

2014.3



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.

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* All amounts are rounded to the nearest specified unit except for items with a note of omission.

* The exchange rates used in the reference data are noted in the table below.

* All overseas profit and loss amounts have been converted into yen based on the average exchange rates for the periods shown in the table below.

1. Consolidated Financial Highlights

1) Income Statement Data

(billions of yen)

	FY2010	FY2011	FY2012	FY2013	YOY %
Net sales	768.9	648.0	573.7	600.4	104.7
Cost of sales	167.8	173.4	174.1	188.2	108.1
R&D expenses	145.0	125.1	120.4	130.5	108.4
SG&A expenses	343.0	253.7	208.7	210.5	100.9
Operating income	113.1	95.7	70.5	71.1	100.9
Ordinary income	105.2	90.0	65.6	64.9	99.0
Net income	67.4	58.5	48.3	33.0	68.3
Net income (adjusted)	-	-	-	46.1	95.4
Cash income	120.0	107.7	100.7	83.6	83.0
Cash income (adjusted)	-	-	-	95.4	94.7
Comprehensive income	31.2	55.6	95.2	72.9	76.6
					Diff.
Dividend on equity (DOE, %)	10.4	10.4	9.6	8.8	(0.9)
Return on equity (ROE, %)	16.4	14.3	10.9	6.8	(4.1)
Dividend payout ratio (DPR, %)	63.4	73.1	88.6	129.8	41.2
Dividend per share (DPS, yen)	150.0	150.0	150.0	150.0	-
Earnings per share (EPS, yen)	236.5	205.3	169.4	115.6 ⁽¹⁾	(53.8)
Cash income per share (Cash EPS, yen)	421.3	377.8	353.5	293.1 ⁽¹⁾	(60.4)
Cash income (adjusted) per share (Cash EPS, yen)	-	-	-	334.4 ⁽¹⁾	(19.1)

(1) The Company's stock held through the Trust for Officers' Compensation Board Incentive Plan (105,400 shares) is included in the average number of shares outstanding as treasury stocks which are deducted from the basis of the calculation of basic earnings per share.

* "Net income (adjusted)" and "Cash income (adjusted)" exclude the impact of expenses related to the organizational reform and tax rate changes accompanying the abolishment of the special reconstruction corporate tax in Japan a year ahead of schedule.

* "Cost of sales" includes "Provision for (reversal of) sales returns net"

2) Cash Flow Statement Data

(billions of yen)

	FY2010	FY2011	FY2012	FY2013	Diff.
Net cash provided by (used in) operating activities	123.2	90.6	73.2	85.7	12.5
Net cash provided by (used in) investing activities	(58.8)	(2.6)	21.7	26.2	4.4
Net cash provided by (used in) financing activities	(68.0)	(78.0)	(81.8)	(114.8)	(33.0)
Cash and cash equivalents at end of period	102.8	112.6	142.5	153.9	11.5
Free cash flow	100.3	71.4	54.5	66.4	11.9

* "Free cash flow" = "Net cash provided by (used in) operating activities" - "Capital expenditures, etc. (cash basis)"

3) Balance Sheet Data

(billions of yen)

	2011 March 31	2012 March 31	2013 March 31	2014 March 31	Diff.
Total assets	1,046.3	1004.7	990.2	945.5	(44.7)
Liabilities	635.9	581.2	515.9	434.6	(81.4)
Borrowings	259.9	265.3	234.0	217.4	(16.7)
Bonds and debentures	120.0	80.0	80.0	30.0	(50.0)
Equity	410.4	423.4	474.3	510.9	36.6
Shareholders' equity	404.2	416.8	469.4	506.8	37.4
Shareholders' equity ratio (%)	38.6	41.5	47.4	53.6	6.2
Liabilities ratio (Net DER / times)	0.49	0.38	0.27	0.14	(0.13)

* "Liabilities ratio (Net DER)" = ("Interest-bearing debt" ("Borrowings" + "Bonds and debentures") - "Cash and deposits" - "Short-term investments") / "Shareholders' equity"

4) Capital Expenditures and Depreciation/Amortization

	(billions of yen)				
	FY2010	FY2011	FY2012	FY2013	Diff.
Capital expenditures	23.7	20.7	20.5	25.6	5.1
Property, plant and equipment	14.4	12.7	9.2	11.9	2.8
Intangible assets	9.3	8.0	11.3	13.6	2.3
Depreciation and amortization	43.5	41.7	43.3	39.1	(4.2)

5) Financial Results by Business Segment

(1) Consolidated Net Sales by Reporting Segment

	(billions of yen)		
	FY2012	FY2013	YOY %
Japan Pharmaceutical Business	307.8	310.7	100.9
Americas Pharmaceutical Business	153.3	158.9	103.6
U.S. Pharmaceutical Business	153.0	158.3	103.4
Asia Pharmaceutical Business	41.3	58.0	140.6
EMEA Pharmaceutical Business	25.8	32.5	125.9
Consumer Healthcare Business Japan (mainly OTC drugs)	21.1	21.5	102.2
Other	24.4	18.8	76.7
Consolidated net sales	573.7	600.4	104.7

* Each of the segments above displays net sales to external customers only.

