

Securities Code: 4523

August 3, 2016

Eisai Co., Ltd.

For Inquiries:

Public Relations: TEL +81-(0)3-3817-5120

Investor Relations: TEL +81-(0)3-3817-3016

<http://www.eisai.com/>

Forward-Looking Statements and Risk Factors

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

Risks that may cause significant fluctuations in the consolidated results of the Eisai Group or have a material effect on investment decisions are described below. These are risk factors that have been identified and assessed as of the disclosure date of the Financial Report.

Risk factors associated with our business include, but are not limited to, challenges arising in overseas operations, uncertainties in new drug development, as well as risks related to strategic alliances with partner companies, medical cost-containment measures, generic drug products, intellectual property, possible occurrence of side effects, laws and

Contents

1. Consolidated Statement of Income	-----	1
2. Capital Expenditures, Depreciation and Amortization	-----	2
3. Segment Information	-----	2
4. Financial Results by Reporting Segment	-----	3
5. Revenue from Major Products	-----	7
6. Revenue Forecasts by Reporting Segment	-----	9
7. Consolidated Statement of Comprehensive Income	-----	10
8. Consolidated Statement of Cash Flows	-----	11
9. Consolidated Statement of Financial Position	-----	12
10. Changes in Quarterly Results	-----	14
11. Major R&D Pipeline	-----	17

Currency Exchange Rates

		US (USD/JPY)	EU (EUR/JPY)	UK (GBP/JPY)	China (RMB/JPY)
FY 2015 Q1	Quarterly Average Rate	121.36	134.15	186.11	19.56
	Quarter End Rate	122.45	137.23	192.72	19.73
FY 2015	Yearly Average Rate	120.14	132.57	181.30	18.85
	Year End Rate	112.68	127.70	161.92	17.39
FY 2016 Q1	Quarterly Average Rate	108.14	122.01	155.10	16.52
	Quarter End Rate	102.91	114.39	138.41	15.46
FY 2016	Forecast Rate	113.00	127.00	165.00	17.20

Revised assumptions for the six-month period ending September 30, 2016 (cumulative) as of July 27: USD 1 = JPY 105.00, EUR 1 = JPY 116.00, GBP 1 = JPY 137.00, CNY 1 = JPY 15.50

* The Company discloses its consolidated financial statements according to the International Financial Reporting Standards (IFRS).

* The Group's business is comprised of pharmaceutical business and other business. The pharmaceutical business is organized into the following five reporting segments in this report: Japan (Prescription Medicines, Generics, and OTC), Americas (North, Central and South America), China, Asia (primarily South Korea, Taiwan, Hong Kong, India, and ASEAN), and EMEA (Europe, the Middle East, Africa, and Oceania).

Following reorganization aimed at achieving sustained growth of the Japan business, the Consumer Healthcare Business—Japan reporting segment of the previous fiscal year has now been integrated into the Japan pharmaceutical business reporting segment.

From the fiscal year ending March 31, 2017, the method for calculating the segment profit of pharmaceutical business and other business has changed. Following the change, other income and expenses that had been allocated to pharmaceutical business and other business in the consolidated statement of income until the previous fiscal year is now reported under Group headquarters' management costs and other expenses. These changes have no major impact on the condensed consolidated financial statements.

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

* All amounts are rounded to the nearest specified unit.

