



Securities Code: 4523

May 18, 2017

hvc

human health care

Notice of Convocation of the **105th** Ordinary General Meeting of Shareholders

**Date
and
Time**

June 21, 2017 (Wednesday)
10 A.M. (Reception opens at 9 A.M.)

Venue

Bellesalle Takadanobaba

Resolutions

Proposal: Appointment of 11 Directors

Eisai Co., Ltd.



Eisai supports the WHO's lymphatic filariasis
elimination program.

Corporate Philosophy

We give first thought to patients and their families, and increase the benefits that health care provides to them



Notice of Convocation of the 105th Ordinary General Meeting of Shareholders

Date and Time

June 21, 2017 (Wednesday) 10 A.M.

The reception desk is scheduled to open from 9 A.M.

Location

**3-8-2 Okubo, Shinjuku-ku, Tokyo
Bellesalle Takadanobaba**

Purpose of the meeting

Reports

1. The contents of the business report, consolidated financial statements, and audits of the consolidated financial statements conducted by the Accounting Auditor and the Audit Committee for the 105th Fiscal Year (from April 1, 2016, to March 31, 2017)
2. The content of the financial statements for the 105th Fiscal Year (from April 1, 2016, to March 31, 2017)

Resolutions

Proposal: Appointment of 11 Directors  See pages 9 through 33.

To Our Shareholders,

You are cordially invited to attend the 105th Ordinary General Meeting of Shareholders of Eisai Co., Ltd. to be held as described below.

Our Corporate Philosophy is to give first thought to patients and their families, and increase the benefits that health care provides them. Under this philosophy, the Company endeavors to become a *human health care (hhc)* company. In FY2016, we launched the medium-term business plan “EWAY 2025.” Oncology and neurology have been positioned as the two major therapeutic areas of focus under this plan, and we are engaged in the creation of innovative new drugs. As a global pharmaceutical company, our corporate mission to contribute to the well-being of patients extends around the world. We are taking proactive steps for improvement of access to medicines in developing and emerging countries through collaboration with our major stakeholders.

Based on our *human health care* philosophy, we will continue to aim for the sustainable enhancement of corporate value. We ask our shareholders for their ongoing support going forward.

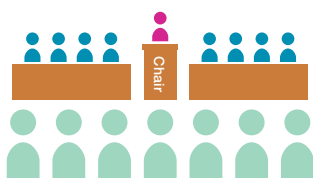
Representative Corporate Officer and CEO



Guide to exercising voting rights

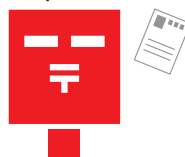
Shareholders attending the meeting in person

Exercising voting rights by attendance



Shareholders not attending the meeting in person

Exercising voting rights by postal mail



Exercising voting rights via the Internet



- Any changes that may arise in the Reference Documents for the 105th Ordinary General Meeting of Shareholders and Attachments to the Notice of Convocation will be published on the Company's website.

The Japanese and English versions of this Notice of Convocation are posted on the Company's website.

 The Company's website <http://www.eisai.com/ir/stock/meeting.html>

Corporate Philosophy (From Chapter I Article 2 of the Articles of Incorporation)

- (1) The Company's Corporate Philosophy is to give first thought to patients and their families, and increase the benefits that health care provides to them. Under this Philosophy, the Company endeavors to become a *human health care (hhc)* company.
- (2) The Company's mission is the enhancement of patient satisfaction. The Company believes that revenues and earnings will be generated by fulfilling this mission. The Company places importance on this sequence of placing the mission before the ensuing results.

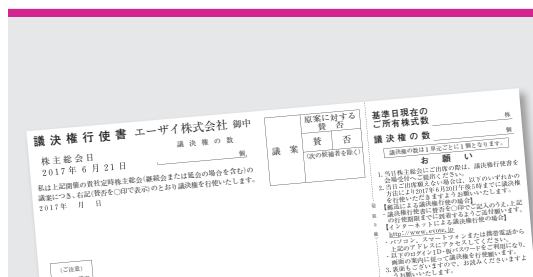
hhe
human health care

The Philosophy Logomark combines the spirit of Florence Nightingale (1820-1910), who made an enormous contribution to the development of the nursing profession and public health, with the "human health care" philosophy. This logomark is modeled on the signature of this prominent figure in the history of modern-day nursing.

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Editorial Policy

This Notice of Convocation has been edited in a manner that makes the reference documents of the proposals for resolution and the Company's business conditions eye-friendly and easy to read and understand for all shareholders.



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- (3) The Company strives to fulfill its social responsibilities by positioning compliance (i.e., the observance of legal and ethical standards) as the basis of all business activities.
- (4) The Company's principal stakeholders are patients, customers, shareholders and employees. The Company endeavors to develop and maintain a good relationship with stakeholders and to enhance the value of their stake through:
1. Satisfying unmet medical needs, ensuring a stable supply of high-quality products, and providing useful information on subjects including drug safety and efficacy;
 2. Timely disclosure of corporate management information, enhancement of corporate value, and a positive return to shareholders; and
 3. Ensuring stable employment, offering challenging and fulfilling duties, and providing full opportunities for the development of employees' capabilities.

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Reference Documents for the 105th Ordinary General Meeting of Shareholders

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Proposal: Appointment of 11 Directors

The terms of office of all 11 current directors will expire as of the close of this Ordinary General Meeting of Shareholders. Shareholders are therefore requested to elect 11 directors.

The following is a list of the candidates for the position of director. For your reference, information about each of the candidates is provided on pages 10 through 33.

The Company is a company with a nomination committee, etc., system. The Nomination Committee determines director candidates.

The emphasis of the Nomination Committee is that management oversight be carried out by the Board of Directors from a multifaceted perspective and with great insight. Each year, it looks into the composition and number of board members from a medium- to long-term perspective, and reviews the diversity of each director in terms of expertise, experience and other aspects. Based on these assessments, the Committee narrows down the large field of director candidates - and in the case of outside director candidates, deliberates on their independence and neutrality - to select the final group of candidates to be recommended for appointment as director.

Candidate	Name		Current position and primary area of responsibility in the Company	
1	Haruo Naito	Reappointment	Director, Representative Corporate Officer and CEO	
2	Toru Yamashita	Reappointment Outside Independent	Director	Chair of the Board of Directors and Member of the Independent Committee of Outside Directors
3	Ikuo Nishikawa	Reappointment Outside Independent	Director	Chair of the Audit Committee and Member of the Independent Committee of Outside Directors
4	Noboru Naoe	Reappointment	Director	Member of the Audit Committee
5	Eiichiro Suhara	Reappointment Outside Independent	Director	Chair of the Nomination Committee, Member of the Compensation Committee, and Member of the Independent Committee of Outside Directors
6	Yasuhiko Katoh	Reappointment Outside Independent	Director	Member of the Nomination Committee, Member of the Compensation Committee, and Member of the Independent Committee of Outside Directors
7	Hirokazu Kanai	Reappointment	Director	Member of the Audit Committee
8	Tamaki Kakizaki	Reappointment Outside Independent	Director	Member of the Audit Committee and Member of the Independent Committee of Outside Directors
9	Daiken Tsunoda	Reappointment Outside Independent	Director	Member of the Audit Committee and Chair of the Independent Committee of Outside Directors
10	Bruce Aronson	New Outside Independent	New director candidate	
11	Yutaka Tsuchiya	New	Representative Corporate Officer, Healthcare Policy and China Business (New director candidate)	

(Note 1) See pages 97 through 98 for details regarding the activities of the Board of Directors and each committee.

(Note 2) Only Candidate 1 is serving as an executive director.

Reappointment
Director candidate (reappointment)

New
Director candidate (new)

Outside
Outside director candidate

Independent
Independent officer for notification to stock exchanges

Candidate

1

Haruo Naito

Reappointment

Current position and primary area of responsibility in the Company

Director, Representative Corporate Officer and CEO

Date of birth (age) * as of June 21, 2017

December 27, 1947 (69 years of age)

No. of years served as a director

* as of the close of this Ordinary General Meeting of Shareholders

34

No. of the Company's shares held by the candidate

* as of March 31, 2017

629,380



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners **Yes***

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" **For**

▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

* Haruo Naito serves as the chair of the Naito Foundation, to which the Company makes donations. The purpose of the Foundation is to promote basic research in natural sciences related to the prevention and treatment of human diseases and thereby contribute to academic promotion and human welfare. Accordingly, the Board of Directors has deemed these donations to be appropriate transactions that invest in the purpose of the Foundation, and granted their approval. In addition, Haruo Naito does not receive any remuneration whatsoever from the Naito Foundation, and the Foundation does not employ any of his close relatives as officers or employees.

Reasons for nomination as a director candidate

The Nomination Committee has determined that the candidate has appropriately explained resolution items and report items in meetings of the Board of Directors as the only director with concurrent duties as a corporate officer and has sufficiently fulfilled the role of overseeing important management decisions and the execution of business, and has nominated the candidate to continue from the previous year serving as a director.

The Company's corporate governance guidelines call for the Representative Corporate Officer and CEO to serve concurrently as a director.

Dear Shareholders,

I make an effort to spend time with patients, share experiences, and take other steps to understand what our patients really need— and I want to see Eisai meet those needs through its business activities and innovative breakthroughs. “EWAY 2025,” the Company’s medium-term business plan, has set goals for us to work toward over the next 10 years. I am determined to do everything in my power to ensure that Eisai, a “Medico Societal Innovator,” meets “needs for prevention, cures, and care” and “needs for safe, secure community medicine.” As we work our way up the mountain, focusing on the best path to our goals at the summit, we will keep making dynamic modification to the “EWAY 2025” plan, respond to shifting conditions, and devote our energies toward making our aims a reality.

At the heart of that effort is the commitment to meeting patients’ real needs through our corporate activities. Thank you for your understanding and support.



Personal history and concurrent employment, etc.

(The notation “(current)” is shown for positions held as officers, etc., as of May 10, 2017. Past positions as officers, etc., are also shown.)

Oct. 1975	Joined the Company
Apr. 1983	Senior Director, R&D Promotion Department of the Company
Jun. 1983	Director of the Company
Apr. 1985	General Manager, R&D of the Company
Jun. 1985	Managing Director of the Company
Jun. 1986	Representative Director and Senior Managing Director of the Company
Jun. 1987	Representative Director and Deputy President of the Company
Apr. 1988	Representative Director and President of the Company
Jun. 2003	Representative Director, President and Chief Executive Officer (CEO) of the Company
Jun. 2004	Director, President (Representative Corporate Officer) and CEO of the Company
Jan. 2006	Chair, The Naito Foundation (current)
Jun. 2014	Director, Representative Corporate Officer and CEO of the Company (current)

Activity on the Board of Directors and Committees

In his capacity as Director, Representative Corporate Officer and CEO, Mr. Naito explains the details of relevant proposals that are submitted at meetings of the Board of Directors, and also provides sufficient explanations of proposals related to report items. Furthermore, he responds carefully and clearly to questions from other directors while presenting his own views as appropriate. Mr. Naito is not a member of any of the committees.

Attendance (FY2016)

Board of Directors	100%	(10/10)
Nomination Committee	—	
Compensation Committee	—	
Audit Committee	—	
Independent Committee of Outside Directors	—	

Candidate

2

Toru Yamashita

Reappointment

Outside

Independent

Current position and primary area of responsibility in the Company

Director, Chair of the Board of Directors, and Member of the Independent Committee of Outside Directors

Date of birth (age) * as of June 21, 2017

October 9, 1947 (69 years of age)

No. of years served as a director

* as of the close of this Ordinary General Meeting of Shareholders

3

No. of the Company's shares held by the candidate

* as of March 31, 2017

517



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners None

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" For

▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

Reasons for nomination as a director candidate

As can be seen from his personal history, the candidate has abundant experience as an executive of a company that has been providing, over many years, IT systems both in Japan and abroad. He has served as an outside director for other companies and has a high level of insight into management and excellent supervisory ability. In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) practical accomplishments as a director and chair of the Board of Directors, (2) qualifications and capabilities as a director, (3) experience, and (4) age and number of years in office, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.

Independence and neutrality

The candidate has experience serving as an officer of NTT DATA Corporation. The Company has transactional partnerships with said company and its consolidated subsidiary, NTT DATA institute of Management Consulting, Inc., for systems-related businesses, etc., but the value of said partnerships was negligible (less than 0.01% of the consolidated sales of said companies).

The candidate serves as a Mitsui Fudosan Co, Ltd. outside director. Mitsui Fudosan Co., Ltd.'s consolidated subsidiary, Mitsui Fudosan Building Management Co., Ltd., has a transactional partnership with the Company related to office buildings, etc., but the value of said partnerships is negligible (less than 0.01% of the consolidated sales of said company).

The candidate also serves as an outside director of Sumitomo Life Insurance Company. Said company holds shares in the Company, but it is no more than 0.2% of the Company's outstanding shares. The Company obtained a long-term, fixed-rate loan from said company in FY2008. The size of the loan was no more than 2.0% of the total amount of the Company's long-term liabilities at the time. The Company also has transactions with said company in terms of insurance policies. However, the value of said transactions is negligible (less than 0.01% of the total amount of said insurance company's insurance in force).

For the above reasons, there are no matters that would impair the candidate's ability to execute his duties as an independent, neutral outside director.

The Nomination Committee has confirmed that the candidate meets the conditions for outside directors stipulated by the Companies Act and the Requirements for the Independence and Neutrality of Outside Directors established by the Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate's ability to execute his duties as an outside director.

Dear Shareholders,

With Japanese society facing an age of unprecedented super-aging and a global population that is rapidly exploding from 7 billion to 9 billion, I believe that Eisai's societal role and responsibility as well as the world's expectations toward the Company, which aims to become a *human health care (hhc)* enterprise, are immense.

To respond to such expectations, the Company commenced last year the "EWAY 2025" medium-term business plan. It centers on the development of innovative new drugs in the fields of dementia and oncology - drugs that are being awaited by many people around the world.

"EWAY 2025" has very high goals. We expect to encounter many difficulties for the achievement of these goals. However, I will utilize my expertise of many years in the field of IT as well as my experience as a business manager in working to help bring "EWAY 2025" to fruition.

山下徹

Personal history and concurrent employment, etc.

(The notation "(current)" is shown for positions held as officers, etc., as of May 10, 2017. Past positions as officers, etc., are also shown.)

Apr. 1971	Joined Nippon Telegraph & Telephone Public Corporation (known as NTT)
Jun. 1999	Senior Vice President & Director, NTT DATA Corporation
Jun. 2003	Executive Vice President & Director, NTT DATA Corporation
Jun. 2005	Senior Executive Vice President and Representative Director, NTT DATA Corporation
Jun. 2007	President & CEO, NTT DATA Corporation
Jun. 2012	Director and Chief Corporate Advisor, NTT DATA Corporation
Apr. 2013	(Cabinet Office) Chair of the Public Interest Corporation Commission (current)
Jun. 2013	Outside Director, Mitsui Fudosan Co., Ltd. (current)
Jun. 2014	Advisor, NTT DATA Corporation (current)
Jun. 2014	Director of the Company (current) and Member of the Independent Committee of Outside Directors (current)
	Member of the Nomination Committee, and Member of the Compensation Committee
Jun. 2015	Chair of the Company's Nomination Committee
Jul. 2015	Outside Director, Sumitomo Life Insurance Company (current)
Jun. 2016	Chair of the Company's Board of Directors (current)

Activity on the Board of Directors and Committees

As the chair of the Board of Directors, Mr. Yamashita carries out active and efficient leadership, selecting proposals to be presented at meetings of the Board of Directors and presiding over the proceedings of those meetings while explaining the agenda, encouraging input from members, requesting explanations from the corporate officers, and summarizing the opinion of the Board of Directors. Mr. Yamashita utilizes his specialized knowledge as a business manager as well as his high level of management expertise and supervisory capabilities as he requests explanations and presents his opinions and advice as appropriate at meetings of the Board of Directors.

Attendance (FY2016)

Board of Directors	100%	(10/10)
Nomination Committee	100%	(1/1)
Compensation Committee	100%	(4/4)
Audit Committee	—	
Independent Committee of Outside Directors	100%	(3/3)

* The attendance of Toru Yamashita as a member of the Nomination Committee and the Compensation Committee at meetings of those committees prior to June 17, 2016 is also indicated.

Candidate

3

Ikuro Nishikawa

Reappointment

Outside

Independent

Current position and primary area of responsibility in the Company

Director Chair of the Audit Committee, Member of the Independent Committee of Outside Directors

Date of birth (age) * as of June 21, 2017

July 1, 1951 (65 years of age)

No. of years served as a director

* as of the close of this Ordinary General Meeting of Shareholders

3

No. of the Company's shares held by the candidate

* as of March 31, 2017

413



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners None

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" For

▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

Reasons for nomination as a director candidate

As can be seen from his personal history, the candidate is a certified public accountant. He is a specialist in finance, accounting, and international financial reporting standards who has been involved in creating Japanese accounting standards for many years. Although he has not been directly involved with management, he has experience serving as an outside director at another company and of working abroad as well as a strong international perspective, a high level of insight into management, and excellent supervisory ability.

In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) practical accomplishments as a director and chair of the Audit Committee, (2) qualifications and capabilities as a director, (3) experience, and (4) age and number of years in office, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.

Independence and neutrality

The candidate serves as an outside corporate auditor of the Mitsubishi Corporation. The Company has a transactional partnership with said company related to the purchase of raw materials, etc., but the value of said partnership is negligible (less than 0.01% of the consolidated sales of said company).

The candidate serves as an outside director of Daiwa Securities Group Inc. Said company owns shares in the Company. However, it is no more than 0.1% of the Company's outstanding shares. There is no steady transactional partnership between said company and Eisai Co., Ltd.

Although the candidate also currently serves as an outside director (member of the Audit Committee, etc.) of MEGMILK SNOW BRAND Co., Ltd., there is no transactional partnership between said company and Eisai Co., Ltd.

For the above reasons, there are no matters that would impair the candidate's ability to execute his duties as an independent, neutral outside director.

The Nomination Committee has confirmed that the candidate meets the conditions for outside directors stipulated by the Companies Act and the Requirements for the Independence and Neutrality of Outside Directors established by the Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate's ability to execute his duties as an outside director.

Dear Shareholders,

The business environment surrounding Eisai and other Japanese pharmaceutical companies is extremely harsh. It includes the progression of measures to curb prescription drug costs and the intensification of competition as drug-discovery technology advances. With an emphasis on fields such as oncology and neurology, Eisai joins mega pharma and others around the world in a fierce battle to discover new drugs.

Even in an environment of severe competition, Eisai continues to take the viewpoint of patients and steadily undertakes activities that contribute to their benefit. This is based on the spirit of *hnc*, as declared in the Company's Articles of Incorporation. This corporate culture becomes the source of obtaining society's trust.

Sound corporate governance and compliance are the foundation of Eisai's engagement in the competition for drug discovery and *hnc* activities. The conscientious disclosure of information to stakeholders is fundamental. I will monitor such activities of Eisai from the standpoint of outside director and chair of the Audit Committee.

西川郁生

Personal history and concurrent employment, etc.

(The notation "(current)" is shown for positions held as officers, etc., as of May 10, 2017. Past positions as officers, etc., are also shown.)

Sep. 1990	Representative Partner, KPMG Century Audit Corporation (currently Ernst & Young ShinNihon LLC)
Jan. 1993	Japanese Representative, International Accounting Standards Committee (IASC)
Jul. 1995	Executive Director, The Japanese Institute of Certified Public Accountants
Apr. 2007	Chairman, The Accounting Standards Board of Japan (ASBJ)
Apr. 2012	Professor, Faculty of Business and Commerce, Keio University
Jun. 2014	Outside Member of Audit & Supervisory Board, Nidec Corporation
Jun. 2014	Director of the Company (current), Chair of the Audit Committee (current), and Member of the Independent Committee of Outside Directors (current)
Jun. 2014	Outside Corporate Auditor MEGMILK SNOW BRAND Co., Ltd.
Jun. 2016	Outside Corporate Auditor, Mitsubishi Corporation (current)
Jun. 2016	Outside Director, Daiwa Securities Group Inc. (current)
Jun. 2016	Outside Director, MEGMILK SNOW BRAND Co., Ltd. (Audit and Supervisory Committee member) (current)
Apr. 2017	Visiting Professor, Graduate School of Business and Commerce, Keio University (current)

- As indicated above, as a certified public accountant, Mr. Nishikawa possesses a considerable amount of knowledge and experience related to finance, accounting, and auditing.
- MEGMILK SNOW BRAND Co., Ltd. shifted to a company with audit and supervisory committee in June 2016. From the fiscal year following the shift, the candidate, who was an outside corporate auditor from June 2014, became an outside director (and Audit and Supervisory Committee member).

Activity on the Board of Directors and Committees

At meetings of the Board of Directors, Mr. Nishikawa utilizes his specialized knowledge of finance, accounting and international financial reporting standards as a certified public accountant as well as his high level of management expertise and supervisory capabilities as he requests explanations and presents his opinions, etc., as appropriate. In addition, as the chair of the Audit Committee, Mr. Nishikawa directs the secretariat of the Committee, makes preparations for meetings of the Committee and presides over the proceedings of that Committee. He reports to the Board of Directors on the results of the proceedings and responds to questions and comments at meetings of the Board of Directors. Furthermore, he witnesses audits of the independence and appropriateness of the accounting auditor.

Attendance (FY2016)

Board of Directors	100%	(10/10)
Nomination Committee	—	
Compensation Committee	—	
Audit Committee	100%	(12/12)
Independent Committee of Outside Directors	100%	(3/3)

Candidate

4

Noboru Naoe

Reappointment

Current position and primary area of responsibility in the Company

Director Member of the Audit Committee

Date of birth (age) * as of June 21, 2017

February 8, 1956 (61 years of age)

No. of years served as a director

* as of the close of this Ordinary General Meeting of Shareholders

3

No. of the Company's shares held by the candidate

* as of March 31, 2017

15,617



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners None

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" For

▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

Reasons for nomination as a director candidate

The Company's corporate governance guidelines call for selecting inside directors who have abundant experience working within the Company to serve as members of the Audit Committee. On this point, the candidate has gained long experience and knowledge regarding sales-related business, which is the work that is closest to Eisai's principal stakeholders: patients and consumers. Furthermore, the candidate has obtained considerable knowledge and experience related to management through his service as a corporate officer.

In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) practical accomplishments as a director and member of the Audit Committee, (2) qualifications and capabilities as a director, (3) in-house experience, and (4) age and number of years in office, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as a director.

Dear Shareholders,

So that we may respond to the feelings of patients, discerned from many years of experience in pharmaceutical sales, I will do my best toward enhancement of corporate value and sustainable growth through the realization of the Company's Corporate Philosophy.

The Company commenced the "EWAY 2025" medium-term business plan last year. It is engaged in the development of next-generation anti-Alzheimer's agents and new anticancer agents.

I believe that my role is to challenge operational divisions as well as contribute to the preparation of an environment that supports appropriate risk-taking by corporate officers by promoting sufficient discussion at Board of Directors meetings.

I am also determined to help the Company honor its responsibilities to its shareholders by taking full consideration of shareholder and stakeholder perspectives as it works to oversee its management and make optimal decisions.

直江 登

Personal history and concurrent employment, etc.

(The notation "(current)" is shown for positions held as officers, etc., as of May 10, 2017. Past positions as officers, etc., are also shown.)

Apr. 1978	Joined the Company
Apr. 2005	Deputy General Manager, Prescription Drug Division of the Company
Jun. 2005	Corporate officer of the Company
Jun. 2005	General Manager, Prescription Drug Division of the Company
Apr. 2007	Deputy assignment to Japan Business Headquarters of the Company
Apr. 2008	General Manager, Prescription Drug Division, Japan Business Headquarters of the Company
Jun. 2010	Senior Group Officer of the Company
Apr. 2011	President, Eisai Japan
Jun. 2011	Senior Vice President of the Company
Apr. 2013	Corporate officer of the Company
Apr. 2013	Assigned to Alliance, Eisai Japan
Oct. 2013	Deputy President, Oncology <i>hmc</i> Unit, Eisai Japan; Executive director, Strategy and Planning Department
Jun. 2014	Director of the Company (current), Member of the Audit Committee (current)

Activity on the Board of Directors and Committees

At meetings of the Board of Directors, Mr. Naoe utilizes his abundant experience within the Company and high level of management expertise and supervisory capabilities as he requests explanations and presents his opinions, etc., as needed. In addition, as a member of the Audit Committee, Mr. Naoe directs the daily operation of the Management Audit Department and works to raise the quality of audit activities, in addition to explaining implemented audit activities at meetings of the Audit Committee, while also presenting his own opinions as needed.

Attendance (FY2016)

Board of Directors	100%	(10/10)
Nomination Committee	—	
Compensation Committee	—	
Audit Committee	100%	(12/12)
Independent Committee of Outside Directors	—	

Candidate

5

Eiichiro Suhara

Reappointment

Outside

Independent

Current position and primary area of responsibility in the Company

Director Chair of the Nomination Committee, Member of the Compensation Committee, and Member of the Independent Committee of Outside Directors

Date of birth (age) * as of June 21, 2017

July 19, 1948 (68 years of age)

No. of years served as a director

* as of the close of this Ordinary General Meeting of Shareholders

2

No. of the Company's shares held by the candidate

* as of March 31, 2017

588



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners None

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" For

▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

Reasons for nomination as a director candidate

As can be seen from his personal history, the candidate has abundant experience as a manager of a global corporation in the writing materials industry, as well as a high level of insight into management and excellent supervisory ability.

In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) practical accomplishments as a director, chair of the Nomination Committee, and member of the Compensation Committee, (2) qualifications and capabilities as a director, (3) experience, and (4) age and number of years in office, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.

Independence and neutrality

The candidate serves as the Representative Director and President of Mitsubishi Pencil Co., Ltd. There is no steady transactional partnership between said company and the Company.

The candidate serves as an outside director of Yokohama Shinko Co., Ltd. However, there is no transactional partnership between said company and the Company.

For the above reasons, there are no matters that would impair the candidate's ability to execute his duties as an independent, neutral outside director.

The Nomination Committee has confirmed that the candidate meets the conditions for outside directors stipulated by the Companies Act and the Requirements for the Independence and Neutrality of Outside Directors established by the Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate's ability to execute his duties as an outside director.

Dear Shareholders,

Due to the aging of society in developed countries and population expansion in emerging nations, maintaining people's health and overcoming illnesses are becoming an even more important challenge that is common to societies worldwide. The role played by pharmaceutical companies to develop innovative new drugs and provide a stable supply of high-quality pharmaceutical products is gaining prominent attention around the globe.

Against such a backdrop, Eisai presents *hhc* as its Corporate Philosophy - to give first thought to patients and their families, and to increasing the benefits health care provides. I feel that expectations toward Eisai are becoming even higher as it pushes vigorously forward toward the realization of this philosophy.

I will utilize my past managerial experience and continue to do my best as an outside director to enable Eisai to further increase its corporate value on the basis of the *hhc* philosophy and live up to the expectations of its shareholders.

数原 英一郎

Personal history and concurrent employment, etc.

(The notation "(current)" is shown for positions held as officers, etc., as of May 10, 2017. Past positions as officers, etc., are also shown.)

Aug. 1974	Joined Mitsubishi Pencil Co., Ltd.
Mar. 1980	Director, Mitsubishi Pencil Co., Ltd.
Mar. 1982	Managing Director, NTT DATA Corporation
Mar. 1985	Vice President, Mitsubishi Pencil Co., Ltd.
Mar. 1987	President, Mitsubishi Pencil Co., Ltd. (current)
Jun. 2015	Director of the Company (current), Member of the Compensation Committee (current), Member of the Independent Committee of Outside Directors (current), and Member of the Nomination Committee
Jun. 2015	Outside Director, Yokohama Shinko Co., Ltd. (current)
Jun. 2016	Chair of the Company's Nomination Committee (current)

Activity on the Board of Directors and Committees

At meetings of the Board of Directors, Mr. Suhara utilizes his abundant experience and knowledge as a corporate manager and his high level of management expertise and supervisory capabilities as he requests explanations and presents his opinions, etc., as needed. In addition, as the chair of the Nomination Committee, he directs the secretariat of the Committee, makes preparations for meetings of the Committee and presides over the proceedings of that Committee. He reports to the Board of Directors on the results of the proceedings and responds to questions and comments at meetings of the Board of Directors. Also, as a member of the Compensation Committee, he presents a variety of proposals and responds to questions from other Committee members. In addition, he requests explanations regarding the opinions expressed by other Committee members and presents his own opinions as needed.

Attendance (FY2016)

Board of Directors	100%	(10/10)
Nomination Committee	100%	(7/7)
Compensation Committee	100%	(10/10)
Audit Committee	—	
Independent Committee of Outside Directors	100%	(3/3)

Candidate

6

Yasuhiko Katoh

Reappointment

Outside

Independent

Current position and primary area of responsibility in the Company

Director Member of the Nomination Committee, Member of the Compensation Committee, and Member of the Independent Committee of Outside Directors

Date of birth (age) * as of June 21, 2017

May 19, 1947 (70 years of age)

No. of years served as a director

* as of the close of this Ordinary General Meeting of Shareholders

1

No. of the Company's shares held by the candidate

* as of March 31, 2017

190



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners None

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" For

▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

Reasons for nomination as a director candidate

As can be seen from his personal history, the candidate has abundant experience as a manager of a global corporation in the shipping and marine industries, etc., as well as a high level of insight into management and excellent supervisory ability.

In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) practical accomplishments as a director and member of the Nomination Committee and Compensation Committee, (2) qualifications and capabilities as a director, (3) experience, and (4) age and number of years in office, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.

Independence and neutrality

The candidate has experience serving as an officer of Mitsui Engineering & Shipbuilding Co., Ltd. However, there is no transactional partnership between said company and the Company, and there are no matters that would impair the candidate's ability to execute his duties as an independent, neutral outside director.

The Nomination Committee has confirmed that the candidate meets the conditions for outside directors stipulated by the Companies Act and the Requirements for the Independence and Neutrality of Outside Directors established by the Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate's ability to execute his duties as an outside director.

Dear Shareholders,

Effective treatments and preventive measures against the diseases that affect the world's population are vital to improving quality of life, and will play even more crucial roles as society ages.

Eisai has built its corporate philosophy around the idea of “*human health care*” (*hhc*), a mission to “give first thought to patients and their families and to increasing the benefits health care provides.” In FY2016, the Company commenced “EWAY 2025,” a new medium-term business plan with goals to be met in 10 years.

So that Eisai's advanced corporate governance will become even stronger and the Company's activities will be of use as soon as possible to many patients, I will fulfill my responsibilities of management oversight and contribute to the enhancement of the Company's corporate value.

加藤泰彦

Personal history and concurrent employment, etc.

(The notation “(current)” is shown for positions held as officers, etc., as of May 10, 2017. Past positions as officers, etc., are also shown.)

Apr. 1973	Joined Mitsui Engineering & Shipbuilding Co., Ltd.
Apr. 2004	CEO, Mitsui Babcock Energy Limited
Jun. 2004	Director, Mitsui Engineering & Shipbuilding Co., Ltd., assigned to Mitsui Babcock Energy Limited (stationed in the United Kingdom)
Dec. 2006	Director, Mitsui Engineering & Shipbuilding Co., Ltd., assigned to Special Mission by President
Jun. 2007	Representative Director and President, Mitsui Engineering & Shipbuilding Co., Ltd.
Jun. 2013	Chairman and Representative Director, Mitsui Engineering & Shipbuilding Co., Ltd.
Jun. 2016	Director of the Company (current), Member of the Nomination Committee (current), Member of the Compensation Committee (current), and Member of the Independent Committee of Outside Directors (current)
Apr. 2017	Director and Senior Advisor, Mitsui Engineering & Shipbuilding Co., Ltd. (current)

Activity on the Board of Directors and Committees

At meetings of the Board of Directors, Mr. Katoh utilizes his abundant experience and knowledge as a corporate manager and his high level of management expertise and supervisory capabilities as he requests explanations and presents his opinions, etc., as needed. Also, as a member of the Nomination Committee and Compensation Committee, he presents a variety of proposals at meetings of both committees, responds to questions from other Committee members, requests explanations regarding the opinions expressed by other Committee members, and presents his own opinions as appropriate.

Attendance (FY2016)

Board of Directors	100%	(8/8)
Nomination Committee	100%	(6/6)
Compensation Committee	100%	(6/6)
Audit Committee	—	
Independent Committee of Outside Directors	100%	(3/3)

* Because Yasuhiko Katoh was newly appointed to be a director and assumed his post at the 104th Ordinary General Meeting of Shareholders held on June 17, 2016, his attendance at meetings of the Board of Directors and committee meetings indicates attendance at meetings beginning on June 17, 2016.

Candidate

7

Hirokazu Kanai

Reappointment

Current position and primary area of responsibility in the Company

Director Member of the Audit Committee

Date of birth (age) * as of June 21, 2017

January 28, 1960 (57 years of age)

No. of years served as a director

* as of the close of this Ordinary General Meeting of Shareholders

1

No. of the Company's shares held by the candidate

* as of March 31, 2017

7,305



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners None

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" For

▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

Reasons for nomination as a director candidate

The Company's corporate governance guidelines call for selecting inside directors who have abundant experience working within the Company to serve as members of the Audit Committee. The candidate has obtained considerable knowledge and experience through his work related to accounting and finance, as well as his service as a group officer.

In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) practical accomplishments as a director and member of the Audit Committee, (2) qualifications and capabilities as a director, (3) in-house experience, and (4) age and number of years in office, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as a director.

Dear Shareholders,

The “EWAY 2025” medium-term business plan is now in its second year, but the uncertainties of Eisai’s business environment are becoming even stronger. Amid such circumstances, I believe that the roles that I am expected to fulfill as a director and a member of the Audit Committee are changing as well.

As a director in a position that is separate from the execution of operations, I will carry out appropriate activities that take changes into account so that I can engage in not only so-called supervision and oversight of management but also contribute to the improvement of management efficiency. I will continually improve myself and do my best to make a greater contribution toward making the Company a “good company” for all stakeholders, keeping the Company on a growth trajectory, and enhancing the Company’s corporate value.

金井 広一

Personal history and concurrent employment, etc.

(The notation “(current)” is shown for positions held as officers, etc., as of May 10, 2017. Past positions as officers, etc., are also shown.)

Apr. 1983	Joined the Company
Apr. 2003	Manager, Accounting Division of the Company
Jun. 2006	Administrator of the Company
Apr. 2007	Manager, Finance and Accounting Division of the Company
Jun. 2010	Manager, Accounting Division, Finance and Accounting HQ of the Company
Jun. 2011	Group officer of the Company
Jun. 2011	Manager, Accounting Division of the Company
Jun. 2012	Part-time Corporate Auditor, Sunplanet Co., Ltd.
Jun. 2016	Director of the Company (current) and Member of the Audit Committee (current)

- As can be seen from his personal history, Hirokazu Kanai has considerable knowledge and experience related to finance, accounting, and auditing as a member of the Audit Committee having served as head of the Finance & Accounting Department.

Activity on the Board of Directors and Committees

At meetings of the Board of Directors, Mr. Kanai utilizes his abundant experience within the Company and high level of management expertise and supervisory capabilities as he requests explanations and presents his opinions, etc., as needed. In addition, as a member of the Audit Committee, he directs the daily operation of the Management Audit Department and works to raise the quality of audit activities, in addition to explaining implemented audit activities at meetings of the Audit Committee, while also presenting his own opinions as needed.

Attendance (FY2016)

Board of Directors	100%	(8/8)
Nomination Committee	—	
Compensation Committee	—	
Audit Committee	100%	(9/9)
Independent Committee of Outside Directors	—	

* Because Hirokazu Kanai was newly appointed to be a director and assumed his post at the 104th Ordinary General Meeting of Shareholders held on June 17, 2016, his attendance at meetings of the Board of Directors and the Audit Committee indicates attendance at meetings beginning on June 17, 2016.

Candidate

8

Tamaki Kakizaki

Reappointment

Outside

Independent

Current position and primary area of responsibility in the Company

Director Member of the Audit Committee and Member of the Independent Committee of Outside Directors

Date of birth (age) * as of June 21, 2017

January 16, 1961 (56 years of age)

No. of years served as a director

* as of the close of this Ordinary General Meeting of Shareholders

1

No. of the Company's shares held by the candidate

* as of March 31, 2017

63



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners None

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" For

▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

Reasons for nomination as a director candidate

As can be seen from her personal history, the candidate is a specialist in internal controls and internal audits. Although she has not been directly involved with management, she has experience serving as an outside director for another company, and a high level of insight into management and excellent supervisory ability thanks to an extensive research background that gives her a deep knowledge of corporate internal controls, corporate governance, and risk management.

In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) practical accomplishments as a director and member of the Audit Committee, (2) qualifications and capabilities as a director, (3) experience, and (4) age and number of years in office, etc. Having determined that the candidate is capable of objectively executing her management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.

Independence and neutrality

The candidate serves as an outside corporate auditor of Mitsubishi Shokuhin Co., Ltd. Although there is a transactional partnership between said company and the Company's business handling OTC (over-the-counter) products, the value of said partnership is negligible (less than 0.01% of the consolidated sales of said company).

For the above reasons, there are no matters that would impair the candidate's ability to execute her duties as an independent, neutral outside director.

The Nomination Committee has confirmed that the candidate meets the conditions for outside directors stipulated by the Companies Act and the Requirements for the Independence and Neutrality of Outside Directors established by the Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate's ability to execute her duties as an outside director.

Dear Shareholders,

In my view, Eisai has one of the strongest corporate governance frameworks of any listed company in Japan. To keep the structure healthy and functional, the Company needs to keep internalizing its oversight and supervision efforts through independent, fair, third-party involvement, making good on every opportunity to implement organizational reforms, and working to create social value aimed at achieving its corporate philosophy.

My research efforts have focused on corporate governance structures at listed companies-and specifically on internal controls and the development of compliance-related laws and regulations. As an independent outside director, I will use the insights I have gained through my research pursuits to drive the establishment of an effective internal control system and fulfill my oversight and supervision duties so that the Company's management strategies - rooted in the corporate philosophy - serve to improve its corporate value. Furthermore, I would like to continually consider the *hbc* Corporate Philosophy, taking a woman's perspective, and serve as a bridge that brings the opinions of patients and consumers to the Board of Directors.

柿崎 環

Personal history and concurrent employment, etc.

(The notation "(current)" is shown for positions held as officers, etc., as of May 10, 2017. Past positions as officers, etc., are also shown.)

Apr. 2002	Associate Professor, Faculty of Management, Atomi University
Apr. 2008	Professor, Legal Work Post Graduate Course, Toyo University
Apr. 2012	Professor, Graduate School of International Social Sciences, Yokohama National University
Apr. 2014	Professor, School of Law, Meiji University (current)
Jun. 2016	Director of the Company (current), Member of the Audit Committee (current), and Member of the Independent Committee of Outside Directors (current)
Jun. 2016	Outside Director, Mitsubishi Shokuhin Co., Ltd. (current)

Activity on the Board of Directors and Committees

At meetings of the Board of Directors Ms. Kakizaki utilizes her specialized knowledge regarding internal controls and internal audits as well as her high level of management expertise and oversight capabilities as she requests explanations and presents her opinions as needed. Also, as a member of the Audit Committee, she formulates audit plans, requests explanations regarding the results of investigations and subsequent follow-up actions, and presents her opinions at meetings of the Audit Committee as needed.

Attendance (FY2016)

Board of Directors	100%	(8/8)
Nomination Committee	—	
Compensation Committee	—	
Audit Committee	100%	(9/9)
Independent Committee of Outside Directors	100%	(3/3)

* Because Tamaki Kakizaki was newly appointed to be a director and assumed her post at the 104th Ordinary General Meeting of Shareholders held on June 17, 2016, her attendance at meetings of the Board of Directors and committee meetings indicates attendance at meetings beginning on June 17, 2016.

Candidate

9

Daiken Tsunoda

Reappointment

Outside

Independent

Current position and primary area of responsibility in the Company

Director Member of the Audit Committee and Chair of the Independent Committee of Outside Directors

Date of birth (age) * as of June 21, 2017

January 29, 1967 (50 years of age)

No. of years served as a director

* as of the close of this Ordinary General Meeting of Shareholders

1

No. of the Company's shares held by the candidate

* as of March 31, 2017

0



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners None

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" For

▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

Reasons for nomination as a director candidate

As can be seen from his personal history, the candidate is a legal expert and a specialist in the Companies Act. Although he has not been directly involved with management, he has served as an outside director for other companies and has rich experience related to corporate law, giving him a high level of insight into management and excellent supervisory ability.

In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) practical accomplishments as a director and member of the Audit Committee, (2) qualifications and capabilities as a director, (3) experience, and (4) age and number of years in office, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate to continue from the previous year serving as an outside director.

Independence and neutrality

The candidate is also a partner at Nakamura, Tsunoda & Matsumoto. Although there was a history of the payment of consultancy fees, etc., between said law firm and the Company, the amount was negligible (less than ¥10 million per year). Note that there was no history of any such payment during FY2016.

In addition to this Company, the candidate currently serves as an outside officer at 4 other companies. Of them, MS&AD Insurance Group Holdings, Inc. holds shares in the Company through an affiliated business, and the Company holds shares in said company. However, the size of those holdings is no more than 1% of the outstanding shares of either company. The Company also has transactions with an affiliated insurance company of said company in relation to insurance policies. However, the value of said transactions is negligible (less than 0.01% of the total amount of said insurance company's insurance in force). The other 3 companies where the candidate serves as an outside officer have no steady transactional partnerships with the Company. For the above reasons, there are no matters that would impair the candidate's ability to execute his duties as an independent, neutral outside director.

The Company's Nomination Committee is aware that the candidate serves as an outside officer at multiple companies and has confirmed that the candidate will be able to fully fulfill his duties as a Company director. The Nomination Committee has confirmed that the candidate meets the conditions for outside directors stipulated by the Companies Act and the Requirements for the Independence and Neutrality of Outside Directors established by the Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate's ability to execute his duties as an outside director.

Dear Shareholders,

Due in part to the effects of the amended Companies Act, which came into force 2 years ago, and the Corporate Governance Code, corporate governance is now spoken of as being a matter of course. The improvement of its substance is now being considered a challenge. However, Eisai has been implementing measures for the substantive enhancement of corporate governance for nearly 20 years.

As an attorney specializing in corporate governance and other elements of the Companies Act, I have spent much of my career focusing on the kinds of initiatives that Eisai has been driving. For the past year after becoming a director, I have been serving my role while seeing first hand corporate governance at work here, including in-depth discussions at the meetings of the Board of Directors, Audit Committee, and outside directors. Going forward, I would like to continue contributing to the further substantive enhancement of Eisai's corporate governance while also making use of such aforementioned experiences.

角田大晃

Personal history and concurrent employment, etc.

(The notation "(current)" is shown for positions held as officers, etc., as of May 10, 2017. Past positions as officers, etc., are also shown.)

Apr. 1994	Admitted to the Tokyo Bar Association Attorney, Mori Sogo (Law Firm) (currently Mori Hamada & Matsumoto)
Jan. 2001	Partner, Mori Sogo (Law Firm) (currently Mori Hamada & Matsumoto)
Mar. 2003	Founder and Partner, Nakamura & Tsunoda (Law Firm) (currently Nakamura, Tsunoda & Matsumoto) (current)
Jun. 2004	Outside Corporate Auditor, ATLUS Co., Ltd.
Sep. 2004	Outside Director, Polaris Principal Finance Co., Ltd. (Currently Polaris Capital Group Co., Ltd.)
Jun. 2005	Outside Corporate Auditor, INES Corporation
Jul. 2007	Outside Corporate Auditor, Sealy Japan Co., Ltd. (Currently SLEEP SELECT Co., Ltd.) (current)
Apr. 2008	Outside Corporate Auditor, Mitsui Sumitomo Insurance Group Holdings, Incorporated (currently MS&AD Insurance Group Holdings, Inc.)
Apr. 2008	Outside Corporate Auditor, Japan Stockholders Data Service Company, Limited
Apr. 2010	Outside Director, MS&AD Insurance Group Holdings, Inc. (current)
Mar. 2012	Outside Corporate Auditor, BILCOM, Inc.
Apr. 2014	Outside Director, Culture Convenience Club Co., Ltd. (current)
Mar. 2015	Outside Corporate Auditor, BILCOM, Inc. (current)
Jun. 2016	Director of the Company (current), Member of the Audit Committee (current), and Chair of the Independent Committee of Outside Directors (current)

Activity on the Board of Directors and Committees

At meetings of the Board of Directors, Mr. Tsunoda utilizes his specialized knowledge as an attorney as well as his high level of management expertise and supervisory capabilities as he requests explanations and presents his opinions and advice, etc., as appropriate. Also, as a member of the Audit Committee, he formulates audit plans, requests explanations regarding the results of investigations and subsequent follow-up actions, and presents his opinions at meetings of the Audit Committee as needed. In addition, as the chair of the Independent Committee of Outside Directors, he directs the secretariat of the Committee, makes preparations for meetings of the Committee and presides over the proceedings of that Committee. He makes reports and proposals to the Board of Directors on the results of the proceedings, and responds to questions and comments at meetings of the Board of Directors.

Attendance (FY2016)

Board of Directors	100%	(8/8)
Nomination Committee	—	
Compensation Committee	—	
Audit Committee	100%	(9/9)
Independent Committee of Outside Directors	100%	(3/3)

* Because Daiken Tsunoda was newly appointed to be a director and assumed his post at the 104th Ordinary General Meeting of Shareholders held on June 17, 2016, his attendance at meetings of the Board of Directors and committee meetings indicates attendance at meetings beginning on June 17, 2016.

Candidate 10 Bruce Aronson

New

Outside

Independent

Current position and primary area of responsibility in the Company

None

Date of birth (age) * as of June 21, 2017

May 14, 1952 (65 years of age)

No. of years served as a director

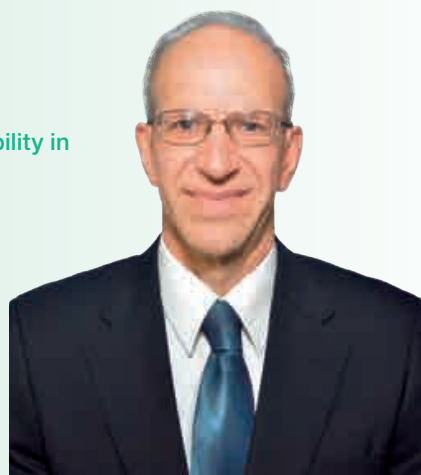
* as of the close of this Ordinary General Meeting of Shareholders

0

No. of the Company's shares held by the candidate

* as of March 31, 2017

0



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners None

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" For

▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

Reasons for nomination as a director candidate

As can be seen from his personal history, the candidate is a practicing attorney and a legal academic with a focus on comparative corporate governance. Although he has not been directly involved with management, he has a high level of insight into management and excellent supervisory ability thanks to an extensive research background that gives him deep knowledge of corporate internal controls, corporate governance, and risk management. In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) qualifications and capabilities as a director, (2) experience, and (3) age, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate as a new outside director.

Independence and neutrality

The candidate is not concurrently employed by any company or organization with a relationship of interest with the Company or its subsidiaries and associated companies. There are no reasons that would have an effect on the candidate's independence or neutrality.

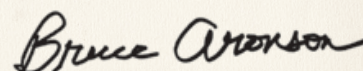
The Nomination Committee has confirmed that the candidate meets the conditions for outside directors stipulated by the Companies Act and the Requirements for the Independence and Neutrality of Outside Directors established by the Company's Nomination Committee, and that there is no related obstacle, problem or other circumstance that would impair the candidate's ability to execute his duties as an outside director.

Dear Shareholders,

At a time when the availability and cost of medical care has become a social issue in many countries, Eisai is in a unique position to contribute to Japanese and global society through continued emphasis on its mission of focusing on *human health care (hhc)*.

Independent directors have an important role to play in the process of producing sustainable growth and improvement of the company's corporate value in accordance with its mission.

Using my background as a legal academic with a focus on comparative corporate governance and as a practicing attorney, I hope to contribute to Eisai's corporate governance and performance.



Personal history and concurrent employment, etc.

Jun. 1978	Foreign Associate, Nagashima Ohno & Tsunematsu (Law Firm)
Sep. 1983	Associate, Hill, Betts & Nash LLP (Law Firm)
Aug. 1986	Partner, Hughes Hubbard & Reed LLP (Law Firm)
May 2004	Visiting Associate Professor, Institute of Business Law and Comparative Law & Politics, Graduate Schools for Law and Politics, The University of Tokyo
Jul. 2004	Professor of Law, Creighton University School of Law
Jun. 2010	Visiting Scholar, Institute for Monetary and Economic Studies, Bank of Japan
Jul. 2013	Professor of Law, Hitotsubashi University Graduate School of International Corporate Strategy (current)

Candidate

11

Yutaka Tsuchiya

New

Current position and primary area of responsibility in the CompanyRepresentative Corporate Officer,
Healthcare Policy and China Business**Date of birth (age)** * as of June 21, 2017

June 29, 1952 (64 years of age)

No. of years served as a director

* as of the close of this Ordinary General Meeting of Shareholders

0

No. of the Company's shares held by the candidate

* as of March 31, 2017

30,663



Special conflicts of interest between the candidate and the Company or any of its subsidiaries, associated companies, or major business partners None

Vote on the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" For

- ▶ See pages 112 through 123 for the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders."

Reasons for nomination as a director candidate

The Company aims to ensure optimum decision-making and the fairness of management through a clear separation of functions between management oversight and business execution, with the Board of Directors dedicated to management oversight. To achieve these aims, the Company appoints inside directors, who are familiar with the Company, to provide support for the practical management of the Board of Directors. In this regard, the candidate has experience working abroad and has also obtained considerable knowledge and experience through his work as well as service as a corporate officer. His work experience encompasses areas including pharmaceutical and other quality assurance, public relations, government relations, healthcare policy, R&D-related operations, China operations, and Japanese OTC product-related work.

In addition to constructing a Board of Directors composed of diverse members with a variety of specialized knowledge and experience, etc., the Nomination Committee has considered such factors as the candidate's (1) qualifications and capabilities as a director, (2) experience at the Company, and (3) age, etc. Having determined that the candidate is capable of objectively executing his management oversight duties and is suitable as a director of the Company, the Nomination Committee has nominated the candidate as a new director.

Dear Shareholders,

Eisai is promoting “EWAY 2025,” a new medium-term business plan launched in 2016. As circumstances surrounding the pharmaceutical industry undergo sharp changes, I will fulfill my duties as a director based on the Company’s corporate governance system and ensure that the medium-term business plan is appropriately pursued and achieved.

