Securities Code: 4523

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

Reference Data

August 3, 2016

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Forward-Looking Statements and Risk Factors

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

Risks that may cause significant fluctuations in the consolidated results of the Eisai Group or have a material effect on 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 regulations, litigation, closure or shutdown of production plants, safety and quality of raw materials, outsourcing, environmental issues, IT security and information management, financial market conditions and currency movement, internal control systems, and disasters.

This English presentation was translated from the original Japanese version. In the event of any inconsistency between the statements in the two versions, the statements in the Japanese version shall prevail.

Contents

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

(billions of yen)

	FY 2015				FY 2016				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 Rates

*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. The figures for the previous fiscal year have been revised and restated to reflect this change.

4. Financial Results by Reporting Segment

1) Japan Pharmaceutical Business

(billions of yen)

	FY 2015		FY 2016	
	Q1	Full year	Q1	YOY (%)
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-α monoclonal antibody Humira	8.1	32.6	9.4	115.8
Alzheimer's disease / Dementia with Lewy bodies treatment Aricept	11.4	40.5	8.9	78.2
Pain treatment (neuropathic pain, fibromyalgia) Lyrica	5.7	24.7	6.1	106.5
Proton-pump inhibitor Pariet**	8.4	30.4	6.0	71.0
Peripheral neuropathy treatment Methycobal	5.5	20.8	5.0	90.5
Anticancer agent Halaven	1.8	6.8	2.0	108.3
Oral anticoagulant Warfarin	2.1	7.6	1.9	92.2
Branched-chain amino acid preparation Livact**	—	—	1.9	–
Insomnia treatment Lunesta	1.4	6.0	1.9	136.3
Elemental diet Elental**	—	—	1.6	–
Osteoporosis treatment Actonel	1.7	6.4	1.6	91.2
Anticancer agent Lenvima	0.2	1.5	0.7	367.1
Antiepileptic agent Fycompa	—	—	0.1	–
Consumer Healthcare Business—Japan - revenue from major products				
Vitamin B2 preparation, "Chocola BB Plus," etc. Chocola BB Group	2.5	11.1	3.2	126.0

* The revenue for Pariet includes the revenue for triple formulation packs for *Helicobacter pylori* eradication, Rabecure Pack 400/800 and Rabefine Pack.
* Co-promotion income has been booked as the revenue for Lyrica.
* The Company's diagnostics subsidiary EIDIA Co., Ltd. was transferred on December 28, 2015.

** EA Pharma product

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 [Millions USD]	13.4 [111]	54.7 [455]	12.0 [111]	89.2 <100.1>
Anticancer agent Halaven	4.4	18.3	4.2	95.1 <107.3>
United States [Millions USD]	4.2 [35]	17.5 [146]	4.0 [37]	93.8 <105.3>
Anticancer agent Lenvima	1.1	8.8	3.2	302.9 <340.0>
United States [Millions USD]	1.1 [9]	8.8 [73]	3.2 [30]	301.9 <338.8>
Antiepileptic agent Banzel	2.7	13.2	3.1	113.0 <126.8>
United States [Millions USD]	2.7 [22]	13.1 [109]	3.0 [28]	113.2 <127.0>
Proton-pump inhibitor AcipHex [Millions USD]	2.5 [21]	8.3 [69]	1.8 [17]	72.4 <81.2>
Antiepileptic agent Fycompa	0.7	3.8	1.2	163.6 <184.0>
United States [Millions USD]	0.7 [6]	3.7 [31]	1.1 [11]	165.4 <185.6>
Antiobesity agent BELVIQ [Millions USD]	1.5 [12]	4.4 [37]	1.0 [9]	66.4 <74.5>

* 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)

