutical R&D/production	100.00% (11.10%)	The Company commissions pharmaceutical R&D and purchases pharmaceutical products	*3 *7
Eisai Pharmaceuticals India, Pvt. Ltd.	Maharashtra, India	160,000	INR	Pharmaceutical sales	100.00% (0.63%)	The Company sells bulk drug substances	*7
Eisai Australia Pty. Ltd.	Sydney, Australia	4,000	AUD	Pharmaceutical sales	100.00%	-	
Other—2 companies	-	-	-	-	-	-	

(Associated Companies Accounted for Using the Equity Method) (As of March 31, 2015)

Company Name	Location	Common Stock		Description of Operations (*1)	Voting Rights (%)	Relationship	Note
Unit=million							
Bracco-Eisai Co., Ltd.	Tokyo,Japan	340	JPY	Contrast media imports/ production/sales	49.00%	The Company purchases pharmaceutical products	

Notes: *1. "Description of Operations" indicates the segment applicable to the respective entity.

*2. Voting rights (%): Figures in parentheses show percentage indirectly owned by the Company.

*3. Significant subsidiary

*4. HI-Eisai Pharmaceutical Inc. is considered to be a consolidated subsidiary as the Company holds effective control over its operation even though the Company's voting rights do not exceed 50%.

*5. Eisai Inc. is the only subsidiary whose sales to external customers exceed 10% of consolidated revenue reported in the consolidated financial statements for the fiscal year ended March 31, 2015. Key financial results of Eisai Inc. are as follows:

Revenue	¥171,693 mil.
Operating profit	(¥1,971 mil.)
Profit for the period	¥4,439 mil.
Total Equity	¥350,604 mil.
Total assets	¥510,351 mil.

*6. Newly-established consolidated subsidiary

*7. Procedures to merge Eisai Pharmaceuticals India Pvt. Ltd. and Eisai Pharmatechnology & Manufacturing Pvt. Ltd. were completed in April 2015. The name of the merged entity is Eisai Pharmaceuticals India Pvt. Ltd.

3. Management Policy

1) Corporate Mission

The Eisai Group defines its corporate mission as “Giving first thought to patients and their families, and to increasing the benefits that health care provides.” Guided by this mission, all corporate officers and employees aspire to meet the various needs of global health care as representatives of a “*human health care* (*hhc*) company” that is capable of making a meaningful contribution under any health care system. The Group codified this fundamental approach into its Articles of Incorporation and endeavors to share its basic concept with shareholders.

In order to understand the true needs of patients and their families, it is important for each employee to first get close to the patients, and get a sense of their thoughts and feelings that cannot be expressed in words. This is the starting point of all of Eisai’s corporate activities. The Group recommends that all employees worldwide spend 1% of their working hours with patients.

Translating this *hhc* mission into action, the Group is committed to deepening the relationships built on trust with its principal stakeholders, namely patients and their families, shareholders, and employees, while continuously ensuring compliance with applicable laws and ethical standards, thereby enhancing corporate value.

2) Issues that Need to be Addressed

The business environment surrounding the pharmaceutical industry is experiencing significant change. Markets are expanding due to the aging of the world’s population as well as economic development in emerging countries and developing nations. Efforts on the cutting-edge are advancing in areas such as regenerative medicine using iPS cells, genetic therapies, and preemptive medicine which transcends prevention. These changes represent a great expansion of business opportunities.

The increase in the number of dementia patients due to the aging of the world’s population, as well as an increase in various associated social costs, has attracted close attention as an issue that needs to be dealt with on a global scale. With initiatives such as the G8 Dementia Summit, dementia care has been one of the most pressing issues for governments in many countries. Leveraging the experience, knowledge and know how gained through research conducted since the discovery of Aricept over 30 years ago, the Group is substantially committed to its drug discovery projects relating to dementia.

The field of oncology has seen the development of new treatments built upon advanced technologies such as human genomic information. Despite this, many cancers are still difficult to treat and it remains an area with significant unmet medical needs. The Group is committed to creating new innovative drugs in the field of oncology through various research & development approaches based on genomic-driven human biology, ranging from small molecule compounds to antibody therapies.

Meanwhile, many countries are implementing public policies such as reimbursement

restrictions and generic substitution in an effort to control rising medical expenditures. Among these countries, policies to promote the usage of generic pharmaceuticals in Japan had a big impact in causing a rapid advancement in the market penetration of generics in fiscal 2014.

Aiming to return to growth in fiscal 2015, the Group will promote the expansion of new global brands Halaven, Lenvima, Fycompa and BELVIQ, secure the growth of the Japanese pharmaceutical business, maintain high growth in the China pharmaceutical business, work to achieve profitability early in strategic markets and also thoroughly manage costs, keeping a balance between growth and investment.

While aiming to conduct fair and highly transparent business built on a foundation of strong compliance management, the Group will continue to make further contributions to increasing benefits for patients and their families worldwide.

(1) Early Creation of Innovative New Medicines

1) Neurology

Clinical studies are ongoing for E2609, a β-site amyloid precursor protein cleaving enzyme (BACE) inhibitor, and BAN2401, an anti- beta-amyloid (Aβ) protofibril antibody. These compounds target Aβ, a protein which is believed to trigger Alzheimer's disease, and are currently being investigated in Phase II studies using a trial design that is capable of verifying efficacy in a shorter timeframe. Such trial design, together with a proprietary, highly sensitive evaluation scale developed by the Group, is expected to improve the speed and the probability of success in the trials. The development of E2609 and BAN2401 is being conducted in partnership with Biogen Inc. (United States) based on a joint development and commercialization agreement. Under the same agreement, the Group has been granted option rights to jointly develop and commercialize two of Biogen Inc.'s candidates for Alzheimer's disease, the anti- Aβ antibody BIIB037 and an anti-tau monoclonal antibody. Eisai will strive to maximize the value of this collaboration with the goal of developing next-generational Alzheimer's disease treatments as soon as possible.

Antiepileptic agent Fycompa has already been approved with an indication covering the adjunctive treatment of partial-onset seizures in countries including European Union member states as well as the United States, and is currently under review in Europe and the United States for an additional indication covering generalized seizures. Furthermore, the Company intends to file a new drug application in Japan seeking approval of an indication covering the adjunctive therapy of both partial-onset and generalized seizures during the second quarter of fiscal 2015.

2) Oncology

Approved with an indication covering the treatment of metastatic breast cancer, Halaven is scheduled to be submitted for approval of an additional indication for the treatment of soft-tissue sarcoma in Japan, Europe and the United States during the first half of fiscal 2015.

Meanwhile, the Group's new thyroid cancer treatment Lenvima has been launched in the United States and approved in Japan. In Europe, the Committee for Medicinal Products for Human Use (CHMP) has issued a positive opinion regarding the agent for the treatment of advanced thyroid cancer refractory to radioactive iodine. The Group will continue to seek approval of this agent throughout the world as well as work to expand its indication for other cancer types including hepatocellular carcinoma and renal cell carcinoma. Furthermore, the Group is planning to initiate clinical trials exploring combination regimens of anti-PD-1 therapy pembrolizumab with Halaven and Lenvima under a collaborative research agreement with Merck & Co., Inc. (Kenilworth, New Jersey, United States).

(2) Efforts to Return to Growth

1) Expansion of New Global Brands

Through the expansion of the indication for Halaven to include soft tissue sarcoma in addition to metastatic breast cancer, the Group is positioning Halaven as a backbone chemotherapy that will benefit even more patients. Regarding the new oncology product Lenvima, which was first launched in the United States in fiscal 2014, launches are subsequently scheduled in over 20 national markets including Japan and Europe during fiscal 2015.

Fycompa is also slated for accelerated growth, with applications seeking an additional indication for the adjunctive treatment of epilepsy with generalized seizures currently under review in the United States and Europe. Furthermore, the Group is working to expand prescriptions for BELVIQ through direct response television (DR-TV) and the implementation of efficient and effective promotions focusing on patient access in the United States.

2) Secure Growth of the Japan Pharmaceutical Business

The Group aims to secure growth of its domestic business via its two core products, Aricept and Pariet, with newly approved indications in the treatment of dementia with Lewy bodies (Aricept) and the use in prevention of recurrent gastric or duodenal ulcer caused by low-dose aspirin therapy (Pariet). The Group is also making efforts for the sustained expansion of its anticancer agents including Halaven and Lenvima (scheduled for launch), as well as Humira, Lunesta and Lyrica.

3) Maintain High Growth in China

Due to the increasing importance of China business to the Group's operation, the Group has designated the China pharmaceutical business as its own region, and established a new integrated holding company in China. By doing so, the Group has established an autonomous structure which is capable of rapid decision-making in response to local business opportunities, and by further expanding coverage of cities and hospitals, will maintain high growth potential. Furthermore, in order to strengthen the stable supply chain and improve production efficiency, the Group has established a parenteral production facility and also plans to build an oral solid dose production

facility at the site of its new plant.

4) Achieve Profitability Early in Strategic Markets

The Group has positioned five countries consisting of Canada, Mexico, Brazil, Russia and Australia as strategic markets that will drive future growth, and has been working steadily toward the submission and launch of Fycompa, Halaven and Lenvima in these markets. In order to profitably contribute at an early stage after business has commenced in each of these countries, the Group implements business models optimized for each country that take into account various perspectives including alliances with other companies.