Since joining the Company, I have worked in wide-ranging areas including R&D, international business, safety and quality assurance, and healthcare policy. I will build on this experience and apply myself even further so that I may contribute to realization of the *hhc* Corporate Philosophy – as established in the Articles of Incorporation – and maximization of stakeholder value.

土屋 裕

Personal history and concurrent employment, etc.

Apr. 1975	Joined the Company
Apr. 2001	Senior Director, Clinical Research Planning Department, Clinical Research Center of the Company
Oct. 2004	President, Eisai Europe Ltd.
Jun. 2005	Vice President of the Company
Jun. 2006	Assigned to Pharmaceuticals Business, Europe of the Company
Mar. 2008	Chairman & CEO, Eisai Europe Ltd.
Jul. 2009	Assigned to Corporate Regulatory Compliance, Quality Assurance, Environmental and Safety Affairs of the Company
Jul. 2009	General Manager, Corporate Regulatory Compliance, Quality Assurance Headquarters of the Company
Jun. 2010	Senior Vice President of the Company
Jun. 2011	Executive Vice President of the Company
Jun. 2011	Assigned to Quality Assurance, Public Affairs of the Company
Jun. 2012	Assigned to Quality Assurance, PR, GR of the Company
Jun. 2012	Executive Vice President (Representative Corporate Officer) of the Company
Oct. 2012	Assigned to Global Product Emergency Management of the Company (current)
Oct. 2012	Assigned to PR, GR of the Company
Apr. 2013	Assigned to Healthcare Policy of the Company (current)
Jun. 2013	Representative Corporate Officer and Deputy President of the Company
Apr. 2014	Assigned to Global Value & Access of the Company (current)
Jun. 2014	Representative Corporate Officer assigned to Healthcare Policy of the Company
Dec. 2014	Representative Corporate Officer assigned to Healthcare Policy and China Business of the Company (current)
Oct. 2015	Assigned to Consumer Healthcare Business of the Company
Apr. 2016	Assigned to <i>hhc</i> Data Creation and Japan and Asia Medical of the Company (current)

● Ensuring the Independence and Neutrality of Outside Directors

All 7 outside director candidates nominated by the Company's Nomination Committee satisfy the "Requirements for Independence and Neutrality" set forth by the Nomination Committee. (Please see the page to the right for details on these requirements.) These requirements fulfill the requisites for outside director candidates as specified in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act and the criteria for independent officers as established by the Tokyo Stock Exchange.

In regard to outside director candidates, the Nomination Committee has determined the independence and neutrality of each candidate by checking matters related to the requirements based on interviews of the individuals in question as well as investigations of the transactional relationships between the Company and the companies and organizations with which they are affiliated. In addition, the Nomination Committee has selected candidates based on the selection criteria for outside directors established by the Nomination Committee.

● Conclusion of Limitation of Liability Contracts with Director Candidates

The Company has limitation of liability contracts in force with 8 candidates for re-election as director (excluding those serving as executive directors, etc.), as per Article 38, Paragraph 2, of the Company's Articles of Incorporation, which is stipulated based on Article 427 of the Companies Act. Upon appointment at this Ordinary General Meeting of Shareholders, the Company intends to enter into said contract with the 2 new candidates for director as well.

In the event that any of the Company's directors (excluding those serving as executive directors, etc.) cause damage to the Company despite performing his/her duties in good faith and without gross negligence, the maximum liability for damages is the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act.

● Confirmation of Votes for or Against the Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders

All 6 candidates for re-election as outside director voted in favor of the current Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders (hereinafter the "Policy") at the meeting of the Independent Committee of Outside Directors held on March 31, 2017. In addition, all 4 inside director candidates voted in favor of the Policy. In regard to the 1 new outside director candidate, the content of the current Policy has been duly explained and the candidate has confirmed in favor of the Policy.

Although the Policy has been adopted by the Company, the stance of each director candidate on the Policy is listed every year in the reference documents included with the Notice of Convocation of the General Meeting of Shareholders. The mechanism is designed to enable the reflection of the opinions of shareholders.

● Expected Appointment of Director Candidates

The 11 director candidates are expected to assume their posts following election at this Ordinary General Meeting of Shareholders, as indicated below.

Name	Expected appointment and primary area of responsibility at the Company		Member of the Nomination Committee	Member of the Audit Committee	Member of the Compensation Committee	Member of the Independent Committee of Outside Directors
Haruo Naito	Director, Representative Corporate Officer and CEO					
Toru Yamashita	Chair of the Board of Directors (outside)					Member
Ikuo Nishikawa	Director	(outside)		Chair		Member
Noboru Naoe	Director			Member		
Eiichiro Suhara	Director	(outside)	Chair		Member	Member
Yasuhiko Katoh	Director	(outside)	Member		Chair	Member
Hirokazu Kanai	Director			Member		
Tamaki Kakizaki	Director	(outside)		Member		Member
Daiken Tsunoda	Director	(outside)		Member		Member
Bruce Aronson	Director	(outside)	Member		Member	Member
Yutaka Tsuchiya	Director					

(Note) This list does not show the chair of the Independent Committee of Outside Directors as it will be determined through mutual vote at the meeting of the Independent Committee of Outside Directors scheduled to be held after the close of this Ordinary General Meeting of Shareholders.

Requirements for the Independence and Neutrality of Outside Directors

Revised: December 20, 2013

1. An Outside Director must neither currently be nor in the past have been an Officer (see Note 1 below) or an employee of Eisai or any of its affiliated companies ("Eisai Group").
2. An Outside Director's economic independence and neutrality from Eisai Group and specified enterprises, etc., is ensured by satisfying the following requirements:
 - 1) None of the following shall be applicable to the Outside Director within the past five years:
 - a. Having been an Officer or employee of an enterprise, etc., of a Major Business Partner (see Note 2 below) of Eisai Group, or otherwise an Officer or employee of an enterprise, etc., conducted by a Major Business Partner of Eisai Group;
 - b. Regardless of the value of the transaction, having been an Officer or employee of an enterprise, etc., with whom Eisai conducts necessary transactions, Eisai's audit corporation, or any other enterprise, etc., that has a relationship of substantive interest with Eisai Group;
 - c. Having been an Officer or employee of a person or an enterprise, etc., who is a Major Shareholder (see Note 3 below) of Eisai or of an enterprise, etc., in which Eisai Group is a Major Shareholder;
 - d. Excluding Officer compensation from Eisai Group, having directly received a Large Amount (see Note 4 below) of money or other property as a provider of professional services, etc. (i.e., a consultant, a lawyer, an accountant, etc.);
 - e. Having received a Large Amount of money or other property from Eisai Group as a contribution or having been an Officer or employee of an entity, organization, etc., that has received such a contribution; or
 - f. Having been an Officer or employee of an enterprise, etc., which enterprise, etc., had an Officer, etc., who was at the same time an Officer, etc., of Eisai Group;
 - 2) Even if more than five years has passed, the Nomination Committee must evaluate (see Note 5 below) the relationship with the enterprise, etc., in each item of the preceding clause 2(1) and determine that independence and neutrality is ensured; and
 - 3) In addition, from the perspectives of independence and neutrality, there must not be any other reason that would impede the performance of the duties as an Outside Director.
3. An Outside Director must not be a close relative of, or have a similar relationship to (see Note 6 below), or otherwise derive such person's sole livelihood through a relationship with, any of the following persons:
 - 1) An Officer or Important Employee (see Note 7 below) of Eisai Group; or
 - 2) Based on the requirements of paragraph 2 of this Article 13 above, those as determined by the Nomination Committee whose independence and neutrality from Eisai Group or from specified enterprises, etc., are not ensured.
4. An Outside Director must not have reason for the threat arising of a significant conflict of interest in the performance of the duties as a Director, and the judgment of an Outside Director must not be threatened to be affected by a relationship of interest.
5. The requirements for the independence and neutrality of Outside Directors provided in this Article continue to apply after the appointment as Director.

Note 1: "Officer" means Director, Corporate Officer, Statutory Auditor and other officers, etc.

Note 2: "Major Business Partner" means an enterprise, etc., for which 2% or more of its or the Eisai Group's sales in any of the past five fiscal years have been sales, or compensation for work or transactions, for the Eisai Group.

Note 3: "Major Shareholder" means a person who, or an enterprise, etc., that, directly or indirectly holds the voting rights to 10% or more of the general voting rights in any of the past five fiscal years.

Note 4: "Large Amount" means, in any of the past five fiscal years: ¥10 million in the case of remuneration for professional services or compensation for work or transactions, ¥10 million in the case of contributions, or the greater of 2% of the total income or operating income of entities or organizations receiving contributions.

Note 5: "Evaluate" means the Nomination Committee's evaluation regarding the Outside Director's relationship with the relevant enterprise, etc., based on the following factors:

- 1) Shareholding or stock options ownership in the relevant enterprise, etc.;
- 2) Post-retirement remuneration, company pension, etc., from the relevant enterprise, etc.; and
- 3) Human interaction between the Eisai Group and the relevant enterprise, etc.

Note 6: "A close relative of, or have a similar relationship to" means a relative within two degrees of kinship or having a human relationship that can be reasonably recognized as that which would impede the execution of the individual's duties as an Outside Director, such as a personally interested individual.

Note 7: "An Important Employee" means an employee with a title of at least the head of a section.

Business Report for the 105th Fiscal Year

(From April 1, 2016, to March 31, 2017)

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I. Current Status of the Group

1 Management Policy

1. Corporate Philosophy

The Group defines its corporate philosophy as giving first thought to patients and their families, and increase the benefits that health care provides to them. Guided by this philosophy, all Eisai corporate officers and employees aspire to meet the various needs of global health care as representatives of a “*human health care (hhc)* company” that is capable of making a meaningful contribution under any health care system. The Group codified this fundamental approach into its Articles of Incorporation to share with its shareholders.

▶ See the Articles of Incorporation on page 144 for Eisai's Corporate Philosophy.

In order to know the feelings of patients and their families, it is important for each employee to first get close to the patients, and get a sense of their thoughts and feelings that cannot be expressed in words. This is the starting point of all of Eisai's corporate activities. The Group recommends that all employees inside and outside Japan spend 1% of their working hours with patients.

(1) Promotion of “*hhc* Activities”

By feeling empathy for patients and turning their thoughts to the worries of patients and their families, each employee is able to gain insight into their latent needs. To fulfill these needs, Eisai employees discuss the issues with their coworkers, then formulate and implement concrete action plans. The Group calls this series of activities “*hhc* activities.” Through the “*hhc* activities” of all employees, Eisai creates new value globally, bringing peace of mind, hope, and joy to patients and their families.

(2) Specific Examples

It is the intent of the Group to spread the Corporate Philosophy among all corporate officers and employees, and contribute to patients around the world by working to achieve the Corporate Philosophy through “*hhc* activities.” The following page introduces specific examples of “*hhc* activities.”



Enjoying conversation at the dementia cafe

Dementia Cafe Established at the Naito Museum of Pharmaceutical Science and Industry (Japan)

In July 2016, a dementia cafe (Orange Cafe) was established at the Naito Museum of Pharmaceutical Science and Industry in Gifu Prefecture. The objective is to provide dementia patients and their families a place for the exchange of information. This cafe takes place on the 21st of each month. Guests can not only enjoy coffee and conversations but also participate in different events each month. It includes learning physical exercises from occupational therapists, listening to concerts performed by music therapists and watching a documentary on dementia. Approximately 100 people participate each time. Employees also attend each month for proactive exchange with dementia patients and their caretakers.



A participant leaving a heartening message on the bulletin board

Breast Cancer Awareness-building Event (Thailand)

In Thailand, a breast cancer awareness-building event was held in collaboration with the National Cancer Institute of Thailand, Thai Society of Clinical Oncology, and other organizations. The event was triggered by a desire to make breast cancer widely known as well as remove feelings of isolation felt by patients.

People were invited to participate in a cycling event with popular Thai cycling athletes. Various sections were set up at the event venue where participants could learn about breast cancer, consult specialists, or leave written messages of support on a bulletin board to hearten breast cancer patients. About 300 people, including breast cancer patients, took part in the event for a day of learning about breast cancer and thinking about patients.



Picture book for young children
Grandad's Hat



Picture book for children
When Grandma Came to Stay

Picture Books to Raise Awareness of Dementia Among Children Produced (U.K.)

In the United Kingdom, collaboration was made with patients' organizations, picture book authors, and illustrators to produce picture books to raise the awareness of dementia among children. A local employee was once asked by a friend with cancer if there was any book that would help the friend explain the disease to the grandchildren. Through this experience, the employee felt a strong need for picture books to help children understand diseases, whether cancer or dementia, leading to the publication of these books.

There are 2 books - one for young children and another for older children. They both involve grandparents and use a story about frequent forgetfulness to help children learn about the disease.

These picture books have been published on a patient organization website. What's more 20,000 copies are also scheduled to be distributed to schools, libraries, hospitals, and care homes for widespread use.

2. Business to Be Addressed

With the U.K. leaving the EU, and the new administration in the U.S., uncertainty in the global business environment is increasing. Additionally, while the expansion of the middle-income group in emerging countries, the global aging of society, and the rapid increase in non-communicable diseases such as cancer, lifestyle diseases and dementia have resulted in a greater demand for innovative new drugs, pressure on health care financing has resulted in the quality, efficiency, and sustainability of health care systems being called into question. Each country is facing a period of major health care policy reform, and in Japan, investigations are currently underway for a dramatic overhaul of the drug pricing system.

The Eisai Group will continue to respond to external environmental changes influencing the pharmaceutical industry in a flexible manner, as it seeks to realize the strategic intents of the medium-term business plan “EWAY 2025.”

(1) Medium-term Business Plan “EWAY 2025”

“EWAY 2025” consists of 3 strategic intents, which the Group seeks to realize by 2025. The 3 strategic intents are:

- a) Respond to patients thinking “I do not want to become ill. If I do, I want to know and be cured as quickly as possible.”
- b) Respond to patients thinking “I want to control my disease in my own neighborhood and safely spend the rest of my life with peace of mind.”
- c) Focus on “business domains where Eisai can discover “Ricchi (opportunities)” based on *human health care (hhc)* needs and fulfill them with Eisai innovation.”

Serving as the foundation for these strategic intents is the Group’s corporate philosophy of *hhc*, which reflects its desire to contribute to patients. The strong motivation born from spending time with patients and understanding their true needs is the source of the Group’s innovation.

(2) “EWAY 2025” Main Progress and Initiatives

“EWAY 2025” positions Neurology and Oncology (cancer) as strategically important areas where the Group can find “Ricchi,” areas where patients’ true needs remain unmet and the Group can become a front-runner. Drug discovery activities for “Ricchi” in these 2 areas, along with developments in the field of gastrointestinal disease led by EA Pharma Co., Ltd., are proceeding steadily. Additionally, initiatives for the provision of solutions for building communities where patients can live with peace of mind are proceeding steadily.

(a) Neurology

The Neurology Business Group (NBG) aims to realize prevention and cure in the field of dementia by leveraging the experience, knowledge and know-how accumulated over 30 years of developing new dementia drugs and conducting information provision activities relating to Aricept.

Next-generation Alzheimer’s disease treatments beta-secretase cleaving enzyme (BACE) inhibitor E2609 and the anti-A β protofibril antibody BAN2401, which both target beta-amyloids (A β), thought to be one of the causes of Alzheimer’s disease, are currently undergoing Phase III and Phase II trials respectively. Additionally, Eisai holds options to jointly develop and commercialize Biogen’s anti-A β antibody aducanumab (generic name), which is currently undergoing a Phase III trial.

In recent years, it has been reported that first sleep disorders, then behavioral disorders precede the occurrence of dementia’s main symptom, cognitive disorder. Eisai is developing its portfolio to

provide total care for dementia patients, including orexin receptor antagonist lemborexant (generic name) to treat the irregular sleep-wake rhythm disorder associated with dementia, and PDE9 inhibitor E2027, to improve cognitive function and peripheral symptoms in dementia patients. Furthermore, research is being conducted to establish a blood test for the early detection of Alzheimer's disease.

In addition, the NBG is working to advance the development of treatments for several other neurological diseases, including epilepsy, while maximizing value for patients through additional indications and formulations for antiepileptic agent Fycompa and the antiobesity agent BELVIQ, both global brands.

(b) Oncology

The Oncology Business Group (OBG) will continue to make full use of its technological strength in synthetic chemistry and drug discovery targeting (for molecular targets), which fostered anticancer agents Lenvima and Halaven, to advance new drug development toward a cure for cancer.

The OBG is currently working on expanding the indications of global brands Lenvima and Halaven. Lenvima has been approved for thyroid cancer and renal cell carcinoma (second-line, adjunctive therapy) indications, and following a Phase III trial for the treatment of hepatocellular carcinoma meeting its primary endpoint, the OBG is making preparations for regulatory submission. Furthermore, studies are underway to investigate 2 adjunctive therapies for renal cell carcinoma (first-line) using the agent in combination with everolimus and anti-PD1 antibody pembrolizumab. Also underway are studies using Lenvima in combination with pembrolizumab as an adjunctive therapy for select solid tumors, including endometrial carcinoma. Halaven is currently undergoing studies in combination with pembrolizumab for the treatment of triple negative metastatic breast cancer, and in combination with Halozyne Therapeutics Inc.'s investigational PEGylated recombinant human hyaluronidase for the treatment of HER2-negative advanced breast cancer.

In addition, with the development of EP4 antagonist E7046, the Group's first in-house discovered cancer immunotherapy candidate for the treatment of rectal cancer, and U.S. research subsidiary H3 Biomedicine Inc.'s new drug discovery approach based on genome information, as well as gene expression regulation / signal transduction pathway-based approaches, the group has a diverse range of projects in its pipeline.

(c) Gastrointestinal

Since its establishment in April 2016, EA Pharma Co., Ltd. has been aiming – as a gastrointestinal specialty pharma – to satisfy unmet medical needs through research and development specializing in the treatment of gastrointestinal diseases, and an original product portfolio. Development efforts by EA Pharma Co., Ltd. are proceeding steadily, with a focus on the area of inflammatory bowel diseases.

New drug applications were filed for budesonide (generic name), a locally acting steroid, as treatment for ulcerative colitis, and for elobixibat (generic name), as treatment for chronic constipation. An application seeking approval for additional dosage and administration of the proton pump inhibitor Pariet was also filed. The application was for 10 mg twice-daily dosing for use in the maintenance therapy of proton pump inhibitor-resistant reflux esophagitis. Studies are also currently underway for carotegrast methyl (generic name) and E6007, as treatments for ulcerative colitis; E6130, which is being developed as a treatment for inflammatory bowel disease; and E6011, as a treatment for primary biliary cholangitis and Crohn's disease.

(d) Building communities where patients can live with peace of mind

Eisai aims to create the foundations for a society where patients can live with peace of mind by identifying the true unfulfilled needs of patients and their families, known as “clinical questions,” and providing solutions to these problems through real world validation. Tools to solve these clinical questions include interprofessional collaboration service Hikari One Team SP, medication administration support device e-OKUSURI-SAN, and Smell Identification Test UPSIT. Eisai also plans to launch the Me-MAMORIO tracking tool to support people with dementia going out.

Additionally, as of April 2017, Eisai has entered partnerships to promote dementia initiatives with local governments, medical institutions and pharmacies in 91 regions throughout Japan, and through provision of solutions to the problems faced by patients and regions, seeks to build communities where patients with dementia can live.

Towards the year 2025, the Group aims to fulfill *hhc* needs through 2 important domains, “Prevention, Cure, Care” and “Delivering Safe Secure Regional Treatment,” as a “Medico Societal Innovator.” Eisai will strongly promote Medium-term Business Plan “EWAY 2025,” as it seeks to make further contributions to patients on a global scale.

EWAY Corporate Image - Medico Societal Innovator -

Domain 1

Prevention — Treatment — Care

Provision of drug packages for all stages/
symptoms of dementia conditions

Domain 2

Local healthcare providing safety and peace of mind

“Community-building” through dementia disorder
solutions based on evidence verified in the real world

(3) Initiatives to Improve Access to Medicines

In order to provide more patients with access to our products globally, Eisai believes that providing products at prices in consideration of income levels and health care systems of each country is very important. The Company has been promoting such affordable pricing strategies in developing and emerging countries using various models. To help eliminate neglected diseases in developing nations, the Group will provide the World Health Organization (WHO) with a treatment for lymphatic filariasis for use in elimination initiatives conducted in endemic countries. Under this agreement, the Group will provide WHO with DEC (diethylcarbamazine) tablets free of charge until the disease is eradicated from all endemic countries that need the drug. These DEC tablets are manufactured at the Group's Vizag Plant in India. As of the end of March 2017, approximately 1 billion tablets have been supplied to 27 countries since the commencement of supply in October 2013. The Group is also involved in the development of new drugs for the treatment of other neglected tropical diseases as well as tuberculosis and malaria. Partnerships are being actively promoted with international NPOs, research institutes, and other organizations specializing in these diseases. The Group considers its contributions to the economic development and expansion of the middle-income class through the enhancement of health and welfare in developing and emerging countries as a form of long-term investment in the future growth of these economies.

3. Basic Policy for Capital Strategy

Aiming to improve shareholder value, the Group's capital policy revolves around “medium- to long-term Return on Equity (ROE^{*1}) management,” “sustainable and stable shareholder returns,” and “value-creative investment criteria, on a foundation of ensuring financial soundness.”

(1) Medium- to Long-term ROE Management

The Company views ROE as an important indicator of the creation of sustained shareholder value. In terms of medium- to long-term ROE management, the Company aims for an ROE that exceeds the cost of capital (creation of a positive equity spread^{*2}) by improving profit margins, financial leverage and asset turnover in the medium- to long-term.

(2) Stable and Sustainable Shareholder Returns

In accordance with the stipulations of the Articles of Incorporation, the Company's Board of Directors returns profits to all shareholders in a stable and sustainable way based on factors such as a healthy balance sheet and comprehensive consideration of the consolidated financial results, Dividends on Equity (DOE^{*3}), and free cash flow, as well as taking into consideration the signaling effect. Because DOE indicates the ratio of dividends to consolidated net assets, the Company has positioned it as an indicator that reflects balance sheet management, and, consequently, capital policy. Acquisition of treasury stock will be carried out appropriately after factors such as the market environment and capital efficiency are taken into account. The Company uses the ratio of equity attributable to owners of the parent and net debt ratio as indicators to measure a healthy balance sheet.

(3) Value-Creative Investment in Growth

To ensure that strategic investments create shareholder value, the Company invests selectively using its Value-Creative Investment Criteria based on Net Present Value and the Internal Rate of Return spread using a risk-adjusted hurdle rate.

*1 ROE (Profit ratio to equity attributable to owners of the parent) = Profit attributable to owners of the parent/ Equity attributable to owners of the parent

*2 Equity spread = ROE - Cost of owners' equity

*3 DOE (Dividend on equity attributable to owners of the parent ratio) = Total amount of dividends/ Total equity attributable to owners of the parent

Capital Strategy for Creating Value for Shareholders



4. Dividends

Based on the above basic policy aiming to provide sustainable and stable dividends to its shareholders, the Company intends to set the FY2016 year-end dividend at ¥80 per share. Combined with the interim dividend of ¥70 per share, this results in an annual dividend of ¥150 per share (same as the previous year).

5. Corporate Governance

(1) Basic Approach to Corporate Governance

The Company believes that the focus of corporate governance is to respect the rights of all our shareholders, ensure the fairness and transparency of management, and enhance corporate vitality. Always aiming for the best corporate governance, the Company strives to achieve corporate governance by stipulating the following basic points of view and codes of conduct in its “Corporate Governance Guidelines” and implementing the Guidelines accordingly.

► For more on the Corporate Governance Guidelines, see pages 148 through 154.

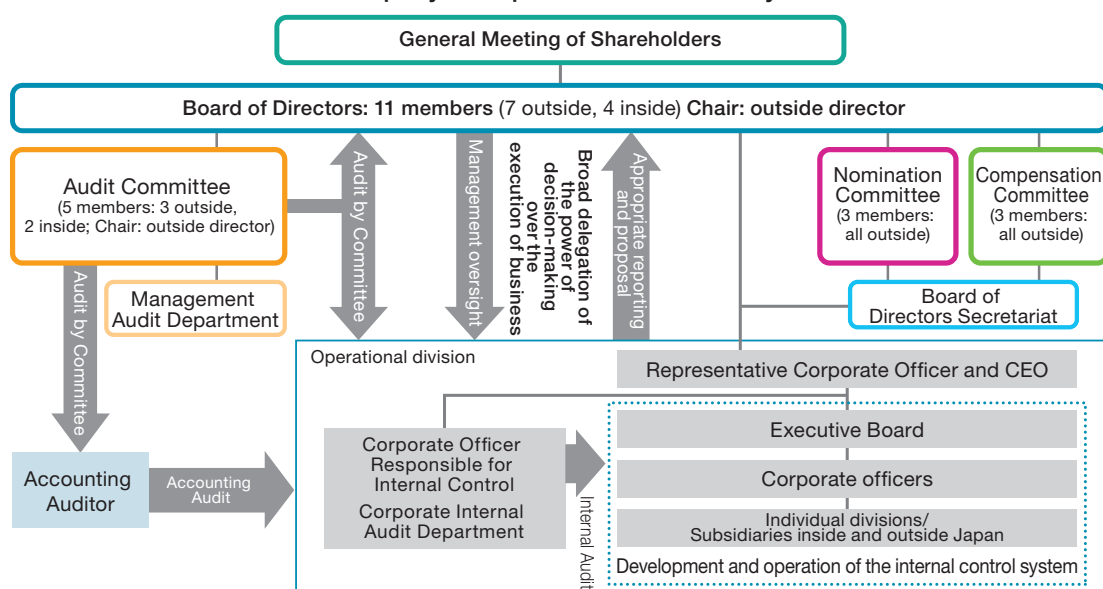
(1) Shareholder Relations: The Company shall:

- (i) Respect the rights of all shareholders;
- (ii) Ensure the equality of all shareholders;
- (iii) Develop positive and smooth relations with the Company’s stakeholders including all shareholders; and
- (iv) Ensure transparency by properly disclosing Company information.

(2) Corporate Governance System

- (i) The Company has adopted a Company with a Nomination Committee, etc., System.
- (ii) The Board of Directors (“the Board”) shall delegate to the corporate officers broad power of decision-making for business execution, to the extent permitted by the laws and regulations, and it shall exercise the function of management oversight.
- (iii) The majority of the Board shall be independent and neutral outside directors.
- (iv) The Representative Corporate Officer and CEO shall be the only director who is concurrently a corporate officer.
- (v) To clarify the management oversight function, the positions of the chair of the Board and the Representative Corporate Officer and CEO shall be separated and performed by different people.
- (vi) The Nomination Committee and the Compensation Committee shall be entirely composed of outside directors, and the majority of the Audit Committee shall consist of outside directors.
- (vii) The chairs of the Nomination Committee, the Audit Committee and the Compensation Committee shall be appointed from among outside directors.
- (viii) The internal control system shall operate properly to ensure the credibility of financial reports.

The Company’s Corporate Governance System



(2) Features of the Company's Corporate Governance

(1) Clear Separation of the Functions between Oversight of Management and the Execution of Business

The central aspect of the Company's corporate governance is the clear separation of oversight of management and execution of business by fully utilizing the fact that it uses a company with a nomination committee, etc., system.

The Board of Directors with outside directors making up the majority is able to enhance the vitality of and devote its attention to management by entrusting a large portion of decision-making authority over business execution to corporate officers to the extent permitted by the laws and regulations. In accordance with the Companies Act, the Board of Directors has passed resolutions on rules for the Systems for Ensuring Proper Business Operations to establish specific internal controls that should be established and operated by corporate officers. (For more on the Status of Establishment and Operation of Systems for Ensuring Proper Business Operations, see pages 48 through 50.) In addition to the items set forth in the rules, corporate officers work to enhance and operate the internal controls within the scope of their responsibilities to secure autonomy and accelerate the speed and flexibility of business execution.

Under this structure, the Board of Directors also checks the status of execution of duties by corporate officers and inspects the appropriateness of the status of internal controls such as the business execution and decision-making processes from the perspective of shareholders and society.

Furthermore, in order to achieve a clear separation between oversight of management and the execution of business, the Company has established that the chair of the Company's Board of Directors must be an outside director and that the Representative Corporate Officer and CEO must be the only individual to serve as a corporate officer and a director concurrently.

(2) Ensuring the Independence and Neutrality of Outside Directors

The presence of 7 independent and neutral outside directors, who account for the majority of the Board of Directors, supports the effectiveness of the Company's corporate governance structure. The Company's Nomination Committee strictly applies the "Requirements for the Independence and Neutrality of Outside Directors" (hereinafter "the Requirements"), stipulated by the Committee, for the selection of candidates for outside directors. In addition to evaluating candidates during the selection process, every year, the Nomination Committee also examines each outside director candidate up for re-election to determine whether he or she meets the Requirements and to assess his or her independence and neutrality. (For more on the Requirements, see page 33.)

The Company inspects the Requirements each year, and revises them as necessary to respond to changes in laws and regulations as well as standards of securities exchanges, etc., and also from the perspective of improving corporate governance.

(3) Mechanism for Continuous Enhancement of Corporate Governance

a) Outside directors meeting

The Company holds meetings of outside directors (with only outside directors in attendance) on a regular basis. These meetings provide outside directors with valuable opportunities to interact, communicate at a deeper level, and make discussions at gatherings of the Board of Directors, etc., more dynamic and productive. At meetings of outside directors, participants freely discuss corporate governance- and business-related matters. If necessary, the chair of the Board of Directors (who presides over meetings of outside directors) liaisons with corporate officers and the secretariat of the Board of Directors by making proposals on various issues or requesting information, etc., in light of the discussions at meetings of outside directors.

In addition, the effectiveness of the Board of Directors' management oversight function is evaluated each year at meetings of outside directors. If any issues related to the operation of the Board of Directors, etc., are identified, a proposal for improvement is submitted to the Board of Directors.

▶ See pages 42 and 43 for the results of evaluation of the status of corporate governance, including evaluation of the effectiveness of the Board of Directors, for FY2016.

b) FY2016 corporate governance evaluation

On April 26, 2017, the Board of Directors deliberated on the results of the Evaluation of the Effectiveness of the Board of Directors, which was compiled in meetings of outside directors based on self-evaluations submitted by each director, as well as the results of the Self-review of the Corporate Governance Guidelines and the Self-review of Internal Control Regulations* and approved them as the Results of Evaluation of Corporate Governance in FY2016.

* Rules Concerning Items Necessary for the Performance of Duties by the Audit Committee and Rules for Preparing Necessary Systems for Ensuring the Suitability in the Performance of Duties by Corporate Officers (See pages 155 to 159 of the Appendix for the full text of the Rules.)

■ Evaluation of the Effectiveness of the Board of Directors

- (1) The Board of Directors evaluation assesses the Board's overall effectiveness, etc., in performing its management oversight functions.
- (2) The scope of the Board of Directors evaluation also includes the Nomination Committee, Audit Committee, Compensation Committee, and the Outside Directors Meeting.
- (3) The Board of Directors evaluation is based on self-evaluations by individual directors.
- (4) The results of the Board of Directors evaluation are compiled and summarized by the Outside Directors Meeting to ensure the objectivity of the evaluation, and the evaluation is determined in a meeting of the Board of Directors.

■ Self-review of the Corporate Governance Guidelines

- (1) The Corporate Governance Guidelines are a code of conduct for corporate governance established by the Board of Directors.
- (2) The Board of Directors conducts reviews each year to evaluate whether the execution of duties by the Board of Directors, etc., is maintained and operated in accordance with these Guidelines.

■ Self-review of the Internal Control Regulations

- (1) The Internal Control Regulations were established by the Board of Directors to stipulate matters required for the execution of duties by the Audit Committee and ensure suitable performance of duties by corporate officers.
- (2) The Board of Directors conducts reviews each year to evaluate whether systems are established and evaluated in accordance with both sets of rules.

FY2016 Corporate Governance Evaluation Results

With regard to the Corporate Governance Guidelines and Internal Control Regulations, no evidence was found of operation, etc., that deviates from the rules, and it was confirmed that the Board of Directors and corporate officers are executing their duties appropriately to improve corporate governance.

The current status and issues regarding the effectiveness of the Board are identified as summarized below.

- 1) The Board of Directors sets appropriate proposals in a timely manner, and the secretariat takes sufficient time to explain the proposals to each director in advance. In its deliberations, the Board discusses any questions raised and reaches a resolution, etc., on each proposal, based on active comments made by the directors. It was confirmed that the Board sufficiently fulfills its roles and responsibilities.
- 2) At meetings of the Board of Directors, corporate officers answer questions raised by directors in a timely and appropriate manner. Directors actively point out issues and state their opinions that lead to the presentation of agenda items, and the Board appropriately receives reports from operational divisions, which promptly report required items.

- 3) Quarterly business execution reports submitted by corporate officers include improvements each year, such as adding report contents that give an overview of the progress of business plans. In addition, it was confirmed that ongoing improvements need to be made to enhance understanding, such as considering how to make more targeted reports and using graphs, figures, and tables.
- 4) It is understood that, depending on the contents of the proposals deliberated at meetings of the Board of Directors, the Board can engage in deeper discussions and further enhance its management oversight function by sharing the following information in advance: detailed explanation of the proposals, circumstances leading to decision-making, the review process, and background to the discussion, etc.
- 5) With regard to early distribution of proposals and materials, etc., for the Board of Directors, improvements such as enabling a draft to be viewed 1 week before meetings of the Board are held were implemented by introducing an information sharing system that is accessible from outside the Company. It was confirmed that ongoing efforts will need to be made in the future, such as making the system more user-friendly.
- 6) At meetings of the Board of Directors, highly specialized matters unique to the pharmaceutical industry are sometimes deliberated upon. To deepen discussions at Board meetings, opportunities for training and on-site visits targeting outside directors will continue to be provided. It was confirmed that outside directors will make ongoing efforts to obtain information and knowledge necessary for management oversight, and that they require sufficient support to that end.
- 7) It was confirmed that the Nomination Committee, Audit Committee, and Compensation Committee are appropriately managed. Corporate officers' reports to the Audit Committee are now shared with directors other than Audit Committee members so that information is shared between the Audit Committee and the Board of Directors. The Nomination and Compensation Committees also makes detailed reports on deliberation contents to the Board of Directors.
- 8) Operational divisions rigorously engage in internal control. Systems for internal control are established and operated at a reasonable level, including the implementation of external evaluation of internal audits. Risks in Japan and overseas are reported to the Audit Committee in a timely and sufficient manner. In particular, it was confirmed that the Board of Directors will continue to address overseas risks with an active interest.
- 9) At meetings of outside directors, outside directors were able to deepen mutual understanding and share knowledge about corporate governance. It was confirmed that outside directors will continue to fulfill their role by reviewing a wider range of topics in the future so that they can engage in more efficient and substantial discussions at meetings of the Board of Directors, etc.
- 10) Corporate governance evaluations will continue to be compiled and summarized at summarized by the Outside Directors Meeting to ensure the objectivity of the evaluation. However, it was confirmed that the use of an evaluation by an external third party may need to be considered for the 3rd round of evaluations in FY2017.

Based on the above evaluation, the Company's Board of Directors will maintain and enhance the elements that the evaluators deemed acceptable, work to improve in problem areas, etc., and continue to aspire toward realization of the best possible corporate governance for the Company.

(3) Board of Directors Proceedings

Personnel	11 directors (7 outside directors, 4 inside directors) * Chair: outside director
Duties, etc.	<p>a. Determine the important matters required by law, the Articles of Incorporation and the Regulations of the Board of Directors, including basic management policies, the appointment of corporate officers, and determination of dividends, etc.</p> <p>b. Oversee the execution of duties by the directors and corporate officers on the basis of reports from corporate officers, as well as reports from the Nomination Committee, the Audit Committee, and the Compensation Committee.</p>

The Chair of the Board of Directors, the central figure in Board of Directors operations, ensures that the selection of agenda items and the establishment of annual themes are scrutinized in order to enable the Board of Directors to make fair and appropriate judgments on behalf of shareholders and other stakeholders. Sufficient time is also spent to confirm the content of proposals presented to the Board of Directors. The Board of Directors Secretariat is instructed to explain the content of the proposals to each director in advance of meetings. Meetings of the Board of Directors are conducted in ways that enable directors, with their diverse backgrounds, to express their opinions on the basis of their varied knowledge.

Message from the Chair of the Board of Directors

Chair of the Board of Directors

Toru Yamashita (Outside Director)



FY2016 was the first year of the medium-term business plan “EWAY 2025.” The Board of Directors conducted oversight of the execution of business, giving particular attention to the progress of each strategy formulated for “EWAY 2025.”

For example, all corporate officers attended meetings of the Board of Directors for the quarterly business execution report. The progress of the FY2016 business plan to actualize “EWAY 2025” was established as a mandatory item in the report that goes on the agenda. The corporate officers were asked to present an easy-to-understand summary of the results and issues of each strategy that composes the business plan at the beginning of the agenda. Receiving the business execution report in this format, the directors wanted to gain a more detailed understanding of contents of specific themes. This fiscal year, we added the current progress and future outlook of research and development themes pursued by the Oncology Business Group and the Neurology Business Group that began operations in FY2016 to the agenda of meetings of the Board of Directors. Accordingly, we received explanations from the responsible corporate officer and discussed the matters.

In addition, the Board of Directors deliberated on the Board of Directors evaluation put together by the Outside Directors Meeting beginning last fiscal year. We are working steadily to address the Board of Directors management issues identified in the Board of Directors evaluation.

In the future, the Board of Directors will continue thorough execution of its management oversight function, thereby contributing to the achievement of “EWAY 2025” and sustained improvement of corporate value.

(4) Committee Proceedings

a. Nomination Committee

Personnel	3 directors (3 outside directors) * Chair: outside director
Duties, etc.	<p>a. Determine the content of the proposals related to the selection or retirement of directors made to the General Meeting of Shareholders.</p> <p>b. Establish the “Requirements for the Independence and Neutrality of Outside Directors” for the selection of independent outside directors.</p> <p>c. Establish basic policies, rules, and procedures necessary for the execution of duties by the Nomination Committee.</p>

The Nomination Committee consists solely of independent outside directors, with an independent outside director also serving as chair of the Committee. The Nomination Committee has a duty to determine the contents of proposals for the General Meeting of Shareholders in regard to the selection of directors. In particular, because independence from the management team is important in the selection of outside directors, the Nomination Committee inspects the Requirements for the Independence and Neutrality of Outside Directors each year, making revisions as necessary. Further, the Committee conducts inspections to determine whether outside directors meet these requirements, not only at the time of their appointment, but subsequently as well.

Message from the Chair of the Nomination Committee

Chair of the Nomination Committee

Eiichiro Suhara (Outside Director)



Each year, the Nomination Committee selects new outside director candidates. The requirements for candidates are established after consideration of the configuration of the Board of Directors, etc., from a medium- and long-term perspective of 3 to 5 years, and in light of the diversity of specialized knowledge and experiences, etc., of the individual directors.

We create lists of outside director candidates according to various attributes, based on information collected from a broad range of resources, including the Company's directors and former directors. As we examine the matter for the relevant fiscal year, we narrow down the candidates in accordance with the candidate requirements, at the same time checking the requirement for independence and neutrality. We then provide the selected candidates with information on the Company's corporate philosophy, thinking regarding corporate governance, etc., and in addition to learning about the candidates' character and way of thinking, we identify in advance the possibility of appointment to the office. If we are able to confirm the possibility of appointment, the contents of the interview are reported to the Nomination Committee. The Committee deliberates on the matter and selects director candidates. As the Chair of the Nomination Committee, I then promptly submit a request for appointment.

I also interview inside director candidates who have been recommended by the Representative Corporate Officer & CEO and report the results to the Nomination Committee. Based on the report, the Nomination Committee then selects director candidates.

To ensure that the yearly selection of independent outside directors goes smoothly, we will continue in the future to prepare good candidate lists and thoroughly communicate with the candidates.

b. Compensation Committee

Personnel	3 directors (3 outside directors) * Chair: outside director
Duties, etc.	<ul style="list-style-type: none"> a. Establish the basic policy concerning the compensation, etc., of directors and corporate officers and determine the compensation, etc., of each individual. b. Actively utilize outside research data, etc., and examine the adequacy of the process for determining compensation, etc., in order to ensure objectivity in the compensation, etc., of directors and corporate officers. c. Establish basic policies, rules, and procedures necessary for the execution of the duties of the Compensation Committee.

The Compensation Committee consists solely of independent outside directors, with an independent outside director also serving as chair of the Committee. The Compensation Committee establishes the basic policy on compensation, etc., paid to directors and corporate officers and determines the compensation, etc., of individuals. With respect to corporate officers, in particular, the Committee examines the adequacy of the performance goals and evaluation criteria used to determine performance-based compensation, and determines bonuses and stock-based compensation. The Committee also examines, compares, and assesses officer compensation systems, compensation levels, and related matters at other companies and identifies issues pertaining to officer compensation. Further, the Compensation Committee deliberates on the contents of officer compensation to be disclosed, and proposes them to the operational division.

Message from the Chair of the Compensation Committee

Chair of the Compensation Committee

Graham Fry (Outside Director)



The Compensation Committee emphasizes “fairness and transparency” and “accountability to shareholders” when determining the compensation of corporate officers. In particular, the Compensation Committee first confirms that the basic policy and rules it has established are being followed in the process of setting performance goals and the evaluation of the goals related to the performance-based compensation (bonuses, stock-based compensation) of individual corporate officers, then verifies the adequacy of the contents.

In FY2016, the Committee reviewed the stock-based compensation system, which had been in operation for three years. As a result, the Committee determined to continue utilizing the system, with part of the mechanism revised.

In addition, the Committee conducts an investigation of executive compensation levels each year and revises the compensation structure for directors and corporate officers if needed. In FY2016, the Committee conducted investigations of compensation levels from various angles, and collected diverse information, including examples of the executive compensation systems of other companies. The investigations identified a number of issues related to performance-based compensation, and the Committee decided to continue examining the matter in subsequent fiscal years as well.

The Compensation Committee will strive to operate a compensation system that is very fair and highly reasonable, and that fulfills the Company’s duty of accountability to shareholders in the future as well.

c. Audit Committee

Personnel	5 directors (3 outside directors, 2 inside directors) * Chair: outside director
Duties, etc.	<p>a. Audit the execution of duties by directors and corporate officers, determines proposals related to the selection, dismissal, and non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders, and executes accounting audits and other matters stipulated by applicable laws.</p> <p>b. Strive to enhance the quality of audits and achieve efficient audits through such means as receiving reports from directors, corporate officers, employees, and the Accounting Auditor in a timely and proper manner in relation to matters required for auditing the execution of duties by directors and corporate officers, and conducting auditing activities in relation to the Accounting Auditor and the internal audit departments.</p> <p>c. Establish basic policies, rules, procedures, etc., necessary for the execution of its duties, and review them each year.</p> <p>d. Ensure the objectivity of audits by guaranteeing the independence of the Management Audit Department, which executes duties under the resolution of the Audit Committee and the direction of members of the Committee, from corporate officers in relation to directions related to the execution of their duties, personnel evaluations, etc.</p>

The Audit Committee devises yearly audit plans, conducts audits required by the Companies Act, audits the Accounting Auditor, and monitors the preparation, maintenance, and operation of internal controls regarding the financial reporting stipulated by the Financial Instruments and Exchange Act of Japan. In addition, the Audit Committee conducts audit activities in relation to the Group's internal audit departments, tracks amendments to the Companies Act and Tokyo Stock Exchange regulations, etc., and reflects the corresponding developments in its activities.

Message from the Chair of the Audit Committee

Chair of the Audit Committee

Ikuo Nishikawa (Outside Director)



The Audit Committee conducts activities in accordance with an audit plan formulated each fiscal year. This fiscal year's audit plan included audits of the execution of duties by directors and corporate officers, audits of business reports and their annexed detailed statements, and audits of financial statements, etc., as items stipulated by laws and regulations. We also established other priority audit items and theme-based audit items for each fiscal year. In priority audits, we inspected whether corporate officers were appropriately establishing, operating, and reporting on the internal controls stipulated in Systems for Ensuring Proper Business Operations established by the Board of Directors. In theme-based audits, we inspected the decision-making system related to the global compliance promotion structure and capital expenditures. In addition, during review of rules and regulations established by the Audit Committee, we revised the Policy on Decisions to Dismiss or not to Re-elect Accounting Auditor and added contents regarding the method of selecting a new accounting auditor.

The Committee reports on its activities to the Board of Directors in accordance with the Audit Committee Rules, which the Board formulated and established.

(5) Auditing Activities of the Audit Committee in Relation to the Accounting Auditor

The Audit Committee conducted the following auditing activities in relation to the Accounting Auditor.

- The Audit Committee confirmed the yearly accounting audit plans of the Accounting Auditor in advance and obtained a copy of the plan. In addition, the Committee deliberated on whether to approve audit compensation, etc.
- The Audit Committee obtained and reviewed the auditing opinions and recommendations of the Accounting Auditor regarding quarterly and year-end financial statements (consolidated and nonconsolidated).
- Of the individual accounting audits carried out by the Accounting Auditor, the Audit Committee obtained information regarding important audits.
- The Audit Committee obtained information concerning the internal control audits executed by the Accounting Auditor.
- The Audit Committee continuously confirmed the status of the internal control of the Accounting Auditor related to Article 131 of the Rules of Company Accounting.
- The Audit Committee received the results of investigation and monitoring of the independent public accountant by the regulatory authority, etc., as needed and evaluated those results.
- Based on the specific requests in Auditing Standards Committee Statement 260, a document issued by the Japanese Institute of Certified Public Accountants, the Audit Committee obtained reports on the responsibilities of the Accounting Auditor in relation to audits of financial statements, the scope and timing of planned audits, the independence of the Accounting Auditor, and other items, and discussed important findings concerning auditing matters.

(6) Auditing Activities of the Audit Committee in Relation to Internal Audit Departments, etc.

The Audit Committee conducted the following auditing activities in relation to the corporate officer responsible for internal control, internal audit (see page 53) departments, and other related parties.

- The Audit Committee shared information related to internal control promotion activities and overall auditing activities through Audit Council meetings. Outside the Audit Council meetings, the Audit Committee also promptly shared information regarding matters of urgency related to internal audits.
- In order to determine the existence of any investigations that may aid in audit-related matters, the Audit Committee checked the internal audit plans (annual plans and individual plans) and obtained plan documents.
- The Audit Committee obtained, from the Corporate Internal Audit Department, copies of the annual audit plans and the results of individual audits carried out by the internal audit departments of ENW* companies.
- The Audit Committee regularly obtained information concerning the status of internal control over financial reporting under the Financial Instruments and Exchange Act of Japan.
- The Audit Committee regularly obtained reports regarding the status of efforts in internal control related to risk management.

(7) Status of Establishment and Operation of Systems for Ensuring Proper Business Operations

In accordance with Article 416 of the Companies Act and Article 112 of the Ordinance for Enforcement of the Companies Act, the Company's Board of Directors has passed a resolution on the Rules Concerning Items Necessary for the Performance of Duties by the Audit Committee and Rules for Preparing Necessary Systems for Ensuring the Suitability in the Performance of Duties by Corporate Officers. See pages 155 to 159 of the Appendix for the full text of both Rules.

(1) Status of Operation of the Rules Concerning Items Necessary for the Performance of Duties by the Audit Committee (hereinafter the "Rules")

a) Items regarding the directors and employees of the Company who assist in the duties of the Audit Committee of the Company

The Company has established the Management Audit Department as a department with responsibilities to aid the duties of the Audit Committee. Staff of the Management Audit Department perform their duties under the direction of the Audit Committee and according to the rules established by the Audit Committee and the audit plan for the individual fiscal year. Their service is governed by the provisions of work regulations. Note that there is no director in place to aid the duties of the Audit Committee.

* ENW (Eisai Network companies) refers to the corporate group composed of Eisai Co., Ltd., and its subsidiaries and associated companies.

b) Items regarding the independence of the Management Audit Department from the corporate officers of the Company and items regarding ensuring the effectiveness of the instructions of the Audit Committee of the Company to the Management Audit Department

The director and staff of the Management Audit Department have performed their duties under the direction and orders of the Audit Committee, in accordance with the Rules. Evaluations of the director and staff of the Management Audit Department have all been conducted by the Audit Committee. Management Audit Department staff have been appointed and reassigned with the consent of the Audit Committee.

c) System for officers and employees of ENW companies to report to the Audit Committee

All corporate officers report monthly to the Audit Committee regarding items stipulated in the Rules. Important matters have been reported as needed. In addition, important internal meetings have been established in the audit plan of the Audit Committee to monitor the status of discussions and resolutions.

A system is established to ensure highly important compliance-related matters reported to the Chief Compliance Officer and/or the Compliance Counter are immediately reported to the Audit Committee. In addition, the Audit Committee obtains information related to the internal control of ENW from their corporate auditors and the board of corporate auditors.

d) Systems for ensuring that the person making a report in the preceding paragraph does not receive disadvantageous treatment on the grounds of having made such report

The Compliance Handbook requires ENW executives and employees to report any concerns related to compliance, and prohibits retaliation against the person making the report. The Compliance Counter has established and implements operational rules, including the protection of persons making a report. Retaliatory and other similar acts toward persons making a report are also strictly prohibited in work regulations. The Audit Committee carries out monthly confirmations of the state of the Compliance Counter, including the presence of prejudicial treatment.

e) Items regarding policies for the processing of expenses and obligations that arise with respect to the execution of duties of Audit Committee members

All expenses for the execution of duties of the Audit Committee are processed without any restrictions being placed by operational divisions.

f) Other systems for ensuring the effective performance of audits of the Audit Committee

The Audit Committee obtains audit plans and audit results from the Accounting Auditor and the internal audit departments to ensure audits by the Audit Committee are effectively performed. Through these audit activities, the Audit Committee also shares necessary information with the Accounting Auditor, internal audit departments, and other related parties.

(2) Status of Operation of the Rules for Preparing Necessary Systems for Ensuring the Suitability in the Performance of Duties by Corporate Officers

a) System for storage and management of information related to the performance of duties of corporate officers

A corporate officer in charge of the storage and management of information has been appointed. Said corporate officer has taken steps to ensure confidential information is handled correctly. The ENW Confidential Information Security Policy and other rules for the storage and management of information related to the performance of duties by corporate officers have been prepared and workshops are held on an ongoing basis. The status of these measures is reported to the Board of Directors and Audit Committee.

b) Rules and other systems regarding management of the risks of loss in ENW

The corporate officer responsible for internal control has introduced a system called control self-assessment (CSA), in which risks of loss in ENW are managed and self-assessed, thereby supporting risk management at all organizational levels including corporate officers, and the establishment and evaluation of internal control. Corporate officers use CSA and other means to identify important risks of loss (important risks) in duties to which they have been assigned (in Japan and abroad) and important risks at subsidiaries (in Japan and abroad). An appropriate system of management has thus been prepared and is under operation.