	FY 2015		FY 2016	
	Q1	Full year	Q1	YOY (%)
Revenue	12.9	49.3	11.2	86.4 <102.2>
Segment profit	4.0	12.6	3.6	90.9 <119.7>
China - revenue from major products				
Peripheral neuropathy treatment Methycobal [Millions RMB]	5.1 [261]	18.7 [993]	4.0 [240]	77.7 <92.0>
Liver disease / Allergic disease agents Stronger Neo-Minophagen C and Glycyron Tablets [Millions RMB]	2.3 [116]	9.3 [492]	2.1 [126]	91.5 <108.3>
Alzheimer's disease treatment Aricept [Millions RMB]	1.4 [70]	5.6 [295]	1.4 [84]	100.1 <118.5>
Proton pump inhibitor Pariet [Millions RMB]	0.9 [46]	3.3 [173]	0.9 [55]	100.4 <118.9>

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

4) Asia Pharmaceutical Business (mainly South Korea, Taiwan, Hong Kong, India and ASEAN)

(billions of yen)

	FY 2015		FY 2016	
	Q1	Full year	Q1	YOY (%)
Revenue	8.6	34.0	8.6	99.0 <117.0>
Segment profit	2.3	8.3	2.6	113.1 <139.8>
Asia - revenue from major products				
Alzheimer's disease treatment Aricept	2.6	10.0	2.4	91.3 <108.4>
Fully human anti-TNF-α monoclonal antibody Humira	2.2	9.0	2.4	106.4 <126.3>
Proton-pump inhibitor Pariet	0.8	3.5	0.9	105.8 <124.5>
Peripheral neuropathy treatment Methycobal	0.9	3.1	0.7	77.5 <91.8>
Anticancer agent Halaven	0.4	1.9	0.5	110.6 <130.7>
Anticancer agent Lenvima	—	0.0	0.0	— <—>

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

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

(billions of yen)

	FY 2015		FY 2016	
	Q1	Full year	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
Inovelon/Banzel (Antiepileptic agent)	3.4	15.8	3.7	108.7 <121.8>
Americas	2.7	13.2	3.1	113.0 <126.8>
EMEA	0.5	2.2	0.5	86.3 <96.9>
Fycompa (Antiepileptic agent)	1.5	7.6	2.5	169.2 <189.5>
Japan	—	—	0.1	—
Americas	0.7	3.8	1.2	163.6 <184.0>
Asia	0.0	0.1	0.1	5454.1 <6464.6>
EMEA	0.7	3.6	1.1	150.4 <169.1>
Lunesta (Insomnia treatment) - Japan	1.4	6.0	1.9	136.3
Zonegran (Antiepileptic agent)	2.4	9.2	1.6	67.3 <75.8>
EMEA	2.0	7.6	1.5	74.1 <83.2>
BELVIQ (Antiobesity agent) - United States	1.5	4.4	1.0	66.4 <74.5>
Zebinix (Antiepileptic agent) - EMEA	0.9	3.8	0.7	77.3 <85.7>
Other	0.3	1.3	0.3	83.5 <83.5>

* Year-on-year percentage: figures shown in angle brackets "< >" exclude the effects of foreign currency fluctuations.
* Indication of Aricept for the treatment of dementia with Lewy bodies is approved only in Japan and the Philippines.
* Co-promotion revenue has been booked for Lyrica

2) Oncology Products

(billions of yen)

	FY 2015		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>
Halaven (Anticancer agent)	10.1	40.2	9.4	92.7 <102.6>
Japan	1.8	6.8	2.0	108.3
Americas	4.4	18.3	4.2	95.1 <107.3>
Asia	0.4	1.9	0.5	110.6 <130.7>
EMEA	3.4	13.2	2.7	79.2 <89.9>
Lenvima (Anticancer agent)	1.3	11.5	4.4	347.6 <382.8>
Japan	0.2	1.5	0.7	367.1
Americas	1.1	8.8	3.2	302.9 <340.0>
Asia	—	0.0	0.0	—
EMEA	0.0	1.1	0.4	6077.2 <6735.9>
Treakisym/Symbenda (Anticancer agent)	1.1	4.1	1.1	100.1 <101.3>
Other	2.0	7.9	1.6	79.7 <88.4>

