Securities Code: 4523

FY 2017 (Ending March 31, 2018)
Third Quarter Financial Results

Reference Data

February 2, 2018

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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, risks related to product safety and quality, possible occurrence of side effects, lawsuits, changes in laws and regulations, intellectual property, uncertainties in new drug development, impact of medical cost containment measures, generic products, challenges arising in overseas operations, alliances with other companies, acquisitions of companies and product lines, outsourcing, IT security and information management, internal control systems for financial reporting, financial market conditions and currency movement, plant closure or shutdown, environmental issues, 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 2016 Q3	Q3 YTD Average Rate	106.62	118.02	141.85	15.95
	Quarter End Rate	116.49	122.70	143.00	16.76
FY 2016	Yearly Average Rate	108.38	118.78	141.59	16.10
	Year End Rate	112.19	119.79	140.08	16.29
FY 2017 Q3	Q3 YTD Average Rate	111.70	128.52	145.74	16.64
	Quarter End Rate	113.00	134.94	151.95	17.29
FY 2017	Forecast Rate	113.00	120.00	141.00	16.30

* Eisai Co., Ltd. (“the Company") discloses its consolidated financial statements according to the International Financial Reporting Standards (IFRS).
* The Eisai Group's ("the Group") business is comprised of pharmaceutical business and other business. The pharmaceutical business is organized into the following five reporting segments in this report: Japan (primarily Prescription Medicines, Generics, and OTC), Americas (North, Central and South America), China, EMEA (Europe, the Middle East, Africa, and Oceania) and Asia (mainly South Korea, Taiwan, Hong Kong, India, and ASEAN).
* All amounts are rounded to the nearest specified unit.

1. Consolidated Statement of Income

(billions of yen)

	FY 2016				FY 2017				FY 2017	
	Q3 YTD	Ratio (%)	Full year	Ratio (%)	Q3 YTD	Ratio (%)	YOY (%)	Diff.	Full year (forecasts)	Ratio (%)
Revenue	409.2	100.0	539.1	100.0	439.9	100.0	107.5	30.7	575.5	100.0
Cost of sales	147.9	36.1	195.9	36.3	156.2	35.5	105.6	8.3	206.0	35.8
Gross profit	261.4	63.9	343.2	63.7	283.7	64.5	108.6	22.4	369.5	64.2
Selling, general and administrative expenses	129.5	31.7	174.9	32.5	135.6	30.8	104.7	6.1	177.5	30.8
Selling expenses	40.8	10.0	55.9	10.4	41.4	9.4	101.3	0.5	—	—
Personnel expenses	56.3	13.8	75.2	14.0	59.4	13.5	105.5	3.1	—	—
Administrative and other expenses	32.4	7.9	43.9	8.1	34.8	7.9	107.6	2.5	—	—
Research and development expenses	82.9	20.3	117.2	21.7	102.0	23.2	123.0	19.1	134.0	23.3
Other income	12.3	3.0	13.6	2.5	1.6	0.4	13.2	(10.7)	2.0	0.3
Other expenses	3.6	0.9	5.6	1.0	1.1	0.2	30.0	(2.5)	—	—
Operating profit	57.6	14.1	59.1	11.0	46.7	10.6	81.0	(10.9)	60.0	10.4
Financial income	1.5	0.4	1.8	0.3	2.0	0.5	130.5	0.5	—	—
Financial costs	2.1	0.5	3.2	0.6	2.3	0.5	107.5	0.2	—	—
Profit before income taxes	57.1	13.9	57.7	10.7	46.4	10.6	81.4	(10.6)	58.3	10.1
Income taxes	16.1	3.9	15.4	2.9	15.8	3.6	97.8	(0.4)	—	—
Profit for the period	40.9	10.0	42.2	7.8	30.7	7.0	74.9	(10.3)	41.3	7.2
Attributable to										
Owners of the parent	38.4	9.4	39.4	7.3	28.1	6.4	73.2	(10.3)	39.8	6.9
Non-controlling interests	2.5	0.6	2.9	0.5	2.6	0.6	101.4	0.0	—	—

Comprehensive income for the period	45.7	11.2	36.8	6.8	51.0	11.6	111.5	5.3		

Earnings per share (EPS, yen)	134.4	137.6	98.2	139.2
Dividends per share (DPS, yen)	—	150.0	—	150.0
Return on equity (ROE, %)	—	6.8	—	6.8
Dividend on equity ratio (DOE, %)	—	7.4	—	7.4
Overseas revenue ratio (%)	43.7	45.2	45.6	

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

* From this period, the Group has clarified the definition of research and development expenses in order to more accurately reflect the condition of the business, and this has resulted in a portion of expenses relating to medical affairs activities, such as creation and provision of scientific evidence for health care providers, being apportioned to research and development expenses. Accordingly, an amount which was included in selling, general and administrative expenses during the previous periodhas been reclassified as research and development expenses.

Notes

Revenue	Increase due to growth of Halaven, Lenvima, Humira and Fycompa By segment, revenue from all segments, including Japan pharmaceutical business, increased (China, EMEA and Asia pharmaceutical businesses all achieved double-digit growth)
Research and development expenses	Aggressive R&D investment in Alzheimer's disease projects, such as beta secretase cleaving enzyme (BACE) inhibitor E2609, and oncology projects One-off income (mainly milestone income) recorded for progress on joint R&D projects in the same period of the previous fiscal year
Other income	One-off income (gain from a bargain purchase) of 9.3 billion recorded due to acquisition of a subsidiary in the same period of the previous fiscal year
Exchange rate effects	Revenue: +10.72 billion yen, operating profit: +1.54 billion yen
Exchange rate sensitivity (annual effect of a 1 yen appreciation in currency value)	Revenue (U.S. dollars: -1.07 billion yen, Euro: -270 million yen, U.K. pounds: -40 million yen, Chinese renminbi: -3.47 billion yen) Operating profit (U.S. dollars: +350 million yen, Euro: -190 million yen, U.K. pounds: +90 million yen, Chinese renminbi: -1.54 billion yen)

2. Segment Information

1) Revenue by Reporting Segment

(billions of yen)

	FY 2016		FY 2017		
	Q3 YTD	Full year	Q3 YTD	YOY (%)	CER YOY (%)
Pharmaceutical Business Total	402.6	530.1	431.3	107.1	104.5
Japan Pharmaceutical Business	227.4	291.1	234.4	103.1	103.1
Americas Pharmaceutical Business	85.2	117.2	89.4	104.9	100.1
United States	84.1	115.7	88.1	104.8	100.0
China Pharmaceutical Business	36.4	49.3	43.3	119.0	114.0
EMEA Pharmaceutical Business	28.0	37.8	32.9	117.5	109.1
Asia Pharmaceutical Business	25.6	34.7	31.3	122.1	113.1
Other Business	6.6	9.0	8.7	131.2	128.5
Consolidated revenue	409.2	539.1	439.9	107.5	104.9