In particular, with regard to the risks of loss related to a number of departments that may result in significant loss to the Company, the Chief Financial Officer (finance), General Counsel (legal affairs), and corporate officer assigned to general affairs, environmental and safety affairs (environment, disasters) bear the responsibility. Accordingly, they have created necessary rules, including rules concerning consolidated accounting, rules for the prevention of insider trading, and a business continuity plan. By posting them on the Company's internal website and holding workshops, they take countermeasures, operate the rules, and ensure that the Company's employees are thoroughly familiar with these rules.

In addition, the Risk Management Committee established by the corporate officer responsible for internal control centrally manages the status of risks of loss by ENW* and the response to those risks, and promotes the establishment and maintenance of internal control.

c) System for ensuring that the duties of ENW are conducted efficiently

The Company's Board of Directors delegates a significant amount of the decision-making related to the execution of business to corporate officers. At the same time, the Board appropriately establishes the division of duties and mutual relationships between corporate officers. The Chief Talent Officer has established and thoroughly implemented decision-making procedures for important matters at ENW. These procedures define the drafter, parties to be consulted, person responsible for implementation, person responsible for the outcome, etc., related to important matters at ENW to establish a system that enables such decision-making to be conducted efficiently. The procedures are reviewed and revised each year. Further, the corporate officers establish decision-making procedures for their assigned duties so that such duties are conducted efficiently. The status of important decision-making by corporate officers is reported to the Board of Directors as needed.

d) System for ensuring that performance of duties by directors of ENW other than the Company and corporate officers and employees of ENW companies is in accordance with laws and Articles of Incorporation

The Chief Compliance Officer, who is also a corporate officer responsible for internal control, promotes compliance and the establishment of internal control and presides over internal audits.

Compliance is promoted by establishing and putting into practice a compliance program. (See the next page for details on the promotion of compliance.)

With regard to internal control, all corporate officers establish, develop, and operate internal controls within the scope of their responsibilities in accordance with the Internal Control Policy established by the corporate officer responsible for internal control.

Aiming to support the internal controls established, developed, and operated by corporate officers, the Corporate Compliance and Risk Management Department works to (1) reduce everyday operational risks by assessing important company-wide risks through interviews with all corporate officers and (2) implementing CSA for all ENW department managers. For CSA, Eisai has established a regional management organization or appointed a regional manager in the Japan, Americas, Europe, China, and Asia regions to globally promote internal control through support for risk management.

Internal audits are conducted by the Corporate Internal Audit Department and the internal audit departments of each region from an objective point of view and independently from the audited organization. The results of all internal audits are periodically reported to the Board of Directors, Executive Board, and Audit Committee. (See page 53 for details on internal audits.)

A corporate officer who is confirmed to be in compliance with laws, regulations and the Articles of Incorporation in regards to specialized areas specific to a pharmaceutical company is appropriately appointed.

e) System for reporting to the Company about matters related to execution of duties of officers and employees of ENW companies other than the Company

The Company determines the corporate officer to be assigned to oversee, supervise, or manage ENW companies through the division of duties. The corporate officer assigned to be in charge of ENW companies has established a system for receiving reports from ENW, through decision-making procedures provided for each ENW company, attendance at important meetings, periodic reports, etc. The corporate officer in charge reports the status of ENW companies to the Board of Directors as needed.

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(8) Compliance Risk Management

At the Company, the Chief Compliance Officer, who is also the corporate officer responsible for internal control, heads the Corporate Compliance and Risk Management Department and promotes compliance and risk management.

The Company defines compliance as the observance of legal and ethical standards and positions it at the core of management activities. We implement the Group's compliance program: delivering the message of the top management, establishing a system for promoting compliance, developing a code of conduct and rules, running educational activities, and providing consultation services.

In regard to risk management, the Company defines a risk as an event that poses or contains "a threat or possibility of hindering the achievement of the purpose of a company or organization." We build, maintain, and operate internal control and implement internal audits, etc., to keep risks within the allowable range.

(1) Promotion of Compliance

The Corporate Compliance and Risk Management Department works with the assigned departments and personnel in each region to promote compliance globally. These compliance promotion activities periodically undergo objective reviews by a Compliance Committee made up of external experts such as lawyers and consultants from inside and outside Japan. Furthermore, the Compliance Committee provides advice and recommendations to the Chief Compliance Officer.

a) Educational activities to foster an awareness of compliance

The Group believes that fostering an awareness of compliance in all officers and employees is essential for ensuring that each officer and employee always engage in corporate activities in accordance with compliance requirements.

For this reason, the Group has issued a Compliance Handbook, which outlines the ENW Charter of Business Conduct and the code of conduct for all officers and employees. The handbook is available in 17 languages. In addition, each year, all executives and employees commit to understanding and adhering to the contents of the Compliance Handbook.

Further, Group companies in Japan have created a Compliance Card for all officers and employees to carry with them. The card includes contact information for the Compliance Counter, etc.

Training continues to be implemented through means such as hosting workshops (including compliance workshops designed for officers), e-learning, and communication of case studies, in order to foster an awareness of compliance.

b) Transactions between Related Parties

In order to prevent interested parties of the Company, including its directors, corporate officers, and employees, from abusing their position to harm the interests of the Company or the common interests of shareholders, the Company's Anti-Bribery and Anti-Corruption Policy of Eisai Network Companies (ENW) contains provisions prohibiting conflict-of-interest transactions, giving of benefits to shareholders, and bribery. Directors, corporate officers, and employees are made thoroughly familiar with the content through compliance training, etc.

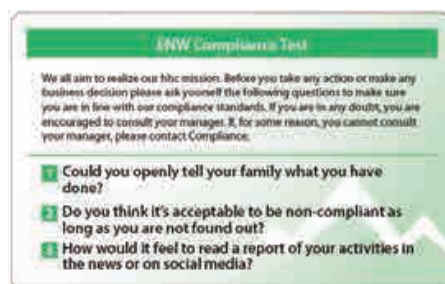


Compliance Handbook

The existence of transactions between the Company and its major shareholders as well as the nature of such transactions are appropriately supervised by the Company's Board of Directors, and subjected to periodic audits by the Audit Committee. In an effort to prevent conducts that run counter to the interests of the Company and its shareholders, the Company's Board of Directors stipulates and discloses in the Detailed Rules of the Board of Directors that transactions competitive to the Company and transactions that conflict with the interests of the Company by directors and corporate officers require the approval of the Board of Directors. Furthermore, with regard to such transactions, directors and corporate officers are required to report material facts appropriately to the Board of Directors.

c) Use of the Compliance Counter

The Compliance Counter serves as a point of contact for the whistle-blowing system in ENW* and is set up globally, including Japan, the United States, Europe, China, and Asia. It is a consultation/contact resource that all officers and employees can use to get help with interpreting legal provisions, making decisions on compliance-related matters, and finding answers to questions about whether their own conduct, the conduct of their supervisors, or the conduct of their co-workers conforms to the Company's compliance policies. Harassment, personal information protection, copyright, ethics guidelines for public servants, and industry-level self-regulation are just some of the many topics that the Compliance Counter handles.



Compliance Card

d) Reporting to the Audit Committee

The status of operation of the Compliance Counter, including the number of consultations and contacts received, is reported monthly to the Audit Committee. A system is established to ensure highly important matters reported to the Chief Compliance Officer and/or the Compliance Counter are immediately reported to the Audit Committee.

(2) Promotion of Risk Management

Eisai's Board of Directors has established the Rules for Preparing Necessary Systems for Ensuring the Suitability in the Performance of Duties by Corporate Officers in accordance with the stipulations of the Companies Act. The Rules stipulate that all corporate officers are to identify risks in their assigned duties, and build, maintain, and operate internal control. Accordingly, the corporate officer responsible for internal control has established Eisai Network Companies internal control policies, promotes the creation, maintenance, and operation of internal control throughout the Group, and works to manage risks within the allowable range.

a) Identification of risks and promotion of prompt and efficient response to risks

We implement a Control Self-Assessment (CSA) as 1 mechanism for risk management. The CSA increases the effectiveness of risk management by identifying important company-wide risks through interviews with all corporate officers and reports from corporate officers, and confirming the status of response by corporate officers to risks. In addition, the CSA for all ENW department managers is used to advance risk response through surveys and workshops.

The Risk Management Committee centrally manages all risks identified by corporate officers and department managers. The Risk Management Committee assesses the importance of identified risks based on the possibility of occurrence and the degree of impact, determines the order of priority in responding to the risks, and strive for efficient risk management. Further, the Committee constantly monitors outside corporate scandals, etc., identifies the Company's potential risks at an early stage, and implements activities to prevent those risks from being actualized, and otherwise responds promptly to risks.

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b) Internal audit activities based on international standards

Unlike audits performed by the Audit Committee and accounting audits conducted by the Accounting Auditor, internal audits are conducted voluntarily. The Company works together with the internal audit departments set up in each region (Japan, the United States, Europe, China, and Asia) by the Corporate Internal Audit Department, which is overseen by the corporate officer responsible for internal control, to perform internal audits globally. These internal audits are intended to evaluate from an independent and objective standpoint whether the duties of each corporate officer are executed properly and efficiently. The audit results are reported to the Executive Board and Audit Committee. To ensure the audits are of a high quality that meets global standards, each year the internal audit departments receive evaluations by an external evaluation committee composed of outside experts. These evaluations are conducted according to international standards developed by The Institute of Internal Auditors (IIA), which is headquartered in the United States.

Charter of Business Conduct of Eisai Network Companies

We give first thoughts to patients and their families. We strive to increase the benefits that healthcare provides them and we conduct our business to meet their diversified healthcare needs worldwide. As a *Human Health Care* (“*hhc*”) company, we develop and provide products and services that contribute to the well-being of patients and their families under any healthcare system.

It is an integral part of our corporate mission that we exercise good business judgment and act in a proper manner, in compliance with all relevant laws and ethical standards. These principles are essential to the company's existence and are given top priority in all corporate activities.

We hereby establish our Charter of Business Conduct as a statement of our commitment to compliance. Eisai's officers, directors and managers recognize that it is their role to lead by example by implementing the content and spirit of this Charter in all the work they do and in supervising those who work with them. By adhering to this Charter, they will inspire and encourage everyone to apply these standards in all their activities. Everyone is expected to abide by the content and spirit of this Charter.

Eisai and its stakeholders

1. We promote mutual respect and trust in our business relationships including healthcare providers, shareholders, investors, employees, business partners, patients and communities
2. We do not tolerate bribery or any other form of corrupt business behavior
3. We compete fairly
4. We appropriately manage information and ensure our records are accurate, complete, fair and secure
5. We communicate with stakeholders, and appropriately disclose corporate information in a timely manner
6. We act in accordance with the principles of fairness, respect, and non-discrimination in the workplace and provide a safe work environment for our employees

Eisai and society

7. We comply with all relevant laws and regulations of each country in which we do business and we conduct ourselves with the highest level of integrity
8. We respect human rights and prevent, within the scope of our business, modern slavery such as child labor, forced labor and human trafficking, while we take into consideration the cultures and customs of the countries where we operate
9. We are a “good corporate citizen” and support and encourage activities that contribute to society
10. We maintain fair and transparent relations with political and government entities
11. We shall not enter into, or to the extent we become aware we shall sever, relations with organized crime groups
12. We promote best practices for environmental protection in our business activities

6. Utilization of Human Assets

In the Articles of Incorporation, the Company positions employees as important stakeholders and strives to ensure stable employment, provide worthwhile work and improve opportunities for developing skills. In addition, the Company prohibits discrimination in hiring, training, and promotions, and has established an environment in which all employees are evaluated fairly and each employee is able to fully realize his or her potential. In the realization of the *hhc* philosophy, the Company sees employees as important assets and refers to human resources as human assets.

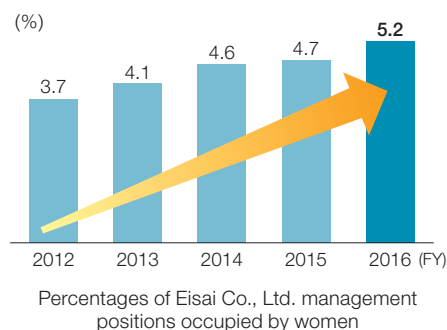
(1) Promotion of Diversity

Eisai has established the Eisai Diversity Declaration, and in addition to instilling the diversity mindset through educational booklets and the internal website, the Company strives to foster an organizational climate that utilizes the differing values of employees of an assortment of genders, citizenships, cultures, regions, ages, education, careers, and lifestyles.



(2) Promoting the Active Participation of Women

In the United States, Europe, and China, women occupy at least 45% of all management positions. At Eisai, women represent 23.0% of the total workforce. With enforcement of the Act on Promotion of Women's Participation and Advancement in the Workplace in April 2016, we will continue to implement selective training programs for female employees in order to help participants develop stronger views of their own careers and conduct other activities to double the number of women in management positions by FY2020, and strive to have 10% of all management positions occupied by women. As of March 31, 2017, 5.2% of all management positions were occupied by women, and as the graph indicates, the opportunities for women to play an active role are steadily increasing.



(3) Hiring and Development of Abilities

Most employees hired are new graduates, but Eisai makes mid-career hires as needed. In the hiring process, we give candidates an opportunity to hear from patients about their experiences battling illnesses, enabling them to understand the patients' feelings, and promoting an understanding of the corporate culture of contributing to patients. After employees are hired, we provide all of them with career development training and multifaceted observation feedback training to enable them to utilize their individual abilities to the fullest.

(4) Fostering Global Leaders

In order to provide as many employees as possible with opportunities to play an active role and develop their abilities across national boundaries, Eisai has a system of overseas work common to all of the countries, which includes working conditions for overseas residency and prolonged overseas business trips. Employees from Japan, the United States, Europe, and Asia, who were selected through open recruitment or by appointment, undergo training with the objective of enhancing their cross-cultural job performance as well as building overseas human networks. Efforts focus on giving employees opportunities to experience working abroad and putting a select group of top-level employees from around the world into training programs, as well as business schools (graduate schools of business administration) and law schools (graduate schools of law) both in Japan and abroad, in hopes of cultivating global leaders.

(5) Creating Friendly Workplaces

Having made “ensuring stable employment” a part of its Articles of Incorporation, the Company strives to create working environments where every employee can work toward achievement of the *hhc* philosophy with a rewarding sense of satisfaction. The Company has also introduced mandatory retirement at the age of 65 and taken steps to help employees make full use of their experiences and skills, aiming to sharpen its competitive edge in the global arena and enhance its corporate value. To enable all employees to achieve a fruitful work-life balance, the Company has also prepared flexible work systems, such as flextime and discretionary work, that respond to employees’ job types. Systems for leaves of absence or shortened working hours for the purpose of providing childcare or nursing care for family members, for both men and women, have been enriched. The Group also offers systems that enable volunteer leave and donor leave, thereby supporting employees’ contribution to society, as well as mental health care, and health guidance by industrial doctors. These efforts are directed toward the creation of a workplace environment in which each employee can work vibrantly.

Examples of Eisai’s Systems to Support Life Events

Childcare leave system	Employees can take a leave of absence after maternity leave until the child reaches the age of 3.
Nursing care leave system	When it is necessary for an employee to care for a family member, he or she can take up to a total of 365 days of leave, with up to 5 days of paid vacation per year.
Childcare/nursing care Short-time system	Employees can reduce daily working hours up to 2 hours per day for childcare/nursing care. Shortened working hours for childcare can be used until March 31 following the child’s 9th birthday. Shortened working hours for nursing care can be used until 3 years following the start of use. Flextime can also be applied while using the short-time system, and working hours can be adjusted inside the relevant month.
Morning sickness leave	Individuals for whom work becomes difficult due to morning sickness can take morning sickness leave up to 3 times per pregnancy, for a maximum total of 15 days.
Child nursing care leave	When it is necessary for an employee to provide nursing care for a preschool-age child, or when it is necessary for an employee to take time off work to accompany a child to a medical examination or immunization, the individual can utilize paid vacation up to a total of 5 days per year.

(6) Status of Employees

(1) The Group

(People)

	March 31, 2016	March 31, 2017
Japan	4,523	5,009
Americas	1,316	1,320
China	1,875	1,909
Asia	1,250	1,231
EMEA	913	983
Total	9,877	10,452

(Note) The number of employees refers to the number of regular staff members (excluding employees seconded from the Group to outside the Group, and including those seconded from outside the Group).

(2) The Company

	March 31, 2016	March 31, 2017
Number of employees (people)	3,504	3,246
Percentage of women (%)	22.0	23.0
Average age (years)	43.8	44.3
Average years of service	19.6	19.9

(Note) The number of employees refers to the number of regular staff members (excluding employees seconded from the Company to outside the Company, and including those seconded from outside the Company).

7. Consideration for the Environment

All of the Group's officers and employees share the same basic environmental philosophy and are conducting business activities in conformity with the Environmental Protection Guidelines, in accordance with the ENW*1 Environmental Protection Policy.

- Each business office has an environmental management system. Major production plants, both inside and outside Japan, have acquired ISO 14001 certification and are carrying out activities based on the standard.
- Eisai strives to comply with environmental laws, ordinances, and agreements, by having internal environmental audits conducted periodically by a department specializing in internal auditing.
- We have also established committees to promote environmental protection activities, deliberate and make decisions on important matters, share information, and discuss the contents of activities.

*1 ENW (Eisai Network companies) refers to the corporate group composed of Eisai Co., Ltd., and its subsidiaries and associated companies.

(1) Formation of a Low-carbon Society

The Company is striving to reduce CO₂ emissions in an effort to combat the problem of climate change.

The Group aims to fulfill its own medium-term plan to reduce, by FY2020, CO₂ emissions of the domestic group in Japan by 23% as compared to the level of emissions in FY2005. Another goal is achievement of the Federation of Pharmaceutical Manufacturers' Associations of Japan's action plan for a low-carbon society.

i. Reduction of electric power consumption

- Energy conservation throughout the year and purchase of green power*2 in accordance with the Eisai 7 Articles of Energy Conservation
- Installation of LED lighting at the Head Office building
- Implementation of energy-saving measures in relation to the air conditioners and testing equipment of our research laboratories

ii. Reduction of fuel consumption

- Active introduction of energy conservation equipment and improvement of operation at our plants
- Switching sales vehicle in Japan to hybrid cars



Eisai 7 Articles of Energy Conservation

*2 Power generated from natural sources, such as wind, sunlight and geothermal heat

(2) Formation of a Recycling-oriented Society

Eisai strives to use resources efficiently in order to protect the environment.

i. Reduction of the generation of waste

- Reduction of paper materials by digitizing meeting materials, etc.
- Sale of paper and instruments

ii. Improvement of the recycling rate

- Promotion of recycling by thoroughly implementing waste sorting
- Selection of excellent waste disposal contractors

- Reduction of the amount of waste sent to landfills
- Achievement of zero emissions*3 for 8 consecutive years

*3 To reduce the ratio of waste sent to landfill to less than 1.0%.

(3) Appropriate Management of Chemical Substances

We appropriately manage chemical substances in order to prevent pollution of the environment.

- i. Appropriate management of substances subject to the PRTR*4
 - Understanding of the amounts of these substances handled, released into the environment or transferred as waste to ensure proper management, and reporting to the authorities
- ii. Strict adherence to the Act on Rational Use and Proper Management of Fluorocarbons
 - Prevention of leaks during use through quarterly inspections, etc.
 - Systematic switching to hydrochlorofluorocarbons and non-fluorocarbons

(4) Efficient Use of Water Resources

Eisai strives to use the water resources required for pharmaceutical manufacturing efficiently.

- i. Reduction of industrial water use and reuse of waste water
- ii. Ensuring the quality of waste water, prevention of contamination of ground water in accordance with the Water Pollution Prevention Act

*4 Chemical substances specified in the Pollutant Release and Transfer Register, such as dichloromethane and toluene

(5) Information Disclosure related to Environmental Activities

Eisai proactively discloses information regarding environmental activities aimed at reducing the burden on the environment.

- i. Environmental Report 2016
 - Information on environmental activities, etc., can be found at: <http://www.eisai.com/pdf/esocial/epdf2016er.pdf>
- ii. CDP*5 Climate Change Report 2016
 - Reports on energy conservation activities, etc., that lead to a reduction of greenhouse gas emissions can be found at: <https://www.cdp.net/en>
→ Eisai earned an excellent grade of A- for its climate change measures.

*5 A nonprofit organization based in London and operated by a partnership of institutional investors (formerly the Carbon Disclosure Project). The CDP asks companies with high aggregate market value in major countries to disclose information related to climate change, water, and forests, analyzes and evaluates the responses, and discloses the results to investors, companies, and governments.

ENW Environmental Protection Policy

Fundamental Environmental Protection Policy

ENW places global environmental protection as an important component of business operations and strive to maintain the environment.

Environmental Protection Guidelines

1. ENW is aware of the “dignity and importance of nature” and adopts measures to maintain the global environment in all business operations.
2. ENW places environmental protection as a top priority at all stages of corporate activities, from research and development, production, distribution, and sales, to product usage and disposal.
3. ENW constructs and operates an environmental management system and promotes environmentally protective operations.
4. ENW complies with all applicable laws, regulations, and agreements concerning environmental protection, and each company implements voluntary standards that exceed the minimum standards set forth in the applicable laws, regulations, and agreements.
5. ENW actively introduces advanced environmental technology to be at the forefront of reducing environmental impacts.
6. ENW reduces usage of resources and energy as well as reduces or recycles waste products in all business operations.
7. ENW reduces usage and promotes the removal of chemical substances that cause environmental pollutant emissions, and prevents environmental pollution.
8. ENW shares the fundamental policy on environmental protection and implements educational training to strengthen specialties at each workplace progressively and continuously.
9. ENW actively discloses information on policies, objectives, programs, and results concerning environmental protection.

8. Ties with Shareholders and Investors

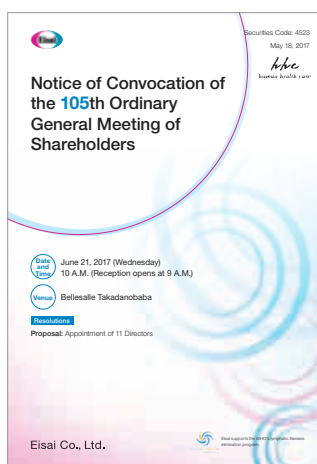
The Company seeks to disclose important management- and finance-related information in a proactive, fair, equitable, timely, and easy-to-understand manner. At the same time, the Company also endeavors to increase its communications with all shareholders and investors.

(1) Notice of Convocation of the Ordinary General Meeting of Shareholders

- A full range of information presented visually and in color to make it easy to understand
- Sent about 4 weeks prior to the General Meeting of Shareholders to allow plenty of time to consider the proposals
- Published on the Tokyo Stock Exchange's and the Company's websites prior to mailing



Japanese-language version



English-language version

(2) Shareholder Notices

- Sent every November with documents related to interim dividends
- Includes an overview of 2nd-quarter results, the progress of products under development, and other topical issues



Shareholder notices

(3) Information Available on the Website

- IR information: Consolidated financial reports, annual securities reports, briefing materials, and videos, etc.
- Corporate information: Company overview, corporate governance, access to medicines, etc.
- CSR efforts: the Company's environmental policy and social contribution activities, etc.

Japanese-language website <http://www.eisai.co.jp>

English-language website <http://www.eisai.com>

- Integrated Report 2016:

A new tool that provides both financial and non-financial information

Japanese-language version <http://www.eisai.co.jp/pdf/annual/pdf2016ir.pdf>

English-language version <http://www.eisai.com/pdf/eannual/epdf2016ir.pdf>



Integrated Report 2016

(4) Dialogues with Individual Shareholders

Briefings for Individual Shareholders

- Held in Nagoya, Osaka, Hiroshima, and Fukuoka (October)
- A total of about 900 shareholders attended at the 4 venues.
- The corporate officer in charge gave an overview of business and explained the management strategy, which was followed by Q&A.

Many questions were asked at each venue, regarding such topics as business performance, dividends, and the progress of products under development. Those and other questions are answered in Q&A Frequently Asked Questions found on pages 160 to 166.



Briefing for individual shareholders (Nagoya venue)

(5) Dialogues with Institutional Investors

- Individual meetings in Japan and overseas (about 600 per year)
- Financial results presentations (quarterly; 4 times per year)
- Eisai Scientific Day (June) Explanation of pipeline projects
- Information Meeting (March) Explanation of the management strategy by the Representative Corporate Officer & CEO
- Meetings with outside directors

The Company proactively engages in dialogue with outside directors and institutional investors as required by the Corporate Governance Code. It was a significant meeting that deepened the mutual understanding of institutional investors and outside directors.



Eisai Scientific Day (New York)



Information Meeting (Head Office)

Inquiries concerning the General Meeting of Shareholders and stock

Eisai Co., Ltd.

Stock Administration Group,

General Affairs and Environmental & Safety Affairs Department

0120-501-217

(Open weekdays 9:00 A.M. to 5:00 P.M.; toll-free number)



9. Ties with People throughout Society

(1) hhc Hotline

The Company responds to inquiries regarding Eisai products around the clock every day of the year. We utilize a variety of comments and other input we receive to improve our products, information, and services. In FY2016, we received approximately 105,000 inquiries.

Patients/General Customers

0120-151-454

Medicine prescribed at a hospital or clinic

0120-161-454

Medicine purchased at a drugstore, pharmacy, etc.

Medical Professionals

0120-419-497

- Reception: Weekdays 9:00 A.M. to 6:00 P.M. Saturday/Sunday/Holidays 9:00 A.M. to 5:00 P.M.; toll-free number

(2) Kawashima Plant Tour

Tours of the Kawashima Plant in Gifu Prefecture are available for the general public.

<Details>

An overview of the plant and a tour of the manufacturing process



■ Kawashima Plant Tour

Tour Days	Tuesday - Friday
Duration	45 minutes to 2 hours * Reservation required
No. of people	Groups of 10 or more

(3) Naito Museum of Pharmaceutical Science and Industry

- Established on the grounds of the Kawashima Plant in June 1971, making it Japan's first comprehensive museum of medicine.
- On display at the museum facility are approximately 2,000 of the 65,000 historical materials on medicine and 62,000 related documents in the museum's collection.
- The adjacent pharmaceutical plant garden also cultivates 700 types of medicinal herb and plant.



■ Naito Museum of Pharmaceutical Science and Industry

Closed	Mondays and New Year Holiday
Hours	9:00 A.M. to 4:30 P.M. * Last admission: 4:00 P.M.
Admission	Free

* Nearly 40,000 visitors in FY2016

(4) Contact (Kawashima Plant tours/Naito Museum of Pharmaceutical Science and Industry)

1 Kawashima Takehayamachi,
Kakamigahara-shi, Gifu Prefecture, 501-6195

0586-89-2101

(Naito Museum of Pharmaceutical Science and Industry)



<http://www.eisai.co.jp/museum/english/index.html>

2 Business Progress and Results

1. Consolidated Performance (International Financial Reporting Standards)

(1) Revenue and Income

While an increase was recorded following growth of Lenvima (anticancer agent, product name for renal cell carcinoma indication in Europe: Kisplyx) and Fycompa (antiepileptic agent) as well as the contribution from newly added consolidated subsidiary EA Pharma Co., Ltd., the Group's revenue finished overall at ¥539.097 billion (down 1.6% year on year) due in part to the impact of national drug price revisions in Japan and foreign currency fluctuations.

By segment, revenue from the Group's Japan pharmaceutical business and Asia pharmaceutical business increased. Similarly, on a local currency basis, all overseas pharmaceutical businesses also achieved growth.

By product, combined revenue from all 4 global brands soared by 14.5% year on year to ¥72.822 billion, despite the impact of foreign currency fluctuations. This included ¥37.328 billion from Halaven (anticancer agent), ¥21.456 billion from Lenvima, ¥10.324 billion from Fycompa, and ¥3.714 billion from BELVIQ (antiobesity agent).

Operating profit totaled ¥59.064 billion (up 13.7% year on year) owing to improved performance and efficiency in operations, as well as one-off income following the acquisition of EA Pharma shares (gain from a bargain purchase) and receipt of Lump-sum payments for progress on joint R&D projects.

Profit for the year came to ¥42.246 billion (down 23.3% year on year), in response to the reduced tax expenses accompanying a transfer of shares in a U.S. subsidiary in the previous fiscal year. Profit for the year attributable to owners of the parent came to ¥39.358 billion (down 28.4% year on year).

Basic earnings per share for the year attributable to owners of the parent amounted to ¥137.63 (down ¥54.61 year on year).

Comprehensive income for the year, after adding (deducting) other comprehensive income to (from) profit for the year, rose to ¥36.830 billion (up 123.9% year on year), in response to a decrease in exchange differences on translation of foreign operations due to advancement of the strong yen rate in the previous fiscal year.

Overview of Consolidated Income

(Billions of yen)

	FY2015	FY2016	Change from previous year (%)	Value change
Revenue	547.9	539.1	98.4	(8.8)
Cost of sales	194.5	195.9	100.7	1.4
Selling, general and administrative expenses	192.8	179.7	93.2	(13.1)
R&D expenses	122.3	112.5	92.0	(9.8)
Operating profit	51.9	59.1	113.7	7.1
Profit before income taxes	50.5	57.7	114.3	7.2
Profit for the year	55.0	42.2	76.7	(12.8)
Profit for the year attributable to owners of the parent	54.9	39.4	71.6	(15.6)

Consolidated Performance Indicators

		FY2015	FY2016	Change from previous year (%)
Dividend on equity attributable to owners of the parent ratio (DOE)	(%)	7.3	7.4	101.3
Profit ratio to equity attributable to owners of the parent (ROE)	(%)	9.4	6.8	72.5
Dividend payout ratio (DPR)	(%)	78.0	109.0	139.7
Dividend per share (DPS)	(Yen)	150.0	150.0	100.0
Earnings per share attributable to owners of the parent (basic) (EPS)*	(Yen)	192.2	137.6	71.6

* In the calculation of earnings per share attributable to owners of the parent, treasury stock (which is deducted from the calculation of the average number of shares during the fiscal year) includes shares of Company stock held in a trust account.

(2) Assets, etc.

Total assets as of the end of this fiscal year amounted to ¥1,030.764 billion (up ¥56.777 billion from the end of the previous fiscal year). While assets held for sale decreased following the transfer of Sannova Co., Ltd., this was countered by an increase in total assets following the acquisition of EA Pharma Co., Ltd.

Total liabilities as of the end of this fiscal year amounted to ¥428.173 billion (up ¥31.014 billion from the end of the previous fiscal year) despite a decrease in liabilities directly related to assets held for sale following the transfer of Sannova Co., Ltd., in part due to an increase in total assets following the acquisition of EA Pharma Co., Ltd.

Total equity as of the end of this fiscal year amounted to ¥602.591 billion (up ¥25.762 billion from the end of the previous fiscal year) due to an increase in non-controlling interests and capital surplus following the acquisition of EA Pharma Co., Ltd.

As a result of the above, the ratio of equity attributable to owners of the parent was 56.7% (down 2.2 percentage points from the end of the previous fiscal year). Furthermore, the net debt equity ratio (Net DER) as of the end of this fiscal year was improved by 0.06 percentage points from the end of the previous fiscal year, and ended down 5%.

(Note) Net DER = (Interest-bearing debts [Bonds and borrowings] - Cash and cash equivalents - Time deposits exceeding 3 months) / Equity attributable to owners of the parent

Consolidated Statement of Financial Position

(Billions of yen)

	March 31, 2016	Ratio (%)	March 31, 2017	Ratio (%)	Value change
Total assets	974.0	100.0	1,030.8	100.0	56.8
Total liabilities	397.2	40.8	428.2	41.5	31.0
Borrowings	203.6	20.9	213.5	20.7	9.9
Total equity	576.8	59.2	602.6	58.5	25.8
Equity attributable to owners of the parent	573.7	58.9	584.6	56.7	11.0

(3) Capital Expenditures

The Group is continually making capital investments to strengthen and streamline production facilities in order to increase product quality and reduce manufacturing costs as well as to strengthen R&D capabilities.

Capital expenditures for FY2016 amounted to ¥9.75 billion, an increase of ¥2.14 billion year on year, most of which was the result of upgrading and expanding production facilities and R&D laboratories in Japan and China.

(4) Financing and Main Suppliers of Loans to the Group

Borrowings ended the fiscal year at ¥213.474 billion (an increase of ¥9.882 billion from the previous period). The main suppliers of loans to the Group are as follows.

Borrowings

Company name	Lender	March 31, 2017
The Company	Syndicate Loan	¥115.0 billion
	Nippon Life Insurance Company	¥50.0 billion
	Sumitomo Life Insurance Company	¥5.0 billion
	Mizuho Bank, Ltd.	¥5.0 billion
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥5.0 billion
Eisai Inc. (U.S.A.)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$300 million

(5) Cash Flow

Net cash provided by operating activities amounted to ¥75.851 billion (down ¥19.766 billion from the previous fiscal year). Profit before income taxes was ¥57.668 billion, and depreciation and amortization amounted to ¥26.484 billion.

Net cash used in investing activities amounted to ¥28.596 billion (outflow up by ¥21.896 billion from the previous fiscal year). Payments of time deposits exceeding 3 months were ¥33.811 billion (net). Net cash inflows on acquisition and sale of subsidiaries were ¥19.346 billion and ¥6.459 billion, respectively. Capital expenditures, etc., resulted in an inflow of ¥6.102 billion.

Net cash used in financing activities amounted to ¥35.440 billion (down ¥37.504 billion from the previous fiscal year). The amount of dividends paid was ¥42.905 billion.

As a result, cash and cash equivalents as of the end of this fiscal year stood at ¥186.775 billion (up ¥7.450 billion from the end of the previous fiscal year).

Free cash flows (cash flow from operating activities less capital expenditures, etc.) for the year stood at ¥81.953 billion (up ¥836 million from the previous fiscal year), and the interest coverage ratio was 28.7 times (up 4.5 percentage points from the previous fiscal year).

Highlights from Consolidated Cash Flow

(Billions of yen)

	FY2015	FY2016	Value change
Net cash provided by operating activities	95.6	75.9	(19.8)
Net cash used in investing activities	(6.7)	(28.6)	(21.9)
Net cash used in financing activities	(72.9)	(35.4)	37.5
Cash and cash equivalents at end of year	179.3	186.8	7.4
Free cash flow*	81.1	82.0	0.8

* Free cash flow

= (Net cash provided by operating activities) - (capital expenditure, etc. (cash base))

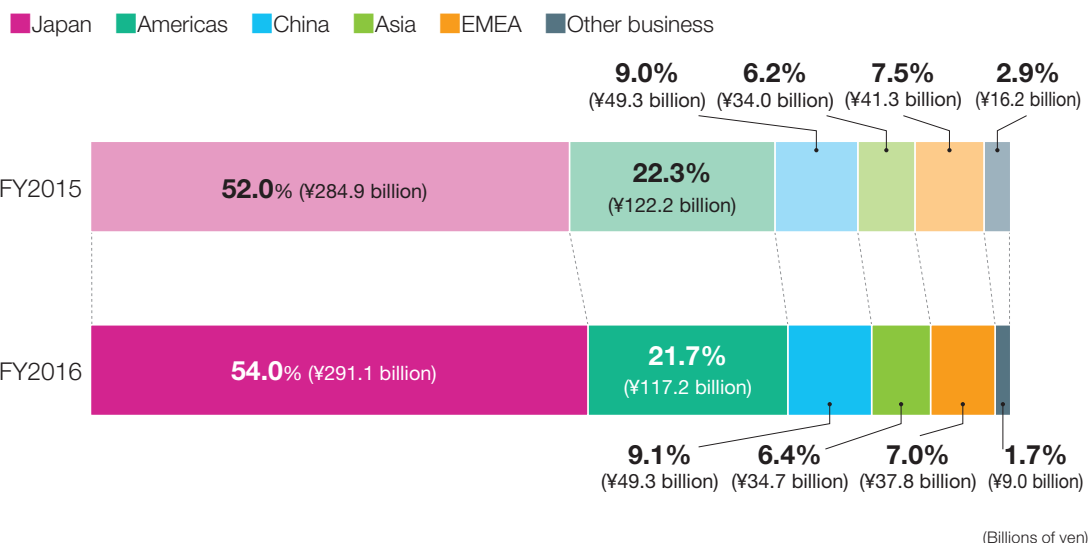
(6) Data by Operating Segment

The Group's business is comprised of pharmaceutical business and other business. The pharmaceutical business is organized into the following 5 reporting segments in this report: Japan (Prescription Medicines, Generics, and OTC), Americas (North, Central and South America), China, Asia (primarily South Korea, Taiwan, Hong Kong, India, and ASEAN), and EMEA (Europe, the Middle East, Africa, and Oceania).

This fiscal year, following reorganization aimed at achieving sustained growth of the Japan business, the Consumer Healthcare Business—Japan reporting segment of the previous fiscal year has been integrated into the Japan pharmaceutical business reporting segment. From this fiscal year, the method for calculating the segment profit of pharmaceutical business and other business has changed. Following the change, other income and expenses have not been allocated to pharmaceutical business and other business in the consolidated statement of income. Other income and expenses that had been allocated to pharmaceutical business and other business until the previous fiscal year are now reported under Group headquarters' management costs and other expenses.

The above changes in the reporting segments and changes in the method of calculating profit have been reflected in the segment information for the previous fiscal year.

Sales Revenue by Reporting Segment

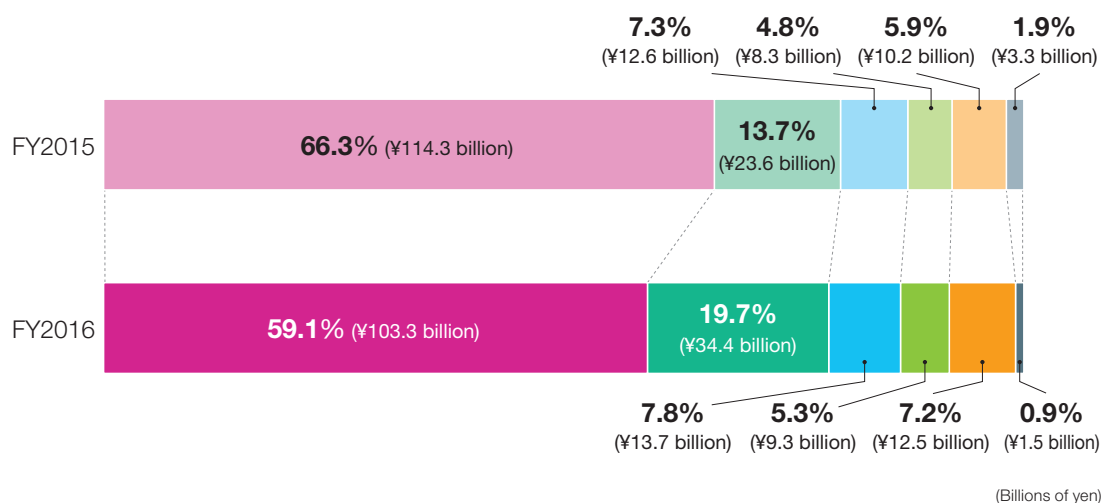


	FY2015	Ratio (%)	FY2016	Ratio (%)	Change from previous year (%)	Value change
Pharmaceutical businesses (reporting segment)	531.8	97.1	530.1	98.3	99.7	(1.6)
Japan pharmaceutical business	284.9	52.0	291.1	54.0	102.2	6.2
Americas pharmaceutical business	122.2	22.3	117.2	21.7	95.9	(5.0)
U.S.A. pharmaceutical business	121.0	22.1	115.7	21.5	95.6	(5.3)
China pharmaceutical business	49.3	9.0	49.3	9.1	100.0	(0)
Asia pharmaceutical business	34.0	6.2	34.7	6.4	102.2	0.7
EMEA pharmaceutical business	41.3	7.5	37.8	7.0	91.5	(3.5)
Other businesses	16.2	2.9	9.0	1.7	55.5	(7.2)
Consolidated revenue	547.9	100.0	539.1	100.0	98.4	(8.8)
Overseas sales ratio (%)	46.0		45.2			(0.8)

(Note) Revenues by segment are to external customers.

Income by Reporting Segment

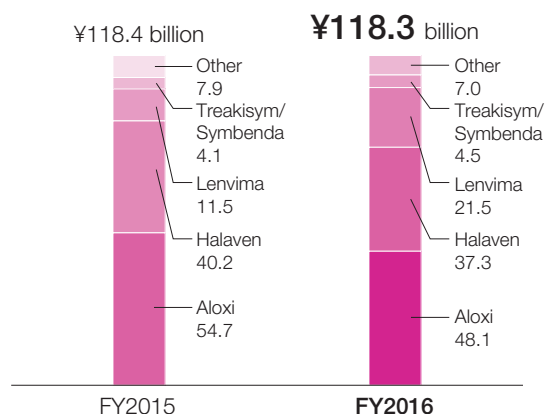
Japan Americas China Asia EMEA Other business



	FY2015	Ratio (%)	FY2016	Ratio (%)	Change from previous year (%)	Value change
Pharmaceutical businesses (reporting segment)	168.9	98.1	173.3	99.1	102.6	4.3
Japan pharmaceutical business	114.3	66.3	103.3	59.1	90.4	(11.0)
Americas pharmaceutical business	23.6	13.7	34.4	19.7	146.0	10.8
China pharmaceutical business	12.6	7.3	13.7	7.8	109.1	1.1
Asia pharmaceutical business	8.3	4.8	9.3	5.3	112.6	1.0
EMEA pharmaceutical business	10.2	5.9	12.5	7.2	122.2	2.3
Other businesses	3.3	1.9	1.5	0.9	45.9	(1.8)
R&D expenses	(122.3)		(112.5)		92.0	9.8
Head office management expenses of parent company	(13.0)		(12.6)		96.5	0.5
Gain from bargain purchases	—		9.3		—	9.3
Gain on sales of investments in subsidiaries	15.0		0.1		0.5	(15.0)
Consolidated operating income	51.9		59.1		113.7	7.1

(7) Revenue of Major Products

i. Oncology-related Products

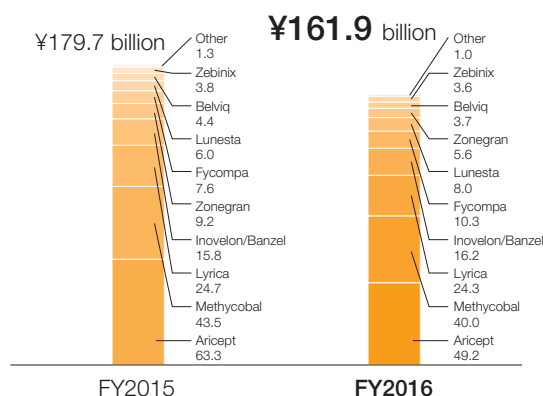


(Billions of yen)

	FY2015	FY2016	Change from previous year (%)	Value change
■ Oncology-related products total	118.4	118.3	99.9 <109.8>	(0.1)
■ Aloxi (antiemetic agent) • Americas	54.7	48.1	87.9 <97.4>	(6.6)
■ Halaven (anticancer agent)	40.2	37.3	92.9 <101.7>	(2.8)
Japan	6.8	7.8	114.2	1.0
Americas	18.3	16.6	90.9 <100.6>	(1.7)
Asia	1.9	2.0	104.2 <116.2>	0.1
EMEA	13.2	10.9	83.1 <94.7>	(2.2)
■ Lenvima/Kispalyx (anticancer agent)	11.5	21.5	187.0 <205.4>	10.0
Japan	1.5	2.7	175.5	1.2
Americas	8.8	15.1	171.7 <190.4>	6.3
Asia	0	0.3	3217.1 <3556.6>	0.3
EMEA	1.1	3.3	296.6 <336.5>	2.2
■ Treakisym/Symbenda (anticancer agent)	4.1	4.5	108.5 <109.2>	0.4
■ Other	7.9	7.0	87.9 <98.3>	(1.0)

(Note) Changes from the previous year in angle brackets (< >) are figures that exclude the impact of foreign exchange rates.

ii. Neurology-related Products



(Billions of yen)

	FY2015	FY2016	Change from previous year (%)	Value change
■ Neurology-related products total	179.7	161.9	90.1 <96.0>	(17.8)
■ Aricept (anti-Alzheimer's agent; treatment for dementia with Lewy bodies)*1	63.3	49.2	77.6 <81.6>	(14.2)
Japan	40.5	29.5	73.0	(10.9)
China	5.6	6.2	111.1 <130.0>	0.6
Asia	10.0	9.8	98.1 <108.4>	(0.2)
■ Methycobal (peripheral neuropathy treatment)	43.5	40.0	91.9 <99.7>	(3.5)
Japan	20.8	18.2	87.2	(2.7)
China	18.7	18.0	96.0 <112.4>	(0.7)
Asia	3.1	2.9	92.5 <103.8>	(0.2)
■ Lyrica (pain treatment)*2 • Japan	24.7	24.3	98.2	(0.4)
■ Inovelon/Banzel (antiepileptic agent)	15.8	16.2	102.5 <113.9>	0.4
Americas	13.2	13.8	104.7 <116.1>	0.6
EMEA	2.2	1.9	87.8 <101.3>	(0.3)
■ Fycompa (antiepileptic agent)	7.6	10.3	136.7 <152.4>	2.8
Japan	—	0.5	—	0.5
Americas	3.8	5.3	136.8 <151.7>	1.4
Asia	0.1	0.4	384.5 <424.2>	0.3
EMEA	3.6	4.2	117.3 <133.2>	0.6
■ Lunesta (insomnia treatment) • Japan	6.0	8.0	134.0	2.0
■ Zonegran (antiepileptic agent)	9.2	5.6	61.1 <69.8>	(3.6)
EMEA	7.6	5.2	67.7 <77.5>	(2.5)
■ Belviq (antiobesity agent) • U.S.A	4.4	3.7	84.0 <93.1>	(0.7)
■ Zebinix (antiepileptic agent) • EMEA	3.8	3.6	93.8 <106.0>	(0.2)
■ Other	1.3	1.0	78.1 <78.1>	(0.3)

(Note) Changes from the previous year in angle brackets (< >) are figures that exclude the impact of foreign exchange rates.

*1 Indication of Aricept for dementia with Lewy bodies limited to Japan and the Philippines only.

*2 Sales revenue from Lyrica is co-promotion income.

2. Financial Position and Profit/Loss Status

The Company has been preparing its consolidated financial statements under International Financial Reporting Standards (IFRS) since FY2013. The table below uses IFRS-based accounting terms. ^(Note)

Consolidated Management Indicators

Category		FY2013 (102nd Fiscal Year)	FY2014 (103rd Fiscal Year)	FY2015 (104th Fiscal Year)	FY2016 (105th Fiscal Year)
Revenue	(Billions of yen)	599.5	548.5	547.9	539.1
Operating profit	(Billions of yen)	66.4	28.3	51.9	59.1
Profit for the year	(Billions of yen)	38.5	43.5	55.0	42.2
Profit for the year attributable to owners of the parent	(Billions of yen)	38.3	43.3	54.9	39.4
Total equity	(Billions of yen)	529.4	602.1	576.8	602.6
Total assets	(Billions of yen)	973.8	1,053.8	974.0	1,030.8
Equity per share attributable to owners of the parent*1	(Yen)	1,845.06	2,096.39	2,006.22	2,043.55
Dividend per share (DPS) (of which, interim dividends per share)	(Yen) (Yen)	150 (70)	150 (70)	150 (70)	150 (70)
Earnings per share (basic)*2 (EPS)	(Yen)	134.13	151.57	192.23	137.63
Earnings per share (diluted)*2	(Yen)	134.01	151.37	191.76	137.41
Ratio of equity attributable to owners of the parent	(%)	54.0	56.8	58.9	56.7
Profit ratio to equity attributable to owners of the parent (ROE)	(%)	7.6	7.7	9.4	6.8
Price-to-earnings ratio (PER)	(Times)	29.96	56.31	35.22	41.88
Dividend payout ratio (DPR)	(%)	111.8	99.0	78.0	109.0
Dividend on equity attributable to owners of the parent ratio (DOE)	(%)	8.5	7.6	7.3	7.4
Net debt equity ratio*3 (Net DER)	(Times)	0.14	0.06	0.01	(0.05)
Net cash provided by operating activities	(Billions of yen)	91.3	76.0	95.6	75.9
Net cash used in investing activities	(Billions of yen)	20.9	(18.8)	(6.7)	(28.6)
Net cash used in financing activities	(Billions of yen)	(115.1)	(59.7)	(72.9)	(35.4)
Cash and cash equivalents at end of year*4	(Billions of yen)	153.9	173.3	179.3	186.8
Free cash flows	(Billions of yen)	79.4	60.4	81.1	82.0

(Note) The equivalents of IFRS-based terms under accounting principles generally accepted in Japan are as follows: Revenue = Net Sales; Profit before income taxes = Income before income taxes and minority interests; Profit for the year = Net income; Total equity = Total net assets; Earnings per share (basic) = Earnings per share; and Equity attributable to owners of the parent = Shareholder's equity.

*1 In the calculation of equity attributable to owners of parent per share, treasury shares (which are deducted from the number of outstanding shares at the end of the period) include Company shares held in a trust account.

*2 In the calculation of basic earnings per share attributable to owners of the parent and diluted earnings per share, treasury shares (which are deducted from the calculation of the average number of shares during the fiscal year) include Company shares held in a trust account.

*3 The Company uses the following formula to calculate the debt-to-equity ratio.

Net debt equity ratio (Net DER) = (interest-bearing debt (bonds and borrowings) - cash and cash equivalents - time deposits exceeding 3 months, etc.) ÷ Total equity attributable to owners of the parent

*4 The balance at the end of FY2015 is the total of the cash and cash equivalents of ¥176.8 billion from the consolidated statement of financial position and the cash and cash equivalents of ¥2.5 billion classified as assets held for sale.

3. Major R&D Pipeline

An overview of progress from April 2016 through the end of April 2017 in regards to development carried out by the Group is given below (by therapeutic area).

