

FOR IMMEDIATE RELEASE

May 13, 2022

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Notification Regarding the Disposal of Treasury Stock through Third-Party Allotment in Accordance with the Continuation of the Performance-Related Stock-Based Compensation System

At the Board of Directors meeting held on May 13, 2022, 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) in accordance with continuation of the performance-related stock compensation system (hereinafter the “System”) for its Corporate Officers as determined by the Compensation Committee of the Company.

1. Overview of disposal

(1) Date of disposal	June 2, 2022
(2) Number of shares being disposed of	61,000 shares of common stock
(3) Disposal price	¥5,645 per share
(4) Disposal price total aggregate amount	¥344,345,000
(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 company with a Nomination Committee, etc., system, and the Compensation Committee thereof determines the compensation, etc., of Directors and Corporate Officers. In the Compensation Committee meeting held on May 13, 2022, the Compensation Committee of the Company decided to continue utilizing the System that was launched in FY2013 as a strong incentive for Corporate Officers to execute their duties and to increase their motivation to enhance the Company's medium/long-term corporate value. Accordingly, the compensation system for

Corporate Officers will continue to be composed of “basic compensation,” a performance-related “bonus,” and “stock compensation.”

For a summary of the System, please refer to the “Notification Regarding the Continuation of the Performance-Related Stock-Based Compensation System,” which was 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 continuation of the System.

The number of shares to be disposed of is the number of shares expected to be issued to the 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 0.02 percent of the issued and outstanding shares (rounded off to two decimal places, and 0.02 percent of the total 2,864,399 voting right units as of the end of March 2022), 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 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 the 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 (scheduled to be changed as of May 30, 2022)
Trust period:	May 29, 2013 to July 31, 2022 (scheduled to be extended until July 31, 2025 through revision of a trust agreement dated May 30, 2022)
Post-extension system start date:	August 1, 2022 (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, 2022 to May 12, 2022).

As a result, the disposal price per share has been set at ¥5,645, which is the average closing price of the Company's shares traded on the Tokyo Stock Exchange during the one-month period (April 13, 2022 to May 12, 2022) immediately preceding the date of the Board of Directors meeting at which the resolution for this disposal was adopted (amounts less than ¥1 rounded down; 105 percent of the closing price (¥5,389) 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).

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, 2022 to May 12, 2022) as the disposal price is a reasonable basis for calculating the disposal price, and that it is not particularly favorable.

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.

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