* Indicates revenue from external customers

* CER=Constant Exchange Rates

2) Profit by Reporting Segment

(billions of yen)

	FY 2016		FY 2017		
	Q3 YTD	Full year	Q3 YTD	YOY (%)	CER YOY (%)
Pharmaceutical Business Total	138.8	177.4	154.9	111.6	108.1
Japan Pharmaceutical Business	83.5	102.7	87.7	105.0	105.0
Americas Pharmaceutical Business	25.5	36.9	32.5	127.7	121.8
China Pharmaceutical Business	11.0	13.8	13.4	121.5	114.2
EMEA Pharmaceutical Business	11.7	14.6	11.7	99.9	86.1
Asia Pharmaceutical Business	7.2	9.3	9.6	134.6	122.6
Other Business	1.7	2.1	2.5	144.2	148.1
R&D Expenses	(82.9)	(117.2)	(102.0)	123.0	119.2
Group headquarters' management costs and other expenses	(9.4)	(12.6)	(8.7)	92.9	93.2
Gain from a bargain purchase	9.3	9.3	—	—	—
Gain on sale of subsidiaries	0.1	0.1	—	—	—
Consolidated operating profit	57.6	59.1	46.7	81.0	78.4

* CER=Constant Exchange Rates

* From this period, the Group has clarified the definition of research and development expenses in order to more accurately reflect the condition of the business, and this has resulted in a portion of expenses relating to medical affairs activities, such as creation and provision of scientific evidence for health care providers, being apportioned to research and development expenses. Accordingly, an amount which was included in selling, general and administrative expenses during the previous period has been reclassified as research and development expenses.

3. Financial Results by Reporting Segment

1) Japan Pharmaceutical Business

(billions of yen)

	FY 2016		FY 2017	
	Q3 YTD	Full year	Q3 YTD	YOY (%)
Revenue	227.4	291.1	234.4	103.1
Prescription Medicines	191.4	244.0	195.6	102.2
Generics	20.8	28.0	21.3	102.5
Consumer Healthcare Business	15.2	19.0	17.5	115.1
Segment profit	83.5	102.7	87.7	105.0
Japan prescription medicines - revenue from major products				
Fully human anti-TNF-α monoclonal antibody Humira	29.3	37.7	34.3	117.0
Pain treatment (neuropathic pain, fibromyalgia) Lyrica	18.4	24.3	20.5	111.3
Alzheimer's disease / Dementia with Lewy bodies treatment Aricept	24.1	29.5	20.2	84.0
Proton-pump inhibitor Pariet**	17.0	21.2	13.9	81.8
Peripheral neuropathy treatment Methycobal	14.4	18.2	13.8	95.7
Insomnia treatment Lunesta	6.1	8.0	8.0	131.6
Anticancer agent Halaven	6.0	7.8	7.4	123.4
Anticancer agent Treakisym	3.1	4.2	5.4	176.3
Elemental diet Elental**	5.1	6.6	5.1	100.2
Oral anticoagulant Warfarin	5.4	6.8	4.8	89.0
Branched-chain amino acid preparation Livact**	5.1	6.7	4.6	90.5
Anticancer agent Lenvima	2.1	2.7	2.4	113.5
Antiepileptic agent Fycompa	0.3	0.5	1.3	389.4
Consumer Healthcare Business—Japan - revenue from major products				
Vitamin B2 preparation, "Chocola BB Plus," etc. Chocola BB Group	9.9	12.4	11.2	112.5

* 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 revenue for Lyrica.

** EA Pharma product

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

(billions of yen)

	FY 2016		FY 2017	
	Q3 YTD	Full year	Q3 YTD	YOY (%)
Revenue	85.2	117.2	89.4	104.9 <100.1>
United States	84.1	115.7	88.1	104.8 <100.0>
Segment profit	25.5	36.9	32.5	127.7 <121.8>
Americas - revenue from major products				
Antiemetic agent Aloxi	35.5	48.1	32.2	90.6
United States [Millions USD]	35.5 [333]	48.1 [444]	32.2 [288]	90.6 <86.5>
Anticancer agent Lenvima	10.7	15.1	15.9	148.4
United States [Millions USD]	10.6 [100]	15.0 [138]	15.7 [141]	148.0 <141.2>
Antiepileptic agent Banzel	9.9	13.8	12.7	128.6
United States [Millions USD]	9.8 [92]	13.7 [126]	12.6 [113]	128.7 <122.8>
Anticancer agent Halaven	12.5	16.6	12.6	100.9
United States [Millions USD]	11.9 [112]	15.8 [146]	12.0 [108]	101.3 <96.7>
Antiepileptic agent Fycompa	3.7	5.3	4.9	134.1
United States [Millions USD]	3.5 [33]	5.0 [46]	4.7 [42]	134.3 <128.2>
Proton pump inhibitor AcipHex [Millions USD]	5.5 [52]	7.2 [66]	4.8 [43]	87.1 <83.1>
Antiobesity agent BELVIQ [Millions USD]	2.8 [26]	3.7 [34]	2.7 [24]	97.8 <93.4>

* 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 the Eisai directly markets AcipHex and BELVIQ.

3) China Pharmaceutical Business

(billions of yen)

	FY 2016		FY 2017	
	Q3 YTD	Full year	Q3 YTD	YOY (%)
Revenue	36.4	49.3	43.3	119.0 <114.0>
Segment profit	11.0	13.8	13.4	121.5 <114.2>
China - revenue from major products				
Peripheral neuropathy treatment Methycobal [Millions RMB]	13.8 [865]	18.0 [1,116]	15.0 [903]	108.8 <104.3>
Liver disease / Allergic disease agents Stronger Neo-Minophagen C and Glycyron Tablets [Millions RMB]	6.2 [388]	8.4 [523]	7.7 [460]	123.7 <118.6>
Alzheimer's disease treatment Aricept [Millions RMB]	4.5 [281]	6.2 [383]	5.6 [338]	125.4 <120.2>
Proton pump inhibitor Pariet [Millions RMB]	2.8 [173]	3.9 [244]	3.5 [210]	126.5 <121.2>

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

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

(billions of yen)

	FY 2016		FY 2017	
	Q3 YTD	Full year	Q3 YTD	YOY(%)
Revenue	28.0	37.8	32.9	117.5 <109.1>
Segment profit	11.7	14.6	11.7	99.9 <86.1>
EMEA - revenue from major products				
Anticancer agent Halaven	8.4	10.9	9.0	106.6 <98.6>
Anticancer agent Lenvima / Kisplyx	2.1	3.3	4.2	199.3 <184.3>
Antiepileptic agent Zebinix	2.6	3.6	4.1	154.9 <143.0>
Antiepileptic agent Fycompa	3.1	4.2	3.8	122.6 <113.5>
Antiepileptic agent Zonegran	4.0	5.2	3.3	82.6 <76.6>
Antiepileptic agent Inovelon	1.4	1.9	1.7	119.4 <111.1>