(2) Consolidated Operating Income by Reporting Segment

	(billions of yen)		
	FY2012	FY2013	YOY %
Japan Pharmaceutical Business	138.9	154.7	111.4

2. Consolidated Statement of Income

	(billions of yen)					
	FY2012	Sales %	FY2013	Sales %	YOY %	Diff.
Net sales	573.7	100.0	600.4	100.0	104.7	26.7
Cost of sales	174.1	30.3	188.2	31.3	108.1	14.1
Gross profit	399.6	69.7	412.2	68.7	103.2	12.6
R&D expenses	120.4	21.0	130.5	21.7	108.4	10.2
SG&A expenses	208.7	36.4	210.5	35.1	100.9	1.8
Personnel expenses	68.4	11.9	74.1	12.3	108.4	5.7
Selling expenses	92.7	16.2	81.0	13.5	87.3	(11.7)
Administrative and other expenses	47.7	8.3	55.5	9.2	116.4	7.8
Operating income	70.5	12.3	71.1	11.8	100.9	0.6
Nonoperating income	2.3	0.4	2.0	0.3		(0.2)
Nonoperating expenses	7.2	1.2	8.2	1.4		1.0
Ordinary income	65.6	11.4	64.9	10.8	99.0	(0.6)
Special gain	7.5	1.3	8.9	1.5		1.4
Special loss	1.7	0.3	15.6	2.6		14.0
Income before income taxes and minority interests	71.4	12.5	58.2	9.7	81.5	(13.2)
Income taxes current	30.6	5.3	17.3	2.9		(13.3)
Income taxes deferred	(7.7)	(1.3)	7.8	1.3		15.5
Income before minority interests	48.5	8.5	33.2	5.5		(15.4)
Minority interests in income	0.3	0.0	0.2	0.0		(0.0)
Net income	48.3	8.4	33.0	5.5	68.3	(15.3)
Net income (adjusted)	-	-	46.1	7.7	95.4	(2.2)

* "Cost of sales" includes "Provision for (reversal of) sales returns net."

* "Net income (adjusted)" excludes the impact of expenses related to organizational reform and tax rate changes accompanying the abolishment of the special reconstruction corporate tax in Japan a year ahead of schedule.

Cash income

Net income	48.3	8.4	33.0	5.5	68.3	(15.3)
Depreciation of PP&E and amortization of intangible assets	24.9		25.1		100.7	0.2
Amortization of intangible assets obtained through acquisition	18.3		14.0		76.2	(4.4)
Amortization of goodwill	7.8		9.5		120.7	1.6
Loss on impairment of noncurrent assets (including loss on devaluation of investment securities)	1.4		2.1		152.2	0.7
Cash income	100.7	17.6	83.6	13.9	83.0	(17.2)
Cash income (adjusted)	-	-	95.4	15.9	94.7	(5.4)

* "Cash income (adjusted)" excludes the impact of expenses related to organizational reform and tax rate changes accompanying the abolishment of the special reconstruction corporate tax in Japan a year ahead of schedule.

Notes

Increase in net sales of growth drivers such as Humira, Halaven,

Net sales <Reason for increase>

Cost of sales to net sales <Reason for increase>

R&D expenses <Reason for increase>

SG&A expenses <Reason for decrease>

Net income <Reason for decrease>

Consolidated Statement of Comprehensive Income

(billions of yen)

	FY2012	FY2013	YOY %	Diff.
Income before minority interests	48.5	33.2	68.4	(15.4)
Other comprehensive income (loss)	46.6	39.7	85.2	(6.9)
Valuation difference on available-for-sale securities	3.1	1.9		(1.2)
Deferred gain (loss) on derivatives under hedge accounting	0.1	0.3		0.2
Foreign currency translation adjustments	43.4	37.5		(5.9)
Comprehensive income (loss)	95.2	72.9	76.6	(22.3)
(Breakdown)				
Comprehensive income (loss) attributable to shareholders of the parent company	95.0	72.7	76.6	(22.3)
Comprehensive income (loss) attributable to minority interests	0.2	0.2	103.4	0.0

4. Financial Results by Reporting Segment

1) Japan Pharmaceutical Business

	(billions of yen)				
	FY2010	FY2011	FY2012	FY2013	YOY %
Net sales			307.8	310.7	100.9
Segment profit			138.9	154.7	111.4

Net Sales Breakdown

Japan Net Sales

Prescription Drugs	311.1	331.2	282.2	281.3	99.7
Generic Drugs (Elmed Eisai Co., Ltd.)	12.4	13.7	19.6	23.4	119.3
Diagnostics (EIDIA Co., Ltd.)	6.1	6.0	6.0	6.0	99.8

Japan prescription drugs major products

Anti-Alzheimer's agent Aricept	105.5	108.3	72.4	65.0	89.8
Proton pump inhibitor					

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

		FY2010	FY2011	FY2012	FY2013	YOY %
Net sales	Billions JPY		157.5	153.3	158.9	103.6 <86.0>
Segment profit	Billions JPY		33.3	35.7	30.3	84.9
Americas Prescription Drugs major products						
Antiemetic agent Aloxi	Billions JPY		34.5	36.7	42.9	116.8 <96.8>
U.S. Prescription Drugs	Billions JPY [Millions USD]	34.6 [403]	34.5 [436]	36.7 [442]	42.9 [428]	116.8 <96.8>
Proton pump inhibitor Aciphex	Billions JPY [Millions USD]	65.6 [765]	55.9 [707]	51.4 [618]	37.7 [376]	73.4 <60.8>
DNA methylation inhibitor Dacogen	Billions JPY [Millions USD]	16.2 [189]	17.3 [219]	19.3 [232]	13.5 [134]	69.7 <57.8>
Anticancer agent Halaven	Billions JPY		10.9	11.6	13.4	114.7 <95.2>
U.S. Prescription Drugs	Billions JPY [Millions USD]	2.2 [25]	10.9 [137]	11.6 [139]	13.1 [130]	112.8 <93.5>
Antiepileptic agent Banzel	Billions JPY		4.4	5.2	7.6	147.0 <122.0>
U.S. Prescription Drugs	Billions JPY [Millions USD]	3.4 [40]	4.4 [55]	5.1 [62]	7.5 [75]	146.6 <121.5>
Anticoagulant Fragmin	Billions JPY [Millions USD]	16.4 [191]	13.9 [176]	9.7 [116]	6.0 [60]	62.3 <51.6>
Anti-Alzheimer's agent Aricept	Billions JPY [Millions USD]	153.4 [1,790]	11.4 [144]	11.0 [133]	3.9 [39]	35.7 <29.6>
Antiobesity agent Belviq	Billions JPY [Millions USD]	- -	- -	- -	25.0 [25]	- -
Antiepileptic agent Fycompa	Billions JPY		-	-	0.8	- -
U.S. Prescription Drugs	Billions JPY [Millions USD]	- -	- -	- -	0.7 [7]	- -