1 Oncology (Cancer)

The anticancer agent Halaven has obtained approval in over 60 countries. In July 2016, approval applications were submitted to expand the drug's breast cancer-related indications in China, as well. Phase I/II studies are also currently underway to investigate Halaven in combination with Merck's (Merck & Co., Inc., Kenilworth, N.J., U.S.A.) anti-PD1 antibody pembrolizumab as a treatment for metastatic triple negative breast cancer. Phase I/II studies on treating HER2-negative breast cancer through the combined use of Halaven and Halozyme Therapeutics, Inc.'s investigational PEGylated recombinant human hyaluronidase (PEGPH20) have also been launched and are now underway.

A Phase III study on the anticancer agent Lenvima, which has secured approval in over 50 countries, has been launched and is now underway in China to assess the drug's effectiveness in treating thyroid cancer. Approval for an additional indication for Lenvima in combination with everolimus for the treatment of renal cell carcinoma (second-line) was obtained in the United States (May 2016) and Europe (August 2016). With Lenvima having met its primary endpoint in a Phase III study for the treatment of hepatocellular carcinoma in Japan, the United States, Europe, China, and Asia, preparations for approval applications are now underway.

However, development (Phase II) has been discontinued for the colorectal cancer indication for E7820.

Progress of Individual Items

E7389 Halaven Generic Name: eribulin Inj.

Indications / Drug class: Anticancer agent / microtubule dynamics inhibitor

Description: A synthetic analog of *halichondrin B* derived from the marine sponge, *Halichondria okadai*. Shows an antitumor effect by arresting the cell cycle through inhibition of the growth of microtubules. Approved in over 60 countries including in the United States, in Europe, Japan and Asia for use in chemotherapy for breast cancer. Approved in countries including the United States, Japan and in Europe for use in the treatment of soft tissue sarcoma.



Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Breast cancer	CN				
Additional Indication: Advanced soft tissue sarcoma (liposarcoma)	EU				2016.5
Additional Indication: Bladder cancer	US/EU	I/II			
Triple negative breast cancer*1 (in combination with anti-PD1 antibody pembrolizumab)	US	I/II			
HER2-negative breast cancer*2 (in combination with PEGPH20)	US	I/II			

*1 Co-development with Merck & Co., Inc., Kenilworth, N.J., U.S.A.

*2 Co-development with Halozyme Therapeutics, Inc.

• Development (Phase III) has been discontinued for the non-small cell lung cancer indication.

E7080 Lenvima Generic Name: lenvatinib Oral**Indications / Drug class:** Anticancer agent / molecular targeted drug

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 the United States, Japan, in Europe and Asia. Also approved as a treatment for renal cell carcinoma in countries including the United States and Europe. The agent is marketed under the product name Kisplyx only for this indication in Europe.




Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Thyroid cancer	CN				
Additional Indication: Renal cell carcinoma/Second-line	US				2016.5
	EU				2016.8
	Asia (Philippines)				2016.12
Additional Indication: Renal cell carcinoma/First-line	US/EU				
Additional Indication: Hepatocellular carcinoma	JP/US/EU/ CN/AS				
Additional Indication: Non-small cell lung cancer (RET translocations)	JP/US/EU/ AS				
Additional Indication: Biliary tract cancer	JP				
Additional Indication: 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)	US				

* Co-development with Merck & Co., Inc., Kenilworth, N.J., U.S.A.

- Development (Phase II) has been discontinued for the endometrial carcinoma, non-small cell lung cancer (third-line treatment), and melanoma monotherapy indications in order to prioritize adjunctive therapies.

MORAb-003 Generic Name: farletuzumab Inj.**Indications / Drug class:** Anticancer agent / humanized anti-FRA monoclonal antibody**Description:** A humanized IgG1 monoclonal antibody that targets folate receptor alpha (FRA). Expected to show an antitumor effect against cancers that over-express FRA.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Platinum-sensitive ovarian cancer	JP/US/EU				


- Development (Phase II) has been discontinued for the non-small cell lung cancer indication.

MORAb-004 Inj.**Indications / Drug class:** Anticancer agent / humanized anti-endosialin monoclonal antibody**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.


Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Melanoma	US/EU				

- Development (Phase II) has been discontinued for the colorectal cancer and soft tissue sarcoma indications.

MORAb-009 Generic Name: amatuximab Inj.**Indications / Drug class:** Anticancer agent / chimeric anti-mesothelin monoclonal antibody**Description:** A chimeric IgG1 monoclonal antibody that targets mesothelin. Expected to show an antitumor effect against cancers that express mesothelin.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Mesothelioma	US/EU				

E7777 Inj.**Indications / Drug class:** Anticancer agent / interleukin-2 diphtheria toxin fusion protein**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.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Peripheral T-cell lymphoma and cutaneous T-cell lymphoma	JP				

2 Neurology (Nervous system)

The antiepileptic agent Fycompa has obtained approval in over 55 countries as an adjunctive therapy for partial-onset seizures in patients aged 12 or older. Fycompa's new oral suspension formulation was approved in the United States (April 2016) and Europe (September 2016).

Since commencing the enrollment process in the United States, a Phase III study on the use of the beta-site amyloid precursor protein cleaving enzyme inhibitor E2609 in patients with early Alzheimer's disease has now begun enrolling participants in Japan.

The anti-A β protofibrils antibody BAN2401, meanwhile, is currently in a Phase II study.

A Phase III study to evaluate the orexin receptor antagonist E2006 as a treatment of insomnia disorder was also launched in Japan, the United States, and Europe.

Progress of Individual Items

E2020 Aricept Generic Name: donepezil Oral

Indications / Drug class: Treatment for Alzheimer's disease / dementia with Lewy bodies

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



Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Additional Indication: Severe Alzheimer's disease	CN				
Additional Indication: Regression symptoms in people with Down syndrome	JP				

E2007 Fycompa Generic Name: perampanel Oral

Indications / Drug class: Antiepileptic agent / AMPA receptor antagonist

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, in Europe, the United States, and Asia. Also approved as an adjunctive therapy for primary generalized tonic-clonic seizures in countries such as Japan, the United States and in Europe.



Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Additional Formulation: Oral suspension	US				2016.4
	EU				2016.9
Additional Indication: Monotherapy for partial-onset seizures	US				
	JP				
Additional Indication: Lennox-Gastaut syndrome	JP/US/EU				
Additional Indication: Pediatric epilepsy	JP/US/EU				

E2006 * Generic Name: lemborexant Oral**Indications / Drug class:** Orexin receptor antagonist**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.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Insomnia disorder	JP/US/EU				
Irregular sleep-wake rhythm disorder associated with Alzheimer's disease	JP/US				

* Co-development with Purdue Pharma L.P.

E2609 * Oral**Indications / Drug class:** Anti-Alzheimer's agent / beta secretase cleaving enzyme (BACE) inhibitor**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.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Early Alzheimer's disease	JP/US/EU				

* Co-development with Biogen Inc.

BAN2401 * Inj.**Indications / Drug class:** Anti-Alzheimer's agent / anti-A β protofibril monoclonal antibody**Description:** An 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 neurotoxic A β protofibrils.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Alzheimer's disease	JP/US/EU				

* Co-development with Biogen Inc.

APD356 BELVIQ Generic Name: lorcaserin Oral**Indications / Drug class:** Anti-obesity agent / serotonin 2C receptor agonist**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/m² or greater (obese) or 27 kg/m² 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.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Additional Formulation: Obesity once-daily formulation	US				2016.7

3 Gastrointestinal and Other Disorders

With the establishment of EA Pharma Co., Ltd. in April 2016, Eisai succeeded to several products from Ajinomoto Pharmaceuticals Co., Ltd., including the locally-active steroid AJG511 and the bile acid transporter inhibitor AJG533. An application seeking approval for the use of AJG511 in the treatment of ulcerative colitis was submitted in October 2016, while an application for the approval of AJG533 as a treatment for chronic constipation was submitted in February 2017.

Progress of Individual Items

E3810 Pariet/AcipHex Generic Name: rabeprazole Oral

Indications / Drug class: Proton pump inhibitor

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.



Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Additional Dosage and Administration: Maintenance therapy for proton pump inhibitor (PPI)-resistant reflux esophagitis 10 mg twice daily*	JP				

* Co-development with EA Pharma

AJG511 Generic Name: budesonide Foam

Indications / Drug class: Ulcerative colitis treatment / locally-active steroid

Description: The first rectal foam product in Japan containing budesonide as active ingredient. Budesonide is a locally-active steroid and, thus, is expected to reduce systemic side effects. In addition, AJG511 is a foam type product that can reach the inflamed sites of rectum and sigmoid colon by rectal administration, and has a characteristic feature of preventing leakage after administration. Budesonide rectal foam is already available on the market in Europe.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Ulcerative colitis*	JP				

* Co-development by EA Pharma and Kissei Pharmaceutical

AJG533 Generic Name: elobixibat Oral

Indications / Drug class: Chronic constipation treatment / bile acid transporter inhibitor

Description: An orally available constipation treatment having a novel action mechanism. AJG533 inhibits the bile acid transporter that regulates reabsorption of bile acids and thereby increases spontaneous colonic motility.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Chronic constipation*	JP				

* Co-development by EA Pharma and Mochida Pharmaceutical

AJM300 Generic Name: carotegrast methyl Oral

Indications / Drug class: Ulcerative colitis treatment / $\alpha 4$ integrin antagonist

Description: $\alpha 4$ 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 $\alpha 4$ integrin antagonist in the world to be effective in ulcerative colitis.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Ulcerative colitis*	JP				

* Co-development by EA Pharma and Kissei Pharmaceutical

AJG555

Oral

Indications / Drug class: Chronic constipation treatment / polyethylene glycol preparation**Description:** An orally available constipation treatment consisting of a polyethylene glycol preparation which facilitates bowel movement by suppressing osmotic pressure in the intestines.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Chronic constipation*	JP				

* Development conducted by EA Pharma

Livact Granules Generic Name: isoleucine, leucine and valine granules Oral**Indications / Drug class:** Branched-chain amino acid formula**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.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Hypoalbuminemia*	CN				

* Co-development with EA Pharma

E6007

Oral

Indications / Drug class: Ulcerative colitis treatment / integrin activation inhibitor**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.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Ulcerative colitis*	JP				

* Development conducted by EA Pharma

D2E7 Humira Generic name: adalimumab Inj.**Indications / Drug class:** Fully human anti-TNF- α monoclonal antibody formulation**Description:** The world's first fully human anti-TNF- α monoclonal antibody that exerts its effects by neutralizing TNF- α , a cytokine that plays a central role in inflammatory responses. Approved in Japan as a treatment for rheumatoid arthritis (including inhibition of the progression of structural damage), psoriasis, Crohn's disease, ankylosing spondylitis, juvenile idiopathic arthritis, intestinal Behcet's disease, ulcerative colitis and non-infectious uveitis.




Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Additional Indication: Non-infectious uveitis*	JP				

* Co-development with Abbvie

E6011

Inj.

Indications / Drug class: Anti-Fractalkine antibody**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 which is found in vascular endothelial cells and induces an inflammatory response associated with diseases such as rheumatoid arthritis and inflammatory bowel disease.

Condition/Indication, etc.	Region	Development Status			
		Phase II	Phase III	Filed	Approved
Rheumatoid arthritis	JP				
Primary biliary cholangitis*	JP				
Crohn's disease*	JP				

* Development conducted by EA Pharma

4. Major Topics

2016

Apr.

Eisai Launches the EWAY 2025
Medium-term Business Plan

Plan **'EWAY 2025'**

Specialty Pharma EA Pharma Co., Ltd., an Integration of the Group's
Gastrointestinal Disorder Area Business
and the Ajinomoto Group's Gastrointestinal
Business, Launches Operations



Eisai Visits the Kumamoto Earthquake Disaster Area to Deliver Goods,
Help Improve Hygienic Conditions, and Support Medical Activities in
Addition to Making Monetary Donations

May

Eisai Launches Sales of
Antiepileptic Drug Fycompa in
Japan



Jun.

Eisai Listed for 15th Consecutive Year in the
FTSE4Good Index Series, a Global Index of Socially
Responsible Investment



Jul.

NTT IT, NTT East, and Eisai Roll Out Interprofessional Collaboration
Services for Enabling Users to Share Patient Information across
Professional Boundaries in Real Time via Mobile Devices and Computers

Aug.

Eisai and Mamorio Agree on a Joint-development Arrangement for
"Me-Mamorio," an Online Location-tracking Tool to Support People
Going Out

Sep.

Eisai Selected for the 4th
Consecutive Year for Membership in
the Dow Jones Sustainability Asia
Pacific Index, a Global Index of
Socially Responsible Investment

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

Eisai Receives License for the Anticancer Agent
Kisplyx (Generic Name: Lenvatinib) in the
Treatment of Renal Cell Carcinoma



Oct.

CEO Naito Selected by the Harvard Business Review as One of the 100 Best-performing CEOs in the World

Nov.

Eisai Places 11th, Higher than Any Other Japanese Firm, in the Access to Medicine Index Thanks to Its Wide Variety of Initiatives such as Efforts to Provide DEC (Diethylcarbamazine) Tablets for the Treatment of Lymphatic Filariasis Free of Charge

access TO
medicine
INDEX

U.S. Food and Drug Administration (FDA) Grants Fast-track Designation, Which Accelerates the Process of Developing and Reviewing Innovative New Drugs, for Eisai's BACE Inhibitor E2609 for Early Alzheimer's Disease

Dec.

Eisai and Keio University Establish a New Industry-Academia Collaboration Site (Research Lab) to Propel the Development of New Therapeutics and Preventive Medicines for Dementia

2017

Jan.

Eisai Reaches an Exclusive Commercialization Agreement with Arena Pharmaceuticals, Inc. and Acquires All Global Development and Marketing Rights for Antiobesity Agent BELVIQ

Eisai Launches Sales of Medication Administration Support Device e-Okusuri-san, Equipped with Monitoring Functions that Help Safeguard against Missed Doses, Prevent Overdoses, and Keep Track of Dosing Remotely



Eisai Participates in the Establishment of Access Accelerated, a Partnership to Promote the Prevention of, Treatment of, and Care for Non-communicable Diseases in Low and Lower-middle Income Countries

Phase III Trial of Anticancer Agent Lenvima as a First-line Treatment for Unresectable Hepatocellular Carcinoma Meets Primary Endpoint



Mar.

Enrollment Commences in Phase III Clinical Study of Eisai's BACE Inhibitor E2609 in Early Alzheimer's Disease in Japan

3 Status of Major Subsidiaries (as of March 31, 2017)

Company name	Location	Common stock	Percentage of voting rights held (%)	Main business lines
Elmed Eisai Co., Ltd.	Toshima-ku, Tokyo	¥450 million	100.00	Pharmaceutical sales
KAN Research Institute, Inc.	Kobe, Hyogo Prefecture	¥70 million	100.00	Pharmaceutical research and development
EA Pharma Co., Ltd.*	Chuo-ku, Tokyo	¥9,145 million	60.00	Pharmaceutical research and development/production/sales
Eisai Corporation of North America, Inc.	New Jersey, U.S.A.	US\$2,767 million	100.00	U.S. holding company
Morphotek Inc.	Pennsylvania, U.S.A.	US\$355 million	100.00 (100.00)	Pharmaceutical research and development
Eisai Inc.	New Jersey, U.S.A.	US\$152 million	100.00 (100.00)	Pharmaceutical research and development/production/sales
H3 Biomedicine Inc.	Massachusetts, U.S.A.	US\$8,000	100.00 (100.00)	Pharmaceutical research and development
Eisai Europe Ltd.	Hertfordshire, U.K.	GBP184 million	100.00	European regional headquarters/holding company, pharmaceutical sales
Eisai Ltd.	Hertfordshire, U.K.	GBP46 million	100.00 (100.00)	Pharmaceutical research and development/sales
Eisai Manufacturing Ltd.	Hertfordshire, U.K.	GBP39 million	100.00 (100.00)	Pharmaceutical production
Eisai GmbH	Frankfurt, Germany	EUR8 million	100.00 (100.00)	Pharmaceutical sales
Eisai S.A.S.	Paris, France	EUR20 million	100.00 (100.00)	Pharmaceutical sales
Eisai Farmacéutica S.A.	Madrid, Spain	EUR4 million	100.00 (100.00)	Pharmaceutical sales
Eisai China Holdings Ltd.	Jiangsu, China	RMB664 million	100.00 (100.00)	China headquarters and holding company
Eisai China Inc.	Jiangsu, China	RMB576 million	100.00 (100.00)	Pharmaceutical production/sales
Eisai (Suzhou) Trading Co., Ltd.	Jiangsu, China	RMB70 million	100.00 (100.00)	Pharmaceutical sales
Eisai Asia Regional Services Pte. Ltd.	Singapore	S\$34 million	100.00	Asian holding company
Eisai (Thailand) Marketing Co., Ltd.	Bangkok, Thailand	THB103 million	100.00 (100.00)	Pharmaceutical sales
Eisai Taiwan Inc.	Taipei, Taiwan	T\$270 million	100.00	Pharmaceutical sales
Eisai Korea Inc.	Seoul, South Korea	KRW3,512 million	100.00	Pharmaceutical sales
Eisai Pharmaceuticals India Pvt. Ltd.	Andhra Pradesh, India	INR2,708 million	100.00 (11.08)	Pharmaceutical research and development/production/sales

(Note) Numbers shown in parentheses in the "Percentage of voting rights held" column represent indirect percentages.

* Established through an absorption-type split in April 2016, with the Company's gastrointestinal disorder area business broken off and integrated into Ajinomoto Pharmaceuticals Co., Ltd.

4 Major Affiliated Companies and Sites (as of March 31, 2017)

The Group is made up of the Company, 45 consolidated subsidiaries, and 1 equity-method affiliate. Main business lines consist of pharmaceutical business and other businesses segments.

Pharmaceutical business comprises R&D, manufacturing, and sales of prescription medicines, OTC products, and other products. Other businesses include business related to raw materials for the Company's pharmaceutical products, etc.

An outline of businesses, major affiliated companies, and sites is given below.

Business segment (Primary products)	Region	Function	Major affiliated companies and sites
Pharmaceutical business (Prescription medicines) (OTC products)	Japan	S	The Company (Communication Offices) Sapporo, Sendai, Tokyo, Nagoya, Osaka, Hiroshima, Fukuoka, etc.
		P D	Kawashima Plant (Gifu Prefecture)
		P D	Kashima Business Office (Ibaraki Prefecture)
		D	Tsukuba Research Laboratories (Ibaraki Prefecture)
	Japan	S	Elmed Eisai Co., Ltd. (Tokyo)
		D	KAN Research Institute, Inc. (Hyogo Prefecture)
		S P D	EA Pharma Co., Ltd. (Tokyo)
	North America	H	Eisai Corporation of North America, Inc. (U.S.A.)
		D	Morphotek Inc. (U.S.A.)
		S P D	Eisai Inc. (U.S.A.)
		D	H3 Biomedicine Inc. (U.S.A.)
	Europe	H S	Eisai Europe Ltd. (U.K.)
		S D	Eisai Ltd. (U.K.)
		P	Eisai Manufacturing Ltd. (U.K.)
		S	Eisai GmbH (Germany)
		S	Eisai S.A.S. (France)
		S	Eisai Farmacéutica S.A. (Spain)
	China	H	Eisai China Holdings Ltd. (China)
		S P	Eisai China Inc. (China)
		S	Eisai (Suzhou) Trading Co., Ltd. (China)
	Asia	H	Eisai Asia Regional Services Pte. Ltd. (Singapore)
		S	Eisai (Thailand) Marketing Co., Ltd. (Thailand)
		S	Eisai Taiwan Inc. (Taiwan)
		S	Eisai Korea Inc. (South Korea)
		S P D	Eisai Pharmaceuticals India Pvt. Ltd. (India)
Other businesses	Japan		The Company Sunplanet Co., Ltd. (Tokyo)

H: Headquarters company S: Sales office P: Production plant D: Development site

5 Risk Factors

Risks that could cause significant fluctuations in the consolidated results of the Eisai Group or have a material effect on investment decisions are described below. These risks, however, have been evaluated and forecasted as of the disclosure date of the Financial Report.

Risks related to product safety and quality	The Group performs quality control during the manufacturing stage in accordance with GMP (Good Manufacturing Practices), and at the same time, is committed to maintaining quality during the distribution stage. If there is any concern over the safety and quality of raw materials or the manufacturing process, the Group may take actions such as conducting a recall, or suspending sales, which may have a significant impact on business results.
Risks related to occurrences of side effects	If a product is found to have any serious side effects, there may be a serious impact on performance due to the Group taking measures such as suspending product sales or conducting a product recall.
Risks relating to lawsuits	Results of pending or future lawsuits may have a significant impact on the Group's business results.
Risks regarding laws and regulations	As the Group's pharmaceutical business is subject to various laws and regulations, including pharmaceutical regulations and product liability, enactment of a law or changes in the regulations may have a significant impact on business results. In the event regulatory nonconformity is found in a product, the Group may issue a product recall, have the product's marketing approval revoked, have the product excluded from insurance reimbursement, or face liability claims.
Risks related to intellectual property	If a patent application is dismissed, a patent is found to be invalid after it is issued, or if there is a failure to properly protect a patent, competitors may enter the market earlier than expected, which could potentially lead to a decrease in revenues. Additionally, if the business activities of the Group infringe on the intellectual property rights of a third party, the Group may face liability claims as a result of the third party in question exercising its rights.
Uncertainties in new drug development	Drug development requires a long period of time and a large investment of capital. Development of a drug candidate substance may be discontinued due to shortcomings in its effectiveness or safety profile. Even if clinical trials yield favorable results, it is possible that approval may not be granted based on the results of a country's stringent regulatory process. As a result of the delay or discontinuation of development of a new drug, future expected profits may not be achieved.
Impact of medical cost containment measures	In Japan, the government enacts price revisions for prescription drugs and is adopting measures such as the promotion of generic drugs as part of its efforts to control medical costs. Efforts to reduce drug costs are intensifying year after year in the United States as well as in countries in both Europe and Asia. These kinds of measures aimed at controlling medical costs may lead to a drop in revenues. Especially in Europe, even if marketing approval is obtained for a product, the product may not be eligible for health insurance reimbursement at the expected price and so there is a possibility that original projected earnings may not be achieved.
Risks related to generic products	Originator drugs have a limited patent and data protection period. It is common for generic makers to launch generic products upon the expiration of the patent and data protection period of the originator drug. Additionally, in countries such as the United States, an application for a generic product is accepted even during the patent term. Generic products may have a significant impact on market share because of their low price.
Risks related to overseas operations	The Group conducts production/sales activities for products in countries and regions such as the Americas, Europe, China, and Asia. However, there is no guarantee that the Group can entirely avoid risks such as legal restrictions, socio-political uncertainty and business environment uncertainty in its global business activities. In the event the Group faces such risks, there is a possibility that original projected earnings may not be achieved.

Risks in alliances with other companies	The Group considers partnerships to be an effective means of improving efficiency and productivity. Partnerships may be established with the aim of utilizing the latest science and technology, or with the aim of efficient resource usage and maximization of product value in each region. In the event of changes to these partnerships, there is a possibility that it will have a significant impact on business results, including new drug discovery and sales.
Risks associated with acquisitions of companies and product lines	The Group uses acquisitions of companies and products as a means to expand its business operations. However, changes in the business environment or the status of rival companies may lead to setbacks in the business plan, and there is a possibility that the originally intended synergistic effect may not be realized.
Risks associated with outsourcing	The Group outsources part of its operations, including research and production, to other companies. Business results and business activities of the Group may be significantly impacted if, for any reason, a subcontractor ceases operations, or if there is a delay in provision of any outsourced product or service.
Risks concerning IT security and information management	Since the Group makes full use of various IT systems for business, its operations may be disrupted due to external factors such as inadequate system infrastructure and computer viruses. In addition, the Group faces the risk of technical accidents that involve personal information leakage outside of the Group, which may considerably damage the Group's social reputation and significantly impact business results.
Risks concerning internal control systems for financial reporting	In accordance with assessment and audit standards as well as implementation standards for internal controls pertaining to financial reporting as mandated by the Financial Instruments and Exchange Law of Japan, the Group establishes effective internal control systems related to financial reporting and strives to appropriately manage those systems. However, major losses that arise due to the malfunction of internal control systems or occurrence of unexpected problems related to internal control systems may have a significant impact on business results.
Risks related to financial market conditions and currency movement	The effect of foreign exchange fluctuations on the yen conversion of sales of overseas consolidated subsidiaries as well as export and import transactions may also impact business results. Furthermore, as the Group holds stocks and other marketable securities, a decline in the stock market could result in losses on sales or devaluation of stocks and other securities. In addition, an increase in projected benefit obligations due to changes in the interest rate may have an impact on business results.
Risks related to plant closure or shutdown	The Group's plants may be closed or shut down due to technical problems, raw material shortages, influenza and other pandemics, fire, earthquakes and other natural disasters. In such cases, the supply of products may become difficult and can significantly impact business results.
Environmental risks	If a serious environmental pollution event is reported at any of its business offices, the Group may be required to close the office in question or be subject to other proceedings required by law. Furthermore, the costs necessary to assume liability for payment of compensation to neighboring regions and improve the environment may significantly affect business results.
Risks concerning disasters	The occurrence of disasters, including natural disasters, such as earthquakes and typhoons, as well as accidents, such as fires, could result in large-scale damage to business facilities and impact the business activities of the Group. In addition, repairs to facilities damaged by these disasters may cause the Company to incur significant expenses and have a major impact on business results.

6 Status of Major Contracts

As of March 31, 2017, the major contracts are as follows. The product names indicated are those under which the products are sold in major countries.

1. Technology Imports

Company name	Party to contract	Date of conclusion	Contract content	Contract period
Eisai Co., Ltd.	Toyama Chemical Co., Ltd.	September 30, 1998	Joint development of and marketing alliance for the T-614 rheumatoid arthritis agent (product name: Careram; generic name: iguratimod)	From the conclusion of the contract until 10 years following commencement of sales or until the patent expiration date, whichever is later
	AbbVie Deutschland GmbH & Co. KG (Germany)	June 16, 1999	Development and sale of the anti-TNF- α monoclonal antibody injectable agent Humira (generic name: adalimumab) in Japan, Taiwan, and South Korea	From the conclusion of the contract until 15 years following receipt of marketing authorization
	Eurand (Italy)	May 2, 2003	Import of Nitorol R (generic name: isosorbide dinitrate) and the manufacturing and sale of formulations thereof	10 years from the conclusion of the contract; renewed every 2 years thereafter
	Novartis AG (Switzerland)	February 6, 2004	License for worldwide development, manufacturing, and sale of the antiepileptic agent Inovelon (generic name: rufinamide)	In each country, from the conclusion of the contract until the patent expiration date or until 10 years from the start of marketing, whichever is later
	Sunovion Pharmaceuticals Inc. (U.S.A.)	July 26, 2007	Exclusive license for the development and marketing of the insomnia treatment Lunesta (generic name: eszopiclone) in Japan	From the conclusion of the contract until 15 years following receipt of marketing authorization or until 15 years following NHI price listing, whichever is later
	BioArctic Neuroscience AB (Sweden)	December 3, 2007	Exclusive license for worldwide research and development, manufacturing, and sale of the new humanized monoclonal antibody BAN2401 for the treatment of Alzheimer's disease	From the conclusion of the contract until 15 years following the commencement of sales in each country
Eisai Co., Ltd. EA Pharma Co., Ltd.	Minophagen Pharmaceutical Co., Ltd.	February 29, 2016	Exclusive development and sales rights of the liver disease/allergic disease agents Stronger Neo- Minophagen C (glycyrrhizic acid, compound formulation) and Glycyron Tablets (glycyrrhizic acid, compound tablet) in Japan and other Euro-Asian countries where the products have not yet been sold, and exclusive first negotiation rights in China and other Euro-Asian countries where the products are already sold	From the conclusion of the contract until March 31, 2023

Company name	Party to contract	Date of conclusion	Contract content	Contract period
Eisai Co., Ltd.	SymBio Pharmaceuticals Limited	August 18, 2008	Exclusive license regarding the co-development and marketing of the anti-malignant tumor agent Treakisym (generic name: bendamustine) in Japan	From the conclusion of the contract until 10 years after the commencement of sales
Eisai Inc. (U.S.A.)	Helsinn Healthcare SA (Switzerland)	April 6, 2001	License for the antiemetic Aloxi (generic name: palonosetron) in the United States and Canada (succeeded to via the January 28, 2008 acquisition of MGI PHARMA, INC.)	From the conclusion of the contract until January 30, 2024
	FORMA Therapeutics, Inc. (U.S.A.)	November 15, 2010	A research affiliation relating to the FORMA Therapeutics, Inc. compound library/screening platform and a license on the resulting chemical compounds	From the conclusion of the contract until the date of the end of the affiliation or the date of the end of royalty payment, whichever is later

2. Technology Exports

Company name	Party to contract	Date of conclusion	Contract content	Contract period
Eisai Co., Ltd.	Pfizer Inc. (U.S.A.)	October 5, 1994	Comprehensive cooperation for a strategic alliance concerning the E2020 anti-Alzheimer's agent (marketed as Aricept; generic name: donepezil)	From the conclusion of the contract until July 17, 2022 However, expired in Japan on December 31, 2012.
EA Pharma Co., Ltd.	Zeria Pharmaceutical Co., Ltd.	August 18, 2014	Exclusive license for the development and co-promotion of and non-exclusive license agreement for the manufacturing of the E3710 proton pump inhibitor in Japan	From the conclusion of the contract until 10 years from the start of product marketing, until the patent term expires, or until the product re-examination period expires, whichever is latest

3. Sales Contracts

Company name	Party to contract	Date of conclusion	Contract content	Contract period
Eisai Co., Ltd.	Kyorin Pharmaceutical Co., Ltd.	July 30, 2003	Sales of the Maxalt (generic name: rizatriptan) migraine treatment in Japan	From the conclusion of the contract until January 31, 2022
	Pfizer Inc. (U.S.A.)	September 24, 2009	Co-promotion agreement in Japan for the pain treatment agent Lyrica (generic name: pregabalin)	From the conclusion of the contract until July 17, 2022
Eisai Europe Ltd. (U.K.)	BIAL - Portela & Ca., S.A. (Portugal)	February 19, 2009	Marketing license and co-promotion for the antiepileptic agent Zebinix (generic name: eslicarbazepine) in Europe	12 years from the conclusion of the contract

4. Joint Venture

Company name	Party to contract	Date of conclusion	Contract content	Contract period
Eisai Co., Ltd.	Bracco (Italy)	November 30, 1990	Joint venture concerning the manufacturing and sales of lomeron (generic name: iomeprol) and other contrast media in Japan	From the conclusion of the contract until December 31, 2024

5. Strategic Collaboration, etc.

Company name	Party to contract	Date of conclusion	Contract content	Contract period
Eisai Co., Ltd.	Quintiles Inc. (U.S.A.)	October 29, 2009	Strategic collaboration related to the development of 6 anticancer drug candidate compounds	From the conclusion of the contract until the day all planned clinical studies are completed or ended
	World Health Organization (Switzerland)	January 30, 2012	Provision of 2.2 billion DEC (generic name: diethylcarbamazine) tablets to the WHO free of charge to support its program to eliminate lymphatic filariasis	7 years from 2013 or the date of WHO's completion of the preliminary review of DEC, whichever is later

Company name	Party to contract	Date of conclusion	Contract content	Contract period
Eisai Co., Ltd.	Biogen (U.S.A.)	March 4, 2014	<ol style="list-style-type: none"> 1. Co-development / co-promotion related to the β-site amyloid precursor protein cleaving enzyme (BACE) inhibitor E2609 and the anti-Aβ antibody BAN2401 2. Acquisition of option rights related to co-development / co-promotion of the anti-Alzheimer's agent anti-Aβ antibody BIIB037 and the anti-tau antibody under development by Biogen 	<p>On a product-by-product/ country-by-country basis as follows below, whichever is the later of (a) or (b).</p> <ul style="list-style-type: none"> • E2609: the later of: <ol style="list-style-type: none"> (a) 10 years from the date of the first commercial sales of E2609 and (b) earlier of (i) expiration or invalidation of patents covering E2609 and (ii) the launch date of a generic product. • BAN2401: the later of: <ol style="list-style-type: none"> (a) 12 years from the date of the first commercial sales of BAN2401 and (b) earlier of (i) expiration or invalidation of patents covering BAN2401 and (ii) the launch date of a generic product.
Eisai Inc. (U.S.A.)	Purdue Pharma L.P. (U.S.A.)	August 28, 2015	Co-development /co-promotion of the dual orexin receptor antagonist E2006 discovered by Eisai Co., Ltd.	<p>From the conclusion of the contract until the latest of the following on a country-by-country basis</p> <ol style="list-style-type: none"> 1) 10 years after the commencement of sales 2) The substance patent expiration date 3) The date of loss of exclusivity according to applicable regulations 4) The final day of co-development 5) 7 years after new indication is acquired or the commencement of sales of a new formulation 6) The date on which sales fall below a set figure (U.S.A. only)

7 Other Significant Items

In April 2016, all shares of Sannova Co., Ltd. were transferred to Alfresa Holdings Corporation.

II. Status of Shares and Stock Acquisition Rights

1 Status of Shares (as of March 31, 2017)

- 1. Authorized (common stock)** 1,100,000,000 shares
- 2. Issued** 296,566,949 shares (Including 10,399,676 shares of treasury stock)
- 3. Number of shareholders**..... 62,335

● Trends in Number of Shareholders over the Past 5 Years

Fiscal year	FY2012	FY2013	FY2014	FY2015	FY2016
Number of shareholders	95,835	106,981	66,190	59,996	62,335

4. Status of Shareholders

(1) Principal Shareholders

Shareholders	Number of shares held (1,000)	Percentage held of all shareholders voting rights (%)
Japan Trustee Services Bank, Ltd. (trust account)	31,481	11.01
The Master Trust Bank of Japan, Ltd. (trust account)	25,829	9.03
JP Morgan Chase Bank 385147	15,038	5.26
Nippon Life Insurance Company	12,281	4.29
Saitama Resona Bank, Limited	7,300	2.55
Trust & Custody Services Bank, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	5,437	1.90
Japan Trustee Services Bank, Ltd. (trust account 5)	4,736	1.65
The Naito Foundation	4,207	1.47
State Street Bank West Client-Treaty 505234	3,936	1.37
Trust & Custody Services Bank, Ltd. (securities investment trust account)	3,796	1.32
Total	114,043	39.90

(Note) 1 Numbers of shares are rounded down to the nearest thousand.

2 Indicates the top 10 shareholders in terms of percentage of the total number of outstanding shares (excluding treasury stock).

3 The 10,399,000 shares (3.51%) of treasury stock are not included in this table as they do not have voting rights.

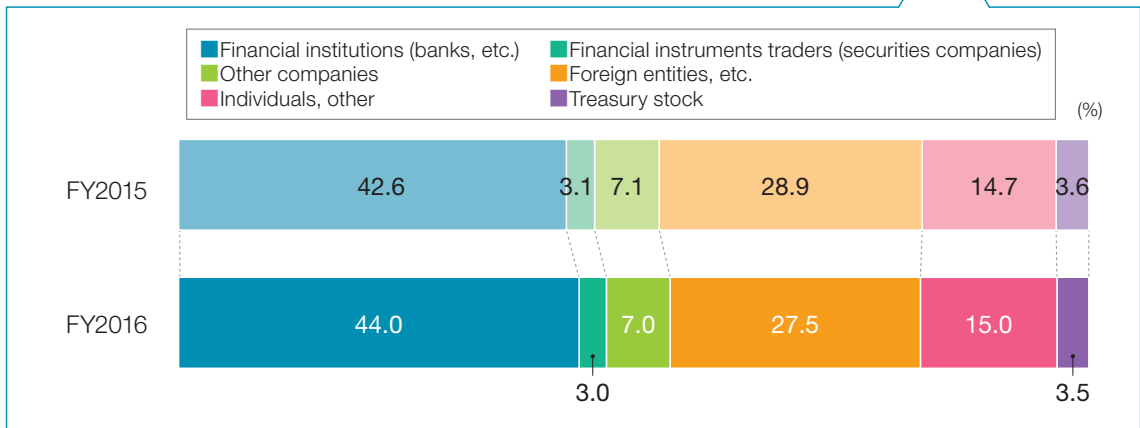
4 Although the following Large Shareholding Report (revised report) was received before the end of the fiscal year, in cases in which it is impossible to make confirmation with the shareholder registry for the end of the fiscal year, or in which the number of shares held is not ranked among the top 10, it is not included in the table. Further, the holding percentage enclosed in parentheses is the percentage of the total number of outstanding shares (rounded down), including treasury stock.

- Including BlackRock Japan Co., Ltd., all 7 companies jointly held 15,262,000 shares (5.15%) as of November 28, 2014 (December 4, 2014, Large Shareholding Report)
- Including the Mitsubishi UFJ Financial Group, Inc., all 4 companies jointly held 16,113,000 shares (5.43%) as of July 13, 2015 (July 21, 2015, Revised Report)
- Including the Wellington Management Company, LLP, all 2 companies jointly held 27,087,000 shares (9.13%) as of July 31, 2015 (August 7, 2015, Revised Report)
- Including Sumitomo Mitsui Trust Bank, Limited, all 3 companies jointly held 14,926,000 shares (5.03%) as of April 15, 2016 (April 21, 2016, Large Shareholding Report)
- Including Mizuho Bank, Ltd., all 2 companies jointly held 18,900,000 shares (6.37%) as of October 14, 2016 (October 21, 2016, Large Shareholding Report)
- Vanguard Health Care Fund held 14,838,000 shares (5.00%) as of November 24, 2016 (December 15, 2016, Large Shareholding Report)

(2) Shareholder Composition

	Number of shareholders			Number of shares		
	(No. of shareholders)	(%)	Change from the previous year (No. of shareholders)	(Thousands of shares)	(%)	Change from the previous year (Thousands of shares)
Financial institutions (banks, etc.)	160	0.3	6	130,408	44.0	4,188
Financial instruments traders (securities companies)	63	0.1	5	8,813	3.0	(426)
Other companies	820	1.3	(38)	20,855	7.0	(298)
Foreign entities, etc.	662	1.1	23	81,504	27.5	(4,192)
Individuals, other	60,629	97.3	2,343	44,585	15.0	884
Treasury stock	1	0.0	—	10,399	3.5	(156)
Total	62,335	100.0	2,339	296,566	100.0	—

● Trends in Ratio by Shareholder Type



(3) Status of Treasury Stock

(1) Trends in Treasury Stock Holdings over the Past 5 Years

(Number of shares)

Fiscal year	FY2012	FY2013	FY2014	FY2015	FY2016
Treasury stock	11,470,897	11,202,048	10,869,758	10,555,842	10,399,676

(2) Acquisition, Disposal, and Holding of Treasury Stock

			Number of shares	Total acquisition cost/ total disposal value (Millions of yen)
Shares held at the end of the preceding fiscal year	a		10,555,842	—
Acquired shares	Acquisition of odd-lot shares	b	44,872	307
Disposed shares	Exercise of stock options (stock acquisition rights)	c	161,500	553
	Third party allocation in connection with the continuation of stock-based compensation system based on performance	d	39,000	133
	Share increase for odd-lot shares	e	538	2
Shares held at the end of the fiscal year (a + b - c - d - e)			10,399,676	—

(Note) During the fiscal year under review, there was no “treasury stock acquired as a result of a resolution of the Board of Directors as stipulated under the provisions of Article 459-1-1 of the Companies Act.”

(4) Status of the Company's Cross-shareholdings with Other Companies

(a) Fundamental Policy Regarding Strategic Shareholding

The Company's fundamental policy regarding strategic shareholding is to use cross-shareholdings as a means of enhancing cooperation with other companies in ways that promote an increase in its own corporate value. Shareholdings are kept to the minimum necessary, and are reviewed as needed in light of the impact on increasing corporate value, etc. Stock that is judged to have little impact on increasing corporate value, etc., is sold while giving attention to the impact on the market and other aspects of business that should be considered.

In addition, when exercising voting rights related to strategically held shares, the Company will vote in favor of proposals it judges will contribute to the increase of the value of shares held by the Company, and vote against proposals it judges will damage the value.

(b) Status of the Company's Cross-shareholdings with Other Listed Companies

As of March 31, 2017, the Company had cross-shareholding relationships with 19 listed companies, with those companies holding a total of 10,362,000 shares in the Company (3.49% of outstanding shares).

The breakdown by industry and principal corporate shareholders of Eisai stock are as follows. No shares are held for net investment purposes.

● Principal Corporate Shareholders of Eisai Stock

Shareholders	Industry	Shareholding		The Company's holding of the corporate shareholders' stock		Purpose of holding shares
		Number of shares held (1,000)	Percentage of shares (%)	Number of shares held (1,000)	Percentage of shares (%)	
Alfresa Holdings Corporation*	Wholesale	1,577	0.53	4,602	1.96	To strengthen transactional partnerships
Kissei Pharmaceutical Co., Ltd.	Pharmaceuticals	294	0.10	474	0.87	To strengthen business partnerships
Santen Pharmaceutical Co., Ltd.	Pharmaceuticals	949	0.32	6,862	1.69	To strengthen business partnerships
Suzuken Co., Ltd.	Wholesale	1,422	0.48	2,081	2.01	To strengthen transactional partnerships
Toho Holdings Co., Ltd.	Wholesale	857	0.29	950	1.21	To strengthen transactional partnerships
Nihon Kohden Corporation	Electronic medical equipment	330	0.11	1,165	1.30	To strengthen business partnerships
Hisamitsu Pharmaceutical Co., Inc.	Pharmaceuticals	251	0.08	390	0.41	To strengthen business partnerships
Matsumotokiyoshi Holdings Co., Ltd.	Retail	819	0.28	1,407	2.58	To strengthen transactional partnerships
Medipal Holdings Corporation	Wholesale	1,961	0.66	5,955	2.44	To strengthen transactional partnerships
Total		8,465	2.85	—	—	

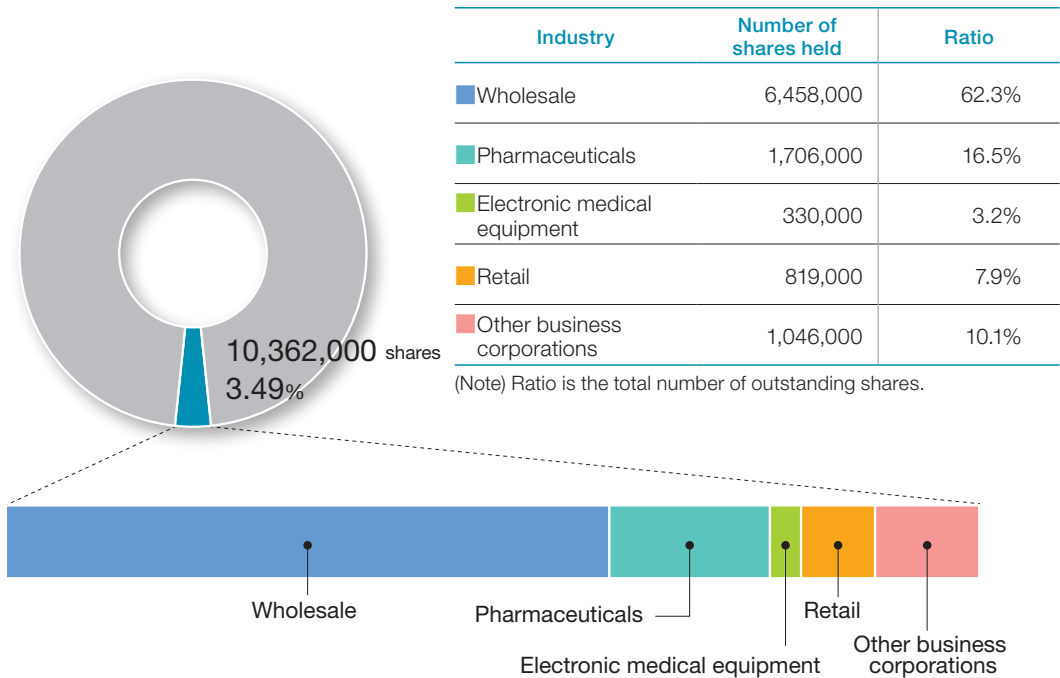
(Note) 1 Percentages of shares are calculated as a percentage of the total number of outstanding shares, including treasury stock.

2 The above 9 companies consented to disclosure of this information.

3 The shares of companies held by the Company include considered stock for retirement benefit trust purposes.

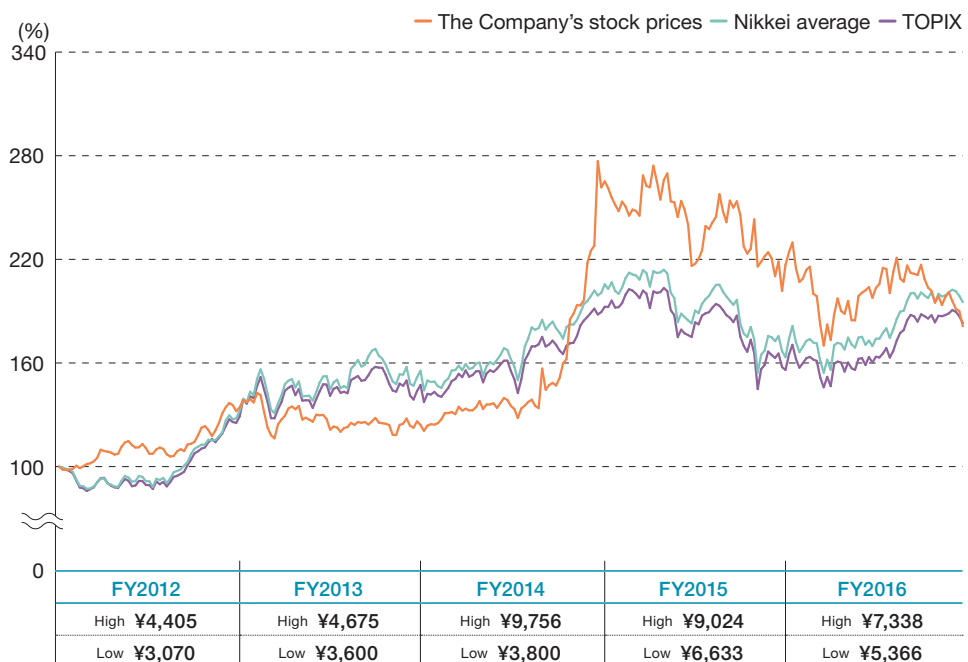
* The number of the Company's shares held by Alfresa Holdings Corporation includes shares held by Alfresa Corporation.

● Status of the Company's Shares Held by the 19 Listed Companies



2 Stock Price Trends

● The Company's Stock Price Trends over the Past 5 Years and Comparison with the Nikkei Average and TOPIX



(Note) The 100 (%) shown in the vertical axis of the line graph above represents the April 1, 2012, closing prices of the Company's stock price, Nikkei Average, and TOPIX respectively.

3 Status of Stock Acquisition Rights

1. Status of Stock Options (Stock Acquisition Rights) at the End of the Fiscal Year

Date of resolution at the Board of Directors meeting (Deadline for exercising voting rights)	No. of eligible recipients Recipient's position when granted (No. of shareholders)				Exercise price (Yen)	No. of shares granted (Thousands of shares)	No. of shares for which rights exercised (cumulative) (Thousands of shares)	Exercise rate (%)	No. of shares for which rights not exercised*2 (Thousands of shares)
	Directors (outside)	Corporate officers	Employees	Total					
June 22, 2007 (June 22, 2017)	10 (7)	24	32	66	5,480	264	63	24.2	157
June 20, 2008 (June 20, 2018)	10 (7)	25	36	71	3,760	283*1	122	43.3	145
June 19, 2009 (June 19, 2019)	10 (7)	27	36	73	3,320	291	124	42.8	155
June 18, 2010 (June 18, 2020)	10 (7)	18	56	84	2,981	316*1	229	72.6	86
June 21, 2011 (June 21, 2021)	10 (7)	18	54	82	3,140	308*1	151	49.3	156
June 21, 2012 (June 21, 2022)	10 (7)	18	51	79	3,510	303*1	52	17.3	250
Cumulative total						1,765	744	42.2	951

(Notes) 1. Numbers of shares are rounded down to the nearest thousand.

2. All the above stock acquisition rights are issued at no cost.

3. The type of target share for all the above stock acquisition rights is common stock.

4. The granting of stock options (stock acquisition rights) was discontinued in FY2013.

5. The Director, Representative Corporate Officer and CEO was granted stock acquisition rights as a corporate officer.

6. Group officers are handled as employees in accordance with the new group officer system introduced in June 2010.

7. Rights are exercised through the conversion of treasury stock.

8. The exercise period for stock options granted in FY2007 will end as of June 22, 2017.

*1 The number of stock options granted was decreased due to the resignation or retirement of eligible recipients during the applicable service period.

*2 Due to the expiration or abandonment of stock acquisition rights, there are some fiscal years in which the number of unexercised shares does not match the difference between the number of stock acquisition rights granted and the number of shares for which rights have been exercised.

(%)

Rate of dilution through stock options	March 31, 2017
Ratio of granted stock options (cumulative)	0.62
Ratio of total shares for which rights have not been exercised (cumulative)	0.33

(Note) The above are ratios to shares issued as of the end of March 2017, excluding treasury stock.

2. Status of Stock Acquisition Rights Delivered to Company Executives as Compensation for the Execution of Duties (as of March 31, 2017)

(1) Holdings Status of Company Executives

Date of resolution at the Board of Directors meeting			Directors (outside)	Directors (inside)	Corporate officers	Total officers (inside)	Total officers
June 22, 2007	No. of stock acquisition rights	(Rights)	0	130 (30)	460 (0)	590	590
	No. of holders	(No. of shareholders)	0	3 (1)	8 (0)	11	11
June 20, 2008	No. of stock acquisition rights	(Rights)	0	130 (30)	440 (60)	570	570
	No. of holders	(No. of shareholders)	0	3 (1)	9 (2)	12	12
June 19, 2009	No. of stock acquisition rights	(Rights)	0	120 (0)	504 (90)	624	624
	No. of holders	(No. of shareholders)	0	2 (0)	11 (3)	13	13
June 18, 2010	No. of stock acquisition rights	(Rights)	0	90 (0)	205 (115)	295	295
	No. of holders	(No. of shareholders)	0	1 (0)	7 (4)	8	8
June 21, 2011	No. of stock acquisition rights	(Rights)	0	161 (21)	613 (120)	774	774
	No. of holders	(No. of shareholders)	0	3 (1)	14 (4)	17	17
June 21, 2012	No. of stock acquisition rights	(Rights)	40	120 (30)	920 (150)	1,040	1,080
	No. of holders	(No. of shareholders)	1	3 (1)	17 (5)	20	21

(Notes) 1. The type and number of target shares per stock acquisition right is 100 shares of common stock.