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

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

(billions of yen)

	FY 2016		FY 2017	
	Q3 YTD	Full year	Q3 YTD	YOY (%)
Revenue	25.6	34.7	31.3	122.1 <113.1>
Segment profit	7.2	9.3	9.6	134.6 <122.6>
Asia - revenue from major products				
Fully human anti-TNF-α monoclonal antibody Humira	7.0	9.6	8.8	124.8 <114.8>
Alzheimer's disease / Dementia with Lewy bodies treatment Aricept	7.3	9.8	8.6	118.0 <109.4>
Proton pump inhibitor Pariet	2.6	3.6	3.0	115.2 <107.1>
Peripheral neuropathy treatment Methycobal	2.1	2.9	2.4	114.0 <105.7>
Anticancer agent Halaven	1.5	2.0	1.7	113.2 <104.2>
Anticancer agent Lenvima	0.2	0.3	1.0	608.5 <578.5>
Antiepileptic agent Fycompa	0.3	0.4	0.4	176.4 <163.2>

* 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 in Japan, the Philippines and Thailand .

4. Revenue from Major Products

1) Neurology Products

(billions of yen)

	FY 2016		FY 2017	
	Q3 YTD	Full year	Q3 YTD	YOY(%)
Neurology Products Total	122.3	161.9	133.4	109.0 <106.0>
Aricept (Alzheimer's disease / dementia with Lewy bodies treatment)	37.3	49.2	35.4	94.9 <92.5>
Japan	24.1	29.5	20.2	84.0
China	4.5	6.2	5.6	125.4 <120.2>
Asia	7.3	9.8	8.6	118.0 <109.4>
Methycobal (Peripheral neuropathy treatment)	31.0	40.0	32.0	103.4 <100.8>
Japan	14.4	18.2	13.8	95.7
China	13.8	18.0	15.0	108.8 <104.3>
Asia	2.1	2.9	2.4	114.0 <105.7>
Lyrica (Pain treatment [neuropathic pain, fibromyalgia]) - Japan	18.4	24.3	20.5	111.3
Inovelon/Banzel (Antiepileptic agent)	11.6	16.2	14.8	127.0 <120.9>
Americas	9.9	13.8	12.7	128.6 <122.7>
EMEA	1.4	1.9	1.7	119.4 <111.1>
Fycompa (Antiepileptic agent)	7.4	10.3	10.5	142.0 <134.6>
Japan	0.3	0.5	1.3	389.4
Americas	3.7	5.3	4.9	134.1 <127.9>
EMEA	3.1	4.2	3.8	122.6 <113.5>
Asia	0.3	0.4	0.4	176.4 <163.2>
Lunesta (Insomnia treatment) - Japan	6.1	8.0	8.0	131.6
Zebinix (Antiepileptic agent) - EMEA	2.6	3.6	4.1	154.9 <143.0>
Zonegran (Antiepileptic agent)	4.3	5.6	3.7	85.5 <79.3>
EMEA	4.0	5.2	3.3	82.6 <76.6>
BELVIQ (Antiobesity agent)	2.8	3.9	3.6	130.7 <125.1>
United States	2.8	3.7	2.7	97.8 <93.4>
Other	0.8	1.0	0.8	94.7

* 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 in Japan, the Philippines and Thailand .

* Co-promotion income has been booked as revenue for Lyrica.

2) Oncology Products

(billions of yen)

	FY 2016		FY 2017	
	Q3 YTD	Full year	Q3 YTD	YOY(%)
Oncology Products Total	87.4	118.3	97.6	111.7 <106.8>
Aloxi (Antiemetic agent) - Americas	35.5	48.1	32.2	90.6 <86.5>
Halaven (Anticancer agent)	28.4	37.3	30.6	107.9 <103.1>
Japan	6.0	7.8	7.4	123.4
Americas	12.5	16.6	12.6	100.9 <96.2>
EMEA	8.4	10.9	9.0	106.6 <98.6>
Asia	1.5	2.0	1.7	113.2 <104.2>
Lenvima / Kisplyx (Anticancer agent)	15.1	21.5	23.5	155.8 <148.5>
Japan	2.1	2.7	2.4	113.5
Americas	10.7	15.1	15.9	148.4 <141.6>
EMEA	2.1	3.3	4.2	199.3 <184.3>
Asia	0.2	0.3	1.0	608.5 <578.5>
Treakisym/Symbenda (Anticancer agent)	3.3	4.5	5.6	170.8 <170.4>
Other	5.2	7.0	5.7	110.3 <104.9>

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

5. Revenue Forecasts by Reporting Segment (FY 2017)

(billions of yen)

	FY 2016		FY 2017	
	Q3 YTD	Full year	Q3 YTD	Full year (forecasts)
Japan	227.4	291.1	234.4	293.0
Prescription Medicines	191.4	244.0	195.6	243.0
Fully human anti-TNF-α monoclonal antibody Humira	29.3	37.7	34.3	43.5
Alzheimer's disease / Dementia with Lewy bodies treatment Aricept	24.1	29.5	20.2	22.0
Proton pump inhibitor Pariet**	17.0	21.2	13.9	18.5
Peripheral neuropathy treatment Methycobal	14.4	18.2	13.8	17.0
Insomnia treatment Lunesta	6.1	8.0	8.0	10.5
Anticancer agent Halaven	6.0	7.8	7.4	8.5
Elemental diet Elental**	5.1	6.6	5.1	6.5
Anticancer agent Treakisym	3.1	4.2	5.4	6.5
Oral anticoagulant Warfarin	5.4	6.8	4.8	6.0
Branched-chain amino acid preparation Livact**	5.1	6.7	4.6	6.0
Generics	20.8	28.0	21.3	30.0
Consumer Healthcare Business	15.2	19.0	17.5	19.5
Vitamin B2 preparation, "Chocola BB Plus," etc. Chocola BB Group	9.9	12.4	11.2	12.5
Americas	85.2	117.2	89.4	132.0
United States	84.1	115.7	88.1	130.0
China	36.4	49.3	43.3	54.0
EMEA	28.0	37.8	32.9	44.5
Asia	25.6	34.7	31.3	38.0
Other	6.6	9.0	8.7	14.0
Consolidated revenue	**409.2**	**539.1**	**439.9**	**575.5**
Global revenue from major products				
Halaven	28.4	37.3	30.6	43.0
Japan	6.0	7.8	7.4	8.5
Americas	12.5	16.6	12.6	18.5
EMEA	8.4	10.9	9.0	13.5
Asia	1.5	2.0	1.7	2.5
Lenvima / Kisplyx	15.1	21.5	23.5	33.0
Japan	2.1	2.7	2.4	3.0
Americas	10.7	15.1	15.9	23.5
EMEA	2.1	3.3	4.2	6.0
Asia	0.2	0.3	1.0	0.5
Fycompa	7.4	10.3	10.5	20.5
Japan	0.3	0.5	1.3	4.0
Americas	3.7	5.3	4.9	9.5
EMEA	3.1	4.2	3.8	6.5
Asia	0.3	0.4	0.4	0.5
BELVIQ	2.8	3.7	3.6	5.0
Aricept	37.3	49.2	35.4	41.5
Pariet/AcipHex	28.3	36.4	25.6	32.0

* The revenue for Pariet includes the revenue for triple formulation packs for *Helicobacter pylori* eradication, Rabecure Pack 400/800 and Rabefine Pack.