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

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

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-α 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)

	FY 2015		FY 2016			
	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	19.5	2.0	19.5	2.0	99.7	(0.1)
Other assets	20.3	2.1	21.5	2.2	106.1	1.2
Cash and cash equivalents	176.8	18.2	172.7	17.9	97.7	(4.1)
Subtotal	438.0	45.0	458.0	47.6	104.6	20.0
Assets held for sales	9.8	1.0	—	—	—	(9.8)
Total current assets	447.8	46.0	458.0	47.6	102.3	10.2
Total assets	974.0	100.0	963.1	100.0	98.9	(10.9)

Notes

Assets

Increase due to acquisition of EA Pharma Co., Ltd.

Decrease in assets at overseas subsidiaries due to strong yen

Decrease in assets held for sale due to transfer of Sannova Co., Ltd.

<Equity and Liabilities >

(billions of yen)

	FY 2015		FY 2016			
	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	5.4	0.6	4.4	0.5	80.7	(1.0)
Provisions	11.1	1.1	10.9	1.1	97.6	(0.3)
Other liabilities	74.7	7.7	73.9	7.7	98.9	(0.8)
Subtotal	151.9	15.6	149.8	15.6	98.6	(2.2)
Liabilities directly associated with assets held for sale	2.8	0.3	–	–	–	(2.8)
Total current liabilities	154.7	15.9	149.8	15.6	96.8	(4.9)
Total liabilities	397.2	40.8	400.4	41.6	100.8	3.2
Total equity and liabilities	974.0	100.0	963.1	100.0	98.9	(10.9)

Notes

Equity

Increase in capital surplus due to acquisition of EA Pharma Co., Ltd.

Decrease in other components of equity due to decrease in exchange differences on translation from the end of the previous fiscal year

Liabilities

Increase in borrowings

Decrease in liabilities directly associated with assets held for sale due to transfer of Sannova Co., Ltd.

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 2015				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

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

4) Financial Positions

(billions of yen)

	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016
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 (%)	59.5	59.4	58.7	58.9	56.7
Liabilities ratio (Net DER / times)	0.11	0.06	0.06	0.01	0.04

* "Liabilities ratio (Net DER)"=("Interest-bearing debt" ("Bonds and borrowings") - "Cash and cash equivalents" - "Time deposits exceeding three months, etc.") / "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	0.5	0.5	0.6	0.5	0.5
Fycompa (Antiepileptic agent)	1.5	1.8	2.2	2.2	2.5
Japan	—	—	—	—	0.1
Americas	0.7	0.9	1.1	1.1	1.2
Asia	0.0	0.0	0.0	0.1	0.1
EMEA	0.7	0.8	1.0	1.0	1.1
Lunesta (Insomnia treatment) - Japan	1.4	1.5	1.7	1.4	1.9
Zonegran (Antiepileptic agent)	2.4	2.6	2.5	1.6	1.6
EMEA	2.0	2.0	2.1	1.5	1.5
BELVIQ (Antiobesity agent) - United States	1.5	1.1	1.0	0.9	1.0
Zebinix (Antiepileptic agent) - EMEA	0.9	1.0	0.9	1.1	0.7
Other	0.3	0.3	0.4	0.3	0.3

* Indication of Aricept for the treatment of dementia with Lewy bodies is approved only in Japan and the Philippines.

* Co-promotion revenue has been booked for Lyrica

(2) Oncology Products

(billions of yen)

