

FOR IMMEDIATE RELEASE

May 15, 2023

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Notification Regarding the Disposal of Treasury Stock through Third-Party Allotment in Accordance with the Revision of the Stock Compensation System (Officers' Compensation BIP Trust)

At the Board of Directors meeting held on May 15, 2023, Eisai Co., Ltd. (Headquarters: Tokyo; Representative Corporate Officer and CEO: Haruo Naito; hereinafter "the Company") resolved to dispose of treasury stock (by means of third-party allotment) and revise the Officers' Compensation BIP Trust in accordance with the revision of the Stock Compensation System (hereinafter the "System") for its directors and corporate officers as determined by the Compensation Committee of the Company.

1. Overview of Disposal

(1) Date of disposal	June 5, 2023
(2) Number of shares being disposed of	139,000 shares of common stock
(3) Disposal price	JPY 7,970 per share
(4) Disposal price total aggregate amount	JPY 1,107,830,000
(5) Disposal method	Third-party allotment
(6) Allottee	The Master Trust Bank of Japan, Ltd. (Trust Account for Officers' Compensation Board Incentive Plan (BIP))
(7) Other	This disposal of treasury stock shall be conditional upon the coming into force of the notification in accordance with the stipulations of the Financial Instruments and Exchange Act.

2. Purpose and Reasons for the Disposal

The Company has adopted a Nomination Committee System, and the Compensation Committee thereof determines the compensation of directors and corporate officers. In the Compensation Committee meeting, the Compensation Committee of the Company has resolved to revise the compensation system for directors and corporate officers from fiscal 2023, including the System.

For an overview of the compensation system for officers, please refer to the "Notification Regarding the Revision of the Compensation System for Directors and Corporate Officers and Stock

Compensation System (Officers' Compensation BIP Trust) and Additional Contribution" announced today.

This disposal of treasury stock refers to the disposal of common shares held as treasury stock to The Master Trust Bank of Japan, Ltd. (Trust Account for Officers' Compensation Board Incentive Plan (BIP)), which is a joint trustee of the Officers' Compensation Board Incentive Plan (BIP) Trust Agreement concluded by the Company with Mitsubishi UFJ Trust and Banking Corporation (hereinafter the "trust agreement", and the trust which is established based on the trust agreement shall be hereinafter referred to as the "trust"), by means of third-party allotment in accordance with the revision of the System.

The number of shares to be disposed of is the number of shares expected to be issued to the directors and corporate officers of the Company during the trust period in accordance with the Basic Policy on Distribution of Shares (including paying a monetary amount equivalent to part of the shares converted to cash after the Company's shares are converted within the trust; same hereinafter). The level of share dilution is equal to 0.05 percent of the issued and outstanding shares (rounded off to two decimal places, and 0.05 percent of the total 2,865,580 voting right units as of the end of March 2023), which is minimal.

In addition, the Company believes that the shares of the Company allotted through this disposal of treasury stock shall, as a rule, be issued to the directors and corporate officers of the Company in accordance with the Basic Policy on Distribution of Shares, and that there will only be a minor impact on the secondary trading market for the Company's shares. Accordingly, the Company has determined that disposal of the treasury stock will have only an extremely minor impact on such secondary market, and that the disposal is therefore reasonable.

Overview of the trust agreement

Type of trust:	Monetary trust other than a specified solely administered trust (third-party-benefit trust)
Purpose of trust:	Granting incentives to the corporate officers of the Company
Trustor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	Corporate officers meeting the requirements to become beneficiaries
Trust administrator:	A third party with no vested interest in the Company (certified public accountant)
Trust agreement date:	May 29, 2013
Trust period:	May 29, 2013 to July 31, 2025 (scheduled to be extended until July 31, 2026 through revision of a trust agreement dated May 31, 2023)
Post-extension system start date:	August 1, 2023 (scheduled)
Exercise of voting rights:	No voting rights shall be exercised

3. Basis for calculation of the disposal price, and the specific contents

In light of the recent fluctuations in the market price of the Company's shares, in order to determine the disposal price in a non-arbitrary fashion, the Company will determine the disposal price as being the higher of either (i) the closing price of the Company's shares traded on Tokyo Stock Exchange, Inc. (hereinafter "the Tokyo Stock Exchange") on the business day immediately preceding the date of the Board of Directors meeting at which the resolution for this disposal was adopted, or (ii) the average

closing price of the Company's shares traded on the Tokyo Stock Exchange during the one-month period immediately preceding the date of the Board of Directors meeting at which the resolution for this disposal was adopted (i.e., from April 13, 2023 to May 12, 2023).

As a result, the disposal price per share has been set at JPY 7,970, which is the closing price of the Company's shares traded on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors meeting at which the resolution for this disposal was adopted (102 percent of the average closing price (JPY 7,825) of the Company's shares traded on the Tokyo Stock Exchange during the one-month period (April 13, 2023 to May 12, 2023) immediately preceding the date of the Board of Directors meeting at which the resolution for this disposal was adopted).

The reason for adopting the disposal price through a comparison of (i) the closing price of the Company's shares traded on the Tokyo Stock Exchange on the business day immediately preceding the date of adoption by the resolution at the Board of Directors meeting and (ii) the average closing price of the Company's shares traded on the Tokyo Stock Exchange during the one-month period immediately preceding the date of adoption by the resolution at the Board of Directors meeting, is that the Company believes that adopting the disposal price through a comparison of the average share price over a given period rather than basing the decision on the share price at one particular point in time is a reasonable basis for calculation.

The Audit Committee of the Company has expressed its opinion that the adoption of the higher of either (i) the closing price of the Company shares traded on the Tokyo Stock Exchange on the business day immediately preceding the date of adoption by the resolution at the Board of Directors meeting, or (ii) the average closing price of the Company's shares traded on the Tokyo Stock Exchange during the one-month period immediately preceding the date of adoption by the resolution at the Board of Directors meeting (April 13, 2023 to May 12, 2023) as the disposal price is a reasonable basis for calculating the disposal price, and that it is not particularly favorable.

In addition, the relevant price per share represents a 105 percent rate of deviation from the average closing price, rounded down to the nearest JPY 7,571, on the Tokyo Stock Exchange during the three-month period immediately preceding the date of adoption of the resolution at the Board of Directors meeting (February 13, 2023 to May 12, 2023), or a 98 percent rate of deviation from the average closing price, rounded down to the nearest JPY 8,136, on the Tokyo Stock Exchange during the six-month period immediately preceding the date of adoption of the resolution at the Board of Directors meeting (November 14, 2022 to May 12, 2023).

4. Procedures under the Business Code of Conduct

Because the stock dilution resulting from this transaction is less than 25 percent, and because this disposal does not involve a change in controlling shareholder, it is not necessary to obtain an opinion from an independent third party or to confirm the will of the shareholders as stipulated in Rule 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

End of document