** EA Pharma product

6. Consolidated Statement of Comprehensive Income

(billions of yen)

	FY 2016		FY 2017		
	Q3 YTD	Full year	Q3 YTD	YOY (%)	Diff.
Profit for the period	40.9	42.2	30.7	74.9	(10.3)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Financial assets measured at fair value through other comprehensive income	0.3	(0.6)	8.5	3214.6	8.3
Remeasurements of defined benefit plans	—	4.0	—	—	—
Subtotal	0.3	3.4	8.5	3214.6	8.3
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	4.1	(9.3)	11.7	284.2	7.6
Cash flow hedges	0.4	0.5	0.1	29.8	(0.3)
Subtotal	4.5	(8.8)	11.8	261.2	7.3
Total other comprehensive income, net of tax	4.8	(5.4)	20.3	425.3	15.5
Comprehensive income for the period	45.7	36.8	51.0	111.5	5.3
Attributable to					
Owners of the parent	43.2	34.0	48.4	112.1	5.2
Non-controlling interests	2.5	2.9	2.6	101.5	0.0

7. Consolidated Statement of Cash Flows

(billions of yen)

	FY 2016 Q3 YTD	FY 2017 Q3 YTD	FY 2017 Diff.
Operating activities			
Profit before income taxes	57.1	46.4	(10.6)
Depreciation and amortization	20.0	19.4	(0.5)
Impairment losses	0.2	—	(0.2)
(Increase) decrease in working capital	(25.2)	(14.3)	11.0
Interest and dividends received	1.5	1.7	0.3
Interest paid	(2.0)	(2.0)	(0.1)
Income taxes paid	(10.8)	(12.0)	(1.1)
Income taxes refund	10.5	1.8	(8.7)
Other	(8.5)	(2.4)	6.1
Net cash from operating activities	42.6	38.8	(3.8)
Investing activities			
Purchases of property, plant and equipment	(4.1)	(7.3)	(3.2)
Proceeds from sales of property, plant and equipment	0.2	0.3	0.0
Purchases of intangible assets	(5.2)	(11.8)	(6.6)
Net cash inflow on acquisition of subsidiaries	19.3	—	(19.3)
Net cash inflow on sale of subsidiaries	6.5	—	(6.5)
Purchases of financial assets	(9.2)	(4.6)	4.6
Proceeds from sales and redemption of financial assets	8.7	13.1	4.4
Subtotal <Capital expenditures (cash basis)>	16.3	(10.4)	(26.6)
Payments of time deposits exceeding 3 months	(40.9)	(34.1)	6.9
Proceeds from redemption of time deposits exceeding 3 months	13.1	34.3	21.2
Other	0.1	(0.0)	(0.2)
Net cash from (used in) investing activities	(11.4)	(10.1)	1.3
Financing activities			
Net increase (decrease) in short-term borrowings	—	14.4	14.4
Proceeds from long-term borrowings	10.0	—	(10.0)
Dividends paid	(42.9)	(42.9)	(0.0)
Other	(2.6)	(0.4)	2.2
Net cash from (used in) financing activities	(35.5)	(29.0)	6.6
Effect of exchange rate change on cash and cash equivalents	(2.5)	4.6	7.1
Net increase (decrease) in cash and cash equivalents	(6.9)	4.3	11.2
Cash and cash equivalents at beginning of year	179.3	186.8	7.4
Cash and cash equivalents at end of year	172.4	191.0	18.6

Free cash flow	59.3	28.4	(30.4)

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

(Note) Expenditures from purchases of financial assets and proceeds from sale and redemption of financial assets are included in the formula used to calculate capital expenditures.

Notes

Cash flow from investing activities:
Net cash inflow on acquisition of subsidiaries and net cash inflow on sale of subsidiaries in the same period of the previous fiscal year

Cash flow from financing activities:
Proceeds from short-term borrowings

8. Capital Expenditures, Depreciation and Amortization

(billions of yen)

	FY 2016		FY 2017		
	Q3 YTD	Full year	Q3 YTD	Diff.	Full year (forecasts)
Capital expenditures (cash basis)	9.3	20.0	19.1	9.8	22.0
Property, plant and equipment	4.1	7.8	7.3	3.2	10.0
Intangible assets	5.2	12.2	11.8	6.6	12.0
Depreciation and amortization	20.0	26.5	19.4	(0.5)	26.0
Property, plant and equipment	8.2	11.0	8.2	(0.0)	11.0
Intangible assets	11.7	15.5	11.2	(0.5)	15.0

*Revisions to the full year forecasts previously announced are underlined.

9. Consolidated Statement of Financial Position

<Assets>

(billions of yen)

	FY 2016		FY 2017			
	March 31,2017	Ratio (%)	December 31, 2017	Ratio (%)	% change	Diff.
Assets						
Non-current assets						
Property, plant and equipment	103.6	10.0	103.7	9.9	100.1	0.1
Goodwill	174.0	16.9	175.4	16.7	100.8	1.4
Intangible assets	112.5	10.9	111.1	10.6	98.8	(1.4)
Other financial assets	54.5	5.3	51.7	4.9	94.9	(2.8)
Other assets	13.8	1.3	12.7	1.2	92.2	(1.1)
Deferred tax assets	88.3	8.6	81.0	7.7	91.7	(7.3)
Total non-current assets	546.6	53.0	535.6	51.1	98.0	(11.0)
Current assets						
Inventories	82.9	8.0	80.0	7.6	96.6	(2.8)
Trade and other receivables	154.5	15.0	178.0	17.0	115.2	23.5
Other financial assets	42.9	4.2	49.5	4.7	115.4	6.6
Other assets	17.1	1.7	14.1	1.3	82.4	(3.0)
Cash and cash equivalents	186.8	18.1	191.0	18.2	102.3	4.3
Total current assets	484.2	47.0	512.6	48.9	105.9	28.5
Total assets	1,030.8	100.0	1,048.2	100.0	101.7	17.4

Notes

Assets

Increase in trade and other receivables due to increase in revenue

<Equity and Liabilities >

(billions of yen)