2. The Director, Representative Corporate Officer and CEO was granted stock acquisition rights as a corporate officer.

3. The number of stock acquisition rights and number of holders shown for directors (inside) and corporate officers include those rights that were granted while serving as employees. Figures in parentheses indicate items associated with stock acquisition rights granted while directors (inside) and corporate officers were serving as employees.

(2) Overview of Stock Acquisition Rights in Accordance with a Resolution of the Board of Directors

Date of resolution at the Board of Directors meeting (Allocation date)	No. of stock acquisition rights (Rights)	No. and type of shares (Shares)	Value of assets to be contributed upon exercise of stock acquisition rights (yen/right)	Allocation of capital for share issuance upon exercise (yen/share)	Exercise period	Appraisal value (yen/share)
June 22, 2007 (July 9, 2007)	1,680	168,000 common shares	548,000	2,740	From July 9, 2009, to June 22, 2017	991
June 20, 2008 (July 7, 2008)	1,750	175,000 common shares	376,000	1,880	From June 21, 2010, to June 20, 2018	530
June 19, 2009 (July 6, 2009)	1,830	183,000 common shares	332,000	1,660	From June 20, 2011, to June 19, 2019	471
June 18, 2010 (July 5, 2010)	1,440	144,000 common shares	298,100	1,491	From June 19, 2012, to June 18, 2020	348
June 21, 2011 (July 7, 2011)	1,420	142,000 common shares	314,000	1,570	From June 22, 2013, to June 21, 2021	417
June 21, 2012 (July 9, 2012)	1,470	147,000 common shares	351,000	1,755	From June 22, 2014, to June 21, 2022	459

(Notes) 1. The value of assets to be contributed at the exercise of 1 stock acquisition right will be recalculated according to a formula established in advance only in cases specified in the issuance guidelines, such as following stock splits, a combination of shares, etc.

2. No monetary consideration is required in exchange for the transfer of stock acquisition rights.

3. With the April 2009 retirement of 1 corporate officer of the Company during the applicable service period, the number of shares issued as stock acquisition rights in FY2008 was decreased by 5,000 shares compared to the number of shares at the time of the June 20, 2008, resolution.

4. With the March 2012 retirement of 1 corporate officer of the Company during the applicable service period, the number of shares issued as stock acquisition rights in FY2012 was decreased by 6,000 shares compared to the number of shares at the time of the June 21, 2012, resolution.

(3) Other Important Items Regarding Stock Acquisition Rights

The Company records the issuance of stock acquisition rights in accordance with the “Policy for Protection of the Company’s Corporate Value and Common Interests of Shareholders” (resolved by the Board of Directors on February 28, 2006).

III. Status of Officers

The Company has adopted the Company with a Nomination Committee, etc., System, with 11 directors who are responsible for the oversight of management, and 27 corporate officers who are in charge of day-to-day operations.

1 Items Pertaining to Directors

Of the 11 directors, 7 are outside directors as stipulated in Article 2, Item 15, of the Companies Act. Only 1 director serves concurrently as Representative Corporate Officer and CEO. This management structure makes it possible to further clarify the distinction between management oversight functions and the day-to-day execution of business. In addition, the position of chair of the Board of Directors is held by an outside director, thus enhancing the transparency and fairness of management.

1. Directors (as of March 31, 2017)

Name, etc.	Personal history and concurrent employment, etc.	
Haruo Naito Director, Representative Corporate Officer and CEO	For a portion of matters concerning corporate officers of the stock company, the candidates' personal history and concurrent employment, etc., attendance of directors at meetings of the Board of Directors and at committee meetings, and primary activities, see the corresponding candidate pages in Reference Documents. ▶ See pages 10-11	
Nobuo Deguchi Director Date of birth: October 11, 1947 No. of years served as a director: 5 (as of the close of this Ordinary General Meeting of Shareholders) No. of the Company's shares held: 23,461 Attendance of the director at meetings of the Board of Directors and at committee meetings ● Board of Directors: 100% (10/10)	Mar. 1970 Joined the Company Oct. 1999 Senior Director, Corporate Ethics Compliance Department of the Company Jun. 2001 Group Officer of the Company, assigned to Corporate Ethics, PR, Legal Affairs Jun. 2004 Vice President of the Company, assigned to Corporate Ethics, Legal Affairs, Intellectual Property, Environment and Safety Affairs Jun. 2005 Senior Vice President of the Company, assigned to Corporate Ethics, Legal Affairs, Intellectual Property, Environment and Safety Affairs Jun. 2007 Executive Vice President of the Company, assigned to Internal Control, Compliance, Intellectual Property Jun. 2008 Executive Vice President and Representative Corporate Officer of the Company, assigned to Internal Control, Compliance, General Affairs, Intellectual Property Jun. 2010 Representative Corporate Officer and Deputy President, Aide to the President, Chief Compliance Officer, and Human Resources and Labor Management of the Company Nov. 2010 President, Eisai R&D Management Co., Ltd. Jun. 2011 Chairman, Eisai Welfare Pension Fund Jun. 2012 Director of the Company (current)	● Primary Activities At meetings of the Board of Directors, Mr. Deguchi utilizes his abundant experience within the Company and high level of knowledge of corporate governance and supervisory capabilities as he requests explanations and presents his opinions, etc., as needed. In addition, he presents proposals and provides his opinions and makes other contributions regarding corporate governance matters and the proceedings of the Board of Directors.

Name, etc.	Personal history and concurrent employment, etc.
<h2>Graham Fry</h2> <p>Outside Director, Chair of the Compensation Committee, Member of the Nomination Committee, and Member of the Independent Committee of Outside Directors</p> <p>Date of birth: December 20, 1949</p> <p>No. of years served as a director: 5 (as of the close of this Ordinary General Meeting of Shareholders)</p> <p>No. of the Company's shares held: 235</p> <p>Attendance of the director at meetings of the Board of Directors and at committee meetings</p> <ul style="list-style-type: none"> ● Board of Directors: 100% (10/10) ● Nomination Committee: 100% (7/7) ● Compensation Committee: 100% (10/10) ● Independent Committee of Outside Directors : 100% (3/3) 	<p>Aug. 1972 Joined British Foreign and Commonwealth Office (FCO)</p> <p>May 1993 Director, the Far East and Pacific Department of FCO</p> <p>Dec. 1995 Director, the North Asian and Pacific Bureau of FCO</p> <p>Sep. 1998 High Commissioner to Malaysia</p> <p>Oct. 2001 Director General for Economic Affairs of FCO</p> <p>Jul. 2004 Ambassador of the United Kingdom to Japan</p> <p>Sep. 2008 Member of the Board of Governors, School of Oriental and African Studies, University of London</p> <p>Jun. 2012 Director of the Company (current), Member of the Nomination Committee (current), Member of the Independent Committee of Outside Directors (current), and Member of the Compensation Committee</p> <p>Jun. 2014 Chair of the Company's Compensation Committee (current)</p> <div> <p>● Primary Activities</p> <p>At meetings of the Board of Directors, Sir Graham Fry utilizes his abundant experience and knowledge as a British diplomat and his high level of management expertise and supervisory capabilities as he requests explanations and presents his opinions, etc., as needed. In addition, as the chair of the Compensation Committee, he directs the secretariat of the Committee, makes preparations for meetings of the Committee and presides over the proceedings of that Committee. He reports to the Board of Directors on the results of the proceedings and responds to questions and comments at meetings of the Board of Directors. As a member of the Nomination Committee, he presents a variety of proposals to the Committee, responds to questions from other Committee members, requests explanations regarding the opinions of other members, and presents his own opinions as needed.</p> </div>
<h2>Toru Yamashita</h2> <p>Outside Director, Chair of the Board of Directors, and Member of the Independent Committee of Outside Directors</p>	<p>For a portion of matters concerning corporate officers of the stock company, the candidates' personal history and concurrent employment, etc., attendance of directors at meetings of the Board of Directors and at committee meetings, and primary activities, see the corresponding candidate pages in Reference Documents.</p> <p>▶ See pages 12-13</p>
<h2>Ikuko Nishikawa</h2> <p>Outside Director, Chair of the Audit Committee, and Member of the Independent Committee of Outside Directors</p>	<p>For a portion of matters concerning corporate officers of the stock company, the candidates' personal history and concurrent employment, etc., attendance of directors at meetings of the Board of Directors and at committee meetings, and primary activities, see the corresponding candidate pages in Reference Documents.</p> <p>▶ See pages 14-15</p>
<h2>Noboru Naoe</h2> <p>Director and Member of the Audit Committee</p>	<p>For a portion of matters concerning corporate officers of the stock company, the candidates' personal history and concurrent employment, etc., attendance of directors at meetings of the Board of Directors and at committee meetings, and primary activities, see the corresponding candidate pages in Reference Documents.</p> <p>▶ See pages 16-17</p>
<h2>Eiichiro Suhara</h2> <p>Outside Director, Chair of the Nomination Committee, Member of the Compensation Committee, and Member of the Independent Committee of Outside Directors</p>	<p>For a portion of matters concerning corporate officers of the stock company, the candidates' personal history and concurrent employment, etc., attendance of directors at meetings of the Board of Directors and at committee meetings, and primary activities, see the corresponding candidate pages in Reference Documents.</p> <p>▶ See pages 18-19</p>

Name, etc.	Personal history and concurrent employment, etc.
Yasuhiko Katoh Outside Director, Member of the Nomination Committee, Member of the Compensation Committee, and Member of the Independent Committee of Outside Directors	For a portion of matters concerning corporate officers of the stock company, the candidates' personal history and concurrent employment, etc., attendance of directors at meetings of the Board of Directors and at committee meetings, and primary activities, see the corresponding candidate pages in Reference Documents. ▶ See pages 20-21
Hirokazu Kanai Director and Member of the Audit Committee	For a portion of matters concerning corporate officers of the stock company, the candidates' personal history and concurrent employment, etc., attendance of directors at meetings of the Board of Directors and at committee meetings, and primary activities, see the corresponding candidate pages in Reference Documents. ▶ See pages 22-23
Tamaki Kakizaki Outside Director, Member of the Audit Committee, and Member of the Independent Committee of Outside Directors	For a portion of matters concerning corporate officers of the stock company, the candidates' personal history and concurrent employment, etc., attendance of directors at meetings of the Board of Directors and at committee meetings, and primary activities, see the corresponding candidate pages in Reference Documents. ▶ See pages 24-25
Daiken Tsunoda Outside Director, Member of the Audit Committee, and Chair of the Independent Committee of Outside Directors	For a portion of matters concerning corporate officers of the stock company, the candidates' personal history and concurrent employment, etc., attendance of directors at meetings of the Board of Directors and at committee meetings, and primary activities, see the corresponding candidate pages in Reference Documents. ▶ See pages 26-27

(Note) There is no particular conflict of interest between the Company and the concurrent employer of each outside director that would be a problem or obstacle that would impair his/her ability to execute his/her duties as an outside director. Each outside director fulfills all "Requirements for the Independence and Neutrality of Outside Directors" established by the Company's Nomination Committee (see page 33).

2. Changes in Directors

- a. Yasuhiko Katoh, Hirokazu Kanai, Tamaki Kakizaki, and Daiken Tsunoda (4 individuals) were newly appointed to be a director and assumed their posts at the 104th Ordinary General Meeting of Shareholders held on June 17, 2016.
- b. Kiyochika Ota, Hideaki Matsui, Osamu Suzuki, and Patricia Robinson (4 individuals) retired from their posts as director upon expiration of their term of office at the end of the 104th Ordinary General Meeting of Shareholders held on June 17, 2016.

3. Selection of Full-Time Audit Committee Members and Reason for Selection

The Company has appointed 3 outside directors and 2 inside directors to be Audit Committee members, and the 2 inside directors serve as full-time members.

Highly effective audits are achieved by appointing directors who possess expertise in fields that are unique to pharmaceutical companies and who are familiar with the Company's internal organizations and operations as full-time Audit Committee members.

4. Submittal of “Independent Officer Notifications” to Stock Exchanges

The 7 outside directors meet the standards for independent officers, as stipulated by the Tokyo Stock Exchange, and the Company has submitted the names of all the outside directors as independent officers.

5. Attendance of Directors at Meetings of the Board of Directors and at Committee Meetings

(as of March 31, 2017)

Name	Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	Outside Director Independent Committee
Haruo Naito	100% (10/10)	—	—	—	—
Nobuo Deguchi	100% (10/10)	—	—	—	—
Graham Fry	100% (10/10)	100% (7/7)	—	100% (10/10)	100% (3/3)
Toru Yamashita* ¹	100% (10/10)	100% (1/1)	—	100% (4/4)	100% (3/3)
Ikuo Nishikawa	100% (10/10)	—	100% (12/12)	—	100% (3/3)
Noboru Naoe	100% (10/10)	—	100% (12/12)	—	—
Eiichiro Suhara	100% (10/10)	100% (7/7)	—	100% (10/10)	100% (3/3)
Yasuhiko Katoh* ²	100% (8/8)	100% (6/6)	—	100% (6/6)	100% (3/3)
Hirokazu Kanai* ²	100% (8/8)	—	100% (9/9)	—	—
Tamaki Kakizaki* ²	100% (8/8)	—	100% (9/9)	—	100% (3/3)
Daiken Tsunoda* ²	100% (8/8)	—	100% (9/9)	—	100% (3/3)

(Note) —: Not applicable.

*¹ The attendance of Toru Yamashita as a member of the Nomination Committee and the Compensation Committee at meetings of those committees prior to June 17, 2016 is also indicated.

*² Because Yasuhiko Katoh, Hirokazu Kanai, Tamaki Kakizaki, and Daiken Tsunoda were newly appointed to be directors and assumed their posts at the 104th Ordinary General Meeting of Shareholders held on June 17, 2016, their attendance at meetings of the Board of Directors and committee meetings indicates attendance at meetings beginning on June 17, 2016.

6. Activities of the Board of Directors and Committees

(as of March 31, 2017)

Organizations and Member Names

Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	Outside Director Independent Committee
■ Toru Yamashita Outside	○ Eiichiro Suhara Outside	○ Ikuo Nishikawa Outside	○ Graham Fry Outside	○ Daiken Tsunoda Outside
Haruo Naito	Graham Fry Outside	Noboru Naoe	Eiichiro Suhara Outside	Graham Fry Outside
Nobuo Deguchi	Yasuhiko Katoh Outside	Hirokazu Kanai	Yasuhiko Katoh Outside	Toru Yamashita Outside
Graham Fry Outside		Tamaki Kakizaki Outside		Ikuo Nishikawa Outside
Ikuo Nishikawa Outside		Daiken Tsunoda Outside		Eiichiro Suhara Outside
Noboru Naoe				Yasuhiko Katoh Outside
Eiichiro Suhara Outside				Tamaki Kakizaki Outside
Yasuhiko Katoh Outside				
Hirokazu Kanai				
Tamaki Kakizaki Outside				
Daiken Tsunoda Outside				

■ : Chairman ○ : Committee Chair Outside : Outside Director

Primary Activities

Board of Directors

- a. The Board held deliberations regarding matters requiring its decision as specified in laws and regulations, the Company's Articles of Incorporation, and Regulations of the Board of Directors, and made decisions on these matters. Principal items included the approval of the medium-term business plan, approval of business plans, approval of accounts, determination of shareholder dividends, and selection of corporate officers.
- b. The Board received quarterly reports on the execution of duties by the corporate officers and, as needed, other reports on important matters related to the execution of business.
In order to perform their management oversight responsibility, directors inspect the suitability of processes employed in and results of the execution of duties and use their experience and knowledge to provide input at meetings of the Board of Directors.
- c. At its April 2016 meeting, the Board of Directors deliberated on and approved the results of the evaluation of the effectiveness of the Board of Directors, which were presented by the Outside Directors Meeting. The Board of Directors also confirmed issues relating to its operations, etc., for ensuring the performance of its management oversight function.
- d. At its April 2016 meeting, the Board of Directors, in accordance with Corporate Governance Guidelines, conducted a self-review of its execution of duties in FY2015.
- e. At its April 2016 meeting, the Board of Directors resolved to continue the Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders through June 30, 2021, based on a proposal from the Independent Committee of Outside Directors. This makes it possible for the Policy to cover the period for attaining the numerical targets (from April 2016 to March 2021) stipulated in the EWAY 2025 medium-term business plan.

Nomination Committee

- a. The Nomination Committee held deliberations regarding proposals for the composition of the Board of Directors during the following fiscal year (including the number of members of the Board of Directors and committees, the ratio of inside to outside directors, the diversity of the directors, and other matters) and prepared a list of candidates for director, including those members of the Board proposed for re-election.
- b. Based on the selection requirements and other matters pertaining to directors, the Nomination Committee narrowed down the field of candidates for director and held deliberations regarding the independence and neutrality of candidates for outside director based on their individual curriculum vitae.
- c. The chair of the Nomination Committee requested the candidates for director determined by the Committee to serve on the Board of Directors.
- d. The Committee then decided on the director candidates and the proposed composition of the Board, including candidates for new appointment as directors who had expressed the willingness to serve on the Board.

Audit Committee

- a. The Audit Committee devised an audit plan and conducted audits accordingly.
- b. The Committee also conducted audits required by the Companies Act and monitored the preparation, maintenance, and operation of internal control regarding financial reports as required under the Financial Instruments and Exchange Act of Japan.
- c. The Committee conducted audits of the Accounting Auditor and the Group's internal audit departments, etc.
- d. The Committee shared the necessary information with the Company's Accounting Auditor and the corporate auditors, etc., of Japanese subsidiaries.

Compensation Committee

- a. The Compensation Committee held deliberations regarding Company-wide performance in FY2015 and the appropriateness of the evaluation of the corporate officers proposed by the Representative Corporate Officer and CEO, then determined the bonuses and stock-based compensation (performance-based compensation; provided in July 2016) of individual corporate officers for FY2015.
- b. In May 2016, the Committee decided to continue the stock-based compensation system for corporate officers and then determined partial revisions to the system.
- c. The Committee determined the basic policies for compensation, etc., as well as compensation systems and individual compensation, etc., for directors and corporate officers who assumed their positions in June 2016.
- d. The Committee received proposals from the Representative Corporate Officer and CEO regarding performance targets and evaluation criteria for the fiscal year for determining performance-based compensation for corporate officers. The Committee deliberated on the appropriateness of these proposals and approved them.
- e. The Committee conducted research related to compensation systems and levels for directors and corporate officers by examining the compensation systems, levels, and related matters at other companies, identified relevant issues, and held discussions.

Independent Committee of Outside Directors

- a. In June 2016, the Independent Committee of Outside Directors, comprising all the outside directors selected at the 104th Ordinary General Meeting of Shareholders, decided to continue the Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders (hereinafter "the Policy") and submitted a proposal to this effect to the Board of Directors.
- b. At its September 2016 meeting, the Committee members listened to the opinions of experts and shared information concerning the Policy.
- c. At its March 2017 meeting, the Committee had its members give their respective stances on the Policy and confirmed that all members were in favor of the Policy.

7. Support Structure for the Board of Directors and Committees

(1) Board of Directors

The Board of Directors Secretariat has been established as a department to support the Board of Directors and carry out the following duties.

- a. Preparing agenda items and related materials for the Board of Directors and holding prior discussions with the Chair of the Board of Directors
- b. Providing information to directors in a prompt manner and explaining agenda items in advance

(2) Audit Committee

The Company has established a Management Audit Department to provide support for the Audit Committee. The Management Audit Department ensures the objectivity of audits by guaranteeing its independence from operational divisions in relation to directions related to the execution of their duties and personnel evaluations, etc.

As the secretariat for the Audit Committee, the Management Audit Department is responsible for the following duties.

- a. Preparing agenda items and related materials for the Audit Committee and holding prior discussions with the Chair of the Audit Committee
- b. Providing information to members of the Audit Committee in a prompt manner and explaining agenda items in advance
- c. Providing the necessary information on matters for deliberation by the Audit Committee to directors not on the Audit Committee

(3) Nomination Committee, Compensation Committee, and Independent Committee of Outside Directors

The Board of Directors Secretariat carries out the following secretariat duties for the Nomination Committee, Compensation Committee, and Independent Committee of Outside Directors.

- a. Preparing agenda items and related materials for the Committees and holding prior discussions with the Chairs of the Committees
- b. Explaining agenda items to members of the Committees in advance

8. Implementation of Officer Training Workshops

Training workshops for directors, etc., are planned and implemented as needed in accordance with requests from directors.

Before taking office, newly appointed outside directors receive explanations of matters related to an overview of the Company, the Corporate Philosophy, business conditions, and corporate governance, as well as various types of regulations, etc. In order to deepen the outside director's understanding of the Company after taking office, explanations and tours of business sites, etc., given by the corporate officers in charge related to the Company's business activities, the trends of the pharmaceuticals industry, and the Company's business environment, are conducted as soon as possible.

Promptly after taking office, newly appointed corporate officers undergo new corporate officer training to learn their roles, duties, and responsibilities as corporate officers, acquire the legal knowledge that they need to have as corporate officers, familiarize themselves with the regulations pertaining to Company officers, and master the requisite knowledge and skills for enhancing their executive leadership abilities.

In addition, executive compliance workshops for directors and corporate officers are regularly conducted.

Based on the results of the FY2015 evaluation of the effectiveness of the Board of Directors, directors visited their respective sales offices, R&D sites, and production plants to exchange information with employees. In addition, the Company held new outside director training workshops (overview of the medium-term business plan, business plan, and research and development activities, overview of production activities, and the Company-wide organizational structure and functions), tours of the Tsukuba Research Laboratories, Kawashima Plant, and Naito Museum of Pharmaceutical Science and Industry for directors, executive compliance workshops (2 times), and a new corporate officer training session, among other activities. In accordance with the Corporate Philosophy, the Company carried out socialization training (getting close to and spending time together with patients) to establish a better understanding of how patients and their families feel.

9. Overview of Liability Limitation Contracts with Directors (excluding those serving as executive directors, etc.)

The Company has limitation of liability clauses in force with its 10 directors (excluding those serving as executive directors, etc.), as per Article 427 of the Companies Act and Article 38, Paragraph 2, of the Company's Articles of Incorporation. In the event that any of the Company's directors causes damage to the Company despite performing his/her duties in good faith and without gross negligence, the maximum liability for damages is the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act.

2 Items Pertaining to Corporate Officers

The following is a list of the Company's 27 corporate officers (of whom 4 are women) as of March 31, 2017.

See pages 10 to 11 regarding Representative Corporate Officer & CEO Haruo Naito, who is serving concurrently as a director.

1. Corporate Officers

(as of March 31, 2017)

Hideki Hayashi

Date of birth: November 22, 1957

No. of the Company's shares held: 19,432

Position and primary area of responsibility:

- Representative Corporate Officer, Japan Business, and CIO
- Japan Business, Dementia Solution Headquarters, and Chief Information Officer (CEO Office)

Hideki Hayashi's assignment was changed to Japan Business, *hmc* Solution Headquarters and Chief Information Officer (CEO Office) on April 1, 2017.

Yutaka Tsuchiya

Date of birth: June 29, 1952

No. of the Company's shares held: 30,663

Position and primary area of responsibility:

- Representative Corporate Officer, Healthcare Policy, and China Business
- Healthcare Policy, Global Product Emergency Management, Global Value & Access, Marketing Authorization Supervisor General, China Business, *hmc* Data Creation, and Japan/Asia Medical (CEO Office)

Hideshi Honda

Date of birth: October 9, 1954

No. of the Company's shares held: 29,543

Position and primary area of responsibility:

- Representative Corporate Officer and Asia Region President
- Asia Region President and CEO's Special Mission

Takafumi Asano

Date of birth: April 5, 1957

No. of the Company's shares held: 31,234

Position and primary area of responsibility:

- Executive Vice President
- President, Eisai Demand Chain Systems

Yasushi Okada

Date of birth: September 26, 1958

No. of the Company's shares held: 10,119

Position and primary area of responsibility:

- Executive Vice President
- Chief Talent Officer; General Manager, Talent Innovation Headquarters; and General Affairs, Environmental and Safety Affairs

Kenta Takahashi

Date of birth: September 22, 1959

No. of the Company's shares held: 5,419

Position and primary area of responsibility:

- Senior Vice President
- General Counsel and Intellectual Property

Edward Stewart Geary

Date of birth: November 21, 1962

No. of the Company's shares held: 31,321

Position and primary area of responsibility:

- Senior Vice President
- Chief Medical Officer; Senior Executive Director, Corporate Medical Affairs Headquarters; and Global Safety Board Chair

Gary Hendler

Date of birth: September 26, 1966

No. of the Company's shares held: 0

Position and primary area of responsibility:

- Senior Vice President
- Chief Commercial Officer, Oncology Business Group; President, EMEA Region; and Chairman & CEO, Eisai Europe Ltd.

Terushige Iike

Date of birth: December 20, 1963

No. of the Company's shares held: 12,645

Position and primary area of responsibility:

- Senior Vice President
- President, Oncology Business Group (CEO Office)

Ryohei Yanagi

Date of birth: July 6, 1962

No. of the Company's shares held: 8,645

Position and primary area of responsibility:

- Senior Vice President
- Chief Financial Officer and Chief IR Officer

Ivan Cheung

Date of birth: October 9, 1976

No. of the Company's shares held: 4,674

Position and primary area of responsibility:

- Senior Vice President
- President, Neurology Business Group; President, Americas Region; and Chairman & CEO, Eisai Inc. (CEO Office)

Takashi Owa

Date of birth: July 13, 1963

No. of the Company's shares held: 0

Position and primary area of responsibility:

- Vice President
- Chief Medicine Creation Officer and Chief Discovery Officer, Oncology Business Group

Yasunobu Kai

Date of birth: March 20, 1962

No. of the Company's shares held: 8,816

Position and primary area of responsibility:

- Vice President
- Chief Strategy Officer and Senior Director, Strategy Department, Oncology Business Group

Yasunobu Kai's assignment was changed to Chief Planning Officer and Senior Director, Planning Department, Oncology Business Group on May 1, 2017.

Lynn Kramer

Date of birth: October 19, 1950

No. of the Company's shares held: 0

Position and primary area of responsibility:

- Vice President
- Chief Clinical Officer and Chief Medical Officer, Neurology Business Group

Sayoko Sasaki

Date of birth: September 27, 1968

No. of the Company's shares held: 3,581

Position and primary area of responsibility:

- Vice President
- Corporate Affairs

Junichi Asatani

Date of birth: February 22, 1961

No. of the Company's shares held: 9,589

Position and primary area of responsibility:

- Vice President
- Chief Compliance Officer and Internal Control

Shaji Procida

Date of birth: July 2, 1971

No. of the Company's shares held: 0

Position and primary area of responsibility:

- Vice President
- President & COO, Eisai Inc.

Shaji Procida's assignment was changed to President and COO, Eisai Inc., and Americas Oncology Commercial on May 1, 2017.

Teiji Kimura

Date of birth: March 22, 1963

No. of the Company's shares held: 2,787

Position and primary area of responsibility:

- Vice President
- Chief Discovery Officer and Director, Tsukuba Research Department, Neurology, Medicine Creation Discovery, Neurology Business Group

Satoru Yasuda

Date of birth: April 8, 1962

No. of the Company's shares held: 5,633

Position and primary area of responsibility:

- Vice President
- Senior Executive Director, Shuto-Ken Headquarters, Community Alliance, Eisai Japan

Satoru Yasuda's assignment was changed to Deputy General Manager, Medical Division on April 1, 2017.

Hidenori Yabune

Date of birth: August 10, 1970

No. of the Company's shares held: 4,193

Position and primary area of responsibility:

- Vice President
- Senior Executive Director, Access & Outcome Headquarters, Eisai Japan

Hidenori Yabune's assignment was changed to Senior Executive Director, Shuto-Ken Headquarters, Community Alliance, Eisai Japan on April 1, 2017.

Hiroyuki Kato

Date of birth: September 8, 1957

No. of the Company's shares held: 701

Position and primary area of responsibility:

- Vice President
- Director, Medicine Development Center

Alexander Scott

Date of birth: January 9, 1965

No. of the Company's shares held: 0

Position and primary area of responsibility:

- Vice President
- Chief Strategy Officer and Senior Director, Strategy Department, Neurology Business Group

Masayuki Miyajima

Date of birth: June 22, 1962

No. of the Company's shares held: 2,313

Position and primary area of responsibility:

- Vice President
- President, Eisai Japan

Tatsuyuki Yasuno

Date of birth: May 18, 1968

No. of the Company's shares held: 5,089

Position and primary area of responsibility:

- Vice President
- Corporate Planning & Strategy and Senior Director of Corporate Planning & Strategy Department (CEO Office)

Tatsuyuki Yasuno's assignment was changed to Chief Planning Officer and Senior Director, Corporate Planning Department (CEO Office) on May 1, 2017.

Yanhui Feng

Date of birth: June 27, 1972

No. of the Company's shares held: 0

Position and primary area of responsibility:

- Vice President
- President, Eisai China Holdings Ltd. and President, Eisai China Inc.

Rami Suzuki

Date of birth: July 15, 1973

No. of the Company's shares held: 105

Position and primary area of responsibility:

- Vice President
- Senior Director, Corporate Business Development Department

2. Changes to Corporate Officers

- (1) At the meeting of the Board of Directors held on March 1, 2016, Masayuki Miyajima was appointed to serve as corporate officer and assumed his post on April 1, 2016.
- (2) The promotion of Vice President Ivan Cheung to the rank of Senior Vice President effective April 1, 2016, was approved at the meeting of the Board of Directors held on March 31, 2016.
- (3) At the meeting of the Board of Directors held on March 31, 2016, Hiroyuki Kato, Alexander Scott, Tatsuyuki Yasuno, Yanhui Feng, and Rami Suzuki were appointed to serve as corporate officers and assumed their posts on April 1, 2016.
- (4) Senior Vice President Yuji Matsue retired on February 23, 2017 and was appointed to serve as Representative Director and President of EA Pharma Co., Ltd., a subsidiary of Eisai Co., Ltd., on February 24, 2017.
- (5) Corporate Officer Rami Suzuki retired effective April 30, 2017.

3 Compensation Paid to Directors and Corporate Officers

1. Determination of Compensation, etc.

Compensation paid to directors and corporate officers is determined by the Compensation Committee. The 3 members of the Company's Compensation Committee including the chair are outside directors, and place emphasis on an objective perspective and transparency.

The Compensation Committee has the authority to determine the content of compensation of individual directors and corporate officers of the Company. It determines (1) policy concerning decisions on the content of compensation of individual directors and corporate officers, (2) the content of compensation of individual directors and corporate officers, and (3) the evaluation of the level of attainment of Company-wide performance targets and the individual performance targets of each corporate officer for the performance-based compensation of corporate officers.

2. Basic Policy Regarding the Determination of Compensation

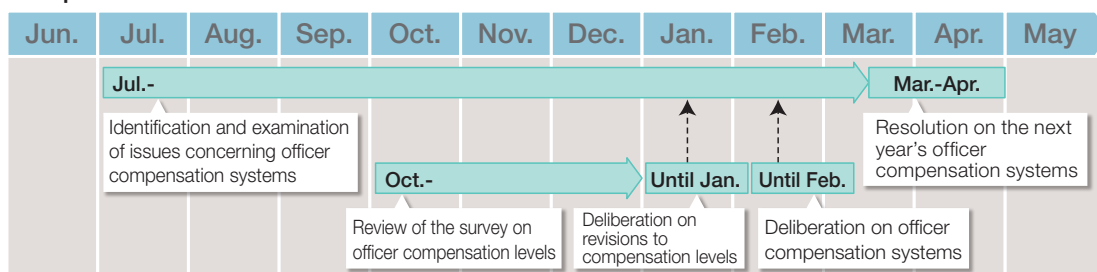
The Compensation Committee has established the following Basic Policy concerning compensation paid to directors and corporate officers in the Rules for the Operation of the Compensation Committee.

Basic Policy Concerning Compensation Paid to Directors and Corporate Officers

- (1) Compensation shall be such that it enables the Company to globally attract excellent personnel to the Company's management cadre.
- (2) Compensation shall be reasonable and have a high level of fairness, and shall be such that it can be explained to shareholders and employees as fulfilling those requirements.
- (3) A different system shall be used for compensation for directors who perform management oversight functions and corporate officers who perform duties.
- (4) Compensation paid to directors shall be at a level suitable to enable them to perform their management oversight function, which is their duty.
- (5) Compensation paid to corporate officers shall be at a level that will strongly motivate them in the performance of their duties, thereby contributing substantially to the Company.
- (6) Directors who serve concurrently as corporate officers shall receive only the compensation designated for corporate officers.
- (7) Corporate officers who serve concurrently as employees shall receive only the compensation designated for corporate officers.

3. Process of Determining the Compensation System

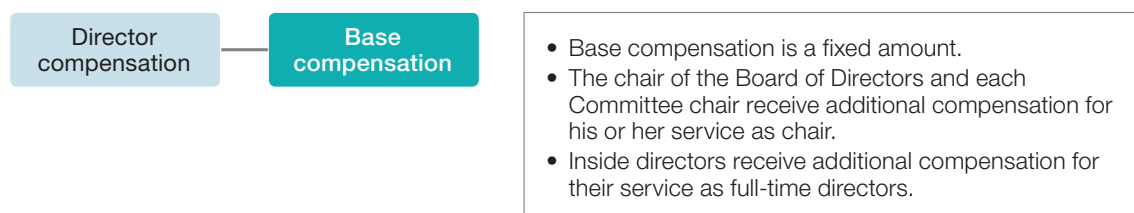
● Deliberation Process Concerning the Determination of the Compensation System by the Compensation Committee



The Compensation Committee examines various issues concerning the compensation paid to directors and corporate officers, confirms the level of compensation each year, and determines the compensation system for the following year.

The Compensation Committee actively incorporates and utilizes data, etc., from outside specialized organizations when examining various issues related to compensation and investigating and examining the level of compensation.

4. Compensation System for Directors

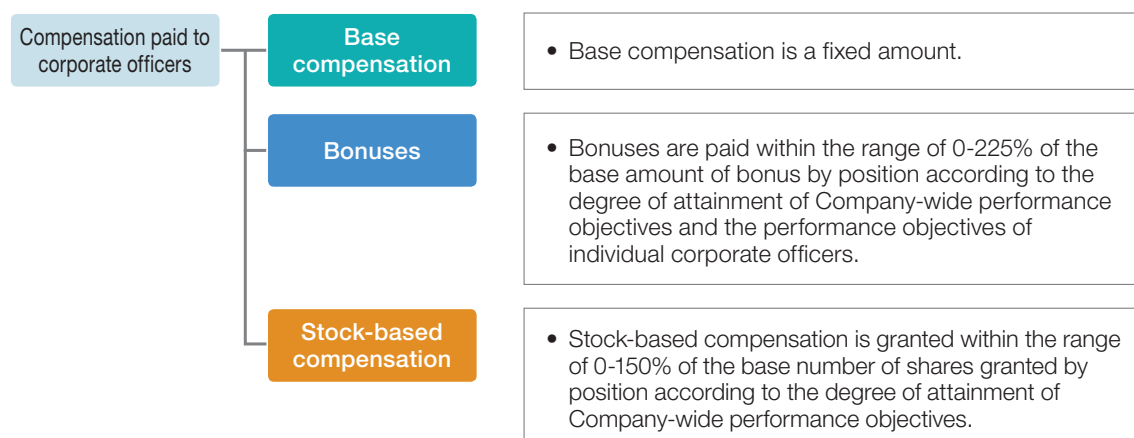


Compensation paid to directors is only a fixed base compensation. The duty of directors is to supervise management, and a fixed rate not incorporating performance-based compensation is used to ensure that directors are able to properly perform their oversight functions. The level is intended to be set at the upper middle range for the industry.

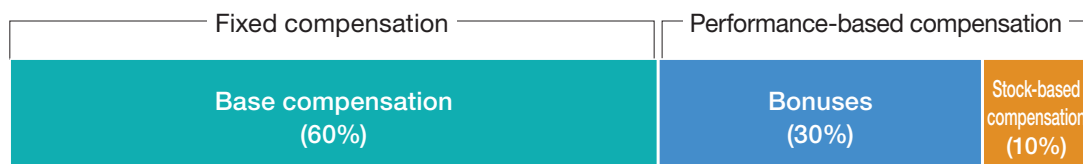
5. Compensation System for Corporate Officers

Compensation paid to corporate officers is determined in accordance with these basic policies by the Compensation Committee with an aim to enable the Company to attract excellent personnel to the Company's management cadre and to strongly motivate corporate officers in the performance of their duties, thereby contributing substantially to the Company, and with a recognition of the differences in the levels and mechanisms of compensation, etc., in each country or region.

Compensation paid to corporate officers is made up of base compensation, bonuses, and stock-based compensation, as shown in the following figure. The level of compensation paid to corporate officers is intended to be set at the upper middle range for the industry.



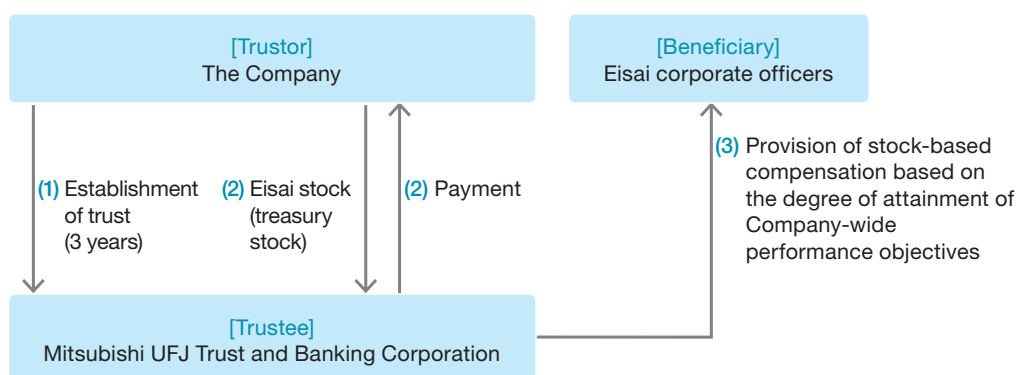
The compensation paid to corporate officers is made up of base compensation, bonuses, and stock-based compensation at a ratio of 6:3:1, and performance-based compensation accounts for 40% of total compensation.



In the case of compensation, etc., for corporate officers who have been appointed from an overseas subsidiary and corporate officers who have advanced specializations or qualifications, etc., the compensation paid is determined on an individual basis considering differences in local compensations systems, compensation levels, and specializations of duties, although the process of determining compensation is the same. In particular, the performance-based compensation of corporate officers who have been appointed from an overseas subsidiary adopts a medium- to long-term incentive system instead of a stock-based compensation system.

● Stock-based Compensation System for Corporate Officers

Mechanism of the stock-based compensation system (conceptual diagram)



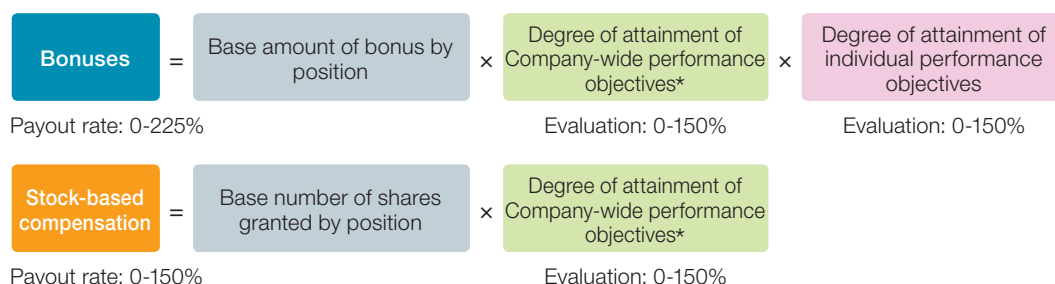
The Company's stock-based compensation system is a medium- to long-term incentive plan that provides stock-based compensation to corporate officers through a trust based on the degree of attainment of Company-wide performance objectives.

It is designed to motivate the Company's corporate officers to share the profit-consciousness of shareholders, and to perform duties from a medium- to long-term perspective on performance and stock prices.

Stock-based compensation provided to corporate officers increases or decreases each year according to Company-wide performance. In addition, in the medium and long term, when stock prices fluctuate, the actual value of the compensation fluctuates accordingly. Eisai believes that maintaining this mechanism will strengthen the motivation of corporate officers to take the perspective of shareholders and strive to increase corporate value.

Company regulations prohibit corporate officers from selling Eisai stock while in office and until at least 1 year after the individual has left that position.

● Process of Determining Performance-based Compensation



* Consolidated revenue, consolidated operating profit, consolidated profit for the year (attributable to the parent company), and consolidated ROE

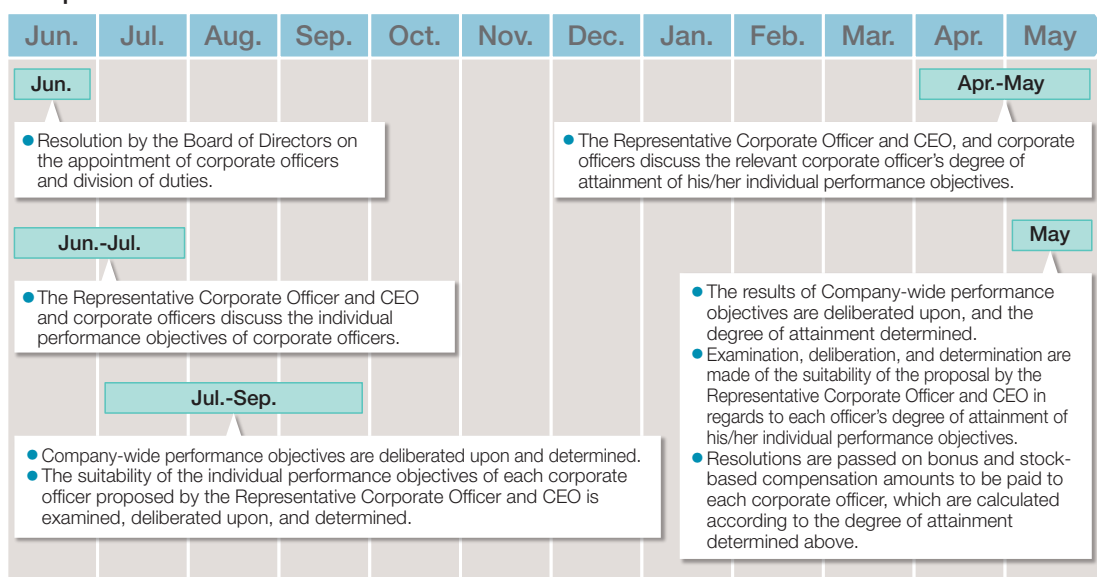
The Compensation Committee deliberates and determines the performance evaluations of corporate officers and the amount and number of shares granted to each person as performance-based compensation (bonuses and stock-based compensation). The bonuses and stock-based compensation of corporate officers are calculated based on the degree of attainment of Company-wide performance objectives and the degree of attainment of individual performance objectives using the above formula.

The degree of attainment of Company-wide performance objectives is determined based on an evaluation of consolidated revenue, consolidated operating profit, consolidated profit for the year (attributable to the parent company), and consolidated ROE. Each fiscal year, the Compensation Committee evaluates the achievement of Company-wide performance objectives in a range of 0 to 150%, based on the degree of achievement of each item.

As for the degree of attainment of individual performance objectives, the Compensation Committee approves the individual evaluations proposed by the Representative Corporate Officer and CEO after evaluation, in accordance with the degree of achievement of the individual performance objectives of each corporate officer. Further, each corporate officer assigns weighted points to concrete performance objectives in accordance with the priority of the objectives, then sets individual performance objectives through deliberation with the Representative Corporate Officer and CEO. The objectives are approved by the Compensation Committee after evaluation of their suitability.

As a result, bonuses for corporate officers are paid in the range of 0 to 225%, with the bonus base value as 100%, and stock-based compensation is provided in the range of 0 to 150%, with the base number of granted shares as 100%.

● Process of Determining the Performance-based Compensation of Corporate Officers by the Compensation Committee



6. Total Amount of Compensation Paid to Directors and Corporate Officers

The grand total of compensation paid to directors and corporate officers in FY2016 (from April 1, 2016, to March 31, 2017) was ¥1,435 million.

● Total FY2016 Officer Compensation

	Base compensation		Performance-based compensation				Total (Millions of yen)
			Bonuses		Stock-based compensation		
	Number of recipients (No. of shareholders)	Amount (Millions of yen)	Number of recipients (No. of shareholders)	Amount (Millions of yen)	Number of recipients (No. of shareholders)	Expense amount (Millions of yen)	
Directors (inside)	4	113	—	—	—	—	113
Directors (outside)	10	74	—	—	—	—	74
Corporate officers	23	736	25	388	25	123	1,247
Total	37	924	25	388	25	123	1,435

- (Notes) 1 As the compensation of directors also serving as corporate officers is only the compensation for corporate officers, the compensation of the Director, Representative Corporate Officer and CEO is included in the amount for corporate officers.
- 2 Figures for base compensation are the total figures for base compensation paid to each applicable director and corporate officer for the respective terms in FY2016.
- 3 Figures for bonus payments to corporate officers are the total figures representing the total value of planned accrued bonuses to be paid in July 2017 to eligible corporate officers for the period from April 2016 through March 2017, together with the total value of bonus payments paid in July 2016 to eligible corporate officers for the period from April 2015 through March 2016, less the value of the reserve for bonus payments disclosed in the business report for FY2015.
- 4 Figures for stock-based compensation paid to corporate officers are the total figures representing the total value of planned stock-based compensation payments to be paid in July 2017 to eligible corporate officers for the period from April 2016 through March 2017, together with the total value of stock-based compensation and other amounts paid in July 2016 for the period from April 2015 through March 2016, less the value of the reserve for stock-based compensation disclosed in the business report for FY2015. The stock-based compensation of corporate officers indicated is based on the total amount obtained by multiplying the total number of the Company's common stock granted or scheduled to be granted to the relevant corporate officer by the unit price of the Company's shares held by a trust.
- 5 Stock options have been abolished since the transition to the stock-based compensation system in June 2013, and no necessary expenses for accounting were recorded beginning in FY2015, and are therefore not shown in the table.

7. Total Amount of Consolidated Compensation for Each Officer (¥100 million or more)

The officers for whom consolidated compensation, etc., totaled ¥100 million or more in FY2016 are the following 5 individuals. The total amounts for each are given below.

Haruo Naito	Representative Corporate Officer and CEO	¥145 million
Gary Hendler	Senior Vice President	¥126 million
Lynn Kramer	Vice President	¥166 million
Shaji Procida	Vice President	¥147 million
Alexander Scott	Vice President	¥119 million

- Gary Hendler receives compensation from Eisai Europe Ltd. (U.K.), while Lynn Kramer, Shaji Procida, and Alexander Scott each receive compensation from Eisai Inc. (U.S.A.). The total amount of compensation received is shown for these individuals.

IV. Status of Accounting Auditor

1 Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

The accounting audit operations of the Company have been performed by the following 3 certified public accountants, with the assistance of 13 certified public accountants and 21 others.

Name	Position	No. of years as auditor for the Company
Yuji Takei	Designated limited liability partner, engagement partner	1 year
Hirofumi Otani	Designated limited liability partner, engagement partner	2 years
Kentaro Sugimoto	Designated limited liability partner, engagement partner	3 years

2 Amount of Compensation Paid to Accounting Auditor for the Fiscal Year Under Review

(Millions of yen)

	The Company	Consolidated subsidiary	Total
Amount of compensation paid to Accounting Auditor for the fiscal year under review	140	38	178
(1) Amount of compensation to be paid to the Accounting Auditor for audit work as set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act*	140	36	176
(2) Amount of compensation to be paid to the Accounting Auditor for work besides that set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit work)	—	2	2

* This includes compensation for audits under the Financial Instruments and Exchange Act of Japan.

3 The Audit Committee's Rationale for Agreeing to the Amount of Compensation, etc., for Accounting Auditor

Three Audit Committee members (selected by the Audit Committee) finalized the Accounting Auditor's audit plan (including the labor requirements for the audits) after receiving explanations from the Accounting Auditor and confirming the content accordingly. With Audit Committee members present, operational divisions negotiated with the Accounting Auditor on the corresponding unit labor costs and calculated a proposed audit fee.

In addition to assessing the reasonableness of the above process and the content thereof, the Audit Committee also evaluated past trends in audit fee amounts and the audit fees at other companies from a comprehensive perspective to determine whether the compensation, etc., for the Accounting Auditor is appropriate. After completing its assessments, the Audit Committee approved the amount of compensation, etc., for the Accounting Auditor.

4 Auditing of Subsidiaries by Independent Public Accountants Other than Accounting Auditor of the Company

Of the major subsidiaries of the Company (see page 78), overseas subsidiaries are undergoing audits conducted by the member firms of Deloitte Touche Tohmatsu Limited (of which the Accounting Auditor of the Company is also a member) operating in their respective countries.

5 Policy on Decisions to Dismiss or not to Re-elect Accounting Auditor

The Audit Committee considers the "Policy on Decisions to Dismiss or not to Re-elect Accounting Auditor" to be a regulation governing Audit Committee operations and reviews the Policy on a yearly basis. The following resolutions were approved at the October 2016 meeting of the Audit Committee.

In order to ensure the appropriateness and reliability of accounting audits, the Audit Committee of the Company monitors the Accounting Auditor to verify that its independence is maintained and that it is performing its auditing duties properly. The monitoring and verification consist of examining the content of the Accounting Auditor's audit plan, the audit fees, etc., paid to the Accounting Auditor, the suitability of the individuals conducting the audit, the appropriateness of the contents of the audit agreement, notifications from the Accounting Auditor regarding the "structure for ensuring that the

Accounting Auditor's duties are being carried out properly" (provisions set forth in each item of Article 131 of the Rules of Company Accounting), and past audit performance, among other factors. The Accounting Auditor is additionally required to report, in a timely fashion, any obstacle to the performance of its duties, including orders received from regulatory authorities to suspend audit work.

As a result of the Audit Committee's monitoring and verification, in the event that the Accounting Auditor is reasonably expected to fall under Article 337, Paragraph 3, Item 1 or is deemed to fall under the provisions set forth in each item of Article 340, Paragraph 1 of the Companies Act, the Accounting Auditor will be dismissed upon unanimous agreement of all members of the Audit Committee. In such cases, a member of the Audit Committee assigned by the Committee will report the dismissal and the reason therefor at the first General Meeting of Shareholders convened following the dismissal.