* Sales of Aricept 23 mg tablet out of total sales of Aricept for FY2013 (April 1, 2013 to December 31, 2013) totaled ¥2.7 billion (U.S.\$27million).

* The U.S. is the only country where Eisai markets Dacogen, Fragmin and Belviq; it is also the only country where Eisai directly markets Aciphex and Aricept.

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

3) Asia Pharmaceutical Business (mainly China, South Korea, Taiwan, India and ASEAN)

		FY2010	FY2011	FY2012	FY2013	YOY %
Net sales	Billions JPY			41.3	58.0	140.6 <115.8>
Net sales in China	Billions JPY	14.1	16.9	21.8	31.8	145.6 <117.6>
Segment profit	Billions JPY			7.8	12.8	165.0
Asia Prescription Drugs major products						
Peripheral neuropathy treatment Methycobal	Billions JPY			10.4	16.1	155.5 <127.2>
China Prescription Drugs	Billions JPY [Millions RMB]	6.0 [474]	7.5 [605]	9.0 [681]	13.8 [844]	153.4 <123.8>
Anti-Alzheimer's agent Aricept	Billions JPY			8.1	12.0	148.2 <121.8>
China Prescription Drugs	Billions JPY [Millions RMB]	1.3 [99]	1.6 [131]	2.2 [163]	3.8 [234]	178.3 <144.0>
Fully human anti-TNF- monoclonal antibody Humira	Billions JPY			4.9	6.8	138.8 <114.3>
Proton pump inhibitor Pariet	Billions JPY			4.3	5.7	132.0 <110.3>
China Prescription Drugs	Billions JPY [Millions RMB]	1.1 [86]	1.2 [95]	1.3 [99]	2.2 [135]	169.0 <136.5>
Liver disease / Allergic disease agents Stronger Neo-Minophagen C and Glycyron Tablets	Billions JPY			5.3	5.5	103.3 <83.4>
China Prescription Drugs	Billions JPY [Millions RMB]	3.0 [234]	3.7 [303]	5.3 [397]	5.4 [331]	103.2 <83.3>
Anticancer agent Halaven	Billions JPY			0.1	0.5	476.5 <408.5>

* 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)

FY2010 FY2011 FY2012 FY2013

YOY
%

(3) Aricept (Anti-Alzheimer's agent)

		FY2010	FY2011	FY2012	FY2013	YOY %
Total	Billions JPY	290.4	147.1	94.3	82.7	87.8 <84.4>
Japan	Billions JPY	105.5	108.3	72.4	65.1	89.8
Americas	Billions JPY [Millions USD]	153.4 [1,790]	11.4 [144]	11.0 [133]	3.9 [39]	35.7 <29.6>
Asia	Billions JPY			8.1	12.0	148.2 <121.8>
EMEA	Billions JPY			2.7	1.8	65.8 <52.6>

* The U.S. is the only country in the Americas where Eisai books the sales of Aricept.

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

(4) Humira (Fully human anti-TNF- monoclonal antibody)

		FY2010	FY2011	FY2012	FY2013	YOY %
Total	Billions JPY	16.6	24.0	29.0	35.6	122.5 <118.4>
Japan	Billions JPY	13.3	20.5	24.1	28.8	119.2
Asia	Billions JPY			4.9	6.8	138.8 <114.3>

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

7) Overseas Sales

	FY2010	FY2011	FY2012	FY2013	YOY %
Overseas sales	401.4	258.3	231.6	243.7	105.3
Overseas sales (% of total sales)	52.2	39.9	40.4	40.6	-

* Net sales to external customers for each segment

5. Consolidated Financial Results Forecasts (IFRS)

Consolidated Financial Results Forecasts (FY2014)

	(billions of yen)					
	FY2013	Ratio	FY2014	Ratio	YOY	Diff.
	(Reference)	%	(est.)	%	%	
Net Sales	599.5	100.0	566.0	100.0	94.4	(33.5)
Cost of sales	194.7	32.5	200.0	35.3	102.7	5.3
R&D expenses	136.3	22.7	121.5	21.5	89.1	(14.8)
SG&A expenses	202.1	33.7	191.5	33.8	94.7	(10.6)
Operating income	66.4	11.1	53.0	9.4	79.8	(13.4)
Net income	38.5	6.4	35.0	6.2	90.9	(3.5)
						Diff.
Ratio of dividends attributable to shareholders of the parent (DOE, %)	0.85		0.82			(0.03)
Ratio of profit attributable to shareholders of the parent (ROE, %)	0.76		0.67			(0.09)
Dividend payout ratio (DPR, %)	11.18		12.26			1.08
Dividend per share (DPS, yen)	15.00		15.00			-
Earnings per share (EPS, yen)	13.41		12.24			(1.18)

	(billions of yen)		
	FY2013	FY2014	Diff.
	(Reference)	(est.)	
Capital expenditures	31.2	27.5	(3.7)
Property, plant and equipment	12.3	12.0	(0.3)
Intangible assets	18.9	15.5	(3.4)
Depreciation and amortization	40.0	37.6	(2.4)

* "Depreciation and amortization" includes amortization of "Intangible assets."