	FY 2015				FY 2016
	Q1	Q2	Q3	Q4	Q1
Oncology Total	27.9	29.5	31.2	29.8	28.5
Aloxi (Antiemetic agent) - Americas	13.5	14.1	14.2	12.9	12.0
Halaven (Anticancer agent)	10.1	9.8	10.2	10.1	9.4
Japan	1.8	1.6	1.8	1.5	2.0
Americas	4.4	4.6	4.4	5.0	4.2
Asia	0.4	0.5	0.5	0.5	0.5
EMEA	3.4	3.2	3.4	3.2	2.7
Lenvima (Anticancer agent)	1.3	2.8	3.6	3.8	4.4
Japan	0.2	0.4	0.5	0.5	0.7
Americas	1.1	2.2	2.7	2.9	3.2
Asia	—	—	0.0	0.0	0.0
EMEA	0.0	0.2	0.4	0.5	0.4
Treakisym/Symbenda (Anticancer agent)	1.1	1.0	1.2	0.9	1.1
Other	2.0	1.8	2.0	2.1	1.6

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			
Aricept (Severe Alzheimer's disease)	AI	(CN) submitted	Neurology
Fycompa (Oral suspension)	AF	(EU) submitted	Neurology
Lenvima (Renal cell carcinoma)	AI	(EU) submitted	Oncology
◎ Halaven (Breast cancer)		(CN) preparing for submission	Oncology
Clinical Trial Stage			
◎ E2006 (Insomnia)		(JP/US/EU) PIII	Neurology
AJG511 (Ulcerative colitis)*		(JP) PIII	GI
AJG533 (Chronic constipation)*		(JP) PIII	GI
AJM300 (Ulcerative colitis)*		(JP) PIII	GI
AJG555 (Chronic constipation)*		(JP) PIII	GI
Livact (Hypoalbuminemia)		(CN) PIII	GI
Halaven (Non-small cell lung cancer)	AI	(JP/US/EU/AS) PIII	Oncology
Lenvima (Hepatocellular carcinoma)	AI	(JP/US/EU/CN/AS) PIII	Oncology
Pariet (Maintenance therapy for proton pump inhibitor (PPI)-resistant reflux esophagitis) *	AI	(JP) PIII	GI
BAN2401 (Alzheimer's disease)		(JP/US/EU) PII	Neurology
E2609 (Alzheimer's disease)		(US) PII	Neurology
MORAb-003 (Platinum-sensitive ovarian cancer)		(JP/US/EU) PII	Oncology
MORAb-003 (Non-small cell lung cancer)		(US/EU) PII	Oncology
MORAb-004 (Melanoma)		(US/EU) PII	Oncology
MORAb-004 (Colorectal cancer)		(US/EU) PII	Oncology
MORAb-004 (Soft tissue sarcoma)		(US/EU) PII	Oncology
MORAb-009 (Mesothelioma)		(US/EU) PII	Oncology
E7820 (Colorectal cancer)		(US/EU) PII	Oncology
E7777 (Peripheral T-cell lymphoma, cutaneous T-cell lymphoma)		(JP) PII	Oncology
Halaven (Combination therapy with anti-PD1 antibody pembrolizumab in breast cancer)		(US) PI/II	Oncology
Lenvima (Combination therapy with anti-PD1 antibody pembrolizumab in select solid tumors)		(US) PI/II	Oncology
◎ Halaven (Combination therapy with PEGPH20 in breast cancer)		(US) PI/II	Oncology
Fycompa (Pediatric partial-onset seizures)	AI	(US/EU) PII	Neurology
Aricept (Regression symptoms in people with Down syndrome)	AI	(JP) PII	Neurology
Halaven (Bladder cancer)	AI	(US/EU) PI/II	Oncology
Lenvima (Endometrial cancer)	AI	(US/EU) PII	Oncology
Lenvima (Melanoma)	AI	(US/EU) PII	Oncology
Lenvima (Non-small cell lung cancer, Third-line, monotherapy)	AI	(US/EU) PII	Oncology
Lenvima (Non-small cell lung cancer, RET translocations)	AI	(JP/US/EU/AS) PII	Oncology
Lenvima (Biliary tract cancer)	AI	(JP) PII	Oncology
E6011 (Rheumatoid arthritis)		(JP) PI/II	Other
E6011 (Crohn's disease)*		(JP) PI/II	Other
BELVIQ (Obesity)		(JP) PI	Neurology
E2027 (Alzheimer's disease)		(US) PI	Neurology
E7090 (Solid tumors)		(JP) PI	Oncology
MORAb-066 (Solid tumors)		(US) PI	Oncology
E7046 (Solid tumors)		(US/EU) PI	Oncology
◎ H3B-6527 (Hepatocellular carcinoma)		(US) PI	Oncology
E6007 (Inflammatory bowel disease)*		(JP) PI	GI
MORAb-022 (Rheumatoid arthritis)		(US) PI	Other
E6071 (Autoimmune disease)		(EU) PI	Other
Lenvima (Renal cell carcinoma)	AI	(JP) PI	Oncology
Aricept (Transdermal formulation)	AF	(JP) PI	Neurology
Halaven (Liposome formulation)	AF	(EU) PI	Oncology

