

FOR IMMEDIATE RELEASE

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Notification Regarding the Revision of the Compensation System for Directors and Corporate Officers and Stock Compensation System (Officers' Compensation BIP Trust) and Additional Contribution

Eisai Co., Ltd. (Headquarters: Tokyo, Representative Corporate Officer and CEO: Haruo Naito, hereinafter "the Company") announces that a resolution was adopted to revise the Company's compensation system (the "System") for directors and corporate officers at a meeting of the Compensation Committee. In addition, at a meeting of the Board of Directors held today, a resolution was adopted for the disposal of treasury stock in accordance with the revision of the stock compensation plan introduced in 2013. Please refer to "Notification Regarding the Disposal of Treasury Stock through Third-Party Allotment in Accordance with the Revision of the Stock Compensation System," which was announced today, for details regarding the disposal of treasury stock.

Remarks:

1. Revision of the System

The Company has adopted a Nomination Committee, etc. System and the Compensation Committee determines the compensation and related issues with respect to the directors and corporate officers. At the Compensation Committee meeting, the Compensation Committee decided to revise the System as follows:

(1) Directors' Compensation System

i. Basic concept of the directors' compensation

The compensation of directors shall be appropriate to enable them to fully perform their duties of management supervision for the common interests of stakeholders and the long-term enhancement of corporate value. Some portion of the compensation of directors shall be paid in the form of shares from the perspective of sharing the same awareness for profits with the shareholders.

ii. Outline of the new compensation system for directors

- The compensation of directors shall be only a fixed amount of base salary, but 90% of the base salary shall be paid in cash and 10% shall be delivered in shares (to be

delivered upon retirement).

- Base compensation levels for both external and internal directors will be oriented toward the mid-to-high end of the industry.
- The chairperson of the Board of Directors and the chairpersons of each committee shall be credited with compensation for their services.

(2) Corporate Officers' Compensation System

- i. Basic concept of the corporate officers' compensation
 - Compensation for corporate officers shall be competitive and fully reflect the importance and weight of responsibility of the duties assumed. This will contribute to the realization of the *hhc* philosophy, attract excellent global human talent, and enhance the morale of the corporate officers in performing their duties.
 - Compensation for corporate officers shall be determined with emphasis on the performance and results obtained as a result of implementing business activities for realizing an *hnceco* company as stipulated in the Articles of Incorporation. This increases the acceptability as compensation for management.
 - Compensation for corporate officers shall be based not only on short-term performance based on annual results, but also on strong incentives for corporate officers to enhance the Company's corporate value, achieve social good, and contribute to social sustainability over the mid- and long-term. In this way, the Company will broadly meet the expectations of stakeholders and contribute to the realization of the Company's corporate concept.
 - Compensation for corporate officers shall be determined by setting appropriate performance targets and incentives that balance "risk, return, and impact" (*1), with objective and appropriate evaluation criteria and a transparent and fair process. This will encourage corporate officers to challenge themselves and provide fair and meaningful compensation, as well as accountability to stakeholders.
(*1) risk (active investment of resources in R&D, etc.), return (company-wide financial performance indicators), and impact (social impact of business activities)
- ii. Outline of the new compensation system for corporate officers
 - Compensation for corporate officers shall consist of basic compensation (fixed amount) and performance-related compensation (variable), meaning bonuses and stock-based compensation.
 - Compensation for corporate officers is set by global job grade (*2) in order to be competitive and reflect the importance and responsibility of the corporate officers' duties, and the level of compensation is set at the mid-to-high end of the industry.
(*2) A standard that indicates the magnitude of responsibility required for a job and determines compensation.
 - Performance-related compensation should be set so that the higher the job grade, the higher the percentage of total compensation.
 - Performance-related compensation shall be structured to fully reflect company-wide performance as management compensation, and the ratio of performance-related compensation to total compensation shall aim to be at least 50%. The performance-related compensation will adopt a system in which the results of the corporate officers' business execution will be evaluated using new indicators, based on the concept of evaluating the results from the perspectives of risk, return, and impact.

- The bonus shall be the sum of the bonus determined based on the degree of achievement of company-wide performance targets (Bonus A) and the bonus determined based on the degree of achievement of individual performance targets (Bonus B), and the ratio of the base amount of calculation between Bonus A and Bonus B shall be 5:5.

The achievement of company-wide performance targets for Bonus A will be determined based on a "risk, return and impact" assessment and will range from 0 to 250%.

