CONSOLIDATED FINANCIAL REPORT [IFRS]
for the First Six Months of Fiscal Year 2014
(April 1, 2014 – September 30, 2014)

October 30, 2014

Eisai Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange (TSE)

TSE Code: 4523

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Expected date of quarterly report submission: November 13, 2014

Expected date of dividend payment commencement: November 17, 2014

Preparation of quarterly supplementary explanatory material: Yes

Quarterly results briefing held: Yes

(Figures are rounded to the nearest million yen.)

2. Dividends

	Annual dividends
	End of first

1. Qualitative Information Concerning Financial Results

respectively. Revenue for Banzel came to ¥4,489 million (up 39.8% year-on-year) and revenue for Fycompa came to ¥479 million (¥464 million increase over same period of previous fiscal year), both contributing to the growth of the Group's epilepsy franchise. Meanwhile, Aciphex was impacted by LOE from November 2013, recording revenue of ¥6,714 million (down 78.0% year-on-year).

Asia pharmaceutical business

Revenue totaled ¥33,794 million (up 20.3% year-on-year) with segment profit of ¥9,275 million (up 34.3% year-on-year). Of this amount, revenue in China continued to increase significantly as it had in the previous period, recording ¥19,004 million (up 26.6% year-on-year).

Revenue for Methycobal, a peripheral neuropathy treatment, achieved significant growth in China, amounting to ¥9,457 million (up 24.0% year-on-year). Revenue from Aricept came to ¥6,629 million (up 11.4% year-on-year), Humira ¥3,973 million (up 15.2% year-on-year), Pariet ¥3,083 million (up 12.8% year-on-year) and Halaven ¥501 million (up 238.6% year-on-year).

Urief, a treatment for dysuria associated with benign prostatic hyperplasia (BPH), was launched in Thailand in April 2014.

EMEA pharmaceutical business

Revenue totaled ¥18,117 million (up 19.8% year-on-year), with segment profit growing significantly to ¥3,098 million (up 99.4% year-on-year) due to an increase in gross profit .

Revenue from Halaven totaled ¥5,348 million (up 36.2% year-on-year). Revenue for epilepsy franchise products Zonegran and Zebinix increased to ¥3,891 million (up 23.1% year-on-year) and ¥1,510 million (up 35.6% year-on-year), respectively, while Fycompa and Inovelon recorded revenue of ¥1,058 million (up 51.1% year-on-year) and ¥1,047 million (up 17.7% year-on-year), respectively.

Consumer Healthcare Business—Japan

Revenue totaled ¥8,505 million (down 10.9% year-on-year), recording segment profit of ¥453 million (down 74.4% year-on-year) in part due to proactive investment in new products.

Revenue from the Chocola BB group of products totaled ¥5,578 million (down 11.4% year-on-year).

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

2) Research & Development Pipeline, Alliances and Other Events

Status of Ongoing Research & Development Pipelines

Halaven (eribulin), an anticancer agent, obtained approval as a treatment for breast cancer sequentially around the world and, as of October 2014, the agent is approved in 55 countries worldwide. Furthermore, an indication expansion of Halaven to contribute to

earlier treatment of patients with locally advanced or metastatic breast cancer (second-line treatment) was approved by the European Commission (EC) in June 2014 and, as of October 2014, the agent has been approved with this indication in 34 countries. A Phase III study to investigate the agent as a potential first- or second-line chemotherapy for HER2-negative breast cancer has been initiated and is underway in the United States. A Phase III study to investigate the agent as a potential third-line chemotherapy for breast cancer has been initiated and is underway in China. Also, a Phase III study to investigate the agent as a potential treatment for sarcoma is underway in the United States, Europe and Asia, while a Phase II study is ongoing in Japan. Meanwhile, a Phase III study in non–small cell lung cancer conducted in the United States, Europe, and Asia including Japan did not meet its primary endpoint as the agent could not demonstrate superiority in overall survival compared to the control treatment group. Further analysis of the results is ongoing and detailed results of the study will be presented at a future academic conference.