1. Consolidated Statement of Income

	FY 2015				FY 2016				(billions of yen) FY 2016	
	Q1	Ratio (%)	Full year	Ratio	Q1	Ratio (%)	YOY (%)	Diff.	Full year (est.)	Ratio (%)
Revenue	139.2	100.0	547.9	100.0	136.9	100.0	98.3	(2.3)	580.0	100.0
Cost of sales	49.4	35.5	194.5	35.5	49.8	36.4	100.8	0.4	210.5	36.3
Gross profit	89.8	64.5	353.5	64.5	87.1	63.6	97.0	(2.7)	369.5	63.7
Selling, general and administrative expenses	49.9	35.8	192.8	35.2	43.7	31.9	87.6	(6.2)	196.9	33.9
Selling expenses	16.0	11.5	61.2	11.2	12.5	9.1	78.2	(3.5)	-	-
Personnel expenses	22.3	16.0	82.1	15.0	19.8	14.4	88.5	(2.6)	-	-
Administrative and other expenses	11.6	8.3	49.6	9.1	11.4	8.3	98.8	(0.1)	-	-
Research and development expenses	32.7	23.5	122.3	22.3	26.2	19.1	80.0	(6.6)	124.2	21.4
Other income	0.4	0.3	17.7	3.2	10.3	7.5	2,455.4	9.9	5.3	0.9
Other expenses	0.0	0.0	4.1	0.7	1.7	1.3	3,734.4	1.7	-	-
Operating profit	7.6	5.5	51.9	9.5	25.8	18.9	339.1	18.2	53.7	9.3
Financial income	0.7	0.5	2.0	0.4	0.7	0.5	103.5	0.0	-	-
Financial costs	0.8	0.6	3.5	0.6	0.7	0.5	84.2	(0.1)	-	-
Profit before income taxes	7.4	5.3	50.5	9.2	25.8	18.8	346.8	18.4	52.2	9.0
Income taxes	1.9	1.4	(4.6)	(0.8)	4.9	3.6	254.5	3.0	-	-
Profit for the year	5.5	4.0	55.0	10.0	20.9	15.3	378.9	15.4	32.4	5.6
Attributable to									-	-
Owners of the parent	5.4	3.9	54.9	10.0	19.7	14.4	362.5	14.3	29.2	5.0
Non-controlling interests	0.1	0.1	0.1	0.0	1.2	0.9	1,563.3	1.1	-	-

Comprehensive income for the year	20.2	14.5	16.5	3.0	(23.0)	(16.8)	-	(43.2)
-----------------------------------	------	------	------	-----	--------	--------	---	--------

Earnings per share (EPS, yen)	19.1	192.2	69.0	102.1
Dividends per share (DPS, yen)		150.0		150.0
Return on equity (ROE, %)		9.4		5.0
Dividend on equity ratio (DOE, %)		7.3		7.3
Overseas revenue ratio (%)	45.0	46.0	43.2	

* Full year estimation for other income has had other expenses deducted from it.

* From this fiscal year, the breakdown of selling, general and administrative expenses has been rearranged. The figures for the previous fiscal year have been revised and restated to reflect this change.

Notes

Revenue	Growth of Lenvima and Fycompa Increase due to making EA Pharma Co., Ltd. a consolidated subsidiary Decrease due to pricing revisions in Japan and impact of exchange rates
Selling, general and administrative expenses	Better performance and efficiency of operations Decrease due to impact of exchange rates Expenses incurred in the previous fiscal year from structural reforms in the U.S.
Research and development expenses	Decrease due to impact of exchange rates
Other income	One-time income (gain from a bargain purchase) recorded in line with acquisition of subsidiary
Exchange rate effects	Revenue: - 8.4 billion yen, operating profit: - 1.0 billion yen
Exchange rate sensitivity (annual effect of a 1 yen appreciation in currency value)	Revenue (U.S. dollars: - 1.08 billion yen, Euro: - 240 million yen, U.K. pounds: - 30 million yen, Chinese renminbi: - 2.71 billion yen) Operating profit (U.S. dollars: 230 million yen, Euro: - 180 million yen, U.K. pounds: 80 million yen, Chinese renminbi: - 1.47 billion yen)

2. Capital Expenditures, Depreciation and Amortization

	(billions of yen)				
	FY 2015		FY 2016		
	Q1	Full year	Q1	Difference	Full year (est.)
Capital expenditures	1.3	19.8	17.1	15.8	19.0
Property, plant and equipment	1.0	12.8	4.7	3.7	9.0
Intangible assets	0.3	7.0	12.4	12.0	10.0
Depreciation and amortization	10.3	34.1	8.0	(2.4)	29.0
Property, plant and equipment	3.5	13.1	2.9	(0.6)	13.5
Intangible assets	6.8	21.0	5.1	(1.7)	15.5

*Capital expenditures are shown on an accrual basis

3. Segment Information

1) Revenue by Reporting Segment

	(billions of yen)				
	FY 2015		FY 2016		
	Q1	Full year	Q1	YOY (%)	CER YOY (%)
Pharmaceutical Business Total	135.3	531.8	135.1	99.8	106.0
Japan Pharmaceutical Business	73.8	284.9	77.1	104.5	104.5
Americas Pharmaceutical Business	29.8	122.2	29.2	98.1	110.2
United States	29.5	121.0	28.8	97.9	109.8
China Pharmaceutical Business	12.9	49.3	11.2	86.4	102.2
Asia Pharmaceutical Business	8.6	34.0	8.6	99.0	117.0
EMEA Pharmaceutical Business	10.2	41.3	9.0	89.0	99.7
Other Business	3.9	16.2	1.9	47.0	48.7
Consolidated revenue	139.2	547.9	136.9	98.3	104.3