The level of achievement of individual performance goals for Bonus B shall be determined based on the evaluation of individual performance goals, including goals related to the realization of the corporate identity stipulated in the Articles of Incorporation, represented by the realization of the social good, and shall be paid in the range of 0 to 150%.

Based on the above, the corporate officers' bonuses shall range from 0 to 200%.

- The Company will introduce a stock-based compensation system that is linked to mid-to long-term business performance and consists of a portion to be granted during service in office and a portion to be granted upon retirement from office. The ratio of the number of shares to be delivered during service and upon retirement will be 7:3. The portion of shares to be delivered during service will be determined based on ESG EBIT, relative PBR and non-financial company-wide performance targets, and will range from 0 to 150%.

2. Revision of the Stock Compensation System Introduced in Fiscal 2013 (the "Stock Compensation System") and Additional Contribution to the Officers' Compensation BIP Trust

In response to the revision of the compensation plan, the Company will revise the Stock Compensation System as follows and make additional contributions to the Officers' Compensation BIP Trust (the "Trust") introduced in 2013 after changing the Trust period. The details of the revised Stock Compensation System are as follows.

(1) Outline of the Stock Compensation System

The Stock Compensation System is a stock-based compensation system for directors and corporate officers, under which the Company's shares are acquired through a trust funded by the amount of compensation for directors and corporate officers contributed by the Company, and through which the Company's shares and money equivalent to the conversion price of the Company's shares (the "Company's Shares and Equivalent") and an amount equivalent to dividends generated by the Company's shares are delivered and paid (the "Distribution"). The period under the Stock Compensation System shall be three fiscal years from the fiscal year ending on the last day of March 2024 to the fiscal year ending on the last day of March 2026.

(2) Resolution by the Compensation Committee Relating to the Revision of the Stock Compensation System and Resolution of the Board of Directors relating to the Trust

Since the Company has adopted a Nomination Committee System, the compensation of directors and corporate officers is determined through the Compensation Committee. Therefore, the Compensation Committee adopted a resolution to revise the Stock Compensation System and, thereafter, the Board of Directors also adopted the necessary resolutions to determine the amount of money to be contributed to the Trust, the number of shares to be acquired by the Trust, and

other necessary matters.

(3) Subjects of the Stock Compensation System (Beneficiary Requirements)

The subjects of the Stock Compensation System are the directors and corporate officers of the Company, and by completing the prescribed procedures to confirm their status as Beneficiaries, they are eligible to receive the Company's Shares, etc. each July during the Trust Period on the condition that the following Beneficiary requirements have been met:

<Portion to be delivered upon retirement>

- a) During the Trust Period, director or corporate officer must be a party to an engagement contract with the Company;
- b) Resignation from any of the Company's directors or corporate officers;
- c) The number of shares to be delivered is determined by the Compensation Committee through the calculation formula set forth in (5) below; and
- d) Certain acts of misconduct have not been committed.

<Portion to be delivered during service >

- a) During the Trust Period, the corporate officer must be a party to an engagement contract with the Company;
- b) The corporate officer must not retire or resign from the Company during the term set forth in the Articles of Incorporation;
- c) The number of shares to be distributed is determined by the Compensation Committee through the calculation formula set forth in item (5) below; and
- d) Certain acts of misconduct have not been committed.

(4) Post-revision Trust Period

The Trust after the revision will be established by amending and adding to the trust currently established under the Stock Compensation System before the Amendment (the "Existing Trust") for a trust period of three years from August 1, 2023 (scheduled) to the end of July 2026 (scheduled) (the "Post Revision Trust Period"). With respect to the Existing Trust, although the Company's shares were acquired under the Stock Compensation Plan before the revision, the Company's shares remaining in the Existing Trust ("Remaining Shares") and money ("Remaining Money") shall be utilized during the post-revision trust period, as the period starting from fiscal 2022 will be reduced from three fiscal years to one fiscal year.

At the end of the Trust Period, the Stock Compensation System can be continued by extending the Trust Period and adding trusts, in accordance with a resolution of the Company's Compensation Committee and Board of Directors.

In the event of such additional trust, any Remaining Shares and Remaining Money in the trust assets at the end of the trust period prior to the extension, if any, shall be succeeded to the Trust to be extended. This extension of the trust period is not limited to a one-time extension, and the trust period can be extended in the same manner thereafter.