The antiepileptic agent Fycompa (perampanel) was approved by the EC in July 2012 as an adjunctive therapy for the treatment of partial-onset seizures in patients with epilepsy aged 12 years and older. The agent obtained approval for the same indication from the U.S. Food and Drug Administration (FDA) for the United States in October 2012. As of October 2014, Fycompa is approved in 41 countries worldwide. A Phase III study for the same indication is ongoing in Asia, including Japan and China. A Phase III study of the agent as an adjunctive therapy for the treatment of primary generalized tonic-clonic seizures in patients with epilepsy conducted in the United States, Europe, and Asia including Japan met its primary endpoint, and the Company submitted applications for an indication expansion of the agent simultaneously in the United States and Europe in August 2014. In Japan, the Company is planning to submit applications in conjunction with its development of the agent as an adjunctive treatment for partial-onset therapy during fiscal year 2015. Furthermore, a Phase II study of the agent as a po3(t)-7(e iD7)Tj 0(a P)2(haent)-70.002 0(a 3z)9(ur)-3there, a Phase fov

The anti-Alzheimer's d

- In May 2014, the Company's research and development subsidiary KAN Research Institute, Inc. (Hyogo Prefecture) held a dedication ceremony for its new research facility located within the Kobe Biomedical Innovation Cluster, and has now officially commenced full-scale operation of its research and development activities at this facility.

  In May 2014, the antiemetic agent Aloxi (palonosetron) was approved in the United States for an additional indication regarding the prevention of acute nausea and vomiting associated with initial and repeat courses of emetogenic cancer chemotherapy, including highly emetogenic cancer chemotherapy, in children aged 1 month to up to 17 years by the United States Food and Drug Administration (FDA). Furthermore, the clinical trial data used for this application met the FDA's Written Request requirements for pediatric exclusivity, resulting in an additional six months of market exclusivity for the drug in the United States, which will now expire on October 13, 2015.
- In August 2014, the Company entered into an agreement to grant a marketing license to exclusively develop, co-promote and non-exclusively manufacture its in-house developed proton pump inhibitor E3710 to Zeria Pharmaceutical Co., Ltd. (Tokyo) in Japan.
- In September 2014, the Company's U.S. subsidiary Eisai Inc. divested the United States and Puerto Rican rights for the antiepileptic agent Zonegran (zonisamide) to Concordia Pharmaceuticals Inc., a subsidiary of Concordia Healthcare Corp. (Canada).
- In September 2014, the Company entered into an agreement to allow Kyorin Pharmaceutical Co., Ltd. (Tokyo) to evaluate the feasibility of developing compounds for the antibacterial field using the Company's compound library, which includes natural products.
- In order to develop new antimalarial medicines, the Company entered into a joint research agreement with St. Jude's Children's Research Hospital (United States) and Medicines for Malaria Venture (Switzerland) in August 2014, and a joint research agreement with the Broad Institute (United States) in September 2014. These two joint development programs were awarded grants from the Global Health Innovative Technology Fund (GHIT Fund), an international non-profit organization.
- The Company's U.S. subsidiary Eisai Inc. holds the commercial rights for the antiemetic agent Akynzeo (an oral fixed combination of netupitant and palonosetron [brand name: Aloxi]) in the United States through a licensing agreement signed with Helsinn Healthcare S.A. (Switzerland). In October 2014, Helsinn Healthcare S.A. received approval from the U.S. Food and Drug Administration (FDA) for Akynzeo, indicated for the prevention of acute and delayed nausea and vomiting associated with initial and repeat courses of cancer chemotherapy, including, but not limited to, highly emetogenic chemotherapy. Akynzeo will be co-promoted in the United States by the two companies' respective subsidiaries Eisai Inc. and Helsinn Therapeutics U.S. Inc. Eisai Inc. will book sales of the product in the United States.
- The results of an investigational study on the coadministration of the antiobesity agent lorcaserin (brand name in the United States: BELVIQ) with phentermine conducted in the United States supported safety and tolerability of coadministration after 12 weeks of treatment.

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

The Company intends to set the interim dividend for the period (at the end of the second quarter) at ¥70 per share (same amount as the previous year).