5) Balance between Growth and Investment

The Group remains committed to proactive expenditure on investment in innovation and the nurture of growth drivers in fiscal 2015 and beyond, especially with an expected increase in middle- and late-stage clinical development expenses associated with progress in the dementia and anti-cancer agent pipelines. The Group considers the balance between growth and investment as a critical management issue in order to bring about an improvement in business profitability while maintaining proactive investment in research and development, and is making efforts to drastically reform operation and cost structures at all levels of production, research & development, sales and administration.

(3) Initiatives to Improve Access to Medicines

To help eliminate neglected diseases in developing nations, the Group has signed an agreement with the World Health Organization (WHO) to provide a treatment for lymphatic filariasis for use in elimination initiatives conducted in endemic countries. Under this agreement, the Group will provide WHO with 2.2 billion tablets of DEC (diethylcarbamazine) free of charge by 2020. These DEC tablets are manufactured at the Company's Vizag Plant in India. As of March 2015, approximately 300 million tablets have been supplied to 19 countries. The Group is also involved in the development of new drugs for the treatment of other neglected tropical diseases as well as tuberculosis and malaria. Partnerships are being actively promoted with international NPOs, research institutes, and other organizations specializing in these diseases.

(4) Pursuit of Fair and Transparent Global Business Operations

The Group's business operations are not only limited to developed countries such as Japan, America and Europe, they have also been expanded into emerging and developing countries in Asia and other regions. The Group implements a number of initiatives toward the promotion of fair and highly transparent business activities that comply with the rules and regulations in each country, and promptly adjust to any changes in legislation. The Group is particularly working to strengthen the foundation of its business operations based on *hhc* and compliance through its new global

business matrix structure.

As the fair business conduct by pharmaceutical companies has become more of a critical concern for today's society, the Group continues to further strengthen compliance and internal control, conducting thorough training for officers and employees, and working to implement fair and highly transparent business practices and risk management.

(5) Capital Strategy for Creating Value for Shareholders

The Group's capital policy revolves around "medium- to long-term Return on Equity (ROE) management," "sustainable and stable shareholder returns" and "value-creative investment criteria," which is compatible with both investment growth and stable shareholder returns and aims to improve shareholder value in a sustainable way.

1) Medium- to Long-term ROE Management

Eisai Co., Ltd, believes that ROE is an important indicator of the sustainable creation of value for shareholders. In terms of ROE management, the Company aims to attain a high ROE level by improving profit margins, financial leverage, and asset turnover in the medium- to long-term.

2) Sustainable and Stable Shareholder Returns

Under "Eisai's Policy on Shareholder Returns" (please see p.14 for more details) determined by the Board of Directors, profits are returned to all shareholders in a stable and sustainable way based on factors such as a healthy balance sheet and comprehensive consideration of the consolidated financial results, Dividends on Equity (DOE) and free cash flow. The Company uses the ratio of equity attributable to owners of the parent and net debt ratio as indicators to measure a healthy balance sheet.

3) Value-Creative Investment Criteria

To ensure that strategic investments create shareholder value, the Company invests selectively using its Value-Creative Investment Criteria (VCIC) based on Net Present Value (NPV) and the Internal Rate of Return (IRR) spread using a risk-adjusted hurdle rate.

3) Corporate Governance

(1) Basic Approach to Corporate Governance

The Company believes that the focus of corporate governance is to respect the rights of all our shareholders, ensure fair and transparent management, and enhance corporate vitality. Always aiming for the best corporate governance, the Company strives to achieve corporate governance in accordance with the following basic points of view.

(2) Shareholder Relations:

The Company shall:

- Respect the rights of all shareholders;
- Ensure the equality of all shareholders;
- Develop positive and smooth relations with the Company's stakeholders including all shareholders; and
- Ensure transparency by properly disclosing Company information.

(3) Corporate Governance System

- The Company is a “Company with a Nomination Committee, etc.” as defined in Japan's Companies Act.
- The Board of Directors (“the Board”) shall delegate to the Corporate Officers broad powers of decision-making over business execution, to the extent permitted by the laws and regulations, and it shall exercise the function of management oversight.
- The majority of the Board shall be independent and neutral Outside Directors.
- The Representative Corporate Officer and CEO shall be the only Director who is a Corporate Officer concurrently.
- To clarify the management oversight function, the positions of Chair of the Board and of Representative Corporate Officer and CEO shall be separated and performed by different people.
- The Nomination Committee and the Compensation Committee shall be entirely composed of Outside Directors, and the majority of the Audit Committee shall consist of Outside Directors.
- Each of the Chairs of the Nomination Committee, the Audit Committee and the Compensation Committee shall be appointed from the Outside Directors.
- The internal controls system shall operate properly to ensure the credibility of financial reports.

(4) Features of Eisai’s Corporate Governance

(i) Clear Separation of the Functions of the Supervision of Management and the Execution of Business

The central aspect of the Group’s corporate governance system is the clear separation of the supervision of management and the execution of business operations that makes the most of the Company with a Nomination Committee, etc., System.

The Board, with outside directors making up the majority, is able to devote its attention to the supervision of management by entrusting a large portion of decision-making authority to corporate officers. In accordance with the Companies Act, the Board has passed resolutions on rules for the Assurance of Appropriate Business Operations to establish specific internal controls that should be established and operated by corporate officers.

In addition to the items set forth in the rules, corporate officers work to enhance and operate the internal controls within the scope of their responsibilities to secure autonomy, accelerate the speed and flexibility of business execution, and enhance the vitality of management. Under this system, in addition to checking the status of execution of operations, the Board also inspects the status of internal controls such as business execution and decision-making processes from the perspective of shareholders and society.

Furthermore, in order to achieve a clear separation between supervision of management and the execution of business, the Company has established that the Chair of the Board must be an outside director, and that the only person who may serve concurrently as a director and a corporate officer is the CEO (Representative Corporate Officer).

(ii) Ensuring the Independence and Neutrality of Outside Directors

The presence of seven independent and neutral outside directors, who account for the majority of the members of the Board, supports the effective operation of the Company's corporate governance system. Eisai's Nomination Committee is composed of outside directors only. The Nomination Committee strictly applies the requirements for the independence and neutrality of outside directors, stipulated by the Nomination Committee, for the selection of candidates for outside directors.

(iii) Mechanism for Considering the Continuous Enhancement of Corporate Governance

a) Self-review Regarding the Execution of Duties by the Board

The Company has established and published Corporate Governance Guidelines to outline its approach to ensuring the best corporate governance. In accordance with these guidelines, the Board carries out an annual self-review regarding the execution of duties by the Board, and by revising the guidelines as necessary, increases the effectiveness of corporate governance.

b) Meeting of Outside Directors

A meeting of only outside directors is held on a regular basis to serve as an opportunity for discussion on the state of the Company's corporate governance and the management of the Board. Any proposals borne from these discussions are given as feedback to the responsible executive departments, which leads to more rewarding discussions at the Board of Directors' meetings.

c) Training Sessions for Directors

The Board of Directors Secretariat plans and implements training sessions for directors at any time as necessary, based on the individual director's request. The Board of Directors Secretariat also organizes training sessions for outside

directors to brief them on the Company's Corporate Philosophy, corporate culture, business environment as well as Company regulations before they take up their role. In order to deepen their understanding of the Company once they have started, training sessions and visits to major business locations are conducted to demonstrate the Company's business operations, the special characteristics and trends of the pharmaceutical industry as well as the Company's management environment.

In addition, compliance officer training sessions for directors and corporate officers are conducted regularly by the compliance and risk management promotion department.

Detailed information on the Company's corporate governance system is available on the Eisai corporate website (http://www.eisai.com/company/governance/index.html) along with the Company's Corporate Governance Guidelines, Rules of the Board of Directors, Rules of the Nomination Committee, Rules of the Audit Committee, and Rules of the Compensation Committee. The Corporate Governance Report submitted to the Tokyo Stock Exchange (TSE) is available on the website of the TSE as well as on the Eisai corporate website.

4) Compliance and Risk Management

The Group defines compliance as "the observance of the highest legal and ethical standards" and positions it at the core of management activities. In addition, the Group defines internal control as "the systems and processes established and managed internally to ensure proper and efficient operations," and shares the Policy for Internal Control with all officers and employees. The Group has appointed a Chief Compliance Officer and corporate officer responsible for internal control, who works to enhance compliance and internal control on a global scale in hope of raising awareness of compliance and risks and strengthening the Group's ability to respond to such issues.

(1) Promotion of Compliance

The Corporate Compliance and Risk Management Department works with compliance departments in each region, and the compliance personnel in each ENW* company to promote compliance globally.

The Group's promotion of compliance activities periodically undergo objective reviews by a Compliance Committee made up of external experts such as lawyers and consultants from Japan and overseas. Furthermore, the Compliance Committee provides appropriate advice and recommendations to the Chief Compliance Officer.

* Eisai Network Companies (ENW): The Eisai Group of companies including Eisai Co., Ltd., and its subsidiaries and affiliates

(2) Increasing Compliance Awareness

The Group believes that a shared awareness for compliance among all officers and employees is essential in order to ensure fair and ethical corporate operations that comply with legal and regulatory requirements. To achieve this, the Compliance Handbook summarizing the ENW Charter of Business Conduct and the Code of Conduct have been created for all officers and employees and published in 18 languages. The handbook has been distributed among all officers and employees along with a pocket-sized Compliance Card. Furthermore, the Group provides training for newly appointed managers to conduct organization management in line with compliance.

Training is implemented through resources such as compliance workshops, e-learning, and e-mail newsletters, in order to foster the compliance mindset.