(5) Number of Shares to be Distributed to the Directors and the Corporate Officers (including the number of shares subject to conversion to cash)

The number of shares to be distributed to the directors and the corporate officers (including the number of shares subject to conversion to cash) is to be calculated in accordance with the

following formulas for the "portion to be delivered upon retirement" and the "portion to be delivered during service in office". In the event of a stock split or reverse stock split of the Company's shares, the number of the Company's shares to be delivered will be adjusted in accordance with the split ratio, reverse stock split ratio, etc.

Directors

< Portion to be delivered upon retirement >

Number of shares to be delivered upon retirement = Base stock compensation amount by director ÷ Base stock price (*3)

Corporate Officers

< Portion to be delivered upon retirement >

Number of shares to be delivered upon retirement = Base stock-based compensation by job grade × 30% ÷ Base stock price (*3)

< Portion to be delivered during service in office >

Number of shares to be delivered during service = Base stock-based compensation by job grade × 70% ÷ Base stock price (*3) × Performance achievement (*4)

(*3) The base stock price shall be the higher of either the average amount (any fraction less than one yen shall be rounded up) of the closing prices (the "Closing Price") of the Company's common stock in regular trading on the Tokyo Stock Exchange on each day (excluding days on which no trading is conducted) of the month containing the Additional Trust Date (May 31, 2023 (scheduled)) or the closing price on the Additional Trust Date (if no closing price on that day, the closing price on the immediately preceding trading day)

(*4) Performance achievement is evaluated and determined by the Compensation Committee based on the achievement of the Company's ESG EBIT, relative PBR and non-financial and other corporate performance targets for each fiscal year. This determines the share delivery ratio for the number of shares to be delivered at the time of the service, which ranges from 0 to 150%.

(6) The Method and Period of the Distribution of the Company's Shares and Equivalent to the Directors and Corporate Officers

Directors and corporate officers who fulfill the Beneficiary Requirements shall receive, in principle, 50% of the Company's shares to be delivered, and for the remaining half shall receive payment of the monetary amount equivalent to the shares converted to cash after they are converted within the Trust. The timing for such Distribution is as follows:

< Portion to be delivered upon retirement >

In principle, upon retirement of directors and corporate officers, they shall receive Distribution of the Company's shares and Equivalent in a number equivalent to the number of shares delivered upon retirement accumulated during their term of office.

< Portion to be delivered during service in office >

In principle, corporate officers shall receive Distribution of the Company's shares and Equivalent in July every year during the Trust Period.

It is provided that the directors and corporate officers of the Company will continue to hold the Company's shares they receive by distribution during their term of office and until one year passes after leaving office.

If a director or a corporate officer dies during the Trust Period, in principle, with respect to the number of all of the Company's shares for which the Distribution, etc. was determined at such time, the heirs of such director or corporate officer shall receive payment from the Trust of the monetary amount equivalent to the shares converted to cash after they are converted within the Trust.

(7) Amount of Trust Money to be Additionally Entrusted to the Trust and the Number of Shares to be Additionally Acquired by the Trust

The amount of trust money to be additionally entrusted to the Trust and the number of shares to be additionally acquired by the Trust shall be calculated as follows.

Amount of trust money to be additionally entrusted to the Trust:

JPY 1,097,910,000 (*)

*The amount of the total of the above additional trust amount and the Residual Money succeeded from the existing BIP Trust will be allocated to the funds for acquiring shares for the Trust, Trust compensation, and Trust expenses.

Number of shares to be additionally acquired by the Trust:

139,000 Shares (*)

*The number of shares of the total of the above number of shares to be additionally acquired by the Trust and the Residual Shares to be succeeded from the existing BIP Trust will be the number of shares of the Company's Shares and Equivalent, for which the Distribution to Directors and Corporate Officers is expected during the Trust Period of the Trust.

The amount of money to be additionally entrusted to the Trust will be calculated taking into consideration the amount of compensation of the directors and corporate officers as well as the Trust compensation and Trust expenses.

The number of shares to be additionally acquired shall be set to the level required for distributions in the event of the highest attainment of Company-wide performance objectives, with reference to the present stock price level and the present composition of the directors and corporate officers.

(8) The Method of Acquiring the Company's Shares through the Trust

After extension, the acquisition of the Company's shares by the Trust is scheduled to be conducted by way of the disposal of the Company's treasury stock, in accordance with the number of additionally acquired shares and amount of money for the share acquisitions stipulated in item (7) above.