The impact of the adoption of IFRS in lieu of J-GAAP in financial reporting on the Eisai Group.

6. Sales Forecasts by Reporting Segment (IFRS)

Sales Forecasts by Reporting Segment (IFRS, FY2014)

		(billions of yen)	
		FY2013	FY2014
		(Reference)	(Est.)
Japan		311.0	307.5
	Prescription Drugs	281.6	274.0

7. Consolidated Balance Sheet

1) Consolidated Balance Sheet <Assets>

	(billions of yen)					
	2013		2014			Diff.
	March 31	%	March 31	%	% change	
Total current assets	530.7	53.6	503.4	53.2	94.9	(27.3)
Cash and deposits	88.7		99.4			10.7
Notes and accounts receivable trade	185.5		174.0			(11.5)
Short-term investments	98.8		75.4			(23.4)
Inventories	87.6		88.1			0.5
Deferred tax assets	47.1		41.1			(6.0)
Other	23.2		25.5			2.3
Allowance for doubtful accounts	(0.1)		(0.1)			0.0
Total noncurrent assets	459.5	46.4	442.1	46.8	96.2	(17.4)
Total property, plant and equipment	142.2	14.4	131.4	13.9	92.4	(10.8)
Buildings and structures	85.9		82.4			(3.5)
Other	56.3		49.0			(7.3)
Total intangible assets	236.0	23.8	234.8	24.8	99.5	(1.2)
Goodwill	127.3		129.7			2.3
Sales rights	51.4		48.6			(2.9)
Core technology	43.7		44.3			0.5
Other	13.5		12.3			(1.2)
Total investments and other assets	81.2	8.2	75.8	8.0	93.3	(5.4)
Investment securities	34.3		33.3			(1.0)
Net defined benefit asset	-		4.4			4.4
Deferred tax assets	40.7		30.9			(9.8)
Other	6.3		7.4			1.1
Allowance for doubtful accounts	(0.1)		(0.1)			0.0
Total assets	990.2	100.0	945.5	100.0	95.5	(44.7)

8. Changes in Consolidated Quarterly Results

1) Income Statement Data

(billions of yen)

	FY2012				FY2013			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	146.9	141.6	143.1	142.1	154.2	153.2	140.6	152.3
Cost of sales	43.2	41.8	43.2	46.0	46.3	47.0	48.3	46.6
R&D expenses	28.4	29.1	29.8	33.1	39.6	30.8	35.8	24.4
SG&A expenses	56.2	52.5	53.3	46.7	54.2	54.3	49.0	53.1
Operating income	19.1	18.2	16.8	16.3	14.2	21.2	7.4	28.3
Ordinary income	17.9	16.6	15.7	15.4	12.9	19.9	6.5	25.7
Net income	11.9	12.6	9.5	14.3	9.4	18.2	1.8	3.5
Cash income	24.3	25.9	22.8	27.9	21.9	30.1	14.3	17.3
Comprehensive income	(1.1)	8.5	43.7	44.0	26.1	18.1	33.3	(4.5)
Earnings per share (EPS, yen)	41.7	44.2	33.4	50.0	33.0*	64.0*	6.5*	12.1*
Cash income per share (Cash EPS, yen)	85.1	90.8	79.9	97.7	76.8*	105.6*	50.1*	60.5*

* The Company's stock held through the Trust for Officers' Compensation Board Incentive Plan (105,400 shares) is included in the average number of shares outstanding as treasury stocks which are deducted from the basis of the calculation of basic earnings per share.

* "Cost of sales" includes "Provision for (reversal of) sales returns net."

2) Cash Flow Segment Data

(billions of yen)

	FY2012				FY2013			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net cash provided by (used in) operating activities	28.3	8.6	16.6	19.7	12.3	28.9	17.7	26.8
Net cash provided by (used in) investing activities	7.2	24.2	(10.4)	0.8	29.0	(8.5)	(3.5)	9.1
Net cash provided by (used in) financing activities	(20.6)	(42.6)	2.3	(21.0)	(82.1)	(5.7)	(7.8)	(19.2)
Cash and cash equivalents at the end of period	123.3	112.3	133.3	142.5	108.3	122.8	140.9	153.9
Free cash flow	22.3	3.3	13.4	15.6	2.7	29.0	12.0	22.8

* "Free cash flow" = "Net cash provided by (used in) operating activities" - "Capital expenditures, etc. (cash basis)"

3) Balance Sheet Data

(billions of yen)

	FY2012				FY2013			
	June 30	Sep.30	Dec.31	Mar. 31	June 30	Sep.30	Dec.31	Mar. 31
Total assets	977.2	921.9	968.2	990.2	939.8	952.2	978.8	945.5
Liabilities	577.7	515.8	538.3	515.9	462.1	457.3	470.5	434.6
Borrowings	266.1	222.6	225.5	234.0	227.5	221.8	227.4	217.4
Bonds and debentures	80.0	80.0	80.0	80.0	30.0	30.0	30.0	30.0
Equity	399.5	406.1	430.0	474.3	477.7	494.9	508.2	510.9
Shareholders' equity	392.9	401.4	425.2	469.4	472.7	490.9	504.1	506.8
Shareholders' equity ratio (%)	40.2	43.5	43.9	47.4	50.3	51.5	51.5	53.6
Liabilities ratio Net DER / times)	0.39	0.38	0.35	0.27	0.30	0.23	0.21	0.14