(3) Use of Compliance Counter

The Compliance Counter has been established as an accessible in-house compliance consultation service for all officers and employees to utilize whenever they are having difficulty making compliance-related decisions, such as interpreting the law, or have compliance concerns about their own conduct or that of their supervisors or colleagues. The counter fields inquiries and consultations on a diverse range of issues, including sexual harassment, personal information protection, copyright, the Public Service Ethics Code and industry self-regulation. In addition, external consultation services staffed by outside lawyers and counselors have also been established, thereby creating an environment that encourages compliance.

(4) Promotion of Internal Control and Risk Management

Under the Policy of Internal Control set by the corporate officer in charge of internal control, all corporate officers establish and carry out internal control within their own area of responsibility.

Aiming to support the establishment and operation of internal control for each corporate officer, the Corporate Compliance and Risk Management Department assesses important corporate risks through interviews with corporate officers, and implements Control Self-Assessments (CSAs) for all ENW management staff as mechanisms for reducing everyday operational risks. These CSA activities serve to energize the risk management cycle (identifying, evaluating, responding to, and monitoring risks that interfere with the achievement of business goals), enhance the establishment and operation of organizational level internal control as a whole, and also support the reduction of everyday operational risks. Furthermore, the Group has established a management organization or appointed a manager for each country/region of Japan, the United States, Europe, China, and the Asia region to globally promote internal control through support for risk management.

5) Crisis Management

The Eisai Group has established a Crisis Management Committee and summarized the basic approach to crisis management and preparations that should be made in the ENW Crisis Management Policy. The ENW Business Continuity Plan has been established and shared globally to ensure contributions to patients are not interrupted even in the event of an emergency. Based on these initiatives, each function and responsible region has developed a crisis management organization according to the content of business and regional characteristics, and is creating regulations and manuals concerning initial responses that place priority on ensuring the safety of employees in the event of an emergency.

In cases of emergency, a response framework has been established to ensure continued business operations which involves setting up a crisis response division at global headquarters to coordinate with each function and responsible region. Actual cases of crisis management during fiscal 2014 include a political crisis in Thailand and the damage caused to the Vizag Plant by a cyclone in India.

In order to ensure that these structures and policies function effectively, each type of disaster prevention training and emergency drill is conducted twice a year or more, and all regulations and manuals are updated as necessary.

6) Consideration for the Environment

In adherence to a system for environmental management, all officers and employees in the Group share the principles for environmental protection that are set forth in the “Eisai Network Environmental Protection Policy.” The Group carries out environmental protection activities on a global basis, including obtaining ISO14001 certification at its major production facilities in Japan, its Suzhou Plant in China, and its Vizag Plant in India.

The Group strives to collect quantitative data on its environmental resource input and the impact of its operations on the environment. At the same time, measures are taken to promote waste reduction and recycling, ensure the proper management and reduction of chemical substances, and raising employees’ awareness for environmental protection. Furthermore, information on the Group’s environmental protection management framework as well as environmental protection specific initiatives and achievements is published through the Eisai corporate website.

7) Social Contribution

The Group established the Naito Museum of Pharmaceutical Science and Industry, Japan’s first pharmaceutical museum, in Gifu Prefecture, Japan. Open to the public free of charge, the Museum aims to increase public awareness of the history of medicines, pharmaceutical science and health sciences. In addition, as part of efforts to contribute to science and human welfare, the Group supports the activities of two non-profit academic foundations—the Naito Foundation and the Health Care Science

Institute (both based in Tokyo). The Naito Foundation encourages and funds natural science research related to the prevention and treatment of human diseases, seeking to contribute to the promotion of academic research and human welfare. The Health Care Science Institute is a foundation that was established with the aim of promoting progress in health care and human welfare in Japan by carrying out economic surveys and research on health care and pharmaceuticals, conducting surveys and research focused on the research and development, production, distribution and other matters related to pharmaceuticals, and promoting interdisciplinary surveys and research focused on health care and related scientific fields.

4. Basic Approach to the Selection of Accounting Standards

The Group conducts its pharmaceutical business operations in diverse markets and regions, including Japan, the Americas, Europe and Asia. In consideration of the global nature of the business, the Company voluntarily adopted IFRS from the fiscal year ended March 31, 2014 and discloses its consolidated financial statements in accordance with IFRS from the first three months of the fiscal year ended March 31, 2015, to make it more convenient for various stakeholders including shareholders and investors in Japan and overseas by improving disclosure and comparability of financial information on an international basis.

5. Consolidated Financial Statements

1) Consolidated Statement of Income

(Millions of yen)

	Note	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Revenue	(1)	548,465	599,490
Cost of sales	(2)	(193,595)	(194,659)
Gross profit		354,870	404,832
Selling, general and administrative expenses	(2)	(194,546)	(203,335)
Research and development expenses	(2)	(131,907)	(136,310)
Other income	(3)	981	4,051
Other expenses	(4)	(1,061)	(2,839)
Operating profit		28,338	66,398
Financial income	(5)	2,429	1,788
Financial costs	(6)	(4,892)	(5,888)
Profit before income taxes		25,875	62,298
Income taxes	(7)	17,578	(23,796)
Profit for the year		43,453	38,501
Attributable to			
Owners of the parent		43,254	38,251
Non-controlling interests		200	250
Earnings per share			
Basic (yen)		151.57	134.13
Diluted (yen)		151.37	134.01

2) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Profit for the year	43,453	38,501
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	3,365	3,830
Remeasurements of defined benefit plans	4,965	2,547
Subtotal	8,330	6,376
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	61,927	38,769
Cash flow hedges	520	850
Subtotal	62,447	39,619
Total other comprehensive income, net of tax	70,776	45,995
Comprehensive income for the year	114,230	84,496
Attributable to		
Owners of the parent	113,949	84,253
Non-controlling interests	280	243

3) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2015	As of March 31, 2014
Assets		
Non-current assets		
Property, plant and equipment	132,999	134,083
Goodwill	183,756	157,378
Intangible assets	127,629	108,351
Other financial assets	42,343	40,814
Other assets	3,372	4,213
Deferred tax assets	88,995	69,210
Total non-current assets	579,094	514,049
Current assets		
Inventories	87,641	87,746
Trade and other receivables	174,336	186,549
Other financial assets	28,421	20,182
Other assets	10,992	11,377
Cash and cash equivalents	173,335	153,921
Total current assets	474,724	459,774
Total assets	1,053,818	973,823

(Millions of yen)

	As of March 31, 2015	As of March 31, 2014
Equity		
Equity attributable to owners of the parent		
Share capital	44,986	44,986
Capital surplus	58,040	57,949
Treasury shares	(37,308)	(38,481)
Retained earnings	387,967	379,210
Other components of equity	145,064	82,656
Total equity attributable to owners of the parent	598,749	526,320
Non-controlling interests	3,313	3,084
Total equity	602,061	529,405
Liabilities		
Non-current liabilities		
Bonds and borrowings	205,846	195,740
Other financial liabilities	2,352	2,635
Retirement benefit liabilities	7,238	15,497
Provisions	1,198	1,145
Other liabilities	25,543	27,727
Deferred tax liabilities	514	340
Total non-current liabilities	242,691	243,085
Current liabilities		
Bonds and borrowings	30,235	51,493
Trade and other payables	84,586	62,234
Other financial liabilities	4,602	5,131
Income tax payables	3,880	3,915
Provisions	11,126	13,031
Other liabilities	74,636	65,529
Total current liabilities	209,065	201,334
Total liabilities	451,757	444,419
Total equity and liabilities	1,053,818	973,823

4) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2015

(Millions of yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of year (April 1, 2014)	44,986	57,949	(38,481)	379,210	—	—
Profit for the year	—	—	—	43,254	—	—
Other comprehensive income (loss)	—	—	—	—	3,364	4,923
Comprehensive income for the year	—	—	—	43,254	3,364	4,923
Dividends	—	—	—	(42,810)	—	—
Share-based payments	—	(135)	—	—	—	—
Acquisition of treasury shares	—	—	(48)	—	—	—
Disposal of treasury shares	—	226	1,220	—	—	—
Reclassification	—	—	—	8,288	(3,364)	(4,923)
Other changes	—	—	—	26	—	—
Total transactions with owners	—	91	1,173	(34,497)	(3,364)	(4,923)
Balance at end of year (March 31, 2015)	44,986	58,040	(37,308)	387,967	—	—

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity					
	Exchange differences on translation of foreign operations	Cash flow hedges	Total other components of equity	Equity attributable to owners of the parent		
Balance at beginning of year (April 1, 2014)	83,587	(931)	82,656	526,320	3,084	529,405
Profit for the year	—	—	—	43,254	200	43,453
Other comprehensive income (loss)	61,889	520	70,696	70,696	81	70,776
Comprehensive income for the year	61,889	520	70,696	113,949	280	114,230
Dividends	—	—	—	(42,810)	(52)	(42,862)
Share-based payments	—	—	—	(135)	—	(135)
Acquisition of treasury shares	—	—	—	(48)	—	(48)
Disposal of treasury shares	—	—	—	1,446	—	1,446
Reclassification	—	—	(8,288)	—	—	—
Other changes	—	—	—	26	(0)	26
Total transactions with owners	—	—	(8,288)	(41,521)	(52)	(41,573)
Balance at end of year (March 31, 2015)	145,475	(411)	145,064	598,749	3,313	602,061