(9) Exercise of Voting Rights with Regard to the Company's Shares within the Trust

In order to ensure the neutrality of the Trust's management, the voting rights of the Company's shares in the Trust are not to be exercised during the Trust Period.

(10) Handling of the Dividends relating to the Company's Shares within the Trust

In light of the fact that the Distribution of the Company's shares and Equivalent for retirement portion will be made at the time of retirement, in order to further raise awareness of contribution to sustainable enhancement of corporate value over the mid- to long-term, dividends paid for the Company's shares in the Trust will be, as well as used for trust fees and trust expenses of the Trust after the Trust receives them, paid to the beneficiaries together with the Company shares and Equivalent for Distribution in proportion to the number of the Company shares for Distribution (including shares to be converted into cash) from the Trust.

(11) Handling of the Trust at its Expiration

If there are any Residual Shares at the expiration of the Trust Period due to Company-wide performance objectives not being attained during the Trust Period or for other reasons, the Trust will continue to be used as the System or an incentive plan similar thereto by extending the trust agreement and making additional trusts. If the Trust will end due to the expiration of the Trust Period, as a means for sharing and boosting the earnings per share for the shareholders, a gratis transfer of such Residual Shares shall be conducted from the Trust to the Company and the Company is scheduled to cancel the Residual Shares in accordance with a resolution of the Board of Directors.

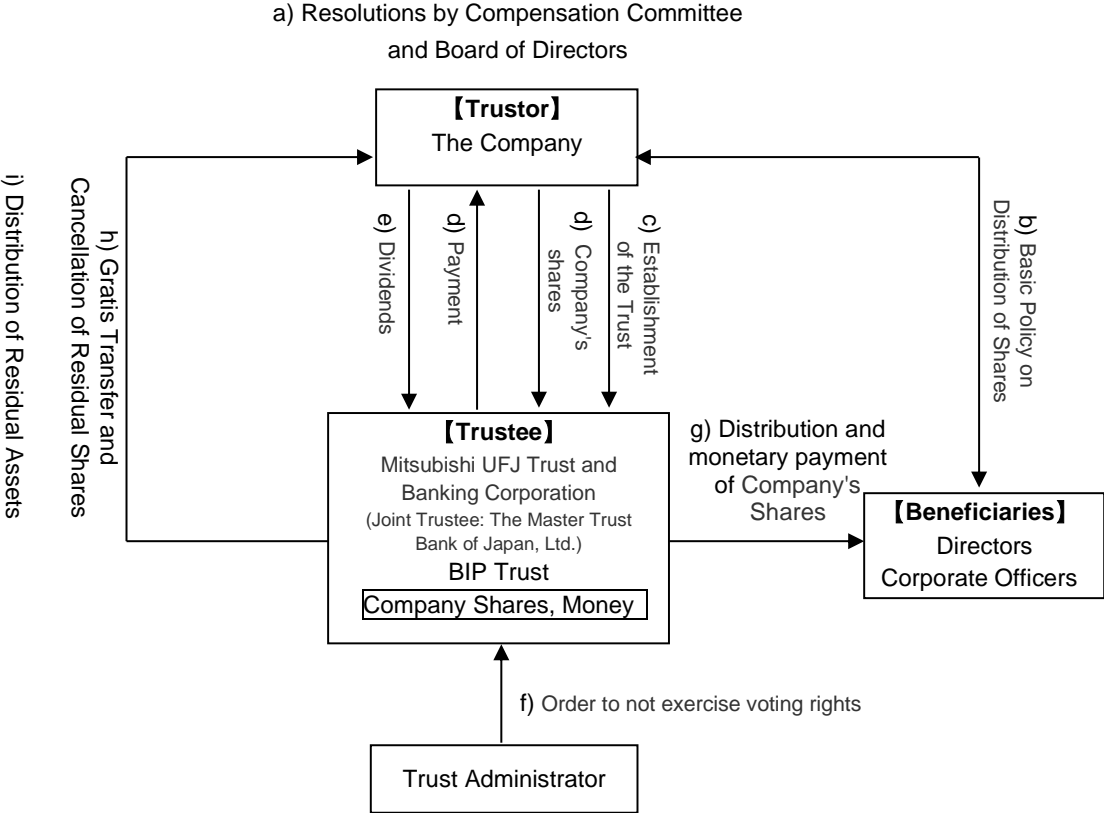
Furthermore, the balance of the dividends related to the Company's shares within the Trust that exist at the expiration of the Trust Period will be utilized as share acquisition funds if the Trust will continue to be used, but if the Trust will be terminated due to the expiration of the Trust Period, the amount that exceeds the Trust expense reserves are expected to be donated to organizations which have no conflict of interest with the Company or the Company's directors or corporate officers.