* "Liabilities ratio Net DER" = ("Interest-bearing debt" ("Borrowings" + "Bonds and debentures") - "Cash and deposits" - "Short-term investments") / "Shareholders' equity"

4) Capital Expenditures, Depreciation and Amortization

(billions of yen)

1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
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5) Sales of Major Products

(1) Oncology-Related Products

		FY2012				FY2013			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total	Billions JPY	25.2	23.3	25.3	26.6	27.1	26.7	23.7	23.4
Halaven	Billions JPY	5.5	5.3	5.6	6.2	7.0	6.9	7.5	7.5
Japan	Billions JPY	1.3	1.4	1.4	1.4	1.6	1.6	1.7	1.5
Americas	Billions JPY	3.1	2.7	2.7	3.1	3.3	3.2	3.4	3.4
U.S. Prescription Drugs	Billions JPY [Millions USD]	3.1 [39]	2.7 [34]	2.7 [34]	3.1 [33]	3.2 [32]	3.2 [32]	3.3 [33]	3.4 [33]
Asia	Billions JPY	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2
EMEA	Billions JPY	1.0	1.2	1.4	1.7	2.0	2.0	2.3	2.4
Aloxi	Billions JPY	9.5	8.4	9.3	9.6	10.3	11.1	10.8	10.7
U.S. Prescription Drugs	Billions JPY [Millions USD]	9.5 [119]	8.4 [107]	9.3 [114]	9.6 [103]	10.3 [105]	11.1 [112]	10.8 [107]	10.7 [104]
Dacogen	Billions JPY [Millions USD]	4.4 [55]	4.4 [55]	4.8 [59]	5.8 [63]	5.7 [58]	3.5 [35]	1.9 [19]	2.4 [23]
Fragmin	Billions JPY [Millions USD]	2.9 [36]	2.5 [32]	2.4 [30]	1.9 [19]	1.8 [18]	2.3 [24]	1.1 [10]	0.8 [8]
Trekisym/Symbenda	Billions JPY	0.9	0.9	0.9	0.8	1.0	1.0	1.0	0.9
Other	Billions JPY	2.0	1.9	2.4	2.2	1.3	1.8	1.4	1.1

* The U.S. is the only country where Eisai markets Dacogen and Fragmin.

(2) Pariet/Aciphex

		FY2012				FY2013			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total	Billions JPY	28.5	24.8	28.8	26.4	29.9	28.9	16.2	16.5
Japan	Billions JPY	13.1	12.7	12.8	11.5	12.8	12.4	11.8	10.4
Americas	Billions JPY [Millions USD]	13.2 [164]	10.2 [131]	14.4 [178]	13.6 [146]	15.5 [157]	15.1 [152]	2.8 [27]	4.3 [40]
Asia	Billions JPY	1.1	1.1	1.1	1.1	1.4	1.3	1.4	1.5
EMEA	Billions JPY	1.2	0.8	0.5	0.2	0.2	0.1	0.2	0.2

* The sales of Pariet in Japan includes the sale of triple formulation packs for *Helicobacter pylori* eradication, Rabecure Pack 400/800 and Rabecure Pack.

* The U.S. is the only country in the Americas where Eisai directly markets Aciphex.

(3) Aricept

		<u>FY2012</u>				<u>FY2013</u>			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total	Billions JPY	27.3	26.2	20.1	20.7	23.2	22.1	21.1	16.4
Japan	Billions JPY	21.7	18.6	15.7	16.4	18.3	17.3	16.7	12.8
Americas	Billions JPY	2.4	5.1	1.9	1.7	1.5	1.3	0.9	0.1
	[Millions USD]	[30]	[64]	[23]	[16]	[16]	[13]	[9]	[1]
Asia	Billions JPY	2.0	1.9	2.0	2.2	2.9	3.0	2.9	3.1
EMEA	Billions JPY	1.2	0.6	0.5	0.4	0.4	0.5	0.5	0.4

* The U.S. is the only country in the Americas where Eisai directly markets Aricept.

(4) Humira

		<u>FY2012</u>				<u>FY2013</u>			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total	Billions JPY	6.8	7.2	7.6	7.5	8.5	9.3	9.8	8.0
Japan	Billions JPY	5.8	6.1	6.3	6.0	6.9	7.4	8.0	6.4
Asia	Billions JPY	1.1	1.1	1.3	1.4	1.6	1.8	1.8	1.5