Through the aforementioned monitoring and verification, the Audit Committee evaluates each year the quality of the Accounting Auditor's audits and the effectiveness and efficiency with which it performs its auditing duties, and considers whether to re-elect or withhold the re-election of the Accounting Auditor. In the event that a motion to withhold re-election of the Accounting Auditor is to be put forth in a proposal at the General Meeting of Shareholders, a member of the Audit Committee assigned by the Committee will present all necessary explanations concerning the proposal at the General Meeting of Shareholders.

If a new Accounting Auditor needs to be elected following the decision to dismiss or withhold re-election of the Accounting Auditor, the Audit Committee will first confirm that the applicable independent public accountants do not fall under the items of Article 337, Paragraph 3 and of Article 340, Paragraph 1 of the Companies Act. Then it will evaluate a number of independent public accountants with regard to the status on provisions set forth in each item of Article 131 of the Rules of Company Accounting, past audit performance and audit fees with global corporations, and other matters, and select a candidate to be proposed at the General Meeting of Shareholders.

6 Evaluations of Accounting Auditor by the Audit Committee

The Audit Committee evaluates independent public accountants and certified public accountants in charge of audits from different perspectives. In evaluating independent public accountants, the Committee focuses on examining the various internal controls that are put in place and operated by the target accountants from the perspective of evaluating the organization, and obtaining the results of independent public accountant evaluations by government bodies.

For its evaluations of certified public accountants, on the other hand, the Committee examines the independence and expertise of the corresponding engagement partner through the "Auditing Activities of the Audit Committee in Relation to the Accounting Auditor" (see page 48).

7 Measures for Enabling High-quality Accounting Audits

Before concluding audit agreements, the Audit Committee receives audit plans from the Accounting Auditor on a yearly basis and confirms that the contents of the corresponding audits are reasonable and that the plans provide sufficient time for the audits. The Committee also takes steps to ensure that the Accounting Auditor is able to conduct interviews with the CEO and other corporate officers.

In addition to receiving quarterly account review reports from the Accounting Auditor, the Audit Committee also holds 3 meetings a year with its engagement partners in accordance with the "Auditing Standards Committee Statement 260" issued by the Japanese Institute of Certified Public Accountants. The Management Audit Department, which provides the Audit Committee with assistance, holds meetings with members of the management class, who assist engagement partners, every 2 months. The Corporate Internal Audit Department, which oversees internal audits, shares information with the Accounting Auditor in an appropriate fashion and reports to the Audit Committee on the corresponding results. The Company also has a process for addressing improprieties.

Should the Accounting Auditor discover an impropriety, etc., the Accounting Auditor immediately reports to the Audit Committee on the corresponding finding. The Audit Committee then promptly reports to the Board of Directors, which issues instructions to operational divisions on the appropriate responses.

8 Provision Concerning the Suspension of Audit Operations of Accounting Auditor

None

9 Provision Concerning Liability Limitation Contracts with Accounting Auditor

Liability limitation contracts between the Company and the Accounting Auditor are not admitted under the Articles of Incorporation.

V. Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders

1 “Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders”

1. Background

The Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders (the “Policy”) was proposed by the Independent Committee of Outside Directors at a meeting of the Board of Directors held in February 2006, and was later implemented. Subsequently, the effective period and other contents were changed and updated at meetings of the Board of Directors held in August 2011 and April 2016. Further, since the Policy was implemented, the Independent Committee of Outside Directors, consisting solely of outside directors who are independent and neutral, and who constitute the majority of the Board of Directors, considers whether to maintain, revise, or abolish the Policy each year.

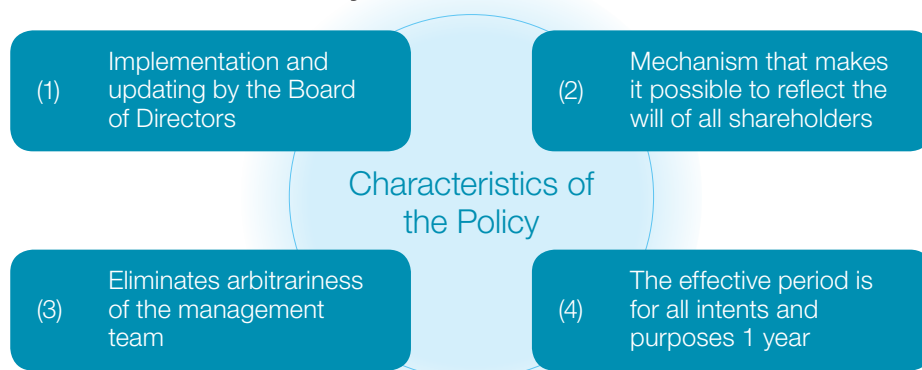
2. Significance and Purpose of the Policy

The Policy establishes procedures, etc., for large-scale holding of the Company's stock, for the purpose of protecting the Company's corporate value and the common interests of shareholders generated by implementation of the various measures of the medium-term business plan, etc.

The purpose is to ensure that the Independent Committee of Outside Directors has an opportunity to respond to the mandate of our shareholders to thoroughly examine the contents of large-scale purchases of the Company's stock, by requesting information from the purchaser to judge whether the purchase would improve the Company's corporate value and the common interests of the shareholders, or whether the purchase may damage them.

If the Independent Committee of Outside Directors judges that the proposal of the purchaser fulfills the procedures and criteria, etc., of the Policy, and will contribute to improvement of corporate value, stock acquisition rights will not be issued. On the other hand, if it is judged that the proposal does not fulfill the procedures and criteria, etc., of the Policy, and will damage the Company's corporate value and the common interests of the shareholders, the Committee will propose issuance of stock acquisition rights.

3. Characteristics of the Policy



(1) Implementation and updating by the Board of Directors

As for procedures to implement and update the Policy, rather than putting it to a vote at the General Meeting of Shareholders, it has been judged that, from the perspective of improving the Company's

corporate value and the common interests of the shareholders, it is appropriate for the directors, who have a mandate from the shareholders, to obtain sufficient information, including the opinions of experts, and carefully and responsibly consider the matter. Accordingly, the decision is made by the Board of Directors in accordance with a proposal from the Independent Committee of Outside Directors.

Seven of the 11 directors on the Company's Board of Directors are outside directors, with an outside director also serving as chair. All 7 of the Company's outside directors are independent from Company Management including a corporate manager, academic experts, and specialists in accounting and law, etc., with abundant experience and excellent records of achievement. Only 1 of the Company's 4 inside directors is concurrently a corporate officer. With this configuration of directors, we believe that the Company's Board of Directors is able to represent the interests of our shareholders and make objective and reasonable judgments regarding the Policy.

(2) Mechanism that makes it possible to reflect the will of all shareholders

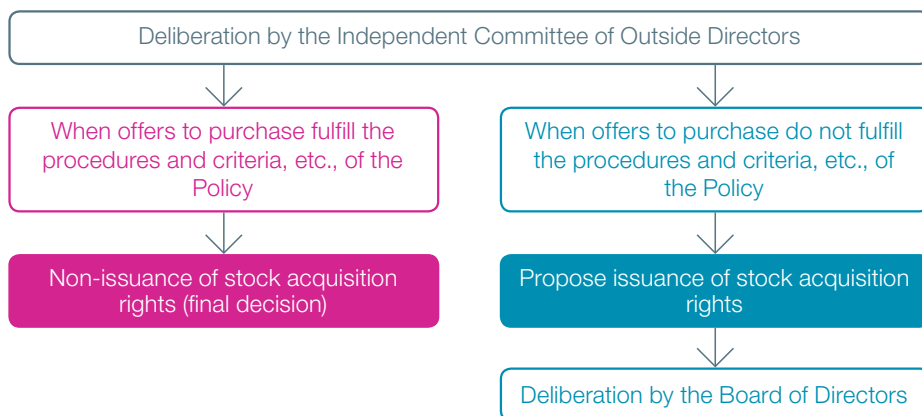
Each director declares his or her stance on the Policy in the reference documents for the proposal for the selection of directors included with the Notice of Convocation of the Ordinary General Meeting of Shareholders. This enables a mechanism that makes it possible to reflect the will of all shareholders through the exercise of voting rights regarding proposals for the selection of candidate directors.

(3) Eliminates arbitrariness of the management team

If the Independent Committee of Outside Directors judges that the proposal of the purchaser will contribute to improvement of corporate value in accordance with the Policy, stock acquisition rights will not be issued. This decision will not be deliberated upon again by the Board of Directors.

In this manner, non-issuance of stock acquisition rights related to the Policy is determined only through a resolution by the Independent Committee of Outside Directors, without the involvement of operational divisions, so it serves as a mechanism to truly eliminate arbitrariness of the management team.

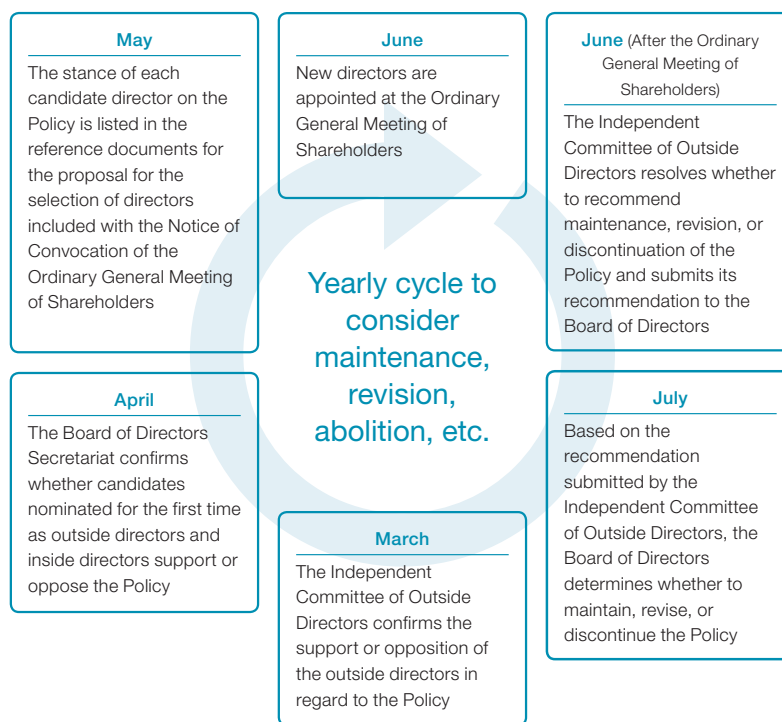
Process for deliberation on whether to issue stock acquisition rights



(4) The effective period is for all intents and purposes 1 year

The intent of the Policy is to protect the corporate value and common interests of shareholders generated by implementation of the various measures of the medium-term business plan, etc., with an effective period of 5 years. A proposal to revise or abolish the contents of the Policy can be made to the Board of Directors at any time according to the judgment of the Independent Committee of Outside Directors.

In the operation of the Policy, the Independent Committee of Outside Directors considers whether to maintain, revise, or abolish the Policy each year, as indicated in the figure below, so for all intents and purposes, the effective period is 1 year.



4. Deliberation by the Independent Committee of Outside Directors

Each year, the Independent Committee of Outside Directors considers whether to maintain, revise, or abolish the Policy. During that process, members of the committee consider the attributes of the pharmaceutical industry that will require long-term investment in research and development, then share information on such things as changes in the management environment around the Policy and the global circumstances and cases, etc., related to corporate acquisition, and make the decision to continue the Policy after deliberation such as the following.

- i. The presence of latent risks in acquisitions that have the danger of damaging the Company's corporate value and the common interests of shareholders cannot be denied, and it is both necessary and appropriate for the Board of Directors to make sufficient preparations to handle them.
- ii. Although legal stipulations regarding large-scale purchasing have been established in Japan's Financial Instruments and Exchange Act as well, compared to the legal systems involved in corporate acquisitions in each country of Europe and the U.S., it is recognized that it is still not enough to protect the Company's corporate value and the common interests of shareholders.
- iii. If we establish procedures, etc., for large-scale purchases of the Company's stock and disclose them, in the event that a purchaser appears, the Independent Committee of Outside Directors will be able to ensure enough time to thoroughly consider the contents of the purchaser's proposal.
- iv. The Policy establishes a mechanism that makes it possible to reflect the will of all shareholders through the exercise of voting rights regarding proposals for the selection of directors at General Meetings of Shareholders. Further, the mechanism has eliminated concerns about use as a way for members of the management team to protect themselves. Each year, the Independent Committee of Outside Directors, which is independent from operational divisions, considers whether to maintain, revise, or abolish it.

2 Details of the Policy

The content stipulated in Article 118, Item 3 of the Ordinance for Enforcement of the Companies Act ("basic policies related to the way a person is to control decisions on financial and business policies") is included in the Policy shown below.

Policy for Protection of Company's Corporate Value and Common Interests of Shareholders

1. Reasons for Adoption

As a *human health care (hhc)* company, the Company believes that its mission of highest priority, securing and enhancing our corporate value and the common interests of our shareholders, will be achieved by creating value for patients. To create value for patients, it is necessary to undertake research and development of new drugs, to manufacture and distribute high quality products, and to manage and provide information to achieve the safe use of pharmaceutical products. To do this the Company must implement long-term corporate measures. To strengthen shareholder value, it is essential that the Company grow steadily and continuously. Furthermore, to fulfill its corporate social responsibility and accomplish the mission set out above, the Company, in 2004, adopted a "Company with Committees System" (currently "Company with a Nomination Committee, etc. System") and established a highly transparent governance structure.

In order to realize the above mission, the Company plans to increase its corporate value and strengthen shareholder value by introducing and implementing a variety of long-term measures such as the Medium-term Strategic Plan. However, considering the escalating competition surrounding the Company, and the changes, content, etc. in the Japanese legal system and corporate culture relating to M&A in Japan, we can anticipate the potential for acquisitions of the Company's shares that will materially affect the Company's management policy. More specifically, if acquisitions of 15% or more of the outstanding shares of the Company are made, the Company may be prevented from fully carrying out our above stated mission. We believe the seriousness of the effect of such a 15% or greater acquisition of shares is made clear by the following points: First, in the standards for related companies according to the Regulations for the Terminology, Format and Method of Preparation of Financial Statements, in the case of ownership of voting rights of 15% to less than 20%, there is an inference of an ability to exert a major influence. Also, taking into account quorum numbers, a 15% shareholding represents a large portion of the votes needed to defeat any special resolutions of the general shareholders' meeting.

The Company does not reject any and all acquisitions that are intended to obtain a large volume of shares of the Company or that permit a third party to participate in the Company's business management, if such acquisitions will substantially increase the corporate value of the Company. However, among acquisitions of large shareholding positions, there are acquisitions that are inappropriate, in view of their purpose and the business policy after such acquisitions, such as those that cause obvious and irreparable damage to the shareholders' common interests, that are structured to coerce other shareholders to sell their shares under unfavorable conditions, that do not give sufficient time and information to the Company and shareholders for their examination of the substance of the proposed acquisition and consideration of alternatives, or that offer terms and conditions that are insufficient or inappropriate from the perspective of protecting the Company's corporate value and the common interests of the shareholders. Furthermore, in order to realize value for patients, and thereby to increase the corporate value and the common interests of the shareholders, research and development systems of new drugs, a stable supply of high quality products, and proper management and provision of information on safety and efficacy of drugs are essential. If the Company fails to secure these processes, the Company's corporate value and the common interests of the shareholders will be harmed.

Therefore, the Company has determined that the adoption of this Policy for Protection of Company's Corporate Value and Common Interests of Shareholders (the "Policy") is essential to deter acquisitions, including the above types of acquisitions, that are inconsistent with the Company's corporate value and the common interests of the shareholders, and has decided to adopt this Policy.

For any acquisition of a 15% or greater stake, this Policy will first require the acquirer or the person proposing the acquisition (hereinafter, together with a tender offer bidder (TOB) or one proposing a TOB, collectively referred to as an "Acquirer") to provide information to the Company about the intended acquisition in advance of such acquisition. By doing this, the Company will be able to secure a period to collect and review information regarding the purchase, explain the business plan to the shareholders, and, if necessary, propose alternatives to and negotiate with the Acquirer. On the contrary, if an Acquirer enters into an acquisition without providing information in advance, or if the acquisition is not determined to be an acquisition that will not substantially harm the Company's corporate value and the common interests of the shareholders, as mentioned below, the Company will issue, as necessary, by allocation to all shareholders at that time, new share subscription rights conditioned such that the Acquirer and certain related parties may not exercise such rights (collectively the "Rights," pertaining to any single share a "Right"). This Policy will

decrease the relative percentage of voting rights held by the Acquirer by issuing the Rights and will aim to prevent any acquisition that will substantially harm the Company's corporate value and the common interests of the shareholders.

The adoption of this Policy, and the process for the evaluation of a proposed acquisition of a 15% or greater stake, any discussions and negotiations with the Acquirer, and the judgment of whether or not the issuance of the Rights is required based on the results of said discussions and negotiations, are required to be objective and reasonable to prevent the possibility that management could manipulate this Policy to protect its own interests. The Board of Directors of this Company consists of directors, the majority of whom are outside directors. These outside directors, who are independent from the Company Management, include a corporate manager, an academic expert, a CPA, an attorney, etc., with abundant experience and excellent records of achievement. Of the four (4) other directors who are not outside directors only one (1) is engaged in day-to-day business operations. Therefore, the Company believes that the Board of Directors will be able to make an objective and reasonable decision for the shareholders' interests.

In the adoption of this Policy, a "Special Committee" consisting of three (3) outside directors was first established. The Special Committee received opinions from independent outside advisors and examined whether or not this Policy should be adopted. As a result of the examination, the Special Committee determined that the adoption of a policy was essential to prevent acquisitions that could substantially harm the Company's corporate value and the common interests of the shareholders. This Policy was proposed to the Independent Committee of Outside Directors, which consists of all seven (7) outside directors (please see Attachment No. 1, "Outline of the Independent Committee of Outside Directors," regarding requirements for resolutions and matters to be resolved), and the Independent Committee of Outside Directors examined whether or not it should be adopted. As a result of the examination, the Independent Committee of Outside Directors decided that this Policy was essential and appropriate to prevent acquisitions that could substantially harm the Company's corporate value and the common interests of the shareholders, and recommended to the Board of Directors to adopt this Policy. The Board of Directors, after examination of this Policy, resolved to adopt it. Thus, this Policy has been adopted for the common interests of the shareholders by the initiative of the Independent Committee of Outside Directors.

In addition, in order to ensure that the operation of the Policy is objective and reasonable, the Independent Committee of Outside Directors will be primarily responsible for the operation of this Policy. In case of an actual proposed acquisition of a 15% or greater shareholding, the Independent Committee of Outside Directors will, acting on their own initiative, determine whether or not all the criteria set forth in Article 4 below have been satisfied.

Unless the Independent Committee of Outside Directors determines that the acquisition satisfies all the criteria set forth in Article 4 below, in principle, it will propose that the Board of Directors issue the Rights. The Board of Directors will then determine ultimately whether or not the issuance of the Rights will be necessary. If the Independent Committee of Outside Directors decides that the Rights are not to be issued, the Board of Directors will make neither an examination nor a determination of the issuance of the Rights. By adopting this system, this Policy will prevent arbitrary decisions by Management with respect to the judgment of whether the Rights should be issued, and make it difficult to issue the Rights.

2. Acquisitions Subject to This Policy

Under this Policy, the Rights may be issued in accordance with the procedures stipulated in this Policy in the event of an acquisition or proposal of acquisition as set forth below in 2.1) or 2.2) below (hereinafter collectively referred to as an "Acquisition"):

- 1) A purchase or other acquisition, that, if completed, would make a person's¹ shareholding percentage² of shares issued by the Company³ 15% or more; or
- 2) A TOB⁴ that, if successful, will make a TOB Acquirer's, plus its special affiliated persons⁵ shareholding percentages⁶ of shares⁷ issued by the Company⁸, 15% or more in total.

3. Process for the Issuance of the Rights

- 1) Submission of Information in Advance from Acquirer to the Independent Committee of Outside Directors
- The Acquirer, who proposes to make an Acquisition set forth in Article 2 above, shall prior to publicly announcing any proposed Acquisition or launching a TOB, submit in writing to the Independent Committee of Outside Directors the information set forth in Appendix 2 which is necessary to examine the content of the Acquisition (the "Necessary

¹ Including holders under the Financial Instruments and Exchange Act, Article 27-23(3)

² Defined in the Financial Instruments and Exchange Act, Article 27-23(4), the same applies below unless otherwise specified

³ Defined in the Financial Instruments and Exchange Act, Article 27-23(1), the same applies below unless otherwise specified

⁴ Defined in the Financial Instruments and Exchange Act, Article 27-2(6)

⁵ Defined in the Financial Instruments and Exchange Act, Article 27-2(7), provided that the persons stipulated in item 1 of such Article 27-2(7) are excluded except for those persons provided for under the Cabinet Order Article 3(2) regarding disclosure of the TOB by persons other than the issuer

⁶ Defined in the Financial Instruments and Exchange Act, Article 27-2(8), the same applies below unless otherwise specified

⁷ Defined in the Financial Instruments and Exchange Act, Article 27-2(1)

⁸ Defined in the Financial Instruments and Exchange Act, Article 27-2(1)

Information") and a declaration that the Acquirer will comply with the procedures stipulated in this Policy (together with the Necessary Information, the "Acquisition Description").

If the Independent Committee of Outside Directors determines that the content of the relevant Acquisition Description is insufficient to meet the requirements set forth for the Necessary Information, the Independent Committee of Outside Directors may request the Acquirer to submit additional Necessary Information, setting a specific deadline if appropriate. In this circumstance, the Acquirer will submit the remaining Necessary Information by the deadline.

If the Independent Committee of Outside Directors believes that the Acquirer started the Acquisition without complying with the procedures stipulated in this Policy, the Independent Committee of Outside Directors, in principle, will propose to the Board of Directors to issue the Rights in accordance with 3.3)(1) below, unless there is a special situation in which the Independent Committee of Outside Directors may continue to discuss and negotiate with the Acquirer who is requested to submit the Acquisition Description (including the Necessary Information).

2) Examination of the Acquisition Content of the Relevant Acquirer, Negotiation with Acquirer, and Presentation of an Alternative Proposal to All of the Shareholders by the Independent Committee of Outside Directors

If the Acquirer submits an Acquisition Description and sufficient Necessary Information including additional Necessary Information requested by the Independent Committee of Outside Directors, the Independent Committee of Outside Directors of the Company may, as necessary, also request within a period set by the Independent Committee of Outside Directors the Representative Corporate Officer and CEO of the Company to submit, within thirty (30) days, opinions on the content of the Acquisition by the Acquirer and materials that show the grounds for such opinions, alternatives and other necessary information, and materials that the Independent Committee of Outside Directors appropriately regards as necessary.

The Independent Committee of Outside Directors will collect, compare, etc., the information related to the investigation and examination of the content of the Acquisition of the Acquirer, the investigation and examination of any alternative proposal submitted by the Representative Corporate Officer and CEO of the Company, and the business plans, etc., of the Acquirer and the Representative Corporate Officer and CEO of the Company, in principle, for sixty (60) days (however, the Independent Committee of Outside Directors can extend the period up to ninety (90) days in accordance with 3.3)(3) below) after the receipt of the Necessary Information and materials from the Acquirer and the Representative Corporate Officer and CEO (the "Examination Period"). The Independent Committee of Outside Directors will, if necessary, directly or indirectly, negotiate with the Acquirer, and present to all of the shareholders of the Company the alternative proposal submitted by the Representative Corporate Officer and CEO of the Company.

The Independent Committee of Outside Directors can, at its discretion, obtain advice from third parties independent from the Company Management (including financial advisors, CPAs, lawyers, consultants and other specialists) at the Company's expense in order to ensure that the decision of the Independent Committee of Outside Directors is reasonable.

The Acquirer shall not initiate an Acquisition before the end of the Examination Period.

3) Resolution of the Independent Committee of Outside Directors

The Independent Committee of Outside Directors will take the following procedures:

(1) In such case that an Acquirer has not complied with the procedures set forth in 3.1) and 2) above, unless the Independent Committee of Outside Directors determines that 3.3)(2) or (3) below is applicable, the Independent Committee of Outside Directors will, in principle, propose to the Board of Directors to issue the Rights without regard to whether it is during or after the Examination Period.

However, if there is a change in the facts relating, etc., to the premises of the decision, the Independent Committee of Outside Directors may revise its decision including the cancellation of the issuance of the Rights.

(2) If the Independent Committee of Outside Directors finds, as a result of the examination of the Acquisition content of the Acquirer and negotiation with the Acquirer, that the purchase by the Acquirer will meet all of the criteria stipulated in 4.1) through 9) below, the Independent Committee of Outside Directors will resolve not to issue the Rights without regard to whether it is during or after the Examination Period. In connection with such resolution of non-issuance of the Rights, the Board of Directors will not examine whether or not the Rights are to be issued.

If the facts underlying the determination change, the Independent Committee of Outside Directors may revise its decision including proposing to issue the Rights.

(3) If the Independent Committee of Outside Directors does not advise the Board of Directors either to issue or not to issue the Rights by the end of the original Examination Period, the Independent Committee of Outside Directors may resolve that the Examination Period will be extended to the extent necessary to examine the content of the Acquisition of the Acquirer, negotiate with the Acquirer, request the submission of and examine an alternative proposal, etc. (after such extension, the same procedure will apply to subsequent extensions).

If the Examination Period is extended based on the above resolution, the Independent Committee of Outside Directors will continue to examine the content of the Acquisition of the Acquirer, and, if necessary, negotiate with the Acquirer, request the submission of and examine an alternative proposal, etc., and will endeavor to propose to issue the Rights or determine not to issue them, or present to all of the shareholders of the Company an alternative proposal, etc., during the extended period.

4) Resolution of the Board of Directors

If the Board of Directors receives the above-mentioned proposal from the Independent Committee of Outside Directors to issue the Rights, it shall make such resolution without delay.

However, if the facts underlying the determination change, the Board of Directors may make another determination.

If the Independent Committee of Outside Directors resolves to not issue the Rights, as stated in 3.3)(2) above, the Board of Directors will not examine whether or not the Rights are to be issued.

5) Disclosure of Information

In adopting this Policy, the Company will disclose on a timely basis the information with respect to the following items relating to the status of the progress of each of the procedures of this Policy as well as to matters the Independent Committee of Outside Directors and the Board of Directors of the Company think to be appropriate, in accordance with the laws and regulations or the financial instruments exchanges' rules, regulations, etc.

- (1) The relevant acquisition under the above 2.1) or 2.2);
- (2) The submission of the Acquisition Description from the Acquirer, and matters within the Necessary Information and other information that the Independent Committee of Outside Directors determine as appropriate;
- (3) The commencement of the examination by the Independent Committee of Outside Directors, and the extension of the Examination Period (including the period and the reason);
- (4) The proposal of the Independent Committee of Outside Directors to issue the Rights, the summary thereof, the reasons for the decision that the Rights should be issued, and other items determined as appropriate by the Independent Committee of Outside Directors;
- (5) The Board of Directors' resolution to issue the Rights, the summary thereof, the reasons for such decision, and other items determined as appropriate by the Board of Directors;
- (6) The Independent Committee of Outside Directors' resolution that the rights would not be issued, the summary thereof, the reasons for the decision that the Rights should not be issued, and other items determined as appropriate by the Independent Committee of Outside Directors;
- (7) The items recognized as necessary by the Independent Committee of Outside Directors in the event of the occurrence of changes to the facts related, etc., to the premises of the decision for the resolution in the above (4) or (6) and the Independent Committee of Outside Directors revises its decision, including the cancellation of the issuance of the Rights or the proposal to issue the Rights; and
- (8) The items recognized as necessary by the Board of Directors in the event of the occurrence of changes to the facts related, etc., to the premises of the decision for the resolution in the above (5) and the Board of Directors revises its decision.

4. Criteria for Advice on the Issuance of the Rights

The Independent Committee of Outside Directors will, in principle, advise the Board of Directors to issue the Rights unless the Independent Committee of Outside Directors decides that the Acquisition subject to this Policy satisfies all the criteria described below:

- 1) The Acquisition is conducted in accordance with procedures stipulated in this Policy;
- 2) The Acquisition will not cause damage to the Company's corporate value and the common interests of the shareholders by the following:
 - (1) Accumulating shares with the intent of requiring the Company to buy them back at a higher price;
 - (2) Temporarily taking control of the management of the Company and running the Company in the interests of the Acquirer at the expense of the Company, such as acquiring the Company's important assets at low prices;
 - (3) Pledging assets of the Company as collateral for debts of the Acquirer or its group companies or using the Company's funds to repay such debts; or
 - (4) Temporarily taking control of management of the Company and selling valuable assets that are currently not related to the Company's businesses and declaring temporarily high dividends with profits from the disposition, or selling the shares at a higher price after the share price rose due to temporarily high dividends;
- 3) The Acquisition would not coerce shareholders into selling their shares in situations such as two-tiered takeovers (takeovers that coerce shareholders into accepting a higher priced front-end tender offer by setting unfavorable terms or not specifically indicating terms for the back end of the transaction, without offering to buy all shares at the front end);
- 4) The Acquisition gives the Company a reasonable period of time to make proposals for alternatives to the subject Acquisition;
- 5) The Acquisition provides, or sufficiently provides, in light of the current or future shareholding rate or other relevant information of such Acquirer, the shareholders of the Company with information to examine the substance of the Acquisition, such as summary information of the Acquirer (including the information set forth in Appendix 2, Section 1), how the price for the Acquisition was calculated (including the information set forth in Appendix 2, Section 3), evidence of the funds for the Acquisition (including the information set forth in Appendix 2, Section 4), and management policy, business plan, capital policy and dividend policy after the Acquisition (including the information set forth in Appendix 2, Section 5);
- 6) The conditions of the Acquisition (including the information set forth in Appendix 2, Sections 2 and 6) are not insufficient or inadequate, taking into consideration the intrinsic value of the Company;

- 7) The Acquisition will not violate the applicable laws and the Company's articles of incorporation;
- 8) The acts of the Acquirer as shareholder will not adversely affect the management of the Company and will not materially harm the Company's corporate value and the common interests of the shareholders; and
- 9) The Acquisition will not materially harm the Company's corporate value and the common interests of the shareholders in accordance with the applicable laws, administrative advice, court decisions or rules of the stock exchanges.

5. Effective Period of This Policy

This Policy will remain effective until June 30, 2021.

After the adoption of this Policy, the Independent Committee of Outside Directors will every year, after the ordinary general shareholders meeting, review the continuation, revision or abolishment of this Policy. The Independent Committee of Outside Directors will propose the result of that review to the Board of Directors, who will accordingly continue, revise or abolish the Policy. The term of each Company director is one (1) year. Each director is appointed at the ordinary shareholders meeting held every June. Since the Company does not have a staggered board or restrictions on dismissing directors, any director may be appointed or dismissed at a shareholders meeting, and the Board of Directors made up of the directors appointed at such shareholders meeting will receive proposals of the Independent Committee of Outside Directors, and it will be possible for the Board of Directors to resolve to abolish this Policy that the Rights will not be issued. In this regard, the Company believes that this Policy can fully reflect the shareholders' intentions with regard to adopting, maintaining, continuing or abolishing this Policy.

Even during the effective period of this Policy, if necessary, the Company may review or abolish this Policy, or adopt different protection measures based on the Independent Committee of Outside Directors' examination.

6. Major Terms of the Rights

The major terms of the Rights to be issued based on this Policy are as stated below. The Company plans to register the issuance of Rights in advance to expedite the issuance.

1) Shareholders Subject to the Allocation

The Company will allocate one (1) Right per share held by the shareholders (excluding those held by the Company) who are described or recorded on the last shareholders' list as of the date that the Board of Directors designates as the allocation date (the "Allocation Date") in the issuance resolution for the Rights (the "Issuance Resolution").

2) Type and Number of the Shares to Be the Object of the Rights

The type of the shares to be the object of the Rights will be common shares of the Company. The number of the shares to be the object of one (1) Right will be one (1) share or a number of shares that the Board of Directors designates in the Issuance Resolution.

3) Total Number of the Rights

The maximum number of the Rights will be the same as the total number of the last outstanding shares as of the Allocation Date (excluding the number of common shares held by the Company).

4) Price of Issuing the Rights

Free of charge

5) Amount Payable upon the Exercise of Rights

The amount payable per Right will be one (1) Japanese Yen.

6) Exercise Period of the Rights

The exercise period of the Rights will start on the issuance date of the Rights, as designated by the Board of Directors in the Issuance Resolution, and last for a period between one (1) month and two (2) months as designated by the Board of Directors in the Issuance Resolution.

7) Conditions to Exercise the Rights

- (1) (i) Specific large volume holders [i.e., (A) the holders⁹ of shares issued by the Company¹⁰ whose shareholding ratio¹¹ exceeds 15% or more or who are approved to be the holders of 15% or more by the Board of Directors, or (B) the persons who purchase¹² the shares issued by the Company¹³ by TOB¹⁴ and whose shareholding¹⁵ ratio¹⁶ after the purchase plus the shareholding ratio of his/her special interested persons¹⁷ will be 15% or more; but excluding persons defined in any of the items (a) through (d) below] as of the date that the Rights are exercised or the

⁹ Including holders under the Financial Instruments and Exchange Act, Article 27-23(3)

¹⁰ Defined in the Financial Instruments and Exchange Act, Article 27-23(1), the same applies below unless otherwise specified

¹¹ Defined in the Financial Instruments and Exchange Act, Article 27-23(4)

¹² Defined in the Financial Instruments and Exchange Act, Article 27-2(1), the same applies below

¹³ Defined in the Financial Instruments and Exchange Act, Article 27-2(1)

¹⁴ Defined in the Financial Instruments and Exchange Act, Article 27-2(6)

¹⁵ Including those stipulated in the Order for Enforcement of the Financial Instruments and Exchange Act, Article 7(1)

¹⁶ Defined in the Financial Instruments and Exchange Act, Article 27-2(8), the same applies below

¹⁷ Defined in the Financial Instruments and Exchange Act, Article 27-2(7), provided that the persons stipulated in item 1 of such Article 27-2(7) are excluded except for those persons provided for under the Cabinet Order Article 3(2) regarding disclosure of the TOB by persons other than the issuer, the same applies below

Allocation Date; (ii) his or her co-owner¹⁸ (when stipulated in item (A) above); (iii) his or her special interested persons (when stipulated in item (B) above); (iv) persons who succeeded to the Rights from the persons under (i) through (iii) above without the approval of the Board of Directors; or (v) persons deemed by the Board of Directors to be substantially the same as the persons under (i) through (iv) above, or controlled by such persons, or under the same control of such persons (hereinafter (i) through (v), collectively called "Specific Large Volume Holders"), are not allowed to exercise the Rights.

- (a) The Company, the subsidiaries of the Company (defined in Article 8(3) of the Regulations for the Terminology, Format and Method of Preparation of Financial Statements) or the affiliated companies of the Company (defined in Article 8(5) of the Regulations for the Terminology, Format and Method of Preparation of Financial Statements);
 - (b) A person who has acquired a 15% or greater shareholding without the intent to control the business activities of the Company and is deemed by the Board of Directors to be subject to item (A) or (B) above, and who has become not subject to item (A) or (B) above by disposing of shares of the Company within ten (10) days after becoming subject to item (A) or (B) above (which period may be extended by the Board of Directors);
 - (c) A person who is deemed by the Board of Directors to be subject to item (A) or (B) above for a reason not attributable to the person, such as a purchase of that person's own shares by the Company (excluding such person who additionally and intentionally purchased shares afterward); and
 - (d) A person whose position as a shareholder, according to the Board of Directors, will not be against the interests of the Company (provided that when a certain requirement that deems the person not to be against the interests of the Company is established by the Company, such requirement is fulfilled).
- (2) In addition to the provisions stipulated in (1) above, the Rights may not be exercised by those who do not represent that they are not Specific Large Volume Holders or who fail to submit documents that pledge the matters designated by the Board of Directors.

8) Cancellation of the Rights

There are no provisions for reasons or conditions for cancelling the Rights.

9) Assignment of the Rights

The assignment of the Rights will require the approval of the Board of Directors.

Based on 6.7) above, Specific Large Volume Holders may not exercise the Rights. If Specific Large Volume Holders are able to freely assign the Rights to third parties, the Company would not be able to achieve the purpose of preventing any purchase that will harm the Company's corporate value and the common interests of the shareholders. Therefore, the transfer of the Rights under this Policy is restricted. However, Specific Large Volume Holders may assign the Rights to a third party approved by the Board of Directors.

7. Impact on Shareholders

1) Impact on Shareholders at the Adoption of This Policy

Since the Rights will not be issued at the adoption of this Policy, there will be no specific direct impact on the shareholders' rights and interests.

2) Impact on Shareholders upon the Issuance of the Rights

If the Rights are issued, one (1) Right per share of the Company's common stock will be allocated, free of charge, to the shareholders as of the Allocation Date that will be separately stipulated in the Board of Directors' Issuance Resolution. If a shareholder fails to make the relevant payment or to take other relevant procedures regarding the exercise of the Rights during the exercise period, that shareholder's percentage of shares will be diluted by the other shareholders' exercise of the Rights.

Further, the issuance of the Rights will become non-cancellable as of four (4) business days prior to the Allocation Date (including the Allocation Date). The reason for making the Rights non-cancellable as of the Allocation Date is to avoid any loss to shareholders besides the Acquirer due to confusion in the markets or loss of liquidity of the stock. By making the issuance of Rights non-cancellable there is no substantial doubt as to the amount and timing of the dilution of each share. Each share will be diluted but each shareholder will receive at least enough additional shares to offset such dilution. The shareholding percentage of each individual shareholder will either not change or slightly increase.

Even after the Independent Committee of Outside Directors decide on the issuance of the Rights, as mentioned in 3.3)(1) above, if changes occur to the facts related, etc., that were the premises for the decision on the offer from the Acquirer, the Independent Committee of Outside Directors may revise its decision, including the cancellation of the issuance of the Rights. If the issuance of the Rights is cancelled, since there would then be no dilution of the value of each of the Company's shares, investors who purchased or sold shares on the assumption that there would be such a dilution may incur losses depending on the change of the value of the shares.

3) Necessary Procedures for Shareholders after the Issuance of the Rights

(1) Procedure for Transfer of Shares

If the Board of Directors resolves that the Rights will be issued, the Company will publish the Allocation Date of the Rights. Since the Rights will be allocated to the shareholders who are described or recorded on the final list of

¹⁸ Defined in the Financial Instruments and Exchange Act, Article 27-23(5), including the persons deemed to be a co-owner under Article 27-23(6) of the Law

shareholders as of the Allocation Date, shareholders will be required to complete transfers of the registration of the shares by such Allocation Date.

(2) Procedure of Application for the Rights

The Company will send the allocation notification of the Rights and the application form for the Rights to the shareholders who are described or recorded on the final list of shareholders as of the Allocation Date. The shareholders will be required to apply for the subscription of the Rights by properly filling in the form, placing a seal and submitting the form to the application-handling agent during the application period that was separately decided by the resolution of the Board of Directors. If the shareholders fail to make an application during the application period, they will lose the application rights and will not be able to subscribe for the Rights.

(3) Procedure for Exercise of the Rights

The Company will send the Rights exercise document (its form will be as specified by the Company and will contain the pledge by the shareholder that the shareholder is not a Specific Large Volume Holder) and other documents that are necessary to exercise the Rights to the shareholders who applied for the Rights during the application period. After exercising the Rights, one (1) common share or another number of common shares that is separately designated by the Issuance Resolution per Right will be issued, on the condition that during the exercise period, the shareholders will submit the Rights exercise document designated by the Company and pay one (1) Japanese Yen per Right to the payment-handling agent.

In addition to the above, the details of the methods for the application, the transfer of the registration of shares, payment, etc., will be published or notified to the shareholders after the resolution to issue the Rights. Please confirm the contents of such publication or notification.

The procedures of issuance and exercise of the Rights are, in principle, as stated above. However, the Board of Directors may take other procedures for issuance and exercise to the extent permitted by the laws and regulations at the time of issuance or exercise in order to avoid disadvantages to shareholders who do not subscribe to or exercise the Rights. In this case, the details of the necessary items will be also published or notified to the shareholders. Please confirm the contents of such publication or notification.

8. Satisfaction of the Requirements of Guidelines related to Takeover Defense Measures

This Policy is in accordance with the three (3) principles ((i) the principle of the protection and enhancement of the common interests of shareholders, (ii) the principle of prior disclosure and shareholder intent, and (iii) the principle of ensuring necessity and appropriateness) established by the "Guidelines related to Takeover Defense Measures to Protect and Enhance Corporate Value and the Common Interests of Shareholders" promulgated by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. This Policy is also based on "Regarding the Existence of Takeover Defense Measures based on Various Recent Changes in the Environment" announced in the Corporate Value Conference held on June 30, 2008.

End

Outline of the Independent Committee of Outside Directors

1. Members

All outside directors of the Company

2. Resolution Requirements

Resolutions of the Independent Committee of Outside Directors shall be made, in principle, by the majority of all members, who are all required to attend the meeting of the Independent Committee of Outside Directors. In the event that any of the members cannot attend the meeting of the Independent Committee of Outside Directors, resolutions of the Independent Committee of Outside Directors can be made by the majority of present members whose number shall be a majority of all members.

3. Matters to Be Resolved, etc.

The Independent Committee of Outside Directors, in principle, shall decide the following matters and advise the Board of Directors on the content of the resolution together with its reason. However, with respect to the resolution for the non-issuance of the Rights and the extension of the Examination Period, the Independent Committee of Outside Directors will not give any advice to the Board of Directors, and the Independent Committee of Outside Directors will decide those matters. Each member of the Independent Committee of Outside Directors shall make their decision from the viewpoint of whether or not the matter will achieve the Company's corporate value and the common interests of the shareholders, and shall not take into consideration the member's personal interests or the interests of other directors or Corporate Officers of the Company:

- (i) Determination of whether an Acquisition is subject to this Policy;
 - (ii) The information to be provided by the Acquirer and the Representative Corporate Officer and CEO to the Independent Committee of Outside Directors;
 - (iii) Investigation and examination of the content of the Acquisition of the Acquirer;
 - (iv) Negotiation with the Acquirer;
 - (v) Examination of a proposed alternative to the Acquisition of the Acquirer submitted by the Representative Corporate Officer and CEO and presentation thereof to all of the shareholders;
 - (vi) Issuance or non-issuance of the Rights, or an extension of the Examination Period by the Independent Committee of Outside Directors;
 - (vii) Adoption, continuance, review, or abolition of this Policy;
 - (viii) Examination and adoption of defense measures against share purchases other than under this Policy; and
 - (ix) Other matters to be determined by the Board of Directors relating to this Policy or the Rights.
- In making judgments regarding the above matters, the Independent Committee of Outside Directors will make efforts to sufficiently collect the necessary information in order to ensure appropriate judgments. Furthermore, the Independent Committee of Outside Directors may obtain advice from third parties independent from the Company Management, including without limitation financial advisors, CPAs, lawyers, consultants and other experts at the Company's expense.

The Necessary Information

- (1) A profile of the Acquirer and its group (including its joint holders, its special affiliated persons, cooperators or other members of the partner if the Acquirer is a fund) including its specific name, capital relationship and financial details.

For Acquirers who are natural persons, provide such persons' principal occupation or employment for the past five years through the present, including the principal business and address of any corporation or other organization ("Entity") in which the occupation or employment is or was conducted, giving the applicable starting and ending dates for each employment, and the age and citizenship of such persons.

For Acquirers which are Entities, provide the following for such Entity and each of its significant subsidiaries: principal business of such Entity, the jurisdiction of organization, description of its capital stock and long-term debt financial statements for the past three years, description of any material pending legal proceedings to which such Entity or any of its properties is subject, a brief description of the business conducted, names of all directors and officers.

For all Acquirers, disclose if they have been (i) charged or convicted in a criminal proceeding in the past five years (excluding traffic violations or similar misdemeanors), and if any, the crime committed, the penalty (or other disposition) imposed, and the court involved, or (ii) a party to a judicial or administrative proceeding in the past five years that resulted in, or where the relief sought is, a judgment, decree or final order finding such person in violation of, or enjoining future violations or prohibiting activities related to, the Financial Instruments and Exchange Act or the Commercial Code of Japan, and shall disclose the terms of any such judgment, decree or order;

- (2) The purpose, method and terms of the Acquisition (including the type and amount of consideration to be offered, the expected timing of the Acquisition, any related transactions, legality of the Acquisition, and the Acquirer's belief as to the probability of success of the Acquisition);
- (3) The basis of the calculation for the price of the Acquisition (including the facts and assumptions that underlie the calculation, the calculation method, the numerical information which was used for the calculation, the amount of the synergy to be expected from any series of transactions relating to the Acquisition and the basis for such calculations);
- (4) The evidence of the funds for the Acquisition (including the specific name of the provider of the funds (including the substantial provider), the manner in which funds will be raised, and the terms of related transactions);
- (5) The proposed business policy, business plan, capital policy and dividend policy for the Company after the Acquisition (including a share transfer, transfer of business, merger, demerger, stock-for-stock exchange or stock-for-stock transfer, a sale of assets, a reorganization or liquidation, any change in present capital, dividend rates or policy, indebtedness or capitalization, any change in the present management of the Company, any change in the Company's corporate structure, business, business policy or business plan, the acquisition or deposition of securities of the Company, any delisting from a stock exchange, or any change in the Company's constituent documents or any extraordinary transaction);
- (6) The proposed policies regarding employees, business partners, customers, local communities in which the Company operates, and other stakeholders after the Acquisition;
- (7) Situation regarding necessary government approvals, business approvals, and regulatory compliance measures, consents, agreements and approvals necessary to be obtained from third parties, the potential application of anti-trust and/or other competition law and other material laws of jurisdictions in which the Company operates or sells products related to the Acquisition; and
- (8) Other information that the Independent Committee of Outside Directors reasonably deems necessary.

Consolidated Financial Statements for the 105th Fiscal Year

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Consolidated Statement of Financial Position

As of March 31, 2017

(Millions of yen)

Account Items	As of March 31, 2017 (The 105th Fiscal Year)	(Reference) As of March 31, 2016 (The 104th Fiscal Year)
(Assets)		
Non-current assets		
Property, plant and equipment	103,574	104,555
Goodwill	173,965	174,877
Intangible assets	112,501	104,163
Other financial assets	54,459	43,824
Other assets	13,768	7,139
Deferred tax assets	88,342	91,630
Total non-current assets	546,609	526,188
Current assets		
Inventories	82,876	73,677
Trade and other receivables	154,502	147,664
Other financial assets	42,875	19,542
Other assets	17,126	20,305
Cash and cash equivalents	186,775	176,830
(Subtotal)	484,155	438,018
Assets held for sale	—	9,782
Total current assets	484,155	447,800
Total assets	1,030,764	973,987

Account Items	As of March 31, 2017 (The 105th Fiscal Year)	(Reference) As of March 31, 2016 (The 104th Fiscal Year)
(Equity)		
Equity attributable to owners of the parent		
Share capital	44,986	44,986
Capital surplus	77,652	58,232
Treasury shares	(35,888)	(36,231)
Retained earnings	394,981	394,974
Other components of equity	102,899	111,701
Total Equity attributable to owners of the parent	584,630	573,661
Non-controlling interests	17,961	3,168
Total equity	602,591	576,828
(Liabilities)		
Non-current liabilities		
Borrowings	163,474	203,593
Other financial liabilities	2,511	3,214
Retirement benefit liabilities	13,788	13,203
Provisions	1,216	1,189
Other liabilities	23,044	20,962
Deferred tax liabilities	448	287
Total non-current liabilities	204,482	242,448
Current liabilities		
Borrowings	50,000	—
Trade and other payables	70,750	56,399
Other financial liabilities	3,980	4,221
Income tax payables	5,896	5,437
Provisions	14,647	11,143
Other liabilities	78,418	74,728
(Subtotal)	223,691	151,927
Liabilities directly associated with assets held for sale	—	2,784
Total current liabilities	223,691	154,711
Total liabilities	428,173	397,159
Total equity and liabilities	1,030,764	973,987

(Note) FY2015 (104th fiscal period) is included for reference (not audited).

Consolidated Statement of Income

From April 1, 2016 To March 31, 2017

(Millions of yen)

Account Items	As of March 31, 2017 (The 105th Fiscal Year)	(Reference) As of March 31, 2016 (The 104th Fiscal Year)
Revenue	539,097	547,922
Cost of sales	(195,905)	(194,459)
Gross profit	343,192	353,463
Selling, general and administrative expenses	(179,677)	(192,817)
Research and development expenses	(112,478)	(122,307)
Other income	13,587	17,661
Other expenses	(5,560)	(4,066)
Operating income	59,064	51,935
Financial income	1,847	2,024
Financial costs	(3,243)	(3,485)
Profit before income taxes	57,668	50,473
Income taxes	(15,422)	4,571
Profit for the year	42,246	55,045
Attributable to		
Owners of the parent	39,358	54,933
Non-controlling interests	2,887	111

(Note) FY2015 (104th fiscal period) is included for reference (not audited).

Consolidated Statement of Changes in Equity

From April 1, 2016 To March 31, 2017

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
As of April 1, 2016	44,986	58,232	(36,231)	394,974	—	—
Profit for the year	—	—	—	39,358	—	—
Other comprehensive income (loss)	—	—	—	—	(576)	3,989
Comprehensive income for the year	—	—	—	39,358	(576)	3,989
Dividends	—	—	—	(42,905)	—	—
Share-based payments	—	(238)	—	—	—	—
Acquisition of treasury shares	—	—	(307)	—	—	—
Disposal of treasury shares	—	222	650	—	—	—
Change of interests without loss of control	—	19,478	—	—	—	—
Acquisition of subsidiaries	—	—	—	—	—	—
Reclassification	—	—	—	3,413	576	(3,989)
Other changes	—	(41)	—	141	—	—
Total transactions with owners	—	19,421	343	(39,351)	576	(3,989)
As of March 31, 2017	44,986	77,652	(35,888)	394,981	—	—

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Equity attributable to owners of the parent		
	Exchange differences on translation of foreign operations	Cash flow hedges	Total other components of equity			
As of April 1, 2016	112,837	(1,136)	111,701	573,661	3,168	576,828
Profit for the year	—	—	—	39,358	2,887	42,246
Other comprehensive income (loss)	(9,301)	499	(5,389)	(5,389)	(27)	(5,416)
Comprehensive income for the year	(9,301)	499	(5,389)	33,969	2,860	36,830
Dividends	—	—	—	(42,905)	(1,940)	(44,845)
Share-based payments	—	—	—	(238)	—	(238)
Acquisition of treasury shares	—	—	—	(307)	—	(307)
Disposal of treasury shares	—	—	—	871	—	871
Change of interests without loss of control	—	—	—	19,478	522	20,000
Acquisition of subsidiaries	—	—	—	—	13,320	13,320
Reclassification	—	—	(3,413)	—	—	—
Other changes	—	—	—	100	31	131
Total transactions with owners	—	—	(3,413)	(23,000)	11,933	(11,068)
As of March 31, 2017	103,536	(637)	102,899	584,630	17,961	602,591

Notes to Consolidated Financial Statements

[SIGNIFICANT BASIC ITEMS FOR CONSOLIDATED FINANCIAL STATEMENTS]

1. Basis of Preparing Consolidated Financial Statements

Consolidated financial statements of the Group (Eisai Co., Ltd. (the Company), its subsidiaries and its associate) are prepared in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS") based on Article 120, paragraph 1 of the Ordinance on Company Accounting. The consolidated financial statements omit a part of disclosure, which is required by IFRS based on Article 120, the later part of paragraph 1 of the Ordinance on Company Accounting.