* EA Pharma pipeline product ** AI: Additional Indication, AF: Additional Formulation *** P: Clinical Phase; JP: Japan, US: United States, EU: Europe, CN: China, AS: Asia (excluding Japan and China) ****GI: Gastrointestinal Disorders

◎ Development progress from April 2016 onwards

(1) Neurology

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

Indications / Drug class: Treatment for Alzheimer's disease / dementia with Lewy bodies			In-house	
Description: Increases levels of the neurotransmitter acetylcholine in the brain by inhibiting the enzyme acetylcholinesterase from breaking down acetylcholine, thereby slowing the overall progression of symptoms associated with Alzheimer's disease (AD). Currently approved in more than 90 countries around the world for the treatment of mild to moderate AD. Also approved as a treatment for patients with severe AD in numerous countries including the United States, Japan, Canada, and several other Asian and Latin American countries. Approved in Japan and the Philippines for dementia with Lewy bodies.				
Severe Alzheimer's disease (Additional Indication)	Study	339	CN: Submitted (February 2015)	Oral
Regression symptoms in people with Down syndrome (Additional Indication)		345	JP: PII	Oral
Transdermal formulation (E2022, Additional Formulation)			JP: PI	Collaboration with Teikoku Pharmaceuticals	Patch

Development Code: **E2007** Generic Name: **perampanel** Product Name: **Fycompa**

Indications / Drug class: Antiepileptic agent / AMPA receptor antagonist			In-house	
Description: A selective antagonist against the AMPA receptor (a glutamate receptor subtype). Approved as an adjunctive therapy for partial-onset seizures in over 50 countries including Japan, in Europe, the United States, and Asia. Also approved as an adjunctive therapy for primary generalized tonic-clonic seizures in countries such as Japan, the United States and in Europe.				
Oral suspension (Additional Formulation)		◎	US: approved (April 2016) EU: submitted (June 2015)	Oral
Pediatric partial-onset seizures (Additional Indication)	232		US/EU: PII	Oral

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

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

Development Code: **BAN2401**

Indications / Drug class: Anti-Alzheimer's agent / humanized anti-Aβ protofibril monoclonal antibody			In-license (BioArctic Neuroscience)	
Description: A humanized lgG1 monoclonal antibody that targets amyloid beta (Aβ) protofibrils. Expected to be effective in the treatment of Alzheimer's disease by halting disease progression through the elimination of neurotoxic Aβ protofibrils.				
Alzheimer's disease	Study 201	JP/US/EU: PII	Joint development with Biogen Inc.	Inj.

Development Code: **E2609**

Indications / Drug class: Anti-Alzheimer's agent / beta secretase cleaving enzyme (BACE) inhibitor			In-house	
Description: By inhibiting beta-site amyloid precursor protein cleaving enzymes (BACE), the agent reduces the amount of amyloid beta in the brain, potentially improving symptoms and slowing the progression of Alzheimer's disease.				
Alzheimer's disease	Study 202	US: PII	Joint development with Biogen Inc.	Oral