9. Trends in Financial Results

(billions of yen)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
<Income Statement Data>										
Net sales	533.0	601.3	674.1	734.3	781.7	803.2	768.9	648.0	573.7	600.4
Cost of sales	98.5	104.5	109.3	118.8	152.5	160.7	167.8	173.4	174.1	188.2
R&D expenses	78.3	93.2	108.3	225.4	156.1	179.1	145.0	125.1	120.4	130.5
SG&A expenses	269.4	307.8	351.2	372.3	381.4	376.9	343.0	253.7	208.7	210.5
Operating income	86.8	95.7	105.3	17.7	91.8	86.4	113.1	95.7	70.5	71.1
Ordinary income	89.1	100.0	110.5	18.9	82.6	79.7	105.2	90.0	65.6	64.9
Net income (loss)	55.5	63.4	70.6	(17.0)	47.7	40.3	67.4	58.5	48.3	33.0
Cash income			97.6	106.9	119.0	126.4	120.0	107.7	100.7	83.6
<Cash Flow Statement Data>										
Net cash provided by (used in) operating activities	49.2	87.1	81.2	73.2	105.0	107.9	123.2	90.6	73.2	85.7
Net cash provided by (used in) investing activities	(37.5)	(29.5)	(55.2)	(476.4)	(55.0)	(69.8)	(58.8)	(2.6)	21.7	26.2
Net cash provided by (used in) financing activities	(16.7)	(21.8)	(40.6)	375.4	(31.0)	(49.2)	(68.0)	(78.0)	(81.8)	(114.8)
Free cash flow	10.5	43.6	28.6	(415.9)	59.3	52.9	100.3	71.4	54.5	66.4
<Balance Sheet Data>										
Common stock	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0
Total assets	662.7	747.2	792.1	1,123.9	1,148.2	1,101.9	1,046.3	1,004.7	990.2	945.5
Shareholders' equity	459.6	519.2	552.5	448.9	428.0	415.9	404.2	416.8	469.4	506.8
<Capital Expenditures and Depreciation/Amortization>										
Capital expenditures	49.0	37.0	52.0	434.0	47.3	28.7	23.7	20.7	20.5	25.6
Depreciation and amortization	22.4	25.0	26.8	34.6	49.1	48.9	43.5	41.7	43.3	39.1
<Managerial Indices>										
Dividend payment (billions of yen)	16.0	25.7	34.1	37.0	39.9	42.7	42.7	42.7	42.8	42.8
Dividends on equity (DOE, %)	3.7	5.3	6.4	7.4	9.1	10.1	10.4	10.4	9.6	8.8
Dividend payout ratio (DPR, %)	29.0	40.6	48.4	-	83.7	105.9	63.4	73.1	88.6	129.8
Return on sales ratio (%)	10.4	10.5	10.5	(2.3)	6.1	5.0	8.8	9.0	8.4	5.5
Return on equity (ROE, %)	12.6	13.0	13.2	(3.4)	10.9	9.6	16.4	14.3	10.9	6.8
Return on assets (ROA, %)	8.7	9.0	9.2	(1.8)	4.2	3.6	6.3	5.7	4.8	3.4
Total capital turnover ratio (no. of times)	0.8	0.9	0.9	0.8	0.7	0.7	0.7	0.6	0.6	0.6
Shareholders' equity ratio (%)	69.4	69.5	69.7	39.9	37.3	37.7	38.6	41.5	47.4	53.6
Liabilities ratio (times)	-	-	-	0.64	0.63	0.62	0.49	0.38	0.27	0.14
Leverage (times)	1.4	1.4	1.4	2.5	2.7	2.6	2.6	2.4	2.1	1.9
Earnings per share (EPS, yen)	193.4	221.9	247.8	(59.8)	167.3	141.6	236.5	205.3	169.4	115.6
Diluted EPS* (yen)	193.3	221.6	247.5	-	167.3	141.6	236.5	205.3	169.3	115.5
Cash EPS (yen)			342.7	375.8	417.8	443.7	421.3	377.8	353.5	293.1
Cash dividends per share (yen)	56.0	90.0	120.0	130.0	140.0	150.0	150.0	150.0	150.0	150.0
Price-book value ratio (PBR, times)	2.3	2.8	2.9	2.2	1.9	2.3	2.1	2.2	2.6	2.3
Treasury stock purchase (thousand shares)	197	-	200	-	-	-	-	-	-	-
Treasury stock purchase (billions of yen)	6.1	-	11.1	-	-	-	-	-	-	-
Consolidated subsidiaries	38	40	45	63	50	49	50	48	48	47

* "Cost of sales" includes "Provision for (reversal of) sales returns-net."

* "Free cash flow" = "Net cash provided by (used in) operating activities" - "Capital expenditures (cash basis)"

* "Diluted EPS" for FY2009 onwards has been calculated in accordance with new accounting standards.

* "Depreciation and amortization" represents amortization of "Intangible assets." The definition was partially changed in FY2008.

* Cash income = Net income (loss) + Depreciation of PP&E and amortization of intangible assets + In-process R&D expenses + Amortization of goodwill + Loss on impairment of long-lived assets (including loss on devaluation of investment securities)

* In accordance with the partial change in definition of "Cash income" and "Cash income per share" in FY2008, results for the previous year have been amended.

* "Cash EPS (Cash income per share)" = "Cash income" / "Average number of outstanding shares for the period (after deduction of treasury stock)"

* "Liabilities ratio Net DER" = ("Interest-bearing debt" ("Borrowings" + "Bonds and debentures") - "Cash and cash in banks" - "Short-term investments") / "Shareholders' equity"

* "Leverage" = "Total assets" / "Shareholders' equity"

10. Nonconsolidated Financial Highlights

1) Nonconsolidated Financial Highlights

(1) Income Statement Data

	(billions of yen)				
	FY2010	FY2011	FY2012	FY2013	YOY %
Net sales	464.6	408.2	348.0	341.8	98.2
Cost of sales	91.8	94.7	97.8	100.0	102.3
R&D expenses	127.4	116.3	111.0	124.7	112.3
SG&A expenses	131.8	130.3	100.5	80.9	80.5
Operating income	113.5	66.9	38.7	36.1	93.1
Ordinary income	106.9	62.9	34.9	31.7	90.8
Net income	73.4	42.4	27.6	12.4	45.0

* "Cost of sales" includes "Provision for (reversal of) sales returns net."