* Indicates revenue from external customers

* CER=Constant Exchange Rates

2) Profit by Reporting Segment

	(billions of yen)				
	FY 2015		FY 2016		
	Q1	Full year	Q1	YOY (%)	CER YOY (%)
Pharmaceutical Business Total	42.0	168.9	45.7	108.8	116.5
Japan Pharmaceutical Business	31.9	114.3	29.1	91.4	91.4
Americas Pharmaceutical Business	1.9	23.6	7.0	362.0	420.5
China Pharmaceutical Business	4.0	12.6	3.6	90.9	119.7
Asia Pharmaceutical Business	2.3	8.3	2.6	113.1	139.8
EMEA Pharmaceutical Business	1.9	10.2	3.4	173.2	189.7
Other Business	0.6	3.3	0.5	93.2	92.6
R&D Expenses	(32.7)	(122.3)	(26.2)	80.0	86.5
Group headquarters' management costs and other expenses	(2.2)	(13.0)	(3.6)	162.6	163.2
Gain from a bargain purchase			9.3	-	-
Gain on sale of subsidiaries		15.0	0.1	-	-
Consolidated operating profit	7.6	51.9	25.8	339.1	352.8

* CER=Constant Exchange Rate

4. Financial Results by Reporting Segment

1) Japan Pharmaceutical Business

(billions of yen)

	FY 2015		Q1	YOY (%)
	Q1	Full year		
Revenue	73.8	284.9	77.1	104.5
Prescription medicines	61.5	233.9	65.3	106.3
Generics	6.9	28.5	7.1	103.1
Consumer Healthcare Business	4.0	18.1	4.7	116.6
Diagnostics	1.4	4.4	-	-
Segment profit	31.9	114.3	29.1	91.4
Japan prescription medicines - revenue from major products				
Fully human anti-TNF- monoclonal antibody Humira	8.1	32.6	9.4	115.8

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

(billions of yen)

	FY 2015		FY 2016	
	Q1	Full year	Q1	YOY (%)
Revenue	29.8	122.2	29.2	98.1 <110.2>
United States	29.5	121.0	28.8	97.9 <109.8>
Segment profit	1.9	23.6	7.0	362.0 <420.5>
Americas - revenue from major products				
Antiemetic agent Aloxi	13.5	54.7	12.0	89.2 <100.1>
United States	13.4	54.7	12.0	89.2 <100.1>
	[Millions USD] [111]	[455]	[111]	
Anticancer agent Halaven	4.4	18.3	4.2	95.1 <107.3>
United States	4.2	17.5	4.0	93.8 <105.3>
	[Millions USD] [35]	[146]	[37]	
Anticancer agent Lenvima	1.1	8.8	3.2	302.9 <340.0>
United States	1.1	8.8	3.2	301.9 <338.8>
	[Millions USD] [9]	[73]	[30]	
Antiepileptic agent Banzel	2.7	13.2	3.1	113.0 <126.8>
United States	2.7	13.1	3.0	113.2 <127.0>
	[Millions USD] [22]	[109]	[28]	
Proton-pump inhibitor AcipHex	2.5	8.3	1.8	72.4 <81.2>
	[Millions USD] [21]	[69]	[17]	
Antiepileptic agent Fycompa	0.7	3.8	1.2	163.6 <184.0>
United States	0.7	3.7	1.1	165.4 <185.6>
	[Millions USD] [6]	[31]	[11]	
Antiobesity agent BELVIQ	1.5	4.4	1.0	66.4 <74.5>
	[Millions USD] [12]	[37]	[9]	

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

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

3) China Pharmaceutical Business

(billions of yen)

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

(billions of yen)