Fiscal year ended March 31, 2014

(Millions of yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Share capital	Capital surplus	Treasury shares	Retained earnings	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of year (April 1, 2013)	44,986	57,954	(39,032)	377,125	—	—
Profit for the year	—	—	—	38,251	—	—
Other comprehensive income (loss)	—	—	—	—	3,844	2,523
Comprehensive income for the year	—	—	—	38,251	3,844	2,523
Dividends	—	—	—	(42,778)	—	—
Share-based payments	—	12	—	—	—	—
Acquisition of treasury shares	—	—	(35)	—	—	—
Disposal of treasury shares	—	(17)	586	—	—	—
Change of interest in subsidiaries that do not result in a loss of control	—	—	—	249	—	—
Reclassification	—	—	—	6,366	(3,844)	(2,523)
Other changes	—	—	—	(3)	—	—
Total transactions with owners	—	(6)	551	(36,165)	(3,844)	(2,523)
Balance at end of year (March 31, 2014)	44,986	57,949	(38,481)	379,210	—	—

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity					
	Exchange differences on translation of foreign operations	Cash flow hedges	Total other components of equity	Equity attributable to owners of the parent		
Balance at beginning of year (April 1, 2013)	44,801	(1,780)	43,021	484,054	3,826	487,880
Profit for the year	—	—	—	38,251	250	38,501
Other comprehensive income (loss)	38,786	850	46,002	46,002	(7)	45,995
Comprehensive income for the year	38,786	850	46,002	84,253	243	84,496
Dividends	—	—	—	(42,778)	(166)	(42,944)
Share-based payments	—	—	—	12	—	12
Acquisition of treasury shares	—	—	—	(35)	—	(35)
Disposal of treasury shares	—	—	—	568	—	568
Change of interest in subsidiaries that do not result in a loss of control	—	—	—	249	(249)	—
Reclassification	—	—	(6,366)	—	—	—
Other changes	—	—	—	(3)	(569)	(572)
Total transactions with owners	—	—	(6,366)	(41,987)	(985)	(42,971)
Balance at end of year (March 31, 2014)	83,587	(931)	82,656	526,320	3,084	529,405

5) Consolidated Statement of Cash Flows

(Millions of yen)

	Note	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Operating activities			
Profit before income taxes		25,875	62,298
Depreciation and amortization		38,940	39,929
Impairment losses		65	6,949
(Increase) decrease in working capital	(1)	18,493	16,723
Interest and dividends received		1,887	1,858
Interest paid		(4,403)	(5,869)
Income taxes paid		(10,249)	(20,874)
Income taxes refund		3,903	224
Other		1,511	(9,962)
Net cash from operating activities		76,022	91,276
Investing activities			
Purchases of property, plant and equipment		(11,483)	(8,570)
Proceeds from sales of property, plant and Equipment		2,813	15,463
Purchases of intangible assets		(6,942)	(18,814)
Purchases of financial assets		(9,912)	(6,766)
Proceeds from sales and redemption of financial assets		10,777	13,855
Purchases of time deposits exceeding three months		(37,174)	(26,444)
Proceeds from redemption of time deposits exceeding three months		33,021	51,347
Proceeds from sales of investments in subsidiaries that result in a loss of control		—	896
Other		60	(83)
Net cash from (used in) investing activities		(18,841)	20,885
Financing activities			
Net increase (decrease) in short-term borrowings		(5,994)	(1,394)
Proceeds from long-term borrowings		107,812	—
Repayment of long-term borrowings		(118,968)	(20,046)
Redemption of bonds		—	(50,000)
Dividends paid		(42,810)	(42,778)
Other		219	(891)
Net cash from (used in) financing activities		(59,742)	(115,109)
Effect of exchange rate change on cash and cash equivalents		21,974	14,413
Net increase (decrease) in cash and cash Equivalents		19,414	11,464
Cash and cash equivalents at beginning of year		153,921	142,456
Cash and cash equivalents at end of year		173,335	153,921

6) Notes to Consolidated Financial Statements

(Going Concern)

Not applicable

(Basis of Preparing Consolidated Financial Statements)

(1) Compliance

As the Company meets the requirements of a “Specified Company”, pursuant to Article 1-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No.28 of 1976, the “Consolidated Financial Statement Ordinance”), the consolidated financial statements of the Group have been prepared in accordance with IFRS subject to the provisions of Article 93 of said Ordinance.

(2) Basis of measurement

The consolidated financial statements are prepared on an acquisition cost basis except for the financial instruments that are measured at fair value and assets (liabilities) of retirement benefit plans.

(3) Presentation currency and unit

The consolidated financial statements are presented in Japanese yen, which is the Company’s functional currency, and figures less than 1 million yen are rounded to the nearest million yen.

(4) Changes in Accounting Policies

The Group has adopted the following main accounting standards and interpretations from the fiscal year ended March 31, 2015.

Accounting standards and interpretations		Mandatory application (Date of commencement)	To be applied by the Group	Description of new standards / amendments
IFRS 10 IFRS 12 IAS 27	Consolidated Financial Statements Disclosure of Interests In Other Entities Separate Financial Statements	January 1, 2014	FY ending March 2015	Accounting treatment for the investments held by investment entities
IAS 32	Financial Instruments: Presentation	January 1, 2014	FY ending March 2015	Clarification of conditions on offset disclosure
IAS 39	Financial Instruments: Recognition and Measurement	January 1, 2014	FY ending March 2015	Amendment of accounting for novation of derivatives
IFRIC 21	Levies	January 1, 2014	FY ending March 2015	Clarification of the accounting for levies

The effect of the above standards on the consolidated financial statements is immaterial.

(5) Early application of new accounting standards and interpretations

The Group has early applied the following accounting standards and interpretations from April 1, 2012.

・IFRS 9 “Financial Instruments” (issued in November 2009 and revised in October 2010 and December 2011)

(6) New accounting standards and interpretations not yet applied by the Group

As of the date of approval of the consolidated financial statements by the Group, main new accounting standards and interpretations that have been issued are as follows.

Accounting standards and interpretations		Mandatory application (Date of commencement)	To be applied by the Group	Description of new standards / amendments
IAS 19	Employee Benefits	July 1, 2014	FY ending March 2016	Amendment of accounting for contributions from employees or third parties to defined benefit plans
IAS 16 IAS 38	Property, Plant and Equipment Intangible assets	January 1, 2016	FY ending March 2017	Clarification of acceptable methods of depreciation and amortization
IFRS 11	Joint Arrangement	January 1, 2016	FY ending March 2017	Accounting for acquisitions of interests in joint operations
IFRS 10 IAS 28	Consolidated Financial Statements Investments in Associates and Joint Ventures	January 1, 2016	FY ending March 2017	Amendments to accounting for selling assets to associates, etc.
IAS 1	Presentation of Financial Statements	January 1, 2016	FY ending March 2017	Clarifying disclosure requirement regarding materiality considerations
IFRS 10 IFRS 12 IAS 28	Consolidated Financial Statements Disclosure of Interests in Other Entities Investments in Associates and Joint Ventures	January 1, 2016	FY ending March 2017	Clarifying exceptions for applying consolidation and the equity method for investment entities
IFRS 15	Revenue from Contracts with Customers	January 1, 2017	FY ending March 2018	Amendment of accounting for recognition of revenue
IFRS 9 (final ver.)	Financial Instruments	January 1, 2018	FY ending March 2019	Amendment of accounting for hedges

As of the reporting date (March 31, 2015), the Group has not yet applied these accounting standards and interpretations. The Group evaluates that none of these accounting standards and interpretations which are applied in the fiscal year ended March 31, 2016 by the Group will have a material impact on our consolidated financial statements. The impact to our consolidated financial statements by these accounting standards and interpretations which are applied in the fiscal year ended March 31, 2017 and after is under review.

(Significant Accounting Policies)

The Group's significant accounting policies described below are applied to the consolidated financial statements throughout the period.

(1) Basis of consolidation

The consolidated financial statements are prepared based on the financial statements of the Company, its subsidiaries and its associate under uniform accounting policies. In case where accounting policies applied by a subsidiary or associate are different from those applied by the Group, adjustments are made to their financial statements as needed. In addition, all inter-company transactions, balances and unrealized gains/losses from inter-company transactions are eliminated on consolidation.

a) Subsidiary

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when the Group has the power over the investee, is exposed to variable returns from involvement with the investee, and has the ability to use power over the investee to affect the investor's return.

A subsidiary's financial statements are included in the consolidation statements from the date the Group obtains control of the subsidiary until the date the Group loses control of it. Changes in the Group's interest in a subsidiary that do not result in losing control of the subsidiary are accounted for as equity transactions in which the difference between the adjustment amount of non-controlling interests and fair value of the consideration is directly recognized as retained earnings and made attributable to the owners of the parent.

b) Associate

An associate is an entity over which the Group has significant influence on their management policies but does not have control. An investment in an associate is accounted for using the equity method on all of associates from the date the Group obtains significant influence until the date the Group loses significant influence.

(2) Business combinations

Business combinations are accounted for using the acquisition method.

Based on the acquisition method, acquisition costs are sum of the considerations measured at fair value at the acquisition date and the amount of non-controlling interest in the acquiree. Non-controlling interests are measured at either fair value or the proportionate share in the recognized net amount of the acquiree's identifiable assets and liabilities. Acquisition-related costs are recognized as expenses in the period which the costs are incurred.

In case that the sum of fair value of the consideration, non-controlling interests in the acquiree and the fair value of the proportionate share that the Group has held before at the date the Group obtains control of the acquiree exceeds from net amount of identifiable assets and liabilities, the difference is recognized as goodwill. On the other hand, if the sum of the considerations of acquisition is lower than net amount of identifiable assets and liabilities, the difference is recognized as income.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the provisional amounts for the items for which the accounting is incomplete are reported in the consolidated financial statements. The provisional amounts recognized at the acquisition date are retrospectively adjusted during the measurement period. The measurement period is the period starting from the acquisition date and lasting up to a maximum of one year, during which the Group obtains the whole information about facts and circumstances that existed at the acquisition date.