(2) Cash Flow Statement Data

	(billions of yen)				
	FY2010	FY2011	FY2012	FY2013	Diff.
Net cash provided by (used in) operating activities	128.6	63.5	40.6	47.6	7.0
Net cash provided by (used in) investing activities	(49.5)	4.7	28.6	36.9	8.3
Net cash provided by (used in) financing activities	(67.7)	(77.7)	(56.6)	(84.4)	(27.8)
Cash and cash equivalents at end of period	23.1	13.5	26.1	26.2	0.1
Free cash flow	116.1	52.3	28.9	39.0	10.1

* "Free cash flow" = "Net cash provided by (used in) operating activities" - "Capital expenditures (cash basis)"

(3) Balance Sheet Data

	(billions of yen)				
	2011	2012	2013	2014	Diff.
	March 31	March 31	March 31	March 31	
Total assets	983.7	942.7	891.7	834.1	(57.6)
Liabilities	456.5	414.1	375.2	344.9	(30.3)
Borrowings	210.0	216.0	202.5	211.0	8.5
Bonds and debentures	120.0	80.0	80.0	30.0	(50.0)
Equity	527.2	528.6	516.5	489.2	(27.3)
Shareholders' equity	526.3	527.6	515.4	488.1	(27.3)
Shareholders' equity ratio (%)	53.5	56.0	57.8	58.5	0.7

2) Net Sales Highlights

	(billions of yen)				
	FY2010	FY2011	FY2012	FY2013	YOY %
Net sales	464.6	408.2	348.0	341.8	98.2
Prescription drugs	311.0	331.0	282.1	281.2	99.7
Consumer healthcare products, etc.	20.9	21.9	21.2	21.7	102.1
Industrial property rights, etc.	79.4	18.4	6.1	8.0	132.2
Export of pharmaceuticals	51.7	35.7	37.5	29.9	79.7
Other	1.6	1.2	1.2	1.0	88.4

11. Stock Information

1

5) Breakdown of Shareholders by Number of Shares Held

(investors)

	2013 March 31	%	2014 March 31	%	Diff.
1 million or more shares	48	0.1	47	0.0	(1)
100,000 ~ 999,999 shares	153	0.2	152	0.1	(1)
10,000 ~ 99,999 shares	994	1.0	1,051	1.0	57
1,000 ~ 9,999 shares	18,785	19.6	20,619	19.3	1,834
100 ~ 999 shares	70,930	74.0	80,171	74.9	9,241
Less than 100 shares	4,925	5.1	4,941	4.6	16
Total	95,835	100.0	106,981	100.0	11,146

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

(1,000 shares)

	2013 March 31	%	2014 March 31	%	Diff.
1 million or more shares	170,939	57.6	164,091	55.3	(6,847)
100,000 ~ 999,999 shares	48,214	16.3	47,250	15.9	(964)
10,000 ~ 99,999 shares	22,636	7.6	24,303	8.2	1,666
1,000 ~ 9,999 shares	37,565	12.7	41,571	14.0	4,006
100 ~ 999 shares	17,041	5.7	19,181	6.5	2,139
Less than 100 shares	170	0.1	169	0.1	(0)
Total	296,566	100.0	296,566	100.0	-

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

12. Number of Employees

1) Number of Employees on Consolidated Basis

	(persons)			
	2011	2012	2013	2014
	March 31	March 31	March 31	March 31
Total employees	11,560	10,730	10,495	10,419
Japan	5,636	5,472	5,320	5,200
Americas	2,559	1,843	1,815	1,768
Europe	1,015	872	830	811
Asia (excl. Japan), other	2,350	2,543	2,530	2,640

2) Number of Employees on Non-consolidated Basis

	(persons)			
	2011	2012	2013	2014
	March 31	March 31	March 31	March 31
Total employees (non-consolidated)	4,322	4,184	4,050	4,003
Production	757	708	670	642
Research and development	1,196	1,062	1,013	981
Sales, marketing and administration	2,369	2,414	2,367	2,380

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

13. Major News Releases

Date	Description
April 2013	Eisai Establishes Pharma Sales Subsidiary in Moscow Ahead of Planned Direct Sales Launch in Russia <issued on April 5> Eisai Co-establishes the Global Health Innovative Technology Fund <issued on April 8> Eisai Announces Preclinical Research Findings Suggesting Novel Inhibitory Effect on Tumor Metastasis for Anticancer Agent Halaven at AACR 104th Annual Meeting <issued on April 10> Eisai Receives Manufacturing and Marketing Authorization for Vascular Embolization Device DC Bead in Japan <issued on April 17> Eisai to Establish New Parenteral Facility in China <issued on April 25> Eisai Supports Earthquake Relief Efforts in Sichuan, China <issued on April 26>
May	Eisai Files for Indication Expansion of Anticancer Agent Halaven with European Medicines Agency <issued on May 7> Publication in Federal Register Tomorrow Moves Belviq Closer to Launch <issued on May 8> Notification Regarding the Introduction of a Performance-Related Stock Compensation System in Accordance with the Revision of the Compensation System for the Corporate Officers of the Company <issued on May 13> Notification Regarding the Disposal of Treasury Stock through Third-Party Allotment in Accordance with the Introduction of Performance-Related Stock Compensation System <issued on May 13> Eisai to Present New Research on Oncology Products and Pipeline at 49th ASCO Annual Meeting <issued on May 17> AbbVie and Eisai Announce Humira Pre-filled Syringe Has Received Approval for the Treatment of Intestinal Behçet's Disease in Japan <issued on May 24> Eisai Announces Launch of Antiepileptic Agent Inovelon Tablets 100 mg, 200 mg in Japan <issued on May 28> Notification Regarding the Completion of the Disposal of Treasury Stock Through Third-Party Allotment in Accordance with the Introduction of Performance-Related Stock Compensation System <issued on May 30> Notification Regarding Partial Amendment to the Articles of Incorporation <issued on May 30>
June	Eisai Presents New Quality of Life Findings in Patients with Metastatic Breast Cancer from Halaven (Eribulin) Versus Capecitabine Study at 49th ASCO Annual Meeting <issued on June 3> Eisai Confirms Therapeutic Effects of Lenvatinib in Patients with Melanoma in Strategic Collaboration with Quintiles to Develop Eisai Anticancer Compounds <issued on June 10> Eisai to Launch Chocolate BB Sparkling Vitamin Kyutto Lemon Flavor <issued on June 11> AbbVie and Eisai Announce Humira Pre-filled Syringe 40 mg / 0.8 mL, a Fully Human Monoclonal Anti-TNF- Antibody Formulation, Has Received Approval for the Treatment of Moderate to Severe Ulcerative Colitis (UC) in Japan <issued on June 14> Eisai to Make New Investment in Expansion of Global Packaging Facility at Hatfield Production Plant in U.K. <issued on June 1 > Eisai Announces Launch of New Dry Syrup Formulation of Alzheimer's Disease Treatment Aricept in Japan <issued on June 25> Eisai to Suspend Temporarily Commercial Distribution of Antiepileptic Drug Fycompa in Germany <issued on June 25>
July	Notice Regarding Transfer of Shares of Eisai Subsidiary, Eisai Seikaken Co., Ltd. <issued on July 19> Eisai Receives Positive Opinion from EMA's CHMP on Use of Antiepileptic Agent Zonegran in Pediatric Patients <issued on July 29>
August	Continuation of "Policy for Protection of The Company's Corporate Value and Common Interests of Shareholders (Shareholder Rights Plan)" <issued on August 1> Eisai Receives Approval to Market Pariet Triple Formulation Packs Rabecure 400 and 800 and Rabefine, for Primary and Secondary <i>H. Pylori</i> Eradication Respectively, in Japan <issued on August 21>