	FY 2015		FY 2016	
	Q1	Full year	Q1	YOY (%)
Revenue	10.2	41.3	9.0	89.0 <99.7>
Segment profit	1.9	10.2	3.4	173.2 <189.7>
EMEA - revenue from major products				
Anticancer agent Halaven	3.4	13.2	2.7	79.2 <89.9>
Antiepileptic agent Zonegran	2.0	7.6	1.5	74.1 <83.2>
Antiepileptic agent Fycompa	0.7	3.6	1.1	150.4 <169.1>
Antiepileptic agent Zebinix	0.9	3.8	0.7	77.3 <85.7>
Antiepileptic agent Inovelon	0.5	2.2	0.5	86.3 <96.9>
Anticancer agent Lenvima	0.0	1.1	0.4	6077.2 <6735.9>

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

5. Revenue from Major Products

1) Neurology Products

	Q1	Full year	FY 2016	
			Q1	YOY (%)
Neurology Total	46.8	179.7	40.6	86.9 <92.8>
Aricept (treatment for Alzheimer's Disease / Dementia with Lewy Bodies)	18.0	63.3	13.2	73.3 <77.6>
Japan	11.4	40.5	8.9	78.2
China	1.4	5.6	1.4	100.1 <118.5>
Asia	2.6	10.0	2.4	91.3 <108.4>
Methycobal (Peripheral neuropathy treatment)	11.8	43.5	9.8	83.3 <90.6>
Japan	5.5	20.8	5.0	90.5
China	5.1	18.7	4.0	77.7 <92.0>
Asia	0.9	3.1	0.7	77.5 <91.8>
Lyrica (Pain treatment [neuropathic pain, fibromyalgia]) - Japan	5.7	24.7	6.1	106.5

2) Oncology Products

			FY 2016	
	Q1	Full year	Q1	YOY (%)
Oncology Products Total	27.9	118.4	28.5	101.9 <112.9>
Aloxi (Antiemetic agent) - United States	13.5	54.7	12.0	89.2 <100.1>

6. Revenue Forecasts by Reporting Segment (FY 2016)

(billions of yen)

	FY 2015		FY 2016	
	Q1	Full year	Q1	Full year (est.)
Japan	69.8	284.9	77.1	314.0
Prescription medicines	61.5	233.9	65.3	268.0
Fully human anti-TNF- monoclonal antibody				
Humira	8.1	32.6	9.4	39.0
Alzheimer's disease / Dementia with Lewy bodies treatment				
Aricept	11.4	40.5	8.9	33.5
Proton-pump inhibitor				
Pariet**	8.4	30.4	6.0	24.5
Peripheral neuropathy treatment				
Methycobal	5.5	20.8	5.0	19.0
Insomnia treatment				
Lunesta	1.4	6.0	1.9	11.0
Anticancer agent				
Halaven	1.8	6.8	2.0	10.0
Oral anticoagulant				
Warfarin	2.1	7.6	1.9	7.0
Elemental diet				
Elental**	-	-	1.6	6.5
Branched-chain amino acid preparation				
Livact**	-	-	1.9	6.0
Osteoporosis treatment				
Actonel	1.7	6.4	1.6	6.0
Generics	6.9	28.5	7.1	28.5
Consumer Healthcare Business - Japan	4.0	18.1	4.7	17.5
Vitamin B2 preparation, "Chocola BB Plus," etc.				
Chocola BB Group	2.5	11.1	3.2	11.0
Diagnostics	1.4	4.4	-	-
Americas	29.8	122.2	29.2	127.0
United States	29.5	121.0	28.8	123.5
China	12.9	49.3	11.2	53.0
Asia	8.6	34.0	8.6	34.5
EMEA	10.2	41.3	9.0	41.5
Other	3.9	16.2	1.9	10.0
Consolidated revenue	139.2	547.9	136.9	580.0
Global revenue from major products				
Aricept	18.0	63.3	13.2	52.0
Pariet/AcipHex	12.8	46.1	9.7	37.0
Halaven	10.1	40.2	9.4	49.0
Japan	1.8	6.8	2.0	10.0
Americas	4.4	18.3	4.2	21.5
Asia	0.4	1.9	0.5	2.0
EMEA	3.4	13.2	2.7	15.5
Lenvima	1.3	11.5	4.4	28.0
Japan	0.2	1.5	0.7	5.1
Americas	1.1	8.8	3.2	19.0
Asia		0.0	0.0	0.2
EMEA	0.0	1.1	0.4	3.7
Fycompa (excluding Japan)	1.5	7.6	2.3	13.5
Americas	0.7	3.8	1.2	8.0
Asia	0.0	0.1	0.1	0.3
EMEA	0.7	3.6	1.1	5.2