*DOE (Dividend on equity attributable to owners of the parent ratio

6) Notes regarding Corporate Governance

(1) Basic Framework

The Eisai Group pursues good corporate governance at all times in order to ensure its consistent implementation. The Group believes that stimulation of corporate vitality while respecting the rights of all shareholders and maintaining fairness and transparency of management is essential to corporate governance and continues to implement its corporate governance in accordance with the following basic framework:

1) Shareholder Relations

The Company shall:

Respect the rights of all shareholders,

Ensure the equality of all shareholders,

Structure favorable and smooth relations with the Company's stakeholders, including all shareholders, and

Properly disclose and ensure the transparency of corporate information.

2) Corporate Governance System

The Company is a company with a committeo]TJ [(3 1 Tf)-7(em)c 0.007 Tw 0.283 0 T.d (2))Tjd [(

(2) Policy for Protection of the Company’s Corporate Value and Common Interests of Shareholders

The Company has established the Independent Committee of Outside Directors, composed of all the Outside D

2. Explanatory Notes for Financial Results Summary

1 Changes in Number of Significant Subsidiaries during the Period

Not applicable

2 Changes in Accounting Policies and Accounting Estimates

With the exception of the following, all significant accounting policies that apply to these consolidated financial statements are the same as those that were applied to the consolidated financial statements for the previous fiscal year.

Accounting standards and interpretations	Mandatory application (Date of commencement)	To be applied by the Group	Description of new standards / amendments
IFRS 10 Consolidated Financial Statements IFRS 12 Disclosure of Interests in Other Entities IAS 27 Separate Financial Statements	January 1, 2014	FY2014	Accounting treatment for the investments held by investment entities
IAS 32 Financial Instruments: Presentation	January 1, 2014	FY2014	Clarification of conditions on offset disclosure

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3. Consolidated Financial Statements

1) Consolidated Statement of Income

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2) Consolidated Statement of Comprehensive Income

(Millions of yen)

	First six months of FY2014 (April 1, 2014 – September 30, 2014)	First six months of FY2013 (April 1, 2013 – September 30, 2013)
Profit for the period	10,509	30,503
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(858)	1,579
Subtotal	(858)	1,579
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	25,717	16,275
Cash flow hedges	345	451
Subtotal	26,062	16,726
Total other comprehensive income (loss), net of tax		

3) Consolidated Statement of Financial Position

(Millions of yen)

	As of September 30, 2014	As of March 31, 2014
Assets		
Non-current assets		

(Millions of yen)

	As of September 30, 2014	As of March 31, 2014
Equity		
Equity attributable to owners of the parent		
Share capital	44,986	44,986
Capital surplus	57,960	57,949
Treasury shares	(38,153)	(38,481)
Retained earnings	365,955	379,210
Other components of equity	108,707	82,656
Total equity attributable to owners of the parent	539,454	526,320
Non-controlling interests	3,145	3,084
Total equity	542,599	529,405
Liabilities		
Non-current liabilities		
Bonds and borrowings	191,662	195,740
Other financial liabilities	2,804	2,635
Retirement benefit liabilities	15,203	15,497
Provisions	1,119	1,145
Other liabilities	27,638	27,727
Deferred tax liabilities	460	340
Total non-current liabilities	238,887	243,085
Current liabilities		
Bonds and borrowings	48,651	51,493
Trade and other payables	50,990	62,234
Other financial liabilities	4,208	5,131
Income tax payables	5,313	3,915
Provisions	11,709	13,031
Other liabilities	67,581	65,529
Total current liabilities	188,451	201,334
Total liabilities	427,337	444,419
Total equity and liabilities	969,936	973,823

4) Consolidated Statement of Changes in Equity

For the first six months of FY2014 (April 1, 2014 – September 30, 2014)

(Millions of yen)

	Equity attributable to owners of the parent				
					Other components of equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Financial assets measured at fair value through other comprehensive income
As of April 1, 2014	44,986	57,949	(38,481)	379,210	—
Profit for the period	—	—	—	10,413	—
Other comprehensive income (loss)	—	—	—	—	(858)
Comprehensive income (loss) for the period	—	—	—	10,413	(858)
Dividends	—	—	—	(22,829)	—
Share-based payments	—	(28)	—	—	—
Acquisition of treasury shares	—	—	(14)	—	—
Disposal of treasury shares	—	40	342	—	—
Reclassification	—	—	—	(858)	858
Other changes	—	—	—	19	—
Total transactions with owners	—	11	328	(23,668)	858
As of September 30, 2014	44,986	57,960	(38,153)	365,955	—