(3) Foreign currency translation

Each company in the Group determines its own functional currency for its separate financial statements, and transactions of these companies are presented in their functional currency. On the other hand, consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using exchange rates at the dates of transactions or approximations of rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the spot exchange rates at the consolidated fiscal year-end date. Exchange differences arising from translation or settlement are recognized in profit or loss.

For the purpose of recording operating results and financial positions of foreign operations in the consolidated financial statements, assets and liabilities of foreign operations are presented in Japanese yen translated at spot exchange rates at the consolidated fiscal year-end date. Income and expense items of foreign operations are translated at average exchange rates. The resulting translation differences are recognized as other comprehensive income, while the cumulative amounts are recognized as other components of equity. In addition, accumulated translation differences are recognized as profit or loss when the foreign operations are disposed of.

(4) Revenue

Revenue is recognized only when it is probable that the economic benefits will flow to the Group and the amount can be measured reliably.

a) Pharmaceutical goods sales

Pharmaceutical goods sales are recognized when the significant risks and rewards of ownership of the goods are transferred to the customers (usually at the time of delivery). Sales generated from the transaction are presented as the fair value of consideration received after deducting various provisional amounts of sales deduction items. Sales deduction items include sales rebates, sales discounts and sales returns.

b) Co-promotion revenue

The Group recognizes the proportionate share of revenue generated from a co-promotion activity as revenue when the Group promotes goods with alliance partners and goods sales are recognized by the alliance partners. At the same time, a proportionate share of expenses incurred from the co-promotion activity is recognized as selling, general and administrative expenses.

c) License revenue

Considerations received for licensing patents of developing or developed products (upfront payments, milestone payments and running royalties) are recognized as revenue, in accordance with the substance of the transactions.

Received upfront payments and milestone payments are recognized as revenue when their performance obligations under the agreements are fulfilled. In case that the performance obligations under the agreements exist over the licensing period, the revenue is recognized over the period based on rational methods.

Received running royalties are recognized as revenue, in accordance with the calculation basis.

(5) Research and development expenses

a) Research expenses

Expenditures on research activities (including collaborative research and contract research) are recognized as research and development (R&D) expenses.

b) Development expenses

Expenditures on development activities are recognized as assets only if they meet the conditions of internally generated intangible assets. Internally incurred development expenses in the Group do not meet these conditions as there are risks that developing products may not get marketing authorization and developing activities may be delayed or ceased. Therefore, these are recognized as R&D expenses.

Acquired in-process research and development investments from external entities are recognized as intangible assets.

In case that the Group receives contributions for developments from alliance partners in accordance with collaborative research and development agreement, the contributions are deducted from R&D expenses.

(6) Employee benefits

a) Retirement benefits

The Group has adopted defined benefit plans and defined contribution plans.

Regarding defined benefit plans, current service costs are recognized as expenses using the projected unit credit method in actuarial calculations made at the consolidated fiscal year-end date. All of the actuarial gains/losses incurred in the period are recognized as other comprehensive income, while the cumulative amount is reclassified to retained earnings after it is recognized as other components of equity.

Retirement benefit liabilities are the present value of defined benefit obligations less fair value of plan assets.

Regarding defined contribution plans, contributions of the Group are recognized as expenses at the time employees render services that give pension rights to them.

b) Termination benefits

Termination benefits are provided in the case that the Group decides to terminate an employee's employment before the normal retirement date, or an employee voluntarily decides to accept an offer of benefits in exchange for the termination of employment. The termination benefits are recognized as expenses upon termination of employment, if the Group has detailed official plans related to termination of an employee's employment and can no longer withdraw the offer of the benefits.

(7) Share-based payments

a) Stock option plan

The Company had granted a part of directors, corporate officers and employees equity-settled share-based payments (stock options) until the fiscal year ended March 31, 2013.

Services received as considerations of stock options are recognized as expenses, while corresponding amounts are recognized as an increase in equity. These expenses are the fair value of stock options that are evaluated by using appropriate price models at the grant date, and recognized as expenses using the straight-line method over the vesting period. Expired rates at the time of final vesting are considered when the Company makes estimations for evaluation. In case that the estimation is revised, adjustments are made over the remaining vesting period.

b) Performance-related share-based compensation system

The Company has introduced a performance-related share-based compensation system that distributes the Company's shares to corporate officers every year based on performance for three years from the fiscal year ended March 31, 2014 to the fiscal year ending March 31, 2016. The Group measures considerations of services rendered referring to the fair value of the Company's share granted. Considerations of services calculated are recognized as expenses while the corresponding amount is recognized as an increase in equity.

(8) Income taxes

Income taxes are presented as the sum of current income taxes and deferred income taxes.

a) Current income taxes

Current income taxes are calculated based on current taxable income. Tax rates that have been enacted or substantively enacted at the consolidated fiscal year-end date are used for tax calculation. Income tax

receivables and payables are measured at the amount expected to be paid to or refunded from the taxation authorities.

b) Deferred income taxes

Deferred income taxes are calculated based on temporary differences between the tax base and the carrying amount for assets and liabilities using the balance sheet liability method. Deferred tax liabilities are basically recognized for all taxable temporary differences, while deferred tax assets are recognized only when it is probable that taxable income will be available against which the deductible temporary differences can be utilized. However, the following deferred tax assets and liabilities on temporary differences are not recognized.

(i) Temporary differences arising from goodwill

(ii) Temporary differences arising from the initial recognition of assets or liabilities in transactions which affect neither accounting profit nor taxable income (except for a business combination).

Regarding taxable temporary differences arising from investments in subsidiaries and associates, deferred tax liabilities are not recognized if the Company is able to control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future.

Furthermore, regarding deductible temporary differences arising from investments in subsidiaries and associates, deferred tax assets are recognized only when sufficient taxable income in order to realize benefits from the temporary differences will be available, and it is probable that the temporary differences will reverse in the foreseeable future.

Deferred tax assets and liabilities are calculated using tax rates that will be expected to be applied when the deferred tax assets will be recovered or the deferred tax liabilities will be settled based on acts that have been enacted or substantively enacted by the consolidated fiscal year-end date.

Deferred tax assets and liabilities are offset when the Company or its subsidiaries have legally enforceable rights to offset income tax receivables and payables, and they intend to settle them as offset amounts.

(9) Property, plant and equipment

Property, plant and equipment is measured using the cost model and is presented at acquisition cost less accumulated depreciation and accumulated impairment loss.

The acquisition cost includes any costs directly attributable to purchase of assets and present value of removal and restoration costs. In case that certain conditions are met, borrowing costs that are directly attributable to the acquisition and construction of assets are included in the acquisition costs of the assets.

Depreciation is recognized by reducing acquisition cost of assets less residual value using the straight-line method over the estimated useful lives of the assets. Estimated useful lives, residual value and depreciation methods are reviewed at each fiscal year-end date, and the effects of any changes in estimation are reflected on a prospective basis.

The estimated useful lives of the main types of property, plant and equipment are as follows:

(i) Buildings 15 to 50 years

(ii) Machinery 5 to 20 years

Gains/losses arising from sales or disposal of property, plant and equipment are presented as other income or other expenses.

(10) Intangible assets

Intangible assets are measured using the cost model and are presented at acquisition cost less accumulated amortization and accumulated impairment loss.

Intangible assets acquired separately are measured at the acquisition costs at the initial recognition. Those acquired through business combinations are measured at fair value at the acquisition date.

Amortization is recognized using the straight-line method over the estimated useful lives of the intangible assets. Estimated useful lives, residual value and amortization methods are reviewed at each fiscal year-end date, and the effects of any changes in estimation are reflected on a prospective basis.

The estimated useful lives of the main types of intangible assets are as follows:

(i) Sales rights	10 to 15 years
(ii) Core technology	20 years
(iii) Software	5 years

Accounting treatments for in-process research and development investments are as follows:

a) In-process research and development investments (IPR&D assets) acquired separately

Intangible assets acquired separately are recognized as assets that meet the following conditions:

(i) It is probable that the expected future economic benefits attributable to the asset will flow to the Group

(ii) The cost of the asset can be measured reliably

Expenditures of acquiring IPR&D investments from external entities (upfront payments and milestone payments) are recognized as IPR&D assets as they meet these conditions.

Subsequent internal development expenses on IPR&D assets are recognized as R&D expenses.

IPR&D assets are reclassified to sales rights when their products become available for sale, and are amortized using the straight-line method over their estimated useful lives. Estimated useful lives are determined by the projected cash flow period, which is based on the period of legal protection granted by patents.

b) IPR&D investments acquired through business combinations

IPR&D investments acquired through business combinations and recognized separately from goodwill meet the conditions listed in a) above. Therefore, these are measured at fair value at the acquisition date and recognized as IPR&D assets.

IPR&D assets are reclassified to sales rights when their products become available for sale, and are amortized using the straight-line method over the estimated useful lives. Estimated useful lives are determined by the projected cash flow period, which is based on the period of legal protection granted by patents.

(11) Impairment of property, plant and equipment and intangible assets

The Group assesses whether there is any indication that property, plant and equipment and intangible assets are impaired at the fiscal year end date, and if any such indication exists, an impairment test is performed. Intangible assets with indefinite useful lives or not yet available for use are tested for impairment at the same time every year or when there is an indication that the assets might be impaired.