	FY 2016		FY 2017			
	March 31, 2017	Ratio (%)	December 31, 2017	Ratio (%)	% change	Diff.
Equity						
Equity attributable to owners of the parent						
Share capital	45.0	4.4	45.0	4.3	100.0	—
Capital surplus	77.7	7.5	77.6	7.4	99.9	(0.1)
Treasury shares	(35.9)	(3.5)	(35.6)	(3.4)	99.2	0.3
Retained earnings	395.0	38.3	388.8	37.1	98.4	(6.1)
Other components of equity	102.9	10.0	114.7	10.9	111.5	11.8
Total equity attributable to owners of the parent	584.6	56.7	590.4	56.3	101.0	5.8
Non-controlling interests	18.0	1.7	20.5	2.0	114.0	2.5
Total equity	602.6	58.5	610.9	58.3	101.4	8.3
Liabilities						
Non-current liabilities						
Borrowings	163.5	15.9	158.8	15.1	97.1	(4.7)
Other financial liabilities	2.5	0.2	2.5	0.2	100.3	0.0
Retirement benefit liabilities	13.8	1.3	14.5	1.4	105.1	0.7
Provisions	1.2	0.1	1.2	0.1	101.0	0.0
Other liabilities	23.0	2.2	21.5	2.1	93.5	(1.5)
Deferred tax liabilities	0.4	0.0	0.5	0.0	100.9	0.0
Total non-current liabilities	204.5	19.8	199.0	19.0	97.3	(5.5)
Current liabilities						
Bonds and borrowings	50.0	4.9	69.4	6.6	138.8	19.4
Trade and other payables	70.7	6.9	57.8	5.5	81.7	(12.9)
Other financial liabilities	4.0	0.4	7.0	0.7	175.2	3.0
Income tax payables	5.9	0.6	6.3	0.6	107.2	0.4
Provisions	14.6	1.4	15.6	1.5	106.8	1.0
Other liabilities	78.4	7.6	82.1	7.8	104.7	3.7
Total current liabilities	223.7	21.7	238.3	22.7	106.5	14.6
Total liabilities	428.2	41.5	437.2	41.7	102.1	9.1
Total equity and liabilities	1,030.8	100.0	1,048.2	100.0	101.7	17.4

Notes

Equity
Increase in other components of equity due to an increase in exchange differences

Liabilities
Increase in short-term borrowings
Decrease in trade and other payables mainly due to payment of expenditures

10. Changes in Quarterly Results

1) Income Statement

(billions of yen)

	FY 2016				FY 2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	136.9	133.0	139.3	129.9	141.9	143.2	154.9
Cost of sales	49.8	48.4	49.7	48.0	49.4	52.8	54.0
Gross profit	87.1	84.6	89.7	81.8	92.5	90.5	100.8
Selling, general and administrative expenses	42.6	42.3	44.7	45.4	44.3	45.2	46.1
Selling expenses	12.5	13.6	14.8	15.0	13.2	13.7	14.4
Personnel expenses	19.0	18.5	18.8	18.9	20.0	19.5	19.8
Administrative and other expenses	11.1	10.2	11.1	11.5	11.0	11.9	11.9
Research and development expenses	27.3	29.8	25.8	34.3	33.2	32.9	35.9
Other income	10.3	0.8	1.2	1.2	0.6	0.7	0.3
Other expenses	1.7	0.6	1.4	1.9	0.4	0.5	0.1
Operating profit	25.8	12.8	19.0	1.4	15.1	12.6	19.0
Financial income	0.7	0.2	0.6	0.3	0.7	0.5	0.8
Financial costs	0.7	0.7	0.7	1.1	0.7	0.8	0.8
Profit before income taxes	25.8	12.3	18.9	0.6	15.1	12.3	19.0
Income taxes	4.9	3.6	7.6	(0.7)	4.5	2.5	8.7
Profit for the period	20.9	8.7	11.4	1.3	10.6	9.8	10.3
Attributable to							
Owners of the parent	19.7	8.2	10.5	0.9	9.8	9.0	9.3
Non-controlling interests	1.2	0.5	0.8	0.4	0.8	0.8	1.0
Comprehensive income for the period	(23.0)	2.0	66.7	(8.9)	15.2	16.9	18.8
Earnings per share (EPS, yen)	69.0	28.6	36.7	3.3	34.3	31.5	32.5

* From this period, the Group has clarified the definition of research and development expenses in order to more accurately reflect the condition of the business, and this has resulted in a portion of expenses relating to medical affairs activities, such as creation and provision of scientific evidence for health care providers, being apportioned to research and development expenses. Accordingly, an amount which was included in selling, general and administrative expenses during the previous period has been reclassified as research and development expenses.

2) Cash Flows

(billions of yen)

	FY 2016				FY 2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Cash flow from operating activities	(4.8)	31.6	15.8	33.3	(3.7)	16.3	26.2
Cash flow from investing activities	23.4	(10.3)	(24.5)	(17.1)	(10.4)	0.9	(0.6)
Cash flow from financing activities	(14.7)	(0.1)	(20.7)	0.1	(11.7)	(5.0)	(12.3)
Cash and cash equivalents at the end of period	172.7	190.8	172.4	186.8	162.2	176.5	191.0
Free cash flow	18.4	28.8	11.7	22.8	(13.7)	17.6	24.6

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

(Note) Expenditures from purchases of financial assets and proceeds from sale and redemption of financial assets are included in the formula used to calculate capital expenditures.

3) Capital Expenditures, Depreciation and Amortization

(billions of yen)

	FY 2016				FY 2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Capital expenditures (cash basis)	2.6	3.0	3.7	10.7	9.6	4.1	5.4
Property, plant and equipment	1.4	1.1	1.6	3.7	3.4	2.1	1.9
Intangible assets	1.2	1.9	2.1	7.0	6.2	2.0	3.5
Depreciation and amortization	8.0	5.9	6.1	6.5	6.4	6.4	6.6
Property, plant and equipment	2.9	2.7	2.7	2.8	2.7	2.7	2.8
Intangible assets	5.1	3.2	3.5	3.7	3.7	3.7	3.8

4) Financial Positions

(billions of yen)

	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Total assets	963.1	965.2	1,040.4	1,030.8	1,020.4	1,034.6	1,048.2
Equity	562.7	564.9	611.1	602.6	595.0	612.1	610.9
Attributable to owners of the parent	545.9	547.7	593.5	584.6	576.3	592.6	590.4
Liabilities	400.4	400.3	429.3	428.2	425.4	422.5	437.2
Borrowings	210.7	210.1	214.8	213.5	224.8	220.2	228.2
Ratio of equity attributable to owners of the parent (%)	56.7	56.7	57.0	56.7	56.5	57.3	56.3
Liabilities ratio (Net DER / times)	-0.03	-0.08	-0.08	-0.11	-0.06	-0.08	-0.10

* "Liabilities ratio (Net DER)"=("Interest-bearing debt" ("Bonds and borrowings") - "Cash and cash equivalents" - "Time deposits exceeding three months, etc." - "Parent company holding investment securities") / "Equity attributable to owners of the parent"

(Note) Parent company holding investment securities are included in the formula used to calculate liabilities ratio.