* Revenue for Fycompa in Japan for the first quarter of fiscal 2016 was 0.1 billion yen

** EA Pharma product

7. Consolidated Statement of Comprehensive Income

(billions of yen)

	FY 2015		FY 2016		
	Q1	Full year	Q1	YOY (%)	Diff.
Profit for the year	5.5	55.0	20.9	378.9	15.4
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Financial assets measured at fair value through other comprehensive income	2.8	1.6	(2.2)		(5.1)
Remeasurements of defined benefit plans		(6.8)			
Subtotal	2.8	(5.2)	(2.2)		(5.1)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	11.8	(32.7)	(41.4)		(53.1)
Cash flow hedges	0.0	(0.7)	(0.3)		(0.4)
Subtotal	11.8	(33.4)	(41.7)		(53.5)
Total other comprehensive income, net of tax	14.6	(38.6)	(43.9)		(58.6)
Comprehensive income for the year	20.2	16.5	(23.0)		(43.4)
Attributable to					
Owners of the parent	20.1	16.5	(24.1)		(44.2)
Non-controlling interests	0.1	(0.0)	1.2	1,499.6	1.1

8. Consolidated Statement of Cash Flows

(billions of yen)

	FY 2015	FY 2016	
	Q1	Q1	Diff.
Operating activities			
Profit before income taxes	7.4	25.8	18.4
Depreciation and amortization	10.3	8.0	(2.4)
Impairment losses			
(Increase) decrease in working capital	9.8	(23.9)	(33.7)
Interest and dividends received	0.6	0.7	0.1
Interest paid	(1.0)	(0.7)	0.3
Income taxes paid	(2.8)	(5.2)	(2.4)
Income taxes refund	0.2	0.3	0.1
Other	(3.5)	(9.8)	(6.3)
Net cash from operating activities	21.1	(4.8)	(25.9)
Investing activities			
Purchases of property, plant and equipment (1)	(1.5)	(1.4)	0.1
Proceeds from sales of property, plant and equipment (2)	0.2	0.2	0.0
Purchases of intangible assets (3)	(30.1)	(1.2)	28.9
Net cash inflow on acquisition of subsidiaries (4)		19.3	19.3
Net cash inflow on sale of subsidiaries (5)		6.5	6.5
<Capital expenditures (cash basis)> (1)+(2)+(3)+(4)+(5)	(31.4)	23.4	54.8
Purchases of financial assets	(4.5)	(2.7)	1.8
Proceeds from sales and redemption of financial assets	4.3	2.4	(1.9)
Payments of time deposits exceeding 3 months	(3.7)	(1.8)	1.9
Proceeds from redemption of time deposits exceeding 3 months	17.8	1.9	(16.0)
Other	(0.0)	0.1	0.1
Net cash from (used in) investing activities	(17.4)	23.4	40.8
Financing activities			
Net increase (decrease) in short-term borrowings	10.3		(10.3)
Proceeds from long-term borrowings		10.0	10.0
Repayment of long-term borrowings			
Redemption of bonds	(30.0)		30.0
Dividends paid	(22.9)	(22.9)	(0.0)
Other	0.1	(1.8)	(1.9)
Net cash from (used in) financing activities	(42.5)	(14.7)	27.8
Effect of exchange rate change on cash and cash equivalents	4.1	(10.4)	(14.6)
Net increase (decrease) in cash and cash equivalents	(34.6)	(6.6)	28.0
Cash and cash equivalents at beginning of year	173.3	179.3	6.0
Cash and cash equivalents at end of year	138.7	172.7	34.0
Free cash flow	(10.3)	18.7	28.9

* "Free cash flow" = "Net cash from operating activities" - "Capital expenditures (cash basis)"

Notes

Cash flow from operating activities:

Increase in profit before income taxes, changes in working capital

Cash flow from investing activities:

Net cash inflow on acquisition of subsidiaries, net cash inflow on sales of subsidiaries

Cash flow from financing activities:

Proceeds from long-term borrowings

9. Consolidated Statement of Financial Position

<Assets>

(billions of yen)