As an impairment test, a recoverable amount is estimated and compared with a carrying amount. The recoverable amount is higher of fair value less expenses for sales or value in use. Value in use is calculated as the present value of estimated future cash flows. In case that a recoverable amount of the asset is lower

than the carrying amount, an impairment loss is recognized, and the carrying amount is reduced to the recoverable amount.

(12) Goodwill

Goodwill arising from business combinations is recognized as an asset at the date the Group obtains control of the entity (acquisition date). Goodwill is measured as the amount by which the sum of the fair value of the consideration, non-controlling interests in the acquiree and fair value of the proportionate share that the Group held at the date the Group obtains control of the acquiree exceeds the net amount of identifiable assets and liabilities. On the other hand, if the sum of the acquisition costs is lower than the net amount of identifiable assets and liabilities, the difference is directly recognized as income.

Goodwill is allocated to groups of cash-generating units that are expected to benefit from the synergies of the combination. Goodwill is not amortized; however, a test of impairment is performed for groups of cash-generating units to which goodwill is allocated at the same time every year or when there is an indication that the assets might be impaired. In the case that a recoverable amount of groups of cash-generating units is lower than the carrying amount, the reduction is recognized as an impairment loss.

(13) Inventories

Inventories are measured at the lower of cost or net realizable value. The costs are determined using the weighted-average method. The net realizable value is determined as the estimated selling price less the estimated costs necessary to complete goods and expenses necessary to sell.

(14) Financial assets

a) Classification of financial assets

All financial assets are measured at fair value at initial recognition, and classified as financial assets measured at amortized cost, financial assets measured at fair value through profit or loss (FVTPL financial assets) or financial assets measured at fair value through other comprehensive income (FVTOCI financial assets).

(i) Financial assets measured at amortized cost

Financial assets measured at amortized cost are debt instruments that meet the conditions below.

(1) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows

(2) The contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding

The financial assets measured at amortized cost are initially recognized as the sum of the fair value and transaction costs, and recognized at amortized cost calculated by the effective interest method less impairment loss after initial recognition.

(ii) FVTPL financial assets

Debt financial assets that are not classified as financial assets measured at amortized cost above are classified as FVTPL financial assets.

FVTPL financial assets are initially recognized at fair value, and any movement of fair value as well as gains/losses on their sale are recognized as financial income/expenses after initial recognition.

(iii) FVTOCI financial assets

All equity instruments are classified as FVTOCI financial assets.

FVTOCI financial assets are initially recognized as the sum of fair value and transaction costs.

Movement of fair value as well as gains/losses on their sale are recognized as other comprehensive income, while the cumulative amount is reclassified to retained earnings after it is recognized as other components of equity.

Dividends on FVTOCI financial assets are recognized as financial income when the vesting is settled except for the case that the dividend obviously indicates the collection of acquisition cost of investment.

b) Impairment of financial assets measured at amortized cost

The Group assesses whether there is any objective evidence that financial assets measured at amortized cost are impaired at the fiscal year-end date.

The assessment is performed separately for financial assets that are individually significant, while it is performed separately or collectively for financial assets that are not individually significant.

If there is any objective evidence of impairment, an impairment loss is recognized as the difference between the carrying amount and estimated future cash flows discounted by the effective interest rate for the financial asset. An impairment loss is recognized, with the carrying amount of financial assets being reduced either directly or through use of an allowance for doubtful accounts.

c) Derecognition

The Group derecognizes a financial asset only when the contractual right to the cash flows from the financial asset expires or the Group transfers the financial asset and almost all the risks and rewards of ownership of the asset to counterparty. Regarding gain or loss on derecognition of a financial asset, those of financial assets measured at amortized cost and FVTPL financial assets are recognized as profit or loss, and those of FVTOCI financial assets are recognized as other comprehensive income.

(15) Hedge accounting

The Group utilizes derivatives, including interest rate swap contracts and forward foreign exchange contracts in order to reduce the risks related to changes in interest and exchange rates. These derivatives are measured at fair value and recognized as assets or liabilities at the contract date.

Movements of fair value after initial recognition are recognized as profit or loss if the hedged items and hedging instruments do not meet the conditions of hedge accounting. The accounting treatments that meet the conditions of hedge accounting are as follows:

a) Fair value hedges

Regarding derivatives for the purpose of hedging risks of fair value movements on hedged items, the movements of derivative assets or liabilities are recognized as profit or loss.

b) Cash flow hedges

Regarding derivatives for the purpose of hedging risks of cash flow movements on hedge items, the movements of derivative assets or liabilities are recognized in other comprehensive income, while cumulative amounts are recognized as other components of equity until the fair value movements of hedged items are recognized as profit or loss. The amount recognized as other components of equity is reclassified to profit or loss when the fair value movements of hedged items are recognized as profit or loss, in order to offset the effects.

(16) Provisions

Provisions are recognized when the Group has a legal or constructive obligation arising from a past event that can be measured with sufficient reliability as a present obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the consolidated fiscal year-end date, considering risks and uncertainties. The carrying amount of a provision is measured at estimated cash flows that are discounted to be the present value where the effect of the time value of money is material. Where discounting is used, the increase in carrying amount of a provision in each period to reflect the passage of time is recognized as a financial cost.

a) Provision for sales rebates

To account for possible sales rebates for finished goods and merchandise sold that may be incurred after the consolidated fiscal year-end date, provision for sales rebates is provided by multiplying the amount of revenue by the estimated sales rebate ratio. It is expected to be mainly settled within one year from the fiscal year-end date.

b) Provision for asset retirement obligation

To account for the obligation of restoring the rental buildings and lands on which the Group is located and removing harmful materials related to property, plant and equipment which the Group is using, provision for asset retirement obligation is estimated and recognized depending on individual circumstances that is based on an estimated usage period determined by past results of restoration and the useful lives of additional fixtures in the rental buildings. It is expected to be mainly settled over one year from the fiscal year-end date.

c) Provision for restructuring costs

Provision for restructuring costs is mainly related to restructuring of the business organization. Provision for restructuring costs is recognized when the Group has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main scheme to those affected by it.

(17) Leases

a) Finance leases

Regarding finance lease transactions, leased assets and lease obligations are measured at the lower of either fair value of leased assets at the lease inception date or present value of the minimum lease payments. Lease payments are allocated to financial expenses and repayments of lease obligations using the interest method. Leased assets are depreciated over the lower of either estimated useful lives or lease period using the straight-line method.

b) Operating leases

Regarding operating lease transactions, lease payments are recognized as expenses over the lease period using the straight-line method.

(Significant Accounting Estimates and Judgments)

Preparation of consolidated financial statements of the Group requires management estimates and judgments.

Underlying assumptions for estimation are continuously reviewed. Effects of changes in estimations are recognized in the period and future periods.

Significant items that require management estimates and judgments are as follows.

a) Impairment test of goodwill and intangible assets

In order to perform impairment tests of goodwill and intangible assets, estimates of value in use of

allocated groups of cash-generating units are required. Value in use is measured at present value based on the assumptions of future cash flows expected to arise from groups of cash-generating units and discount rates.

b) Estimates of useful lives of property, plant and equipment and intangible assets

Useful lives of property, plant and equipment and intangible assets are reviewed at the fiscal year-end date.

c) Evaluation of fair value of financial instruments

Evaluation methods including input that are not based on observable market data are used in order to estimate the fair value of specific financial assets.

d) Retirement benefits

Defined benefit obligations are affected by assumptions used for actuarial calculation. Discount rate, future payroll level, turnover and mortality rates used for assumptions are determined based on the latest market data and statistics.

e) Income taxes

Current income taxes are recognized as the amount expected to be paid to each tax authority by reasonable estimates in accordance with tax laws and regulations.

Liabilities are recognized based on the estimates of revised current income taxes and their possibilities as a result of the tax audit. If the actual amount settled by the tax audit is different from the estimated amount, the difference is recognized in the period in which the actual amount is settled.

(Segment Information)

(1) General information

The Group classifies business segments which are composed of pharmaceutical business as reporting segments; any business of the Group not included in pharmaceutical business is categorized as “Other business” in this report.

Reporting segments are units for which the Group can obtain independent financial information and for which top management undertakes periodic reviews in order to determine the allocation of management resources and evaluate performance.

The Group’s pharmaceutical business was previously organized into the following five reporting segments: Japan (Prescription medicines, Generics and Diagnostics), Americas (North America, Central and South America), Asia (primarily China, South Korea, Taiwan, India and ASEAN), EMEA (Europe, the Middle East, Africa and Oceania) and Consumer Healthcare Business-Japan. Recognizing the sustained growth and further strengthening of its increasingly important business operations in China, the Group has made a change to the reporting segments for its pharmaceutical business by separating its China pharmaceutical business from its pre-existing Asia pharmaceutical business from the current fiscal year.

In line with this change, the Group has defined the following six segments as reporting segments for its pharmaceutical business: Japan (Prescription medicines, Generics and Diagnostics), Americas (North, Central and South America), China, Asia (mainly South Korea, Taiwan, Hong Kong, India and ASEAN), EMEA (Europe, the Middle East, Africa and Oceania), and Consumer Healthcare Business(CHB)—Japan .

These changes have been reflected in the segment information for the previous fiscal year.