◎ Development progress from April 2016 onwards

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 with an initial body mass index (BMI) of 30 kg/m^2 or greater (obese) or 27 kg/m^2 or greater (overweight) in the presence of at least one weight-related comorbid condition. Launched in the United States in June 2013 after receiving a final scheduling designation from the U.S. Drug Enforcement Administration (DEA). Also approved in Mexico in July 2016.		
◎ Obesity once-daily formulation (Additional Formulation)	US: approved (July 2016)	Oral
Obesity	JP: PI	Oral

Development Code: **E2027**

Alzheimer's disease	US: PI	In-house	Oral

◎ Development progress from April 2016 onwards

(2) Oncology

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

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

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

Indications / Drug class: Anticancer agent / molecular targeted drug					In-house
Description: Discovered and developed in-house, the agent is an orally administered multiple receptor tyrosine kinase (RTK) inhibitor that selectively inhibits the kinase activities of vascular endothelial growth factor receptors (VEGFR) and fibroblast growth factor receptors (FGFR) in addition to other proangiogenic and oncogenic pathway related RTKs (including the platelet-derived growth factor receptor (PDGFR), KIT and RET) involved in angiogenesis and tumor proliferation. Confirmed through X-ray crystal structural analysis to be the first compound to demonstrate a new binding mode (Type V) to VEGFR2, exhibiting rapid and potent inhibition of kinase activity, according to kinetic analysis. Approved as a treatment for refractory thyroid cancer in over 45 countries including the United States, Japan, in Europe and South Korea.					
	Renal cell carcinoma (Additional Indication)	Study 205	◎	US: approved (May 2016) EU: submitted (January 2016) JP: PI	Oral
	Hepatocellular carcinoma (Additional Indication)	304		JP/US/EU/CN/AS: PIII	Submission Target: FY2016	Oral
	Endometrial cancer (Additional Indication)	204		US/EU: PII		Oral
	Melanoma (Additional Indication)	702		US/EU: PII		Oral
	Non-small cell lung cancer (Third-line, Monotherapy) (Additional Indication)	703		US/EU: PII		Oral
	Non-small cell lung cancer (RET translocations) (Additional Indication)	209		JP/US/EU/AS: PII		Oral
	Biliary tract cancer (Additional Indication)	215		JP: PII		Oral
	Select solid tumors (in combination with anti-PD1 antibody pembrolizumab)	111		US: PI/II	Co-development with Merck & Co., Inc., Kenilworth, NJ, USA	Oral /Inj.

Development Code: **MORAb-003** Generic Name: **farletuzumab**

Indications / Drug class: Anticancer agent / humanized anti-FRA monoclonal antibody				In-house
Description: A humanized IgG1 monoclonal antibody that targets folate receptor alpha (FRA). Expected to show an antitumor effect against cancers that over-express FRA.				
	Platinum-sensitive ovarian cancer	Study 011	JP/US/EU: PII	Inj.
	Non-small cell lung cancer	009	US/EU: PII	Inj.

◎ Development progress from April 2016 onwards

Development Code: **MORAb-004**

Indications / Drug class: Anticancer agent / humanized anti-endosialin monoclonal antibody			In-house
Description: A humanized IgG1 monoclonal antibody that targets Tumor Endothelial Marker 1 (TEM-1) / endosialin. Expected to show an antitumor effect against cancers that express endosialin.			
Melanoma	Study 201	US/EU: PII	Inj.
Colorectal cancer	202	US/EU: PII	Inj.
Soft tissue sarcoma	203	US/EU: PII	Inj.

Development Code: **MORAb-009** Generic Name: **amatuximab**

Indications / Drug class: Anticancer agent / chimeric anti-mesothelin monoclonal antibody			In-house
Description: A chimeric IgG1 monoclonal antibody that targets mesothelin. Expected to show an antitumor effect against cancers that express mesothelin.			
Mesothelioma	Study 003/201	US/EU: PII	Inj.