14. Major R&D Pipeline

In-House R&D Pipeline List

Product Name / Research Code	Additional Indication, etc.*	Development Stage**	Therapeutic Area
New Approval			
DC Bead (Transcatheter arterial embolization (TAE) of hepatocellular carcinoma)		(JP) approved	Oncology and Supportive Care
Zonegran (Pediatric partial-onset seizures)	AI	(EU) approved	Neurology
Humira (Intestinal Behçet's disease)	AI	(JP) approved	Vascular and Immunological Reaction
Humira (Ulcerative colitis)	AI	(JP) approved	Vascular and Immunological Reaction Vasc1m.Ma118v35

(1) Oncology and Supportive Care

Product Name: **Halaven** Research Code: **E7389** Generic Name: **eribulin** (Anticancer agent / microtubule dynamics inhibitor)

Description: A synthetic analog of halichondrin B derived from the marine sponge, *Halichondria okadai*. Believed to exert an antitumor effect by arresting the cell cycle through inhibition of the growth of microtubules. Currently being investigated as a potential treatment for breast cancer and various other solid tumors. Approved in 53 countries including the United States, Singapore, European Union (EU) member states, Japan, and Switzerland.

Additional Indication: Second-line treatment for breast cancer

EU: submitted (April 2013), accepted (April 2013)

Inj.

Third-line treatment for breast cancer

CN: PIII

Inj.

Additional Indication: First-/second-line treatment for

Research Code: **E7820** (Anticancer agent / alpha 2 integrin suppressant)

Description:

(2) Neurology

Product Name: **Aricept** Research Code: **E2020** Generic Name: **donepezil** (Anti-Alzheimer's agent)

Description: Increases levels of the neurotransmitter acetylcholine in the brain by inhibiting its breakdown by the enzyme acetylcholinesterase, 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

Research Code: **BAN2401** (Anti-Alzheimer's agent / humanized anti-A β protofibrils monoclonal antibody)

Description: A humanized IgG1 monoclonal antibody that targets amyloid beta (A β) protofibrils. Expected to be effective in the treatment of Alzheimer's disease by halting disease progression through the elimination of A β protofibrils reported to exhibit neurotoxicity.

Alzheimer's disease

US/EU: PII

Inj.

Research Code: **E2006** (Anti-insomnia agent / orexin receptor antagonist)

Description: Anti-insomnia agent with novel mechanism of action. By antagonizing the orexin receptors that maintain wakefulness, it is expected to alleviate wakefulness and thereby induce natural sleep.

Insomnia

US: PII

Oral.

(3) Vascular and Immunological Reaction

Product Name: **Humira** Research Code: **D2E7** Generic Name: **adalimumab** (Fully human anti-TNF α monoclonal antibody)

Description: A fully human anti-TNF α monoclonal antibody, which neutralizes tumor necrosis factor alpha (TNF α), a type of cytokine that plays a central role in inflammatory reactions in patients with autoimmune diseases. Approved in Japan for the treatment of rheumatoid arthritis, psoriasis, Crohn's disease, ankylosing spondylitis, juvenile idiopathic arthritis, inhibition of structural damage of joints, intestinal Behçet's disease and ulcerative colitis.

Additional Indication: Intestinal Behçet's disease

JP: approved (May 2013)

Inj.

(4) Gastrointestinal and Hepatic Disorders

Product Name: **Pariet/Aciphex** Research Code: **E3810** Generic Name: **rabeprazole** (Proton pump inhibitor)

Description: A proton pump inhibitor approved for the treatment of gastric and duodenal ulcers, reflux esophagitis and eradication of *Helicobacter pylori* infections, etc.

Additional Formulation: Triple formulation pack for
Helicobacter pylori eradication

JP: approved (August 2013)

Oral