(2) Reporting segments

(Millions of yen)

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2014 (*5)	
	Revenue	Segment profit	Revenue	Segment profit
Pharmaceutical business				
Japan	278,399	121,529	310,996	154,374
Americas	119,822	14,884	158,915	39,112
China	41,019	10,567	31,803	7,267
Asia	30,894	7,413	26,238	5,550
EMEA	38,516	6,601	31,977	4,146
CHB—Japan	17,019	2,222	19,341	4,263
Reporting segment total	525,669	163,215	579,269	214,712
Other business (*1)	22,796	7,776	20,222	6,281
Total	548,465	170,991	599,490	220,993
R&D expenses (*2)(*4)	—	(131,907)	—	(136,310)
Group headquarters' management costs and other expenses (*3)(*4)	—	(10,747)	—	(18,284)
Operating profit in the consolidated financial statements	—	28,338	—	66,398

(*1) "Other business" mainly includes the pharmaceutical ingredient business.

(*2) R&D expenses are not allocated to any particular segment as the Group manages such expenses on a global basis.

(*3) Group headquarters' management costs and other expenses are not allocated to any particular segment as these are the costs covering Group-wide operations.

(*4) The termination benefit resulting from the Group's structural reform was included in the previous fiscal year.

(*5) The accounting treatment for the reporting segments disclosed in the previous fiscal year was in accordance with Japan GAAP, however, the accounting treatment for the reporting segments disclosed from this fiscal year is in accordance with IFRS. Therefore, IFRS has been retrospectively applied to the segment information for the previous fiscal year.

(3) Information on major products

Revenue from external customers

(Millions of yen)

	Aricept	Pariet/ Aciphex	Oncology-related products	Other	Total
Fiscal year ended March 31, 2015	65,695	55,973	98,637	328,160	548,465
Fiscal year ended March 31, 2014	82,716	91,412	100,726	324,637	599,490

(4) Information on major customers

Fiscal year ended March 31, 2015

(Millions of yen)

Name of customer	Revenue	Related segment
Alfresa Holdings Corporation	71,282	Japan Pharmaceutical Business, etc.
Suzuken CO., LTD.	62,000	Japan Pharmaceutical Business, etc.
Medipal Holdings Corporation	55,113	Japan Pharmaceutical Business, etc.

Fiscal year ended March 31, 2014

(Millions of yen)

Name of customer	Revenue	Related segment
Alfresa Holdings Corporation	78,873	Japan Pharmaceutical Business, etc.
Suzuken CO., LTD.	69,808	Japan Pharmaceutical Business, etc.
Medipal Holdings Corporation	63,701	Japan Pharmaceutical Business, etc.

(5) Information on major regions

Revenue from external customers (*1)

(Millions of yen)

	Japan	Americas (*2)	China	Europe	Other	Total
Fiscal year ended March 31, 2015	307,805	126,380	40,533	39,765	33,982	548,465
Fiscal year ended March 31, 2014	354,780	150,548	31,697	33,899	28,566	599,490

(*1) Revenue from external customers are categorized by country or region based on the customer location.
Major areas and countries included in this category other than Japan and China are as follows:
1) Americas: North America, Central and South America
2) Europe: United Kingdom, France, Germany
3) Other: Asia, Middle East, Oceania

(*2) Revenue for the fiscal year ended March 31, 2015 in the United States which is included in Americas was ¥125,654 million (¥150,079 million for the fiscal year ended March 31, 2014).

Non-current assets (*1)

(Millions of yen)

	Japan	Americas (*2)	Europe	China	Other	Total
As of March 31, 2015	100,519	311,990	23,519	6,125	5,536	447,690
As of March 31, 2014	110,275	260,234	24,340	4,208	4,947	404,003

(*1) Non-current assets are categorized by country or region based on the assets location.
Major areas and countries included in this category other than Japan and China are as follows:
1) Americas: North America, Central and South America
2) Europe: United Kingdom, France, Germany
3) Other: Asia, Middle East, Oceania
In addition, Non-current assets are mainly composed of property, plant and equipment, goodwill and intangible assets excluding financial assets, deferred tax assets and net retirement benefit assets.

(*2) The carrying amount of non-current assets as of March 31, 2015 in the United States which is included in Americas is ¥311,756 million (¥260,141 million as of March 31, 2014).

(Consolidated Statement of Income)

(1) Revenue

The breakdown of revenue for the fiscal year ended March 31, 2015 and March 31, 2014 is as follows.

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Pharmaceutical goods sales	489,012	534,809
License revenue	21,034	29,133
Other	38,419	35,549
Total	548,465	599,490

(2) Cost of sales, selling, general and administrative expenses, research and development expenses

The nature of cost of sales, selling, general and administrative expenses, research and development expenses is as follows.

Fiscal year ended March 31, 2015

(Millions of yen)

	Cost of sales	Selling, general and administrative expenses	Research and development expenses	Total
Depreciation and Amortization	24,590	4,636	9,714	38,940
Impairment losses	60	5	―	65
Short-term employee benefits	16,104	75,159	40,461	131,723
Post-employment benefit costs	904	3,215	1,859	5,978

Fiscal year ended March 31, 2014

(Millions of yen)

	Cost of sales	Selling, general and administrative expenses	Research and development expenses	Total
Depreciation and Amortization	25,623	4,888	9,418	39,929
Impairment losses (*1)	―	―	6,949	6,949
Short-term employee benefits	18,869	70,892	39,037	128,798
Post-employment benefit costs	1,047	3,392	1,825	6,264
Termination benefits (*2)	5,111	4,897	2,843	12,851

(*1) Impairment losses consist of ¥5,631 million for intangible assets and ¥1,318 million for plant, property and equipment. Regarding intangible assets, ¥5,631 million was recognized as impairment loss because it was decided that the value in use of some ongoing research & development pipelines was zero due to discontinuing development or a decrease in estimated future cash flows. Regarding plant, property and

equipment, ¥1,318 million was recognized as impairment loss due to the determination of partial closure of research facilities (in the United States) in accordance with restructuring plans.

(*2) Termination benefits consist of premium retirement payments of ¥8,903 million due to voluntary retirements in the Company, lump-sum payments of ¥2,718 million associated with employment transfers due to the transfer of the pharmaceutical manufacturing business at the Misato Plant and special retirement payments of ¥1,230 million due to structural reorganization of research and development in Europe and the United States.

(3) Other income

The breakdown of other income for the fiscal year ended March 31, 2015 and March 31, 2014 is as follows.

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Gain on sales of non-current assets	372	3,068
Subsidy income	97	8
Equity in earnings of affiliates	75	93
Gain on sales of investments in subsidiaries	—	503
Other	437	378
Total	981	4,051

(4) Other expenses

The breakdown of other expenses for the fiscal year ended March 31, 2015 and March 31, 2014 is as follows.

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Loss on sales and disposal of non-current assets	444	301
Foreign exchange loss (*1)	356	2,025
Other	260	513
Total	1,061	2,839

(*1) Foreign exchange loss includes gains (losses) on valuation of forward foreign exchange contracts that apply fair value hedge accounting.

(5) Financial income

The breakdown of financial income for the fiscal year ended March 31, 2015 and March 31, 2014 is as follows.

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Interest income	1,204	963
Dividend income (*1)		
Financial assets measured at fair value through other comprehensive income	561	549
Financial assets measured at fair value through profit or loss	1	4
Other	663	271
Total	2,429	1,788

(*1) Among dividend income from financial assets measured at fair value through other comprehensive income, dividend income from financial assets that were sold in the fiscal year ended March 31, 2015 was ¥23 million and ¥44 million in the fiscal year ended March 31, 2014, respectively.

(6) Financial costs

The breakdown of financial costs for the fiscal year ended March 31, 2015 and March 31, 2014 is as follows.

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Interest costs		
Financial liabilities measured at amortized cost	4,678	5,614
Retirement benefit liabilities	147	182
Other	67	93
Total	4,892	5,888

(7) Income taxes

The breakdown of income taxes for the fiscal year ended March 31, 2015 and March 31, 2014 is as follows.

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Income taxes—current (*1)	3,606	16,885
Income taxes—deferred (*1)(*2)	(21,184)	6,912
Total	(17,578)	23,796

(*1) Decrease of income taxes due to a repayment of paid-in capital

Eisai Corporation of North America, the Group's consolidated subsidiary, paid ¥58,430 million to the Company for the repayment of paid-in capital in the fiscal year ended March 31, 2015. As a result, a decrease in tax expenses of ¥27,822 million was recorded due to the recognition of taxable items such as capital losses for the Company.

(*2) Remeasurement of deferred tax assets and liabilities due to a change in income tax rate

In Japan, pursuant to the promulgation on March 31, 2015 of "Partial Amendment of the Income Tax Act, etc." (Act No. 9 of 2015) and "Partial Amendment of the Local Tax Act, etc." (Act No. 2 of 2015), the corporate tax rate will be reduced from the consolidated fiscal year beginning on or after April 1, 2015.
As a result, the effective statutory tax rates, which are used to measure deferred tax assets and deferred tax liabilities, will be reduced to 33.0% from 35.5% for temporary differences that are expected to be reversed in the consolidated fiscal year which starts on or after April 1, 2015, and to 32.0% from 35.5% for temporary differences that are expected to be reversed in the consolidated fiscal year which starts on or after April 1, 2016.
The changes in effective statutory tax rates led to a ¥6,402 million decrease in deferred tax assets (after deducting deferred tax liabilities), a ¥846 million increase in other components of equity and income taxes (income taxes-deferred) increased by ¥7,248 million.

(Consolidated Statement of Cash Flows)

(1) The breakdown of increase and decrease in working capital for the fiscal year ended March 31, 2015 and March 31, 2014 is as follows.