Development Code: **E7820**

Indications / Drug class: Anticancer agent / alpha 2 integrin expression inhibitor			In-house
Description: An anti-angiogenic agent that inhibits the expression of alpha 2 integrin, a vascular endothelial cell adhesion molecule.			
Colorectal cancer	Study 702	US/EU: PII	Oral

Development Code: **E7777**

Indications / Drug class: Anticancer agent / interleukin-2 diphtheria toxin fusion protein			In-house
Description: A fusion protein that combines the interleukin-2 (IL-2) receptor binding domain with diphtheria toxins. Specifically binds to IL-2 receptors on the cell surface, causing diphtheria toxins that have entered cells to inhibit protein synthesis.			
Peripheral T-cell lymphoma and cutaneous T-cell lymphoma	Study 205	JP: PII	Inj.

Development Code: **E7090**

Solid tumors	JP: PI	In-house	Oral

Development Code: **MORAb-066**

Solid tumors	US: PI	In-license (Janssen Biotech)	Inj.

Development Code: **E7046**

Solid tumors	US/EU PI	In-house	Oral

Development Code: **H3B-6527**

◎ Hepatocellular carcinoma	US PI	In-house	Oral

◎ Development progress from April 2016 onwards

(3) Gastrointestinal Disorders

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

Indications / Drug class: Proton pump inhibitor			In-house
Description: A proton pump inhibitor approved for the treatment of gastric and duodenal ulcers, reflux esophagitis, eradication of *Helicobacter pylori* infections and triple formulation packs (combination packs) for *H. pylori* eradication that include rabeprazole. Approved for the prevention of recurrent gastric or duodenal ulcer caused by low-dose aspirin therapy as well as 5 mg tablet formulation in December 2014.			
Maintenance therapy for proton pump inhibitor (PPI)-resistant reflux esophagitis (Additional Indication)	Study 311	JP: PIII	Submission Target: FY2016 Development conducted by EA Pharma Oral

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

Indications / Drug class: Ulcerative colitis treatment / locally-active steroid			In-license (Dr. Falk Pharma)
Description: The first rectal foam product in Japan containing budesonide as active ingredient. Budesonide is a locally-active steroid and, thus, is expected to reduce systemic side effects. In addition, AJG511 is a foam type product that can reach the inflamed sites of rectum and sigmoid colon by rectal administration, and has a characteristic feature of preventing leakage after administration. Budesonide rectal foam is already available on the market in Europe.			
Ulcerative colitis		JP: PIII	Submission Target: FY2016 Joint development by Kissei Pharmaceutical and EA Pharma Foam

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

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

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

Indications / Drug class: Ulcerative colitis treatment / α4 integrin antagonist			In-house
Description: Novel α4 integrin antagonist with a new action mechanism of suppressing excessive invasion of lymphocytes into inflamed sites. Aiming to be marketed as the first orally-available α4 integrin antagonist in the world to be effective in ulcerative colitis.			
Ulcerative colitis		JP: PIII	Joint development by Kissei Pharmaceutical and EA Pharma Oral

Development Code: **AJG555**

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

Generic Name: **isoleucine, leucine and valine granules** Product Name: **Livact Granules**

Indications / Drug class: Branched-chain amino acid formula			In-house
Description: A branched-chain amino acid formula developed by Ajinomoto that increases serum albumin levels in patients with decompensated hepatic cirrhosis. Approved in Japan for improvement of hypoalbuminemia in patients with decompensated hepatic cirrhosis that have hypoalbuminemia despite adequate dietary intake", and marketed by EA Pharma.			
Hypoalbuminemia		CN: PIII	Submission Target: FY2017 Oral

◎ 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**

Indications / Drug class: Anti-Fractalkine antibody		In-house	
Rheumatoid arthritis	JP: PI/II		Inj.
Crohn's disease	JP: PI/II	Development conducted by EA Pharma	Inj.

Development Code: **MORAb-022**

Rheumatoid arthritis (antibody)	US: PI	In-house	Inj.

Development Code: **E6071(GSK3050002)**

Autoimmune disorder (antibody)	EU: PI	In-house (joint development with GlaxoSmithKline)	Inj.

◎ Development progress from April 2016 onwards