5) Changes in Quarterly Revenue from Major Products

(1) Neurology Products

(billions of yen)

	FY 2016				FY 2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Neurology Total	40.6	39.4	42.3	39.7	43.0	43.9	46.6
Aricept (Alzheimer's disease / dementia with Lewy bodies treatment)	13.2	11.9	12.2	11.9	11.8	11.6	12.1
Japan	8.9	7.5	7.7	5.4	7.0	6.3	7.0
China	1.4	1.5	1.6	1.7	1.6	1.9	2.1
Asia	2.4	2.4	2.5	2.5	2.7	3.1	2.7
Methycobal (Peripheral neuropathy treatment)	9.8	10.3	10.8	9.0	10.4	10.8	10.8
Japan	5.0	4.6	4.8	3.8	4.6	4.3	4.8
China	4.0	4.8	5.0	4.2	4.9	5.3	4.8
Asia	0.7	0.7	0.8	0.7	0.7	1.0	0.7
Lyrica (Pain treatment [neuropathic pain, fibromyalgia]) - Japan	6.1	5.8	6.5	5.9	6.7	6.5	7.3
Inovelon/Banzel (Antiepileptic agent)	3.7	3.8	4.1	4.6	4.7	4.6	5.4
Americas	3.1	3.3	3.5	4.0	4.1	3.9	4.7
EMEA	0.5	0.5	0.5	0.5	0.5	0.6	0.6
Fycompa (Antiepileptic agent)	2.5	2.3	2.7	2.9	3.2	3.4	3.9
Japan	0.1	0.1	0.1	0.1	0.3	0.4	0.5
Americas	1.2	1.1	1.4	1.6	1.6	1.6	1.8
EMEA	1.1	1.0	1.0	1.1	1.2	1.3	1.4
Asia	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Lunesta (Insomnia treatment) - Japan	1.9	1.9	2.3	2.0	2.5	2.5	3.0
Zebinix (Antiepileptic agent) - EMEA	0.7	1.0	0.9	1.0	1.0	1.6	1.4
Zonegran (Antiepileptic agent)	1.6	1.4	1.3	1.3	1.2	1.2	1.3
EMEA	1.5	1.3	1.2	1.2	1.1	1.1	1.1
BELVIQ (Antiobesity agent)	1.0	0.7	1.1	1.1	1.1	1.4	1.1
United States	1.0	0.7	1.1	0.9	1.0	1.0	0.8
Other	0.3	0.3	0.3	0.2	0.3	0.2	0.3

* Co-promotion income has been booked as revenue for Lyrica.

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

(2) Oncology Products

(billions of yen)

	FY 2016				FY 2017		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Oncology Total	28.5	29.4	29.5	30.9	31.1	32.6	33.9
Aloxi (Antiemetic agent) - Americas	12.0	12.1	11.4	12.6	10.6	10.8	10.7
Halaven (Anticancer agent)	9.4	9.3	9.7	9.0	9.7	10.5	10.4
Japan	2.0	2.0	2.0	1.8	2.3	2.4	2.7
Americas	4.2	4.1	4.2	4.1	4.2	4.2	4.2
EMEA	2.7	2.6	3.1	2.5	2.8	3.0	3.2
Asia	0.5	0.5	0.5	0.5	0.4	0.9	0.4
Lenvima / Kisplyx (Anticancer agent)	4.4	5.2	5.5	6.4	7.3	7.5	8.7
Japan	0.7	0.7	0.7	0.6	0.8	0.8	0.8
Americas	3.2	3.7	3.8	4.4	4.9	5.2	5.8
EMEA	0.4	0.8	0.9	1.2	1.3	1.3	1.6
Asia	0.0	0.1	0.1	0.1	0.3	0.2	0.5
Treakisym / Symbenda (Anticancer agent)	1.1	1.1	1.1	1.2	1.8	1.8	2.0
Other	1.6	1.8	1.8	1.8	1.7	2.0	2.0

11. Major R&D Pipeline

In-House R&D Pipeline List

	Product Name / Development Code	Additional Indication, etc.**	Development Stage***	Therapeutic Area****
New Approval				
○	Fycompa (Monotherapy for partial-onset seizures)	AI	(US) approved	Neurology
○	Pariet (Maintenance therapy for proton pump inhibitor-resistant reflux esophagitis)	ADA	(JP) approved	GI
○	Rectabul (Ulcerative colitis)*		(JP) approved	GI
◎	Aricept (Severe Alzheimer's disease)	AI	(CN) approved	Neurology
◎	Goofice (Chronic constipation)*		(JP) approved	GI
Submitted / Preparing for Submission				
◎	Lenvima (Hepatocellular carcinoma: HCC)	AI	(JP/US/EU/CN/AS) submitted	Oncology
◎	Halaven (Breast cancer)		(CN) submitted	Oncology
◎	AJG555 (Chronic constipation)*		(JP) submitted	GI
Clinical Trial Stage				
	E2006 (Insomnia disorder)		(JP/US/EU) PIII	Neurology
	E2609 (Early Alzheimer's disease)		(JP/US/EU) PIII	Neurology
	BIIB037(Early Alzheimer's disease)		(JP/US/EU) PIII	Neurology
	Lenvima (Thyroid cancer)		(CN) PIII	Oncology
	AJM300 (Ulcerative colitis)*		(JP) PIII	GI
	Livact (Hypoalbuminemia)		(CN) PIII	GI
	Fycompa (Lennox-Gastaut syndrome)	AI	(JP/US/EU) PIII	Neurology
	Fycompa (Pediatric epilepsy)	AI	(JP/US/EU) PIII	Neurology
○	Fycompa (Monotherapy for partial-onset seizures)	AI	(JP) PIII	Neurology
	Lenvima (Renal cell carcinoma, first-line)	AI	(JP/US/EU) PIII	Oncology
	ME2125 (Parkinson's disease)		(JP) PII/ III	Neurology
	BAN2401 (Alzheimer's disease)		(JP/US/EU) PII	Neurology
	E2006 (Irregular sleep-wake rhythm disorder and Alzheimer's disease dementia)		(JP/US) PII	Neurology
	MORAb-003 (Platinum-sensitive ovarian cancer)		(JP/US/EU) PII	Oncology
	MORAb-004 (Melanoma)		(US/EU) PII	Oncology
	MORAb-009 (Mesothelioma)		(US/EU) PII	Oncology
	E7777 (Peripheral T-cell lymphoma, cutaneous T-cell lymphoma)		(JP) PII	Oncology
◎	E7438 (Non-Hodgkin B-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 (JP) PI	Oncology
	E6007 (Ulcerative colitis)*		(JP) PII	GI
	E6011 (Rheumatoid arthritis)		(JP) PII	Other
	E6011 (Primary biliary cholangitis)*		(JP) PII	Other
	Halaven (Bladder cancer)	AI	(US/EU) PI/II	Oncology
	Lenvima (Non-small cell lung cancer, RET translocations)	AI	(JP/US/EU/AS) PII	Oncology
	Lenvima (Biliary tract cancer)	AI	(JP) PII	Oncology
	Halaven (Combination therapy with PEGPH20 in breast cancer)		(US) PI/II	Oncology
	E6011 (Crohn's disease)*		(JP) PI/II	Other
	BELVIQ (Obesity)		(JP) PI	Neurology
	E2027 (Alzheimer's disease)		(US) PI	Neurology
	E2730(Epilepsy)		(US) PI	Neurology
◎	E2082(Epilepsy)		(JP) PI	Neurology
	E7090 (Solid tumors)		(JP) PI	Oncology
	MORAb-066 (Solid tumors)		(US) PI	Oncology
	H3B-6527 (HCC)		(US/EU) PI	Oncology
	H3B-8800 (Blood cancer)		(US/EU) PI	Oncology
	Lenvima (Combination therapy with anti-PD1 antibody pembrolizumab in HCC)		(JP/US) PI	Oncology
○	E7386 (Solid tumors)		(EU) PI	Oncology
○	H3B-6545 (Breast cancer)		(US) PI	Oncology
○	MORAb-202 (Solid tumors)		(JP) PI	Oncology
◎	Lenvima (Combination therapy with anti-PD1 antibody nivolumab in HCC)		(JP) PI	Oncology
◎	E7130 (Solid tumors)		(JP) PI	Oncology
	E6130 (Inflammatory bowel disease)*		(JP) PI	GI
	MORAb-022 (Rheumatoid arthritis)		(US) PI	Other
	E6071 (Autoimmune disease)		(EU) PI	Other
○	E6742 (Autoimmune disease)		(US) PI	Other
	Halaven (Liposome formulation)	AF	(JP/EU) PI	Oncology