2. Scope of consolidation

(1) Number of consolidated subsidiaries and names of significant subsidiaries

Subsidiaries: 45 companies

Major subsidiaries:

- EA Pharma Co., Ltd
- Eisai Inc.
- Eisai China Inc.

(2) Change in scope of consolidation

Increase : 1 company (due to acquisition of shares)

Decrease : 2 companies (due to transfer of shares and liquidation)

3. Equity method

Associated companies accounted for under the equity method: one company

Name of the associated company

- Bracco-Eisai Co., Ltd.

4. Fiscal year-end of subsidiaries

The fiscal year-end for Eisai China Inc. and seven other subsidiaries is December 31. The provisional financial statements at the consolidated fiscal year-end date are used when preparing the consolidated financial statements.

5. Accounting policies and methods

(1) Measurement and valuation for significant assets

① Financial assets

All financial assets are measured at fair value at initial recognition and classified as follows:

a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are debt instruments that meet the conditions below.

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding

The financial assets measured at amortized cost are initially recognized as the sum of the fair value and transaction costs, and recognized at amortized cost calculated by the effective interest method less impairment loss after initial recognition.

The Group assesses whether there is any objective evidence that financial assets measured at amortized cost are impaired at the consolidated fiscal year-end date. The assessment is performed separately for financial assets that are individually significant, while it is performed separately or collectively for financial assets that are not individually significant.

If there is any objective evidence of impairment, an impairment loss is recognized as the difference between the carrying amount and estimated future cash flows discounted by the effective interest rate for the financial asset. An impairment loss is recognized, with the carrying amount of financial assets being reduced either directly or through use of an allowance for doubtful accounts.

b) Financial assets at fair value through profit or loss (FVTPL financial assets)

Debt financial assets that are not classified as financial assets measured at amortized cost are classified as FVTPL financial assets.

FVTPL financial assets are initially recognized at fair value, and any movement of fair value as well as gains/losses on their sale are recognized as financial income/expenses after initial recognition.

c) Financial assets at fair value through other comprehensive income (FVTOCI financial assets)

All equity instruments are classified as FVTOCI financial assets.

FVTOCI financial assets are initially recognized as the sum of fair value and transaction costs. Movement of fair value as well as gains/losses on their sale are recognized as other comprehensive income, while the cumulative amount is reclassified to retained earnings after it is recognized as other components of equity.

② Inventories

Inventories are measured at the lower of cost or net realizable value. The costs are determined using the weighted-average method. The net realizable value is determined as the estimated selling price less the estimated costs necessary to complete goods and expenses necessary to sell.

(2) Depreciation and amortization of significant depreciable assets

① Property, plant and equipment

Depreciation is recognized by reducing acquisition cost of assets less residual value using the straight-line method over the estimated useful lives of the assets. Estimated useful lives, residual value and depreciation methods are reviewed at each consolidated fiscal year-end date, and the effects of any changes in estimation are reflected on a prospective basis.

The estimated useful lives of the main types of property, plant and equipment are as follows:

Buildings	15 to 50 years
Machinery and equipment	5 to 20 years

② Intangible assets

Amortization is recognized using the straight-line method over the estimated useful lives of the intangible assets. Estimated useful lives, residual value and amortization methods are reviewed at each fiscal year-end date, and the effects of any changes in estimation are reflected on a prospective basis.

The estimated useful lives of the main types of intangible assets are as follows:

Sales rights	10 to 15 years
Core technology	20 years
Software	5 years

Intangible assets with indefinite useful lives or not yet available for use are not amortized, but an impairment test for those assets is performed at the same time every year or when there is an indication that the assets might be impaired.

(3) Accounting for significant allowances and provisions

Provisions are recognized when the Group has a legal or constructive obligation arising from a past event that can be measured with sufficient reliability as a present obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the consolidated fiscal year-end date, considering risks and uncertainties. The carrying amount of a provision is measured at estimated cash flows that are discounted to be the present value where the effect of the time value of money is material. Where discounting is used, the increase in carrying amount of a provision in each period to reflect the passage of time is recognized as a financial cost.

① Provision for sales rebates

To account for possible sales rebates for finished goods and merchandise sold that may be incurred after the consolidated fiscal year-end date, provision for sales rebates is provided by multiplying the amount of revenue by the estimated sales rebate ratio.

② Provision for asset retirement obligation

To account for the obligation of restoring the rental buildings and lands on which the Group is located and removing harmful materials related to property, plant and equipment which the Group is using, provision for asset retirement obligation is estimated and recognized depending on individual circumstances, and is based on an estimated usage period determined by past results of restoration and the useful lives of additional fixtures in the rental buildings.

③ Provision for restructuring costs

Provision for restructuring costs is mainly related to restructuring of the business organization. Provision for restructuring costs is recognized when the Group has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main scheme to those affected by it.

(4) Accounting for employee benefits

① Retirement benefits

The Group has adopted defined benefit plans and defined contribution plans.

Regarding defined benefit plans, current service costs are recognized as expenses using the projected unit credit method in actuarial calculations at each consolidated fiscal year-end date. All of the actuarial gains/losses incurred in the period are recognized as other comprehensive income, while the cumulative amount is reclassified to retained earnings after it is recognized as other components of equity. Retirement benefit liabilities are the present value of defined benefit obligations less fair value of plan assets.

Regarding defined contribution plans, contributions of the Group are recognized as expenses at the time employees render services that give pension rights to them.

② Termination benefits

Termination benefits are provided in the case that the Group decides to terminate an employee's employment before the normal retirement date, or an employee voluntarily decides to accept an offer of benefits in exchange for the termination of employment. The termination benefits are recognized as expenses upon termination of employment, if the Group has detailed official plans related to termination of an employee's employment and can no longer withdraw the offer of the benefits.

(5) Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Each company in the Group determines its own functional currency for its separate financial statements, and transactions in these companies are presented in their functional currency. On the other hand, consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using exchange rates at the dates of transactions or approximations of rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the spot exchange rates at the consolidated fiscal year-end date. Exchange differences arising from translation or settlement are recognized in profit or loss.

For the purpose of recording operating results and financial positions of foreign operations in the consolidated financial statements, assets and liabilities of foreign operations are presented in Japanese yen translated at spot exchange rates at the consolidated fiscal year-end date. Income and expenses items of foreign operations are translated at average exchange rates. The resulting translation differences are recognized as other comprehensive income, while the cumulative amounts are recognized as other components of equity. In addition, accumulated translation differences are recognized as profit or loss when the foreign operations are disposed of.

(6) Significant hedge accounting

The Group utilizes derivatives, including interest rate swap contracts and forward foreign exchange contracts in order to reduce the risks related to changes in interest and exchange rates. These derivatives are measured at fair value and recognized as assets or liabilities at the contract date.

Movements of fair value after initial recognition are recognized as profit or loss if the hedged items and hedging instruments do not meet the conditions of hedge accounting. The accounting treatments that meet the conditions of hedge accounting are as follows:

① Fair value hedges

Regarding derivatives hedging instrument for the purpose of hedging risks of fair value change on hedged items, the gain or loss by changing in the fair value of hedging instrument is immediately recognized in profit or loss. At the same time, the changes in the fair value on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item, and is recognized in profit or loss.

② Cash flow hedges

Regarding derivatives for the purpose of hedging risks of cash flow movements on hedged items, the movements of derivative assets or liabilities are recognized in other comprehensive income, while cumulative amounts are recognized as other components of equity until the fair value movements of the hedged items are recognized as profit or loss. The amount recognized as other components of equity is reclassified to profit or loss when the fair value movements of the hedged items are recognized as profit or loss, in order to offset the effects.

(7) Goodwill

Goodwill arising from business combinations is recognized as an asset at the date the Group obtains control of the entity (acquisition date). Goodwill is measured as the amount by which the sum of the fair value of the consideration, non-controlling interests in the acquiree and fair value of the proportionate share that the Group held at the date the Group obtains control of the acquiree exceeds the net amount of identifiable assets and liabilities. On the other hand, if the sum of the acquisition costs is lower than the net amount of identifiable assets and liabilities, the difference is directly recognized as income.

Goodwill is allocated to groups of cash-generating units that are expected to benefit from the synergies of the business combinations. Goodwill is not amortized; however, a test of impairment is performed for groups of cash-generating units to which goodwill is allocated at the same time every year or when there is an indication that the assets might be impaired. In the case that a recoverable amount of groups of cash-generating units is lower than the carrying amount, the reduction is recognized as an impairment loss.

(8) Other significant basic items for preparation of consolidated financial statements

① Presentation currency and unit

The consolidated financial statements are presented in Japanese yen, which is the Company's functional currency, and figures less than ¥1 million are rounded to the nearest million yen.

② Accounting for consumption and other taxes

The Company and its domestic subsidiaries exclude consumption taxes and local consumption taxes from revenues and expenses.

6. Changes in Accounting Policies

The Group has adopted the following main accounting standards and interpretations from the fiscal year ended March 31, 2017.

Accounting standards and interpretations		Description
IAS 16	Property, Plant and Equipment Intangible Assets	Clarification of acceptable methods of depreciation and amortization
IAS 38		
IFRS 11	Joint Arrangements	Accounting for acquisitions of interests in joint operations
IAS 1	Presentation of Financial Statements	Clarifying disclosure requirement regarding materiality considerations
IFRS 10	Consolidated Financial Statements Disclosure of Interests in Other Entities Investments in Associates and Joint Ventures	Clarifying exceptions for applying consolidation and the equity method for investment entities
IFRS 12		
IAS 28		

The effect of Accounting standards and interpretations above on the consolidated financial statements is immaterial.

[NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION]

1. Allowance for doubtful accounts directly reducing the carrying amount of the asset

Trade and other receivables ¥184 million

2. The amount of accumulated depreciation of assets (including accumulated loss on impairment)

The amount of accumulated depreciation of property, plant and equipment. ¥200,264 million

[NOTES TO CONSOLIDATED STATEMENT OF INCOME]

1. Other income

In the fiscal year ended March 31, 2017, gain from a bargain purchase of ¥9,283 million was recorded due to the acquisition of EA Pharma Co., Ltd. (Tokyo), while gain on sales of investments in subsidiaries of ¥70 million was recorded due to the transfer of Sannova Co., Ltd. (Gunma).

[NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN EQUITY]

1. Total number of shares issued and outstanding at the end of the fiscal year ended March 31, 2017.

Common shares 296,566,949 shares

2. Dividends

(1) Dividends paid in the fiscal year ended March 31, 2017

① The following was resolved by the Board of Directors on May 13, 2016.

• Items related to dividends on common shares

a) Total amount of dividends paid	¥22,881 million
b) Cash dividends per share	¥80.00
c) Record date	March 31, 2016
d) Effective date	May 23, 2016

② The following was resolved by the Board of Directors on October 31, 2016.

• Items related to dividends on common shares

a) Total amount of dividends paid	¥20,024 million
b) Cash dividends per share	¥70.00
c) Record date	September 30, 2016
d) Effective date	November 18, 2016

(2) Dividends to be paid in the following consolidated fiscal year, for which the record date is within the fiscal year ended March 31, 2017

① The following will be resolved at the Board of Directors' meeting on May 10, 2017.

• Items related to dividends on common shares

a) Total amount of dividends to be paid	¥22,893 million
b) Source of dividends to be paid	Retained earnings
c) Cash dividends per share	¥80.00
d) Record date	March 31, 2017
e) Effective date	May 19, 2017

3. Type and number of treasury shares owned as of the end of the fiscal year ended March 31, 2017

Common shares 10,481,083 shares

(Of the Company's treasury shares above, 81,407 shares are held through a trust.)

4. Number of shares to be issued for stock options as of the end of the fiscal year ended March 31, 2017 (excluding stock options that are not yet exercisable)

Common shares 951,300 shares

[FINANCIAL INSTRUMENTS]

1. Financial instruments – Overview

The Group holds surplus funds in safe and highly liquid financial assets and finances itself by borrowing from financial institutions and issuing bonds and debentures.

Credit risks of trade and other receivables are reduced in accordance with credit management based on the Group's credit control procedures.

Foreign currency exchange risks of trade and other receivables in foreign currencies are reduced through the use of forward exchange contracts. Interest rate risks in relation to long-term borrowings are reduced through the use of interest rate swap transactions. Derivative transactions are used in order to avoid the risk related to currency exchange or change in interest rate, and the Group does not intend to enter into these transactions for speculative purposes.

Market price fluctuation risk for equity securities is reduced by regularly monitoring the market value and financial conditions of the issuers (business partners).

2. Fair value of financial instruments

(1) Fair value measurement

Fair value measurement of the Group's financial assets and liabilities is mainly as follows:

① Equity securities

The fair value of listed equity securities is measured based on market values.

The fair value of non-listed stocks is measured by using several appropriate measurement techniques.

② Investment trusts and debt securities

The fair value of investment trusts and debt securities is measured using price information provided by correspondent financial institutions.

③ Derivative assets and liabilities

Derivative assets and liabilities are measured using price information provided by correspondent financial institutions.

④ Borrowings

The fair value of variable interest rate borrowings is deemed to be the carrying amount as the interest rate approximates the market rate. The fair value of fixed interest rate borrowings is calculated by discounting the total amount of principal and interest payments by the interest rates that would presumably apply if similar borrowings were newly made.

(2) Carrying amount and fair value

The carrying amount and fair value of financial instruments as of the end of the fiscal year ended March 31, 2017, were as follows. Financial instruments measured at fair value and whose fair value corresponds to or approximates the carrying amount are excluded.

(Millions of yen)

	Carrying amount	Fair value
Borrowings	213,474	214,356

[PER SHARE INFORMATION]

Equity per share attributable to owners of the parent	¥2,043.55
Earnings per share attributable to owners of the parent (basic)	¥137.63
Earnings per share attributable to owners of the parent (diluted)	¥137.41

(Note) The Company's shares held through the trust are included in the treasury shares that are deducted from the basis of the calculation of per share information above.

[SIGNIFICANT SUBSEQUENT EVENTS]

Not applicable

[OTHER NOTES]

(Business Combinations)

On April 1, 2016, the Company split off a portion of its Japanese gastrointestinal disease related business via an absorption-type split, which was then succeeded by Ajinomoto Co., Inc. (Tokyo)'s wholly owned subsidiary AJINOMOTO PHARMACEUTICALS CO., LTD. Following this absorption-type split, the Company acquired the shares of common stock of AJINOMOTO PHARMACEUTICALS CO., LTD. as the consideration for transferred business, and put this company into the scope of consolidation by holding 60% of the voting rights.

As of the acquisition date, fair value of the Company's transferred business and AJINOMOTO PHARMACEUTICALS CO., LTD. shares were assessed to be ¥50,000 million and ¥33,320 million, respectively, based in part on evaluation by a third-party institution using the discounted cash flow method. Following this absorption-type split, the Company's fair value interests in transferred business decreased by 40% (¥20,000 million), while the Company's fair value interests in AJINOMOTO PHARMACEUTICALS CO., LTD. shares increased by 60% (¥20,000 million).

In this absorption-type split, the net carrying amount of assets and liabilities transferred from the Company to AJINOMOTO PHARMACEUTICALS CO., LTD. was ¥1,305 million. Following this absorption-type split, the Company's interests in the net carrying amount of assets and liabilities of transferred business decreased by 40% (¥522 million).

The decrease in the Company's interests for its transferred business was accounted for as an equity transaction. The ¥522 million decrease in the Company's interests for the net carrying amount of assets and liabilities of transferred business was accounted for as non-controlling interests, while the ¥19,478 million difference between these non-controlling interests and the ¥20,000 million decrease in fair value interests of transferred business was accounted for as capital surplus.

The increase in the Company's interests in AJINOMOTO PHARMACEUTICALS CO., LTD. was accounted for using the acquisition method with the abovementioned company as acquiree, a summary of which follows:

(1) Name of the acquiree

AJINOMOTO PHARMACEUTICALS CO., LTD. (New name: EA Pharma Co., Ltd.)

(2) Acquisition date

April 1, 2016

(3) Method for acquiring shares and percentage of voting rights for the acquisition

The Company acquired 6,000 shares of common stock of AJINOMOTO PHARMACEUTICALS CO., LTD. (60% in the voting rights ratio) as consideration for the absorption-type split.

(4) Primary reasons for the business combination

The field of gastrointestinal disease is one with significant unmet medical needs. By integrating the Company's gastrointestinal disease related business and AJINOMOTO PHARMACEUTICALS CO., LTD., this new integrated company will become one of Japan's largest gastrointestinal specialty pharmas with a product lineup that will comprehensively cover the upper and lower digestive tract as well as the liver and pancreas, enabling the provision of an even wider range of solutions in the field of gastrointestinal disease as well as specialized information for healthcare professionals. In addition, consolidating both companies' in-development products will serve to enhance the pipeline toward the consistent launch of new treatments, and the companies aim to discover innovative new medicines by exchanging expertise and know-how. The new integrated company will seek greater profitability through marketing synergies from integration and the pursuit of efficiency through the review of overlapping functions, as well as to secure necessary resources for new drug development and sustained growth.

(5) Fair value of consideration transferred, assets acquired and liabilities assumed, and gain from a bargain purchase

(Millions of yen)

	As of acquisition date (April 1, 2016)
Consideration transferred (Note 1)	20,000
Non-controlling interests in the acquiree (Note 2)	13,320
Assets acquired and liabilities assumed	
Property, plant and equipment	4,141
Intangible assets	11,161
Other non-current assets	3,198
Cash and cash equivalents	19,346
Other current assets	23,859
Non-current liabilities	(3,932)
Current liabilities	(15,169)
Total	42,603
Gain from a bargain purchase (Note 3)	9,283

(Note 1) Consideration transferred is measured as 40% of non-controlling interests in the Company's transferred business, which has a business value of ¥50,000 million. Acquisition-related costs resulting from the business combination totaled ¥270 million and is recognized as selling, general and administrative expenses. Acquisition-related costs recognized as expenses were ¥250 million in the previous fiscal year and ¥20 million in the fiscal year ended March 31, 2017 respectively.

(Note 2) Following the business combination, the Company chose to measure non-controlling interests at 40% of the shares of the acquiree with fair value of ¥33,320 million.

(Note 3) The Company, based on all information available at the time of the acquisition date, evaluated the fair value of assets acquired and liabilities assumed. As a result, the fair value of assets acquired and liabilities assumed totaled ¥42,603 million. However, as this exceeded the ¥33,320 million combined total of ¥20,000 million in consideration transferred and ¥13,320 million in non-controlling interests in the acquiree, the difference of ¥9,283 million is recognized as gain from a bargain purchase in other income.

(6) Net cash inflow on acquisition of subsidiaries

Consideration transferred following the business combination was 40% in interests for transferred business of the Company; no cash payment was made. For this reason, net cash inflow on acquisition of subsidiaries following the business combination was ¥19,346 million in cash and cash equivalents held by the acquiree.

(7) Revenue and profit for the period of the acquiree

From the acquisition date, or April 1, 2016, financial statements of the acquiree are included in the consolidated financial statements of the Company.

In the consolidated statement of income, revenue and profit for the period of the acquiree (before elimination of intercompany transactions) were ¥64,599 million and 6,965 million respectively. Revenue of ¥31,518 million and profit for the period of the Company's transferred business are included in the revenue and profit for the period of the acquiree, respectively.

Attachments to the Notice of Convocation of
the 105th Ordinary General Meeting of Shareholders

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Non-consolidated Balance Sheet

As of March 31, 2017

(Millions of Yen)

Account Items	Amount
(Assets)	
Current assets	252,445
Cash and deposits	105,440
Notes receivable-trade	202
Accounts receivable-trade	73,689
Merchandise and finished goods	24,969
Work-in-process	9,789
Raw materials and supplies	9,163
Deferred tax assets	12,362
Other	16,831
Non-current assets	503,419
Property, plant and equipment	45,027
Buildings	27,509
Structures	1,110
Machinery and equipment	1,825
Vehicles and delivery equipment	0
Tools, furniture and fixtures	3,758
Land	8,717
Leased assets	431
Construction in progress	1,677
Intangible assets	23,018
Software	6,711
Sales rights	16,176
Other	131
Investments and other assets	435,374
Investment securities	36,347
Investments in subsidiaries and associated companies	368,326
Capital contribution	1
Long-term loans receivable	1
Long-term prepaid expenses	906
Deferred tax assets	21,973
Other	7,902
Allowance for doubtful accounts	(83)
Total assets	755,864

Account Items	Amount
(Liabilities)	
Current liabilities	145,210
Accounts payable-trade	14,082
Current portion of long-term loans payable	50,000
Lease obligation	175
Accounts payable-other	29,594
Accrued expenses	10,778
Income taxes payable	24
Deposits received	36,869
Provision for sales returns	2,739
Other	951
Non-current liabilities	143,012
Long-term borrowings	130,000
Lease obligation	256
Liability for retirement benefits	9,015
Asset retirement obligations	745
Other	2,996
Total liabilities	288,222
(Equity)	
Shareholders' equity	456,991
Common stock	44,986
Capital surplus	57,819
Capital reserve	55,223
Other capital surplus	2,597
Retained earnings	390,236
Legal reserve	7,900
Other	382,336
Reserve for advanced depreciation of non-current assets	141
General reserve	337,880
Unappropriated retained earnings	44,315
Treasury stock	(36,050)
Valuation difference and translation adjustments	10,134
Valuation difference on available-for-sale securities	10,772
Deferred gain (loss) on derivatives under hedge accounting	(637)
Stock options	517
Total equity	467,642
Total liabilities and equity	755,864

Non-consolidated Statement of Income

From April 1, 2016 To March 31, 2017

(Millions of Yen)

Account Items	Amount	
Net sales		283,658
Cost of sales		100,248
Gross profit		183,410
Selling, general and administrative expenses		162,268
Operating income		21,143
Non-operating income		
Interest income	13	
Dividend income	7,202	
Contracted research income	1,721	
Other	196	9,133
Non-operating expenses		
Interest expense	1,489	
Foreign exchange loss	549	
Contracted research expense	1,678	
Other	191	3,907
Ordinary income		26,369
Special gains		
Gain on sales of fixed assets	5	
Gain on liquidation of subsidiaries	295	
Gain on reversal of subscription rights to shares	141	
Other	17	457
Special losses		
Loss on disposal of fixed assets	765	
Other	0	765
Income before income taxes		26,061
Income taxes-current	(349)	
Income taxes-deferred	6,034	5,685
Net income		20,376

Non-consolidated Statement of Changes in Equity

From April 1, 2016 To March 31, 2017

(Millions of Yen)

	Shareholders' equity								
	Common stock	Capital surplus			Legal reserve	Retained earnings			Total retained earnings
		Capital reserve	Other capital surplus	Subtotal		Other retained earnings			
						Reserve for reduction of fixed assets	General reserve	Unappropriated retained earnings	
As of April 1, 2016	44,986	55,223	2,293	57,516	7,900	141	337,880	66,844	412,765
Changes in the year									
Dividends	—	—	—	—	—	—	—	(42,905)	(42,905)
Net income	—	—	—	—	—	—	—	20,376	20,376
Disposal of treasury stock	—	—	303	303	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—
Changes in items other than shareholders' equity-net	—	—	—	—	—	—	—	—	—
Net changes in the year	—	—	303	303	—	—	—	(22,529)	(22,529)
As of March 31, 2017	44,986	55,223	2,597	57,819	7,900	141	337,880	44,315	390,236

	Shareholders' equity		Valuation difference and translation adjustments			Stock options	Total equity
	Treasury stock	Subtotal	Valuation difference on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Subtotal		
As of April 1, 2016	(36,311)	478,955	11,376	(1,136)	10,239	754	489,949
Changes in the year							
Dividends	—	(42,905)	—	—	—	—	(42,905)
Net income	—	20,376	—	—	—	—	20,376
Disposal of treasury stock	838	1,142	—	—	—	—	1,142
Acquisition of treasury stock	(577)	(577)	—	—	—	—	(577)
Changes in items other than shareholders' equity-net	—	—	(604)	499	(105)	(238)	(343)
Net changes in the year	261	(21,964)	(604)	499	(105)	(238)	(22,307)
As of March 31, 2017	(36,050)	456,991	10,772	(637)	10,134	517	467,642

Notes to Non-consolidated Financial Statements

[SIGNIFICANT ACCOUNTING POLICIES]

1. Measurement and cost formula for marketable and investment securities

(1) Investment in subsidiaries and associated companies

Stated at cost determined by the moving-average method

(2) Available-for-sale securities

Marketable securities

Stated at fair value as of the fiscal year-end date (Unrealized gains/losses, net of applicable taxes, are reported in a separate component of equity. The cost of securities sold is determined by the moving-average method.)

Nonmarketable securities

Stated at cost determined by the moving-average method

2. Measurement and cost formula for derivatives

Stated at fair value

3. Measurement and cost formula for inventories

Merchandise, finished goods, work-in-process, raw materials and supplies

The Company records inventories at cost determined by the weighted-average method. (The carrying amount of inventories is written down in cases of a decrease in profitability.)

4. Depreciation and amortization

(1) Property, plant and equipment (excluding leased assets)

The straight-line method is applied. The estimated main useful lives of the assets are as follows:

Buildings	15 to 50 years
Machinery and equipment	6 to 7 years

(2) Intangible assets (excluding leased assets)

The straight-line method is applied. The main amortization periods of the assets are as follows:

Software for internal use	5 years
Sales rights	5 to 10 years

(3) Leased assets

Finance lease transactions that do not transfer ownership

Leased assets are depreciated by the straight-line method over the useful life of the lease period and with a residual value of zero.

5. Accounting for allowances and provisions

(1) Allowance for doubtful accounts

To account for potential losses on notes and accounts receivable, loans receivable and other items, estimated uncollectable amounts are provided. For general accounts, allowances are calculated based on past credit loss experience. For specific accounts, such as those with the possibility of default, uncollectable allowances are calculated based on respective collectability.

(2) Provision for sales returns

Provision for sales returns is provided for estimated losses arising from sales returns based on historical experience of customer returns. In addition, provisions for sales returns are directly deducted from net sales.

(3) Liability for retirement benefits

For employee retirement benefits, the Company provides a liability for retirement benefits to be determined at the fiscal year-end date, which is derived from the projected benefit obligations and estimated plan assets at the fiscal year-end date.

Projected retirement and severance benefit obligations attributing to the fiscal year-end date are calculated on a benefit formula basis.

Prior service costs are amortized over five years by the straight-line method and recognized as operating expenses starting from the revision date.

Actuarial gains/losses are amortized over five years by the straight-line method and recognized as operating expenses starting from the fiscal year subsequent to the fiscal year during which each gain/loss was incurred.

6. Translation of assets and liabilities denominated in foreign currencies

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the current exchange rates at the fiscal year-end date. Foreign exchange gains/losses from translation are recognized in profit or loss.

7. Hedge accounting

(1) Hedge accounting

The Company defers gains/losses from measurement of derivatives until maturity of the hedging transactions.

(2) Hedging instruments and hedged items

① Hedging instruments

Forward exchange contracts and interest rate swaps

② Hedged items

Receivables and payables for ordinary business, including committed transactions denominated in foreign currencies and borrowings

(3) Hedge policy

The Company uses hedging transactions in the ordinary course of business under its internal rules to reduce the exposure of fluctuation in foreign currency exchange rates on transactions in foreign currency (securement of fixed cash flows).

The Company uses hedging transactions, in the ordinary course of business under its internal rules, to reduce the exposure of fluctuations in interest rates on its borrowings (securement of fixed cash flows).

(4) Evaluation of effectiveness of hedges

The hedge effectiveness of forward exchange contracts assigned to receivables and payables in foreign currencies is evaluated by comparing market fluctuations of the hedging instruments with those of the hedged items.

The effectiveness of derivatives used for hedged borrowings is evaluated by comparing the cumulative cash flow fluctuations of the hedged items or market fluctuations with cumulative cash flow fluctuations of the hedging instruments or market fluctuations.

8. Other significant accounting policies for non-consolidated financial statements

(1) Accounting for consumption and other taxes

Consumption taxes and local consumption taxes are excluded from revenues and expenses.

(2) Application of the consolidated tax payment system

The Company has applied the consolidated tax payment system.

(3) Presentation unit

Figures less than ¥1 million are rounded to the nearest million yen.

[ADDITIONAL INFORMATION]

(APPLICATION OF “GUIDANCE ON REALIZABILITY OF DEFERRED TAX ASSETS”)

Effective from this fiscal year, “Guidance on Accounting Standard for realizability of deferred tax assets”

(Accounting Standards Board of Japan (the “ASBJ”) Guidance No. 26, March 28, 2016) have been adopted.

[NOTES TO NON-CONSOLIDATED BALANCE SHEET]**1. The amount of accumulated depreciation of property, plant and equipment (including accumulated loss on impairment)**

¥144,761 million

2. Monetary receivables/payables with subsidiaries and associated companies

Short-term monetary receivables ¥21,863 million

Short-term monetary payables ¥49,837 million

3. Monetary payables to directors and executive officers

¥962 million

(Note) The above monetary payables represent the unpaid provision for retirement allowances for directors and executive officers, which was abolished in June 2010.

[NOTES TO NON-CONSOLIDATED STATEMENT OF INCOME]**1. Transactions with subsidiaries and associated companies**

Operating transactions

Net sales ¥76,651 million

Purchases ¥13,740 million

Other operating transactions ¥84,370 million

Nonoperating transactions ¥8,803 million

2. Main components of selling, general and administrative expenses

Research and development (R&D) expenses ¥96,873 million

[NOTES TO NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY]**1. Type and number of shares of treasury stock owned at the end of the fiscal year ended March 31, 2017:**

Common stock 10,481,083 shares

(Note) Of the Company's treasury shares above, 81,407 shares are held through a trust.

[TAX EFFECT ACCOUNTING]

1. A description of the main items included in deferred tax assets and liabilities

(1) Current

Deferred tax assets

Entrusted R&D expenses	¥7,722 million
Accrued bonuses	1,808
Others	2,832

Total deferred tax assets	12,362
---------------------------	--------

(2) Non-current

Deferred tax assets

Net operating loss carryforward	¥15,107 million
Entrusted R&D expenses	7,746
Liability for retirement benefits	6,688
Deferred charges for tax purposes	3,425
Others	2,422

Subtotal	35,389
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Valuation allowance	(665)
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Total deferred tax assets	34,725
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Deferred tax liabilities

Investments in subsidiaries	¥(7,967) million
Valuation difference on available-for-sale securities	(4,723)
Reserve for reduction of non-current assets	(62)

Total deferred tax liabilities	(12,752)
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Net deferred tax assets	21,973
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2. Reconciliation between the statutory tax rate and the effective income tax rate

Statutory tax rate	30.5 %
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(Reconciliation)

Expenses not permanently deductible for income tax purposes, such as entertainment expenses	1.1
Income not permanently taxable for income tax purposes, such as dividend income	(8.5)
Tax credit for experiment and research expenses	(0.7)
Valuation allowances	(0.7)
Others	0.1

Effective income tax rate	21.8 %
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[RELATED-PARTY TRANSACTIONS]

1. Subsidiaries and associated companies

Association	Company name	Voting rights (or owner ship) (%)	Relationship with related party	Transaction details	Transaction amount (Millions of yen)	Account item	Balance at end (Millions of yen)
Subsidiary	Eisai Inc.	Indirect 100.00	Entrusting R&D and selling products	Payment of entrusted R&D expenses (Note 2)	45,061	Accounts payable-Other	6,630
Subsidiary	EA Pharma Co., Ltd.	Direct 60.00	Selling products	Deposits of cash, payment of interests (Note 3)	18,397 12	Deposits received—	24,877 —

(Note 1) The transaction amounts indicated above exclude consumption taxes.

(Note 2) Transaction prices for entrustment of pharmaceutical product research and development with Eisai Inc. are actual expenses related to clinical research by marking up the amounts based on the contract between the Company and Eisai Inc. With regard to transactions with Eisai Inc., the net amount is shown by offsetting the receivables such as sales of pharmaceutical raw materials and liabilities such as payments of entrusted R&D expenses.

(Note 3) The borrowing and lending of cash is processed through CMS (Cash Management System), and the amount is represented by an average balance during the fiscal year. Interests on deposits are decided reasonably, considering the market interest rate.

[PER SHARE INFORMATION]

Shareholder's equity per share	¥1,632.81
Basic earnings per share	¥71.25
Diluted earnings per share	¥71.14

(Note) The Company's stock held through a trust is included in treasury stock, which is deducted from the number of shares outstanding in the calculation of the above per share information.

[SIGNIFICANT SUBSEQUENT EVENTS]

Not applicable

[OTHER NOTES]

(Business Combinations)

On April 1, 2016, after the splitting off a portion of its gastrointestinal disease business via an absorption-type split, it was then succeeded by Ajinomoto Co., Inc. (Tokyo)'s wholly owned subsidiary AJINOMOTO PHARMACEUTICALS CO., LTD. The Company acquired 6,000 shares of common stock of AJINOMOTO PHARMACEUTICALS CO., LTD. as consideration for the absorption-style split. As a result, the Company holds 60% in the voting rights ratio.

Furthermore, the trading name of AJINOMOTO PHARMACEUTICALS CO., LTD. was changed to "EA Pharma Co., Ltd."

1. Overview of the Transaction

(1) Name of the successor

AJINOMOTO PHARMACEUTICALS CO., LTD.

(New name: EA Pharma Co., Ltd.)

(2) Content of business divestiture

The Company's gastrointestinal disease business

(3) Primary reasons for the business divestiture

As described in "Notes to Consolidated Financial Statements [OTHER NOTES] (Business Combinations) (4) Primary reasons for the business combination".

(4) Effective date of the business divestiture

April 1, 2016

(5) Summary of the business divestiture including legal form

A simplified absorption-type split, with the Company as the split company, and AJINOMOTO PHARMACEUTICALS CO., LTD. as the successor company of the split-off portion.

2. Overview of the Accounting Treatment

The Company does not recognize transfer loss or gain in the process of the absorption-type split, because it is the transaction based on "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), "Accounting Standard for Business Divestitures, etc." (ASBJ Statement No. 7, September 13, 2013) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures, etc. (ASBJ Guidance No. 10, September 13, 2013). Transferred assets are as follows.

Non-current assets	¥1,124 million
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3. Estimated sales amount of the divestiture business in the Non-Consolidated Statement of Income for the fiscal year ended March 31, 2017

The Company does not recognize the sales amount, because the effective date of the business divestiture is April 1, 2016.

INDEPENDENT AUDITOR'S REPORT

May 10, 2017

To Mr. Haruo Naito,
President and CEO, Eisai Co., Ltd. :

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yuji Takei

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Hirofumi Otani

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kentaro Sugimoto

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of March 31, 2017 of Eisai Co., Ltd. (the "Company") and its consolidated subsidiaries, and the consolidated statement of income, and changes in equity for the fiscal year from April 1, 2016 to March 31, 2017, and the related notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards ("IFRS"), and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under IFRS pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2017, and the results of their operations for the year then ended.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Independent Auditor's Report (Non-Consolidated)

INDEPENDENT AUDITOR'S REPORT

May 10, 2017

To Mr. Haruo Naito,
President and CEO, Eisai Co., Ltd. :

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Yuji Takei

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Hirofumi Otani

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kentaro Sugimoto

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the non-consolidated balance sheet as of March 31, 2017 of Eisai Co., Ltd. (the "Company"), and the related non-consolidated statements of income and changes in equity, and the related notes for the 105th fiscal year from April 1, 2016 to March 31, 2017, and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2017, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

Audit Report

The Audit Committee has audited the execution of duties by Directors and Executive Officers for the 105th fiscal year from April 1, 2016 to March 31, 2017. We report the methods and results of the audit as follows.

1. Methods and Content of Audits

The Audit Committee monitored and verified the contents of resolutions of the Board of Directors regarding matters set forth in Article 416, Paragraph (1), Item (i), Parts (b) and (e) of the Companies Act, and the status of the internal control system established and operated based on such resolution; supervised the Management Audit Department which is the exclusive staff organization for the Audit Committee, in accordance with the auditing policies and the division of duties, etc., designated by the Audit Committee; received internal audit reports from the Internal Audit Division, etc., of the Company; attended important meetings; received reports from Directors and Executive Officers, etc. on matters relating to the execution of their duties, and sought further explanation as necessary; inspected important approval documents, etc.; and investigated the status of operations and assets at the headquarters and principal places of business. In addition, regarding the Company's basic policy and approaches described in the Business Report based on Article 118, Item (iii), Parts (a) and (b) of the Ordinance for Enforcement of the Companies Act, the Audit Committee also considered contents of them taking into consideration the status, etc., of deliberations of the Board of Directors, etc. With respect to the subsidiary companies, the Audit Committee took steps to facilitate communication and the exchange of information with Directors and Company Auditors, etc., of the subsidiary companies, received reports from the subsidiary companies on the status of their operations, and investigated the status of their operations and assets.

Based on the foregoing methods, the Audit Committee also examined the Business Report and the Annexed Detailed Statement for the fiscal year.

In addition, while observing and verifying whether the external auditor was maintaining its independence and was conducting audits in an appropriate manner, the Audit Committee received reports from the external auditor on the execution of its duties and, when necessary, requested further explanation. The Audit Committee also received notification from the external auditor that it was taking steps to prepare the "system for ensuring proper execution of duties" (as enumerated in Article 131 of the Rules of Company Accounting) in compliance with the "Quality Control Standards for Audit" (adopted by the Business Accounting Council on October 28, 2005), etc., requesting further explanation when necessary.

Based on the foregoing methods, the Audit Committee examined the Consolidated Financial Statements (consolidated statement of financial position, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements), as well as the Financial Statements (balance sheet, profit and loss statement, statement of changes in net assets, and notes to financial statements) and the Annexed Detailed Statement, for the fiscal year under review.

2. Results of the Audit

(1) Results of the audit of the Business Report, etc.

In our opinion:

- a) The Business Report and the Annexed Detailed Statement accurately present the state of the Company, in compliance with the provisions of applicable laws, regulations, and the Articles of Incorporation.
- b) Neither improper actions in the execution of duties by Directors and Executive Officers, nor any material facts in violation of the provisions of applicable laws, regulations, or the Articles of Incorporation, were found.
- c) The resolutions adopted by the Board of Directors regarding internal control systems were appropriate. Description of the Business Report and all actions taken by Directors and Executive Officers regarding the execution of duties related to such internal control systems were appropriate.
- d) "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" described in the Business Report is appropriate. Further, the approaches based on Article 118, Item (iii), Part (b) of the Ordinance for Enforcement of the Companies Act listed in the Business Report are in accordance with this policy, and does not damage the shared benefit of Company shareholders, and further, is not for the purpose of maintaining the position of Directors and Executive Officers.

(2) Results of the audit of the Consolidated Financial Statements

In our opinion, the audit methods used and the results reported by Deloitte Touche Tohmatsu LLC, the external auditor, are appropriate and reasonable.

(3) Results of the audit of the Financial Statements and the Annexed Detailed Statement

In our opinion, the audit methods used and the results reported by Deloitte Touche Tohmatsu LLC, the external auditor, are appropriate and reasonable.

May 10, 2017

Audit Committee, Eisai Co., Ltd.

Audit Committee Member: **Ikuro Nishikawa**

Audit Committee Member: **Noboru Naoe**

Audit Committee Member: **Hirokazu Kanai**

Audit Committee Member: **Tamaki Kakizaki**

Audit Committee Member: **Daiken Tsunoda**

Note: Audit Committee members Ikuro Nishikawa, Tamaki Kakizaki and Daiken Tsunoda are Outside Directors, as prescribed in Article 2, Item (xv) and Article 400, Paragraph (3) of the Companies Act.

The above represents a translation, for reference purposes only, of the original report issued in the Japanese language.

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ARTICLES OF INCORPORATION

(Revised on June 19, 2015)

Chapter I General Provisions

(Corporate name)

Article 1. The trade name of the Company shall be “Eisai Kabushiki Kaisha”. In English translation, it shall be “Eisai Co., Ltd.”

(Corporate Philosophy)

Article 2. (1) The Company’s Corporate Philosophy is to give first thought to patients and their families, and to increase the benefits that health care provides to them. Under this Philosophy, the Company endeavors to become a *human health care (hhc)* company.

(2) The Company’s mission is the enhancement of patient satisfaction. The Company believes that revenues and earnings will be generated by fulfilling this mission. The Company places importance on this sequence of placing the mission before the ensuing results.

(3) The Company strives to fulfill its social responsibilities by positioning compliance (i.e., the observance of legal and ethical standards) as the basis of all business activities.

(4) The Company’s principal stakeholders are patients, customers, shareholders and employees. The Company endeavors to develop and maintain a good relationship with stakeholders and to enhance the value of their stake through:

1. Satisfying unmet medical needs, ensuring a stable supply of high-quality products, and providing useful information on subjects including drug safety and efficacy;
2. Timely disclosure of corporate management information, enhancement of corporate value, and a positive return to shareholders; and
3. Ensuring stable employment, offering challenging and fulfilling duties, and providing full opportunities for the development of employees’ capabilities.

(Object)

Article 3. The object of the Company shall be to carry on the following business activities:

1. Research and development, manufacture, sale and import and export of pharmaceuticals.
2. Any other legally authorized businesses.

(Location of head office)

Article 4. The Company shall have its head office in Bunkyo-ku, Tokyo.

(Method of public notice)

Article 5. Public notices of the Company shall be given as electronic ones. In the event an electronic public notice is unavailable due to a communication failure or any unavoidable circumstances, the public notice shall be published in the *Nihon Keizai Shimbun*.

(Company with a nomination committee, etc., system)

Article 6. The Company shall be a company that adopts the “Company with a Nomination Committee, etc., System,” as defined in Article 2, Item 12, of the Companies Act.

Chapter II Shares

(Total number of issuable shares)

Article 7. The total number of issuable shares of the Company shall be eleven hundred million (1,100,000,000) shares.

(Number of shares constituting one round lot)

Article 8. The number of shares constituting one round lot shall be one hundred (100) shares.

(Rights to odd-lot shares)

Article 9. The shareholders of the Company cannot exercise any rights other than those stipulated below.

1. Rights as set forth in Article 189, Paragraph 2, of the Companies Act; and
2. Rights for receiving allotment of subscribed shares and share options, in proportion to the number of shares held by each shareholder.
3. Rights for making demands as set forth in the following Article

(Share increase for odd-lot shares)

Article 10. Pursuant to share handling regulations, Shareholders of the Company may demand that the Company sell the number of shares required to make, together with the odd-lot shares held by the shareholder, a single share unit.

(Custodian of shareholders' register)

Article 11. (1) The Company shall have a custodian of shareholders' register.

- (2) The custodian of shareholders' register and its business office shall be determined by the Board of Directors or by (a) Corporate Officer(s) delegated by resolution of the Board of Directors and public notice shall be given of such matters.
- (3) The Company shall not handle the office work including the preparation and maintenance of the register of shareholders and the register of share options, and all these administrative services shall be delegated to the custodian of the shareholders' register.

(Share Handling Regulations)

Article 12. Regarding the handling of shares and new share options (warrants), handling charges and procedure for exercising shareholder rights therefor, the Board of Directors or (a) Corporate Officer(s) delegated by resolution of the Board of Directors shall determine in the Share Handling Regulations unless otherwise provided by law or these Articles of Incorporation.

Chapter III

General Meetings of Shareholders

(Convocation)

- Article 13. (1) The Ordinary General Meeting of Shareholders shall be convened within three (3) months from the end of each fiscal year, and Extraordinary General Meetings of Shareholders shall be convened at whenever necessary.
- (2) General Meetings of Shareholders shall be convened by a Director previously appointed by the Board of Directors, unless otherwise provided by law. In case that Director is prevented from so doing, another Director shall act in that Director's place in accordance with an order previously determined by the Board of Directors.
- (3) General Meetings of Shareholders shall be held at a place located in Tokyo.

(Reference date of an Ordinary General Meeting of Shareholders)

Article 14. The reference date for the voting rights at an Ordinary General Meeting of Shareholders shall be March 31 of every year.

(Internet disclosure of reference documents, etc. and deemed provision thereof)

Article 15. In convening a General Meeting of Shareholders, the Company shall be deemed to have provided the shareholders with the information that must be mentioned or displayed in the reference documents of a General Meeting of Shareholders, business reports, financial statements and consolidated financial documents by disclosing such information via the Internet pursuant to the regulations issued by the Ministry of Justice.

(Chairman)

Article 16. The Chairman of a General Meetings of Shareholders shall be the Director or the Corporate Officer(s) predetermined by the Board of Directors. In case the Director or the Corporate Officer(s) is prevented from so doing, another Director or an Corporate Officer shall act in his or her place in accordance with an order previously determined by the Board of Directors.

(Method of adopting resolutions)

Article 17. (1) Unless otherwise provided by law or these Articles of Incorporation, resolutions of a General Meeting of Shareholders shall be adopted by a majority of the voting rights of those shareholders with exercisable voting rights(s) present at the meeting.

- (2) The resolutions as per Article 309, Paragraph 2, of the Companies Act shall be adopted by an affirmative vote of two-thirds (2/3) or more of the voting rights held by shareholders present, where such shareholders present shall hold shares representing one-third (1/3) or more of the exercisable voting rights of the shareholders.

(Exercise of voting rights by proxy)

- Article 18. (1) A shareholder of the Company may exercise his or her voting rights by appointing one (1) proxy having voting rights who is a shareholder of the Company.
- (2) The shareholder of the Company or his/her proxy shall submit a document evidencing a power of attorney to the Company at each General Meeting of Shareholders.

(Minutes)

- Article 19. The minutes shall be prepared and kept with respect to the substance of proceedings of a General Meeting of Shareholders in compliance with law.

Chapter IV Directors and Board of Directors

(Number)

- Article 20. The Company shall have not more than fifteen (15) Directors.

(Election)

- Article 21. (1) Directors shall be elected by resolution at a General Meeting of Shareholders.
- (2) The resolution for the election of Directors shall be adopted by an affirmative vote of a majority of the voting rights held by shareholders present, where such shareholders present shall hold shares representing one-third (1/3) or more of the exercisable voting rights of the shareholders.
- (3) Cumulative voting shall not be used for a resolution of electing Directors.

(Term of office)

- Article 22. The term of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders relating to the fiscal year ending within one (1) year after their election.

(Establishment of the Board of Directors)

- Article 23. The Company shall have the Board of Directors.

(Chairman)

- Article 24. One (1) Director shall be designated as Chair of the Board of Directors by a resolution of the Board of Directors.

(Convocation)

- Article 25. (1) Except as otherwise provided by law, a meeting of the Board of Directors shall be convened by the Chair of the Board of Director. In case the Chair is prevented from so doing, another Director shall act in his place in accordance with an order previously determined by the Board of Directors.
- (2) Notice for convening a meeting of the Board of Directors shall be dispatched to each Director three (3) days prior to the date of the meeting. Such period of notice may, however, be shortened in case of urgency.

(Omission of resolution)

- Article 26. In case all the Directors with exercisable voting rights have given unanimous consent for any matter to be resolved at the Board of Directors in writing or via an electromagnetic method, a resolution of the Board of Directors to pass the matter to be resolved shall be deemed to have been adopted to that effect.

(Regulations of the Board of Directors)

- Article 27. In addition to those provided by law or by these Articles of Incorporation, any matters with respect to the Board of Directors shall be governed by the Regulations of the Board of Directors established by the Board of Directors.

(Minutes)

- Article 28. The minutes shall be prepared and kept with respect to the substance of proceedings of the Board of Directors meeting in compliance with law.

Chapter V Nomination Committee, etc.

(Establishment of a nomination committee, etc.)

- Article 29. The Company shall have a Nomination Committee, an Audit Committee and a Compensation Committee.

(Appointment)

- Article 30. The Directors constituting the aforementioned Nomination Committee, etc., shall be elected by resolution of the Board of Directors.

Chapter VI Independent Auditors

(Establishment of independent auditors)

Article 31. The Company shall have Independent Auditors.

(Election)

Article 32. The Independent Auditors shall be elected by a resolution at a General Meeting of Shareholders.

Chapter VII Corporate Officers

(Establishment of Corporate Officers)

Article 33. The Company shall have Corporate Officers.

(Election)

Article 34. Corporate Officers shall be elected by a resolution of the Board of Directors.

(Term of office)

Article 35. The term of office of Corporate Officers shall expire at the close of the first meeting of the Board of Directors convened following the close of the Ordinary General Meeting of Shareholders relating to the fiscal year ending within one (1) year after their election.

(Representative Corporate Officers)

Article 36. At least one (1) Corporate Officers shall be elected as Representative Corporate Officer, by a resolution of the Board of Directors.

(Corporate Officer with Title)

Article 37. A Corporate Officer can be designated as Corporate Officer with Title, by a resolution of the Board of Directors.

Chapter VIII Exemption from Liability

(Exemption from liability)

Article 38. (1) The Company may, by a resolution of the Board of Directors, exempt the Directors (including former Directors) and Corporate Officers (including former Corporate Officers) from liabilities for damages due to negligence of their duties, as per Article 426, Paragraph 1, of the Companies Act, to the legally authorized extent

(2) The Company may enter into a contract with each Director to limit each Director's (excluding Executive Directors, etc.) liability for damages to a minimum amount that is stipulated by law, as per Article 427, Paragraph 1, of the Companies Act.

Chapter IX Accounts

(Business year)

Article 39. The business year of the Company shall be one (1) year from the 1st day of April of each year and end on the 31st day of March of the following year, and the last day of such business year shall be the date of closing of accounts.

(Organization to determine distribution of retained earnings, etc.)

Article 40. The Company shall determine the matters listed in each item of Article 459, Paragraph 1, of the Companies Act, including distribution of retained earnings, by the Board of Directors, without a resolution by a General Meeting of Shareholders, unless otherwise stipulated by law.