	March 31, 2016	Ratio (%)	June 30, 2016	Ratio (%)	% change	Diff.
Assets						
Non-current assets						
Property, plant and equipment	104.6	10.7	100.4	10.4	96.0	(4.2)
Goodwill	174.9	18.0	159.7	16.6	91.3	(15.2)
Intangible assets	104.2	10.7	104.5	10.8	100.3	0.3
Other financial assets	43.8	4.5	40.9	4.2	93.2	(3.0)
Other assets	7.1	0.7	8.8	0.9	122.7	1.6
Deferred tax assets	91.6	9.4	91.0	9.4	99.3	(0.6)
Total non-current assets	526.2	54.0	505.1	52.4	96.0	(21.1)
Current assets						
Inventories	73.7	7.6	73.1	7.6	99.2	(0.6)
Trade and other receivables	147.7	15.2	171.2	17.8	115.9	23.5
Other financial assets						

<Equity and Liabilities >

(billions of yen)

	March 31, 2016	Ratio (%)	June 30, 2016	Ratio (%)	% change	Diff.
Equity						
Equity attributable to owners of the parent						
Share capital	45.0	4.6	45.0	4.7	100.0	-
Capital surplus	58.2	6.0	77.6	8.1	133.2	19.3
Treasury shares	(36.2)	(3.7)	(36.4)	(3.8)	100.5	(0.2)
Retained earnings	395.0	40.6	389.7	40.5	98.7	(5.2)
Other components of equity	111.7	11.5	70.0	7.3	62.7	(41.7)
Total equity attributable to owners of the parent	573.7	58.9	545.9	56.7	95.2	(27.7)
Non-controlling interests	3.2	0.3	16.8	1.7	529.1	13.6
Total equity	576.8	59.2	562.7	58.4	97.5	(14.1)
Liabilities						
Non-current liabilities						
Borrowings	203.6	20.9	210.7	21.9	103.5	7.1
Other financial liabilities	3.2	0.3	3.6	0.4	111.1	0.4
Retirement benefit liabilities	13.2	1.4	13.8	1.4	104.4	0.6
Provisions	1.2	0.1	1.2	0.1	101.1	0.0
Other liabilities	21.0	2.2	21.1	2.2	100.5	0.1
Deferred tax liabilities	0.3	0.0	0.3	0.0	110.7	0.0
Total non-current liabilities	242.4	24.9	250.6	26.0	103.4	8.1
Current liabilities						
Trade and other payables	56.4	5.8	54.5	5.7	96.6	(1.9)
Other financial liabilities	4.2	0.4	6.1	0.6	144.3	1.9
Income tax payables						

10. Changes in Quarterly Results

1) Income Statement

(billions of yen)

	FY 2015				FY 2016
	Q1	Q2	Q3	Q4	Q1
Revenue	139.2	136.3	150.9	121.5	136.9
Cost of sales	49.4	50.1	49.8	45.2	49.8
Gross profit	89.8	86.2	101.2	76.3	87.1
Selling, general and administrative expenses	49.9	46.5	49.5	46.9	43.7
Selling expenses	16.0	15.5	14.8	14.9	12.5
Personnel expenses	22.3	19.8	20.2	19.8	19.8
Administrative and other expenses	11.6	11.2	14.6	12.2	11.4
Research and development expenses	32.7	30.1	28.5	30.9	26.2
Other income	0.4	1.5	8.3	7.4	10.3
Other expenses	0.0	0.6	0.8	2.6	1.7
Operating profit	7.6	10.5	30.6	3.3	25.8
Financial income	0.7	0.3	0.6	0.4	0.7
Financial costs	0.8	0.9	1.0	0.7	0.7
Profit before income taxes	7.4	9.9	30.2	3.0	25.8
Income taxes	1.9	4.3	2.9	(13.7)	4.9
Profit for the period	5.5	5.6	27.3	16.6	20.9
Attributable to					
Owners of the parent	5.4	5.6	27.3	16.6	19.7
Non-controlling interests	0.1	0.0	(0.0)	0.0	1.2
Comprehensive income for the period	20.2	(9.9)	30.5	(24.3)	(23.0)
Earnings per share (EPS, yen)	19.1	19.5	95.5	58.1	69.0

* From this fiscal year, the breakdown of selling, general and administrative expenses has been rearranged. The figures for the previous fiscal year have been revised and restated to reflect this change.