* EA Pharma pipeline product ** AI: Additional Indication, AF: Additional Formulation, ADA: Additional Dosage and Administration

*** JP: Japan, US: United States, EU: Europe, CN: China, AS: Asia (excluding Japan and China), P: Clinical Phase ****GI: Gastrointestinal Disorders

• Development of Aricept for regression symptoms in people with Down syndrome has been discontinued at the Phase II stage in Japan.

◎ E7046, which was being investigated in a Phase I clinical study conducted in Europe and the U.S., has been removed from this list due to the conclusion of an agreement to license-out these regions.

○: Development progress from April 2017 onwards ◎: Development progress from October 2017 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 100 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, the Philippines and Thailand for dementia with Lewy bodies.				
◎	Severe Alzheimer's disease (Additional Indication)	Study 339	CN: approved (November 2017)	Oral

・ Development for regression symptoms in people with Down syndrome has been discontinued at the Phase II stage in Japan.

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 55 countries including Japan, the United States, in Europe and in Asia. Also approved as an adjunctive therapy for primary generalized tonic-clonic seizures in over 50 countries including Japan, the United States, in Europe and in Asia. In the United States, an oral suspension formulation has been approved and is being marketed.				
	Monotherapy for partial-onset seizures (Additional Indication)	— Study 342	○ US: approved (July 2017) ○ JP: PIII	Oral
	Lennox-Gastaut syndrome (Additional Indication)	338	JP/US/EU: PIII	Oral
	Pediatric epilepsy (Additional Indication)	311	JP/US/EU: PIII	Oral

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

Indications / Drug class: Orexin receptor antagonist				In-house
Description: By antagonizing the orexin receptors that are involved in the regulation of sleep and wakefulness, it is expected to alleviate wakefulness, thereby facilitating the initiation and maintenance of natural sleep.				
	Insomnia disorder	Study 303/304	JP/US/EU: PIII	Joint development with Purdue Pharma L.P.	Oral
	Irregular sleep-wake rhythm disorder and Alzheimer's disease dementia	202	JP/US: PII	Joint development with Purdue Pharma L.P.	Oral

Development Code: **E2609** Generic Name: **elenbecestat*** *The generic name is not yet fixed at this time.

Indications / Drug class: Treatment for Alzheimer's disease / 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 slowing the progression of Alzheimer's disease.				
	Early Alzheimer's disease	Study 301/302 (MISSION AD1/2)	JP/US/EU: PIII	Joint development with Biogen Inc.	Oral

Development Code: **BIIB037** Generic Name: **aducanumab**

Indications / Drug class: Treatment for Alzheimer's disease / anti-Aβ monoclonal antibody				In-license (Biogen Inc.)
Description: Aducanumab is a human recombinant monoclonal antibody (mAb) derived from a de-identified library of B cells collected from healthy elderly subjects with no signs of cognitive impairment or cognitively impaired elderly subjects with unusually slow cognitive decline using Neurimmune's technology platform called Reverse Translational Medicine (RTM). Biogen licensed aducanumab from Neurimmune. Aducanumab is thought to target aggregated forms of beta amyloid including soluble oligomers and insoluble fibrils which can form into amyloid plaque in the brain of Alzheimer's disease patients.				
	Early Alzheimer's disease	ENGAGE/EMERGE Study	JP/US/EU: PIII	Joint development with Biogen Inc.	Inj.

Development Code: **BAN2401**

Indications / Drug class: Treatment for Alzheimer's disease / anti-Aβ protofibril monoclonal antibody			In-license (BioArctic AB)	
Description: An 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: **ME2125** Generic Name: **safinamide**

Indications / Drug class: Anti-Parkinson's disease agent / MAO-B inhibitor		In-license (Meiji Seika Pharma)
Description: A selective monoamine oxidase B (MAO-B) inhibitor, which reduces the degradation of secreted dopamine, helping to maintain the density of dopamine in the brain. Additionally, it blocks sodium ion channels and inhibits glutamate release, and as such, has potential as a new Parkinson's disease treatment which possesses both dopaminergic and non-dopaminergic mechanisms.		
Parkinson's disease	JP: PII/III	Oral

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

Indications / Drug class: Anti-obesity agent / serotonin 2C receptor agonist		In-license (Arena Pharmaceuticals)
Description: Anti-obesity 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). Approved in Mexico in July 2016 and Brazil in December 2016. Additionally, in the United States, a once-daily formulation has been approved and is being marketed.		
Obesity	JP: PI	Oral

Development Code: **E2027**

Alzheimer's disease	US: PI	In-house	Oral

Development Code: **E2730**

Epilepsy	US: PI	In-house	Oral

Development Code: **E2082**

◎ Epilepsy	JP: PI	In-house	Oral

(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 Japan, the United States, in Europe and in Asia for use in chemotherapy for breast cancer. Approved in over 45 countries including Japan, the United States, in Europe and in Asia for use in the treatment of liposarcoma (soft tissue sarcoma in Japan).					
◎	Breast cancer	Study304	CN: submitted (November 2017)		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	Joint development with Merck & Co., Inc., Kenilworth, NJ, USA	Inj.
	HER2-negative breast cancer (in combination with PEGPH20)	219	US: PI/II	Joint development with Halozyme Therapeutics, Inc.	Inj.
	Liposome formulation (Additional Formulation)	—	JP/EU: PI		Inj.