(Reference date for distribution of retained earnings)

Article 41. (1) The reference date for the Company's distribution of year-end dividends shall be the 31st day of March every year.

(2) The reference date for the Company's distribution of interim dividends shall be the 30th day of September every year.

(Statute of limitation for dividends)

Article 42. In the event that the dividend in money has not been received after an elapse of three (3) years from the date of commencement of payments, the Company shall not be liable for such payments.

Corporate Governance Guidelines

Chapter 1 General Provisions

Article 1 (Purpose)

These Guidelines provide for the good corporate governance of Eisai Co., Ltd. ("the Company"), in order to increase its corporate value and to enhance the long-term interests of its shareholders, and thereby to enable shareholders to possess the Company's shares over the long term with a peace of mind through the realization of the following "Corporate Philosophy" set forth by the Company in its Articles of Incorporation.

(Corporate Philosophy)

1. The Company's Corporate Philosophy is to give first thought to patients and their families, and to increase the benefits that health care provides to them. Under this Philosophy, the Company endeavors to become a *human health care (hhc)* company.
2. The Company's mission is the enhancement of patient satisfaction. The Company believes that revenues and earnings will be generated by fulfilling this mission. The Company places importance on this sequence of placing the mission before the ensuing results.
3. The Company strives to fulfill its social responsibilities by positioning compliance (i.e., the observance of legal and ethical standards) as the basis of all business activities.
4. The Company's principal stakeholders are patients, customers, shareholders and employees. The Company endeavors to develop and maintain a good relationship with stakeholders and to enhance the value of their stake through:
 - (1) Satisfying unmet medical needs, ensuring a stable supply of high-quality products, and providing useful information on subjects including drug safety and efficacy;
 - (2) Timely disclosure of corporate management information, enhancement of corporate value, and a positive return to shareholders; and
 - (3) Ensuring stable employment, offering challenging and fulfilling duties, and providing full opportunities for the development of employees' capabilities.

Article 2 (Basic Framework of Corporate Governance)

1. The Company is always aiming for good corporate governance, and strives continually to achieve it.
2. The Company respects the rights of all our shareholders, and as the essence of corporate governance is to ensure fair and transparent management and to enhance corporate vitality, the Company aims to achieve good corporate governance on the following basis:
 - (1) Shareholder Relations:

The Company shall:

 - (i) Respect the rights of all shareholders;
 - (ii) Ensure the equality of all shareholders;
 - (iii) Develop positive and smooth relations with the Company's stakeholders including all shareholders; and
 - (iv) Ensure transparency by properly disclosing Company information.
 - (2) Corporate Governance System
 - (i) The Company has adopted a Company with a Nomination Committee, etc. System.
 - (ii) The Board of Directors ("the Board") shall delegate to the Corporate Officers broad powers of decision-making for business execution, to the extent permitted by the laws and regulations, and it shall exercise the function of management oversight.
 - (iii) The majority of the Board shall be independent and neutral Outside Directors.
 - (iv) The Representative Corporate Officer and CEO shall be the only Director who is concurrently a Corporate Officer.
 - (v) To clarify the management oversight function, the positions of the Chair of the Board and the Representative Corporate Officer and CEO shall be separated and performed by different people.
 - (vi) The Nomination Committee and the Compensation Committee shall be entirely composed of Outside Directors, and the majority of the Audit Committee shall consist of Outside Directors.
 - (vii) Each of the Chairs of the Nomination Committee, the Audit Committee and the Compensation Committee shall be appointed from the Outside Directors.

(viii) The internal control system shall operate properly to ensure the credibility of financial reports.

Article 3 (Establishment of These Guidelines)

These Guidelines are subject to the Companies Act and the related laws and regulations, as well as the Articles of Incorporation, and apply in priority to the other rules of the Company.

Chapter 2 Shareholder Relations

Article 4 (Respect for Voting Rights)

1. As the exercise of voting rights in the General Meeting of Shareholders is the right of all shareholders, the Company will endeavor to enable all shareholders to exercise their voting rights appropriately.
2. In order to enable shareholders to exercise their voting rights appropriately, the Company shall include sufficient information in the Notice of Convocation of the General Meeting of Shareholders and reference documents, etc., send them to shareholders at an early stage, and ensure that there is enough time to consider the contents.
3. The Company will arrange the circumstances under which not only the shareholders who attend the General Meeting of Shareholders but all shareholders are able to exercise their voting rights appropriately.

Article 5 (General Meeting of Shareholders)

1. The General Meeting of Shareholders is the supreme decision-making body, which consists of shareholders with voting rights, and must appropriately reflect their views.
2. The Company shall determine the date and venue so that as many shareholders will be able to attend the General Meeting of Shareholders and it will reflect the views of all shareholders.
3. In order to develop a relationship of trust with shareholders, Directors and Corporate Officers shall provide sufficient explanations and a question and answer session at the General Meeting of Shareholders.

Article 6 (Returns to Shareholders)

1. As the shareholders have the right to receive distributions of profits, the Company will decide on and announce its basic guidelines for capital policy, including shareholder returns.
2. Decisions on surplus dividends will be the subject of resolutions at Board Meetings in accordance with the Articles of Incorporation, and such decisions are to be implemented efficiently.

Article 7 (Protection of Shareholders' Rights)

1. In order to protect shareholders' rights, the Company will appropriately disclose to the shareholders relevant information whenever there are changes to the Company's shareholder composition or actions which might lead to such changes in the future, such as the allocation of new shares to particular third parties.
2. The Company shall also give sufficient consideration to the rights of minority shareholders, including rights related to derivative actions, etc.

Article 8 (Ensuring Shareholder Equality)

1. The Company will treat each shareholder equally based on each shareholder's equity stake.
2. The Company will not provide any special benefits, including profits from assets, to any particular shareholder.

Article 9 (Prevention of Conflicts with Shareholder Interests)

1. In order to protect shareholders' interests, the Company will endeavor to prevent any of the Company related persons, such as Directors, Corporate Officers and employees from abusing their position or conducting any transaction in conflict with the interests of the Company and the shareholders.
2. Directors and Corporate Officers shall not conduct any transactions that conflict or compete with the interests of the Company without the approval of the Board subject to the Companies Act.
3. The Company will appropriately disclose the material facts relating to any transactions described in the preceding clause.
4. In order to prevent insider transactions by Company-related persons, the Company will adopt rules relating to the treatment of material facts that have not yet been publicly announced and will strictly apply such rules.

Article 10 (Favorable and Smooth Relations with Stakeholders)

1. The Company will endeavor to maintain favorable and smooth relations with various stakeholders by respecting patients, customers, shareholders and employees, with a view to enhancing long-term corporate value.
2. The Directors and Corporate Officers will provide leadership to building the corporate culture to respect the stakeholders' rights based on the Corporate Philosophy of the Company.

Article 11 (Disclosure and Transparency)

1. The Company will actively, and in a timely and appropriate manner, disclose to shareholders important information related to management, regardless of whether the content is positive or negative.
2. The Company will determine its policy for disclosing important information related to management, etc. and create structures to implement it.
3. The Company shall disclose information in a way that is easy to understand and through a variety of methods that enable shareholders to access it easily.
4. The Company will develop a relationship of trust and enhance communications with shareholders, e.g., by establishing an inquiries contact point for them.

Chapter 3 Corporate Governance System**Article 12 (Structure of the Board and Committees)**

1. The Company has chosen to be a Company with a Nomination Committee, etc. System. The function of management oversight shall be carried out by the Board, and the function of business execution shall be carried out by the Corporate Officers. Through this, the Company will clearly separate the functions of management oversight and business execution, increase the vitality of its management and ensure the fairness and transparency of its management.
2. The Board will be composed of diverse Directors with differing backgrounds of specialized knowledge, experience, etc. and will maintain an appropriate number of Directors so that the Board can exercise its functions most effectively and efficiently.
3. The majority of the Board shall be composed of independent and neutral Outside Directors.
4. The Representative Corporate Officer and CEO shall be the only Director who is concurrently a Corporate Officer.
5. To thoroughly separate the functions of management oversight and business execution, the positions of the Chair of the Board and the Representative Corporate Officer and CEO shall be separated and performed by different people.
6. The Company will establish the Nomination, Audit and Compensation Committees in accordance with the Companies Act. In addition, the Board will establish, as needed, Committees of the Board other than the Nomination, Audit and Compensation Committees.
7. The Nomination Committee and the Compensation Committee shall be entirely composed of Outside Directors, and the majority of the Audit Committee shall be composed of Outside Directors.
8. The Chairs of the Nomination Committee, the Audit Committee and the Compensation Committee shall be Outside Directors.
9. Outside Directors who are members of the Audit Committee shall be appointed from those with expertise in finance, accounting, legal affairs, management, etc., and Internal Directors shall be appointed from those with abundant experience within the Company.
10. In order to ensure the independence of audits, members of the Audit Committee shall not concurrently be members of the Nomination Committee or the Compensation Committee.
11. A Board of Directors Secretariat shall be established to act as the secretariat of the Board, the Nomination Committee and the Compensation Committee. A Management Audit Department shall be established to act as the secretariat of the Audit Committee.

Article 13 (Duties of the Board)

1. Through developing good corporate governance, the Board shall fulfill its oversight functions, take the best possible decisions by exercising fair judgment and aim to realize the Corporate Philosophy.
2. The Board shall determine the material matters required by law, the Articles of Incorporation and the Rules of the Board, including basic management policies and the appointment of Corporate Officers.

3. In order to accelerate the speed and increase the flexibility of business execution and to enhance the vitality of management, the Board shall delegate the decision-making function on business execution, except for items provided for in the preceding clause, to the Corporate Officers.
4. The Board shall oversee the execution of duties by the Directors and Corporate Officers on the basis of reports from the Nomination Committee, Audit Committee, the Compensation Committee and the Corporate Officers.
5. The Board will strive to realize the Corporate Philosophy, to increase the Company's corporate value and to enhance the long-term interests of the shareholders. It shall have the duty of judging fairly any conduct that may damage these goals and of taking appropriate action.
6. In order for the Representative Corporate Officer and CEO to be appointed by the Board, all of the Directors shall share information related to the succession plan for the future Representative Corporate Officer and CEO.
7. The Board, together with the Nomination, Audit and Compensation Committees, shall not violate or interfere with their respective authorities when executing their duties and shall maintain mutual understanding.
8. The Board and the Corporate Officers shall maintain mutual understanding while fulfilling their respective responsibilities of executing duties.

Article 14 (Chair of the Board)

1. The Chair of the Board shall be appointed from the Outside Directors.
2. In addition to determining the annual agenda to be deliberated by the Board, the chair of the Board shall specify the date, location, and agenda and convene the Board Meeting.
3. The chair of the Board shall provide the Directors with the information necessary to consider the items for deliberation prior to the holding of the Board Meeting.
4. The Chair of the Board shall enhance the quality of the discussions among the Directors and manage the Board Meetings effectively and efficiently.

Article 15 (Directors)

1. The term of office of Directors shall be one (1) year. Directors shall be elected every year at the General Meeting of Shareholders.
2. Directors shall assume the duty of care and the duty of loyalty.
3. Directors shall request explanations at Board Meetings, actively express their opinions, conduct thorough discussions, and exercise their voting rights, as well as collect sufficient information to execute their duties.
4. Through the timely and appropriate exercise of their right to propose agenda items and to call for Board Meetings to be convened, the Directors shall seek solutions to issues concerning the management of the Company of which they become aware.
5. In responding to the trust placed in them by all shareholders, Directors shall spend sufficient time on the execution of their duties and demonstrate the competence expected of them.

Article 16 (Outside Directors)

1. Outside Directors shall be personally and financially independent from the Company.
2. Outside Directors must not only meet the requirements for Outside Directors stipulated in the Companies Act, but must also satisfy the "Requirements for the Independence and Neutrality of Outside Directors" established by the Nomination Committee, and must continue to satisfy those requirements after their appointment as Outside Directors.
3. Outside Directors shall take the initiative to increase the fairness of the decisions and actions of the Board and of each Committee and to achieve good corporate governance.
4. Outside Directors shall be provided, on a timely basis, with continuous and sufficient information related to the status of the Company's Corporate Philosophy, corporate culture, managerial environment, etc., and at the same time, seek additional information as necessary for fulfilling their role.

Article 17 (Nomination Committee)

1. The Nomination Committee shall determine the content of the proposals of the General Meetings of Shareholders related to the nomination and dismissal of Directors.

2. The Nomination Committee shall determine the “Requirements for the Independence and Neutrality of Outside Directors” in order to appoint independent and neutral Outside Directors.
3. The Nomination Committee shall establish the basic policies, rules, procedures, etc., necessary for the execution of its duties.
4. The Nomination Committee shall report on the status of execution of its duties to the Board.

Article 18 (Audit Committee)

1. The Audit Committee shall audit the execution of the Directors’ and Corporate Officers’ duties, determine the content of proposals related to the election, dismissal and non-reappointment of Accounting Auditors to be submitted to the General Meetings of Shareholders, and conduct accounting audits and other matters required by laws and regulations.
2. The Audit Committee shall endeavor to achieve efficient and higher quality auditing, e.g., by receiving timely and appropriate reports from the officers and employees of the Company and the ENW Entities and the Accounting Auditor of the Company related to the necessary items to audit the Directors’ and Corporate Officers’ execution of their duties, as well as by sharing necessary information with the Accounting Auditor and internal audit department.
3. The Audit Committee shall establish the basic policies, rules, procedures, etc. necessary for the execution of its duties.
4. The Management Audit Department executes its duties based on the resolutions of the Audit Committee and the instructions of the members of the Audit Committee, and its independence from the Corporate Officers regarding work instructions and orders, personnel evaluations, etc. shall be secured in order to ensure the objectivity of audits.
5. The Audit Committee shall report on the status of execution of its duties to the Board.

Article 19 (Compensation Committee)

1. The Compensation Committee shall determine both the policies for deciding the compensation of Directors and Corporate Officers, and their individual compensation.
2. When deciding the compensation of the Directors and Corporate Officers, the Compensation Committee shall make active use of external research data in order to ensure the objectivity of its decisions, and it will determine the appropriateness of the decision-making process after deliberating what is most appropriate.
3. The Compensation Committee shall establish the basic policies, rules, procedures, etc. necessary for the execution of its duties.
4. The Compensation Committee shall report on the status of execution of its duties to the Board.

Article 20 (Outside Directors Meeting)

1. The Outside Directors Meeting shall be composed of all of the Outside Directors.
2. The Outside Directors Meeting is held to discuss a broad range of matters related to the Company’s corporate governance and business, and strive for continued enhancement of corporate governance.
3. The matters discussed at the Outside Directors Meeting shall be reported to the Board or notified to the Corporate Officers as necessary.
4. The Outside Directors Meeting shall evaluate the effectiveness of the supervision function of the management of the Board every year. If there are that issues related to the operation of the Board, etc., the Outside Directors Meeting may make proposals to the Board for addressing such issues.

Article 21 (Compensation of Directors and Corporate Officers)

1. The compensation of Directors and Corporate Officers shall be appropriately decided with fairness and transparency by the Compensation Committee.
2. The compensation of Directors shall be commensurate to the proper performance of their management oversight function as Directors.
3. The compensation of Corporate Officers is a separate system from the compensation of Directors who perform the duty of supervising the management and should strongly motivate their performance of duties as Corporate Officers and take their performance into consideration.

Article 22 (Representative Corporate Officer and CEO)

1. The Representative Corporate Officer and CEO is the Chief Executive Officer and shall hold the powers delegated by the Board in relation to business execution. The Representative Corporate Officer and CEO shall make decisions concerning the best execution of business and shall implement measures with the aim of realizing the Company's Corporate Philosophy, increasing corporate value, and enhancing the long-term interests of the shareholders.
2. The Representative Corporate Officer and CEO shall provide sufficient explanation to the Board regarding business execution, and shall concurrently be a Director for this purpose.
3. The Representative Corporate Officer and CEO shall establish an internal control system, including a legal compliance system and risk management system, and continually evaluate its effectiveness and strive to improve it.
4. The Representative Corporate Officer and CEO shall in a timely and appropriately provide to the Audit Committee sufficient information for the Audit Committee's audits.

Article 23 (Corporate Officers)

1. The term of office of Corporate Officers shall be one (1) year. The Representative Corporate Officer and CEO shall propose candidates for Corporate Officers by providing a sufficient explanation, and Corporate Officers shall be appointed by the Board.
2. Corporate Officers shall assume the duty of care and the duty of loyalty.
3. Corporate Officers shall undertake the important responsibility of managing the business with the aim of realizing the Corporate Philosophy, increasing corporate value and enhancing the long-term interests of shareholders.
4. Corporate Officers shall be delegated from the Representative Corporate Officer and CEO the authority to decide on the specific execution of business in the assigned business/area, and take responsibility to execute business with the aim of achieving the targets in addition to developing capable human resources who will manage the Company in the future.
5. Corporate Officers shall, on the basis of the Companies Act, report to the Board at least once every three months on the overall state of the execution of their business based on their assigned division of duties, and at the same time, they shall also provide as required information on those matters requested by the Board or Director(s).
6. The number of Corporate Officers shall be appropriate to enable the most effective and efficient performance of the duties concerning business execution with which they have been entrusted by the Board.

Article 24 (Internal Control)

1. The achievement of thorough internal control of the whole Company group is an important element in obtaining the trust of shareholders. Based on the Companies Act, the Board shall determine the "Rules Concerning Items Necessary for the Execution of Duties by the Audit Committee" and the "Rules for Preparing Necessary Systems for Ensuring the Suitability of the Execution of Duties by Corporate Officers."
2. Based on the resolutions of the Board related to internal control, the Corporate Officers shall maintain a system that is necessary for compliance with laws and ethics, the efficacy and efficiency of business and the reliability of financial reports, and shall make such a system work effectively, and shall report the operative situation to the Board.

Article 25 (Accounting Auditors)

1. The Accounting Auditors shall ensure the reliability of financial statements, and they bear an important role in realizing better corporate governance.
2. The independence of the Accounting Auditors from the Company shall be ensured.
3. The Accounting Auditors shall conduct systematic management for the quality control of audits.
4. The Audit Committee shall confirm that the Accounting Auditors' independence is assured, and that the quality control of audits is managed systematically.

Article 26 (Exceptional Measures)

In case it is necessary to make exceptions to these Guidelines, the Board shall clarify the reason for the exception, and make it clear that the purport of these Guidelines was taken into account and that reasonable measures were taken.

Article 27 (Self-Review)

Every year, the Board shall conduct a self-review as to whether the state of the Company's corporate governance is being maintained and operated in accordance with these Guidelines, and increase the effectiveness of corporate governance.

Article 28 (Revisions)

These Guidelines may be revised only by resolution of the Board.

Supplementary Provisions**(Enforcement)**

These Guidelines have been in force since October 29, 2004 in lieu of the Corporate Governance Regulations that were established by the Company on March 23, 2001. The revision history of these Guidelines is as follows:

- March 23, 2001: Established (Corporate Governance Regulations)
- September 21, 2001: Revision made
- April 25, 2002: Revision made
- June 27, 2002: Revision made
- June 24, 2003: Revision made
- May 11, 2004: Revision made
- October 29, 2004: Revision made (Corporate Governance Guidelines)
- July 29, 2005: Revision made
- April 26, 2007: Revision made
- February 27, 2012: Revision made
- June 20, 2014: Revision made
- June 19, 2015: Revision made
- March 31, 2016: Revision made

(End)

Rules Concerning Items Necessary for the Performance of Duties by the Audit Committee

Article 1 (Objective)

1. The purpose of these rules is to establish items necessary for the performance of duties by the Audit Committee of the Company, in accordance with Companies Act Article 416 Section 1 Part 1 Subparagraph b), as well as the Ordinance for Enforcement of the Companies Act Article 112 Section 1.
2. In these rules, “ENW” means a group of corporate entities consisting of the Company and its subsidiaries and affiliates, and “ENW Entity” means each entity that consists ENW.

Article 2 (Items regarding the directors and employees of the Company who assist in the duties of the Audit Committee of the Company)

1. The Company shall establish a Management Audit Department to assist in the duties of the Audit Committee of the Company. The directors of the Company shall not be assigned to assist in the duties of the Audit Committee of the Company.
2. The director and staff of the Management Audit Department shall follow employment and work regulations for items not established by these rules.

Article 3 (Items regarding the independence of the employees in the preceding article from the Corporate officers of the Company and items regarding ensuring the effectiveness of the instructions of the Audit Committee of the Company to such employees)

1. The Management Audit Department shall be organized independent of the Corporate Officers of the Company.
2. The director and staff of the Management Audit Department shall perform their duties under the direction of the Audit Committee and Audit Committee Members of the Company.
3. The director and staff of the Management Audit Department shall be appointed, reassigned and disciplined by the Representative Corporate Officer and CEO of the Company with the consent of the Audit Committee of the Company.
4. The decision on personnel evaluation of the director and staff of the Management Audit Department will be conducted by the Audit Committee of the Company.

Article 4 (The system for officers and employees of ENW Entities to report to the Audit Committee)

1. The Corporate Officers of the Company shall report monthly to the Audit Committee of the Company regarding the following items related to their assignments and organization under their supervision, control or management, including whether or not such relevant items exist, and shall report immediately highly important matters of the items such as incidents that cause or may cause ENW significant damage, or that violate or may violate laws or the Articles of Incorporation to the Audit Committee.
 - (1) Disasters and accidents related to operations;
 - (2) The fact that operations have been stopped for a half day or longer;
 - (3) The fact that a lawsuit has been brought, and its status;
 - (4) Cases that violate Compliance policies (including facts subject to investigation);
 - (5) Requests for cooperation in an investigation, investigation, summons, visits (excluding regular investigations), warnings, guidance, orders, recommendations, suspension of operation, or other measure taken by public officials;
 - (6) Infringement or the danger of infringement of assets or rights by a third party;
 - (7) Bankruptcy, the danger of bankruptcy, or termination of a contract, by a major customer;
 - (8) Other matters or information that may cause ENW serious damage or have significant effect on the Company; and
 - (9) Other matters to be reported as stipulated by the Audit Committee of the Company.
2. If the officers and employees of the ENW Entities become aware of any item provided in each item of Clause 1 of this Article (except for (4)), they shall immediately report to the Corporate Officer of the Company who supervises, controls or manages such item and contact the compliance counter when they become aware of an item in Clause 1 (4) of this Article.

3. The Corporate Officer who supervises the promotion of ENW's compliance shall immediately make a report to the Audit Committee of the Company in the case of highly important matters, out of the matters which are reported to the compliance counter, such as incidents that cause or may cause ENW significant damage, or that violate or may violate laws or the Articles of Incorporation.
4. The Auditors or the Audit Committee of the ENW Entities in Japan, the People's Republic of China, Korea and Taiwan, except for the Company, shall periodically report information regarding internal audits, compliance and risk management, etc. in such ENW Entity to the Audit Committee of the Company.
5. The officers and employees of the ENW Entities shall promptly make a proper report when a report on items regarding the execution of business is requested by the Audit Committee of the Company.
6. The Corporate Officers and employees of the Company shall inform the Audit Committee of the Company of the schedules of important meetings.

Article 5 (Systems for ensuring that the person making a report in the preceding Article does not receive disadvantageous treatment on the grounds of having made such report)

The Representative Corporate Officer and CEO of the Company shall prepare and operate a system in order to ensure that the officers and employees of the ENW Entities who make a report to the Audit Committee or Corporate Officer of the Company or contact the compliance counter under the preceding Article do not receive disadvantageous treatment on the grounds of having made such report or contact.

Article 6 (Items regarding policies for the processing of expenses and obligations that arise with respect to the execution of duties of the Audit Committee Members of the Company)

The Company shall process such expenses or obligations for the execution of duties of the Audit Committee Members of the Company which are recognized as necessary by the Audit Committee of the Company under the Companies Act Article 404 Section 4.

Article 7 (Other systems for ensuring the effective performance of audits of the Audit Committee of the Company)

1. The Representative Corporate Officer and CEO of the Company shall prepare a system between ENW companies under which the Audit Committee of the Company enables the investigation, etc., of the accounting and operations of ENW companies.
2. Departments and officers in charge of audits, including the internal audits of ENW companies, shall share necessary information regarding audit activities with the Audit Committee, Audit Committee members, and the Management Audit Department of the Company through regular meetings, etc., in order to operate an efficient and suitable auditing system.
3. The Company's accounting auditor shall report to the Audit Committee regarding audits by the accounting auditor, as well as other investigations, on a regular basis or as requested by the Audit Committee.

Article 8 (Familiarization with these rules)

The Representative Corporate Officer and CEO of the Company shall take measures to familiarize the officers and employees of the ENW Entities with the content of these rules.

Article 9 (Revisions)

These rules can be revised through resolution by the Board of Directors.

**Supplementary Provisions
(Revision history)**

Article 1 These rules shall enter into force on June 24, 2004.

Article 2 These rules were revised June 24, 2005.

Article 3 These rules shall be revised April 27, 2006.

Article 4 These rules shall be revised June 20, 2014.

Article 5 These rules shall be revised May 1, 2015.

(End)

Rules for Preparing Necessary Systems for Ensuring the Suitability in the Performance of Duties by Corporate Officers

Article 1 (Objective)

1. The purpose of these rules is to establish items necessary for establishment and operation of a system for ensuring that execution of duties at ENW by Corporate Officers of the Company is in accordance with laws and the Articles of Incorporation, and to establish other systems necessary to maintain the suitability of operations, in accordance with the Companies Act Article 416 Section 1 Part 1 Subparagraph e), as well as the Ordinance for Enforcement of the Companies Act Article 112 Section 2.
2. In these rules, “ENW” means a group of corporate entities, consisting of the Company and the subsidiaries and affiliates of the Company. “ENW Entity” means each entity that consists ENW. “Corporate Officer in Charge of ENW Entities” means a Corporate Officer who has been appointed by the Representative Corporate Officer and CEO of the Company to oversee, supervise and manage each ENW Entity other than the Company.

Article 2 (Authority)

1. The Board of Directors of the Company receives reports, regarding establishment and operation of the systems set forth in these rules, from the Corporate Officers or the Audit Committee of the Company in order to supervise the performance of duties of the Corporate Officers pursuant to these rules.
2. The Representative Corporate Officer and CEO of the Company shall assign the particular duties set forth in these rules to a Corporate Officer of the Company who will be responsible.
3. The Corporate Officer of the Company shall perform such particular duties that have been assigned to him/her in compliance with these rules and provide reports, regarding establishment and operation of the systems set forth in these rules, to the Board of Directors and the Audit Committee of the Company.

Article 3 (The system for storage and management of information related to the performance of duties of Corporate Officers)

1. The Representative Corporate Officer and CEO of the Company shall appoint a Corporate Officer, from among the Corporate Officers of the Company, to be in charge, on a company-wide basis, of storage and management of information related to the performance of duties of Corporate Officers of the Company, and shall make the Corporate Officer establish rules on storage and management of documents, etc.
2. The Corporate Officer of the Company, who has been appointed pursuant to the previous section, shall establish and operate the storage and management rules for prepared documents, etc., and provide such rules to the Board of Directors and the Audit Committee of the Company.

Article 4 (The rules and other systems regarding management of the risks of loss in ENW)

1. The Corporate Officers of the Company shall be responsible for managing risk of loss in ENW in his or her area of assignment. A Corporate Officer in Charge of ENW Entities shall establish and operate a management system of risk of loss in ENW depending on the type, size, significance and other aspects of businesses of ENW Entities which he/she has been assigned to oversee, supervise and manage.
2. With respect to management of risks of loss that may possibly result in significant loss to ENW, the Representative Corporate Officer and CEO of the Company shall appoint a Corporate Officer, from among the Corporate Officers of the Company, for each area of risk of loss (financial, legal, environmental, disaster, etc.), and such appointed Corporate Officer shall establish and operate rules, etc. regarding the risk.
3. The Corporate Officers, who have been assigned to be in charge of promoting establishment and operation of an internal control system stipulated in Article 6, shall establish and promote the operation of a system for the Corporate Officers and employees of the Company to self-evaluate risks related to their assigned duties.

Article 5 (The system for ensuring that the duties of Directors, Corporate Officers and employees of ENW are conducted efficiently)

1. The Board of Directors of the Company shall delegate to Corporate Officers of the Company decision-making for the performance of the Directors' duties, excluding those matters to be resolved by the Board of Directors pursuant to the laws, the Articles of Incorporation and the Rules of the Board of Directors.
2. The Board of Directors of the Company shall appropriately establish division of duties and mutual relationships among the Corporate Officers of the Company.

3. The Representative Corporate Officer and CEO of the Company shall establish decision-making procedures for important matters at ENW and coordinate a system under which duties are conducted appropriately and efficiently.
4. With respect to matters other than those set forth in the previous section, the Corporate Officers of the Company shall establish decision-making procedures for their assigned duties and establish a system so that such duties are conducted appropriately and efficiently.
5. The Corporate Officer, who has been assigned to be in charge of promoting establishment and operation of the internal control system set forth in Article 6, shall monitor the establishment and operation of the systems pursuant to the previous two sections. The Corporate Officer, who has been assigned to oversee the execution of internal audit, shall audit the establishment and operation of such systems.

Article 6 (The system for ensuring that performance of duties by Directors of ENW other than the Company, Corporate Officers and employees of ENW Entities is in accordance with laws and Articles of Incorporation)

1. The Representative Corporate Officer and CEO of the Company shall appoint a Corporate Officer, from among the Corporate Officers of the Company, to be in charge of promoting compliance, including the system for ensuring that the execution of duties by Directors of ENW Entities other than the Company, Corporate Officers and employees of ENW Entities is in accordance with laws and Articles of Incorporation, and shall establish a department, etc., to support such Corporate Officer in the performance of his or her duties.
2. The Corporate Officer, who has been assigned to be in charge of promoting compliance, shall establish a Compliance Handbook and a business behavior charter applicable to ENW, clarify norms and behavioral standards so that Directors of ENW Entities other than the Company, Corporate Officers and employees of ENW Entities take actions in compliance with laws and Articles of Incorporation, and promote compliance by taking necessary measures such as training of Directors of ENW Entities other than the Company, Corporate Officers and employees of ENW Entities.
3. The Corporate Officer, who has been assigned to be in charge of promoting compliance, shall establish and operate a compliance counter as a point of contact for consulting about compliance both inside and outside the Company to strive for the prevention and early resolution of risks related to compliance. With respect to ENW Entities other than the Company, the Corporate Officer, who has been assigned to be in charge of promoting compliance shall cooperate and perform above with each Corporate Officer in Charge of ENW Entities, each Officer in charge of compliance at each ENW Entity and the department in charge of compliance.
4. The Corporate Officer, who has been assigned to be in charge of promoting compliance, shall demonstrate a policy of opposing anti-social forces in the ENW business behavior charter, and shall take necessary measures so that all ENW Directors of ENW Entities other than the Company, Corporate Officers and employees of ENW Entities strictly observe such policy and use their best efforts on a daily basis in their conduct.
5. The Representative Corporate Officer and CEO of the Company shall appoint Corporate Officers, from among the Corporate Officers of the Company, to be in charge of promoting establishment of an internal control system and to be in charge of executing internal audits, respectively, and shall establish a department, etc., to support such Corporate Officers in the performance of his or her duties.
6. The Corporate Officers, who have been assigned to be in charge of promoting establishment of an internal control system, shall establish policies regarding internal controls applicable to ENW, and shall have Corporate Officers and employees of the Company develop a deeper understanding for internal controls by taking necessary measures such as training, and shall promote the establishment of an internal control system. With respect to ENW Entities other than the Company, the Corporate Officers, who have been assigned to be in charge of promoting establishment of an internal control system shall cooperate and perform above with each Corporate Officer in Charge of ENW Entities, each Officer in charge of internal control at each ENW Entity and the department in charge of internal control.
7. The Corporate Officers, who have been assigned to be in charge of executing internal audits, shall establish rules for internal audits applicable to ENW, devise a plan for internal audits, and execute appropriate and efficient internal audits. With respect to ENW Entities other than the Company, the Corporate Officers, who have been assigned to be in charge of executing internal audits, shall have each Corporate Officer in Charge of ENW Entities, each Officer in charge of internal audit at each ENW Entity and the department in charge of internal audit to perform the audit of each ENW Entities and receive reports.

8. With respect to professional fields, the Representative Corporate Officer and CEO of the Company shall appoint a Corporate Officer, from among the Corporate Officers of the Company, to be in charge, as necessary, of ensuring compliance with laws and the Articles of Incorporation in such field, and shall establish a department, etc., to support such Corporate Officer in the performance of his or her duties.

Article 7 (The system for reporting to the Company about matters related to execution of duties of Officers and employees of ENW Entities other than the Company)

1. The Corporate Officer in Charge of ENW Entities shall establish a system under which the Company receives reports from ENW Entities about managerial important matters and matters set forth in Articles 4, 5 and 6 of these rules depending on the type, size, significance and other aspects of businesses of ENW Entities, with respect for the autonomy and the independency of ENW Entities which the Corporate Officer has been assigned to oversee, supervise and manage.
2. The Corporate Officer in Charge of ENW Entities shall report important matters out of the report received from ENW Entities to the Board of Director and the Audit Committee of the Company.

Article 8 (Familiarization with these Rules)

The Representative Corporate Officer and CEO of the Company shall take measures to familiarize the Officers and employees of ENW Entities with the content of these rules.

Article 9 (Revisions)

These rules shall be revised through resolution by the Board of Directors.

Supplementary Provisions

(History of Revisions)

Article 1 These rules shall enter into force April 27, 2006.

Article 2 These rules shall take effect on June 20, 2014.

Article 3 These rules shall take effect on May 1, 2015.

(End)

Frequently Asked Questions



Q How was Eisai's performance in FY2016?

A While an increase was recorded following growth of Lenvima and Fycompa (antiepileptic agent) as well as the contribution from newly added consolidated subsidiary EA Pharma Co., Ltd., the Group's revenue finished overall at ¥539,097 million (down 1.6% year on year) due in part to the impact of national drug price revisions in Japan and foreign currency fluctuations.

Operating profit totaled ¥59,064 million (up 13.7% year on year) owing to improved performance and efficiency in operations, as well as one-off income following the acquisition of EA Pharma shares (gain from a bargain purchase) and receipt of Lump-sum payments for progress on joint R&D projects.

Profit for the year came to ¥42,246 million (down 23.3% year on year), owing to the reduced tax expenses following a transfer of shares in a U.S. subsidiary in the previous fiscal year.

Basic earnings per share for the year attributable to owners of the parent amounted to ¥137.63 (down ¥54.61 year on year).

▶ Please refer to Consolidated Performance on pages 61 to 67.

Overview of Consolidated Income

(Billions of yen)

	FY2015	FY2016	Change from previous year (%)	Value change
Revenue	547.9	539.1	98.4	(8.8)
Cost of sales	194.5	195.9	100.7	1.4
Selling, general and administrative expenses	192.8	179.7	93.2	(13.1)
R&D expenses	122.3	112.5	92.0	(9.8)
Operating profit	51.9	59.1	113.7	7.1
Profit before income taxes	50.5	57.7	114.3	7.2
Profit for the year	55.0	42.2	76.7	(12.8)
Profit for the year attributable to owners of the parent	54.9	39.4	71.6	(15.6)

Q What was the impact of foreign exchange rates?

A In the Consolidated Statement of Income, the impact of foreign exchange rates (the appreciating yen) brought revenue down by ¥30.4 billion and operating profit down by ¥1.2 billion. The annual effects of a 1-yen appreciation (exchange rate sensitivity) are as follows.

	US\$	EUR	GBP	RMB
Revenue	(¥1.09 billion)	(¥260 million)	(¥30 million)	(¥3.06 billion)
Operating profit	¥260 million	(¥170 million)	¥70 million	(¥1.44 billion)

Q What is the situation regarding shareholder returns?

A The Group's capital policy is to improve shareholder value based on "medium- to long-term Return on Equity (ROE) management," "sustainable and stable shareholder returns" and "value-creative investment criteria," while maintaining the integrity of its finances. In hopes of providing sustainable and stable dividends to its shareholders, the Company has set the year-end dividend for FY2016 at ¥80 per share. With the interim dividend of ¥70 per share, the company intends to pay the total dividend of ¥150 per share for the year (same amount as the previous year).

▶ Please refer to Basic Policy for Capital Strategy on page 39.

Q Please tell us about the medium-term business plan "EWAY 2025."

A The medium-term business plan "EWAY 2025," which went into effect in April 2016, aims to achieve strategic intents in accordance with the Company's Corporate Philosophy of contributing to patients. Eisai is pushing forward with new drug development efforts in the key strategic areas of "Neurology" and "Oncology" (cancer) and business in the dementia solution field to build communities where patients can live with peace of mind.

▶ Please refer to Business to Be Addressed on pages 36 to 38.

Q What is the status of Eisai's development of next-generation dementia therapeutics?

Drawing on more than 30 years of experience, knowledge, and expertise in drug development for dementia therapeutics, the Company is currently conducting a Phase III clinical study on E2609, a BACE (Beta-secretase Cleaving Enzyme) inhibitor, and a Phase II clinical study on BAN2401, an anti-A β protofibrils Monoclonal antibody, for next-generational Alzheimer's disease treatments. Additionally, Eisai holds options to jointly develop and commercialize Biogen's anti-A β antibody aducanumab, which is currently undergoing a Phase III trial.

▶ Please refer to Major R&D Pipeline on pages 69 to 75.

Q Please tell us about Eisai's new product development in oncology.

A Phase III clinical study of Eisai's global brand Lenvima as a treatment for hepatocellular carcinoma achieved its primary endpoint in Japan, the United States, Europe, China, and Asia. the OBG is making preparations for approval application. The Company is also at work on clinical studies for Lenvima (as a treatment for endometrial cancer and other solid tumors) and Halaven (as a treatment for metastatic triple negative breast cancer) in combination with an anti-PD-1 antibody that serves as an immune checkpoint inhibitor.

▶ Please refer to Major R&D Pipeline on pages 69 to 75.

Q What is Eisai working on in its generics business?

A The Japanese government is currently implementing measures to expand the market share of generics (generic pharmaceuticals) to at least 80% by the end of FY2020. To propel the growth of its generics business, the Company is marketing generics through Elmed Eisai (Japan), preparing to manufacture generics at the Benxi Plant (China), getting ready to manufacture pharmaceutical ingredients for generics at the Vizag Plant (India), and taking other proactive steps.

Q How is Eisai working to address access to medicines?

A Poverty, underdeveloped medical systems, and other problems often prevent patients from getting the pharmaceuticals that they need. The Company is working hard to resolve these issues concerning access to medicines. For example, to help eliminate neglected diseases in developing nations, the Company will provide the World Health Organization (WHO) with a treatment for lymphatic filariasis for use in elimination initiatives conducted in endemic countries. Under this agreement, the Group will provide WHO with DEC (diethylcarbamazine) tablets free of charge until the disease is eradicated from all endemic countries that need the drug. These DEC tablets are manufactured at the Vizag Plant in India. The Company is also involved in the development of new drugs for the treatment of other neglected tropical diseases as well as tuberculosis and malaria. Partnerships are being actively promoted with international NPOs, research institutes, and other organizations specializing in these diseases.

▶ Please refer to Initiatives to Improve Access to Medicines on page 38.

Q How does Eisai implement corporate governance?

The axis of the Company's corporate governance is that, by making a clear separation between the oversight of management and the execution of business, the Company bolsters the management oversight function of the Board of Directors, the Board of Directors delegates a significant amount of decision-making authority concerning the execution of business to corporate officers, and the speed and flexibility of business execution are increased. The 11-member Board of Directors, which includes 7 independent outside directors, checks the appropriateness of the Company's business execution processes and decision-making approaches from the perspective of shareholders and society. In order to achieve a clear separation between the oversight of management and the execution of business, the Company requires the Chair of the Board of Directors to be an outside director. To ensure accountability for business execution, the Company also stipulates that the Representative Corporate Officer and CEO shall be the only individual from an operational division to serve concurrently as a director.

▶ Please refer to Corporate Governance on pages 40 to 53.

Q Is Eisai working to prevent internal improprieties?

The Company has established a special department under the supervision of the corporate officer responsible for compliance and internal control. Through this department, the Company promotes compliance, risk management, and internal audits.

The Company works to prevent improprieties through various efforts, including (1) distributing a Compliance Handbook, containing the ENW* Charter of Business Conduct and the code of conduct, to all employees and cultivating a compliance-focused corporate culture through rigorous, thorough training, (2) creating global risk management and whistle-blowing systems, and (3) implementing internal audit activities based on international standards.

▶ Please refer to Compliance Risk Management on pages 51 to 53.

* ENW (Eisai Network companies) refers to the corporate group composed of Eisai Co., Ltd., and its subsidiaries and associated companies.

Q Is Eisai proactively promoting active participation by women?

A In hopes of building a workforce of employees with a diverse range of different values, the Company puts a major emphasis on nurturing female leaders. To coincide with the Act of Promotion of Women's Participation and Advancement in the Workplace, the Company also set a concrete goal of doubling the number of women working in management positions and ensuring that women occupy at least 10% of all management positions by FY2020. The Company is now tackling that objective by implementing a wide range of initiatives, including selective training programs for female employees.

▶ Please refer to Promoting the Active Participation by Women on page 54.

Q How is Eisai working to create an optimal working environment for its employees?

A The Company is implementing work-style reforms to sharpen its competitive edge in the global arena and enhance its corporate value. To enable employees to achieve a fruitful work-life balance, the Company is also implementing systems for flextime and discretionary work. Other efforts include steps to enhance systems for leaves of absence and shortened working hours, enabling employees to provide childcare and nursing care for family members. By also embracing flexible, adaptable job types, the Company is pursuing many efforts to make the workplace environment one where employees can work comfortably and actively.

▶ Please refer to Examples of Eisai's Systems to Support Life Events on page 55.

Q What is Eisai's stance on cross-shareholding?

A The Company's fundamental policy regarding cross-shareholding (mutual shareholding) is to use cross-shareholding as a means of enhancing cooperation with other companies in ways that promote an increase in its own corporate value. Shareholdings are kept to the minimum necessary and are reviewed as needed in consideration of such matters as their effectiveness in the enhancement of corporate value.

As of March 31, 2017, the companies having cross-shareholding relationships with the Company held 3.49% of the total number of the Company's outstanding shares.

▶ Please refer to Status of the Company's Cross-shareholdings with Other Companies on pages 88 to 89.

Q What kinds of activity do outside directors engage in?

The Board of Directors deliberates and decides upon the resolutions as specified in laws and regulations, the Company's Articles of Incorporation, and Regulations of the Board of Directors (such as the selection of corporate officers, the basic policy of medium- to long-term management plans, annual business plans, and quarterly settlement), and receives reports on material matters related to the execution of business of corporate officers. Outside directors voice appropriate opinions based on their respective expertise and the perspective of shareholders, and execute the management oversight function. The Company also holds meetings of outside directors (with only outside directors in attendance), where the attendees discuss the Company's corporate governance and business. If necessary, the outside directors liaison with corporate officers and the Board of Directors Secretariat by making proposals on various issues or requesting information, etc., in light of the discussions.

▶ Please refer to Activities of the Board of Directors and Committees on pages 97 to 98.

Q Should not the Company's outside directors be people familiar with the pharmaceuticals industry?

The Company has adopted a company with a nomination committee, etc., system, which clearly separates functions between management oversight and business execution. Management oversight is handled by the Board of Directors, and business execution is handled by corporate officers. The Company's Nomination Committee thus emphasizes composing the Board of Directors with individuals who have differing expertise, experience, and backgrounds in fields such as law, corporate accounting, and internal auditing. This diversity is considered more important than familiarity with the pharmaceuticals industry.

For meetings on R&D, access to medicines, and the execution of other business, the Company invites outside experts in areas such as cutting-edge technologies and international policy to serve as advisors.

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Major Consumer Healthcare Products

The Group sells consumer healthcare products* targeting general consumers at pharmacies, drug shops, drugstores, convenience stores, and other retailers. In addition, the Group also conducts a mail-order business.

* The Company refers to over-the-counter (OTC) products, quasi-drug products, foods for specified health uses, and foods with nutrient function claims collectively as "consumer healthcare products."

Chocola BB

● Rough skin, acne, stomatitis



Chocola BB Plus
Class III drug



Chocola BB Pure
Class III drug



Chocola BB Drink II
Class III drug

● Stomatitis, scratchy throat



Chocola BB Mouth Ulcer Repair Shot
Class III drug

● Blotches, freckles



Chocola BB Lucent C
Class III drug

● Nutritional supplement for muscle fatigue, nutritional fortification



Chocola BB Light 2
Designated quasi-drug product



Chocola BB Royal 2
Designated quasi-drug product



Chocola BB Hyper
Designated quasi-drug product



Chocola BB Sparkling
Food with nutrient function claims (Niacin)



Chocola BB Joma
Food with nutrient function claims (Vitamin B6)



Chocola BB Rich Ceramide
Food with function claims

Saclon

● Heartburn, over-drinking



Saclon
Class II drug

● Nausea, stomach pain



Saclon Q
Class II drug

Selbelle

● Upset stomach, over-eating, heartburn



Selbelle Stomach Medicine (tablet)
Class II drug



New Selbelle Stomach Medicine (tablet)
Class II drug

Travelmin

● Prevention and alleviation of dizziness, nausea, and headaches associated with motion sickness



Travelmin 1
Class II drug



Travelmin
Class II drug



Travelmin Family
Class II drug



Travelmin Churup Grape Flavor
Class II drug



Travelmin Churup Lemon Flavor
Class II drug

Skainar

- Nasal congestion, runny nose, sneezing



Skainar AL tablets

Class II drug

Nabolin

- Eye fatigue, stiff shoulders



Nabolin S

Class III drug

- Stiff shoulders, numbness in the hands and feet



Nabolin EB tablets

Class III drug

- Shoulder pain associated with stiff shoulders, lower back pain



Nabolin Felbinac 70

Class II drug

Juvelux

- Cold hands and feet, stiff shoulders



Juvelux

Class III drug



Juvelux α 2

Class III drug

Sahne

- Rough hands and fingers, elbow keratosis



Chocola Sahne Plus

Class III drug

- Rough skin, dry or chapped skin



Sahne Cream

Marketing name: Sahne Cream E

Quasi-drug product



Sahne Skin Milk

Marketing name: Sahne Skin Milk E

Quasi-drug product



Sahne Skin Lotion

Quasi-drug product

Veraris

- Rough skin, dry or chapped skin



Veraris

Marketing name: Medicated Veraris

Quasi-drug product

Seabond

- Sheet-type denture adhesive



(For upper teeth)

Controlled medical device



(For lower teeth)

Controlled medical device

Crystal Veil

- Apply to the nose to protect against pollen and viruses



Crystal Veil

Etak

- Kills viruses and bacteria



Etak Antibacterial Spray

Mail-order products

Juvela

Vitamin E and 7 types of polyphenol



Juvela Zeitaku Polyphenol

Food with nutrient function claims (Vitamin E)

Vitamin E and 7 types of polyphenol + EPA/DHA compound



Juvela Zeitaku Polyphenol Kiwami

Food with nutrient function claims (Vitamin E)

Nutritional supplement for muscle fatigue, nutritional fortification



Juvela Zeitaku Royal

Marketing name: Juvela Royal
Designated quasi-drug product

Helcare

For high blood pressure



Helcare

Food for specified health uses

Bi Chocola

A combination of the 3 major beauty ingredients (Vitamin C, collagen, coenzyme Q10)



Bi Chocola

Food with nutrient function claims (Vitamin C/Niacin)

Domestically produced young barley leaves + low-molecular collagen compound



Collagen Green Juice

Food with nutrient function claims (Vitamin C)

Mail-order sales direct phone number (Contact)

0120-831-260 (toll free)

Hours: 9:00 A.M. to 9:00 P.M.

* Excluding the year-end and new year holidays (December 30 through January 3)

Mail-order sales website

<http://shop.eisai.jp/> (Japanese)

Eisai Mail-order Sales

Search



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About the Website

The website contains various information related to the Company, including financial reports, corporate governance, and access to medicines. We look forward to your utilization of the website.

Investors

Top Page



Responsibility

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Share Information

Share information including dividends, notices of convocation, reports, and shareholder notices, etc., can be found here.

Financial Information

Financial reports, reference data, securities reports, and quarterly reports, etc., can be found here.

Presentations

Movie files and presentation materials from quarterly information meetings, etc., can be found here.



This is displayed on the top page of the Investors section.

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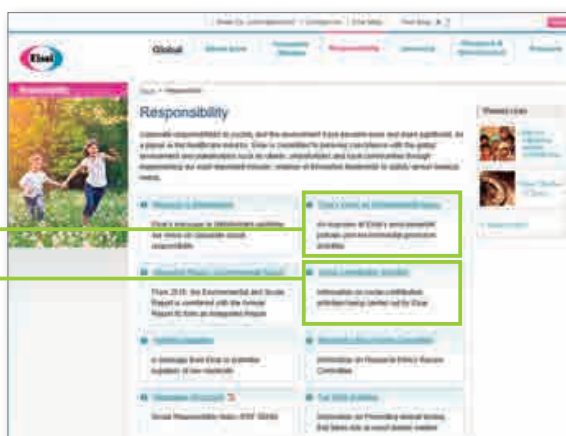
IR Site Map

Eisai's Views on Environmental Issues

An overview of Eisai's environmental policy.

Social Contribution Activities

Information on social contribution activities carried out by Eisai.



Message to Stakeholders

Eisai's Views on
Environmental Issues

Integrated Report/
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Social Contribution
Activities

Purchase of Green Power

Research Ethics
Committee

Potential Suppliers

Fair Research and
Development Activities

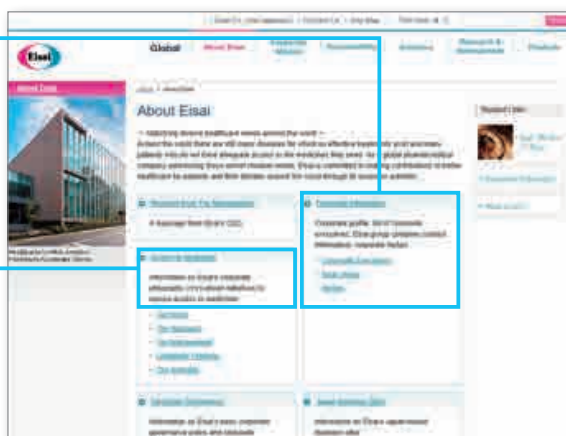
Information Disclosure

Access to Medicines

Information on Eisai initiatives for providing medicines to countries and regions where access to medicines is difficult.

Corporate Governance

An outline of Eisai's corporate governance policy and initiatives.



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