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity					
	Exchange differences on translation of foreign operations	Cash flow hedges	Total other components of equity	Equity attributable to owners of the parent		
As of April 1, 2014	83,587	(931)	82,656	526,320	3,084	529,405
Profit for the period	—	—	—	10,413	96	10,509
Other comprehensive income (loss)	25,705	345	25,192	25,192	13	

For the first six months of FY2013 (April 1, 2013 – September 30, 2013)

(Millions of yen)

	Equity attributable to owners of the parent				
					Other components of equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Financial assets measured at fair value through other comprehensive income
As of April 1, 2013	44,986	57,954	(39,032)	377,125	—
Profit for the period	—	—	—	30,353	—
Other comprehensive income (loss)	—	—	—	—	1,603
Comprehensive income (loss) for the period	—	—	—	30,353	1,603
Dividends	—	—	—	(22,808)	—
Share-based payments	—	1	—	—	—
Acquisition of treasury shares	—	—	(15)	—	—
Disposal of treasury shares	—	(10)	301	—	—
Change of interest in subsidiaries that does not result in a loss of control	—	—	—	249	—
Reclassification	—	—	—	1,603	(1,603)
Other changes	—	—	—	32	—
Total transactions with owners	—	(9)	287	(20,923)	(1,603)
As of September 30, 2013	44,986	57,946	(38,745)	386,555	—

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity					
	Exchange differences on translation of foreign operations	Cash flow hedges	Total other components of equity	Equity attributable to owners of the parent		
As of April 1, 2013	44,801	(1,780)	43,021	484,054	3,826	487,880
Profit for the period	—	—	—	30,353	150	30,503
Other comprehensive income (loss)	16,294	451	18,349	18,349	(44)	18,305
Comprehensive income (loss) for the period	16,294	451	18,349	48,702	106	48,808
Dividends	—	—	—	(22,808)	(166)	(22,974)
Share-based payments	—	—	—	1	—	1
Acquisition of treasury shares	—	—	—	(15)	—	(15)

5) Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY2014 (April 1, 2014 – September 30, 2014)	First six months of FY2013 (April 1, 2013 – September 30, 2013)
Operating activities		
Profit before income taxes	16,327	42,835
Depreciation and amortization	18,687	20,082
Impairment losses	22	—
(Increase) decrease in working capital	6,048	(512)
Interest and dividends received	899	1,114
Interest paid	(2,317)	(3,224)
Income taxes paid	(6,028)	(12,110)
Income taxes refund	3,808	198
Other	(288)	(4,754)
Net cash from operating activities	37,158	43,629
Investing activities		
Purchases of property, plant and equipment	(17,675)	(15,296)

6) Notes to Consolidated Financial Statements

(Going Concern)

Not applicable

(Segment Information)

(1) General Information

The Group's pharmaceutical business is organized into the following five reporting segments: Japan (Prescription medicines, Generics and Diagnostics), Americas (North America, Central and South America), Asia (primarily China, South Korea, Taiwan, India and ASEAN), EMEA (Europe, the Middle East, Africa and Oceania) and Consumer Healthcare Business (CHB)—Japan (mainly over-the-counter [OTC] products). In addition, any business of the Group not included in pharmaceutical business is categorized as "Other business" in this report.

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

(2) Information regarding Reporting Segments

The accounting treatment for the reporting segments disclosed in the previous fiscal year was in accordance with Japan GAAP, however, the accounting treatment for the reporting segments disclosed for the first six months of FY2014, is in accordance with IFRS. Therefore, IFRS has been retrospectively applied to the reporting segments for the first six months of FY2013.

For the first six months of FY2014 (April 1, 2014 – September 30, 2014)

(Millions of yen)

	Reporting segment						Other business (Note)
	Japan	Americas	Asia	EMEA	CHB	Total	