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
(Increase) decrease in trade receivables	15,145	14,737
(Increase) decrease in inventories	3,893	3,552
(Increase) decrease in other receivables	5,805	1,140
Increase (decrease) in trade payables	371	474
Increase (decrease) in other payables	(6,720)	(3,180)
(Increase) decrease in working capital	18,493	16,723

(Per Share Information)

(1) Earnings per share (basic)

The basis for calculating earnings per share attributable to owners of the parent (basic) for the fiscal year ended March 31, 2015 and March 31, 2014 is as follows.

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Profit for the year attributable to owners of the parent (Millions of yen)	43,254	38,251
Weighted average number of common shares during the year (Thousands of share)	285,371	285,173
Earnings per share attributable to owners of the parent (basic) (Yen)	151.57	134.13

(2) Earnings per share (diluted)

The basis for calculating earnings per share attributable to owners of the parent (diluted) for the fiscal year ended March 31, 2015 and March 31, 2014 is as follows.

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2014
Profit for the year attributable to owners of the parent (Millions of yen)	43,254	38,251
Adjustment of profit for the year attributable to owners of the parent (Millions of yen)	—	—
Profit for the year used for calculating diluted earnings per share (Millions of yen)	43,254	38,251
Weighted average number of common shares during the year (Thousands of share)	285,371	285,173
Increase in number of common shares under stock options (Thousands of share)	378	267
Weighted average number of diluted common shares during the year (Thousands of share)	285,749	285,440
Earnings per share attributable to owners of the parent (diluted) (Yen)	151.37	134.01

There are no common shares reserved under the stock option plan that are excluded from the calculation of diluted earnings per share for the fiscal year ended March 31, 2015. Common shares reserved under the stock option plan, that were not included in the calculation of diluted earnings per share due to antidilutive

effects, amounted to 475 thousand shares for the fiscal year ended March 31, 2014.

(Significant Subsequent Events)

Not applicable

6. Other

1) Proposed Changes in Directors and Corporate Officers (effective June 19, 2015)

(1) Changes in Representative Corporate Officers

None

(2) Changes in Directors/Corporate Officers

a) Nominees for New Director

Eiichiro Suhara	currently, President, Mitsubishi Pencil Co., Ltd.

b) Retiring Director

Tokuji Izumi	currently, Outside Director, and Advisor, TMI Associates

c) Nominees for New Corporate Officers

Vice President	Teiji Kimura	currently, Senior Group Officer Deputy President, Neuroscience and General Medicine PCU, Eisai Product Creation Systems Executive Director, Global Discovery Research, Neuroscience and General Medicine PCU, Eisai Product Creation Systems
Vice President	Satoru Yasuda	currently, Officer Vice President (East Japan and Chubu), Oncology hhc Unit, Eisai Japan
Vice President	Hidenori Yabune	currently, Officer Executive Director, Integrated Marketing Department, Eisai Japan

d) Corporate Officers Scheduled for Promotion

Senior Vice President	Terushige Iike	currently, Vice President Chief Product Creation Officer, Eisai Product Creation Systems President, Japan/Asia Clinical Research PCU, Eisai Product Creation Systems
Senior Vice President	Ryohei Yanagi	currently, Vice President Deputy Chief Financial Officer Chief IR Officer

e) Retiring Corporate Officers

None

(3) Nominees for Directors

Haruo Naito	currently, Director Representative Corporate Officer and CEO
Kiyochika Ota	currently, Outside Director, and Advisor, Canon MJ IT Group Holdings
Hideaki Matsui	currently, Director

Nobuo Deguchi	currently, Director
Graham Fry	currently, Outside Director, and Member of the Board of Governors, School of Oriental and African Studies, University of London
Osamu Suzuki	currently, Outside Director, and Partner, YUASA and HARA
Patricia Robinson	currently, Outside Director, and Associate Professor at Hitotsubashi University Graduate School of International Corporate Strategy
Toru Yamashita	currently, Chief Corporate Adviser, NTT DATA Corporation
Ikuo Nishikawa	currently, Certified Public Accountant and Professor, Faculty of Business and Commerce, Keio University
Noboru Naoe	currently, Director
Eiichiro Suhara	currently, President, Mitsubishi Pencil Co., Ltd.

NOTE: Kiyochika Ota, Graham Fry, Osamu Suzuki, Patricia Robinson, Toru Yamashita, Ikuo Nishikawa and Eiichiro Suhara are nominees who meet the requirements of an Outside Director set forth in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act of Japan.

(4) Selected Candidates for Appointment as Members of Committees

a) Nomination Committee

Chair:	Toru Yamashita
Members:	Graham Fry
	Eiichiro Suhara

b) Audit Committee

Chair:	Ikuo Nishikawa
Members:	Hideaki Matsui
	Osamu Suzuki
	Patricia Robinson
	Noboru Naoe

c) Compensation Committee

Chair:	Graham Fry
Members:	Toru Yamashita
	Eiichiro Suhara

d) Independent Committee of Outside Directors

Members	Kiyochika Ota
	Graham Fry
	Osamu Suzuki
	Patricia Robinson
	Toru Yamashita
	Ikuo Nishikawa
	Eiichiro Suhara

(5) Career Summary of Nominees for New Outside Director

Name: Eiichiro Suhara

Date of Birth: July 19, 1948

Career Summary:

Aug. 1974 Joined Mitsubishi Pencil Co., Ltd.

Mar. 1980	Director, Mitsubishi Pencil Co., Ltd.
Mar. 1982	Managing Director, Mitsubishi Pencil Co., Ltd.
Mar. 1985	Vice President, Mitsubishi Pencil Co., Ltd.
Mar. 1987	President, Mitsubishi Pencil Co., Ltd.

(6) Nominees for Corporate Officers

Representative Corporate Officer and CEO	Haruo Naito	currently, Representative Corporate Officer and CEO
Representative Corporate Officer	Hideki Hayashi	currently, Representative Corporate Officer, Corporate Planning & Strategy and CIO Corporate Planning & Strategy Chief Information Officer (CEO Office)
Representative Corporate Officer	Yutaka Tsuchiya	currently, Representative Corporate Officer, Healthcare Policy and China Business Marketing Authorization Supervisor General Global Product Emergency Management Global Value & Access Healthcare Policy China Business (CEO Office)
Representative Corporate Officer	Hajime Shimizu	currently, Representative Corporate Officer and CFO Chief Financial Officer Consumer Healthcare Business Japan Subsidiaries (CEO Office)
Representative Corporate Officer	Hideshi Honda	currently, Representative Corporate Officer and Asia Region President President, Asia Region CEO's special mission
Executive Vice President	Takafumi Asano	currently, Executive Vice President President, Eisai Demand Chain Systems President, Stable Brand DCU, Eisai Demand Chain Systems
Executive Vice President	Yasushi Okada	currently, Executive Vice President Chief Talent Officer Senior Executive Director, Talent Innovation Headquarters General Affairs, Environmental and Safety Affairs
Senior Vice President	Kenta Takahashi	currently, Senior Vice President General Counsel Intellectual Property
Senior Vice President	Edward Stewart Geary	currently, Senior Vice President Chief Medical Officer Senior Executive Director, Corporate Medical Affairs Headquarters Global Safety Board Chair

Senior Vice President	Yuji Matsue	currently, Senior Vice President President, Americas Region Chairman & CEO, Eisai Inc.
Senior Vice President	Gary Hendler	currently, Senior Vice President President, EMEA Region President & CEO, Eisai Europe Ltd President, Eisai Global Oncology Business Unit
Senior Vice President	Terushige Iike	currently, Vice President Chief Product Creation Officer, Eisai Product Creation Systems President, Japan/Asia Clinical Research PCU, Eisai Product Creation Systems
Senior Vice President	Ryohei Yanagi	currently, Vice President Deputy Chief Financial Officer Chief IR Officer
Vice President	Ivan Cheung	currently, Vice President Deputy President, Head of Asia Oncology Business and Lenvatinib Global Lead, Eisai Global Oncology Business Unit
Vice President	Takashi Owa	currently, Vice President Chief Innovation Officer, Eisai Product Creation Systems
Vice President	Yasunobu Kai	currently, Vice President President, Oncology hhc Unit, Eisai Japan
Vice President	Kenji Matsumae	currently, Vice President President, Eisai Japan President, Integrated Community hhc Unit, Eisai Japan
Vice President	Lynn Kramer	currently, Vice President Chief Clinical Officer, Eisai Product Creation Systems President, Neuroscience and General Medicine PCU, Eisai Product Creation Systems
Vice President	Sayoko Sasaki	currently, Vice President Corporate Affairs
Vice President	Junichi Asatani	currently, Vice President Chief Compliance Officer Internal Control
Vice President	Frank Ciriello	currently, Vice President President, Eisai Global Neurology Business Unit
Vice President	Shaji Procida	currently, Vice President President & COO, Eisai Inc.
Vice President	Teiji Kimura	currently, Senior Group Officer Deputy President, Neuroscience and General Medicine PCU, Eisai Product Creation Systems Executive Director, Global Discovery Research, Neuroscience and General Medicine PCU, Eisai Product Creation Systems

Vice President	Satoru Yasuda	currently, Officer Vice President (East Japan and Chubu), Oncology hhc Unit, Eisai Japan
Vice President	Hidenori Yabune	currently, Officer Executive Director, Integrated Marketing Department, Eisai Japan

NOTE: Representative Corporate Officer and CEO Haruo Naito will also serve concurrently as a Director.