2) Capital Expenditures, Depreciation and Amortization

(billions of yen)

	FY 2015				FY 2016
	Q1	Q2	Q3	Q4	Q1
Capital expenditures	1.3	2.0	11.0	5.5	17.1
Property, plant and equipment	1.0	1.5	6.3	4.0	4.7
Intangible assets	0.3	0.5	4.7	1.5	12.4
Depreciation and amortization	10.3	10.1	7.0	6.6	8.0
Property, plant and equipment	3.5	3.3	3.2	3.1	2.9
Intangible assets	6.8	6.9	3.8	3.5	5.1

* Capital expenditures are shown on an accrual basis

3) Cash Flows

(billions of yen)

FY 2016

	Q1	Q2	Q3	Q4	Q1
Cash flow from operating activities	21.1	22.7	17.7	34.1	(4.8)
Cash flow from investing activities	(17.4)	4.0	2.5	4.3	23.4
Cash flow from financing activities	(42.5)	(0.0)	(9.6)	(20.9)	(14.7)
Cash and cash equivalents at the end of period	138.7	160.1	170.0	179.3	172.7
Free cash flow	(10.3)	33.6	19.6	38.2	18.7

4) Financial Positions

(billions of yen)

Total assets	1,001.7	987.1	1,018.2	974.0	963.1
Equity	599.7	590.0	600.6	576.8	562.7
Attributable to owners of the parent	596.3	586.7	597.3	573.7	545.9
Liabilities	402.0	397.1	417.6	397.2	400.4
Borrowings	217.0	216.3	227.0	203.6	210.7
Ratio of equity attributable to owners of the parent (%)					

5) Changes in Quarterly Revenue from Major Products

(1) Neurology Products

	(billions of yen)				
	FY 2015			FY 2016	
	Q1	Q2	Q3	Q4	Q1
Neurology Total	46.8	45.6	49.5	37.9	40.6
Aricept (treatment for Alzheimer's Disease / Dementia with Lewy Bodies)	18.0	16.0	17.6	11.7	13.2
Japan	11.4	10.1	12.0	7.0	8.9
China	1.4	1.4	1.4	1.5	1.4
Asia	2.6	2.5	2.6	2.3	2.4
Methycobal (Peripheral neuropathy treatment)	11.8	11.2	11.8	8.8	9.8
Japan	5.5	5.0	5.9	4.3	5.0
China	5.1	5.2	4.8	3.6	4.0
Asia	0.9	0.9	0.7	0.6	0.7
Lyrica (Pain treatment [neuropathic pain, fibromyalgia]) - Japan	5.7	6.1	6.9	6.0	6.1
Inovelon/Banzel (Antiepileptic agent)	3.4	4.0	4.5	4.0	3.7
Americas	2.7	3.3	3.8	3.4	3.1
EMEA					

11. Major R&D Pipeline

In-House R&D Pipeline List

Product Name / Development Code	Additional Indication, etc.**	Development Stage***	Therapeutic Area****
New Approval			
Halaven (Liposarcoma)	AI	(EU) approved	Oncology
Fycompa (Oral suspension)	AF	(US) approved	Neurology
Lenvima (Renal cell carcinoma)	AI	(US) approved	Oncology
BELVIQ (Once-daily formulation)	AF	(US) approved	Neurology
Submitted / Preparing for Submission			

(1) Neurology

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

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

Severe Alzheimer's disease (Additional Indication) Study 339

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

Indications / Drug class: Antiobesity agent / serotonin 2C receptor agonist

In-license (Arena Pharmaceuticals)

Description: Antiobesity agent with novel mechanism of action. By selectively activating serotonin 2C receptors in the brain, it is believed to decrease food consumption and promote satiety. Approved in the United States by the U.S. Food and Drug Administration in June 2012 as an adjunct to a reduced-calorie diet and increased physical activity for chronic weight management in adult patients

(2) Oncology

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

Indications / Drug class: Anticancer agent / microtubule dynamics inhibitor	In-house
Description: A synthetic analog of halichondrin B derived from the marine sponge, <i>Halichondria okadai</i> . Shows an antitumor effect by arresting the cell cycle through inhibition of the growth of microtubules. Approved in over 60 countries including in the United States, in Europe, Japan and Asia for use in chemotherapy for breast cancer. Approved in countries including the United States, Japan and in Europe for use in the treatment of soft tissue sarcoma.	

Breast cancer

Study

304

Development progress from April 2016 onwards

(3) Gastrointestinal Disorders

Development progress from April 2016 onwards

Development Code: **E6007**

Inflammatory bowel disease (integrin activation inhibitor)

JP: PI

In-house (development conducted
by EA Pharma)

Oral

(4) Other

Development Code: **E6011**