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

Indications / Drug class: Anticancer agent / molecular targeted drug					In-house
Description: Discovered and developed in-house, the agent is an orally administered multiple receptor tyrosine kinase (RTK) inhibitor that selectively inhibits the kinase activities of vascular endothelial growth factor receptors (VEGFR) and fibroblast growth factor receptors (FGFR) in addition to other proangiogenic and oncogenic pathway related RTKs (including the platelet-derived growth factor receptor (PDGFR), KIT and RET) involved in angiogenesis and tumor proliferation. Confirmed through X-ray crystal structural analysis to be the first compound to demonstrate a new binding mode (Type V) to VEGFR2, exhibiting rapid and potent inhibition of kinase activity, according to kinetic analysis. Approved as a treatment for refractory thyroid cancer in over 50 countries including Japan, the United States, in Europe and in Asia. Also approved in combination with everolimus for the treatment of renal cell carcinoma (second-line) in over 40 countries including the United States and in Europe. The agent is marketed under the product name Kisplyx only for this indication in Europe.					
	Thyroid cancer	Study 308	CN: PIII		Oral
	Renal cell carcinoma/First-line (Additional Indication)	307	JP/US/EU: PIII		Oral
	Hepatocellular carcinoma (Additional Indication)	304	○ JP: submitted (June 2017) ○ US: submitted (July 2017) ○ EU: submitted (July 2017) ◎ CN: submitted (October 2017) ◎ Asia: submitted (December 2017 • Taiwan)		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 (Endometrial cancer, renal cell carcinoma, head and neck cancer, urothelial cancer, non-small cell lung cancer, melanoma) (in combination with anti-PD1 antibody pembrolizumab)	111 —	US: PI/II JP: PI	Joint development with Merck & Co., Inc., Kenilworth, NJ, USA	Oral /Inj.
	Hepatocellular carcinoma (in combination with anti-PD1 antibody pembrolizumab)	—	JP/US: PI	Joint development with Merck & Co., Inc., Kenilworth, NJ, USA	Oral /Inj.
◎	Hepatocellular carcinoma (in combination with anti-PD1 antibody nivolumab)	—	JP: PI	Joint development with Ono Pharmaceutical	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.

○ Development progress from April 2017 onwards ◎ Development progress from October 2017 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.

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: **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: **E7438** Generic Name: **tazemetostat**

Indications / Drug class: Anticancer agent / EZH2 inhibitor			In-license (Epizyme, Inc.)
Description: Believed to have an important role in carcinogenesis, the epigenetic enzyme EZH2 is one of the proteins that constitute the histone methyltransferases. Discovered by Epizyme through its proprietary product platform, E7438 is a first-in-class, orally administered small molecule inhibitor, and is expected to exhibit antitumor effects via inhibition of the epigenetic enzyme EZH2. Eisai is responsible for development and commercialization within Japan and has the right of first negotiation for licensing rights in Asia.			
◎ Non-Hodgkin B-cell lymphoma	Study 206	JP: PII	Oral

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: **H3B-6527**

Hepatocellular carcinoma	US/EU: PI	In-house	Oral

Development Code: **H3B-8800**

Blood cancer	US/EU: PI	In-house	Oral

Development Code: **E7386**

○ Solid tumors	EU: PI	Collaboration (PRISM Pharma)	Oral

Development Code: **H3B-6545**

○ Breast cancer	US: PI	In-house	Oral

Development Code: **MORAb-202**

○	Solid tumors	JP: PI	In-house	Inj.

Development Code: **E7130**

◎	Solid tumors	JP: PI	Collaboration (Harvard University)	Inj.

◎ E7046, which was being investigated in a Phase I clinical study conducted in Europe and the U.S., has been removed from this list due to the conclusion of an agreement to license-out these regions.

(3) Gastrointestinal Disorders

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

Indications / Drug class: Proton pump inhibitor			In-house	
Description: A proton pump inhibitor approved for the treatment of gastric and duodenal ulcers, reflux esophagitis, eradication of *Helicobacter pylori* infections and triple formulation packs (combination packs) for *H. pylori* eradication that include rabeprazole. Approved for the prevention of recurrent gastric or duodenal ulcer caused by low-dose aspirin therapy as well as 5 mg tablet formulation in December 2014.				
○	Maintenance therapy for proton pump inhibitor (PPI)-resistant reflux esophagitis10 mg twice daily (Additional Dosage and Administration)	Study 311	JP: approved (September 2017) Joint development with EA Pharma	Oral

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

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, budesonide 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	Study CT1	JP: approved (September 2017) Joint development by EA Pharma and Kissei Pharmaceutical	Foam

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

Indications / Drug class: Chronic constipation treatment / bile acid transporter inhibitor			In-license (Albireo)	
Description: An orally available constipation treatment with a novel mechanism of action. AJG533 inhibits the bile acid transporter that regulates reabsorption of bile acids and thereby enhance natural defecation.				
◎	Chronic constipation	Study CT1	JP: approved (January 2018) Joint development by EA Pharma and Mochida Pharmaceutical	Oral

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

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

Development Code: **AJG555**

Indications / Drug class: Chronic constipation treatment / polyethylene glycol preparation			In-license (Norgine)
Description: An orally available constipation treatment consisting of a polyethylene glycol preparation which facilitates bowel movement by suppressing osmotic pressure in the intestines.			
◎ Chronic constipation	Study CT1/CT2	JP: submitted (November 2017)	Joint development by EA Pharma and Mochida Pharmaceutical / 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 Joint development with EA Pharma / Oral

Development Code: **E6007**

Indications / Drug class: Ulcerative colitis treatment / integrin activation inhibitor			In-house
Description: A compound with a novel mechanism of action that is believed to suppress the adhesion and infiltration by multiple leukocyte types by inhibiting integrin activation. Development is conducted jointly with the University of Tsukuba as an industry-academia practical application project under the Japan Science and Technology Agency.			
Ulcerative colitis	Study 201	JP: PII	Development conducted by EA Pharma / Oral

Development Code: **E6130**

Inflammatory bowel disease		JP: PI	In-house (development conducted by EA Pharma) / Oral

(4) Other

Development Code: **E6011**

Indications / Drug class: Anti-Fractalkine antibody			In-house
Description: The world's first humanized anti-fractalkine monoclonal antibody discovered by Eisai Group subsidiary KAN Research Institute Inc. Believed to exert an anti-inflammatory effect by neutralizing fractalkine. Fractalkine is found in vascular endothelial cells and induces an inflammatory response associated with diseases such as rheumatoid arthritis and inflammatory bowel disease.			
Rheumatoid arthritis	Study 201/202	JP: PII	Inj.
Primary biliary cholangitis	ET1	JP: PII	Development conducted by EA Pharma / Inj.
Crohn’s disease	101	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 Code: **E6742**

○ Autoimmune disorder		US: PI	In-house / Oral

○ Development progress from April 2017 onwards ◎ Development progress from October 2017 onwards