【Details of Trust Agreement】

- a) Type of trust: Monetary Trust other than a specified solely administered monetary trust (Third Party Beneficiary Trust)
- b) Purpose of trust: Granting incentives to the directors and corporate officers of the Company
- c) Trustor: The Company
- d) Trustee: Mitsubishi UFJ Trust and Banking Corporation
(Joint Trustee: The Master Trust Bank of Japan, Ltd.)
- e) Beneficiaries: Directors and corporate officers satisfying the requirements to become Beneficiaries
- f) Trust Administrator: A third party having no conflict of interest with the Company
(Certified Public Accountant)
- g) Trust Agreement Date: May 29, 2013

- h) Trust Period: From May 29, 2013 to July 31, 2025 (scheduled to be extended until the end of July 2026 by a change to the trust agreement dated May 31, 2023)
- i) Post-extension System Commencement Date: August 1, 2023 (scheduled)
- j) Exercise of Voting Rights: No voting rights shall be exercised
- k) Types of Shares Acquired: Company's common stock
- l) Amount added to the Trust JPY 1,097,910,000 (including trust compensation and trust expenses)
- m) Share Acquisition Date: June 5, 2023 (scheduled)
- n) Method of acquiring shares: By way of disposal of the Company's treasury stock
- o) Rights Holder: The Company
- p) Residual Assets: The residual assets that may be received by the Company, which is the rights holder, shall be within the trust expenses reserves equal to the trust money minus the amount for the share acquisition.

2. Outline of the Trust



- a) Since the Company has adopted a Nomination Committee System, the Compensation Committee first adopted a resolution to revise the Stock Compensation System, and then the Board of Directors adopted a resolution to dispose of treasury stock in accordance with the Stock Compensation System.
- b) In continuing the Stock Compensation System, the Company has established the Basic Policy on Distribution of Shares related compensation of directors and corporate officers.
- c) The Company will extend the trust period of the trust which will appoint as beneficiaries those directors and corporate officers who meet the beneficiary requirements (such trust hereinafter the "Trust" and such beneficiaries hereinafter the "Beneficiaries") in accordance with the resolutions of the Compensation Committee and the Board of Directors as described in item a), and thereafter the Company will entrust additional money.
- d) In accordance with the instructions of the Trustee, the Trust will receive the allotment of the Company's shares (disposal of treasury stock) by the money additionally entrusted in accordance with item c) and the money that remains in the existing Trust. The number of shares the Trust is to acquire shall be set by way of resolution of the Board of Directors in accordance with the resolution of the Compensation Committee as described in item a).
- e) Distributions of dividends with respect to the Company's shares within the Trust will be made similar

to other shares.

- f) Voting rights for the Company's shares within the Trust shall not be exercised during the Trust Period.
- g) During the Trust Period, the directors and corporate officers who meet the beneficiary requirements will receive a certain proportion of the Company's shares and the monetary amount equivalent to the shares converted to cash that can be obtained by converting a certain proportion of the Company's shares, based on Company-wide performance attainment for each fiscal year.
- h) If there are any residual shares at the expiration of the trust period due to Company-wide performance objectives not being attained during the trust period, etc., the Trust will continue to be used as the Stock Compensation Plan or an incentive plan similar thereto by extending the trust agreement and making additional trusts, or such shares will be transferred, gratis, from the Trust to the Company, and will be cancelled by way of a resolution of the Board of Directors.
- i) Upon the termination of the Trust, the residual assets, after the distribution to the Beneficiaries is completed to the extent that trust expense reserves remain after deducting the stock acquisition funds from the trust money, will belong to the Company. In addition, any amount in excess of the trust expense reserves will be donated to organizations which have no conflict of interest with the Company or the Company's directors or corporate officers.

(Note) If there are no longer any Company's shares in the Trust due to the distribution of the Company's shares or payment of the monetary amounts equivalent to the shares converted for cash to directors and corporate officers that meet the Beneficiaries requirements, the Trust will end before the trust period expires. Furthermore, the Company may entrust additional money to the Trust acquire additional Company shares or trust compensation and to meet Trust expenses.

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